



2024

**JOHNSON
HEALTH TECH
SUSTAINABILITY
REPORT**

JOIN
HAPPINESS
TRUST

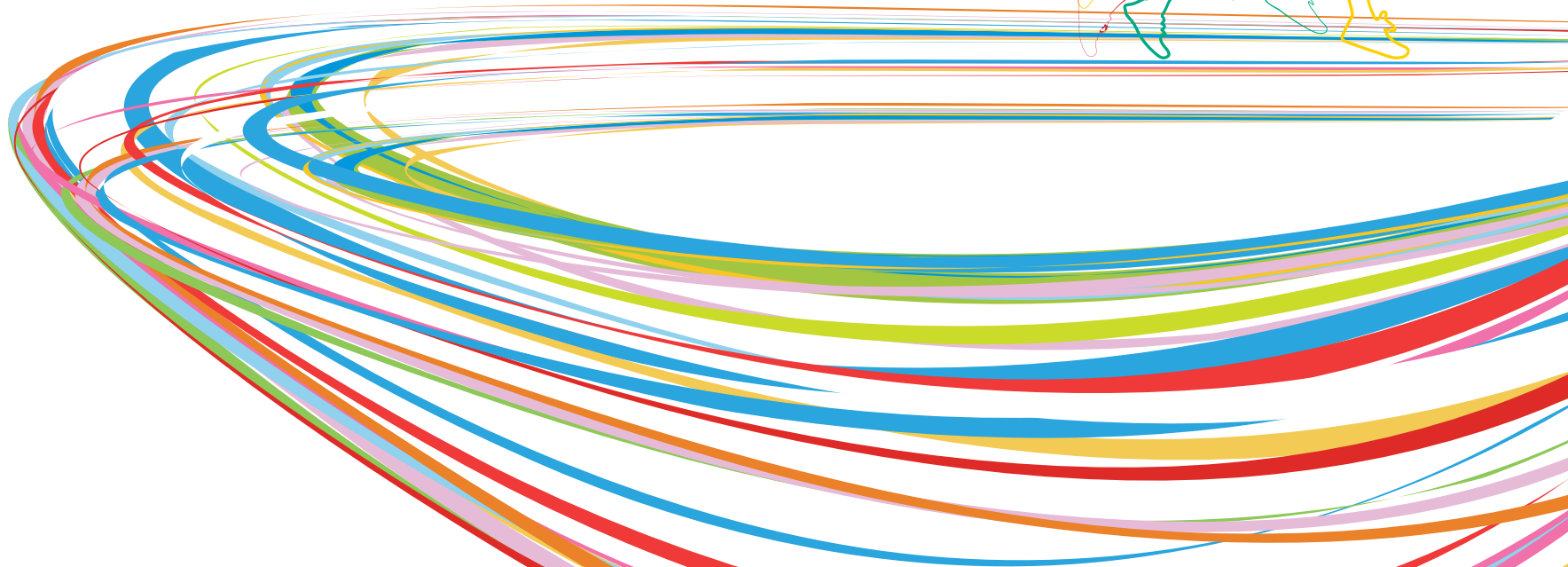
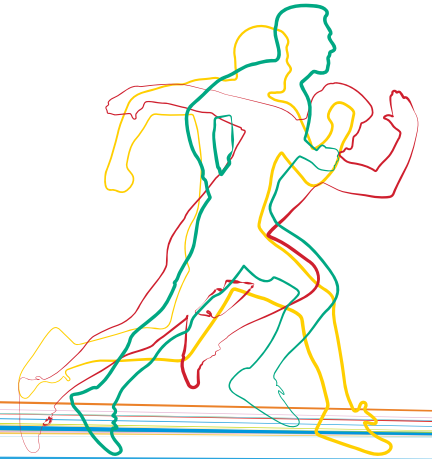


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Message from the CEO 2-22

The year 2024 marked a pivotal milestone for Johnson Health Tech in advancing our global expansion and sustainable growth strategies. This year, we successfully completed the acquisition of the BowFlex consumer brand portfolio, which includes well-known brands such as BowFlex, Schwinn, and JRNY. This strategic investment has significantly strengthened our presence in the home fitness market. Through this acquisition, we not only integrated BowFlex's industry insights and technological expertise, but also substantially expanded our product portfolio—delivering a more comprehensive, diverse, and technology-driven range of fitness solutions to users worldwide. This achievement underscores our long-standing commitment to promoting public health and creating a holistic fitness lifestyle experience for all.

Despite ongoing global geopolitical and economic uncertainties in 2024, including rising geopolitical tensions, frequent extreme weather events, and increased supply chain disruptions, inflationary pressures and a persistently high interest rate climate that constrained overall consumer spending, Johnson Health Tech demonstrated resilience and agility in navigating the volatile environment. Nonetheless, supported by our solid operational foundation and adaptive market strategies, we delivered strong performance: consolidated annual revenue reached NT\$47.785 billion, representing a robust year-on-year growth of 25.5%. This accomplishment not only reflects our unwavering commitment to pursuing high-quality growth, but also reaffirms the strong global recognition and trust in the Johnson brand.

Friendly Environment

For nearly half a century, Johnson Health Tech has remained true to its founding values, upholding the highest standards of quality and ensuring excellence for customers around the world. We recognize that sustainable development is fundamental to long-term corporate competitiveness. In the face of global climate challenges, we have proactively mapped out our greenhouse gas (GHG) emissions reduction pathway and collaborated closely with supply chain partners to amplify our collective impact—steadily progressing toward our goal of achieving net-zero emissions by 2050. We are committed to minimizing the environmental and ecological impacts of our production processes. Since 2002, we have implemented the ISO 14001 Environmental Management System and led the industry in developing energy-efficient products. In 2023, we conducted carbon footprint assessments for nine products, analyzing emissions across each stage of the product life cycle to identify further decarbonization opportunities. In 2024, Johnson initiated its first Scope 3 GHG inventory to gain deeper insights into supply chain emissions, demonstrating our forward-looking approach to net-zero sustainability.

Understanding the significant responsibility businesses bear toward the environment, we continue to enhance our localized production strategy—improving supply chain efficiency while effectively reducing carbon emissions from cross-border transportation. In product design and manufacturing, we prioritize life cycle extension, focusing on durability and reparability. We actively incorporate recyclable and eco-friendly materials to reduce the consumption and waste of single-use resources. Additionally, we have

revamped our packaging practices by significantly reducing plastic usage, adopting biodegradable paper materials, and simplifying packaging designs to minimize waste at the source and enhance recyclability for consumers. In the future, Johnson will continue to strengthen comprehensive environmental management across the entire product lifecycle—from raw material sourcing to end-of-life disposal—by implementing systematic strategies to promote energy conservation and carbon reduction, thereby fulfilling its commitment to environmental sustainability.

Effective Governance

In terms of corporate governance and global expansion, Johnson continues to uphold the philosophy of "globalized operations with localized management." Our overseas subsidiaries primarily hire local talent and fully respect local regulations and cultural norms, reflecting our commitment to embracing regional diversity and inclusion. Meanwhile, Johnson actively pursues vertical integration across global markets, establishing a comprehensive service chain encompassing product R&D, manufacturing, sales, and after-sales service. With over 450 retail locations worldwide, we provide an end-to-end service model to ensure that customers receive high-quality products and professional support in a timely manner. To enhance our sustainable governance framework, Johnson formulated the "Sustainability Information Management Guidelines" in 2024, establishing standardized disclosure procedures and internal control mechanisms. In alignment with regulatory requirements, we also incorporated "Management of Sustainability Information" as a new item in the following year's internal audit plan. These measures aim to improve the transparency and reliability of disclosed information and demonstrate our commitment to accountability toward stakeholders.

Giving Back to Society

In terms of social engagement, Johnson has long been committed to promoting the development of sports. In 2024, in addition to continuing our sponsorship of university-level sporting events, we expanded our support to include sponsorship of professional baseball games in Taiwan. These efforts aim not only to promote a nationwide culture of physical activity, but also to actively support the sustainable development of grassroots and professional sports. We firmly believe that promoting a healthy lifestyle is not only a corporate mission, but also a key initiative in building a sustainable society.

To further this vision, we launched the Welltivity online fitness and wellness platform last year, which integrates digitalized professional coaching and nutritional guidance into consumers' daily lives—demonstrating our core belief of "technology-driven health, people-centered care." This year, we piloted Welltivity internally by encouraging employees to use its features, which combine exercise tracking with health management functions. This initiative fosters regular exercise habits and gradually cultivates a "health-from-within" corporate culture. Furthermore, in 2024, we conducted our first-ever employee engagement survey, laying the foundation for deeper internal participation and stronger organizational cohesion, underscoring our diversified efforts to promote health and sustainability values.

Looking ahead, Johnson will continue to grow through innovation and heritage, while staying aligned with global and domestic sustainability trends. Through active implementation and committed goal-setting, we strive to become a trusted global partner in supporting healthy and sustainable lifestyles.

Johnson Health Tech

Key Sustainability Performance Highlights



In 2024

Completed carbon footprint assessments for **9** products



Achieved **6.6%** of total electricity consumption from solar power generation

In 2024

Completed Scope 1 and Scope 2 greenhouse gas inventories for the parent company, two Shanghai factories, and Vietnam factory; initiated the inventory of Scope 3 emissions



Proposed a packaging improvement plan for the Onyx product series to increase the proportion of paper-based materials; paper-based packaging now accounts for over **93%** of the series, and polystyrene foam has been fully eliminated



Obtained **27** new patents



Responded to customer complaints within 24 hours, achieving a **100%** case resolution rate



Implemented the ISO 45001 Occupational Health and Safety Management System



Through the digital brand Welltivity, launched a diverse range of fitness programs, reaching over **50,000** participants in health promotion initiatives

100%

Achieved a 100% completion rate for performance evaluations of all full-time employees

100%

Ensured **100%** of new hires completed 380 minutes of training within their first three months

Invested **NT\$ 4 million** in sponsorships for sports development initiatives, including team training, marathons, and campus sports events

Partnered with the Warm Breeze Foundation for the fifth consecutive year, contributing approximately **NT\$ 2.5 million** to support educational programs in rural areas

Supported the national team's participation in the Paris 2024 Olympics by sponsoring sports equipment to local governments, and was honored with the "Friend of Diplomacy Contribution Award"



No material violations of laws or regulations were recorded

The proportion of female directors and independent directors each **exceeded 25%**

Achieved a **100%** completion rate for domestic and international supplier evaluations at the Taiwan factory

82% of key suppliers have signed the "Sustainable Development Commitment"



Awards and Honors



- ▶ Received the 2024 Friend of Diplomacy Contribution Award from the **Ministry of Foreign Affairs**
- ▶ Recognized as an Outstanding Enterprise in the 2024 **"Occupational Health and Safety Indicators Voluntary Disclosure Assessment"** for Corporate Sustainability Reporting
- ▶ Awarded the Silver Prize in the **"Happy Enterprise"** awards organized by 1111 Job Bank
- ▶ Awarded one of the **Top 25 International Brands from Taiwan** for the **19th** consecutive year by the Industrial Development Bureau, Ministry of Economic Affairs, and internationally recognized brand valuation agencies

- ▶ The Matrix Total Body Cycle was honored with the **32nd** Taiwan Excellence Award
- ▶ The 2024 MATRIX Onyx Collection received the highest rating in the aerobic training **equipment category from bodyLIFE**
- ▶ The 2024 HORIZON Bench received the **Good Design Award**
- ▶ The 2024 HORIZON Bench was awarded the Best Product by the **German Institute for Product and Market Evaluation**

2024 Plus X Award

- ▶ Most Innovative Brand of the Year (MATRIX)
- ▶ Best Product Series of the Year (MATRIX Onyx Collection)
- ▶ Innovation, High Quality, Design, Ease of Use, Ergonomics Award (MATRIX Onyx Collection)
- ▶ Best Product of the Year (MATRIX Total Body Cycle)
- ▶ Innovation, High Quality, Design, Ease of Use, Functionality, Ergonomics Award (MATRIX Total Body Cycle)
- ▶ Best Product of the Year (HORIZON Bench)

2024 Greek Fitness Awards

- ▶ Brand of the Year (MATRIX)

Gold Award

- ▶ Cardio Fitness Equipment (MATRIX)
- ▶ Hotel Fitness Equipment (MATRIX)
- ▶ Innovative Fitness Program (MATRIX Sprint 8)
- ▶ Fitness App (MATRIX Community 360)
- ▶ Best Cardio Fitness Equipment (MATRIX Performance Plus Treadmill with Touch XL)

Silver Award

- ▶ Professional Fitness Brand (MATRIX)
- ▶ Weight Training Equipment (MATRIX Ultra Series with ITC)

Bronze Award

- ▶ Best Functional Training Equipment (MATRIX Connexus)

Gold/Platinum Award

- ▶ After-Sales Service (MATRIX)

Company Profile

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Operational Overview

As a globally renowned fitness equipment company, Johnson Health Tech adheres to the core values of Sincerity, Expertise, and Initiative, and is committed to advancing the health and wellness industry. We provide high-quality products and services, and strive to create shared value for our customers, employees, and society. We are actively expanding our presence in the fitness equipment market, with products categorized into commercial and home-use segments. Johnson has established itself as a leading brand in the commercial fitness equipment sector and will continue to develop the end-user market to meet the diverse needs of various customer segments, thereby maintaining its competitive edge. In addition, we are continuously launching integrated hardware and software platforms to drive innovation in business models and reinforce our leading position in both the commercial and home-use markets.



Company name	Johnson Health Tech	Number of employees at headquarter	As of December 31, 2024, the total number of employees was 1,286 .
Location of headquarter	Taiwan (No. 999, Sec. 2, Dongda Rd., Daya Dist., Taichung City)	Paid-in capital	NT\$3,033,946,170
Date of establishment	October 7, 1975	Ownership structure and legal form	Johnson Health Tech is a corporation (Company Limited by Shares) and has been listed on the Taiwan Stock Exchange since January 9, 2003, under the stock code 1736.
Primary products and services	As a listed company in the biotechnology and medical industry, Johnson Health Tech primarily engages in the manufacturing, sales, and domestic and international distribution of fitness equipment, cardiopulmonary training machines, weight training machines, electric massage chairs, and related components such as motors, meters, and electronic control panels.		

Note: The total number of employees refers to the headcount at the corporate headquarters and includes permanent employees, contract and dispatched workers, as well as consultants. This figure does not include personnel employed by regional distributors.

Our Brand

Johnson Health Tech has established operational sites and distribution partners across the globe to provide products and services to customers in various regions. Through a portfolio of diverse brands, we offer customers a wide range of choices to meet different needs and preferences.

MATRIX

MATRIX, as a world-leading fitness brand, is committed to serving fitness enthusiasts at both home and commercial facilities. By combining dynamic performance, sleek design, advanced features, exclusive training programs, and durability proven through years of rigorous use, MATRIX redefines the professional training experience.

FUJIIRYOKI

With over 60 years of history, FUJIIRYOKI is a premier health and beauty brand and the first company to mass-produce massage chairs. Today, it is recognized as the world's leading Japanese massage chair brand. The product line continues to expand into home-use medical devices and electrolyzed water generators, all aimed at enhancing health and quality of life.

SYNCA

SYNCA Wellness is a luxury wellness brand that serves consumers seeking premium physical and mental relaxation experiences.

HORIZON FITNESS

HORIZON designs home fitness equipment to help individuals around the world achieve their health and wellness goals. Whether users are new to fitness or training for their next major event, HORIZON provides solutions that meet the needs of the entire family.

VISION FITNESS

VISION is known for its multifunctional, high-value fitness equipment, catering to professional retailers and their vertically integrated markets—including hotels, homes, and apartments. Its popular cardiovascular equipment is designed to accommodate a wide range of spaces and budgets.

JOHNSON FITNESS & WELLNESS

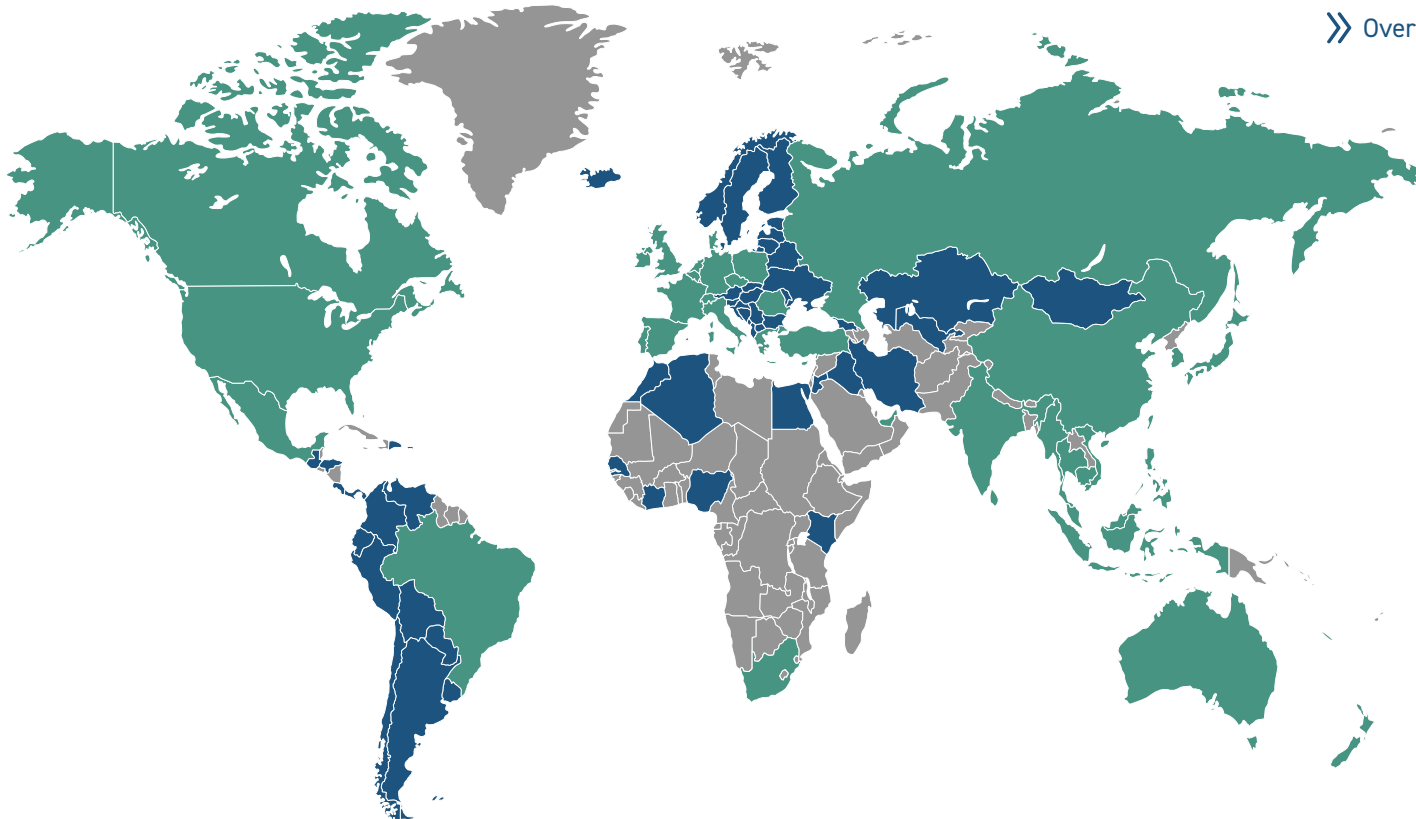
As the world's largest fitness equipment retailer, Johnson Health Tech is dedicated to delivering personalized fitness experiences that inspire people of all ages. We empower individuals to overcome obstacles and break through limits through exercise, helping them become healthier and achieve their ideal physical well-being.

Global Operational Locations

Johnson Health Tech has established a global network of operational sites across regions including North America, China, the United Kingdom, France, Spain, Japan, Thailand, Italy, Malaysia, Brazil, Germany, Australia, Vietnam, Poland, Greece, the Philippines, Dubai, Mexico, Canada, Denmark, Russia, Indonesia, the Czech Republic, Turkey, and South Africa. The Company operates 67 subsidiaries, collaborates with 458 retail distributors, and employs approximately 9,095 people worldwide. We are committed to becoming a leading global force in shaping human health by delivering outstanding fitness and wellness experiences across diverse cultures. Through the promotion of healthy lifestyles and the enhancement of public health and well-being, we aim to lead the world toward a happier, healthier, and more sustainable future.

» Subsidiaries

» Overseas Distributors



Economic Performance

As a global leader in fitness and wellness grounded in family values, Johnson Health Tech demonstrated resilience and agility in the face of the uncertainties and inflationary pressures brought by the international political and economic landscape in 2024. We continued to prudently adjust our operational strategies, deepen the integration of retail and digital channels, and promote diversified commercial partnerships and product innovation to strengthen our global footprint. Through effective teamwork and strategic execution, Johnson Health Tech delivered strong financial performance in 2024, underscoring the strength of our brand and our commitment to sustainable growth.

Annual Production

Unit: pieces

Product Category	Production Volume
Electric Treadmill	246,076
Recumbent Exercise Bike	2,209
Exercise Bike	6,912
Elliptical Machine	47,354
Stepper	500
Rowing Machine	6,818
Other Products(e.g., consoles, fitness equipment accessories)	196,758
Total	506,627

Public Associations 2-28

Organization Name	Position Held
Taiwan Medical And Biotech Industry Association	Member
Taiwan Sporting Goods Manufacturers Association	Member
Taichung Medical Instruments Commercial Association	Member
Shanghai Sports Industry Association	Member
Taichung City General Industrial Association	Member

Financial Performance 201-1

Unit: NT\$ in million

Item		2022	2023	2024
Direct economic value generated	Revenue	33,613	38,070	47,785
Distributed economic value	Operating Costs	19,007	19,642	23,507
	Employee Compensation and Benefits	7,133	8,618	9,782
	Dividends Distributed to Shareholders	182	303	1,213
	Interest Payments to Capital Providers	256	377	350
	Political Contributions	0	0	0
	Income Tax Expense	79	625	1,061
	Social Engagement Expenditures	3	3	6

Note 1:The retained economic value in 2024 amounted to NT\$11,866 million. For detailed financial information, please refer to the Johnson Health Tech 2024 Financial Report.

Note 2:Retained economic value = Direct economic value generated - Distributed economic value. Direct economic value generated refers to revenue; Economic value distributed includes operating costs, employee compensation and benefits, payments to providers of capital, payments to governments (by country), and community investments.

Note 3:Payments to providers of capital include interest expenses, bond interest payments, and share buybacks (subject to confirmation)

Government Subsidy 201-4

Financial subsidies received from government in 2024

Unit: NT\$ thousands

Granting Authority	Subsidy Item	Subsidy Amount
National Development Council	Interest subsidy for loans to Taiwanese Businesses	460.15
Bureau of Labor Insurance, Ministry of Labor	Prenatal checkup salary subsidy	5.06
Bureau of Labor Insurance, Ministry of Labor	Salary subsidy for paternity leave	21.633
Ministry of Finance	Income tax reduction under the Industrial Innovation Act	516.655
Labor Affairs Bureau of Taichung City Government	Subsidy for return-to-work program following occupational injury	158.935
Industrial Technology Research Institute	Subsidy for power and utility equipment in 2023	185
Industrial Technology Research Institute	Subsidy for energy management system equipment	105
Total		1,452.43

Driving Sustainability Management

Sustainable Development Framework 2-11 2-12 2-13 2-14 2-18 2-24

As a globally renowned fitness and wellness equipment company, Johnson Health Tech is committed to creating a high-quality and safe working environment while advancing a technology-driven industry that promotes the health and well-being of all people. Since 2022, we have established a Sustainability (ESG) Committee, chaired by Luo Guang-Ting, Director and CEO of the Company, with department heads serving as committee members. The committee regularly oversees the implementation and effectiveness of sustainability initiatives, in alignment with corporate governance and sustainable development principles. Under the Sustainability Committee, we have formed three dedicated execution teams corresponding to the three Sustainability Execution Teams: Earth sustainability, Happy and Fulfilling Life, and Integrity and Governance. These execution teams are composed of responsible unit heads for each respective ESG topic and are tasked with planning and promoting initiatives to achieve our sustainability goals. Each execution team reports progress regularly to the Sustainability Committee, which in turn reports to the Board of Directors on an annual basis.

Sustainable Development Organization

Responsibilities at each level of the Sustainable Development Organization



Sustainability Committee – Primary Responsibilities

Formulate ESG strategies, oversee the implementation of sustainability initiatives, and review ESG goals and performance.



Sustainability Execution Team – Primary Responsibilities

Develop action plans aligned with ESG strategies, execute initiatives to achieve ESG targets, and regularly report progress to the committee for review.



Execution Team Members

Primarily composed of department heads from the head office responsible for relevant ESG issues, typically at the deputy manager or manager level. Execution team leaders are initially convened by the Sustainability Office.

Johnson Sustainability Promotion Organization



Sustainable Development Strategy 2-22

Johnson Health Tech has been deeply rooted in the fitness and wellness equipment industry for many years, consistently promoting a culture of healthy living. Our vision is to become "the best company in shaping human health", and our mission is to "become the world's largest and best fitness equipment group." Since our establishment in 1975, we have adhered to our core corporate values of Sincerity, Expertise, and Initiative. We are committed to addressing various sustainability issues by incorporating them into our risk assessments and actively responding to the United Nations Sustainable Development Goals (SDGs). To this end, we have formulated three core sustainability strategies: Engage in Earth sustainability, Fostering a Happy and Fulfilling Life, and Integrity and Reliable Governance. These strategies are implemented in practice and are regularly reviewed and reported to the Sustainability Committee to evaluate progress and make necessary adjustments.

Johnson Sustainability Vision



Johnson Sustainability Commitment

- Health**—We are dedicated to advancing the health and wellness industry to safeguard human well-being
- Value**—We strive to deliver the most valuable products and services to meet the needs of our customers.
- Sharing**—We formulate sustainability strategies and goals, working collaboratively with stakeholders to pursue sustainable development and promote shared prosperity with society.

Johnson Sustainable Development Strategy (JHT)



Enhance operational efficiency, develop low-carbon and sustainable products and services, promote sustainable consumption, and demonstrate climate leadership.



Starting from a commitment to human rights, we foster employee capabilities, enhance welfare programs, and strive to create a fulfilling workplace and a more inclusive society.



Strengthen corporate governance mechanisms, uphold accountability to stakeholders, and ensure the integrity and transparency of sustainability disclosures.

Sustainable Development Goals

To achieve its three core sustainability strategies: Engage in Earth sustainability, Fostering a Happy and Fulfilling Life, and Integrity and Reliable Governance, Johnson Health Tech has convened a Sustainability Execution Team to establish short-, medium-, and long-term sustainability goals across various ESG topics. The scope of the sustainability goals covered in this report includes the Johnson Health Tech Group Headquarters, as well as our factories in Taiwan, Shanghai, and Vietnam. We are committed to achieving these goals through the implementation of sustainability action plans, with regular progress reviews and reporting to the Sustainability Committee for oversight, evaluation, and strategic adjustment.

💡 Earth Sustainability Goals Join to Change the World

Sustainability issues	2024 Goals and Achievement Status	Short-term goal (2025)	Medium-term goal (2026-2027)	Long-term goal (2028-2030)	Sustainability Execution Team
R&D and innovation  9.4	- Developed energy-saving BLDC Motor project - R&D expenditure accounted for approximately 2.4% of revenue 15 new patent applications submitted; 24 patents granted	- Develop innovative, energy-efficient products - R&D expenditure accounts for 2.2% of revenue - Submit 15 patent applications	- Develop innovative, energy-efficient products - R&D expenditure accounts for 2.2% of revenue - Submit 15 patent applications	- Increase the revenue contribution from innovative, energy-efficient products - R&D expenditure accounts for 2.2% of revenue - Submit 15 patent applications - Implement an intellectual property management system (e.g., Taiwan Intellectual Property Management System (TIPS), ISO 56005)	 Green Operation Team
Climate Action  13.3	- Conducted greenhouse gas inventories and verifications for the parent company, two Shanghai factories, and Vietnam factory in accordance with the ISO 14064-1 standard. - Established long-term Scope 1 and Scope 2 carbon reduction targets for Johnson Health Tech individual entities - Participated in the international sustainability rating EcoVadis	- Continued to complete GHG inventories and third-party verifications for Johnson Health Tech individual entities - Formulate and implement response strategies based on climate-related risk scenario analysis - Continued engagement and deepened participation in the international EcoVadis sustainability rating	- Continued to complete GHG inventories and third-party verifications for Johnson Health Tech individual entities - Continued engagement and deepened participation in the international EcoVadis sustainability rating - Expand the boundary of GHG inventories and verifications to the entire Group (including domestic and overseas factories and sales offices, aligned with the consolidated financial reporting boundary)	- Plan the establishment of an internal carbon pricing mechanism to quantify carbon reduction performance, enabling more effective financial assessment and target management - Continued improvement based on results from participation in international sustainability assessments - Set 2023 as the base year, with targets to reduce Scope 1 and Scope 2 emissions by 25% by 2030 and achieve net-zero emissions by 2050	 Green Operation Team
Product Quality and Safety  12.5 12.6	- No product recalls occurred. - Commercial product out-of-box defect rates were 0.18% at the Taiwan factory and 0.28% at the Shanghai factory; the household product out-of-box defect rate at the Vietnam factory was 0.57%. 100% of material suppliers have provided signed "REACH Compliance Declarations" and "RoHS Compliance Declarations".	- Zero product recall incidents will occur. - The commercial product out-of-box defect rate will be maintained below 0.3%, and the household product out-of-box defect rate will be maintained below 0.6%. 100% of material suppliers will provide to sign a "REACH Compliance Declarations" and "RoHS Compliance Declarations".	- Zero product recall incidents will occur. - The commercial product out-of-box defect rate will be maintained below 0.3%, and the household product out-of-box defect rate will be maintained below 0.6%. 100% of material suppliers will provide to sign a "REACH Compliance Declarations" and "RoHS Compliance Declarations".	- Zero product recall incidents will occur. - The implementation of relevant safety certification standards for fitness equipment will be evaluated. - The commercial product out-of-box defect rate will be maintained below 0.3%, and the household product out-of-box defect rate will be maintained below 0.6%. 100% of material suppliers will provide to sign a "REACH Compliance Declarations" and "RoHS Compliance Declarations".	 Green Operation Team

Sustainability issues	2024 Goals and Achievement Status	Short-term goal (2025)	Medium-term goal (2026-2027)	Long-term goal (2028-2030)	Sustainability Execution Team
Customer complaint management	- Upon receiving customer complaints, the factory responded to the subsidiary within 24 hours - Upon receiving repair requests, the subsidiary completed the repairs within 48 hours - The factory achieved a 95% closure rate for complaints from subsidiaries and a 100% completion rate for satisfaction surveys	- The first-time repair completion rate will reach 98% (to avoid repeat repairs) - Repair requests received by subsidiaries will be completed within 48 hours (120 hours for household products) - The factory will achieve a 95.5% closure rate for complaints from subsidiaries and a 100% completion rate for satisfaction surveys	- The first-time repair completion rate will reach 98% (to avoid repeat repairs) - Repair requests received by subsidiaries will be completed within 48 hours (120 hours for household products) - The factory will achieve a 95.5% closure rate for complaints from subsidiaries and a 100% completion rate for satisfaction surveys	- The first-time repair completion rate will reach 98% (to avoid repeat repairs) - Repair requests received by subsidiaries will be completed within 48 hours (120 hours for household products) - The factory will achieve a 96% closure rate for complaints from subsidiaries and a 100% completion rate for satisfaction surveys	 Social Care Team
Energy Management  7.2 7.3	- Continued implementation of existing energy-saving measures reduced the unit electricity consumption of products at the Taiwan factory by 1% - The volume of green electricity generated (and sold to Taipower) reached 6.6% of the factory's total electricity consumption	- Plan to implement the ISO 50001 Energy Management System and establish relevant energy management regulations - Plan to install additional renewable energy generation equipment (e.g., solar panels) and will continue to implement existing energy-saving measures, with green electricity generation expected to exceed 10% of total electricity consumption	- Plan to implement the ISO 50001 Energy Management System and establish relevant energy management regulations - Continue to implement existing energy-saving measures, with green electricity generation expected to exceed 10% of total electricity consumption	- ISO 50001 Energy Management System certification will be obtained - Continue to implement existing energy-saving measures, with green electricity generation expected to exceed 10% of total electricity consumption	 Green Operation Team
Water Resource Management  6.3 6.4	- The Taiwan factory completed process improvements to reduce water consumption and conducted an evaluation of the process water recycling and reuse program - Water conservation measures were implemented, the water withdrawal intensity per NT\$1,000 of revenue decreased by 17.3% compared to the previous year.	- Water conservation initiatives will be implemented, and per capita water use intensity will decrease by 1% compared to the previous year - The process water recycling and reuse rate will be improved, and a target reuse rate will be established	- Water conservation initiatives will be implemented, and per capita water use intensity will decrease by 1% compared to the previous year - The process water recycling and reuse rate will be improved, and a target reuse rate will be established	- Plan to implement the ISO 46001 Water Efficiency Management System - Water conservation initiatives will be implemented, and per capita water use intensity will decrease by 1% compared to the previous year	 Green Operation Team
Waste Management  12.5	- A reduction target for packaging material waste was established - A plan to increase the use of paper-based packaging for the Onyx product series was developed - Due to organizational changes and the addition of new processes (turn-mill line and welding line), a comprehensive waste tracking system was implemented, along with source classification and inventory of waste	The proportion of paper-based materials used in product packaging will continue to increase, and packaging will be designed with volume minimization in mind to reduce overall packaging material usage	- The proportion of paper-based materials used in product packaging will continue to increase, and packaging will be designed with volume minimization in mind to reduce overall packaging material usage - A product unit waste weight indicator will be established, with 2025 set as the base year	- The proportion of paper-based materials used in product packaging will continue to increase, and packaging will be designed with volume minimization in mind to reduce overall packaging material usage - Through design optimization and process improvements, the product unit waste generation will be reduced by 1% annually compared to the base year	 Green Operation Team
Biodiversity  15.2	- Relevant issues are being continuously monitored - Johnson Health Tech's commitment to biodiversity is being consistently disclosed	- Relevant issues are being continuously monitored - The commitment to biodiversity conservation is being continuously disclosed	- Relevant issues are being continuously monitored - The commitment to biodiversity conservation is being continuously disclosed	Continue to disclose its commitment to biodiversity conservation, and plan to adopt the TNFD framework to identify nature-related risks and opportunities, and to develop corresponding management policies and response strategies	 Sustainability Office

Create Your Happiness

Sustainability issues	2024 Goals and Achievement Status	Short-term goal (2025)	Medium-term goal (2026-2027)	Long-term goal (2028-2030)	Sustainability Execution Team
Talent Attraction and Retention  8.5 8.6	- The employee engagement survey response rate exceeded 90% - The voluntary employee turnover rate was below 18% - The proportion of female employees reached over 32%	- The employee engagement survey response rate will exceed 90% - The voluntary employee turnover rate is below 18% - The proportion of female employees is over 32%	- The employee engagement survey response rate will exceed 90% - The voluntary employee turnover rate is below 18% - The proportion of female employees is over 32% - Establish a commitment to proportion of local labor employment	- The employee engagement survey response rate will exceed 90% - The voluntary employee turnover rate is below 18% - The proportion of female employees is over 32% - Establish a commitment to proportion of local labor employment - Implement long-term incentive measures and plans (e.g., equity-based compensation schemes)	 Social Care Team
Talent Development  8.6	- Relevant competency training programs were planned and conducted based on the needs of each department - The completion rate of mandatory employee training courses reached 90% - External continuing education programs related to job competencies were subsidized, with 3 employees receiving financial support annually (A total of 84 individuals received subsidies during the year.)	- Competency training programs will be planned and conducted based on the specific needs of each department - The completion rate of mandatory employee training courses will reach 90% - External continuing education programs related to job competencies will be subsidized, with 3 employees receiving financial support annually	- Competency training programs will be planned and conducted based on the specific needs of each department - The completion rate of mandatory employee training courses will reach 95% - External continuing education programs related to job competencies will be subsidized, with 3 employees receiving financial support annually	- The completion rate of mandatory employee training courses will reach 100% - External continuing education programs related to job competencies will be subsidized, with 5 employees receiving financial support annually	 Social Care Team
Human Rights  5.1 5.2  10.2 10.3 10.4	- The existing human rights policy was enhanced based on the findings of the human rights due diligence - Human rights-related topics were communicated regularly with stakeholders	- The existing human rights policy will continue to be enhanced based on the findings of human rights due diligence - Human rights-related topics are communicated regularly with stakeholders - The scope of human rights due diligence will be expanded to include suppliers	- The existing human rights policy will continue to be enhanced based on the findings of human rights due diligence - Human rights-related topics are communicated regularly with stakeholders - The scope of human rights due diligence will be expanded to include suppliers	Human rights-related topics are communicated regularly with stakeholders	 Social Care Team  Green Operation Team

Sustainability issues	2024 Goals and Achievement Status	Short-term goal (2025)	Medium-term goal (2026-2027)	Long-term goal (2028-2030)	Sustainability Execution Team
Occupational Health and Safety  	- Implemented the ISO 45001 Occupational Health and Safety Management System project - The occupational injury rate remained below 1.5 - The achievement rate of occupational health and safety training hours reached 100% - Employees were encouraged to participate in company-sponsored clubs to promote physical and mental well-being	- Implementation of the ISO 45001 Occupational Health and Safety Management System will be completed - The occupational injury rate will remain below 1.5 - The achievement rate of occupational health and safety training hours will reach 100% - Employees will be encouraged to participate in company-sponsored clubs to promote physical and mental well-being	- Obtain ISO 45001 Occupational Health and Safety Management System certification - The occupational injury rate will remain below 1.5 - The achievement rate of occupational health and safety training hours will reach 100% - Employees will be encouraged to participate in company-sponsored clubs to promote physical and mental well-being	- Pass the ISO 45001 Occupational Health and Safety Management System recertification audit - The occupational injury rate will remain below 1.5 - The achievement rate of occupational health and safety training hours will reach 100% (or the course completion rate will reach 100%)	 Green Operation Team
Social Health              	- The total expenditure on charitable activities reached NT\$6.25 million - Participation in health promotion activities reached 30,000 person-times	- The total expenditure on charitable activities will reach NT\$6.25 million - Participation in health promotion activities will reach 30,000 person-times	- The total expenditure on charitable activities will reach NT\$6.25 million - Participation in health promotion activities will reach 30,000 person-times	- The total expenditure on charitable activities will reach NT\$650 million - Participation in health promotion activities will reach 40,000 person-times	 Social Care Team

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Strategic Pillars : Ethical Governance

Sustainability issues	2024 Goals and Achievement Status	Short-term goal (2025)	Medium-term goal (2026-2027)	Long-term goal (2028-2030)	Sustainability Execution Team
Corporate Governance  16.6 16.7	- The proportion of female directors and independent directors each exceeded 25% - Directors are supported in participating in competency development programs, receiving at least 6 hours of training annually, including a minimum of 2 hours on sustainability-related topics - The attendance rate of the Board of Directors and functional committees reached 97.4% - There were zero major internal audit deficiencies - Corporate website disclosures are continuously improved in line with corporate governance evaluation requirements	- The proportion of female directors and independent directors is maintained at over 25% - Directors are supported in participating in competency development programs, receiving at least 6 hours of training annually, including a minimum of 2 hours on sustainability-related topics - The attendance rate of the Board of Directors and functional committees reaches 100% - Corporate website disclosures are continuously improved in line with corporate governance evaluation requirements - Risk identification and management performance is continuously enhanced - Sustainability information management is incorporated into the annual audit plan, covering 10 key audit items	- The proportion of female directors and independent directors is maintained at over 25% - Directors are supported in participating in competency development programs, receiving at least 6 hours of training annually, including a minimum of 2 hours on sustainability-related topics - The attendance rate of the Board of Directors and functional committees reaches 100% - Corporate website disclosures are continuously improved in line with corporate governance evaluation requirements - Risk identification and management performance is continuously enhanced - At least 2 to 4 new audit items are incorporated based on common deficiency cases	- The proportion of female directors and independent directors is maintained at over 25% - Directors are supported in participating in competency development programs, receiving at least 6 hours of training annually, including a minimum of 2 hours on sustainability-related topics - The attendance rate of the Board of Directors and functional committees reaches 100% - Corporate website disclosures are continuously improved in line with corporate governance evaluation requirements - Risk identification and management performance is continuously enhanced 16-20 sustainability-related audit items are reviewed annually, with audit topics rotated each year to cover different operational focuses	 Operational Governance Team
Ethical Management  16.3 16.5 16.6	- The completion rate of integrity and ethics training for key department employees exceeded 70% (with an actual completion rate of 88% for key employees this year) - The completion rate of supplier integrity advocacy reached 100% (via the Supplier SRM system) - The Ethical Corporate Management Best Practice Principles was approved and adopted by the Board of Directors	- The completion rate of integrity and ethics training for key department employees exceed 80% - The completion rate of supplier integrity advocacy reaches 100% (through the supplier conference)	- The completion rate of integrity and ethics training for key department employees exceed 80% - The completion rate of supplier integrity advocacy reaches 100% (through the supplier conference)	- The completion rate of integrity and ethics training for key department employees exceed 90% - The completion rate of supplier integrity advocacy reaches 100% (through the supplier conference)	 Operational Governance Team  Social Care Team  Green Operation Team

Sustainability issues	2024 Goals and Achievement Status	Short-term goal (2025)	Medium-term goal (2026-2027)	Long-term goal (2028-2030)	Sustainability Execution Team
Economic Performance  8.1 8.2 8.3	- Achieved positive profitability of the year - Enhance operational efficiency - Developed partnerships with various platforms (e.g., Smart TV and telecommunications platforms) to promote health awareness, diversify user engagement and revenue sources, and drive continued growth of the digital business - The diversity of online course offerings was enriched by integrating cross-border and cross-industry resources, delivering a comprehensive service experience to Johnson users.	- Maintain positive profitability - Enhance operational efficiency - Develop partnerships with various platforms (e.g., Smart TV and telecommunications platforms) to promote health awareness, diversify user engagement and revenue streams, and continuously expand the digital business landscape - Enrich the diversity of online course offerings by integrating cross-border and cross-industry resources, delivering a comprehensive service experience to Johnson users	- Maintain positive profitability - Enhance operational efficiency - Develop partnerships with various platforms (e.g., Smart TV and telecommunications platforms) to promote health awareness, diversify user engagement and revenue streams, and continuously expand the digital business landscape - Enrich the diversity of online course offerings by integrating cross-border and cross-industry resources, delivering a comprehensive service experience to Johnson users	- Maintain positive profitability - Enhance operational efficiency - Integrate the needs of partners and users to co-create sustainable value within the industry ecosystem - Advance the integration of physical and digital operations, and holistically build a "Global Total Health and Wellness Industry" through hardware, software, and service innovation	 Operational Governance Team  Social Care Team
Legal Compliance  16.3 16.6	- Regulatory compliance awareness was promoted - The number of legal violations during the year was zero	- Regulatory compliance awareness is promoted - The number of legal violations remains at zero - Anti-corruption law training will be provided to 60% of relevant department personnel	- Regulatory compliance awareness is promoted - The number of legal violations remains at zero - Anti-corruption law training will be provided to 70% of relevant department personnel	- Regulatory compliance awareness is promoted - The number of legal violations remains at zero - Anti-corruption law training will be provided to 80% of relevant department personnel	 Operational Governance Team
Information Security  16.3 16.6	- No information security or personal data breaches occurred during the year - At least 2 information security drills were conducted during the year	- Zero incidents of information security or personal data breaches - At least two information security drills are conducted annually - External network security testing is performed, reviews and continuous improvement - DR Site planning	- Zero incidents of information security or personal data breaches - At least two information security drills are conducted annually - External network security testing is performed, reviews and continuous improvement - DR Site planning	- Zero incidents of information security or personal data breaches - At least two information security drills are conducted annually - External network security testing is performed, reviews and continuous improvement - DR Site planning	 Operational Governance Team

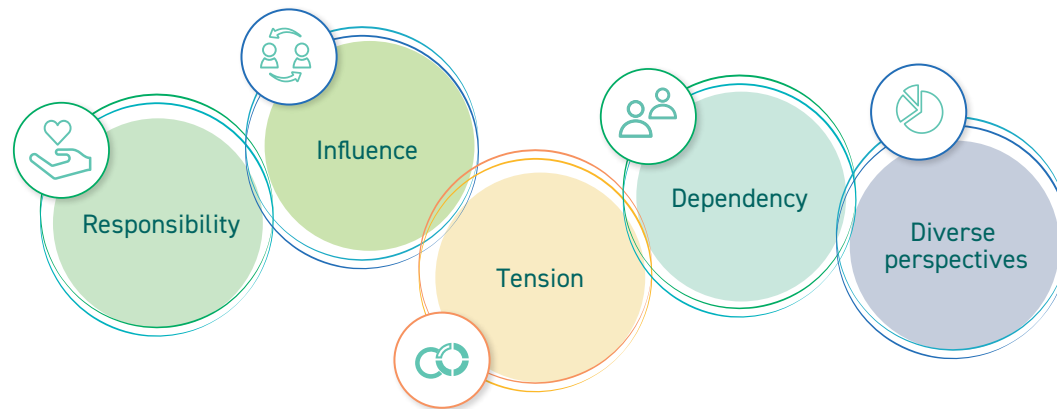
Sustainability issues	2024 Goals and Achievement Status	Short-term goal (2025)	Medium-term goal (2026-2027)	Long-term goal (2028-2030)	Sustainability Execution Team
Tax Policy   16.6 17.1 17.13	Tax information for each country (including subsidiaries) was disclosed, including disclosures for entities in Taiwan, Shanghai, and Vietnam	Tax information for each country (including subsidiaries) is disclosed, with plans to include additional countries (subsidiaries): the top five subsidiaries by sales	Tax information for each country (including subsidiaries) is disclosed, with plans to include additional countries (subsidiaries): the top ten subsidiaries by sales	Tax information for each country (including subsidiaries) is disclosed, with plans to expand the scope to cover all subsidiaries	 Operational Governance Team
Supplier Management   8.3 16.3 16.6	- Monthly and year-end supplier evaluations were completed with a 100% completion rate - The "Supplier Sustainability Commitment" was established and put into effect - Over 50% of key suppliers had signed the Sustainable Development Commitment - All new suppliers will be required to complete the ESG self-assessment questionnaire	- The supplier evaluation completion rate at 100% - Over 50% of key suppliers will have signed the Sustainable Development Commitment - Existing suppliers will be required to complete the ESG self-assessment questionnaire, with a 100% completion rate among key suppliers - Over 50% of key electronics suppliers will have signed the Conflict-Free Minerals Commitment - ESG performance will continue to be enhanced collaboratively with suppliers	- The supplier evaluation completion rate at 100% - Over 50% of key suppliers will have signed the Sustainable Development Commitment - Existing suppliers will be required to complete the ESG self-assessment questionnaire, with a 100% completion rate among key suppliers - ESG performance will continue to be enhanced collaboratively with suppliers	- The supplier evaluation completion rate at 100% - Over 75% of key suppliers will have signed the Sustainable Development Commitment - Existing suppliers will be required to complete the ESG self-assessment questionnaire, with a 100% completion rate among key suppliers - ESG performance will continue to be enhanced collaboratively with suppliers	 Green Operation Team

Stakeholder Engagement 2-12 2-29 3-1

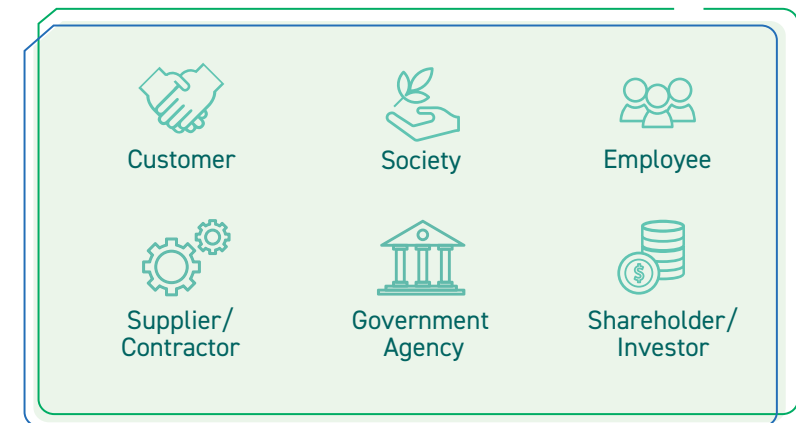
Johnson Health Tech references the Universal Standards, Sector Standards, and Topic Standards issued by the Global Reporting Initiative (GRI), collectively referred to as the GRI Standards. In alignment with the sustainability-related issues and characteristics of the fitness and healthcare equipment industry, the Company has identified six key stakeholder groups. A stakeholder relationship assessment questionnaire was designed based on the five evaluation dimensions outlined in the international AA1000 Stakeholder Engagement Standard (AA1000 SES). The Sustainability Committee and the Sustainability Execution Team were responsible for completing the questionnaire to identify and prioritize the degree of stakeholder engagement. Johnson places great importance on the perspectives of all stakeholders and has established appropriate communication mechanisms through various channels. Stakeholder identification and material topic assessments are conducted biennially, and material sustainability topics identified by stakeholders are disclosed annually in the Sustainability Report. The six primary stakeholder groups identified by Johnson are: customers, government agencies, employees, shareholders/investors, suppliers/contractors, and society.

Stakeholder identification process

The 5 assessment aspects of AA1000 SES



The six primary stakeholders identified



Result of stakeholder identification

Johnson Health Tech places great importance on the opinions provided by all stakeholders. We offer tailored communication and feedback channels for each stakeholder group and actively engage in ongoing dialogue. By embracing diverse perspectives, we broaden our vision and strive to meet the needs of our stakeholders to the greatest extent possible. An annual report on stakeholder engagement activities is also regularly presented to the Board of Directors.

Status of stakeholder engagement

Stakeholders	Communication Channels	Material Topics	Corresponding Chapters
 Customer	Occasionally : - A dedicated contact center and toll-free customer service hotline are available at: 0800-017-360 - The Company's Product Department contact information: +886-4-2566-7100 ext. 1220	- Product Quality and Safety - Information Security - Supplier Management - Economic Performance - Occupational Health and Safety	- About Johnson - Economic Performance 1.2 Product Quality and Safety 2.4 Occupational Health and Safety 3.6 Information Security 3.7 Supplier Management
 Government Agency	Occasionally : - Official Correspondence - Promotional Briefing Session Regularly (in accordance with regulations) / Occasionally : - Announcements posted on the Market Observation Post System (MOPS)	- Ethical Management - Social Health - Product Quality and Safety - Tax Policy - Economic Performance - Waste Management - Talent Attraction and Retention	- About Johnson - Economic Performance 1.2 Product Quality and Safety 1.7 Waste Management 2.1 Talent Attraction and Retention 2.5 Social Health 3.2 Ethical Management 3.4 Tax Policy
 Employee	Occasionally : - Announcements are posted on the Company's internal management platform. - Organize briefing sessions and employee training programs. - The Administrative Department contact information are as follows: - Human Resources: +886-4-2566-7100 ext. 1180 and 1182 - Factory Security: +886-4-2566-7100 ext. 6667 Regularly : - The Employee Welfare Committee meeting is held annually. - Weekly company meetings and monthly meetings are regularly convened.	- Customer Relations - Product Quality and Safety - Ethical Management - Legal Compliance - Information Security	1.2 Product Quality and Safety 1.3 Customer Relations 3.2 Ethical Management 3.3 Legal Compliance 3.6 Information Security

Stakeholders

Communication Channels

Material Topics

Corresponding Chapters



Shareholder/ Investor

Regularly :

- At least one investor relations conference and investor meeting are held quarterly.
- The Company's annual report is publicly disclosed every year.
- The annual general meeting of shareholders is convened every year.

Regularly (in accordance with regulations) / Occasionally :

- Announcements posted on the Market Observation Post System (MOPS)

Occasionally :

- A dedicated shareholder hotline and contact window are established as follows:
 - Shareholder Hotline: +886-4-2566-7100 ext. 1110
 - [May Lo](#), Spokesperson and Vice President of the Company: +886-4-2566-7100
 - [Lin Ching Ni](#), Alternate Spokesperson and Senior Manager: +886-4-2566-7100 ext. 1110

- Product Quality and Safety
- Customer Relations
- Corporate Governance
- Talent Attraction and Retention
- Legal Compliance

- 1.2 Product Quality and Safety
- 1.3 Customer Relations
- 2.1 Talent Attraction and Retention
- 3.1 Corporate Governance
- 3.3 Legal Compliance



Supplier/ Contractor

Regularly :

- An annual supplier conference is held every year.
- Supplier evaluations are conducted monthly and annually.

Occasionally :

- Organize supplier seminars
- Supplier site visits
- Contact information are as follows:
 - Taiwan factory General Manager: +886-4-2566-7100 ext. 2800
 - Material Department: +886-4-2566-7100 ext. 2811
 - Zhongshan branch office: +886-2-2523-9088

- Product Quality and Safety
- Ethical Management
- Economic Performance
- R&D and innovation
- Legal Compliance

- About Johnson - Economic Performance
- 1.1 R&D and innovation
- 1.2 Product Quality and Safety
- 3.2 Ethical Management
- 3.3 Legal Compliance



Society

Occasionally :

- Press conferences
- Press release communication and dissemination
- Feature interviews
- Organize social welfare activities

- Customer Relations
- Economic Performance
- Climate Action
- Corporate Governance
- Tax Policy

- About Johnson - Economic Performance
- 1.3 Customer Relations
- 1.4 Climate Action
- 3.1 Corporate Governance
- 3.4 Tax Policy

Materiality Analysis 3-1

In order to understand the operational impact of various issues on the Company and the degree of influence on stakeholders, Johnson Health Tech regularly evaluates sustainability topics that are material to the Company. The scope of this materiality assessment includes the overall operations and business activities of Johnson Health Tech Group Headquarters, Taiwan factory, as well as the Shanghai and Vietnam factories. We referenced the European Union's Double Materiality Principle and adopted the four-step materiality assessment process outlined in GRI 3: Material Topics 2021. Based on the assessment results of stakeholder impact and sustainability impact, internal discussions were conducted separately on the impact materiality and financial materiality of each sustainability topic. If a topic meets either form of materiality, it is identified as a material topic. Identified material topics are disclosed in the sustainability report, accompanied by the formulation of corresponding management approaches, with regular tracking and adjustment of implementation strategies.

Material topic identification process



Step.1

Understanding the Organizational Context

- Evaluate the organization's operational sites, business activities, as well as its core values and mission.
- Refer to international sustainability guidelines and standards (such as the GRI Standards, SASB, and TCFD), industry characteristics, peers, and benchmark companies to identify and consolidate 20 sustainability topics.



Step.2

Identifying Actual and Potential Impacts

- Six categories of stakeholders were invited to assess the level of impact of sustainability topics. In parallel, senior management evaluated and discussed the potential positive and negative impacts these topics may have on the Company.
- Financial Materiality: The extent of impact on the organization's value.
- Impact Materiality: The extent of impact on governance, economic, environmental, social, and human rights aspects.



Step.3

Assessing the Significance of Impacts

- Stakeholders evaluated the relevance and level of impact of each sustainability topic.
- Senior management evaluates the material impacts of various sustainability issues on the Company's operations and corporate sustainable development, based on their respective influence and significance.
- A total of 176 stakeholders provided feedback, and 20 senior executives participated in the assessment. The overall valid response rate reached 81%.



Step.4

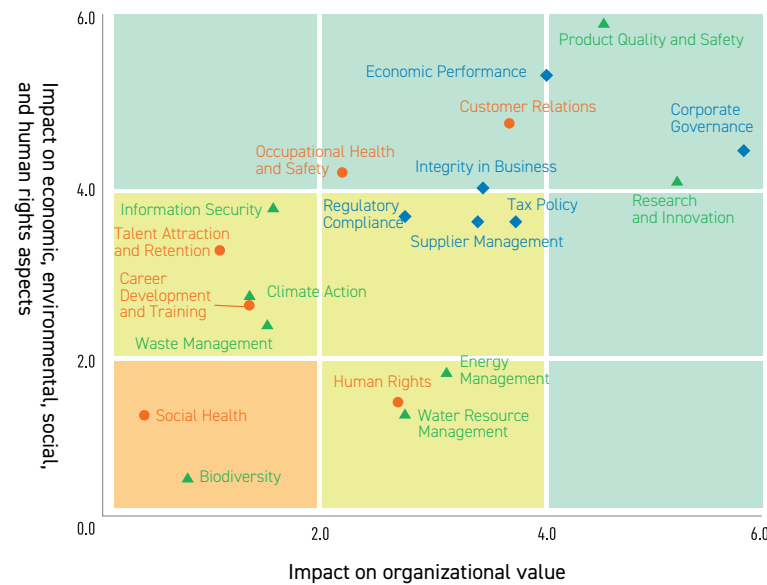
Prioritizing and Determining the Most Significant Impacts for Reporting

- The Company consolidated internal management evaluations of the impact each sustainability topic may have on business operations and ESG development, along with the top five issues of greatest concern to stakeholders. A comprehensive assessment of the impacts across governance and economic, environmental, social, and human rights dimensions was conducted, resulting in the identification of 11 material sustainability topics

Materiality analysis

Johnson Health Tech conducts a materiality assessment of sustainability issues every two years. Compared to the 2023 material topics, one new topic—Information Security—was added in 2024. A total of 11 material topics were identified for 2024, including: Product Quality and Safety, Corporate Governance, Economic Performance, R&D and Innovation, Customer Relations, Ethical Management, Occupational Health and Safety, Supplier Management, Climate Action, and Human Rights. To align with domestic and international sustainability trends and to ensure comprehensive evaluation of Johnson Health Tech's current status and relevant sustainability issues, Information Security has been incorporated as a new material topic.

Material topic matrix



The material topics identified for 2024, in order, are as follows:



Social and Human Rights Aspects

- Customer Relations
- Occupational Health and Safety
- Human Rights



Governance and Economic Aspects

- Corporate Governance
- Economic Performance
- Ethical Management
- Supplier Management
- Information Security



Environmental Aspects

- Product Quality and Safety
- R&D and innovation
- Climate Action



List of Material Topic Impacts

3-2

3-3

Material Topics	Impact Assessment			Impact Activities across the Value Chain ● : Causes, Contributes to, or is Directly related to the Impact			Policies and Implementation Status	Corresponding GRI Standards, SASB Indicators, and the TCFD Framework	Corresponding Chapters
	Types of Impact		Impact Explanation	Upstream Suppliers	Johnson	Downstream Customers/ Distributors			
	Positive	Negative							
Product Quality and Safety	Actual	Actual	The Company manages potential impacts of its products and services on customer health and safety through the development of relevant strategies, product testing, and product quality certifications. Conversely, substandard or defective raw materials may lead to product hazards, resulting in customer losses and negatively affecting the Company's reputation.	●	●	●	Existing Policies To enhance product quality, Johnson Health Tech declares its Group Quality Objectives in the Quality Manual and has established the Hazardous Substances Management Procedures and the Group Rework/Scrap and CPSC (U.S. Consumer Product Safety Commission) Recall Management Standard Operating Procedures to ensure the safety of product users. Management Approach - Through vertical integration across the value chain, all critical components of the products are manufactured in-house by Johnson factories, enabling strict quality control to safeguard consumer interests. - Comprehensive product safety testing is conducted, and multiple safety certifications have been obtained. - Hazardous substance management is strictly implemented, requiring suppliers to sign the RoHS Declaration of Conformity and provide third-party testing reports for substances of very high concern.	GRI 416: Customer Health and Safety GRI 417: Marketing and Labeling CG-TS-250a.1 (1) Number of product recalls; (2) Total units recalled CG-TS-250a.3 Total amount of monetary losses as a result of legal proceedings associated with product safety CG-TS-250a.4 Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	1.2 Product Quality and Safety 1.3 Customer Relations
Corporate Governance	Potential	Actual	To establish an effective corporate governance framework, the Company ensures the efficient functioning of the Board of Directors and its functional committees. This is achieved by enhancing the professionalism and diversity of board members and implementing performance evaluation mechanisms. Such measures strengthen corporate governance and safeguard shareholder rights. Conversely, failure to do so may compromise the interests of shareholders and other stakeholders, ultimately weakening the Company's competitiveness.	●	●	●	Existing Policies Johnson Health Tech has established a comprehensive set of regulations to strengthen corporate governance. These include the Articles of Incorporation, Corporate Governance Best Practice Principles, Rules of Procedure for Shareholders' Meetings, Board of Directors Meeting Rules, Procedures for the Election of Directors and Supervisors, Audit Committee Charter, Compensation Committee Charter, and Regulations for Board Performance Evaluation. These measures serve to strengthen corporate governance. Management Approach - Establish company regulations and codes for the Board of Directors and functional committees, with regular internal audits conducted to ensure compliance and effective implementation. - Convene Board meetings on a quarterly basis, hold at least 4 Audit Committee meetings and at least 2 Compensation Committee meetings annually. - Formulate a Board Diversity Policy, including targets for the proportion of female and independent directors. - Establish a Sustainable Development Committee.	GRI 2: General Disclosures	3.1 Corporate Governance

Material Topics	Impact Assessment			Impact Activities across the Value Chain ● : Causes, Contributes to, or is Directly related to the Impact			Policies and Implementation Status	Corresponding GRI Standards, SASB Indicators, and the TCFD Framework	Corresponding Chapters
	Types of Impact		Impact Explanation	Upstream Suppliers	Johnson	Downstream Customers/ Distributors			
	Positive	Negative							
Economic Performance	Potential	Actual	The Company has established comprehensive strategies and management measures addressing operational overview, financial performance, operating costs, market development, and investment gains and losses. Strong economic performance enables the Company to create long-term and sustainable value. Conversely, poor financial performance may lead to operational difficulties and potential business disruptions.		●		Management Approach Establish corporate growth and profitability targets to promote shared prosperity among customers, employees, shareholders, and society at large.	GRI 201: Economic Performance	About Johnson - Economic Performance
R&D and innovation	Actual	Potential	In response to the rapidly changing demands of the global market, the Company continuously engages in research and innovation to launch a diverse range of new products and services. At the same time, it places great emphasis on intellectual property management to enhance industrial competitiveness and brand value. Conversely, failure to do so may result in a loss of competitive advantage, decreased customer loyalty, and increased risk of intellectual property infringement, which could lead to financial losses and reputational damage.		●	●	Existing Policies Johnson Health Tech has established the Patent Search and Application Procedures to support strategic patent deployment and drive innovation breakthroughs. Management Approach ● Enhance the in-house development and production of key technologies and components, and allocate resources toward the research and development of low-carbon products. ● Establish an intellectual property management system to enable comprehensive oversight of patents, trademarks, design budgeting, and other aspects of intellectual property rights. ● Launch integrated hardware-software platforms and new business models to capitalize on opportunities in digital content development, continuously driving innovation in the home-use market.	Custom Topic - Research and Development Innovation Patents	1.1 R&D and innovation
Customer Relations	Actual	Actual	Communicate with customers regarding services, product information, and market offerings to better understand their needs and enhance product quality, thereby fostering customer relationships and improving satisfaction. Establishing strong relationships with customers contributes positively to the Company's economic performance; conversely, weakened customer loyalty may significantly impact revenue generation.		●	●	Existing Policies Johnson Health Tech has established the "Customer Complaint Handling Procedure" and "Customer Service Operation Procedure," prioritizing customer satisfaction as the highest principle. Management Approach In accordance with a comprehensive customer service operation procedure, establish after-sales service mechanisms and processes, including complaint management, maintenance, and compensation handling.	GRI 418: Customer Privacy	1.3 Customer Relations

Material Topics	Impact Assessment			Impact Activities across the Value Chain ● : Causes, Contributes to, or is Directly related to the Impact			Policies and Implementation Status	Corresponding GRI Standards, SASB Indicators, and the TCFD Framework	Corresponding Chapters
	Types of Impact		Impact Explanation	Upstream Suppliers	Johnson	Downstream Customers/ Distributors			
	Positive	Negative							
Ethical Management	Potential	Potential	This includes organizing various ethical management training sessions, as well as formulating and supervising the implementation of ethical management policies and preventive measures, with regular reporting to the Board of Directors. Furthermore, directors and senior executives are required to sign declarations affirming compliance with ethical management. They assist the Board in upholding commitments to integrity, overseeing internal controls, and ensuring that business activities comply with ethical standards. Conversely, any violations of ethical management may cause significant damage to the Company's reputation.		●	●	Existing Policies To strengthen oversight and control effectiveness, Johnson Health Tech has implemented the "Insider Trading Prevention Procedures" and "Work Regulations" (including whistleblowing and reward-punishment mechanisms) to uphold ethical management. Management Approach ● Establish ethical management requirements, including dedicated reporting channels and reward-punishment mechanisms, to encourage employees to proactively report unlawful activities. ● Provide all new employees with at least 6 hours of ethical management training. Additionally, to strengthen insider trading prevention, conduct both internal and external training courses on insider trading for employees.	GRI 205: Anti-corruption GRI 206: Anti-competitive Behavior	3.1 Corporate Governance 3.2 Ethical Management
Occupational Health and Safety	Potential	Actual	Establish occupational health and safety management measures and policies, including workplace safety maintenance, occupational hazard risk management, employee health programs, and health screenings, to enhance overall employee health and safety. Conversely, failure to implement these measures may result in occupational injuries.	●	●		Existing Policies Johnson Health Tech has established the "Safety and Health Management Plan" and the "Hazard Identification and Risk Assessment Procedures" to implement occupational health and safety management. Additionally, to ensure contractor safety, the company has formulated the "Contractor Safety and Health Management Procedures." Management Approach ● Implemented the ISO 45001 Occupational Health and Safety Management System ● Convene the Safety and Health Committee meetings quarterly on a regular basis. ● Execute 4 major protection plans, conducting health risk identification and hazard assessments. ● Organize occupational health promotion activities.	GRI 403: Occupational Health and Safety	2.4 Occupational Health and Safety

Material Topics	Impact Assessment		Impact Activities across the Value Chain ● : Causes, Contributes to, or is Directly related to the Impact			Policies and Implementation Status	Corresponding GRI Standards, SASB Indicators, and the TCFD Framework	Corresponding Chapters	
	Types of Impact		Impact Explanation	Upstream Suppliers	Johnson				Downstream Customers/ Distributors
	Positive	Negative							
Supplier Management	Potential	Potential	Establish supplier and procurement policies and mechanisms, including supplier qualification management, new supplier selection, existing supplier evaluation and audit systems, as well as delivery and quality control. A comprehensive supply chain policy effectively safeguards product quality. Conversely, inadequate management may compromise product quality and the Company's reputation, potentially resulting in financial losses.	●	●	Existing Policies Johnson Health Tech has established the "Supplier Management Policy" and conducts supplier screening and evaluation in accordance with the "Supplier Selection and Management Procedures," "Supplier Evaluation Guidelines," and the "Supplier Sustainability Code of Practice." Suppliers are required to sign commitment letters to ensure compliance with sustainability management. Management Approach - Establish a Supplier Relationship Management (SRM) system to enhance communication with suppliers. - Formulate the "Johnson Health Tech Sustainability Commitment Letter." - Referencing the Responsible Business Alliance (RBA) standards, implement a "Conflict-Free Minerals Commitment" specifically for electronic suppliers. - Screen new suppliers based on environmental and social criteria, and conduct annual evaluations and audits of existing suppliers.	GRI 204: Procurement Practices GRI 205: Anti-corruption GRI 308: Supplier Environmental Assessment GRI 414: Supplier Social Assessment CG-TS-430 a.1 Social Responsibility Audit of Direct Suppliers (1) Non-conformance Rate; (2) Corrective Action Rate for (a) Priority Non-conformances and (b) Other Non-conformances. CG-TS-430 a.2 Supplier Non-compliance Rate under the Social Responsibility Code (pertaining to Supplier Code of Conduct and Supplier Management) and the subsequent corrective action rate. CG-TS-000.B Manufacturing Volume and Outsourcing Percentage	3.7 Supplier Management	
Climate Action	Potential	Actual	The Company identifies climate change issues that may potentially impact future operations—such as typhoons, heavy rainfall, and various extreme weather events—and establishes corresponding mitigation and adaptation strategies. Relevant indicators and targets are set, including adjustments to working models and emergency response plans, to reduce the impact of climate change on business operations while simultaneously exploring new business opportunities. Conversely, failure to adequately address the risks posed by extreme weather events may lead to operational disruptions and other adverse impacts.		●	Management Approach - Promote ISO 14064 greenhouse gas inventory and verification at the parent company, Shanghai, and Vietnam factories. - Implement ISO 14067 to complete carbon footprint assessments for 9 products. - Deepen the application of the TCFD framework by conducting climate-related risk scenario analyses and quantifying financial impacts.	GRI 201: Economic Performance GRI 302: Energy GRI 305: Emissions TCFD Governance, Strategy, Risk Management, and Indicators & Targets	1.4 Climate Action	

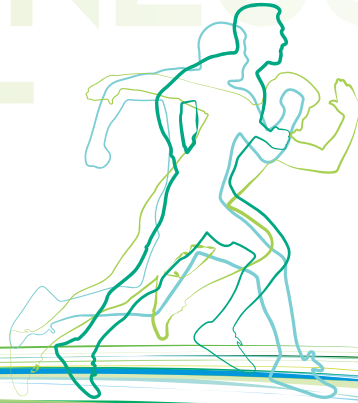
Material Topics	Impact Assessment		Impact Activities across the Value Chain ● : Causes, Contributes to, or is Directly related to the Impact			Policies and Implementation Status	Corresponding GRI Standards, SASB Indicators, and the TCFD Framework	Corresponding Chapters	
	Types of Impact		Impact Explanation	Upstream Suppliers	Johnson				Downstream Customers/ Distributors
	Positive	Negative							
Human Rights	Potential	Actual	The Company implements comprehensive human rights policies and management strategies addressing various issues such as gender equality, child labor, Indigenous peoples' rights, and forced labor. These policies extend to all operational stakeholders, including employees—covering aspects such as equal pay and minority employment—and suppliers, through procurement policies and audit mechanisms. Failure to adequately manage human rights risks may result in violations and reputational damage.	●	●	Existing Policies Johnson Health Tech has established a Group Human Resource Policy that complies with the United Nations Universal Declaration of Human Rights. Additionally, a “Sexual Harassment Prevention and Handling Procedure” has been implemented to eliminate unlawful workplace conduct. Management Approach ● Conduct human rights due diligence for employees at Group Headquarters, Taiwan, Shanghai, and Vietnam factories. ● Establish a Sexual Harassment Complaint Handling Committee. ● Respect the multicultural backgrounds of foreign employees by providing prayer rooms and organizing celebratory events for Southeast Asian festivals on a regular basis.	GRI 202: Market Presence GRI 403: Occupational Health and Safety GRI 405: Diversity and Equal Opportunity GRI 406: Non-discrimination	2.3 Human Rights	
Information Security	Potential	Actual	The Company enhances information security and safeguards trade secrets while strengthening customer privacy protection mechanisms. This includes establishing dedicated units responsible for maintaining internal information security, conducting cybersecurity audits, and managing security equipment. By implementing robust information security systems and enforcing comprehensive information security management, the Company aims to mitigate risks related to system failures or loss of customer data.		●	Existing Policies Johnson Health Tech has established an “Information Security Management Policy” that applies to the Group headquarters, subsidiaries, contracted maintenance vendors, and other authorized users. This policy is designed to prevent improper use or intentional damage to information and communication systems. In the event of misuse, malicious damage, or other emergencies, rapid response and remediation procedures are in place to restore normal operations as quickly as possible, minimizing potential economic losses and operational disruptions. Management Approach ● In response to the European Union's General Data Protection Regulation (GDPR) requirements, engage third-party organizations to conduct Data Protection Impact Assessments (DPIA). ● Appoint a Data Protection Officer (DPO) and establish dedicated SAP hardware data centers in the EU region to comply with information security standards. ● Implement personnel cybersecurity awareness and training, information system security management, information center operation and maintenance, information system and data protection, etc.	GRI 418: Customer Privacy	3.6 Information Security	

1

Chapter



JOIN HAPPINESS TRUST



- 1.1 R&D and innovation
- 1.2 Product Quality and Safety
- 1.3 Customer Relations
- 1.4 Climate Action
- 1.5 Energy Management
- 1.6 Water Resource Management
- 1.7 Waste Management
- 1.8 Biodiversity Management
- 1.9 Management of Factory Operational Environment

Join

Engage in Earth Sustainability

Our Commitment

According to the Global Risks Report 2024 published by the World Economic Forum, extreme weather events rank among the top three global risks in both the short- and long-term outlooks. In response, taking immediate climate action to mitigate these risks is imperative. Johnson Health Tech is actively engaged in the development of low-carbon products and will continue to align with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to enhance our sustainable competitiveness. Driven by our mission to promote human health, Johnson Health Tech is committed to delivering unparalleled quality to meet every consumer need. We provide reliable products through state-of-the-art manufacturing processes and stringent quality controls. Additionally, we have established comprehensive customer service operation procedure, including after-sales service mechanisms and processes, including complaint management, maintenance, and compensation handling, with customer satisfaction as our highest priority.

1.1 R&D and innovation

1.1.1 Breakthroughs in Innovation and R&D

Johnson Health Tech continuously enhances the in-house development and manufacturing of key product technologies and components as one of its core R&D strategies to strengthen cost control advantages. Based on the positioning of our commercial and home-use product lines, we focus on the development of critical technologies and components, with sustained investment in innovation to deliver superior exercise experiences for consumers. In recent years, we have seized opportunities in the digital content space by partnering with telecommunications providers and fitness centers to develop subscription-based fitness services. We have launched integrated hardware-software platforms and new business models, using the transformation of consumer behavior in the home fitness market as a breakthrough point to maintain our market leadership. We continue to optimize the personalized user experience and redefine how users perceive and engage with fitness.

Global R&D Team

Johnson Health Tech's research and development teams are strategically located across Taiwan, China, Vietnam, and North America. We have long been committed to cultivating highly experienced and technically proficient engineering teams to meet the specialized needs of our customers and their expectations for high-quality products. Leveraging robust R&D resources and technological capabilities, we analyze industry trends and integrate market demands to focus our development priorities. A three-year R&D roadmap has been formulated to seize early-mover advantages and establish a strong patent portfolio, aiming to achieve sustainable business operations. In 2024, Johnson Health Tech's R&D expenditure totaled approximately NT\$1.14 billion, representing a 7.5% increase from NT\$1.06 billion in 2023, and accounted for 2.40% of the Company's total revenue in 2024. A total of 447 employees were engaged in R&D activities in 2024, maintaining the same level as in 2023.

and the European Union's Restriction of Hazardous Substances Directive (RoHS) for raw material control. In addition, our products comply with the EU Waste Electrical and Electronic Equipment Directive (WEEE) to ensure proper end-of-life recycling and disposal. To minimize environmental impact, we actively eliminate high-pollution surface treatment processes—such as electrocoating and electroplating—during product design whenever possible.

In 2024, we further optimized production processes through design modifications, reducing process time and thus lowering electricity consumption during manufacturing. By replacing certain raw materials and packaging materials, we also reduced overall product weight, thereby increasing container load efficiency per shipment and enhancing packaging and space utilization. These improvements contribute to the reduction of carbon emissions associated with product transportation.

In response to global trends in energy conservation and carbon reduction, as well as growing customer demand for high-performance equipment, Johnson Health Tech is committed to developing energy-efficient products. Our goal is to enable consumers around the world to improve their physical and mental well-being while simultaneously reducing indirect greenhouse gas emissions generated from electricity consumption during product use—achieving a win-win outcome for both personal health and environmental sustainability. Therefore, in 2024, Johnson Health Tech launched a development project focused on Brushless Direct Current (BLDC) motor technology. BLDC motors are known for their high efficiency, low power consumption, reduced noise, minimal vibration, and extended lifespan. We plan to begin pilot production of BLDC motor-equipped treadmills in 2025, with plans to gradually integrate this technology into our core fitness equipment lineup. This technological advancement is expected to further reduce energy consumption during product usage, extend equipment longevity, and enhance the overall user experience. The project not only demonstrates Johnson Health Tech's strong R&D capabilities in energy-saving technologies but also marks a significant step toward environmental sustainability and low-carbon operations.

Low-Carbon Product Development

Johnson Health Tech incorporates environmental considerations into its product design processes. We adhere to relevant regulations such as the Chinese National Standard CNS 15663

Intelligent Energy-Saving Feature – Energy Saver Mode



Environmental
Protection and
Energy Saving



Quick Wake-Up

Johnson Health Tech integrates environmentally friendly and energy-efficient concepts into product design. When the equipment remains idle for **15** minutes, it automatically enters sleep mode, reducing standby power consumption by over **90%**. At the same time, user convenience is taken into consideration—devices are ready for immediate use upon activation, with the console quickly waking from sleep without the need to manually restart the main power switch located at the lower section of the equipment.

R&D Achievements in the Past Three Years



Developed over **446** types in the whole series
Developed **46** types in 2024

VST600 Weight
Stack



VST600-PL78
glute trainer



VST600-S331



VST600-S70



VST600-FW510



Developed over **421** types in the whole series
Developed **121** types in 2024

GO-S72



Performance and
endurance climbmill



ONYX upright
cycle



ONYX recumbent
cycle



FTR30



ONYX treadmill



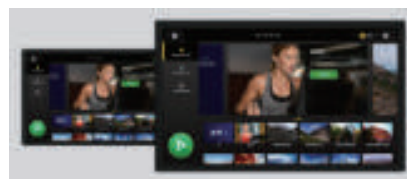
ONYX Ascent trainer



ITC 2.0



ONYX console



Developed over **88** types in the whole series
Developed **34** types in 2024

BowFlex T9 treadmill



Developed over **75** types in the whole series
Developed **0** types in 2024

SYNCA HISHO Massage Chair MR3000



1.1 R&D and
innovation

1.2 Product Quality and
Safety

1.3 Customer
Relations

1.4 Climate
Action

1.5 Energy
Management

1.6 Water Resource
Management

1.7 Waste
Management

1.8 Biodiversity
Management

1.9 Management of Factory
Operational Environment



Developed over **211** types in the whole series
Developed **11** types in 2024

A585 Massage Chair



A375 Massage Chair



Travel Massage Pillow



tak me take msaaage D360



tak me take msaaage C28



Developed over **916** types in the whole series
Developed **16** types in 2024

HPR70 strength rack



Cycle XP



T202-26



Bench HBN70



Horizon Cube HCU30



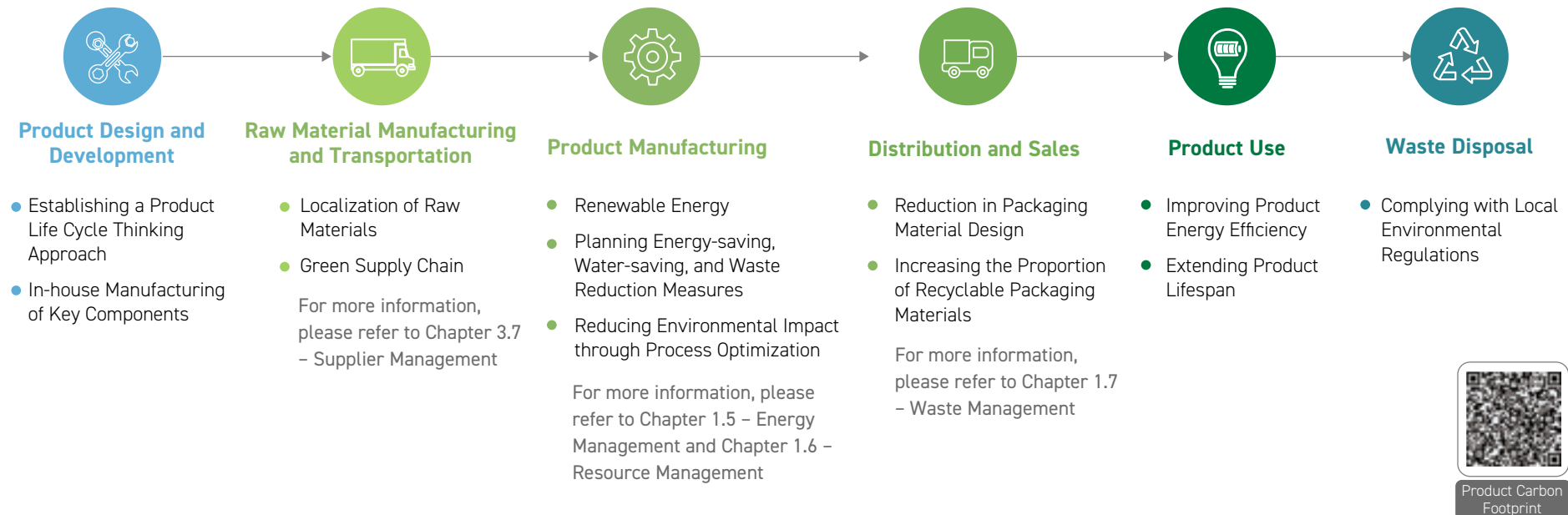
TX-5



1.1.2 Product Life Cycle Assessment

Johnson Health Tech and its value chain partners are united in the mission to protect our green planet. In addition to conducting greenhouse gas inventories and assurance for our operational activities, we have adopted Life Cycle Assessment (LCA) to evaluate product environmental impacts. This process is carried out in accordance with international standards, including ISO 14064-1 for GHG accounting and ISO 14067 for product carbon footprint. The assessment covers the entire product life cycle—from cradle (raw material extraction) to grave (end-of-life disposal)—to calculate the carbon footprint of our products. Our reduction strategy is guided by the principle of minimizing carbon emissions at every life cycle stage. We also identify and prioritize carbon-intensive phases with greater reduction potential, focusing our resources on exploring feasible decarbonization solutions. As part of our shared responsibility with value chain partners to reduce emissions from fitness products, Johnson Health Tech is committed to disclosing the carbon footprint information for key mass-produced product models by 2030. By steadily expanding the scope of our footprint inventory, we aim to ensure that users with diverse fitness needs can understand the environmental impacts of each product across its entire life cycle.

Since 2023, we have completed carbon footprint inventories for mass-produced treadmills, ellipticals, weight training equipment, and massage chairs manufactured at our factories in Taiwan, Shanghai, and Vietnam. We have also planned to proceed with carbon footprint verification. The latest carbon footprint assessment results are published on the Johnson Health Tech official website for stakeholder reference.



In-House Production of Key Components

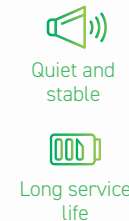
Johnson Health Tech focuses on the development of fitness equipment manufacturing technologies, key components, and core technologies. We independently design and manufacture motors, motor controllers, upper control boards, lower control boards, and generators to enhance component compatibility and overall performance. This integration reduces maintenance needs and costs, while extending product life cycles and minimizing environmental impact through three key factors. These efforts strengthen Johnson Health Tech's position as a global leader in the fitness equipment industry.

Reducing Raw Material Usage



Johnson Health Tech integrates in-house manufactured motors with motor controllers to enhance compatibility. Each motor controller is designed to support multiple motors, thereby streamlining component supply and reducing the need for spare parts inventory.

Extended Product Lifespan



Johnson Health Tech leverages its strong technical capabilities to produce in-house motors that feature high performance, quiet operation, and stable functionality. The motors are specially designed to deliver the required power even at low rotational speeds, significantly extending product lifespan.

Reduced Energy Consumption

With a focus on **environmental protection** and **energy efficiency**, Johnson Health Tech designs its generators to convert kinetic energy into **electricity** through the movement of magnetic coils as users pedal the equipment. This self-generating mechanism supplies power to both the upper and lower control board systems. Once the machine's operational power requirements are met, any surplus electricity can be used to charge users' mobile devices.

The lower control board system efficiently receives and distributes the generated power to the upper control board and resistance system, **thereby optimizing energy utilization**.

1.1.3 Intellectual Property Management

To safeguard its own intellectual property (IP) and respect the rights of others, Johnson Health Tech follows the "Patent Search and Application Procedure" in promoting R&D activities and managing intellectual property. When a department requires patent-related information, it may submit a request to the IP Department. Through the Intellectual Property Case Management System, relevant patent searches, reviews, and analyses can be conducted for specific targets, in order to understand associated patent technologies and/or assess risks of patent infringement, patentability, and validity. The establishment of the Intellectual Property Management System supports Johnson Health Tech in the comprehensive management of intellectual property rights, including patents, trademarks, and designs, enabling more effective budget control, improved



management efficiency, and enhanced decision-making quality. If a particular technology is assessed by the IP Department to possess a certain degree of patentability, a formal patent proposal may be initiated. This proposal must then be submitted for approval by the authorized personnel via official documentation and must be reviewed and decided by the Chief R&D Officer (or higher authority) regarding the filing, granting, and maintenance of the patent.

Johnson Health Tech encourages employees to submit patent applications and has established a Patent Application Incentive Program. Once a patent proposal is approved by the responsible authority, a corresponding monetary reward is granted based on the region or jurisdiction of the patent application. Furthermore, once the patent is officially granted and published by the relevant authorities, an additional Patent Grant Bonus may be awarded. If the granted patent becomes a selling point for a company product, a Patent Contribution Bonus may also be provided.

Statistics of Patent Applications and Grants Over the Past Three Years

Item	2022	2023	2024
Number of patents applied (cumulative)	956	976	999
Number of patents obtained (cumulative)	788	802	829
Number of valid patents (cumulative)	210	203	206
Number of patents in review (cumulative)	38	35	38
Number of patents obtained in the year	17	13	27

Note: The cumulative number of patents under examination includes those that have been officially approved but not yet published or come into effect.

Key Patent Achievements Over the Past Three Years

Number of employees received
the patent bonus

Patent Bonus Amount
Key patent items

2022

3 instances

NT\$ **25,000**

Key patent items

- Treadmill User Detection System
- Virtual Mirror
- Core Mechanism No. 4
(Independent Forward/Backward Motion of Left and Right Massage Nodes)
- Core Mechanism No. 6
(Adjustable Distance Between Left and Right Massage Nodes)
- Stepless Handle Angle Adjustment

2023

7 instances

NT\$ **31,000**

Key patent items

- Upper body cycle (with user-adjustable independent or synchronized left-right handle rotation)
- Touchscreen-Integrated Handlebar
- Color-Changing LED Embedded in Inner Side of Armrest
- Recumbent EP (for lower limb training via specially designed pedal motion trajectory and variable pedal incline)
- For insurance system (verification function and method for exercise equipment and intended exercise use)

2024

6 instances

NT\$ **43,000**

Key patent items

- Treo Daily Virtual Training Software
- Foldable Transport Wheels for Onyx Treadmill
- Exterior Design of the Onyx Series Products
- Inertia Climber
- Mirror Smart Fitness Device
- Climber Machine (Prototype Stage)

1.2 Product Quality and Safety

1.2.1 Product Quality Management 416-1 CG-TS-250a.1 CG-TS-250a.3

As a leading manufacturer of fitness and exercise equipment, Johnson Health Tech employs advanced manufacturing techniques throughout the entire production process—from raw materials to finished products. Through vertical integration of the value chain, every critical component in our products is manufactured in-house, allowing Johnson Health Tech to maintain full control over design and construction. For components not produced internally, a rigorous qualification and review process is implemented to ensure seamless compatibility and performance across all parts.

Johnson Health Tech first obtained ISO 9001 Quality Management System certification in 1996 and has continuously maintained the effectiveness of its ISO 9001:2015 Quality Management System. The Company follows a comprehensive "Quality Manual" to manage product quality and has established a Group Quality Policy, aiming to become a "world-class quality company." We uphold strict quality control standards to safeguard consumer satisfaction. We regularly convene three factories' product meetings, weekly quality reviews, and quarterly quality meetings. Annual targets are set based on multiple key quality performance indicators (KPIs), such as out-of-box (OOB) defect rate, batch defect rate, cost of quality, and customer complaint resolution rate. These KPIs are reviewed monthly by departmental heads to track performance against goals.

Additionally, our products undergo safety testing across various dimensions, including electromagnetic interference and radio frequency compliance, electrical safety, mechanical safety, chemical safety, energy efficiency, and fire resistance. Our products have obtained multiple international safety certifications and regulatory marks, including the European CE mark, North American ETL certification, TÜV safety standard certification, Japan's PSE certification (Product Safety of Electrical Appliance & Material), and Australia's RCM mark (Regulatory Compliance Mark), ensuring the highest standards of product safety and quality.

Product Impact Assessment

Johnson Health Tech conducts a comprehensive assessment of the health and safety impacts of its product and service categories, and adopts systematic measures to address health and safety issues that arise throughout their life cycle:



Risks and Impacts of Products and Services



Inspection Methods



Inspection Frequency

Customer Safety in Product Use	During new product development, product safety requirements are specified in the Product Specification Sheet (PPS). Third-party laboratories are engaged to conduct certifications such as EU CE, and corresponding reports are produced.	In accordance with the product development SOP, safety certification is conducted during pilot production, and relevant documentation is stored within the Company's system.
Low Product Safety Factor	During the new product development process, strength analysis is performed on critical components to determine the design safety factor. Safety factor requirements may vary by region; however, most standards specify that welded components must have a safety factor below 9 ksi, and assembled components below 18 ksi.	Engineers carry out a DFMEA risk assessment, and review findings with the Quality Assurance Department. Items with higher risk ratings are subject to strength analysis, assembly verification, and testing validation.
Non-Compliance with RoHS Standards	Coordinate with material suppliers to carry out the self-declaration process and sign the "RoHS Declaration of Conformity."	In accordance with the "Supplier and Contractor Management Operating Procedures," the Materials Department reviews regulatory updates every two years and requires suppliers to either update their verification reports or submit a revised self-declaration.
Out-of-Box Failure	Based on the Out of Box Breakdown (OOB) data provided by each subsidiary, annual targets are established and OOB achievement rates are calculated to assess the improvement status of each factory.	Regular quality meetings—both weekly and quarterly are held to review, track, and supervise OOB performance across all factories.

Product Recall

To effectively manage product anomalies, repair, and scrapping operations, Johnson Health Tech has established the "Group Market Rework/Scrap and CPSC (U.S. Consumer Product Safety Commission) Recall Management Standard Operating Procedure." This procedure addresses product quality issues by determining whether rework (restoring product functionality through repair) or recall actions are required for quality improvement. When customer-reported quality issues involve operational safety concerns or pose high-risk implications, an internal root cause analysis is conducted during the regular Customer Complaint Review Meeting, followed by the execution of market rework processes. Prior to the meeting, the Customer Service and Quality Assurance teams are responsible for jointly preparing detailed documentation related to the quality issue. This includes verifying the production period, serial numbers, production volume, and shipment quantity of the affected product batch. Depending on the situation, the Group Quality Assurance Department may convene relevant department heads from manufacturing, R&D, and sales to facilitate informed and rigorous decision-making. Thanks to our unwavering commitment to product quality and stringent management practices, Johnson Health Tech has had no product recalls in Taiwan, China, or Vietnam since its establishment. In the event that a product recall becomes necessary in the future, Johnson Health Tech will follow its established customer complaint handling procedures to analyze the issue. Upon confirming that the issue stems from a product quality defect, the Company will initiate the official product recall process to safeguard consumer rights.

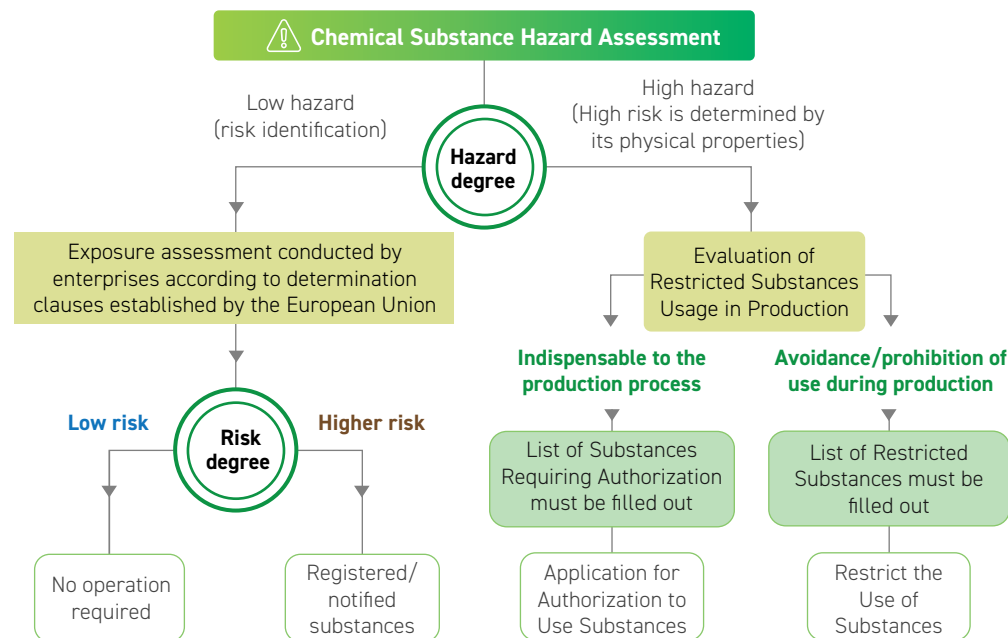
Product Recall Process Flowchart



1.2.2 Hazardous Substance Management CG-TS-250a.4

In response to the environmental regulations of various EU member states, Johnson Health Tech has established the "Hazardous Substance Management Operation Procedure" to regulate substances of very high concern (SVHCs) as defined by the EU REACH Regulation. This procedure outlines the control measures for hazardous substances in products and the corresponding cooperation requirements for suppliers. Its primary objective is to identify whether finished products contain substances that may pose risks to human health or the environment, thereby serving as the basis for notification, buyer and consumer communication, or authorization applications. As part of our commitment to environmental protection and minimizing ecological impact, Johnson Health Tech conducts comprehensive investigations of all materials used in our products—including raw materials, components, parts, packaging materials, and process-related auxiliary materials. We require our suppliers to provide the following documentation: REACH Compliance Declaration, RoHS Declaration of Conformity, and SVHC test reports issued by accredited third-party laboratories.

Hazardous substance management process



Material Compliance Investigation by Product Model

The Materials Department compiles a supplier list based on material categories and requires suppliers to submit the items/materials they manufacture for third-party laboratory testing and analysis of chemical substances. Suppliers are responsible for providing test reports from accredited laboratories, SVHC declaration forms, and REACH compliance statements to Johnson Health Tech. The R&D Department subsequently calculates the SVHC content to assess regulatory compliance. The Quality Assurance Department then conducts incoming material inspection and control in accordance with the "Hazardous Substance Management Operation Procedure." Suspected materials are sent to impartial third-party institutions for further testing. Upon completion of the investigation, the product may proceed to the mass production stage.

1.3 Customer Relations

1.3.1 Customer Communication and Service

Customer feedback serves as a driving force for Johnson Health Tech's continuous improvement. We actively listen to our customers and value every concern they raise. To ensure effective communication, we offer multiple channels, including a toll-free customer service hotline, an official website contact email, and dedicated personnel contact information. We also conduct customer satisfaction surveys. Looking ahead, we plan to regularly review and consolidate the results of these surveys, and establish targets for response coverage and customer satisfaction rates to further enhance our customer service mechanism.

Johnson Health Tech is equipped with a professional and responsive after-sales service team, supported by highly skilled factory-certified technicians. We are committed to maintaining the stability and comfort of product quality by offering comprehensive warranty services and prompt, reliable replacement of genuine parts. Each year, Johnson Health Tech conducts training programs for subsidiaries in different regions to strengthen after-sales service quality and improve customer satisfaction. Moreover, we continue to upgrade our customer self-service platform by developing an online knowledge base that includes product operation videos and launching preventive maintenance programs. These initiatives are part of our commitment to exceeding customer expectations and delivering exceptional customer experiences.

Since 2016, our MATRIX and HORIZON brands have received multiple honors from the Plus X Award in Germany. Initiated by a German product and market research institution, this award recognizes innovative products across sectors such as European engineering, sports, and lifestyle. The evaluation includes the overall user experience, from pre-sales consultation to after-sales service. The continued recognition from users has earned HORIZON the "Best Customer Satisfaction Award" in the fitness equipment category—an achievement that reflects widespread user approval.

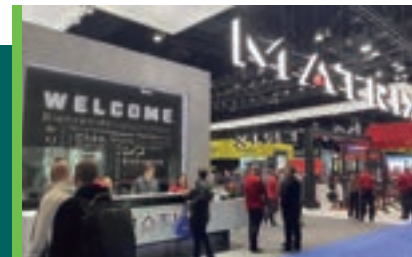
Customer Complaint Handling Process



Customer Base Expansion and Product Promotion

In addition to maintaining strong customer relationships and enhancing the consumer experience, Johnson Health Tech actively promotes new products through international trade exhibitions to expand its customer base and strengthen product visibility in global markets. In 2024, Johnson Health Tech participated in several key exhibitions, including the International Health, Racquet & Sportsclub Association (IHRSA) Expo in the United States and Brazil, as well as FIBO Global Fitness 2024 held in Germany. At the IHRSA expo in the United States, Johnson Health Tech stood out as one of the most prominent fitness brands by showcasing its latest Connected Strength Training solutions and the Sprint 8 GX group training program. Meanwhile, during the FIBO Show in Germany, Johnson Health Tech deployed over a hundred staff members to engage visitors, successfully securing several on-site orders. This proactive approach aims to gain an early market advantage with new product launches and attract new members through state-of-the-art equipment.

International
Health, Racquet
& Sportsclub
Association (IHRSA)
Expo



FIBO Global
Fitness 2024



1.4 Climate Action

To assess the potential impact of climate change on its operations, Johnson Health Tech has, since 2022, aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The Company has established a climate information framework based on the four core elements and engaged various departments in identifying climate-related risks and opportunities relevant to Johnson Health Tech. Based on the assessment results, corresponding response measures and management targets have been formulated.

1.4.1 Task Force on Climate-related Financial Disclosures (TCFD)

Four Core Elements

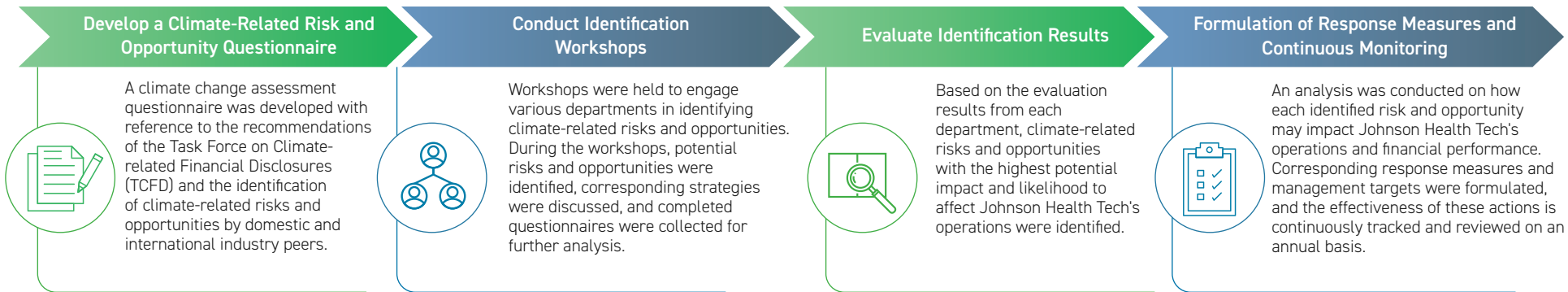
- The Sustainable Development Committee holds regular meetings to oversee the effectiveness of sustainability initiatives and enhance management's awareness of climate-related issues. Together, they assess the significance and likelihood of climate-related risks. A cross-functional collaboration mechanism has been established to develop corresponding strategies and management targets, which are continuously reviewed and adjusted to ensure effective implementation.
- Regularly disclose progress on target achievements in the Sustainability Report.
- In 2024, continue to complete greenhouse gas inventories and obtain third-party assurance for Johnson Health Tech parent company, Shanghai, and Vietnam factories.
- In 2024, continue to complete carbon footprint assessments for 9 products.
- In 2024, the Scope 1 and Scope 2 emission reduction roadmap was established, setting 2023 as the base year, with a target to reduce emissions by 25% by 2030 and achieve net-zero emissions by 2050.



- Conduct cross-departmental discussions to identify short-, medium-, and long-term climate-related risks and opportunities.
- Assess the potential operational impacts posed by material climate-related risks and opportunities to the Company.
- Perform climate-related risk scenario analysis, quantify potential financial impacts, and formulate and implement response strategies based on the analysis results.
- Establish a risk management process to identify climate-related risks and opportunities through matrix analysis.
- Evaluate the integration of climate-related risks into the Company's overall risk management framework.

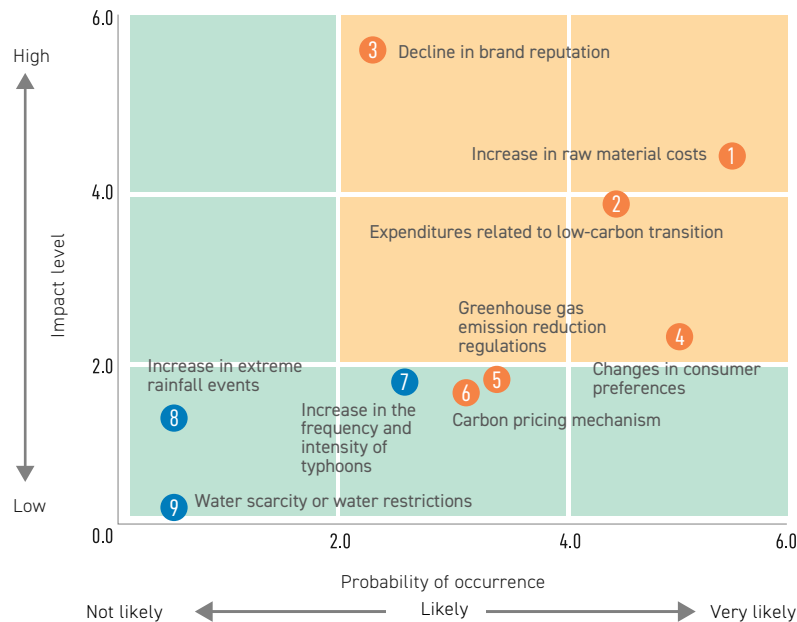
Climate-Related Risk and Opportunity Identification Process

Four key steps for identifying climate-related risks and opportunities:



Johnson Health Tech facilitates cross-departmental collaborative discussions to jointly identify climate-related physical risks, transition risks, and opportunities that are most relevant to the Company. We have identified climate-related risks with moderate or higher impact severity and likelihood, including increased raw material costs, higher expenditures associated with the low-carbon transition, diminished brand reputation, and changes in consumer preferences. Climate-related opportunities with moderate or higher impact severity and likelihood include the development or expansion of low-carbon products and services, enhanced consumer purchase intentions, development of renewable energy projects and implementation of energy-saving measures, as well as progression toward more efficient manufacturing processes. Going forward, we will continue to advance various climate action initiatives, aiming to mitigate the operational and financial impacts of climate change risks while capitalizing on growth opportunities presented by the climate transition.

Matrix Analysis of Climate-Related Risk Materiality



Note: Orange icons represent transition risks; blue icons represent physical risks.

Order/Risk type

Risk factor

Transition risk	
Material	1 Market risk: Increase in raw material costs
	2 Technical risk: Expenditures related to low-carbon transition
	3 Reputation risk: Decline in brand reputation
	4 Market risk: Changes in consumer preferences
	5 Policy and regulatory risks: Greenhouse gas emission reduction regulations
	6 Policy and law risks: Carbon pricing mechanism
Physical risk	
Secondary	7 Immediacy - Typhoon: Increase in the frequency and intensity of typhoons
	8 Immediacy - Heavy rainfall: Increase in extreme rainfall events
	9 Long-Term - Drought: Water scarcity or water restrictions

1.1 R&D and
innovation

1.2 Product Quality and
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1.3 Customer
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1.6 Water Resource
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1.7 Waste
Management

1.8 Biodiversity
Management

1.9 Management of Factory
Operational Environment

2024 Johnson Health Tech
Sustainability Report

Risk level	Risk type	Risk factor	Risk description	Potential Impact (Operational/Financial)	Period of Impact	Johnson Health Tech's Response Measures and Management Objectives
Material	Transition risk - market risk	Increase in raw material costs	Due to climate change, the cost of raw materials required in the manufacturing process of sports equipment has increased, leading suppliers to raise their contract prices with the Company, which in turn results in higher manufacturing costs.	Operational Impact - Product or raw material shortages have caused supply instability and even supply chain disruptions, resulting in the Company being unable to fulfill orders smoothly. Financial Impact - Increased procurement costs due to raw material shortages. - Raw material shortages causing process disruptions and operational interruptions, which may lead to a decline in revenue.	Medium-term (occurring within 3-5 years)	Negotiate stable supply quantities with suppliers to ensure price stability and reliable delivery, thereby preventing supply chain disruptions.
	Transition risk - technology risk	Expenditures related to low-carbon transition	The demands from government authorities and customers for low-carbon solutions have driven a shift in the product development direction. During the process of promoting a low-carbon transformation, the Company has incurred higher research and development costs aimed at reducing its own operational carbon emissions.	Operational Impact - The increase in greenhouse gas emissions is subject to regulatory scrutiny, which may result in restrictions on order intake and production volume. - Neglecting consumer demand for low-carbon products could lead to a loss of customers. Financial Impact - Advancing the low-carbon transformation requires increased research and development expenditures. - Facing future carbon pricing, failure to implement low-carbon transformation will result in higher operating costs. - Declining consumer brand loyalty and customer attrition will lead to reduced revenue.	Short-term (occurring within 1-3 years)	In response to the low-carbon transformation trend, Johnson Health Tech will not only actively invest in innovative research and development of low-carbon products but also commit to improving energy efficiency in manufacturing processes to reduce operational carbon emissions.
	Transition risk - reputation risk	Decline in brand reputation	According to international trends, companies are integrating climate risk into their operational considerations. Improper management of climate risks may undermine stakeholder trust, negatively impacting brand reputation. A decline in customer trust in the brand can lead to reduced revenue and reputational damage.	Operational Impact - Failure to meet investors' expectations for corporate sustainability may reduce their willingness to invest. - Damage to the corporate image can diminish suppliers' willingness to collaborate and erode consumer trust in the brand. Financial Impact - A decline in investor willingness to invest may lead to a decrease in the Company's stock price. - Declining consumer brand loyalty and customer attrition will lead to reduced revenue.	Long-term (occurring over a period of 5 years or more)	In 2022, Johnson Health Tech established the Sustainable Development Committee to address various climate change risks. The committee convenes cross-departmental units to jointly assess the significance and likelihood of potential impacts, formulate response strategies and management objectives for major climate-related risks, regularly review progress, and make rolling adjustments as necessary.
	Transition risk - market risk	Changes in consumer preferences	Consumers are increasingly concerned about climate-related issues and tend to prefer low-carbon or environmentally friendly products. Products that fail to meet these evolving consumer preferences may be phased out of the market.	Operational Impact - Consumers are increasingly inclined to purchase low-carbon products from other brands, resulting in customer attrition. - Aligning with changing consumer preferences by launching a broader range of low-carbon products will help enhance the brand's green image and strengthen its sustainable competitiveness. Financial Impact - Consumers shifting to competitors may result in decreased operating revenue. - Capturing the growing market demand for low-carbon products is expected to drive revenue growth in related offerings, thereby enhancing the Company's market value and stock performance.	Medium-term (occurring within 3-5 years)	Johnson Health Tech incorporates energy-efficient design principles into its product development to comply with the European Union's energy-related product directives. Many products are also designed with self-generation capabilities. Looking ahead, the Company will continue to align with consumer purchasing preferences and market demand by investing in the development of low-carbon products, with a focus on increasing the proportion of revenue derived from such offerings.

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Risk level	Risk type	Risk factor	Risk description	Potential Impact (Operational/Financial)	Period of Impact	Johnson Health Tech's Response Measures and Management Objectives
Secondary	Transformation Risk - Policy of Transformation Risk and Regulatory Risks	Greenhouse gas emission reduction regulations	In alignment with the carbon reduction targets set by domestic authorities in response to climate change, the Company is required to conduct carbon inventory assessments and formulate decarbonization plans. The initial implementation of carbon reduction initiatives may lead to an increase in operating costs.	Operational Impact - Establishing reduction targets and ensuring their effective implementation will help enhance the brand's green image and strengthen its sustainability competitiveness. Financial Impact - Initiating carbon inventory and third-party verification will lead to increased investment costs. - The effective implementation of reduction plans will enhance the Company's image, increase suppliers' willingness to collaborate, and strengthen consumer trust in the brand, ultimately contributing to revenue growth.	Short-term (occurring within 1-3 years)	In alignment with the "Sustainable Development Roadmap for TWSE/TPEX Listed Companies," Johnson Health Tech initiated Scope 1 and Scope 2 greenhouse gas inventories for its Taiwan factory in 2021. In 2024, the Company commenced Scope 3 inventory efforts. Moving forward, various carbon reduction measures will be planned, along with the establishment of corresponding reduction targets.
	Transformation Risk - Policy and Regulatory Risks	Carbon pricing mechanism	With the government promoting carbon pricing mechanisms, excess carbon emissions by the Company may result in penalties, thereby further increasing operating costs.	Operational Impact - The increase in greenhouse gas emissions is subject to regulatory scrutiny, which may result in restrictions on order intake and production volume. Financial Impact - Excess carbon emissions will lead to increased carbon fee expenditures.	Long-term (occurring over a period of 5 years or more)	Based on the results of its greenhouse gas inventory, Johnson Health Tech will formulate carbon reduction strategies and targets to concretize decarbonization performance. This approach will facilitate more effective financial assessment and target management.
	Physical Risk - Immediacy - Typhoon	Increase in the frequency and intensity of typhoons	The increased frequency of severe typhoons may cause operational disruptions or factory shutdowns, and in severe cases, pose significant risks to the safety of personnel on-site.	Operational Impact - Typhoons cause operational disruptions, resulting in delays to planned business schedules. - Strong winds and heavy rainfall increase the risk of injuries to employees during commuting or work activities. - Some suppliers experience reduced production due to typhoon impacts, leading to supply shortages or even supply chain disruptions. Financial Impact - Operational disruptions or interruptions may lead to revenue decline. - Supply chain shortages or disruptions could further reduce the Company's revenue.	Long-term (occurring over a period of 5 years or more)	Johnson Health Tech strengthens disaster preparedness drills and awareness programs at its headquarters, factories, and sales offices to ensure personnel safety. Simultaneously, the Company implements robust supply chain management to prevent supply shortages or disruptions that could cause operational interruptions.
	Physical Risk - Immediacy - Heavy rainfall	Increase in extreme rainfall events	The increased frequency of heavy rainfall may cause flooding or water accumulation in the Company's offices and factories, leading to asset damage, disruptions in equipment production schedules, and increased manufacturing costs.	Operational Impact - Flooding causes operational disruptions, resulting in delays to planned business schedules. - Heavy rainfall or flooding in work areas may result in occupational injuries to employees. Financial Impact - Operational disruptions or interruptions may lead to revenue decline. - Product damage caused by warehouse flooding results in inventory loss. - Flooding may cause equipment damage or reduce its service life.	Medium-term (occurring within 3-5 years)	When severe typhoon or heavy rain warnings are issued, Johnson Health Tech proactively implements protective measures such as sandbag placement and window and door reinforcement. Additionally, we have established intelligent storage facilities at higher elevations to reduce the risk of flooding caused by heavy rainfall.
	Physical Risk - Long-term - Drought	Water scarcity or water restrictions	Climate change has led to uneven rainfall distribution, causing water supply shortages in certain areas. This may result in water scarcity on production lines, leading to operational disruptions.	Operational Impact - Some suppliers experience reduced production due to water shortages, leading to supply shortages or even supply chain disruptions. - Reduced water supply has resulted in operational water shortages. Financial Impact - Supply chain shortages or disruptions could further reduce the Company's revenue. - To obtain the raw materials necessary for operations, the Company will incur increased procurement costs.	Medium-term (occurring within 3-5 years)	Johnson Health Tech strengthens water resource management by promoting water-saving awareness and habits among employees. The Company will also continue to implement water conservation initiatives and improve the recycling and reuse rate of process water.

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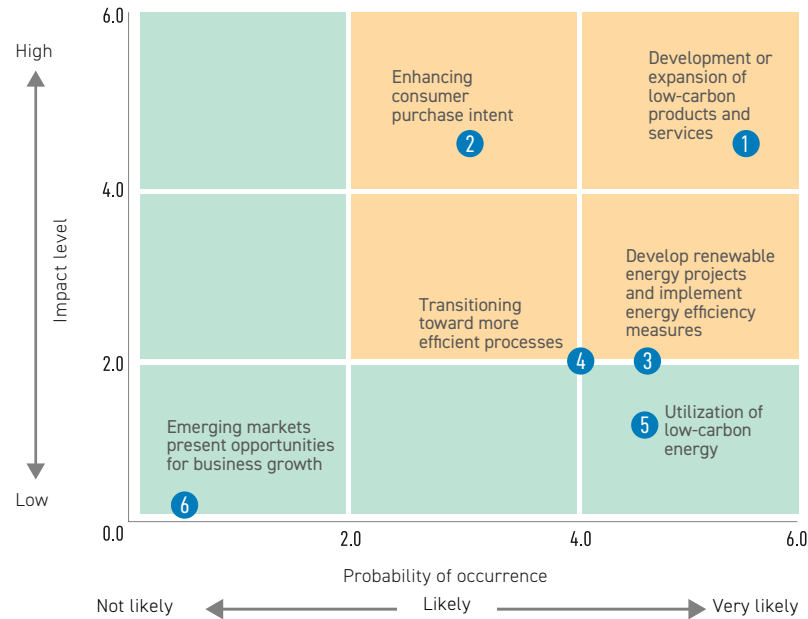
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Matrix analysis for possibility of climate change



Order/Risk type		Risk factor
Opportunity		
Material	1 Product and service	Development or expansion of low-carbon products and services
	2 Market	Enhancing consumer purchase intent
	3 Resilience	Develop renewable energy projects and implement energy efficiency measures
	4 Resource efficiency	Transitioning toward more efficient processes
Secondary	5 Energy source	Utilization of low-carbon energy
	6 Market	Emerging markets present opportunities for business growth

Opportunity level	Opportunity type	Opportunity factor	Risk description	Potential Impact (Operational/Financial)	Period of Impact	Johnson Health Tech's Response Measures and Management Objectives
Material	Product and service	Development or expansion of low-carbon products and services	The ESG philosophy in the medical device industry focuses on leveraging innovative technologies to achieve low-carbon, and ultimately zero-carbon, emissions as well as zero waste. Leading global companies are increasingly emphasizing the circular economy and environmentally friendly products to minimize the environmental impact of their offerings.	Operational Impact - Developing low-carbon products and services will enhance the brand's green image and strengthen its sustainability competitiveness. Financial Impact - Gaining a competitive advantage in the industry through low-carbon products and services will contribute to revenue growth.	Medium-term (occurring within 3-5 years)	Johnson Health Tech is committed to the 2025 Net Zero Roadmap, progressing toward the goal of net-zero carbon emissions. Within the Group's environmental framework, we also pledge to continuously reduce business waste, optimize resource utilization, and maximize recycling and reuse efforts to minimize the environmental impact of our products.
	Market	Enhancing consumer purchase intent	With the increasing sustainability awareness and consciousness among the public, offering low-carbon or environmentally beneficial products in the future will not only strengthen the Company's corporate image but also enhance market value. This may further boost consumer purchasing willingness, leading to increased revenue.	Operational Impact - Enhancing corporate image and market value expands the potential customer base. Financial Impact - Aligning with consumers' preference for low-carbon products will drive revenue growth.	Medium-term (occurring within 3-5 years)	Johnson Health Tech not only invests in the research and manufacturing of low-carbon products but also actively promotes their use. As an influential fitness brand, we are committed to partnering globally to collectively reduce carbon emissions.

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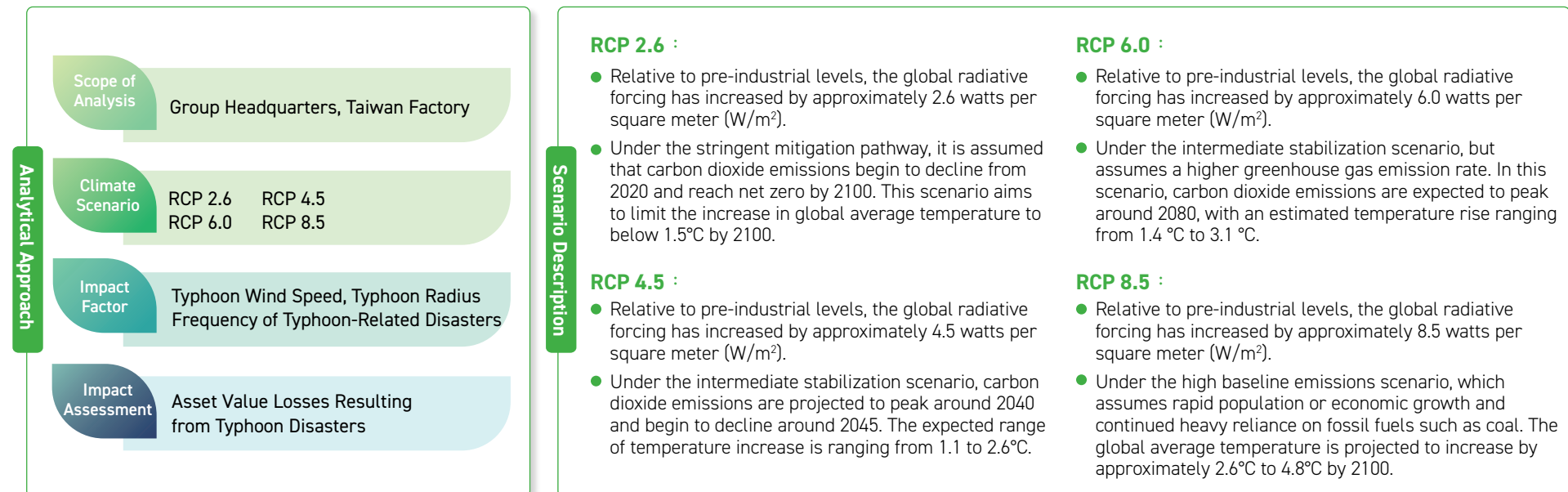
Opportunity level	Opportunity type	Opportunity factor	Risk description	Potential Impact (Operational/Financial)	Period of Impact	Johnson Health Tech's Response Measures and Management Objectives
Material	Resilience	Develop renewable energy projects and implement energy efficiency measures	In response to the challenges of climate change and government energy transition policies, solar panels can be installed on factory rooftops to develop green electricity, reducing reliance on the power grid and enhancing energy stability.	Operational Impact - Ensuring sufficient renewable energy generation in advance enhances the flexibility to respond to policy changes. Financial Impact - Although the initial installation of renewable energy systems increases expenditure, future reductions in green electricity costs are expected to lower overall energy expenses.	Medium-term (occurring within 3-5 years)	Johnson Health Tech has installed solar power systems on the rooftops of its Taiwan factory and plans to participate in the corporate green electricity initiative "RE 10x10," committing to achieve at least 10% green electricity usage of total power consumption by 2025.
	Resource efficiency	Transitioning toward more efficient processes	Enhancing energy efficiency in new or existing production lines reduces energy consumption and pollutant emissions. This not only lowers operating costs but also increases product value.	Operational Impact - Improving equipment efficiency reduces energy and resource consumption. Financial Impact - Improving energy efficiency can reduce energy expenditure costs.	Short-term (occurring within 1-3 years)	Johnson Health Tech, within the Group's environmental framework, is committed to prioritizing the selection of low-pollution and non-hazardous processes and equipment. Additionally, we will enhance energy efficiency in manufacturing processes to continuously reduce energy consumption and pollutant emissions.
Secondary	Energy efficiency	Utilization of low-carbon energy	With future increases in coal-fired power generation costs and reductions in green electricity prices, early investment in low-carbon energy transition initiatives enables the Company to reduce greenhouse gas emissions and seize opportunities in the carbon trading market.	Operational Impact - By replacing purchased electricity with renewable or low-carbon energy sources, the Company advances further toward achieving corporate net-zero goals. Financial Impact - Rising coal-fired power generation costs will increase energy expenditures, which will also drive up the cost of raw material procurement.	Medium-term (occurring within 3-5 years)	Johnson Health Tech has installed solar power systems on the rooftops of its Taiwan factory and plans to evaluate additional solar panel installations. The Company also intends to purchase green energy certificates and is committed to achieving 100% renewable energy use by 2050.
	Market	Emerging markets present opportunities for business growth	Market trends demanding low-carbon products and reduced product life cycle footprints will create new business opportunities.	Operational Impact - As consumer awareness of low-carbon issues rises, seizing low-carbon opportunities enhances corporate sustainability image and value. Financial Impact - A strong corporate sustainability image can increase investor confidence and willingness to invest, thereby enhancing market value. - Aligning with consumers' preference for low-carbon products will drive revenue growth.	Short-term (occurring within 1-3 years)	Johnson Health Tech actively expands into the low-carbon market by investing in innovative research and development of low-carbon products to meet consumers' green preferences. The Company continuously encourages consumers to support low-carbon consumption, thereby enhancing consumer recognition of the Company's sustainability efforts and strengthening its sustainable reputation.

Climate Scenario Analysis

In recent years, the frequency of extreme climate events has increased, exerting significant impacts on global society and the economy. Therefore, to strengthen climate risk management capabilities and proactively develop response and mitigation strategies, Johnson Health Tech conducts climate scenario analyses to assess the potential impacts of natural disasters on business operations under environmental changes. Through the aforementioned climate change risk and opportunity assessment, typhoon-related physical risks have been identified as factors that may affect Johnson Health Tech's operational plans, causing production delays or endangering on-site personnel safety. Additionally, suppliers may experience reduced supply or shortages due to typhoon and heavy rainfall impacts or landslide hazards. Furthermore, carbon pricing may indirectly drive up raw material costs. Therefore, the Company utilizes future climate scenarios projected by the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6), based on Representative Concentration Pathways (RCPs), to conduct risk simulations. Comparisons and combinations of four pathways – RCP 2.6 (warming target <1.5°C), RCP 4.5 (warming target <2.5°C), RCP 6.0 (warming target <3°C), and RCP 8.5 (worst-case scenario) – serve as the basis for analyzing physical risk losses related to typhoons, flooding, and landslide hazards.

Physical Risk Analysis of Self-owned Locations - Typhoon Disaster

Johnson Health Tech adopts climate change models developed in collaboration with institutions such as the Network for Greening the Financial System (NGFS), the Potsdam Institute for Climate Impact, and Research and ETH Zürich. These models simulate global warming scenarios under different Representative Concentration Pathways (RCP 2.6, RCP 4.5, RCP 6.0, RCP 8.5) to project regional trends in climate risks associated with typhoons. The Company applies these models by integrating indicators of typhoon physical intensity and disaster loss rates to estimate potential changes in financial losses related to asset values across various locations under different warming scenarios and timeframes.



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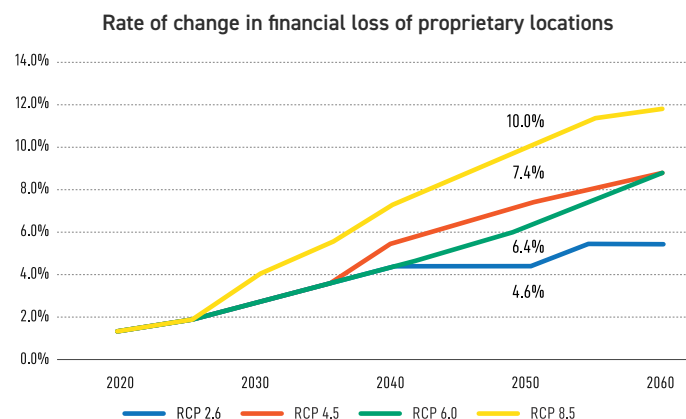
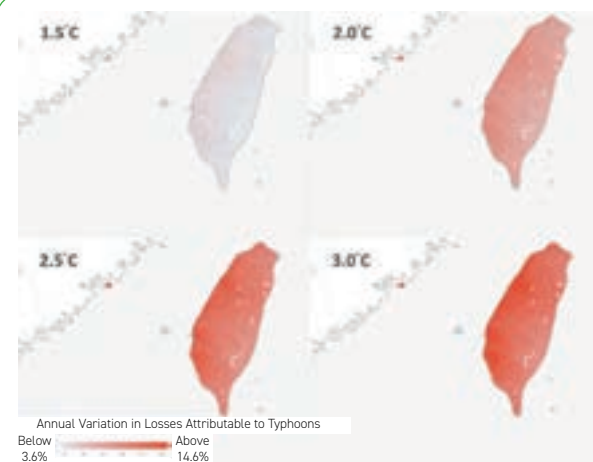
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The above figure presents the projected impact simulations, illustrating changes in potential financial loss rates across regions in Taiwan under global warming scenarios of 1.5 °C, 2.0 °C, 2.5 °C, and 3.0 °C. According to the simulation results, by 2050, under the RCP 2.6 and RCP 8.5 scenarios, the projected growth in financial losses due to severe typhoon-related damages at Johnson Health Tech's owned facilities is estimated to be 4.6% and 10%, respectively.

Risk Mitigation Measures :

In response to the results of the scenario

analysis, Johnson Health Tech has developed emergency response measures for typhoon-related disasters through collaboration between production line managers at factories and the sales department. These measures include cross-border production reallocation, the release of inventory, and adjustments to production schedules, aiming to mitigate potential losses and disruptions caused by typhoon events. In parallel, Johnson Health Tech is actively committed to mitigating climate change. A dedicated Energy Conservation Project Committee has been established, and solar photovoltaic systems have been installed since 2020. Through these efforts to reduce carbon emissions within our operational processes, the Company aims to help curb global warming and, in turn, reduce the intensity and impacts of climate-related disasters under warming scenarios.

Supplier Physical Risk Analysis: Flood and Slope Disaster

Johnson Health Tech utilized simulation data from the "Climate Change Disaster Risk Adaptation Platform" of the National Science & Technology Center for Disaster Reduction (NCDR) to analyze flooding and slope disaster risks under the RCP 8.5 scenario for the mid-21st century (2036–2065). A comprehensive evaluation of climate risk sensitivity at supplier operational sites was conducted based on three dimensions of disaster potential: hazard, vulnerability, and exposure. The analysis covered a total of 37 suppliers located in Taiwan, encompassing key procurement items such as motors, control boards, magnetic resistance components, treadmill belts, forged parts, and packaging materials.

According to the definition of the simulation map data, both hazard and vulnerability are classified into five levels (1–5). For flood disasters, hazard level is defined by the probability of heavy rainfall occurrence, while vulnerability refers to flood disaster potential. For slope land disasters, hazard level is based on cumulative rainfall, and vulnerability is assessed through geological disaster potential and the proportion of exposed land surface. Exposure level is defined by the Company based on the degree of substitutability of each supplier. Based on the above definitions, Johnson Health Tech further conducts risk assessment and classification using the product of hazard × vulnerability × exposure. A resulting value ≥ 61 indicates high climate sensitivity; values between 31–60 indicate medium climate sensitivity; and values ≤ 30 indicate low climate sensitivity.

Based on identification and assessment results under the RCP 8.5 scenario, there are 5 suppliers located in Taiwan categorized as having medium climate risk sensitivity, accounting for approximately 13% of the total procurement value. The remaining 32 suppliers are classified as having low climate risk sensitivity, representing 87% of total procurement. Preliminary estimates suggest that domestic suppliers will not be significantly impacted by compound climate disaster risks before mid-century. Further individual analysis was conducted for flood and slope disasters. Under the RCP 8.5 flood scenario, a total of 26 suppliers fall into the highest risk category, primarily because many of the Company's suppliers are located in low-lying areas such as central basin regions or coastal zones. In the slope disaster scenario, the primary risk level is the lowest level (Level 0), and no suppliers are categorized under the highest risk level.

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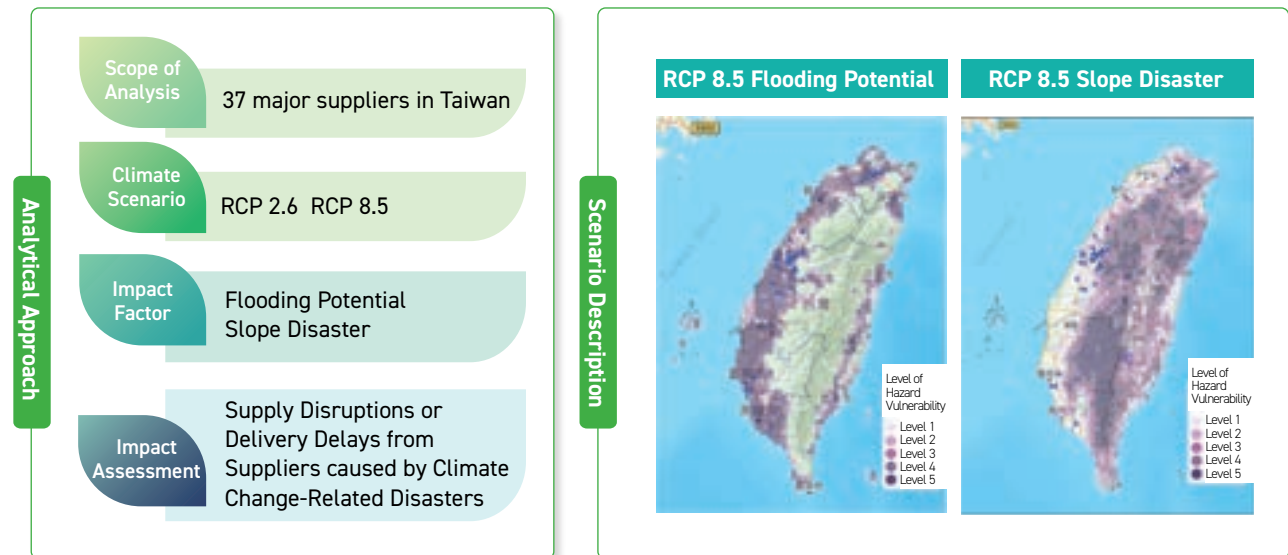
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Analysis of Risk Exposure

RCP 2.6					RCP 8.5				
Climate Sensitivity	Climate Risk Sensitivity Value	Number of Households	Procurement Amount (NT\$)	Proportion of Total Procurement Amount	Climate Sensitivity	Climate Risk Sensitivity Value	Number of Households	Procurement Amount (NT\$)	Proportion of Total Procurement Amount
High	90-61	-	-	-	High	90-61	-	-	-
Medium	60-31	3	51,852,976	5%	Medium	60-31	5	138,999,145	13%
Low	30-21	8	160,320,943	15%	Low	30-21	12	196,090,879	18%
	20-11	14	459,480,386	43%		20-11	19	729,675,694	68%
	Below 10	12	407,397,073	38%		Below 10	1	14,285,660	1%
Total		37	1,079,051,378		Total		37	1,079,051,378	

Risk Mitigation Measures :

Based on internal inventory and assessment, the majority of suppliers in Taiwan are classified as highly substitutable, meaning alternative suppliers can be identified within two weeks to one month. To ensure product quality and maintain strong competitiveness, Johnson Health Tech has continuously developed high-quality supplier partnerships, enabling emergency allocation and minimizing disruptions to production schedules in the event of a disaster. In addition, the Company initiated the planning of a supplier evaluation mechanism in 2023 and organizes an annual supplier conference. Through periodic evaluation questionnaires, we continuously monitor and identify suppliers with high climate risk. During routine meetings, we also engage in communication with partners located in high-risk areas, recommending the installation of flood barriers and the procurement of flood control sandbags.



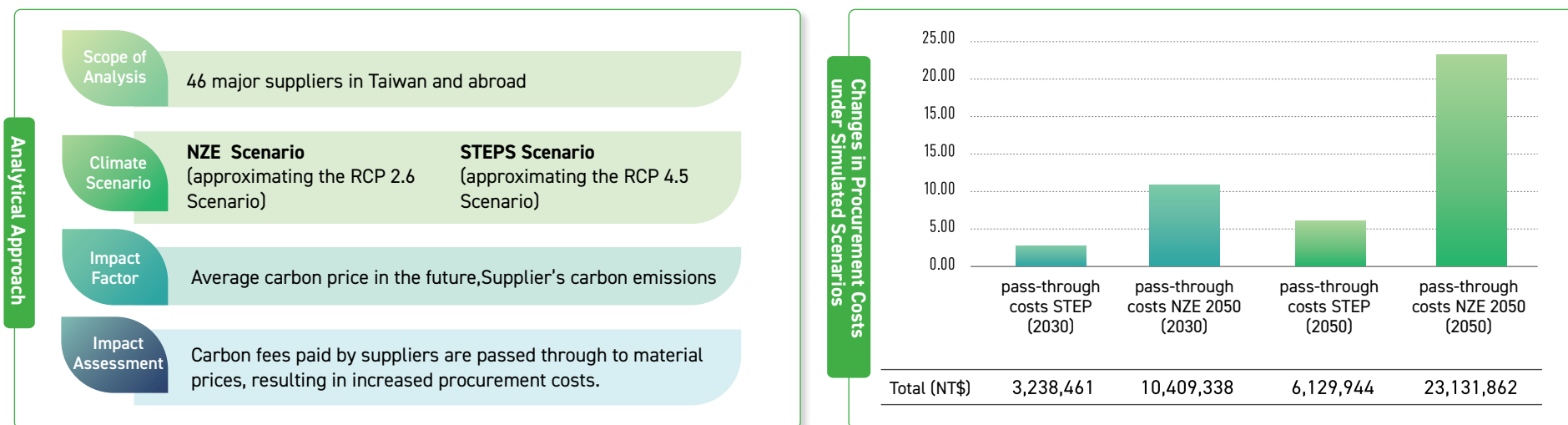
Scenario Description

RCP 8.5 Flooding Potential

RCP 8.5 Slope Disaster

Transition Risk Analysis: Carbon Fee Transfer Costs

Through cross-departmental collaboration, Johnson Health Tech has identified "rising raw material costs" as a significant transition risk. Under the trend of climate change, suppliers may face increased costs due to evolving domestic and international environmental regulations, including the imposition of regulatory fees, carbon taxes, and charges—leading to higher raw material procurement costs. Therefore, to assess potential fluctuations in raw material costs, the Company conducted a simulation analysis under the assumption that all future production-related carbon emissions would be subject to corresponding carbon charges. Using the industry-specific carbon emission factors published by the U.S. Environmentally Extended Input-Output (USEEIO) model, Johnson Health Tech estimated the baseline carbon emissions of its suppliers in 2023. Furthermore, the analysis leveraged the Global Energy and Climate Model Documentation 2023 released by the International Energy Agency (IEA) to establish future scenarios. Based on this, the potential pass-through costs that may be indirectly incurred by suppliers due to carbon pricing under the Stated Policies Scenario (STEPS) and the Net Zero Emissions by 2050 Scenario (NZE) for the years 2030 and 2050 have been estimated. Johnson Health Tech will continue to closely monitor related issues and, in response to changes in external environmental policies and regulations, will continuously assess the potential economic impacts of climate risks on the Company.



Through analysis and identification, under the STEPS, the potential costs arising from carbon pricing are projected to increase total procurement expenses by approximately NT\$3.23 million in 2030 and NT\$10.4 million in 2050. Under the Net Zero Emissions by 2050 Scenario (NZE), carbon pricing is expected to raise total procurement costs by approximately NT\$6.13 million in 2030 and NT\$23.13 million in 2050, accounting for around 1.5% of the base year's procurement expenditure.

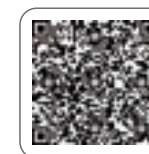
Risk Mitigation Measures:

Johnson Health Tech has established a "Supplier Management Policy" and requires its suppliers to jointly implement environmental protection and carbon reduction principles. In response to increasing demands from overseas clients for low-carbon and waste-reducing products, and in line with market development trends, Johnson Health Tech independently conducted its first product carbon footprint assessment in 2023 for nine major products. In 2024, the Company continues to update the carbon footprint data for these nine products. Looking ahead, Johnson Health Tech plans to gradually engage in discussions and collaboration with suppliers of high carbon-intensive raw materials. Through material improvements and substitution of raw materials, the Company aims to reduce the overall product carbon footprint and simultaneously mitigate procurement risks associated with carbon cost pass-through.

1.4.2 Greenhouse Gas Emissions Management

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Greenhouse Gas Inventory



Greenhouse Gas

Since 2021, Johnson Health Tech has launched a greenhouse gas inventory program, conducting self-assessments of Scope 1 and Scope 2 emissions for its factories in Taiwan. Beginning in 2023, the Company has followed ISO 14064-1 standards to carry out a more comprehensive GHG inventory on an annual basis. The scope of the inventory was expanded to include the Zhuqiao and Xingshun factories in Shanghai, China, as well as the Vietnam factory, and third-party assurance was obtained to enhance the credibility of the data. In 2024, considering the Company's business model is highly dependent on value chain collaboration, Johnson Health Tech initiated Scope 3 inventory activities. At the same time, it continues to complete Scope 1 and Scope 2 inventories for the parent company, the two Shanghai factories, and the Vietnam factory. Relevant data and reports are available on the Company's website. Looking ahead, Johnson Health Tech plans to gradually expand the scope and verification of Scope 1, Scope 2, and Scope 3 inventories to cover the entire group. The Company is committed to implementing carbon reduction measures to proactively reduce the environmental and climate impacts of its operations.

Greenhouse Gas Emissions and Emission Intensity

Unit: (tCO₂e)

	2023			2024		
	Parent company	Shanghai Factory	Vietnam Factory	Parent company	Shanghai Factory	Vietnam Factory
Direct GHG emissions (Scope 1)	809.3901	2,859.7721	752.9211	1,072.8128	3,173.3375	894.2242
Indirect GHG emissions (Scope 2)	2,040.2673	7,092.9655	4,514.3222	2,585.3466	8,440.9290	6,910.6039
Total Emissions	2,849.6574	9,952.7376	5,267.2433	3,658.1594	11,614.2665	7,804.8281
Revenue by Location (NT\$ thousands)	13,952,940	9,071,434	1,795,127	20,498,282	11,638,817	3,265,440
Emission Intensity	0.00020	0.00110	0.00293	0.00018	0.00100	0.00239

Note 1:Greenhouse gas emissions are calculated using the operational control approach. Emissions are determined based on the formula: Activity Data × Emission Factor × Global Warming Potential (GWP). The emission factors are sourced from Version 6.0.4 of the "Greenhouse Gas Emission Factor Management Table" published by the Climate Change Administration, Ministry of Environment. The GWP values are adopted from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (2021).

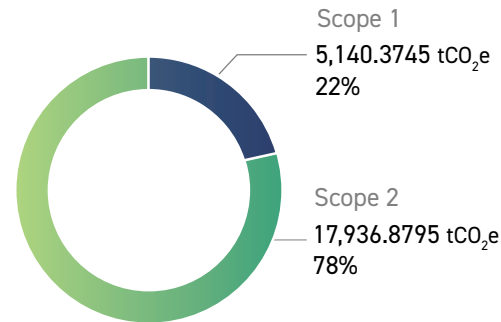
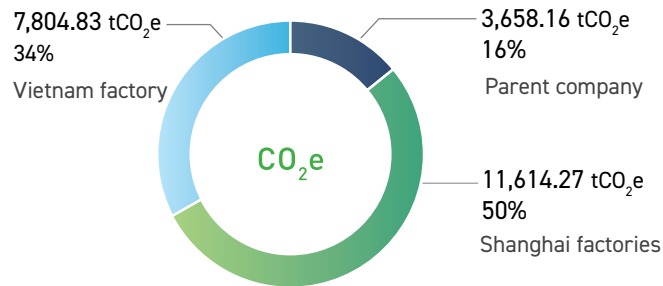
Note 2:The types of greenhouse gases include Nitrous Oxide (N₂O), Methane (CH₄), Carbon Dioxide (CO₂), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), Sulfur Hexafluoride (SF₆), and Nitrogen Trifluoride (NF₃).

Note 3:For Scope 2 emissions, Taiwan adopted the 2024 electricity emission factor of 0.474 kg CO₂e/kWh as announced by the Energy Administration, Ministry of Economic Affairs. Shanghai used the 2022 electricity emission factor of 0.42 kg CO₂e/kWh published by the Shanghai Municipal Bureau of Ecology and Environment. Vietnam applied the 2021 electricity emission factor of 0.72 kg CO₂e/kWh released by the Ministry of Natural Resources and Environment of Vietnam.

Note 4:Emission intensity = Total emissions (tCO₂e) / Revenue by location (NT\$ thousands).

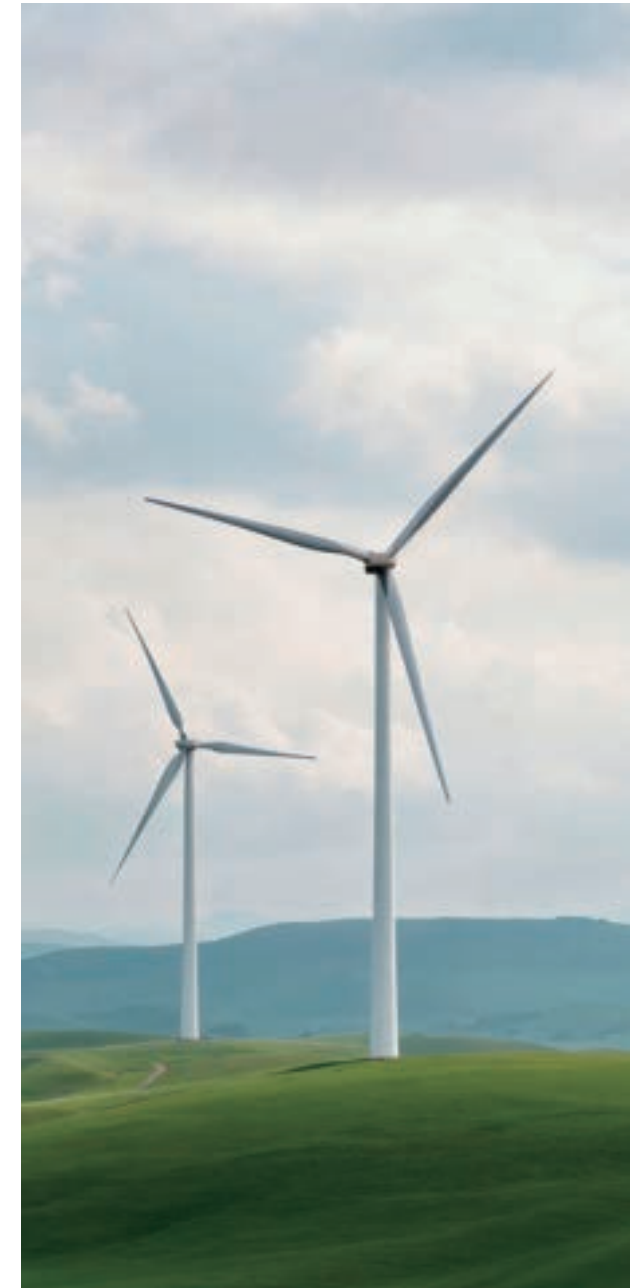
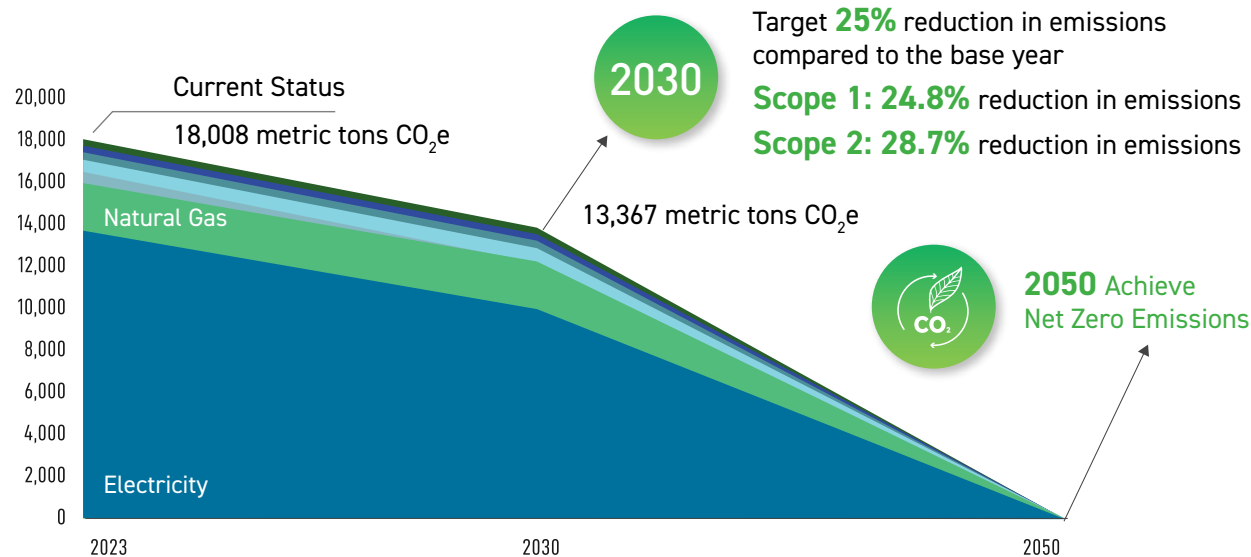
Note 5:Revenue figures refer to the operating revenue of the Taiwan factory, the two Shanghai factories, and the Vietnam factory, as well as their combined total revenue.

Note 6:For information regarding Scope 3 emissions in 2024, please refer to the Greenhouse Gas Inventory Statement.



In light of the profound impact of greenhouse gases on climate change, Johnson Health Tech has established a medium- and long-term decarbonization pathway in 2024, drawing on Taiwan's carbon reduction roadmap and international target-setting methodologies. Using 2023 as the base year, the Company aims to reduce Scope 1 and Scope 2 emissions by 25% by 2030 and achieve net-zero emissions by 2050. The GHG inventory base year has also been reset to 2023 to align with the emissions reduction target base year. Johnson Health Tech will continue to benchmark industry best practices in carbon reduction, implement equipment and process improvements, promote circular economy principles, and utilize renewable energy sources to fulfill its decarbonization commitments.

Johnson Health Tech Net Zero Roadmap



1.5 Energy Management

Energy Management

In 2024, the primary energy sources used by Johnson Health Tech Group's headquarters and all production facilities were purchased electricity, gasoline, diesel, natural gas, and liquefied petroleum gas (LPG), all of which are non-renewable energy sources. Gasoline used by company vehicles and diesel consumed by trucks and forklifts were recorded based on fuel purchase records. LPG consumption was tracked through procurement records, natural gas usage through payment receipts, and purchased electricity through electricity bills provided by utility companies. Johnson Health Tech's total energy consumption in 2024 amounted to 204,061.81 GJ, with an energy intensity of 0.00576 GJ per NT\$1,000 of revenue. The Company sets an annual electricity savings target of 1%, continuously reviewing and adjusting the Company's energy consumption patterns each year to implement effective energy source management measures.



Energy Consumption

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302-3

		2022		2023			2024			
Types of Energy	Unit	Group Headquarters and Taiwan Factory	Group Headquarters and Taiwan Factory	Shanghai Factory	Vietnam Factory	Total	Group Headquarters and Taiwan Factory	Shanghai Factory	Vietnam Factory	Total
Gasoline	liter	97,284	5,977	35,035	590	41,602	93,581.92	32,236	503	126,321
	Energy Consumption (GJ)	3,176.40	195.15	1,143.92	19.26	1,358.33	3,055.52	1,102.47	16.42	3,071.94
Diesel	liter	91,691	55,526	-	9,348	64,874	74,262.85	-	12,436	86,699
	Energy Consumption (GJ)	3,224.08	1,952.43	-	328.70	2,281.13	2,611.26	-	437.30	3,048.56
Natural Gas	kWh	217,155	193,483	1,031,535	152,375	1,377,393	223,611.05	1,329,804	-	1,553,415
	Energy Consumption (GJ)	8,181.10	7,289.28	38,862.05	5,740.58	51,891.91	8,424.32	50,532.55	-	58,956.87
Liquefied Petroleum Gas	liter	-	800	-	174,572	175,372	8,995.20	-	264,490	273,485
	Energy Consumption (GJ)	-	22.22	-	4,849.51	4,871.73	249.83	-	7,345.97	7,595.80
Purchased Electricity	kWh	3,348,620	3,511,981	16,888,013	6,269,892	26,669,886	5,454,317.69	20,252,695	10,483,589	36,190,602
	Energy Consumption (GJ)	12,055.03	12,643.13	60,796.85	22,571.61	96,011.59	19,635.54	72,909.70	37,740.92	57,376.46
Total Energy Consumption (GJ)		26,636.61	22,102.21	100,802.82	33,509.66	156,414.69	33,976.48	124,544.72	45,540.61	204,061.81
Revenue by Location (NT\$ thousands)		12,508,405	13,952,940	9,071,434	1,795,127	24,819,501	20,498,282.00	11,638,817	3,265,440	35,402,539
Energy intensity		0.00213	0.00158	0.01111	0.01867	0.00630	0.00166	0.01070	0.01395	0.00576

Note 1: The data refer to the Ministry of Economic Affairs Energy Bureau's conversion factors: 7,800 kcal per liter of gasoline, 8,400 kcal per liter of diesel, 6,635 kcal per liter of liquefied petroleum gas (LPG), 9,000 kcal per cubic meter (m³) of natural gas, and 3.6 million joules (MJ) per kilowatt-hour (kWh). The conversion factor used is 1 kcal = 4,186 J.

Note 2: The Group headquarters and Taiwan factories refer to Johnson Health Tech Headquarters, Taiwan Factories, Longjing Factory, Laser Cutting Factory, Taipei Dongda Branch, and Taipei Neihu Office; Shanghai factories refer to Shanghai Zhuqiao Factory and Xingshun Factory.

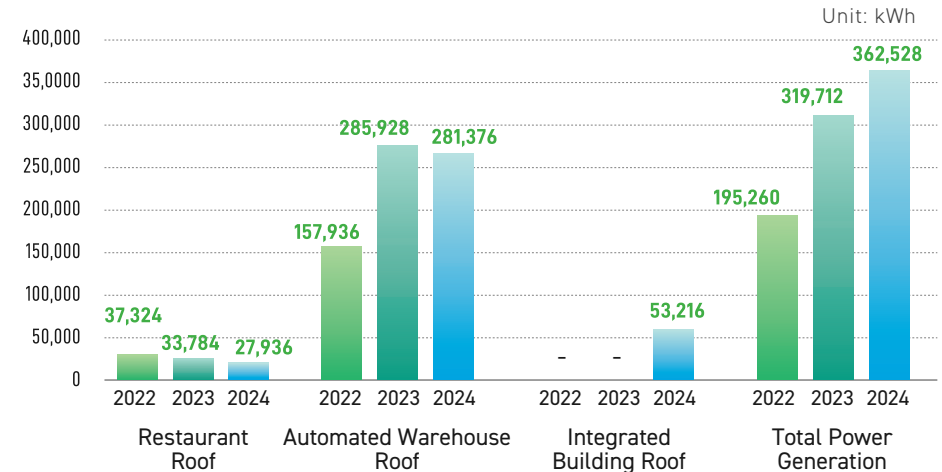
Note 3: Energy Intensity = Total energy consumption (GJ) / Revenue by location (NT\$ thousands).

Note 4: Location revenue refers to the revenue of Taiwan factory, the two Shanghai factories, and the Vietnam factory.

Overview of Solar Panel Installation and Power Generation

Johnson Health Tech has long been committed to renewable energy and recognizes the critical role of renewable sources in achieving future net-zero carbon energy goals. Since 2022, Johnson Health Tech has operated a solar power system installed on the rooftop of its automated warehouse, selling the green electricity generated to Taiwan Power Company. The Company has been progressively planning and identifying available on-site spaces for additional solar power installations. The short-term goal is to achieve green power generation accounting for more than 10% of the total electricity consumption by 2025. With the completion of the new integrated building in 2023, additional solar panels were installed on its rooftop. In 2024, Johnson Health Tech continues to implement its solar power installation plans. Green power generation accounted for approximately 6.6% of the total electricity consumption. When calculated based on contracted capacity, the proportion of green power generation reached approximately 14.78% of Johnson Health Tech's contracted electricity consumption. Moving forward, Johnson Health Tech will continue to evaluate on-site spatial planning to explore opportunities for increasing green power generation, while continuously implementing energy-saving actions and measures, thereby fulfilling its commitment to improving energy use efficiency.

Solar Power Generation in Taiwan Over the Past Three Years



Note: Data source is the Taiwan Power Company's Renewable Energy Feed-in Tariff (FIT) payment notification.

Energy Conservation Measures

Johnson Health Tech has established an Energy Saving Project Committee to continuously monitor and promote energy conservation initiatives. In compliance with the Ministry of Economic Affairs' "Energy Users' Energy Saving Target Setting and Implementation Plan" regulations, the Company has set an annual energy reduction target of 1%. Through concrete actions, various energy-saving projects are being implemented to reduce energy consumption and lower electricity costs. The related energy-saving measures and improvement outcomes for Johnson Health Tech in 2024 are as follows:

Region	Key Energy Conservation Initiatives	Energy Conservation Outcomes
Group Headquarters and Taiwan Factory	Full Installation of Smart Meters at Headquarters and Taiwan Factories	Analyze electricity consumption hotspots to develop energy-saving actions and formulate energy efficiency plans for relevant equipment, including equipment replacement and upgrades.
	Replacement of Energy-Efficient Chilled Water Units in Headquarters Office	The total investment amounted to approximately NT\$2 million, resulting in an energy consumption reduction of approximately 34.14% . Annual electricity savings reached 102,700 kWh , with an estimated annual cost savings of about NT\$466,100 .
Shanghai Factory	Injection Molding Machines Upgraded to Servo Motor Drives	Energy consumption reduced by 35% , with annual electricity savings of 214,900 kWh . Plastic waste generation decreased by 4.95 metric tons, contributing to a reduction in the organization's air pollutant emissions.
	LED Bulbs Replaced with Energy-Efficient Lighting	Annual electricity savings of 22,500 kWh
	Replacement of Sandblasting Machine Motors with Energy-Efficient Motors	Annual electricity savings of 5,000 kWh
	Workshop Exhaust Fans Converted from Belt-Drive to Direct-Drive Systems	Annual electricity savings of 5,000 kWh
	Renovation of Workshop Compressed Air Supply Pipelines	Annual electricity savings of 12,000 kWh

Note: The Vietnam factory is a newly constructed facility within the past five years. Energy-efficient equipment was adopted during its construction; therefore, there is no need for equipment replacement due to aging.

1.6 Water Resource Management

Water Resource Management

According to the Water Risk Atlas developed by the World Resources Institute (WRI), Johnson Health Tech's headquarters and Taiwan Factory, located in Taichung, source water from areas not classified as water-stressed regions. Operations in these locations have no significant impact on water sources. In contrast, the Zhuqiao Factory and Xingshun Factory in Shanghai, China, as well as the Vietnam Factory, are located in areas of high water stress. Nevertheless, no incidents of water scarcity have occurred at these facilities to date. To ensure a stable water supply necessary for continuous operations and to mitigate the environmental impact of raw water intake and wastewater discharge, both the China and Vietnam factories have established water management targets. These efforts aim not only to conserve water but also to actively enhance water recycling and overall water-use efficiency. Johnson Health Tech's water consumption primarily supports manufacturing processes, as well as domestic usage such as drinking water, facility cleaning, and sanitation in office areas.

Fully aware of the importance and scarcity of water resources, Johnson Health Tech has taken proactive measures to utilize water more efficiently. Although total water withdrawal increased in 2024 due to higher production volumes compared to the previous year, the Company remains committed to responsible water use. Office-based conservation efforts include the installation of water-saving fixtures, such as low-flow toilets and faucets, and the continuous promotion of water-saving awareness among employees. Looking ahead, in addition to maintaining ongoing conservation practices, Johnson Health Tech plans to implement water recycling and reuse systems within its manufacturing processes and establish corresponding performance targets to further improve water resource efficiency.

 Statistics for water withdrawal

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Unit: Megaliters

Water resource	2023			2024		
	Group Headquarters and Taiwan Factory	Shanghai Factory	Vietnam Factory	Group Headquarters and Taiwan Factory	Shanghai Factory	Vietnam Factory
Underground water	72.49	-	-	70.15	-	-
Third-party Water	8.16	103.08	73.64	9.53	112.49	113.67
Total water withdrawal		257.37			305.84	
Revenue by Location(NT\$ thousands)		24,819,501			35,402,539	
Water Withdrawal Intensity(Megaliters/NT\$ thousands)		0.0000104			0.0000086	

Note 1:The data covers the Group's headquarters and Taiwan factory, the two factories in Shanghai, China, and the Vietnam factory.

Note 2:All third-party water withdrawals are sourced from local municipal water suppliers; the water quality is classified as freshwater (≤1,000 mg/L total dissolved solids).

Note 3:The underground water data for the Group's headquarters and Taiwan factory are based on meter readings from two wells. Water rights certificate No. B1060078 was renewed with the Water Resources Agency on July 8, 2022, and is valid until August 9, 2027; certificate No. B1060115 was renewed on October 5, 2022, and is valid until October 19, 2027.

Note 4:Water Withdrawal Intensity = Total Water Withdrawal (Megaliters) / Revenue by location (NT\$ thousands).

Note 5:Location revenue refers to the revenue of Taiwan factory, the two Shanghai factories, and the Vietnam factory

💡 Wastewater Management

Johnson Health Tech recognizes the irreversible environmental harm that untreated wastewater can cause. As such, the Company closely monitors its wastewater discharge and regularly engages third-party testing agencies to conduct water quality monitoring. Effluent water quality is tested quarterly, while raw wastewater is analyzed semiannually to ensure that parameters such as pH, Chemical Oxygen Demand (COD), Biological Oxygen Demand (BOD), and Suspended Solids (SS) remain within regulatory compliance limits. All monitoring and control items, as well as associated standards, are implemented in accordance with the approved Water Pollution Control Plan. Additionally, the Company complies with regulatory requirements by submitting semiannual reports detailing the operation of wastewater treatment facilities and testing results of effluent volume and quality. Wastewater management is carried out in accordance with the "Environmental Monitoring and Pollution Prevention Operating Procedure" and the "Pollutant Control Procedure." On-site pretreatment facilities are installed at each factory. At the Taiwan factory, industrial wastewater undergoes chemical treatment to meet discharge standards before being released, while domestic sewage, once compliant with regulations, is discharged directly. At the two factories in China and the Vietnam factory, wastewater is discharged into municipal sewage treatment systems under centralized management.

💡 Statistics of Wastewater Discharge

Unit: Megaliters

Final Discharge Point	2023			2024		
	Group Headquarters and Taiwan Factory	Shanghai Factory	Vietnam Factory	Group Headquarters and Taiwan Factory	Shanghai Factory	Vietnam Factory
Surface Water	20.14	-	-	14.19	-	-
Third-party Water	-	106.00	58.91	-	126.98	90.94
Total	185.05			232.11		
Revenue by Location (NT\$ thousands)	24,819,501			35,402,539		
Wastewater Intensity (Megaliters/NT\$ thousands)	0.0000075			0.0000066		

Note 1: At the Taiwan factory, treated wastewater is discharged through the effluent discharge outlet, with data obtained from meter readings. At the two Shanghai factories in China, wastewater is discharged to the Jiading Xincheng Wastewater Treatment Plant in Shanghai, with data sourced from water utility billing statements.

Note 2: Revenue figures refer to the operating revenue of the Taiwan factory, the two Shanghai factories, and the Vietnam factory, as well as their combined total revenue.



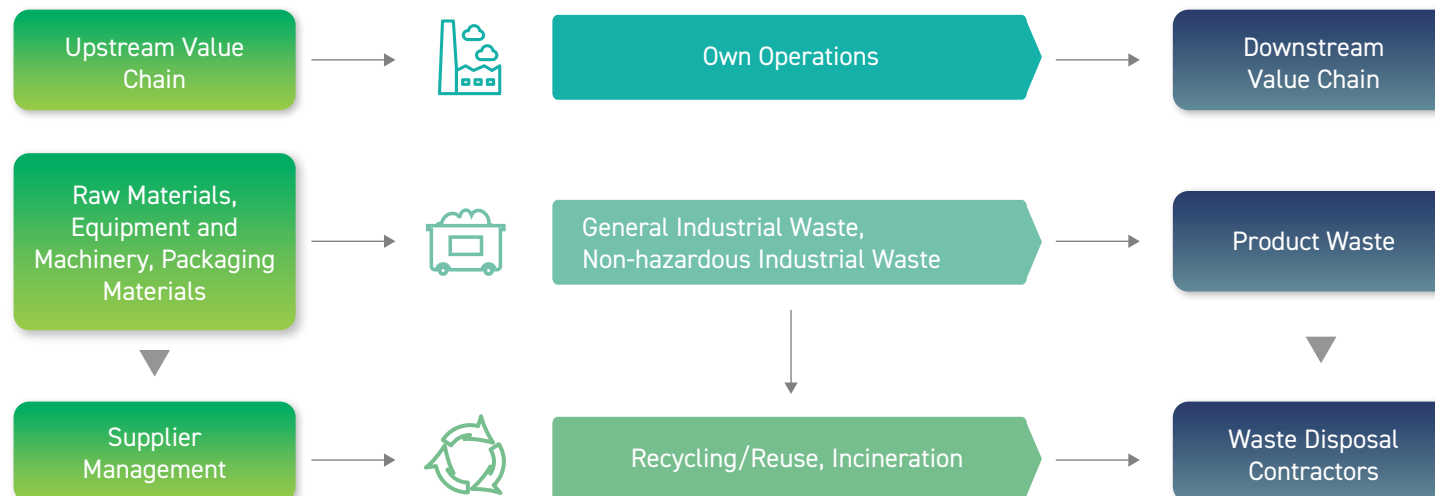
1.7 Waste Management

Waste Policy and Management

Johnson Health Tech is committed to reducing industrial waste and actively controlling and preventing pollution as part of its Group Environmental Policy. To ensure effective management and policy implementation, the Taiwan factory successfully maintained certification under the ISO 14001:2015 Environmental Management Systems in 2023. The two Shanghai factories began implementing the ISO 14001:2015 Environmental Management Systems in 2023 and achieved certification in 2024. Waste is managed in accordance with the "Environmental Monitoring and Pollution Prevention Operating Procedure" and the "Pollutant Control Procedure," which cover waste classification, collection, storage management, inspection, and outsourcing of disposal services. Pollution generated during production processes is strictly controlled to meet current environmental regulatory discharge standards, thereby preventing contamination of the factory premises and surrounding areas, and safeguarding the health of employees and neighboring communities.

Waste handling process

Johnson Health Tech classifies waste generated within its facilities into general industrial waste and hazardous industrial waste based on composition and characteristics. Waste management is carried out in accordance with the approved Waste Disposal Plan. Designated personnel conduct daily inspections of waste classification and storage conditions within their respective areas of responsibility, and waste volumes are recorded on a weekly basis. General household waste and process-generated waste are handled by qualified and licensed waste disposal contractors in accordance with applicable regulations. For hazardous industrial waste, to prevent secondary pollution, Johnson Health Tech implements rigorous rainproof and seepage prevention measures and entrusts qualified hazardous waste treatment contractors to conduct subsequent disposal. All activities are reported in compliance with legal requirements.



1.1 R&D and
innovation

1.2 Product Quality and
Safety

1.3 Customer
Relations

1.4 Climate
Action

1.5 Energy
Management

1.6 Water Resource
Management

1.7 Waste
Management

1.8 Biodiversity
Management

1.9 Management of Factory
Operational Environment



Statistics of Industrial Waste

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306-4

306-5

Unit: metric ton (t)

			2022			2023			2024		
Item			Group Headquarters and Taiwan Factory	Shanghai Factory	Vietnam Factory	Group Headquarters and Taiwan Factory	Shanghai Factory	Vietnam Factory	Group Headquarters and Taiwan Factory	Shanghai Factory	Vietnam Factory
Waste Generated	Non-Hazardous Waste		52.37	1,669.51	1,802.00	50.43	1,878.44	1,107.00	69.26	1,975.21	3,747.81
	Hazardous Waste		0.00	74.20	15.50	0.00	51.10	25.75	0.00	46.40	67.01
	Total Waste Generated		3,613.58			3,112.72			5,905.69		
Transfer (Recycling/Reuse)	Non-Hazardous Waste		27.37	1,179.54	1,802.00	25.83	1,335.47	1,107.00	44.36	1,400.52	3,747.81
	Hazardous Waste		0.00	4.18	0.50	0.00	6.35	0.75	0.00	3.03	67.01
	Total Transfer		3,013.59			2,475.40			5,262.73		
Direct Treatment	Non-Hazardous Waste	Incineration	25.00	489.97	0.00	24.60	542.97	0.00	24.9	574.69	0.00
	Hazardous Waste	Incineration	0.00	57.05	0.00	0.00	29.25	0.00	0.00	42.42	0.00
		Others	0.00	12.34	15.00	0.00	15.50	25.00	0.00	0.95	0.00
	Total Direct Treatment		599.86			637.32			642.96		

Note 1: Waste from each factory is disposed of off-site.

Note 2: Data sources include weight records from waste disposal contractors and self-weighing.

Note 3: "Others" refers to waste treated by methods other than those mentioned above, such as physicochemical treatment.

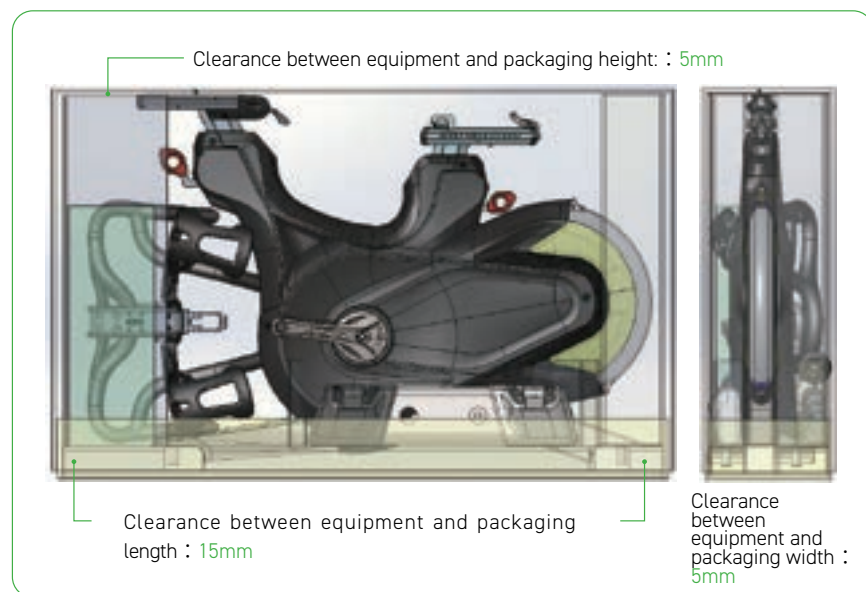
Note 4: Waste incineration refers to treatment methods without energy recovery.

💡 Waste Reduction Measures

Johnson Health Tech promotes a healthy lifestyle for all humanity and is committed to safeguarding the health of our planet. Within the Group's environmental policy, we have pledged multiple waste reduction measures and ensure their thorough implementation. We design product packaging according to machine size, reducing packaging volume by 24% to 38%, thereby minimizing packaging materials. We also advocate for environmentally friendly packaging materials, such as paper cartons. Since 2023, we have been implementing a packaging improvement program for mass-produced machines, replacing polystyrene foam with paper cartons. In 2024, we further advanced the Onyx series packaging enhancement plan, reviewing the current proportion of paper-based packaging and proposing improvement measures. By optimizing the packaging design from the product side, we aim to further increase the use of paper packaging materials.

Johnson Health Tech also recognizes that optimal carton packing maximizes space utilization, which not only increases warehouse storage capacity but also enhances logistics loading efficiency. Therefore, we adopt a streamlined spatial design that integrates machines with packaging, improving finished product container loading. The loading capacity for different product models has increased by 13% to 52%, boosting logistics efficiency while effectively reducing the carbon footprint per shipment. Looking ahead, we will establish specific waste reduction targets and promote the recycling and reuse of product packaging materials.

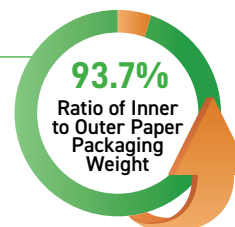
To advance product recycling initiatives, Johnson Health Tech has formulated a Product Recycling and Refurbishment Guideline. Through contractual agreements with partners, after machines reach a certain usage period, equipment is repurchased based on residual value, then disassembled, remanufactured, repaired, and enhanced. Refurbished units are resold at cost to small gym operators. This practice not only effectively reduces raw material consumption and resource waste, demonstrating our commitment to environmental sustainability and planetary health, but also reflects Johnson Health Tech's role as Taiwan's leading fitness brand by providing tangible support to small gym operators. Additionally, it helps lower costs for fitness enthusiasts striving for a healthy lifestyle.



Introduction of Paper Packaging Design for the New 2024 Onyx Series

Onyx TM-(TM545)

Proportion of Polystyrene
Foam Weight 0%
Total Packaging
Weight 38.8kg



Onyx EP-(EP634)

Proportion of Polystyrene
Foam Weight 0%
Total Packaging
Weight 27.3kg



Onyx CB-(CB97)

Proportion of Polystyrene
Foam Weight 0%
Total Packaging
Weight 10.6kg



Onyx RB-(RB318)

Proportion of Polystyrene
Foam Weight 0%
Total Packaging
Weight 14.0kg



(Caption below) Johnson Health Tech designs product packaging according to machine size to enhance packaging space utilization. This approach not only reduces the usage of paper-based packaging materials but also increases the number of finished products that can be loaded into containers.

1.8 Biodiversity Management

Biodiversity Commitment and Management



Commitment to Biodiversity
and No Deforestation

Johnson Health Tech deeply understands the potential risks associated with biodiversity loss. Therefore, in August 2024, the Board of Directors formally approved the Commitment to Biodiversity and No Deforestation, demonstrating Johnson Health Tech's emphasis on values such as zero deforestation, No Net Loss (NNL) of biodiversity, and Net Positive Impact (NPI) on biodiversity. This commitment not only ensures that the Company's operational scope and processes comply with international, national, and local biodiversity laws and regulations, but also actively requires that all business activities avoid operating within Key Biodiversity Areas (KBA). Moreover, impact mitigation measures must be implemented to minimize biodiversity impacts to the greatest extent possible. In addition, this commitment extends Johnson Health Tech's influence upstream by requiring that suppliers involved in biodiversity loss or illegal logging activities are excluded from procurement. This approach reinforces Johnson Health Tech's determination to protect biodiversity throughout the supply chain.

1.9 Management of Factory Operational Environment

Air Pollution Management

Johnson Health Tech has long upheld the principle of achieving a win-win outcome between environmental protection and employee health and well-being. The Company is committed to reducing the physical and mental health risks posed to employees and surrounding communities by poor workplace air quality, while also minimizing the release of air pollutants such as suspended particulates, dust, nitrogen oxides (NO_x), sulfur dioxide (SO₂), volatile organic compounds (VOCs), and heavy metals into the atmosphere. To this end, Johnson Health Tech has actively introduced new equipment, replacing traditional coating machines that emit VOCs with powder coating equipment, thereby reducing VOC emissions and the generation of air pollutants. Additionally, Johnson Health Tech commissions third-party contractors annually to conduct environmental monitoring of factory operations, ensuring that all air pollutant emissions comply with relevant regulatory standards set by competent authorities.

Regarding the impact on the surrounding environment, since its establishment, Johnson Health Tech has considered the potential effects of its operations on nearby environments and communities when selecting the headquarters location and subsequent overseas factories. This ensures that operational impacts on the surrounding environment and residents are minimized. Consequently, Johnson Health Tech's Group headquarters, Taiwan factory, two factories in Shanghai, and the Vietnam factory are all located at appropriate distances from local communities to avoid any potential air pollution impacts.



Noise Management

To mitigate the impact of noise generated during production on the surrounding environment and local communities, Johnson Health Tech, from the outset, carefully considered its operational characteristics and located its factories at appropriate distances from residential areas. The Company actively implements factory noise management through regular noise monitoring conducted in collaboration with third-party contractors to ensure that noise from production processes does not adversely affect nearby communities or ecosystems.



According to the "2024 Taichung City Noise Control Zone Map" published by the Taichung Environmental Protection Bureau, Johnson Health Tech's Taiwan factory is located within a Category 4 noise control zone, while the surrounding areas are designated as Category 2 noise control zones. Based on satellite imagery from Google Maps, it is observed that there are no residential communities surrounding Johnson Health Tech's factory sites. Based on internal assessments, Johnson Health Tech poses no health risk concerns to nearby residents due to noise.



JOIN HAPPINESS TRUST



- 2.1 Talent Attraction and Retention
- 2.2 Talent Development
- 2.3 Human Rights
- 2.4 Occupational Health and Safety
- 2.5 Social Health

Happiness

Fostering a Happy and Fulfilling Life

Our Commitment

Talent is Johnson Health Tech's most valued asset, and every employee is a partner in our pursuit of a fulfilling and healthy life.

We strive to ensure the right people are in the right positions, aligning individual development with the Company's strategic goals. By integrating Johnson's core values and vision with employees' career growth, we drive continuous organizational advancement and maximize the effectiveness of human capital.

Through offering comprehensive global health solutions and support, we aim to promote societal well-being and cultivate a future where health-driven aspirations can thrive.

2.1 Talent Attraction and Retention

As of 2024, Johnson Health Tech has established approximately 67 marketing subsidiaries and 458 self-operated retail outlets across more than 60 countries, with a total global workforce of around 9,095 employees. Since our founding in 1975, continuously recruiting talent who share our core values has been a key driver of the Group's growth over the past 50 years. At the same time, maintaining a positive and supportive work environment remains fundamental to our ongoing global expansion.

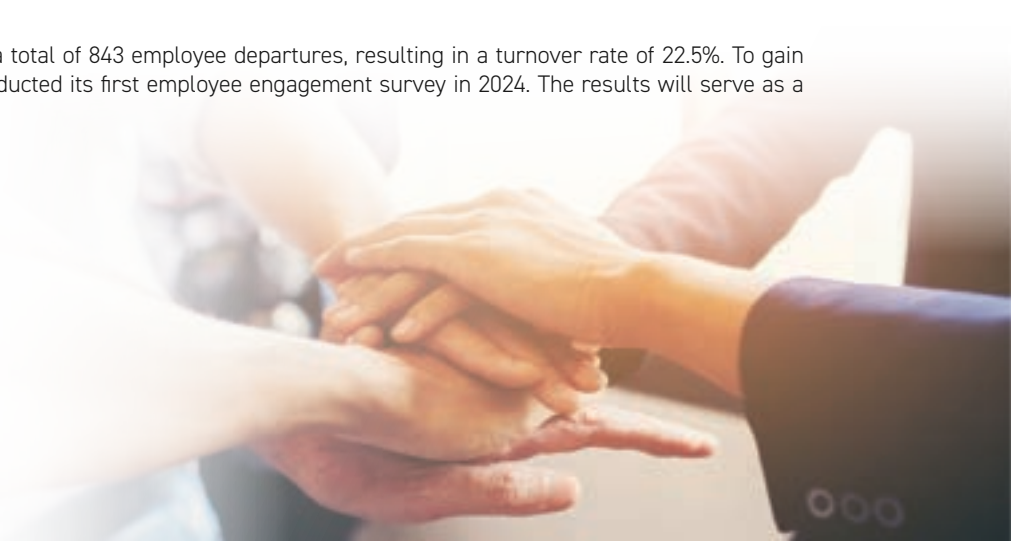
2.1.1 Talent Recruitment

Johnson Health Tech's core values—Health, Value, and Sharing—guide our commitment to recruiting like-minded individuals who embody our corporate spirit. Our talent acquisition strategy emphasizes the hiring of local and diverse talent. We prioritize integrity, expertise, and competence, without regard to gender, nationality, ethnicity, political affiliation, religion, or personal beliefs. We are firmly committed to ensuring equal opportunities in both recruitment and career development, and we do not tolerate any form of discrimination.

In 2024, our domestic recruitment efforts primarily involved collaboration with online job platforms and vocational training centers to source talent through both public and targeted outreach channels. This year, we also partnered with the National Immigration Agency to host career counseling and job-matching seminars for new immigrants and second-generation residents, aiming to welcome a broader range of talents into the Johnson family. We believe in the power of our employees to create positive influence, and encourage internal mobility through job postings that allow employees to apply or refer qualified candidates. In addition to recruiting full-time employees, Johnson Health Tech consistently offers internship and part-time opportunities during the summer. Upon completion of the internship, candidates may be offered permanent positions based on performance. In 2024, we collaborated with universities including National University of Kaohsiung and National Cheng Kung University. To support the rights of underrepresented groups, we also maintain dedicated recruitment procedures for persons with disabilities. To achieve the ideal of "right person, right role, right fit," we have established a rigorous recruitment process, complemented by onboarding and training programs to ensure new hires are well-integrated into the Johnson Health Tech family.

New Hires and Employee Turnover **401-1**

In 2024, Johnson Health Tech recorded a total of 734 new hires, representing a hiring rate of 19.6%, and a total of 843 employee departures, resulting in a turnover rate of 22.5%. To gain deeper insights into workforce dynamics and to enhance employee retention strategies, the Company conducted its first employee engagement survey in 2024. The results will serve as a critical reference for future talent development planning and organizational optimization efforts.



New Hires in 2024

Age	Group Headquarters and Taiwan Factory				Shanghai Factory				Vietnam Factory				Total						Number of Employees	Percentage
	Female		Male		Female		Male		Female		Male		Female		Male					
	Number of Employees	Percentage	Number of Employees	Percentage	Number of Employees	Percentage	Number of Employees	Percentage	Number of Employees	Percentage	Number of Employees	Percentage	Number of Employees	Percentage	Number of Employees	Percentage				
<30 years old	14	9%	45	28%	18	15%	33	27%	82	18%	125	28%	114	16%	203	28%	317	43%		
30–50 years old	31	19%	60	37%	24	20%	46	38%	90	20%	137	30%	145	20%	243	33%	388	53%		
>50 years old	6	4%	6	4%	0	0%	1	1%	5	1%	11	2%	11	1%	18	2%	29	4%		
Subtotal	51	7%	111	15%	42	6%	80	12%	177	26%	273	40%	270	37%	464	63%	734	100%		
Total/ Proportion	162/22%				122/17%				450/61%											

Note: The hiring rate is calculated as the number of new hires during the year divided by the total number of employees in the respective category at the end of the year.

Employee Turnover in 2024

Age	Group Headquarters and Taiwan Factory				Shanghai Factory				Vietnam Factory				Total					
	Female		Male		Female		Male		Female		Male		Female		Male		Number of Employees	Percentage
	Number of Employees	Percentage	Number of Employees	Percentage	Number of Employees	Percentage	Number of Employees	Percentage	Number of Employees	Percentage	Number of Employees	Percentage	Number of Employees	Percentage	Number of Employees	Percentage		
<30 years old	27	10%	69	25%	22	15%	20	14%	68	16%	184	44%	117	14%	273	32%	390	46%
30–50 years old	57	21%	102	37%	40	27%	53	36%	40	10%	67	16%	137	16%	222	26%	359	43%
>50 years old	8	3%	14	5%	0	0%	13	9%	23	6%	36	9%	31	4%	63	7%	94	11%
Subtotal	92	11%	185	22%	62	11%	86	15%	131	23%	287	49%	285 34% 558 66%				843	100%
Total/ Proportion	277/33%				148/17.5%				418/49.5%									

Note: The turnover rate is calculated as the number of employee departures during the year divided by the total number of employees in the respective category at the end of the year.

2.1.2 Workforce Composition 2-7 2-8 202-2 405-1

Statistics on Employee Composition

As of 2024, Johnson Health Tech employed a total of 3,744 employees across its three major factories, representing an increase of 428 employees compared to 2023, or an annual growth rate of 12.9%. Notably, the number of employees at the Vietnam factory rose from 893 to 1,298, an increase of 405 employees, primarily driven by the expansion of overseas production capacity. This reflects the Company's continued efforts to strengthen its manufacturing presence in Vietnam. Workforce levels at the Taiwan and Shanghai factories remained relatively stable, with only minor fluctuations.

Number of Employees					Number of Non-Employee Workers		
	Types	Female	Male	Total	Types	Total	Primary Job Responsibilities
Group Headquarters and Taiwan Factory	Full-time Employees	404	869	1,273	Dispatched Personnel	7	Assist with production and assembly line operations at the Taiwan factory.
	Part-time Employees	1	11	12	Contract Employees	5	Assist with production and assembly line operations at the Taiwan factory; support training of new hires in the Information Technology and Business Management departments.
	Employees without Guaranteed Working Hours	0	1	1	Consultant	1	Support operational activities for Asia Digital and Global Home Marketing divisions
	Total	405	881	1,286	Total	13	
Shanghai Factory	Full-time Employees	127	547	674	Dispatched Personnel	1,126	Frontline Production Workers
	Part-time Employees	196	290	486			
	Employees without Guaranteed Working Hours	0	0	0			
	Total	323	837	1,160	Total	1,126	
Vietnam Factory	Full-time Employees	408	635	1,043	Dispatched Personnel	50	Frontline Production Workers
	Part-time Employees	121	124	245			
	Employees without Guaranteed Working Hours	0	0	0			
	Total	529	769	1,298	Total	50	

Note 1:Employee composition statistics are based on the total number of employees as of the end of the reporting period (December 31, 2024).

Note 2:The information covers Johnson Health Tech's primary operational sites, including the Group Headquarters, Taiwan Factory, Shanghai Factory, and Vietnam Factory.

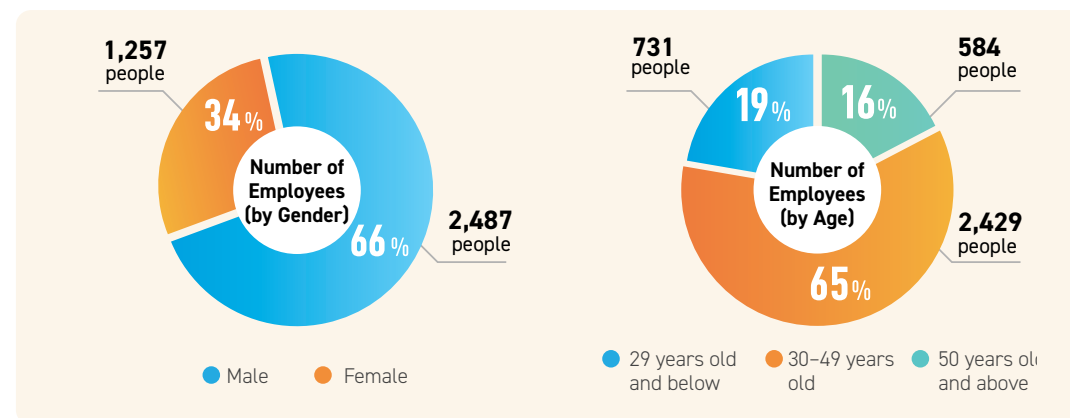
Note 3:Non-employees are defined as individuals who are not subject to the Company's performance evaluation system.

Statistics on Management-Level Composition

Item	Group Headquarters and Taiwan Factory	Shanghai Factory	Vietnam Factory	Total
Total Number of Employees	1,286	1,160	1,298	3,744
Number of Senior Executives	Male	61	53	37
	Female	11	10	18
	Total	72	63	55
Number of Local Employees in Senior Management Positions	72	17	25	58
Proportion of Senior Management hired from the Local Community	100%	27%	45%	31%

Note: Local individuals are defined as those who possess full citizenship rights in the country or region where the factory is located. At Johnson Health Tech, senior management is defined as employees at the position level of Assistant Manager or above.

Number of Employees and Gender Ratio



Diversity in the Workforce

As a manufacturer of fitness equipment, Johnson Health Tech has a high demand for labor on its production lines. In 2024, the Company employed a total of 1,257 female employees and 2,487 male employees, with a higher proportion of male workers. The majority of employees are between 30 and 50 years of age. Currently, Johnson does not collect data on employees' race, religion, or sexual orientation. However, the Company remains committed to monitoring global trends in diversity and inclusion, and strives to provide equal employment opportunities and a non-discriminatory workplace environment.

Statistics on Employee Headcount

Gender	Age	Group Headquarters and Taiwan Factory		Shanghai Factory		Vietnam Factory		Total	
		Number of Employees	Percentage	Number of Employees	Percentage	Number of Employees	Percentage	Number of Employees	Percentage
Female	<30 years old	47	4%	61	5%	124	10%	232	6%
	30–50 years old	280	22%	260	22%	350	27%	890	24%
	>50 years old	78	6%	2	0%	55	4%	135	4%
	Subtotal	405	31%	323	28%	529	41%	1,257	34%
Male	<30 years old	143	11%	99	9%	257	20%	499	13%
	30–50 years old	592	46%	465	40%	482	37%	1,539	41%
	>50 years old	146	11%	273	24%	30	2%	449	12%
	Subtotal	881	69%	837	72%	769	59%	2,487	66%
Total		1,286	34%	1,160	31%	1,298	35%	3,744	100%

2.1.3 Compensation and Performance Evaluation 2-19 2-20

Talent is Johnson Health Tech's most valued and important asset. The Company is committed to establishing a sustainable corporate model with social responsibility. Therefore, our compensation policy not only aligns with operational performance but also emphasizes employees' self-actualization. Aiming to enhance employee satisfaction and reduce turnover rates, the Company has designed a comprehensive remuneration system. In addition to offering starting salaries above the market average, we provide various incentives to reward outstanding employees, including performance bonuses, proposal awards, discretionary incentives, and profit-sharing bonuses. These measures encourage proactive engagement and foster a win-win situation for both Johnson and its employees. We are committed to implementing a fair and equitable performance evaluation mechanism and a comprehensive promotion system, while providing employees with adequate compensation, reasonable working hours, and career development opportunities. Through these efforts, we aspire to support employees' advancement within Johnson while fulfilling our corporate social responsibility and promoting sustainable business development.

Average Employee Compensation 405-2

At Johnson Health Tech, senior management is defined as employees at the level of Assistant Manager and above; middle management refers to Section Manager level and above; all others are classified as non-managerial employees. Average compensation includes base salary plus bonuses and profit-sharing. In 2024, the average annual compensation for full-time non-managerial employees was NT\$788,000, with a median of NT\$638,000. Compared to 2023, the average increased by NT\$69,000, and the median increased by NT\$39,000. In the same year, the average compensation ratio of female to male employees in non-managerial positions across the Group was 91%, 87% for middle management, and 90% for senior management. The unadjusted gender pay gap stood at 10.6%.

Performance Evaluation System 404-3

Johnson Health Tech conducts annual performance evaluations for all employees to ensure the achievement of operational goals and support individual growth. The Company adopts a flexible Management by Objectives (MBO) system that links Johnson's annual strategic goals with individual performance, using this framework to establish evaluation criteria. Through performance assessments, the Company gains insights into employee performance, personal development, and progress toward operational objectives. Performance evaluations also serve as a basis for adjusting workforce strategies, helping Johnson maintain a competitive edge in a rapidly evolving market. The results of performance evaluations are used to support promotions, salary adjustments, and training plans, thereby motivating employees to reach their full potential and create greater value alongside the Company. Evaluation results are categorized into three grades: A, B, and C. These outcomes are used as a reference for promotion eligibility, salary adjustments, and training program planning. Employees receiving a "C" rating are encouraged to work with their supervisors to develop specific improvement plans, reflecting the Company's commitment to shared development and open communication. Performance evaluations are conducted without gender bias.

In 2024, 100% of full-time employees participated in the evaluation process. All managers receive comprehensive training in performance interviews and evaluation techniques to better guide, coach, and provide career consultation for their teams in achieving their personal goals. Johnson Health Tech is committed to offering the necessary support and resources to ensure that every employee can realize their potential and continue to grow—contributing to greater value creation for the organization.

Average Compensation Ratio (Base Salary and Bonuses Included)

	Types of Employee	Female	Male
Group Headquarters and Taiwan Factory	Non-managerial Employees	90%	100%
	Middle Management	86%	100%
	Senior Management	96%	100%
Shanghai Factory	Non-managerial Employees	93%	100%
	Middle Management	117%	100%
	Senior Management	104%	100%
Vietnam Factory	Non-managerial Employees	92%	100%
	Middle Management	86%	100%
	Senior Management	80%	100%

Note 1: The information covers Johnson Health Tech's primary operational sites, including the Group Headquarters, Taiwan Factory, Shanghai Factory, and Vietnam Factory.

Note 2: Senior management is defined as employees at the level of Assistant Manager and above; middle management refers to Section Manager level and above.

Note 3: Figures for overseas factories are calculated based on the exchange rates as of the end of December 2024.

Note 4: At the Vietnam factory, most male managers are assigned from the Group Headquarters and the Shanghai factory, resulting in a higher average compensation compared to female managers.



Annual Performance Evaluation

- MBO Online Assessment
- Management Competency Assessment

Johnson Health Tech values employee career development; therefore, promotions are regularly conducted following performance evaluations to ensure employees have ample opportunities for growth and advancement. We consider various criteria based on job level, including tenure, performance ratings, training hours, and language proficiency, to ensure promotions are merit-based and appropriately matched. To guarantee fairness and independence in promotion decisions, Johnson has established a Personnel Evaluation Committee composed of the head of Human Resources, the Vice President, and other appointed members, responsible for further reviewing promotions to higher job levels. To encourage continuous self-improvement, the committee also provides recommendations and Key Performance Indicators (KPIs) for promoted employees, which are incorporated into the employee's subsequent year MBO plan. In addition to annual evaluations, Johnson implements ongoing performance assessments, providing rewards or corrective actions based on employees' day-to-day performance. We pay close attention to daily work conduct and offer appropriate support to motivate employees, enabling them to better fulfill their responsibilities. By continuously enhancing talent capabilities, Johnson maintains its competitive advantage in a dynamic market while demonstrating our commitment and responsiveness to stakeholders.

2.1.4 Employee Benefits 401-2 401-3

Johnson Health Tech believes that fostering a high-quality work environment that promotes flexibility between work and personal life brings greater vitality and growth to the Company, enabling us to advance health and wellness worldwide. Both professional development and quality of life are key measures of achievement for Johnson employees. From everyday essentials to mental and emotional well-being, the Company is committed to providing comprehensive support to ensure that employees are well cared for in all aspects of their lives.

Employee Benefits Overview: Comprehensive 360-Degree Support Covering Daily Life and Well-being (Inclusive Care Across Food, Clothing, Housing, Transportation, Education, and Recreation)

Incentives and Safeguards



Incentives

Performance bonuses, proposal bonuses, discretionary incentive bonuses, profit-sharing, holiday gifts, and Lunar New Year gift packages.



Insurance

An enhanced insurance program beyond statutory requirements. In addition to mandatory labor and health insurance, group insurance coverage is provided for employees and their dependents. Group policies include life, medical, and disability insurance with terms superior to legal minimums. The retirement system and employee stock ownership plan fully comply with applicable regulations.



Leave Benefits

Leave entitlements exceeding the requirements of the Labor Standards Act: full-time employees are entitled to 10 days of annual leave immediately upon onboarding. Additional types of leave include parental leave, menstrual leave, family care leave, and paid leave for marriage and paternity.



Health

Annual health checkups and Employee Assistance Programs (EAPs) are provided to support employee well-being. In addition, qualified medical personnel are stationed on-site to respond to safety and emergency needs within the factory. They are also responsible for assessing whether employees are physically fit to enter the workplace and perform their duties.

Food, Clothing, Housing, Transportation, Education, and Recreation



Food

An employee cafeteria and subsidized meal programs are available, offering a wide variety of nutritious dishes to ensure balanced dietary intake. A snack bar is also provided in the cafeteria, allowing employees to recharge throughout the day. Complimentary snacks or dinner are provided for those working overtime.



Clothing

Free cotton uniforms are distributed annually for both summer and winter seasons. The uniforms are made of breathable and comfortable materials to ensure employee comfort.



Housing

To enhance employees' quality of life, dormitories are provided within the factory premises for foreign workers. These facilities were renovated in 2020 and are integrated with the landscaped environment of the campus.



Transportation

The Taiwan headquarters, with its spacious campus, offers free on-site parking for employees.



Education

Johnson Health Tech actively supports major milestones in employees' lives by offering marriage and childbirth subsidies. In addition, flexible working hours are available to support childcare needs.



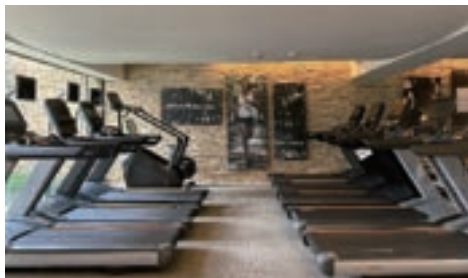
Recreation

The Company promotes employee well-being by providing an on-site gym and a wide range of clubs and recreational activities, including employee outings and dormitory holiday celebrations. Over 200 partner stores offer exclusive discounts to Johnson employees, enhancing their leisure options on weekends. Employees also enjoy preferential pricing on fitness equipment and biomedical products.

Note: The Company's employee welfare programs apply to full-time employees, part-time employees, and contract-based personnel.

From Fitness Facilities to Digital Health Platforms: Comprehensive Support for Employee Well-being

Johnson Health Tech recognizes the vital role that physical and mental well-being play in leading a fulfilling life. Leveraging its core expertise, the Company has established a state-of-the-art fitness center that is available to employees free of charge. In addition to offering a wide range of Johnson-branded fitness equipment, the facility features a dedicated relaxation area with full-body massage chairs to help employees unwind after workouts. In line with Johnson's ongoing commitment to innovation, the fitness center is regularly upgraded to ensure employees benefit from the latest exercise technologies and experiences. To further enhance accessibility to wellness resources, Johnson Health Tech launched the Welltivity digital fitness ecosystem in 2023, granting employees free access to the platform. This comprehensive solution enables employees to participate in professionally-led online workout sessions and track their workout frequency, exercise duration, and calories burned, thereby supporting holistic health and well-being. The Company also actively promotes physical activity and team cohesion through a variety of wellness events, such as group fitness challenges and sports festivals. To encourage healthy lifestyles, employees are offered exclusive discounts on Johnson Health Tech products. By combining physical wellness facilities with employee benefits, the Company fosters a healthy, happy, and sustainable work environment.



Employee Fitness Center



Employees at the Shanghai factory using Welltivity to stay active



Aerobics Competition



Fun Sports Day

Health and Connection: Employee Club Activities

Johnson Health Tech offers a variety of employee clubs, including aerobics, badminton, softball, cycling, and bowling, reflecting the Company's strong commitment to an active lifestyle. These clubs are designed to promote healthy exercise habits and encourage the development of diverse personal interests, helping employees maintain a positive work-life balance. In addition, they provide valuable opportunities for interpersonal interaction and connection, strengthening internal cohesion and fostering a spirit of teamwork across the organization.



Employee Club Activities

Festive Celebrations and Cultural Activities

Cultural Trips for Foreign Employees

To support cultural adaptation and strengthen team integration, Johnson Health Tech organizes regular excursions for foreign employees. These trips include cultural experiences, sightseeing, and team-building activities, all thoughtfully planned with consideration for language preferences and dietary needs.



Cultural Trips for Foreign Employees

Songkran Festival (Water Festival):

To promote cultural respect and enhance employees' sense of belonging, Johnson Health Tech regularly organizes traditional Southeast Asian celebrations such as the Songkran Festival. These events allow foreign employees to experience the spirit of their home-country traditions while abroad. Activities typically include ceremonial rituals, water-splashing games, and shared meals, fostering cultural exchange and emotional connection among employees.



Songkran Festival

Southeast Asian New Year's Dinner Gathering

From April 13 to April 16, Southeast Asia celebrates its most significant traditional New Year festival. In alignment with this cultural tradition, Johnson Health Tech organized related activities in April 2024 and prepared special New Year gift packages for foreign employees to celebrate the occasion.

Dedicated Rest and Recreation Spaces

Prayer Room

Johnson Health Tech respects and supports the diverse backgrounds and religious beliefs of all employees. In 2023, the Company established a dedicated prayer room to foster a caring and inclusive international workplace. This facility allows Muslim employees working away from home to comfortably and conveniently fulfill their daily prayers, maintaining their religious practices within the workplace.



Prayer Room

Fitness Room and Billiards Room

As a global leader in fitness and exercise equipment, Johnson Health Tech has leveraged its product expertise to create professional fitness and billiards rooms within the dormitories for foreign employees. These dedicated spaces promote physical well-being and provide employees with convenient access to high-quality exercise and recreational facilities.



Billiards Room



Fitness Center

Workplace Friendly Assistance

Mentorship Program

Since 2015, Johnson Health Tech has implemented a one-on-one mentorship program to support newly hired foreign employees. Experienced mentors from Southeast Asian countries—such as Thailand, Vietnam, and Indonesia—guide new hires through workplace orientation and help them quickly adapt to their new environment. In addition, a weekly 30-minute training session is conducted to communicate company policies and promote occupational health and safety practices, enabling foreign employees to acquire job-related skills efficiently.

On-site Translation Assistance

To enhance communication, Johnson Health Tech collaborates with external agencies to arrange regular on-site visits by professional interpreters. These interpreters assist foreign employees in expressing concerns, resolving issues in real time, and facilitating effective communication between employees and management.

Supporting Work-Life Balance: Parental Leave and Care for Female Employees

Johnson Health Tech is committed to helping employees maintain a healthy balance between work and family life. The Company has established a comprehensive parental leave policy in accordance with the Gender Equality in Employment Act and other relevant regulations. Eligible employees are encouraged to apply for unpaid parental leave, with a guarantee that their job position will be retained during their absence. In 2024, 14 employees applied for parental leave, with a return-to-work rate of 93% and a retention rate of 100%. In addition, the Company has set up dedicated lactation rooms within its facilities and provides flexible working hours for employees with young children. These initiatives reflect Johnson Health Tech's deep commitment to family values and the creation of a supportive and inclusive workplace culture.

Statistics on Parental Leave

Statistics of the Group Headquarters in 2024	Male	Female	Total
Total Number of Employees Eligible for Parental Leave in 2024	881	405	1,286
Total Number of Employees Who Applied for Parental Leave in 2024	6	8	14
Number of Employees Expected to Return from Parental Leave in 2024 (A)	6	8	14
Number of Employees Who Actually Returned from Parental Leave in 2024 (B)	6	7	13
Number of Employees Who Actually Returned from Parental Leave in 2023 (C)	4	9	13
Number of Employees Who Returned from Parental Leave in 2023 and Remained Employed for at Least One Year (D)	4	9	13
Return-to-Work Rate (%) = B / A	100%	88%	93%
Retention Rate (%) = D / C	100%	100%	100%

💡 Lifetime Partnership: Retirement Benefits and Support

Johnson Health Tech follows the Labor Standards Act and the Labor Pension Act in establishing its employee retirement policies, which apply to all full-time employees. In accordance with these regulations, the Company contributes 6% of each employee's monthly salary to their individual retirement account, managed by the Labor Pension Supervisory Committee. In 2024, a total of five employees retired from the Company. At Johnson Health Tech, we deeply value the dedication and contributions of our employees. Their time with us is not seen merely as employment, but as a meaningful bond. To express our ongoing care and appreciation, we send gift packages to retired employees during major holidays and invite them to our annual year-end banquet, reinforcing their continued connection to the Johnson family. We are committed to the principle that "once a member of Johnson, always a member of Johnson." Even after retirement, our employees remain part of the extended Johnson family. We will continue to support and care for their well-being, reflecting the Company's enduring commitment to family values and corporate culture.

2.2 Talent Development 404

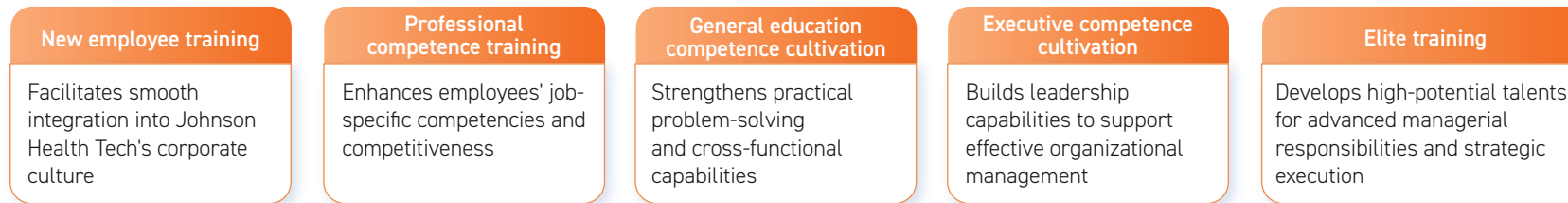
2.2.1 Talent Cultivation

Johnson Health Tech values the holistic development of every employee. We have established a comprehensive talent development program and career advancement system aligned with our operational goals. A strategic talent cultivation roadmap is formulated based on the Company's business development, aiming to identify individual strengths through diverse learning channels while integrating organizational objectives to support employees in achieving their career aspirations. Our training system comprises two main categories: onboarding training for new employees and on-the-job training for current employees. Additionally, each employee is provided with a personalized learning and development plan, offering comprehensive opportunities for professional growth. This approach ensures the cultivation of core competencies and sustained momentum essential for the long-term development of the Company.

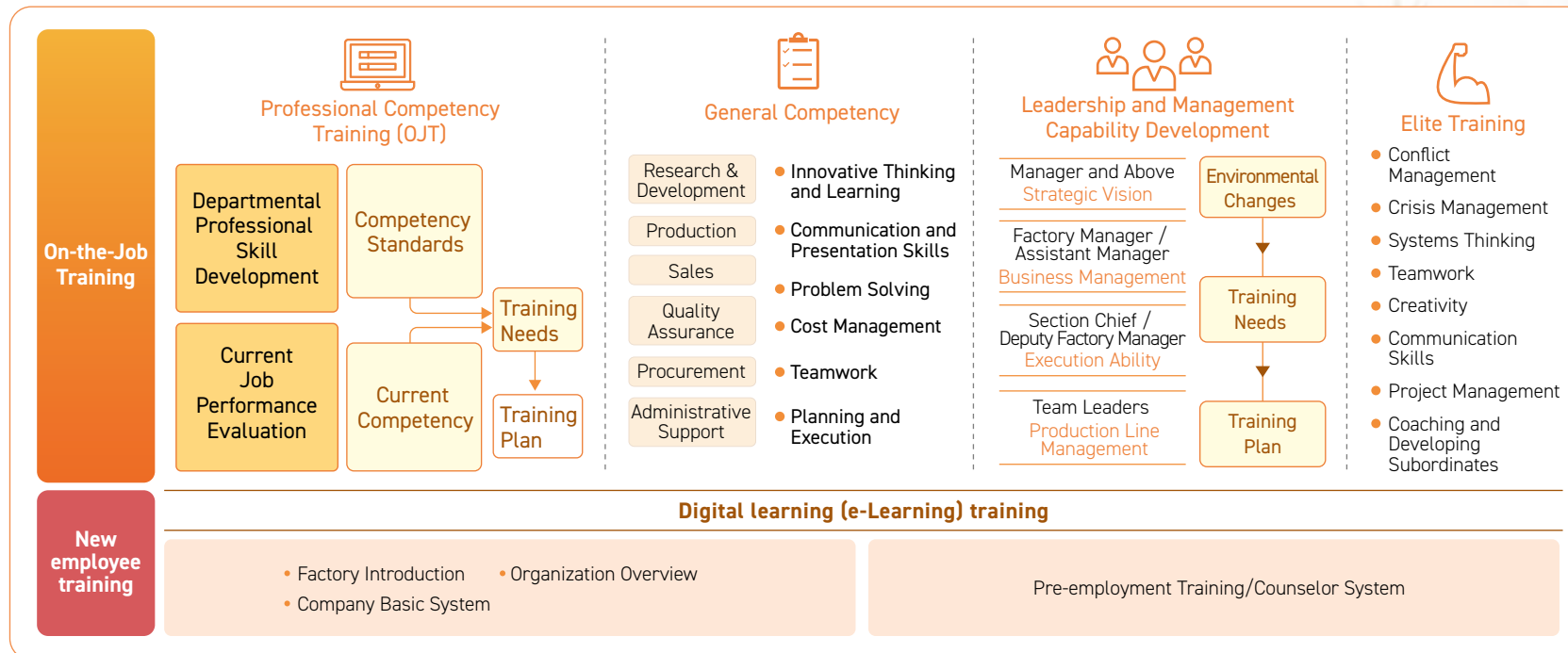


Career development blueprint

At Johnson Health Tech, the journey of personal and professional growth begins the moment an individual officially becomes part of the organization. We are committed to providing comprehensive support and focused development in professional competencies through a structured and diversified training framework, which includes:



Through a robust and well-designed training system, we aim to expand employees' development potential and future career prospects, fostering the growth of well-rounded and high-performing members of Johnson Health Tech.



I. New Employee Training Program

To support each new hire in becoming a valued member of Johnson Health Tech, we have developed a comprehensive onboarding training program, jointly designed by the Human Resources team. The program includes 200 hours of online courses covering essential operational procedures, as well as key sustainability topics such as occupational health and safety, corporate policy management, and explanations of leave entitlements and employee benefits. In addition to general training modules, each department provides job-specific training tailored to help new employees quickly adapt to their respective roles and work environments. Johnson Health Tech places great importance on employee feedback and encourages new hires to submit a "New Employee Training Reflection Report" upon completing the program. This serves as a tool for assessing the effectiveness of the training. To foster open communication and a supportive atmosphere, we also hold monthly "New Employee Forums", offering opportunities to discuss onboarding content and career development topics. Furthermore, we have implemented a Mentorship Program, in which experienced employees are assigned as mentors to guide new hires during their initial period. This peer-led approach helps new employees integrate smoothly into the Johnson Health Tech family.

II. On-the-Job Skills Training Program

Johnson requires all employees across the Group to participate in the On-the-Job Skills Training Program. Through a diverse range of training courses, the program aims to continuously enhance both professional and managerial competencies, thereby laying a solid foundation for organizational growth and individual career development.

1 Professional Competency Training - On-the-Job Training (OJT)

Conducted at the workplace by supervisors or senior colleagues to provide employees with practical guidance and skills development. Each department identifies training needs based on job competency standards and the current status of its personnel, and subsequently formulates a training plan. The primary objective is to strengthen departmental professional capabilities while achieving performance evaluation and career development goals.

2 General Education Competence Cultivation

Focusing on six core competencies: Planning and Execution, Teamwork, Cost Management, Problem Solving, Communication and Expression, and Innovative Thinking and Learning, the program provides role-specific training tailored to various functions including R&D, Manufacturing, Sales, Quality Assurance, Procurement, and Administrative Support. These courses are designed to meet the demands of each job position and enhance the overall core competitiveness of the Johnson team.

3 Executive Management Competence Cultivation

The program emphasizes enhancing the decision-making capabilities of managerial personnel. Supervisors are trained to proactively identify training needs based on environmental changes and subsequently develop corresponding training plans. A variety of online courses focused on managerial competencies are offered, including communication and coordination, conflict resolution skills, and the handling of difficult employees and employee-related issues. Managers at all levels are expected to cultivate different managerial skills tailored to their respective job responsibilities.

4 Elite Training

To support the long-term career development of employees, Johnson Health Tech has established an Elite Training Program targeting mid- to senior-level management as well as selected non-managerial employees. The program aims to strengthen participants' understanding of relevant labor laws and practical case studies, thereby enhancing their management competencies and ability to fulfill supervisory responsibilities. Course content includes the interpretation of the latest labor regulations, termination of employment contracts, working hours compliance, identification of unlawful workplace conduct, dispute resolution and responsibility attribution, as well as handling of incompetent employees.

Individual Learning Development Plan

The Individual Learning Program is implemented through the Individual Development Plan (IDP) framework, ensuring that every Johnson Health Tech employee has access to development opportunities that align with their skills and potential. Learning needs assessments and evaluations are conducted from the perspectives of the Group, departments, and individual employees. These assessments place emphasis on job responsibilities, personal attributes, career planning, and alignment with the Company's long-term vision. Past experience and future development potential are also evaluated to build a stable and continuously improving organization.

Johnson e-Academy spans a wide range of disciplines, including business management, R&D and innovation, artificial intelligence, digital marketing, cloud technology development, manufacturing, lifestyle applications, warehouse management, and product development. The objective is to comprehensively enhance the overall human capital value of the Company. In addition to Johnson e-Academy, the Human Resources Department and individual departments also offer a variety of training programs. Employees can access diverse learning channels, which are categorized into six major types: onboarding programs, elite programs, departmental on-the-job training (OJT), digital learning, promotion pathways, and core technical knowledge transfer.

External Off-the-Job Training (Off-JT)

Johnson Health Tech also timely engages external experts and instructors to provide targeted training for employees or assigns staff to participate in courses, seminars, and corporate lectures organized by professional institutions and competent authorities. The Company actively encourages employees to pursue continuous self-improvement and learning by subsidizing participation in external training programs. The relevant subsidy policies and lists of available external training courses are shared on the Company's internal website. Courses are categorized based on departmental core competencies, with designated training sessions assigned by relevant departments. Other employees may also independently select and enroll in courses and apply for company subsidies upon completion. In 2024, Johnson Health Tech provided a total subsidy of NT\$103,590 for external training programs for employees at the Group's headquarters, benefiting 84 employees throughout the year. The course topics primarily covered occupational health and safety, operation of machinery and equipment, software and system applications, as well as discussions on international trends and regulatory developments.

Digital Talent Development

In response to the growing demand for smart fitness product development and digital content creation, Johnson Health Tech has in recent years expanded its recruitment of new-generation talent with expertise in areas such as artificial intelligence (AI), video streaming, and e-commerce marketing. In parallel, employees across various departments are nominated for relevant training or advanced studies based on internal needs. These efforts not only enhance employees' digital skills and literacy, but also strengthen the Company's overall competitiveness.

Course Title	Number of Participants	Total Participant Training Hours
Integrated Applications and Trends of Generative AI	89	89
Google Cloud Summit: AI and Database Applications	22	22
OpenAI ChatGPT	9	9
OpenAI Gym: Building Reinforcement Learning Agents with Stable-Baselines	21	21
Technology Insights and Innovations	56	112
Patent Gazette for Fitness Equipment	195	195
Work Made Easy: Harnessing ChatGPT for Enhanced Productivity	90	45
YouTube Test Introduce	14	14

Statistics on Employee Education and Training Outcomes

In 2024, Johnson Health Tech employees completed a total of 60,484 training hours, with 4,350 total training participants. The average training hours per employee reached 14 hours. Training topics included areas such as ethical business conduct and regulatory compliance.

Types of Employee	Group Headquarters and Taiwan Factory				Shanghai Factory				Vietnam Factory				Total
	Managerial employees		Non-managerial Employees		Managerial employees		Non-managerial Employees		Managerial employees		Non-managerial Employees		
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Total Training Hours	3,391	777	14,847	10,368	1,412	243	8,598	5,528	1,890	300	8,350	4,780	60,484
Total Number of Employees in This Category	157	35	544	244	61	14	1,080	536	80	20	1,054	525	4,350
Average Training Hours	22	22	27	42	23	17	8	10	24	15	8	9	14

💡 Industry-Academia Collaboration

Johnson Health Tech actively strengthens youth competencies and employability through diverse training initiatives and local collaboration programs. In 2024, the Company established a plan to launch an Industry-Academia Collaboration Program with Taichung Municipal Dajia Industrial Senior High School starting in 2025, aimed at promoting a Specialized Cooperative Class in Mechanical Processing through a progressive training model. Under this program, cooperative education students will undertake on-the-job training at the Company five days a week during their studies, accumulating an estimated annual total of over 1,200 hours of practical training per student. The training curriculum encompasses fundamental mechanical knowledge, hands-on operational practices, occupational health and safety, gender equality, and professional ethics. The Company has also implemented a competency assessment system and a mentorship mechanism to support students in obtaining the Class C Technician Certification and provides employment opportunities based on internship performance to facilitate a smooth transition into the workforce. To ensure comprehensive care for cooperative education students, the Company offers monthly living allowances, accommodation, and transportation subsidies, and includes them in group insurance, labor insurance, and occupational accident insurance coverage to safeguard their well-being during the internship period. In addition, the Company and the school convene regular coordination meetings involving students, parents, and teachers to continuously enhance the quality of cooperation and learning outcomes. These efforts demonstrate the Company's strong commitment to corporate social responsibility and its proactive engagement in supporting local education development.

2.2.2 Expatriate Management

Johnson Health Tech operates over 40 marketing subsidiaries worldwide and manages nearly 500 proprietary retail channels. We provide ample overseas assignment opportunities to ensure the optimal deployment of talent and promote cross-regional knowledge exchange within the Group. Through a comprehensive expatriate management system, we foster employees' global perspectives and encourage personal and professional growth. The Human Resources Department continuously assesses workforce needs across regions and publishes real-time job-related information—such as assignment locations, number of vacancies, and required professional competencies—via the internal company network. Employees interested in overseas roles are invited to submit an assignment proposal for review. Host locations also provide detailed job descriptions, tailored training programs, and facilitate discussions on benefit packages for expatriates. By the end of 2024, the total number of employees on overseas assignments reached 22.

💡 Expatriate Benefits

Every Johnson team member contributing abroad is regarded as a valued part of our global family. To support their efforts, we offer annual leave entitlements exceeding legal requirements, airfare subsidies, and salary adjustments aligned with local cost-of-living indices. In addition, we provide comprehensive insurance coverage, including life insurance, accident insurance, and accidental medical coverage. To ensure employees can balance career advancement and family well-being during overseas assignments, dependents are allowed to accompany the employee. We subsidize 50% of tuition fees for up to two children enrolled in local schools, with an annual cap of US\$1,200 per child. Furthermore, during home leave, we assist expatriates in arranging comprehensive health examinations to safeguard their well-being.



2.3 Human Rights

2.3.1 Human Rights Policy and Management

To ensure sustainable corporate development and protect the fundamental human rights of stakeholders, Johnson Health Tech has established a Group-wide Human Rights Policy, which has been approved by the Group Headquarters General Manager. This policy is aligned with the principles set forth in the United Nations Universal Declaration of Human Rights and is publicly available on the Company's internal website. In addition, Johnson has implemented a Sexual Harassment Prevention Policy and a corresponding grievance mechanism, and has published gender equality guidelines on the Company's intranet to foster an inclusive and equitable workplace environment. In 2024, there were no reported cases of child labor, forced labor, or human trafficking, underscoring the Company's commitment to upholding and safeguarding human rights throughout its operations.



Declaration of Human Rights

- **Equality:** Equal employment opportunities shall be provided to all employees and job applicants without discrimination based on race, color, ancestry, nationality, gender, sexual orientation, marital status, religion, age, disability, gender identity, or genetic information. Equal opportunity applies to all aspects of employment, including recruitment, hiring, promotion, termination, layoffs, re-employment, transfers, leave, compensation, benefits, and training.
- **Freedom of Association:** Employees shall enjoy the freedom to associate with others, including the right to form, join, or refrain from joining organizations, without interference, discrimination, retaliation, or harassment.
- **Workplace Safety:** The Company is committed to ensuring a safe and ethically compliant work environment. All operating sites are required to establish management programs in compliance with applicable laws and occupational safety standards.
- **Anti-Discrimination:** Any form of harassment or discrimination related to the above circumstances is strictly prohibited. The Company does not tolerate improper interference with employees' performance of their duties, nor any retaliation against individuals who raise concerns regarding equal employment policies.
- **Prohibition of Forced Labor and Modern Slavery:** The Company is fully committed to preventing slavery and human trafficking. This policy applies to all employees and service providers. It is strictly prohibited to use force, fraud, coercion, or threats to enslave individuals or compel them to provide involuntary labor.
- **Prohibition of Human Trafficking:** Under no circumstances shall Company funds, facilities, property, or resources be used to engage in or support any human trafficking activities. Violators will face appropriate disciplinary actions, including termination or legal prosecution, and the Company will fully cooperate with local authorities.
- The Company will conduct audits or investigations of such violations as necessary. Even in the absence of concrete evidence, retaliation against employees who report concerns in good faith or cooperate with official investigations is strictly prohibited.

Statistics on Employee Human Rights Training

Upon onboarding, Johnson Health Tech provides a comprehensive series of human rights-related training courses for all new employees. The curriculum covers a broad range of topics, including human resources policies, employment and recruitment practices, compensation and benefits, labor relations, occupational safety, as well as anti-human trafficking policies and related corrective and preventive measures. All new hires are required to complete these courses within three months of employment. In 2024, the completion rate for new employees reached 100%, demonstrating the Company's strong commitment to promoting awareness and respect for human rights within the organization. Overseas subsidiaries provided training programs specifically for senior executives and management-level personnel. As of the end of 2024, 37% of employees across the Group had received training related to human rights issues. Moving forward, Johnson Health Tech will continue to promote relevant educational programs to gradually increase employee participation and deepen internal awareness of human rights.

Prevention of Sexual Harassment

Johnson Health Tech upholds a zero-tolerance policy toward sexual harassment and is committed to fostering a healthy and inclusive workplace. To reinforce this stance, the Company has issued a Written Statement on the Prohibition of Workplace Sexual Harassment, affirming our determination to eliminate such behavior and requiring the collective compliance of all employees. The Company has established a Sexual Harassment Grievance and Investigation Committee to handle complaints. We pledge to safeguard the privacy of complainants, treating confidentiality as a fundamental responsibility, and all proceedings are conducted under a strict non-disclosure principle. Employees can file a grievance by submitting a Sexual Harassment Complaint Form, which initiates the formal investigation process. Upon receipt of a complaint, the Company will determine within three days whether to accept the case and, once accepted, will establish a specialized investigation task force within the following three days. The task force prepares an investigation report, which serves as a basis for the Committee's deliberation. The Sexual Harassment Grievance and Investigation Committee consists of five members, and to ensure diversity, at least half must be female. The Company values professional judgment and expert consultation; therefore, medical professionals, legal advisors, or other specialists are invited to participate as needed. A quorum requires at least half of the members to be present, and decisions must be approved by a majority of attending members. This rigorous process reflects our commitment to protecting employee rights and maintaining a respectful workplace.

2.3.2 Human Rights Due Diligence

In 2023, Johnson Health Tech launched a Human Rights Due Diligence mechanism, which will be conducted on a biennial basis. The initial assessment focused on employees at headquarters and Taiwan manufacturing sites, and the Company will continuously enhance existing measures based on the findings. Through this process, Johnson aims to progressively advance short- and mid-term human rights management objectives, strengthen human rights governance capabilities across all operational sites, and ensure alignment with international human rights conventions.

Human Rights Due Diligence Process

Comprehensive Internal and External Review and Analysis

- Analyze international requirements and standards (such as the Universal Declaration of Human Rights, the UN Global Compact Ten Principles, the ILO Declaration on Fundamental Principles and Rights at Work, the Responsible Business Alliance (RBA) Code of Conduct, and GRI Standards), as well as human rights risk management practices adopted by domestic and international peers.
- Conduct interviews with relevant personnel to consolidate existing human rights management systems and review past incidents related to human rights.

Human Rights Risk Identification

- Distribute questionnaires to conduct human rights risk assessments and analysis, identifying sources, severity, and likelihood of occurrence.
- Evaluate and classify human rights risk levels based on the severity and probability of identified risks, and determine priority human rights issues.

Proposing Improvement Recommendations

- Identify opportunities to optimize the Company's human rights management system based on the assessment results, and propose management recommendations for human rights issues requiring special attention.
- Conduct investigations and provide explanations regarding the handling or prevention of high-risk issues.

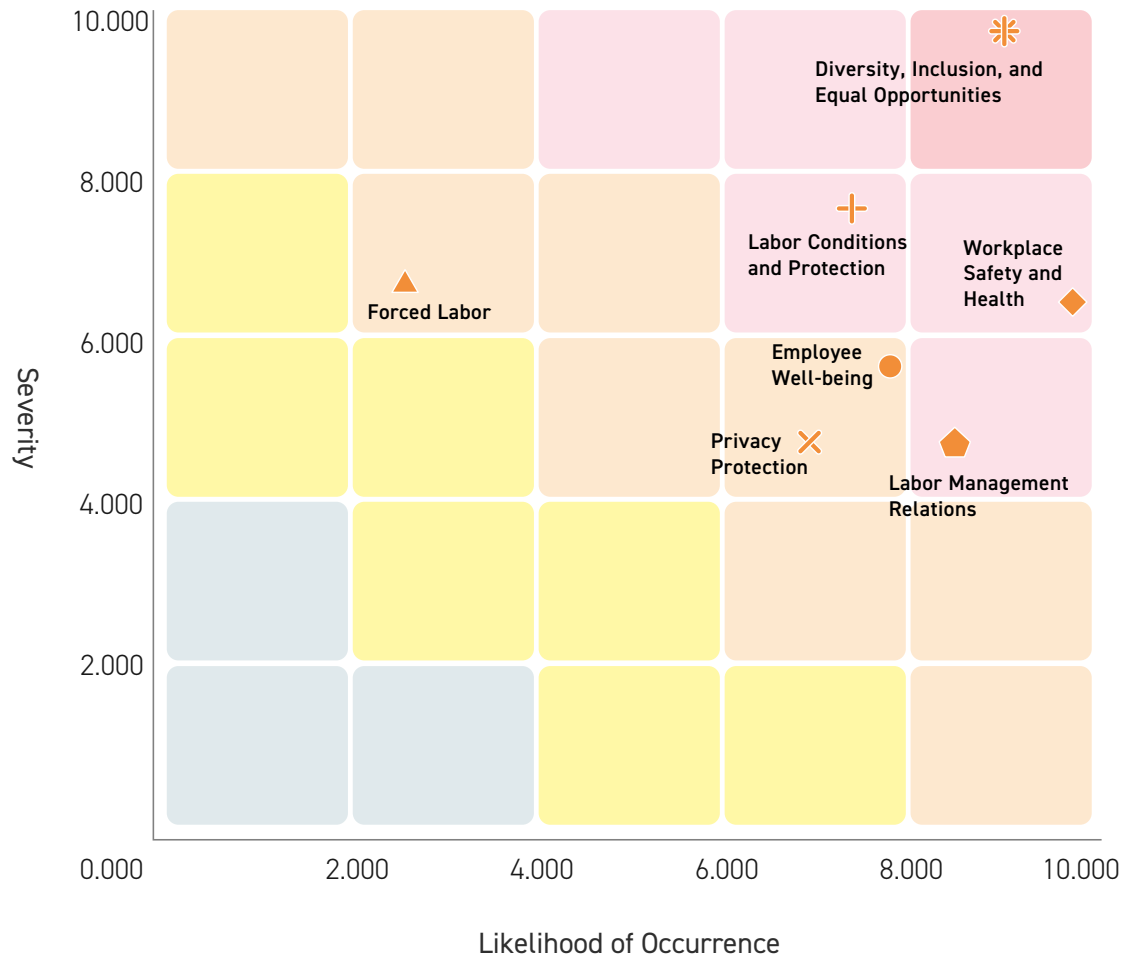
Optimization of Human Rights Management Systems

- Submit improvement recommendations to the respective responsible units, and formulate or adjust the Company's Human Rights Policy based on the level of impact.
- Implement mitigation and adaptation strategies for high-risk issues to minimize human rights risks and their potential impacts.

Disclosure of Human Rights Information

- Disclose the analysis results and corresponding response measures in the Sustainability Report.

Human Rights Risk Matrix



Explanation of Matrix Risk Levels

- Key risks
- High Risk
- Significant Risks
- Medium risk
- Minor risk

Types of Human Rights Risks

- Workplace Safety and Health
- Labor Conditions and Protections
- Forced Labor
- Privacy Protection
- Diversity, Inclusion, and Equal Opportunities
- Employee Well-being
- Labor-Management Relations
- Child and Adolescent Labor

Results of Johnson's Human Rights Due Diligence:

Key Risks

Comprehensive Analysis
Results

- Diversity, Inclusion, and Equal Opportunities

High Risk

Comprehensive Analysis
Results

- Labor Conditions and Protections
- Workplace Safety and Health
- Labor-Management Relations

Human Rights Risk Response

Based on the results of human rights due diligence conducted across each Johnson site, management measures have been formulated as follows. The Company will continuously monitor and analyze the implementation and effectiveness of these measures, enhance existing human rights policies, and engage in regular dialogue with stakeholders on human rights-related issues to mitigate potential impacts of human rights risks on Johnson. Looking ahead, the Company will continue to review various human rights risk issues and plans to expand the scope of human rights due diligence to include suppliers. This approach aims to leverage Johnson's sustainability influence and ensure that no human rights violations occur within the supply chain.

Human rights risk	Description of human rights risk	Johnson risk prevention and mitigation measures
Diversity, Inclusion, and Equal Opportunities	During the processes of recruitment, employment, training, rewards and disciplinary actions, performance evaluation, promotion, termination or retirement, and daily operations, any act of discrimination or unfair treatment based on age, disability, ethnicity, gender, marital status, pregnancy, nationality, political affiliation, race, religious belief, sexual orientation, gender identity, union membership, veteran status, or any other status protected under applicable laws, as well as any form of harassment, abuse, corporal punishment, psychological coercion, verbal abuse, or threats of violence, is strictly prohibited.	● Ensure equal employment opportunities for all employees and job applicants across all business units, applicable to all terms and conditions of employment, without discrimination. ● Establish mechanisms for the prevention of sexual harassment and related grievance procedures, and publish gender equality announcements on the Company intranet. ● Conduct awareness campaigns and training programs on equal opportunity policies. ● Develop workplace assistance programs aimed at improving the working environment for foreign employees. ● Provide prayer rooms to support employees' diverse backgrounds and religious beliefs, fostering an inclusive and respectful workplace environment.
Workplace Safety and Health	Failure to provide a safe, healthy, and secure working environment, as well as to appoint responsible occupational health and safety (OHS) officers to manage related mechanisms, or failure to conduct regular OHS training programs and employee health consultations to enhance health and safety awareness. In addition, failure to provide reasonable and secure accommodations and measures for female employees during pregnancy, childbirth, and breastfeeding, ensuring they are not assigned to hazardous work.	● Implemented the ISO 45001 Occupational Health and Safety Management System in 2024 and promoted continuous improvement initiatives in accordance with the PDCA management cycle. ● Established an Occupational Health and Safety Committee to ensure the execution and supervision of safety and health programs. ● Convene quarterly meetings to discuss OHS-related topics and formulate the Environmental, Health, and Safety (EHS) Objectives and Targets Management Procedures. ● Hold annual EHS management review meetings to address issues such as employee working hour assessments, machine operation safety awareness, workplace environmental maintenance, health checkup results, achievement of objectives, and stakeholder expectations. ● Develop program objectives and implementation plans in compliance with the Occupational Health and Safety Act, including the Maternal Health Protection Program, Ergonomic Hazard Prevention Program, Prevention of Disease Induced by Abnormal Workload, and Workplace Violence Prevention Program. ● Establish an Emergency Response Plan defining notification and communication procedures. ● Conduct emergency drills to test the effectiveness of response measures. ● Organize workplace safety policy awareness campaigns and training sessions. ● Perform regular work environment monitoring. ● Provide health checkups, arrange health seminars, and assign on-site professional medical staff.
Labor Conditions and Protections	Failure to ensure compliance with statutory requirements for working conditions or labor standards, resulting in the inability to safeguard employees' fundamental labor rights (such as working hours, minimum wage, occupational health and safety, or equal treatment), or the improper use of alternative labor arrangements (such as excessive reliance on contract workers, dispatched workers, or migrant workers) that undermines legitimate employment rights.	● Establish a legally compliant and reasonable working hours management plan. ● Formulate a salary management procedure to define wage payment principles and ensure pay equity.
Labor-Management Relations	Failure of the department to recognize or respect employees' rights to freedom of assembly and association, resulting in a repressive environment where employees may face threats or harassment and are unable to fully express their views and opinions regarding the organizational environment and work-related matters. Additionally, the absence of adequate grievance mechanisms and channels further exacerbates this issue.	● Hold regular labor-management meetings in accordance with legal requirements to facilitate timely communication between labor and management. ● Collaborate with external agencies to assign specialists for on-site translation support for migrant workers, promoting effective communication. ● Establish a dedicated grievance hotline to provide employees with multiple channels for labor-related reporting and complaints. ● Ensure employees enjoy the right to freedom of association without interference, discrimination, retaliation, or harassment.

2.3.3 Employee Communication and Engagement

402-1

Johnson values family-oriented principles and strives to create a sense of belonging for every employee. We prioritize listening to our employees' voices. The Company conducts regular labor-management meetings through employee representatives, complemented by a variety of communication channels such as ad-hoc forums, employee suggestion boxes, and satisfaction surveys to actively capture employee feedback. In 2024, Johnson launched its first Employee Engagement Survey, utilizing a systematic questionnaire to gain insights into employees' genuine perceptions regarding corporate culture, career development opportunities, workplace support, and benefits programs. These insights serve as a foundation for optimizing organizational management and enhancing employee participation. Starting from employees' perspectives, we seek to understand their work conditions and individual opinions, identify areas for improvement, and thereby strengthen overall team performance, accelerating Johnson's growth and development.

To fulfill our commitment to employees' labor rights, whenever organizational adjustments such as expansions, relocations, or consolidations occur—or when operational requirements necessitate changes in employees' job assignments—Johnson adheres to the Labor Standards Act by notifying employees of such changes within the legally required timeframe, ensuring the protection of their rights and interests.

Employee Engagement Survey

To enhance employee engagement and strengthen organizational cohesion, Johnson conducted its first Employee Engagement Survey in 2024. The survey comprised 24 questions across six key dimensions: job recognition, career development, performance management, compensation and benefits, managerial support, and work-life balance, and also included employee satisfaction-related questions to obtain comprehensive insights into employees' perceptions and opinions about their work. The survey adopted a five-point Likert scale and achieved an impressive response rate of 91%. The results will serve as an important reference for human resource management and organizational development initiatives.

This year's survey revealed strong positive feedback across multiple indicators. Notably, questions such as "I am confident in the Company's future outlook," "I clearly understand my job responsibilities and the goals and purpose I need to achieve," and "I feel my work-life balance is maintained" received outstanding scores. These findings demonstrate that Johnson has established a solid foundation in career transparency, communication quality, and a life-friendly corporate culture. More than 80% of employees scored above 4.2 on average, reflecting high levels of trust and satisfaction with the Company's corporate culture and management systems.

Looking ahead, Johnson will continue to monitor engagement trends and prioritize improvement efforts in relatively lower-scoring areas, such as "satisfaction with company-provided benefits and activities" and "transparency of the promotion system." Our goal is to foster a healthier, more positive, and growth-oriented work environment.

Labor-Management Meeting

Johnson conducts quarterly labor-management meetings, with employer representatives appointed by the Company and employee representatives elected by staff. In 2024, a total of seven employee representatives (including two alternates) were elected for the headquarters and Taiwan factories. Among them, five served as official employee representatives in the labor-management meetings for the year, participating alongside five employer representatives. The 2024 labor-management meetings primarily focused on reviewing and adjusting internal regulations in compliance with government requirements. Key discussion topics included "Applications for Extended Working Hours to Meet Production Demands" and "Flexible Arrangements for National Holidays and Make-Up Workdays." In addition, employee welfare matters were addressed, such as organizing corporate activities, including "the Johnson Group Year-End Banquet with Invitations Extended to Retired Employees" and "Domestic and Overseas Employee Travel Programs."

Labor Union

Johnson's Shanghai and Vietnam factories have established labor unions in accordance with local laws. Through regular meetings and employee forums, these unions address employee grievances, discuss welfare programs, and collect employee feedback to enhance communication channels between labor and management. Although the Group's headquarters and Taiwan factories have not yet established labor unions, employee rights and welfare matters are communicated and addressed through periodic labor-management meetings, ensuring the protection of all employees' interests. Overall, in 2024, approximately 63.4% of employees within the Johnson Group were covered by a formally elected labor union or employee representative system, demonstrating the Group's strong commitment to safeguarding labor rights and fostering effective labor-management dialogue.

For employees not covered by labor unions, such as those at the headquarters and Taiwan factories, working conditions and employment terms are governed by the Company's established human resources policies and internal management regulations, ensuring consistent and equitable labor conditions for all employees.

Name of the Labor Union	Percentage of Employees Covered
Johnson Shanghai Factory Labor Union	100%
Johnson Vietnam Factory Labor Union	93.6%

As a result of Johnson's proactive efforts to foster constructive labor-management relations, no employee grievance cases were reported in 2024 across the Group's headquarters, Taiwan factory, Shanghai factory, and Vietnam factory. Furthermore, to date, the Group has not experienced any labor disputes. We attribute this achievement to the effective implementation of labor-management communication mechanisms and reaffirm our commitment to continuously listening to employee feedback and driving ongoing improvements.

Onboarding Forums, Employee Satisfaction Surveys, and Suggestion Boxes

Johnson values every employee's voice and provides multiple feedback channels, including suggestion boxes and both physical and online satisfaction surveys. These mechanisms help us understand employees' perspectives on company policies, procedures, training programs, interpersonal relationships, and workplace adaptability. Based on the feedback and identified needs, we collaborate with relevant departments to develop and implement improvement plans. Additionally, regular onboarding forums are held to engage with new employees, gather their input, and provide assistance related to training, as well as adaptation to work and daily life. We believe that through a continuous cycle of communication and improvement, we can foster a friendly and transparent workplace environment that enhances collaboration among colleagues and injects positive momentum into Johnson's sustainable growth.

2.4 Occupational Health and Safety

2.4.1 Occupational Health and Safety Management

403-1 403-2 403-4 403-5 403-7

Occupational Health and Safety Policy

Johnson upholds the corporate philosophy of promoting human health by creating a safe and healthy workplace environment that safeguards the lives and well-being of employees and suppliers. Based on occupational health and safety regulations, we have established clear commitments and management policies. Through the identification of potential workplace hazards and the implementation of corrective and preventive measures, we strive to prevent occupational injuries and illnesses, thereby achieving our goal of ensuring workplace safety for all employees.

Occupational Health and Safety Commitment

- Ensuring employee health and safety is the primary responsibility and obligation of all levels of management.
- Prevent work-related injuries, illnesses, and accidents to safeguard the health and safety of all employees, as well as suppliers, contractors, and visitors entering company premises.
- Comply with all applicable national occupational health and safety laws, regulations, and other relevant requirements, and extend these into related standard operating procedures and practices.
- Continuously improve the Occupational Health and Safety (OHS) Management System and enhance safety and health performance.
- Communicate this policy and engage in dialogue on health and safety issues with stakeholders.
- Provide ongoing education and training to employees, suppliers, and contractors to ensure awareness of occupational health and safety and to foster correct safety behaviors.
- Ensure employees are provided with sufficient time and resources to participate in all processes and activities of the OHS Management System.



Occupational Health and Safety Operations and Management

Johnson is committed to promoting employee safety and health by continuously improving workplace environments and facilities, enhancing safety and health awareness, and striving toward the ultimate goal of zero workplace accidents. In compliance with the Occupational Health and Safety Act, Johnson has established an Occupational Health and Safety Management Plan and defined EHS objectives applicable to the Group headquarters, Taiwan factories, Shanghai factories, and Vietnam factory. The scope extends to all employees, suppliers, contractors, and visitors entering company facilities, ensuring that every individual operates in a safe and healthy work environment while fostering a corporate culture of continuous improvement.

To implement systematic management practices, Johnson has adopted the ISO 45001 Occupational Health and Safety Management System. Following the PDCA cycle, Johnson promotes progressive measures and improvement initiatives. These efforts are reinforced through management review meetings and annual audits to ensure continuous improvement and the ongoing effectiveness of the management system.

Implementation and Supervision of Occupational Health and Safety Objectives

In compliance with legal requirements, Johnson has established an Occupational Health and Safety Committee to ensure the effective implementation and oversight of safety and health programs. The committee convenes quarterly meetings to discuss and promote occupational health and safety issues, including but not limited to labor working hours review, machinery operation safety, workplace environment maintenance, and employee health check-up results. Based on quantitative performance indicators submitted by each department, Johnson formulates Procedures for Setting and Managing EHS Objectives and Targets to ensure the achievement of program goals. Additionally, Johnson prioritizes safe production by conducting regular inspections of protective facilities to verify proper installation and functionality, thereby ensuring workplace safety. In the event of abnormal conditions or inability to execute planned measures, the responsible units perform root cause analysis, implement corrective actions, and conduct management reviews to drive continuous improvement in the effectiveness of the EHS management system.

Contractor Management

To ensure safe operations and service quality when contractors perform work within the facilities, Johnson has developed comprehensive Contractor Safety and Health Management Procedures, covering aspects such as contract management, site access control, occupational health and safety (OHS) education and training, and performance evaluation. Online training courses are provided to ensure contractors fully understand and comply with relevant requirements. In August 2024, the Shanghai factory conducted an online "Summer Heat Stress Prevention Training and Assessment", aimed at promoting contractor awareness of proper self-protection measures during on-site operations and ensuring timely emergency response in the event of heat-related illnesses. These efforts are intended to safeguard the health and safety of all personnel working in high-temperature environments. This assessment not only serves as a verification of contractors' safety and health management capabilities but also as an evaluation of the effectiveness of Johnson's management procedures. Through these measures, Johnson is committed to fostering a safe and healthy working environment, ensuring that all non-employee workers can perform their tasks under safe conditions.



Contracting Evaluation

- **Contractor Assessment** : Review the contractor's occupational health and safety management system, historical record of workplace accidents, safety training programs, construction plans, and emergency response plans.
- **Contract and Safety Meetings** : Clearly define restricted hazardous areas and outline compliance requirements in accordance with Johnson's OSH management regulations.



Site Access Control

- **Special Work Permits** : Required for high-risk operations, such as hot work, work at heights, confined space entry, and crane lifting operations.
- **Occupational Health and Safety Education and Training** : The Safety Office provides relevant safety education and training for all personnel entering the site.
- **Construction Inspection Checklist** : Monitor daily work progress of contractors while implementing environmental controls to prevent improper handling of dust, wastewater, and waste materials.



Performance Evaluation

- **Contractor Performance Review Process**
- **Contractor Safety and Health Performance Assessment** : Evaluation results serve as a reference for contractor selection and outsourcing decisions.

2.4.2 Occupational Health and Safety Hazard Identification and Risk Assessment 403-2 403-7

Occupational Health and Safety Hazard Identification

In accordance with the Enforcement Rules of the Occupational Health and Safety Act, Johnson ensures that its Occupational Health and Safety Management Plan includes the identification, assessment, and control of workplace environmental or operational hazards. The Company also follows the Guidelines for Risk Assessment Techniques to identify safety and health hazard factors within the factory. The process includes:

- **Identification of Operations or Projects:** Conduct a comprehensive inspection of the workplace to identify potential hazards, including but not limited to physical, chemical, biological, ergonomic, and psychosocial risks.
- **Hazard and Consequence Identification:** For identified potential hazards, determine their nature based on the characteristics of the work environment or operations (processes, activities, or services). Classify these hazards for reference in hazard recognition, statistical analysis, and the development of appropriate control measures.
- **Verification of Existing Protective Measures:** Confirm existing protective measures that effectively prevent or mitigate identified hazards. Develop corresponding control measures—such as engineering controls, administrative controls, and the use of personal protective equipment (PPE)—to support subsequent analysis and application.
- **Risk Assessment:** Assess the identified potential hazards in accordance with risk rating criteria to determine risk levels and establish priorities for improvement.
- **Implementation of Risk Reduction Measures:** Based on risk levels, identify unacceptable risks and implement effective risk reduction measures following the hierarchy of controls: elimination, substitution, engineering controls, administrative controls, and PPE. Regularly monitor implementation status.
- **Monitoring and Review:** Conduct regular or ad hoc supervision and measurement of implemented risk control measures to ensure compliance and verify their effectiveness.
- Through a structured hazard identification process, Johnson can proactively detect and manage potential hazards, thereby safeguarding employee health and safety.

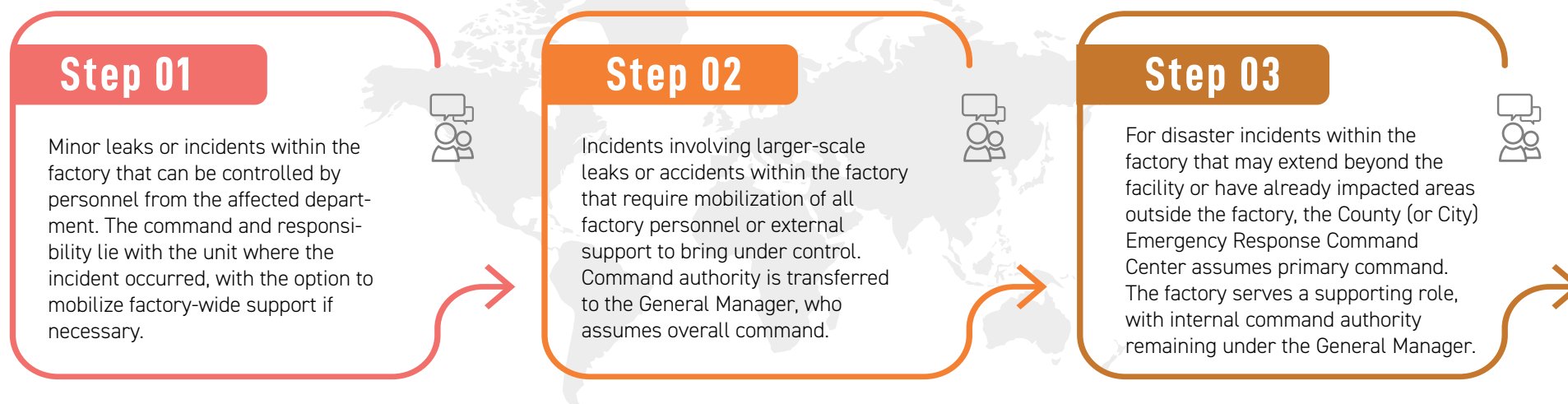
Hazard Identification and Risk Assessment

For occupational health and safety improvements, each department shall, in accordance with the Environmental, Health, and Safety (EHS) policy, regulatory requirements, its own occupational health and safety risks, and the "Hazard Identification and Risk Assessment Procedure," evaluate the priority level for improvement based on factors such as significance, occupational health and safety risk, legal compliance, external stakeholder concerns, degree of control, technical feasibility, and investment cost. Departments shall develop written objectives and establish measurable annual management performance indicators, which will be submitted to the General Manager's Office. The General Manager's Office consolidates the performance indicators from all departments, which are then reviewed by the Management Representative.

Emergency Incident Response Plan

Johnson Health Tech has established an "Emergency Response Plan" based on the results of its occupational health and safety hazard assessments, taking into account potential incidents and emergency situations related to processes, activities, and services. The plan has been approved by the General Manager of the Taiwan factory. Emergency scenarios are categorized according to their scale, nature, and severity of potential harm. The plan clearly defines the reporting and communication procedures, and each department is responsible for forming its own emergency response team. These teams may include the Notification Team, Firefighting Team, Safety and Protection Team, First Aid Team, Security Team, Command Team, and Evacuation Guidance Team. In the event of an emergency, an "On-site Incident Command Center" will be established depending on the severity of the situation, serving as the hub for response and coordination. The core functions of the command center include assessing the severity of the incident, determining priorities, allocating resources effectively, ensuring internal communication, and maintaining open external communication channels to facilitate emergency support. Based on the identification results, the primary categories of potential emergency incidents include flammable material fires, natural disasters, terrorist events, gas leaks, and accidental human exposure to organic solvents.

The emergency response procedures are categorized into three levels based on the severity and scale of impact:



Emergency Response Testing and Drills

Johnson Health Tech stipulates in its Emergency Response Plan that at least two drills must be conducted annually. These drills are overseen by the General Manager of the Taiwan factory, who serves as the overall incident commander, to evaluate the effectiveness of the response measures and ensure they can be properly executed in the event of an emergency. All protective and first aid equipment must undergo a comprehensive functionality test at least once per year and be inspected regularly by qualified maintenance organizations. All employees of Johnson Health Tech are required to be familiar with the types, quantities, and locations of emergency protective equipment. Personnel designated within the Emergency Response Plan must also undergo regular training to acquire essential emergency response skills. This includes knowledge of the locations and proper use of firefighting and rescue facilities, command and coordination procedures, and mobilization of departmental support during an incident.

In 2024, in addition to conducting full-scale evacuation drills at each facility, the Company also implemented heatstroke response drills in high-temperature work areas such as machining, painting, and welding departments. These scenario-based drills for specific hazards were designed to enhance departmental personnel's familiarity with appropriate emergency response measures. The purpose of these exercises was to strengthen employees' emergency response capabilities, ensure rapid and effective actions during hazardous situations, and raise overall awareness and commitment to occupational health and safety.

2.4.3 Occupational Injuries and Occupational Diseases 403-2 403-9 403-10

Occupational Incident Reporting Procedures

In accordance with Article 37 of the Occupational Health and Safety Act, Johnson Health Tech promptly undertakes necessary emergency response and rescue measures in the event of an occupational incident in the workplace. The Company, together with worker representatives, conducts investigations, performs root cause analyses, and documents the findings. In the case of a serious occupational incident, the labor inspection authority will be notified within eight hours. Furthermore, pursuant to Article 18 of the same Act, if an employee identifies an imminent danger while performing duties, they are entitled to cease operations and evacuate to a safe location—provided that doing so does not endanger others—before immediately reporting the situation to their direct supervisor. Employees are protected from any adverse consequences resulting from exercising this right.

Statistics on Employee Occupational Injury 2024

Item	Group Headquarters and Taiwan Factory			Shanghai Factory			Vietnam Factory		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Total Working Hours	1,787,143	808,563	2,595,706	5,006,075	1,916,547	6,922,622	2,614,600	1,747,635	4,362,235
Number of Recordable Occupational Injuries	6	1	7	8	2	10	3	0	3
Number of Lost Workdays	17.5	2	19.5	368	175	543	120	0	120
Number of Severe Occupational Injuries (Excluding Fatalities)	0	0	0	0	0	0	0	0	0
Total Number of Occupational Injury Cases	6	1	7	8	2	10	3	0	3
Recordable Occupational Injury Rate	3.36	1.24	4.09	1.60	1.04	1.44	1.15	0.00	0.69
Severe Occupational Injury Rate (Excluding Fatalities)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Note 1: Occupational Injury Rate = (Number of Injured Employees × 1,000,000) / Total Working Hours. This excludes employees' commuting accidents.

Note 2: Severe Occupational Injury Rate (Excluding Fatalities) = (Number of Severe Occupational Injuries (Excluding Fatalities) × 1,000,000) / Total Working Hours.

Note 3: Fatal Occupational Injury Rate = (Number of Occupational Injury-Related Fatalities × 1,000,000) / Total Working Hours.

Note 4: Definition of Severe Occupational Injury: Injuries resulting in functional impairment lasting at least six months.

Note 5: Definition of Recordable Occupational Injury: Occupational injuries occurring at the Group headquarters and Taiwan factories, excluding injuries during commuting. For the Shanghai factories, this includes occupational injuries for which workers' compensation claims have been filed.

Note 6: In 2024, there were no reported occupational disease cases among employees or contractors, no fatalities caused by occupational injuries, and no occupational injury incidents involving contractors or non-workers.

Work-related Injuries Management

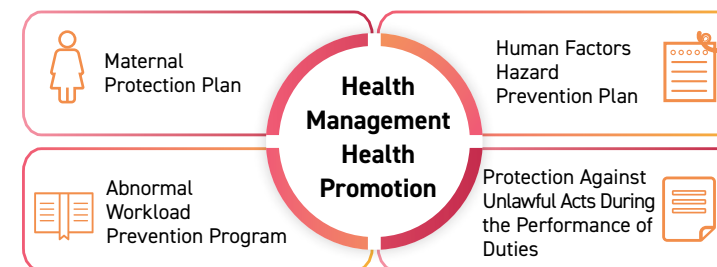
Johnson Health Tech regularly conducts assessments of potential risks in the work environment and implements preventive and corrective measures for identified high-risk items. In the event of a workplace injury, the direct supervisor is immediately notified, and the onsite occupational health nurse assumes responsibility for emergency response. Depending on the severity of the incident, the Company provides appropriate injury leave and consolation payments. In 2024, the Taiwan factories recorded seven occupational injury cases, primarily involving contusions, abrasions, falls, and blunt force injuries. The Shanghai factories reported ten incidents, including lacerations, impact injuries, crush injuries, and bone fractures. In response, the Company enhanced awareness campaigns on occupational safety and incorporated these real cases into relevant training programs to reinforce employees' hazard prevention awareness through practical examples.

Common types of occupational diseases at Johnson Health Tech include musculoskeletal disorders caused by repetitive tasks, respiratory illnesses due to dust exposure, and hearing overload resulting from noise exposure. To prevent such health hazards, the Company has implemented an Ergonomic Hazard Prevention Program for musculoskeletal disorders. This program requires designated workers to complete musculoskeletal symptom surveys and job fitness assessments to identify high-risk groups. These employees are subject to continuous follow-up, health education, and interviews as necessary. For respiratory and hearing-related health risks, Johnson Health Tech has established a Respiratory Protection Program and a Hearing Conservation Program. Based on the results of workplace environment monitoring, employees working in affected areas receive annual specialized health checkups (covering noise, dust, manganese, and nickel exposure). The Company also provides targeted training and awareness sessions, with a 100% completion rate for all planned activities.

2.4.4 Occupational Health and Safety Prevention and Mitigation Measures 403-3 403-6

Four Major Protection Plans

Johnson Health Tech, in response to the Ministry of Labor's four major labor health protection programs—including the Maternal Health Protection Program, Ergonomic Hazard Prevention Program, Prevention of Disease Induced by Abnormal Workload, and Workplace Violence Prevention Program—has established specific objectives and implementation plans for each program, conducts health risk identification and hazard assessments accordingly.



Project Title	Goal	Content	Effectiveness Evaluation
Maternal Protection Plan	In accordance with Article 31 of the Occupational Health and Safety Act, enterprises are advised to properly plan and implement necessary occupational health and safety measures to ensure the physical and mental well-being of female workers during pregnancy, postnatal recovery, and breastfeeding periods. These measures aim to fulfill the purpose of protecting the health and rights of maternity workers.	- Hazard Identification and Risk Assessment - Assessment of Protected Individuals - Medical Consultations and Health Guidance - Appropriate Job Placement	- A total of 413 female employees, with 329 of reproductive age (15–49 years) - In 2024, there were 18 pregnant employees, and 3 employees returned to work while breastfeeding - In 2024, 10 employees received medical consultations and health guidance 0 employees required job reassignment based on suitability
Factors Hazard Prevention Plan	In accordance with Article 6, Paragraph 2, Subparagraph 1 of the Occupational Health and Safety Act, employers shall properly plan and implement necessary measures to prevent ergonomic hazards. This includes taking appropriate actions to reduce the risk of musculoskeletal disorders caused by repetitive tasks, thereby minimizing ergonomic-related hazards and avoiding work-related musculoskeletal injuries.	- Revision of the Ergonomic Hazard Prevention Plan - Completion of Musculoskeletal Symptom Survey Forms - Analysis of Survey Results to Identify High-Risk Groups	- A total of 921 ergonomic risk assessment questionnaires were completed, with a completion rate of 84.2% - Survey results indicated that 98% of respondents reported a pain score of ≤ 2, while 2% reported a pain score of ≥ 3. Relevant health education and guidance were provided, achieving a 100% coverage rate
Abnormal Workload Prevention Program	In accordance with Article 6, Paragraph 2, Subparagraph 2 of the Occupational Health and Safety Act, an Abnormal Workload Prevention Program has been implemented to identify health risks and assess related hazards. For employees identified as medium to high risk, appropriate health education and follow-up health management measures have been provided.	- Revision of the Abnormal Workload Prevention Program - Assessment through Work Capacity Evaluation Forms and 10-Year Cardiovascular Risk Assessment to Identify High-Risk Employees - Interviews with High-Risk Employees and Provision of Appropriate Resources - Timely Health Education for Medium-Risk Employees and Interviews When Necessary	- A total of 930 questionnaires were completed for the Personal and Work Overload Assessment, with a completion rate of 85% - Based on a comprehensive evaluation combining the overload assessment and the 10-year cardiovascular disease risk, the results showed: 0% of employees were classified as high risk, 6% as medium risk, 94% as low-to-medium risk. All medium-risk employees were arranged for consultations with the Company physician and provided with appropriate health education and guidance, achieving a 100% implementation rate
Protection Against Unlawful Acts During the Performance of Duties	In accordance with Article 6, Paragraph 2, Subparagraph 3 of the Occupational Safety and Health Act, an Unlawful Infringement Prevention Program has been implemented to foster a workplace culture that is safe, respectful, dignified, free from discrimination, inclusive, and based on equal opportunity for all employees.	- Signed a Written Statement Prohibiting Workplace Violence - Conducted Hazard Identification and Risk Assessment in the Workplace - Established Standard Operating Procedures (SOP) for Handling Unlawful Acts in the Workplace - Training and Education	- The Workplace Unlawful Infringement Prevention Plan and corresponding Standard Operating Procedures have been revised and finalized. - A 2024 written statement prohibiting workplace violence was signed and publicly posted on the Company bulletin board. - Hazard identification and risk assessment were completed for the Company's headquarters office. - A health seminar on unlawful infringement prevention was conducted in August 2024.

Occupational Health and Safety Training

In 2024, the Company conducted occupational health and safety training programs under three main categories: general occupational safety training, warehouse and logistics safety training, and fire safety and first aid training. Details are as follows:



General Occupational Safety Training

A mandatory 3-hour course for new employees, focusing on introducing the Company's fundamental occupational health and safety policies and practices to ensure a basic understanding of workplace safety.



Warehouse and Logistics Safety Training

This category includes safety training for electric pallet jack operations, occupational health and safety training for transportation and warehousing, and heat hazard prevention education. In 2024, particular emphasis was placed on heat hazard prevention to strengthen employees' awareness and response capabilities regarding high-temperature working conditions.



Fire Safety and First Aid Training

In addition to basic fire drills and emergency first aid courses, the Company also conducted fire prevention management training, aiming to enhance employees' ability to respond effectively to fire and emergency situations.

Through regular training, the Company fosters a strong culture of safety awareness and equips employees with the necessary knowledge and skills to improve professional competency and emergency response capabilities.

Item	Group Headquarters and Taiwan Factory			Shanghai Factory			Vietnam Factory		
	Number of Sessions Held	Average Training Hours per Session	Total Number of Participants	Number of Sessions Held	Average Training Hours per Session	Total Number of Participants	Number of Sessions Held	Average Training Hours per Session	Total Number of Participants
General Occupational Safety Training	40	Approximately 1.2 hours	Approximately 520 person-times	6	Approximately 3.2 hours	2,604 person-times	1	Approximately 8 hours	1,131 person-times
Warehouse and Logistics Safety Training	14	Approximately 1.1 hours	Approximately 340 person-times	-	-	-	1	Approximately 24 hours	15 person-times
Fire Safety and First Aid Training	8	Approximately 1.4 hours	Approximately 237 person-times	2	Approximately 4.5 hours	2,210 person-times	3	Approximately 6.6 hours	64 person-times
General Awareness Seminar on Occupational Health and Safety Issues	15	Approximately 1.2 hours	Approximately 40 person-times	12	Approximately 0.5 hours	240 person-times	-	-	-

Occupational Health Promotion Activities

Employee Meals

Johnson Health Tech places great emphasis on employee well-being, starting with ensuring balanced nutrition. In addition to offering healthy and diverse meal options in our employee dining services, we leverage our industry advantage to provide a complimentary, state-of-the-art fitness center for employees to maintain physical fitness. In 2024, our Taiwan factories served approximately 900 employee meals per day, while our Shanghai and Vietnam factories provided 2,235 and 902 meals per day, respectively. We are committed to safeguarding employees' physical and mental health, fostering an environment where they feel supported and cared for, and jointly creating a positive and healthy workplace.



Health Examinations and Medical Care

Johnson Health Tech conducts annual health examinations for all full-time employees, with tailored check-up packages designed based on job level and age. Additionally, cancer screening is provided every two years. For mid- to senior-level managers aged 35 and above with at least one year of service, the Company subsidizes a comprehensive health examination valued at NT\$21,000 every two years. We also organize on-site occupational health and medical services for three hours each month, in collaboration with physicians from the Department of Occupational Medicine at Taichung Veterans General Hospital. These services, available at the Group's headquarters, include professional medical consultations and referral services when necessary. In 2024, a total of 101 employees received medical consultations, 13 of whom were referred for further treatment, with total expenditures amounting to NT\$150,000.

To further support employee health, the Group's headquarters employs a full-time occupational nurse during regular working hours to provide health consultations and health education. The nurse also evaluates employees' fitness for specific operations through physical condition assessments. In addition, we have implemented a shift system and installed ergonomic equipment at our facilities to reduce physical strain, ensuring the well-being and safety of our employees.

Unit: NT\$

Item	Group Headquarters and Taiwan Factory		Shanghai Factory		Vietnam Factory	
	Number of Participants	Invested Funds	Number of Participants	Invested Funds	Number of Participants	Invested Funds
Health Examinations and Medical Care	950	567,360	1,131	197,519	952	130,752

Vaccination and Health Education

In 2024, Johnson Health Tech organized the "Emerging Infectious Disease Prevention - Influenza" campaign to actively promote essential knowledge about influenza, including virus characteristics, transmission routes, and key differences between influenza and the common cold. The initiative aimed to enhance employees' awareness of preventive measures and strengthen their self-health management. On October 25, we invited the Central Taiwan Science Park Employee Clinic to provide on-site paid vaccination services for the Fluorix Tetra Influenza Vaccine, with 106 employees receiving the vaccine. Subsequently, on November 8, in collaboration with the Daya Health Center, we offered the government-funded AdimFlu-S influenza vaccine, with 53 local employees and 2 foreign employees vaccinated. To ensure timely and accurate health information, we reinforced the campaign through multiple communication channels, including email notifications and bulletin board postings, thereby safeguarding the health and well-being of all Johnson Health Tech employees.

Hearing Conservation Program

Johnson Health Tech implements a Hearing Conservation Program to ensure the protection of employees working in environments where noise levels exceed 85 dB or noise exposure exceeds 50% of the permissible dose. The program includes hearing protection education, health examinations, and ongoing management measures. In 2024, we conducted special occupational health examinations for noise exposure, screening a total of 147 employees. Among them, 10 employees were identified as having Level 4 noise exposure and were scheduled for consultations with on-site occupational physicians. These consultations provided professional health guidance and job fitness recommendations, achieving a 100% completion rate. Additionally, in October, our Occupational Health and Safety Manager delivered educational sessions to employees working in noise-prone environments, raising awareness of noise-related hazards and precautionary measures to enhance their self-protection capabilities.

Respiratory Protection Program

To prevent health risks associated with dust-exposed work environments, Johnson Health Tech implements a Respiratory Protection Program in accordance with the Occupational Health and Safety Act and the Regulations for Occupational Health and Safety Facilities. The program designates qualified personnel to conduct physiological evaluations and fit-testing of respiratory protective equipment, as well as provide on-site guidance for proper usage. In June 2024, we completed physiological assessments and fit-tests for 10 employees engaged in dust-related operations, achieving a 100% compliance rate. Furthermore, in September, our Occupational Health and Safety Manager conducted educational sessions on dust-related hazards and precautionary measures to enhance employees' awareness of personal protection, ensuring a safe and healthy work environment.

2.5 Social Health

2.5.1 Health Impact

Johnson Health Tech delivers fitness equipment worldwide, leveraging our brand influence to promote global health and well-being. In the short term, we plan to continue allocating sponsorship budgets to support various community engagement initiatives, such as sporting events, rural outreach programs, and local development projects. In the medium term, we aim to broaden the scope of our health impact by fostering opportunities for individuals to pursue and realize their aspirations. Through our two strategic pillars—"Sports for All" and "Social Care"—we are committed to advancing holistic health and wellness on a global scale.

Social Health Strategic Pillars	SDGs	Social Risks and Business Opportunities	Business Impact	Social Impact
Sports for All		While promoting the development of domestic sports, we aim to increase brand visibility and enhance Johnson Health Tech's brand value. Each year, we continue to sponsor sporting events and collaborate with various partners to organize initiatives that encourage widespread participation in sports.	● Advertising exposure of the Rakuten Monkeys baseball games valued at NT\$4.85 million ● Organized 2 in-store promotional events related to Rakuten Monkeys baseball games ● Published 8 social media posts on the official Rakuten Monkeys Facebook fan page featuring Johnson and Welltivity brands, achieving a total engagement of 1,413,972 interactions ● Sponsored the Soochow International Ultra-Marathon, reaching approximately 7,280 people with an exposure value of NT\$250,000 ● Sponsored 2 sports performance events at National Taichung University of Education ● Supported the Paris Olympic Project by providing fitness equipment and facilities, with an investment of approximately NT\$162,120 ● Sponsored the 2024 Taiwan Mulan Football League, with an investment of NT\$10,000,000	● Sponsored a baseball team for 120 regular season professional league games ● Sponsored the National Taichung University of Education Sports Performance Event, involving 110 performers, 50 staff members, and an audience of 2,000 attendees ● Sponsored the Soochow International Ultra-Marathon, with a total participation of 745 runners
Social Care		Providing education in rural areas to support the development of local culture, addressing the prevalent issue of uneven resource distribution within the country. Effectively leveraging corporate resources to contribute greater social welfare, thereby strengthening the connection between Johnson Health Tech and the community.	● Procurement of hardware and software for the Siqin Garden Memorial Hall online courses ● Charitable sponsorship of the Warm Breeze Foundation, providing academic tutoring and parental support programs, with over 250 sessions conducted	● The Siqin Garden Memorial Hall online courses are projected to impact approximately 4,500 participants ● Charitable sponsorship by the Warm Breeze Foundation has reached over 6,700 beneficiaries

Social Engagement Goal

Short term

▶ Continue allocating sponsorship budgets

Medium term

▶ Consistently foster the growth of aspirations

Long term

▶ Achieve comprehensive global health and well-being

2.5.2 Sports for All

Our mission is to become the leading enterprise in shaping human health. In addition to delivering world-class products to customers worldwide, we are committed to promoting the development of local sports initiatives. For over 12 consecutive years since 2013, we have continuously sponsored the Rakuten Monkeys baseball team, dedicating resources to advance Taiwan's national sport and provide it with a broader stage. These efforts have not only increased the visibility of baseball games but also showcased the vitality and health of both the team and its cheerleading squad across various platforms. At the same time, we actively advocate for nationwide sports participation. Beyond sponsoring school events, in 2023, we launched Welltivity, a brand-new digital fitness platform aimed at bringing professional fitness programs into every household, fostering a culture of regular exercise for all. In 2024, Johnson Health Tech further demonstrated its commitment to national sports development by supporting the establishment of the "Taiwan Sports Center," enabling athletes to undergo professional and precise training in preparation for the Paris Olympics. This contribution was recognized with the Friend of Foreign Service Award presented by the Ministry of Foreign Affairs.

💡 Support for the Paris Olympic Games

Johnson Health Tech demonstrated its commitment to the global sports community by establishing the highly acclaimed Taiwan Sports Center, providing a professional and precise training environment to assist athletes in preparing for the 2024 Paris Olympics. During this period, the Company also donated strength training equipment to a local municipal sports center, reinforcing the strong international friendship between Taiwan and Levallois-Perret, France. These efforts highlight Johnson's responsibility and contribution to both diplomacy and sports development. In recognition of these initiatives, the Ministry of Foreign Affairs presented Johnson Health Tech with the Friend of Foreign Service Award.



💡 Kaohsiung Attackers Women's Football Team

Johnson Health Tech proudly sponsors the Kaohsiung Attackers F.C., Taiwan's first professional women's football team, by creating a dedicated training facility equipped with state-of-the-art fitness equipment to enhance players' athletic performance. Through concrete actions, the Company promotes gender equality and nurtures local sports talent, striving to build an inclusive and diverse sports environment. This initiative enables athletes to focus on their training without concerns and reflects our shared vision of showcasing Taiwan's athletic strength on the global stage.



Rakuten Baseball Team

Johnson Health Tech has actively supported the development of local professional baseball in Taiwan by sponsoring the Rakuten Monkeys for nine consecutive years. In 2024, the Company allocated approximately NT\$4 million to support the team, covering sports equipment and athletes' daily training needs, and sponsored a total of 60 games. Since initiating this partnership in 2015, Johnson has also encouraged employee engagement by providing free tickets through the Welfare Committee for each sponsored game, with registration available upon game announcements. The Company's logo is prominently displayed on stadium billboards, jersey patches, and large screens, generating a total media value equivalent to approximately NT\$4.85 million.



Rakuten Girls x Johnson Health Tech

Johnson Health Tech organized a series of One-Day Store Manager events during weekends, public holidays, and special occasions, inviting players, baseball stars, and the Rakuten Girls cheerleading team to serve as guest managers at retail locations across Taiwan. These events provided opportunities for direct interaction with the public, promoting Johnson's products while simultaneously increasing the team's visibility and maximizing the impact of sports promotion. In addition to in-store engagement, the initiative leveraged the social media influence of the Rakuten Girls to host a series of online activities, creating interactive experiences and fostering stronger connections with the community.

September 21, 2024
Top City Taichung



October 5, 2024
Hsinchu SOGO



Promoting the Concept of Active Living

Johnson Health Tech has remained committed to promoting the concept of active and healthy living. In 2024, the Company sponsored sports-related activities at several universities, including National Taichung University of Education and Soochow University, to encourage young people to develop regular exercise habits. These initiatives aim to amplify the Company's positive impact in fostering public health and cultivating a strong sports culture within campuses. In April 2024, Johnson also participated in the iGreen Green and Low-Carbon Lifestyle Festival organized by the Industrial Technology Research Institute (ITRI), where a renowned fitness coach was invited to lead on-site exercise sessions. The event provided ITRI employees and their families with the opportunity to experience aerobic fitness activities, promoting both physical and mental well-being and reinforcing Johnson's commitment to advancing nationwide health and wellness.



ITRI iGreen Green and Low-Carbon
Living Festival



Sponsorship of the Sports Performance Events at
National Taichung University of Education



Support for Soochow University International
Ultra-marathon

💡 Leveraging Sports Technology to Promote Public Health

Johnson Health Tech has introduced Welltivity, a digital fitness brand designed to deliver personalized fitness-to-wellness programs for fitness enthusiasts. Welltivity offers internationally recognized fitness courses led by certified professional instructors, enabling users to exercise anytime with familiar fitness equipment and preferred content, making workouts both effective and enjoyable. By integrating advanced technology, Welltivity allows users to sync exercise data through Apple Watch and export it to health applications via HealthKit, providing real-time monitoring of heart rate and physiological indicators for comprehensive health management. In addition, Welltivity launched a dedicated fitness lifestyle magazine, featuring expert knowledge shared by medical doctors and nutritionists on topics such as "healthy nutrition" and effective dietary practices, helping users maximize health benefits by combining proper nutrition with regular exercise.

2024 Achievements

4,659 Classes Delivered

Featuring exclusive coaching teams from Taiwan and the U.S., as well as programs from renowned German fitness studios. Courses cover up to 15 different exercise categories.

Approximately **13,000**
Registered Members

Expanded membership base through collaboration with high-traffic retail locations and strategic B2B2C partners, including employee welfare programs, telecommunications providers, and fitness centers.

Launch of a Fitness Lifestyle
Magazine

Published **20** articles

on topics related to wellness,
nutrition, and fitness
knowledge.

Participation in World Diabetes Day Event
(November 2024)

In partnership with Hello Health Group, Johnson Health Tech provided Welltivity's online fitness courses and equipment experiences during the "Steady Sugar Healthy Walk," helping participants monitor health conditions and raise awareness for early prevention and management.



國際專業認證
國際認證教練，由一對一私人教練，提供安心專業課

多種運動類型
涵蓋多種運動類型，包括有氧、力量、瑜伽、舞蹈等

專門運動課程
私人教練合作推出課程，讓您的運動計畫更完整

高品質運動器材
無縫銜接下流設備，確保品質與舒適



2.5.3 Social Care

Founder Mr. Peter Lo rose from humble beginnings, building his success through perseverance and hard work. Despite achieving entrepreneurial success, he has remained deeply connected to his roots, returning to his hometown to create a beautiful cultural landmark that blends intellect with sentiment. The value of family remains a cornerstone of Johnson Health Tech's corporate philosophy. Through initiatives that provide educational and caregiving resources to children and families in rural communities, Johnson sincerely hopes to extend warmth and care to every corner of society.

Warm Breeze Caring Association

Johnson Health Tech has been committed to supporting and caring for underserved rural communities for many years. Since 2020, the Company has sponsored programs organized by the Warm Breeze Caring Association, which is dedicated to assisting families impacted by social transitions by providing educational and developmental resources as well as care services. One of its key initiatives is the establishment of Warm Breeze Taitung Binmao School in Jinfeng Township, Taitung County. Initially serving nearly 20 children from economically disadvantaged families, the school has now expanded to approximately 32 students. By 2024, Johnson's sponsorship of this program has entered its fourth consecutive year, and in 2023, the partnership was further extended through the joint planning of a three-year public welfare program.

Warm Breeze's 2024 service program continues to focus on academic tutoring and character education while adding initiatives to strengthen family support, foster community parent-child integration, and enhance parenting skills. Activities include community events, parenting workshops, and home visits, aiming to break the cycle of disadvantage among rural families. The year's services covered seven key areas: academic tutoring, arts and talent development, character education, meal provision, family support, community parent-child integration, and summer activities. These efforts benefited 27 elementary school children and 5 junior high school students, with more than 208 tutoring sessions conducted and over 5,359 total participations recorded.

In 2024, Johnson contributed NT\$2.5 million to support the program, covering personnel expenses (teachers and supervisors), administrative costs (utilities, stationery, and school operations), and program costs (student meals, exchange visits, etc.). Additionally, Johnson maintains close engagement with the Taitung Binmao branch by providing regular check-ins, organizing cultural exchange trips to western Taiwan, and offering special care and festive gifts during holidays.

Every year, the Warm Breeze Taitung Binmao branch hosts a summer program sponsored by Johnson, which includes meals and accommodations for students. The program encourages children to explore beyond their tribal communities, visit western Taiwan for cultural experiences, and perform at public charity concerts. In 2024, this initiative reached approximately 300 participants, broadening children's horizons and providing valuable opportunities for self-expression.

Impact and Outcomes

Item	Number of Sessions	Number of Participants
Academic Tutoring	208	5,359 person-times
Character Education	39	1,196 person-times
Talent and Arts Development Programs	58	455 person-times
Meal Provision Services	208	5,359 person-times
Family Support Initiatives	2 Parent-Teacher Meetings 3 Parent-Child Activities 2 Parenting Development Courses	23 Home Visits
Community Parent-Child Engagement Activities	3 Community Events	164 person-times



💡 Siqin Garden Memorial Hall

Chairman Peter Lo, founder of Johnson Health Tech, in gratitude for his parents' upbringing and the support and care from his predecessors, established a beautiful nearly one-thousand-ping (approx. 3,300 square meters) cultural park beside his ancestral home, a historic traditional residence in Zhongpu Township, Chiayi County. This park serves as both a library and a community activity center. The prose "Longing," personally written by Chairman Lo, permeates the theme of the entire park, imbuing Siqin Garden Memorial Hall with an elegant and artistic atmosphere that leaves a lasting impression on all visitors.

The indoor space functions as a library where the public can freely browse and read the collection. To enhance sustainable resource use and create a smart reading environment, the park completed hardware and software upgrades in 2023, introducing a digital e-book system. Most visitors have adapted to using e-books, significantly improving resource utilization efficiency and reducing paper consumption, thereby supporting low-carbon transformation and digital inclusion. As of 2024, the collection comprises approximately 2,181 volumes, with around 1,230 registered visitors. The park welcomes local and regional residents to enjoy reading and leisure activities, jointly promoting physical and mental well-being in modern society.

Additionally, in 2024, the space was made available to the Zhongpu Qicheng Cultural and Arts Foundation to conduct calligraphy classes. This initiative not only optimizes space utilization but also promotes community cultural engagement and intergenerational education, deepening the social value and sustainable impact of the public space.

💡 Community Co-prosperity

To promote harmonious development within local neighborhoods, Johnson Health Tech supports community well-being through donations of fitness equipment, aiding firefighters in their daily training and upgrading facilities at community sports centers. Additionally, we sponsor local arts and cultural events. In 2024, Johnson contributed a total of NT\$60,000 to these initiatives, hoping to play a modest role in fostering mutual growth and prosperity alongside the communities we serve.

Sponsorship of Qingquan Village Neighborhood Watch Team

Sponsorship Amount NT\$ **30,000**

Number of Beneficiaries **983** persons

Sponsorship of Zhongyi Village Neighborhood Watch Team

Sponsorship Amount NT\$ **30,000**

Number of Beneficiaries **1,743** persons





JOIN HAPPINESS TRUST



- 3.1 Corporate Governance
- 3.2 Ethical Management
- 3.3 Legal Compliance
- 3.4 Tax Policy
- 3.5 Risk Management
- 3.6 Information Security
- 3.7 Supplier Management

Trust Integrity and Reliable Governance

Our Commitment

Johnson Health Tech operates and sells its products worldwide. In response to the varying regulatory requirements across different countries, we recognize the need for robust governance to ensure compliance and adaptability. Anchored in the principles of integrity and ethical governance, we strictly adhere to national laws and regulations and have established a comprehensive governance framework. Through a commitment to transparency and full disclosure, we continuously enhance our corporate governance practices to meet the expectations of our stakeholders. We are dedicated to acting with accountability and responsibility, maintaining close collaboration with all management units to assess risks and formulate responsive strategies, thereby ensuring our agility in addressing diverse challenges and reinforcing our position as a trusted leader in fitness technology.

3.1 Corporate Governance

3.1.1 Governance organization structure

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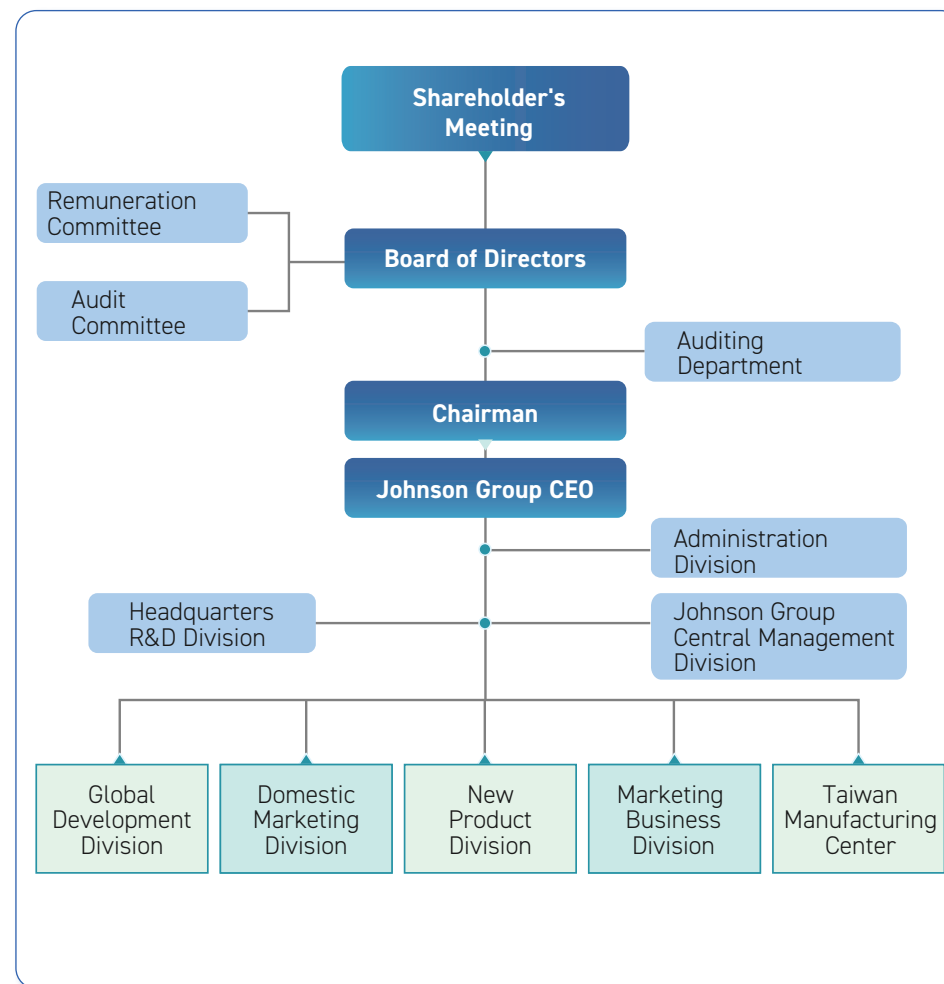
The Board of Directors, as the highest governance body of Johnson Health Tech, holds the ultimate responsibility for overseeing and managing the Company's operations. Under the Board, functional committees have been established, including the Audit Committee and the Remuneration Committee. To safeguard shareholders' rights and strengthen the effectiveness of the Board, we have adopted the "Corporate Governance Best Practice Principles." The Associate Vice President of Finance serves as the Chief Officer responsible for corporate governance matters, supported by appropriately qualified corporate governance personnel. Their responsibilities include organizing meetings of the Board of Directors and Shareholders' Meetings, preparing minutes of such meetings, assisting directors with onboarding and ongoing professional development, providing necessary information for the execution of directors' duties, supporting directors in complying with relevant laws and regulations, issuing meeting notices, managing meeting proceedings, and assisting in the amendment of corporate bylaws.

Corporate Governance Executive

Implementation Status of Corporate Governance Executive Training in 2024

Training Institution	Course Title	Training Hours	Total Training Hours for the Year
Accounting Research and Development Foundation	Advanced Continuing Education Program for Issuers, Securities Firms, and Stock Exchange	12	12
	Accounting Officers (Course topics include corporate governance, auditing, accounting, professional ethics, and legal responsibilities.)		

Johnson's organization structure



Board Selection

Upholding the principle of integrity in governance, Johnson Health Tech has established the “Rules for Election of Directors” and “Rules of Procedure for Board of Directors Meetings” to ensure that directors exercise their rights independently. Directors are elected through a cumulative voting system with identified ballots. Shareholders may cast their votes either electronically or in person. The election of independent and non-independent directors is conducted concurrently; however, the number of elected seats is calculated separately for independent and general directors.

To promote board independence, the Company stipulates that more than half of the board seats must not be held by individuals who are spouses or relatives within the second degree of kinship. Directors who have a conflict of interest in any matter discussed at a board meeting—whether on their own behalf or on behalf of a legal entity they represent—must disclose the material details of such conflict during the meeting. If the conflict is deemed detrimental to the Company’s interest, the director must recuse themselves from both discussion and voting on the matter and is not permitted to act as a proxy for other directors.

Johnson Health Tech is committed to strengthening board independence. In accordance with the “Corporate Governance Best Practice Principles,” the Company appoints at least two independent directors, who shall comprise no less than one-fifth of the total number of board members. As of 2024, the Audit Committee is composed entirely of independent directors, while the Remuneration Committee consists of a majority of independent directors and one external member with expertise in business, law, finance, accounting, or other fields relevant to the Company’s operations.

Functional Committees

Johnson Health Tech has established the Audit Committee and the Remuneration Committee under the Board of Directors, each with distinct authorities and functions. To ensure effective internal oversight and governance, the Company has adopted the “Audit Committee Charter” and the “Remuneration Committee Charter.” These committees are responsible for supervising the implementation of internal control systems and reviewing performance evaluation criteria for directors and managerial officers. The convening status of the Audit Committee and the Remuneration Committee in 2024 is as follows:

Committee	Meeting Frequency	Responsibilities	Members	Title	Attendance Rate	Governing Regulations
 Audit Committee	Meetings convened at least once per quarter (6 meetings held in 2024)	- Assist the Board of Directors in overseeing the quality and integrity of the Company’s accounting, auditing, financial reporting processes, and financial controls - Ensure the fair presentation of the Company’s financial statements - Appointment, dismissal, independence, and performance of the CPA - Appointment or dismissal of the Company’s chief officers of finance, accounting, or internal audit - Oversee the effective implementation of the Company’s internal control systems - Ensure the Company’s compliance with applicable laws and regulations	Hank Lin	Convener Independent director	100%	 Audit Committee Charter
			Jui-Lin Liu	Independent director	100%	
			Chung-Hsian Liu	Independent director	100%	
			Wen-Ren Chung	Independent director	100%	
 Remuneration Committee	Meetings convened at least twice per year (3 meetings held in 2024)	- Assist the Board of Directors in implementing and evaluating the Company’s compensation policies, systems, standards, and structures to enhance corporate governance and establish a sound remuneration framework for directors and managerial officers - Assist the Board in formulating and periodically reviewing the performance evaluation and compensation policies, systems, standards, and structures for directors and managerial officers - Regularly assess and determine the remuneration of directors and managerial officers	Chung-Hsian Liu	Convener Independent director	100%	 Remuneration Committee Charter
			Hank Lin	Independent director	100%	
			Shu-Wen, Lin	Committee	100%	

3.1.2 Operation of the Board of Directors

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Johnson Health Tech's Board of Directors is established in accordance with applicable laws and the Company's Articles of Incorporation. The Board convenes on a quarterly basis and exercises its powers pursuant to resolutions adopted at the Shareholders' Meeting. In alignment with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" issued by the competent authority, the Company has adopted its own "Corporate Governance Best Practice Principles" to strengthen its governance framework. These principles are designed to safeguard shareholders' rights, enhance the effectiveness of the Board, increase transparency, optimize the functions of Board committees, and uphold the rights and interests of stakeholders.



Articles of
Incorporation



Corporate
Governance Best
Practice Principles

Members of the Board of Directors

Title	Name	Nationality	Gender	Executive/ Non-executive director	Industry experience ^(Note 1)	Professional background and competence						
						Business Judgment	Accounting and Finance	Operation Management	Crisis Management	Industry Knowledge	International Perspective	Leadership Decision- Making
Chairman	Peter Lo	Taiwan	Male	Executive	Materials, Non-Essential Consumable, Finance	●		●	●	●	●	●
Vice Chairman	Cindy Lo	Taiwan	Female	Executive	Non-Essential Consumable	●		●	●	●	●	●
Director and General Manager	Jason Lo	Taiwan	Male	Executive	Non-Essential Consumable	●	●	●	●	●	●	●
Director	Spencer Hsieh	Taiwan	Male	Non-Executive	Non-Essential Consumable	●		●	●	●	●	●
Director and Vice President of Sales	May Lo	Taiwan	Female	Executive	Non-Essential Consumable	●	●	●	●	●	●	●
Director	Teresa Lo	Taiwan	Female	Non-Executive	Non-Essential Consumable	●		●	●	●	●	●
Director and Associate	Crista Lin	Taiwan	Female	Executive	Non-Essential Consumable	●	●	●	●	●	●	●
Director	Vincent Chen	Taiwan	Male	Non-Executive	Industry	●	●	●	●	●	●	●
Director	Yih-Horng, Lin	Taiwan	Male	Non-Executive	Healthcare	●		●	●	●	●	●
Independent director	Hank Lin	Taiwan	Male	Non-Executive	Industry	●	●	●	●	●	●	●
Independent director	Chung-Hsian Liu	Taiwan	Male	Non-Executive	Industry, Real Estate	●	●	●	●	●	●	●
Independent director	Jui-Lin Liu	Taiwan	Male	Non-Executive	Finance, Industry	●		●	●	●	●	●
Independent director	Wen-Ren Chung	Taiwan	Male	Non-Executive	Information Technology	●		●	●	●	●	●

Note 1: Classified according to the first-level sector definitions under the Global Industry Classification Standard (GICS).

Note 2: The current term of the Board of Directors is from June 28, 2023 to June 27, 2026.

Note 3: For additional information on the directors of Johnson Health Tech, including age, term of office, other significant positions held, concurrent roles, controlling shareholders, and cross-shareholding arrangements, please refer to the [2024 Annual Report](#) and the [2024 Financial Statements](#).

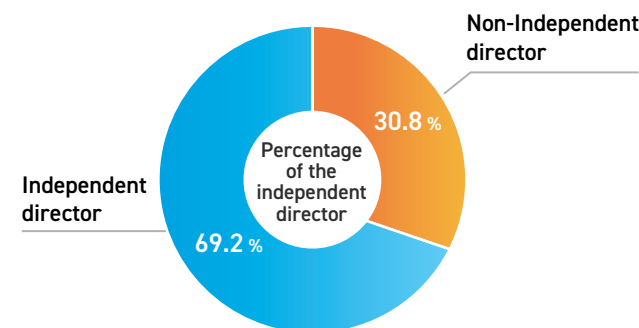
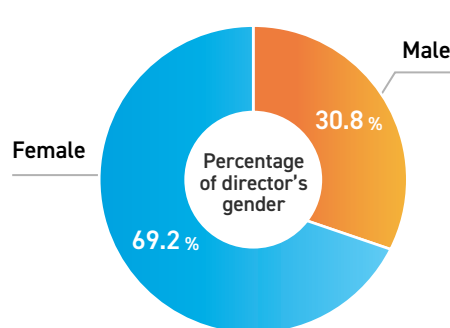
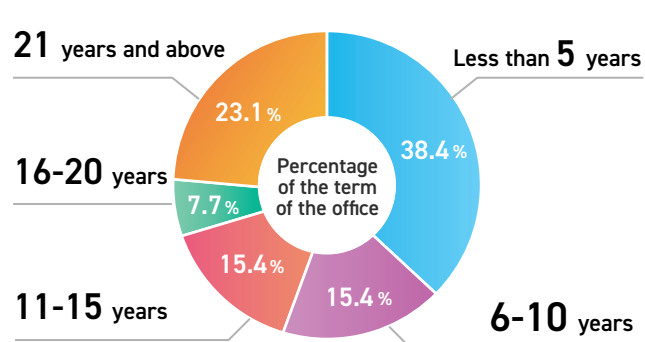
Independence of Directors

Johnson Health Tech values the independence of its board members. To uphold the principle of board independence, in 2024, more than half of Johnson's board seats are held by directors without spousal or second-degree kinship relationships, demonstrating the board's independence. Furthermore, to ensure that independent directors can exercise objective judgment and fulfill their oversight function regarding the board and corporate operations, Johnson has appointed 4 independent directors out of a total of 13 board members (accounting for 30.8%). All independent directors possess professional expertise and do not concurrently serve as directors (including independent directors) for more than 5 listed or OTC companies, thereby maintaining their independence within the scope of their duties.

Board Diversity

Johnson Health Tech places great importance on board diversity. In forming its Board of Directors, the Company takes diversity into consideration and establishes appropriate diversity policies based on its operations, business model, and development strategy. Johnson has set specific diversity objectives for the Board, including ensuring that the proportion of female directors or independent directors reaches at least 25% by 2024. The diversity criteria encompass fundamental attributes and values as well as professional knowledge and skills.

In 2024, Johnson's Board of Directors comprises 13 members, with an average tenure of approximately 12 years. The overall attendance rate of all directors in 2024 was 97.4%, with 11 directors achieving a 100% attendance rate and 2 directors recording an attendance rate of 83%. The 13 directors collectively possess extensive expertise and academic backgrounds across various fields, including finance, accounting, business management, and medicine. Among them, there are 4 female directors (30.8%) and 4 independent directors (30.8%). In terms of professional expertise and skills, overall board composition, and the proportion of female and independent directors, Johnson's Board fully meets its diversity policy and objectives.



Board Members' Continuing Education

Johnson Health Tech adheres to the principles of integrity in business operations and is committed to enhancing the professional competencies of its directors. The Corporate Governance Officer occasionally informs directors of relevant professional training programs organized by external institutions. In 2024, all directors completed at least 6 hours of continuing education, with the entire Board accumulating a total of 88 training hours, averaging 6.8 hours per director. The training topics covered during the year included corporate governance, corporate sustainability management, anti-money laundering, information security, domestic and cross-strait economic trends, securities regulations, and insider trading prevention. Furthermore, directors' professional development and training achievements are incorporated into performance evaluations. Johnson remains dedicated to continuously strengthening directors' expertise to optimize and enhance the Board's supervisory functions.

Board Performance Evaluation

Johnson Health Tech conducts annual Board performance evaluations to enhance operational efficiency and improve overall corporate performance. The Remuneration Committee regularly reviews the performance evaluation indicators for the Board. The results of these evaluations serve as a reference for the selection and nomination of directors, while individual director evaluation results are used as a reference for determining individual remuneration. The Board performance evaluation encompasses assessments of the overall Board of Directors, individual Board members, and functional committees. Each evaluation item is rated on a scale of up to 5 points. In 2024, the results of the Board performance evaluation were as follows: the self-assessment of the Board's operational performance averaged 4.94 points, the self-assessment of Board members averaged 4.99 points, the self-assessment of the Audit Committee's operational performance averaged 4.99 points, and the self-assessment of the Remuneration Committee's operational performance averaged 5 points. For further details, please refer to our [2024 Annual Report](#).

I. Self-Assessment of Board Operational Performance

The evaluation assesses whether the Board of Directors has effectively fulfilled its responsibilities in guiding and overseeing the Company's strategies, major business operations, and risk management, as well as establishing an appropriate internal control system to ensure sound overall operations in compliance with corporate governance requirements.



Five Dimensions of Self-Assessment

- Level of Participation in Company Operations
- Enhancement of Board Decision-Making Quality
- Board Composition and Structure
- Appointment and Continuing Education of Directors
- Internal Control

II. Self-Assessment of Board Member Performance

The evaluation assesses whether each Director effectively understands and monitors the efficiency and effectiveness of various operational indicators.



Six Dimensions of Self-Assessment

- Understanding of Corporate Goals and Objectives
- Awareness of Directors' Duties and Responsibilities
- Level of Participation in Company Operations
- Management of Internal Relationships and Communication
- Professional Expertise and Continuing Education of Directors
- Internal Control

III. Self-Assessment of Audit Committee Operational Performance

The evaluation assesses whether the Audit Committee has effectively fulfilled its responsibilities in guiding and overseeing the Company's strategies, major business operations, and risk management, as well as establishing an appropriate internal control system to ensure sound overall operations in compliance with corporate governance requirements.



Five Dimensions of Self-Assessment

- Level of Participation in Company Operations
- Awareness of Audit Committee Responsibilities
- Enhancement of Audit Committee Decision-Making Quality
- Composition of the Audit Committee and Selection of Its Members
- Internal Control

Compensation Policy for Directors and Managerial Officers

In accordance with the "Remuneration Committee Charter," the Remuneration Committee of Johnson Health Tech is responsible for formulating and periodically reviewing the compensation policies for directors and managerial officers, performance evaluation criteria, and both annual and long-term performance objectives. In determining remuneration, the Committee considers factors such as individual performance evaluation results, time commitment, scope of responsibilities, achievement of objectives, alignment with the Company's short- and long-term business goals, financial condition, as well as directors' professional expertise and participation in continuing education (including ESG sustainability awareness). The Committee evaluates the reasonableness of the correlation between individual performance, the Company's operational performance, and future risks. Based on the comprehensive assessment results, the remuneration for directors and managerial officers is determined and subsequently reported to and approved by the Shareholders' Meeting. Under the Company's compensation structure, managerial officers and senior executives may receive signing bonuses, recruitment incentives, and involuntary termination payments; however, no clawback mechanism is currently in place. Directors are not entitled to such arrangements. In 2024, the ratio of the total annual compensation of the highest-paid individual to the median total annual compensation of all other employees was 16 times, while the ratio of the percentage increase in the highest-paid individual's annual total compensation to the percentage increase in the median annual total compensation of other employees was 6.74 times. For details regarding directors' remuneration in 2024, please refer to the [2024 Annual Report](#).

3.2 Ethical Management

3.2.1 Ethical System 2-16 2-25 2-26 205-1 205-2 205-3 206-1

Ethical Engagement Regulations

Johnson Health Tech upholds the corporate culture values of "Integrity, Professionalism, and Ambition," taking integrity management as the cornerstone of its corporate governance. To implement ethical standards and establish a robust governance and risk control framework for sustainable development, the Company has formulated the "Code of Ethical Conduct for Directors, Supervisors, and Managerial Officers", which all directors and managerial officers are required to observe. The Code strictly prohibits directors and employees from disclosing any material non-public information obtained through their positions that may significantly impact futures or securities prices prior to public disclosure, and strictly forbids insider trading. In addition, Johnson Health Tech disseminated information related to compliance with insider trading regulations to all directors and managerial officers on January 16, April 30, and July 15, 2024, and occasionally provides guidance on common violations of securities regulations to managerial officers and employees to strengthen their commitment to integrity.

In accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies," Johnson Health Tech has established the "Procedures for Preventing Insider Trading" and implemented a whistleblowing mechanism managed by the Audit and Legal Departments. These departments are responsible for handling whistleblower reports and provide annual updates to the Board of Directors on implementation status. To ensure that employees do not engage in improper conduct such as corruption, misconduct, disclosure of confidential information, or falsification, and to prohibit employees from accepting hospitality or gifts from suppliers, the Company has established "Work Rules" that mandate all supervisors and employees adhere to professional ethics and the principles of corporate integrity. The Work Rules include a reward and penalty mechanism for internal whistleblowing of unlawful behavior, granting commendations of merit or higher for reporting violations, thereby encouraging employees to report integrity breaches. In 2024, Johnson Health Tech conducted inspections across all operational sites of its headquarters, and no incidents of corruption, bribery, conflicts of interest, fraud, insider trading, anti-competitive behavior, antitrust violations, monopolistic practices, market manipulation, or related legal proceedings or penalties occurred during the reporting year. The Company's assessment concluded that there were no significant corruption risks in 2024.

Ethical Education Training

Johnson Health Tech provides over 6 hours of onboarding training for all new employees, which includes guidance on integrity and ethical conduct in accordance with the Company's Work Rules

In 2024, a total of **734** new employees (including those in Taiwan, Shanghai, and Vietnam factories), representing **19.6%** of the total workforce, completed this training.

All **13** members of the Board of Directors also completed training related to integrity management during the reporting year, achieving a **100%** completion rate.

In addition, key departments at headquarters and Taiwan factories (including Procurement, Cost Control, Human Resources, and Finance & Accounting) conducted integrity and ethics training, with **81** employees participating and achieving an **88%** completion rate.

Furthermore, to strengthen internal control and raise awareness on the prevention of insider trading, Johnson Health Tech conducts annual training programs for employees and the Audit Department. The key implementation details for 2024 are as follows:

Course Category	Target Audience	Course Topics	Average Training Hours	Number of Participants
Internal Courses	All Employees	Internal Control Self-Assessment Awareness	0.5	24
		Insider Trading Prevention Education and Awareness	0.5	15
External Courses	Audit Office	Courses by the Internal Audit Association	15	2
		Fair Trade Commission Programs	3	1

Note 1: In 2024, a total of 81 employees at headquarters and Taiwan factories received integrity education training, accounting for 6.3% of all employees in Taiwan; 1,160 employees at the Shanghai factories completed the training, representing 100% of its workforce; and 59 employees at the Vietnam factory received the training, accounting for 4.5% of its total employees.

Whistleblowing System

Johnson Health Tech has established a whistleblowing system to address integrity-related violations and provides reporting channels for actual and potential stakeholders. Upon receipt of a report, the Audit Office carefully investigates the matter. If the violation is substantiated, disciplinary actions are imposed based on the severity of the incident, which may include a warning, minor demerit, major demerit, demotion, or dismissal. Violations subject to disciplinary action include, but are not limited to: misappropriation or embezzlement of company funds; unlawful possession or unauthorized disposal of company assets; forgery of documents or provision of false information resulting in damage to the company or colleagues; disclosure of internal confidential information or client-related data; acceptance of bribes, corruption, or collusion in fraudulent activities; non-compliance with applicable laws and regulations; breaches of the Company's financial policies that affect the accuracy of financial reporting; and any conduct that damages individual reputation or compromises the Company's reputation and interests. Subsequently, the Audit Office collaborates with responsible units to review the root causes of the incident and propose corrective actions. Furthermore, employee awareness and education programs are reinforced to prevent recurrence of similar incidents.

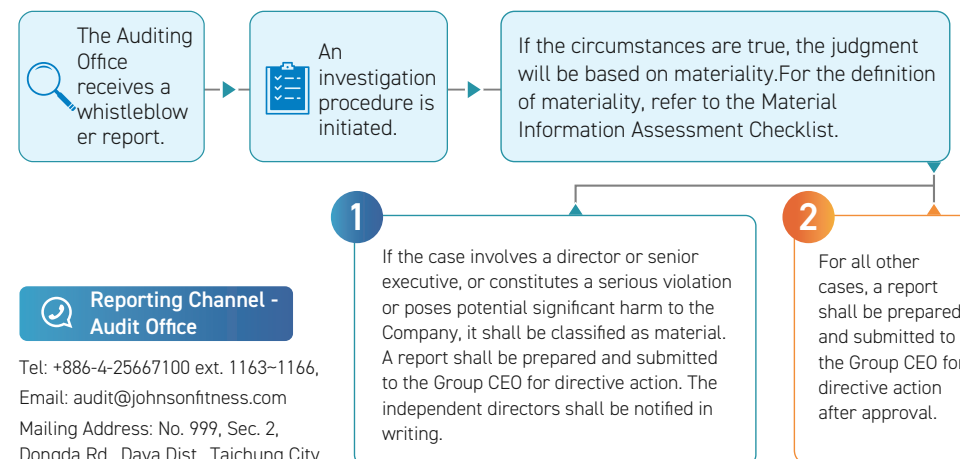


Whistleblowing
System



Procedures for Preventing
Insider Trading

Report Handling Process



3.3 Legal Compliance

3.3.1 Regulatory

Compliance Management 2-16 2-27

Responsible Unit

Johnson Health Tech strictly complies with all regulatory requirements. The Legal Affairs Department, as the designated authority for regulatory compliance, closely monitors policies and regulations that may have a significant impact on the Company's business operations and financial performance. Upon receiving regulatory notifications, the department screens information relevant to business units, assesses potential non-compliance risks, and communicates regulatory requirements and key considerations to the appropriate personnel. Furthermore, to ensure that all departments effectively comply with regulatory requirements, Johnson has established an Internal Audit Department under the Board of Directors, dedicated to internal audit functions. The audit department formulates an annual audit plan to review each unit's compliance with legal and regulatory obligations. In the event of any deficiencies or irregularities, corrective actions and improvement plans are implemented, followed by reviews of the remediation status to ensure the soundness and integrity of the internal control system.

Policy Regulations

Johnson formulates and implements government policies and internal company regulations in accordance with legal requirements. When necessary, the responsible departments propose policy development requests, which are then approved according to the appropriate authority levels and formally announced for implementation.

Execution Methods

Johnson provides all new employees with an onboarding course titled "New Employee Essentials" on their first day of employment to ensure they understand the Company's daily regulations and relevant procedures. In addition, the Company occasionally conducts general legal compliance training based on government regulations and company policy requirements, ensuring employees are aware of and adhere to applicable legal obligations.

In 2024, Johnson reported no major violations (definition provided below), no incidents of non-compliance with health and safety regulations related to products and services, no cases of non-compliance with regulations on product and service information and labeling, no non-compliance incidents involving marketing communications, and no verified complaints regarding breaches of customer privacy or loss of customer data. However, in February 2024, the Company was found to be in violation of Article 7, Paragraph 1 of the Water Pollution Control Act and was fined NT\$ 1,836,000 in accordance with Article 40, Paragraph 1 of the Act. The issue was rectified in April 2024, and going forward, we will exercise greater diligence to ensure strict compliance with all applicable laws and regulations.

Note: A major violation is defined as an incident involving a breach of the Criminal Code of the Republic of China or administrative regulations (including mandatory norms issued by competent authorities) that: (1) Results in or is likely to result in the Company being fined NT\$ 3 million or more; (2) Involves unlawful conduct by senior management (e.g., directors, general managers); or (3) Results in or is likely to result in significant adverse impacts such as loss of business qualifications or suspension of operations.

3.4 Tax Policy

3.4.1 Tax Policy 207-1 207-4

Tax Governance Policy

To implement sound tax governance, Johnson appoints the Chief Executive Officer (CEO) as the person responsible for tax management, overseeing the assessment of tax implications and the approval of major corporate decisions on a monthly basis. The Chief Financial Officer (CFO) is responsible for daily tax execution and management, supported by experienced personnel to ensure proper handling of tax-related matters. Additionally, Johnson engages external firms to provide professional tax advisory services to ensure compliance with tax policies and regulations in all jurisdictions.

With subsidiaries and distributors located worldwide, Johnson adheres to global anti-tax avoidance trends and complies with the respective tax laws of each subsidiary and operational location. The Company is committed to not establishing entities in tax havens or low-tax jurisdictions for the purpose of avoiding tax obligations. Furthermore, Johnson requires all subsidiaries to follow these tax principles:

- Comply with tax policies applicable to all operating locations and ensure accurate payment of taxes in accordance with the law.
- Refrain from engaging in tax avoidance schemes and do not shift profits to tax havens or low-tax jurisdictions.
- Maintain transparency in tax-related information, adhere to financial reporting standards and annual disclosure requirements, and foster an open and appropriate relationship with tax authorities.
- Incorporate tax implications into major corporate decision-making processes to safeguard the best interests of the Company and create shareholder value.
- Ensure that related-party transactions comply with internationally recognized transfer pricing guidelines published by the Organization for Economic Co-operation and Development (OECD) and are conducted under the arm's length principle.

Note 1: For further details, please refer to the Johnson Tax Policy.

Tax Information

Johnson's 2024 Tax Information is as follows:

Unit: Person; NT\$ thousands

Tax Jurisdiction	Main Operating Activities	Number of Employees	Net Interest Income	Operating Revenue	Profit Before Tax	Current Income Tax	Income Tax Paid
Taiwan	Production of Cardiopulmonary Resuscitation Fitness Equipment Series	1,286	78,840	20,505,889	2,788,789	467,075	500,626
China		1,160	1,624	11,647,427	618,639	115,549	43,449
Vietnam		1,298	17,527	3,265,440	311,719	31,172	0

Note 1: For detailed tax information, please refer to Johnson's [2024 Annual Report](#).

Note 2: In 2024, the Vietnam factory utilized loss carryforwards; therefore, no income tax was paid for the year.

3.5 Risk Management

3.5.1 Risk Management Culture

Risk Management Organization

Johnson's departments regularly hold discussion meetings to maintain close communication on international and industry trends, as well as associated risks. The Company actively manages these risks internally and formulates corresponding response strategies.

Internal Control System

Johnson has established its internal control system in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies." The system was approved by the Board of Directors and is subject to periodic audits based on annual audit plans developed by the Internal Audit Department. For details on the implementation status of internal control in 2024, please refer to the Internal Control Statement disclosed on the Market Observation Post System (MOPS).

Internal Audit System

Johnson has established an Internal Audit Department under the Board of Directors, dedicated exclusively to internal audit functions. In accordance with the Company's scale, business operations, management requirements, and relevant regulatory provisions, Johnson allocates an adequate number of qualified full-time internal auditors, consisting of one Chief Audit Executive and two internal audit staff members.

Internal auditors perform their duties with independence, objectivity, and impartiality. In addition to providing regular reports on audit activities to each Independent Director, the Chief Audit Executive also attends Board meetings to deliver reports.

The internal audit function is carried out in accordance with an annual audit plan developed based on risk assessment results. The plan specifies audit items, schedules, procedures, and methodologies. Internal auditors conduct audits on a regular or ad-hoc basis, prepare audit reports supported by working papers and relevant documentation, and follow up on improvements to ensure the continuous and effective implementation of Johnson's internal control system.

To ensure the effectiveness of internal controls, each department is required to perform annual self-assessments of the internal control system. These assessments serve as the primary basis for the Board of Directors and the General Manager in evaluating the overall effectiveness of internal controls and in issuing the Internal Control System Statement. The Statement, approved by the Board, is disclosed on the designated website of the Financial Supervisory Commission (FSC) and published in the annual report within three months after the fiscal year-end. In addition, Johnson established the "Sustainability Information Management Guidelines" in 2024, covering the identification of sustainability disclosure topics and risk assessments, as well as the collection, documentation, monitoring, and control of sustainability-related information. To comply with regulatory requirements, the Company plans to incorporate "Sustainability Information Management" as a new audit item in the following year's audit plan.

Appointment and Dismissal of Chief Audit Executive and Internal Auditors

The appointment and dismissal of the Chief Audit Officer of Johnson Health Tech are subject to the approval of the Audit Committee and resolution by the Board of Directors, in accordance with the provisions of the following procedures: "Headquarters Employment and Appointment Procedures," "Headquarters Termination of Employment Procedures," "Headquarters Performance Evaluation Procedures," "Headquarters Compensation Management Procedures," "Headquarters Performance Bonus Distribution Procedures," and "Headquarters Year-End Bonus Distribution Procedures." On an annual basis, the appointment, performance evaluation, and remuneration of the Chief Audit Officer and internal auditors are carried out in accordance with these procedures. In addition, in 2024, Johnson Health Tech employed two internal auditors, both of whom participated in training programs organized by the Internal Audit Association, the Fair Trade Commission, and other relevant institutions, completing a total of 33 hours of continuing education during the year.

3.5.2 Risk Management Mechanism 2-12

Risk Identification and Management

In response to the Group's operational development and global sustainability trends, Johnson Health Tech identifies potential and actual risks across all aspects of its business operations and sustainability development. Each department occasionally evaluates the significance and potential impact of these risks on Johnson Health Tech based on the latest trends and developments. Internal discussions are held to formulate appropriate risk mitigation strategies, and, when necessary, relevant departments are convened for further deliberation and strategic planning.

Risk Identification Results and Response Strategies

The various types of risks identified by Johnson Health Tech in 2024 are as follows:

Sustainability Issue Aspects		Environment	Society	Corporate Governance		
Risk Categories	Global Climate Change	Cargo Delay Risk	Geopolitical Risk	Cybercrime and Information Security	Inflation and War Risk	Tariff Risk
Risk Description	The intensification of global climate change has led to an increase in extreme weather events (such as droughts and heavy rainfall), resulting in heightened physical climate risks. Additionally, governments worldwide are progressively imposing stricter carbon reduction requirements on enterprises, thereby increasing policy and regulatory risks.	In 2024, the escalation of conflicts in the Middle East (Israel–Palestine conflict) and the prolonged Russia–Ukraine war have created a highly uncertain international environment, affecting energy supplies and global trade dynamics. Many cargo vessels were forced to change routes, extending shipping schedules by up to two weeks and causing freight rates on Euro-Asia routes to surge significantly.	In addition to the series of “Joint Patrol and Inspection Operations in the Central and Northern Taiwan Strait” conducted by Mainland China, which has escalated tensions in the Taiwan Strait, the 2024 Taiwan presidential election has further intensified geopolitical risks between Taiwan and China.	Ransomware attacks remain a major threat to information security. The impacted industries are no longer limited to high-tech and electronics manufacturing; traditional manufacturing and service sectors such as pharmaceuticals, automotive, electrical engineering, tourism, plastics, chemicals, and biotechnology have also come under severe threat. No industry is immune, which has consequently driven stricter cybersecurity management requirements for enterprises.	The persistent effects of high inflation continued into 2024. Although global central bank interest rate hikes have temporarily curbed inflationary pressure, levels remain outside acceptable ranges and show signs of a potential rebound.	Against the backdrop of global geopolitical tensions and the resurgence of trade protectionism, major economies such as the United States, China, and the European Union have successively adjusted their import and export tariff policies, resulting in frequent trade frictions and heightened volatility in import and export costs. The uncertainty surrounding global tariff policies poses substantial operational risks for enterprises that are export-oriented or heavily reliant on cross-border supply chains.
Impact on Johnson Health Tech	If Johnson Health Tech fails to proactively prepare and respond promptly to the impacts of climate change, it will face heightened market, technological, reputational, regulatory, and physical risks.	Extended transportation lead times may lengthen delivery schedules between the Company and its customers, increasing the risk of contract breaches and reputational damage. Rising logistics costs also exert downward pressure on the Company’s gross profit margin.	Geopolitical conflicts may result in operational disruptions to the Group’s headquarters and Taiwan factory.	Cyberattacks could lead to leakage of confidential company information; moreover, compliance with the General Data Protection Regulation (GDPR) requirements imposes additional regulatory compliance risks on the Company.	The global surge in raw material prices may increase product material and transportation costs, while inflationary pressures negatively impact the Company’s financial returns.	1. Escalating cost pressures: Increased tariffs will directly raise the import costs of raw materials and finished products, further affecting profit margins. 2. Supply chain constraints: Multi-location production and procurement plans may require restructuring due to tariff policy adjustments, resulting in higher transition costs.
Countermeasures	Since 2022, Johnson Health Tech has convened cross-functional teams to assess the materiality and likelihood of various climate-related risks in response to climate change. The Company has developed response strategies and management objectives for each identified significant climate risk, regularly reviewing progress and making rolling adjustments as necessary. In 2024, Johnson conducted scenario analysis on both physical and transition risks associated with climate change. For the analysis results and corresponding mitigation measures, please refer to Section 1-4: Climate Action.	Johnson Health Tech proactively engages in advance communication with customers along impacted shipping routes, encouraging early order placements to build up inventory and mitigate the impact of extended transportation lead times.	To address the operational disruption risks that may arise from geopolitical tensions, Johnson Health Tech convened a group-wide risk management and contingency planning meeting. The discussion encompassed various mitigation strategies, including increasing inventory levels across Taiwan and China, ensuring uninterrupted production capacity in other countries, evaluating the feasibility of establishing manufacturing operations in new locations, enhancing the setup and redundancy of information systems, preparing financial liquidity reserves, and implementing delegated management authority to regional leadership teams when necessary.	In response to the threat of cyberattacks, Johnson Health Tech conducts regular and enhanced drills, testing, and awareness campaigns annually to ensure that all employees proactively mitigate cybersecurity risks. In compliance with the GDPR, the Company has engaged a third-party organization to conduct a Data Protection Impact Assessment (DPIA). A Data Protection Officer (DPO) has been appointed at the Group’s headquarters, and a dedicated SAP hardware backup data center has been established in Germany to serve the EU region. The Company plans to gradually expand similar infrastructure across other EU countries to meet local data protection and information security requirements.	Johnson Health Tech maintains close communication with its suppliers to ensure sufficient inventory is prepared in advance, enabling timely responses to risks related to materials and delivery schedules. To manage financial risks, the Company holds internal discussions on an ad-hoc basis to formulate appropriate countermeasures. In addition, financial impacts are mitigated and managed through the use of derivative instruments to maintain financial stability.	1. Supply Chain Diversification and Flexible Adjustment: To reduce reliance on high-risk regions, Johnson Health Tech plans to establish a second manufacturing facility in Vietnam by 2025 as part of its supply base diversification strategy. 2. Enhanced Localization Strategy: The Company is building local manufacturing or operational sites in key markets to mitigate tariff-related risks. 3. Strengthening Customs Compliance and Forecasting Capabilities: Johnson is enhancing its monitoring and early warning systems for changes in tax policies across various countries. 4. Enhancing Product Value-Addition: The Company is shifting its competitive advantage from price-based to quality- and innovation-driven, thereby reducing the impact of tariffs.

3.6 Information Security

3.6.1 Information Security Management Framework

Information Security Management Structure

Johnson Health Tech has established a comprehensive division of responsibilities for information security management. At the internal level, the Group's headquarters is responsible for formulating the Group's information and communication security policies, planning and executing information security operations, and promoting the implementation of these policies. The Audit and Legal departments regularly oversee the execution of information security measures across the organization. In the event that deficiencies are identified, the audited unit is immediately required to propose and implement corrective action plans, with follow-up reviews conducted to assess the effectiveness of improvements, thereby reducing internal information security risks. To further ensure the effectiveness of information security management, the Company engages third-party external auditors to conduct regular audits of its information security policies, management procedures, and implementation. Any identified deficiencies are addressed through corrective action plans submitted by the relevant units, and the results are regularly monitored to mitigate corporate information security risks.



Information Security Policy Guidelines

Johnson Health Tech places great importance on information and communication security. To ensure that all information and communication systems remain free from interference, damage, intrusion, or any improper activities, the Company implements appropriate system planning, procedural standards, and administrative controls to prevent internal and external threats. These measures are aimed at safeguarding system security and maintaining business continuity. Johnson Health Tech has established an "Information Security Management Policy" that applies to the Group headquarters, subsidiaries, contracted maintenance vendors, and other authorized users. This policy is designed to prevent improper use or intentional damage to information and communication systems. In the event of misuse, malicious damage, or other emergencies, rapid response and remediation procedures are in place to restore normal operations as quickly as possible, minimizing potential economic losses and operational disruptions. Furthermore, in response to the European Union's General Data Protection Regulation (GDPR) requirements, engage third-party organizations to conduct Data Protection Impact Assessments (DPIA), appointed a Data Protection Officer (DPO), and established a dedicated SAP data center within the EU to meet information security requirements.



Information Security
Management Policy

3.6.2 Implementation of Information Security Protection 418-1

In accordance with the Information Security Management Policy, Johnson Health Tech has implemented multiple information security management programs to ensure the protection of software, equipment, and internet security, thereby maintaining uninterrupted business operations.

Information Security Protection Implementation Measures

Johnson Health Tech has established a series of information security protection measures, managed by the Information Technology Department and subject to annual supervision by the Audit Department to ensure effective implementation. The information security protection measures include:

Employee Information Security Awareness and Promotion

- Conduct regular information security awareness campaigns for employees to enhance understanding and awareness of information security, reducing the impact of internal human factors on system security.

Information System Security Management

- Computer hosts and servers are housed in dedicated data centers under the management of the IT Department. Unauthorized access is strictly prohibited; maintenance-related access requires IT staff accompaniment and registration in the access control log.

Data Center Operations and Maintenance

- Assign personnel to perform daily checks using the network maintenance inspection checklist. Any abnormalities are documented and reported according to the escalation process to notify supervisors at all levels.

Information Systems and Data Protection

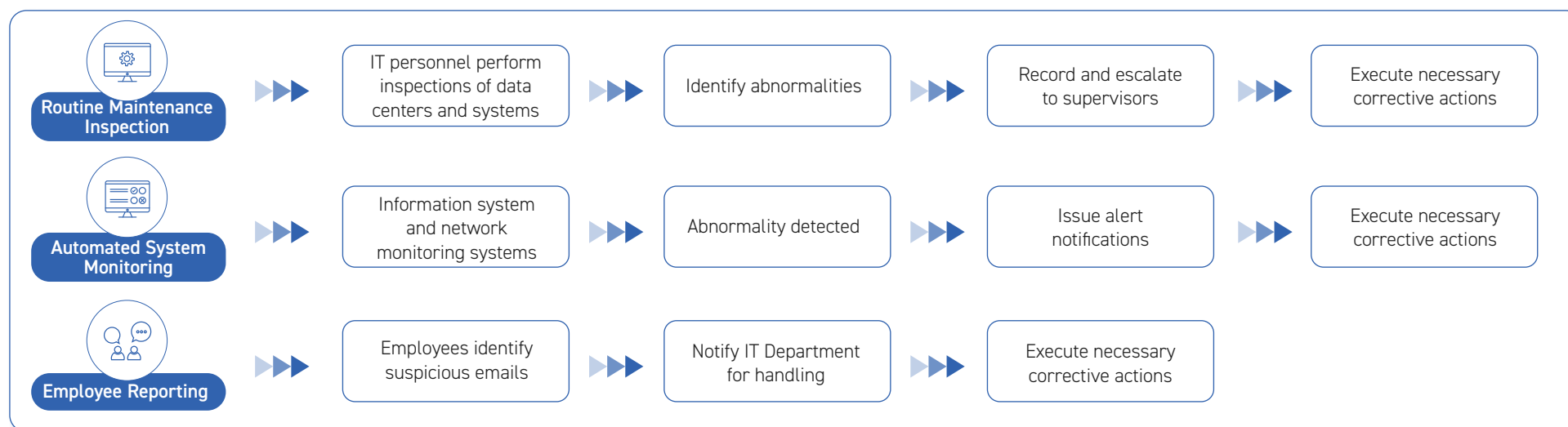
- Daily verification of system backups by designated personnel; anomalies are recorded and corrected before re-executing the backup.
- Backup copies of systems and data are stored off-site with strict confidentiality management.
- Annual backup restoration drills and documentation, with subsequent updates to restoration procedures based on test results.
- In 2024, completed 2 ERP restoration drills, 4 related meetings, 10 restoration tests for various systems, and 2 phishing simulation drills with review meetings.

Information System and Network Monitoring

- Implement system monitoring to track system operations and resource usage, ensuring normal performance.
- Deploy network monitoring systems to monitor network status and bandwidth utilization across locations to maintain performance and reliability.
- In case of system or network anomalies, the monitoring system issues alerts for immediate troubleshooting and remediation to ensure uninterrupted business operations.

Information Security Incident Reporting

Johnson Health Tech has implemented information system and network monitoring systems to automatically detect anomalies and issue alerts to relevant personnel, ensuring timely troubleshooting and remediation. For suspicious external emails, the Company promotes cybersecurity awareness and enforces the “Three No Principles”: do not take the bait, do not open, and do not click. Employees are required to report such emails to the IT Department for proper handling. In 2024, Johnson Health Tech reported zero incidents of data breaches and no information security incidents. Furthermore, as the corporate headquarters does not directly interface with customers, all customer personal data is managed by respective sales subsidiaries. Therefore, in 2024, Johnson Health Tech recorded no incidents of customer privacy violations or loss of customer data.



Information Security Incident Communication and Response

Johnson Health Tech assigns the IT Department to manage and respond to information security incidents, ensuring effective communication with responsible supervisors and relevant departments. Corrective actions and improvement measures are proposed and implemented, while enhanced information security awareness campaigns are conducted to educate employees and prevent recurrence of similar incidents.

In 2024, Johnson Health Tech experienced no major information security incidents, and no events resulted in financial loss or business disruption.

However, in March 2025, an attempted cyberattack occurred, targeting the internal networks of the Group's headquarters and several overseas subsidiaries. Although hackers attempted unauthorized logins, the incident did not result in any leakage of personal data, confidential, or critical documents, and had no material impact on the Company's operations. The Company immediately engaged a leading global cybersecurity firm to address the incident. Going forward, Johnson will continue strengthening its cybersecurity and IT infrastructure and maintain close monitoring to ensure ongoing information security.

2024	Group Headquarters and Taiwan Factory	Shanghai Factory	Vietnam Factory
Information Security Breach Incidents	0	0	0
Incidents Involving Customer Privacy Violations or Loss of Customer Data	0	0	0

3.7 Supplier Management

3.7.1 Supplier Management 2-6 2-23 2-24 205-2

As a global leader in fitness and exercise equipment manufacturing, Johnson Health Tech takes pride in its products and upholds the highest standards of quality. We recognize that materials sourced from our suppliers ultimately become part of our products; therefore, we impose on our suppliers the same stringent standards and requirements that we set for ourselves.

Johnson Health Tech places great emphasis on supplier sustainability management. The Materials Department is responsible for the selection of new suppliers and the periodic evaluation of existing suppliers. Through performance assessments and guidance for non-compliant suppliers, we continuously monitor and reduce overall supplier risk. Our sustainability requirements encompass environmental, social, and governance dimensions, ensuring alignment with responsible business practices. To strengthen supplier sustainability management, we have established a Supplier Management Committee, which conducts regular evaluations, provides guidance, and monitors corrective actions by suppliers. In 2024, supplier management initiatives were primarily focused on the Group headquarters and the Shanghai factories. As our Vietnam factory is still in its initial development stage, management systems are being progressively optimized; therefore, disclosure of supplier-related data in this section does not include information from the Vietnam factory.

Supplier Management Policy

To enhance supplier performance across economic, social, and environmental dimensions and achieve sustainable development goals, Johnson Health Tech has established a Supplier Management Policy, publicly disclosed on the Company's website. We conduct regular evaluations, management reviews, and engagement with suppliers, striving to foster long-term partnerships for shared sustainability success.

Beyond compliance with regional regulatory requirements, we mandate that our suppliers fully adhere to Johnson Health Tech's management principles in the areas of labor practices, health and safety, environmental responsibility, business ethics, and management systems, including the following commitments:

- Suppliers must pledge integrity and anti-corruption, strictly prohibiting any form of bribery or kickbacks.
- Protection of trade secrets is essential; suppliers are prohibited from disclosing confidential information or engaging in any infringement activities.
- Joint efforts with suppliers to advance environmental protection, focusing on improvements in energy efficiency, waste management, water conservation, and greenhouse gas emissions reduction.
- Compliance with international environmental standards, suppliers must ensure that all materials provided meet relevant environmental regulations and sustainability criteria.
- Prevention of occupational injuries and incidents, suppliers are required to comply with health and safety regulations to ensure safe working conditions when entering Johnson Health Tech factories.



Our Management Strengths

At Johnson Health Tech, we recognize that our supplier partners are a critical asset in achieving corporate sustainability. To jointly realize our ESG vision and goals, we maintain a transparent and collaborative relationship with suppliers. Through the establishment of a Supplier Relationship Management (SRM) platform, we communicate key standard documents and policies to suppliers and disclose supplier evaluation results, enabling them to stay informed of our latest announcements, improvement actions, and compliance requirements. This ensures open and efficient communication between Johnson Health Tech and our supply chain partners. Additionally, we organize an annual Supplier Conference, providing a platform for two-way dialogue, sharing best practices, and gathering supplier feedback. This continuous engagement drives progress and strengthens our supplier management practices.

Internal Training and Education

To strengthen sustainable procurement practices, we continue to enhance the professional competencies of our internal procurement team. In 2024, we organized training programs focused on local sourcing, green procurement, and the ESG audit process and evaluation mechanisms.

Course Title	Course Content	Training Hours	Number of Participants
Practical Implementation of Local and Green Procurement	Local procurement encourages prioritizing local suppliers to reduce transportation-related carbon footprints, while green procurement outlines its definitions and relevant regulations, introducing sustainable purchasing practices across areas such as consumption, office operations, and food services.	1	15
Supplier ESG Audit Process and Evaluation Mechanism	Systematic implementation of a Supplier ESG evaluation mechanism, encompassing assessment processes of suppliers' environmental performance, labor practices, and compliance with corporate regulatory policies, aimed at enhancing supply chain sustainability resilience.	1	12

Real-Time Responsiveness

Designed to ensure no missed messages or alert notifications.

Visualization

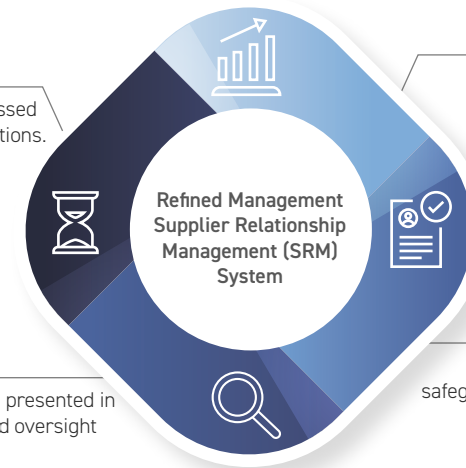
Highlighted key indicators presented in report format for improved oversight and decision-making.

Operational Efficiency

Simple, user-friendly interface with strong compatibility for ease of use.

Security

Enhanced security measures to safeguard against cybersecurity threats, with individualized access control settings, ensuring a higher level of protection and secure operations.



Establishing a Sustainable Supply Chain

Johnson Health Tech leverages the Supplier Relationship Management (SRM) system to build an effective communication bridge with suppliers, actively engaging in two-way communication. Through three key management approaches—sustainability commitments, due diligence, and training programs—we ensure that our supplier partners align with Johnson Health Tech's sustainability principles.

Sustainability Commitment

Sustainability commitments are established across multiple dimensions, including ethics, labor and human rights, environmental sustainability, product safety, and the prohibition of conflict minerals, requiring suppliers to pledge their compliance and jointly support sustainable development.

Training and Education

Consensus with suppliers is achieved through the signing of commitment statements, reinforced by the publication of awareness videos within the SRM system to strengthen communication and supplier understanding. Key messages are further emphasized during the annual Supplier Conference to promote effective two-way communication.

Due Diligence

Suppliers undergo risk assessment and classification, with qualified suppliers selected and provided with guidance. Regular evaluations are conducted, assessing suppliers' technical capabilities, product quality, delivery performance, and environmental management practices. On-site audits are implemented to effectively verify actual conditions and ensure compliance.

Supplier Communication

Johnson Health Tech's upstream supply chain primarily consists of raw material manufacturers and suppliers. In 2024, our Taiwan factories partnered with a total of 233 suppliers, including 212 domestic suppliers (accounting for 91%) and 21 international suppliers (accounting for 9%). Through the Supplier Relationship Management (SRM) system, Johnson Health Tech implemented integrity and anti-corruption awareness programs. In 2024, we launched four distinct training modules on topics such as anti-bribery and confidentiality, in collaboration with government resources, to reinforce our corporate values of integrity among suppliers. The total viewing time of these training videos reached 0.7 hours, with participation from all suppliers. By requiring suppliers to sign integrity commitments and conducting regular assessments, we ensured that no corruption incidents occurred among suppliers in 2024. The communication efforts related to anti-corruption topics are outlined as follows:

Supplier Communication on Anti-Corruption Issues	Taiwan	Foreign	Total
Number of Suppliers Engaged	212	21	233
Total Number of Suppliers	212	21	233
Percentage of Suppliers Engaged	100%	100%	100%

Supplier Sustainability Commitment

Ensuring product safety is Johnson's most fundamental and unwavering commitment to our customers. We take pride in delivering superior and reliable products, recognizing that achieving this goal requires the collaboration and support of our suppliers. Therefore, when establishing partnerships with suppliers, Johnson requires them to sign multiple commitment statements to uphold our high standards for product responsibility and sustainable development from the very source.

To enhance the systematic approach and consistency of supply chain management, Johnson officially launched the "Johnson Sustainability Commitment" in 2024. This initiative consolidates the existing "Supplier Integrity Management Statement," "Supplier Occupational Health and Safety Management Commitment," "REACH Commitment," and "RoHS Commitment" while incorporating the "Supplier Sustainability Practice Guidelines" introduced the previous year. The Code encompasses four core pillars: protection of labor rights and human rights, workplace health and safety, environmental sustainability, and business ethics, providing a clearer and more concrete foundation for sustainable collaboration with our suppliers.

These five commitment statements collectively establish Johnson's supplier responsibility management framework: The "Supplier Integrity Management Statement" emphasizes ethical business practices and anti-corruption measures; The "Supplier Occupational Health and Safety Commitment" ensures the protection of health and safety within operational environments; The "REACH Commitment" and "RoHS Commitment" mandate compliance with EU environmental regulations, explicitly requiring that supplied materials do not contain Substances of Very High Concern (SVHC), hazardous heavy metals, or other restricted chemicals. Furthermore, we require suppliers to provide certifications such as ISO 9001 Quality Management System and Safety Data Sheets (SDS) for chemicals to mitigate potential risks associated with raw materials, thereby ensuring overall product quality and safety.

To reinforce ongoing compliance among existing suppliers, Johnson conducts regulatory briefings and documentation updates every two years to ensure alignment between commitments and practical implementation. The integrated system now applies comprehensively to suppliers of Johnson's Taiwan and Shanghai factories, significantly improving management efficiency and execution consistency. In 2024, all newly engaged suppliers completed the signing of the "Johnson Sustainability Commitment," resulting in an overall signing rate of 72%. Moving forward, we will continue advancing through supplier self-commitment and collaborative efforts, jointly building a more resilient, transparent, and sustainable supply chain that generates positive value for both the environment and society.

Taiwan factory						
Status of Supplier Commitment Signing	Number of Contracted Suppliers Who Signed	Signing Rate of Contracted Suppliers	Number of New Suppliers Who Signed	Signing Rate of New Suppliers	Number of Key Suppliers Who Signed	Signing Rate of Key Suppliers
Supplier Sustainability Commitment	147	72%	19	100%	82	82%

Note: Key suppliers refer to the top 100 suppliers by transaction value in 2024.

Shanghai Factory

Status of Supplier Commitment Signing	Number of Contracted Suppliers Who Signed	Signing Rate of Contracted Suppliers
Supplier Sustainability Commitment	239	80.2%

Vietnam Factory

Status of Supplier Commitment Signing	Number of Contracted Suppliers Who Signed	Signing Rate of Contracted Suppliers
Supplier Environmental Impact Survey Form	43	24%
REACH Compliance Commitment	119	67%
RoHS Compliance Commitment	119	67%
Supplier Occupational Health and Safety Management Commitment	106	60%
Supplier Integrity Management Statement	142	80%

AEO Security Certification – Advanced Certified Enterprise

In 2024, the Johnson Health Tech Shanghai Factory pursued the AEO Advanced Certified Enterprise accreditation. In accordance with the certification requirements, designated suppliers were requested to provide a Trade Security Agreement for Business Partners and complete the Supply Chain Security Assessment Form. The status of supplier sign-offs in 2024 is as follows:

Status of Supplier Commitment Signing	Number of Contracted Suppliers Who Signed	Signing Rate of Contracted Suppliers
Trade Security Agreement for Business Partners	7	100.0%
Supply Chain Security Assessment Form	7	100.0%



Conflict Minerals Due Diligence

Johnson Health Tech is committed to promoting supply chain risk management and mitigating potential human rights risks associated with the materials used in its products. For electronic component suppliers, we have voluntarily adopted the standards of the Responsible Business Alliance (RBA) and established a Conflict Minerals Commitment Letter, requiring suppliers of designated electronic materials to pledge not to procure minerals originating from conflict-affected areas or from sources linked to human rights abuses. To strengthen the effectiveness of this management approach, Johnson also follows the Conflict Minerals Reporting Template (CMRT) developed by the Responsible Minerals Initiative (RMI) to conduct due diligence on suppliers, ensuring that raw material sourcing aligns with principles of social justice and the protection of labor and human rights.

In addition to 3TG minerals (tin, tungsten, tantalum, and gold) from high-risk areas, Johnson also applies strict management protocols to other minerals associated with potential human rights and environmental controversies—such as mica and cobalt. We require suppliers to fully comply with relevant international standards, including the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and frameworks established by the RMI, thereby continually enhancing supply chain transparency and responsible sourcing practices.

As of 2024, Johnson's Taiwan factory had 48 existing electronic component suppliers. Among them, 28 suppliers (58.3%) signed the Declaration of Minerals Conflict-Free, while 5 suppliers (11%) did not sign the letter but disclosed conflict-free mineral sourcing in their own sustainability reports. In addition, all 4 newly added electronic component suppliers in 2024 signed the Declaration of Minerals Conflict-Free.

3.7.2 Supplier Evaluation 308-1 414-1



New Supplier Selection

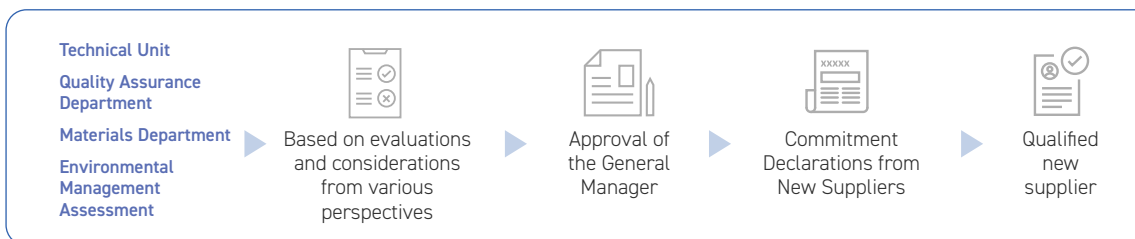
To strengthen sustainable supply chain management, Johnson Health Tech has established the Supplier Evaluation Procedure for onboarding new suppliers and revised the Supplier and Contractor Management Procedure applicable to existing suppliers. The evaluation process is jointly conducted by relevant departments, including technical, quality assurance, and procurement teams. A comprehensive assessment is carried out based on multiple criteria, including environmental management performance, and the final decision is approved by the General Manager. Suppliers that pass the evaluation are required to sign the Johnson Sustainability Commitment Letter, confirming their compliance with the Company's sustainability requirements in areas such as labor rights, health and safety, environmental management, business ethics, and management systems.

In 2024, Johnson further integrated ESG criteria into its supplier selection standards by adding new assessment dimensions such as Environmental, Health and Safety (EHS) and ethical business practices, to promote the sustainable development of its supplier base. During the same year, the Company launched a Supplier ESG Self-Assessment Questionnaire to evaluate suppliers' sustainability performance. The questionnaire covers the three core ESG pillars: Environmental assesses whether suppliers have established carbon reduction plans and concrete energy-saving targets; Social focuses on EHS management and internal assessment mechanisms; Governance examines the presence of anti-corruption systems and measures to protect customer information, aiming to enhance their ability to identify and monitor ESG risks. Completion of the questionnaire became mandatory for all new suppliers starting in 2024. From 2025 onward, Johnson plans to gradually extend the requirement to existing suppliers, aiming for 100% coverage among key suppliers. To ensure the effectiveness and real-world impact of these efforts, Johnson also conducts supplier evaluations and performance tracking through on-site visits and telephone interviews, thereby driving continuous improvement in supply chain sustainability.

Supplier Risk Assessment and Response

To further strengthen sustainable supply chain management, Johnson Health Tech plans to officially implement the ESG Self-Assessment Questionnaire in 2025. In preparation, a pilot run was conducted in 2024 involving three existing suppliers and five new suppliers. ESG risk assessment factors—including environmental protection, social responsibility, and corporate governance—were incorporated into the supplier evaluation criteria. In addition, a Supplier Sustainability Commitment Letter was introduced as part of the evaluation documentation. For suppliers identified as high ESG risk based on the assessment results, Johnson will provide guidance and support for improvement. If the supplier fails to reduce its ESG risk level to an acceptable threshold after corrective actions, it will be deemed non-compliant. Furthermore, Johnson plans to conduct on-site ESG audits for selected suppliers. Each year, 2 to 5 suppliers will be selected for on-site ESG evaluations to gain a clearer understanding of their ESG implementation status and to facilitate constructive dialogue and feedback.

Selection Process of New Supplier



Screening of New Suppliers Based on Environmental and Social Criteria in 2024

Supplier selection standard	Taiwan Factory		Shanghai Factory		Vietnam Factory		Total	
	Number of Suppliers	Proportion	Number of Suppliers	Proportion	Number of Suppliers	Proportion	Number of Suppliers	Proportion
New Suppliers Screened Using Environmental Criteria	16	100%	10	100%	40	100%	56	100%
New Suppliers Screened Using Social Criteria	16	100%	10	100%	40	100%	56	100%
Total Number of New Suppliers	16		15		40		71	78.9%



Supplier Audit Overview

Johnson Health Tech conducts annual document-based audits for all suppliers with transactions during the year. In addition, on-site audits are selectively conducted for new suppliers each year. The supplier audit activities in 2024 are summarized as follows:

Audit Category	Taiwan Factory		Shanghai Factory		Total	
	Number of Suppliers	Proportion by Number of Suppliers	Number of Suppliers	Proportion by Number of Suppliers	Number of Suppliers	Proportion by Number of Suppliers
Number of Existing Suppliers Audited via Documentation	233	100%	298	100%	531	100%
Number of New Suppliers Audited via Documentation	13	5.6%	3	1%	16	3%
Number of New Suppliers Audited On-site	3	1.3%	15	5%	18	3.4%

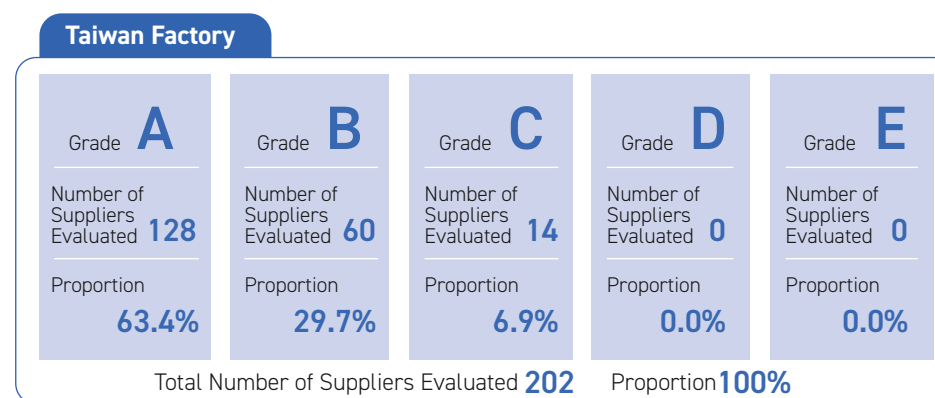
Johnson Health Tech has established a deficiency correction management mechanism for supplier audits. Taking supplier evaluation results into consideration, suppliers are notified upon detection of any abnormalities. The audit unit serves as the auditor and, depending on the situation, conducts individual audits, on-site spot checks, and provides assistance for corrective actions. Continuous follow-up is performed to monitor the improvement process. Upon completion of the supplier's deficiency correction report, a co-signature is required, and the record is documented in the supplier connection system.

Supplier Evaluation Result

Johnson Health Tech adopts a rigorous approach to supplier evaluation, involving departments such as Materials, Quality Assurance, and Production Planning. Each month, these departments assess suppliers based on multiple factors from different perspectives, comprehensively evaluating supplier performance. The results are categorized into five grades: A, B, C, D, and E, which are published in the supplier connection system. Furthermore, for suppliers with transactions during the year, an annual comprehensive evaluation is conducted at year-end by the R&D, Quality Assurance, Production Planning, and Materials departments. This assessment takes into account the suppliers' average monthly evaluation scores. A deficiency correction management mechanism is established for the annual supplier evaluation results. Suppliers receiving an overall annual grade of E are placed on a watchlist. Materials requests these suppliers to formulate improvement plans and provides assistance in their implementation. If

no improvement is observed after the guidance, Johnson Health Tech will engage in serious communication with the supplier and consider their replacement.

Through regular supplier evaluations, supplier conferences, and transparent information dissemination and communication, Johnson Health Tech continuously supports suppliers in enhancing their management systems. The summary of supplier annual evaluations for 2024 is as follows:



Note: The total number of suppliers included in the annual comprehensive evaluation excludes suppliers that are foreign, internal to the Group, mold suppliers, those acting solely as purchasing agents with designated status, and suppliers with whom transactions have ceased.

3.7.3 Supplier Training and Education

Johnson Health Tech continuously strives for excellence in the quality and design of its products. We aim to foster a sustainable and healthy management system through proactive guidance and training, consistently delivering superior products and services to our customers. For supplier partners who fail to meet standards in regular audits or present high risks in assessments, Johnson actively provides coaching and training to enhance their awareness and improve product technical capabilities. Moreover, to build a sustainable supply chain, Johnson conducts ESG education and training for suppliers through various channels, including promotional videos, announcements via the Supplier Relationship Management (SRM) system, supplier conferences, as well as ad-hoc physical courses and seminars. In 2024, we communicated Johnson's sustainability strategy and supplier-related sustainability goals through the supplier conference, with the expectation of advancing together with our suppliers, fostering mutual growth, and promoting corporate sustainability while contributing to environmental and social responsibility.

3.7.4 Responsible Procurement 204-1

Procurement Regulations

Johnson Health Tech has established a Domestic and International Procurement Operating Procedure, with procurement processes recorded through the SAP system. Purchase requisitions are initiated by the Production Planning Department. After suppliers are jointly evaluated and approved by the Materials Department and the Technical Unit, procurement is conducted by the Materials Department. The Production Planning Department monitors and follows up on the status of materials, identifying and resolving issues as they arise. Regarding supplier procurement, we have also developed a comprehensive risk management procedure that includes monitoring the status of preliminary materials and international market trends, as well as tracking and assessing the quality of incoming materials. Potential risks associated with materials are managed and mitigated through regular meetings held by the Materials and Quality Assurance Departments.

Manufacturing and Outsourcing

Johnson Health Tech's products are sold globally. To respond to seasonal fluctuations in the fitness market, we proactively prepare production capacity and engage outsourced suppliers based on demand to handle contract manufacturing. In 2024, based on the number of manufacturing sites, the analysis of manufacturing and outsourcing is as follows:

	Number of Manufacturing Sites	Manufacturing Sites Owned and Operated by Johnson Health Tech	Outsourced Manufacturing Partners
 Quantity Proportion		11 44%	14 56%

Currency: NT\$ in million

	Item	Taiwan Factory	Shanghai Factory	Total
 Amount of Green Procurement		65.5	326.2	391.7
Total Procurement Amount		2,287.5	7,557.5	9,845
Proportion of Green Procurement		2.86%	4.3%	3.98%

Note 1: Procurement amounts for overseas factories are calculated using the exchange rate as of the end of December 2024.

Note 2: The definition of green procurement refers to internationally recognized standards or definitions that promote environmentally beneficial purchases, such as eco-labels and green product certifications.

Green Procurement

In response to sustainability and environmental protection, we have implemented rational planning for product packaging. This includes reducing packaging materials and replacing materials such as polystyrene foam and plastics with paper-based packaging to facilitate recycling and reuse. Facing global climate change, we have progressively upgraded equipment and conducted energy-saving and green energy performance assessments. Energy-efficient air conditioning systems have been installed in offices, and priority is given to purchasing equipment with the highest energy efficiency rating (Level 1) when acquiring new devices. The status of green procurement in 2024 is as follows:

Local Procurement

Johnson Health Tech aims to build trust and strong connections with local suppliers through local procurement. By sourcing locally, we support domestic supplier partners and help reduce greenhouse gas emissions associated with international transportation, contributing to global sustainability. The status of local procurement in 2024 is as follows:

Currency: NT\$ in million

	Item	Taiwan Factory	Shanghai Factory	Vietnam Factory	Total
 Amount of Local Procurement		1,728.1	7,354.0	695.9	9,778.0
Total Procurement Amount		2,287.5	7,557.5	2,349.4	12,194.4
Proportion of Local Procurement		75.5%	97.3%	29.6%	80.2%

Note 1: Procurement amounts for overseas factories are calculated using the exchange rate as of the end of December 2024.

Note 2: Local procurement refers to purchases made within the country or region where the manufacturing site is located (Taiwan, China, and Vietnam).

Appendix

About This Report

Thank you for reading the Sustainability Report of Johnson Health Tech. This report has been prepared and published in accordance with the 2021 revised version of the GRI Universal Standards issued by the Global Reporting Initiative (GRI), the standards of the Sustainability Accounting Standards Board (SASB), and incorporates the framework of the Task Force on Climate-related Financial Disclosures (TCFD). Moving forward, we will continue to publish both Chinese and English versions of the report on an annual basis to enhance the transparency and accessibility of our sustainability disclosures and to respond to the expectations of our stakeholders.

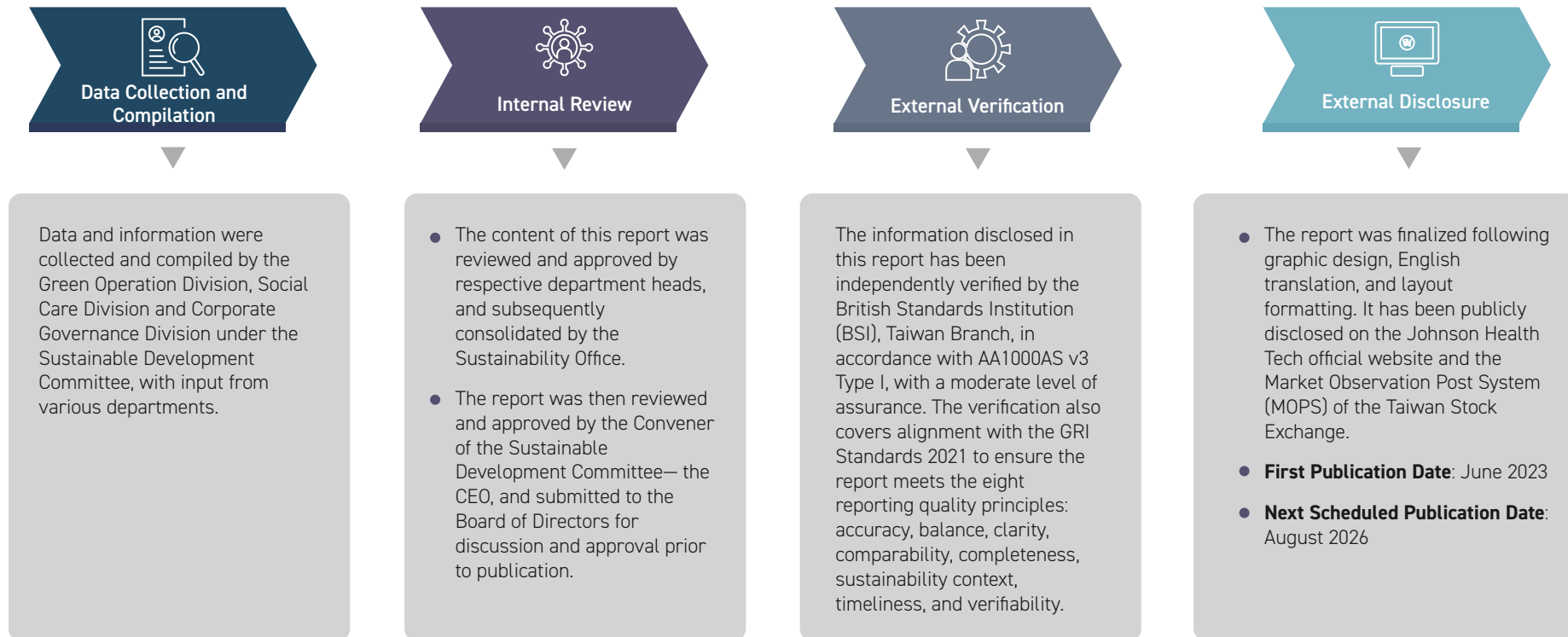
Reporting Period and Scope

This report discloses Johnson Health Tech's sustainability performance and achievements for the year 2024 (January 1 to December 31, 2024). The content covers governance, economic performance, environmental impact, and social and human rights-related aspects across Johnson's primary operational sites, including the Group Headquarters in Taiwan, as well as the Shanghai and Vietnam factories. To ensure the completeness of sustainability information, certain data has been retrospectively included from as early as 2021. The financial data presented in this report are consistent with the scope of Johnson's consolidated financial statements and are prepared in accordance with the International Financial Reporting Standards (IFRSs), with figures denominated in New Taiwan Dollars (NT\$). The non-financial sustainability data primarily focus on operations in Taiwan, while information related to social health and well-being also includes overseas teams.

Reporting Principles

Standards Issuing Organizations	Standards Followed
The Global Reporting Initiative (GRI)	GRI Universal Standards 2021
Taiwan Stock Exchange	Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies
United Nations (UN)	Sustainable Development Goals (SDGs)
Sustainability Accounting Standards Board (SASB)	Toys & Sporting Goods
Financial Stability Board (FSB)	Task Force on Climate-related Financial Disclosures (TCFD)

Internal Management Processes and Issuance



Contact Information

Thank you for reading this report. If you have any questions or suggestions regarding its content, please feel free to contact us.

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Sustainability Section

Compliance with Sustainability Disclosure Standards

GRI Standards Content Index

Statement of Use	Johnson Health Tech has reported the content for the period from January 1, 2024 to December 31, 2024 in accordance with the GRI Standards.			
GRI 1 Used	GRI 1: Foundation 2021			
Applicable GRI Sector Standards	No applicable GRI Sector Standards were published during the reporting period covered by this report.			

Indicator	Disclosure Requirement	Report Section	Explanation	Page Number
GRI 2: General Disclosures 2021				
Organization and Reporting Practices				
2-1	Organizational details	Company Profile		5
2-2	Entities included in the organization's sustainability reporting	Company Profile About This Report		5 117
2-3	Reporting period, frequency and contact point for Sustainability Reporting	About This Report		117
2-4	Restatements of information	Appendix	No restatements of information were made during the reporting year.	117
2-5	External assurance	Appendix		117
Activities and Workers				
2-6	Activities, value chain and other business relationships	Company Profile 3.7.1 Supplier Management		5 110
2-7	Employee	2.1.2 Workforce Composition		64
2-8	Workers who are not employees	2.1.2 Workforce Composition		64

Indicator	Disclosure Requirement	Report Section	Explanation	Page Number
Governance				
2-9	Governance structure and composition	3.1.1 Governance organization structure		96
2-10	Nomination and selection of the highest governance body	3.1.1 Governance organization structure		96
		3.1.2 Board Operations		98
2-11	Chair of the highest governance body	Sustainable Development Framework		9
		3.1.1 Governance organization structure		96
		3.1.2 Board Operations		98
2-12	Role of the highest governance body in overseeing the management of impacts	Stakeholder Engagement		19
		Sustainable Development Framework		9
		3.5.2 Risk Management Mechanism		105
2-13	Delegation of responsibility for managing impacts	Sustainable Development Framework		9
2-14	Role of the highest governance body in sustainability reporting	Sustainable Development Framework		9
2-15	Conflicts of interest	3.1.1 Governance organization structure		96
		3.1.2 Board Operations		98
2-16	Communication of critical concerns	3.2.1 Ethical system 3.3.1 Regulatory Compliance Management Appendix	For details regarding the disclosure of material events, please refer to the Market Observation Post System (MOPS). In 2024, Johnson Health Tech published a total of 45 material announcements, primarily related to financial matters and governance or personnel changes.	101 103 117
2-17	Collective knowledge of the highest governance body	3.1.2 Board Operations		98
2-18	Evaluation of the performance of the highest governance body	Sustainable Development Framework		9
		3.1.2 Board Operations		98
2-19	Remuneration policies	2.1.4 Employee Benefits System		67
		3.1.2 Board Operations		98

Indicator	Disclosure Requirement	Report Section	Explanation	Page Number
2-20	Process to determine remuneration	2.1.3 Compensation and Performance Evaluation		66
		3.1.2 Board Operations		98
2-21	Annual total compensation ratio	3.1.2 Board Operations		98
Strategy, Policies, and Practices				
2-22	Statement on sustainable development strategy	Message from the CEO		2
		Sustainable Development Strategy		11
2-23	Policy commitments	2.3.1 Human Rights Policy and Management		76
		2.3.2 Human Rights Due Diligence		77
		3.7.1 Supplier Management		110
2-24	Embedding policy commitments	Sustainable Development Framework		9
		2.3.1 Human Rights Policy and Management		76
		2.3.2 Human Rights Due Diligence		77
		3.7.1 Supplier Management		110
2-25	Processes to remediate negative impacts	2.3.1 Human Rights Policy and Management		76
		2.3.2 Human Rights Due Diligence		77
		3.2.1 Ethical system		101
2-26	Mechanisms for seeking advice and raising concerns	2.3.1 Human Rights Policy and Management		76
		2.3.2 Human Rights Due Diligence		77
		3.2.1 Ethical system		101
2-27	Legal compliance	3.3.1 Regulatory Compliance Management		103
2-28	Membership associations	Economic Performance		8

Indicator	Disclosure Requirement	Report Section	Explanation	Page Number
Stakeholder Engagement				
2-29	Approach to stakeholder engagement	Stakeholder Engagement		19
2-30	Collective bargaining agreements	2.3.3 Employee Communication and Satisfaction		80

Indicator	Disclosure Requirement	Report Section	Explanation	Page Number
Material Topics				
GRI 3: Material Topics 2021				
3-1	Process to determine material topics	Materiality Analysis		22
3-2	List of material topics	Materiality Analysis		22
3-3	Management of material topics	Sustainable Development Goals Materiality Analysis		12 22
Economic Performance				
201-1	Direct economic value generated and distributed	Financial Performance		8
201-4	Financial assistance received from government	Government Subsidy		8
Market Presence				
202-2	Proportion of senior management hired from the local community	2.1.2 Workforce Composition		64
Anti-corruption				
205-1	Operations assessed for risks related to corruption	3.2.1 Ethical system		101
205-2	Communication and training about anti-corruption policies and procedures	3.2.1 Ethical system 3.7.1 Supplier Management		101 110
205-3	Confirmed incidents of corruption and actions taken	3.2.1 Ethical system		101

Indicator	Disclosure Requirement	Report Section	Explanation	Page Number
Anti-competitive behavior				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	3.2.1 Ethical system		101
207-4	Approach to tax	3.4.1 Tax Policy		104
Employment				
401-1	New employee hires and employee turnover	2.1.1 Talent Recruitment		62
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	2.1.4 Employee Benefits System		67
401-3	Parental leave	2.1.4 Employee Benefits System		67
Training and Education				
404-3	Percentage of employees receiving regular performance and career development reviews	2.1.3 Compensation and Performance Evaluation		66
Diversity and Equal Opportunity				
405-1	Diversity of governance bodies and employees	2.1.2 Workforce Composition		64
		3.1.2 Board Operations		98
405-2	Ratio of basic salary and remuneration of women to men	2.1.3 Compensation and Performance Evaluation		66
Customer Health and Safety				
416-1	Assessment of the health and safety impacts of product and service categories	1.2.1 Product quality management		36
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-	No such incidents occurred in 2024.	-
Marketing and Labeling				
417-2	Incidents of non-compliance concerning product and service information and labeling	-	No such incidents occurred in 2024.	-
417-3	Incidents of non-compliance concerning marketing communications	-	No such incidents occurred in 2024.	-
Customer Privacy				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.6.2 Implementation of Information Security Protection	No such incidents occurred in 2024.	108

Indicator	Disclosure Requirement	Report Section	Explanation	Page Number
General Topics				
Economic Aspect				
GRI 204: Procurement Practices 2016				
204-1	Proportion of spending on local suppliers	3.7.4 Responsible Procurement		116
Environmental Aspect				
GRI 302: Energy 2016				
302-1	Energy consumption within the organization	1.5 Energy Management		52
302-3	Energy intensity	1.5 Energy Management		52
GRI 303: Water and Effluents 2018				
303-3	Water withdrawal	1.6 Water Resource Management		54
GRI 305: Emissions 2016				
305-1	Direct (Scope 1) GHG emissions	1.4.2 Greenhouse gas emission management		50
305-2	Energy indirect (Scope 2) GHG emissions	1.4.2 Greenhouse gas emission management		50
305-4	GHG emissions intensity	1.4.2 Greenhouse gas emission management		50
GRI 306: Waste 2020				
306-3	Waste generated	1.7 Waste Management		56
306-5	Waste directed to disposal	1.7 Waste Management		56

Indicator	Disclosure Requirement	Report Section	Explanation	Page Number
GRI 308: Supplier Environmental Assessment 2016				
308-1	New suppliers that were screened using environmental criteria	3.7.2 Supplier evaluation		113
Social and Human Rights Aspects				
GRI 402: Labor/Management Relations 2016				
402-1	Minimum notice periods regarding operational changes	2.3.3 Employee Communication and Satisfaction		80
GRI 403: Occupational Health and Safety 2018				
403-1	Occupational health and safety management system	2.4.1 Occupational health and safety management		81
403-2	Hazard identification, risk assessment, and incident investigation	2.4.1 Occupational health and safety management		81
		2.4.2 Occupational Health and Safety Hazard Identification and Risk Assessment		83
		2.4.3 Occupational Injuries and Occupational Diseases		85
403-3	Occupational health services	2.4.4 Workplace Safety Protection, Prevention and Mitigation Measures		86
403-4	Worker participation, consultation, and communication on occupational health and safety	2.4.1 Occupational health and safety management		81
403-5	Worker training on occupational health and safety	2.4.1 Occupational health and safety management		81
403-6	Promotion of worker health	2.4.4 Workplace Safety Protection, Prevention and Mitigation Measures		86

Indicator	Disclosure Requirement	Report Section	Explanation	Page Number
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2.4.1 Occupational health and safety management 2.4.2 Occupational Health and Safety Hazard Identification and Risk Assessment		81 83
403-9	Work-related injuries	2.4.3 Occupational Injuries and Occupational Diseases		85
403-10	Work-related ill health	2.4.3 Occupational Injuries and Occupational Diseases		85
GRI 406: Non-discrimination 2016				
406-1	Incidents of discrimination and corrective actions taken	-	No such incidents occurred in 2024.	-
GRI 414: Supplier Social Assessment 2016				
414-1	New suppliers that were screened using social criteria	3.7.2 Supplier evaluation		113

SASB Standards Content Index

Based on the SASB Materiality Map, which outlines 11 sectors and 77 industries, Johnson Health Tech has identified and disclosed applicable metrics by considering its own operational activities and referencing the recommendations of regulatory authorities:

- Sector : Consumer Goods
- Industry : Toys & Sporting Goods

Topics	Indicator Code	Accounting Metric	2024 Data	Report Section	Page Number
Activity metrics	CG-TS-000.A	Annual Production	-	Economic Performance	8
	CG-TS-000.B	Manufacturing Volume and Outsourcing Percentage	56%	3.7.4 Responsible Procurement	116
Product Quality and Safety	CG-TS-250a.1	Number of Product Recalls	0	1.2.1 Product quality management	36
		Total Number of Units Recalled	0	1.2.1 Product quality management	36
	CG-TS-250a.3	Total amount of monetary losses as a result of legal proceedings associated with product safety	0	1.2.1 Product quality management	36
	CG-TS-250a.4	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	-	1.2.2 Hazardous substance management	38
Supply Chain Management	CG-TS-430a.1	Social Responsibility Audit of Direct Suppliers (1) Non-conformance Rate; (2) Corrective Action Rate for (a) Priority Non-conformances and (b) Other Non-conformances.	(1) 0% (2) (a) None (b) 0%	3.7.1 Supplier Management	110
	CG-TS-430a.2	Non-conformance Rate of Direct Suppliers in Social Responsibility Audits and Corrective Action Implementation Rate	-	3.7.1 Supplier Management	110

Comparison table of Task Force on Climate-Related Financial Disclosures (TCFD) framework

Aspect	Disclosure Item	Report Section	Explanation	Page Number
Governance	Supervision of climate-related risks and opportunities by the Board of Directors	Sustainable Development Framework 1.4.1 Task Force on Climate-related Financial Disclosures (TCFD)		9 40
	Description of the role of management in assessing and managing climate-related risks and opportunities	1.4.1 Task Force on Climate-related Financial Disclosures (TCFD)		40
Strategy	Climate-related risks and opportunities identified by the organization over the short, medium, and long term	1.4.1 Task Force on Climate-related Financial Disclosures (TCFD)		40
	Impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning	1.4.1 Task Force on Climate-related Financial Disclosures (TCFD)		40
	Resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario and physical climate risks	1.4.1 Task Force on Climate-related Financial Disclosures (TCFD)		40
Risk Management	The organization's process for identifying and assessing climate-related risks	1.4.1 Task Force on Climate-related Financial Disclosures (TCFD)		40
	The organization's process for managing climate-related risks	1.4.1 Task Force on Climate-related Financial Disclosures (TCFD)		40
	How the processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management system	1.4.1 Task Force on Climate-related Financial Disclosures (TCFD)		40
Indicators and Objectives	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management processes	1.4.1 Task Force on Climate-related Financial Disclosures (TCFD)		40
	Disclose scope 1, scope 2, and scope 3 (if applicable) greenhouse gas emissions and associated risks	1.4.2 Greenhouse gas emission management		50
	Description of the targets the organization uses to manage climate-related risks and opportunities, and its performance in achieving those targets	1.4.1 Task Force on Climate-related Financial Disclosures (TCFD)		40
	If internal carbon pricing is used as a planning tool, the basis for price setting should be explained	-	Johnson has not yet implemented internal carbon pricing.	-

Articles		Report Section	Page Number	
2	Where a listed company is under one of the following circumstances, it shall prepare and file a sustainability report in Chinese according to these Rules.	Appendix—About This Report	117	
3	A listed company shall prepare an annual sustainability report for the preceding year by referring to the Universal Standards, Sector Standards, and Topic Standards published by the Global Reporting Initiatives (GRI). In the report, the company shall disclose its identified material economic, environmental and social topics and impacts, topic-specific disclosure, and its reporting requirements. The company may refer to the Sustainability Accounting Standards Board (SASB) Standards and index for sector-specific disclosure. The sustainability report mentioned in the preceding paragraph shall include relevant environmental, social and corporate governance risk assessments and lay out the performance indicators to manage the material topics identified. In the sustainability report, a listed company shall disclose what Content Index of the GRI Standards corresponds to the contents of the report and specify in the report whether the topic-specific disclosures have been assured or verified by a third party. The topic-specific disclosure referred to in Paragraph 1 shall be evaluated and disclosed by adopting the standards in compliance with the rules of the competent authorities. If the competent authorities have not promulgated the applicable standards, the company shall adopt the approach of evaluation commonly used in practice or the universally applicable international approach.	Appendix—About This Report	117	
		Stakeholder Engagement	19	
		Materiality Analysis	22	
		3.5 Risk Management	105	
		Appendix—GRI Standards Content Index	119	
		Appendix—SASB Standards Content Index	127	
		Appendix—Independent Third-Party Verification Statement	131	
4-1	Table 2	1. Describe the supervision and governance of the Board of Directors and management on climate-related risks and opportunities.	Sustainable Development Framework 1.4.1 Task Force on Climate-related Financial Disclosures (TCFD)	9 40
		2. Describe how the climate risks and opportunities identified affect the business, strategy and finance (short-term, medium-term, long-term).	1.4.1 Task Force on Climate-related Financial Disclosures (TCFD)	40
		3. Describe the impact of extreme climate event and transformation action on the finance.	1.4.1 Task Force on Climate-related Financial Disclosures (TCFD)	40
		4. Explain how to integrate the climate risk identification, assessment and management process in the overall risk management system .	1.4.1 Task Force on Climate-related Financial Disclosures (TCFD)	40
		5. If scenario analysis is used to assess the resilience against the climate change risk, it is necessary to describe the scenario, parameters, assumptions, analysis factors used and key financial impacts.	1.4.1 Task Force on Climate-related Financial Disclosures (TCFD)	40
		6. If there is transformation plan for managing climate-related risks, describe the plan content, and the indicators and goals for identifying and managing physical risks and transformation risks .	1.4.1 Task Force on Climate-related Financial Disclosures (TCFD)	40

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Articles		Report Section	Page Number
4-1	Table 2	7. If the internal carbon pricing is used as the planning tool, it is necessary to describe the price establishment basis.	Johnson has not yet implemented internal carbon pricing.
		8. If climate-related goal is established, it is necessary to describe the information of activities covered, greenhouse gas emission scope, plan schedule, annual achievement progress, etc. If carbon offset or renewable energy certificates (RECs) is used to achieve relevant goal, it is necessary to describe the source or quantity for offsetting carbon reduction or the quantity of renewable energy certificates (RECs) .	1.4.1 Task Force on Climate-related Financial Disclosures (TCFD) 50
		9. Greenhouse Gas Inventory Inspection and Assurance Status, Reduction Targets, Strategies, and Specific Action Plans.	1.4.1 Task Force on Climate-related Financial Disclosures (TCFD) 50
4-2	The average and median salaries of full-time non-managerial employees, as well as changes in the two aforementioned statistics compared to the previous year, shall be disclosed in the sustainability report of domestic listed companies. The aforementioned information may be disclosed through the indexing method on the information reporting website designated by the Company.		2.1.3 Compensation and Performance Evaluation 66

Independent Third-Party Verification Statement



INDEPENDENT ASSURANCE OPINION STATEMENT

2024 JHT Sustainability Report

The British Standards Institution is independent to Johnson Health Tech. Co., Ltd. (hereafter referred to as JHT in this statement) and has no financial interest in the operation of JHT other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of JHT only for the purpose of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by JHT. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to JHT only.

Scope

The scope of engagement agreed upon with JHT includes the followings:

1. The assurance scope is consistent with the description of 2024 JHT Sustainability Report.
2. The evaluation of the nature and extent of the JHT's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process. This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the 2024 JHT Sustainability Report provides a fair view of the JHT sustainability programmes and performances during 2024. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the JHT and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate JHT's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that JHT's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards were fairly stated.

Methodology

- Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:
- a top level review of issues raised by external parties that could be relevant to JHT's policies to provide a check on the appropriateness of statements made in the report.
 - discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
 - 8 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
 - review of key organizational developments.
 - review of the findings of internal audits.
 - review of supporting evidence for claims made in the reports.
 - an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness, and Impact as described in the AA1000AP (2018).

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness, and Impact of AA1000AP (2018) and GRI Standards is set out below:

Inclusivity

This report has reflected a fact that JHT has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the JHT's inclusivity issues.

Materiality

JHT publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of JHT and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the JHT's management and performance. In our professional opinion the report covers the JHT's material issues.

Responsiveness

JHT has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for JHT is developed and continually provides the opportunity to further enhance JHT's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the JHT's responsiveness issues.

Impact

JHT has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. JHT has established processes to monitor, measure, evaluate, and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the JHT's impact issues.

GRI Sustainability Reporting Standards (GRI Standards)

JHT provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported, or omitted. In our professional opinion the self-declaration covers the JHT's sustainability topics.

Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

Responsibility

The sustainability report is the responsibility of the JHT's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064, and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.



For and on behalf of BSI:

Peter Pu

Peter Pu, Managing Director BSI Taiwan

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