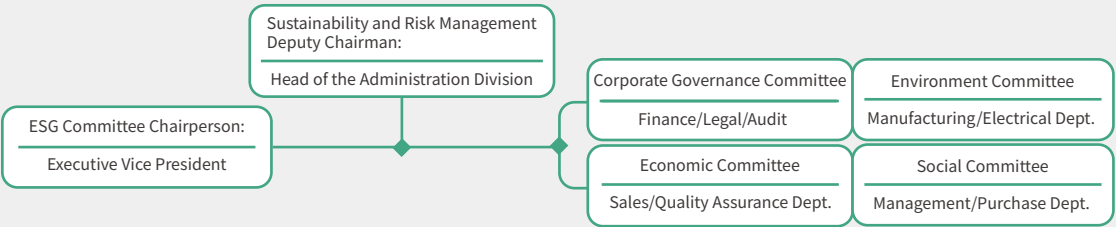
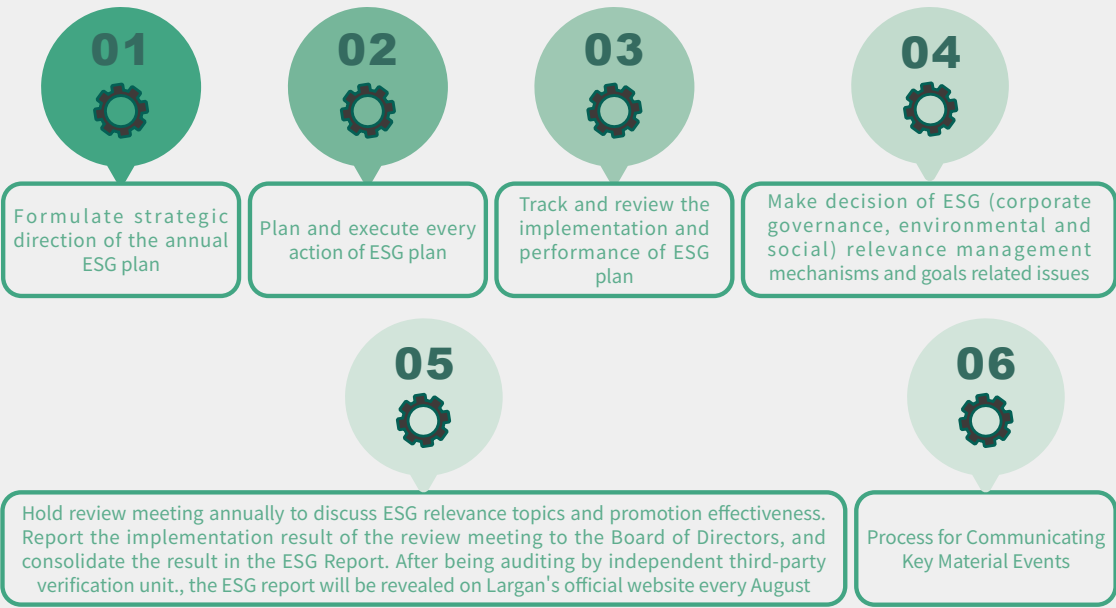


1-1 ESG Committee & Functions

The Company has established the ESG Sustainability Committee (hereinafter referred to as the "ESG Committee"), with the Executive Vice President serving as the Chairperson of the Committee. The heads of relevant departments serve as members of the Corporate Governance, Economic, Environmental, and Social subcommittees. The Chairperson of the ESG Committee is responsible for reporting to the Chairman. The organizational structure, functional responsibilities, and responsible departments are summarized in the diagram below:



The ESG Committee is an interdepartmental collaboration and communication platform that serves to plan, execute and monitor the overall operation in three major aspects which are company governance (including economy), social and environment. The Committee ensures the Company is running effectively across different departments to achieve sustainable development objectives and to track its performance. The functions of the ESG Committee are:



The Company maintains regular interaction with stakeholders through routine communication channels operated by each department. In the event that a stakeholder issue or sustainability topic may pose a potentially significant negative impact on the Company, Largan Precision has established relevant risk management and crisis response procedures. If such impact is assessed to present a material threat to operations, it will be reported to the Board of Directors. In 2024, no such potentially significant negative event occurred.

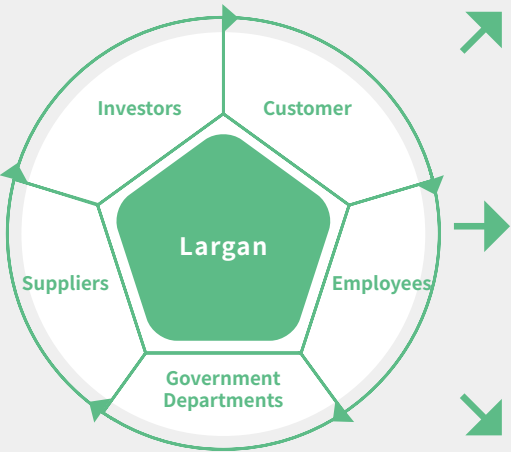
The ESG Committee's organizational structure, along with the key ESG tasks and their corresponding responsible units across each ESG dimension, are outlined in the table below:

Aspect		ESG Critical Action Item	Responsible Unit	
Corporate Governance	Corporate Governance	Corporate Governance(Financial Management System)/Integrity	Finance Dept./ Managers of Corporate Governance	
		Various of Management System, including Finance/ISO/Personnel Management	Administrative Dept./ Employees/ Labor Representatives	
		Ethics Regulation System, including Compliance, Work Ethics, Anti-Corruption and Bribery	Information Technology Dept.	
		Information Security	Administrative Dept.	
		Risk Management	Sales Dept.	
		Client Privacy	ESG Committee	
		Sustainable Development Management and Goals	Administrative/Sales/ Audit/Finance Dept.	
		Create Complaint Management for Employee/Client/Supplier/ Shareholder	Administrative/Sales/ Audit/Finance Dept.	
	Economy	Supply Chain Management (contractor including)	Administrative/Sales/ Audit/Finance Dept.	
	Economy	Product	Operational Performance	Finance Dept
Product Security and Customer Service Satisfaction			Sales Dept.	
Environment	Environmental Management/ Energy Conservation and Carbon Reduction	Quality of Product and Delivery Review	Quality Management Dept.	
		Energy Management/Greenhouse Gas Emissions (carbon emissions included)/ Water Resource Management	Maintenance Dept.	
		Waste Management Working Environment Management System	Administrative Dept./ Maintenance Dept.	
	Society	Employee Management	Public Area Management System	Administrative Dept./ Maintenance Dept.
			Occupational Safety and Health Affair	Administrative Dept.
Community and Charitable Activities		Employee Management Mechanism/ Labor Relations	Administrative Dept.	
	Connect with Local Communities	Administrative Dept.		
		Repay Local Communities and Charitable Activities		

1-2 Stakeholder Identification and Contact

Based on the six screening principles of "Responsibility," "Influence," "Proximity," "Dependence," "Representativeness," and "Policy and Strategic Intention," Largan identified five major stakeholders at the ESG Committee, including investors (shareholders), customers, employees, government departments, and suppliers. Largan listens to the voices of stakeholders through various communication channels, collects stakeholders' concerns about the company, takes and responds to the expectations of stakeholders.

The Company has disclosed corporate social responsibility information on the Company's official website. Information including all corresponding contact is shown in the table should any stakeholders and government officials request any assistance or additional information.



Stakeholder	Contact Window and Tasks
Investors	<ul style="list-style-type: none"> Contact: Josephine Huang Email : invest@largan.com.tw Task: Largan values the importance of communication with our investors. We host conferences on a quarterly basis and make full disclosure with detailed information on both Largan's website and the Taiwan Stock Exchange's website to protect the rights and interests of our investors.
Customers	<ul style="list-style-type: none"> Contact: Simon Shen Email : Sales@largan.com.tw Task: Provide professional lens designing and manufacturing consultation within the field of optics industry. Provide consulting services, including customer satisfaction, trust and privacy issues.
Employees	<ul style="list-style-type: none"> Contact: Renan Ho Email : renanho@largan.com.tw Task: Help bridging employees and the firm. Provide feedback on topics such as labor relations, salary and benefits, occupational safety and health related issues.
Government	<ul style="list-style-type: none"> Contact: Eric Tseng Email : erictseng@largan.com.tw Task: Following government guidance, policies and providing company information when requested. Maintaining regular interaction and communication with internal departments and government.
Suppliers	<ul style="list-style-type: none"> Contact: Jane Hsu Email : janehsu@largan.com.tw Task: With the desire to make continuous development at Largan, we need support and collaboration from partners of the supply chain. We are committed to support our partners by implementing CSR practices such as environmental protection, labor rights, health and safety at workplace, risk management, ethics regulations, and no breaching conflict minerals policy.

1-3 Communication Analysis of Material Topics of Stakeholder and Its Procedure

At Largan, we collect material sustainability-related issues based on our sustainable development goals, industry standards, and the organization's annual goals. Pursuant to GRI Standards, we identify a total of 15 Material Topics based on the feedback getting from our stakeholders periodically regarding the overall business operation status and impacts. Details of Significant Material Topics identified are as stated in the table:

Stakeholders	Meaning to Largan	Issues of Concern	Communication Key Achievement in 2023 Channel	Communication Frequency	Key Achievement in 2024
Investors	Commit to integrity management and dedicate on sustainable governance to create value for shareholders.	Operational Performance, Corporate Governance,Risk Management, Regulatory Compliance, Morals and Ethics	Financial Report, Shareholder's Meeting, Public Disclosure on Market Observation Post System Investor Conferences Relevant Parties	Annually Quarterly Irregular Basis	Hosting shareholder-investor conference seminars, faceto- face, and conference call meetings with domestic and overseas investment institutions. Regularly update material information on the Market Observation Post System to protect the investors' interests.
Customers	Important business partners to meet customer needs and create a win-win situation.	Product Quality/Deliver Date, Payment Terms, Customer Service, Customer Privacy, Operational Performance, Supply Chain Management, Regulatory Compliance, Energy Saving and Carbon Reduction	Customer Satisfaction Survey Questionnaire Customer meeting, Calls, Email, Relevant Parties	Annually Irregular Basis	Provide immediate response and solution to customers. Distribute customer satisfaction surveys and propose improvement analysis accordingly. Follow up the outc
Employees	Provides multiple ways of communication to bridge a balanced and friendly relationship with the employees.	Operational Performance, Salary and Welfare, Training and Development, Morals and Ethics, Risk Management, Regulatory Compliance, Human Rights Protection, Labor Relations	Labor Meeting CEO Mailbox, Email, Bulletin Board, Announcement, Relevant Parties	Quarterly Irregular Basis	The preventive and care measures for the following topics: making amendments on personnel management, labor welfare (medical examination matters). Response to worker complaints, to make sure all labor related information and rights are fully disclosed to the employees. The information is also available in English for the migrant worker to read.
Government	Following government guidance, policies and providing Company information if required. Maintain regular interaction and communication with external departments and government.	Regulatory Compliance	Official Documents, Calls, Mail and Email, Communication, Government Policy, Regulation Advocacy, Hearing, Supervisory Visits	Irregular Basis	Arrange employees to participate in government activities and meeting irregularly, including policy prorogation, safety and health training and energy saving; and maintain regular interaction and communication.
Suppliers	Establish sustainable partnership with our supply chain partners and improve Largan's corporate development continuously.	Payment Terms, Safety and Health, Waste Management, Supply Chain Management, Raw Material Management, Energy Saving and Carbon Reduction	Supplier Audits Supplier Self-Assessment, Survey Relevant Parties	Annually Irregular Basis	Suppliers must conduct business with integrity and in full compliance with all applicable laws pertaining Human Rights Covenants. Through the social responsibility selfassessment form, we audit suppliers to ensure compliance with RBA standards. Conduct irregular inspections on the raw material suppliers. Track improvement progress if there's any deterioration of the incoming material purchased.

Significant Material Topics mentioned above are referred from GRI Standards (GRI), based on the identification, prioritization, validation, review to conduct Material Topics analysis to confirm the scope of disclosure of the report and the major sustainable development challenges faced by the Company internally and externally. The developing process of Significant Material Topics shown as below:

1. Identification

- In 2022, through the following channels, 23 issues related to sustainable development are summarized as the Material Topics identification categories of the report.
- Colleagues in various departments also identify stakeholders based on their usual business and work experience, listing sustainable issues of stakeholders' concern.
- Look up the trend of sustainable development internationally and the Material Topics and of domestic and foreign benchmark companies.
- Review the Material Topics matrix of the previous version of the report to ensure the objectivity, completeness and inclusiveness.

2. Prioritization

The measure of prioritizing Material Topics is explained as follows:

- According to ESG, the evaluation is conducted based on two major aspects: the impact of business on the economy, environment, and human rights; and the level of concern of stakeholders.
- Following the internal ESG committee meeting in 2023, stakeholders' opinions were considered to assess the impact of relevant issues on internal operations.
- Through statistical quantitative analysis of direct and indirect impacts, identify the impact of each issue and generate a preliminary matrix of Material Topics.

3. Validation

- The result of the initial identification of Material Topics was reviewed by the ESG Committee. Based on factors such as international benchmark analysis, sustainability trends, and business development strategies, the 2023 Material Topics were retained. In 2024, a total of 11 Material Topics were finalized as the scope of material disclosures for this report. Relevant GRI disclosure topics were mapped to each Material Topic and addressed accordingly in the report.

4. Review

- In the next version of the report, we will continue to review the matrix of Material Topics and strengthen the communication with stakeholders to confirm whether the matrix should be adjusted in the future.

1-3-1 The Analysis of the Internally and Externally Impact of Material Topics

The ESG Committee convened a meeting to find out that there were 23 issues of concern to stakeholders, and the members of the ESG Committee of each group assessed the direct or indirect impact of the issues on internal operations as shown in the table below:

Identified as Significant Material Topics by marked as 4 **【●】** : 11 issues
 Identified as Secondary Issue by marked as 3 **【●●】** : 7 issues
 Identified as Normal Issue by marked as 2 **【●●●】** : 4 issues
 ● Direct impact
 ○ Indirect impact

		Internal Impact		External Impact			
Dimensions of Concern of Stakeholders	Intension of Significant	Organization	Employees	Shareholders	Customers	Suppliers	Government
Corporate Governance Aspect	1 Operational Performance	●	●	●	●	●	○
	2 Regulatory Compliance	●	●	●	○	○	●
	3 Morals and Ethics	●	●	●	●	●	○
	4 Risk Management	●	●	○	●	●	○
Economic Aspect	Human Rights Protection	●	●	○	○	○	○
	Investors	Rights and Interests of Shareholders	●	○	●	○	○
		Payment Collection Terms	●	○	●	○	
	Customers	5 Product Quality/ Deliver Date	●	●	●	●	
		Customer Service	●	●	●		
		Customer Privacy	●	●	●	○	○
		Payment Terms	●	○		●	
	Suppliers	6 Supply Chain Management	●	○	●	●	
		Raw Material Management	●		●	●	
Environmental Aspect	7 Waste Management	●	●		○	●	●
	8 Water Resource Management	●	●		●	○	●
	Energy Saving and Carbon Reduction	●	●		○	○	●
Social Aspect	Personnel Management of Company Internally	9 Labor Relations	●	○	●		●
		9 Diversity Equality	●		●	●	○
		10 Salary and Welfares	●	●	●		○
		Training and Development	●	●	●	○	
		11 Safety and Health	●	○	●	●	●
	Community Relation	Social Charity	●	●			
		Donation and Sponsorship	●	●			

Marked as light green Mark with number sorting are Significant Material Topics, has a total of 11. Notes: Significant Material Topics are identified and responded in 1.4.We also do risk assessment and management in 【1.4.1 Risk Considerations and Measures for Major and Secondary Topics】

Marked as light gray, has a total of 5, only response in 【1.4.1 Risk Considerations and Measures for Major and Secondary Topics】

1-4 Prioritization and Response of Identified Material Topics

Based on the questionnaires collected back from our investors, customers, employees, and suppliers in 2020, we identify and confirm a total of 11 Significant Material Topics and 7 Secondary Issues in 2024. In 2024, it was resolved to retain the Material and Secondary Topics identified in the previous edition of the report.

2021

- Maintained: Operation Performance, Rights and Interests of Shareholders, Risk Management, Labor Relations, Regulatory Compliance, Morals and Ethics, Human Rights Protection, Salary and Welfares, Safety and Health, Diversity and Equality, Customer Privacy, Waste Management, Water Resource Management, Supply Chain Management, Product Quality/Deliver Date, total 15 issues.

2022

- Training and Development and Cultivation are the same kind of topics, were combined as Training and Development.
- Payment Terms, Payment Collection Terms and Energy Saving and Carbon Reduction were adjusted to secondary issues.

2023 and 2024

- The 2022 Material Topics "Rights and Interests of Shareholders," "Human Rights Protection," and "Customer Privacy" were reclassified as Secondary Topics.
- The 2022 Secondary Topics "Payment Terms" and "Payment Collection Terms" were removed from the list of Secondary Topics.
- The 2022 Material Topics "Labor Relations" and "Diversity Equality" were consolidated.
- The finalized Material Topics are shown in the matrix below, totaling 11 items.



1-4-1 Response to Significant Material Topics and Secondary Topics

In 2024, there are 11 major topics and 7 secondary topics. According to the Taiwan Stock Exchange's corporate governance evaluation requirements, listed companies must assess risks related to environment, social, and corporate governance issues pertinent to their operations. They should develop corresponding risk management policies or strategies. The severity and likelihood of risk occurrences, along with risk considerations and assessments, are analyzed in the table below, summarizing management actions and risk control measures in following:

(Risk Occurrence Probability: 1-Highly Unlikely, 2-Unlikely, 3-Possible, 4-Likely, 5-Almost Certain, Risk Severity: 1-Very Minor, 2-Minor, 3-Moderate, 4-Severe, 5-Catastrophic)

Corporate Governance/Economic Aspect						
Topic	GRI Standards	Impact Category	Probability	Severity	Importance and Risk Assessment to Largan	Measures Taken
Rights and Interests of Shareholders	-	-	-	-	Adapt integrity management for the Company to build up credibility and reputation.	Establishing Ethical Corporate Management Practice Principles and Channels of Making Complai
Risk Management	3-3 Management of material topics	Operational impact: Risk management is a preventive measure.	2	2	Main risks include operational and climate change risks. Face the operational and environmental risks, a risk management mechanism must be established to help instantly reduce potential losses and maintain the interests of stakeholders.	In response to various operational risks, management meetings are held from time to time to review measures to adjust the direction of operation and prevent risks in advance.
Operational Performance	201-1 Direct economic value generated and distributed	Impact on Operations and Major Strategies.	1	1	Achieve the goal of sustainable operation by running profitmaking business and create new employment opportunities.	Keep up with the latest economic trends and increase capital expenditures accordingly. Customer expansion. Cost and expenses management.
Product Quality/Deliver Date	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Financial losses or impacts on growth and reputation.	4	4	It is an important successful factor to build a close relationship and earn a good reputation by delivering good quality products on time to our customers.	Passed and obtained ISO 9001 quality management certification and quality assurance procedures and working standards.
Morals and Ethics	205-1 Operations assessed for risks related to corruption	Violations of ethics and professional standards, potentially affecting internal and external reputation.	3	2	Fairness, honesty, trustworthiness, and transparency are the principles of establishing Largan's corporate culture and business operations.	Establishment of Work Rules and Ethical Standards. The company has established 'Work Rules' and ethical standards such as the "Integrity Management Code and Whistleblowing Procedures" to guide employee management and compliance.
Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	-	-	Value customer privacy, improve customer satisfaction rate and loyalty, increase the new customers' willingness to cooperate with Largan, and create maximum revenue and profits.	Develop customer privacy-related regulations and require the employees to comply. Improve information security protection measures to avoid illegal obtaining of customer information without authorization.
Supply Chain Management	308-1 New suppliers that were screened using environmental criteria 414-1 New suppliers that were screened using social criteria	Establishing a sustainable business partnership.	3	2	With the desire to make continuous development at Largan, we need the support and collaboration from partners of the supply chain. All partners must comply with rules of the social responsibilities.	Establishing supply chain management regulations with the aim to build mutual trust and sustainable partnerships with the suppliers.
Customer Service	416-1 Assessment of the health and safety impacts of product and service categories	-	-	-	Customer satisfaction with products and services is an important factor to establish trust and good reputation with customers.	Regular annual customer satisfaction surveys are required to improve the complained departments within a time limit.

Environmental Aspect						
Topic	GRI Standards	Impact Category	Probability	Severity	Importance and Risk Assessment to Largan	Measures Taken
Energy Saving and Carbon Reduction	305-5 Reduction of GHG emissions	-	-	-	Keep tracking of the Company's greenhouse gas emission in response to the national and the global environmental protection, and carbon reduction trend.	Making continuous effort on energy conservation and carbon reduction practice based on the result of initial greenhouse gas inventory in 2020.
Waste Management	306-1 Waste generation and significant waste-related impacts 306-3 Waste generated 306-5 Waste directed to disposal	Creating a sustainable environment.	3	3	A punishment will be issued and jeopardize the Company's reputation if violating the effluent and waste regulation.	Complying with ISO 14001 by meeting legal requirements disposing effluents and wastes.
Water Resource Management	303 Water and Effluents	Enhancing recycling and reducing water scarcity.	4	4	Improve water resources management measures with the aim to reduce the water shortage crisis. Implement a water management system and improve the water recycling and reusing rate.	The water can be recycled based on three different purposes of usage, such as cooling water towers, process wastewater and household water.
Raw Material Management	204 Procurement Practices 301 Materials	-	-	-	The procurement of raw materials is mainly based on manufacturers in Taiwan. The selection of new manufacturers evaluates the procurement policy based on environmental protection and social responsibility: Prohibition of slavery and forced labor; No use of conflict minerals and metals; Hazardous chemical transportation safety management.	Hazardous Substance Management and Supplier Social Responsibility Evaluation.



Social Aspect						
Topic	GRI Standards	Impact Category	Probability	Severity	Importance and Risk Assessment to Largan	Measures Taken
Labor Relations, Diversity and Equality	401-1 New employee hires and employee turnover 401-2 Benefits provided to full-time employees that are not provided to temporary or parttime employees 401-3 Parental Leave 402 Labor Relations 405-1 Diversity of governance bodies and employees 405-2 Ratio of basic salary and remuneration of women to men	Laying the foundation for sustainable business operations.	4	3	We take/view the employees as our important partners, we aim to create a challenging, flexible and interesting working environment for our employees. Building harmonious labor relations and ensuring employee diversity and equality is a critical foundation for Largan's sustainable operation.	Offering competitive salary and welfare and retirement scheme as incentives to boost up the motivation and loyalty of the employees. We aim to advance towards a society that respects gender equality and diversity, providing fair employment opportunities and equal pay regardless of gender, religion, race, or nationality.
Human Rights Protection	412-2 Employee Training on Human Rights Policies and Procedures	-	-	-	Comply with labor laws, regulations and foreign labor management measure to protect all labor rights.	Establishing labor rights protection bylaw and conduct regular assessment of forced labor risks and train employees by the act.
Regulatory Compliance	3-3 Management of material topics	Complying with relevant laws to minimize legal incidents.	4	4	Create a sustainable developing environment by establishing rules and regulations regarding to corporate governance, environment, and society.	Establishing" Corporate Governance Practice Principles" for the employees to follow and the stakeholders to better understand the Company's ethical standards.
Safety and Health	403 Occupational Safety and Health	Addressing safety and health incidents with regulatory-imposed improvements.	4	3	Provide a safe, healthy and high-quality workplace for the employees.	Formulate occupational safety and health rules. Establish hazard identification and safe operation standards.
Salary and Welfares	203-1 Infrastructure investments and services supported	Employing, nurturing, and retaining talent as the company's best asset.	3	2	Offer competitive salary to attract and retain outstanding talents.	Establishing salary payment terms and Employee Incentive Operations Manual as reference for the managerial supervisors to follow.
Training and Development	404-1 Average hours of training per year per employee 404-2 Programs for upgrading employee skills and transition assistance programs 404-3 Percentage of employees receiving regular performance and career development reviews	-	-	-	Establish an employee training and development system, cultivate and develop personal abilities, and evaluate performance regularly as a supplementary mechanism.	Supervisors at all levels will recommend employees with excellent work performance to be promoted to supervisors or higher positions on a yearly basis.