

7-1 Recruiting Policy and Commitment

Talent Management Policy: Establish a Friendly Workplace, Build a Firm and Solid Sustainable Management

Management Measures

- Goals and Objectives: Promoting harmonious Labor-management Relations, offering competitive salary and welfare to attract and retain outstanding talents with fair promotion policy to create profit growth, making employees be the partners with Company's prosperous and sustainable development.
- Commitment: Using due diligence and early warning communication methods, committed to human rights protection, improving the training and development system, building a diverse and open labor-management communication channel, a healthy and safe work environment, and a warm and harmonious working atmosphere.
- Policy and Management:
 - (1) Offering competitive salary strategy, arranging diverse welfare programs and a statutory retirement system to attract and retain suitable talents.
 - (2) Providing fair employment, training and other opportunities regardless of gender, religion, race, nationality, or political affiliation.
 - (3) Participating in labor insurance and health insurance comply with laws and regulations. Allocating employee welfare funds to handle employee welfare activities.
 - (4) Fair policies with salary and welfare, promotion, training and development, reasonable and objective performance assessment and salary adjustment.
 - (5) Focus on Human Rights Protection, legally working conditions and the protection of employees' rights and interests in safety and health.
 - (6) Create labor complaint channel to resolve labor disputes on time.

Largan, we abide by labor-related laws and regulations, and formulate "Working Rules" and "Occupational Safety and Health Code of Conduct and Staffing Policy" verified and approved by government departments. The aim is to guarantee working conditions and protect the rights and interests of the employees' occupational safety and health with a legally binding agreement. We also follow the "RBA Responsible Business Alliance Code of Conduct" to provide the employees with a healthy, and safe working environment by setting up diversified and open employer-employee communication channels for topics such as fair remuneration and promotion policy, training and development system, welfare system, and a transparent incentive bonus scheme to allow the employees to contribute their abilities and performance with their full effort and heart. We hope to grow and develop continuously with our employees together and create a warm and harmonious working atmosphere with the aim to lay a solid foundation for the establishment of sustainable operations.

● Business Sustainability Policy

Based on the principle of honesty and integrity management, employees at Largan have reached consensus on the business philosophy of "Innovation, Professionalism, Speed, and Flexibility", and strive to make best effort achieving the ESG objectives and policies for sustainable development such as environmental protection, care for the employees, friendly workplace, shared prosperity, integrity management, and full participation from all members of staff with the aim to fulfill social responsibilities, and pursue sustainable management.



Environmental
Protection



Care For The
Employees



Friendly
Workplace



Shared
Prosperity



Integrity
Management



Full Participation
From All Members

To enhance labor rights, Largan is committed to complying with Taiwan's Labor Standards Act and related laws, and has established working rules, sexual harassment prevention protocols, anti-corruption and bribery act, fair trade policy, whistleblowing and appealing system...etc, such management mechanisms accordingly with the aim to protect the rights of our employees.

We have also set up "Employee Suggestion Box" with anonymous features in every factory for our employees to express their opinions and suggestions freely without worrying about getting potential unfair treatment or vengeance. We aim to provide an attractive and friendly work environment by enhancing the power distance balance between the employees and employers as well as ensuring the practice of management policy, we are fully committed to:

No hiring child labor under the age of 16	Prohibition of any form of forced labor
Respect employees' right to freedom of association and collective bargaining	Prohibition of any form of discrimination, harassment and vengeance
Provide reasonable salary & welfare	Provide multiple communication channels to maintain labor relations
Provide a safe work environment and establish precautions	Ensuring employment opportunities for persons with disabilities

7-2 Talent Cultivation

Labor Relations Policy: Promote Harmonious Relations Between Labors and Managements, Attract and Retain Outstanding Talents

Management
Measures

- Goals and Objectives: The outstanding talents are important asset of the company. We create a warm and harmonious working atmosphere to attract and retain outstanding talents. Cultivate employees in different functional areas to improve work performance and quality to allow the Company and employees grow together.
- Commitment: Offering competitive salary and welfare to attract and retain outstanding talents while cultivate employees with multiple competencies.
- Policy and Management:
 - (1) Provide an overall competitive salary scheme and provide various welfare programs.
 - (2) Increase the loyalty of the current staff by providing incentives and retirement schemes in accordance with relevant laws and regulations.
 - (3) Attract and retain outstanding talents as it is the source of growth for the company's sustainable development.
 - (4) Create a warm and harmonious working atmosphere to promote harmonious labor-management relations.

As the popularity of smartphones increases, the specification requirements of optical lenses become higher in response to user needs. Largan as the leading manufacturer in the industry has been continuously investing in R&D and innovation, expanding production lines and scale, as well as improving the production capacity and quality.

We aim to provide a fun but challenging work environment for the outstanding talented to compete, excel and subsequently help the Company to grow sustainably.

In addition to assess the salary based on the employee's background, professional knowledge and personal skills, job tenure and experience to recruit qualified and stable talents. We also propose a competitive salary strategy, talent cultivation and development mechanism, performance assessment and promotion system and diverse welfares, statutory retirement system and other personnel management system.

To ensure the competitiveness of the labor market, we establish "Compensation Committee" (made of 3 members), which organize two meetings every year and evaluate compensation structures for the Directors, Supervisors, Managers and employees and the results would be approved by the Board of Directors. Please refer to the information of Largan's 2023 Annual Report for the operations of Compensation Committee.

At Largan we draft recruiting operational strategies on a yearly basis. Each department will come up with a proposal for the intended manpower requirement of the year and submit the employment requests to the Human Resource Department for approval. The Human Resource Department will refer to the requests internally or release the job vacancies through recruitment channels to the public. An internal job referral department is set up to help the employee to improve and expand their professional abilities by switching departments internally.

2024 talent recruiting channels: job hunting websites, campus recruitment, staff recommendation, government career aid, job fairs, advertisement, headhunting agencies, industry-academia programs, online recruitment, internal recruitment...etc. We focused on the top talents with relevant scientific and engineering backgrounds with the aim to help the Company to develop higher-end specification optical lenses. By the increasing number of lenses of per device, we actively increased the production scale and the scale of automation production to generate profit growth.



(1) By the end of December 2024, the total number of employees at Largan was 8,165. The manpower structure distribution in the last two years is as shown in the table:

Category	Field	2023				2024			
		Female		Male		Female		Male	
		Number of People	Ratio	Number of People	Ratio	Number of People	Ratio	Number of People	Ratio
Occupation	Production	3,290	42.56%	2,293	29.66%	3,581	43.87%	2,387	29.23%
	Management	230	2.98%	646	8.36%	238	2.91%	645	7.90%
	R&D	215	2.78%	1,056	13.66%	211	2.58%	1,103	13.51%
Subtotal		51.68%	48.32%	3,995	51.68%	4,030	49.36%	4,135	50.64%
Total		7,730 people				8,165 people			
Domestic	Age Below 30	451	5.83%	1,275	16.49%	382	4.68%	1,165	14.27%
	31~50	1,090	14.10%	2,510	32.47%	1,160	14.21%	2,703	33.09%
	Age Above 51	31	0.40%	33	0.43%	38	0.47%	43	0.53%
Foreign	Age Below 30	1,516	19.61%	113	1.46%	1,688	20.67%	141	1.73%
	31~50	647	8.38%	64	0.83%	762	9.33%	83	1.02%
	Age Above 51	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Subtotal		3,735	48.32%	3,995	51.68%	4,030	49.36%	4,135	50.64%
Total		7,730 people				8,165 people			

At Largan we only offer full-time positions. We do not hire or use temporary workers or contractors. All newly hired employees get equal opportunities, benefits and are treated fairly as other regular employees. We pledge to provide job opportunities to those with disabilities and treat all potential staff and interviewees with respect regardless of their genders and body conditions. We also hope to recruit more female workers to join Largan to help maintain the diversity of the workforce.

There were no significant operational changes in 2024, any major changes made would be announced with a 10-, 20- or 30-days' notice accordingly based on Article 16 of the Labor Standards Act.

(2) The ratio of new hired and turnover of male and female employees in 2024

In order to encourage diversity and promote an equal employment environment, personnel capabilities and job suitability are considered during interviews, regardless of gender, religion, race, nationality, or political affiliation. However, there are disparities in turnover rates by age or gender. It may indicate irrationality or potential unfairness in the workplace. Therefore, the new recruitment rate and turnover rate were calculated based on the number of people in this category to assist the comparison between different categories.

Item		Numbers of New Hired in 2024						Numbers of Turnover in 2024					
		Female	%	Male	%	Subtotal	%	Female	%	Male	%	Subtotal	%
Domestic	Age Below 30	158	11.1%	407	28.5%	565	39.5%	144	14.5%	286	28.8%	430	43.3%
	31~50	122	8.5%	149	10.4%	271	19.0%	120	12.1%	183	18.4%	303	30.5%
	Age Above 51	0	0.0%	0	0.0%	0	0%	2	0.2%	0	0.0%	2	0.2%
	Subtotal	280	19.6%	556	38.9%	836	58.5%	266	26.8%	469	47.2%	735	73.9%
Foreign	Age Below 30	538	37.6%	43	3.0%	581	40.7%	120	12.1%	2	0.2%	122	12.3%
	31~50	1	0.1%	11	0.8%	12	0.8%	131	13.2%	6	0.6%	137	13.8%
	Age Above 51	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	Subtotal	539	37.7%	54	3.8%	593	41.5%	251	25.3%	8	0.8%	259	26.1%
Total	Age Below 30	696	48.7%	450	31.5%	1146	80.2%	264	26.6%	288	29.0%	552	55.5%
	31~50	123	8.6%	160	11.2%	283	19.8%	251	25.3%	189	19.0%	440	44.3%
	Age Above 51	0	0.0%	0	0.0%	0	0.0%	2	0.2%	0	0.0%	2	0.2%
	Subtotal	819	57.3%	610	42.7%	1429	100.00%	517	52.0%	477	48.0%	994	100.00%

(3) Non-employee-related information of 2024

The factories operations like catering, factory area security and dormitory management were outsourced, as explained below:

Outsourced Item	Numbers of People	Summary of Outsource Content
Catering	122	(1) In charge of catering in staff restaurants and the delivery of group meals. (2) Organizing the cleaning and maintenance of the kitchen area environment. (3) General kitchen work assistance. (4) Handling kitchen-related tasks assigned by the supervisor.
Factory Area Security	18	(1) Entry and exit registration and the control of personnel and visitors. (2) Vehicle access direct, factory patrol and other safety maintenance work. (3) Monitoring the surroundings of the factory area, maintain public safety, and reduce risk of fire, theft or other dangers.
Dormitory Management	29	(1) Transport employees for medical treatment or other services. (2) Dormitory inspection, environmental cleanliness management and equipment maintenance. (3) Dormitory management - environmental maintenance, housekeeping, surrounding environment cleanliness, other issues... etc. (4) Dormitory safety maintenance, facility inspection management, equipment repairmanagement and asset custody.



● Employment for People with Disabilities

According to the “People with Disabilities Rights Protection Act” in Taiwan, the number of disabled people with the capability to work shall be no less than 1% of a company's total employees. In addition, companies that do not employ a sufficient number of people with disabilities shall pay periodical subsidies to the Disabled Employment Funds held by competent authorities for labor affairs based on the deficient amount. Largan endeavored to provide full-time employment opportunities to those with disabilities.

As of 2024, we have employed 78 individuals with disabilities. Due to fluctuations in the number of employees, the actual count may vary. If there are short-term discrepancies in the number of disabled employees, the company complies by paying the necessary subsidy fees. We are still keeping the vacancies opened for applicants who are eligible and interested in applying for the positions.

The Company adopts humanized management, and establishes the concept of coexistence and win-win between labors and managements, the labor-management relations is harmonious.

● 2024 Labor Disputes or Inspections Resulting in Losses: 1 case

Seq.	Authority	Announcement Date	Disposition Date	Disposition Date	Violated Regulation	Description of Violation	Fine (NTD)
1	Taichung City	113/09/05	113/07/15	Official Letter No. 1130191275 issued by the Taichung City Government, Department of Labor	Article 32, Paragraph 2 of the Labor Standards Act	Overtime hours exceeded the limits stipulated by law	70,000

Measures Taken:

- The company provides work hour statistics for supervisors to facilitate necessary work adjustments and personnel arrangements.
- Supervisors monitor overtime hours and regularly check in on employees.
- Regular dissemination of overtime application procedures and processes.

7-3 Training and Development

To enable our employees to acquire the appropriate working skills, we encourage all units to arrange internal and external educational training and all training sessions are flexibly adjusted based on their individual needs. In addition, we also provide cultivation program for career planning as well as hire guest lecturers to give trainings on professional and technical subjects to help elevate our employee's working skills.

● Advanced Studies and Training System

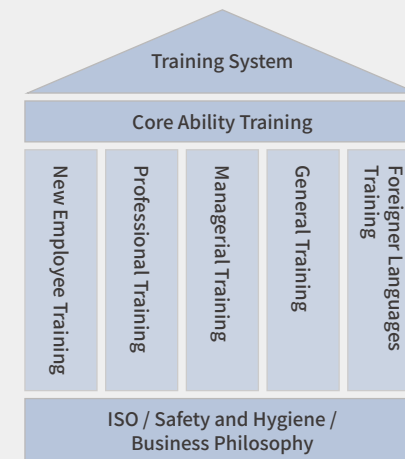
At Largan we arrange training programs and learning curriculums (as shown in the graph) based on the Company's annual operational objectives which includes training session for newly hired personnel, orientation, professional courses, management training, language ability enhancement training...etc., as well as offer general courses about the history, structure, business philosophy, corporate culture, morals and ethics of the Company and all other information that help the newcomers to adapt and get on with their role faster. We have also set up mandatory training sessions specifically based on each individual's job responsibility and position to fit their career development and needs. We regularly track the training progress and performance to ensure the efficiency and effectiveness of the training programs with the aim to nurture the talents that can stay and grow with Largan sustainably.

● Average Hours of Staff Training

The total staff training hours in 2023 was 46,021 hours, and the total average training hours per person was 5.95 hours in a year(note); in 2024 was 33,969 hours, and the total average training hours per person was 4.16 hours. The statistic of the average staff training hours in the last two years are as shown:

Category	2023				2024			
	Gender	Hours	Number of People	Average Hours	Gende	Hours	Number of People	Average Hours
Administrative	Male	2,741	326	8	Male	1,871	677	3
	Female	1,567	166	9	Female	837	369	2
R&D	Male	1,971	337	6	Male	2,322	370	6
	Female	886	113	8	Female	668	73	9
Maintenance	Male	2,001	195	10	Male	5,286	5,024	1
	Female	9	3	3	Female	23	23	1
Production	Male	13,079	1,428	9	Male	9,325	3,177	3
	Female	16,083	1,983	8	Female	10,738	3,877	3
Quality Assurance	Male	3,404	210	16	Male	913	277	3
	Female	4,552	422	11	Female	1,988	800	2
Subtotal		46,021	5,183	9	Subtotal	33,969	14,660	2
Annual Average Hours		5.95 Hours			4.16 Hours			

Note: Annually Average Hours = subtotal hours of the year / numbers of employees by the end of year



● Performance Management and Employee Development

Employee Career Development: Performance evaluation helps the Company to improve the human resources system and further improve the overall management system. At Largan we perform a 3 months' probation evaluation for the new employees. We hope the probation guidelines could help the supervisors and all employees to understand and share the Company's value and vision, as well as for the new employees to exceed the Company's expectation personality and characteristics wise.

The supervisors conduct the performance evaluation based on the principles of being fair, reasonable, and objective with the aim to help the staff on the team to better understand their role and responsibilities so that they can give the best performance accordingly, as well as providing work and improvement guidance to achieve overall operational goals.

The number of new employees who have passed the probation assessment in 2024 was 836 (new Taiwanese employees), and a total of 681 people participated in the annual performance assessment. The evaluation system includes two main features which allow the supervisors to assess the performance of the employee and to help develop each individual's ability and strength. The system also allows the supervisors and the employees to reach consensus workwise and ultimately work together to improve the overall operational performance and efficiency. By putting the right person into the right position through internal recommendation, it enables the employees to contribute to the Company where they are most needed and allows the employees to develop with the Company, thereby generating success for both employees and the Company.

Evaluation of new Taiwanese employees: The statistics of the performance evaluation in the last three years are as shown in the table:

Year	2022 Total Number of People				2023 Total Number of People				2024 Total Number of People			
Evaluation Occupation	New Taiwanese: 878				New Taiwanese: 729				New Taiwanese: 836			
	Number of People Evaluated		Ratio %		Number of People Evaluated		Ratio %		Number of People Evaluated		Ratio %	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Technical	130	52	14.81	5.92	131	40	17.97	5.49	110	28	16.15	4.11
Administrativea	75	30	8.54	3.42	27	18	3.70	2.47	9	26	1.32	3.82
Direct Personnel	319	128	36.33	14.58	220	132	30.18	18.11	318	190	46.70	27.90
Total	524	210	59.68	23.92	378	190	51.85	26.06	437	244	64.17	35.83

Largan conducts performance evaluations every year/quarter to assess promotion requests suggested by managerial supervisors with additional information such as supervisor's feedback, attendance, performance...etc., and gave out promotion opportunities to employees with excellent work performance.

In 2021, a total of **1,735** employees were promoted

Comprising 36.30% In technical positions, 3.40% In administrative roles, and 60.30% In opr direct personnel.

In 2022, a total of **1,664** employees were promoted

Comprising 41.8% in technical positions, 5.7% in administrative roles, and 52.5% in OPR direct personnel.

In 2023, a total of **1,620** employees were promoted

Comprising 32.8% in technical positions, 8.5% in administrative roles, and 58.7% in OPR direct personnel.

In 2024, a total of **1,499** employees were promoted

Comprising 42.8% in technical positions, 6.7% in administrative roles, and 50.5% in OPR direct personnel.