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"Continuous innovation and market leadership, enhanced risk management and sustainability disclosure, and advancement of low-carbon strategies and workplace sustainability, alongside the promotion of diversity and inclusion."

Sustainable Development Strategy

In 2024, with the global rebound in demand for smartphones and high-end camera lenses, Largan recorded annual consolidated revenue of NT\$59.458 billion, marking year-on-year growth and improved gross profit margin—the strongest performance in years. In terms of operational strategy, the Company continued to focus on advancing mobile lens technologies. The proportion of high-margin premium lenses increased in 2024, while cost optimization delivered clear results. Looking ahead to 2025, Largan aims to deepen the advantage of its product portfolio and leverage manufacturing cost control and economies of scale to maintain profit competitiveness.

Upholding the principle of integrity in business, Largan further strengthened the transparency and accountability of its Board of Directors by enhancing deliberation procedures. Independent directors continued to perform their roles effectively, and the Company regularly reviewed compliance with relevant laws and director independence requirements to reinforce its governance framework. In 2024, the Company increased both employee compensation and director/supervisor remuneration on a per capita basis. A performance-based distribution mechanism was implemented to foster internal trust and long-term employee engagement.

On product hazardous substance management, the Company continued to update its regulatory framework in accordance with international standards such as REACH and RoHS. The Company prohibits the use of conflict minerals and recorded no violations related to hazardous substances in 2024. Largan ensures both robust management systems and enforcement of compliance. In the area of environmental protection, the Company persistently promoted resource conservation and pollution prevention, achieving an electricity savings of 7.592 million kWh in 2024. As carbon fee mechanisms will be incorporated into future environmental regulations, the Company has also aligned internal management practices with national carbon management policies. Largan has established carbon reduction plans and renewable energy strategies, and continues to monitor wastewater discharge and air pollution indicators in compliance with environmental laws.

In caring for employee health, the Company has implemented comprehensive wellness and inclusiveness measures. On-site nursing staff, monthly health consultations, and annual physical checkups are provided. In addition, Largan offers breastfeeding rooms, dedicated parking for pregnant employees, and collaborates with 22 childcare institutions—demonstrating a people-centered organizational philosophy. Moving forward, the Company will continue to advance workplace sustainability initiatives and human rights policies.

In 2024, Largan achieved stable operations in its sustainability practices, with robust governance, leading environmental performance, and a friendly workplace culture. Looking to the future, the Company will focus on three core directions: continuous innovation and market leadership, enhanced risk management and sustainability disclosure, and advancement of low-carbon strategies and workplace sustainability, alongside the promotion of diversity and inclusion. Guided by the business principles of "Innovation, Professionalism, Speed, and Flexibility," we strive to create long-term value for shareholders and join hands with all stakeholders to build a more sustainable future.

Chairman 林恩平

" Summary

The content of this report is prepared in accordance with the guidelines and framework of the GRI Standards issued by the Global Reporting Initiative (GRI), and introduces the details of Largan Precision Co., Ltd. (hereinafter referred to as "Largan," "The Company," and "We.") fulfills Corporate Social Responsibility, and practices sustainability management (including ESG organization and responsibility, identification of stakeholders, communication and analysis of Material Topics, priority sorting and response of Material Topics, influence of sustainability management, practice of the United Nations Sustainable Development Goals, sustainable development goals and plans), corporate governance and sustainable management, business performance and customer service, innovation and development, creates sustainable supply chain, green production, friendly and safe workplace and community prosperity and other active measures and actions.

" Report Period

This report presents data from January 01, 2023 to December 31, 2024, which is consistent with the financial statements. This report discloses Largan Precision's ESG management policies, risk assessments, prioritization of Material Topics, response and list-based management, and performance in ESG initiatives. Part of the contents are written to improve readers' grasp of the report. Largan's ESG report will be revised and published on a yearly basis.

" Coverage

- The disclosure of Material Topics is based on Largan Precision's employees, as well as external stakeholders including customers, suppliers, and investors.
- All crucial numeric data regarding financial performance is presented in New Taiwanese Dollars (NTD) with generic description after authenticated by certified accountant.
- Since the Taiwan subsidiary and Largan shares factory area, the environmental indicators of Green Production in Chapter 6, such as water resources, waste, air pollution...performance indicators, are calculated and disclosed in a consolidated manner.

" Principles and Guidelines

- Global Reporting Initiative (GRI Standards: 2021)
- Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of ESG by TWSE Listed Companies
- Revision of Corporate Social Responsibility practice principles
- TCFD: Climate-Related Financial Disclosures
- SASB: Sustainability Accounting Standards Board: Resource Transformation Standards for hardware manufacturing industry's

" Changes of the Report

- The 2023 greenhouse gas inventory data disclosed in this report has been updated to align with the data reported to the competent authority.
- The eleven Material Topics identified in 2023 have been retained.
- Duplicate Material Indicators have been removed.-
For details, please refer to Section 1.4 "Prioritization and Response of Identified Material Topics" under the 2024 Material Topics Adjustment Explanation.

" Publication Frequency

The report is generated on an annual basis. Current edition released by August 2025. Next edition released by August 2026.

" Accuracy of Published Information

• Internal Confirmations :

Every currency unit in the report regarding financial performance is presented in New Taiwanese Dollars (NTD), numeric data is round to two decimal places. Part of indicators are provided in continuous data from 2022 to 2024 in order to highlight intermediate- and long-term trends. Every piece of data, numbers, reviews and verified information had been documented, confirmed and approved by the related departments, also has been reviewed by top management.

• External Confirmations :

Consolidated financial data from the financial statements: KPMG Sustainability Consulting Co., Ltd. ESG Report: In accordance with AA1000AS v3 Type 1 assurance standards and GRI Standards verified by ARES. Consigned ARES issued Independent Third-Party Assurance Statement (see Appendix 6).

" Contact

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01 | Fulfillment of Sustainable Management

1-1 ESG Committee & Functions

1-2 Stakeholder Identification and Contact

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

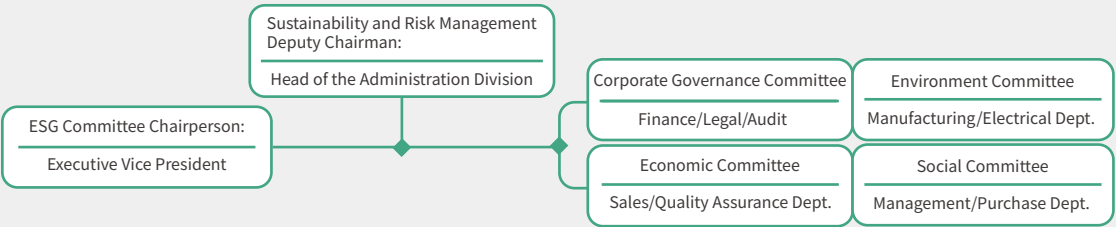
1-4 Prioritization and Response of Identified Material Topics

1-5 The Influence of Sustainable Management

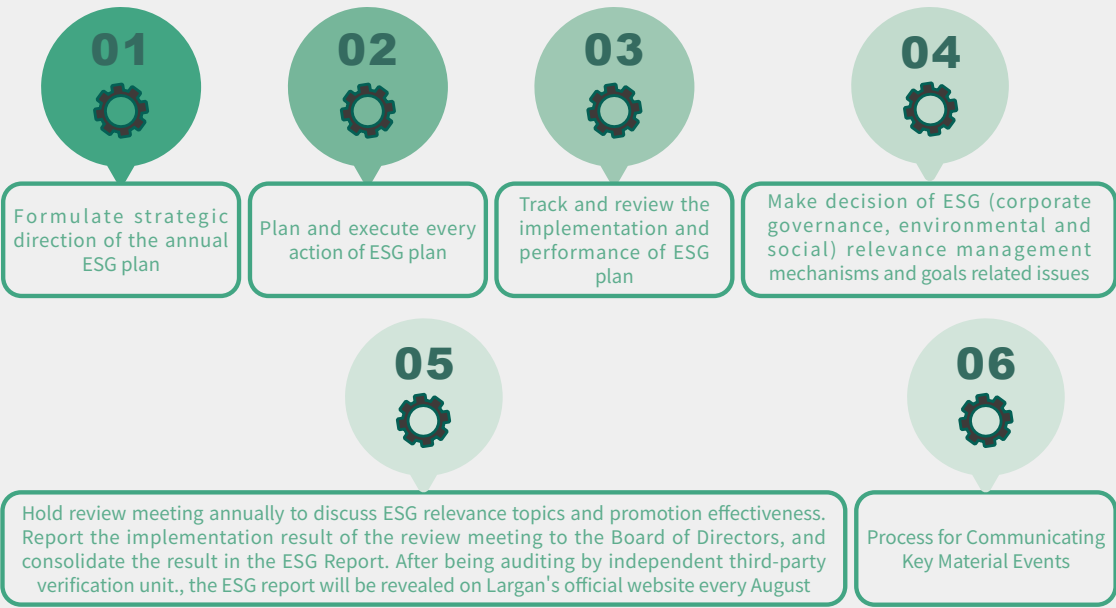
1-6 Achieve ESG Development Goals

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.

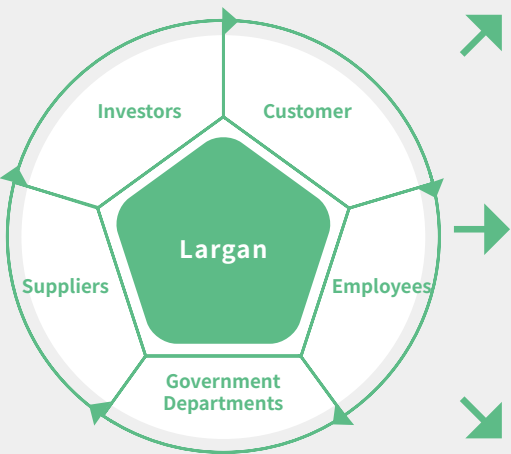
The ESG Committee's organizational structure, along with the key ESG tasks and their corresponding responsible units across each ESG dimension, are outlined in the table below:

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.	
	Community and Charitable Activities	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	●	●	○	○	○	○
	Rights and Interests of Shareholders	●	○	●	○	○	○
	Investors						
	Payment Collection Terms	●	○	○	●	○	
	5 Product Quality/ Deliver Date	●	●	●	●	●	
	Customers						
	Customer Service	●	●		●		
	Customer Privacy	●	●		●	○	○
	Suppliers						
	Payment Terms	●	○			●	
Environmental Aspect	6 Supply Chain Management	●	●	○	●	●	
	Raw Material Management	●	○		●	●	
	7 Waste Management	●	●		○	●	●
	8 Water Resource Management	●	●		●	○	●
Social Aspect	Energy Saving and Carbon Reduction	●	●		○	○	●
	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 wasterelated 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
Labor Relations, Diversity and Equality	401-1	New employee hires and employee turnover	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.
	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				
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.
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.
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.
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.
Training and Development	404-1	Average hours of training per year per employee	-	-	-	Establish an employee training and development system, cultivate and develop personal abilities, and evaluate performance regularly as a supplementary mechanism.
	404-2	Programs for upgrading employee skills and transition assistance programs				
	404-3	Percentage of employees receiving regular performance and career development reviews				
						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.
						Establishing labor rights protection bylaw and conduct regular assessment of forced labor risks and train employees by the act.
						Establishing" Corporate Governance Practice Principles" for the employees to follow and the stakeholders to better understand the Company's ethical standards.
						Formulate occupational safety and health rules. Establish hazard identification and safe operation standards.
						Establishing salary payment terms and Employee Incentive Operations Manual as reference for the managerial supervisors to follow.
						Supervisors at all levels will recommend employees with excellent work performance to be promoted to supervisors or higher positions on a yearly basis.

1-5 The Influence of Sustainable Management

● Significant Material Topics and the Value Chain Relationship of Largan

Task of Sustainability	Significant Material Topics	GRI Standards Topic-specific	Upstream	Products by Largan		Downstream	Importance of Operation			
			Procurement Stage	Phone Camera	Car Lens	Customer Usage	Revenue Growth	Customer Satisfaction	Employee Morale	Operational Risk
Operating Profit	Operational Performance	201-1 Direct economic value generated and distributed	●	●	●	●	●	●	●	●
	Product Quality/Deliver Date	416-2 Incidents of non-compliance concerning the health and safetyimpacts of products and services	●	●	●	●	●	●	●	●
Corporate Governance	Risk Management	3-3 Management of material topics					●	●		●
	Morals and Ethics	205-1 Operations assessed for risks related to corruption					●	●	●	●
	Regulatory Compliance	3-3 Management of material topics	●	●	●		●	●	●	●
Green Production	Water Resource Management	303 Water and Effluents	●	●	●		●	●	●	●
	Waste Management	306-1 Waste generation and significant wasterelated impacts	●	●	●			●	●	●
		306-3 Waste generated								
306-5 Waste directed to disposal										
Friendly Workplace	Labor Relations and Diversity Equality	401 Employment 402 Labor Relations 405 Diversity and Equal Opportunity					●		●	●
	Salary and Welfares	203-1 Infrastructure investments and services supported					●		●	●
	Safety and Health	403 Occupational Health and Safety	●	●	●	●	●	●	●	●
Sustainable Supply Chain	Supply Chain Management	308-1 New suppliers that were screened using environmental criteria	●			●	●	●		●
		414-1 New suppliers that were screened using social criteria								

● Indicates a substantial or potential impact

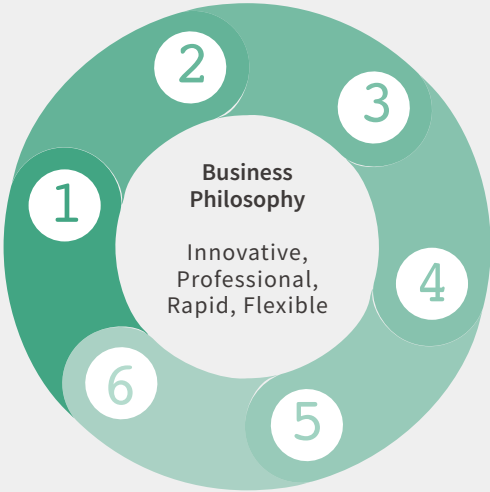
1-6 Achieve ESG Development Goals

To implement the sustainable development goals of the United Nations, Largan continuously focus on SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 6 (Clean Water and Sanitation), SDG 12 (Responsible Consumption and Production), SDG 13 (Climate Action) and other 6 sustainable goals. We set goals and management measures for 2023 through economic, environmental, and social aspects. Practice influence of sustainability with specific actions.

Economic Aspect			
Corresponding SDGs: 12 Responsible Consumption and Production 13 Climate Action			
Largan's Goal	Management Measure	Corresponding SDGs	Corresponding Chapter
Disclose relevant information and cooperate with the government to drive the corporate governance blueprint.	Disclose the Company's non-financial information, refer to the international common reporting standards and obtain third-party verification.	12.b	0. Summary and Scope
In response to climate change and energy supply risks, actively assess and continuously control the impact of extreme weather on operations.	In response to substantial risks such as floods, typhoons, power outages, and rising temperatures develop adaptation policies and solutions. Actively implement relevant countermeasures to ensure the operations can be resumed quickly after disasters occur.	13	2.3 Risk Management 6.1 Climate Action
Environmental Aspect			
Corresponding SDGs: 06 Clean Water and Sanitation 13 Climate Action			
Largan's Goal	Management Measure	Corresponding SDGs	Corresponding Chapter
Promote water and energy saving.	By water quality monitoring, according to the characteristics of the water used, the types of cooling water towers, process astewater, and domestic water are also classified, and wastewater is recycled and reused.	06	6.5 Water Resource Management
Scope 1 and 2 import greenhouse gases Scope 3 Inquiry and Verification Work	Obtain verification statement.	13	6.3 Low-Carbon Manufacturing
Social Aspect			
Corresponding SDGs: 03 Good Health and Well-Being 04 Quality Education 05 Gender Equality			
Largan's Goal	Management Measure	Corresponding SDGs	Corresponding Chapter
Promote independent inspection and management measures of occupational safety and health, prevent disasters in the factory and reduce risks.	According to "ISO 45001 Occupational Safety and Health Management System" and relevant occupational safety laws and regulations, formulated occupational afety and health work rules, identified occupational hazards, estab lished self - inspection and safety operation standards to prevent various potential hazards from happening.	03	7.7 Occupational Safety and Health
Enhance the knowledge and skills of new and existing employees.	New employees undergo pre-employment trained and guided the Company's common regulations such as personnel regulations, safety and health regulations, and other important management regulations; when entering the work environment, they will be handed over to the supervisor for on-the-job training, and they will not be able to work independently until no operation errors occur, to ensure product and work quality .	04	7.3 Training and Development
Prohibition of gender discrimination in recruitment, appointment, salary, promotion and training.	The company formulates "Work Rules" and submits them to the labor bureau of the government for approval and records, clearly stipulates policies and system of prohibiting gender discrimination.	05	7.5 Respect of Human Rights

The Direction and Action of Largan in the ESG Report

6 Major Directions of ESG:



1. Environmental Protection	Energy Saving and Carbon Reduction / Environmental Protection
2. Innovation and Development	Product Innovation / Product Quality
3. Supply Chain	Green Procurement / Sustainable Partnerships
4. Friendly Workplace	Diversity and Inclusion / Safety and Health
5. Social Prosperity	Social Welfare / Caring for the Disadvantaged
6. Corporate Governance	Operational Performance / Customer Satisfaction



How Largan implements ESG Actions

Social

Largan's Social Actions

- Friendly and inclusive workplace
- Talent cultivation and development
- Healthy and safe workplace
- Competitive salary and benefits
- Community public welfare/caring for the disadvantaged

Governance

Largan's Governance Actions

- Continuous growth and earn profit
- Customer service and satisfaction
- Responsible and ethical procurement
- Sustainable supply chain establishment
- Good corporate governance and integrity management

Environmental

Largan's Environmental Actions

- Establish a sustainable green production environment
- Energy saving and carbon reduction and low low-carbon manufacturing
- Renewable energy and effective energy saving
- Resilience to climate change
- Pollution prevention / observance of environmental regulations



02 | Corporate Governance & Sustainable Operation

2-1 Company Introduction

2-2 Corporate Governance

2-3 Risk Management

2-4 Business Integrity and Regulatory Compliance

2-5 Internal Control and Management System Verification

2-6 Information Security

Corporate Governance & Sustainable Operation

Largan has established the ESG Committee to address key topics related to corporate governance, risk management, and regulatory compliance in the context of sustainable business operations. Adhering to the principles of integrity and transparency, the Company ensures regulatory compliance, enhances operational performance, strengthens internal control and personnel management mechanisms, and upholds ISO management system certifications. Through these measures, Largan promotes a sound corporate culture grounded in its business philosophy and ethical standards. The objectives and performance indicators for the Material Topics are set as follows:

Short-Term (2024~2025)

Medium-Term (2026~2029)

Long-Term (2028 and Beyond)

Corporate Governance	(1) Make regular announcement/updates of internal management policies and documents, and ensure it complies with the latest regulatory requirements (2) Conduct appropriate education training based on business needs (3) No material violation of laws related to corporate governance	(1) Make regular announcement/updates of internal management policies and documents, and ensure it complies with the latest regulatory requirements (2) Conduct appropriate education training based on business needs (3) No material violation of laws related to corporate governance	(1) Make regular announcement/updates of internal management policies and documents, and ensure it complies with the latest regulatory requirements (2) Conduct appropriate education training based on business needs (3) No material violation of laws related to corporate governance
	Corporate governance evaluation: The target ranking of corporate governance evaluation is 21~35% among all listed companies	The target ranking of corporate governance evaluation is 21~35% among all listed companies	The target ranking of corporate governance evaluation is 21~35% among all listed companies
Morals and Ethics	The completion rate of annual Ethics and Compliance Training Course by the employees ≥ 97%	26~27Y: Completion rate ≥ 97% 28~29Y: Completion rate ≥ 99%	Completion rate ≥ 99%
Risk Management	100% completion rate of yearly review on departmental hazard and risk assessment	100% completion rate of yearly review on departmental hazard and risk assessment	100% completion rate of yearly review on departmental hazard and risk assessment
	Emergency response training conducted twice per year Employee participation rate in evacuation drills: 80%	Emergency response training conducted twice per year 26~27Y: Employee participation rate in evacuation drills: 80% 28~29Y: Employee participation rate in evacuation drills: 85%	Emergency response training conducted twice per year Employee participation rate in evacuation drills: 85%
Regulatory Compliance	Violation of corporate or tax laws: 0 cases	Violation of corporate or tax laws: 0 cases	Violation of corporate or tax laws: 0 cases
2024 Achievements	<div> Corporate Governance <ul style="list-style-type: none"> No violations of honesty and integrity principles → 0 cases → Achieved Ranked 21~35% of corporate governance evaluation of all listed companies → 51-65% → Not Achieved Internal management documents are regularly announced and updated to meet the latest regulatory requirements. The 2024 ESG Sustainability Report was successfully verified. → Achieved No violation of laws and regulations related to corporate governance 0 cases → 0 cases → Achieved Morals and Ethics <ul style="list-style-type: none"> Completion rate of employees' annual ethics and integrity management training ≥ 97% → 100% → Achieved </div> <div> Risk Management <ul style="list-style-type: none"> 100% completion rate of yearly review on departmental hazard and risk assessment → 100% → Achieved Emergency response training conducted twice per year → Achieved Employee participation rate in evacuation drills: 80% → 84% → Achieved Regulatory Compliance <ul style="list-style-type: none"> No violation of corporate or tax laws 0 cases → 0 cases → Achieved </div>		

2-1 Company Introduction

Largan Precision Co., Ltd. (hereinafter referred to as Largan, "The Company" or "We"), the leading manufacturer of optical lenses was founded in 1987 (formerly known as Dagen Precision Optical Co., Ltd. Founded in 1980), and officially went publicly listed on the Taiwan Stock Exchange in 2002. The headquarter of the group is located in the Precision Machinery Park.

In addition to developing various light, thin, short and small optical components, at Largan we also produce voice coil motors (Largan Digital Co., Ltd.), contact lenses (Largan Medical), sleep monitoring devices (Largan Health), automotive lenses (Largan Industrial Optics), advanced fiber laser and space communication technology (Photonicore Technologies), various single crystal and ceramic materials (Taiwan Applied Crystal), and anode materials (Largan Energy Material). We actively expand product categories and production capacity with the aim to get ahead of the development trends and fulfill the demand of the market.

Company Introduction

- Date of Establishment: April 17, 1987
 - Registered Capital: NT\$ 1,334,682,000
 - Stock Symbol: Taiwan Stock Exchange (3008), public listed started in 2002
 - Number of employees: 8,165 (Accounting until end of December 2024)
 - Line of Business: Optical lenses
- Headquarter Address: No.11, Jingke Road, Precision Machinery Innovation Technology Park, Nantun District, Taichung City, Taiwan
 - Global Location: Taiwan and China
 - Website: <http://www.largan.com.tw/>

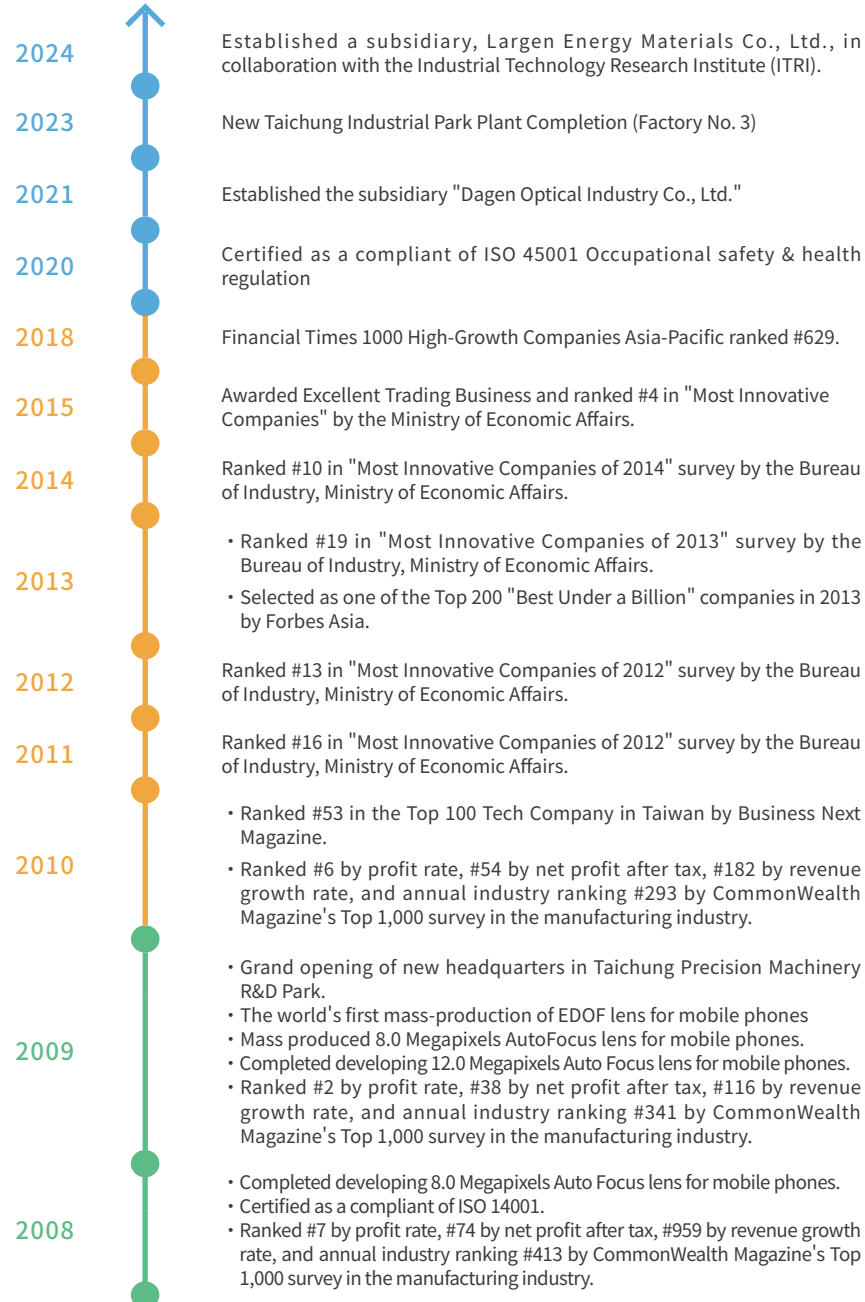


Headquarter and Branches

Headquarter and Branches (A Total of 10 Sites)	
The Taichung City Precision Machinery Innovation Technology Park:	Taichung Industrial Park:
<ul style="list-style-type: none">• No. 11, Jingke Road, Nantun District, Taichung City, Taiwan (HQ)• No. 13, Jingke Road, Nantun District, Taichung City, Taiwan• No. 7, Jingke 2nd Road, Nantun District, Taichung City, Taiwan	<ul style="list-style-type: none">• No. 4 and No.6 Gongyequ 16th Road, Taichung City,• No. 14, Gongyequ 23rd Rd., Nantun Dist., Taichung City• No. 1, Gongyequ 5th Rd., Xitun Dist., Taichung City• No. 32, Gongyequ 18th Rd., Nantun Dist., Taichung City• No. 18, Gongyequ 7th Rd., Xitun Dist., Taichung City (Rental Factory)• No. 3 and No.5, Gongyequ 22nd Rd., Nantun Dist., Taichung City (Rental Factory)• 2F-1, 2, 8~10 and 4F-9, 10, No. 206 and NO. 210, Gongyequ 38th Rd., Xitun Dist., Taichung City (Rental Factory)



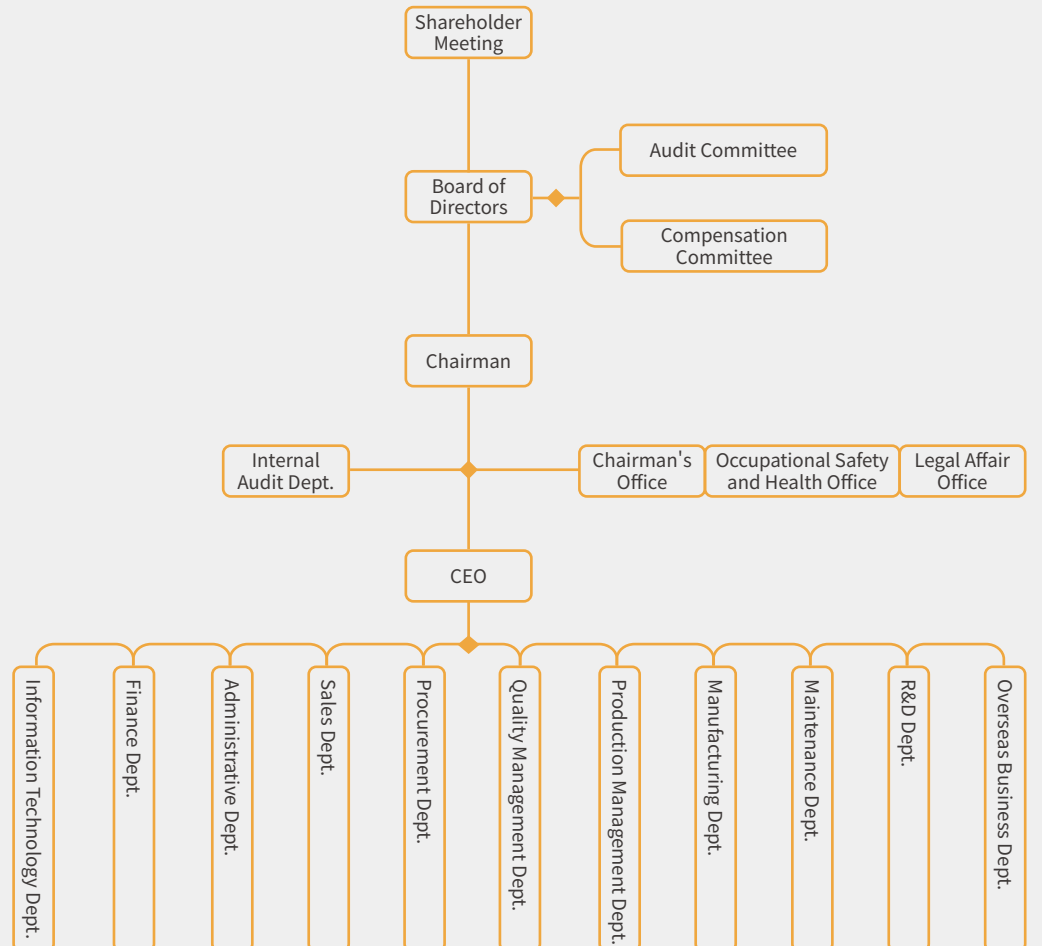
History Highlights (After 2008)



2-2 Corporate Governance

2-2-1 Company Organizations

The composition of the Board of Directors is based on the directors elected during the general shareholders' meeting. Following the law, the Compensation Committee is set up under the Board of Directors, and the chairman's office consists of occupational Safety and Health Office, Legal Affairs Office, and Internal Audit Department. The top level of management includes CEO followed by Information Technology, Finance, Management, Sales, Procurement, Quality Departments. The production business unit includes Production Management, Manufacturing, Maintenance, R&D and Overseas Business Departments. Detailed structure is as shown in the picture:



● Diversified Experience

One should acquire diversified professionalism and management skills such as operational judgment, mathematical skill, crisis management, industrial knowledge, insights for global affairs, leadership, decision-making and other critical skills to be a qualified member at the Board of Directors. The ability of each Director at Largan is summarized in the table as shown.

Name	Gender	Employee Identification	Professionalism						
			Operational Judgement	Accounting/Finance/Mathematics	Management	Crisis Management	Industrial Knowledge	Global Market Insight	Leadership&Decision Making Skill
En-Chou Lin	Male	●	●	●	●	●	●	●	●
En-Ping Lin	Male	●	●	●	●	●	●	●	●
Yu-Chih Huang	Male	●	●	●	●	●	●	●	●
Jung-Ren Laing	Male			●			●	●	
Ming-Yuan Hsieh	Male			●			●	●	
Chun-Ming Chen	Male	●		●			●	●	●
Shan-Chieh Yen	Male			●			●	●	●
Ming-Hua Peng	Male			●			●	●	●
Chun-Yi Lu	Male			●			●	●	●

Largan Precision values the diverse capabilities of its board members, aiming to increase the ratio of directors possessing at least four competencies to over 50%. The target ratio of directors with at least four competencies is 78%, achieving the goal.

Board Diversity Policy

Promote generational diversity among board members by maintaining at least five members under the age of 65.
→ Achieved: 2 members under 50; 3 members aged 51–60; 3 members aged 61–70; 1 member above 71.

Independent directors shall comprise 30% of the board, with at least one not serving more than three consecutive terms.
→ Achieved: Three independent directors have been appointed, accounting for 33% of the board. One has served for less than 3 years, and two have served for less than 9 years.

Diversified professional expertise on the board, with at least one director having a background in law or finance.

Gender diversity: A female director was elected during the 2025 board re-election.

Board Independence

The board consists of nine directors, including three independent directors, accounting for 33% of the total.

Among all directors, only two general directors have a kinship relationship within the second degree. The remaining directors account for 77% of the board, thereby satisfying the independence requirement set forth in Paragraph 3, Article 26-3 of the Securities and Exchange Act.

Of the nine directors, only two are corporate directors. Only two general directors have a kinship relationship within the second degree. Hence, the board complies with Paragraph 3, Article 26-3 of the Securities and Exchange Act.

All independent directors meet the statutory independence requirements.



● Board Responsibilities:

- 1. Establish or amend internal control systems as per Article 14-1 of the Securities and Exchange Act.
- 2. Formulate or amend procedures for major financial transactions like acquiring or disposing of assets, engaging in derivative transactions, lending funds to others, and endorsing or providing guarantees for others as per Article 36-1 of the Securities and Exchange Act.
- 3. Matters involving directors' interests.
- 4. Major asset or derivative transactions.
- 5. Significant lending, endorsements, or guarantees.
- 6. Raising, issuing, or privately placing securities with equity characteristics.
- 7. Appointing, dismissing, or remunerating certified public accountants.
- 8. Appointing or dismissing financial, accounting, or internal audit officers.
- 9. Other major matters prescribed by competent authorities.
- 10. Promote sustainable operations with vision, strategies, and timelines.

● Board Conflict of Interest Avoidance

The "Rules of Procedure for Board Meetings" stipulate that if any board proposal involves a conflict of interest concerning a director or the legal entity the director represents, the director shall explain the material aspects of the conflict at that meeting. If the conflict is deemed likely to harm the interests of the Company, the director must refrain from participating in the discussion or voting on the proposal. Furthermore, the director is prohibited from voting on behalf of other directors. According to the Rules of Procedure, if a director's spouse, blood relatives within the second degree, or any company with a controlling or subordinate relationship to the director has a conflict of interest in the matter under discussion, it shall be regarded as a conflict of interest of the director themselves. In such cases, the director must state the reason for recusal during the board meeting. For details regarding recusal due to conflicts of interest at board meetings in 2024, please refer to pages 13 and 15 of the Company's 2024 Annual Report.

● Director's Remuneration

The remuneration of Directors and Supervisors are determined pursuant to Article 26 of the Largan's Articles. It states that if the Company is profitable for the year, a bonus no more than 5% may be allocated as remuneration for Directors and Supervisors. The criteria for determining remuneration include the overall performance of the Company, industry risk, development trends as well as the individual's performance achievement rate and contribution to the Company.

Item	Board of Directors	Managerial Officers
Fixed Salary	Independent Directors: Director remuneration Non-Independent Directors: Director remuneration	Please refer to pages 11–12 of the 2024 Annual Report.
Signing Bonus or Recruitment Incentives	None	None
Clawback Mechanism	None	None
None None Retirement Benefits	Please refer to page 8 of the 2024 Annual Report.	In accordance with the Labor Standards Act, the Company allocates 6% of monthly wages to the Supervisory Committee's pension fund account; alternatively, under the Labor Pension Act, 6% is contributed to the employees' individual pension accounts managed by the Bureau of Labor Insurance.
How are the Board of Directors and managerial officers' goals and performance on economic, environmental, and social topics linked to the Company's remuneration policies?	At present, the Company has not yet linked ESG goals and performance to the individual compensation of the Board of Directors or managerial officers. However, the Company will continue to monitor this issue and evaluate its integration once ESG implementation becomes more mature.	

2-2-2-2 The Role of the Board of Directors

The Directors play the role of overseeing and providing guidance to the Company's comprehensive management strategies such as organizational development, performance improvement, operational performance, and risk management. The Board strives to perform the responsibilities through communication and discussion to carry out future planning and prospects of the Company.

The company's Board of Directors has approved the appointment of a corporate governance supervisor, whose qualifications are complied with the Code of Practice for Corporate Governance of Listed Companies and the regulations for corporate governance supervisors. The duties of the corporate governance supervisor include providing Directors with information needed to execute their business, assisting Directors in complying with laws and regulations, handling matters related to meetings of the Board of Directors and shareholders' meeting in accordance with the law, and assisting Directors in continuing education.

Followings are the business execution topics of company's corporate governance executives in 2024:

- 1. Held 4 board meetings in 2024.
- 2. Held 1 regular meeting of shareholders in 2024.
- 3. Held 4 audit committee meetings in 2024.
- 4. The Company purchased liability insurance for Directors and will report to the Board of Directors after renewal.
- 5. Assist Independent Directors to complete at least 6 hours of refresher courses.
- 6. The total training hours for corporate governance supervisors are 12 hours and has been reported to the Market Observation Post System in 2024. The training status is as follows:

Date	Name of Corporate Governance Executive Course	Training Hours / person	Organizer
2024/11/19	Sustainability Committee and Chief Sustainability Officer Roundtable	3 hours*1 person	Securities and Futures Institute
2024/11/1	Climate Risk Identification Workshop and Net-Zero Emissions Awareness Session – Taichung Session	3 hours*1 person	Taiwan Corporate Governance Association
2024/10/4	Climate Risk Identification Workshop and Net-Zero Emissions Awareness Session	6 hours*1 person	Taiwan Corporate Governance Association

•Operations: The board convened 4 times in 2024, with an overall average attendance rate of 94.44% (refer to the 2024 annual report, page 13).

2-2-3 Compensation Committee

There are 3 members in the Compensation Committee, which operates in accordance with the Largan's Compensation Committee Charter. The summary of the Committee is as shown in table:

Category	Enforcement in the Last Two Years
Members	Independent Director: Shan-Chieh Yen 、Ming-Hua Peng 、Chun-Yi Lu
Tasks	Evaluate compensation policies, systems, salary structures and standards for Directors and Managers.
Enforcement	1. Term of service: 2022/06/08-2025/06/07. 2. Two Compensation Committee meetings were held in 2022 (February and July), and the attendance rate reached 100%. Two Compensation Committee meetings were held in 2023 (February and July), and the attendance rate reached 100%. Two Compensation Committee meetings were held in 2024 (February and July), and the attendance rate reached 100%.

● The Compensation Committee were held twice a year in the past two year. The attendance of each committee member is as follows:

Title	Name	Actual Attendance		Delegated Attendance		Actual Attendance Rate	
		2023	2024	2023	2024	2023	2024
Convenor	Shan-Chieh Yen	2	2	0	0	100%	100%
Committee Member	Ming-Hua Peng	2	2	0	0	100%	100%
Committee Member	Chun-Yi Lu	2	2	0	0	100%	100%

2-2-4 The Audit Committee (1st Term – Tenure: June 8, 2022 to June 7, 2025)

4 Audit Committee meetings were held in the past two year. The attendance of each committee member is as follows:

Title	Name	Actual Attendance		Delegated Attendance		Actual Attendance Rate	
		2023	2024	2023	2024	2023	2024
Independent Director	Shan-Chieh Yen	5	4	0	0	100%	100%
Independent Director	Ming-Hua Peng	5	4	0	0	100%	100%
Independent Director	Chun-Yi Lu	4	4	1	0	93.33%	100%

● Board Performance Evaluation

Largan Precision's board has established the "Board Performance Evaluation Procedures," conducting an annual internal evaluation of the board, board members, and functional committees. The evaluation period is from January 1 to December 31, 2024, with results reported to the board. Recent goals and performance of board functions were assessed, with the first audit committee and fifth remuneration committee established on June 8, 2022, assisting the board in regularly evaluating and setting compensation for directors and managers, as well as reviewing performance evaluation and compensation policies, systems, standards, and structures.

● Board and Functional Committee Internal Evaluation Results in 2024: Excellent.

● Communication Between Independent Directors and Certifying Accountants in following:

Independent Directors and certified accountant hold a symposium once a year, the purpose is for the certified accountant to explain audit results of financial reports, scope and discovery, important regulatory updates and annual audit planning to the Independent Directors. The overall Independent Director attendance rate reached 100% and had the great communication.

● Communication Between Independent Directors & Head of Internal Audit Department

The Independent Directors and the internal audit supervisor hold symposiums every year. The audit supervisors request the Directors to review the audit report and present the important business reports of the Company and the subsidiaries to the Independent Directors. The overall Independent Director attendance rate of 2024 reached 100% and communication between independent directors and certifying accountants has been fully conducted to ensure the effectiveness and execution of audit operations.

2-3 Risk Management



With the aim of securing the functions of risk management and fulfilling the responsibilities of the Board of Directors, Largan has established the "Risk Management Measures." The impacts of risks and corresponding response actions are reported to the Board of Directors once a year. Relevant risk management policies are approved by the Board to ensure effective identification, analysis and assessment, control and treatment, and ongoing monitoring of various risks. The purpose is to enhance crisis awareness among all employees, implement risk control within a reasonable scope, and ultimately optimize overall business operations.

● **Risk Management Mission:** Here at Largan we continuously improve risk management system with the aim to reduce operational costs and ensure the company is profitable. We hope to create a desirable working environment for our employees to achieve sustainable development for the business. The practical objectives commitments and management measures are as stated in the table:

Risk Management Policy: Prevention in advance, loss avoidance			
Management Measure	Objectives To get a head start over the global economic situation and the risks of climate change and energy supply, at Largan we actively act upon developing strategies and adjusting the business models beforehand.	Commitment Utilizing thorough due diligence and proactive communication methods for early warnings, closely monitoring global industry trends and climate change, adjusting development goals and business strategies in a timely manner, and mitigating potential risks.	Policy and Management Largan holds management meetings as preventive measures to adjust operation strategies in response to operational risks.

● In order to comply with regulations, demonstrate the operational capabilities of the Company, reduce the probability of accidents, reduce the loss of assets and pursue the sustainable operation of the Company. The Company regards sustainable development and risk management as the priority of business expansion. In order to ensure that these concepts are fully integrated into operations, we will control and respond to uncertainties through active control actions. We will continue to develop systems related to enterprise risk management, and continue to improve employee risk management awareness, and actively handle and manage risks and uncertainties.

2-3-1 Influence and Response of External Risks

External Risk Cause	Impact on Operational and Corporate Governance Risks	Countermeasures
 Industry Competition	In the field of optical lenses, there is competition from Taiwanese and Chinese manufacturers, but Largan has a leading edge in high-end optical lenses. The competition in the industry is fierce. Therefore, it is necessary to maintain a leading position in the field of R&D patents, process efficiency and yield rate, and maintain a competitive advantage.	The Company continues to increase and improve the number of R&D manpower and patents. With process efficiency and equipment improvement, production efficiency and yield rate are improving. Especially in the field of high-end lens research and development, we maintain at least one to two generations ahead of high-end lens products.
 Climate Change	The physical risk of global extreme weather continues to increase. In response to extreme weather, the risks of droughts, blackouts, , water shortages, and power outages will cause losses to the Company.	• IT Dept. has equipped uninterruptible power system (UPS) to support power supply. • Power generator automatic operation. For more, please refer to 6.1 Climate Action

● Please refer to 1.5 The Influence of Sustainable Management for other risk assessment of occurrence considerations, severity and response methods.

2-4 Business Integrity and Regulatory Compliance

2-4-1 Business Philosophy and Integrity

Largan's business philosophy is "Innovation, Professionalism, Speed and Flexibility." Our priority is to protect the rights and interests of our shareholders and we are committed to ensure the transparency of information disclosures. We hope to achieve ultimate success by continuously enhancing the functions of the board of directors and improving management leadership capability.

● Business Code of Conduct

All employee at Largan are required to learn, understand and abide by the Company's Code of Business Conduct (hereinafter referred to as 'the Code') based on the operation policies. By complying with the Code, we aim to create an honest and open working environment where the employees can work with full commitment to follow the integrity requirements and to be proud of being part of the family. We take immediate legal actions to resolve problems encountered by violating the Code and establish corrective mechanisms as preventive measures to avoid similar problems from happening again in the future.

● Honesty and Integrity Management

Largan values the idea of honesty and integrity. Following the principles of honesty, transparency, and responsibility, Largan has established the "Integrity Management Code of Conduct and Whistleblowing System" to assist the company in building up integrity management culture and a comprehensive healthy business development. We require everyone to uphold integrity as the basic principle when performing their duties, and strictly prohibit any actions of corruption, bribery and unjust enrichment.

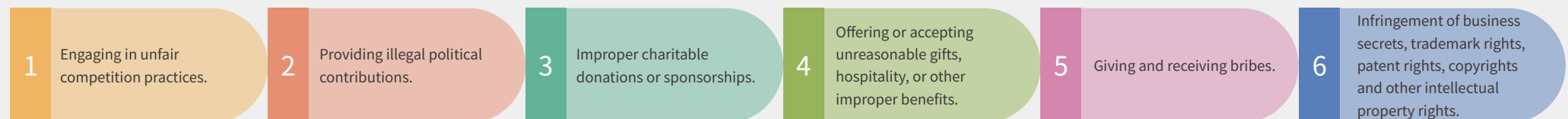
We have also set up a dedicated unit under the Board of Directors, composed of the Legal Affairs and Internal Audit Departments, to promote ethical corporate management. This unit is jointly responsible for revising and supervising the implementation of ethical business policies and preventive measures. The implementation status is reported to the Board of Directors once a year. The "Ethical Corporate Management Best Practice Principles" and the "Whistleblower Reporting Channels" were established in 2016 to prevent conflicts of interest and provide mechanisms for complaints. The practical measures taken are as follows:



● Business Activities with Integrity

Conduct business activities fairly and transparently based on the principle of ethics and integrity management. Take the legitimacy of distributors, suppliers, customers, and other business partners into account to see if there are records of dishonest behaviors and avoid dealing business with companies with disciplinary records. Ensure to include the contract termination terms when signing contracts with distributors, suppliers, customers and other business partners for when they are in breach of contract entitling or dishonest behaviors, we are allowed to terminate the contract at any time.

● Integrity Management Prevention Measures



At Largan we maintain high ethical standards by conducting educational training, self-assessment and inspection, and anonymous reporting system with the aim to establish a good image of the Company. We hope to enhance the effectiveness of the integrity management at Largan by proactively and publicly disclosing integrity management related information on our website, following up the latest domestic and overseas integrity management trend and development and encouraging all staffs to provide suggestions regarding better management approaches for policy improvements in addition to personal integrity regulation compliance.

● Training Program

- 1 Regular communication from senior managers to the directors, employees and appointees regarding the importance of integrity.
- 2 Organizing educational training and policy advocacy events regularly. Invite the Company's counterparties to participate in such commercial activities.
- 3 Integrating the integrity management policy with employee performance evaluation and HR policies to establish an explicit reward and punishment system.

● Performance of 2024

- 1 Advocating the core values of integrity management regularly.
- 2 Arranging relevant training courses for the new employees such as: intellectual property rights and information protection, business secret infringement prevention and prohibition of insider trading, etc. with the aim to raise awareness of integrity management for all employees.
- 3 836 people participated in the internal education and training of integrity management, with a total number of 6,688 class hours. (including other new employee orientation courses).

● Whistleblowing System

- 1 Set up an internal complaint mailbox and provide a reporting service on the Company website.
- 2 Assign a dedicated unit to find out relevant facts immediately and seek assistance from regulations or related departments when necessary.
- 3 All files and records should be kept in archives for five years or until the termination of the lawsuit.
- 4 Whistleblowers and the disclosed content shall be kept confidential to protect them from improper mistreating behavior.
- 5 Establish incentive measures for whistleblowers and award bonuses based on the severity of the circumstances

● 2024 Implementation Results: Please refer to Section 2.4.2 “Ethical Standards and Regulatory Compliance” of this Report.

● Information Disclosure

The Company has conducted corruption risk assessments at all 10 of its operational sites, achieving a 100% assessment rate. In line with its integrity management policy, the Company submits annual reports and prospectuses within legally prescribed deadlines. Relevant information is disclosed on the Market Observation Post System and the Company's official website (<https://www.largan.com.tw>) °



2-4-2 Ethics and Regulatory Compliance

Ethics and Morality Policy: Integrity Management, Transparency and Professional Ethics of Employees Regulatory Compliance: Compliance with regulations, no incidents of violating regulations and penalty

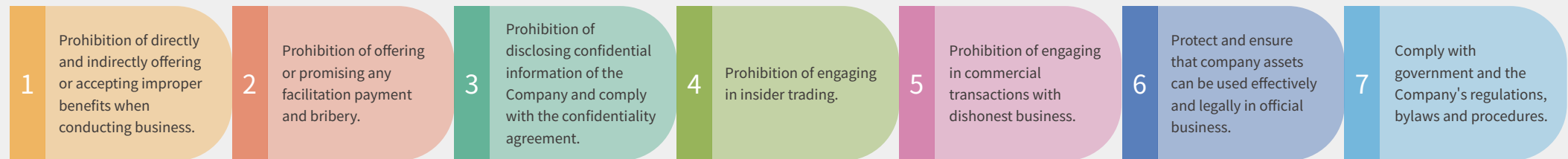
Management Measure

- **Objectives:** Running the business with integrity management and transparency, compliance with regulations, no incidents of violating regulations and penalties.
- **Commitment:** Utilize due diligence and early warning communication methods, uphold honest and transparent corporate governance, and protect the rights and interests of stakeholders.
- **Policy and Management:**
 - (1) Establish an effective accounting system and internal control system to ensure the practice of integrity management.
 - (2) Follow relevant regulations in accordance with government regulations to promote the sustainable development of the petrochemical industry.
 - (3) Establish an internal control mechanism, seek for value creation and risk reduction strategies with the aim to protect the rights and interests of shareholders.
 - (4) Strengthen the relations among stakeholders and strive to meet the expectations of all stakeholders for the Company's sustainability development.

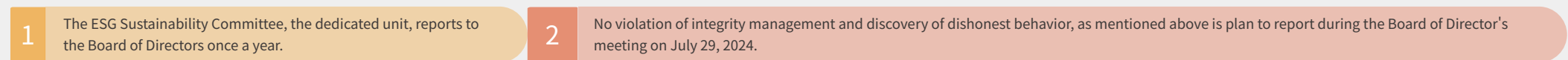


Largan has established "Corporate Governance Code of Conduct" for the employees to follow and stakeholders to better understand the Company's ethics standards with the aim to improve corporate governance and create a sustainable business environment.

● Morals and Ethics Compliance



● Responsibility of Super Vision



● Declaration Compliance and Signature

A statement on the internal control system for 2024 was approved by all directors, stating that the design and implementation of the internal control system for 2024 were effective and all measures taken were declared to comply with applicable laws and regulations. Directors and managers signed the Code of Conduct Compliance Statement and abided by honesty and integrity principles when they took office.

● Avoidance of Conflicts of Interests

The Directors of the Largan uphold a high degree of self-discipline. If a Director is involved in a situation in which he or she or the legal entity he or she represents has an interest that may jeopardize the Company's rights and interests, the Director may present their statements and answer upon questions asked, but may not join the discussion and decision voting.

The Company's personnel shall not use company resources for external business activities and shall not affect their work performance by participating in external business activities.

At Largan we follow applicable laws and regulations for publicly listed companies to regulate business operations and adjust accordingly. All employees are strictly required to comply with the rules and operating standards for daily work with the aim to gain trust and respect from our customers, suppliers, and business partners. We have also established regulations such as infringement prohibitions, personal data protection management, information security management and other relevant measures in addition to incorporating confidentiality obligations into employment contract with the aim to regulate all employees. We hope to raise awareness of regulatory compliance for our employees through continuous education and training.

● Regulatory Compliance

The relevant important legal sources, internal measures or procedures for compliance with corporate governance, environment, economic and social laws and regulations, and whether any violations occur in 2024 are as follows:

Category	Relevant Important Source of Law in Taiwan	The Company's Corresponding Measures or Procedures	If Any Violations in 2024
Corporate Governance	Company Law, Code of Practice on Corporate Governance, Code of Integrity Management of Listed OTC Companies, Articles of Association of the Audit Committee, Organization Rules of the Remuneration Committee.	Articles of Association, Code of Business Conduct, Code of Integrity Management and Measures for Reporting and Complaints.	The Company has acted in accordance with the law, so no major monetary fines or other non-monetary penalties have been imposed.
Employee (Labor Rights and Conditions)	Labor Standards Act, Employment Service Act, Act of Gender Equality in Employment, Labor Insurance Act, Labor Pension Act, National Health Insurance Act, Employee Welfare Fund Act, Regulations of Leave- Taking of Workers, Regulations for Implementing Labor-Management Meeting.	<ul style="list-style-type: none"> • Approved and Recorded: Work Rules, Labor management meeting representative list. • Appointment procedures, resignation management procedures, salary management procedures, employee rewards and punishment procedures. • Labor human rights test for new recruits. 	<p>One penalty case: Overtime work exceeded the legal limit.</p> <p>Response Measures:</p> <ol style="list-style-type: none"> 1. Provide work hour statistics for necessary work allocation and personnel arrangements. 2. Managers monitor subordinates' overtime hours and regularly check on their status. 3. Regularly promote overtime application regulations and procedures.
Safety and Health	Occupational Safety and Health Act, Enforcement Rules of the Occupational Safety and Health Act, Labor Health Protection Rules, Labor Safety and Health Facilities Rules, Occupational Safety and Health Education and Training.	<ul style="list-style-type: none"> • Approved and Recorded: Code of Practice for Occupational Safety and Health, Occupational Safety and Health Organizations and representative list. • ISO 45001 Occupational Health and Safety Management Systems and related procedures. 	<p>One penalty case: Failure to comply with required occupational safety and health equipment and measures. Corrective actions taken:</p> <ol style="list-style-type: none"> 1. Employees failed to shut down the machine in accordance with regulations while troubleshooting an abnormality. The Company arranged case-based safety briefings and operational training. 2. A safety light curtain mechanism was added to the machine's front operation zone. If any object is detected within the sensing area while the machine is active, the machine will automatically shut down.
Environmental	Basic Environment Act, Climate Change Response Act, Waste Disposal Act, Resource Recycling Act, Air Pollution Control Act Enforcement Rules, Noise Control Act, Drinking Water Management Act Enforcement Rules, Effluent Standards, Water Pollution Control Act and Enforcement Rules.	<ul style="list-style-type: none"> • ISO 14001 Environmental Management System and related procedures, SOP and forms, including waste treatment procedures, noise control procedures, drinking water management procedures, wastewater management procedures. • Implement the ISO 14064 Greenhouse Gas Inventory System and issue a greenhouse gas inventory report. 	None
Economic / Social	Fair Trade Act, Patent Act, Copyright Act, Intellectual Property-related regulations, Trade Secret Act, Personal Data Protection Act. Civil Code, Communicable Disease Control Act, Sexual Harassment Prevention Act.	<ul style="list-style-type: none"> • Labor contract, professional ethics. • Personnel related management system. 	On April 19, 2024, the Taichung District Prosecutors Office indicted certain employees of the Company due to a software licensing dispute. The Company was also indicted under joint liability for the actions of its employees. This copyright case is currently under trial at the Taichung District Court in Taiwan. The Company has appointed legal counsel to respond to the charges. The current and former legal representatives of the Company were not indicted in this case. Although the private complainant filed a motion to review the non-prosecution decision, the Taiwan High Prosecutors Office, Intellectual Property Branch, dismissed the motion on November 19, 2024. The decision not to indict the Company's current and former legal representatives has been confirmed.
Product	Fair Trade Act, Personal Data Protection Act.	ISO 9001 Quality Management System and related procedures, SOP and forms, implement QC 080000 or RoHS system, effectively control harmful substances to meet international standards to avoid harming consumers.	<p>The Company has not been fined and compensated by customers for leaking customer privacy.</p> <p>The Company complies with the marketing and communication law and has no violations of laws and regulations, and no violations of health and safety regulations for products and services.</p>

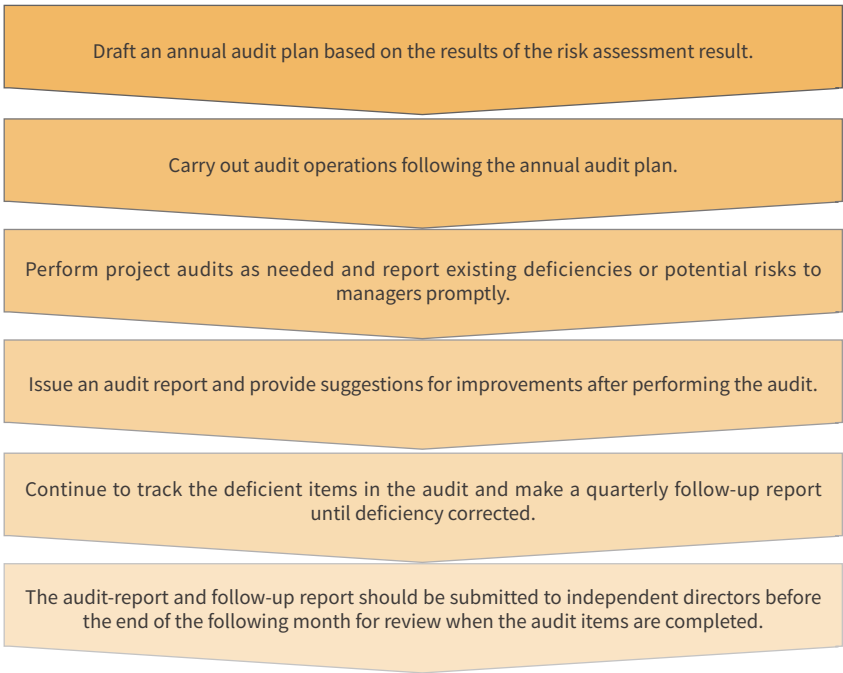
2-5 Internal Control and Management System Verification

Internal Control Mechanism

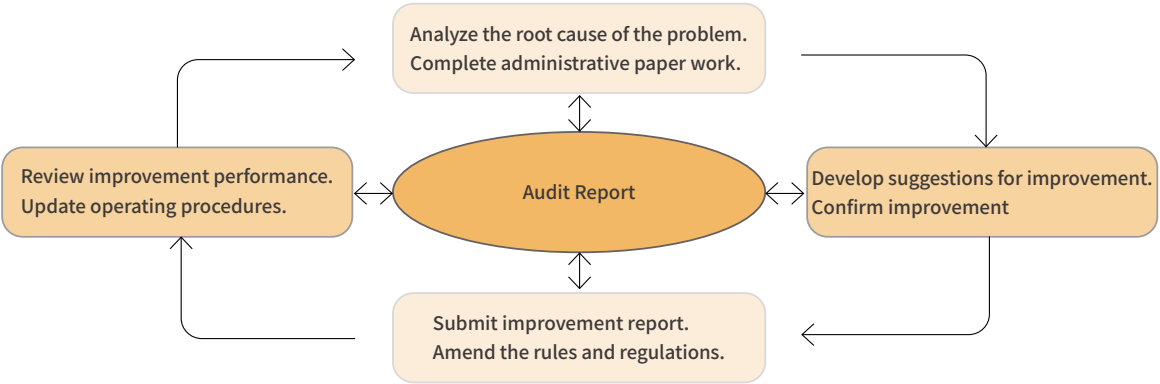
The Company's internal auditor regularly checks the compliance status, records the behavior patterns and consolidates the information to make an audit report for reviewing to ensure the effectiveness of the Company policies and improvement mechanism.

Internal Control Mechanism		
Scope	Target Audience	Management Measure
Evaluate the adequacy and effectiveness of the internal control system and the efficiency of operating activities.	Utilize due diligence and early warning communication methods to audit. The audit targets include all business units of the Company.	<p>Problem Based Method → The Internal Audit Department will draft the next year's audit plan based on the regulations released by the end of the last year and results of risk assessment then submit it to the Board of Directors for review and approval.</p> <p>Project Based Method → The senior executives or the head of the Internal Audit Department shall designate the audit subjects and work timeframe. The auditors shall conduct audit tasks within the determined period of time.</p>

Auditing Process



The general scheme of the internal audit performed by the PDCA cycle as shown in figure:



- There was no significant internal control deficiencies in 2024.
- In 2024, the Company conducted audits on a total of 48 items, achieving a 100% compliance rate. No material internal control deficiencies were identified.

● Internal Management System

Largan's Board of Directors and managers have established an internal management system in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" and relevant laws and regulations to improve the effectiveness of business management and product quality. The internal management system is mainly divided into three aspects:

Internal Control System

The internal control system covers the entire company's business operations, including the functions of management aspects such as planning, organizing, and controlling, as well as the nine pillars of internal control procedures such as sales, production, procurement, financing, salary, fixed assets, information technology, investment, research and development. The main purpose is to facilitate the effective operation of business organizations; the three basic objectives are as stated:

1. Ensure that the Company complies with policies and operating procedures.

2. Avoid wasteful, theft and inefficient use of asset.

3. Ensure the accuracy and validity of accounting and business operating data.

ISO Management System

At Largan we have established an ISO management system for managing issues such as production, quality, and environment. The relevant ISO certifications that have been approved are: ISO 9001 Quality, ISO 14001 Environment, ISO 45001 Health Management System and ISO 14064 Greenhouse Gas Inventory Audit.

Individual Management Measure

We have established relevant management measures for special projects such as credit management and expense approval authority to reduce high operational risks.

The corporate culture, core value of the employees and professional ethics are the foundations for advancing effectiveness of the business operations and continuous improvements of the three management systems mentioned above in accordance with the requirements of Largan's sustainable management philosophy. The aim is to improve operational performance, product quality and reliability and ultimately achieve sustainable management prospects and mission.

The diagram of the internal control management system is as shown:

Business Philosophy

Internal Control

ISO Management System

Management

Regulatory Compliance, Integrity, Business Ethics, Corporate Culture

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2024 Sustainability Report

2-6 Information Security

● Information and Communication Security Risk Management Structure

At Largan we intensify the information security management in accordance with the applicable regulations. The management structure is coordinated by the Vice President, and leads the Administrative Department, Information Technology Dept., Internal Audit Dept., and Legal Affair Office. The Vice President plays the role of overseeing and providing guidance to the Company's comprehensive security management strategies and suggestions for improvements; reports issues to the Chairman and the CEO, and assigns tasks for execution accordingly.

● Information Security Policy

Carry out risk assessment of information assets, and ensure the validity and compliance of software and hardware authorization, structures of the system, network security, and resource management, as well as include improvement plans regarding any risks detected.

Propagating the importance of confidentiality policy and data protection; managing files and records; monitoring mobile devices; managing access authorizations; compiling and checking records with Internal audit and legal affair departments; coordinating; reporting abnormal information; reducing risks of information breaching; maintaining important assets and competitiveness of the business.

Promote ideas and knowledge about information security for the employees to reinforce the awareness regarding their daily work.

Working closely with information security companies to conduct investigation, tackle and prevent any potential information security breach and weakness promptly.

● Implementation of the Measures

Multilayered Information Security Defense

- Build different branded multilayered firewall devices to enable multiple advanced functions such as detection technology, traffic monitoring, applications identifying, unknown malware analyzing, and blocking unknown and hostile connections in advance.
- Network control and monitor across factories and devices. Strengthen firewalls and network access control to prevent the spreading of viruses attack across devices and facilities.
- Adopt multilayered email protection gateways, enable functions such as Attachment Defense, real-time detection for URL, BEC scam, phishing, ransomware attack.

Endpoint Security

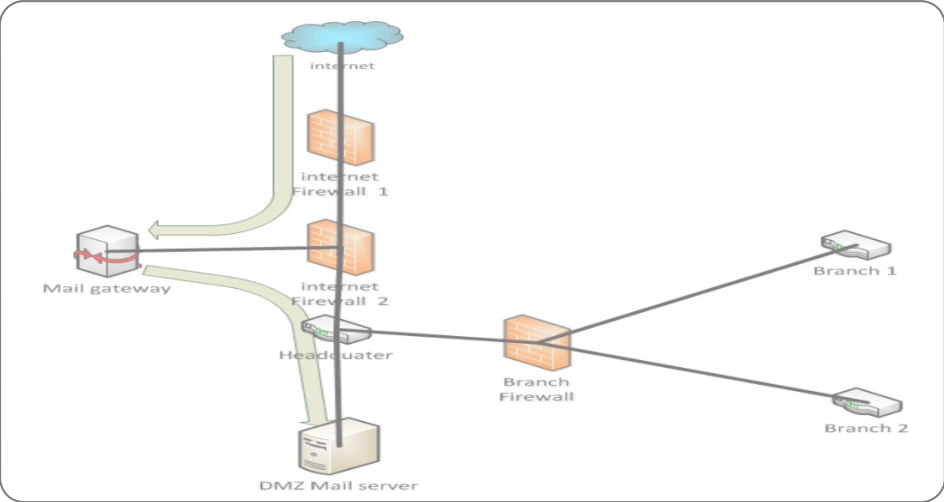
- Install more than one type of antivirus protection software on the computer according to its features. We import the new-generation APT endpoint protection system to monitor abnormal operational behavior by using its behavior detecting function in addition to enhancing basic antivirus protection with the aim to instantly block and remove hostile malware and reduce lateral movement. We utilize machine learning and behavioral analysis to block attacks on RAM from fileless malware.
- Purchase intrusion prevention services to prevent large-scale intrusions and provide alerts and warnings in time.
- Establish incoming machinery examination mechanism to prevent malicious software from entering the factory along with system loopholes.
- Conduct endpoint device control, strictly prohibits the use of portable storage devices or wireless devices.
- Network behavior monitoring, controlling and sandboxing to effectively manage and reduce the risks of accidental clicking on Phishing sites and downloading malicious software to personal computers while doing paperwork and websites browsing, as well as prevent hackers lurking from the outside.

Data Security Protection

- Import file encryption protection system to archives access control, record archives operating activities to prevent data breaching.
- Manage and monitor copying and scanning equipment. Unauthorized operations of the equipment are unavailable. Import the printing record saving software. All access and operations are recorded to make sure documents copying and scanning activities have kept.
- Outbound and inbound mail monitoring.
- Cloud storage access control.
- Import data backup system, establish backup and offline saving mechanism.
- Prohibition of software piracy: The use of software in the company must be legally authorized. Installing unauthorized software on personal computers or company laptops is an act of copyright infringement.
- Inspection mechanism: Comprehensive information security check is held on the fourth week of each month.

Information Confidentiality Policy

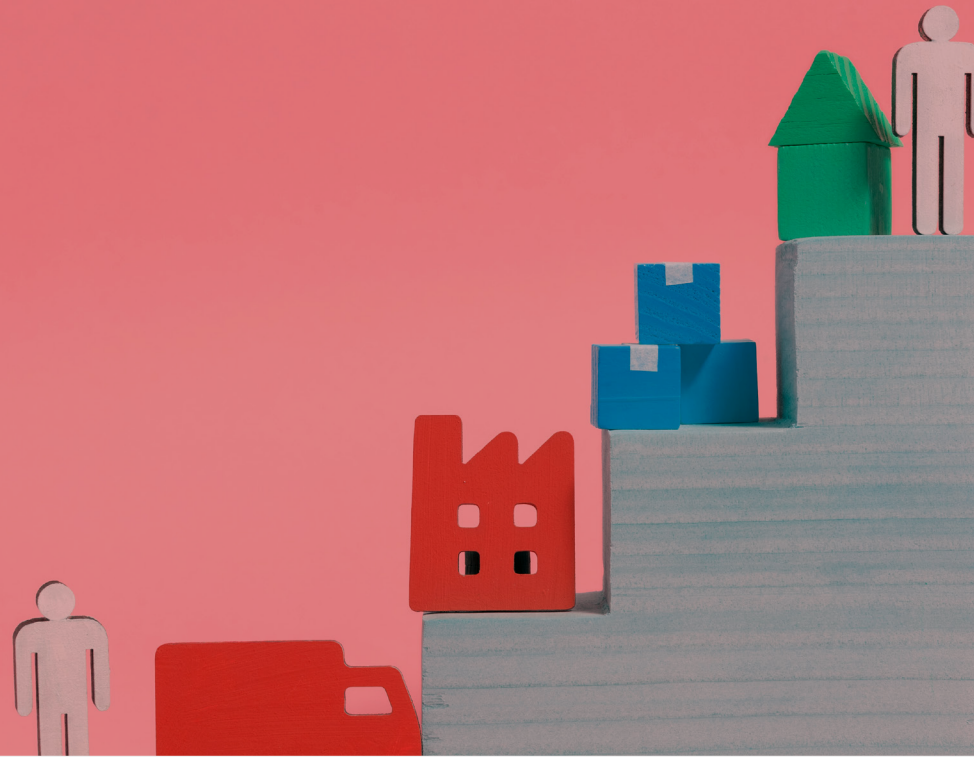
- Employees should take appropriate protection measures regarding the business secrets and confidential information the protection measures are as the followings:
- A confidentiality agreement should be signed before making authorized disclosure to a third party.
 - Abide by the labor contract and other relevant confidentiality management regulations.
 - Take necessary and reasonable protective measures to avoid unauthorized actions and obtain business secrets or confidential information.
 - Principles for company information disclosure: Employees shall not disclose any company information such as scope of business, technical information, any other tangible or intangible business secrets and confidential information to other third parties without authorization and permission as the information are valuable assets to the company.



Note: Schematic diagram of multilayered information security protection

In accordance with the FSC ESG Reporting Guidelines, the Company continues to strengthen information security management. In 2024, all information security targets were achieved. There were no incidents related to information or cybersecurity breaches, no data leaks, no violations involving personal data, and no regulatory penalties.

2024 Information Security Performance Indicators	Case
Number of information or cybersecurity breach incidents (case)	0
Number of data leakage incidents (case)	0
Number of cybersecurity violations involving customers' personal data (case)	0
Number of affected customers and employees due to data leakage (case)	0
Number of fines imposed due to information or cybersecurity-related incidents (NTD)	0



03 | Operational Performance & Customer Service

3-1 Operational Performance and Challenges

3-2 Tax Policy

3-3 Customer Relationship and Service

3-4 Customer Privacy

Operational Performance & Customer Service

The sustainable operational goals at Largan are to provide a steady and stable financial performance, increase the value for product innovation, comply with the regulations while providing satisfactory service to our customers, and play a role in sustainable supply chain operation. We have come up with a few objectives for short-, medium- and long-term goals with the aim to maximize the profits and achievements as shown in the table.

	Short-Term (2024~2025)	Medium-Term (2026~2029)	Long-Term (2030 and Beyond)
Operational Performance	Customer Satisfaction Score over 90 points	2026~2027Y: Maintain an average customer satisfaction score of 90 or above 2028~2029Y: Maintain an average customer satisfaction score of 92 or above	Customer Satisfaction Score over 92 points
Regulatory Compliance	Violation of the Fair-Trade Act: 0 cases	Violation of the Fair-Trade Act: 0 cases	Violation of the Fair-Trade Act: 0 cases

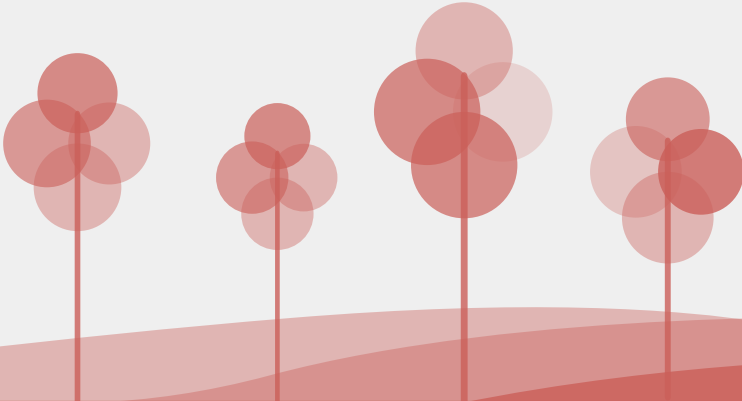
● Performance and Goal of Material Topics

At Largan, we have set the objectives and performance guidelines with the aim to increase the overall business growth. We also hope to increase the added value of our products, provide satisfying service to our customers and to play an influential role in sustainable management of the supply chain. Please find our objectives as shown in chart:

Operational Performance			Regulatory Compliance		
2024 Target Performance	2024 Achieving Status	2025 Target Performance	2024 Target Performance	2024 Achieving Status	2025 Target Performance
Customer Satisfaction Score over 90 points	92.4 → Achieved	Customer Satisfaction Score over 90 points	Violation of Fair-Trade Act: 0 cases	0 → Achieved	Violation of Fair-Trade Act: 0 cases

3-1 Operational Performance and Challenges

Policy of Operational Performance: Continuous Growth and Earn Profit	
Management Measure	<ul style="list-style-type: none">• Goals and Objectives: Sustainable and robust financial performance with continued growth and profitability.• Commitment: Create stable economic value.• Management Measure:<ul style="list-style-type: none">(1) Maintain a good financial structure to provide a strong back up for sales, production, and R&D.(2) Plan for short-, mid-and long-term capital operation strategies to maximize return on capital under the principle of stability.



The business philosophy at Largan is "Innovation, Professional, Rapid, and Flexibility." We hope to take the business operation to the next level by committing ourselves to provide transparency of information and make continuous efforts to excel in our professionalism and enhance leadership of board of directors with the target to protect the interests of our shareholders.

Hereunder are Largan's operating strategies based on different functions:

Production Strategy	<ul style="list-style-type: none">• Upgrade the production technology and efficiency using the existing equipment.• Management of raw material and finished goods.• Ensure the execution of ISO 9001& ISO 14001 to achieve quality control management.
Sales Strategy	<ul style="list-style-type: none">• Existing customers → Provide services and products that are competitive and attractive to the customers.• Potential customers → Actively expand the customer base and prospecting using the feature optical technology.• End users → Make connections and introduce the products directly to the end users.
R&D Strategy	<ul style="list-style-type: none">• Get ahead of the future market trend and develop new products.• Actively invest in the latest optic/mechanic R&D.
Operational Strategy	<ul style="list-style-type: none">• Working to achieve horizontal management and project management reinforcement.• Intensifying internal staff training while recruiting new outstanding talents to increase business competitiveness.
Financial Strategy	<ul style="list-style-type: none">• Maintain a good financial structure and provide strong backing for sales, production, research and development.• Plan the use of long- and short-term funds to create the maximum return of the investment.

Largan provides services that focus on the R&D, design, production, sales, and after-sales technical services of various optical lens modules and optoelectronic components. Our products range include cell phones, 3D structured light, Time of Flight (ToF), In-Display Optical Fingerprints, drones, tablets, wireless webcams, smart TVs, Augmented Reality (AR), Virtual Reality (VR), Internet of Things (IoT), wearable devices lens, iris recognition lens, medical devices lens, car lens, glass, and related optoelectronic components. We are the leading manufacturer of plastic precision optical lenses in the world.




In addition to developing various light, thin, short and small optical components to fit the market needs, our subsidiaries also manufacture products such as voice coil motors (Largan Digital Co., Ltd.), contact lenses (Largan Medical Co., Ltd.), sleep monitoring devices (Largan Health AI Co., Ltd.), automotive lenses (Largan Industrial Optics Co., LTD), advanced fiber laser and space communication technology (PhotoniCore Technologies Co., Ltd.), various single crystal and ceramic materials (Taiwan Applied Crystal Co., Ltd.), anode materials (Largan Energy Material Co., Ltd.). We actively expand product categories and production capacity with the aim to get ahead of the development trends and fulfill the demand of the market.

● Main Product and its Function:

Main Product	Function
Optical Camera Lens	Mainly used in scanners, multifunctional printers, mobile phones, drones, wearable devices, tablets, and smart TVs
Optical Glass Product	Mainly used in DVD readers and optical mice.

As the popularity of smartphone users increased, the market has reached its plateau. Largan is committed to invest in R&D with the aim to create continuous business growth.

● Product of Largan Group:

<div></div> <div>Material Communications</div> <div><ul style="list-style-type: none">• Taiwan Applied Crystal Co., Ltd.• PhotoniCore Technologies Co., Ltd.• Largan Energy Material</div>	<div></div> <div>Lens Applications</div> <div><ul style="list-style-type: none">• Largan Precision Co., Ltd.• Largan Digital Co., Ltd.• Largan Industrial Optics Co., LTD</div>	<div></div> <div>Medical Aesthetics</div> <div><ul style="list-style-type: none">• Largan Health AI Co., Ltd.• Largan Medical Co., Ltd• Largan Health & Beauty Co., Ltd..</div>
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The Company's core business focuses on the research and development, design, manufacturing, sales, and after-sales technical services of various optical lens modules and optoelectronic components. With the increasing penetration rate of smartphones, the overall smartphone market has entered a plateau phase. Largan continues to invest in R&D and successfully develop new technologies and products, enabling sustained growth in operating performance. In 2024, revenue increased by 22% compared with the previous year.

● Operational Performance Regarding Direct Economic Value of Production and Distribution in the Last 3 Years:

Unit: Thousand (NT\$)

Item	2022	2023	2024
Consolidated Revenue	47,675,228	48,842,247	59,457,553
Operating Profit	26,082,674	23,793,684	31,209,309
Net Profit Before Tax	27,826,702	22,101,981	32,174,370
Net Profit After Tax	22,625,049	17,902,322	26,210,952
Other Comprehensive Gains and Losses	1,221,583	2,170,731	2,915,803
Total Comprehensive Income	23,846,632	20,073,053	29,126,755
Dept Ratio	169.52	134.13	194.17
Earnings Per Share	16.14%	15.18%	14.38%
Return on Equity	15.24%	11.17%	14.94%
Board of Directors Shareholding Ratio	18.61%	18.61%	18.61%

Note: Subsidiaries included in the consolidated statement are Largan (Hong Kong) Ltd, Astro International Ltd, Amtai International Ltd., Net International Trading Ltd, Largan (Dongguan) Optronic Ltd., Largan Industrial Optics Co. Ltd, and Fang Yuan Co. Ltd

● Percentage of Main Product Sales Revenue in the Last 3 Years

Unit: Thousand (NT\$)

Product \ Year	2022		2023		2024	
	Amount	Ratio%	Amount	Ratio%	Amount	Ratio%
Commodity Sales	47,052,195	98.69%	48,300,326	98.89%	59,052,085	99.32%
Other	623,033	1.31%	541,921	1.11%	405,468	0.68%
Total	47,675,228	100%	48,842,247	100%	59,457,553	100%

● Sales Performance of Main Products by Region in the Last 3 Years:

Unit: Thousand (NT\$)

Product \ Year	2022		2023		2024	
	Amount	Ratio%	Amount	Ratio%	Amount	Ratio%
China	19,638,355	41.19%	16,936,888	34.68%	22,286,919	37.48%
Vietnam	9,159,948	19.21%	7,993,862	16.37%	8,266,160	13.90%
Korea	10,241,099	21.48%	15,631,026	32.00%	21,751,805	36.59%
Japan	7,367,435	15.45%	4,868,416	9.97%	3,137,110	5.28%
Other	1,268,391	2.67%	3,412,055	6.98%	4,015,559	6.75%
Total	47,675,228	100%	48,842,247	100%	59,457,553	100%

Note: The number is not disclosed because the revenue ratio is less than 10%

● Green Deposit

In response to ESG Sustainable Development Goals, Largan has transferred partial foreign deposits to green deposits through Sumitomo Mitsui Banking Corporation and Taipei Fubon Commercial Bank. The fund will only be reserved for use in environmentally friendly projects such as renewable energy and sustainable supply chain with the aim to help the environment and pursue social sustainability development as a whole.

• Economic Value Distributed for Employee Compensation and Benefits, and Payments to Providers of Capital

Unit: Thousand (NT\$)

Item	2022	2023	2024
Employee Compensation and Benefits (Note)	9,266,364	6,631,696	7,590,658
Payments to Providers of Capital	2,180,175	3,231,090	814,125
Dividend Payments	2,028,798	2,943,012	454,423
Interest Payments on Bank Loans	151,377	288,078	359,702
Payments to Government (Income Tax)	978,976	1,202,628	359,070

Note: Includes salary expenses, labor and health insurance expenses, pension expenses, and other employee welfare expenses.

3-2 Tax Policy

Largan supports tax policy that encourages enterprise innovation and sustainable development. We are committed to manage tax risks with clarity and the aim of pursuing sustainable development and fulfilling corporate social responsibility. At Largan our commitments are as the followings:

1 All operational activities will comply with all applicable tax laws and regulations.

2 Financial reports will be disclosed in accordance with applicable tax regulations and reporting standards.

3 Any transaction for tax avoidance purposes will be prohibited.

4 Develop strong, mutually respectful relationships with tax authorities based on transparency and trust.

5 Operational performance.

3-3 Customer Relationship and Service

● Customer Maintenance and Satisfaction Survey

We conduct customer satisfaction surveys routinely based on the operating procedure. The Sales Department conducts customer satisfaction surveys by door-to-door visits, fax, email, or mail on yearly basis.

- Complete the customer satisfaction survey by our customers.
- Sales personnel return the surveys to the responsible department and propose corresponding countermeasures based on the unsatisfying items.
- Customer satisfaction survey and improvement result will be included in the management review meeting.

In addition to the customer satisfaction survey, the following KPI goals are also included in the measurement, monitoring, and improvement analysis to better our service:

- Delivery accuracy rate or delivery achievement rate, numbers of excess freight.
- Numbers of customer complaints per month.
- Number of external failure costs/compensation amount.
- Number of cases of the claim compensation due to an interrupted production line Number of cases for quality cost of the return, recall, and re-repair by customers.
- Special conditions notified by customers (disqualification, compensation)

The purpose of the customer survey is to help us to achieve our long-term ambition. With the foundation of having satisfying customers, we are one step closer to the door of success. We aim to enhance customer satisfaction rate by adapting resources such as ERP management system, and procurement management platform. We actively make constant adjustment and improvement to optimize our service with the aim to create a triple win and bright future among the company, customers and our suppliers.



● Customer Satisfaction Survey, the Top 10 Customers in 2024 are All from Overseas.

Item	Overseas (2022)	Overseas (2023)	Overseas (2024)
Quantity Collected/Issued	10/10	10/10	10/10
Response Rate (%)	100%	100%	100%
Average Satisfaction Score	91.8	92.1	92.4
Target Satisfaction Score	90	90	90
Achievement Status	Achieved	Achieved	Achieved

● In 2024, the items rated as excellent in satisfaction included the following:

Responsiveness to engineering changes

New product design cycle

Capability to address product diversification

Compliance with green and environmental requirements,

Sample provision

Logistics speed

Development capability

● Customer Feedback and Response

The Company has set up a message system on the official website in response to dealing with customers' inquiries in time. Customers can easily find contact information on our website and tell us what they think via channels through email or customer service hotline. Once receiving the feedback, we will immediately forward customers' opinions to the internal office for processing with the aim to protect the customer's interest and rights.

• Customer Complaint Management Procedure

Activate customer complaint management procedure as soon as a complaint is made to make sure the request and need of the customer is handled immediately and therefore reduce the recurrence rate of the same incident from happening again.

Apply the 8D problem solving measures to find the root cause when an abnormal complaint occurs. Make continuous improvement by intensifying internal training after reviewing the effective countermeasures taken.

Customer
Complaints

Sales
information
collecting

Inform
relevant
departments

Customer
Complaint
meeting

Root cause analysis
• 5Why analysis
• Fishbone diagram

Formulate
countermeasures

Implement
measures
and follow up
performance

Feedback to
customer

Tracking
performance,
quality
improvement

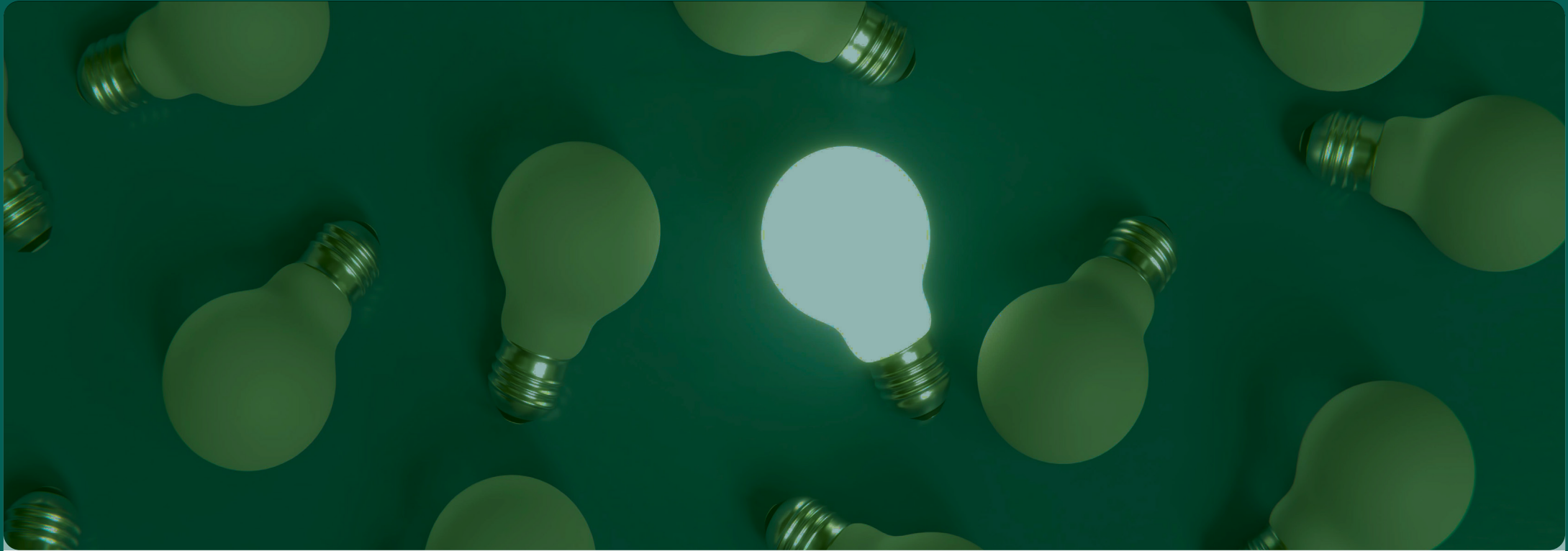
3-4 Customer Privacy

Largan provides the best customer service, and we believe that appropriate engagement is an important key to maintaining customer relationships. And good customer relationships will help build customer loyalty, and better customer loyalty will help us to create a strong bond with our customers and ultimately help us to expand our business.

The customers are important partners of Largan, and the privacy and confidential information of the customer are strictly protected at Largan in accordance with applicable regulations and requirements. We make a commitment that the production process of all products follows international regulations and guidelines to ensure its safety and quality. We provide channels of complaints and feedback to our stakeholders with the aim to protect their rights and interests from any direct or indirect harm caused by the products or service.

* Here at Largan, we hope to increase customers' satisfaction rate, loyalty and trust by making continuous improvement on our services and products. As of the end of 2024, Largan has achieved remarkable results in the protection of customers' personal information. We received no complaints from the customers and there have been no incidents of violating the protection of private information, nor have we violated laws or regulations on product and service information and labeling.





04 | Innovation Development

- 4-1 Product Research and Innovation
- 4-2 Performance of Patent Development
- 4-3 Performance of Trade Secret Protection

- 4-4 Product Quality Management
- 4-5 Market Prospects

Innovation Development

Largan is committed to product development and quality improvement and creating sustainable profitable growth. We primarily focus on aspects such as product R&D and innovation, ensure patent protection, trade secret protection, regulatory compliance, product quality control management and evaluation on the market prospects. The table shows the summary of our short-term, medium-term and long-term goals:

	Short-Term (2024~2025)	Medium-Term (2026~2029)	Long-Term(2030 and Beyond)
Quality Control Management	(1) Pass the quality management system ISO 9001/IATF 16949 in 2024 Pass the quality management system ISO 9001 in 2025 (2) No violation of European Union Restriction of Hazardous Substances (3) No violation of REACH SVHC	(1) Pass the yearly quality management system ISO 9001/IATF 16949 (2) No violation of European Union Restriction of Hazardous Substances (3) No violation of REACH SVHC	(1) Pass the yearly quality management system ISO 9001/ IATF 16949 (2) No violation of European Union Restriction of Hazardous Substances (3) No violation of REACH SVHC
Regulatory Compliance	No product labeling or patent regulation violation 0 cases	No product labeling or patent regulation violation 0 cases	No product labeling or patent regulation violation 0 cases

Note: No update to the quality management system-related objectives was required.

● Targets and Performance of Material Topics

Largan is committed to product development and innovation, patent development achievements and product quality control management and regulatory compliance. The major achievements and performance for the last 2 years as shown in the table:

Product Quality and Delivery			Regulatory Compliance		
2024 Target Performance	2024 Achieving Status	2025 Target Performance	2024 Target Performance	2024 Achieving Status	2025 Target Performance
Pass the Quality Management System ISO 9001/IATF 16949 every year	Pass the Quality Management System ISO 9001/IATF 16949 every year → Achieved	Pass the Quality Management System ISO 9001/IATF 16949 every year	Number of violations of EU RoHS, REACH SVHC prohibitions, product labeling, or patent regulations: 0	0 → Achieved	Number of violations of EU RoHS, REACH SVHC prohibitions, product labeling, or patent regulations: 0

4-1 Product Research and Innovation

There is a wide range selection of optical components to choose from when manufacturing imaging products based on its function and purpose. Choices of lens are such as glass, plastic, spherical or aspherical lenses... etc. As of the trend now, the consumers have certain requirements and expectations for the size, resolution, features and function of the optoelectronic imaging products. It generally needs to be lighter and smaller with the aim to be cost effective. The mobile phone lens is a critical area in the mobile phone industry, affecting the quality and performance of photography and video functions. Largan Precision is dedicated to product development and quality enhancement, continuously striving for self-improvement and growth to meet user needs and enhance the photography experience.

Lens Structure Innovation	Developing thinner, lighter, and more compact lens structures to meet the design needs of mobile phones while ensuring high-quality imaging.	Optical Performance Enhancement	Continuously optimizing the optical system of lenses, including lens materials, quantity, and configuration, to improve resolution, contrast, and color reproduction.	Optical Stability Technology	Introducing advanced optical stability technologies, such as optical vibration reduction and optical image stabilization, to reduce shake during handheld shooting, thus enhancing clarity and stability.
Low-Light Performance	Improving the optical design and sensors to enhance shooting performance in low-light environments, increasing detail in dark areas and reducing noise.	Multi-Lens Configurations	Adopting multi-lens configurations, such as wide-angle, ultra-wide-angle, telephoto, and macro lenses, to cater to different scene requirements and photography styles.	* The company plans to invest 5-15% of its revenue in R&D in 2025, adjusting this figure based on global market conditions and the company's actual operational situation.	

● Technology and Products Development

List of technology and products developed in 2024:

Item	Technology and Products Developed
Phone Camera	Development of new 6P 21M AF mobile phone lens
	Development of new 6P 23M AF mobile phone lens
	Development of new 4P 13M AF mobile phone lens
	Development of new 6P 8M AF mobile phone lens
	Development of new 6P 24M AF mobile phone lens
	Development of new 5P 24M AF mobile phone lens
	Development of new 5P 20M AF mobile phone lens
	Development of new 5P 32M AF mobile phone lens
	Development of new 6P 48M AF mobile phone lens
	Development of new 6P 13M freeform surface mobile phone lens
	Development of new 6P 108M AF mobile phone lens
	Development of new 7P 40M AF mobile phone lens
	Development of new 7P 50M AF mobile phone lens
	Development of new 7P 50M freeform surface mobile phone lens
	Development of new 7P 200M AF mobile phone lens
	Development of new 8P 108M AF mobile phone lens
	Development of new 8P 50M AF mobile phone lens
	Development of new 1WLG7P 1" AF mobile phone lens
	Development of new 2 peripheral periscope mobile phone lens
Rear Camera Lens	Development of new 1MG7P 1" mobile phone lens
	Development of new 1MG6P 1" mobile phone lens
	Development of new multi-periscope mobile phone lens
	Development of new 3P3G VGA wide angle design
	Development of new 6G 1.3Mwide angle design
	Development of new 6G VGA wide angle design
	Development of new 8G VGA narrow angle design
	Development of new 1G4P wide angle design
	Development of new 2G2P wide angle design
	Development of new 4G1P 1Mwide angle design
	Development of new 2G3P 1Mwide angle design
	Development of new 1G5P 1Mwide angle design
	Development of new 2G4P 1Mwide angle design
	Development of new 4G3P 5Mwide angle design
	Development of new 7G1MG 3Mwide angle design

4-2 Performance of Patent Development

Total of 1,336 Largan global patent applications are in progress with 3,623 patents already obtained globally. (Statistics dated until 2024/12/31)

● List of Patents of Product Approved in the Last Three Years:

Year	Category	Numbers of Invention	Numbers of Utility Model Patent	Numbers of Appearance Design	Total
2022		327	47	0	374
2023		411	25	0	436
2024		325	44	0	369

● Product Expenses in the Last Three Years as Shown in the Table:

Unit: Million (NT\$)

Year	Expense Item	R&D Expenses	Income	Percentage of Revenue (%)
2022		4,154	47,675	8.71%
2023		4,191	48,842	8.58%
2024		5,247	59,457	8.82%

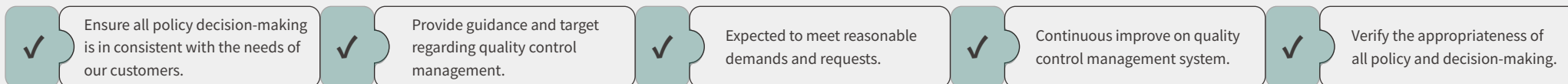
4-3 Performance of Trade Secret Protection

At Largan we understand that the trade secret is the key to sustainable development of the business. Therefore, we not only proactively take protective measures, but also take actions such as joining trade secrets protection associations, putting efforts in amending the laws, and hosting relevant seminars to raise the overall awareness of trade secrets protection. We have actively pursued the justice of the trade secret theft that was committed by the unethical business competitors. We solemnly pressed criminal charges and requested for compensation against the unlawful party to set the record with the aim to show our determination and commitment here at Largan, to protect the confidential technology as well as maintain our competitiveness in the industry.

4-4 Product Quality Management

● Quality Policy: "Commitment, Quality Assurance, Efficiency Improvement, Accurate Delivery, Customer Satisfaction"

At Largan we insist on the importance of quality management, and we are committed to the policy as follows:



We value how our products have an impact on the customers in terms of safety and health aspects. We aim to increase the reliability and safety of our products by carefully assessing and evaluating the overall product performance throughout the entire development and verification stages as well as getting customer's feedback of their experience for future reference. We also establish "Control of Hazardous Substance Regulation" based on the regulations of RoHS and REACH SVHC to strictly control and request our suppliers regarding the use of prohibited/ restricted chemicals substances for manufacturing material and components with the aim to meet the requirement of the overall regulation and customers expectation.

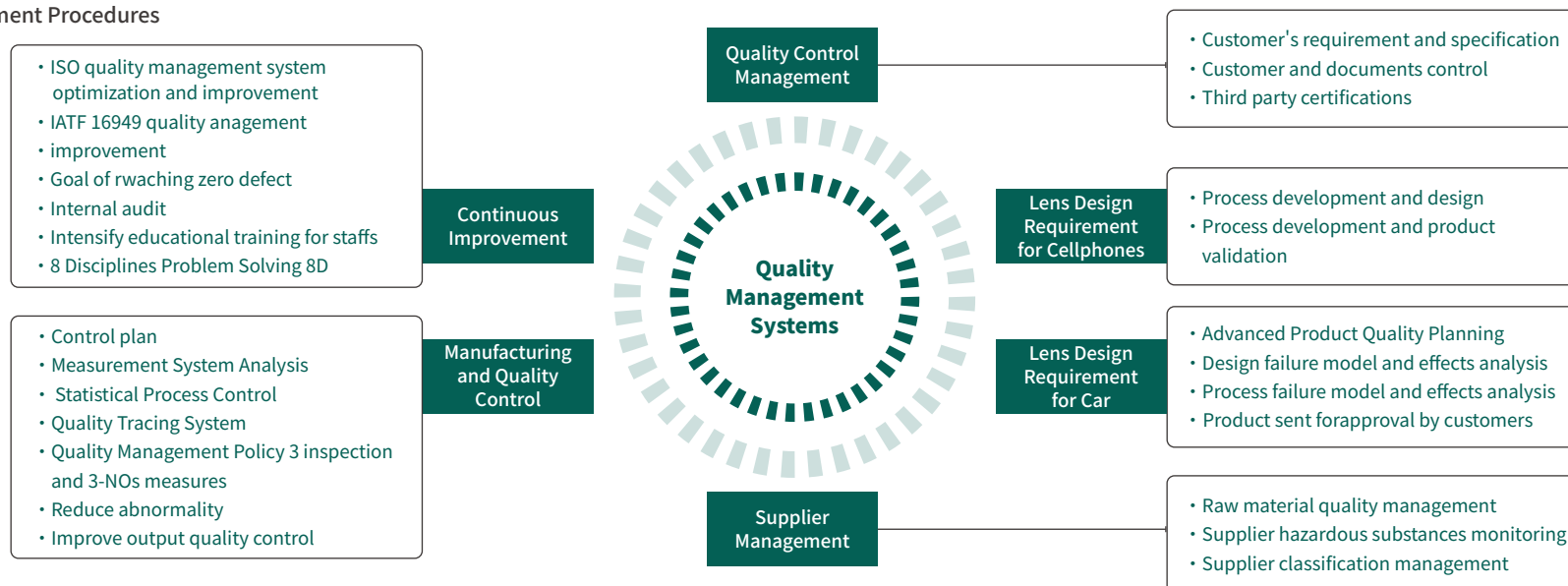
We will make continuous efforts to meet the requirements in accordance with international regulations, customer expectation, and the environmental protection trends. Keep tracking on and update the current hazardous substance management status with the aim to help reduce the impact and burden made on the ecosystem. To achieve the goal, we set up a hazardous substance investigation group to cautiously examine every step during the production process from knowledge learning, material importing and exporting, production process monitoring, to goods delivery, as well as enhance the fundamental education on topics such as the requirements of RoHS for our employees to strengthen the daily awareness of environmental protection.

We also adhere to our commitment to material and supplier management. Quality control department built the monitoring system; we aim to manage the quality of the incoming material effectively. The system helps internal departments to reduce the defect rate of the products produced, enhance the process control of the production, and detect defects at early stages to prevent any abnormal events happening which would potentially have impacts on the customers.

We offer product quality training courses and improvement programs to help the staff with their problem resolving skills.

● The Company's products have no violations of health and safety regulations for products and services in 2024.

● Quality Management Procedures



4-5 Market Prospects

The future of the mobile phone lens market is influenced by various factors, including technological innovation, consumer demand, competition, and industry trends. Key factors likely to impact the market's future include:

Technological Innovation	Over time, mobile phone lens technology will continuously improve. For example, more advanced lens structures, higher resolution, more powerful optical stabilization functions, and better low-light performance can all drive market growth.
Consumer Demand	Consumer demand for photography and video functions is increasing. Consumers now expect mobile phone lenses to offer more features and higher quality imaging capabilities. With the rise of social media and video content, this demand is likely to continue growing.
5G Technology	The proliferation of 5G technology is expected to drive demand for high-definition video and video calls. This trend will likely spur the development of the mobile phone lens market as users seek high-quality lenses to capture and share their lives.
Market Competition	Competition among mobile phone manufacturers is intense. These companies continually strive to improve lens technology to attract consumers. This competitive environment is expected to lead to product innovation and price competition, impacting the future development of the market.
Emerging Applications	Emerging applications such as Augmented Reality (AR), Virtual Reality (VR), and Mixed Reality (MR) are gaining popularity. The demand for more advanced lens technology to support these applications is expected to grow, driving the expansion of the mobile phone lens market.

Overall, the future of the mobile phone lens market depends on technological innovation, consumer demand, market competition, and the development of emerging applications. As technology continues to advance and market needs evolve, the mobile phone lens market is expected to grow, though it will face challenges from intense competition and technological breakthroughs.





05 | Sustainable Supply Chain Management

5-1 Management Policy and Goals of Supply Chain Management

5-2 Suppliers Management

5-3 Supplier Selection

5-4 Ethical Consumption

Sustainable Supply Chain Management

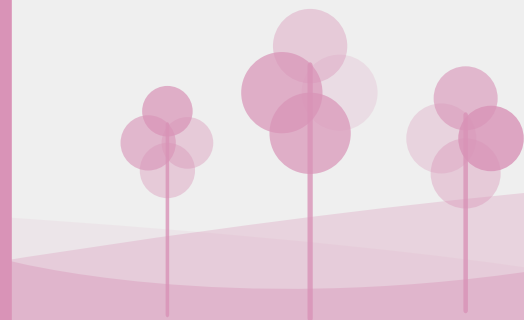
In order to establish a sustainable supply chain, Largan not only complies by laws, regulations and ethical procurement, but also assists the sustainable operation of the supply chain. We plan short-term, medium-, and long-term sustainable operation goals and work plans as shown in the following table:

	Short-Term (2024~2025)	Medium-Term (2026~2029)	Long-Term (2030 and Beyond)
Supply Chain Management	Minerals: Conduct product precious metal source investigations on raw material suppliers. Ensure sourcing of 100% conflict-free mineral	Minerals: Conduct product precious metal source investigations on raw material suppliers. Ensure sourcing of 100% conflict-free mineral	Minerals: Conduct product precious metal source investigations on raw material suppliers. Ensure sourcing of 100% conflict-free mineral
	Sign the Supplier Code of Conduct: Carry out inapplicable/prohibited substance investigations on raw material suppliers, with a completion rate of 100%	Sign the Supplier Code of Conduct: Carry out inapplicable/prohibited substance investigations on raw material suppliers, with a completion rate of 100%	Sign the Supplier Code of Conduct: Carry out inapplicable/prohibited substance investigations on raw material suppliers, with a completion rate of 100%
	Supplier Auditing: Perform supplier audit and social and environmental responsibility investigation on raw material suppliers, with a completion rate of 100%	Supplier Auditing: Perform supplier audit and social and environmental responsibility investigation on raw material suppliers, with a completion rate of 100%	Supplier Auditing: Perform supplier audit and social and environmental responsibility investigation on raw material suppliers, with a completion rate of 100%

● Performance and Goal of Material Topics:

To achieve not only regulatory compliance and ethical procurement for Largan, but also the more important goal of establishing sustainable supply chain operations, the Company has set the following key topics, targets, and performance indicators:

2024 Target Performance	2024 Achieving Status	2025 Target Performance
Minerals: 100% utilization rate of conflict-free minerals and conduct source investigation on the supply of raw material of precious metal.	100% → Achieved	Minerals: 100% utilization rate of conflict-free minerals and conduct source investigation on the supply of raw material of precious metal.
Signing the Supplier Code of Conduct: 100% completion rate conducting investigation on inapplicable/prohibited substances used by raw material suppliers.	100% → Achieved	Signing the Supplier Code of Conduct: 100% completion rate conducting investigation on inapplicable/prohibited substances used by raw material suppliers.
Supplier Auditing: Perform supplier audit and social and environmental responsibility investigation on raw material suppliers, with a completion rate of 100%.	100% → Achieved	Supplier Auditing: Perform supplier audit and social and environmental responsibility investigation on raw material suppliers, with a completion rate of 100%.



5-1 Management Policy and Goals of Supply Chain Management

With the desire to promote business development at Largan, we need support and collaboration from partners of the supply chain. All partners must also comply with the social responsibilities of the supply chain, including environmental protection, labor and human rights, conduct of morals and ethics, health and safety, risk management, and no use of conflicted minerals and metal.

Largan has established "Procurement Management Procedures" to ensure that all suppliers of raw materials and components are qualified legitimate suppliers, and are capable of providing stable material supply to meet the company's requirements. We hope to establish mutual trusting and sustainable partnerships with our suppliers to grow together. The general qualification criteria for supplier selection and approval require domestic key raw material and major consumable suppliers to have passed quality certifications such as ISO 9001 or IATF 16949. If such certifications are not in place, on-site evaluations will be arranged as needed.

Management Policy of Supply Chain: Build a Sustainable Supply Chain

Management Measure

- Goals and Objectives: Build a trustworthy, reliable and sustainable partnership with our suppliers to grow together.
- Commitment: Ensure that all suppliers of raw materials and components are qualified legitimate suppliers, and are capable of providing stable material supply to meet the Company's requirements.
- Management Measure: Set up Procurement Management Procedures, conduct supplier evaluation and delivery management.

5-2 Suppliers Management

● Supplier Categories, Relationship and Philosophy

The suppliers of Largan can be divided into five categories: raw material, workpiece, purchased goods, contract engineering, and waste disposal.

- In 2023, there were a total of 2,055 qualified suppliers. Domestic suppliers numbered 1,955, accounting for 95.13%, while overseas suppliers numbered 100, accounting for 4.87%.
- In 2024, there were a total of 2,059 qualified suppliers, with the number of overseas suppliers increasing by 4 compared to 2023. Domestic suppliers numbered 1,955, accounting for 94.95%, while overseas suppliers numbered 104, accounting for 5.05%.

Category Year	Domestic Supplier						Overseas Supplier	Total
	Raw Material	Workpiece	Purchased Goods	Contract Engineering	Waste Management	Sub Total		
2022	12	139	1,631	115	13	1,910	86	1,996
2023	11	158	1,635	137	14	1,955	100	2,055
2024	10	148	1,660	124	13	1,955	104	2,059

● Supplier Relationship and Philosophy

With the aim to support Taiwan's local economy and employment opportunities, we have made great effort to develop local suppliers as our primary choice. In order to ensure that the products of qualified suppliers comply with EU RoHS/REACH/conflict minerals and other regulatory requirements, all qualified suppliers of major raw materials sign the latest 10 restricted substances declarations and conflict minerals commitments in line with EU RoHS 2.0 to ensure that all suppliers During the supply period, the relevant international laws and regulations and the requirements of the company's specifications are applicable. We continue to keep the same evaluating standards for new vendors with the aim to put our promise of green production into action.

● Goal of Supplier Management

We use procurement ERP software to overall manage our supplier data. The system features immediate updates and requests from our procurement team to the suppliers for instructions and targets such as "running incoming material quality control inspection (IQC)," or "overdue delivery" to better and easily manage the material supply status and expected payment amount. The same data can also be used as reference for performance evaluation later.

● Communication with Suppliers

Here at Largan we hope to cooperate with our suppliers with the aim to create mutual benefits and growth while meeting the ethical and environmental requirements. In addition to engaging in regular communication with our suppliers to keep track of the quality of incoming material and production process related matters, we also regularly conduct performance assessments of our partners. For those that offer outstanding cooperation and performance, we provide incentive rewards by managing annual procurement deals with the top tier suppliers to create a win-win situation for both parties.

5-3 Supplier Selection

● Qualified Supplier Auditing

There are two types of auditing based on its frequency, regular audit and irregular audit.

Regular Audit	Irregular Audit
<p>Perform annual regular audits on major raw material suppliers with significant influence to ensure its supply stability and service quality. Audit range includes supplier's irreplaceability, materiality of finance and other factors that may cause impact on supply stability.</p> <ul style="list-style-type: none"> • The auditing is performed based the supplier audit evaluation survey and social responsibility evaluation survey. • The audit method includes on-site assessment or written review (supplier self-assessment). 	<ul style="list-style-type: none"> • Special audit when the management status changes, or the incoming material has a major abnormality. • Requested by senior executives.

● Audit and Evaluation

Suppliers that have a significant impact on product quality will be evaluated following the regulations of supplier evaluation management. Audit service includes inspection and calibration.

Year	Audit and Evaluation
2022	• Major material suppliers: 12; the evaluation ratings: 12 (Excellent). • There was no supplier on the rejection list.
2023	• Major material suppliers: 11; the evaluation ratings: 11 (Excellent). • There was no supplier on the rejection list.
2024	• Major material suppliers: 10; the evaluation ratings: 10 (Excellent). • There was no supplier on the rejection list.

● Sample Acknowledgement and Delivery Management

Largan ensures all decisions made regarding exportation follow government policy and comply with regulation established by the International Trade Bureau of the Ministry of Economic Affairs. Procurement Department will notify the suppliers guidelines to follow regarding relevant environmental regulation as well as request an ICP test report and SDS Data Sheet when a sample is approved.

Item	Management
ICP Test Report	<ul style="list-style-type: none"> • For high-risk material, a valid one-year ICP test report must be provided yearly. • For low-risk material, a valid five-year ICP report must be provided every 7 years.
Safety Data Sheet (SDS)	<ul style="list-style-type: none"> • If there is any change in the ingredient formula, the supplier should update and inform in parallel.
Certificate of Non-use for Hazardous Substances	• Submit once a year.
Supplier Inspection Item List	• Submit once a year.
EU REACH (SVHC) compliance survey	• Submit once a year.



● Supplier Environmental Protection Mechanism

All procurement made involving environmental materiality including raw materials, mechanical facilities (machines, molds/governance/tools), and services (engineering, outsourcing), if they involve occupational safety and health laws and environmental protection laws and regulations, they must comply with the relevant purchase contracts and orders. In addition to supplier specifications and requirements, labor safety/environmental workers will formulate the "Supplier Social and Environmental Responsibility Assessment Form" in accordance with the procurement operation management procedures, and conduct professional environmental audits.

● In 2024, suppliers complied with environmental regulations. No new raw material suppliers were added; therefore, no new suppliers were screened based on environmental and social criteria.

In the "Procurement Management Procedures", there are provisions for the selection of suppliers of hazardous substances, sample delivery and approval, and delivery management. At the same time, there are also regulations for supplier self-assessment method and on-site audits are required to ensure the management of suppliers when necessary.

● Supplier Social Responsibility Assessment Form

In addition to the audit and evaluation, Largan provides the Supplier Social Responsibility Assessment Form for raw material suppliers. Evaluate its positive and specific norms for environmental protection, labor rights and conditions, safety and health, so as to fulfill the supplier's implementation of corporate social responsibility.

The Supplier Social Responsibility Self-Assessment Form (Supplier Self-Assessment and Inspection Form) is designed based on the key points listed in the commitment letter and includes five major items:



Each secondary item under these five major categories is assessed by suppliers to determine compliance and opportunities for improvement.

● All raw material suppliers (10) completed the Supplier Social Responsibility Self-Assessment Form in 2024.

● Regulations to be complied with: RBA Responsible Business Alliance Regulations, Prohibition of Slavery Convention, Convention on the Prevention of Human Trafficking, Prohibition of Minerals in Conflict Zones, Safety Management of Hazardous Chemical Transportation, Integrity Management.

5-4 Ethical Consumption

Non-Harmful Substances

In order to ensure that the raw materials of qualified suppliers meet the requirements of EU RoHS/ REACH/ mineral conflicts, etc., all qualified suppliers of main raw materials have signed the latest 10 restricted substances of EU RoHs 2.0 to meet the international standards of RoHs.

Conflict-Free Minerals

Largan communicates with suppliers through the "Environmental Management Guarantee" that suppliers are requested to ensure that the source of Largan's purchases do not come from disputed areas, and that the sources of metals such as gold (Au), tantalum (Ta), tungsten (W), tin (Sn), and cobalt (Co) are not from the conflict zone such as the Democratic Republic of the Congo.

Largan Conflict-Free Minerals Sourcing Policy Statement

The Company and our suppliers are willing to jointly take responsibility for society and environmental protection.

The Company does not accept illegal mining of gold, tantalum, tungsten, tin and cobalt from Congo and neighboring conflict areas.

The Company must inform and require its suppliers to fulfill the aforementioned statement.



06

| Green Production

- | | | | | | |
|-----|-------------------------------------|-----|--|-----|---|
| 6-1 | Climate Action | 6-4 | Renewable Energy & Resource Conservation | 6-7 | Air Pollution Prevention |
| 6-2 | Environmental Policy and Commitment | 6-5 | Water Resource Management | 6-8 | Packaging Improvement |
| 6-3 | Low-Carbon Manufacturing | 6-6 | Waste Management | 6-9 | Promotion of Environmental Sustainability |

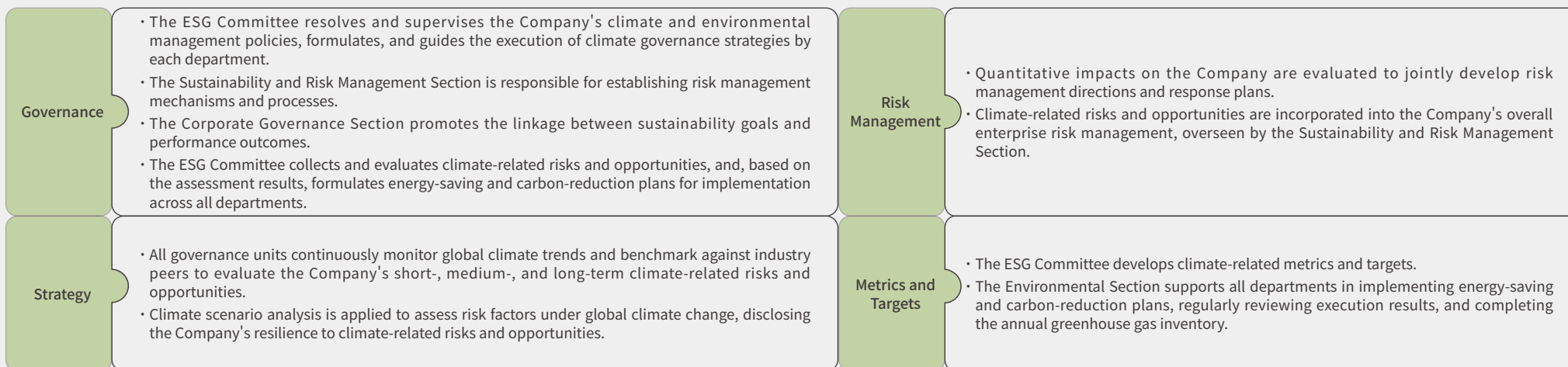
Green Production

The issue of climate change is one of the environmental issues that the United Nations, governments, society and business are concerned about at this stage. According to the "Task Force on Climate-related Financial Disclosures Recommendation (TCFD)" Largan formulated its corporate governance, strategy, risk management and objectives as follows:

6-1 Climate Action

● TCFD Disclosure Framework

The Intergovernmental Panel on Climate Change (IPCC) released its Sixth Assessment Report (AR6) in 2021, indicating that global warming in the near term (by 2040) may lead to more extreme environmental variations. To address the challenges posed by climate change and enhance corporate climate resilience, Largan has adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework. Through the four core elements—governance, strategy, risk management, and metrics and targets—the Company has established a governance structure to identify, assess, and manage climate-related risks and opportunities, integrate climate-related topics into decision-making processes, and determine factors that may affect future business operations in order to develop corresponding strategies. To further strengthen climate-related risk management mechanisms, the Board of Directors, as the Company's highest governance body, makes decisions and provides guidance, ensuring smooth top-down and bottom-up communication across all management levels and effective execution of strategies.



6-1-1 Governance

● Climate Governance Structure

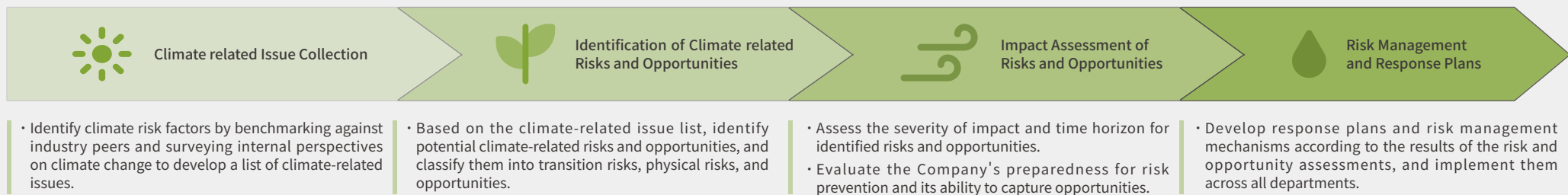
Facing the challenges of climate change, establishing a sound climate governance structure has become an urgent priority for corporations. Largan implements clear organizational structures to ensure execution in alignment with governance hierarchy, proactively addressing climate risks and opportunities. The Board of Directors sets climate and environmental management policies, while the ESG Committee and the Sustainability and Risk Management Section supervise the Corporate Governance, Economic, Environmental, and Social Sections in executing climate change response programs. Cross-departmental collaboration is conducted across environmental management, social initiatives, and corporate governance to comprehensively advance sustainability governance goals.

6-1-2 Strategy and Risk Management

● Climate-related Risks and Opportunities

Largan annually reviews and monitors international and industry trends in climate-related topics. Through a risk identification and assessment process, the Company systematically identifies climate-related risks and opportunities, evaluates their impact level and potential influence, and develops appropriate response plans to strengthen corporate climate resilience while maintaining optimized process execution.

● Climate-related Risk Identification and Management Process



6-1-3 Results of Climate-related Risk and Opportunity Identification

Under the supervision of the Board of Directors, Largan identifies three transition risks, two physical risks, and two opportunities based on the duration of impact and level of severity for each risk. These results provide internal reference to enhance understanding of the climate change challenges faced by the Company, monitor the implementation status of climate-related risk management, and facilitate collaborative discussion on the feasibility of risk management planning and response measures.

(1) Climate-related Risk Response Plans

Impact Dimensions	Impact Aspect	Climate Risks	Impact Duration	Impact Description	Risk Management and Response Plans
Transition Risks	Electricity Consumption Risk	Electricity Price Increases Taiwan's overall electricity demand has increased year by year. Combined with fluctuations in international fuel prices, this has led to higher summer peak loads, resulting in greater pressure on power supply and increased power generation costs. Electricity price adjustments have become a key variable in corporate operating costs.	Short	<ul style="list-style-type: none"> Rising electricity costs affect the manufacturing cost structure and require payment of carbon emission fees. Risk of power rationing during peak electricity demand periods. 	<ul style="list-style-type: none"> Implement high-efficiency air-conditioning, process cooling, and lighting systems (e.g., variable-frequency air compressors and LED lighting). Regularly monitor electricity prices, temperature trends, and policy developments.
	Regulations and Policies	Carbon Pricing Taiwan's carbon fee mechanism will take effect in 2025, and the EU Carbon Border Adjustment Mechanism (CBAM) will be officially implemented in 2026. Enhanced Disclosure Requirements Domestic and international requirements for greenhouse gas emissions reporting and disclosure are increasing.	Short	Additional resources are needed to enhance greenhouse gas inventory capabilities, leading to increased costs.	Since 2020, Largan has conducted greenhouse gas (GHG) inventories in accordance with ISO 14064-1:2018 standards and established a "GHG Inventory Task Force" to track overall emissions and develop preventive measures for climate change.
	Supply Chain and Raw Materials	Fluctuations in Critical Materials <ul style="list-style-type: none"> As corporations' advance energy transition initiatives, market demand for certain critical materials is growing. Environmental policies and carbon pricing mechanisms are driving up production costs for critical materials. Supply chains are affected by extreme weather events, impacting supply capacity. 	Short	<ul style="list-style-type: none"> Fluctuations in critical material prices necessitate sourcing alternative materials, increasing procurement costs. Climate impacts on the supply chain may cause production line disruptions, resulting in delivery delays that affect both costs and revenue. 	<ul style="list-style-type: none"> Diversify sources of supply to avoid reliance on raw materials from a single region. Select quality local suppliers to reduce transportation costs and carbon footprint. Identify suppliers with high climate risk exposure and enhance their capabilities to address climate change risks. Seek low-carbon manufacturing partners to strengthen the resilience of the sustainable supply chain.

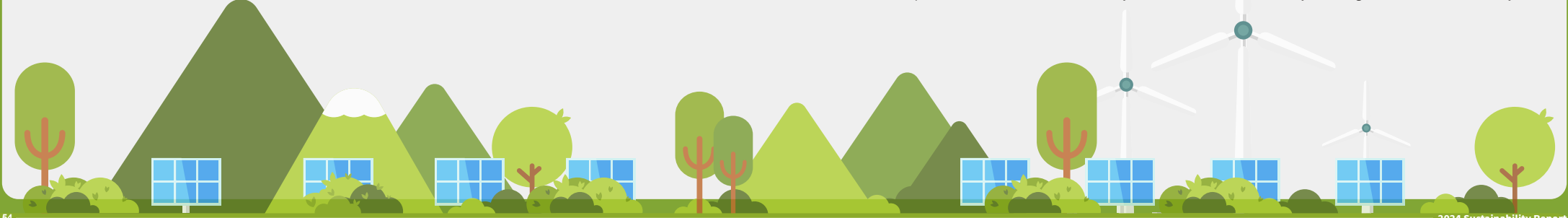
Impact Dimensions	Impact Aspect	Climate Risks	Impact Duration	Impact Description	Risk Management and Response Plans
Physical Risks	Immediate	Intensified Natural Disasters Increased frequency of typhoons and heavy rainfall events.	Short	Risks such as production line interruptions and equipment damage increase operating costs and reduce production capacity.	<ul style="list-style-type: none">Assess whether plant locations face potential compound natural disaster risks and conduct scenario simulations for corresponding response plans.Regularly inspect emergency power systems and uninterruptible power systems, and install water storage systems to ensure stable water and power supply during disasters; regularly check plant drainage facilities to prevent blockages.Establish an emergency response team to develop disaster response measures promptly in the event of natural disasters.
	Long-term	Extreme Climate Variability Water shortages and changing rainfall patterns.	Medium	Potential flooding at plant sites or insufficient water supply could increase costs.	

Note: Impact Duration: Short-term refers to 1–3 years; Medium-term refers to 4–7 years; Long-term refers to more than 7 years.

(2) Climate-related Opportunities and Response Plans

Impact Dimensions	Climate Opportunities	Impact Duration	Impact Description	Risk Management and Response Plans
Opportunities	Energy Conservation Develop energy-saving plans, promote paperless operations, phase out high-energy-consuming equipment, and implement water conservation improvement programs.	Short	Energy-saving plans reduce resource consumption.	<ul style="list-style-type: none">Continue to promote the importance of water and electricity conservation across all departments to foster sustainability awareness. Adjust temperature settings or install timers to reduce power consumption during operation.Promote e-systems to reduce paper consumption.Install a power monitoring system to promptly address any anomalies and reduce energy loss.Install water-saving equipment and regularly record and analyze water usage. Inspect and immediately repair if anomalies are detected.Replace high-energy-consuming and outdated equipment.In 2018, the plant located at No. 13, Jingke Road, Taichung, obtained a Green Building Label. The feasibility of adopting green building methods will be considered for all future plant constructions.
	Use of Alternative Energy Adopt green electricity and low-carbon energy, and install renewable energy facilities (such as solar photovoltaic systems).	Short	Increase revenue from energy generation.	

Note: Impact Duration: Short-term refers to 1–3 years; Medium-term refers to 4–7 years; Long-term refers to more than 7 years.



6-1-4 Climate Scenario Analysis

To assess the potential impacts of future carbon pricing changes on the Company's transition and physical risks, Largan referenced the Representative Concentration Pathways (RCPs) and temperature rise projections defined in the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5) when evaluating physical risks. Scenario settings were developed to analyze the impacts of extreme climate change—such as sea level rise, water scarcity risk, and changes in rainfall patterns—on Largan. Through climate scenario simulations, the Company formulates strategies and plans to respond to future risks, thereby reducing the potential for overall financial loss.

(1) Transition Risk Scenario Analysis: Carbon Pricing

Carbon pricing is a key policy tool for addressing climate change and has become a major factor affecting corporate policy and operational finance globally, both now and in the future. Using the Company's 2023 GHG inventory results as the baseline, the financial impacts of carbon pricing are as follows:

Largan's combined Scope 1 and Scope 2 GHG emissions in 2023 totaled 164,275.322 metric tons CO₂e. Based on Taiwan's latest announced carbon fee—NT\$300 per metric ton for entities not participating in voluntary reduction programs—the estimated carbon fee payable in the first year of implementation is approximately NT\$26.78 million. This constitutes a material risk.

Note: Calculations are based on 2023 Scope 1 and Scope 2 GHG emissions, without assuming any future carbon reduction target pathway.

Analysis results indicate that future carbon pricing will directly impact Largan's carbon emission costs. The Company conducts annual GHG inventories and third-party verification in accordance with ISO 14064-1:2018. Based on inventory results, Largan sets carbon reduction targets aimed at achieving net-zero emissions and formulates appropriate reduction strategies. The inventory results show that Scope 2 (energy indirect) emissions account for the largest share of the Company's total emissions. As a result, energy conservation has been prioritized. Measures include incorporating solar power installations in new plant construction plans, replacing lighting equipment at all sites with energy-efficient LED and sensor lighting, and setting an annual energy-saving target of over 1.5 million kWh.

(2) Physical Risk Scenario Analysis: Long-term – Water Scarcity Risk

The water scarcity risk assessment applied the World Resources Institute (WRI) Aqueduct Water Risk Atlas to project water stress levels for 2030 and 2050 under RCP 2.6 (low GHG emissions scenario, optimistic) and RCP 8.5 (high GHG emissions scenario, pessimistic). The data indicate that, under both scenarios, all sites would experience low to medium (10–20%) water stress, suggesting generally stable water supply conditions, though slight water stress could still occur during dry seasons.

Although the assumed scenarios indicate relatively low water risk, Largan adopts precautionary measures and promotes water conservation by planning both supply-expansion and demand-reduction strategies. These include maintaining an average process water recycling rate of over 99%, reusing recycled water in cooling towers and for process purposes to reduce raw water usage, installing water-saving devices, optimizing water efficiency in offices and plants, and regularly monitoring water consumption data to enable reasonable allocation without affecting production. In addition, the Company will continue to monitor climate change trends, evaluate the necessity of installing water storage systems, and strengthen its adaptive capacity to climate change.

(3) Physical Risk Scenario Analysis: Long-term – Changes in Rainfall Patterns Potentially Leading to Plant Flooding

The rainfall pattern change analysis adopted scenarios of 1.5° C and 2° C temperature increases, using "R200mm heavy rainfall days" (days with more than 200 mm of rainfall in a single day within one year) as the analysis indicator. The projections are based on the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP):

Plant Location		The Taichung City Precision Machinery Innovation Technology Park	Taichung Industrial Park
Assumed Data	Observation Baseline (days)	0.4	0.6
Warming Scenario	Data Indicator		
1.5°C	75th Percentile Value	0.2	0.2
	Maximum Value	0.6	0.6
2°C	75th Percentile Value	0.2	0.2
	Maximum Value	0.6	0.6
Projected Impact		Limited Impact	

Although the projections show no significant impact, Largan continues to closely monitor surrounding watershed levels and track changes in rainfall patterns in response to changes in precipitation. The Company conducts an annual emergency response drill to ensure that employees are familiar with evacuation and equipment protection procedures, and completes an annual inventory and preparation of flood prevention materials. In addition, the Company enhances protection for key production equipment by relocating critical instruments and equipment to higher positions and ensuring proper insulation of power systems to prevent electrical leakage in the event of water ingress. Each year, Largan also evaluates the need for installing floodgate systems at its plants, and allocates pumps and emergency power supply equipment. Through these response measures, Largan proactively strengthens corporate climate resilience and prepares thoroughly to address various challenges posed by climate change.

6-1-5 Internal Carbon Pricing

To enhance the effectiveness of climate change management and strengthen the decision-making basis for low-carbon transition, Largan plans to evaluate the implementation of an "Internal Carbon Pricing" mechanism to assess in advance the potential impacts of future carbon price increases on the Company's operations.

6-1-6 Metrics and Targets











Largan has established the following climate- and environment-related metrics and targets. The detailed implementation status for each metric is provided in the subsequent sections of this chapter.

The short-, medium-, and long-term environmental management targets for addressing climate change are shown in the table below:

	Short-Term (2024~2025)	Medium-Term (2026~2029)	Long-Term (2030 and Beyond)
Energy Saving and Carbon Reduction	Target electricity saved: 1.5 million kWh/ year	2026~2027Y : Electricity savings: 1.5 million kWh / year 2028~2029Y : Electricity savings: 2 million kWh / year	Target electricity saved: 2 million kWh/ year
	Greenhouse gas emission reduction: 750 tons CO ₂ e/year	2026~2027Y : 750 metric tons CO ₂ e / year 2028~2029Y : 1,000 metric tons CO ₂ e / year	1,000 tons CO ₂ e/year
	Installation of 1,100 kW solar photovoltaic capacity in new plant construction, and purchase of renewable energy equivalent to 10% of contracted consumption. (Project in progress, expected completion by 2027 – current implementation status to be supplemented)	By 2028, purchase renewable energy equivalent to more than 10% of contracted consumption, with potential increases depending on renewable energy market supply conditions.	Purchase renewable energy equivalent to more than 10% of contracted consumption, with potential increases depending on renewable energy market supply conditions.
Waste Management	Proportion of waste sent to incineration or landfill: ≤ 7%	Proportion of waste sent to incineration or landfill: ≤ 5%	Proportion of waste sent to incineration or landfill: ≤ 5%
	Proper disposal: all waste is 100% taken care of by the legitimate professionals	Proper disposal: all waste is 100% taken care of by the legitimate professionals	Proper disposal: all waste is 100% taken care of by the legitimate professionals
Water Resource Management	Recycled water usage: 1,300 CMD	Recycled water usage: 1,300 CMD	Recycled water usage: 1,300 CMD
	Precision Machinery Park Water Recycle Rate Inspection: Recycle rate of the whole factory is 94% Recycle rate during production is 99%	Precision Machinery Park Water Recycle Rate Inspection: Recycle rate of the whole factory is 94% Recycle rate during production is 99%	Precision Machinery Park Water Recycle Rate Inspection: Recycle rate of the whole factory is 94% Recycle rate during production is 99%
Regulatory Compliance	No violations of air pollution Regulations: 0 cases	No violations of air pollution Regulations: 0 cases	No violations of air pollution Regulations: 0 cases
	No violation of sewage discharge in compliance with regulations: 0 cases	No violation of sewage discharge in compliance with regulations: 0 cases	No violation of sewage discharge in compliance with regulations: 0 cases
	No violation of waste regulations: 0 cases	No violation of waste regulations: 0 cases	No violation of waste regulations: 0 cases

● Performance and Goal of Material Topics

Largan is committed to fulfilling its environmental protection responsibilities and becoming a sustainable enterprise with the aim to make continuous improvement. The overall performance of energy conservation and carbon reduction in the last two years based on the short-, medium-, and long-term objectives with the aim to reduce the impact on society and the environment is as shown in the table.

	2024 Target Performance	2024 Achieving Status	2025 Target Performance
Energy Saving and Carbon Reduction	Target electricity saved: 1.5 million kWh	 759.2 million kWh → Achieved	1.5 million kWh
	Green House Gas emission reduction: 750 tons CO ₂ e/year	 3,751 tons CO ₂ e/year → Achieved	Green House Gas emission reduction: 750 tons CO ₂ e/year
Waste Management	The proportion of incineration and landfill disposal waste reduced to ≤ 7%	 6.75% → Achieved	The proportion of incineration and landfill disposal waste reduced to ≤ 7%
	Waste Disposal: 100% managed by legitimate business	 100% → Achieved	Waste Disposal: 100% managed by legitimate business
Water Resource Management	Usage of recycled water up to 1,300 CMD	 2,626CMD → Achieved	Usage of recycled water up to 1,300CMD
	Precision Machinery Park Water Recycle Rate Inspection: Recycle rate (R2) of the whole factory is 94% Recycle rate during production is 99%	 Recycle rate (R2) of the whole factory is 95.8% → Achieved  Recycle rate during production is 99.1% → Achieved	Precision Machinery Park Water Recycle Rate Inspection: Recycle rate (R2) of the whole factory is 94% Recycle rate during production is 99%
Regulatory Compliance	No violation of air pollution protection regulations: 0 cases	 0 → Achieved	No violation of air pollution protection regulations: 0 cases
	No violation of waste regulations: 0 cases	 0 → Achieved	No violation of waste regulations: 0 cases
	No violation of sewage discharge in compliance with regulations: 0 cases	 0 → Achieved	No violation of sewage discharge in compliance with regulations: 0 cases

Note: The calculation of the recovery rate is taken from the Regulations for Review of Water Usage Plan.

● Environmental Risk

Major Risks	Energy Saving & Carbon Reduction	Waste Management	Water Resource Management
Management Measures	<ul style="list-style-type: none"> • In 2024, ISO 14064-1: 2018 greenhouse gas inventory was conducted, and verification was completed in accordance with the Ministry of Environment's policies. • The goal of energy saving and carbon reduction is by saving at least 1 million kWh/ year through industrial site landscaping and facilities improvement• Promote paperless policy to reduce paper usage. • Bring our own environmentally friendly tableware to reduce usage of disposable utensils. • Green building planning aims to effectively control carbon emissions. 	<ul style="list-style-type: none"> • The total weight of waste produced in 2024 is 5,065.33 tons. • Establish "Industrial Waste Management Regulation" to standardize the procedures for the classification, collection, storage, and treatment of industrial waste. • 93.25% of processed raw materials/ wastes in the factory that were meant for incineration can be recycled and reused. 	<ul style="list-style-type: none"> • Maximize the efficiency of water resource utilization through recycling, water quality diversion, and pollution prevention, with the goal of achieving a 94% water recycling rate (R2) and maintaining a process water recovery rate of over 99%.(The calculation of the recovery rate is taken from the Regulations for Review of Water Usage Plan)

6-2 Environmental Policy and Commitment

In terms of environmental policy, Largan is committed to fulfilling its environmental protection responsibilities, becoming a sustainable enterprise with continuous improvement, and strive to achieve:



Regulatory Compliance

Comply with relevant environmental protection laws and regulations, and strive to comply with relevant international environmental protection standards.



Production Waste Reduction

Continuously promote production waste reduction to fulfill the commitment of pollution prevention.



Green production

The newly established factories are following green building regulations, and continue to improve energy conservation and carbon reduction.



Recycling strategy

Review and evaluate the possibility to reuse and recycle the resources used in company activities such as water, metal, plastic and chemical items. Advocate the importance, concept of recycling and environmental protection for all staff with the aim to raise the overall awareness.

Largan has established an environmental management system following ISO 14001:2015 regulation and set up a dedicated unit responsible for environmental management and maintenance. Through internal management and environmental assessment of the product life cycle, we aim to reduce pollution produced, minimize the negative impacts on the environment, and seek to make contributions to environmental protection. Largan actively identifies the risks brought by climate change such as floods, droughts, typhoons, and power outages in order to perform periodic risk control and management, as well as formulate countermeasures with the aim to cope with the impact and damage caused by extreme weather. We have been certified by EEWB at the address No.13 Jingke Road (as shown in picture below right) since 2018 as a proof of practical effort made to help improve energy conservation and carbon reduction.

<https://www.largan.com.tw/download/2024-ISO%2014001.pdf>

6-3 Low-Carbon Manufacturing

Energy Saving and Carbon Reduction Policy: Energy Saving and Low Carbon Manufacturing

Management Measure

- Goals and Objectives: Track the Company's greenhouse gas emission status and formulate preventive measures against climate change in response to the global environmental protection trend and overall national greenhouse gas reduction strategy.
- Commitment: Perform greenhouse gas inventory inspection and formulate corresponding emission reduction measures through due diligence and early warning communication methods.
- Policy and Management:
 - (1) Carry out greenhouse gas inventory to track the overall emission status.
 - (2) Establish the "Greenhouse Gas Emission Inventory Inspection Team" to implement related improvement plans with the aim to achieve the objectives set.

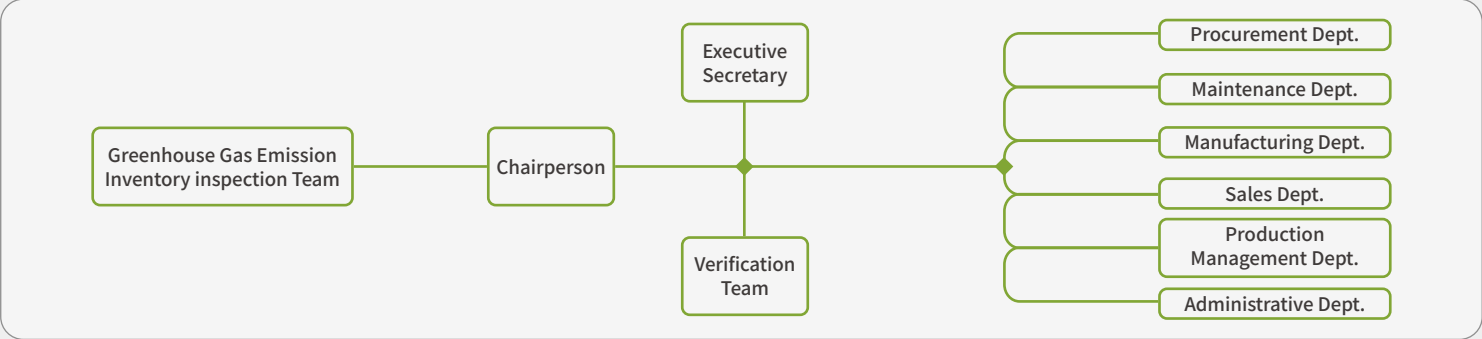
● Climate Change

Climate change is an inevitable issue that all governments and enterprises must pay attention to along with the Paris Agreement adopted by the UN. In response to the possible impact of climate change on the economy and society, Largan formulates preventive measures of climate change based on environmental assessment of the product life cycle with the aim to reduce the impacts and external costs caused by climate change.



● Greenhouse Gas policy Statement

Largan has established energy conservation and carbon reduction sustainability goals and plans, in alignment with the ISO 14064-1:2018 standard. We have carried out an initial Greenhouse Gas inventory in 2020 with the aim to grasp an idea of overall emission status as an improvement reference for the future. We have also set up a dedicated unit of Greenhouse Gas Emission Inventory Promotion Team with the aim to effectively implement the policy and improvement plans. The organizational structure is as shown:



6-3-1 Greenhouse Gas Inventory

Since 2022, Largan Precision has conducted greenhouse gas inventories for designated plants in compliance with the Environmental Protection Administration's Climate Change Office regulations, achieving third-party certification. The results are as follows:

- 1. Direct Greenhouse Gas Emissions (Scope 1): Includes stationary equipment (e.g., generators), process emissions, mobile combustion sources (e.g., company vehicles, forklifts), and fugitive emissions.
- 2. Energy Indirect Greenhouse Gas Emissions (Scope 2): The primary emission source is purchased electricity.

Year	Scope 1: Direct Emissions (tons CO ₂ e)	Scope 2: Energy Indirect Emissions (tons CO ₂ e)	Total Emissions (tons CO ₂ e)	Greenhouse Gas Emissions Intensity CO ₂ e / NT\$ million
2022	1503.668	147745.272	149248.940	3.13
2023	1672.3611	162602.9608	164275.322	3.36
2024	1629.2606	171085.678	172714.950	2.90

Note: 1. The actual data and inventory scope are based on the information published by the Environmental Protection Administration's Climate Change Office on the "Mandatory Greenhouse Gas Reporting System."
2. Calculation method for greenhouse gas emissions intensity: Greenhouse gas emissions / NT\$ million in revenue.

● Energy Conservation and Carbon Reduction

Objective setting :

In 2022, in compliance with the requirements of the Environmental Protection Administration, facilities with annual carbon emissions reaching 25,000 tons were required to conduct carbon inventories, verification, and reporting. The inventory results indicate that the largest proportion of the greenhouse gas emissions categorized as Scope 2 (indirect energy). After discussion, the greenhouse gas inventory team has decided to prioritize energy conservation as primary goals and formulate detail-structured electricity saving plan with the aim to achieve the ultimate objective to deduct carbon dioxide emission.

Energy Saving Measures:

- 1. Adjust the air-conditioning maintenance frequency and items checked.
- 2. Adjust the temperature control device or alternatively replace to time setting device to reduce the power consumption during operation.
- 3. Replacing energy-consuming and old equipment.
- 4. Improve lighting methods in public areas, or replace them with induction lighting, LED lamps, solar lamps.

Statistics on energy-saving measures in 2024 indicate that a total of 759.2 million kWh of electricity was saved after implementation. According to the electricity carbon emission coefficient announced by the Ministry of Economic Affairs in 2024, the carbon emission coefficient of electricity is 0.474 (kg CO₂e/kWh) (note), and the reduction amount of carbon dioxide greenhouse gas is about 3,751 tons (scope 2), which proves the energy saving measure taken was effective, and we will continue to adopt the same management measure for reaching the sustainable goal of carbon dioxide reduction.

(Note) The carbon emission coefficient of electricity refers to the amount of greenhouse gas emissions generated for each kilowatt-hour of electricity sold by the public power sales industry. Since the greenhouse gas emitted by power plants is not only carbon dioxide (CO₂), other Greenhouse gasses such as methane (CH₄), nitrous oxide (N₂O), etc., are converted into an equivalent amount of carbon dioxide (CO₂e) based on the global warming potential (GWP), which has been calculated uniformly.

Source: Taipower GreenNetwork.

6-4 Renewable Energy & Resource Conservation

● Renewable Energy

Largan is committed to comply with Greenhouse Gas emission regulations in response to the goal of carbon reduction. We have made continuous effort in improving energy saving aspects in all sorts as well as adopting green production in 2024 by planning to set up an 1100 kW solar photovoltaic energy system at our new manufacturing facilities. The aim is to effectively control CO₂ emissions and therefore achieve an environmentally sustainable future.

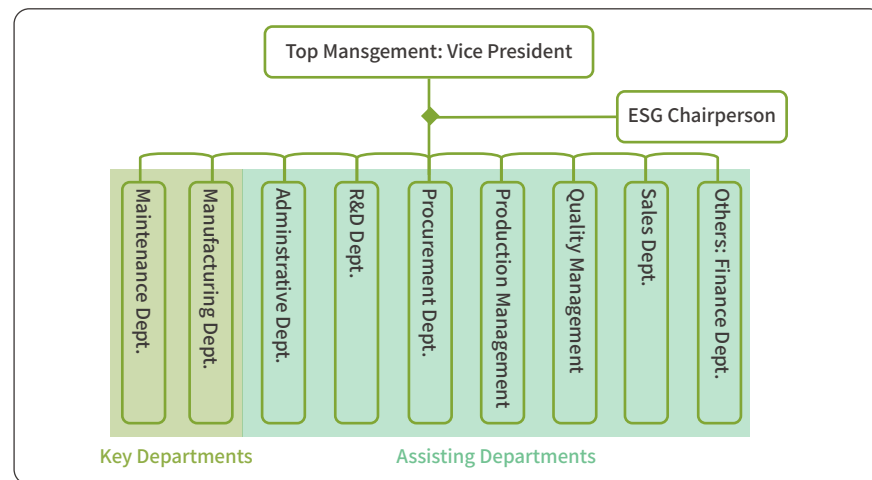
● Resources Conservation and Efficiency

The Energy Conservation Committee is organized by key departments such as the Manufacturing and the Maintenance Departments to launch a monthly review meeting to track the consumption of energy resources (water, electricity, gasoline, and paper). We aim to achieve the goals of resource conservation and efficiency improvement, as well as reducing social costs through ways of integrating production energy-saving planning and operations, executing the solutions shared by the monthly team meeting, and utilizing electronic slides to propagate environmental protection and carbon reduction concepts during staff training to raise and strengthen overall awareness.

● Energy Saving Activities and Promotion

The Company replaced all lighting devices with energy-saving LED lamps, sensor lights, and installing VFD devices and solar panels in all new factories. All these activities could reach the energy saving goal for 15 million kWh (above) every year.

• The organizational structure of the Energy Conservation Committee is as shown:

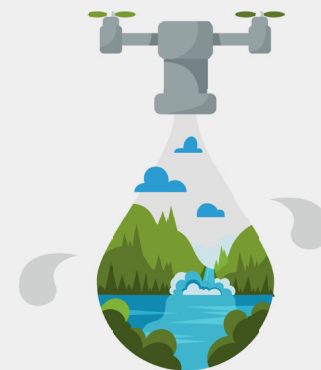


6-5 Water Resource Management

Water Resource Management Policy: Water Conservation and Reuse

Management Measure

- Goals and Objectives: Ensure the production line to operate normally and smoothly even under disastrous events in response to the extreme climate conditions.
- Commitment: Comprehensively review and track the water reserving and recycling status, and strictly exam the quality of water discharged through due diligence and early warning communication methods.
- Policy and Management:
 - (1) Compile statistics on the sources of internal water resources.
 - (2) Establish water-saving measures to avoid waste of resources.
 - (3) Industrial wastewater sampled, examined and analyzed by a qualified testing agency to reduce the impact made on the environment in accordance with the Water Pollution Control Act.



● Water Resource Risk Management

At Largan we take water supply amount and water quality of effluent discharged as key indicators to identify potential water risks in the factories as well as establish and continuously improve emergency response procedures, expand source of regional water resources, reuse and recycle reclaimed water to effectively manage available water resources.

Type of Risk	Category	Potential Operational Impact	Adaptation Method
Water Resource Risk	<ul style="list-style-type: none">• Droughts• Floods• Untreated Effluent Discharge	<ul style="list-style-type: none">• Production capacity is affected that leads to declining revenue.• Unable to deliver or delivery interrupted.	<ul style="list-style-type: none">• Establish and improve the regulation of water resources management• The existing water storage capacity is able to support demand for 3-5 days (against droughts for 3 days)• Prepare water trucks to support factories with water shortage• Inspect the production equipment of each factory• Effluent Management Policy

● Usage of Water Resource

Largan's factories located in the Taichung Precision Machinery Technology Innovation Park and the Taichung Industrial Park are classified as low- to medium-water-risk areas(<https://www.wri.org/aqueduct>) . The primary water sources are Techii/Liyutan Dam and recycled water within the facilities. The factories consume approximately 6,714 tons of water per day and do not use underground or surface water as water sources. In 2024, the total municipal water withdrawal across all factories was 1,166 million liters, while total water withdrawal reached 1,492 million liters—an increase of 27.9% due to revenue growth. Based on daily meter readings, the municipal water withdrawal, discharge volume, and water consumption over the past three years are summarized in the table below:

Item	2022				2023				2024			
	Water Withdrawal	Water Discharge	Water Consumption	Water Intensity	Water Withdrawal	Water Discharge	Water Consumption	Water Intensity	Water Withdrawal	Water Discharge	Water Consumption	Water Intensity
Precision Machinery Park	756.5	270.6	485.9	0.016	941.2	401.6	539.6	0.019	1143.0	570.4	572.6	0.019
Taichung Industrial Park	174.7	139.8	34.9	0.004	224.8	168.8	56	0.005	348.9	230.7	118.2	0.006
Total	931.1	410.4	520.8	0.020	1166.0	570.4	595.6	0.024	1491.9	801.1	690.8	0.025

Note: Water intensity is calculated as total water withdrawal (million liters) per million NTD in revenue.

● Water Saving Measure

Largan prioritizes and strives for continuous innovation and improvement with the aim to cut costs and increase profits by implementing water-saving measures, and constantly look for water conservation opportunities:

- (1) Collect and reuse rainwater and condensed water for watering equipment.

(2) Reduce the water discharged by increasing the chemical solutions used in the washing tower.

(3) Recycle discharged wastewater from the production:
 - Recycle wastewater produced during production and process the water collected by MBR and RO for water reuse during production.
 - Regenerate recycled RO water using pure water producing system (2B3T).

(4) Cooling Tower Management
 - Increase the solution's concentration to improve water quality and reduce effluent discharge.
 - Water quality monitoring & chemical solution assessment.
 - The cooling tower water discharge is recycled after filtered and processed by thin film to be reused.
- Extensive use of recycled water from the factory.

(5) The bathroom facility in the factory adopts water-saving devices approved by the state to achieve the goal of water conservation.

(6) The domestic and restaurant effluent produced in the factory is collected, treated by biological systems, then processed by MBR and RO, and finally recycled to the secondary water tank for recycling.

(7) Digital record and analyze daily water consumption, and conduct immediate unit maintenance when an abnormal water consumption occurs to avoid water waste.

(8) Advocate water-saving related information and awareness to all staff from time to time.

(9) In 2024, the total recycled water volume across all facilities reached 2,626 CMD.

The annual average water recycling rate during the production process at Precision Machinery Park remains above 99% from 2022 to 2024.

Item Year	2022	2023	2024
Overall factory recycling rate (R2)	96.8%	96.5%	95.8%
Average recycling rate during the production process	99.5%	99.4%	99.1%



● Effluent Management Measure

At our factory we regularly monitor wastewater status to ensure the discharge water quality is better than the legal standards. We also follow closely to relevant domestic environmental protection regulations and requirements to keep ourselves up to date of the latest trends and norms.

According to the Water Pollution Control Act, a qualified testing agency will be appointed to sampling and analyzing every six months, and then submitting a waste (polluted) water testing declaration form. After submission, they are required to report to the local environmental protection authority for approval.

There was no violation of the Water Pollution Control Act during 2024. Largan is equipped with monitoring equipment (pH, chemical oxygen demand in wastewater, suspended solids) at the discharge outlet of the factories. We conduct self-testing of discharge water quality every week and outsource water testing at least three times a year. The data is provided for comparison and correction to the online dashboard with the aim to ensure the stability of the online monitoring system. According to the factory effluent quality testing data report, Largan's COD (chemical oxygen demand in wastewater), SS (wastewater suspended solids) and pH level were lower than the self-inspection standards of both the Precision Machinery Park and Taichung Industrial Park from 2017 to 2024.The testing data of the past two years are as follows:

Year	2023				2024			
Area	Precision Machinery Park Factory		Taichung Industrial Park Factory		Precision Machinery Park Factory		Taichung Industrial Park Factory	
Test Items	Management Standard	Self- Inspection Standard	Management Standard	Self- Inspection Standard	Management Standard	Self- Inspection Standard	Management Standard	Self- Inspection Standard
COD (mg/L)	300	250	480	420	300	250	480	420
S.S (mg/L)	250	200	320	240	250	200	320	240
pH	5-9	5-9	5-9	5-9	5-9	5-9	5-9	5-9

eurofins

上準環境科技股份有限公司
Eurofins Sun Dream Environmental Technical Corporation
水質樣品檢測報告

報告編號：SD11381064
報告編號：R1131064011

檢測項目	檢測方法	檢測結果	單位	備註
水溫	25.5	-	°C	
化學需氧量	38.2	-	mg/L	
懸浮固體	184	-	mg/L	
化學需氧量	25.7	-	mg/L	
氨氮	0.08	-	mg/L	

以下空白

聯合事務所
上準環境科技(股)公司
負責人：張國華
檢驗室主任：楊尚書

第2頁(共3頁)

● Preventive Measure of Water Pollution

- (1) Use rolling planning and reviewing method by adopting PDCA management framework in response to reduce the environmental impacts made by the pollution caused during production.
- (2) The equipment is designed in the N+1 method, and operates stably for 24 hours a day, 365 days a year. It is equipped with a real-time monitoring system to record the operating parameters. If the value exceeds the preset value, an alarm will be sent out immediately.

6-6 Waste Management

Waste Management Policy: Processing Legally and Increase the Ratio of Reuse	
Management Measure	<ul style="list-style-type: none">Goals and Objectives: Promote circular economy, increase the proportion of waste reuse in the factory, and use resources effectively.Commitment: Reduce waste from the source, and encourage the suppliers, equipment manufacturers and employees to reuse resources through due diligence and early warning communication methods.Policy and Management:<ul style="list-style-type: none">(1) Promote to convert product waste into refuse derived fuel rod through the process of incineration actively.(2) Set recycling targets and track their achievement year by year.(3) Review the waste reduction strategy after classifying and analyzing the stats.



● Impact to the environment and management:

Largan has established an "Industrial Waste Management Program" based on the product life cycle which regulates the procedures for classification, collection, space, and disposal of industrial waste in accordance with the environmental regulations. We hope that the management measures can effectively help to reduce the waste generated with the increasing production capacity, improve environmental sanitation and therefore reduce the threats and impacts caused on the environment.

● Requirements for Suppliers:

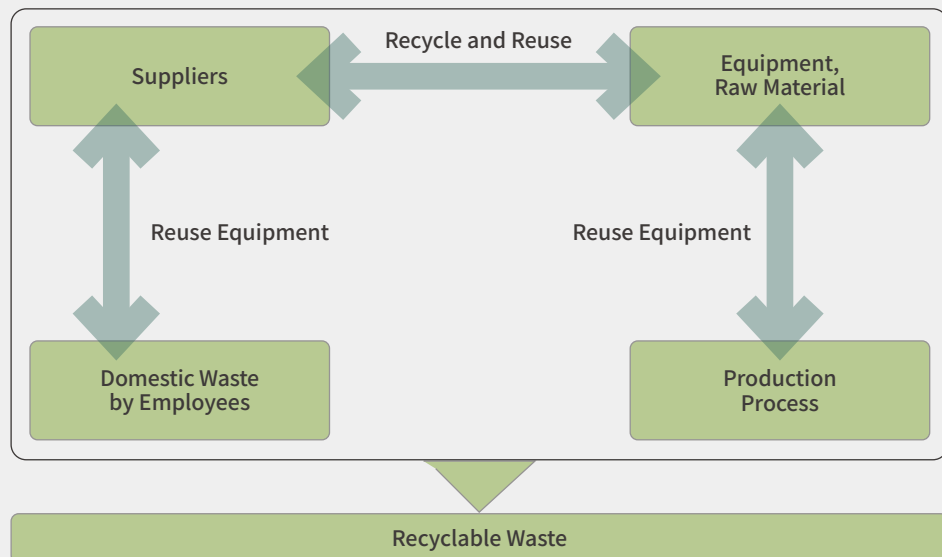
Reusable and non-reusable containers must be recyclable materials; the waste generated during the supply process must also be recyclable reusable items.

● Requirements for Production:

Avoid using raw materials and equipment that are un-processable for recycling with current environmental protection technology by managing the source of the incoming materials. Review the availability of processed raw material/wastes for reusing and recycling purposes to reduce the chance of wasting necessary materials.

● Requirements for Employees:

Employees will be asked to go through environmental safety and health educational training on the first day of employment with the aim to teach them the concepts about occupational health and safety and the classification of recycling to improve the overall quality at the workplace. We deliberately place trash cans in approachable places such as employees' walking routes, tea rooms and next to vending machines, so that all staff are aware of the rules for littering at all times. There are at least 5 kinds of recycling in each place, and this is one of our ways to make an effort and social contribution to help protect the environment.



● Requirements for Waste Treatment:

Yearly review on whether the channels of waste treatments are appropriate and choose the most environmentally friendly method as the requirement for selecting waste treatment contractors. Also, we try our best to find the most suitable method for waste classification and disposal. There were five waste treatment methods in 2020 and had increased up to 8 methods by 2021 (all sort of materials recycling is counted as 1 type of method). In 2024, we will continue to work hard on the improvement of the classification of various wastes.

● Turning waste into energy- The Most Valuable Incineration:

The Company tries to find ways to destroy defective products other than incineration and landfill. We had promoted to convert waste into refuse derived fuel rod and the total amount reached 664.15 tons in 2022.

With continuous efforts, we turned waste into 775.58 tons of refuse derived fuel rod, thereby successfully reducing 111.43 tons of incineration and landfill waste in 2023. In 2024, 888.77 metric tons of auxiliary fuel rods were converted to enhance effective waste utilization, thereby reducing environmental impact and adverse effects.

● Statistics and Reuse of Waste:

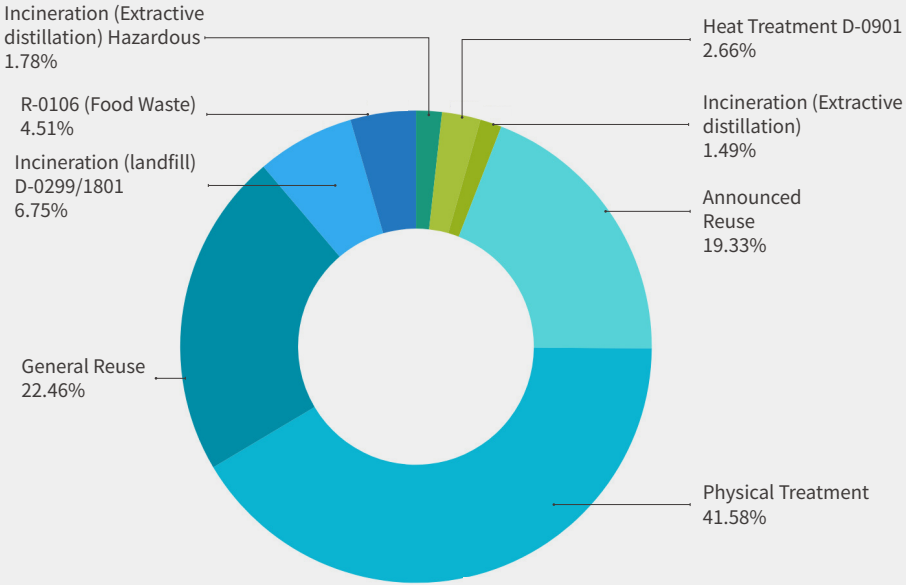
From 2020 to 2024, the waste recycling and reuse ratios are shown in the table below:

Year	2022	2023	2024
Waste recycling and reuse ratios	96.89%	95.94%	93.25%

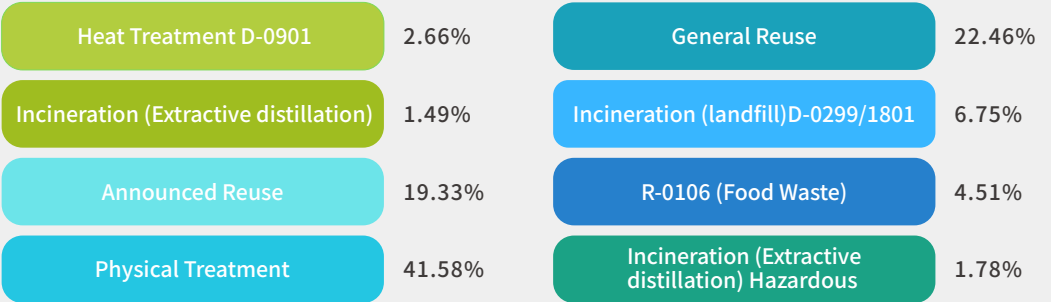
● In 2024, the proportion of waste sent for incineration and landfill was 6.75%.



Types of Waste	Proportion of 2024	Discrepancy with 2023	Year	2024		2023	
			Hazardous	Industrial Waste	Hazardous Industrial Waste	Industrial Waste	Hazardous Industrial Waste
			Disposal	-	-	-	-
6.75% Non-Recyclable Waste	6.75%	130.24%	Incineration (landfill) D-299, 1801	341.84		148.47	-
93.25% Recyclable Waste	22.46%	12.69%	General Recycling & Reuse (Include Recycling)	1,137.50		1,009.45	-
	41.58%	57.78%	Physical Processing D-1504	2,106.09		1,334.80	-
	19.33%	26.22%	Announcing for Reuse R-0201, R-0701, R-0401	978.93		775.58	-
	2.72%	15.00%	Incineration (Extractive Distillation) D-1703, D-1799/ Type C (Hazardous)	57.04	80.83	54.67	65.22
	2.66%	-5.98%	Heat Treatment D-0901	134.76		143.33	-
	4.51%	79.80%	Announcing for Reuse R-0106 (Food waste)	228.34		127.00	-
Total				4,984.50	80.83	3,593.30	65.22
Note	C-0301: Waste liquid with a flash point below 60° C D-0299: Waste plastic mix D-1504: Non-hazardous organic waste liquids or waste solvents		D-1799: Waste oil mix R-0701: Waste wood D-0901: Organic sludge	D-1801: Business operations D-1703: Waste lubricant		R-0201: Waste plastic R-0106: Food waste	



Waste Disposal Distribution of 2024:



6-7 Air Pollution Prevention

● Air Pollution Management

Air quality improvement is high on the global agenda and air pollution is widely recognized as a threat to the environment. Largan has started planning and implementing air pollution prevention since the establishment of the company in response to the global issue. We are committed to make effective and continuous improvement and hazard prevention by following the pollution prevention regulations, executing internal audit and self-inspections, and conducting preventive machinery maintenance and training lessons.

● Largan had no monetary penalty issued for violating the Air Pollution Control Act in 2024.

● Optimization of Air Pollution Equipment

- (1) Make pre-assessment on the pollution factors that cause harm to the environment during the production process, and try to lessen the impact on the environment.
- (2) Set up well equipped air pollution control systems such as Activated Carbon Adsorption Process and Wet Scrubber to effectively prevent odor and reduce volatile organic compound (VOCs) emissions, and manage the occurrence of air pollution.
- (3) Import the Total Hydrocarbon Analyzer (THC), which can provide immediate analysis of emission monitoring and other related emission information, and report the result to the monitoring center on duty in the factory to ensure the flue gas emission complies with regulations.
- (4) To ensure the stable operation of pollution control equipment to run 24 hours non-stop, all air pollution control equipment shall be equipped with at least one backup system (N+1 design) with the aim to achieve zero failure management, and ensure the continuous monitoring of pollution emission.

● Volatile Organic Compound (VOCs, NOx, Sox and other sources of pollution) Emission Monitoring

- (1) Comply with (VOCs) environmental protection regulations, each factory produces less than 30 tons/year; alcohol (ethanol) is less than 1,000 ppm.

Item Year	2022	2023	2024
VOCs (Volatile Organic Compounds)	75.40 tons	56.55 tons	45.88 tons

- (2) Accumulated by the end of 2023, the emissions of NOx, SOx... and other pollution sources will not reach the threshold (1 ton/quarter).

6-8 Packaging Improvement

● Individual Part

When transporting items, Largan adheres to the spirit of green production and environmental sustainability. We review and optimize the bulk packaging methods and use recyclable packaging to advance towards the goal of environmental protection and passion for protecting the earth. There are two operation mode as the followings:

- (1) The B-type components are transported using hard plastic boxes as containers, which the containers can be washed by water to be recycled and reused again after.
 - (2) The L-type components are transported using sheet metal and placed in acrylic boxes. After the sheet metal is used, it will be washed and reused in various factory areas with plastic logistics boxes.
- The above-mentioned packaging can also be used with plastic boxes in parallel, and is fully reusable.

● Final Product

Following the customers' demand, our finished products are loaded in plastic packaging trays for transportation. The plastic packaging can be washed and reused within the company, but once the products are shipped to the customers, it is difficult to retrieve the packaging back due to the complexity of international shipping. However, the plastic material can fully be recycled and reusable on the customers' end. We currently use cardboard boxes for external packaging, which is also recyclable with the aim to reduce wastes produced.

● Purchased Goods

With the aim to make continuous effort on improving our recycle policies, we have recently required our suppliers to improve their packaging methods. For instance, the tapes and labels on the packaging should be changed to easy to remove materials so that the remaining packaging can be fully recycled and reused, as well as the boxes for transportation should be changed from plastic to carton board, so that the boxes can be folded when recycled to reduce the space used.

6-9 Promotion of Environmental Sustainability

Aiming at environmental sustainability, Largan continuously promotes the following measures to reduce waste generation and use of primary resources to enhance the concept of green recycling.

● Tree Planting Program

With the raising awareness of global warming, greenhouse gas is one of the commonly recognized root causes by most scientists. To effectively reduce the greenhouse gasses on earth has become the common objective for everybody. For this reason, Largan has launched an afforestation plan step by step in 9.4 hectares of agricultural land in Dacun Township, Changhua County. In addition to preserving the native trees in the area such as Camphor Tree, Taiwan Acacia, Chinese Hackberry, and Taiwan Crape Myrtle, we have also planted the selection of Taiwanese native tree species such as Taiwan Zelkova and Formosan Ash.

Take Taiwan Zelkova and Formosan Ash for example, when the trees are 20 years old, the annual carbon absorption will reach more than 300 tons per hectare:



2022

We had planted another 200 Bald Cypress and 800 Formosan Ash and aims to create an ecological habitat by building a fishpond and wetland area hoping to increase the regional biodiversity.



2023

The current height of various tree species ranges from 2 to 3.5 meters. The company will continue to maintain the trees and implement pest control measures. No new tree planting areas have been developed, but the company plans to purchase additional trees in 2024.



2024

In 2024, in addition to ongoing tree maintenance and pest control measures, the originally planned planting project was completed in April 2025.

Taiwan
Zelkova



Taiwan
Zelkova



Formosan
Ash



Bald Cypress (Wetland Area)



Friendly Workplace

With the aim to maintain a harmonious labor relation, Largan has proposed a short-, medium- and long-term employee care objectives such as Attracting and Retaining talents (Salary and Welfare), Training and Development, Promoting Harmonious Labor management Relations, Human Rights Protection, Safety and Health, Caring and Personnel Management to achieve friendly workplace management as the table shown:





	Short-Term (2024~2025)	Medium-Term (2026~2029)	Long-Term (2030 and Beyond)
Labor Relations and Human Rights Protection	Turnover Rate <13%	<13%	<13%
	Retention rate of new hired Taiwanese employees (3 months retention): 78%	Retention rate (3 months retention): 80%	Retention rate (3 months retention): 80%
	Workplace Wrongful Assault/Bullying 0 cases	Workplace Wrongful Assault/Bullying 0 cases	Workplace Wrongful Assault/Bullying 0 cases
	Employee Complaint/ Mediation 100%	Employee Complaint/ Mediation 100%	Employee Complaint/ Mediation 100%
Training and Development	Average number of training hours 21H 100% passing rate of new hired	Average number of training hours 23H 100% passing rate of new hired	Average number of training hours 23H 100% passing rate of new hired
Safety and Health	Health check participation rate 90%	Health check participation rate 90%	Health check participation rate 90%
	Employee safety incident ≤ 4 cases/year	Employee safety incident ≤ 4 cases/year '26 '27 4 cases '28 '29 3 cases	Employee safety incident ≤ 3 cases/year
	Occupational disease caused by chemical exposure maintains 0 cases	Occupational disease caused by chemical exposure maintains 0 cases	Occupational disease caused by chemical exposure maintains 0 cases
	Disabling injury frequency rate ≤ 2.8 Disabling injury severity rate ≤ 28	Disabling injury frequency rate ≤ 2.8 Disabling injury severity rate ≤ 28 '26 '27 ≤ 2.8 ≤ 28 '28~ ≤ 2.5 ≤ 25	Disabling injury frequency rate ≤ 2.5 Disabling injury severity rate ≤ 25

Note: Compliance with and violations of relevant labor regulations are managed through specific indicators. In addition, as pre-employment training primarily focuses on new employee orientation, these two indicators have been removed.


● Performance and Goal of Material Topics: Talent Development and Sustainability

Largan is committed to building a friendly workplace: Creating an environment of care for the employees, fulfilling the responsibility of selecting and retaining talents with the aim to achieve the goal of sustainable development as well as create continuous growth of the Company. We have set the objectives and performance guidelines, the result within two years as shown in the table based on the above-mentioned important measures taken regarding labor relations, staff training and development, human rights protection, ethics, and health and safety management with the aim to retain the talented with great potentials and stability to help the company to stay sustainable and competitive in the industry.






• Labor Relations and Human Rights Protection

2024 Target Performance	2024 Achieving Status	2025 Target Performance
Turnover Rate <13%	 10.9% → Achieved	Turnover Rate <13%
Retention rate of new hired Taiwanese employees (3 months retention):78%	 81.5 % → Achieved	Retention rate of new hired Taiwanese employees (3 months retention):78%
Workplace Wrongful Assault/Bullying 0 cases	 0 cases → Achieved	Workplace Wrongful Assault/Bullying 0 cases
Employee Complaint/Mediation 100%	 100 % → Achieved	Employee Complaint/ Mediation 100%

• Training and Development

2024 Target Performance	2024 Achieving Status	2025 Target Performance
Average number of training hours 21H	Average number of training hours per person: 4.16H → Not Achieved	Average number of training hours 21H
100% passing rate of new hired	 100 % → Achieved	100% passing rate of new hired

• Occupational Health and Safety

2024 Target Performance	2024 Achieving Status	2025 Target Performance
Passing ISO 45001 occupational safety and health system verification	 Passing ISO 45001 occupational system verification → Achieved	Passing ISO 45001 occupational safety and health system verification
Health check participation rate 90%	 92.2 % → Achieved	Health check participation rate 90%
Significant occupational injuries ≤ 4 cases/year	 3 cases/year; The number of occurrences did not exceed the baseline.	Employee safety incident (excluding death) ≤ 4 cases/year
Occupational disease caused by chemical exposure maintains 0 cases	 0 cases → Achieved	Occupational disease caused by chemical exposure maintains 0 cases
Disabling injury frequency rate ≤ 2.8 Disabling injury severity rate ≤ 28	 Disabling injury frequency rate 1.55 → Achieved Disabling injury severity rate 22 → Achieved	Disabling injury frequency rate ≤ 2.8 Disabling injury severity rate ≤ 28

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

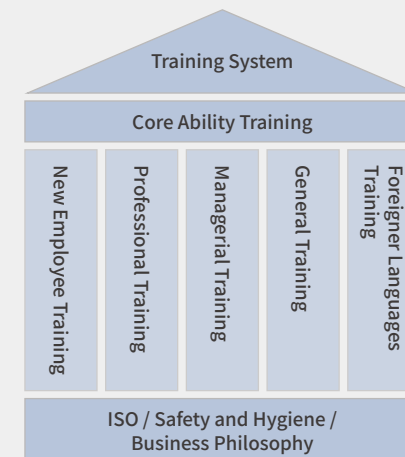
At Largan we arrange training programs and learning curriculums (as shown in the graph) based on the Company's annual operational objectives which includes training session for newly hired personnel, orientation, professional courses, management training, language ability enhancement training...etc., 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.

7-4 Salary and Welfare

Salary and Welfare Policy: Competitive Salary and Welfare Program

Management
Measures

- Goals and Objectives: Establishing a salary and welfare system in accordance with the Company's overall economic and cultural development and industrial competitiveness. The Company provides competitive salary and welfare to attract and retain talents.
- Commitment: Improve employees' salary and welfare by using due diligence and early warning communication methods to allocate operating profit as bonus for salary and remuneration.
- Policy and Management:
 - (1) Provide a stable salary structure for employees by following the Company's salary and welfare system.
 - (2) Formulate the provisions of the "Employee Welfare Fund Acts" to allocate employee welfare funds and handle welfare matters.
 - (3) Performance evaluation helps to improve the Company's human resources system, thereby nurturing and developing employees' personal abilities.

All employees are important assets of the Company. We offer competitive salary and welfares to attract and retain the outstanding talents as a long-term sustainable developing strategy, 3% pay rise by the year will be issued based on the individual's work performance. We aim to provide the flexibility for the employees to shine the talents in their field and ultimately grow with the company together. Based on the Company protocols, up to 1%-30% of the operating profit is allocated to the employees as bonus, an encouragement and reward for their hard work and contribution to the company. We hope the incentives can help boost work efficiency as well as make the Company desirable to the outstanding talents.

● Compensation Policy of the Highest Governance Unit and Senior Managements

1. The compensation paid by the Company to the Directors, President and Vice President was in accordance with the Company's Articles of Association and the Manager's Compensation Standard, reviewed by the Compensation Committee and approved by the resolution of the Board of Directors. From 2023 to 2024, there was a major change with the Directors' remuneration. The total Directors' remuneration increased by 0.03% in after-tax net profit margin; the total amount of President and Vice President's remuneration decreases by 0.1% in after-tax net profit margin.
2. The compensation of Directors and managers of the Company was handled in accordance with Article 26 of the Company's Articles of Association. If there is profit in the current year, the 1% to 30% of the profit should be allocated as employee compensation and no more than 5% as Director's compensation. The procedure for determining remuneration, except of referring to the Company's overall operating performance, future risks and development trends of the industry, it also referring to the position held by the individual, the responsibilities taken, the performance achievement rate, the contribution to the Company and his/ her participation in the Company's operations. A reasonable compensation was considered with practical and operational management capabilities (such as morality), leadership, communication and coordination abilities, and comprehensive management indicators that include the Company's core values. Relevant performance assessments and remuneration rationality were regularly reviewed by the Compensation Committee and the Board of Directors, and the compensation system is reviewed at any time depending on the actual operating conditions and relevant laws and regulations.
3. For relevant compensation information, please refer to the content published in the 2024 Annual Report in detail.

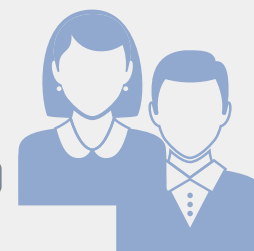
● The employee salary structure includes: basic salary, allowances, 3 holiday bonuses, quarterly bonus, retention bonus, the salary and number of full-time employees in non-supervisory positions in the past three years are as shown in the table:

Year	Average Salary Unit (NTD)	Median Salary Unit (NTD)	Number of Full-time Employees Who Are Not in Supervisory Positions
2022	1,244,034	878,239	6,709
2023	1,139,399	857,902	7,164
2024	1,319,016	926,769	7,601

● The Gender Average Monthly and Annual Income Ratio for Different Positions are as shown in the table:

Category	Field	2023		2024	
		Female : Male Monthly Income Ratio	Female : Male Annual Income Ratio	Female : Male Monthly Income Ratio	Female : Male Annual Income Ratio
Occupation	Production	1 : 1.21	1 : 1.90	1 : 1.22	1 : 1.89
	Managerial	1 : 1.12	1 : 1.67	1 : 1.12	1 : 1.67
	R&D	1 : 1.37	1 : 2.09	1 : 1.31	1 : 1.87

Note: 1. Male workers generally have higher educational experience and seniority than female workers, hence the salary ratio varies. / 2. The responsibilities, performance achievement, and contribution of each job position are different, thus the ratio of the highest salary to the median salary has not been calculated.



● Employee Welfare

We allocate the welfare funds to the employees following the "Employee Welfare Fund Acts" for handling welfare business for the employees. We also provide various insurance subsidies in accordance with relevant laws and regulations such as labor insurance, National Health Insurance, casualty insurance, and the Company added accident insurance and group insurance. The average employee benefits per person, measured in thousands of New Taiwan Dollars, are based on the ESG disclosure figures announced by the Taiwan Stock Exchange Corporate Governance Center.

1. Health Care for the Employees: We hired the on-site nurses in accordance with relevant regulations to provide colleagues with the most immediate medical resources. On-site doctors were arranged in the factories every week, if necessary, colleagues can independently apply by phone calls for injured and sick colleagues, and conduct resumption assessment in due course. We also provide one free labor health checkup every year to ensure the health status of employees and provide special ophthalmological vision checkups for employees and their relatives.
2. Parenting-Friendly Measures: We established breastfeeding rooms, maternity priority parking spaces which the pregnant employees could use first, 22 contracted childcare institutions nearby the Company to provide our staff with multiple childcare options.
3. Emergency Aid: According to Largan's Emergency Relief Policy, if employees are unable to attend work due to serious illness, long-term family care needs or real estate damages which cause difficulties in life, they can apply for emergency relief funds from the Company to ensure basic living needs.

Year	The number of employees that due to significant injuries or illnesses caused difficulties for their families	The total amount of emergency relief dispensed
2022	2 people	333,733 NTD
2023	4 people	896,450 NTD
2024	8 people	1,453,666 NTD

● Other Employee Welfare are as shown

Allowance	Extra Welfares
<ul style="list-style-type: none"> • Meal and travel allowance • Maternity and marriage allowance • Birthday, 3 holiday bonuses, Labor Day bonus • Healthcare subsidy (Hospitalization), funeral condolences 	<ul style="list-style-type: none"> • Family Day, meal allowance • Supermarkets and appointed stores discounts • Free parking lots • Contact lens discount

● Employee Pension Scheme

The pension fund is served to protect employee's right to claim retirement pensions in the future. The establishment of the fund is based on the "Labor Standard Act" and the "Labor Pension Regulations."

Retirement Standards	Payment Standards (The Old Fund)	
<p>A worker may apply for voluntary retirement under any of the following conditions:</p> <p>(1) Aged fifty-five or above and has worked for more than fifteen years.</p> <p>(2) When the worker has worked for more than twenty-five years.</p> <p>An employer shall not force a worker to retire unless any of the following situations:</p> <p>(1) Aged sixty-five or above.</p> <p>(2) When the worker is unable to perform his/ her duties due to mental or physical disability.</p>	<p>(1) For the employees with less than 15 years of service, two bases are given for each full year of service rendered. For those over 15 years, one base is given for each year of service rendered. The total number of bases shall be no more than 45.</p> <p>(2) The length of service is calculated as half a year when it is less than six months and as one year when it is more than six months.</p> <p>(3) An additional 20% on top of the amount calculated shall be given to workers who are forced to retire due to mental or physical disability incurred from the execution of their duties.</p>	
Accounting Base (The old fund)	Payment Period	Other Regulations
The conversion standard of the pension base is the average salary of the six months before retirement is approved.	The pension shall be paid to the employees within 30 days from the day of retirement. If the payment cannot be completed in one lump sum, the Company may apply to the competent authority for approval to pay the amount in installments.	Retirees are required to fill in a retirement application form. The Company would mandate eligible retirees to apply for retirement and all retirees should go through the formal procedure. The employee has the right to claim pension funds from the next month of retirement, and the right will expire if no action is taken within five years after the retirement has been approved.
New Pension Fund Scheme		The total number of people applying for retirement in the last three years
The amount of labor pension borne by the Company is no less than 6% based on the employee's monthly wage to the retirement fund account.		1 people in 2022; 2 people in 2023. 3 people in 2024.

● Parental Leave

Parental leave is available to the employees who meet the qualifications for application regardless of genders. The total number of people applied for parental leave in the last three years, and total of 69 people reinstate in 2021, 98 people reinstate in 2022, 108 people reinstate in 2023. 112 people reinstate in 2024. Total as shown in table:

Category	2022			2023			2024		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Number of people eligible for parental leave (A)	363	819	1,182	378	816	1,194	391	767	1,158
Actual number of applicants (B)	106	37	143	88	58	146	99	43	142
Application rate (B/A) (%)	29.2%	4.5%	12.1%	23.3%	7.1%	12.2%	25.3%	5.6%	12.3%
Annual number of people pending for reinstatement (C)	90	28	118	96	49	145	77	41	118
Actual number of people apply for reinstatement (D)	75	23	98	75	33	108	71	41	112
Reinstatement rate (D/C) (%)	83.3%	82.1%	83.1%	78.1%	67.3%	74.5%	92.2%	100%	94.9%
Number of people reinstated in the previous year (E)	66	3	69	75	23	98	75	33	108
Number of people reinstated for up to 1 year in the previous year (F)	59	3	62	75	23	98	71	32	103
Retention rate (F/E) (%)	89.4%	100.0%	89.9%	100.0%	100.0%	100.0%	94.7%	97.0%	95.4%

Note: According to Article 16 of the "Act of Gender Equality in Employment", the employee is eligible for applying for parental leave with pay up until the child or children reach the age of 3.

Number of eligible parental leave applicants in 2021 = 2018~2021

Number of eligible parental leave applicants in 2022 = 2019~2022

Number of eligible parental leave applicants in 2023 = 2020~2023

Number of eligible parental leave applicants in 2024 = 2021~2024

7-5 Respect of Human Rights

Human Rights Policy: Diversity, Equality and Human Rights Protection

Management Measures

- Goals and Objectives: Create a challenging, sustainable learning and fun work environment and management culture of diversity and human rights protection.
- Commitment: Use due diligence and early warning communication methods to build a harmonious work environment with gender equality, diversity respect and human rights protection.
- Policy and Management:
 - (1) Treat all employees equally regardless of gender, religion, race, nationality or political preferences.
 - (2) In accordance with the "Employee Welfare Fund Acts," the welfare fund collected from the employee is distributed to participate in labor insurance and health insurance.
 - (3) Provide a fair, reasonable and objective performance assessment process.



At Largan we abide by labor laws and regulations and formulated foreign labor management policy to protect all employees' rights and interests.

● Commitment: 100% compliance with relevant labor regulations.

Our management measures had formulated labor human rights protection regulations and assessed the risks of forced labor regularly.

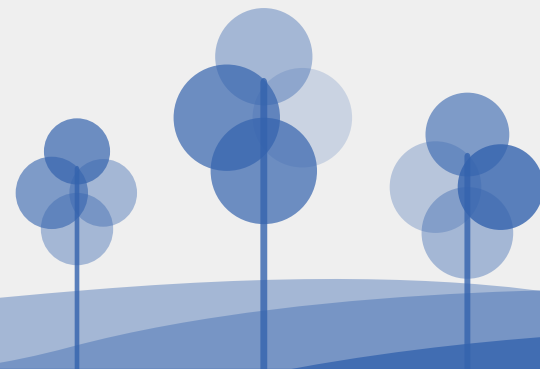
Largan consults the International Labor Convention and complies with the Responsible Business Alliance (RBA) Code of Conduct, which committed to complying with Taiwan's labor-related laws. It had formulated a code of labor human rights protection management that includes working hours and wages, humane treatment, non-discrimination, anti-workplace bullying, and freedom of association: Prevention of nonvoluntary labor, prevention and control of sexual harassment, protection of motherhood in the workplace, and prevention of illegal infringements in the performance of duties.

"The Recruitment & Hiring Measures" stated that Largan does not employ child labor and establish protection measures for employees under the age of 18 working night shifts. We also formulated the foreign labor management policies specifically to protect the foreign employees' rights and interests. The Administrative Department regularly evaluates the risks of forced labor incidents and disclose the information to the relevant supervising units for providing suggestions and reminders when there is any violation suspected with the aim to ensure that similar situations will not happen again in the future.

Item	Prohibition of Forced Labor	Prohibition of Child Labor
Risk Assessment	Work-time control internally.	Check if the interviewees are over 18 years old according to the ID.
Target	No forcing or threatening reluctant workers to perform labor service.	Prohibition of hiring child labor; protect by laws if hiring juvenile labors.
Management Measures	Work-time control. Work hours tracking for continuous attendance and overtime working on holidays. Provide channels of opinions and feedback.	Work-time control for juvenile labors. Prohibition for continuous attendance, night shifts and working on holidays. Provide channels of opinions and feedback.

Item	Prevent Unlawful Discrimination	Safe and Hygienic Environment
Risk Assessment	The principle of non-discrimination is disclosed during the interview process, employee training program, salary and welfare and promotion in accordance with Taiwan's labor laws.	Completed hazard identification and risk assessment → high-risk jobs should be listed and monitored properly. Implement occupational disease prevention and promote the physical and mental health of the employees.
Target	Interviewees' personal information which is not related to the job shall not be asked during the interview. No verbal discrimination between employees regardless of any position.	Establish a safe and friendly working culture and environment.
Management Measures	Assess if the regulations and internal management systems comply with laws and regulations periodically.	Establish occupational safety and environmental protection measures. Provide medical assistance and on-site nurse and part-time on-site doctor. Personnel education, training and advocacy.

Work-Life Balance	
Risk Assessment	Improve interpersonal interactions among colleagues by participating in leisure activities.
Target	Raise the participation rate.
Management Measures	Strengthen the promotion of activities held by the Welfare Committee to raise the participation rate. Distribute questionnaires to collect suggestions for improvement.



To ensure all employee at Largan understand the poalicies and practices of labor rights and corporate social responsibility, the Administrative Department conducts relevant training and a test after training. Here as the following arrangement:

(1) **Lecture Training:** On the day of registration, the new employees will receive a 30-minute corporate social responsibility and labor rights policy lecture training. By the videos, presentation, and lectures, we hope the new staff could have a better sense of human rights regulations and related laws with the aim to help them understand their own rights and interests as well as complaint channels when it's needed.

(2) **Test:** To ensure that the employees fully understand the training contents, the employees must take a written test right after the training session and pass the test to be considered qualified. If their score is lower than the expected standard, the employees will need to come back the next day for another round of training and tests.

(3) **Passing Rate of the Test (40 questions total, scoring 80 points to pass the test):** Largan expect that all of our employees could fully understand and comprehend labor human rights.

Year	Number of People Trained (new hired Taiwanese employees)	Training Passing Rate
2022	878	100%
2023	729	100%
2024	836	100%

● Implementation Status of Human Right s Indicators in the Last Two Years

2023				2024			
No incident of discrimination	No prohibition of freedom of association	No incident of hiring child labor	No major incidents of forced and compulsory labor	No incident of discrimination	No prohibition of freedom of association	No incident of hiring child labor	No major incidents of forced and compulsory labor

7-6 Employee Care and Communication-Human Rights Protection

Largan provides a variety of communication channels to facilitate communication and coordination between the employees and managerial supervisors with the aim to establish deep understanding of employees' satisfaction regarding the management and welfare system and strive to maintain a good labor relation. We have successfully maintained a harmonious relationship and bonds with our employees, and we are proud to say it is unlikely for us to experience losses that are due to labor disputes. Through the labor-management meeting, employee representatives could reflect their suggestions and opinions on specific topics. By the discussion in the meeting, both the employees and the Company are able to reach consensus and ensure the effectiveness and efficiency of the communication.

Meanwhile, the Employee Welfare Committee, the Occupational Safety and Health Committee, and the Labor Retirement Reserve Fund Supervision Committee were established in accordance with the laws, and they were submitted to the competent authority for approval before formal operation. The labor-management meetings held quarterly, and the Employee Welfare Committee and the Occupational Safety Committee were meet regularly as well. Each labor-management communication related organization performed its own duties, communicated on different issues, and worked together to promote labor-management harmonious and co-prosperity, creating mutual benefit and win-win between labors and managements.

Largan provides diversified, transparent, and open communication channels for the employees to express their thoughts and feelings. Which enable employees' opinions to be responded and handled effectively through a fair, confidential, and rapid processing process to resolve employees' doubts and build friendly labor-management relationship.

● Diversified Employee-Management Communication Channels

At Largan we value and respect the rights of freedom of association granted by the law for our employees, and we don't prohibit nor obstruct association assembly. Despite of Labor-Management Meeting, the labor representatives are usually more than the management representatives in every other channel of communication. We also establish Occupational Safety and Health Committee and Employee Welfare Committee according to laws and regulations. The number of representatives of both labor and management in 2024 is as shown in the table:

Communication organization name	Numbers of Employee Representatives	Numbers of Management Representatives
Labor-Management Meeting	5	5
Occupational Safety and Health Committee	51	29
Employee Welfare Committee	12	1
Supervisory Committee of Labor Retirement Reserve	7	2



● Employee's Feedback

Install more surveillance monitoring camaras near the emergency exits to reduce blind spots in the factory with the aim to improve overall safety of the work environment.

Improve the hygiene and safety by labeling instructions in the waste storage area.

Improve the traffic and road safety in the factory by maintaining the labels and signs, as well as improve the traffic control management measures.

Increase the frequency of noise level measure and actively improve the noise control management of the factory area.

Others

● Treatment of Employee's Feedback of Labor-Management Meeting

The labor-management meeting at Largan is composed of five representatives from the employer side and five labor representatives. All labor representatives are directly elected by all labor members. The top five with the highest number of votes become labor representatives. There are reserved spots for women, men and foreign laborers, which allows opinions from different perspectives to be expressed and discussed. The labor-management meeting is established to promote the cooperation relationship of both parties as well as prevent labor disputes. The fundamental purpose of the meeting is to encourage efficient and effective communications of both sides, to create bonds and bridges and reduce the chance of encountering conflict situations, as well as gather the wisdom and potential from everyone to help the Company to thrive and prosper.

● Topics Discussed during Labor -Management Meeting

Incentive bonus for revenue achievement

3 Holiday bonuses

Shareholder meetinga

Employee annual health examination and consultation service matters

Employee compensation matters

Annual dinner related matters

Annual bonus matters

Establishing official social media to increase communication channels for the employees

● Employee Suggestion Box

The Company has set up multiple employee suggestion mailboxes at the workplace and dormitory with the location that has privacy for the employees to address their problems encountered at work. We usually encourage our employees to express their opinions directly following the regular management protocols during work. However, the employees are able to share their opinions privately to the Employee Suggestion Box under the following circumstances.

The issues that are unable to resolve or receive any feedback through the regular management channels.

When there is illegal or unethical behavior happening in the company.

Any suggestion that is significant and important to the company's operation and management but cannot voice it through regular management channels.

Nominate outstanding colleagues for their significant contributions.

Other issues that must be through to direct report to the above department managers.

Below items are the matters can be reflected with **【Employee Suggestion Box】** but are not limited to solve

Anti-discrimination, anti-harassment, and abuse

Avoid involuntary forced labor

Foreign labor agency recruitment management and protection of foreign workers

Avoid child labor, protect juvenile workers, and protect student workers

Working hours, wages, benefits, and labor contracts

Freedom of association and collective consultation

Occupational health and safety management, accident management, and emergency preparedness and response

Dormitory and restaurant management

Hazardous waste management, wastewater management, rainwater management, waste gas emission management, and factory noise control management

Employees or potential employees shall not be subject to dismissal, blacklisting, discriminated, harassed, intimidated, retaliated, or other employment decisions against any such employee or potential employee who in good faith, submits any question, suggestion, complaint, or grievance to a supervisor or managers, or participates in any way in the investigation or handling of any of them.

The opinion letters were received and all were resolved as scheduled. The processing results will be reported back to the reporter or by the public announcement (with an anonymous letter).

7-7 Occupational Safety and Health

Policy of Safety and Health: 【No Occupational Accident】 A Healthy and Safety Work Environment

Management
Measures

- Goals and Objectives: Perform assessment and evaluation regarding risks and opportunities with the aim to improve occupational health and safety system and performance.
- Commitment: Using due diligence and early warning communication methods to provide the employees with a safe and healthy work environment and ensure the safety at sites for the visitors and suppliers.
- Policy and Management:
 - (1) Implement the ISO 45001 Occupational Health and Safety Management Systems and Occupational Safety and Health Act as standards and guidelines to follow.
 - (2) Comply with occupational safety and health regulations and other requirements as well as establish hazard identification methods to reduce occupational safety and health risks.
 - (3) Occupational safety and health system and self-inspection management.
 - (4) Occupational safety and health education and training, emergency response drills, and work environment examination.



ISO 45001 Certificate

Largan promises to provide employees with safe, healthy, and high-quality work environment while maintaining the safety of suppliers and visitors. Following the "ISO 45001 Occupational Health and Safety Management Systems" and the "Occupational Safety and Health Regulations," it formulates occupational safety and health regulations, assists the department in identifying operational hazards and establishing safe operation standards. We conduct the evaluation and control risks to improve occupational safety and health performance.

After completing the ISO 45001 system transfer and obtaining third-party verification in 2020, Largan supervised occupational safety and health inspections and implemented occupational safety and health policies. Through the process of planning (Plan), implementation (Do), assessment (Check), and improvement (Action), Largan has been constantly improving its safety and health management performance.

● Occupational safety and health policies and management measures

- Implement the ISO 45001 occupational safety and health management system to provide a safe and healthy work environment and personal safety protection.
- Comply with occupational safety and health related laws and other requirements, establish hazard identification and reduce the risks at the workplace.
- Facilitate good communication channels for safety and health regarding participation and consultation.

● Legal Professional Certificated Personnel of Safety and Health

When a plant is built or partly rebuilt, relevant departments such as Manufacturing, Administrative, Information Technology, and Occupational Security and Health will conduct relevant safety and health risk assessments. The number of professional occupational safety and health personnel with legal certificates in the Occupational Security and Health Office in 2024 is as shown in the table:

Titles of Occupational Safety and Health Certification	Number of People
Occupational Safety and Health Management Specialist	7
Level B Technician for Occupational Safety and Health Management Personnel	14
Occupational Health Nurse	7
Class-1 Occupational Safety and Health Affair Managers	26
Fire Safety Officer	9
First Aid Personnel	166

The number of legal certifications held by the aforementioned professional security personnel complies with the provisions of relevant laws and regulations regarding occupational safety.



● Occupational Safety and Health System and Self-Inspection and Management

Largan has established the "Occupational Safety and Health System" in accordance with the law that includes: Safety and Health management system and training, inspection of production equipment, work environment examination, internal safety and health audit inspection, medical care and health check, emergency response and drills, occupational disaster management, statutory matters reporting, contractor management and construction inspection and other Safety and Health matters.

The occupational safety and health self-management measures taken at Largan include pre-employment training, on-the-job training, and license training, etc. We make continuous effort and improvement in identifying potential hazards at the workplace and manage the risks at different levels, provide necessary protective measures or personal protective equipment, implement operating environment measurement, emergency response and escape drills, regular health checks and graded active care, provide timely medical care in case of disasters, occupational disaster management and internal safety and health inspections, and prevent disasters in the factory and reduce risks, and continue to improve security work.

For hardware facilities, we carry out planning, designing, and constructing plans according to relevant requirements, international regulations, and company standards. The auditing unit is in full charge of Safety and Health management to help improve and assess the performance and ensure the efficiency of the regulation implementation.

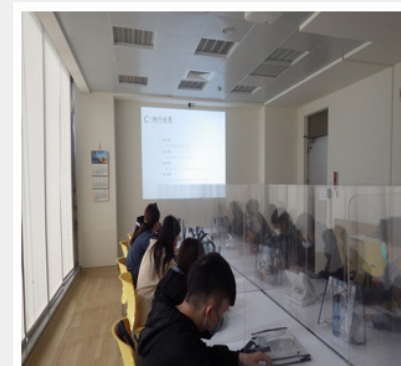
Operational safety and health management include: High-Risk Operation Control, Contractor Entry Management, Construction Safety Management, Chemical Safety Management, Occupational Disaster Analysis and Statistics, Operating Environment Examination, Disaster Emergency Response Procedures, Periodical Fire Escaping Drills. All management measures are taken to minimize the potential damages and impacts done to the Company in response to the event of a disaster.

In recent years, global warming and extreme weather events have increasingly posed serious risks to workers' safety and health. To further enhance the effectiveness of the ISO 45001 organizational management system, in addition to considering internal and external issues, the Company has also incorporated climate change into its assessments and developed corresponding response measures. Climate change-related issues include heat hazards, solar ultraviolet radiation, extreme weather, and amendments to policies and regulations.

● Occupational Safety and Health Educational Training

In order to enable our new employees, familiarize with the Company's related operation regulations when they are first on board, we arrange series of occupational safety and health education trainings for the new employees, and conduct assessment and evaluation according to the course content to actively promote personnel safety and health protection awareness. The overall sessions and hours arranged and numbers of participants are as shown in the table:

Year / Training Hours Training Category	2022				2023				2024			
	Number of Classes	Number of People	Hours	Total Hours	Number of Classes	Number of People	Hours	Total Hours	Number of Classes	Number of People	Hours	Total Hours
Safety and Health Educational Training for New Employees	81	1,162	8	9,296	73	729	3	2,187	81	836	3	2,508
Safety and Health Educational Training for Existing Employees	-	-	-	-	-	-	-	-	202	7,098	3	21,294
Safety and Health Internal Auditor Educational Training	3	26	1	26	1	18	2	36	1	30	3	90
Emergency Response Educational Training	16	545	4	2,180	16	682	4	2,728	20	798	4	3,192



Note: Occupational Safety and Health Educational Training for Employees will be held on a three-year basis.

● Work Environment Examination

To ensure the safety condition of the work environment on sites, the work environment examination is carried out every six months. Through the examination, we can understand the actual situation of hazard exposure in the work environment and monitor and manage the status of the exposure. A few monitored substances include dust, noise, carbon dioxide, and organic solvents. If there is any abnormality in the exam results, the Company will carry out engineering control and administrative management improvements for the threats suspected.

In 2022, a total of 18 sessions of operating environment examinations were conducted across all plants. In 2023, 18 sessions were conducted cumulatively, and in 2024, the cumulative number increased to 22 sessions.

Year	Work Environment Examination
2022	18
2023	18
2024	22

● Emergency Response and Drills (+ Explanation of participation rate)

To reduce and minimize the impact caused from a disastrous event on our valuable workers and the Company, each factory has set up self-defense firefighting groups and arranged periodic regional evacuation and disaster prevention drills in situations such as fires and chemical spills every year. We also help to arrange the regional fire brigade to guide, review and educate each factory in terms of emergency response and encourage all employee to participate in the training sessions held.

The emergency response center is equipped with the following facilities:

Contingency Information

Emergency evacuation layouts, fire extinguisher arrangements, and hazardous chemical information.

Fire Protection and Monitoring

Fire system, gas monitoring system, emergency smoke exhaust system, key area surveillance and recording systems, and emergency shutdown systems for gas and chemicals, broadcasting system, etc.

Contingency Equipment

Protective clothing, personal protective equipment, respiratory protective devices, leakage treatment equipment, alarming equipment, etc. To prepare for the possibility that the emergency response center might be affected by disasters, each factory has equipped appropriate locations with simple, easily accessible emergency equipment that provides sufficient information, ensuring continuous response operations when necessary.

Emergency Equipment

According to the emergency rescue practice, it is recommended to install AED, emergency shower equipment, eyewash, first aid backpack, and disaster relief kit at the workplace.

Evacuation and Disaster Prevention Drills



Escaping Drill Events



Fire Fighting Drills



Occupational Accident Management

Largan is concerned about the cause of each occupational accident. To effectively manage it, the Company has established a series of handling procedures for abnormal activities regarding occupational safety and health. Once an accident occurs, we will immediately report to the security unit, investigate, and analyze the accident, and propose improvement measures to prevent accidents from happening again. At the same time, through education and training, the Company has improved work environment inspections and internal/ external audits, the awareness of safety and health of personnel, and potential work hazards to reduce environmental risks. In 2024, a total of 26 occupational incident reports were filed, all of which have been fully rectified. The incidents were categorized as follows: 12 related to machinery and equipment, 7 related to the working environment, and 7 classified as other. In implementing corrective measures, priority was given to eliminating hazard sources and assessing the feasibility of engineering controls, such as adopting low-hazard equipment or installing photoelectric sensors as preventive measures at the source. Each corrective action was also concurrently extended to all relevant areas for review, in order to prevent recurrence of similar incidents. At the same time, through education and training, the Company has improved work environment inspections and internal/ external audits, the awareness of safety and health of personnel, and potential work hazards to reduce environmental risks.

In addition to controlling the risks of occupational hazards on-site, the Company also values the importance to the safety of employees when going to and off from work. We schedule periodic road safety meetings and lectures as well as promotion signs on the Company's bulletin boards and electronic carousel notice boards that employees must pass through every day to deepen the road safety awareness for our employees with the aim to reduce the probability of traffic accidents from happening.

26 Occupational Injury Cases Reported in 2024: FR=1.55、SR=22、FSI=0.19

Occupational Injury Rate/ Index	2022	2023	2024
Number of cases reported	17	28	26
Disabling injury frequency rate (FR)	1.18	1.87	1.55
Disabling Injury Severity Rate (SR)	18	32	22
Frequency-Severity Indicator (FSI)	0.14	0.24	0.19
Fatality Rate caused by occupational Injury	0	0	0

Note:

- Occupational disaster statistics to exclude traffic accidents
- Disabling Injury Frequency Rate (FR)= Number of Disabling Injuries/ working hours \times 1,000,000
- Disabling Injury Severity rate (SR)= Total days of loss caused by disability injury (excluding deaths)/working hours \times 1,000,000
- The Frequency Severity Indicator (FSI)= $\sqrt{\text{FR} \times \text{SR} / 1000}$
- Occupational injury death rate = number of deaths caused by occupational injuries/working hours \times 1,000,000
- The identified deficiencies related to reported occupational incidents have been fully rectified.

● Internal Safety and Health Inspection

The five essential inspections conducted by the security unit regarding occupational safety and health at the workplace focuses on the aspects which include chemicals misused, mechanical equipment and environment on-site deficiency, fire equipment, and waste disposal...etc. The aim of the inspections conducted is to eliminate potential operational hazards from happening based on daily operations.

- A total of 41 deficiencies were issued after a 17 on-site departmental assessment was completed in 2022. According to the analysis and statistics report, the top three factors of deficiencies suspected are chemicals misused which accounts for 36.5%, others (includes minor dismiss such as protective equipment and medical kits) account for 21.9%, and mechanical equipment and environment on-site deficiency accounts for 17.0%. After counseling and tracing with relevant departments, the overall improvement completion rate is 100%.
- A total of 63 deficiencies were issued after a 17 on-site departmental assessment was completed in 2023. According to the analysis and statistics report, the top three factors of deficiencies suspected are fire equipment which accounts for 41.3%, chemicals misused account for 38.1%, and mechanical equipment and environment on-site deficiency accounts for 11.1%. After counseling and tracing with relevant departments, the overall improvement completion rate is 100%.
- A total of 98 deficiencies were issued after a 17 on-site departmental assessment was completed in 2024. According to the analysis and statistics report, the top three factors of deficiencies suspected are chemicals misused account for 48.0%, mechanical equipment and environment on-site deficiency accounts for 35.7%, and fire equipment which accounts for 9.2%. After counseling and tracing with relevant departments, the overall improvement completion rate is 100%.

Year	Number of On-site Departments	Deficiencies Counted	Chemicals	Mechanical Equipment/ Environment On-site	Fire Equipment	Others
2022	17	41	36.5%	17.0%	-	21.9%
2023	17	63	38.1%	11.1%	41.3%	-
2024	19	98	48.0%	35.7%	9.2%	7.1%

● Internal Participation in Consultation and Communication Channels



● Occupational Safety and Health Committee

Largan had set up an Occupational Safety and Health Committee. Labor representatives are elected in accordance with relevant laws and regulations to form and provide an official platform for managers and employees to conduct face-to-face communication regarding the topic of environmental safety and health at the workplace. A quarterly meeting is held to address environmental-related issues and implementation performance of environmental protection, safety, and health management. A total of 81 members from both employers and employee's sides participated in the periodic meetings in 2024.

● Hazard Identification, Opportunity and Risk Assessment

We had established a hazard identification team across the hazard identification, opportunity, and risk assessment departments to identify routine and non-routine hazard incidents for unit operations, areas, equipment, and personnel's physical and mental health. The personnel will conduct risk assessments regarding occupational safety and health system, risk control, and incident prevention. In 2024, twelve departments co-joined the committee, identifying a total of 828 hazardous factors, and coming up with corresponding countermeasures.

7-8 Health Promotion

● Health Management Promotion

Objectives: Health care and medical care, human-induced hazards assessment and management, abnormal workload prevention, workplace illegal abuse prevention, maternal health protection and management.

The Company actively promotes health and safety at the workplace. In addition to meeting the requirements of relevant laws and regulations such as labor safety and health care, we truly care for the health status of all of our employees in terms of health awareness, health activities, healthy diet management and other health related issues. We put effort and resources into taking care of the health of every employee sincerely. The relevant health promotion measures taken are as shown in the table:

Health Awareness	Health Activities	Healthy Diet	Health Management
(1) Promotion and announcement on Epidemic Disease Prevention Education (2) Promotion of the concept of epidemic prevention (3) Hepatitis Screening (4) Vaccination arrangement (5) Free medical masks are given to employees for use	(1) Various sport games (badminton, softball, basketball, table tennis, volleyball) (2) Dragon boat racing (3) Road running (4) Family Day (5) Healthy weight management activities.	(1) All ingredients, condiments, and oil products used are all qualified products of national certification (2) No flavoring agent is used (3) Low oil, low sugar, low sodium (4) Indicating calories and health Information (5) Bring your own eco-friendly cutleries (6) Provide options of health meals	(1) Annual health check (2) Sleeping quality testing (3) Children's vision correction (4) Adult eye examination (5) Skin condition examination (6) Prevention and improvement of manmade hazard (7) Regular follow-up care and support for employees on sick leave, medical leave, or those diagnosed with major illnesses.

● Health Care and Medical Care

Health Check: The Company provides employees with free health checks and additional health checks for special operators every year which is better than the laws and regulations. We conduct statistical analysis of health examinations to find out possible illness causing factors. We also track high-risk health groups based on different levels of risk. We strive to ensure workplace health promotion and occupational disease prevention.

The following table shows the categories of health check-up items and the number of participants in the last two years:

Item Year	2022		2023		2024	
	Item Checked	Participants	Item Checked	Participants	Item Checked	Participants
General Health Check	According to Labor Health Protection Regulations	4,596	According to Labor Health Protection Regulations	4,680	According to Labor Health Protection Regulations	4,684
Special health Check (dust)		199		246		290
Special health Check (noise)		2		3		93
Special health Check (ionizing radiation)		-		-		3
Special health Check (n-hexane)		-		-		62
Special health Check (nickel and its compounds)		-		-		3
Special health Check (isophorone diisocyanate)		-		-		2

We regularly arrange doctors on sites to provide services such as professional physician consultation service for abnormal and maternal health checkups, as well as abnormal workloads, and occupational injuries. For those classified as second-level management or above, the physician will comprehensively evaluate the health status to provide appropriateness of the arrangement on the job position. The participants in health consultation services throughout these two years are as shown in the table below:

Item Year	Consultation Services in 2022	Consultation Services in 2023	Consultation Services in 2024
Participants	560	659	1,114

● Health Risks are managed by Levels 1-4

Level 1: 4,352	Level 2: 406	Level 3: 16	Level 4: 1
The results of the health examination are all normal; there is no abnormality diagnosed by doctor.	The results of the health examination are abnormal, and the assessment is on unrelated occupational work content. Appropriate reexamination or treatment shall be arranged after receiving health guidance.	The health checks results are abnormal, and the preliminary assessment is related to occupational work. Level 3 will be redetermined after arranging the occupational medicine clinic.	The result of the health examination is abnormal; doctors suggested that it is associated with occupational work. Doctors then arranged for further occupational disease assessment and examination procedures and treatment.

● Partnerships for Sustainable Healthcare

There are 20 contracted medical units, which we cooperate with by signing partnership contracts with professional institutions. We are provided with discounted medical expenses and comprehensive medical services with the aim to assist our employees to get proper care mentally and physically.

● Pay Attention to Infectious Disease

The Company remains vigilant regarding seasonal influenza (such as H1N1, H3N2, and Influenza Type A or B) and other communicable diseases that could pose potential risks to epidemic prevention. Annual influenza vaccinations are arranged in collaboration with external medical institutions, providing employees with convenient access to immunization. Continuous monitoring of various infectious diseases (such as tuberculosis, typhoid, and chickenpox) is maintained to mitigate workplace transmission risks. In 2024, a total of 228 employees received vaccinations. The Company consolidates past experiences to avoid both overreaction and underreaction, thereby strengthening routine preventive capabilities. Seasonal infectious disease prevention information is posted across all plant areas to enhance employees' awareness of self-protection.

● Human-Induced Hazard Assessment and Management

The Company established correct safety awareness, evaluated and improved the project through the human factor engineering safety education and training. Labor health service personnel coordinate annual health checks and conduct ergonomic assessments to promptly identify musculoskeletal disorders. Feedback is provided to occupational safety and health units, with individual case management and improvement project evaluations to prevent repetitive motion-induced musculoskeletal disorders.

For example, the human factor assessment and improvement of machine maintenance include the provision of spreaders, lifting trolleys, and jigs to replace parts and components.

We reviewed the use of fully automatic and semi-automatic auxiliary equipment to reduce personnel hazards at work. For work arrangement, we imported MES boards to schedule work tasks, and relatively overloaded positions will have rotation arrangements.

● Maternal Health Protection and Management

Under the law of Act of Gender Equality in Employment for maternal health protection, both male and female workers are entitled to apply for parental leave without pay in addition to the seven days of prenatal examination leave, eight weeks of maternity leave, and seven days of paternity leave for spouses. There are also breastfeeding (collection) rooms and refrigerators set up in the Company, which is convenient and friendly for female employees who return to work after giving birth and having the needs to breastfeed (or collect) breast milk for their children.

To prevent female employees from exposing maternal health hazards in the workplace, the health center in the company has established maternal health protection and management procedures. After a comprehensive evaluation by professional medical specialists, measures such as hierarchical management and on-site improvement are adopted to ensure the maternal health of female employees.



*We arranged physician assessments for people who are in need, as well as provided maternity parking spaces, and signed up appointed stores for discounted prices on maternity related goods, and periodically distributed questionnaires to collect suggestions. Moreover, we provided pregnancy and childcare information before maternity leave.



08 | Shared Prosperity with Society

8-1 Policy and Management

8-2 External Associations Participation

8-3 Social Welfare Activities

Shared Prosperity with Society

At Largan, we aim to achieve social shared prosperity based on four aspects which are industry-academia collaboration, vocational training and job matching, social welfare and caring for the underprivileged. The Board of Directors of Largan also decided to establish a foundation in 2021. In 2023, we selected seven Directors of the foundation and set the Articles of Association in order to actively promote care for the underprivileged to practice CSR in a direct manner.

8-1 Policy and Management

Largan is committed to practicing CSR and has actively promoted and hosted activities in accordance with the standards and requirements of the Responsible Business Alliance (RBA). Practical actions taken include establishing an ESG Committee to oversee and disclose the performance and achievement of annual corporate social responsibility management and provide the result in the ESG Report.

● Corporate Social Responsibility Policy

Largan's overall ESG-social responsibility policy is divided into six aspects which are environmental protection, friendly workplace, caring for the employees, shared prosperity, honesty and integrity management, and full participation.

Environmental Protection	Friendly Workplace	Caring for Employees	Shared Prosperity with Society	Honesty and Integrity Management	Full Participation
We aim to achieve and fulfill corporate and environmental sustainability and CSR objectives by optimizing the production process, waste management, air and water pollution prevention as well as make continuous efforts promoting various energy saving proposals and plans. We value environmental resources and protection, we actively promote plant greening, energy conservation and environmental protection. During the production process, we use green and harmless materials, classify and legally dispose of waste, reduce the generation of large amounts of waste which endanger the environment of the green earth.	Aiming for all staff to fully comply with the principles to establish a safe and friendly work place by adopting continuous educational training and cultivation programs as well as hiring a fair share of people with disabilities.	To improve labor rights, Largan is committed to comply with Taiwan's Labor Standards Act and related laws by establishing work rules, sexual harassment prevention measures channels of complaint..., etc. . such management mechanisms to protect the rights of our employees. A President mailbox is set up in every factory for the employees to express their opinions and suggestions as well as a whistleblower personal information protection mechanism is adapted to prevent potential unfair treatment of the parties concerned with the aim to maintain good labor management relationships.	We establishes a foundation to implement the practice of CSR and keeps communicating internally and externally, arranges regular education and training programs, builds consensus among employees and abided by relevant corporate social responsibility norms, we also encourages employees to actively participate.	Following the principles of honesty, transparency, and social responsibility when structuring corporate governance, Largan has established the "Anti - Corruption and Bribery," "Fair Trade" and "Ethical Corporate Management Practice Principles and Channels of Making Complaints" to assist the Company in building up integrity management culture and a good governance system.	We encourage all staff to participate in workplace safety supervisory training, and conduct annual evacuation and disaster preventive drills for incidents such as fire and chemical leakage to reduce the impact for when disastrous events happen.

8-2 External Associations Participation

- Largan had joined several associations with the aim to effectively get ahead and deepen the alliance relationship across the industry. We aim to shared prosperity with our allies by actively interacting and participating in seminars and conference activities as a member of associations.
- As a member of Taiwan Association for Trade Secret Protection, we actively help to promote the importance of business trade secrets and play a role as the bridge between the industry and government departments for communication of amendment.

Name of the Organization Participated	Status
Taiwan Optics / Optronics Manufactures' Association	Member
Manufacturers' Association of The Taichung City Precision Machinery Innovation Technology Park	Member
Manufacturer's Association of Taichung Industry Park	Member
Taiwan Association for Trade Secrets Protection	Member



8-3 Social Welfare Activities

● The Operation Direction and Promotion Measures of ESG in Social Welfare Activities

Social welfare is a crucial driver for social progress, and donations are a powerful way to practice public welfare. Our donation projects cover various fields, from education to healthcare to urban renewal, all contributing to societal improvement and betterment.

Firstly, we donated to the Power Mechanical Engineering Racing Team, DIT Robotics Project, and Hands-on Scholarship at Tsinghua University. These donations not only support students in the fields of technology and innovation but also encourage their practical skills and teamwork spirit.

We also participate in Tsinghua University's Rising Sun Scholarship Program, which provides not only financial assistance but also encourages excellence in academic and social contributions. Additionally, we have established scholarships at National Chung Hsing University and National Cheng Kung University to help more talented students achieve their academic dreams.

In terms of social development, we are also committed. We have donated to urban renewal projects, which help improve the infrastructure and environment of cities, enhancing residents' quality of life.

In the healthcare field, we have donated to Mennonite Hospital's Eastern Nursing Staff Development Program, which helps improve the quality and efficiency of medical services, ensuring public health.

Lastly, through the Boyo Children's Home Foundation, we donated laptops, enhancing children's learning environments and promoting balanced educational development.

Overall, our donation projects cover multiple fields, including education, technology, healthcare, and social development, aiming to promote social progress and improve people's lives. We hope that through these donations, we can contribute to societal development and achieve a better future.

(1) Contiguously hosting campus seminars:

Year	2022	2023	2024
Number of Campus Seminars	29	27	25
Number of Participants	2,100	2,108	2,034

(2) 2024 Donation Projects (Including Donations from the Largan Precision Foundation)

Largan Precision Co., Ltd.	NT\$100 million
Largan Education Foundation	NT\$63.3 million
Total	NT\$163.3 million

(3) Vocational Training and Job Matching in the Last Three Years

Year	Vocational Training and Job Matching		
2022	Workforce Development Agency, Ministry of Labor Taichung - Changhua - Nantou Regional Branch: (1) Job matching and vocational training class: 19 people (2) Self-Organized Production training class: 14 people	(3) Industry-academic training program (National Chin-Yi University of Technology): 11 people (4) Youth's Employment Ultimate Program: 26 people (5) Secure Employment Program: 21 people	Ministry of Education (Industry-Academia Cooperation Program): (1) Ling Tung University: 30 people (2) Employment explore supporting program for high school graduates: 2 people
2023	Workforce Development Agency, Ministry of Labor Taichung - Changhua - Nantou Regional Branch: (1) Job matching and vocational training class: 10 people (2) Self-Organized Production training class: 9 people (3) Youth's Employment Ultimate Program: 61 people	Ministry of Education (Industry-Academia Cooperation Program): (1) Ling Tung University: 3 people (2) Industry-academic training program (National Chin-Yi University of Technology): 9 people (3) Employment explore supporting program for high school graduates: 2 people	
2024	Workforce Development Agency, Ministry of Labor Taichung - Changhua - Nantou Regional Branch: (1) Job matching and vocational training class: 7 people (2) Self-Organized Production training class: 33 people (3) Youth's Employment Ultimate Program: 8 people	Ministry of Education (Industry-Academia Cooperation Program): (1) Ling Tung University: 13 people (2) Industry-academic training program (National Chin-Yi University of Technology): 11 people	

Appendix 1: ESG Performance of Largan Precision Co., Ltd.

Sustainability Indicators	Unit	2022~2023 Target	2022 Performance	2023 Performance	2024 Target	2024 Performance
* Corporate Governance and Sustainable Operation						
No violation of principle of integrity by supervisors and staffs	Case	0	0	0	0	0
Employee annual ethics and integrity training completion rate	%	≥ 95%	100%	≥ 97%	≥ 97%	100%
No violation of company law or tax regulations	Case	0	0	0	0	0
Passed the verification of ESG Sustainability Report	Pass	Pass	Pass	Pass	Pass	Pass
Annual review of departmental hazard risk assessments: 100% completion rate	%	100%	100%	100%	100%	100%
Annual emergency response education and evacuation drills are conducted twice. Employee participation rate	%	75%	89%	89%	80%	84%
* Customer Satisfaction and Sustainable Supply Chain						
Customer satisfaction maintained at an average level	Point	>90	91.8	92.1	>90	92.4
Conduct product precious metal source investigations with raw material suppliers, achieving 100% compliance with approved minerals.	%	100%	100%	100%	100%	100%
Sign supplier code of conduct: Conduct non-applicable/prohibited substances investigations with raw material suppliers, achieving 100% completion rate.	%	100%	100%	100%	100%	100%
Conduct supplier audits and social environmental responsibility investigations with raw material suppliers, achieving 100% completion rate.	%	100%	100%	100%	100%	100%
* The Best Lens Manufacturer with Product Quality Innovation						
Annual certification passed for Quality Management Systems ISO 9001 & IATF 16949	Pass	Pass	Pass	Pass	Pass	Pass
No violations of EU RoHS hazardous substances restrictions	Case	0	0	0	0	0
No violations of product labeling or patent regulations	Case	0	0	0	0	0
* Green producer						
Electricity savings achieved	kWh	100	885	1,261.8	150	759.2
Reduction of greenhouse gas emissions	Tons/CO ₂ e	500	4,504.00	6,422.60	750	3,751
Proper waste disposal handled by licensed contractors (ratio)	%	100%	100%	100%	100%	100%
Recycling rate across all plants in the Precision Park facilities audit (R2)	%	94%	99.5%	96.5%	94%	96.5%
No violation of air pollution/waste protection/effluent discharge regulations	Case	0	0	0	0	0

Sustainability Indicators	Unit	2022~2023 Target	2022 Performance	2023 Performance	2024 Target	2024 Performance
* Friendly workplace						
Turnover rate	%	<15%	16.6%	11.3%	<13.0%	10.9%
Retention rate for Taiwanese new employees (3 months' probation) 75%	%	75%	83.6%	77.9%	78%	81.5%
Average training hours per person	Hour	15	12.85	5.95	21	4.16
Passing rate of training examination for new employees	%	100%	100%	100%	100%	100%
Workplace wrongful assault/bullying	Case	0	0	0	0	0
Completion rate of employee professional ethics training	%	100%	100%	100%	100%	100%
Passed ISO 45001 occupational safety and health system verification	Pass	Pass	Pass	Pass	Pass	Pass
Participation rate of occupational safety education and training by new employees	%	100%	100%	100%	100%	100%
Participation rate for health check	%	90%	90%	95%	90%	92.2%
Significant Occupational Injuries (hospitalization for more than 3 days)	Case/year	≤ 5	2	2	≤ 4	3
Occupational disease caused by chemical exposure	Case/year	0%	0	0	0	0
Disabling Injuries Frequency Rate	-	≤ 3	1.18	1.87	≤ 2.8	1.55
Disabling Injuries Severity Rate	-	≤ 30	18.0	32.0	≤ 28	22.0
* Promotion of Social Welfare						
Campus Seminars	times/year	> 17	29	27	25	27

Statement of Use Largan Optoelectronics Co., Ltd. has reported in compliance with GRI Guidelines (Report Period: 2024/01/01~12/31)

Apply GRI 1: Foundation 2021

Applicable GRI Sector Standards: None

Appendix 2: GRI Standards Comparison Table

GRI Standards		ESG Corresponding Chapter	Page	Remark
General Disclosures(2-1~2-30)				
Organiza- tion and Reporting Practices	2-1 Organizational details	2-1 Company Introduction	19	
	2-2 Entities included in the organization's sustainability reporting	0. Summary and Scope • Coverage	04	
	2-3 Reporting period, frequency and contact point	0. Summary and Scope • Report Period • Publication Frequency and Contact	04	
	2-4 Restatements of information	0. Summary and Scope • Changes of the Report	04	
	2-5 External assurance	0. Summary and Scope • Accuracy of Published Information • External Confirmations	04	
Activities and Workers	2-6 Activities, value chain and other business relationships	3-1 Performance and Challenges 3-3 Customer Relationship and Service	35 39	
	2-7 Employees a. Report the total number of employees, and a breakdown of this total by gender and by region b. Report the total number of different categories of employees	7-2 Talent Cultivation • The manpower structure distribution in the last two years	71 72	
	2-8 Workers who are not employees	7-2 Talent Cultivation	71	We have foreign employees and no contractors
Governance	2-9 Governance structure and composition	2-2 Company Governance 2-2-2 The Board of Directors	20 21	
	2-10 Nomination and selection of the highest governance body	2-2 Company Governance • Annual Shareholders Meeting • Governance Structure • The Board of Directors	20 21	
	2-11 Chair of the highest governance body	2-2 Company Governance • Governance Structure • The Board of Directors • The Operation and Functioning Status of the Board of Directors	20 21 23	President: The Chairman
	2-12 Role of the highest governance body in overseeing the management of impacts a. Highest governance body and senior executives in developing, approving, and updating the organization's purpose, value or mission statements, strategies, policies, and objectives b. Highest governance body in overseeing the organization's due diligence and other processes	2-4 Business Integrity and Regulatory Compliance 2-4-1 Business Philosophy and Integrity 2-2 Company Governance • Company Organizations • Responsibilities and Functions	26 20 20	

GRI Standards		ESG Corresponding Chapter	Page	Remark
General Disclosures(2-1~2-30)				
Governance	2-13 Delegation of responsibility for managing impacts a. The highest governance body delegates responsibility for managing the organization's impacts on the economy, environment, and people. b. Process and frequency for senior executives or other employees to report back to the highest governance body on the management of the organization's impacts on the economy, environment, and people.	1-1 ESG Committee & Functions 2-3 Risk Management 2-4 Business Integrity and Regulatory Compliance	06 25 26	
	2-14 Role of the highest governance body in sustainability reporting a. Report whether the highest governance body is responsible for reviewing and approving the reported information	1-1 ESG COMMITTEE & FUNCTIONS 2-4-2 Ethics and Regulatory Compliance • The Operation and Functioning Status of the Board of Directors • The Board strives to perform the responsibilities through communication and discussion to carry out future planning and prospects of the Company	06 28 23	
	2-15 Conflicts of interest a. Describe the processes for the highest governance body to ensure that conflicts of interest is prevented and mitigated b. Report whether conflicts of interest are disclosed to stakeholders	2-4 Business Integrity and Regulatory Compliance 2-4-1 Business Philosophy and Integrity • Whistleblowing System	26 27	Code of Integrity Management of Listed OTC Companies
	2-16 Communication of critical concerns a. How critical concerns are communicated to the highest governance body	The authority of the Company's Board of Directors 1-1 ESG COMMITTEE & FUNCTIONS	06	
	2-17 Collective knowledge of the highest governance body a. Report measures taken to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development	2-2-2-2 The Operation and Functioning Status of the Board of Directors • Education and Experience of the Board of Directors • Diversified Experience	21 21	Knowledge, skills and qualities necessary for Directors to perform their duties
	2-18 Evaluation of the performance of the highest governance body a. Describe the processes for evaluating the performance of the highest governance body in overseeing the management of the organization's impacts on the economy, environment, and people.	• Functioning Status of the Board of Directors 1-1 ESG COMMITTEE & FUNCTIONS	06	
	2-19 Remuneration policies	7-4 Salary and Welfare: offering competitive salary and welfare	77	Salary and Welfare Policy
	2-20 Process to determine remuneration a. Process for designing its remuneration policies.	2-2-3 Compensation Committee	24	
	2-21 Annual total compensation ratio	-	-	Based on confidentiality, not disclosed at this time
Strategy, Policies and Practices	2-22 Statement on sustainable development strategy a. A statement from the highest governance body or most senior executive of the organization about the relevance of sustainable development to the organization and its strategy for contributing to sustainable development.	0. Statement from Chairman-Letter from the Chairman • Sustainable Development Strategy	03	
	2-23 Policy commitments a. Describe its policy commitments for responsible business conduct b. Describe its specific policy commitment to respect human rights	7-1 Recruiting Policy and Commitment • Human Rights Policy of Friendly Workplace 7-5 Respect of Human Rights	70 79	Commitment to implement eight Human Rights Policies

GRI Standards		ESG Corresponding Chapter	Page	Remark
General Disclosures(2-1~2-30)				
Strategy, Policies and Practices	2-24 Embedding policy commitments a. Describe how it embeds each of its policy commitments for responsible business conduct throughout its activities and business relationships	2-4 Business Integrity and Regulatory Compliance	26	Policies, commitments and management measures for Material Topics in each chapter
	2-25 Processes to remediate negative impacts a. Negative impacts that the organization identifies it has caused or contributed to. b. Describe its approach to identify and address grievances.	7-5 Respect of Human Rights 7-6 Employee Care and Communication- Human Rights Protection • Employee suggestion mailboxes	79 81 80	
	2-26 Mechanisms for seeking advice and raising concerns	1-2 Stakeholder Identification and Contact	07	Communication channels for concerns of Material Topics to stakeholders
	2-27 Compliance with laws and regulations a. Report the total number of significant instances of non-compliance with laws and regulations during the reporting period	2-4-2 Ethics and Regulatory Compliance • Regulatory Compliance	28	
	2-28 Membership associations	8-2 External Associations Participation	90	
Stakeholder Engage- ment	2-29 Approach to stakeholder engagement a. Describe its approach to engaging with stakeholders	1-2 Stakeholder Identification and Contact 1-3 Communication and Analysis of Material Topics of Stakeholder and Its Procedure	07	
	2-30 Collective bargaining agreements a. Report the percentage of total employees covered by collective bargaining agreements	7-6 Employee Care and Communication- Human Rights Protection • Treatment of Employee's Feedback of Labor-Management Meeting	81 82	No collective agreement, but we do have labor management meetings.
Material Topics	• Guidance to determine material topics 3-1 Process to determine material topics	1-1 ESG Committee & Functions	06	Identify major stakeholders
		1-2 Stakeholder Identification and Contact	07	
		1-3 Communication Analysis of Material Topics of Stakeholder and Its Procedure	09	
		1-3-1 The Analysis of the Internally and Externally Impact of Material Topics	10	
	3-2 a. List of material topics b. report changes to the list of material topics compared to the previous reporting period	1. Fulfillment of Sustainable Management 1-5 The Influence of Sustainable Management • Significant Material Topics and the Value Chain Relationship of Largan	14	
		1-4-1 Risk Considerations and Promotion Measures for Major and Minor Issues	11	
	3-3 Management of material topics	• List management of 11 Material Topics 1-5 The Influence of Sustainable Management • Significant Material Topics and the Value Chain Relationship of Largan	14	Appendix 2 is detailed in the table below
		1-4-1 Response to Significant Material Topics and Secondary Topics	11	

* List management of 11 Material Topics

NO	Standards	Key Points of GRI Standards	Corresponding Chapter with ESG	Page	Remark
1. Operational Performance	201	Topic management disclosures	3-1 Performance and Challenges	35	
	201-1	Direct economic value generated and distributed	• Operational Performance Regarding Direct Economic Value of Production and Distribution in the Last 3 Years.	37	
2. Risk Management	3-3	Management of material topics	2-3 Risk Management	25	
3. Labor Relations, Diversity and Equity	401	Topic management disclosures	7-1 Recruiting Policy and Commitment	70	
	401-1	New employee hires and employee turnover	7-2 Talent Cultivation	71	
	401-2	Benefits provided to full-time employees	7-4 Salary and Welfare • Employee Welfare • Employee Pension Scheme	78	
	401-3	Parental leave	7-4 Salary and Welfare • Retain the Position without Pay	79	
	405	Topic management disclosures	7-5 Respect of Human Rights	79	
	405-1	Diversity of governance bodies and employees	2-2-2 The Board of Directors • Education and Experience of the Board of Directors	21 22	
	405-2	Ratio of basic salary and remuneration of women to men	7-4 Salary and Welfare • Human Rights Policy: Diversity, Equality and Human Rights Protection	77 79	
4. Regulatory Compliance	3-3	Management of material topics	2-4-2 Ethics and Regulatory Compliance • Regulatory Compliance	28 29	
5. Morals and Ethics	205-1	Operational sites assessed for corruption risk	2-4 Business Integrity and Regulatory Compliance	26	
6. Salary and Welfare	201-3	Defined benefit plan obligations and other retirement plans	7-4 Salary and Welfare • Employee Pension Scheme	78	
7. Safety and Health	403	Topic management disclosures	7-7 Occupational Safety and Health	83	
	403-1	Occupational health and safety management system	• Occupational Safety and Health System and Self-Inspection and Management	84	
	403-2	Hazard identification, risk assessment, and incident investigation	• Hazard Identification, Opportunity and Risk Assessment	86	
	403-3	Occupational health services	7-8 Health Promotion		
	403-4	Worker participation, consultation, and communication on occupational health and safety	• Legal Professional Certificated Personnel of Safety and Health	83	
	403-5	Worker training on occupational health and safety	• Occupational Safety and Health Educational Training	84	
	403-6	Promotion of worker health	• Work Environment Examination • Hazard Identification, Opportunity and Risk Assessment	86	
	403-9	Work-related injuries	• Internal Participation in Consultation and Communication Channels	86	
	403-10	Work-related ill health	• Occupational Accidents Management • Health care and medical care	85 87	

NO	Standards	Key Points of GRI Standards	Corresponding Chapter with ESG	Page	Remark
8. Waste Management	306 306-1	Topic management disclosures Waste generation and significant waste-related impacts	6-6 Waste Management • Requirements for Waste • Treatment at Largan • Impact to the environment and management • Statistics and Reuse of Waste • Turning waste into energy-The Most Valuable Incineration • Incineration and Landfill Waste	62 63	
	306-3 306-5	Waste generated Waste directed to disposal			
9. Water Resource Management	303	Topic management disclosures	6-5 Water Resource Management	60	
	303-1 303-2 303-3 303-4 303-5	Interactions with water as a shared resource Management of water discharge related impacts Water withdrawal Water discharge Water consumption	•Water Resource Risk Management •Water Saving Measure •Usage of Water Resource •Effluent Management Measure •Preventive Measure of Water Pollution	60 61 62	
	308 308-1	Topic management disclosures New suppliers that were screened using environmental criteria	•Supplier Categories, Relationship and Philosophy 5. Sustainable Supply Chain Management 5-2 Supply Chain Management 5-3 Supplier Selection	48 48 49	
	414	Topic management disclosures	Implementation of Social Responsibility by Suppliers	50	
	414-1	New suppliers that were screened using social criteria	5-4 Ethical Consumption 1. Non-Harmful Substances 2. Conflict-Free Minerals	50	
11. Quality of Product and Deliver Date	416	Topic management disclosures	3-3Customer Relationship and Service	39	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	5-4 Ethical Consumption 4-4Product Quality Management	50 44	

Appendix 3: SASB Index

Hardware Manufacturing: Sustainable Development Goals, Accounting Indicator and ESG Comparison Table

Topic	Code	Accounting Metricsa	Category	Units of Measurement	Chapter
Product Safety	TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	Discussion Analysis	N/A	2.6 Information Security
Employee Diversity & Inclusion	TC-HW-330a.1	Employee: Percentage of gender, racial, ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Quantitative	Percentage (%)	7.2 Talent Cultivation
Product Lifecycle	TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	Percentage (%)	No Information
	TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	Quantitative	Percentage (%)	No Information
	TC-HW-410a.3	Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria	Quantitative	Percentage (%)	No Information
	TC-HW-410a.4	The total recycled weight discarded products; and the percentage of recycled weight in total sold products weight	Quantitative	Ton / Percentage (%)	6.6 Waste Management
Supply Chain Management	TC-HW-430a.1	Tier 1 suppliers (1) the percentage of supplier categories with RBA Validated Audit Process (VAP) or equivalent audit (a) all suppliers and (b) high-risk suppliers	Quantitative	Percentage (%)	No Information
	TC-HW-430a.2	Tier 1 suppliers (1) the percentage of audited manufacturers who failed RBA Validated Audit Process (VAP) or equivalent audit, and (2) improvement rate in (a) major deficiencies and (b) other deficiencies	Quantitative	Portion	No Information
Material Procurement	TC-HW-440a.1	Description of the management of risks associated with the use of critical hazardous material	Discussion Analysis	N/A	5.4 Ethical Consumption
Activity Metric	TC-HW-000.A	Number of units produced by product category	Quantitative	Numeric	3.1 Performance and Challenges
	TC-HW-000.B	Area of manufacturing facilities	Quantitative	Square Meter m ²	No Information
	TC-HW-000.C	Percentage of production from owned facilities	Quantitative	Percentage (%)	No Information

Appendix 4: ESG Disclosure Topics - Optoelectronics Industry

No.	Indicator	Indicator Type	Annual Disclosure Status	Unit	Remark
I	Total Energy Consumption, Percentage of Purchased Electricity, and Renewable Energy Usage Rate	Quantitative	Total Energy Consumption: Information not yet available Purchased Electricity Percentage: 100% Renewable Energy Utilization Rate: 0%	Billion Joules, Percentage (%)	
II	Total Water Withdrawal and Consumption	Quantitative	Total Water Withdrawal: 1,491.9 thousand cubic meters Total Water Consumption: 690.8 thousand cubic meters	Thousand Cubic Meters (1,000m ³)	
III	Weight and Recycling Percentage of Hazardous Waste Generated	Quantitative	Weight: 80.3 metric tons Recycling Rate: 100%	Metric Tons (t) Percentage (%)	
IV	Description of Occupational Injury Types, Numbers, and Rates	Quantitative	Please refer to 7.7 Occupational Safety and Health	Percentage (%) Quantity	
V	Disclosure of Product Lifecycle Management: Including the Weight of Scrapped Products and E-waste, and Recycling Percentage (Note 1)	Quantitative	N/A	Metric Tons (t) Percentage (%)	
VI	Description of Risk Management Related to the Use of Critical Materials	Qualitative Description	Refer to P.53 of Annual Report		
VII	Total Financial Loss Due to Legal Proceedings Related to Anti-Competitive Behavior	Quantitative	0 dollars	Reporting Currency	
VIII	Main Product Output by Product Category	Quantitative	Information not yet available	Varies by product type	

Note 1: Includes offcut material sold or otherwise recovered; relevant explanations should be provided.

Appendix 5: Climate-Related Disclosure

NO	Item	Implementation Status
1	Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.	6-1 Climate Action, P.52
2	Describe how identified climate risks and opportunities affect the Company's business, strategy, and financial planning over the short, medium, and long term.	
3	Describe the financial impacts of extreme climate events and transition-related actions.	
4	Explain how the processes for identifying, assessing, and managing climate risks are integrated into the overall risk management system.	
5	If scenario analysis is used to assess climate resilience, describe the scenarios, parameters, assumptions, analytical factors, and key financial impacts.	
6	If there are transition plans to manage climate-related risks, describe the content of the plans, as well as the indicators and targets used to identify and manage physical and transition risks.	
7	If internal carbon pricing is used as a planning tool, specify the basis for price setting.	
8	If climate-related targets are established, describe the covered activities, GHG emission scopes, planning timelines, and annual progress. If carbon offsets or Renewable Energy Certificates (RECs) are used to meet the targets, state the source and quantity of the offsets or RECs.	6-3 Low-Carbon Manufacturing, P.58 6-4 Renewable Energy & Resource Conservation, P.60
9	Greenhouse gas inventory and assurance status, as well as emission reduction targets, strategies, and concrete action plans.	(to be detailed on pages 1-1 and 1-2).

1-1 Greenhouse Gas (GHG) Inventory and Assurance in the Past Two Years

● 1-1-1 GHG Inventory Information

Description of GHG emissions (metric tons CO₂e), emission intensity (metric tons CO₂e per NT\$ million), and data coverage over the past two years.

Parent Company		Total Emissions (metric tons CO ₂ e)	Emission Intensity (metric tons CO ₂ e/NT\$)	Assurance Provider	Explanation of Assurance Status
Scope 1	2023	1,672.3611	3.36	AFNOR	※ Actual data and inventory boundaries are subject to the information published by the Climate Change Administration, Ministry of Environment, on the "Business Greenhouse Gas Emission Information Platform."
	2024	1,629.2606		AFNOR	
Scope 2	2023	162,602.9608	2.90	AFNOR	
	2024	171,085.6780		AFNOR	
Scope 3	2023	-	-	-	
	2024	-	-	-	

Note 1: Scope 1 – Direct emissions from sources owned or controlled by the company; Scope 2 – Indirect emissions from the generation of purchased electricity, heat, or steam; Scope 3 – Other indirect emissions resulting from company activities, originating from sources not owned or controlled by the company.

Note 2: GHG inventory standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 3: Emission intensity may be calculated per unit of product, service, or revenue. However, it is required to disclose at least revenue-based intensity (per NT\$ million).

● 1-1-2 GHG Assurance Information

Description of assurance status over the past two years, including assurance boundaries, provider, criteria, and assurance opinion.

Year	Assurance Scope	Assurance Provider	Assurance Criteria	Assurance Opinion
2023	In accordance with the Ministry of Environment' s reporting	AFNOR	ISO 14064-1	Scope 1 and Scope 2: Reasonable assurance level; Scope 3: Not yet inventoried.
2024	In accordance with the Ministry of Environment' s reporting	AFNOR	ISO 14064-1	Scope 1 and Scope 2: Reasonable assurance level; Scope 3: Not yet inventoried.

Note 1: Assurance providers complies with the regulations on sustainability report assurance institutions as stipulated by the Taiwan Stock Exchange and the Taipei Exchange.

1-2 GHG Reduction Targets, Strategies, and Action Plans

Description of GHG baseline year and its data, reduction targets, strategies, concrete action plans, and progress toward achieving the targets. Please refer to Section 6.1 Climate Action and Section 6.3 Low-Carbon Manufacturing of this Report.

Appendix 6: Independent Assurance Opinion Statement

2024

LARGAN Precision Co., Ltd.

INDEPENDENT
ASSURANCE
STATEMENT

Sustainability Report

Certification by



亞瑞仕國際驗證股份有限公司
ARES International Certification Co., Ltd.

Statement No. 000-697/V3-142SF

亞瑞仕國際驗證股份有限公司
ARES International Certification Co., Ltd.

Independent Assurance Statement

Statement No. 000-697/V3-142SF

This Independent Assurance Statement by ARES Certification Co., Ltd. on LARGAN Precision Co., Ltd. ESG Sustainability Report of 2024.

ARES International Certification Co., Ltd. and LARGAN Precision Co., Ltd. are mutually independent organizations. In addition to the assessment and verification of 2024 ESG Sustainability report, ARES International has no financial relationship with LARGAN Precision Co., Ltd.

The purpose of this Independence Assurance Statement (hereinafter referred to as Statement) is only to conclude that the relevant issues within the scope of the LARGAN Precision Co., Ltd.'s ESG Sustainability Report are guaranteed, but not for other purposes. Except for this Statement on the verified facts, for any use of other purposes, or any person who read this Statement, ARES International is not responsible or liable for any legal or other responsibility.

This Statement is based on the conclusions made from the verification of the relevant information provided ARES International by LARGAN Precision Co., Ltd. Therefore, the scope of the verification is based on and confined to the content of these provided information, and ARES International shall consider that the contents of the information are complete and accurate.

All concerning and questions about the contents or the relevant issues contained in this statement shall be answered by the LARGAN Precision Co., Ltd.

The Scope of Assurance

The agreed scope of assurance by LARGAN Precision Co., Ltd. and ARES International includes the following:

- The contents of the entire ESG Sustainability Report and all operating performance of LARGAN Precision Co., Ltd. from January 1st, 2024 to December 31st, 2024.
- According to the type 1 of application of the AA1000 Assurance Standard (v3), the assessed nature and degree of the LARGAN Precision Co., Ltd.'s compliance with the AA1000 Accountability Principles (2018) but excluding the verification of the reliability of the information or data disclosed in the ESG Sustainability Report.

This statement is prepared in Chinese and has an English version for reference. In the event of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

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亞瑞仕國際驗證股份有限公司
ARES International Certification Co., Ltd.

- The Inclusivity
- This report reflects that LARGAN Precision Co., Ltd. engages with its stakeholder through a variety of channels, such as internal and external communication mechanisms and the activities of stakeholders. This report covers topics of concern in stakeholders associated with LARGAN Precision Co., Ltd., fairly reports, and discloses economic, social, and environmental information. In our professional opinions, this report covers LARGAN Precision Co., Ltd.'s inclusivity issues.
- The materiality
- LARGAN Precision Co., Ltd. publishes the information related to ESG Sustainability to enable stakeholders to judge the LARGAN Precision Co., Ltd.'s management and performance. In our professional opinions, this report appropriately covers the material issues of LARGAN Precision Co., Ltd.
- Responsiveness
- LARGAN Precision Co., Ltd. responds to requests and opinions from stakeholders. The implementation methods include customer satisfaction surveys and communication mechanisms for numerous internal and external stakeholders. In our professional opinions, this report covers LARGAN Precision Co., Ltd.'s responsiveness topics.
- Impact
- LARGAN Precision Co., Ltd. developed and implemented processes to monitor, measure and account for how their actions affect the wider ecosystem, echoing all the aspects of this report demonstrated by their own management systems and capabilities issue content, and provide the comprehensive and balanced disclosure, such as the declaration of energy projects and carbon footprint verification. In our professional opinions, this report covers LARGAN Precision Co., Ltd.'s impact topic.

GRI Standards

LARGAN Precision Co., Ltd. provides declaration of compliance with the GRI Standards. Based on the results of the review, we confirmed that the relevant ESG Sustainability indicators referred to GRI Standards in the report have been completely disclosed, partially disclosed or omitted. In our professional opinions, this declaration covers the Sustainability topics of LARGAN Precision Co., Ltd.

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亞瑞仕國際驗證股份有限公司
ARES International Certification Co., Ltd.

ARES INTERNATIONAL'S Opinion

We summarize the contents of LARGAN Precision Co., Ltd.'s ESG Sustainability Report and provide a fair opinion of LARGAN Precision Co., Ltd.'s relevant operations and performance. We believe that the indices such as economic, social and environmental performance of 2024 are presented correctly. The performance indices disclosed in the report demonstrate LARGAN Precision Co., Ltd.'s efforts to identify and meet stakeholder expectations.

Our verification activities are implemented by a team with the capacity for verifying in accordance with AA1000 Assurance Standard (v3), as well as planning and implemented this part of the activities to obtain the necessary information and data. We believe there are sufficient evidences provided by LARGAN Precision Co., Ltd. to show that its reporting method according to the AA1000 Assurance Standard (v3) and their self-statement are in line with the GRI standards.

Verification Method

In order to collect evidences related to conclusions, we implemented the following tasks:

- Implement the high-level management review for topics from external groups related to ESG Sustainability policy to confirm the appropriateness of the report in this statement.
- Discussions about stakeholder's engagement with the managers of LARGAN Precision Co., Ltd., however, we have no direct contact with external stakeholders.
- Interviews with employees related to ESG Sustainability management, report preparation and information provision.
- Review the critical developments related to organizations.
- Review the scope and maturity of systems related to financial and non-financial reports.
- Review the supporting evidences declared in the report, and the process management described in the report and its associated AA1000 Accountability Principles (2018) on the principles of inclusivity, materiality, responsiveness and impact.

Conclusion

The detailed review results of the AA1000 Accountability Principles and the core disclosures of the Global Reporting Initiative (GRI) standard, Sustainability Accounting Standards Board (SASB) standard, and Task force on Climate-related Financial Disclosures (TCFD) for inclusivity, materiality, responsiveness and impact are as follows:

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亞瑞仕國際驗證股份有限公司
ARES International Certification Co., Ltd.

SASB and TCFD standards

LARGAN Precision Co., Ltd. provides declaration of compliance with the SASB and TCFD standards. Based on the results of the review, we confirmed that the relevant ESG Sustainability indicators referred to SASB and TCFD standards in the report have been completely disclosed, partially disclosed or omitted. In our professional opinions, this declaration covers the Sustainability topics of LARGAN Precision Co., Ltd.

Assurance Level

According to the AA1000 Assurance Standard (v3), we verify this statement as a medium level of assurance, as in the scope and method described in this statement.

Responsibility

The responsibility of this ESG Sustainability report, as stated in this statement, is owned by the person in charge of LARGAN Precision Co., Ltd. The responsibility of ARES International is to provide professional opinions based on the described scope and method, and to provide an independent assurance statement for the stakeholders.

Ability and Independence

ARES International is composed of experts in a various field of management systems. The verification team is composed of members in the professional backgrounds with the qualifications of lead auditor trained in sustainable development, environmental and social management standards such as AA1000AS, AA1000AP, ISO 14001, ISO 14064-1, ISO 14067, ISO 45001 and ISO 9001. This independent assurance statement is based on the ARES International's fair trading guidelines.

On behalf of the assurance team
July 22, 2025
ARES International Certification Co., Ltd. (ARES Certification Group)
Taiwan, Republic of China

Signed by



Lead Verifier



C.E.O
Calvin Chen

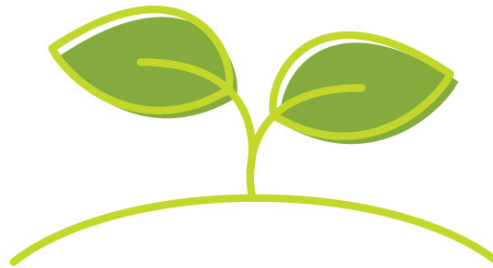


AA1000
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LARGAN

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