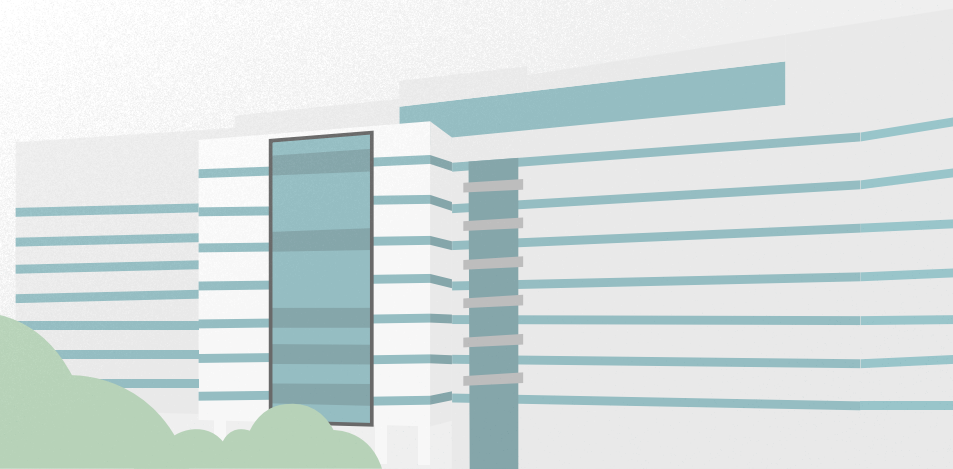
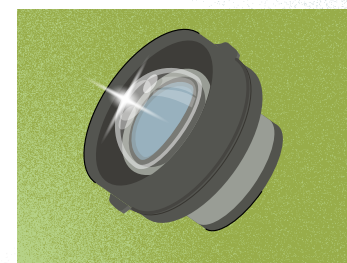
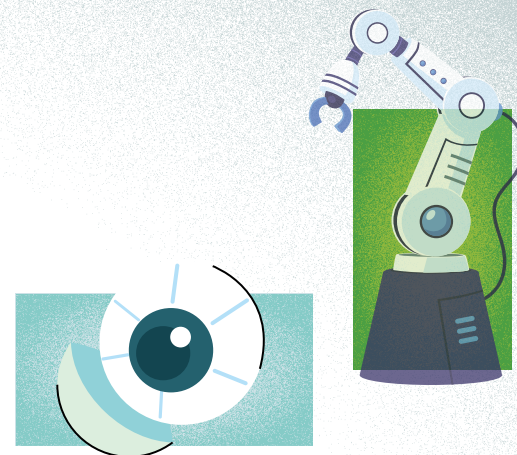


2025

Environmental, Social,
and Governance

LARGAN

ESG REPORT



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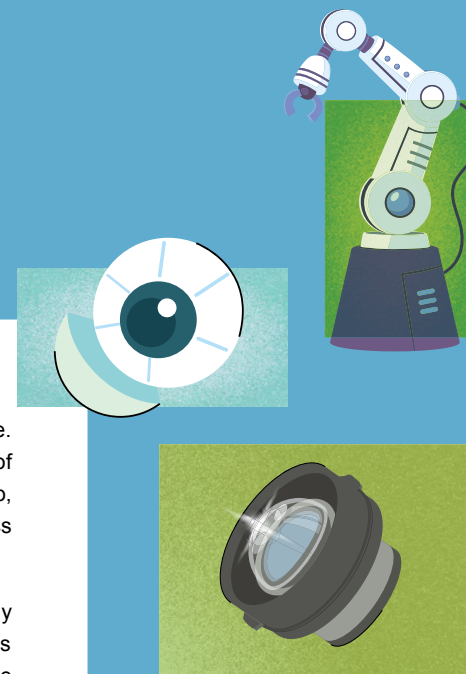
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Statement from Chairman



Sustainable Development Strategy

In 2025, rising global smartphone penetration and specification upgrades for newly launched models drove growth in revenue and shipment volume. Largan's annual consolidated revenue reached approximately NT\$61.148 billion, representing continued year-on-year growth of 3%. In terms of operational strategy, Largan continued to invest in the research and development of mobile lenses, expand the size of its R&D team and product portfolio, introduce new product lines, and increase both product value and volume. Largan also remained committed to developing applications and process capabilities for other new products to maintain its long-term competitiveness in the industry.

Corporate Sustainability has become a key priority in global industrial development. In response to the rapid development of climate change, supply chain resilience, international regulations, and sustainable finance, Largan continued to integrate Sustainable Development into its business strategies and Risk Management mechanisms. The Board of Directors plans to formally establish the Sustainable Development and Risk Management Committee to oversee Sustainable Development governance, Risk Management, Climate Change, Information Security, and other Material Topics. The Committee will strengthen the Board of Directors' oversight of sustainability strategies, material risks, and performance while continuing to enhance the Sustainable Development governance framework to improve corporate resilience and long-term competitiveness.

Regarding Climate Change-related issues, we formulated carbon reduction plans and Renewable Energy strategies, and promoted Energy Saving and Carbon Reduction, process optimization, and energy management measures. In addition to completing Greenhouse Gas verification in accordance with the requirements of the Climate Change Administration, Ministry of Environment, the Greenhouse Gas emission intensity decreased from 2.90 tonnes of CO₂e per NT\$ million to 2.75 tonnes of CO₂e per NT\$ million, representing an improvement of approximately 5.17% from the previous year. In addition, electricity consumption was reduced by 3.486 million kWh in 2025, demonstrating that energy-saving measures and process improvements have effectively enhanced energy efficiency.

Largan upholds a people-centered business philosophy and continues to promote Sustainable Development governance, low-carbon transformation, and a Friendly Workplace. Largan works with all Stakeholders to create shared value and steadily advance toward sustainable corporate operations and long-term competitiveness.

Chairman

林恩平



Summary and Scope

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," and "The Company.") 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

The Report presents data from January 01, 2025 to December 31, 2025, which is consistent with the financial statements. The 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 information disclosed in this report is mainly based on Largan's 11 operating locations in Taiwan and does not include subsidiaries in Taiwan or Mainland China.
- ◆ The disclosure of Material Topics is based on Largan Precision's employees, as well as external stakeholders including customers, suppliers, and investors.
- ◆ Financial performance figures are calculated in New Taiwan dollars (NTD). The reliability of financial data is based on publicly disclosed information certified by certified public accountants, and is presented using commonly adopted textual and numerical descriptions.
- ◆ Since the Taiwan subsidiary and Largan shares the same shares the same factory premises, 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
- ◆ Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of ESG by TWSE Listed Companies
- ◆ Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
- ◆ TCFD: Climate-Related Financial Disclosures (Climate Change Risks, Opportunities, and Financial Impacts)
- ◆ SASB: Sustainability Accounting Standards Board: Resource Transformation Standards for hardware manufacturing industry's



Summary and Scope

Changes of the Report

- ◆ For changes to the Material Topics, please refer to Section 1.4, "Prioritization and Response of Identified Material Topics," in the Report, which provides a comparison with the previous year's list of Material Topics.

● Publication Frequency

The report is generated on an annual basis. Current edition released by August 2026. Next edition released by August 2027.

● 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 rounded to two decimal places. Part of indicators are provided in continuous data from 2023 to 2025 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 moderate assurance standards and GRI Standards, ARES. International Verification Co., Ltd. verified that the report meets the requirements of the GRI Standards, TCFD, and SASB, and issued Independent Third-Party Assurance Statement (see Appendix 6).

Contact

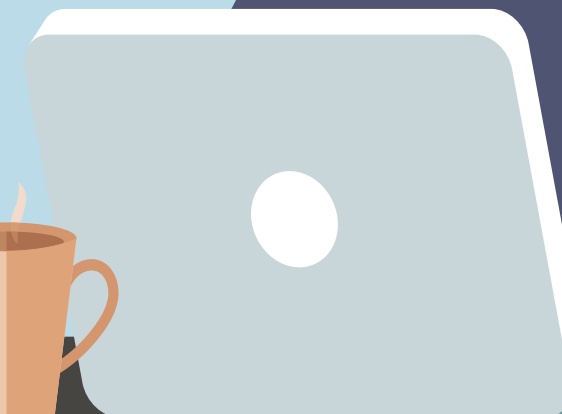
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01

Fulfillment of Sustainable Management

- 1.1 Organization and Functions of the Sustainable Development and Risk Management Committee
- 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 Achieve ESG Development Goals



1.1 Organization and Functions of the Sustainable Development and Risk Management Committee

Prior to the publication of the Sustainability Report, the Company established the Sustainable Development and Risk Management Committee (hereinafter referred to as the "Sustainability Committee"), which consists of three Independent Directors. The Company appointed the Executive Vice President to serve as the Chief Sustainability Officer and established the Sustainability Development and Risk Management Executive Committee under the Sustainable Development and Risk Management Committee. The heads of relevant departments serve as members of the Corporate Governance Team, Economic Team, Environmental Team, and Social Team. The organizational structure, functional responsibilities, and responsible departments are summarized in the diagram below:



The Sustainable 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 Committee are:



The Company's departments regularly engage with Stakeholders through routine communication channels. Should a Stakeholder-related or sustainability issue potentially cause a material negative impact on the Company, the Company follows its Risk Management and crisis response procedures to assess the impact. If the impact is determined to pose a material threat to the Company's operations, the matter is reported to the Board of Directors. No related potential material adverse events occurred in 2025.

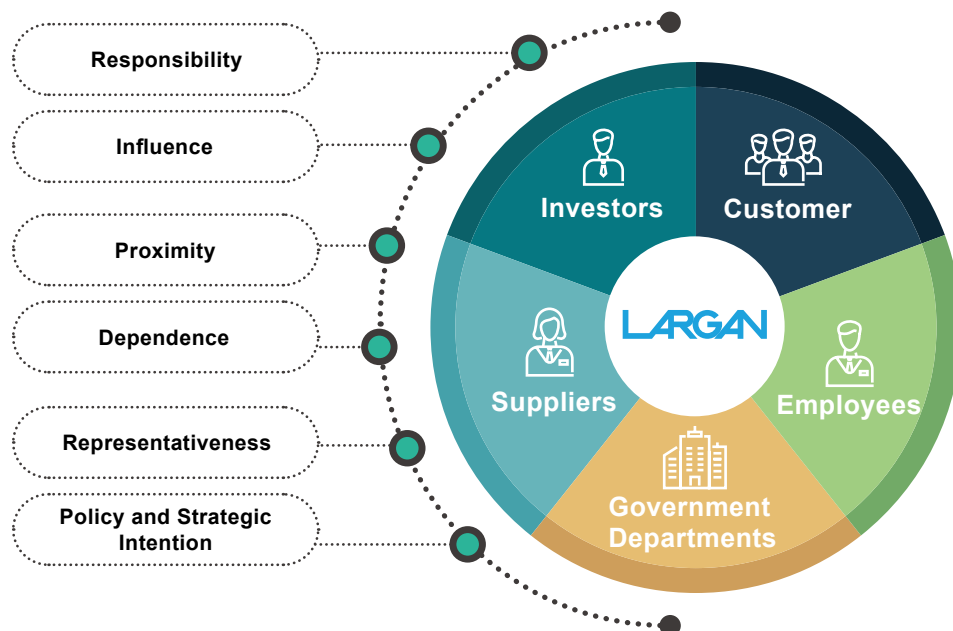
The work items and responsible units of the aforementioned Sustainability Committee are presented in the following table:

Aspect		Critical Action Item	Responsible Unit
Corporate Governance	Corporate Governance	Corporate Governance (Financial Management System)	Finance Dept./Managers of Corporate Governance
		Honesty and integrity management and ethical management systems, including regulatory compliance, professional ethics, anti-corruption and anti-bribery, ISO management systems, and personnel management.	Administrative Dept./Employees/ Labor Representatives
		Information Security	Information Technology Dept.
		Risk Management	Administrative Dept.
		Customer Privacy	Sales Dept.
		Sustainable Development and Risk Management and Goals	Sustainable Development and Risk Management Committee
		Create Complaint Management for Employee/Customer/Supplier/Shareholder	Administrative/Sales/Audit/Finance Dept.
	Economy	Supply Chain Management (including contractors)	Administrative/Audit/Procurement Dept.
		Operational Performance	Finance Dept
	Economy	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.
		Wastewater, Exhaust Gas, and Waste Management Working Environment Management System	Administrative Dept./Maintenance Dept.
		Public Area Management System	Administrative Dept./Maintenance Dept.
Society	Employee Management	Occupational Safety and Health Affair	Administrative Dept.
		Employee Management Mechanism/Labor Relations	Administrative Dept.
	Community and Charitable Activities	Connect with Local Communities	Administrative Dept.



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 Sustainable 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. The table below provides the corresponding contact persons and contact information for investors, customers, employees, government agencies, and suppliers, should any Stakeholders or government officials request assistance or additional information.

Investors

Contact: Josephine Huang
Email: invest@largan.com.tw

Task: Largan values the importance of communication with our investors. The Company holds online investor conferences on a quarterly basis and discloses relevant conference materials on the Company's website and the Taiwan Stock Exchange's website to strengthen information disclosure and protect the rights and interests of our investors.

Customers

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

Contact: Renan Ho
Email: renanho@largan.com.tw

Task: Promote harmonious labor-management relations and provide employees with channels to give feedback on issues related to labor-management relations, salary and benefits, work-related matters, and occupational safety and health.

Government

Contact: Eric Tseng
Email: eric-tseng@largan.com.tw

Task: Following government guidance, policies and providing company information when requested. Maintaining ongoing communication, liaison, and interaction with government agencies and external organizations.

Suppliers

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 supporting 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.

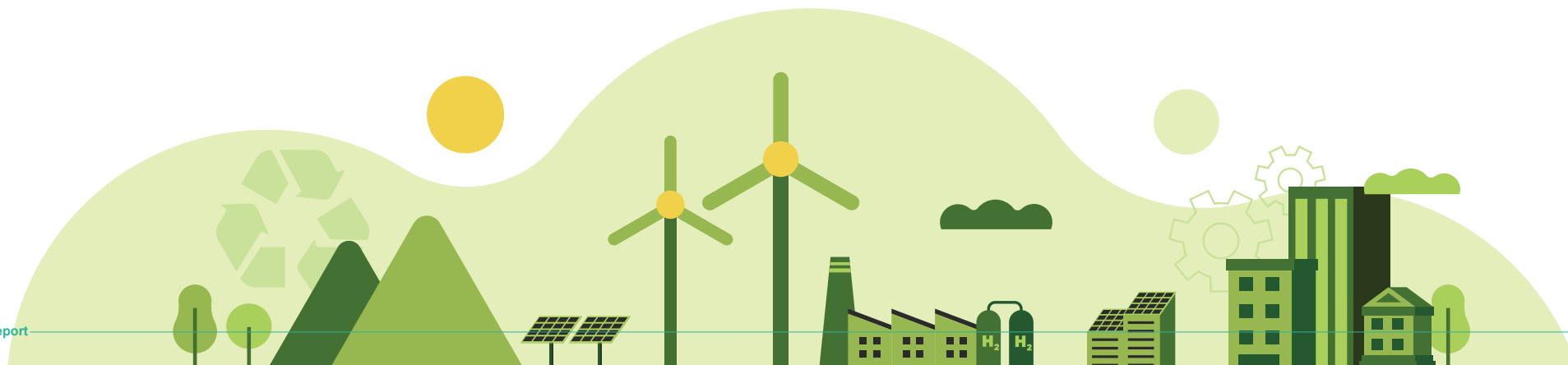


1.3 Communication Analysis of Material Topics of Stakeholder and Its Procedure

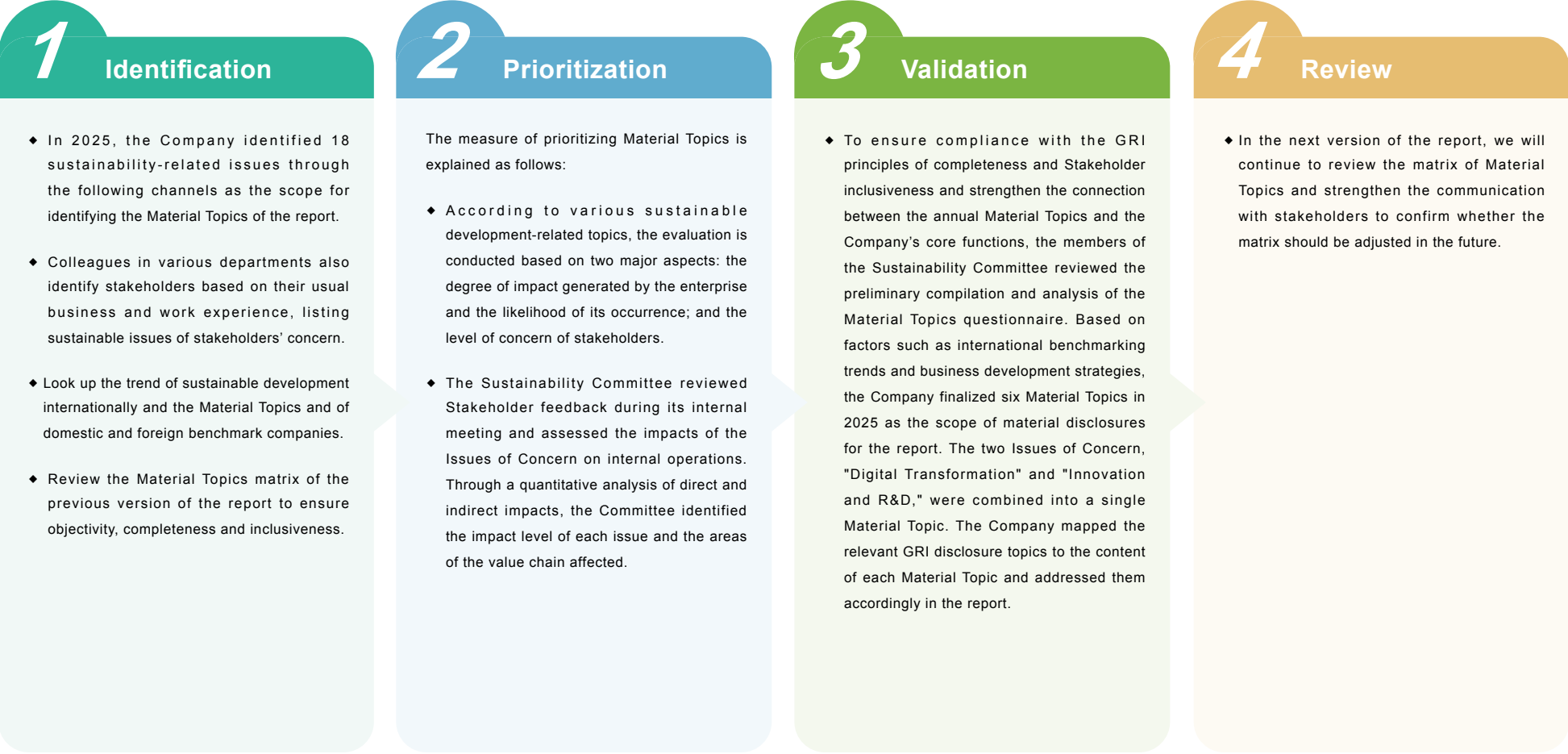
Largan collects sustainability-related issues based on its sustainable development goals, industry regulations and standards, and the organization's annual goals. Through various Stakeholder communication channels, representatives from each unit engage with Stakeholders on a regular or ad hoc basis. They assess the impacts arising from the Company's operations and determine whether these impacts affect its business operations. With reference to the GRI Standards, the Company then compiles the issues of concern to Stakeholders. The Company's Stakeholder communications for 2025 were reported to the Board of Directors on July 28, 2025, as detailed in the table below:

Stakeholders	Meaning to Largan	Issues of Concern	Communication Channels	Communication Frequency	Key Achievement in 2025
 Investors	Uphold integrity management, remain committed to sustainable governance, and create value for shareholders.	Operational Performance Corporate Governance and Business Continuity Integrity Management, Regulatory Compliance, and Business Ethics Information Security Innovation and R&D Climate Change Adaptation Social Participation and Indirect Economic Impacts	Financial Reports Annual Shareholders' Meeting Market Observation Post System	Annually	Hold Shareholders' Meetings, Investor Conferences, seminars with domestic and overseas institutional investors, and face-to-face and telephone meetings. Material information is also promptly updated on the Market Observation Post System.
			Investor Conferences	Quarterly	
			Stakeholder Section	Irregular Basis	
 Customers	Important business partners whose needs Largan strives to meet to create mutually beneficial outcomes.	Product Quality and Responsibility Customer Relationship Management Information Security Operational Performance Sustainable Supply Chain Management Integrity Management, Regulatory Compliance, and Business Ethics Innovation and R&D Climate Change Adaptation Greenhouse Gas Emissions and Energy and Resource Management	Customer Satisfaction Survey Questionnaire	Annually	Respond to and resolve customer issues promptly. Distribute customer satisfaction survey questionnaires, conduct improvement analyses, and continuously track the effectiveness of measures taken to improve customer satisfaction.
			Customer Meetings Telephone Mail Stakeholder Section	Irregular Basis	

Stakeholders	Meaning to Largan	Issues of Concern	Communication Channels	Communication Frequency	Key Achievement in 2025
 Employees	Provide diverse channels for employees to express their opinions fully and strive to maintain harmonious labor-management relations.	Operational Performance Talent Recruitment, Retention, and Development Labor Relations, Human Rights Policy, and Diversity and Inclusion Occupational Safety and Health and Health Promotion	Labor-Management Meetings CEO Mailbox Email Bulletin Board Announcements Stakeholder Section	Quarterly Irregular Basis	Revise personnel management policies and plan employee welfare programs, such as health examinations. Address employee complaints to safeguard employees' workplace rights and interests. Publish labor-related information and provide English versions for foreign employees.
 Government	Align with government policies, provide company information in a timely manner, and maintain ongoing communication and engagement with government agencies and external organizations.	Integrity Management, Regulatory Compliance, and Business Ethics Corporate Governance and Business Continuity Greenhouse Gas Emissions and Energy and Resource Management Water Resource Management Waste Management Occupational Safety and Health and Health Promotion	Official Documents Telephone Mail Government Policy Advocacy Regulatory Briefings Competent Authority Inspections	Irregular Basis	Arrange for employees to participate in meetings held by government agencies as needed, including government policy advocacy, safety and health training, and energy conservation activities, while maintaining communication and coordination.
 Suppliers	Promote Largan's sustainable business development and establish partnerships across the supply chain.	Sustainable Supply Chain Management Greenhouse Gas Emissions and Energy and Resource Management Waste Management Occupational Safety and Health and Health Promotion Operational Performance	Supplier Audits Supplier Self-Assessment Questionnaires Stakeholder Section	Annually Irregular Basis	All suppliers sign letters of commitment to comply with human rights conventions and integrity commitments. The Company also uses social responsibility self-assessment forms to assess whether suppliers comply with Responsible Business Alliance (RBA) standards. Conduct audits of major raw material suppliers as needed. If material variations or incoming material abnormalities occur, the Company strengthens its audits and follows up on corrective actions.



Significant Material Topics mentioned above are referred from GRI Standards (GRI), based on the identification, prioritization, validation, and review, the Company conducts 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 process for developing Significant Material Topics is shown below:



1.3.1 The Analysis of the Internally and Externally Impact of Material Topics

A total of 18 issues of concern to stakeholders were identified. The Sustainable Committee assessed the extent of the direct and indirect impacts of each issue on internal operations, as shown in the table below. For positive impacts:

For positive impact

★ indicates an actual impact and

⚙ indicates a potential impact;

Dimensions of Concern of Stakeholders	Intention of Significant	Internal Impact		External Impact			
		Organization	Employees	Shareholders	Customers (downstream)	Suppliers (upstream)	Government
Corporate Governance	Integrity Management, Regulatory Compliance, and Business Ethics	★	★	⚙	⚙	⚙	⚙
	1. Information Security	★	★	★	★	★	★
	2. Operational Performance	★	★	★	★	★	⚙
	Corporate Governance and Business Continuity	★	⚙	⚙	⚙	⚙	⚙
Value Chain	Product Quality and Responsibility	★			★	★	
	Customer Relationship Management	★	★		★	⚙	
	3. Sustainable Supply Chain Management	★	★	⚙	★	★	★
	4. Digital Transformation and Innovation and R&D	★	⚙	⚙	★	★	★
Environmental Aspect	Waste Management	★			★	★	★
	Water Resource Management	★			★	⚙	★
	Climate Change Adaptation	★	⚙		⚙	⚙	★
	5. Greenhouse Gas Emissions and Energy and Resource Management	★	⚙	★	★	★	★
	Biodiversity and Pollution Prevention	★	⚙				⚙
Social Aspect	6. Labor Relations, Human Rights Policy, and Diversity and Inclusion	★⚙	★⚙		★⚙	★⚙	★
	Occupational Safety and Health and Health Promotion	★	★		★	★	
	Talent Recruitment, Retention, and Development	★	★⚙		⚙	⚙	⚙
	Social Participation and Indirect Economic Impacts	★	⚙				⚙

Marked as yellow Mark with number sorting are Significant: Material Topics, has a total of 6.

Note: For the purposes of Sustainability Report disclosure, the two issues of concern, "Digital Transformation" and "Innovation and R&D," were combined into a single issue. The **Material Topics** identified from the issues of concern are presented in Section 1.4, "Prioritization and Response of Identified Material Topics." The Company also conducts risk assessments and management for the Material Topics. For details, please refer to Section 1.4.1, "Risk Considerations and Implementation Measures for Material Topics."

For negative impacts

★ indicates an actual impact and

⚙ indicates a potential impact;

Dimensions of Concern of Stakeholders	Intention of Significant	Internal Impact		External Impact			
		Organization	Employees	Shareholders	Customers (downstream)	Suppliers (upstream)	Government
Corporate Governance	Integrity Management, Regulatory Compliance, and Business Ethics						
	1. Information Security						
	2. Operational Performance						
Value Chain	Corporate Governance and Business Continuity		⚙		⚙	⚙	
	Product Quality and Responsibility						
	Customer Relationship Management				⚙	⚙	
	3. Sustainable Supply Chain Management				⚙	⚙	
Environmental Aspect	4. Digital Transformation and Innovation and R&D				⚙		
	Waste Management	⚙			⚙	⚙	
	Water Resource Management	⚙			⚙	⚙	
	Climate Change Adaptation	⚙					
	5. Greenhouse Gas Emissions and Energy and Resource Management	⚙					
Social Aspect	Biodiversity and Pollution Prevention			⚙			
	6. Labor Relations, Human Rights Policy, and Diversity and Inclusion			⚙			⚙
	Occupational Safety and Health and Health Promotion		⚙		⚙	⚙	⚙
	Talent Recruitment, Retention, and Development						
	Social Participation and Indirect Economic Impacts						

Marked as yellow Mark with number sorting are Significant: Material Topics, has a total of 6.

Note: For the purposes of Sustainability Report disclosure, the two issues of concern, "Digital Transformation" and "Innovation and R&D," were combined into a single issue. The **Material Topics** identified from the issues of concern are presented in Section 1.4, "Prioritization and Response of Identified Material Topics." The Company also conducts risk assessments and management for the Material Topics. For details, please refer to Section 1.4.1, "**Risk Considerations and Implementation Measures for Material Topics.**"



1.4 Prioritization and Response of Identified Material Topics

Comparison with the previous year's list of material topics:

2025 List of Material Topics	2024 List of Material Topics
Operational Performance	Operational Performance
-	Regulatory Compliance
-	Ethics and Morality
-	Risk Management
Labor Relations, Human Rights Policy, and Diversity and Inclusion	Diversity and Equality
	Labor Relations
-	Waste Management
Sustainable Supply Chain Management	Supply Chain Management
-	Safety and Health
Information Security	-
Greenhouse Gas Emissions and Energy and Resource Management	Water Resource Management
-	Customer Service and Satisfaction
Digital Transformation and Innovation and R&D	Product Quality and Delivery
A total of six topics	A total of twelve topics (including one consolidated topic)



1.4.1 Risk Considerations and Implementation Measures for Material Topics

In 2025, the Company identified six Material Topics. In accordance with the corporate governance evaluation requirements of the Taiwan Stock Exchange, TWSE- and TPEx-listed companies shall apply the principle of materiality to assess risks associated with environmental, social, and corporate governance topics related to their operations and formulate corresponding risk management policies or strategies. The severity and likelihood of risks associated with the Material Topics, together with the related risk considerations and assessments, are analyzed and explained in the table below. The corresponding management actions and measures adopted following the risk assessments are summarized as follows:

Topic	GRI Standards	Importance to Largan and Risk Considerations	Measures Taken
Operational Performance,	201-1 Direct economic value generated and distributed	Continued profitability enables Largan to achieve its sustainable operation goals and create new employment opportunities.	Keep abreast of economic developments and increase capital expenditures when appropriate. Expand the customer base. Control costs and expenses.
Information Security	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Prioritizing customer privacy helps improve customer satisfaction and loyalty, increase prospective customers' willingness to cooperate, and maximize corporate revenue and profits.	Establish customer privacy regulations and require all employees to comply with them. Enhance information security measures to prevent personnel from accessing customer information without proper authorization.
Sustainable Supply Chain Management	204 Procurement Practices 308-1 New suppliers that were screened using environmental criteria 414-1 New suppliers that were screened using social criteria	To promote Largan's sustainable business development, the Company must establish partnerships with suppliers throughout the supply chain. All business partners are also expected to fulfill their social responsibilities within the supply chain.	Establish the Supply Chain Management Policy to build mutually trusting and stable partnerships with suppliers, achieve shared growth, and foster sustainable supplier relationships.
Greenhouse Gas Emissions and Energy and Resource Management	305-1 Direct (Scope 1) GHG emissions 305-2 Energy indirect (Scope 2) GHG emissions 305-3 Other indirect (Scope 3) GHG emissions 305-4 GHG emissions intensity 302-1 Energy consumption within the organization	In response to global environmental trends and Taiwan's overall greenhouse gas reduction strategy, the Company monitors its greenhouse gas emissions.	Based on the results of its initial greenhouse gas inventory conducted in 2020, the Company continues to implement energy saving and carbon reduction measures. The Company conducts an annual greenhouse gas inventory and verification in accordance with the requirements of the Environmental Protection Administration.

Topic	GRI Standards	Importance to Largan and Risk Considerations	Measures Taken
Digital Transformation and Innovation and R&D	3-3 Management of material topics	As a manufacturer of high-precision optical lenses with short product life cycles, Largan must continue investing in advanced optical design, precision manufacturing processes, automated production, and smart manufacturing technologies to maintain its technological leadership in the global premium lens market.	Through continued investment in R&D, process digitalization, and equipment automation, the Company improves product yield, production efficiency, and quality stability while strengthening operational resilience and market competitiveness.
Labor Relations, Diversity, and Equality	401-1 New employee hires and employee turnover 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time 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	Largan regards employees as its most important partners and strives to create a challenging work environment that supports continuous learning. Harmonious labor-management relations and workplace diversity and equality form an important foundation for Largan's sustainable operations.	Provide a comprehensive remuneration strategy that is competitive within the industry, together with statutory retirement systems, to strengthen employee cohesion. Advance toward a society founded on gender equality and respect for diversity by providing equal employment opportunities and equal pay for women and men, regardless of gender, religion, race, nationality, or other differences.





1.5 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 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.	12.6	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 wastewater, and domestic water are also classified, and wastewater is recycled and reused.	06	6.5 Water Resource Management
Scope 1 and 2 implement greenhouse gases Scope 3 Inventory 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

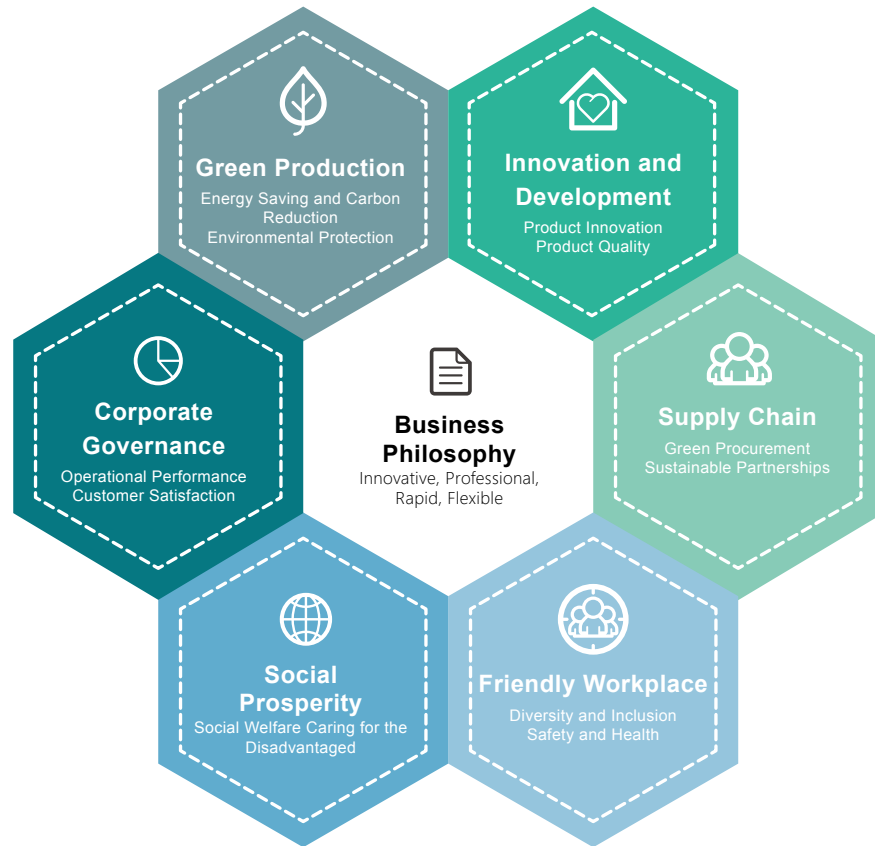


Largan's Goal	Management Measure	Corresponding SDGs	Corresponding Chapter
Promote independent inspection and management measures of occupational safety and health, prevent disasters in the factory and reduce risks.	According to "ISO 45001 Occupational Health and Safety Management System" and relevant occupational safety laws and regulations, formulated occupational safety and health work rules, identified occupational hazards, established 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

1 6 Major Directions of ESG:



2 How Largan implements ESG Actions





02

Corporate Governance & Sustainable Operation

- 2.1 Company Introduction
- 2.2 Corporate Governance
- 2.3 Risk Management
- 2.4 Integrity Management and Regulatory Compliance
- 2.5 Internal Control and Management System Verification
- 2.6 Information Security



Largan addresses Material Topics related to corporate governance, risk management, and regulatory compliance in the context of sustainable business operations. Adhering to the principles of integrity management and information 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 (2025~2027)	Medium-Term (2028~2029)	Long-Term (2030 and Beyond)
Operational Performance,	Internal management documents are regularly announced and updated to meet the latest regulatory requirements. The ESG Sustainability Report was successfully verified.		
Information Security			
2025 Achievements	Operational Performance, Internal management documents are regularly announced and updated to meet the latest regulatory requirements. The 2025 ESG Sustainability Report was successfully verified. → Achieved Information Security No material cyberattacks affecting the Company's operations occurred → Achieved, 0 cases.		



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 of staying 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: 8,448 (Accounting until end of December 2025)

Line of Business: Optical lenses

Headquarter Address: No.11, Jingke Road, 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 11 Sites)

The Taichung City Precision Machinery Innovation Technology Park:

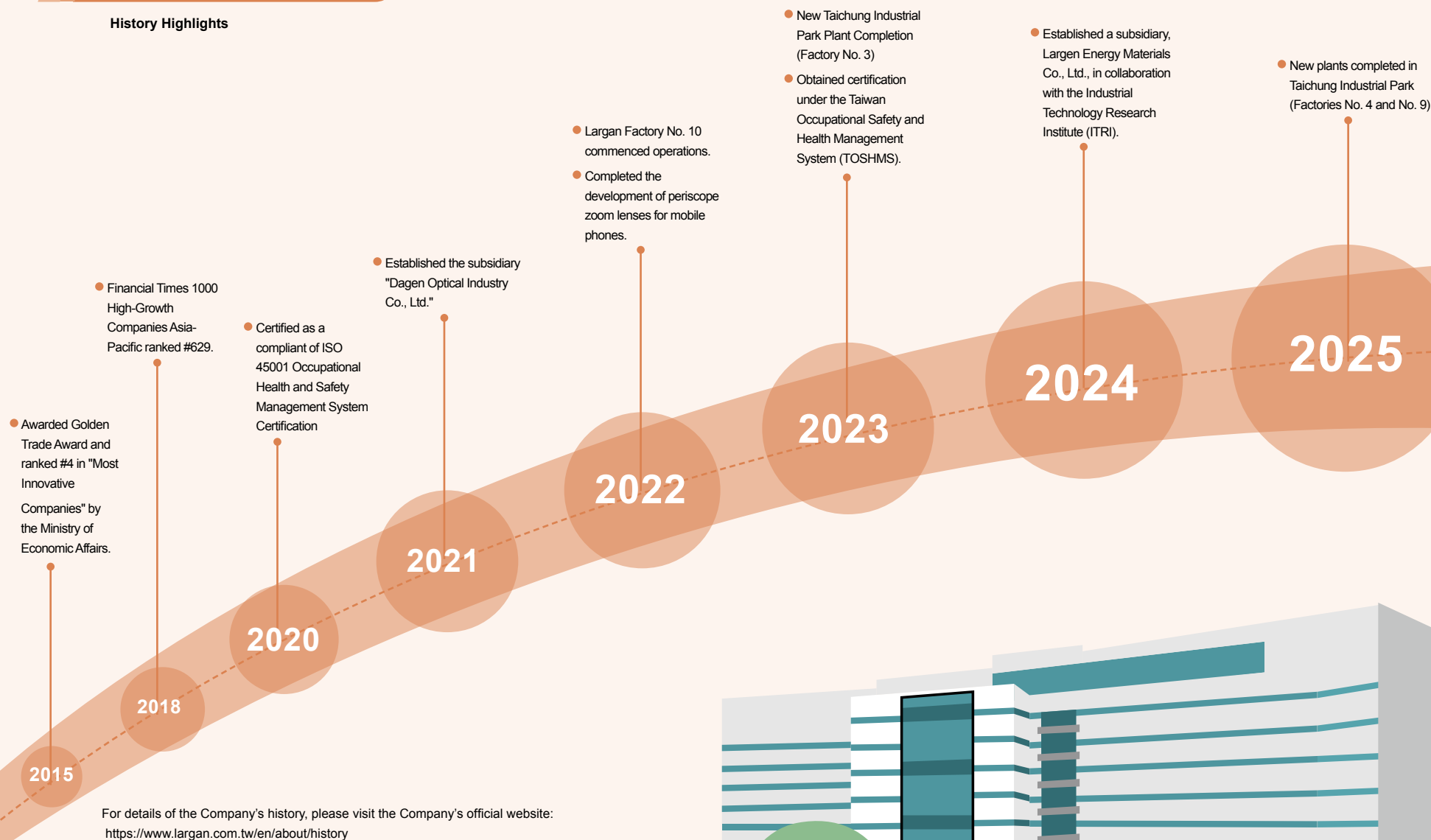
- No. 11, Jingke Road, Nantun District, Taichung City, Taiwan (HQ)
- No. 13, Jingke Road, Nantun District, Taichung City, Taiwan
- No. 7, Jingke 2nd Road, Nantun District, Taichung City, Taiwan

Taichung Industrial Park:

- No. 4 and No.6 Gongyequ 16th Road, Taichung City
- No. 14, Gongyequ 23rd Rd., Nantun Dist., Taichung City
- No. 12-8, Gongyequ 33rd Rd., Xitun Dist., Taichung City
- No. 23, Gongyequ 33rd Rd., Nantun Dist., Taichung City
- No. 1, Gongyequ 5th Rd., Xitun Dist., Taichung City
- No. 23, Gongyequ 19th Rd., Nantun Dist., Taichung City
- No. 32, Gongyequ 18th Rd., Nantun Dist., Taichung City
- 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 over the Past Decade

History Highlights

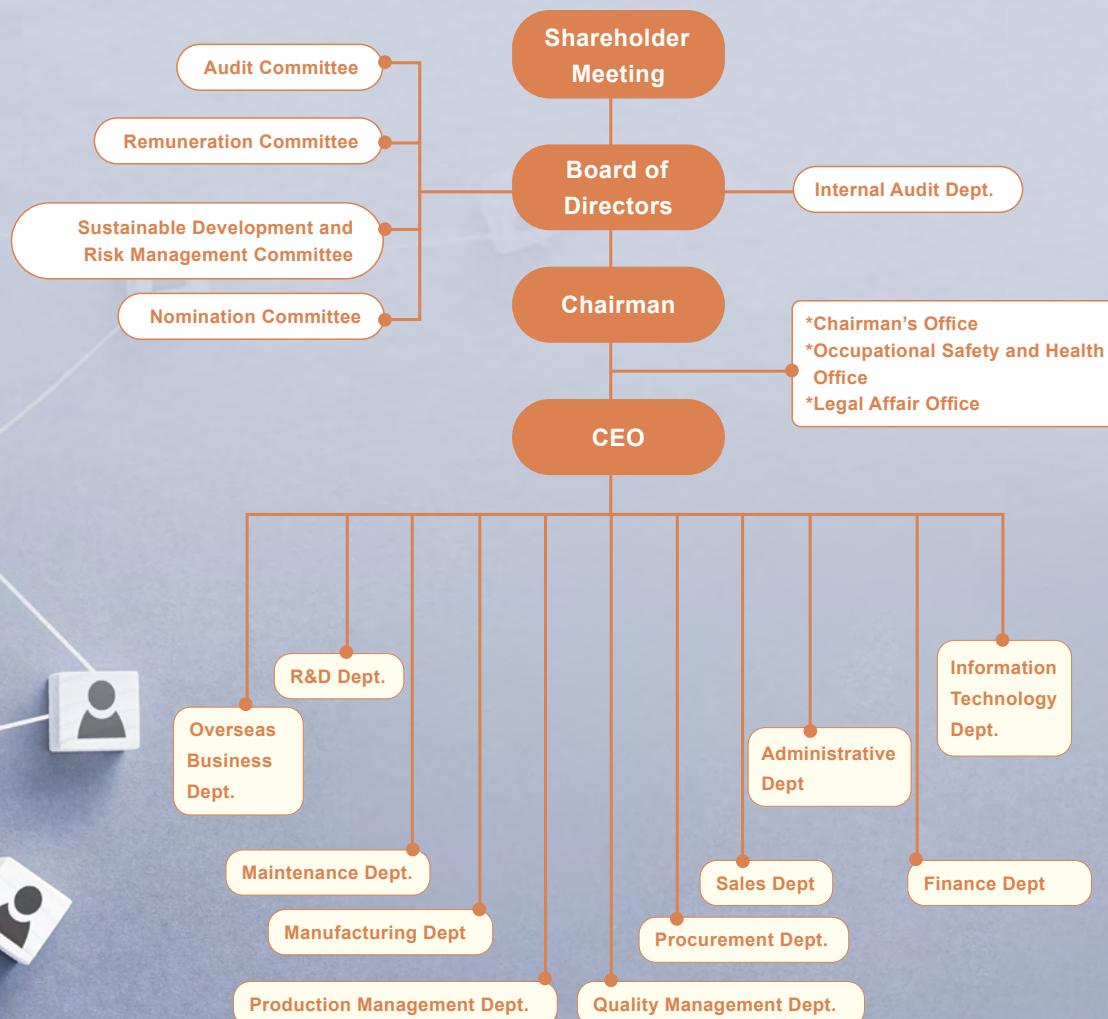




2.2 Corporate Governance

2.2.1 Company Organizations

The composition of the Board of Directors is based on the supervisors and directors elected during the general shareholders' meeting. Following the law, the Functional Committee is set up under the Board of Directors, and the chairman's office consists of Occupational Safety and Health Office, and Legal Affairs Office. The top level of management includes CEO, who oversees all departments and related units. Detailed structure is as shown in the picture:



2.2.2 The Board of Directors (BOD)

Largan established the Corporate Governance Code of Conduct, specifying the structure of the Board of Directors, rules of meetings, and individual obligations. Director and Supervisor elections are based on a nomination system to ensure that the BOD elections are open, fair, and inclusive.

2.2.2.1 Structure of the Board of Directors

The appropriate number of seats in BOD are determined by the scale and operational needs of Largan. The Board of Directors is composed of members who have backgrounds and education in the relevant industries, management experience, critical knowledge and skills in law and finance to successfully execute tasks and obligations required.

With careful consideration given to the composition of the Board of Directors and its diversity criteria, the Board comprises professionals with relevant industry experience and expertise in business management, law, and finance. All Board members possess the professional knowledge and skills necessary to perform their duties.

Largan has a Board comprising nine directors, including three independent directors. Directors holding employee status account for 44%. The term of office is from June 6, 2025 to June 5, 2028. None of the independent directors has served more than three consecutive terms. The appointment of all directors complies with the Company's Articles of Association, the "Rules for Election of Directors," the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," Article 14-2 of the Securities and Exchange Act, and Article 26-3 of the same Act. The board emphasizes independent operation, with directors and independent directors exercising their powers independently. All current board members are Taiwanese nationals, and an audit committee was established in June 2022. Business policies and other material decisions are determined by the Board of Directors. Except as otherwise provided by the Securities and Exchange Act and the Company Act, resolutions shall be adopted with the attendance of a majority of all directors and the approval of a majority of the attending directors. For details on the educational and professional backgrounds and current positions of the members of the Board of Directors, please refer to page 2 of the Company's 2025 Annual Report.

Basic Composition and Diverse Professional Expertise of the Board of Directors

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:

En-Chou Lin Executive Director Male Employee Identification	Professionalism - Operational Judgement - Accounting/ Finance/ Mathematics - Management - Crisis Management - Industrial Knowledge - Global Market Insight - Leadership&Decision Making Skill	Number of other companies where the Independent Director concurrently serves as an Independent Director. 0
En-Ping Lin Executive Director Male Employee Identification	Professionalism - Operational Judgement - Accounting/ Finance/ Mathematics - Management - Crisis Management - Industrial Knowledge - Global Market Insight - Leadership&Decision Making Skill	Number of other companies where the Independent Director concurrently serves as an Independent Director. 0
Yu-Chih Huang Executive Director Male Employee Identification	Professionalism - Operational Judgement - Accounting/ Finance/ Mathematics - Management - Crisis Management - Industrial Knowledge - Global Market Insight - Leadership&Decision Making Skill	Number of other companies where the Independent Director concurrently serves as an Independent Director. 0
Jung-Ren Laing Non-executive Director Male	Professionalism - Operational Judgement - Accounting/ Finance/ Mathematics - Management - Crisis Management - Industrial Knowledge - Global Market Insight - Leadership&Decision Making Skill	Number of other companies where the Independent Director concurrently serves as an Independent Director. 0
Ming-Yuan Hsieh Non-executive Director Male	Professionalism - Operational Judgement - Accounting/ Finance/ Mathematics - Management - Crisis Management - Industrial Knowledge - Global Market Insight - Leadership&Decision Making Skill	Number of other companies where the Independent Director concurrently serves as an Independent Director. 0
Chun-Ming Chen Executive Director Male Employee Identification	Professionalism - Operational Judgement - Accounting/ Finance/ Mathematics - Management - Crisis Management - Industrial Knowledge - Global Market Insight - Leadership&Decision Making Skill	Number of other companies where the Independent Director concurrently serves as an Independent Director. 0
Chin-Fang Lin Independent Director Male	Professionalism - Operational Judgement - Accounting/ Finance/ Mathematics - Management - Crisis Management - Industrial Knowledge - Global Market Insight - Leadership&Decision Making Skill	Number of other companies where the Independent Director concurrently serves as an Independent Director. 0
Kuang-Tao Chang Independent Director Male	Professionalism - Operational Judgement - Accounting/ Finance/ Mathematics - Management - Crisis Management - Industrial Knowledge - Global Market Insight - Leadership&Decision Making Skill	Number of other companies where the Independent Director concurrently serves as an Independent Director. 0
Shu-Min Lee Independent Director Female	Professionalism - Operational Judgement - Accounting/ Finance/ Mathematics - Management - Crisis Management - Industrial Knowledge - Global Market Insight - Leadership&Decision Making Skill	Number of other companies where the Independent Director concurrently serves as an Independent Director. 3

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.	Independent directors shall comprise 30% of the board, with at least one not serving more than three consecutive terms.	Diversified professional expertise on the board	Gender diversity
Achieved 2 members under 50; 2 members aged 51–60; 4 members aged 61–70; 1 member above 71.	Achieved Three Independent Directors have been appointed, accounting for 33% of the Board. All three have served for less than three years.	with at least one director having a background in law or finance.	A female director was elected during the 2025 board re-election.

Board Independence

1 The board consists of nine directors, including three independent directors, accounting for 33% of the total.	2 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.	3 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.	4 All independent directors meet the statutory independence requirements.
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Board Responsibilities

Raising, issuing, or privately placing securities with equity characteristics.

Significant lending, endorsements, or guarantees.

Major asset or derivative transactions.

Matters involving directors' or supervisors' interests.

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.

Establish or amend internal control systems as per Article 14-1 of the Securities and Exchange Act.

Appointing, dismissing, or remunerating certified public accountants.

Appointing or dismissing financial, accounting, or internal audit officers.

Other major matters prescribed by competent authorities.

Promote sustainable operations with vision, strategies, and timelines.

Board of Directors

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 2025, please refer to pages 15 of the Company's 2025 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 12–13 of the 2025 Annual Report.
Signing Bonus or Recruitment Incentives	None	None
Clawback Mechanism	None	None
Retirement Benefits	Please refer to page 8 of the 2025 Annual Report.	In accordance with the Labor Standards Act, the Company allocates 6% of monthly wages to the Labor Retirement Reserve Fund Supervision 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 Corporate Governance Best Practice Principles for TWSE/TPEX 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 2025:

Held **6** board meetings in 2025.

Held **1** regular meeting of shareholders in 2025.

Held **5** audit committee meetings in 2025.

The Company purchased liability insurance for Directors and will report to the Board of Directors after renewal.

Assist Independent Directors to complete at least **6** hours of refresher courses.

The Corporate Governance Supervisor completed a total of **12** hours of continuing education in 2025, and the relevant information has been filed with the Market Observation Post System. For complete details of the continuing education undertaken, please refer to the Market Observation Post System.

Operations of the Board of Directors: The Board of Directors convened six meetings in 2025, with an overall average attendance rate of 88.89% among all Directors. Please refer to page 15 of the 2025 Annual Report.

Directors' and Supervisors' Continuing Education

Job Title	Name	Date Ap-pointed	First Date Appointed	Start Date	End Date	Organizer	Course Title	Hours	Total Hours for the Year	Remarks
Independent director	Guang-Dao Chang	2025/06/06	2025/06/06	2025/07/29	2025/07/30	Securities and Futures Institute	Practical Training for Newly Appointed Direc-tors and Supervisors (Including Independent Directors) and Corporate Governance Officers	12.0	12.0	
Director	Ming-Yuan Hsieh	2025/06/06	1996/10/20	2025/09/02	2025/09/02	Taiwan Corporate Governance Association	Introduction to Carbon Pricing and Trading Mechanisms and the Latest IFRS Sustainability Disclosure Standards (S1&S2)	3.0	3.0	
Director	Yu-Chih Huang	2025/06/06	2022/06/08	2025/09/02	2025/09/02	Taiwan Corporate Governance Association	Introduction to Carbon Pricing and Trading Mechanisms and the Latest IFRS Sustainability Disclosure Standards (S1&S2)	3.0	3.0	
Director	Chung-Jen Liang	2025/06/06	2004/06/10	2025/09/02	2025/09/02	Taiwan Corporate Governance Association	Introduction to Carbon Pricing and Trading Mechanisms and the Latest IFRS Sustainability Disclosure Standards (S1&S2)	3.0	3.0	
Representative of Corporate Director	En-Chou Lin	2025/06/06	1987/04/04	2025/09/02	2025/09/02	Taiwan Corporate Governance Association	Introduction to Carbon Pricing and Trading Mechanisms and the Latest IFRS Sustainability Disclosure Standards (S1&S2)	3.0	3.0	
Representative of Corporate Director	En-Ping Lin	2025/06/06	2007/06/15	2025/09/02	2025/09/02	Taiwan Corporate Governance Association	Introduction to Carbon Pricing and Trading Mechanisms and the Latest IFRS Sustainability Disclosure Standards (S1&S2)	3.0	3.0	
Independent director	Chin-Fang Lin	2025/06/06	2025/06/06	2025/11/18	2025/11/18	The Institute of Internal Auditors, Chinese Taiwan	Production Cycle Practices and Key Audit Focus Areas	6.0	15.0	
				2025/09/02	2025/09/02	Taiwan Corporate Governance Association	Introduction to Carbon Pricing and Trading Mechanisms and the Latest IFRS Sustainability Disclosure Standards (S1&S2)	3.0		
				2025/07/15	2025/07/15	The Institute of Internal Auditors, Chinese Taiwan	Analysis of Legal Liability for Greenwashing and False Sustainability Reports	6.0		

•2.1Company Introduction

•2.2Corporate Governance

•2.3Risk Management

•2.4 Integrity Management and Regulatory Compliance

•2.5Internal Control and Management System Verification

•2.6 Information Security

Job Title	Name	Date Ap-pointed	First Date Appointed	Start Date	End Date	Organizer	Course Title	Hours	Total Hours for the Year	Remarks
Independent director	Shu-Lan Lee	2025/06/06	2023/06/19	2025/09/02	2025/09/02	Taiwan Corporate Governance Association	Introduction to Carbon Pricing and Trading Mechanisms and the Latest IFRS Sustainability Disclosure Standards (S1&S2)	3.0	9.0	
				2025/07/09	2025/07/09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	3.0		
				2025/05/09	2025/05/09	Securities and Futures Institute	2025 Insider Trading Prevention Awareness Session	3.0		
Director	Chun-Ming Chen	2025/06/06	2022/06/08	2025/09/02	2025/09/02	Taiwan Corporate Governance Association	Introduction to Carbon Pricing and Trading Mechanisms and the Latest IFRS Sustainability Disclosure Standards (S1&S2)	3.0	3.0	

2.2.3 Remuneration Committee

The Company's Remuneration Committee consists of three members and operates in accordance with the Company's "Remuneration Committee Charter." In 2025, all members achieved an attendance rate of 100%. For details on the Committee's members, responsibilities, and implementation, please refer to the Company's Annual Report.

2.2.4 The Audit Committee (2nd Term – Tenure: June 6, 2025 to June 5, 2028)

The Audit Committee achieved an attendance rate of 100% in 2025. For details on its members, responsibilities, and implementation, please refer to the Company's Annual Report.

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, 2025, 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 2025

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

In addition to regularly submitting audit reports to the Audit Committee for review, the internal audit supervisor holds separate meetings with the Independent Directors at least once a year to report on the important business matters of the Company and its subsidiaries. In 2025, the overall in-person attendance rate of the Independent Directors reached 100%, and the implementation status and effectiveness of audit operations were fully communicated.



2.3 Risk Management

To strengthen the functions of the Board of Directors and the risk management mechanism, the Company has established the "Risk Management Measures." The impacts of risks and corresponding response actions are reported to the Board of Directors once a year, and relevant risk management policies are approved by the Board. On July 28, 2025, the Company reported the status of its risk management operations to the Board of Directors. Through effective risk identification, analysis and assessment, control and treatment, and ongoing monitoring, the Company enhances risk awareness among all employees, keeps risks within tolerable levels, and ensures that its risk management practices are comprehensive, effective, and optimized for maximum benefit.

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

- **Goals and 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

Industry Competition

Impact on Operational and Corporate Governance Risks

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.

Countermeasures

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

Impact on Operational and Corporate Governance Risks

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.

Countermeasures

- 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 of the report.

Please refer to 1. Fulfillment of Sustainable Management for other risk assessment of occurrence considerations, severity and response methods.



2.4 Integrity Management and Regulatory Compliance

2.4.1 Business Philosophy and Integrity

The Company's business philosophy is **"Innovation, Professionalism, Speed and Flexibility."** Its highest priority is to protect shareholders' rights and interests, and it is committed to ensuring information transparency for shareholders. Accordingly, the Company strengthens the functions of the Board of Directors, strives to enhance the leadership and management capabilities of its team, and has established the "Integrity Management Code of Conduct and Whistleblowing System," which were approved by the Board of Directors, with the aim of driving the Company's operations to new heights.

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.

Integrity Management

Largan values "honesty and integrity." Based on its business philosophy of integrity, transparency, and accountability, Largan supports the Company in establishing an Ethics and Integrity Management corporate culture, achieving sound development, and maintaining good business operations. Holding itself to the highest standards of business ethics, the Company applies these standards to all personnel, from directors and management to employees. Through top-down implementation, the Company requires everyone to uphold integrity as the fundamental principle in performing their duties, and strictly prohibits any improper benefits, including corruption and bribery.

The Company has established a dedicated unit under the Board of Directors to promote integrity management. The Integrity Management Promotion Team, comprising the Legal Affairs Office and the Internal Audit Department, is jointly responsible for revising and supervising the implementation of integrity management policies and preventive measures. The implementation status is reported to the Board of Directors once a year and was reported to the Board on July 28, 2025. To prevent conflicts of interest and provide appropriate channels for voicing concerns, the Company established the "Integrity Management Code and Whistleblowing and Grievance Procedures" in 2016. For details of its responsibilities and preventive measures, please visit the Company's official website: <http://www.largan.com.tw/en/investor/governance>.

Business Activities with Integrity

Conduct business activities fairly and transparently based on the principle of 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

Engaging in unfair competition practices.

Providing illegal political contributions.

Improper charitable donations or sponsorships.

Offering or accepting unreasonable gifts, hospitality, or other improper benefits.

Giving and receiving bribes.

Infringement of business secrets, trademark rights, patent rights, copyrights and other intellectual property rights.

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



Regular communication from senior managers to the directors, employees and appointees regarding the importance of integrity.



Organizing educational training and policy advocacy events regularly. Invite the Company's counterparties to participate in such commercial activities.



Integrating the integrity management policy with employee performance evaluation and HR policies to establish an explicit reward and punishment system.

Performance of 2025

- (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) 647 people participated in the internal education and training of integrity management, with a total number of 5,176 class hours (including other new employee orientation courses).

Whistleblowing System

Set up an internal complaint mailbox and provide a reporting service on the Company website.

Assign a dedicated unit to find out relevant facts immediately and seek assistance from regulations or related departments when necessary.

All files and records should be kept in archives for five years or until the termination of the lawsuit.

Whistleblowers and the disclosed content shall be kept confidential to protect them from improper mistreating behavior.

Establish incentive measures for whistleblowers and award bonuses based on the severity of the circumstances.

2025 Implementation Results: Please refer to Section 2.4.2 "Ethical Standards and Regulatory Compliance" of the Report.

Information Disclosure

The Company has conducted corruption risk assessments at all 11 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/en>).

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

- **Goals and 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 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.

To establish a more robust corporate governance framework and create an environment conducive to sustainable business development, Largan has formulated relevant policies and established the "Corporate Governance Code of Conduct" to ensure that employee conduct aligns with ethical standards. The Code provides guidance for employees and enables stakeholders to better understand the Company's ethical standards. For details, please visit the Company's official website: <http://www.largan.com.tw/en/investor/governance>.

Responsibility of Supervision

- 1 The ESG Sustainability Committee, the dedicated unit, reports to the Board of Directors once a year.
- 2 No violation of integrity management and discovery of dishonest behavior, as mentioned above is planned to be reported during the Board of Director's meeting on July 28, 2025.

Declaration Compliance and Signature

A statement on the internal control system for 2025 was approved by all directors, stating that the design and implementation of the internal control system for 2025 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. For any agenda item submitted to the Board of Directors in which a Director or the legal entity he or she represents has an interest that may be detrimental to the interests of the Company, the Director may present opinions and respond to questions, but may not participate in the discussion or 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.

Number of Cases of Non-compliance with Laws and Regulations

In 2025, three incidents of non-compliance occurred, resulting in total fines of NT\$290,000. (For details, please refer to Section 7.2 of the report.) None of these incidents constituted material non-compliance with laws and regulations. Material non-compliance is defined as a single environmental incident resulting in a fine exceeding NT\$300,000 or a single labor-related incident resulting in cumulative fines of NT\$1 million or more.



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

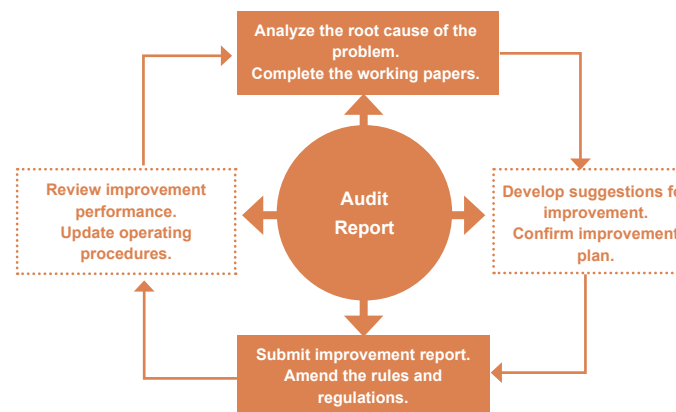
Management Measure

- **Scope:** Evaluate the adequacy and effectiveness of the internal control system and the efficiency of operating activities.
- **Target Audience:** Utilize due diligence and early warning communication methods to audit. The audit targets include all business units of the Company.
- **Policy and Management:**
 - Project 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.
 - 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.

Auditing Process

Draft an annual audit plan based on the results of the risk assessment result.	Carry out audit operations following the annual audit plan.
Perform project audits as needed and report existing deficiencies or potential risks to managers promptly.	Issue an audit report and provide suggestions for improvements after performing the audit.
Continue to track the deficient items in the audit and make a quarterly follow-up report until deficiency corrected.	The audit-report and follow-up report should be submitted to independent directors before the end of the following month for review when the audit items are completed.

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



There were no material internal control deficiencies in 2025. The Statement on the Effectiveness of the Internal Control System is disclosed in the Annual Report.

In 2025, the Company conducted audits on a total of 47 items, achieving a 100% compliance rate. No material internal control deficiencies were identified.

The implementation status of the internal audit plans for the past three years is as follows:

Plan Implementation Rate	Number of Deficiencies Identified	2023
100%	0	
Number of Deficiencies Remediated	Remediation Completion Rate	2024
Not Applicable	Not Applicable	
Plan Implementation Rate	Number of Deficiencies Identified	2025
100%	0	
Number of Deficiencies Remediated	Remediation Completion Rate	
Not Applicable	Not Applicable	



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:

2 ISO Management System

Largan has established ISO management systems to address production, quality, environmental, and other related issues. The ISO certifications currently obtained include the ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, and ISO 14064-1 Greenhouse Gas Inventory.

1 Internal Control System

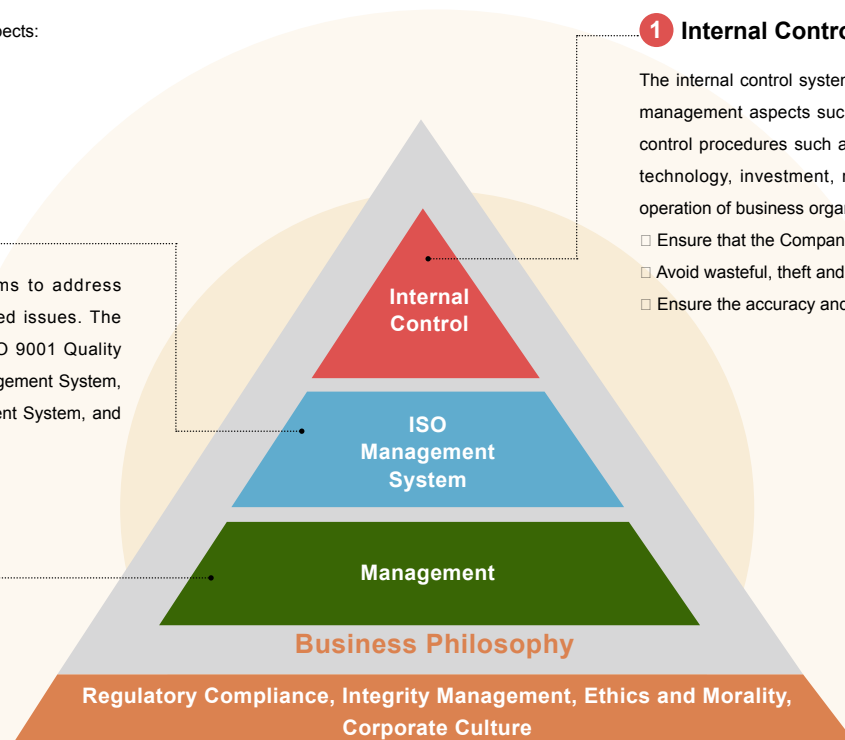
The internal control system covers the entire company's business operations, including the functions of management aspects such as planning, organizing, and controlling, as well the nine pillars of internal control procedures such as sales, production, procurement, financing, salary, fixed assets, information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

- ☐ Ensure that the Company complies with policies and operating procedures.
- ☐ Avoid wasteful, theft and inefficient use of asset.
- ☐ Ensure the accuracy and validity of accounting and business operating data.

3 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 three internal control management systems described above, comprising the internal control system, ISO management systems, and various management measures, are grounded in the Company's corporate culture and employees' core values, including its business philosophy, professional ethics, and integrity management. A sound corporate culture enables these three management systems to operate effectively, continuously improve, and align with Largan's sustainable business philosophy. This, in turn, enhances operational performance and product quality and reliability, thereby fulfilling the Company's mission of sustainable business operations.





2.6 Information Security

Information and Communication Security Risk Management Structure

In accordance with the regulations of the agency-in-charge, the Company strengthens its information and communication security management. The management structure is coordinated by the Vice President, and leads the Administrative Department, Information Technology Dept., Audit Dept., and Legal Affairs 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 appoints dedicated personnel responsible for promoting and implementing policy execution. For details on the information security framework, policies, management measures, and quantitative data on implementation, please visit the Company's official website: <http://www.largan.com.tw/en/investor/governance>.

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 affairs 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

Multi-layer Protection from External to Internal and from Internal-to-Internal Networks

- 1 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.
- 2 Network control and monitor across factories and devices. Strengthen firewalls and network access control to prevent the spread of viruses attack across devices and facilities.
- 3 The Company has added multiple layers of email protection gateways and enabled functions such as Attachment Defense, real-time URL detection, BEC scam detection, phishing protection, and ransomware protection. Through multi-dimensional detection and anti-evasion detection, the Company defends against advanced email infiltration and intercepts threats from advanced attacks.

Endpoint Protection

- 1 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.
- 2 Purchase intrusion prevention services to prevent large-scale intrusions and provide alerts and warnings in time.
- 3 Establish incoming machinery examination mechanism to prevent malicious software from entering the factory along with system loopholes.
- 4 Conduct endpoint device control, strictly prohibits the use of portable storage devices or wireless devices.
- 5 Implement internet access behavior control and isolation protection to separate document processing from external website browsing into different operating environments, reduce the risk of accidentally clicking phishing websites and downloading malware to personal computers, and block external hackers from infiltrating and remaining hidden inside the network.

Data Security Protection

- 1 Import file encryption protection system to archives access control, record archives operating activities to prevent data breaching.
- 2 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.
- 3 Outbound and inbound mail monitoring.
- 4 Cloud storage access control.
- 5 Import data backup system, establish backup and offline saving mechanism.
- 6 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.
- 7 Inspection mechanism: Comprehensive information security check is held on the fourth week of each month.

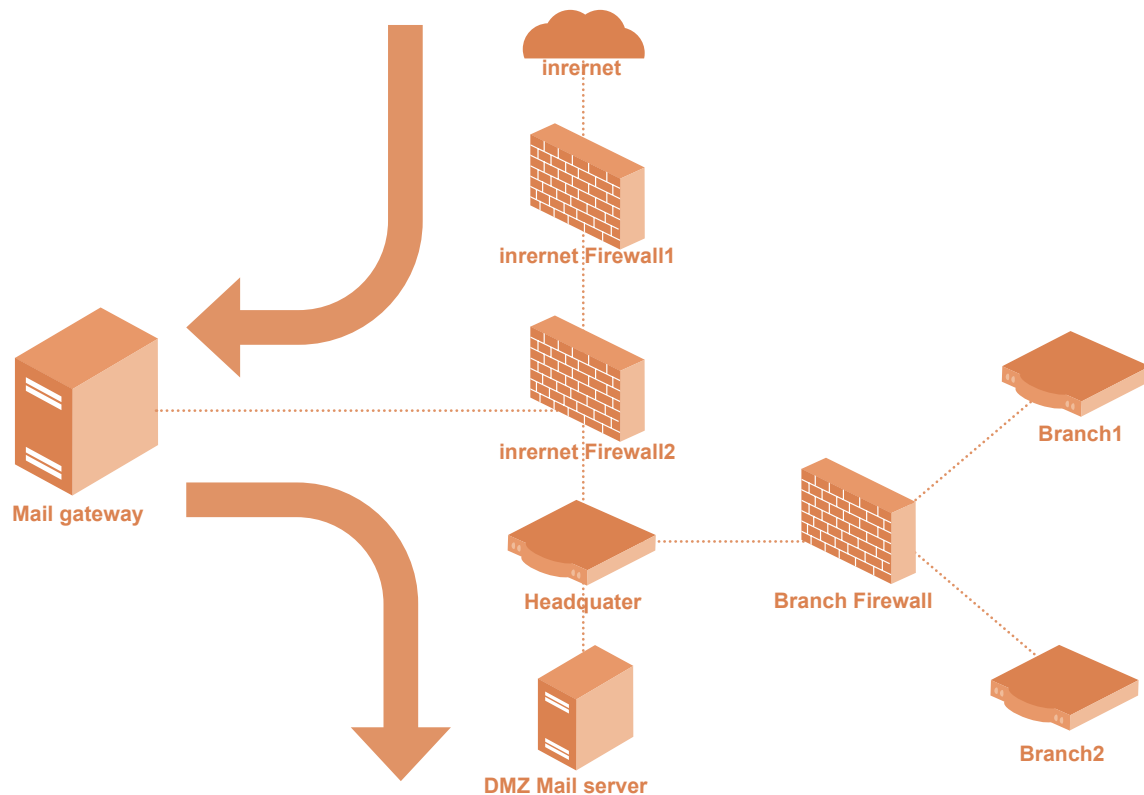
Information Confidentiality Policy

Employees should take appropriate protection measures regarding the business secrets and confidential information the protection measures are as follows:

- 1 A confidentiality agreement should be signed before making authorized disclosure to a third party.
- 2 Abide by the labor contract and other relevant confidentiality management regulations.
- 3 Take necessary and reasonable protective measures to avoid unauthorized actions and obtain business secrets or confidential information.
- 4 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 multi-layer Protection from External to Internal and from Internal-to-Internal Networks.

Schematic diagram of multi-layer Protection from External to Internal and from Internal-to-Internal Networks



In accordance with the FSC ESG Reporting Guidelines, the Company continues to strengthen information security management. In 2025, 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.

2025 Information Security Performance Indicators

Number of information or cybersecurity breach incidents (case)	0 Case
Number of data leakage incidents (case)	0 Case
Number of cybersecurity violations involving customers' personal data (case)	0 Case
Number of Customers and Employees Affected by Data Leakage (Persons)	0 Case
Number of fines imposed due to information or cybersecurity-related incidents (NTD)	0 Case



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



3.1 Operational Performance and Challenges

Policy of Operational Performance: Continuous Growth and Earn Profit

Management Measure

- **Goals and Objectives:** Sustainable operations, steady and continued growth, and profitability.
- **Commitment:** Create stable economic value.
- **Policy and Management:**
 - (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.

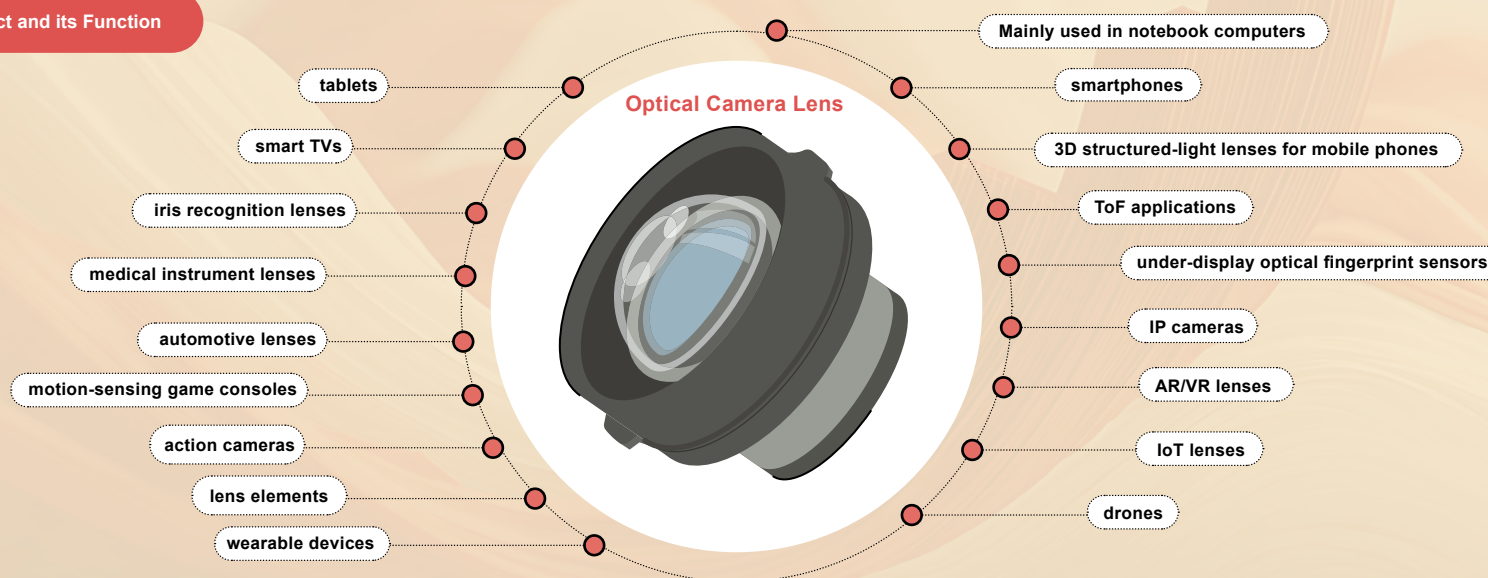
Hereunder are Largan's operating strategies based on different functions:

Production Strategy	Sales Strategy	R&D Strategy	Operational Strategy	Financial Strategy
● 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.	● 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.	● Get ahead of the future market trend and develop new products. ● Actively invest in the latest optic/mechanic R&D.	● Working to achieve horizontal management and project management reinforcement. ● Intensifying internal staff training while recruiting new outstanding talents to increase business competitiveness.	● 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 in 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, 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



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

Material Communications

- Taiwan Applied Crystal Co., Ltd.
- PhotoniCore Technologies Co., Ltd.
- Largan Energy Material

Lens Applications

- Largan Precision Co., Ltd.
- Largan Digital Co., Ltd.
- Largan Industrial Optics Co., LTD

Medical Aesthetics

- Largan Medical Co., Ltd
- Largan Health AI-Tech Co., Ltd.
- Largan Health & Beauty Co., Ltd..

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 2025, revenue increased by 3% compared with the previous year.

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

Unit: Thousand (NT\$)

	2023	2024	2025
Consolidated Revenue	48,842,247	59,457,553	61,147,888
Operating Profit	23,793,684	31,209,309	30,837,054
Net Profit Before Tax	22,101,981	32,174,370	25,900,210
Net Profit After Tax	17,902,322	26,210,952	21,560,257
Other Comprehensive Gains and Losses	2,170,731	2,915,803	(2,898,336)
Total Comprehensive Income	20,073,053	29,126,755	18,661,921
Earnings Per Share	134.13	194.17	159.41
Debt Ratio	15.18%	14.38%	13.55%
Return on Equity	11.17%	14.94%	11.46%
Board of Directors Shareholding Ratio	18.61%	18.61%	18.64%

Note: Subsidiaries included in the consolidated statement are Largan (Hong Kong) Ltd, Astro International Ltd, Amtai International Ltd., Net International Trading Ltd, Largan (Dongguan) Optronics 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	2023		2024		2025	
	Amount	Ratio%	Amount	Ratio%	Amount	Ratio%
Commodity Sales	48,300,326	98.89%	59,052,085	99.32%	60,828,323	99.48%
Other	541,921	1.11%	405,468	0.68%	319,565	0.52%
Total	48,842,247	100%	59,457,553	100%	61,147,888	100%

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

Unit: Thousand (NT\$)

Area \ Year	2023		2024		2025	
	Amount	Ratio%	Amount	Ratio%	Amount	Ratio%
China	16,936,888	34.68%	22,286,919	37.48%	24,215,003	39.60%
Vietnam	7,993,862	16.37%	8,266,160	13.90%	11,941,994	19.53%
Korea	15,631,026	32.00%	21,751,805	36.59%	22,541,534	36.86%
Japan	4,868,416	9.97%	3,137,110	5.28%	714,885	1.17%
Other	3,412,055	6.98%	4,015,559	6.75%	1,734,472	2.84%
Total	48,842,247	100%	59,457,553	100%	61,147,888	100%

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

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

Unit: Thousand (NT\$)

Item	2023	2024	2025
Employee Compensation and Benefits (Note)	9,818,799	12,229,656	11,841,381
Payments to Providers of Capital	9,676,444	10,810,924	11,411,531
Dividend Payments	9,676,444	10,810,924	11,411,531
Interest Payments on Bank Loans	-	-	-
Payments to Government (Income Tax)	4,821,015	6,967,954	5,371,812

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 managing tax risks with clarity and the aim of pursuing sustainable development and fulfilling corporate social responsibility. At Largan our commitments are as follows:

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

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

Any transaction for tax avoidance purposes will be prohibited.

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

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.

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 adjustments and improvements 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 2025 are All from Overseas.

	Overseas (2023)	Overseas (2024)	Overseas (2025)
Quantity Collected/Issued	10/10	10/10	10/10
Response Rate (%)	100%	100%	100%
Average Satisfaction Score	92.1	92.4	90.6
Target Satisfaction Score	90	90	90
Achievement Status	Achieved	Achieved	Achieved

*In 2025, the items rated as excellent in satisfaction included the following:

Product packaging, green environmental requirements, delivery lead-time flexibility, logistics speed, accuracy of inspection data, sample provision, and delivery accuracy.

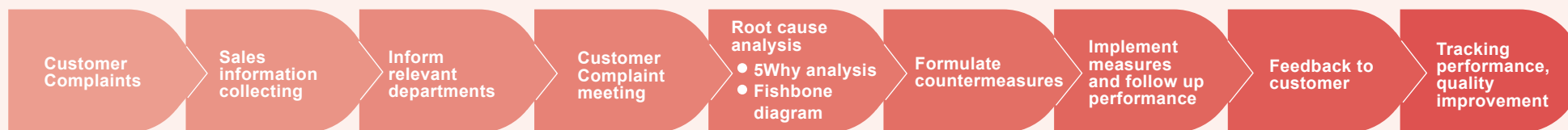
Customer Feedback and Response

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

When customers make complaints or provide feedback, the Company activates the customer complaint management procedure to ensure that customer needs and feedback are received in a timely manner and handled immediately, thereby reducing the recurrence rate of similar incidents and preventing further customer complaints.

When an abnormal customer complaint occurs, the Company applies the 8D problem-solving method to establish an improvement team, identify the true root cause of the issue, and implement improvement actions with temporary and permanent countermeasures. The Company then reviews the effectiveness of implementation and, through personnel retraining, builds an internal culture of continuous improvement to continuously enhance the quality standards of Largan's products.





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 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 services.

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 2025, Largan had achieved remarkable results in protecting customers' personal information. No customer complaints occurred due to violations of customer confidential information protection, and the Company had no violations of laws or regulations related to product and service information and labeling. No significant fines were imposed by government agencies.





04 Innovation Development

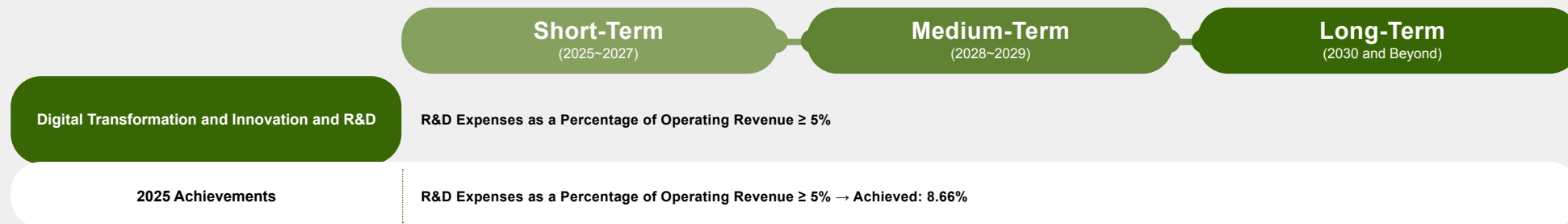
4.1 Product Research and Innovation

4.2 Intellectual Property Management and Patent R&D
Achievements

4.3 Performance of Trade Secret Protection

4.4 Product Quality Management

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, ensuring patent protection, trade secret protection, regulatory compliance, product quality control management and evaluation of the market prospects. The table shows the summary of our short-term, medium-term and long-term goals:



4.1 Product Research and Innovation

Guided by the philosophy of "Innovation-driven Growth and Sustainable Development," the Company continues to invest in optical technology R&D and process innovation. In 2026, the Company plans to allocate 5–15% of its revenue to R&D expenses, subject to timely adjustments based on global market conditions and its actual operating performance. Through smart manufacturing, digital management, and green design, the Company enhances product performance and quality while reducing energy consumption, resource waste, and environmental impacts. We are committed to integrating innovation and R&D with ESG principles to provide optical solutions that deliver both high performance and sustainable value, thereby creating long-term shared value for the Company, its customers, and the environment.

Continue investing in high-precision optical design, precision processes, and automated production technologies.

Develop high-pixel-count, multi-lens, ultra-thin, and high-performance lens products to enhance product competitiveness.

Integrate AI imaging technologies and intelligent algorithms to deliver superior image quality and user experiences.

Introduce smart manufacturing and digital quality management to improve yield rates and reduce process losses and resource waste.

Promote green design, energy-efficient processes, and material optimization to reduce environmental impacts throughout the product life cycle.

Market Outlook

The rapid global development of AI applications, smart devices, and digital transformation has made optical imaging technology an essential foundation for smart living and smart manufacturing. In the future, in addition to their continued use in smartphones, optical lenses will expand into emerging fields such as automotive imaging, smart security, robotics, drones, and AR/VR. In response to market trends, the Company will continue to focus on innovative technologies, low-carbon manufacturing, and sustainable management to enhance its competitiveness and work with its supply chain partners to achieve sustainable development goals.

AI smartphones and premium smart devices continue to drive growing demand for high-specification lenses.

Application markets for automotive imaging, smart security, robotics, drones, and AR/VR are expanding rapidly.

The widespread adoption of AI visual recognition and smart sensing technologies enhances the market value of optical components.

Growing consumer demand for high-resolution, multifunctional, and intelligent imaging experiences drives product innovation and upgrades.

Continue promoting low-carbon manufacturing, smart production, and supply chain collaboration while advancing technological innovation, environmental protection, and sustainable business development.

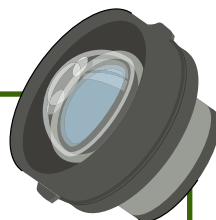
Technology and Products Development

List of technology and products developed in 2025:

Phone Camera

Technology and Products Developed

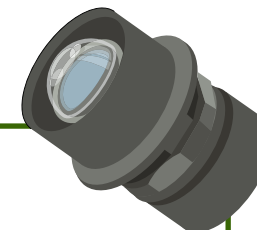
Development of new 6P 21M AF mobile phone lens
Development of new 6P 23M AF mobile phone lens
Development of new 4P 13M AF mobile phone lens
Development of new 6P 8M AF mobile phone lens
Development of new 6P 24M AF mobile phone lens
Development of new 5P 24M AF mobile phone lens
Development of new 5P 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
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 1MG6P 1/1.3" mobile phone lens



Automotive Rearview Lens

Technology and Products Developed

Development of new 3P3G VGA wide angle design
Development of new 6G 1.3M wide 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 1M wide angle design
Development of new 2G3P 1M wide angle design
Development of new 1G5P 1M wide angle design
Development of new 2G4P 1M wide angle design
Development of new 4G3P 5M wide angle design
Development of new 7G1MG 3M wide angle design





4.2 Intellectual Property Management and Patent R&D Achievements

The Company adopts a dual-track approach combining patent applications and trade secret protection, applying different forms of protection to its core competencies according to their nature:



Patent Protection

Technologies with distinctive technical features, such as optical and mechanical designs, are protected through patent applications.



Trade Secrets

Process know-how, key production parameters, and other proprietary information are protected as trade secrets under stringent confidentiality controls.



Code of Conduct

The Company uses contractual safeguards and a real-name accountability system to ensure that technological achievements belong to the Company and to prevent the risk of unauthorized use.

The implementation status for 2025 was disclosed to the Board of Directors on February 24, 2025:

A total of **1,469**

Largan patent applications are pending worldwide.

Largan has obtained

a total of **3,869**

valid patents worldwide.

Statistics as of December 31, 2025.



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



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

Unit: Million (NT\$)

Expense Item Year	R&D Expenses	Income	Percentage of Revenue (%)
2023	4,191	48,842	8.58%
2024	5,247	59,457	8.82%
2025	5,293	61,148	8.66%



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, put 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

Thorough Implementation, Quality Assurance, Efficiency Enhancement, and Customer Satisfaction.



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

Ensure that all policy decision-making is consistent with the needs of our customers.

Provide guidance and target regarding quality control management.

Expected to meet reasonable demands and requests.

Include a commitment to continuously improving the quality management system.

Verify the appropriateness of all policy and decision-making.

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 customers' feedback on their experience for future reference.

Based on the requirements for the prohibition and restriction of hazardous substances under international environmental regulations for products, industry standards, and customer specifications, the Company has established the "Hazardous Substance Management Procedure." In accordance with this procedure, the Company strictly controls all components and materials and applies it as the standard for managing prohibited and restricted chemical substances among suppliers, thereby meeting customer and regulatory requirements for hazardous substances in products.

The Company will continue to review the current status of hazardous substance management and update its management requirements in response to international regulations, customer requirements, and environmental trends to protect the global environment and mitigate impacts on ecosystems. The Company has established a Hazardous Substance Management Team to conduct comprehensive reviews covering awareness, materials, production, and inspection. Its management extends beyond the introduction of materials to include production process monitoring over incoming materials and outgoing products. The Company incorporates the principles and requirements of RoHS into its raw material and supplier management practices. The Quality Management Department has established a raw material characteristic monitoring system to effectively strengthen its incoming quality inspection capabilities. The Quality Management Department also promotes continuous enhancement of the quality management system across internal units to further reduce product defects, improve process controls, identify abnormalities at an early stage, and prevent quality incidents from affecting customers. In addition, through product quality training courses and quality improvement projects, the Company further strengthen employees' problem-solving capabilities.

To ensure product quality and promote the Company's sustainable business operations, the following describes how the Company operates and implements controls with reference to the ISO 9001 Quality Management System process interaction diagram. The system centers on a customer-oriented approach and ensures product quality through continual improvement. Its primary processes are as follows:



Through standardized processes, the Company systematically manages quality, ensures that its products and services meet customer needs, and enhances operational efficiency and competitiveness through continual improvement, thereby promoting sustainable business operations.

Quality Management Procedures



To ensure product safety and reduce environmental impacts, the Company strictly complies with international standards and regulatory requirements. The facilities are equipped with specialized testing laboratories featuring XRF, GC-MS, ICP-OES, UV-Vis, IC, and other instruments for preliminary screening in accordance with RoHS 2.0 and halogen-free (HF) requirements. When retesting is required, the Company engages an independent third-party testing organization accredited to ISO/IEC 17025 to ensure the timeliness and accuracy of product testing.

Largan implements a comprehensive product life cycle assessment mechanism and incorporates safety assessment procedures beginning at the design stage. This ensures that 100% of its products pass third-party safety verification and comply with all applicable RoHS 2.0, HF, and REACH requirements for substances of very high concern (SVHC). No product-related health and safety violations occurred in 2025.

Regulatory Compliance Management

EU RoHS Directives 2011/65/EU and (EU) 2015/863

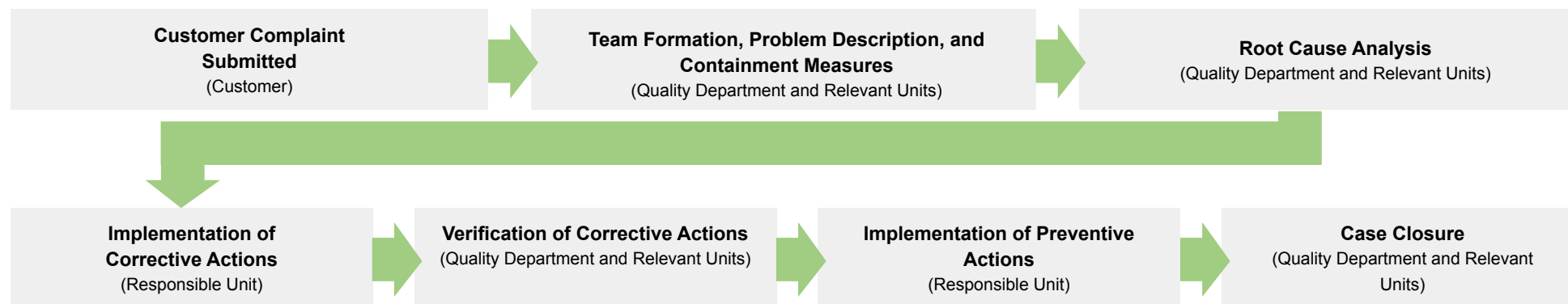
Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment

Requirements Governing Substances of Very High Concern (SVHC) under the EU REACH Regulation

Environmental Control Requirements Restricting Halogen Content in Products

Customer Complaint Management Procedure

- 1 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.
- 2 Apply the 8D problem solving measures to establish an improvement team, find the root cause, and implement improvement actions with temporary and permanent countermeasures when an abnormal complaint occurs. Make continuous improvement by intensifying internal training after reviewing the effectiveness of the countermeasures taken, thereby continuously enhancing the quality standards of Largan's products.



Green Product Management

Largan is committed to promoting green product management. Guided by the three principles of "Compliance with Green Regulations and Requirements," "Hazardous Substance-Free Procurement," and "Green Supply Chain," the Company has established the "Hazardous Substance Management Procedure" and a raw material database. These measures ensure that relevant activities comply with the requirements of the Hazardous Substance Management System, customers, and applicable laws and regulations, including the EU RoHS Directive, REACH requirements for substances of very high concern (SVHC), and regulations in other countries, thereby reducing the impacts of hazardous substances on people and the environment. Largan is committed to continuously improving raw material utilization and resource recycling, reducing waste generation during production processes, and ensuring the proper use of chemicals to mitigate its ecological impacts and protect the environment. Going forward, we will consider environmental impact factors at every stage of the product life cycle to provide the most environmentally friendly green manufacturing services.

Item	Description	Item	Description
Hazardous Substance Control	The Company has established the "Hazardous Substance Management Procedure" to ensure that hazardous substance controls comply with domestic and international regulations and directives, as well as customer requirements.	Identification and Traceability Management	The Company has established the "Product Identification and Traceability Procedure" to trace material usage records from delivered lots back to the corresponding raw materials and packaging materials.
Document and Record Management Requirements	The Company has established the "Environmental, Safety, and Health Records Management Procedure" to manage records related to hazardous substances.	Shipment Management	When products are delivered, the Company properly prepares and retains relevant supporting documentation to demonstrate compliance with customer requirements concerning hazardous substances.
Communication	The Company has established processes to ensure that information related to hazardous substances is communicated, understood, and implemented both internally and externally. Domestic and international directives and regulations governing hazardous substances are reviewed regularly. The Company also obtains information from customers or third-party testing organizations to confirm whether any new directives or regulations have taken effect. Upon receipt of materials, the Company conducts sampling inspections using X-ray fluorescence (XRF) analysis to ensure that they do not contain hazardous substances.	Hazardous Substance Measurement	The Company has established hazardous substance measurement plans and standards, along with other appropriate verification methods, to confirm that products and materials are free of hazardous substances.
Training, Awareness, and Competency	The Company implements and maintains the training required for the Hazardous Substance System to ensure that operators possess the necessary competencies. Training and certification records for qualified operators are retained and controlled.	Substance Identification	The Company identifies substances prohibited or restricted under applicable regulations and incorporates customer requirements for prohibited and restricted substances to establish appropriate controls.
Design and Development	The Company plans and controls the design and development of products involving hazardous substances. If hazardous substances are used during the planning stage, their use must be clearly documented, and substitution or elimination plans must be developed when necessary.	Management of Nonconforming Products Containing Hazardous Substances	The Company has established the "Nonconforming Product Control Procedure," including designated storage areas and identification methods for nonconforming products, to prevent their inadvertent delivery to customers.
Procurement Management	The Company has established the "Procurement Operations Management Procedure" to ensure that packaging materials, raw materials, and other purchased items do not contain hazardous substances.	Internal Audit	To confirm that the Hazardous Substance Process Management System is properly implemented and maintained, the Administrative Department conducts internal audits in accordance with the "Environmental, Safety, and Health Internal Audit Management Procedure."
Production Management	The Company has established contamination prevention procedures for each production process and hazardous substance management requirements for jigs, fixtures, and auxiliary tools. These procedures govern the raw materials and packaging materials used in production and prevent abnormal situations involving the mixing or contamination of conforming and nonconforming products during production.	Accordingly, no incidents of non-compliance with health and safety regulations concerning products and services occurred in 2025.	



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 Sourcing

To establish a sustainable supply chain, Largan not only complies with laws and regulations and practices ethical procurement, but, more importantly, also supports the sustainable operations of its supply chain. The short-, medium-, and long-term sustainable business goals and work plans for this Material Topic are presented in the table below:

	Short-Term (2025~2027)	Medium-Term (2028~2029)	Long-Term (2030 and Beyond)
Sustainable Supply Chain Management	Responsible Minerals: Conduct product precious metal source investigations on raw material suppliers. Ensure sourcing of 100% conflict-free minerals Sign the Supplier Code of Conduct: Carry out restricted/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%	Conduct product precious metal source investigations on raw material suppliers. Ensure sourcing of 100% conflict-free minerals Carry out restricted /prohibited substance investigations on raw material suppliers, with a completion rate of 100% Perform supplier audit and social and environmental responsibility investigation on raw material suppliers, with a completion rate of 100%	Conduct product precious metal source investigations on raw material suppliers. Ensure sourcing of 100% conflict-free minerals Carry out restricted /prohibited substance investigations on raw material suppliers, with a completion rate of 100 Perform supplier audit and social and environmental responsibility investigation on raw material suppliers, with a completion rate of 100%
2025 Achievements	Responsible Minerals: Conduct product precious metal source investigations on raw material suppliers. Ensure sourcing of 100% conflict-free mineral → Achieved, 100%. Sign the Supplier Code of Conduct: Carry out restricted/prohibited substance investigations on raw material suppliers, with a completion rate of 100%→Achieved, 100%. Supplier Auditing: Perform supplier audit and social and environmental responsibility investigation on raw material suppliers, with a completion rate of 100%→Achieved, 100%.		



5.1 Management Policy and Goals of Supply Chain Management

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.
- **Policy and Management:** The Company has established the "Procurement Operations Management Procedure" and conducts supplier evaluations and delivery management to ensure effective management of qualified suppliers. Suppliers are also required to commit to fulfilling their social responsibilities and undergo self-assessments and on-site audits.

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, the prohibition of hazardous substances, and no procurement of conflict minerals.

Largan has established "Procurement Operations Management Procedures" and "Supplier Code of Conduct" 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 trusted 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.

Supplier Selection and Review

New Supplier Onboarding

- 1 Review basic information and execute the required documents. Documentation requirements vary by supplier category.
- 2 Suppliers are required to sign the "Integrity Commitment," "Confidentiality Agreement," and "Procurement Agreement."
- 3 Suppliers may become qualified suppliers only after passing the document review and meeting all applicable requirements.

Supplier Evaluation

- Direct and indirect material suppliers are evaluated quarterly.
- Evaluation criteria for direct material suppliers include quality, delivery, price, and service.
- Suppliers whose evaluation scores fall below the required standard must submit corrective actions and complete improvements within a specified period. When necessary, the Company may reduce order volumes or terminate business relationships.

Supplier Audit

- The Company conducts audits on a regular or ad hoc basis.
- Audits include document reviews or on-site assessments.
- Depending on the supplier category, key audit areas include process audits, quality management systems, and social responsibility management.
- When deficiencies are identified, the supplier must submit an improvement plan with clear targets and a specified completion timeline. When necessary, the Company may remove the supplier from its list of qualified suppliers.

Supplier Guidance and Training

- Follow-up and guidance on the remediation of deficiencies.



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%**.

In 2025

there were a total of **2,136** qualified suppliers, with the number of overseas suppliers increasing by **18** compared to 2024.
Domestic suppliers numbered 2,014, accounting for **94.29%**, while overseas suppliers numbered 122, accounting for **5.71%**.

Year	Domestic Supplier						Overseas Supplier	Total
	Raw Material	Workpiece	Purchased Goods	Contract Engineering	Waste Management	Sub Total		
2023	11	158	1,635	137	14	1,955	100	2,055
2024	10	148	1,660	124	13	1,955	104	2,059
2025	9	149	1,703	139	14	2,014	122	2,136



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/SVHC/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 the ERP system in connection with the procurement platform 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 Quality Control (IQC) inspection for incoming materials," 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.

The Company uses its Supply Chain Management (SCM) supplier platform to establish efficient communication channels with suppliers and enhance supply chain transparency and efficiency. The primary functions of the SCM platform include order and delivery schedule management, printing standardized delivery notes, and uploading invoice information.



5.3 Supplier Selection

Qualified Supplier Auditing

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

1

Regular Audit

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.

- 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).

2

Irregular Audit

- 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.

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.

2025



Major material suppliers: **9**;
the evaluation ratings: **9** (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 Administration, 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.

When onboarding new suppliers, the Company requires them to provide information on their company size, financial position, and other relevant matters. The Company also conducts integrity risk assessments by reviewing relevant records available on public or government agency websites, including operating status, risk profiles, litigation, and disputes.

- 1 Required documents: "Procurement Agreement," "Confidentiality Agreement," and "Integrity Commitment." Beginning in 2025, new raw material suppliers are also required to complete and return the "Supplier Questionnaire," "Supplier Letter of Guarantee," and "Supplier Social Responsibility Self-Assessment Form."
- 2 In 2025, all new suppliers were required to sign and return the aforementioned legacy documents, representing a target completion rate of 100%. The actual completion rate was 99%.

ICP Test Report	Safety Data Sheet (SDS)	Certificate of Non-use for Hazardous Substances	Supplier Inspection Item List	EU REACH (SVHC) compliance survey
An ICP test report issued within the preceding year must be provided annually.	The validity period is three years. If the material composition or formulation changes, the supplier must promptly provide updated information and notify the Company.	An updated Non-use Certificate must be provided whenever the document is revised.	An updated Supplier Inspection Item List must be provided whenever the document is revised.	Documents must be updated, signed, and returned in accordance with the latest regulatory requirements.

Supplier Environmental Protection Mechanism

All procurement made involving environmental materiality including raw materials, mechanical facilities (machines, molds/jigs/tools), and services (engineering, outsourcing), if they involve Occupational Safety and Health Act 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 Operations Management Procedures, and conduct professional environmental audits.

In the "Procurement Operations 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.

Implementation of Supplier Social Responsibility Assessment for Suppliers

In addition to the audit and evaluation, Largan provides the Supplier Social Responsibility Self-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.

Supplier Social Responsibility Self-Assessment Form

2024

Forms were collected from all raw material suppliers, representing a response rate of 100%.

2025

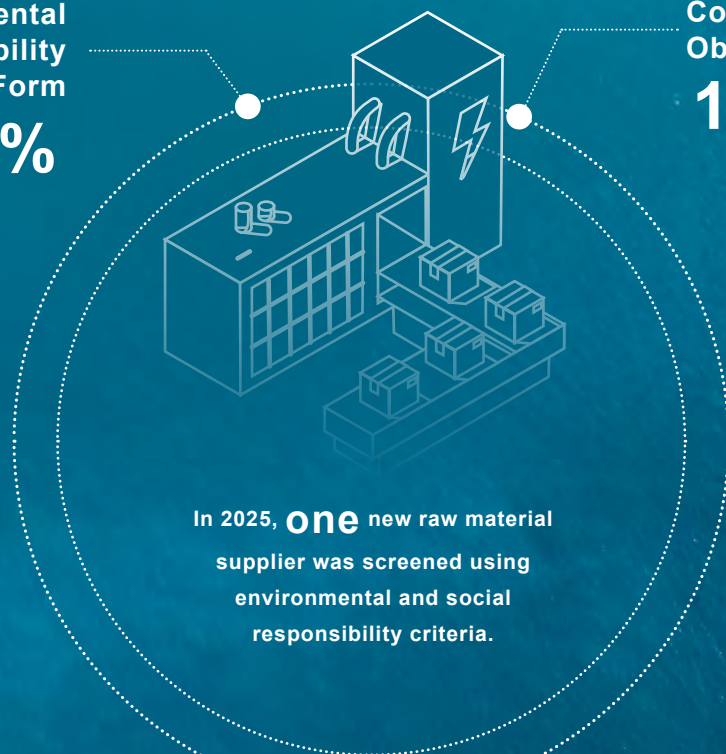
Forms were collected from all raw material suppliers, representing a response rate of 100%.



Requirements to be observed include safety and health, working conditions, wages and remuneration, working hours, the prohibition of child labor and gender discrimination, the protection of human rights, conflict minerals, and environmental protection, public welfare initiatives, and confidentiality obligations, including the protection of confidential information.

Supplier Social and Environmental Responsibility Assessment Form
100%

Scope of Confidentiality Obligations
100%



Environmental Management Assurance Letter
100%

ISO 14001
100%

The Company uses the Supplier Social Responsibility Self-Assessment Form annually to identify sustainability risks within its supply chain.

For suppliers whose assessment results do not meet the Company's standards, the Company requires them to submit improvement plans and specify completion deadlines. The Procurement Department continuously monitors the effectiveness of their improvements and, when necessary, provides management recommendations and follows up on corrective actions to mitigate environmental and social impact risks within the supply chain.

Environmental

- Failure to establish a waste reduction plan and monitor progress toward the relevant targets.
- Failure to implement corrective action plans for non-compliance with environmental laws and regulations in accordance with the latest documented procedures.

Improvement Plans

- ✓ Require the supplier to establish a waste reduction plan.
- ✓ Require the supplier to establish an environmental regulatory compliance management procedure.





5.4 Ethical Sourcing



Non-Harmful Substances

In order to ensure that the raw materials of qualified suppliers meet the requirements of EU RoHS/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 Assurance Letter" 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), cobalt (Co), and mica (Mica) are not from the conflict zone such as the Democratic Republic of the Congo.

Largan Conflict-Free Minerals Sourcing Policy Statement:

- ① The Company and our suppliers are willing to jointly take responsibility for society and environmental protection.
- ② The Company does not accept illegal mined from Congo and neighboring conflict areas.
- ③ The Company must inform and require its suppliers to fulfill the aforementioned statement.



Local Procurement

Guided by the principles of corporate sustainability, Largan actively promotes the local sourcing of materials through its procurement strategy, thereby reducing transportation costs and carbon emissions generated during transportation. To support Taiwan's local economy and employment opportunities, the Company has consistently prioritized the development of local suppliers in its procurement activities. By implementing material localization, the Company reduces unnecessary air and sea freight expenses, lowers the carbon footprint associated with material transportation, fulfills its environmental responsibility for energy saving and carbon reduction, and directly reduces procurement costs.



06

Green Production

- 6.1 Climate Action

6.2 Environmental Policy and Commitment

6.3 Low-Carbon Manufacturing

6.4 Renewable Energy & Resource Conservation

6.5 Water Resource Management
- 6.6 Waste Management

6.7 Air Pollution Prevention

6.8 Material Recycling and Packaging Material Improvement

6.9 Biodiversity and Environmental Sustainability Promotion



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 changes. To address the challenges posed by climate change and enhance corporate climate resilience, Largan plans to fully incorporate the climate-related disclosures required by IFRS S2, "Climate-related Disclosures," into dedicated sections of its Sustainability Report and Annual Report. These disclosures will integrate practical data from the Company's existing climate governance framework, greenhouse gas inventory, risk and opportunity identification, and scenario analysis. The Company has also adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework. Through its four core elements of 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, identify factors that may affect future business operations, and develop corresponding strategies. To further strengthen its climate-related risk management mechanism, the Board of Directors, as the Company's highest governance body, makes decisions and provides guidance, ensuring effective top-down and bottom-up communication across all management levels and the smooth implementation of strategies.

Governance

- On April 20, 2026, the Company formally established the Sustainable Development and Risk Management Committee under the Board of Directors and adopted the "Sustainable Development and Risk Management Committee Charter." The Committee oversees and provides guidance on climate-related risks and opportunities. All members of this functional committee are Directors. The Committee consists of at least three Directors appointed by the Board of Directors, with Independent Directors accounting for more than half of its members, and convenes regular meetings annually.
- The Sustainable Development and Risk Management Committee appoints the Executive Vice President as the Chief Sustainability Officer, who is responsible for reporting to the Chairman.

Strategy

The Company collects climate-related topics with reference to regulations issued by the competent authorities, international initiatives, the TCFD recommendations, and the IFRS S2 framework for trial preparation purposes. Based on the results of Sustainable Development and Risk Management Committee meetings, the Company assesses the potential short-, medium-, and long-term impacts and likelihood of each climate-related risk and opportunity across its value chain, including its own operations, customers, and suppliers. For details, please refer to the table entitled "Financial Impact Analysis and Responses for Climate Change Risks and Opportunities" in this report.

Risk Management

The Company has introduced an enterprise risk management framework and established the Sustainable Development and Risk Management Committee to conduct annual risk identification and assessment. The Company implements preventive and mitigation measures for high-risk items and tracks their implementation annually. It assesses climate change-related risks based on their severity and likelihood, monitors material risks associated with adapting to changes in carbon-related regulations, and develops corresponding response strategies.

Metrics and Targets

Largan actively develops on-site renewable energy and energy storage systems at its manufacturing facilities. The Company also implements carbon reduction initiatives by replacing aging equipment, adopting electricity-saving management measures, and purchasing renewable energy.

Targets:

- Promote green building plans for new facilities, install 1,139.23 kW of solar photovoltaic capacity at newly constructed plants, and purchase renewable energy based on contracted electricity consumption. The Company aims to increase the proportion of renewable energy to 10% by 2030. This proportion is calculated based on the contracted capacity of designated electricity users as prescribed by regulations.
- Reduce annual Scope 1 and Scope 2 greenhouse gas emissions by 750 metric tons of CO₂e from 2025 to 2027 and by 1,000 metric tons of CO₂e annually from 2028 to 2030 and thereafter.

Progress: Energy-saving measures implemented in 2025 saved a total of 3.486 million kWh of electricity. Based on the 2025 electricity emission factor of 0.466 kg CO₂e/kWh announced by the Ministry of Economic Affairs, these savings were equivalent to a reduction of approximately 1,624.48 metric tons of CO₂e, achieving the target.

IFRS S1/S2 Adoption Timeline

As a TWSE/TPEx-listed company with paid-in capital of less than NT\$5 billion, the Company is required to prepare sustainability-related financial information in accordance with the Sustainability Disclosure Standards beginning in fiscal year 2028 and to commence filing such information in 2029. The Company currently plans to establish a cross-functional task force for adopting the IFRS Sustainability Disclosure Standards, formulate an adoption plan, and identify material differences between its existing sustainability information and the IFRS Sustainability Disclosure Standards, as well as the resulting impacts.

6.1.1 Reporting Entity and Scope

The reporting entity for the Company's climate-related financial disclosures currently comprises the parent company on a standalone basis. The Company subsequently plans to expand the scope to align with the consolidated financial statements of Largan Precision Co., Ltd., covering all subsidiaries and controlled entities included in the consolidated financial reports. This will ensure that the financial impacts of climate-related risks and opportunities are accurately linked and aligned with the general-purpose financial reports. The reporting period is also consistent with the corresponding financial reporting period.

6.1.2 Governance

1 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 actions, and corporate governance to comprehensively advance sustainability governance goals.

Oversight Structure and Responsibilities

The Board of Directors and the Sustainable Development and Risk Management Committee jointly oversee the Company's overall climate change risk management and adaptation strategies. They are fully responsible for reviewing and approving the sustainability vision, carbon reduction pathway, and policies concerning major capital expenditures.

Information Access and Reporting Frequency

The Board of Directors regularly receives project reports from management and the Sustainable Development and Risk Management Committee, which also serves as the Sustainable Development Promotion Team. These reports integrate financial and physical impact assessments, including the actual financial impact during the first year of carbon fee implementation, WRI water scarcity risk scenario analysis, and simulations and projections based on TCCIP rainfall and flooding scenarios. This enables the Board of Directors to accurately understand how climate-related topics may affect the Company's outlook.

Integration into Decision-making and Resource Allocation

Management has substantively incorporated climate risks into the review of major investments. It approved the construction of on-site solar photovoltaic facilities at newly established plants and the funding allocation plan for the anticipated purchase of renewable energy, thereby directly translating transition risks into capital budgeting decisions.

Target Setting and Progress Oversight: The Sustainable Development and Risk Management Committee reviews and tracks progress toward short- and long-term climate targets, including supervising the implementation rates for the annual electricity-saving target of at least 1.5 million kWh and the annual carbon reduction target of at least 750 metric tons.

2 Management’s Role in Climate-related Risks and Opportunities

Assignment of Responsibilities and Daily Management Structure

The Company’s Chief Sustainability Officer oversees the implementation of cross-functional climate strategies and resource allocation. Management has specifically established the "Greenhouse Gas Inventory Promotion Team" to implement frontline carbon reduction initiatives. Its members include the heads of various departments, thereby establishing mechanisms for horizontal communication and coordination.

Procedures for Monitoring Risks and Opportunities

● Data-driven Daily Monitoring

Management is directly responsible for monitoring the effectiveness of energy and resource reuse at each facility. Through the precision cutting and cleaning processes, the Precision Machinery Park maintains an average process water recovery rate of more than 99%, with an average daily recovery volume of 2,626 CMD.

● Impact Reporting Mechanism

The Promotion Team routinely conducts a comprehensive greenhouse gas inventory in accordance with ISO 14064-1. When changes in international regulations, supply chain disruptions, carbon pricing, or other material transition and physical risks are identified as potentially having financial impacts, the Team promptly reports them to management and formulates corresponding contingency measures and voluntary reduction plans.

● Performance Evaluation Mechanism

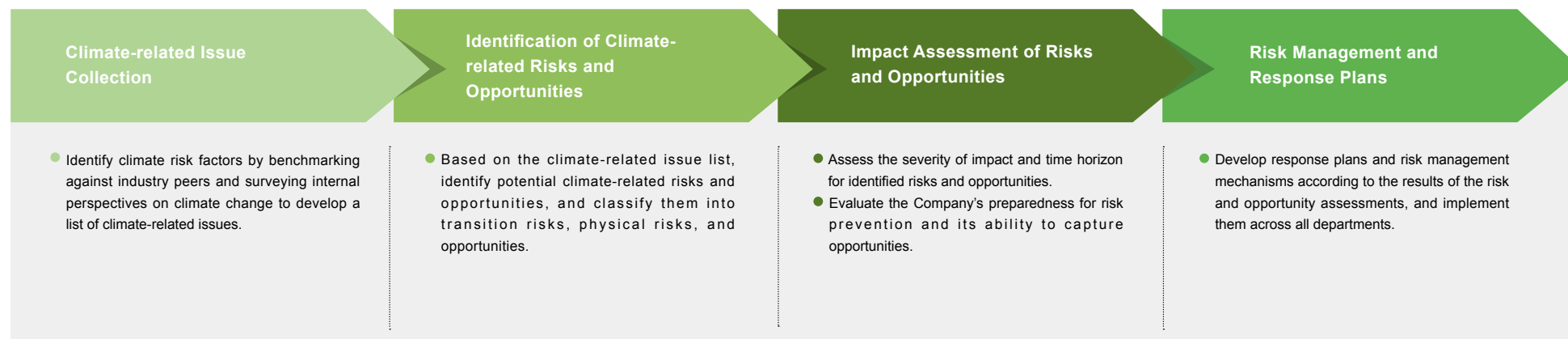
To ensure the effective implementation of climate governance, the Company is progressively planning to incorporate climate-related metrics, including electricity-saving targets and water recovery rates at each location, into key performance evaluation indicators for business operations. This will establish a substantive link between climate metrics and departmental targets.

6.1.3 Strategy and Risk Management

1 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.

2 Climate-related Risk Identification and Management Process



3 Financial Impact Analysis and Responses for Climate Change Risks and Opportunities

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.



● Climate-related Risk Response Plan

Impact Dimensions	Impact Aspect	Climate Risks	Impact Duration	Impact Description and Potential Financial Impact	2025 Response Plan and Actual Financial Impact
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	•Rising electricity costs affect the manufacturing cost structure and require payment of carbon emission fees. •Risk of power rationing during peak electricity demand periods. •Purchase renewable energy.	•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 scheme took effect in 2025, which may increase the difficulty of expanding production capacity and raise operating costs. 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. Current expenditures on renewable energy certificates and solar photovoltaic facilities amounted to approximately NT\$1,802 thousand. The cost of purchasing renewable energy or installing solar photovoltaic facilities in 2030 is expected to reach approximately NT\$3,399,373 thousand.	Since 2020, Largan has conducted greenhouse gas emissions inventories in accordance with ISO 14064-1:2018 and established the "Greenhouse Gas Inventory Promotion Team" to obtain a comprehensive understanding of its emissions and formulate preventive measures for climate change. Expenditures on establishing the energy management system amounted to approximately NT\$44,180 thousand.
	Supply Chain and Raw Materials	Fluctuations in Critical Materials •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	•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.	•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 and Potential Financial Impact	2025 Response Plan and Actual Financial Impact
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.	- 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.

● 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.	- 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.	- Plan to install 1,139.23KW of solar photovoltaic capacity in new plant construction to actively increase the generation and utilization rate of green electricity. - Seek suitable renewable energy sources to replace conventional energy, thereby reducing environmental pollution.

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.

4 Effects of Climate-related Risks and Opportunities on the Entity's Strategy and Decision-making

 Reallocation of Capital Expenditures Incorporate the green transition into core investments in new facilities. The Company plans to install 1,139.23 kW of solar photovoltaic capacity and purchase renewable energy equivalent to 10% of its contracted electricity consumption by 2027, based on contracted capacity. The proportion will be increased progressively in response to future market conditions.	 Facility Protection and Flood Prevention Upgrades: Strengthen protection for major production equipment, relocate core precision instruments to higher areas within the facilities, and verify electrical insulation conditions. The Company conducts an emergency response drill once a year, inventories flood prevention supplies, and deploys water pumps and emergency power supply equipment.	 Product and Process R&D Continue improving water sourcing and conservation measures for precision cutting and cleaning processes. The Company maintains high water recovery efficiency at its Taichung Precision Machinery Park facility, with an overall facility recovery rate of more than 94% and a process water recovery rate of more than 99%. The Company also introduces reclaimed reverse osmosis process water for regeneration within the ultrapure water system.	 Greenhouse Gas Accountability and Inventory Management Since 2020, the Company has conducted comprehensive greenhouse gas inventories in accordance with ISO 14064-1 and established the "Greenhouse Gas Inventory Promotion Team." The Company has replaced lighting at all facilities with energy-efficient LED fixtures and sensor-controlled lighting and actively promotes voluntary reduction plans.
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5 Current and Anticipated Effects of Climate-related Risks and Opportunities on the Entity's Financial Position, Financial Performance, and Cash Flows

	Short-term (1–3 Years)	Medium-term (4–7 Years)	Long-term (More Than 7 Years)
Effects on Financial Performance and Operating Costs	- Carbon Fee Expenditures: Based on the latest policy rate of NT\$300 per metric ton, the implementation of carbon fees is expected to result in additional actual expenditures during the first year and corresponding cash outflows. - Increased Electricity Expenses: Rising electricity costs increase manufacturing expenses and operating costs. - Benefits from Energy Savings: High-efficiency lighting and air-conditioning improvements can significantly offset a portion of annual operating costs. In 2025, these measures saved 3.486 million kWh of electricity and reduced carbon emissions by 1,624.48 metric tons.	- Renewable Energy Procurement Costs: To achieve the target of purchasing renewable energy equivalent to at least 10% of contracted electricity consumption in 2027–2028, renewable energy premiums will result in a moderate increase in medium-term electricity costs. - Benefits from Process Efficiency: The efficient operation of process water recovery systems per unit of product and the optimization of automated equipment are expected to effectively offset a portion of unit production costs.	- Increased Revenue: A comprehensive green transition and mature low-carbon manufacturing capabilities will enable the Company to meet the sustainable supply chain standards of leading international companies, substantially strengthen orders in the premium lens market, and increase related operating revenue. - Economies of Scale: High-efficiency, low-carbon production lines and long-term resource reuse will reduce external costs per unit of production.
Effects on Financial Position and Cash Flows, Including Capital Expenditures	- Capital Expenditures: In the short term, the Company will incur additional capital expenditures to replace aging energy-intensive equipment, install electricity monitoring systems, and construct solar photovoltaic facilities at new plants, resulting in overall cash outflows. - Assets and Depreciation: Once the green facilities are placed into service, they will be recognized as property, plant, and equipment, which is expected to result in a reasonable increase in annual depreciation expenses.	- Ongoing Capital Expenditures: To meet regulatory and customer requirements for low-carbon processes, the Company will continue investing in green buildings and energy and resource recycling systems, resulting in corresponding cash outflows. - Enhanced Financial Resilience: As the proportion of self-generated solar power used by the Company increases, the Company will progressively stabilize the risk of volatility in electricity-related cash flows over the medium and long term.	- Returns on Transition Investments: Investments in transition infrastructure made during the early and medium stages, including solar photovoltaic facilities and high-efficiency recovery systems, will enter a period of stable returns, significantly controlling and optimizing operating cash flows. - Brand Premium and Financing Opportunities: Strong ESG performance will help the Company secure green financing or sustainability-linked loans, control long-term financing costs, and enhance its brand image.

6 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.

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. The financial impacts of carbon pricing on the Company are as follows:

Using 2025 as the base year and estimates based on the Company's 2025 emissions, scenario analysis was conducted, as shown in the table below, to assess the Company's resilience to climate change risks. If the Company effectively achieves its planned carbon reduction targets by 2030, the financial impact could be reduced by NT\$492,636 to NT\$1,539,487. The Company will therefore continue planning carbon reduction measures and reduce greenhouse gas emissions by improving electricity efficiency, replacing energy-intensive equipment, and switching to electric forklifts. The impacts of the carbon pricing system on the Company will become progressively more apparent as relevant policies advance. Early planning of carbon reduction targets and energy management measures will help mitigate medium- and long-term operating cost risks and enhance financial resilience.

Scenario Assumptions	Short-term (2026)		Medium-term (2035)		Long-term (2050)	
	STEPS	NZE	STEPS	NZE	STEPS	
Carbon Price (NT\$ per Metric Ton)	300	3,750	1,200	6,000	2,250	
Reference Information for Scenario Assumptions	The general rate prescribed under Taiwan's "Regulations Governing the Collection of Carbon Fees" is NT\$300 per metric ton.	Under the IEA NZE Scenario, the carbon price for economies with net-zero commitments and developing economies is projected to reach US\$125 per metric ton, approximately NT\$3,750, by 2035.	According to recommendations from the Ministry of Environment's Carbon Fee Rate Review Committee, the rate should be increased to NT\$1,200–1,800 per metric ton after 2030. To align with the STEPS Scenario, this analysis adopts the more conservative rate of NT\$1,200 per metric ton.	Under the IEA NZE Scenario, the carbon price for economies with net-zero commitments and developing economies is projected to reach US\$125 per metric ton, approximately NT\$3,750, by 2035 and US\$200 per metric ton, approximately NT\$6,000, by 2050.	The carbon price under the IEA STEPS Scenario is based on the estimate for South Korea presented in the World Energy Outlook. Given the similarities in structural characteristics and electricity demand patterns between South Korea and Taiwan, this estimate was adopted as a reference assumption for Taiwan's carbon price, which is projected to reach approximately US\$75 per metric ton, or approximately NT\$2,250, by 2050.	

The analysis indicates that future carbon pricing will affect Largan's carbon emissions costs. Largan currently conducts and verifies its annual greenhouse gas inventory in accordance with ISO 14064-1:2018. Based on the inventory results, Largan comprehensively formulates carbon reduction targets toward net-zero emissions and develops appropriate carbon reduction strategies. The inventory results show that Scope 2 emissions, or energy indirect emissions, represent the largest share of the Company's carbon emissions. The Company therefore prioritizes energy conservation measures, including incorporating solar photovoltaic facilities into plans for new plants and replacing lighting at all facilities with energy-efficient LED fixtures and sensor-controlled lighting. The Company has also established an annual electricity-saving target of at least 1.5 million kWh.

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 94%, 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.

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
Observation Baseline (days)			
Assumed Date		0.4	0.6
Warming Scenario	Data Indicator		
1.5°	75th Percentile Value	0.2	0.2
	Maximum Value	0.6	0.6
2°	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.

Internal Carbon Pricing

The Company adopts the implicit pricing method for its internal carbon price assessment. This method evaluates historical investments in various emissions reduction projects by converting the amounts invested and the resulting carbon reductions into an average abatement cost. The Company treats this average cost as the anticipated cost burden of subsequent similar projects and uses it as a reference for project feasibility assessments. The carbon price is based on Taiwan’s general carbon fee rate of NT\$300 per metric ton of carbon dioxide equivalent.

6.1.4 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 (2025~2026)	Medium-Term (2027~2029)	Long-Term (2030 and Beyond)
Energy Saving and Carbon Reduction	Target electricity saved: 1.5 million kWh/ year	2026~2027: Electricity savings: 1.5 million kWh/year 2028~2029: Electricity savings: 2 million kWh/year	Target electricity saved: 2 million kWh/ year
	Greenhouse gas emission reduction: 750 tons CO ₂ e/year	2026~2027: 750 metric tons CO ₂ e/year 2028~2029: 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.	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: 1,300CMD	Recycled water usage: 1,300CMD	Recycled water usage: 1,300CMD
	Precision Machinery Park Water	Precision Machinery Park Water	Precision Machinery Park Water
	Recycle Rate Inspection: Recycle rate of the whole factory is 94% Recycle rate during production is 99%	Recycle Rate Inspection: Recycle rate of the whole factory is 94% Recycle rate during production is 95%	Recycle Rate Inspection: Recycle rate of the whole factory is 94% Recycle rate during production is 95%
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.

	2025 Target Performance	2025 Achieving Status	2026 Target Performance
Energy Saving and Carbon Reduction	Target electricity saved: 1.5 million kWh	3.486 million kWh→ Achieved	1.5 million kWh
	Green House Gas emission reduction: 750 tons CO2e/year	1624.48 tons CO2e/year → Achieved	Green House Gas emission reduction: 750 tons CO2e/year
	Install 1,100 kW of renewable energy solar photovoltaic capacity at newly constructed plants.	1,139.23 kw→Achieved	Purchase renewable energy equivalent to 10% of contracted electricity consumption.
	2025 Target Performance	2025 Achieving Status	2026 Target Performance
Waste Management	The proportion of incineration and landfill disposal waste reduced to ≤ 7%	5.8% →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
	2025 Target Performance	2025 Achieving Status	2026 Target Performance
Water Resource Management	Usage of recycled water up to 1,300CMD	2,870CMD →Achieved	Usage of recycled water up to 2,900CMD
	Precision Machinery Park Site Water Recycle Rate Inspection: Recycle rate (R2) of the whole factory is 94%	Recycle rate (R2) of the whole factory is 96% → Achieved	Precision Machinery Park Site Water Recycle Rate Inspection: Recycle rate (R2) of the whole factory is 94%
	Recycle rate during production is 99%	Recycle rate during production is 99% → Achieved	Recycle rate during production is 95%
Note: The calculation of the recovery rate is taken from the Regulations for Review of Water Usage Plan of the Water Resources Agency, Ministry of Economic Affairs.			
	2025 Target Performance	2025 Achieving Status	2026 Target Performance
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

Environmental Risk

Energy Saving & Carbon Reduction

- 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 1.5 million kWh/ year through industrial site landscaping and facilities improvement.
- Promote paperless policy to reduce paper usage.
- Bring our own reusable utensils to reduce usage of disposable utensils.
- Green building planning aims to effectively control carbon emissions.

Waste Management

- The total weight of waste produced in 2025 is 6,344.4 tons.
- Establish "Industrial Waste Management Procedure to standardize the procedures for the classification, collection, storage, and treatment of industrial waste.
- 94.2% of processed raw materials/wastes in the factory that were meant for incineration can be recycled and reused.

Water Resource Management

- 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 of the Water Resources Agency, Ministry of Economic Affairs.)





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

Largan has established an environmental management system following ISO 14001:2015 regulation (as shown in picture below left) and set up a dedicated unit responsible for environmental management and maintenance. We assess environmental considerations across the product life cycle and reduce negative impacts through internal management methods, pollution control, and continuous improvement of the environmental management system. We also 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.





6.3 Low-Carbon Manufacturing

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

Management Measure

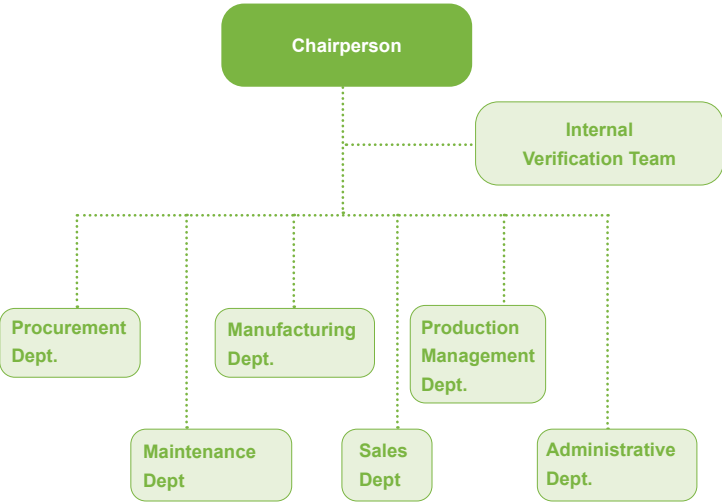
- Goals and Objectives:** Track the Company's greenhouse gas emission status and formulate preventive measures against climate change in response to the global environmental protection trend and overall national greenhouse gas reduction strategy.
- Commitment:** Perform greenhouse gas inventory inspection and formulate corresponding emission reduction measures through due diligence and early warning communication methods.
- Policy and Management:**
 - Carry out greenhouse gas inventory to track the overall emission status.
 - Establish the "Greenhouse Gas Inventory Promotion Team" to implement related improvement plans with the aim of achieving 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 and have conducted inventory and verification every year thereafter, with the aim of understanding the overall emissions status and using it as a reference for the future improvement. We have also set up a dedicated unit of Greenhouse Gas Inventory Promotion Team with the aim of effectively implementing the policy and improvement plans. The organizational structure is as shown:



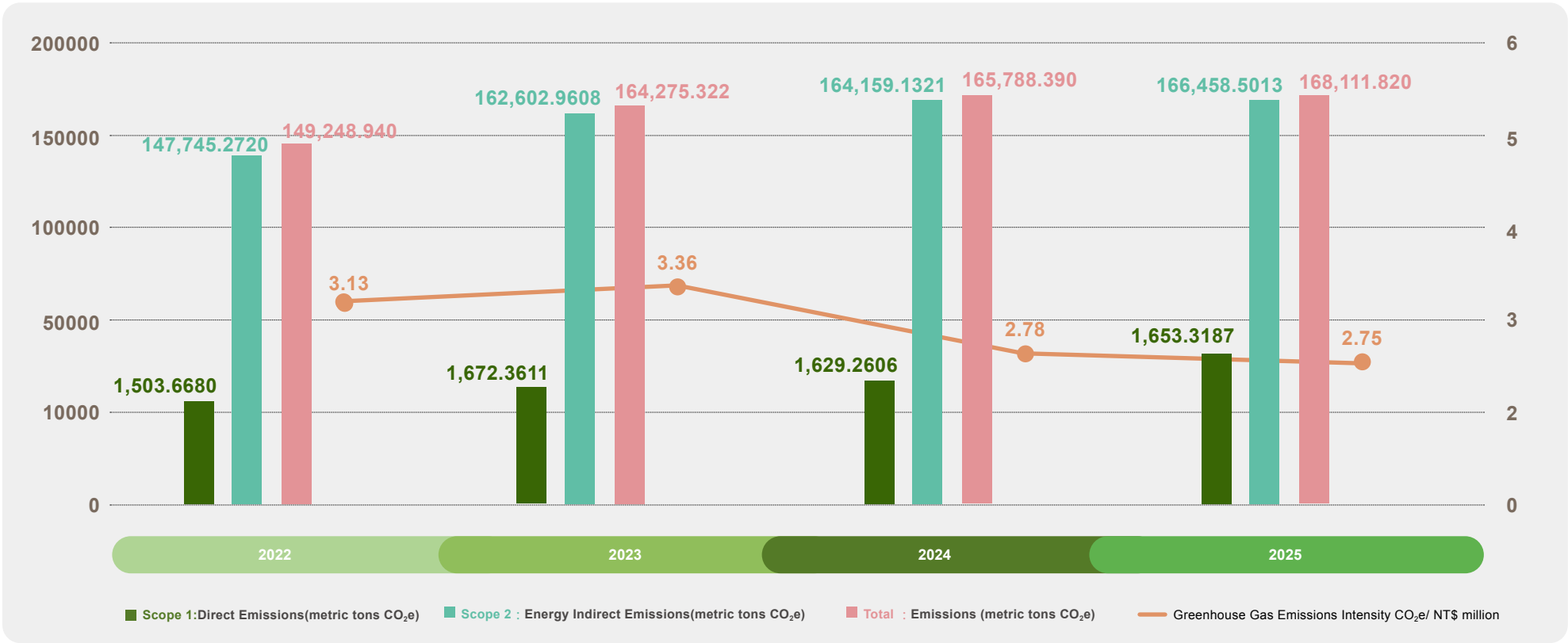
6.3.1 Greenhouse Gas Inventory

Largan has conducted greenhouse gas inventories since 2022 in accordance with the requirements of the Climate Change Administration, Ministry of Environment. In 2024 and 2025, the Company conducted greenhouse gas inventories at designated facilities and obtained third-party verification statements from AFNOR in accordance with the 2024 edition of the "Guidelines for Greenhouse Gas Emissions Inventory Operations" issued by the Ministry of Environment.

- 1

Direct Greenhouse Gas Emissions, Scope 1: Sources include stationary combustion, such as diesel generators, process emissions, mobile combustion, such as company vehicles and forklifts, and anthropogenic fugitive emissions.
- 2

Energy Indirect Greenhouse Gas Emissions, Scope 2: The primary source of emissions is purchased electricity.



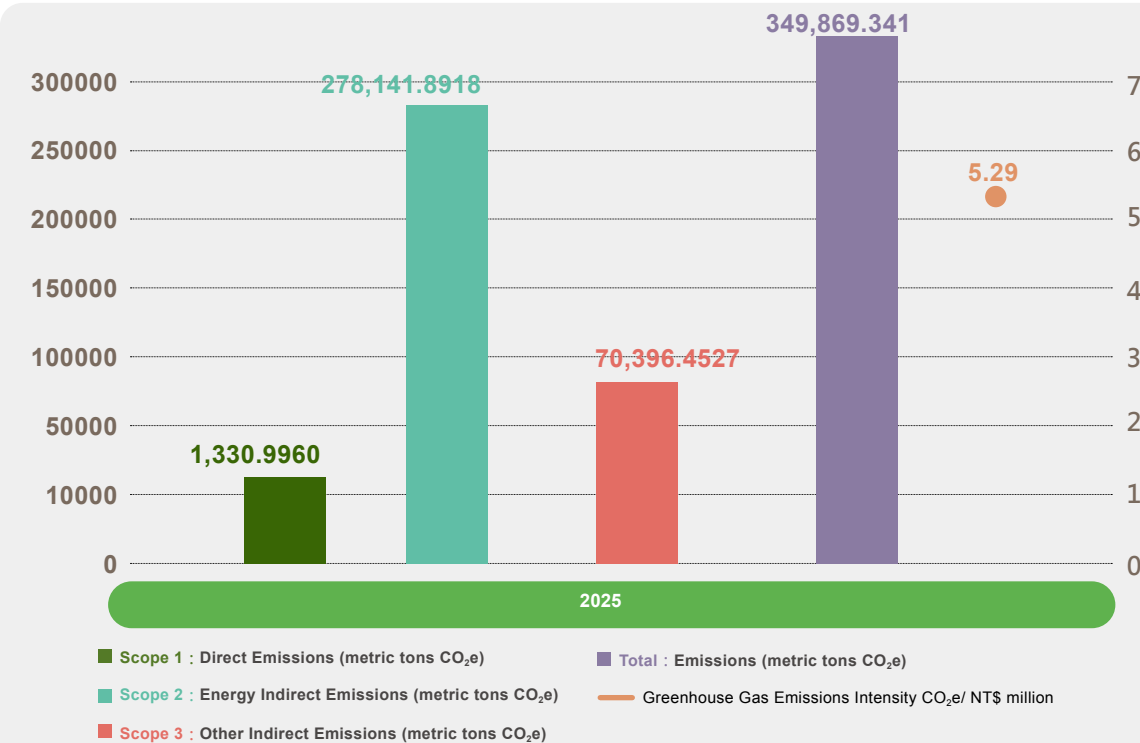
Note:

1.The actual data and inventory scope are based on the information published by the Climate Change Administration, Ministry of Environment on the "Mandatory Greenhouse Gas Reporting System."

2.Calculation method for greenhouse gas emissions intensity: Greenhouse gas emissions / NT\$ million in revenue.

In accordance with the requirements of the Financial Supervisory Commission's "Sustainable Development Roadmap for TWSE/TPEX Listed Companies" applicable to companies with paid-in capital of less than NT\$5 billion, the Company conducted a greenhouse gas inventory of the parent company. The results are as follows:

- 1 Direct Greenhouse Gas Emissions, Scope 1: Sources include stationary combustion, such as diesel generators, process emissions, mobile combustion, such as company vehicles and forklifts, and anthropogenic fugitive emissions.
- 2 Energy Indirect Greenhouse Gas Emissions, Scope 2: The primary source of emissions is purchased electricity.
- 3 Other Indirect Greenhouse Gas Emissions, Scope 3: Activity categories include purchased goods and services, fuel- and energy-related activities, waste generated in operations, business travel, employee commuting, and downstream transportation and distribution.



Note:

1. The actual data and inventory boundary are based primarily on the information published on the Financial Supervisory Commission's "Listed Companies ESG Dashboards."
2. Calculation method for greenhouse gas emissions intensity: Greenhouse gas emissions / NT\$ million in revenue.

Energy Conservation and Carbon Reduction

Objective setting In accordance with the requirements of the Ministry of Environment, designated facilities with annual carbon emissions reaching 25,000 metric tons of CO₂e are required to conduct carbon inventories, obtain verification, and report their emissions.

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 reduce carbon dioxide emission.





6.4 Renewable Energy & Resource Conservation

Energy Use

The primary types of energy consumed by the Company include purchased electricity, diesel, and gasoline for vehicles. Renewable energy accounted for 1.01% of the Company's energy use in 2025.

The table below summarizes energy use over the past two years:

Item		Year	2024	2025
Electricity Consumption	(Million kWh)		346.327	351.178
	(GJ)		1,246,777.2	1,264,240.80
Diesel	L		63,213.38	65,731.57
	(GJ)		2,223.16	2,376.67
Gasoline for Vehicles	L		8,288.65	7,741.08
	(GJ)		270.68	245.09
Renewable Energy Certificates	(Million kWh)		-	4.475
	(GJ)		-	16,110
Total Energy Consumption (GJ)			1,249,271.04	1,282,971.66
Output Value (NT\$100 million)			594.57	611.48
Energy Intensity (GJ/NT\$100 million)			2,101.13	2,098.14

Note:

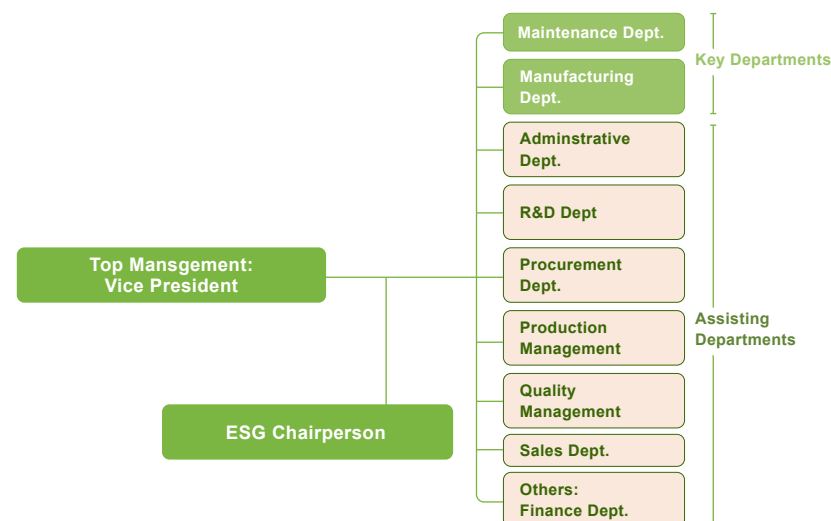
- 1.The heating value conversion factor for electricity is 1 kWh = 0.0036 GJ.
- 2.Conversion factors for 2024 data: diesel, 8,400 kcal/L; gasoline for vehicles, 7,800 kcal/L; and 1 kcal = 4.1868 kJ.
- 3.Conversion factors for 2025 data: diesel, 8,636 kcal/L; gasoline for vehicles, 7,586 kcal/L; and 1 kcal = 4.1868 kJ.
- 4.Data are disclosed only for designated facilities in accordance with the requirements of the Climate Change Administration, Ministry of Environment.

To reduce energy consumption, the Company implements source management, promotes energy-saving awareness, and replaces equipment. The Company also actively develops renewable energy and aims to reduce carbon emissions through the planned use of renewable energy.

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.

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



Energy Management Plan and Energy Saving and Carbon Reduction:

- Adjust the frequency and scope of air-conditioning system maintenance.
 - Adjust temperature controls or install timers to reduce electricity consumption during operation.
 - Replace energy-intensive or aging equipment.
 - Improve natural lighting in common areas or install sensor-controlled lighting, LED fixtures, and solar-powered lighting, and report the implementation results.
- Energy-saving measures implemented in 2025 saved approximately 3.486 million kWh of electricity. Based on the 2025 electricity emission factor of 0.466 kg CO₂e/ kWh (Note) announced by the Ministry of Economic Affairs, these savings were equivalent to a reduction of approximately 1,624.48 metric tons of CO₂e (Scope 2). The Company achieved its reduction target, demonstrating the effectiveness of its energy-saving measures. It will expand these measures to achieve its sustainable carbon reduction target.

(Note) The electricity emission factor represents the amount of greenhouse gas emissions generated for each kilowatt-hour of electricity sold by public electricity retailers. As power plants emit greenhouse gases other than carbon dioxide (CO₂), including methane (CH₄) and nitrous oxide (N₂O), these gases are converted into an equivalent amount of carbon dioxide, or CO₂e, based on their global warming potential to ensure consistent calculations.
- 
- Current expenditures on renewable energy certificates and the construction of solar photovoltaic facilities amounted to approximately NT\$1,802 thousand.

Energy Management Plan

I. Purpose of the Plan

To improve energy efficiency and reduce energy consumption and greenhouse gas emissions, the Company has formulated and implemented an Energy Management Plan based on the management principles of "energy conservation first, continuous improvement, and low-carbon transformation." Through measures such as equipment improvements, smart controls, equipment replacement, and the adoption of renewable energy, the Company continues to improve energy efficiency, advance energy conservation and carbon reduction, and promote sustainable operations.

II. Implementation Measures

In 2025, electricity consumption accounted for approximately 98.5% of the Company's total energy consumption. By 2030, the Company aims to achieve annual electricity savings of at least 1.5 million kWh.

1 Optimization of Process Equipment Efficiency The Company will continue to optimize the operating parameters of process equipment and introduce energy-saving control mechanisms to reduce energy consumption during equipment idling and standby periods, while improving energy efficiency without compromising product quality or production efficiency.	2 Flexible Control of Operating Schedules Implement scheduled temperature control for air-conditioning systems at the facilities based on production needs, and install timer controls for equipment and areas that do not operate continuously to avoid energy waste during non-production periods and improve overall electricity efficiency.	3 Replacement of Energy-intensive equipment Regularly review energy-intensive and aging equipment and gradually replace it with high-efficiency, energy-saving models in accordance with the annual equipment renewal plan to continuously reduce equipment energy consumption and improve production efficiency.	4 Green Energy and Low-Carbon Transformation Continue to plan and install solar power generation systems and purchase green electricity and green electricity certificates to increase the proportion of renewable energy use, gradually reduce carbon emissions from operations, and advance toward low-carbon manufacturing.
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III. Implementation Status

The Company continues to promote various energy management measures and regularly reviews their implementation effectiveness. The current implementation status is as follows:

The Company has continued to implement energy-saving improvements to process equipment and optimize equipment parameters and optimize equipment parameters to improve equipment energy efficiency.	The Company has implemented air-conditioning temperature control schedules and timer-based equipment controls, effectively reducing energy consumption during non-production periods.	The Company has continued to replace energy-intensive equipment to improve overall equipment energy efficiency.	Cumulative green energy investments, including the purchase of green electricity certificates and the installation of solar power systems, amounted to approximately NT\$1.802 million, gradually increasing the proportion of renewable energy use.	Through the continuous implementation of various energy-saving improvement measures, the Company achieved annual electricity savings of approximately 3.486 million kWh in 2025 compared with the previous year, meeting its established target. These measures effectively reduced energy costs and greenhouse gas emissions, demonstrating the Company's tangible achievements in advancing energy conservation and carbon reduction and low-carbon transformation.	Energy intensity decreased in 2025 compared with 2024.
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IV. Energy Management Targets

The Company will continue to follow the energy management principles of "energy conservation first, efficiency improvement, low-carbon transformation, and continuous improvement." By regularly reviewing energy performance and promoting energy-saving improvement projects, the Company will gradually improve energy efficiency, reduce energy costs and greenhouse gas emissions, and integrate energy management into daily operations and equipment investment decisions to continuously strengthen its capabilities for sustainable operations.

The annual energy management targets are as follows:

1

Continue to Implement Energy-Saving Measures

Continue to improve energy efficiency and reduce energy consumption per unit of product through process optimization, equipment improvements, and smart energy management.

2

Improve Equipment Energy Efficiency

Conduct annual reviews of energy-intensive equipment and gradually replace such equipment with high-efficiency, energy-saving equipment to improve overall equipment operating efficiency.

3

Expand the Application of Renewable Energy

Continue to promote the installation of solar power generation systems and the purchase of green electricity to gradually increase the proportion of Renewable energy use and reduce carbon emissions from operations.

4

Establish a Continuous Improvement Mechanism

Regularly review the implementation status and energy-saving effectiveness of energy management measures as a basis for annual improvement initiatives and investment planning, and continuously enhance the energy management system.

5

Support Carbon Reduction Policies

Continue to advance energy conservation, carbon reduction, and low-carbon transformation to enhance the Company’ s environmental sustainability performance and international competitiveness.

Promotion of Energy-saving Activities and Renewable Energy

- 1

The Company replaces lighting at its facilities with more energy-efficient LED fixtures and sensor-controlled lighting, installs variable-frequency drives, and constructs solar photovoltaic facilities at new plants as effective electricity-saving measures. These initiatives are expected to achieve an annual electricity-saving target of at least 1.5 million kWh.
- 2

In 2025, the Company purchased 4,475 renewable energy certificates bundled with renewable electricity, representing 4,475,000 kWh and an emissions reduction of 2,085.35 metric tons of CO₂e, based on the 2025 electricity carbon emission factor of 0.466 kg CO₂e/kWh announced by the Ministry of Economic Affairs.



6.5 Water Resource Management

Water Resource Management Policy: Water Conservation and Reuse

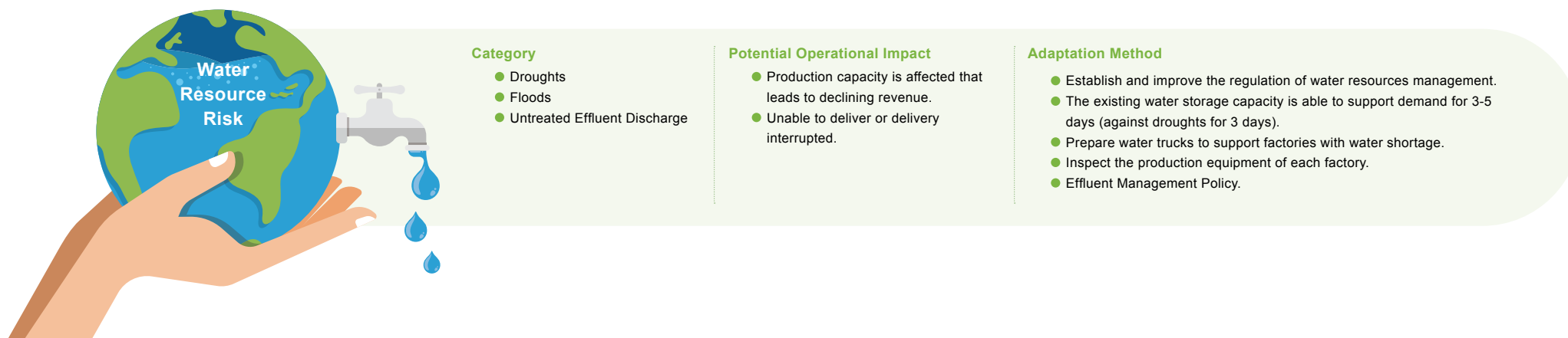
Management Measure

- **Goals and Objectives:** Ensure that the production line operates normally and smoothly even under disastrous events in response to the extreme climate conditions.
- **Commitment:** Comprehensively review and track the conservation and recycling status of process and daily water use, and strictly examine the quality of discharged water 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

The Company has formulated and disclosed its water resources policy as follows: It uses water supply volume and effluent quality risks as key indicators to identify water-related risks at its facilities. The Company has also established comprehensive emergency response procedures, diversified regional water sources, and promoted the recycling and reuse of reclaimed water.

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.



Usage of Water Resource

Largan's facilities in the Taichung Precision Machinery Technology Innovation Park and Taichung Industrial Park are classified as low- to medium-water-risk areas (<https://www.wri.org/aqueduct>). Their primary water sources are the Techí and Liyutan Reservoirs and recycled water within the facilities. The facilities use approximately 6,714 metric tons of water per day and do not withdraw groundwater or surface water as water sources. The data boundary covers all facilities of the parent company. In 2025, water withdrawal increased by 5.7% compared with 2024 due to revenue growth. Based on daily meter readings, municipal water withdrawal, water discharge, and water consumption over the past three years are summarized in the table below:

Unit: Million Liters

	2023				2024				2025			
	Water Withdrawal	Water Discharge	Water Consumption	Water Use Intensity	Water Withdrawal	Water Discharge	Water Consumption	Water Use Intensity	Water Withdrawal	Water Discharge	Water Consumption	Water Use Intensity
Precision Machinery Technology Innovation Park	941.2	401.6	539.6	0.019	1,143.0	570.4	572.6	0.019	1,187.3	632.0	555.2	0.019
Taichung Industrial Park	224.8	168.8	56	0.005	348.9	230.7	118.2	0.006	389.9	210.1	179.9	0.006
Total	1,166.0	570.4	595.6	0.024	1,491.9	801.1	690.8	0.025	1,577.2	842.1	735.1	0.026

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

Water Saving Measure

Largan prioritizes continuous innovation and improvement, achieves water resource expansion and conservation by implementing water-saving measures, and constantly looks for new water conservation opportunities:

- Collecting and reusing rainwater and condensed water for watering equipment.
- Reducing the water discharged by increasing the chemical solutions used in the washing tower.
- Recycling discharged wastewater from the production:
 - Recycling wastewater produced during production and processing the water collected by MBR and RO for water reuse during production.
 - Process RO recycled water is used in the pure water production system (2B3T).
- Cooling Tower Management
 - Increasing the cycles of concentration to reduce effluent discharge.
 - Monitoring water quality and assessing chemical solution.
 - Recycling cooling tower blowdown water after membrane treatment for reuse.
 - Extensively using recycled water from the factory.
- Adopting water-saving devices certified by national standards for bathroom facilities at the facilities to achieve water-saving functions and design.
- Collecting domestic sewage and restaurant wastewater at the facilities, treating them through biological systems, then processing them through MBR and RO, and recycling them to secondary water tanks for reuse.
- Digitally recording and analyzing daily water consumption, and immediately maintaining units with abnormal water consumption to avoid water waste.
- Promoting water-saving awareness and related information among employees from time to time.
- In 2025, the total recycled water volume across all facilities reached 2,870 CMD.

The annual average water recycling rate during the production process at Precision Machinery Park remains above 99% from 2023 to 2025.

2023	2024	2025
Overall factory recycling rate (R2)	Overall factory recycling rate (R2)	Overall factory recycling rate (R2)
97%	96%	96%
Average recycling rate during the production process	Average recycling rate during the production process	Average recycling rate during the production process
99%	99%	99%



Wastewater Management Measures

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.

No fines were imposed for violations of the Water Pollution Control Act in 2025. In addition, no overflow or material spill incidents occurred, and there were no pollution impacts or burdens on the surrounding environment.

Largan is equipped with monitoring equipment (pH, chemical oxygen demand, 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 chemical oxygen demand in wastewater (COD), wastewater suspended solids (SS) and pH level were lower than the self-inspection standards of both the Precision Machinery Park and Taichung Industrial Park from 2017 to 2025. The testing data of the past two years are as follows:

Year Area Test Items	2024				2025			
	Precision Machinery Technology Innovation Park		Taichung Industrial Park		Precision Machinery Technology Innovation Park		Taichung Industrial Park	
	Management Standard	Factory Self-Inspection Standard	Management Standard	Factory Self-Inspection Standard	Management Standard	Factory Self-Inspection Standard	Management Standard	Factory 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 value	5-9	5-9	5-9	5-9	5-9	5-9	5-9	5-9

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 Increasing the Ratio of Reuse

Management Measure

- **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:**
 - (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 Procedure" and formulated a water resource reduction policy, which regulates the classification, collection, storage space, and treatment procedures for industrial waste based on environmental considerations from the product life cycle perspective. 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:

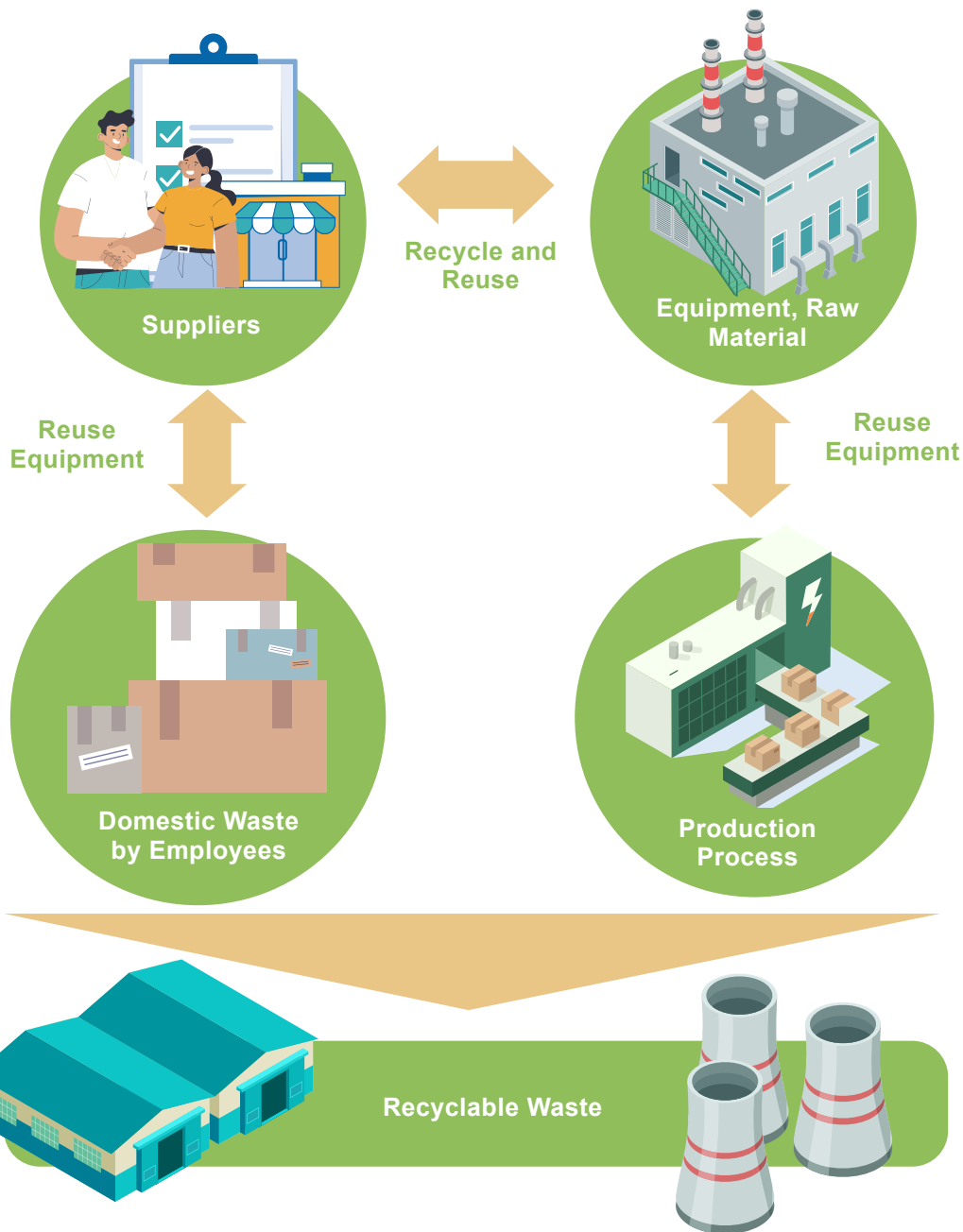
Reusable and non-reusable containers must be recyclable materials; the waste generated during the supply process must also be recyclable reusable items or publicly announced reusable waste.

● 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 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.

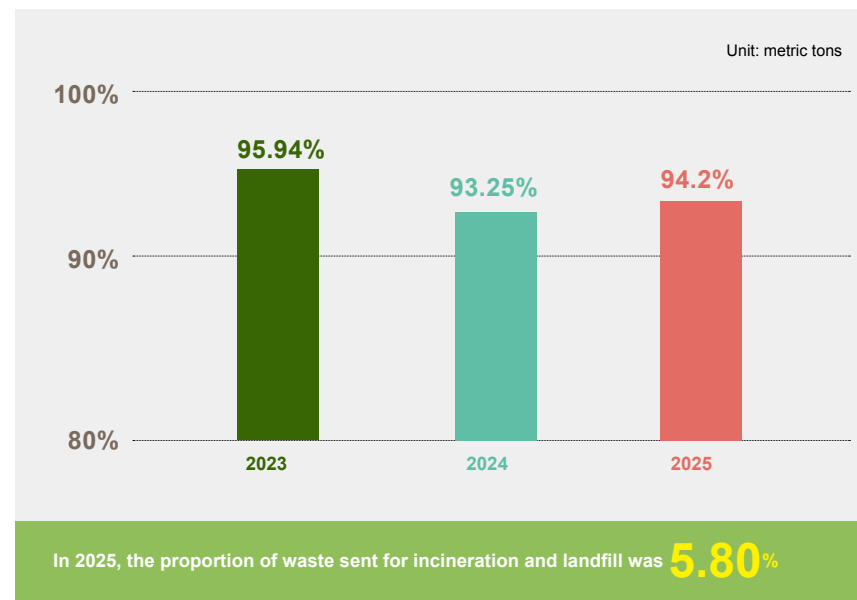


Requirements for Waste Treatment

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 2025, we will continue to work hard on the improvement of the classification of various wastes.

Statistics and Reuse of Waste

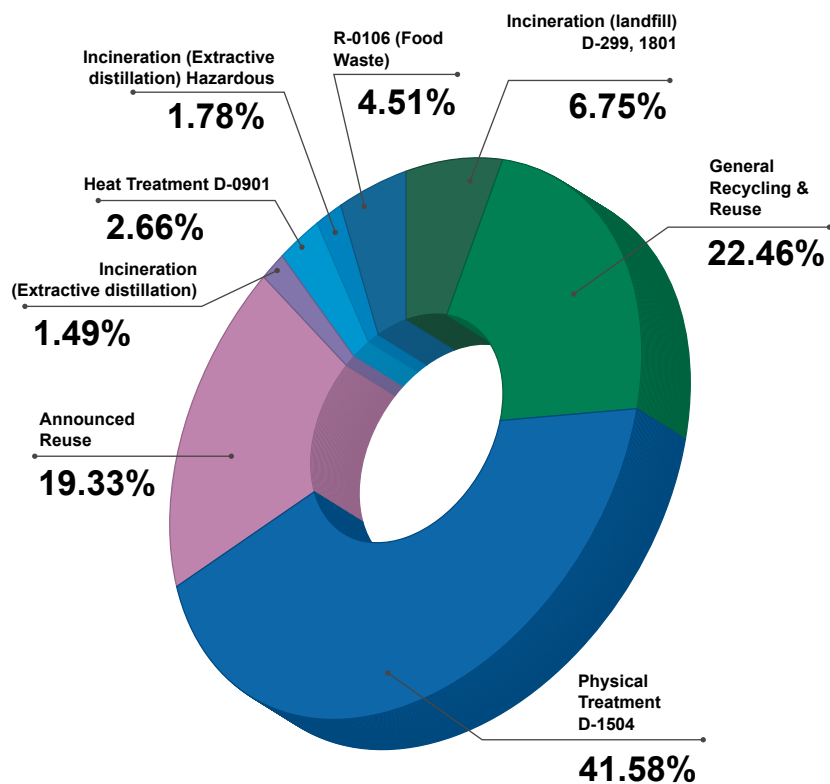
From 2023 to 2025, the waste recycling and reuse ratios are shown in the table below:



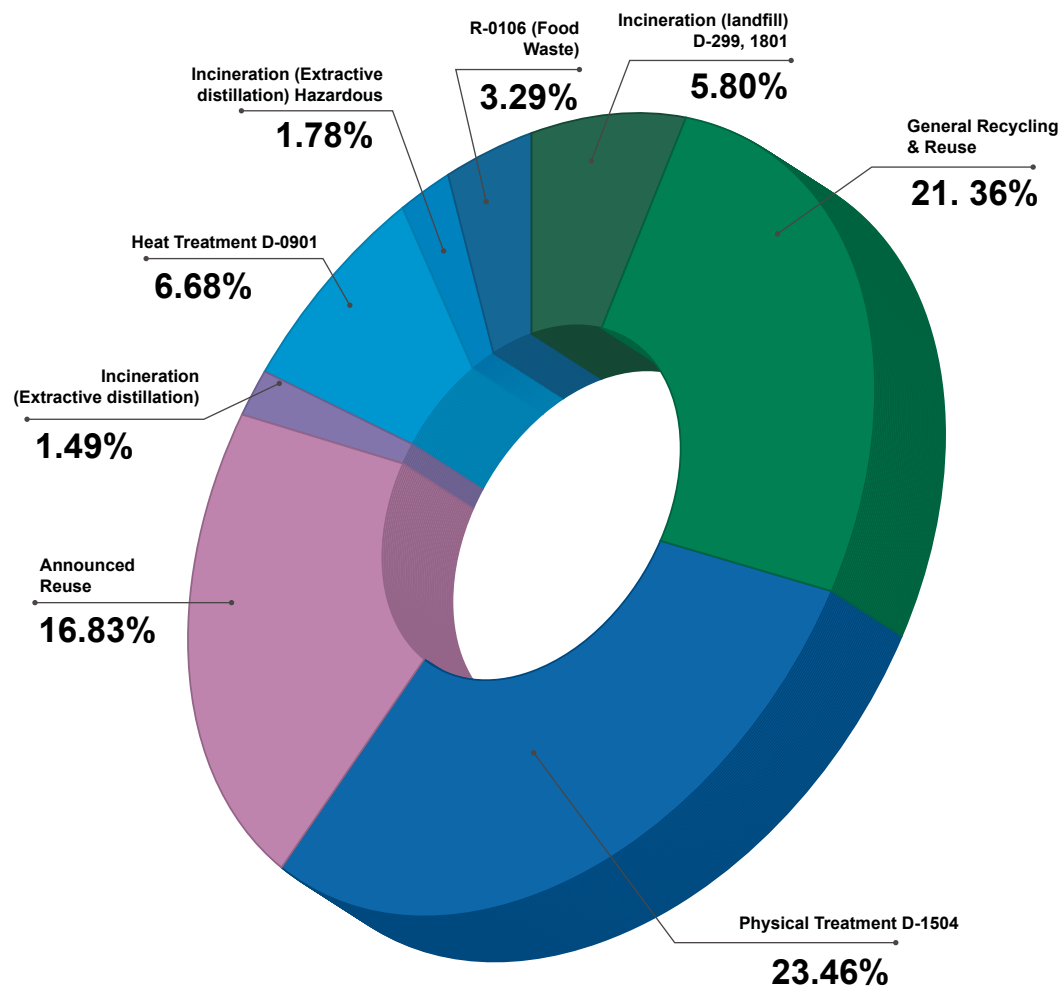
Types of Waste	Proportion of 2025	Discrepancy with 2024	Year	2025		2024	
			Hazardous	Industrial Waste	Hazardous Industrial Waste	Industrial Waste	Hazardous Industrial Waste
			Disposal				
5.8% Non-Recyclable Waste	5.80%	7.64%	Incineration (landfill) D-299, 1801	367.97		341.84	
94.2% Recyclable Waste	21.36%	19.16%	General Recycling & Reuse (Include Recycling)	1,355.39		1,137.50	
	23.46%	-29.32%	Chemical Treatment D-1503 / Incineration (Distillation Extraction) D-1504	1,488.57		2,106.09	
	16.83%	9.06%	Announcing for Reuse R-0201, R-0701	1,067.63		978.93	
	22.58%	939.00%	Physical Treatment D-1703, D-1799/ Type C (Hazardous)	60.82	1,371.65	57.04	80.83
	6.68%	214.54%	Heat Treatment D-0901 / Physical Treatment D-0902	423.87		134.76	
	3.29%	-8.69%	Announcing for Reuse R-0106 (Food Waste)	208.50		228.34	
Total				4,972.75	1,371.65	4,984.50	80.83
Note	C-0301: Waste liquid with a flash point less than 60°C C-0202: Waste liquid with pH less than or equal to 2.0 D-0299: Other corrosive industrial waste mixtures D-0901: Organic sludge D-0902: Inorganic sludge D-1503: Non-hazardous waste acid D-1504: Non-hazardous organic waste liquids or waste solvents D-1703: Waste lubricant oil			D-1799: Waste oil mix R-0201: Waste plastic R-0221: Waste plastics for solid recovered fuel (SRF) raw material R-0701: Waste wood R-0106: Food waste D-0299: Waste plastic mix D-1801: Business operations			

Note: The scope of waste data covers all sites of the parent company.

Waste Disposal Distribution of 2024



Waste Disposal Distribution of 2025



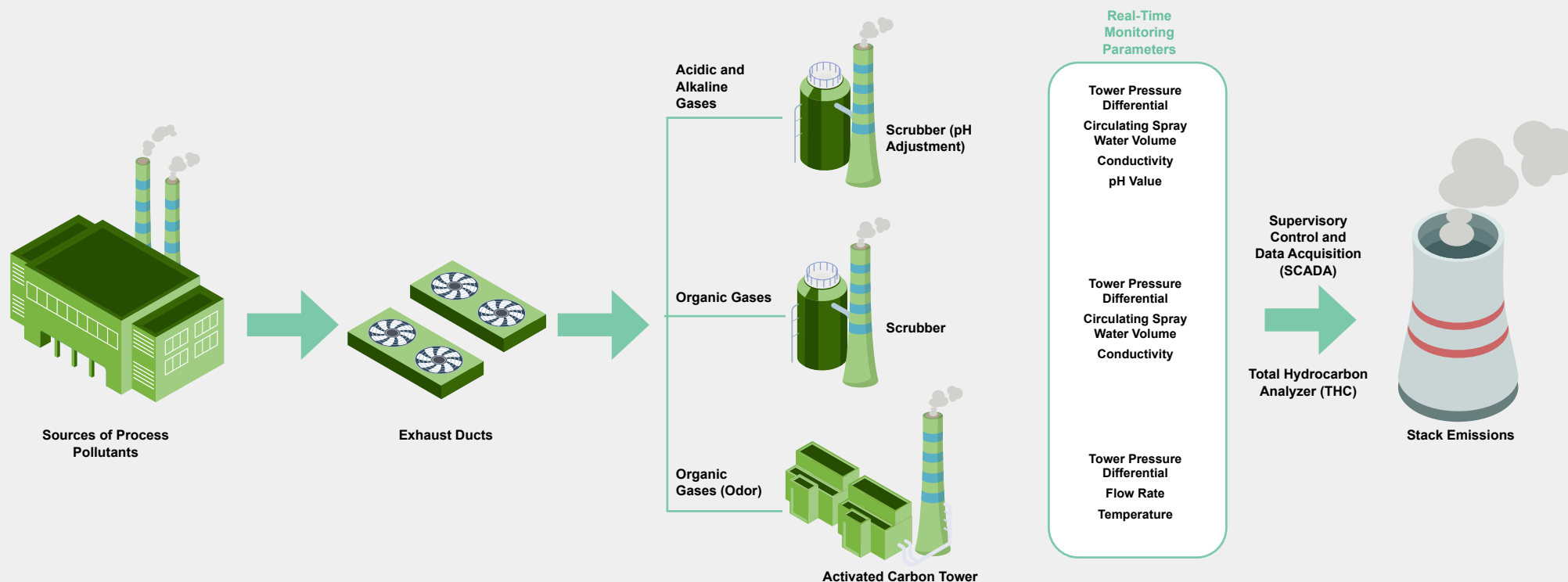


6.7 Air Pollution Prevention

Largan upholds the core philosophy of “green manufacturing” and regards reducing environmental impacts as one of the keys focuses of operational management. The Company gradually builds a low-carbon production environment with appropriate resilience and fulfills its environmental responsibility to surrounding communities by promoting the low-carbon transformation of process equipment, establishing end-of-pipe control systems, evaluating the introduction of Best Available Control Technology (BACT), and integrating internal management indicators that meet and exceed environmental regulations with on-site operation and maintenance.

Air Pollution Management and Control Strategies

Air Pollution Control Treatment Process





6.8 Material Recycling and Packaging Material Improvement

Material Recycling

Largan continues to promote resource circulation and waste reduction. From product design and manufacturing processes to the waste treatment stage, the Company evaluates the feasibility of material recycling and reuse. Certain materials used in the Company's products, as well as scraps, defective products, and scrapped products generated during production processes, are classified, recycled, and properly treated according to their material properties.

Individual Parts

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 modes as follows:

- (1)The B-type components are transported using hard plastic boxes as containers, which can be washed with 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.

Finished Products

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 are also recyclable with the aim of reducing waste produced.

Purchased Goods

With the aim of making continuous effort on improving our recycling 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.

Implementation Status

Waste reduction in 2025: The proportion of waste treated by incineration and landfill was $\leq 6.75\%$. In addition, the Company promotes waste-to-energy, the most valuable form of incineration, and adopts treatment methods other than incineration and landfill to destroy defective products. In 2025, we converted waste that would originally have been incinerated and landfilled into 951.49 metric tons of auxiliary fuel rods, enhancing the effective use of waste and reducing environmental impacts and effects.



6.9 Biodiversity and Environmental Sustainability Promotion

The Company has formulated and disclosed its biodiversity policy with reference to the LEAP methodology recommended by the Taskforce on Nature-related Financial Disclosures (TNFD), and conducts site sensitivity screening through the Protected Planet World Database on Protected Areas and Key Biodiversity Areas (KBA). The Company also uses ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure), a tool for exploring natural capital opportunities, risks, and exposure, to assess its dependencies on nature, particularly with respect to species listed on the International Union for Conservation of Nature (IUCN) Red List of Threatened Species (hereinafter referred to as the IUCN Red List). We firmly believe that scientific disclosure methods and continuous ecological risk assessment can effectively mitigate disturbances to habitats caused by operating activities, as we strive to achieve a sustainable balance between technological innovation and coexistence with nature.

1 Linkage Between Operations and Ecologically Sensitive Areas

Through the “Locate” assessment under the TNFD LEAP methodology, the Company proactively identifies the dependencies and impacts of its operating assets on nature. We combine the Company’s global locations with geographic information systems (GIS) and biodiversity big data (GBIF and TBN) for spatial analysis, with the following criteria:

2.0 kilometers (impact identification area)

A 2.0-kilometer buffer zone is set as the spatial analysis baseline to analyze the direct interface between operating activities and nearby biological habitats, water quality, or soil, and to assess the integrity of regional ecological corridors.

Sensitivity determination indicators

Records of threatened species from the IUCN Red List of Threatened Species and Taiwan Red List are integrated to quantify the natural risk level of each location.

2 Statistical Distribution of Ecological Sensitivity at Operating Locations

Based on spatial quantitative assessment, the distribution of the Company’s locations (10 locations in total) is as follows. This classification is determined by combining geospatial “species sensitivity” with the “operational impact weighting” of each location:

Ecological Sensitivity Level	Number of Locations	Percentage of Operating Locations (%)	Description of Environmental Interface Characteristics
Medium	2	20%	Located on the edge of the Dadu Plateau, adjacent to protection forests and shallow mountain ecologically sensitive areas. This area has the highest richness of key records of threatened species (EN/VU) based on TBN physical observations.
Low	8	80%	Located at the interface between an urban functional area and peripheral secondary forests, with scattered green belts or woodlands in the surrounding area, and near-threatened species are identified within the impact identification area. Located in a highly developed industrial center, with relatively weak connectivity of surrounding green belts. Observation records are mainly common species, and ecological sensitivity is relatively low.

Analysis description: 20.0% of the Company’s sites are classified as key management sites due to their proximity to the shallow mountain natural green belt interface of the Dadu Plateau. For key locations assessed as medium sensitivity, the Company uses the impact identification area and introduces night-time light spillover barriers to ensure dynamic coexistence between precision industrial manufacturing and the peripheral shallow mountain ecological interface.

3 Nature-Related Risk Matrix Analysis

To quantify the relationship between operating activities and the natural environment, the Company uses the ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) system, jointly developed by the United Nations Environment Programme Finance Initiative (UNEP FI) and the United Nations Environment Programme World Conservation Monitoring Centre (UNEP-WCMC), as an analytical tool. Through the ENCORE system, the Company screens service items in its operating activities that have key impacts on the natural environment. By integrating physical observation data from GBIF and TBN, the Company has identified the following significant nature-related dependencies and impacts:

 Water Supply Key Risk Indicators The Company's precision optical component cleaning and machine cooling processes are highly dependent on ultrapure water. Financial and Operational Impacts If the decline of natural capital leads to reduced water conservation capacity in catchment areas, the Company may face higher water tariffs and increased water withdrawal costs, and may also incur financial losses from work stoppages caused by water shortages.	 Gas Emissions Key Risk Indicators Carbon fee collection pathway and Scope 2 (energy indirect emissions) emissions arising from electricity consumption. Financial and Operational Impacts Production costs will increase directly. For air pollution control, please refer to Chapter 6.7 of this report. If the Company fails to achieve its carbon reduction targets, it may face fines for excess emissions or score deductions in supply chain ESG assessments.	 Physical Risk Key Risk Indicators Extreme weather caused by climate change (heavy rainfall and flooding). Financial and Operational Impacts Although climate change scenario analysis does not project major impacts, Largan continues to monitor water levels in surrounding watersheds and track changes in rainfall patterns in response to changes in rainfall. In addition, for certain sites adjacent to the Dadu Plateau interface, extreme heavy rainfall may cause the collapse of off-site drainage systems, resulting in unfavorable stormwater discharge and damage to production equipment.	 Biodiversity Criticality Key Risk Indicators Ecological compensation and habitat connectivity indicators. Financial and Operational Impacts The Company needs to invest in environmentally friendly facilities and greening compensation. If ecological controversies arise, the Company may incur significant non-operating expenses related to legal proceedings, supplementary environmental impact assessment submissions, and environmental restoration.
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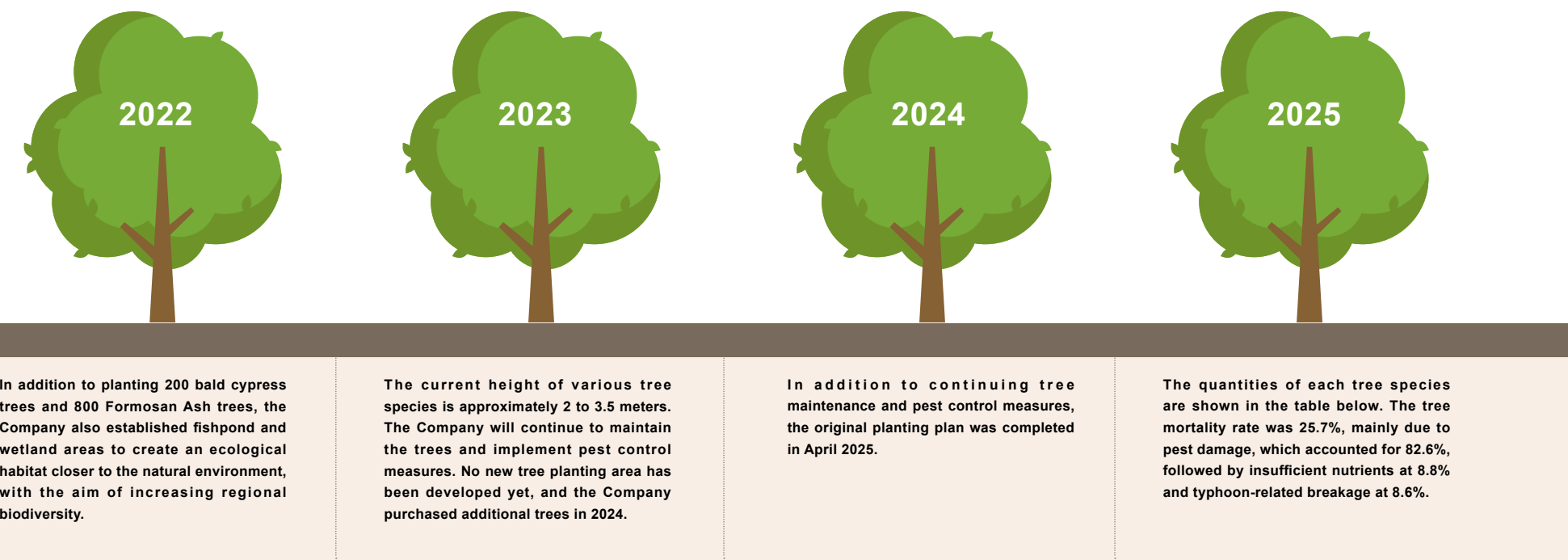
4 Environmental Sustainability Promotion

Largan continues to promote the following measures for environmental sustainability to reduce waste generation and lower the use of virgin resources, thereby enhancing the concept of green circularity.

● Tree Planting Program

In the modern issue of global warming, greenhouse gases are recognized by almost all scientists as one of the main causes of global warming. Effectively reducing the stock of greenhouse gases on Earth has therefore become a common goal. To this end, Largan has been carrying out a step-by-step tree planting and afforestation program on 9.4 hectares of agricultural and pastoral land in Dacun Township, Changhua County. In addition to preserving native tree species in the area, such as camphor trees, acacia trees, Celtis sinensis, and Lagerstroemia subcostata, the Company also gives priority to selecting native Taiwanese tree species, such as Taiwan Zelkova and Formosan Ash.

For Taiwan Zelkova and Formosan Ash, when the trees reach 20 years of age, their annual carbon dioxide absorption exceeds 300 metric tons per hectare. The tree planting results for the past three years are as follows:



	Taiwan Zelkova	Bald Cypress	Formosan Ash	Taiwan Incense Cedar	Formosan Sweet Gum	Total
Number Planted	3,200	220	1,710	123	40	5,293
Number Dead	1,150	60	150	0	0	1,360
Number Existing	2,050	160	1,560	123	40	3,933
Mortality Rate (%)	35.94%	27.27%	8.77%	0%	0%	25.69%

Current planting and growth status: Taiwan Zelkova height 4-6 m, Bald Cypress 3-6 m, Formosan Ash 3.5-5.5 m (Formosan Ash seedlings 100 cm), Taiwan Incense Cedar 70 cm, and Formosan Sweet Gum 120 cm.





07

Friendly Workplace

7.1 Recruiting Policy and Commitment
7.2 Talent Cultivation
7.3 Training and Development
7.4 Salary and Welfare
7.5 Respect of Human Rights

7.6 Employee Care and Communication-Human Rights Protection
7.7 Occupational Safety and Health
7.8 Health Promotion

Performance and Goal of Material Topics: Talent Development and Sustainability

Largan is committed to building a **friendly workplace: an environment of employee care and support**, fulfilling its responsibility for talent selection, development, utilization, and retention, and serving as a driving force for corporate sustainable development and continuous growth. Based on the aforementioned material topics of Labor Relations and Human Rights Protection, the Company has formulated short-term indicators and related action plans, and achieved its 2025 performance targets and achievement status as shown in the table below. Through these efforts, the Company aims to retain suitable, stable talents with development potential and ensure its competitiveness for sustainable corporate development.

	Short-Term (2025)	Medium-Term (2026~2029)	Long-Term (2030 and beyond)
Labor Relations, Human Rights Policy, and Diversity and Inclusion	Turnover Rate <13%	<13%	<13%
	Retention rate of newly hired Taiwanese employees (3 months retention): 78%	Retention rate of newly hired Taiwanese employees (3 months retention): 80%	Retention rate of newly hired Taiwanese employees (3 months retention): 80%
	Workplace Wrongful Assault/Bullying 0 cases	Workplace Wrongful Assault/Bullying 0 cases	Workplace Wrongful Assault/Bullying 0 cases
2025 Achievement Status	Total Turnover Rate <13% -> Achieved, 10.0% New Hire Retention Rate (three-month retention) 78% -> Achieved, 84.7% Workplace Wrongful Assault/Bullying 0 cases -> Achieved, 0 cases		



7.1 Recruiting Policy and Commitment

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

Management Measure

- **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 partners with the 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, political affiliation, or disability.
 - (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 abide by labor-related laws and regulations, and formulates "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 **"Responsible Business Alliance (RBA) 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 of laying a solid foundation for the establishment of sustainable operations.

7.1 Recruiting Policy and Commitment

7.2 Talent Cultivation

7.3 Training and Development

7.4 Salary and Welfare

7.5 Respect of Human Rights

7.6 Employee Care and Communication-Human Rights Protection

7.7 Occupational Safety and Health

7.8 Health Promotion

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.

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, which we are fully committed to:





7.2 Talent Cultivation

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

Management Measure

- **Goals and Objectives:** The outstanding talents are important assets 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 to grow together.
- **Commitment:** Offering competitive salary and welfare to attract and retain outstanding talents while cultivating 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 assessing 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 2025 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 employees to improve and expand their professional abilities through internal transfers, and to enable employees to actively apply for Company job openings based on their personal career plans.

2025 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 of helping the Company to develop higher-end specification optical lenses. By the increasing number of lenses per device, we actively increased the production scale and the scale of automation production to generate profit growth.

① As of December 2025, Largan had 8,322 employees. Compared with the previous year, there was no significant change in headcount. The increase in the number of employees was mainly due to higher production capacity needs. The manpower structure distribution for the past two years is shown in the table below:

Category	Field	2024				2025			
		Female		Male		Female		Male	
		Number of People	Ratio	Number of People	Ratio	Number of People	Ratio	Number of People	Ratio
Occupation	Production	3,581	43.87%	2,387	29.23%	3,674	44.15%	2,419	29.07%
	Management	238	2.91%	645	7.90%	237	2.85%	635	7.63%
	R&D	211	2.58%	1,103	13.51%	224	2.69%	1,133	13.61%
Subtotal		4,030	49.36%	4,135	50.64%	4,135	49.69%	4,187	50.31%
Total		8,165 people				8,322 people			
Domestic	Age Below 30	382	4.68%	1,165	14.27%	334	4.01%	1,048	12.59%
	31~50	1,160	14.21%	2,703	33.09%	1,191	14.31%	2,834	34.05%
	Age Above 51	38	0.47%	43	0.53%	50	0.60%	51	0.61%
Foreign	Age Below 30	1,688	20.67%	141	1.73%	1,687	20.27%	156	1.87%
	31~50	762	9.33%	83	1.02%	873	10.49%	98	1.18%
	Age Above 51	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Subtotal		4,030	49.36%	4,135	50.64%	4,135	49.69%	4,187	50.31%
Total		8,165 people				8,322 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. Through diverse recruitment channels, the Company enables more female workers and persons with disabilities to work at Largan, allowing them to realize their personal value and contribute to the Company.

There were no significant operational changes in 2025, 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 2025

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					
		F	%	M	%	Subtotal	%	F	%	M	%	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	0.0%	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%	1,146	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%	1,429	100.00%	517	52.0%	477	48.0%	994	100.00%

Nation	Age	Numbers of New Hired in 2025						Numbers of Turnover in 2025					
		F	%	M	%	Subto-tal	%	F	%	M	%	Subto-tal	%
Domestic	Age Below 30	135	11.65%	311	26.83%	446	38.48%	93	9.93%	208	22.20%	301	32.12%
	31~50	78	6.73%	122	10.53%	200	17.26%	95	10.14%	180	19.21%	275	29.35%
	Age Above 51	1	0.09%	0	0.00%	1	0.09%	3	0.32%	0	0.00%	3	0.32%
	Subtotal	214	18.46%	433	37.36%	647	55.82%	191	20.38%	388	41.41%	579	61.79%
Foreign	Age Below 30	460	39.69%	41	3.54%	501	43.23%	174	18.57%	5	0.53%	179	19.10%
	31~50	7	0.60%	4	0.35%	11	0.95%	169	18.04%	10	1.07%	179	19.10%
	Age Above 51	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
	Subtotal	467	40.29%	45	3.88%	512	44.18%	343	36.61%	15	1.60%	358	38.21%
Total	Age Below 30	595	51.34%	352	30.37%	947	81.71%	267	28.50%	213	22.73%	480	51.23%
	31~50	85	7.33%	126	10.87%	211	18.21%	264	28.18%	190	20.28%	454	48.45%
	Age Above 51	1	0.09%	0	0.00%	1	0.09%	3	0.32%	0	0.00%	3	0.32%
	Subtotal	681	58.76%	478	41.24%	1,159	100.00%	534	56.99%	403	43.01%	937	100.00%

Note: The Company's turnover rate in 2025 was 10.0%, representing a slight decrease from 10.9% in 2024.

3 Non-employee-related information of 2025

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

Outsourced Item	Number of People	Summary of Outsource Content
Catering	156	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	28	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 repair management 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 Employment Funds for People with Disabilities 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 2025, 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 open 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 are harmonious.

● 2025 Labor Disputes or Inspections Resulting in Losses: 3 cases

No.	Disposition Date	Reference Number	Violated Regulation	Description of Violation	Fine
1	101525	Taichung City Government Letter Fu-Shou-Lao-Dong-Zi No. 1140306982	Paragraph 2 of Article 32 of the Labor Standards Act	Extended working hours exceeding the statutory limit	100,000
2	062025	Taichung City Government Letter Fu-Shou-Lao-Dong-Zi No. 1140175126	Paragraph 2 of Article 32 of the Labor Standards Act	Extended working hours exceeding the statutory limit	90,000
3	012225	Taichung City Government Letter Fu-Shou-Lao-Dong-Zi No. 1140019994	Paragraph 2 of Article 22 of the Labor Standards Act Paragraph 2 of Article 32 of the Labor Standards Act	Wages not paid in full Extended working hours exceeding the statutory limit	100,000

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.

7.1 Recruiting Policy and Commitment

7.2 Talent Cultivation

7.3 Training and Development

7.4 Salary and Welfare

7.5 Respect of Human Rights

7.6 Employee Care and Communication-Human Rights Protection

7.7 Occupational Safety and Health

7.8 Health Promotion



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 and hire guest lecturers from time to time to give trainings on professional and technical subjects to help elevate our employee's working skills.

Advanced Studies and Training System

Every year, based on the Company's operational plan, Largan formulates its annual training plan and training system, as shown in the figure on the right. The training programs include training for new employees, general education training, professional training, manage training, and foreigner language training. Course content includes the Company's history, organization, business philosophy, corporate culture, code of ethics, labor and human rights laws and regulations, rules and regulations, policies, green environment concepts, quality systems, occupational safety and health affairs, introduction to manufacturing processes, and the Company's environment and benefits. These programs help employees become familiar with the workplace environment and relevant systems. After employees join the Company, mandatory general and professional competency courses are assigned based on different job functions and job levels to enhance the competency development of employees at all levels. Through tracking and management via the training system, the Company monitors the implementation progress of training courses, creates concrete training benefits, cultivates talent that meets organizational development needs, and ensures the Company's sustainable growth.



Training System

Core Ability Training

New Employee Training

Professional Training

Managerial Training

General Training

Foreign Language Training

ISO, Safety and Hygiene, Business Philosophy

Average Hours of Staff Training

- Statistics on the average training hours of employees in 2025 are shown in the table below:

Category	Gender	Hours
Production	F	14,131.04
	M	10,544.65
R&D	F	330.02
	M	1,216.83
Management	F	444.33
	M	2,687.51
Subtotal	F	14,905.39
	M	14,448.99
Total		29,354.38
Average		3.53

Note: Annual 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 an evaluation for new employees three months after they report to work. The evaluation guidelines help supervisors and employees understand the Company's expectations in terms of behavior, results, and personality traits, and move toward common goals.

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 subject to the probation assessment in 2025 was 647 (new Taiwanese employees), and a total of 513 employees were actually evaluated, with no difference based on gender. In addition to emphasizing consensus between employees and supervisors on the achievement of work goals, the purpose of the system is to make effective use of the system by adjusting its functions into a mechanism that focuses primarily on employee development and secondarily on performance evaluation. This enables the system to fulfill the dual objectives of assessment and development. Through this mechanism, the Company hopes to cultivate and develop employees' individual capabilities, enable them to proficiently master their work, become capable assistants to their supervisors and key talents of the Company, and further enhance the Company's competitiveness and overall organizational effectiveness. 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.

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 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 labor.

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 labor.

In 2025

a total of **1,498** employees were promoted, comprising **45.1%** in technical positions, **8.0%** in administrative roles, and **46.9%** in OPR direct labor.



7.4 Salary and Welfare

Salary and Welfare Policy: Competitive Salary and Welfare Program

Management Measure

- **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 Act" 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, a 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 these incentives can help boost work efficiency as well as make the Company desirable to the outstanding talents.

In 2025, the Company maintained sound overall operations. Regular salaries were increased by 3% to 5%, and the average salary adjustment for non-managerial employees was also 3% to 5%.

Compensation Policy of the Highest Governance Unit and Senior Management

- 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 2025, 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, 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 2025 Annual Report in detail.

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

	Average Salary Unit (NTD)	Median Salary Unit (NTD)	Number of Full-time Employees Who Are Not in Supervisory Positions
2023	1,139,399	857,902	7,164
2024	1,319,016	926,769	7,601
2025	1,202,660	895,926	7,989

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

Category	Field	2024		2025	
		Female : Male Monthly Income Ratio	Female : Male Annual Income Ratio	Female : Male Monthly Income Ratio	Female : Male Annual Income Ratio
Occupation	Production	1:1.22	1:1.89	1:1.21	1:1.85
	Managerial	1:1.12	1:1.67	1:1.11	1:1.66
	R&D	1:1.31	1:1.87	1:1.30	1:1.92

Note 1: Male workers generally have higher educational experience and seniority than female workers, hence the salary ratio varies.

Note 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 Act" 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 Information Disclosure figures announced by the Taiwan Stock Exchange Corporate Governance Center.

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.

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.

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 damage which cause difficulties in life, they can apply for emergency relief funds from the Company to ensure basic living needs.

	The number of employees that due to significant injuries or illnesses caused difficulties for their families	The total amount of emergency relief dispensed (NTD)
2023	4 people	896,450
2024	8 people	1,453,666
2025	12 people	2,563,833

Other Employee Welfare are as shown

Allowance

- Meal and travel allowance
- Maternity and marriage allowance
- Birthday, 3 holiday bonuses, Labor Day bonus
- Healthcare subsidy (Hospitalization), funeral condolences

Extra Welfares

- Family Day, meal allowance
- Convenience store 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."

New Pension Fund Scheme

Each month, the Company contributes 6% of each employee's monthly wage, based on the individual wage contribution grading table, to the employee's individual labor pension account with the Bureau of Labor Insurance. The percentage of employees for whom the employer contribution rate under the new labor pension system exceeded 6% accounted for more than 11.1% of all employees receiving employer contributions.

The total number of people applying for retirement in the last three years:

2 people in 2023; 3 people in 2024. 1 person in 2025.

Friendly Marriage, Childbirth, and Parental Leave Without Pay

Friendly Marriage, Childbirth, and Family Care (GRI 401-3 Parental leave, GRI 403-6 Promotion of worker health)

The Company firmly believes that a comprehensive family care support system helps enhance employees' physical and mental health and work engagement, while putting gender equality and work-life balance into practice. In accordance with the Labor Standards Act, the Act of Gender Equality in Employment, and relevant regulations, the Company is committed to creating a friendly workplace environment that supports employees' needs at different stages of life.

Friendly marriage, childbirth, and family support system:

The Company's Employee Welfare Committee provides marriage and childbirth benefits that are superior to statutory requirements, including: marriage allowance, childbirth allowance, and other benefits.

Childcare support:

To reduce employees' family care burden, the Company supports government policies by strengthening childcare and family care measures: Such as establishing an independent breastfeeding/pumping room, signing special discount agreements with childcare institutions, and providing flexible parental leave without pay.



In accordance with government laws and regulations, Largan allows all employees who meet the application requirements to apply, regardless of gender.

The number of male and female employees who applied for leave without pay in the past three years is summarized in the table below:

Category	2023			2024			2025		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Number of people eligible for parental leave (A)	378	816	1,194	391	767	1,158	396	684	1,080
Actual number of applicants (B)	88	58	146	99	43	142	115	50	165
Application rate (B/A) (%)	23.3%	7.1%	12.2%	25.3%	5.6%	12.3%	29.0%	7.3%	15.3%
Annual number of people pending for reinstatement (C)	96	49	145	77	41	118	124	52	176
Actual number of people apply for reinstatement (D)	75	33	108	71	41	112	91	41	132
Reinstatement rate (D/C) (%)	78.1%	67.3%	74.5%	92.2%	100.0%	94.9%	73.4%	78.8%	75.0%
Number of people reinstated in the previous year (E)	75	23	98	75	33	108	71	41	112
Number of people reinstated for up to 1 year in the previous year (F)	75	23	98	71	32	103	71	41	112
Retention rate (F/E) (%)	100.0%	100.0%	100.0%	94.7%	97.0%	95.4%	100.0%	100.0%	100.0%

Note: According to Article 16 of the "Act of Gender Equality in Employment", the employee is eligible for applying for parental leave without pay up until the child or children reach the age of 3

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

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

Number of eligible parental leave applicants in 2025 = 2022~2025



7.5 Respect of Human Rights

Human Rights Policy: Diversity, Equality and Human Rights Protection

Management Measure

- **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 Act," 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 formulate the 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.

The Company primarily refers to the Responsible Business Alliance (RBA) Code of Conduct and relevant labor and human rights laws and regulations in formulating its Human Rights Policy. The policy covers working hours and wages, humane treatment, non-discrimination, anti-workplace bullying, freedom of association, prevention of involuntary labor, sexual harassment prevention, maternity protection in the workplace, and measures for preventing unlawful infringement in the performance of duties. The Company is also committed to complying with Taiwan's labor-related laws.

"The Recruitment & Hiring Management Procedures" 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 Measures specifically to protect the foreign employees' rights and interests. The Administrative Department regularly evaluates the risks of forced labor incidents and, when any suspected violation occurs, discloses the information to relevant supervisors and provides reminders to ensure that similar situations will not happen again in the future.



	Risk Assessment	Target	Management Measures
Prohibition of Forced Labor	Work-time control internally.	No forcing or threatening reluctant workers to perform labor service.	Work-time control. Work hours tracking for continuous attendance and overtime working on holidays. Provide channels of opinions and feedback.
Prohibition of Child Labor	Check if the interviewees are over 18 years old according to the ID.	Prohibition of hiring child labor; protect by laws if hiring juvenile labors.	Work-time control for juvenile laborers. Prohibition for continuous attendance, night shifts and working on holidays. Provide channels of opinions and feedback.
Preventing Unlawful Discrimination	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.	Interviewers shall not ask interviewees for personal information unrelated to the job during the interviews. No verbal discrimination between employees regardless of any position.	Assess if the regulations and internal management systems comply with laws and regulations periodically.
Safe and Healthy Environment	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.	Establish a healthy, safe and friendly working culture and environment.	Establish personal 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	Improve interpersonal interactions among colleagues by participating in leisure activities.	Raise the participation rate.	Strengthen the promotion of activities held by the Welfare Committee to raise the participation rate. Distribute questionnaires to collect suggestions for improvement.

To ensure that every employee fully understands the Company’s policies and measures on labor rights and corporate social responsibility, relevant education and training are arranged for new employees upon onboarding as follows:

① Lecture Training

On the day of registration, a 30-minute awareness session on corporate social responsibility and labor and human rights policies is arranged. Through videos, presentations, and staff explanations, new employees are able to understand their rights and interests, as well as the available grievance channels.

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 schedule another training session and return for retraining to ensure that they fully understand labor rights and other related rights and interests.

③ Passing Rate of the Test: (40 questions total, scoring 80 points to pass the test)

Largan expects that all of our employees could fully understand and comprehend labor human rights.

2023	Number of People Trained (newly hired Taiwanese employees) 729	Training Passing Rate 100%
2024	Number of People Trained (newly hired Taiwanese employees) 836	Training Passing Rate 100%
2025	Number of People Trained (newly hired Taiwanese employees) 647	Training Passing Rate 100%

Implementation Status of Human Rights Indicators in the Last Two Years

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

2025

- ▶ 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. Since its establishment, the Company has maintained harmonious labor-management relations. There have been no incidents involving losses caused by labor-management disputes, and the likelihood of future losses resulting from labor-management disputes is expected to be extremely low.

Meanwhile, through employee representatives at labor-management meetings, employees' suggestions and opinions on specific issues are reflected, and consensus with the Company is reached through discussions on meeting agendas to ensure smooth communication channels. 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 submitted to the competent authority for recordation before formal operation. Labor-management meetings are currently held quarterly, and the Employee Welfare Committee and the Occupational Safety and Health Committee also meet regularly. Each labor-management communication organization performs its own duties and communicates on different issues, working together to promote labor harmony, co-prosperity, and coexistence, and to create mutual benefits and a win-win relationship between labor and management.

Largan provides diversified, transparent, and open communication channels for the employees to express their thoughts and feelings, which enables 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 Channel

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 the Employee Welfare Committee are established in accordance with laws and regulations. The number of representatives of both labor and management in 2025 is as shown in the table:

● Labor-Management Meeting	
Numbers of Employee Representatives 5	Numbers of Management Representatives 5
● Occupational Safety and Health Committee	
Numbers of Employee Representatives 71	Numbers of Management Representatives 28
● Employee Welfare Committee	
Numbers of Employee Representatives 12	Numbers of Management Representatives 1
● Labor Retirement Reserve Fund Supervision Committee	
Numbers of Employee Representatives 7	Numbers of Management Representatives 2

Employee's Feedback

- Install more surveillance monitoring cameras 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. Labor-management meetings are a labor-management consultation system established to coordinate labor-management relations, promote labor-management cooperation, and prevent various labor issues before they occur. Therefore, there is no need to establish a collective bargaining agreement. The fundamental spirit of this system is to encourage voluntary consultation and cooperation between labor and management, thereby enhancing communication between both parties, reducing conflicts, building consensus, gathering the collective wisdom and potential of all employees, and working together to implement resolutions.

Topics Discussed during Labor-Management Meeting

- | | |
|---|---|
| ▶ Incentive bonus for revenue achievement | ▶ Employee compensation matters |
| ▶ 3 Holiday bonuses | ▶ Annual year-end dinner and related employee coordination matters |
| ▶ Shareholder meeting | ▶ Establishing official social media to increase communication channels for the employees |
| ▶ Employee annual health examination and consultation service matters | |

Employee Suggestion Box

The Company has set up multiple employee suggestion boxes at the workplace and dormitory, including conspicuous locations and certain discreet areas, employees to express suggestions and opinions. 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 reported directly to department managers or higher-level supervisors.
- 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 agency 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 cafeteria 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, discrimination, harassment, intimidation, retaliation, or other adverse employment decisions for submitting, in good faith, any question, suggestion, complaint, or grievance to a supervisor or manager, or for participating in any way in the investigation or handling of any such matter.



7.7 Occupational Safety and Health

Policy of Safety and Health: [No Occupational Accident] A Healthy and Safety Work Environment

Management Measure

- **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 safety at sites for 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.

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 Act," it formulates occupational safety and health regulations, assists the department in identifying operational hazards and establishing safe operation standards, and prevents the occurrence of various potential hazard incidents.

We conduct the evaluation and control risks and opportunities, and implement improvements or controls to improve occupational safety and health performance and reduce occupational safety and health risks.

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

Largan's occupational safety and health policies and management measures

- Implement the ISO 45001 Occupational Health and Safety Management System to provide a safe and healthy work environment and personal safety protection.
- Comply with occupational health and safety related laws and other requirements, establish hazard identification and reduce occupational safety and health risks.
- 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 Safety and Health Office in 2025 is as shown in the table:

Occupational Safety and Health Management Specialist	Occupational Safety and Health Administrator (Class B Certified Technician)	Labor Health Service Nurse	Occupational Safety and Health Affair Manager (Type A)	Firefighting management personnel	First Aid Personnel
8	12	8	26	9	191

The number of legal certifications held by the aforementioned professional occupational safety and health 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, self-inspection of production equipment, work environment examination, internal safety and health audit inspection, medical care and health check, emergency response and drills, occupational accident 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, establish safe operating standards for machinery and equipment to reduce employees' operational risks, 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 accident 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

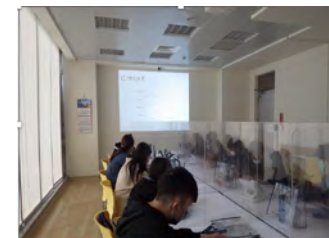
help improve and assess the performance and ensure the effective implementation of the regulations.

Operational safety and health management include: High-Risk Operation Control, Contractor Entry Management, Construction Safety Management, Chemical Safety Management, Occupational Accident Analysis and Statistics, Operating Environment Examination, Disaster Emergency Response Procedures, Periodical Fire Escaping Drills. All management measures are taken to minimize the potential damage 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 Affair 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 affair 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:



Training Category	2023				2024				2025			
	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	73	729	3	2,187	81	836	3	2,508	75	647	3	1,941
Safety and Health Educational Training for Existing Employees	-	-	-	-	202	7,098	3	21,294	-	-	-	-
Safety and Health Internal Auditor Educational Training	1	18	2	36	1	30	3	90	1	31	3	93
Emergency Response Educational Training	16	682	4	2,728	20	798	4	3,192	19	690	4	2,760

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 personnel exposure caused by work environment, and monitor and manage such 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.

No abnormalities were found in the working environment measurements arranged at each site from 2023 to 2025.

2023
Work Environment
Examination

18

2024
Work Environment
Examination

22

2025
Work Environment
Examination

20

Emergency Response and Drills (+ Explanation of participation rate)

To reduce and minimize the impact caused by a disastrous event on our valuable employees and the Company, each factory has set up self-defense firefighting groups and arranged irregular regional evacuation and disaster prevention drills every year for scenarios such as fires and chemical spills. We also help to arrange for the local fire brigade to provide on-site guidance, observe the effectiveness of emergency response, conduct comprehensive reviews based on deficiencies, improve employee participation and implementation, and minimize the impact of disasters on employees and the Company.

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 in a unit, the case must be reported and handled in accordance with the procedure. The Occupational Safety and Health Office, the unit's labor representative, and the unit supervisor jointly investigate and analyze the accident, review the root cause, clarify the relevance between the case and the work content, and propose corrective and preventive measures. If the same accident recurs, the effectiveness of the countermeasures must be reviewed again. In 2025, a total of 28 occupational incident reports were filed, all of which have been fully rectified. The incidents were categorized as follows: 18 related to machinery and equipment, 5 related to the working environment, and 5 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. In addition, the Occupational Safety and Health Office works with all departments to reduce potential operational hazards and environmental risks, and enhance overall personnel awareness of safety and health through measures such as operation observation, education and training, work environment inspections, and internal/external audits.

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 conduct awareness promotion during irregular unit meetings and place traffic safety and defensive driving promotional materials on the Company's bulletin boards and electronic carousel notice boards that employees pass by every day to deepen employees' awareness of driving safety, with the aim of reducing the likelihood of traffic accidents.

28 Occupational Accident Cases Reported in 2025: FR=1.62, SR=34, FSI=0.23

Occupational Injury Rate/ Index	2023	2024	2025
Number of cases reported	28	26	28
Disabling injury frequency rate (FR)	1.87	1.55	1.62
Disabling Injury Severity Rate (SR)	32	22	34
Frequency-Severity Indicator (FSI)	0.24	0.19	0.23
Fatality Rate caused by occupational injury	0	0	0

Note:

Occupational accident statistics to exclude traffic accidents

Disabling Injury Frequency Rate (FR)= Number of Disabling Injuries/working hours × 1,000,000

Disabling Injury Severity rate (SR)= Total days of loss caused by disability injury (excluding deaths)/working hours × 1,000,000

The Frequency Severity Indicator (FSI)= $\sqrt{(FR \times SR / 1000)}$

Fatality Rate caused by occupational injury = number of deaths caused by occupational injuries/working hours × 1,000,000

The identified deficiencies related to reported occupational incidents have been fully rectified.

Internal Safety and Health Inspection

The five key audits conducted by the Occupational Safety and Health Office for the daily operations of each unit focus on chemicals, machinery and equipment, on-site environment, fire equipment, and waste disposal. The purpose of these audits is to enable personnel to conduct internal self-inspections of machinery, equipment, and safety and health matters, and to eliminate potential operational hazards.

- 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 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 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%.
- A total of 143 deficiencies were issued after an on-site assessment of 19 departments was completed in 2025. According to the analysis and statistics report, the top three factors of deficiencies suspected were mechanical equipment and on-site environment deficiencies, accounting for 48.3%, chemical deficiencies, accounting for 34.3%, and fire equipment deficiencies, accounting for 14.7%. After counseling and tracing with relevant departments, the overall improvement completion rate was 100%.

Year	Number of On-site Departments	Deficiencies Counted	Chemicals	Mechanical Equipment/ Environment On-site	Fire Equipment	Others
2023	17	63	38.1%	11.1%	41.3%	-
2024	19	98	48.0%	35.7%	9.2%	7.1%
2025	19	143	34.3%	48.3%	14.7%	2.8%

Internal Participation in Consultation and Communication Channels

Occupational Safety and Health Committee

Periodical Occupational Safety and Health Committee Meeting and Tracking

Hazard Identification and Assessment

- Propose and Review
- Incident Investigation

Occupational Safety and Health Committee

Largan has set up an Occupational Safety and Health Committee. The management representative serves as the chairperson of the 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. Quarterly meetings are held to discuss matters related to environment, safety, and health, and to review and revise implementation measures in a timely manner. A total of 99 labor and management representatives participated in the regular meetings of the Occupational Safety and Health Committee in 2025.

Hazard Identification, Opportunity and Risk Assessment

We have established a cross-departmental hazard identification team 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 2025, 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

Work Items: 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 invests efforts and resources in health measures, including 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	 Health Diet	 Health Management
- Promotion and announcement on Epidemic Disease Prevention Education - Promotion of the concept of epidemic prevention - Hepatitis Screening - Vaccination arrangement - Hold health seminars	- Various sport games (badminton, softball, basketball, table tennis, volleyball) - Support for dragon boat racing - Support for road running activities - Family Day - Healthy weight management activities	- All ingredients, condiments, and oil products used are all qualified products of national certification - No flavoring agent is used - Low oil, low sugar, low sodium - Indicating calories and health Information - Bring your own eco-friendly cutlery - Provide options of health meals	- Annual health check - Sleeping quality testing - Children's vision correction - Adult eye examination - Skin condition examination - Prevention and improvement of manmade hazard - Regular follow-up care and support for employees on sick leave, medical leave, or those diagnosed with major illnesses - Psychological Counseling Services

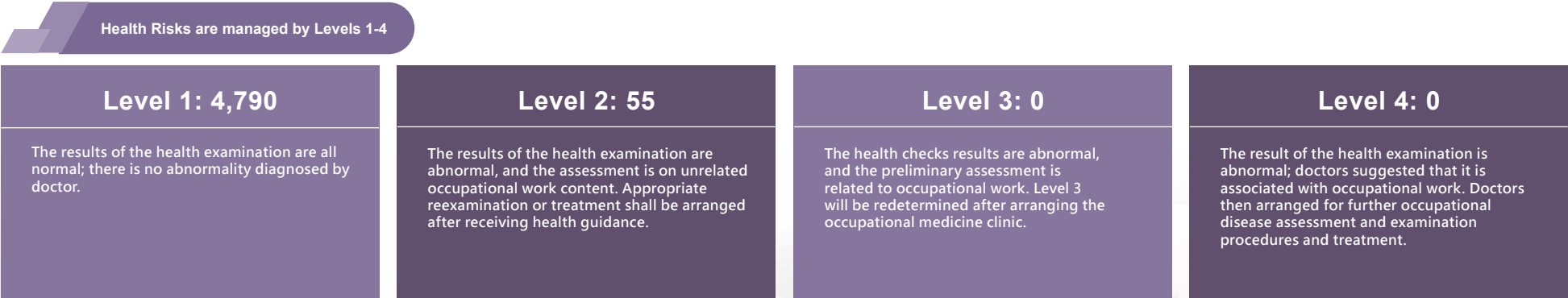
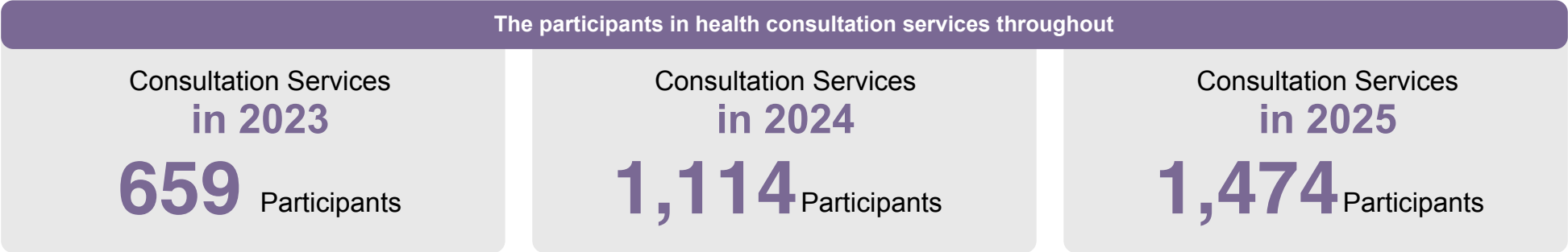
Health Care and Medical Care

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, and provide employees with comprehensive medical and health care services.

The categories, items, and number of participants for health examinations are shown in the table below:

Year	2023		2024		2025	
Item	Item Checked	Participants	Item Checked	Participants	Item Checked	Participants
General Health Check		4,680		4,684		4,845
Special health Check (dust)		246		290		436
Special health Check (noise)		3		93		114
Special health Check (ionizing radiation)	According to Labor Health Protection Regulations	-	According to Labor Health Protection Regulations	3	According to Labor Health Protection Regulations	4
Special health Check (n-Hexane)		-		62		63
Special health Check (nickel and its compounds)		-		3		2
Special health Check (isophorone diisocyanate)		-		2		1
Special Health Check (chromic acid and its salts, dichromic acid and its salts)		-		-		13
Special Health Check (mercury and its inorganic compounds)				-		13

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 three years are as shown in the table below:



● **Partnerships for Sustainable Healthcare**

There are **25** 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 to help employees receive proper care, relieve life stress, and maintain good doctor-patient relationships.

Pay Attention to Infectious Disease

The Company remains vigilant and responds with caution to outbreaks of seasonal influenza, such as H1N1, H3N2, and Influenza Type A or B and other communicable diseases, as they still carry the risk of a pandemic each year. 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 2025, a total of 376 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 controls risks at the source for machine hardware design and handling operations in production areas, and establishes correct safety awareness through human factors engineering safety education and training for employees at the facilities. 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, store it in the refrigerator, and take it home after work.

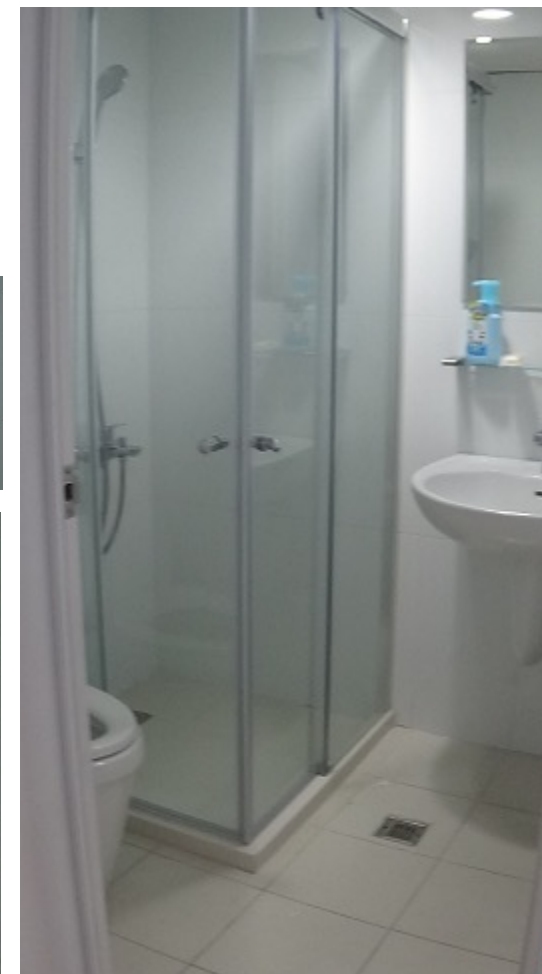
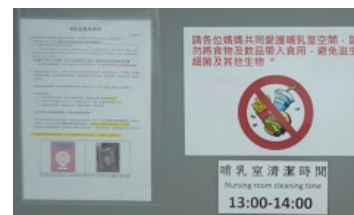
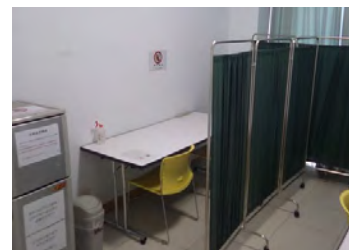
To prevent female employees from exposing maternal health hazards in the workplace, the health center in the company has established maternal health protection and management procedures. After a comprehensive evaluation by professional medical specialists, measures such as hierarchical management and 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.

Mental Health Counseling

In recent years, people in Taiwan have faced considerable physical and mental stress. To promote employees' mental health, the Company works with a professional psychotherapy clinic to provide individual psychological counseling resources each month, including sessions with psychological counselors. Topics include life difficulties, interpersonal relationship issues, emotional release, and other matters. Employees may participate voluntarily or be referred by Human Resources. Since the program was launched in May 2025, total participation has reached 60 participations.

If a psychological counselor assesses that further psychological intervention or risk reporting is required, the case will be reported urgently in accordance with the employee's wishes and professional ethics. If an employee takes unpaid leave for recuperation due to mental health factors, the Company provides timely care and arranges a video assessment with the occupational physician before the employee returns to the site. The Company also provides information on internal and other psychological counseling resources for reference.





08

Shared Prosperity with Society

- 8.1 Policy and Management System
- 8.2 External Associations Participation
- 8.3 Social Welfare Activities

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 System

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 providing the results 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

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 making 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, and reduce the generation of large amounts of waste which endanger the environment of the green earth.

Friendly Workplace

Aiming for all staff to fully comply with the principles to establish a safe and friendly workplace by adopting continuous educational training and cultivation programs as well as hiring a fair share of people with disabilities.

Caring for Employees

To improve labor rights, Largan complies with relevant laws and regulations, establishes internal measures such as work rules approved and recorded by the competent authority, sexual harassment prevention, and grievance procedures, and establishes management mechanisms to protect employees' rights and interests. Employee Suggestion Box is set up in every factory for the employees to express their opinions and suggestions, prevent the parties concerned from being treated unfairly, and maintain good labor-management relations.

Shared Prosperity with Society

We establish a foundation to implement the practice of CSR and keep communicating internally and externally, arrange regular education and training programs, build consensus among employees and abide by relevant corporate social responsibility norms, we also encourage employees to actively participate.

Integrity Management

Following the principles of honesty, transparency, and social responsibility when structuring corporate governance, Largan has established the "Anti-Corruption and Bribery," "Fair Trade" and "Integrity Management Code of Conduct and Whistleblowing System" to assist the Company in building up integrity management culture and a good governance system.

Full Participation

We encourage all staff to participate in workplace safety supervisory training, and conduct annual regional evacuation and disaster preventive drills for incidents such as fire and chemical leakage to reduce the impact when disastrous events happen.



8.2 External Associations Participation

- 1 Largan had joined domestic industry associations with the aim of effectively integrating industry strengths and keeping abreast of industry development trends. As a member of these associations, Largan actively participates in forums and seminars, maintains close interaction and exchanges with the industry, and works together to promote shared prosperity within the industry.
- 2 As a member of the Taiwan Association for Trade Secrets 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.

Taiwan Optics/Optronics Manufacturers' Association	Member	
Taichung City Precision Machinery Innovation Technology Park Manufacturers' Association	Member	
Taichung Industrial Park Manufacturer's Association	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

The Company upholds the spirit of ESG sustainable development, with “educational empowerment, talent cultivation, social care, and resource sustainability” as its core pillars. By integrating corporate resources and the strengths of academic institutions, public welfare organizations, and the general public, the Company promotes diverse public welfare programs and creates shared social values.

In terms of education and talent cultivation, the Company actively matches medical needs in eastern Taiwan with local student training resources, helping young people acquire professional skills and employability. At the same time, the Company connects resources across Taiwan's healthcare and long-term care industries to promote talent cultivation and career development. For economically disadvantaged senior high school and vocational school students, the Company provides academic counseling and career exploration opportunities to help them successfully transition to ideal universities that align with their interests and strengths. The Company also helps junior high school students understand their personal characteristics and future development directions through courses, camps, and career experience activities.

In terms of social care, the Company continues to provide supplies and funding to after-school tutoring units, child and youth placement institutions, and student clubs to improve learning environments and access to resources. The Company has also established an emergency relief mechanism for economically disadvantaged student families and volunteers, providing timely assistance when unexpected incidents or living difficulties arise. In addition, through work-study funding subsidies and the matching of professional volunteer service hours, the Company encourages more professionals to participate in public welfare services and expands its social impact.

In terms of environmental and resource sustainability, the Company actively seeks to reuse idle social resources, including the donation of equipment, teaching materials, and supplies, to reduce resource waste and lessen environmental burdens. At the same time, the Company assists after-school tutoring classes and student groups in upgrading teaching equipment and digital learning tools to improve learning outcomes and education quality.

In addition, Largan has deepened its collaboration with colleges and universities by promoting research projects, talent scholarships, industry-academia collaboration, and innovative hands-on projects. The Company also cultivates interdisciplinary integration and practical skills within the science and engineering education system, encouraging students to apply theory in practice and develop the talent needed by future industries. Through continuous investment and cross-sector collaboration, the Company fulfills its corporate social responsibility and promotes educational equity, sustainable talent development, and social co-prosperity.

The Company's main operating activities, employees' living areas, and local cooperation sites are located in Nantun District and Xitun District, Taichung City. The measures adopted for community risks or opportunities in operating areas and non-operating areas are as follows:

1 Continuously hosting campus seminars:

2023	2024	2025
Number of Campus Seminars 27 Number of Participants 2,108	Number of Campus Seminars 25 Number of Participants 2,034	Number of Campus Seminars 25 Number of Participants 1,648

2 2025 Donation Projects (Including Donations from the Largan Precision Foundation)

Largan Precision Co., Ltd.	NT\$33.00 million	Including donations for programs such as research project promotion with colleges and universities, talent scholarships, and industry-academia collaboration.
Largan Education Foundation	NT\$7.20 million	1. Matching medical needs in eastern Taiwan with opportunities for local students to acquire professional skills. 2. Providing supplies to after-school tutoring units, placement institutions, or student groups. 3. Helping economically disadvantaged senior high school and vocational school students transition to ideal universities that align with their interests, and helping junior high school students better understand themselves. 4. Providing emergency relief for economically disadvantaged student families and volunteers. 5. Seeking idle resources and reducing environmental harm. 6. Providing work-study funding and matching professional volunteer service hours. 7. Matching talent cultivation resources across Taiwan's healthcare and long-term care industries. 8. Cultivating interdisciplinary collaboration and hands-on capabilities within the science and engineering education system. 9. Upgrading equipment and learning methods for after-school tutoring classes or students.
Total	NT\$40.20 million	

3 Vocational Training and Job Matching in the Last Three Years

Year	Vocational Training and Job Matching
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 The Youth's Employment Ultimate Program: 61 people 4 Employment Explore Supporting Program for High School Graduates: 2 people Ministry of Education: 1 Ling Tung University of Industry-Academy Training: 3 people 2 National Chin-Yi University of Industry-Academy Training Program: 9 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: 1 Ling Tung University of Industry-Academy Training: 13 people 2 National Chin-Yi University of Industry-Academy Training Program: 11 people
2025	Workforce Development Agency, Ministry of Labor Taichung - Changhua - Nantou Regional Branch: 1 Job matching and vocational training class: 9 people 2 Self-Organized Production training class: 25 people Ministry of Education: 1 Ling Tung University of Industry-Academy Training: 11 people 2 National Chin-Yi University of Industry-Academy Training Program: 13 people



09 Appendix

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

Appendix 2: GRI Standards Comparison Table

Appendix 3: SASB Index SASB Index

Appendix 4: ESG Disclosure Topics - Optoelectronics Industry

Appendix 5: Climate-Related Disclosure

Appendix 6: Independent Assurance Statement

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

Sustainability Indicators	Unit	2024 Target	2024 Performance	2025 Target	2025 Performance
Operational Performance and Information Security					
Regularly announce and revise internal management documents to comply with the latest regulatory requirements, and pass the assurance of the ESG Sustainability Report.	Pass	Pass	Pass	Pass	Pass
No major cybersecurity incidents affecting the Company's operations occurred.	Case	0	0	0	0
Sustainable Supply Chain Management					
Conduct product precious metal source investigations with raw material suppliers, achieving 100% compliance with approved minerals.	%	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%
Conduct supplier audits and social environmental responsibility investigations with raw material suppliers, achieving 100% completion rate.	%	100%	100%	100%	100%
Digital Transformation and Innovation and R&D					
Ratio of R&D expenses to operating revenue.	%	≥5%	8.82%	≥5%	8.66%
Greenhouse Gas Emissions and Energy and Resource Management					
Electricity savings achieved	kWh	150	759.2	150	348.6
Reduction of greenhouse gas emissions	Tons/CO ₂ e	750	3,751	750	1,624.48
Proper waste disposal handled by licensed contractors (ratio)	%	100%	100%	100%	100%
Recycling rate across all plants in the Precision Machinery Park facilities audit (R2)	%	94%	96.5%	94%	96%
No violation of air pollution/waste/effluent discharge regulations	Case	0	0	0	0
Labor Relations and Diversity & Equality					
Total turnover rate	%	<13%	10.9%	<13%	10%
Retention rate for Taiwanese new employees (3 months' probation)	%	78%	81.5%	78%	84.7%
Workplace wrongful assault/bullying	Case	0	0	0	0

Statement of Use: Largan Precision Co., Ltd. has reported in compliance with GRI Guidelines

(Report Period: 2025/01/01~12/31)

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)				
The organization and its reporting practices	2-1 Organizational Details	2.1 Company Introduction	23	
	2-2 Entities included in the organization's sustainability reporting	0. Summary and Scope ♦ Coverage	04 04	
	2-3 Reporting period, frequency and contact point	0. Summary and Scope ♦ Report Period ♦ Publication Frequency and Contact	04 04 05	
	2-4 Restatements of information	0. Summary and Scope ♦ Changes of the Report	04 05	
	2-5 External assurance	0. Summary and Scope ♦ Accuracy of Published Information ♦ External Confirmations	05 05 05	
Activities and workers	2-6 Activities, value chain and other business relationships	3.1 Operational Performance and Challenges 3.3 Customer Relationship and Service	45 49	
	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:	7.2 Talent Cultivation The manpower structure distribution for the past two years	111 112	
	2-8 Workers who are not employees	7.2 Talent Cultivation Non-employee-related information	111 115	

	GRI Standards	ESG Corresponding Chapter	Page	Remark
Governance	2-9 Governance structure and composition	2.2 Corporate Governance 2.2.2 Board of Directors	25 26	
	2-10 Nomination and selection of the highest governance body	2.2 Corporate Governance ◆ Annual Shareholders Meeting ◆ Governance Structure ◆ Board of Directors	25 30 25 26	
	2-11 Chair of the highest governance body	2.2 Corporate Governance ◆ Governance Structure ◆ Board of Directors ◆ The Operation and Functioning Status of the Board of Directors	25 25 26 30	President: The Chairman
	2-12 Role of the highest governance body in overseeing the management of impacts a. Describe the role of the highest governance body and of senior executives in developing, approving, and updating the organization's purpose, value or mission statements, strategies, policies, and goals related to sustainable development. b. Describe the role of the highest governance body in overseeing the organization's due diligence and other processes to identify and manage the organization's impacts on the economy, environment, and people.	2.4 Integrity Management and Regulatory Compliance 2.4.1 Business Philosophy and Integrity 2.2 Corporate Governance ◆ Company Organizations ◆ Responsibilities and Functions	35 35 25 29	
	2-13 Delegation of responsibility for managing impacts a. Describe how the highest governance body delegates responsibility for managing the organization's impacts on the economy, environment, and people, b. Describe the 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 Organization and Functions of the Sustainable Development and Risk Management Committee 2.3 Risk Management 2.4 Integrity Management and Regulatory Compliance 2.2 Corporate Governance ◆ Company Organizations ◆ Responsibilities and Functions	07 34 35 25 29	
	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 Organization and Functions of the Sustainable Development and Risk Management Committee 2.4.2 Ethics and Regulatory Compliance ◆ The Operation and Functioning Status of the Board of Directors Plan the Company's future operations and sustainable development direction.	07 37	

GRI Standards		ESG Corresponding Chapter	Page	Remark
Governance	2-15 Conflicts of interest a. Describe the processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated; b. Report whether conflicts of interest are disclosed to stakeholders.	2.4 Integrity Management and Regulatory Compliance 2.4.1 Business Philosophy and Integrity ♦ Whistleblowing System	35 35 36	Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	2-16 Communication of critical concerns a. Describe whether and how critical concerns are communicated to the highest governance body;	2.2 Corporate Governance The authority of the Company's Board of Directors 1.1 Organization and Functions of the Sustainable Development and Risk Management Committee	25 29 07	
	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 Corporate Governance 2.2.2.2 The Operation and Functioning Status of the Board of Directors ♦ Education and Experience of the Board of Directors ♦ Diversified Experience	25 30 27 28	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.	2.2 Corporate Governance ♦ Operations of the Board of Directors 1.1 Organization and Functions of the Sustainable Development and Risk Management Committee	25 30 07	
	2-19 Remuneration policies	7.4 Salary and Welfare: offering competitive salary and welfare	118	Salary and Welfare Policy
	2-20 Process to determine remuneration a. Describe the process for designing its remuneration policies and for determining remuneration.	2.2.3 Compensation Committee	27	
	2-21 Annual total compensation ratio			Based on confidentiality, not disclosed at this time

	GRI Standards	ESG Corresponding Chapter	Page	Remark
Strategy, policies and practices	2-22 Statement on sustainable development strategy a. Report 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 -Sustainable Development	03 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 for a Friendly Workplace 7.5 Respect of Human Rights	109 122	Commitment to implementing eight Human Rights Policies
	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 Integrity Management and Regulatory Compliance	35	Policies, commitments, and management approaches for Material Topics in each chapter
	2-25 Processes to remediate negative impacts a. Describe the 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 Box	122 125 126	
	2-26 Mechanisms for seeking advice and raising concerns	1.2 Stakeholder Identification and Contact	10	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	37 37	
	2-28 Membership associations	8.2 External Associations Participation	140	
Stakeholder engagement	2-29 Approach to stakeholder engagement a. Describe its approach to engaging with stakeholders.	1.2 Stakeholder Identification and Contact 1.3 Communication Analysis of Material Topics of Stakeholder and Its Procedure	05 10	
	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	125 126	The ratio of employees not covered by collective bargaining agreements was 0%, and labor-management meetings were in place.

GRI Standards		ESG Corresponding Chapter	Page	Remark
Material Topics	♦ Guidance to determine material topics	1.1 Organization and Functions of the Sustainable Development and Risk Management Committee	07	Identify major stakeholders
	3-1 Process to determine material topics	1.2 Stakeholder Identification and Contact	09	
		1.3 Communication Analysis of Material Topics of Stakeholder and Its Procedure	10	
		1.3.1 The Analysis of the Internally and Externally Impact of Material Topics	13	
		1.4 Prioritization and Response of Identified Material Topics	15	
	3-2 a. List its material topics	1. Fulfillment of Sustainable Management	07	
	b. Report changes to the list of material topics compared to the previous reporting period	1.4 Prioritization and Response of Identified Material Topics	15	
		1.4.1 Risk Considerations and Implementation Measures for Material Topics	16	
	3-3 Management of material topics	♦ List management of 6 Material Topics	07	Appendix 2 is detailed in the table below
		1.3.1 The Analysis of the Internally and Externally Impact of Material Topics	13	
		1.4 Prioritization and Response of Identified Material Topics	15	

List management of 6 Material Topics					
NO	Standards	Key Points of GRI Standards	Corresponding Chapter with ESG	Page	Remark
1. Economic Performance	201	Topic management disclosures	3.1 Operational Performance and Challenges	45	
	201-1	Direct economic value generated and distributed	♦ Operational Performance Regarding Direct Economic Value of Production and Distribution in the Last 3 Years.	39	
2. Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.6 Information Security	41	
			3.4 Customer Privacy	51	
3. Labor Relations and Diversity & Equality	401	Topic management disclosures	7.1 Recruiting Policy and Commitment	109	
	401-1	New employee hires and employee turnover	7.2 Talent Cultivation	111	
	401-2	Benefits provided to fulltime employees that are not provided to temporary or part-time employees	7.4 Salary and Welfare	118	
			♦ Employee Welfare	119	
	401-3	Parental leave	♦ Employee Pension Scheme	119	
			7.4 Salary and Welfare	118	
			♦ Retain the Position without Pay	120	

NO	Standards	Key Points of GRI Stand-ards	Corresponding Chapter with ESG	Page	Remark
3. Labor Relations and Diversity & Equality	405	Topic management disclosures	7.5 Respect of Human Rights	122	
	405-1	Diversity of governance bodies and employees	2.2.2 Board of Directors ♦ Education and Experience of the Board of Directors	25	
	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	118	
4. Digital Transformation and Innovation and R&D	3-3	Management of material topics	4. Innovation Development	52	
5. Greenhouse Gas Emissions and Energy and Resource Management	305-1 Direct (Scope 1) GHG emissions 305-2 Energy indirect (Scope 2) GHG emissions 305-3 Other indirect (Scope 3) GHG emissions 305-4 GHG emissions intensity 302-1 Energy consumption within the organization		6.3 Low-Carbon Manufacturing	85	
6. Sustainable Supply Chain Management	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 Suppliers Management 5.3 Supplier Selection	61 64 66	
	414	Topic management disclosures	Implementation of Social Responsibility by Suppliers		
	414-1	New suppliers that were screened using social criteria	5.4 Ethical Sourcing 1. Non-Harmful Substances 2. Conflict-Free Mineral	70	

Appendix 3: SASB Index SASB Index

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

Topic	Code	Accounting Metrics	Category	Units of Measurement	Chapter
Product Security	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	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) technical employees and (d) all other employees	Quantitative	Percentage (%)	7.2 Talent Cultivation
Product Lifecycle Management	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, certified to an energy efficiency certification	Quantitative	Percentage (%)	No Information
	TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	Quantitative	Metric tonnes (t) Percentage (%)	6.6 Waste Management
Supply Chain Management	TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) highrisk facilities	Quantitative	Percentage (%)	No Information
Supply Chain Management	TC-HW-430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances	Quantitative	Ratio	No Information
Material Sourcing	TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	Discussion/Analysis	N/A	5.4 Ethical Sourcing
Activity Metric	TC-HW-000.A	Number of units produced by product category	Quantitative	Number	No Information
	TC-HW-000.B	Area of manufacturing facilities	Quantitative	Square Meter (m²)	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: 1,282,971.66 (GJ) Purchased Electricity Percentage: 98.99% Renewable Energy Utilization Rate: 1.01%	Billion Joules (GJ), Percentage (%)	
II	Total Water Withdrawal and Consumption	Quantitative	Total Water Withdrawal: 1,577.2 thousand cubic meters Total Water Consumption: 735.1 thousand cubic meters	Thousand Cubic Meters (1,000m³)	
III	Weight and Recycling Percentage of Hazardous Waste Generated	Quantitative	Weight: 1,371.65 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	Quantity, Percentage (%)	
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	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

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.72
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.85 6.4 Renewable Energy & Resource Conservation, P.88
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)
Scope 1	2024	1,629.2606
	2025	1,330.9960
Scope 2	2024	164,159.1321
	2025	278,141.8918
Scope 3	2024	-
	2025	70,396.4527
Intensity (tonnes CO ₂ e/ NT\$1 million)	2024	2.79
	2025	5.29

Note: The total emissions for 2024 were updated based on the electricity emission factor of 0.474 (kg CO₂e /kWh) announced by the Ministry of Economic Affairs in 2024.
 Note: The 2025 inventory was conducted with the parent company as the boundary.

1-1-2 GHG Assurance Information

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

The Company has not yet obtained any assurance results.

Note 1: Assurance providers must comply 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

Describe the greenhouse gas reduction baseline year and data, reduction targets, strategies, specific action plans, and the achievement status of reduction targets.

In accordance with regulations, the Company will disclose this information in 2027.

In accordance with the FSC's Sustainable Development Roadmap for TWSE/ TPEX Listed Companies, the parent company is expected to complete assurance (third-party verification) in 2028.

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

● Appendix 2: GRI Standards Comparison Table

● Appendix 3: SASB Index SASB Index

● Appendix 4: ESG Disclosure Topics - Optoelectronics Industry

● Appendix 5: Climate-Related Disclosure

● Appendix 6: Independent Assurance Statement

Appendix 6: Independent Assurance Statement

2025

獨立保證
意見聲明書

Sustainability Report

大立光電股份有限公司

查驗單位

亞瑞仕國際驗證股份有限公司

ARES International Certification Co., Ltd.

聲明書編號：000-697/V3-FS683

亞瑞仕國際驗證股份有限公司

ARES International Certification Co., Ltd.

獨立保證意見聲明書

聲明書編號：000-697/V3-FS683

亞瑞仕國際驗證股份有限公司鑑證大立光電股份有限公司

2025 年度 ESG 永續報告書之獨立保證意見聲明書

亞瑞仕國際驗證股份有限公司（以下簡稱亞瑞仕）與大立光電股份有限公司為相互獨立的組織，亞瑞仕除了針對企業 2025 年度永續報告書進行評估和鑑證外，與大立光電股份有限公司並無任何財務上的關係。

本獨立保證意見聲明書的目的，僅作為對下列有關大立光電股份有限公司之永續報告書所界定範圍內的相關事項進行保證之結論，而不作為其他之用途，除對鑑證事實提出獨立保證意見聲明書外，對於關於其他目的之使用，或閱讀此獨立保證意見聲明書的任何人士，亞瑞仕並不負有或承擔任何有關於法律或其他之責任。

本獨立保證意見聲明書基於大立光電股份有限公司提供予亞瑞仕之相關資訊鑑證所作成之結論，因此審查範圍乃基於當局在場提供的資訊內容之內，亞瑞仕認為這些資訊內容都是完整且準確的。

對於這份 ESG 永續報告書所載內容或相關事項之任何疑問，將全部由大立光電股份有限公司回覆。

保證範圍

大立光電股份有限公司與亞瑞仕協議的保證範圍包括：

1. 這份報告書內容及大立光電股份有限公司在 2025 年 1 月 1 日至 2025 年 12 月 31 日的所有營運績效。
2. 依照 AA1000 AS 保證標準（v3 版本）的第 1 應用類型評估大立光電股份有限公司遵循 AA1000 AP 實質性原則標準（2018）的真實性和程度，不包括對於報告書揭露的資訊與證據之可信賴程度。

本聲明書以中文作成並具有英文版本以供參考，若中、英文有所出入時，以中文版為準。

包容性

本報告反映了大立光電股份有限公司正在透過多元化的營運進行利害關係者的參與，如內部和外部的溝通機制以及利害關係者的活動，本報告涵蓋了大立光電股份有限公司相關利害關係者關注的議題，公正地報告與環境、社會和治理的資訊，以我們的專業意見而言，這份報告涵蓋了大立光電股份有限公司的包容性議題。

重大性

大立光電股份有限公司公佈永續性議題相關資訊使利害關係者得以對組織的管理與績效進行判斷，以我們的專業意見而言，這份報告適切地涵蓋了大立光電股份有限公司的重大性議題。

回應性

大立光電股份有限公司執行來自利害關係者的要求與看法之回應，實行方法包括客戶滿意度調查和更多的內部和外部利害關係者的溝通機制，以我們的專業意見而言，這份報告涵蓋了大立光電股份有限公司的回應性議題。

衝擊性

大立光電股份有限公司已對其影響之生態系統進行監測、衡量和減量之流程，以呼應此報告書內與管理系統與能力相關的議題內容，並致力於全面且平衡的揭露，如能源項目的申報、及碳減量的努力，以我們的專業意見而言，這份報告涵蓋了大立光電股份有限公司對衝擊性議題之處置。

GRI 永續性報導準則

大立光電股份有限公司提供有關符合 GRI 永續性報導準則的自我報告，基於審查的結果，我們確認報告中參照 GRI 永續性報導準則之相關指標已被完整揭露，部分揭露或省略，以我們的專業意見而言，此自我報告涵蓋了大立光電股份有限公司的永續性發展議題。

SASB 準則及 TCFD

大立光電股份有限公司提供有關符合 SASB 及 TCFD 的自我報告，基於審查的結果，我們確認報告中參照 SASB 準則，揭露對財務有重大性影響的永續面向指標，以及基於 TCFD 揭露氣候變遷的風險與機會，包含完整揭露或部分揭露或未揭露，以我們的專業意見而言，此自我報告涵蓋了大立光電股份有限公司的永續性發展議題。

亞瑞仕國際驗證股份有限公司

ARES International Certification Co., Ltd.

意見聲明

我們鑑證大立光電股份有限公司之永續報告書內容，對於大立光電股份有限公司的相關運作與績效提供了一個公平的觀點。我們相信有關 2025 年的經濟、社會及環境等績效指標是誠正無誤地展現，報告書所揭露的績效指標展現了大立光電股份有限公司對識別及滿足利害關係者期望的努力。

我們的鑑證工作是由一組具有依據 AA1000 AS 保證標準（v3 版本）鑑證能力之團隊執行，其規劃和執行部分的工作，以獲得必要的資訊數據及說明，我們認為大立光電股份有限公司所提供的足與證據，表明其依據 AA1000 AS 保證標準（v3 版本）的報告方法和他們的自我聲明符合全球報告倡議組織標準(GRI Standard)永續性報導準則相關公約。

鑑證方法

為了收集與作成結論有關的證據，我們執行了以下工作：

- 對來自外部團體的證據相關於 ESG 政策，進行高階管理層的審查，以確認本報告中聲明書的合致性。
- 與大立光電股份有限公司管理層討論有關利害關係者參與的方式，然而，我們並無直接接觸外部利害關係者。
- 訪談與永續管理、報告書編制及資訊提供有關的員工。
- 審查有關組織的解釋性發展。
- 審查有關財務和財務報告的系統的範圍和成熟度。
- 審查報告中所作報告的支持性證據。
- 針對組織永續報告書及其相關 AA1000 AP 實質性原則（2018）中描述有關包容性、重大性、回應性和衝擊性原則的流程管理進行審查。

結論

針對包容性、重大性、回應性及衝擊性之 AA1000 AP 實質性原則，與全球報告倡議組織(GRI)永續性報導準則、永續會計委員會(SASB)準則及氣候相關財務揭露(TCFD)之詳細審查結果如下：

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保證等級

依據 AA1000 AS 保證標準（v3 版本）我們鑑證本聲明書為中度保證等級，如同本聲明書中所描述的範圍與方法。

責任

這份永續報告所屬責任，如同意見聲明書中所宣稱，為大立光電股份有限公司負責人所有，我們的責任為基於所描述的範圍與方法，提供專業意見並提供利害關係者一個獨立的保證意見聲明書。

能力與獨立性

亞瑞仕為各管理系統領域的專家組成，本鑑證團隊係由員專業背景，且接受過如 AA1000AS、AA1000AP、ISO 14001、ISO 14061-1、ISO 14067、ISO 45001 及 ISO 9001 之一系列永續發展、環境及社會等管理標準的訓練，具有專業執照資格之成員組成，本保證係依據亞瑞仕公平交易準則執行。

基於保證團隊之鑑證行為，並由

亞瑞仕國際驗證股份有限公司（中華民國、台灣）於 2026 年 08 月 07 日簽發執行

簽證

主筆鑑證員

執行長

AA1000
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