

UBright Optronics Corp. 2024 Sustainability Report

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About This Report

This document constitutes the inaugural Sustainability Report of UBright Optronics Corp. (hereinafter referred to as “UBright” or “the Company”). It is prepared with the objective of systematically disclosing the Company’s core management approaches and annual performance across the three pillars of Environmental Protection, Social Responsibility, and Corporate Governance (ESG). The report highlights the Company’s sustainability initiatives and outcomes for the year 2024, and integrates strategic planning and risk mitigation efforts to demonstrate our ongoing commitment to sustainable development.

UBright recognizes that corporate value is derived not only from operational performance but also from the trust and engagement fostered with stakeholders. In response to stakeholder expectations and to enhance transparency in information disclosure, the Company has proactively outlined its sustainability policies, implementation strategies, and progress in this report. This publication serves as a foundation for deepening stakeholder dialogue and refining internal management practices, and represents a significant milestone in our pursuit of responsible corporate citizenship.

Editing Principles and Frameworks Followed

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Universal Standards 2021, and with reference to the Taiwan Stock Exchange Guidelines for the Preparation and Submission of Sustainability Reports by OTC Companies, the United Nations Sustainable Development Goals (SDGs), and the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. A GRI Content Index is provided in the appendix of this report for stakeholder reference.

Scope and Boundaries of the Report

This Sustainability Report encompasses data and disclosures for the period from January 1 to December 31, 2024. It addresses material topics raised through stakeholder engagement and outlines the Company’s performance in corporate governance, environmental sustainability, and social responsibility. UBright serves as the reporting entity. Where operational activities extend beyond the reporting period, relevant information is separately noted within the report.

All financial figures are presented in New Taiwan Dollars (NTD), calculated using internationally recognized methodologies and rounded to the nearest unit.

During 2024, UBright did not experience any significant changes in scale, organizational structure, ownership, or supply chain. As this is the Company’s first Sustainability Report, no restatements of previously disclosed information are applicable.

Information Quality of the Report

This report is coordinated and compiled by the ESG Promotion Task Force. The content, including relevant data and information, is provided by the respective business units, which are also responsible for conducting preliminary reviews and confirmations. The Office of the President oversees the internal audit of the overall content to ensure the accuracy and reliability of the information. The draft of the Sustainability Report is initially reviewed by the Office of the President and approved by the President before being submitted to the Board of Directors for review. Upon resolution and confirmation by the Board, the report is officially released to the public.

Release Date

An ESG Sustainability Report is published annually. The full electronic version of the report is available for download on the UBright Optronics Corp. official website.

Current publication date: August 2025.

Next publication date: August 2026.

Contact Information

If you have any suggestions or inquiries regarding this report, please feel free to contact us.

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Message from the Chairman

UBright Optronics Corp., established in late December 2003, is a subsidiary of Shinkong Synthetic Fibers Corporation through strategic investment. The company specializes in thin-film materials for display applications. We are committed to becoming a global leader in optical film solutions by driving technological innovation and sustainable development. Our goal is to deliver high-quality, high-performance products while maintaining a competitive edge in the global market. At the same time, we uphold our corporate social responsibility and environmental stewardship, striving for long-term growth through harmony between business development and ecological sustainability.

Our lean and agile management team, composed of domestic and international professionals, actively expands our business footprint and continuously enhances our proprietary core technologies. Rather than merely processing films, we focus on functionalizing base film substrates. By integrating materials science with advanced film processing techniques, we develop novel materials tailored to customer needs.

Guided by the principles of Innovation, Quality, and Sustainability, we concentrate on R&D and product innovation to meet market demands with superior products and services. We embed social responsibility and environmental protection into our core operations, aiming to reduce our environmental footprint, enhance social value, and create shared success for employees, customers, and communities.

Strategic Focus Areas of UBright:

1. Technological Innovation and R&D

Increase R&D investment to continuously improve existing products and develop new technologies, ensuring our leadership in the optical film sector.

2. Market Expansion

Expand into international markets, deepen collaboration with global clients, and enhance brand influence and market share.

3. Sustainable Development

Adopt eco-friendly materials and processes in production, reduce carbon emissions, promote green manufacturing, and actively support global environmental initiatives.

4. Corporate Governance

Strengthen internal management, enhance governance standards, ensure operational transparency and regulatory compliance, and establish a robust risk management framework.

Key ESG Achievements in the Past Year:

1. Corporate Governance

Engaged external consultants to optimize internal controls and compliance procedures, improved information transparency, and regularly published sustainability reports.

2. Social Responsibility

Promoted diversity and inclusion policies, increasing the representation of women and underrepresented groups within the company.

3. Environmental Protection

Upgraded production equipment, implemented energy-saving and emission-reduction technologies, reduced factory carbon emissions, increased the use of eco-friendly materials, and adopted product lifecycle management to minimize environmental impact.

Looking Ahead

UBright Optronics Corp. will continue to uphold the philosophy of sustainable development, advancing technological innovation and market expansion while deepening our commitment to corporate governance and social responsibility.

Sustainability Governance and Promotion Framework

To systematically advance corporate sustainability efforts, the General Manager's Office serves as the dedicated unit for sustainability promotion. It is responsible for the planning, execution, and cross-departmental coordination of sustainability policies, integrating ESG-related responsibilities across business units to ensure alignment between sustainability initiatives and operational strategies. Implementation progress is regularly disclosed on the company's website to enhance information transparency.

Beginning in 2024, the company further appointed the Head of Governance and senior executives from various departments to form a Sustainability Promotion Task Force. This group formally initiated the preparation of the ESG Report and drives cross-functional collaboration to identify and address key sustainability issues, thereby strengthening the effectiveness of sustainability management.

To fulfill the Board of Directors' oversight responsibilities, the company conducts annual presentations on sustainability topics during board meetings. On November 5, 2024, the company completed its first climate-related risk assessment and progress report, covering the drafting process of the ESG report and related outcomes. In addition, the Board regularly reviews consolidated reports on corporate governance, business operations, and sustainability development, incorporating directors' professional insights to guide strategic direction and decision-making. These efforts support the company's commitment to responsible governance and long-term value creation.

Stakeholder Identification and Communication Channels

In alignment with the principles of the AA1000 Stakeholder Engagement Standard (AA1000 SES), the Company has identified five key stakeholder groups—shareholders, employees, customers, suppliers, and government agencies—as the core targets for sustainability communication and disclosure. Through a systematic analytical process, we assess the issues of concern for each stakeholder category and integrate their potential impact on the Company's sustainable operations. These insights serve as the foundation for planning report content and determining the scope of information disclosure.

The Company places great importance on effective communication with stakeholders and continuously strengthens diverse dialogue channels. We proactively disclose tangible outcomes in corporate governance, environmental protection, and social engagement through sustainability performance indicators, annual reports, financial statements, and public information. Our goal is to build trusted partnerships, foster consensus, and advance toward our sustainability development objectives.

Stakeholder	Significance to UBright	Key Issues of Concern	Communication Frequency
Customers	Customers are the starting point of our innovation and value realization. By understanding customer needs	● Service quality ● Product quality ● Product innovation	➤ Satisfaction survey, once a year ➤ Feedback mechanism, irregular

	and responding to market dynamics, we continuously optimize products and services to build long-term trust.	● Regulatory compliance	➤ Regular/irregular business meetings ➤ Customer complaint tracking, irregular
Shareholders	Shareholder support is the cornerstone of our stable development. We value the expectations behind every investment and are committed to enhancing governance transparency and operational performance to fulfill both corporate value and sustainability vision.	● Financial performance ● Corporate governance	➤ Annual general meeting/once a year ➤ Investor Conference /irregular every year
Employees	Employees are a vital force driving the Company forward. We believe that a workplace offering safety and belonging enables every colleague to contribute confidently and grow together with the Company.	● Compensation and benefits ● Training and development ● Occupational health and safety ● Labor relations	➤ Internal employee information platform/ real-time updates ➤ Labor-management meetings/ quarterly ➤ Management Committee Meeting/Quarterly ➤ Welfare Committee/Irregular ◎All meetings held quarterly, with additional sessions as needed
Suppliers	Suppliers are key partners in delivering product quality and fulfilling our sustainability commitments. We aim to build mutual trust and shared success, jointly addressing challenges and creating a positive industrial value chain.	● Supplier management ● Product quality	➤ Supplier evaluation/once a year ➤ Supplier meetings/irregular ➤ Two-way communication with suppliers via phone, email/irregularly
Government Agencies	Government policies and regulations have a direct impact on business operations and corporate social responsibility. We actively monitor regulatory developments and ensure compliance to uphold our commitments to legal integrity and sustainable development.	● Regulatory compliance ● Occupational health and safety ● Risk management ● Labor relations	➤ Official correspondence / irregular ➤ Telephone communication / irregular ➤ Face-to-face visits / irregular ➤ Legal regulations/regular review every quarter and irregular updates based on regulatory adjustments ➤ Government briefings / irregular

Stakeholder contact window :

Stakeholders	Contact Window
shareholders	yyr@ubright.com.tw
Employees	peter@ubright.com.tw
Customers	ubservice@ ubright.com.tw
Suppliers	ubservice@ ubright.com.tw
Government Agencies	yyr@ubright.com.tw

Material Topic Identification and Management

UBright Optronics Corp. regards corporate sustainability as a key driver of sound business operations and long-term value creation. The Company firmly believes that only through effective communication and proactive engagement with stakeholders can it chart a path toward a sustainable future. In alignment with the Global Reporting Initiative (GRI Standards) and the AA1000 Stakeholder Engagement Standard (AA1000SES), UBright has established a systematic framework for stakeholder dialogue and material topic identification, serving as the foundation for its sustainability management and information disclosure.

Through regular collection of feedback from key stakeholders—including employees, customers, suppliers, shareholders, and government agencies—the Company integrates insights from social trends and industry developments to identify issues with significant impact on sustainable operations. Based on these findings, UBright formulates management objectives and action plans, implements targeted improvement measures, and strengthens external communication and accountability.

❖ Stakeholder Identification

This report identifies key stakeholders in accordance with the five core principles of the AA1000 Stakeholder Engagement Standard (SES): Dependency, Responsibility, Influence, Tension, and Diverse Perspectives. Based on these principles, five primary stakeholder groups have been identified: shareholders, employees, customers, suppliers, and government agencies.

❖ Collection of Sustainability Issues

In accordance with the GRI Standards, the United Nations Sustainable Development Goals (SDGs), the organization's internal development objectives, and industry-specific concerns, potential internal and external factors that may impact the company's sustainable operations are identified. A questionnaire is then distributed to internal experts to gather feedback, facilitating reflection on stakeholder concerns as well as the company's potential impacts and benefits. The results are consolidated to determine the sustainability issues of greatest relevance to stakeholders.

❖ Operational Impact Analysis

The ESG Sustainability Report Task Force consolidates the sustainability topics of concern to various stakeholders into a "Sustainability Issue Impact Assessment Table." This table comprises 20 sustainability issues, each of which is analyzed by external consultants and subject-matter experts

based on its potential positive or negative impacts—actual or potential—on the environment, economy, and society (including human rights).

Department heads are required to first review and understand the impact analysis of each issue. They then assess both the positive and negative impacts of each issue by evaluating its degree of impact and likelihood of occurrence, assigning a corresponding rating.

For each material issue, the total score is derived by summing the scores of both positive and negative impacts. These impact scores are calculated by multiplying the degree of impact by the likelihood of occurrence for each respective impact.

❖ **Determination of Material Topics**

The final prioritization of material topics was based on the degree of impact, following a structured evaluation process. After thorough review and confirmation by all members of the ESG Implementation Task Force and senior management, six material topics were identified for the 2024 reporting year. UBright has designated these six topics as the core material issues for this report and for stakeholder engagement. For each topic, the Company discloses its management approach, annual performance, and specific actions taken, thereby addressing the needs and expectations of its stakeholders.

Correspondence to Material Topics

Material Topics	Significance to the Company	Impact Boundary Across the Value Chain ● Direct Impact ◎ Indirect Impact			Corresponding SDG Goals	Corresponding GRI Topic Standards
		Upstream	UBright	Downstream		
Compensation and Benefits	The Company places strong emphasis on prudent operations and integrity in compliance with laws and regulations. All business planning and resource allocation are conducted in accordance with applicable governmental regulations and internal policies, ensuring that operational outcomes meet both legal requirements and stakeholder expectations.		●		8	GRI 201: Economic Performance
Research and Innovation	The Company's research and development capabilities serve as a cornerstone of its competitive advantage and market expansion strategy. Through continuous investment in emerging technologies and customized solutions, we enhance	●	●	◎	9	Customized Material Topics

	product differentiation and quality optimization, thereby fostering long-term partnerships with our clients.					
Compensation and Benefits	Employees are vital partners in the Company's pursuit of sustainable development. We are committed to offering market-competitive compensation structures and a diverse range of benefit programs, fostering a respectful and supportive workplace culture that enhances employee engagement and retention.		•		5、8、10	GRI 401: Employment
Product Quality	Product quality is fundamental to maintaining customer trust and brand reputation. As part of our customized material topics, the Company has implemented a Total Quality Management (TQM) system and adopted rigorous manufacturing and testing procedures to ensure that all delivered products meet market standards and exceed customer expectations.	•	•	◎	12	Customized Material Topics
Occupational Health and Safety	To safeguard employee health and ensure operational stability, the Company has established a comprehensive occupational safety and health management system. Through the promotion of a workplace safety culture, we are committed to minimizing work-related risks and occupational injuries, thereby creating a safe and healthy working environment.		•		3	GRI 403: Occupational Health and Safety
Energy and Carbon Emissions	The Company is committed to enhancing energy efficiency and reducing its carbon footprint. Through systematic data inventory, energy management practices, and the adoption of energy-saving technologies, we strengthen our resilience to climate-related risks and progressively transition toward low-		•	◎	7、12、13	GRI 302 & GRI 305: Energy and Emissions

	carbon operations. These efforts reflect our dedication to environmental protection and alignment with international sustainability goals.					
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1. Corporate Governance

1.1 Company Overview

Since its establishment in 2003, UBright Optronics Corp. has inherited the foundational expertise of its parent company, Shinkong Synthetic Fibers, in the field of materials science. The company is dedicated to enhancing the functionality and expanding the applications of film materials. Unlike traditional processing models, UBright integrates material science with optical design technologies to elevate the value of substrates and broaden the potential uses of films across optoelectronic and other industrial sectors.

UBright continues to invest in technological advancement and product development, progressively strengthening the performance and process stability of its optical films. In response to evolving industry trends, the company adjusts its strategic direction while pursuing operational growth. At the same time, it remains committed to the long-term sustainability of its product applications and overall corporate development.

Looking ahead, UBright will maintain steady operations, deepen its technological capabilities, and foster collaborative partnerships with clients to meet market demands and evolve into a resilient industry player.

Products and Services

UBright specializes in the development and manufacturing of optical film-related products. Its core offerings span the following areas:

- **Brightness Enhancement Films** : Utilized in backlight modules for various types of displays, these films improve brightness and mitigate uneven illumination. Advanced models support display lightweighting and energy efficiency, enhancing overall performance and user experience.
- **Process Protection Films, Optical Transparent Adhesives, and Hard Coating Films** : Applied in consumer electronics, notebook computers, automotive displays, and medical display equipment, these products help improve yield rates in downstream processes and enhance optical performance.
- **Optical Film Processing and Coating Services** : Services include functional coatings such as anti-glare, hardness enhancement, UV resistance, brightness enhancement, and shrinkage resistance. Customized process protection films are also available (e.g., anti-static, OCA optical adhesives, specific peel strength), supporting diverse product requirements and process optimization for clients.

Product Features and Competitive Advantages

UBright Optronics Corp. possesses robust R&D capabilities and extensive industry experience. Its management and development teams have long specialized in microstructure design, precision coating, and TFT-LCD technologies, enabling effective alignment between customer requirements and product quality management. This synergy enhances the overall efficiency of customer service integration.

The company maintains a comprehensive portfolio of optical products, with all processing capabilities developed and manufactured in-house. A rigorous quality control system is implemented across all stages—from development and production to delivery and after-sales service—ensuring product consistency and reliability.

In addition, UBright independently designs and maintains its own process equipment, achieving full control over equipment design and upkeep. This not only improves yield rates and production efficiency but also

allows for flexible process adjustments and customized development, strengthening the company's responsiveness to rapid market changes.

UBright continues to invest in patent deployment and process optimization, developing a diversified range of brightness enhancement films. Through a real-time service mechanism, the company steadily expands its customer base. In response to evolving client needs, UBright actively participates in the introduction and design phases of new product models, offering front-end technical support to establish long-term partnerships and reinforce its competitive position in the optical film market.

Target Markets and End Users

UBright's products are widely applied across consumer electronics, automotive electronics, and medical display sectors. End users include numerous international brand-name companies. Key customer groups comprise: Panel manufacturers, Backlight module producers, Touch panel and polarizer supply chain partners, Tier-1 automotive electronics system integrators, and Medical device assembly firms.

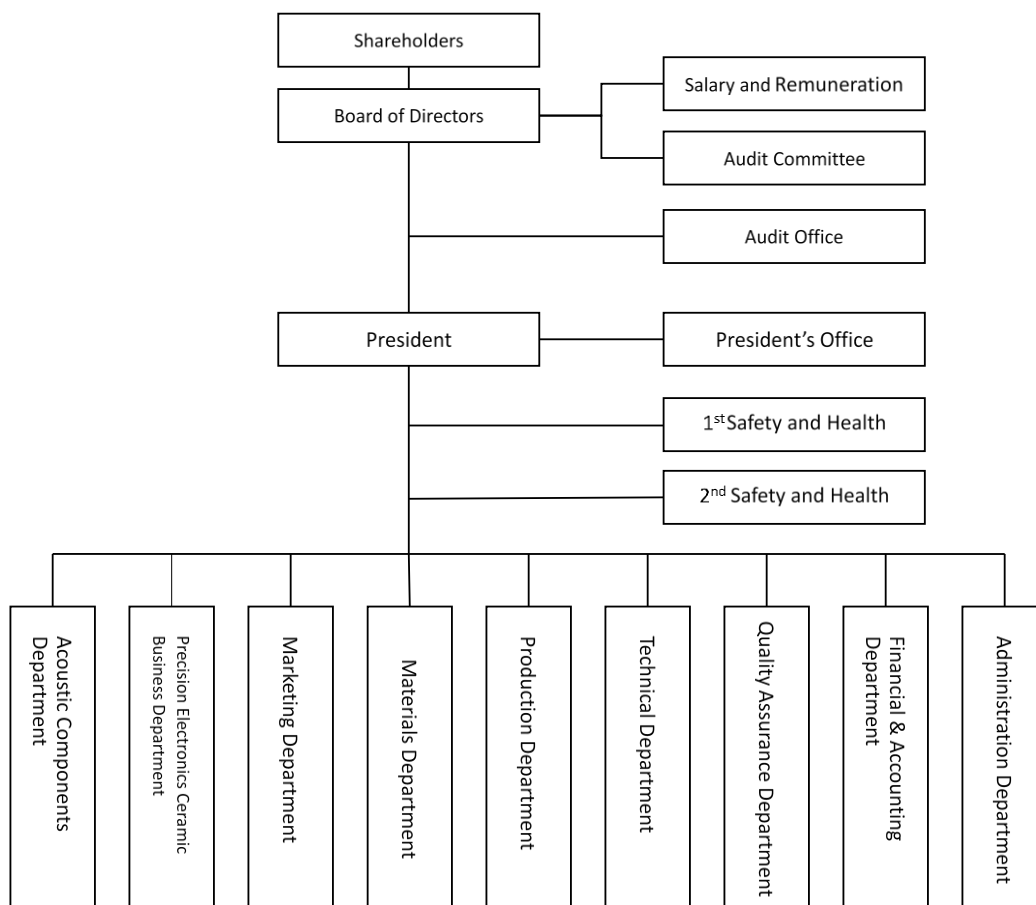
Basic Corporate Information

Company Name	UBright Optronics Corp.
Date of Establishment	December 31, 2003
Registered Addresses	● Taoyuan Plant: No. 80 & 80-1, Xinguang East Road, Daxi District, Taoyuan City, Taiwan ● Zhunan Plant: No. 58, Keyan Road, Zhunan Township, Miaoli County, Taiwan
Chairman	Wu, Hsin-Chieh
General Manager	Hsin, Lung-Pin
Paid-in Capital (2024)	NT\$818,536,750
Number of Employees (2024)	585
Core Products and Services	Imprinting and Molding Technologies (Brightness Enhancement Films/ Composite Films) Precision Coating Services (Highlight Films/ Polarizer Protection Films/ TAC Anti-Glare Films/ Curved Surface Protection Films for 3D Displays/ Anti-Static Protection Films/ Panel Shipment Protection Films/ PET Hard Coating Films/ Ink-Based Process Protection Films/ Anti-Glare Films/ Nano-Ceramic Heat-Insulating Films)
Operating Revenue (2024)	NT\$2,936,777 thousand
Operational Sites	Taoyuan Plant/ Zhunan Plant/ Suzhou UBright Optronics Corp.

Organizational Chart

Organizational Structure Chart of UBright Optronics Corp.

Revision Date: April 14, 2025



Departmental Roles and Responsibilities

Department	Duties in charge
Audit Office	Internal control and establishment & implementation of the audit system. Plan and assist in the buildup and execution of the internal control self-evaluation processing of each department in the company. Provide suggestions and improvement report in terms of each department's control and process. Carry out and comply with the statutory regulations and executive orders of the competent authorities.
President's Office	Formulation of important rules, regulations and systems, planning of operation strategies and implementation of project plans. Plan and assist in the buildup and execution of the operation processing of each department in the company.

Department	Duties in charge
Marketing Department	Market development and product sale. A variety of customer consultations and services.
Production Department	Product manufacture and production management. Production and marketing processing planning and coordination.
Technical Department	Design, research and development of optical products, optical product structure and mold preparation technology. Maintenance of intellectual property rights. Development and import of new materials. Promotion of product technology.
Precision Electronics Ceramic Business Department	Production and Development of Precision Electronic Ceramic Components. Development of Electronic Ceramic Materials. Development of Passive Component Materials. Production and Development of Protective Components.
Administration Department	Formulation, execution and supervision of human resources and plant affairs management policies. Planning and implementation of such businesses as the company's information processing, etc.
Financial & Accounting Department	Formulation, execution and supervision of financial and accounting policies. Statistical analysis of product cost.
Materials Department	Raw material procurement and contract management and supervision for engineering projects. Management and supervision of warehouse and logistics operations.
Quality Assurance Department	Quality inspection and control. Maintenance of the quality management system. Supplier quality management. Customer quality management.
1 st and 2 nd Safety and Health Sections	Formulation, execution and supervision of the industrial safety and environment protection policies. Execution effectiveness and surveillance of the plans related to the environment, labor safety and health of the company. Management of fire safety and labor safety & health training. Provision of safety & health related acts and information.

Company History

- December 2003: The establishment of UBright Optronics Corp. was approved with a paid-up capital of NT\$ one hundred and twenty million.
- December 2005: The capital was increased in cash in the amount of NT\$ one hundred and twenty million and the paid up capital after increase amounted to NT\$ two hundred and forty million.
- March 2006: The construction of Taoyaun Plant, Taiwan started.
- December 2006: The capital was increased in cash in the amount of NT\$ forty million and the paid-up capital after increase amounted to NT\$ two hundred and eighty million.

March 2007:	The construction of Taoyuan Plant, Taiwan was completed.
November 2009:	The US patent of US7618164B2 was obtained.
December 2009:	The 2 nd -stage expansion construction of Taoyuan Plant, Taiwan started.
January 2010:	The public offering of shares was approved.
April 2010:	The “Suzhou Representative Office of UBright Optronics Corp., Taiwan” was founded.
May 2010:	Registered as an emerging stock in the OTC Center.
May 2010:	The 2 nd -stage construction of Taoyuan Plant, Taiwan was completed.
May 2010:	The US patent of US7712944B2 was obtained.
October 2010:	The capital was increased in cash in the amount of NT\$ forty-nine million and five hundred thousand and the paid-up capital after increase amounted to NT\$ four hundred thirty-nine million and seven hundred thousand.
November 2010:	The 3 rd -stage expansion construction of Taoyuan Plant, Taiwan started.
June 2011:	The 3 rd -stage construction of Taoyuan Plant, Taiwan was completed.
July 2011:	The stock was listed on the OTC.
August 2012:	Surplus capital increase of NT\$ one hundred and twenty million, fifty thousand was carried out and the paid-up capital after capital increase amounted NT\$ six hundred and four million, three hundred and seventy thousand.
January 2013:	The convertible corporate bond was issued in the amount of NT\$ 1 billion.
February 2013:	Won the 1 st Taiwan Mittelstand Award, granted by the Ministry of Economic Affairs.
June 2013:	The 4 th -stage construction of Taoyuan Plant, Taiwan started.
September 2013:	Passed the certification of Corporate Governance System CG6008 General Assessment.
March 2014:	The 4 th -stage construction of Taoyuan Plant, Taiwan was completed.
April 2016:	The convertible corporate bond was removed from the OTC.
August 2016:	The subsidiary of Hsin Chen Materials Corp. was founded.
November 2019:	The liquidation of the subsidiary of Hsin Chen Materials Corp. was completed.
December 2019:	The HK subsidiary of RISE CONCEPT ENTERPRISES LIMITED was established.
March 2020:	The Zhunan Branch was established.
November 2020:	The sub-subsidiary company of New UBright Optronics Corp. was established in Suzhou, China.

Business Philosophy

Maintaining the status quo means falling behind; research and development lead to progress!

We work closely with customers to understand problems and explore possibilities, then leverage our scientific and manufacturing capabilities to deliver answers.

Financial Performance

The Company has continued to demonstrate steady and robust growth in its operational performance. This momentum is primarily driven by sustained high demand in the automotive application market, which has significantly boosted shipment volumes of related products. Concurrently, the notebook computer market has shown signs of recovery, with stabilized pull-in demand from end-brand customers contributing to an overall increase in sales volume.

As shipment scale expanded and capacity utilization improved, both gross profit margin and total gross profit increased compared to the previous fiscal year.

In fiscal year 2024, the Company did not receive any government subsidies nor did it participate in any related subsidy programs.

Financial performance in the past two years

(Unit: NT\$1,000)

Category	Subcategory	2023	2024
Direct Economic Value Generated	Operating Revenue	2,598,097	3,172,071
Economic Value Distributed	Operating Costs	2,204,194	2,475,267
	Employee Wages and Benefits	478,656	567,875
	Payments to Providers of Capital	233,918	242,975
	Payments to Government	30,447	73,646
	Community Investments	0	0
Economic Value Retained		129,538	380,183

※Payments to Providers of Capital by Fiscal Year (Based on Independent Auditors' Report)

Participation in Industry Associations

UBright places strong emphasis on industry engagement and policy participation. The Company actively joins relevant trade and professional associations to stay abreast of market trends and regulatory developments through regular meetings. These platforms also enable collaboration with industry peers to promote technological advancement and sustainable development.

Organization	Role
Taoyuan Enterprise Chamber	Member
Taiwan Panel & Solution Association	Member

1.2 Board of Directors

The Company firmly believes that sound corporate governance is the cornerstone of stable operations and sustainable development. The Board of Directors serves as the highest decision-making and supervisory body for corporate governance, and also acts as the top management unit for sustainability-related matters. It is responsible for reviewing major business strategies, financial plans, and the progress of sustainability goals to ensure alignment between the Company's operations and stakeholder expectations.

The Board currently comprises nine members, including six directors and three independent directors, with independent directors accounting for 33% of the total. To enhance the Board's functionality and decision-making quality, UBright continuously refines its governance framework, emphasizing both diversity and professionalism. In addition to possessing industry knowledge, management experience, and professional competence, the current directors represent diverse backgrounds in terms of gender, age, and areas of expertise. Among them, one is female, representing 11% of the Board.

To meet the Company's strategic development and risk oversight needs, the directors' professional backgrounds span corporate management, finance and accounting, law, environmental sustainability, and technology management. This diversity fosters complementary perspectives and a holistic governance approach, contributing to improved Board effectiveness and decision-making quality. In 2024, the Board convened four meetings, with an overall attendance rate (including proxy attendance) of 100%. Relevant attendance information has been disclosed in the annual report and on the Market Observation Post System (MOPS) in accordance with regulatory requirements, for stakeholder reference.

Director election

To ensure the independence and professionalism of Board operations, the Company has established clear procedures for the appointment of directors and independent directors. A candidate nomination system has been adopted and incorporated into the Articles of Incorporation, whereby all nominations are subject to election by the shareholders in accordance with applicable laws. Upon completion of the election, the directors elect a Chairperson from among themselves to strengthen internal decision-making mechanisms and clarify the division of responsibilities.

The Company has also established a Corporate Governance Code, which serves as the basis for the operation of the Board of Directors and corporate governance practices. This Code aims to enhance the diversity and functional structure of the Board and prevent potential conflicts of interest. Through institutionalized governance arrangements, we further ensure transparent decision-making, strengthen oversight mechanisms, and solidify the foundation for the Company's long-term, stable operations.

Board Diversity

Title	Name	Gender	Age	Experience	Term of Office	Legal Representative	Board Diversity and Core Competencies						
							Management	Leadership & Decisionmaking	Industry Knowledge	Financial & Accounting Expertise	International Perspective	Legal Expertise	Environmental Protection Awareness
							✓	✓	✓	✓	✓		
							✓	✓	✓	✓	✓	✓	
							✓	✓	✓		✓		
							✓	✓	✓	✓	✓		
							✓	✓	✓	✓	✓	✓	✓
Chairman	WU, HSIN-CHIEH	Male	41-50	Department of Economics, Columbia University, USA	2023/07/31-2025/06/05	Shinkong Synthetic Fibers Corporation							
Director	WU, TUNG SHENG	Male	71-80	Doctor of Law, Harvard University	2022/06/06-2025/06/05	Shinkong Synthetic Fibers Corporation						✓	
Director	SHIH, HUO-CHAO	Male	71-80	Department of International Trade, Feng Chia University	2022/06/06-2025/06/05	Shinkong Synthetic Fibers Corporation							
Director	HSIAO, CHIH-LUNG	Male	51-60	Master of Institute of International Finance, National Taipei University	2022/06/06-2025/06/05	Shinkong Synthetic Fibers Corporation							
Director	LIN, JEN-PO	Male	71-80	Department of Food and Nutrition, Chinese Culture Institute	2022/06/06-2025/06/05	-		✓			✓		
Director	CHIN, YU-YING	Female	51-60	Ph. D. of Business Management Institute of Shanghai University of Finance and Economics	2022/06/06-2025/06/05	-		✓			✓	✓	

Board Diversity and Core Competencies	Environmental Protection Awareness	✓		
	Legal Expertise			
	International Perspective	✓	✓	✓
	Financial & Accounting Expertise			✓
	Industry Knowledge	✓		
	Leadership & Decisionmaking	✓	✓	✓
	Management		✓	✓
Legal Representative	-	-	-	
Term of Office	2022/06/06-2025/06/05	2022/06/06-2025/06/05	2022/06/06-2025/06/05	
Experience	Ph.D. of Institute of Engineering and Applied Sciences of Yale University	Ph.D. King's College, University of London	Department of Accounting, Chinese Culture University	
Age	71-80	51-60	51-60	
Gender	Male	Male	Male	
Name	CHI, KUO-CHUNG	LIN, TSUNG-SHENG	LIN, CHIH-LUNG	
Title	Independent Director	Independent Director	Independent Director	

Board Performance Evaluation

To enhance the effectiveness of board governance and respond to the requirements of the updated Corporate Governance Blueprint, the Company has revised the “Board Performance Evaluation Procedures” and conducts relevant evaluation work on a regular annual basis. The evaluation is administered by the Office of the General Manager and carried out through questionnaires, covering aspects such as overall board operations, individual director performance, and the functioning of the Remuneration Committee and Audit Committee.

The 2024 Board Performance Evaluation was completed in January 2025, including questionnaire collection and analysis. In accordance with the evaluation procedures, the results were compiled and formally reported at the Board meeting held on March 5, 2025. Evaluation scores ranged between 95 and 100 points, indicating overall satisfactory performance. Specific improvement suggestions were also proposed for areas with room for enhancement, serving as a reference for the continued optimization of board operations.

Board Remuneration System

The determination of directors’ remuneration is based on their actual involvement in and contribution to the Company’s operations. The Board of Directors is authorized to deliberate and approve remuneration accordingly. The Chairperson receives a fixed monthly salary, and their annual remuneration is reviewed and approved by the Board in accordance with the principles governing employee performance bonuses. External directors receive a transportation allowance, and their remuneration is granted as a fixed amount based on the annual employee performance bonus benchmark. All payments are processed in accordance with internal policies to ensure fairness and consistency.

To enhance the independence and transparency of remuneration decisions, the Company has established a Remuneration Committee composed entirely of independent directors. The Committee is responsible for reviewing the compensation policies and remuneration structures for directors and senior executives. Its main duties include:

- Reviewing the design and adjustment of remuneration for directors and senior executives;
- Ensuring that remuneration policies align with the Company’s long-term operational goals and shareholder interests;
- Evaluating the incentive effectiveness and external competitiveness of the current remuneration system.

The remuneration system is formulated by the Administration Department, taking into account various factors such as relevant government regulations, Company performance, industry salary benchmarks, price indices, and employee roles and performance. Related policies and implementation status are disclosed periodically through the annual report or public information platforms.

The Company also monitors global trends in remuneration governance and recognizes the importance of appropriately linking executive compensation design with corporate sustainability objectives. Going forward, the Company will continue to assess the feasibility of relevant practices in light of its overall operational development and sustainability progress, and will prudently plan the approach and pace of future implementation based on practical needs and strategic goals.

External training for board members

To strengthen corporate governance effectiveness and ensure that directors possess up-to-date professional knowledge and a forward-looking sustainability perspective, the Company continues to promote a director training system. In accordance with the relevant provisions of the Board Performance Evaluation Procedures and the Corporate Governance Guidelines, directors are encouraged to participate annually in professional courses related to business operations, compliance responsibilities, ESG topics, and risk management.

In 2024, all directors completed at least six hours of continuing education. Course topics included sustainability policies and carbon management, international political and economic trends, cross-strait investment and trade risks, green finance, net-zero transition, corporate regulations and responsibilities. Additional subjects covered corporate social responsibility, gender equality and human rights issues, and digital transformation risks. All training records are retained for reference and are regularly reported to the Board, serving as a basis for performance evaluation and ongoing enhancement of corporate governance.

Continuing education for directors:

Title	Name	Name of training session	Hours of training
Chairman	WU, HSIN-CHIEH	Sustainability Opportunities and Challenges for Taiwanese Enterprises Amidst Trade Wars — Cross-Strait Investment Controls, Rules of Origin under U.S.-China Tensions, and the Impact of Hong Kong's National Security Law	3
		Global Political and Economic Mega Trends in 2025 and Sustainable Business Development	3
Director	WU, TUNG-SHENG	Sustainability Opportunities and Challenges for Taiwanese Enterprises Amidst Trade Wars — Cross-Strait Investment Controls, Rules of Origin under U.S.-China Tensions, and the Impact of Hong Kong's National Security Law	3
		Global Political and Economic Mega Trends in 2025 and Sustainable Business Development	3
Director	SHIH, HUO-CHAO	Sustainability Opportunities and Challenges for Taiwanese Enterprises Amidst Trade Wars — Cross-Strait Investment Controls, Rules of Origin under U.S.-China Tensions, and the Impact of Hong Kong's National Security Law	3
		Global Political and Economic Mega Trends in 2025 and Sustainable Business Development	3
Director	HSIAO, CHIH-LUNG	Breach of Fiduciary Duty by Directors and Supervisors and the Legal Elements of Aggravated Breach of Trust	3
		Global Political and Economic Mega Trends in 2025 and Sustainable Business Development	3
Director	LIN, JEN-PO	ESG Policies and Challenges Related to Carbon Emissions	3
		From Anti-Money Laundering to AI Cybersecurity: Key Risk Management Issues in the Banking Sector	3
Director	CHIN, YU-YING	Taiwan Renewable Energy Market and Green Finance: Current Status and Emerging Trends	3
		Global Trends in Carbon Management	3

Title	Name	Name of training session	Hours of training
Independent Director	CHI, KUO-CHUNG	Insider Shareholding Promotion Seminar for TWSE and TPEX Listed Companies	3
		Corporate Innovation and Profitability Strategies in the Digital Economy Era	3
Independent Director	LIN, TSUNG-SHENG	Corporate Control Battles: Legal Responsibilities and Case Studies	3
		Corporate ESG Practices: Legal Liabilities and Case Studies on Gender Equality and Human Rights	3
Independent Director	LIN, CHIH-LUNG	Global and Domestic Net-Zero Transition Trends and Corporate Response Strategies	3
		Sustainability Opportunities and Challenges for Taiwanese Enterprises Amidst Trade Wars — Cross-Strait Investment Controls, Rules of Origin under U.S.-China Tensions, and the Impact of Hong Kong's National Security Law	3
		Structure and Value of Corporate Sustainability Reports	3

Avoidance of Conflicts of Interest by Board Members

In accordance with the Rules of Procedure for Board Meetings and the Corporate Governance Best Practice Principles, if a director has a personal interest or a related party interest in a board proposal, and such interest may conflict with that of the Company, the director shall proactively disclose the relevant interest and abstain from participating in the discussion and voting on the matter. The director shall also refrain from exercising voting rights on behalf of other directors. All instances of recusal by directors have been documented in the Company's 2024 Annual Report.

Operation of Functional Committees

To assist the Board of Directors in fulfilling its supervisory responsibilities and to strengthen the Company's corporate governance framework, the Audit Committee and the Compensation Committee have been established. Meetings and deliberations are conducted in accordance with the Audit Committee Charter and the Compensation Committee Charter.

The Audit Committee is composed entirely of independent directors and is responsible for overseeing the preparation of financial statements, the implementation of internal control systems, major asset transactions, internal and external audit processes, and the appointment of certified public accountants. The Committee maintains effective communication with internal auditors and management.

The Compensation Committee is responsible for reviewing the allocation of remuneration to directors and employees, the issuance of performance bonuses, and the reasonableness of salary adjustment proposals. It also participates in the revision and evaluation of the Company's compensation policies. All proposals are professionally reviewed and thoroughly discussed by committee members to reach consensus, ensuring a reasonable linkage between remuneration policies and operational performance.

Details of the proposals and discussions conducted by the Audit Committee and the Compensation Committee in 2024 are disclosed in the Company's 2024 Annual Report.

1.3 Ethical Business Practices

Integrity and Anti-Corruption Mechanisms

The Company upholds integrity as the foundation of its operations and has established the Code of Ethical Conduct and the Procedures and Guidelines for Ethical Business Practices as the basis for compliance with the Company Act, Securities and Exchange Act, Business Accounting Act, and relevant regulations governing listed companies. These policies institutionalize the principle of integrity across daily business activities.

The Code of Ethical Conduct explicitly prohibits the Company and all personnel from offering or accepting any form of improper benefits. The Ethical Guidelines for Directors and Managers further stipulate that directors, managers, and employees must not disclose any material non-public information they become aware of, nor may they seek access to sensitive company information unrelated to their duties, in order to prevent insider trading and misuse of information.

All employees are required to sign the Employee Code of Ethics Commitment Letter, with a 100% signing rate achieved, reinforcing a shared commitment to ethical conduct and adherence to behavioral standards. The Office of the General Manager has been designated as the responsible unit for promoting ethical business practices, overseeing implementation and internal communication. Progress is reported to the Board of Directors annually, with the most recent report presented on November 5, 2024. In 2024, the Company did not experience any incidents related to breaches of ethical conduct, nor did it receive any complaints concerning integrity-related matters.

Whistleblowing Mechanism and Violation Handling

To implement its ethical business policy and prevent misconduct risks, the Company has established the Code of Ethical Conduct and the Procedures and Guidelines for Ethical Business Practices. These documents clearly define operational procedures, behavioral standards, principles for handling violations, and grievance mechanisms. A designated unit is responsible for promoting implementation and internal communication.

To ensure open channels of communication and grievance reporting for employees and external stakeholders, the Company has established the following whistleblowing and feedback mechanisms:

- Physical Suggestion Boxes: Located in the employee cafeterias of the Taoyuan and Zhunan facilities, allowing staff to anonymously submit suggestions and concerns.
- Electronic Complaint Mailboxes: Employees may file complaints via the email addresses of their respective department heads or submit feedback directly to the Chairman's mailbox (ubchairman@ubright.com.tw).
- Complaint Hotline: Employees may contact relevant supervisors by dialing their department extensions.
- Dedicated Mailboxes for External Stakeholders:
 - Customer and Supplier Contact Mailbox: ubservice@ubright.com.tw
 - Investor Relations Mailbox: yyr@ubright.com.tw

The Company is committed to maintaining confidentiality for all reported matters and will respond and follow up in accordance with established procedures. These efforts aim to reinforce a culture of integrity and ensure transparency and trust in organizational operations.

Internal Audit and Control System

The Company has established an internal audit mechanism to conduct compliance and operational risk assessments in accordance with its annual audit plan. The internal audit unit regularly reviews business processes, system implementation, and regulatory applicability, and provides improvement recommendations based on actual audit findings to mitigate operational risks and strengthen control procedures.

Dedicated audit personnel are assigned to both the Taoyuan and Zhunan facilities. Each department conducts annual self-audits in line with the audit plan, evaluating safety, environmental protection, and operational process execution. These self-audits are subject to cross-review by the audit unit to ensure objectivity and consistency.

To maintain alignment with international standards, the Company engages independent third-party professional organizations to perform external audits annually. The Taoyuan facility undergoes audits for ISO 14001, ISO 45001, and ISO 50001. The Zhunan facility conducts audits for ISO 14001 and ISO 45001. These audits serve to validate the effectiveness and continuity of the Company's environmental, occupational health and safety, and energy management systems.

Regulatory Compliance

The Company continuously strengthens its regulatory compliance management system by establishing institutionalized operational procedures to ensure that each department regularly reviews and implements relevant laws and regulations in accordance with its business responsibilities. An internal compliance procedure has been established, requiring each department to conduct monthly self-assessments of applicable regulations based on job functions, with results documented for audit and follow-up purposes.

Regulatory awareness and training are also key components of the Company's compliance management efforts. In addition to conducting various educational programs and regulatory updates in line with the annual plan, the Taoyuan facility held a special seminar on "Prevention of Sexual Harassment and Sexual Assault" on May 14, 2024, to promote gender equality awareness. Both the Taoyuan and Zhunan facilities provide regular training for new employees and outsourced contractors, including twice-weekly onboarding sessions, ad hoc contractor training, semi-annual fire safety and evacuation drills, and scheduled refresher courses for occupational safety certifications. These initiatives aim to reinforce practical compliance and enhance personnel safety awareness.

Violations and Deficiencies

The Company continues to monitor stationary pollution sources and implement systematic management in accordance with environmental regulations. Through routine equipment maintenance and annual inspection procedures, we maintain oversight of emissions within the operational environment. During routine inspections conducted in the first half of 2024, several pollution sources (P102, P106, P115, P116) were found to be non-compliant with regulatory standards. Upon investigation, corrective actions were

promptly initiated within a specified timeframe. The Company has completed the submission of improvement plans and conducted follow-up verification testing accordingly.

Violation Category	Description	Case Count	Monetary Penalty (NTD '000s)	Non-Monetary Sanction	Follow-Up Actions
Environmental	Routine inspections in the first half of 2024 revealed non-compliance at stationary pollution sources P102, P106, P115, and P116.	1	0	Yes	A corrective engineering plan was implemented within the specified timeframe. Re-inspection was conducted on January 22, 2025, and compliance was confirmed on March 22, 2025.

1.4 Risk Management

The Company continues to implement its risk management framework and progressively strengthens risk identification and control capabilities across all organizational levels in accordance with its internal governance structure. To ensure the effectiveness of this mechanism, the Company reports annually to the Board of Directors on the status of risk management implementation, with the most recent report presented at the Board meeting on November 5, 2024. The Audit Committee, composed of three independent directors, is tasked with ongoing oversight of the Company’s risk governance efforts. Through clear delegation of responsibilities across departments, a risk accountability system has been introduced, requiring each unit to identify, respond to, and monitor risks based on the nature of its functions.

The Company has also established a series of supporting policies and procedures, including the Corporate Social Responsibility Guidelines, Risk Control Operating Procedures, Insider Trading Prevention Procedures, Ethical Business Conduct Guidelines, and Employee Code of Ethics. These serve as the operational foundation and policy basis for identifying and addressing risks related to operations, environment, society, and governance.

Risk Management Checklist

Risk Category	Potential Risk Issues	Risk Control Measures
Financial	1. Market risk arising from fluctuations in interest rates and foreign exchange rates. 2. Credit risk due to counterparty default. 3. Liquidity risk resulting from insufficient market trading volume, inability to liquidate assets, or difficulty in obtaining adequate funding.	1. The Company has no long-term or short-term debt, and is therefore not exposed to interest rate risk. Foreign exchange fluctuations are managed through natural hedging, supplemented by regular meetings to report the latest exchange rate trends to support decision-making. If hedging is required, forward foreign exchange contracts are primarily used. 2. In addition to receiving payment via letters of credit (LC), some customers are required to make advance payments prior to shipment, thereby reducing the risk of default. 3. The Company’s assets are primarily held in time deposits, while bond investments focus on interest income. Market liquidity is a key consideration in all investment evaluations.
Operational Risks	1. Significant quality anomalies. 2. Price undercutting by peer companies ° 3. Risk of order transfers due to the termination of ECFA.	1. Strengthen quality management protocols. 2. Enhance product functionality to avoid relying on price as the primary competitive factor. 3. Create quality differentiation, reduce production costs, and improve the competitiveness of MIT (Made in Taiwan) products.

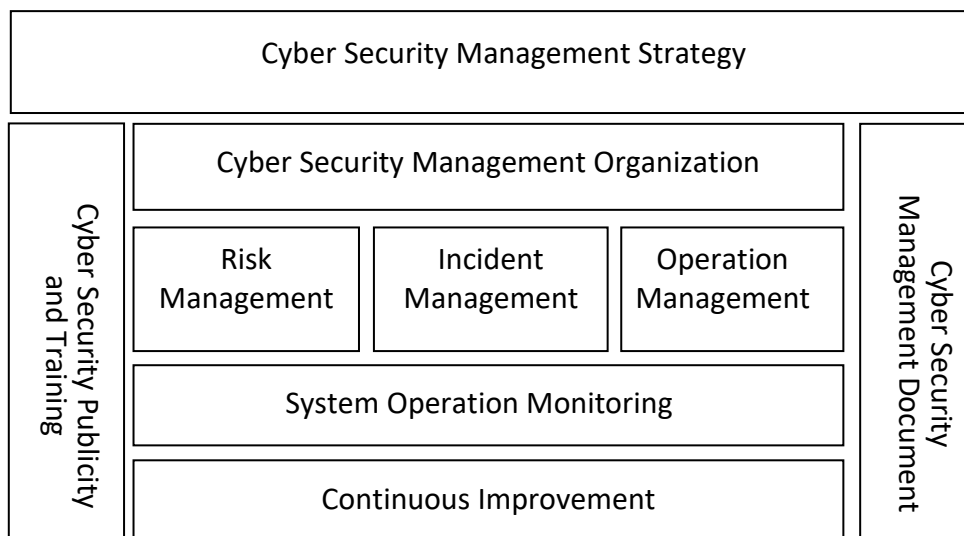
Information Security	1. Leakage or loss of company data. 2. Failure of core equipment operations.	1. Continuously update or implement information security solutions to monitor system, server, and network usage, and block potential hacking channels. 2. Conduct regular training sessions and promote the latest cybersecurity knowledge to strengthen employee awareness and protect data integrity. 3. Implement controls over portable storage devices to prevent unauthorized access or loss of sensitive data. 4. Perform regular disaster recovery drills to ensure rapid restoration of operations and maintain business continuity in the event of disruptions.
Occupational Safety	1. Risk of legal penalties due to regulatory violations. 2. Risk of major occupational accidents. 3. Employees unfamiliar with the use of firefighting equipment. 4. Contractors entering the facility without adequate knowledge of on-site safety protocols.	1. Conduct quarterly regulatory audits and maintain compliance under the ISO 45001 Occupational Health and Safety Management System. 2. Promote awareness through case studies of occupational incidents. 3. Organize fire safety and evacuation drills every six months. 4. Provide hazard notifications and safety training to contractors prior to site entry to mitigate operational risks.
Human Resources	1. Labor shortages and recruitment difficulties. 2. Rising personnel costs.	1. Develop internship programs and establish cooperative networks with vocational high schools and universities to cultivate professional skills during academic terms and build a talent pipeline. 2. Enhance individual competencies, encourage diversified development, optimize workflows, and adopt AI-driven solutions.
Supply Chain	1. Supply shortages from vendors. 2. Abnormalities in raw material quality.	1. Maintain at least two qualified suppliers for each material to prevent production disruptions caused by supply issues. 2. Establish clear and stringent quality specifications.

1.5 Information Security Management

Cybersecurity Risk Management Framework

To strengthen information security governance, the Company has appointed the President as the convener of the Information Security Promotion Task Force. An IT executive is designated to plan and implement the Company's overall information security policies and to oversee the execution of related management mechanisms. The IT executive regularly reviews the information security development plan, assesses potential cybersecurity risks, and reports key information security matters to the Board of Directors. These efforts ensure that the Company's information asset protection measures continuously align with operational needs and external regulatory requirements.

Cybersecurity Governance Structure



Cybersecurity Policy

As the Company continues to advance its digital transformation, information security has become critical not only to system operations and data protection, but also to corporate reputation, customer trust, and operational stability. To address these challenges, the Company has established a comprehensive cybersecurity policy, implementing robust management mechanisms that integrate institutional and technical safeguards to ensure the accuracy, integrity, and availability of information throughout its lifecycle.

The Company's information security management focuses on three key areas:

1. **Ensuring Business Continuity:** Risk control mechanisms are in place to mitigate operational disruptions to critical systems and equipment. The Company conducts regular business continuity drills to ensure rapid service recovery in the event of unforeseen incidents.
2. **Preventing Data Leakage and Unauthorized Access:** access control systems, account management protocols, and activity logging mechanisms are deployed to clearly define role-based access

permissions. These measures reduce the risk of internal errors and external breaches. All employees and third-party partners are required to comply with confidentiality obligations and information handling standards.

3. **Fostering a Security-Conscious Culture:** in addition to embedding information usage protocols into daily operations, the Company provides ongoing training and policy awareness programs for employees and external collaborators, cultivating a shared responsibility for information protection.

All information system changes and equipment deployments are subject to review by the IT department to assess risk and technical compatibility, thereby minimizing integration issues and potential vulnerabilities. For the handling of sensitive information, the Company also enters into confidentiality agreements with external vendors, extending its data protection requirements throughout the supply chain.

The Company regards information security as a cornerstone of operational resilience and ethical governance. Policies and procedures are continuously updated in response to business developments and regulatory changes. Cross-functional communication and incident reporting mechanisms are also reinforced to enhance the maturity and responsiveness of the Company's cybersecurity governance.

Information Security Resources and Management Practices

To maintain the stability of information operations and enhance risk mitigation capabilities, the Company continuously invests in diverse resources for cybersecurity management. These efforts span across technical infrastructure, personnel deployment, and operational procedures, reinforcing the comprehensiveness of its information protection framework.

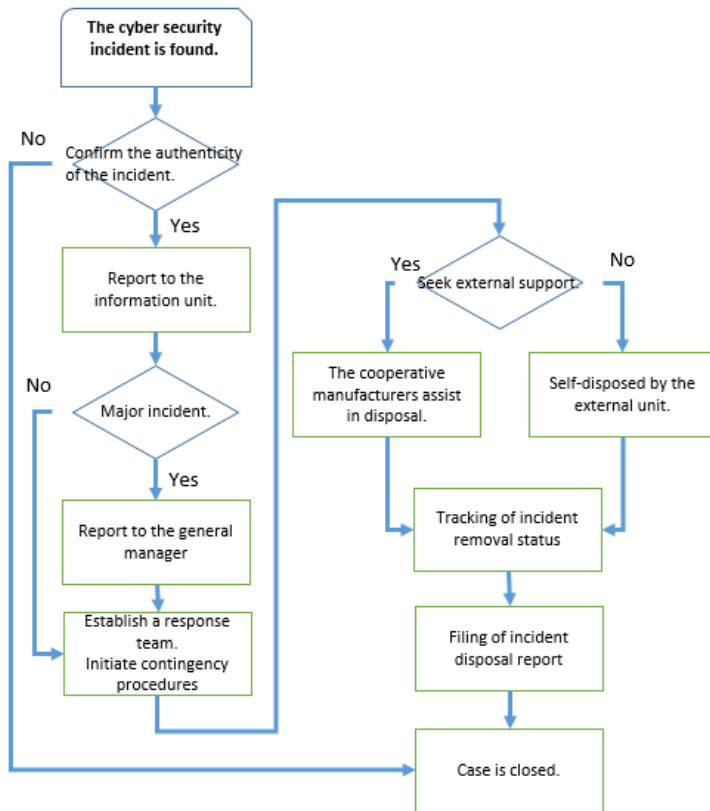
- **Network and Hardware Infrastructure:** the Company has implemented firewalls, email antivirus systems, spam filtering mechanisms, web activity monitoring tools, and managed network switches to improve access security and anomaly detection within the network environment.
- **Application Systems and Protection Tools:** endpoint protection systems, backup management software, VPN authentication, and encryption technologies have been adopted to safeguard endpoint devices and ensure secure data transmission.
- **Telecommunications and Cloud Services:** multi-line redundancy designs and cloud-based backup services are utilized, along with external intrusion prevention mechanisms, to enhance the Company's resilience against operational disruptions and cyberattacks.
- **Routine Operations and Control Measures:** daily system status monitoring and scheduled backup operations are conducted, with backup media stored offsite. The Company also organizes regular cybersecurity training, annual disaster recovery drills, audits of information workflows, and external reviews by certified public accountants to improve the maturity of its information security framework.
- **Cybersecurity Organization and Dedicated Personnel:** a designated Chief Information Security Officer (CISO) and specialized staff are responsible for designing the cybersecurity architecture, managing daily operations, and responding to incidents. Policies and procedures are reviewed regularly to identify and assess emerging risks. In 2024, a one-hour cybersecurity training session was conducted for 12 dedicated personnel.

Targeted Management Strategy

Type	Description	Related Operations
Access Right Management	Management measures of personnel account, access right management and system operation behavior	■ Management and assessment of personnel account access right. ■ Periodical check of personnel account access right.
Access Control	Control measures of personnel access of internal and external system and information transmission channels	■ Internal and external access control measures. ■ Control measures of information divulgation channels. ■ Analysis of operation behavior track Records.
External Threat	Management and protection measures of potential vulnerability in the internal systems	■ Vulnerability detection of host computer and replacement measures. ■ Virus protection and malicious program detection.
System Availability	Disposal measures of the state of system availability and service interruption	■ Monitoring and reporting mechanism of system and internet. ■ Response measures of service interruption. ■ Backup measures of data backup and local off-site backup mechanism. ■ Periodical disaster restoration drill.

Cybersecurity Incident Reporting Procedure

To ensure timely reporting, effective response, and continuous improvement of information security incidents, the Company has established a comprehensive incident handling procedure. This framework clearly defines responsibilities and operational mechanisms across all stages—from incident detection, verification, and reporting to response and closure. Upon receiving a report and confirming the authenticity of the incident, the information technology unit will classify and handle the case based on its severity. In the event of a major incident, the Company will immediately notify the President and convene a response team to activate emergency protocols. In 2024, the Company did not experience any information security incidents, nor were there any breaches involving personal data or privacy.



2. Sustainable Value Chain

2.1 Innovation and R&D

The driving force behind the Company's innovation and research efforts stems from a deep understanding of market dynamics and customer needs, coupled with a commitment to continuous responsiveness. Our R&D team initiates product development using the Voice of the Customer (VOC) methodology, systematically translating customer requirements into concrete technical specifications through the Quality Function Deployment (QFD) framework. These specifications serve as the basis for evaluating product feasibility. Upon confirmation of feasibility, the laboratory formulation process is launched to precisely address customer expectations regarding functionality, performance, and quality.

In addition, the Company regularly engages in technical exchanges with leading domestic and international panel manufacturers. These collaborations encompass discussions on emerging product and technology development needs, as well as reviews and enhancements of existing product features and attributes. Through these efforts, we continuously elevate product competitiveness and remain committed to developing high-performance, cost-effective optical film materials—aiming to co-create a healthy and sustainable technology ecosystem with our value chain partners.

To further meet customer demands for high-performance and energy-efficient products, the Company continues to invest in innovative technology development and process improvement. By fostering cross-functional collaboration and integrating advanced technologies, we drive product upgrades and process optimization, delivering tangible results in green manufacturing and intelligent operations. The Company's key innovation achievements in 2024 are as follows:

- **Development of Ultra-Thin High-Brightness Enhancement Film for Notebooks**

The R&D team at the Daxi Plant successfully developed an ultra-thin, high-luminance enhancement film tailored for notebook applications. This product has been adopted by multiple leading domestic and international panel manufacturers. In response to the growing global demand for energy conservation and carbon reduction, the film aligns with ESG product expectations and has become one of the Company's core revenue drivers for the year.

- **Secondary Reflection UV Curing Equipment**

To enhance the manufacturing process for high-end products, the Company introduced secondary reflection UV curing equipment. This system features low heat emission and low energy consumption, while delivering stable output with high intensity and UV flux—ideal for high-value product processing. It also includes built-in data logging and abnormal temperature and energy alerts, improving process stability and quality control capabilities.

- **Automated Online Optical CCD Inspection System**

The Company implemented an automated online optical CCD inspection system to reduce reliance on manual inspection. The system offers superior accuracy and consistency, automatically compiles inspection reports, and integrates them into shipment documentation—enhancing real-time production monitoring and quality feedback.

- **Real-Time Multi-Layer Film Thickness Monitoring System**

Equipped with high-resolution precision, this system enables early detection of film thickness anomalies and cyclical equipment component failures. It supports preventive maintenance and spare part replacement, ensuring stable production of high-value-added products.

- **AI-Powered Thermal Imaging System**

The Company deployed an AI-enabled thermal imaging system with remote operation, real-time abnormal heat source detection, and automated reporting capabilities. This system enhances real-time diagnostics and preventive actions for equipment anomalies, improving visual management and personnel safety in hazardous work environments. It also supports QR code scanning and intelligent thermal mapping for improved data visualization and fault prediction.

- **Development of Anti-Dust Protective Film**

The R&D team at the Zhunan Plant successfully developed an anti-dust protective film and continues to optimize yield and equipment utilization. The product has reached stable mass production and generates annual revenue exceeding NT\$10 million.

- **High-Precision Coating and Automated Optical Inspection Capabilities**

The Company possesses advanced coating technology capable of controlling thickness tolerances with micron (μm) to nanometer (nm) precision. Coating thickness ranges from below 100 nm to above 100 μm, demonstrating versatile production capabilities. Coupled with Automated Optical Inspection (AOI) equipment, the system enables real-time quality monitoring throughout the production process, significantly enhancing product stability and yield.

- **Breakthrough in Heat-Insulating Film Application**

The Zhunan R&D team achieved a major technological breakthrough with the development of a new externally applied heat-insulating film. Conventional hard coating (HC) layers are typically UV-cured, which often conflicts with UV-CUT additives that absorb the UV energy required for curing—making it difficult to combine both functionalities. By selecting specific formulations and additives, the team overcame this technical barrier and successfully introduced a mass-producible HC formula that retains optical and mechanical performance while delivering high-efficiency UV shielding.

R&D Investment

To strengthen technological capabilities and enhance product differentiation, the Company has continued to increase its investment in research and development. In 2024, total R&D expenditure reached NT\$258,252 thousand, representing a year-on-year growth of nearly 40% compared to 2023, and accounting for 8.79% of total annual revenue. The Company remains committed to innovation, focusing on product upgrades and process optimization to meet diverse customer needs and address the sustainability transformation challenges faced by the industry.

Year	R&D Expenditure (NT\$ thousand)	Revenue (NT\$ thousand)	R&D-to-Revenue Ratio
2023	188,116	2,498,270	7.53%
2024	258,252	2,936,777	8.79%

Patent Acquisition

As of 2024, the Company has obtained a cumulative total of 98 invention patents, representing an increase of 13 patents compared to 2023. This growth reflects the Company's continued commitment to innovation and strategic technological development. Through proactive patent filing and intellectual property management, the Company has strengthened its core technology protection mechanisms and enhanced its market competitiveness in high value-added product segments.

Category	2023	2024
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Cumulative Number of Invention Patents Granted	85	98
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Intellectual Property and Customer Privacy

To safeguard intellectual property rights and customer data security, the Company has established a multi-layered management and protection framework encompassing institutional design, technical safeguards, and personnel access control:

- **Intellectual Property Management**
Dedicated personnel are assigned to oversee intellectual property matters, including the consolidation and analysis of patent portfolios and potential infringement risks related to new products and technology development. These insights serve as strategic references for the R&D team in guiding technical development and patent planning. All R&D processes and technical documentation are conducted in accordance with ISO standards and are thoroughly recorded in laboratory notebooks to ensure traceability and support the Company's intellectual property claims.
- **Technical Data Protection**
Critical technical documents—such as R&D data, formulations, and Bills of Materials (BOM)—are subject to tiered access control through system configurations. Unauthorized personnel are restricted from accessing such information, and permission-based protocols are enforced across individual workstations and internal networks to prevent data leakage or unauthorized usage.
- **Customer Data Privacy Management**
Customer information is centrally stored within designated, non-public file directories managed by the sales department. Access and editing rights are strictly limited to authorized personnel, ensuring the confidentiality of customer data and commercial secrets.

Through institutionalized procedures and robust information system controls, the Company is committed to minimizing data leakage risks, safeguarding operational integrity, and maintaining customer trust.

2.2 Quality Management

Quality and Green Management Policy

To meet customer expectations and enhance product competitiveness, the Company has established a “Quality/Green Policy” outlining six key implementation directives:

- (1) Meet customer needs
- (2) Continue to improve the quality of
- (3) Create a niche product
- (4) Establishment of GP system
- (5) Implement green management
- (6) Product Environmental zero pollution

This policy reflects the Company’s dual commitment to quality assurance and environmental responsibility. Through systematic management and on-site execution mechanisms, the policy is embedded into production processes to ensure stable product quality and effective implementation of green manufacturing practices.

KPI Monitoring and Control

To strengthen process control and yield management, the Company has established key performance indicators (KPIs) targeting “process environment control” and “yield optimization.” These metrics clarify production capacity goals and quality improvement directions. Each department conducts root cause analysis and formulation adjustments for abnormal batches to ensure continuous improvement in product yield stability.

Quality Enhancement Action Plan

In response to the characteristics of roll-to-roll (R2R) optical film manufacturing, the Company places strong emphasis on maintaining coating substrate quality under high-speed operation. In addition to implementing ISO management systems, the Company has deployed real-time online quality monitoring systems (CCD inspection machines) across all production lines to provide immediate feedback on production anomalies. These systems help reduce operator workload, minimize defects caused by manual handling, and enhance traceability of abnormal batches through data capture—serving as a critical foundation for R&D and product innovation.

Measurement and Inspection Technology Deployment

The Company has fully adopted automated equipment including online CCD inspection systems, width gauges, flatness meters, and thickness sensors to conduct real-time quality inspection and process feedback. These technologies reinforce product consistency and traceability, ensure stable production quality, and enable early detection of equipment anomalies—preventing process deviations and ensuring final product compliance with shipment standards.

Product Certification and Market Recognition

The Company actively promotes compliance with product quality and environmental regulations, continuously obtaining domestic and international certifications while supporting customers in enhancing product competitiveness and market credibility:

1. Recipient of the 1st Outstanding Mid-Sized Enterprise Award
2. Assisted customers in obtaining the Green Building Material Label from the Taiwan Architecture & Building Center
3. Supported customers in passing Malaysia's SIRIM certification
4. All products comply with EU RoHS 2.0 environmental regulations

2.3 Customer Satisfaction

Within the manufacturing value chain, customer satisfaction represents not only a comprehensive assessment of product quality and service efficiency, but also serves as a critical indicator of corporate competitiveness and the stability of sustainable operations. In response to an increasingly competitive market landscape and diverse customer demands, the Company continues to strengthen its customer service mechanisms. Through cross-departmental collaboration and feedback loops, we ensure timely responsiveness to market dynamics and strive to enhance overall service quality.

In daily operations, the sales department conducts regular visits to customers' R&D and procurement teams, while also collecting real-time market feedback and technical requirements. These insights inform product optimization and R&D planning. For proposals with potential performance enhancements, the R&D department establishes dedicated project teams based on customer needs to carry out new product design and formulation development, ensuring the delivery of high-quality products that meet customer specifications.

To maintain stable customer relationships and ensure sustained satisfaction, the Company conducts an annual customer satisfaction survey. Evaluation dimensions include service quality, delivery performance, pricing reasonableness, after-sales support, and overall satisfaction.

Customer Satisfaction Scores Over the Past Two Years

Category	2023	2024
Export Customers	95.33%	95.57%
Domestic Customers	89.5%	87.56%

Notes:

Export customers are primarily panel manufacturers.

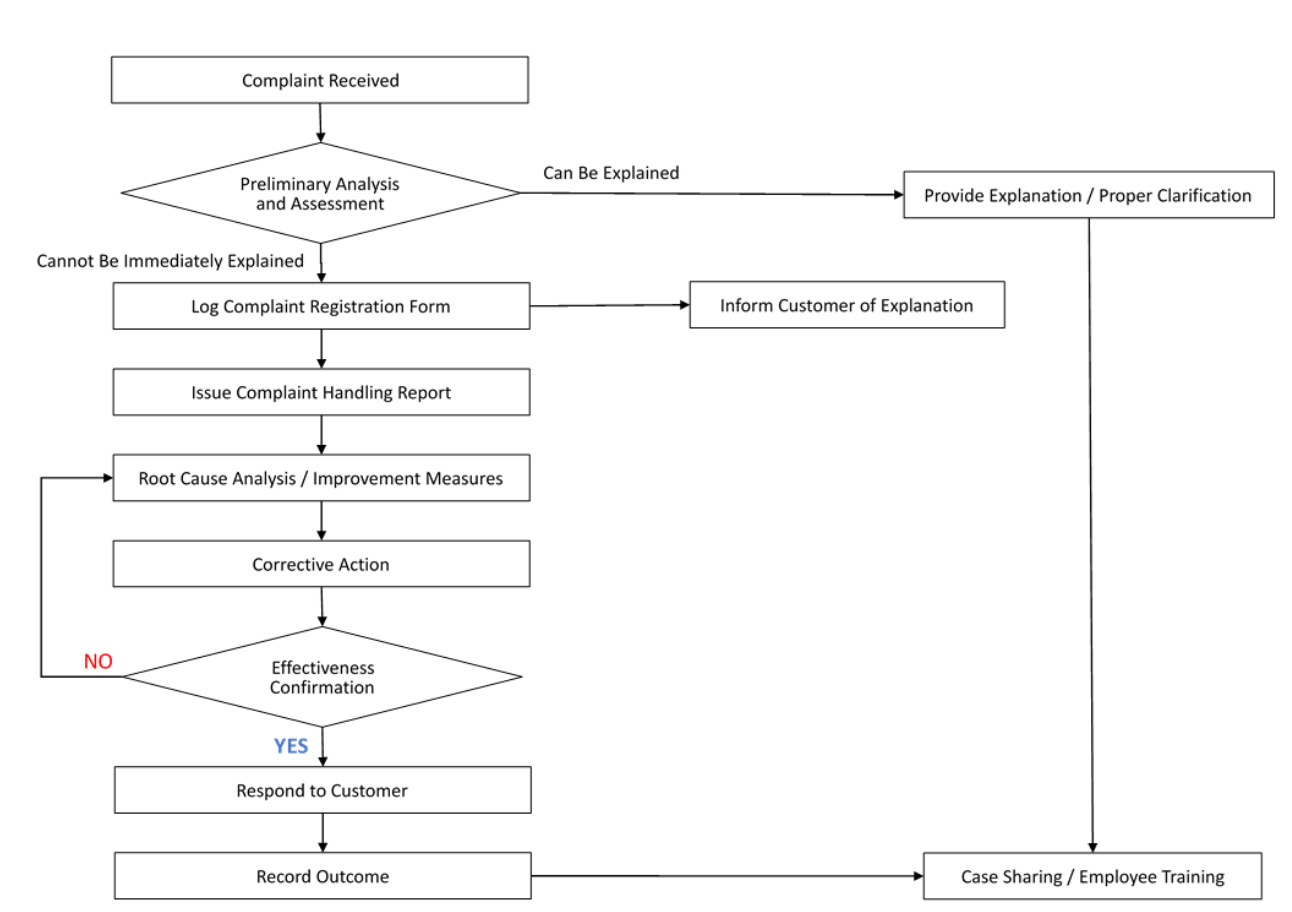
Domestic customers span industries such as touch panels, displays, automotive electronics, medical devices, automotive films, and architectural insulation films.

Customer Complaint Feedback

The Company has established a comprehensive customer complaint handling process to ensure that every customer concern is properly addressed and continuously improved through a structured mechanism. Upon receipt of a complaint, the relevant department conducts a preliminary analysis and assessment. If the issue can be clarified immediately, designated personnel will provide explanations directly to the customer. If immediate clarification is not possible, the formal complaint handling procedure is initiated, which includes completing the Customer Complaint Registration Form and the Customer Complaint Handling Report, followed by root cause analysis and corresponding corrective actions based on the actual circumstances.

The complaint handling mechanism is triggered when the customer notifies the Company's Quality Assurance (QA) personnel. The QA unit is responsible for case registration, root cause investigation, and verification procedures. A complete 8D report is then compiled and provided to the customer as an official response, ensuring transparency and compliance with quality management standards.

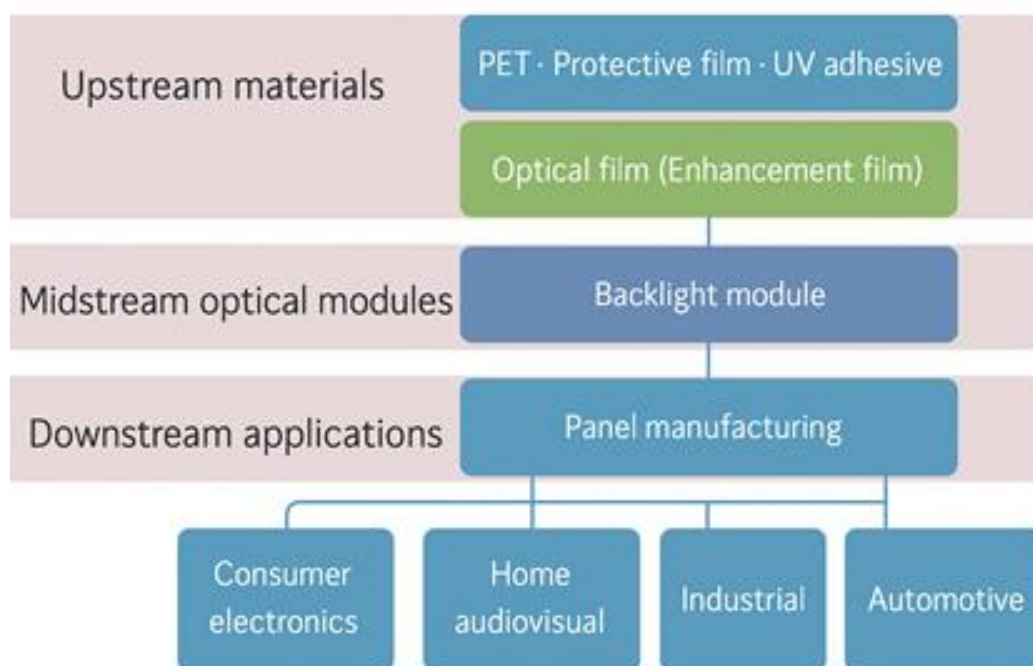
Once corrective actions are implemented, an effectiveness verification mechanism is used to assess whether the intended outcomes have been achieved. Upon confirmation of effectiveness, customer service personnel will communicate the resolution to the customer and formally close the case. If the corrective actions fail to meet the improvement objectives, the revision process will be reinitiated to ensure thorough resolution of the issue. Each case is ultimately incorporated into internal training materials, serving as a foundation for quality enhancement and employee knowledge management. Through this continuous improvement cycle, the Company aims to elevate customer satisfaction and enhance the quality of products and services.



2.4 Supply Chain Management

Industry Supply Chain

The brightness enhancement film produced by the Company is the critical component of the backlight module of the LCD, in which the correlation chart of upstream, midstream and downstream industry structure is shown in the following diagram. In the upstream, there are the suppliers of such materials as optical PET, UV glue and protective film, etc. and the downstream includes the backlight module manufacturers, the TFT-LCD panel manufacturing assembler as well as the application of terminal electronic products.



Supply Chain Management

The Company recognizes the critical role of supply chain management in ensuring product quality, environmental compliance, and long-term corporate sustainability. In accordance with its internally established Supplier Management Guidelines and Supplier Management Procedures, the Company has developed a comprehensive framework for supplier selection, collaboration, evaluation, and ongoing oversight. The scope of management covers suppliers of key raw materials and integrates multiple dimensions, including product quality, delivery performance, corporate social responsibility, and green product control. This approach ensures a stable and sustainable supply system that aligns with the Company's environmental and governance commitments.

Supplier Collaboration Strategy and Selection Criteria

1. Only suppliers with stable production capabilities, reasonable pricing, reliable delivery performance, and consistent product quality are selected.
2. Suppliers must hold ISO 9001 certification, with priority given to those who have implemented corporate social responsibility (CSR) management practices.
3. All new materials must pass the sample evaluation process conducted in accordance with the New Material Approval Guidelines.

4. Suppliers operating in oligopolistic or monopolistic markets, customer-designated vendors, technical partner manufacturers, or overseas material agents must also comply with the Company's Chemical Substance Management Procedures and undergo internal evaluation.

Supplier Corporate Social Responsibility Requirements

1. Suppliers are required to provide the latest hazardous substance testing reports annually, in compliance with RoHS and HF standards.
2. Suppliers must submit Safety Data Sheets (SDS) for relevant materials.
3. Suppliers must sign the Declaration of Non-Use of Environmentally Related Substances and the Declaration of Non-Use of Other Hazardous Substances.
4. Suppliers must sign the Supplier Corporate Social Responsibility Commitment Letter, pledging compliance with environmental protection, occupational safety, labor rights, and ethical standards.

New Supplier Assessment Mechanism

Prior to entering into formal cooperation, new suppliers must undergo a cross-functional selection process convened by the Procurement Department. The evaluation committee comprises representatives from the Production Division, Quality Assurance Department, and other relevant units. Based on actual operational needs and procurement plans, the QA Department conducts either on-site or document-based assessments of the supplier. The evaluation process primarily references the Supplier Evaluation Form, with assessment criteria including: material management, quality systems, engineering capabilities, GP product control, pollution prevention, occupational health and safety, and production technologies. This ensures that the supplier's products and services meet the Company's quality standards and sustainability requirements, while also confirming stable delivery capabilities and a reasonable cost structure.

Starting in 2024, the Company formally implemented the Supplier Corporate Social Responsibility (CSR) Management Questionnaire system. For new suppliers, the evaluation process now includes a preliminary CSR review and commitment mechanism, in addition to existing criteria such as product quality, delivery performance, production capacity, and GP product compliance. In 2024, a total of 10 new suppliers completed the selection process and signed the Corporate Social Responsibility Commitment Letter.

Number and Proportion of New Suppliers Screened Using CSR Criteria in 2024

Item	2024
Total New Suppliers	11
Suppliers Screened via CSR Criteria	10
Screening Completion Rate	91%

Annual Supplier Evaluation System

For existing qualified suppliers, the Company conducts both scheduled and ad hoc performance evaluations, coordinated by the Quality Assurance Department at the end of each quarter. The assessment covers six key dimensions: on-time delivery rate, quality consistency, material stability, green product (GP) control capability, service responsiveness, and cost competitiveness. On-site evaluations may be conducted when necessary.

The evaluation process is initiated by the QA Department, which convenes a cross-functional review team including representatives from the Production Division and Procurement Department. During the assessment, the team also considers the supplier's historical service records and past performance, objectively reviewing their engineering capabilities, pollution prevention measures, implementation of occupational health and

safety practices, and overall production technologies. Final results are consolidated into the Supplier Evaluation Form, serving as the basis for next-year cooperation and tiered supplier management.

For suppliers who fail to pass the evaluation or quarterly assessment, the Company will immediately suspend raw material acceptance and issue a formal Corrective and Preventive Action Report. Suppliers must respond within seven working days with specific improvement measures and an expected completion timeline. Relevant departments will monitor progress and verify effectiveness. Only upon confirmation that deficiencies have been properly addressed and compliance standards met will the supplier's delivery qualification be reinstated. If a supplier fails to submit a feasible improvement plan within the deadline, or is found to have committed serious violations of environmental, labor, human rights, or corporate social responsibility regulations, the Company will revoke their qualified supplier status and terminate further cooperation in accordance with internal procedures—thereby upholding its commitment to responsible supply chain management and sustainable operations.

Local Procurement

Upholding the principle of fostering industrial collaboration and shared prosperity with local economies, the Company actively promotes a local procurement strategy. Priority is given to suppliers located in the countries where our operational sites are based, with the aim of shortening supply chain distances, reducing transportation-related carbon emissions, and generating greater local employment and economic benefits. In 2024, the Company's procurement from local suppliers amounted to NT\$350 million, accounting for 30% of the total annual procurement value—an increase of 3 percentage points compared to 2023. Moving forward, the Company will continue to assess the feasibility and effectiveness of local procurement based on the characteristics of each operational site and product requirements. Efforts will be made to gradually increase the proportion of local sourcing, while balancing cost efficiency, environmental impact, and regional economic development objectives.

Local Procurement Expenditure Overview

Unit: NT\$100 million

Item	2023	2024
Local Supplier Procurement Value	3.0	3.5
Total Procurement Value	11.0	11.8
Local Procurement Ratio	27%	30%

Green Procurement

In response to global environmental trends and to ensure compliance with international environmental regulations, the Company has implemented a green procurement management mechanism for all primary materials—such as polyester film (PET) and protective film. All procurement activities are conducted in accordance with the Hazardous Substance Management Guidelines for Products. During supplier evaluation and new material approval stages, suppliers are required to provide valid hazardous substance testing reports (updated annually) and Safety Data Sheets (SDS). Materials may only be adopted upon approval by the internal GP (Green Product) unit of the Quality Assurance Department. In parallel, the Company continues to facilitate ISO 9001 certification renewal and re-audit processes for its suppliers, thereby strengthening their capabilities in quality assurance and environmental management.

Green procurement covers key material categories including: polyester film (PET), protective film, UV adhesives, and corrugated cartons. The Company has also established clear sourcing principles, requiring suppliers to sign the Declaration of Non-Use of Environmentally Related Substances (RoHS) and the Declaration

of Non-Use of Other Hazardous Substances (REACH-SVHC). These declarations must be renewed upon any regulatory changes to ensure that supplied materials do not contain hazardous chemicals prohibited under international standards. This initiative supports the reduction of harmful substances in electronic products, safeguards human health, and mitigates environmental impact.

In 2023, the Company's green procurement expenditure reached NT\$1.089 billion, accounting for 85% of total procurement. In 2024, this figure increased to NT\$1.152 billion, with the proportion rising to 85.3%. These results demonstrate the Company's ongoing commitment to strengthening green supply chain management and fulfilling its corporate environmental responsibilities.

3. Sustainable Environment

3.1 Energy, Water, and Waste Management

Energy Management

The Company closely monitors energy consumption throughout its operations, maintaining systematic records, consolidation, and tracking of major energy sources including natural gas, diesel, and purchased electricity. These data serve as a critical foundation for internal energy management and oversight. Each year, the Company calculates energy intensity based on revenue scale to assess consumption trends and efficiency changes, providing a reference for optimizing operational models and enhancing energy performance. To promote energy-saving initiatives in a structured manner, the Company has implemented the ISO 50001 Energy Management System, progressively establishing a regulatory-compliant and sustainable energy management framework. Through periodic audits and performance evaluations, the Company strengthens transparency and effectiveness in energy management, advancing toward its goals of energy conservation, carbon reduction, and sustainable operations.

In 2024, total energy consumption amounted to 9,713,897.66 GJ, representing a decrease of approximately 6.7% compared to 10,406,860.35 GJ in 2023. This reduction was primarily driven by process improvements and enhanced energy efficiency measures. Energy intensity also declined concurrently, indicating the Company's continued efforts to optimize its energy structure and reduce energy consumption per unit of output.

Energy Consumption Statistics

Year	2023	2024
Item / Unit	GJ	GJ
Diesel	39.35	39.35
Natural Gas	10,308,337.00	9,617,841.31
Total Direct Energy Usage	10,308,376.35	9,617,880.66
Purchased Electricity	98,484	96,017
Total Energy Consumption	10,406,860.35	9,713,897.66
Revenue (per NT\$ million)	2,498	2,937
Energy Intensity (GJ / NT\$ million revenue)	4,165.63	3,307.67

Note: Conversion factors for fuel calorific values are calculated based on the Emission Factor Management Table Version 6.0.4 issued by the Climate Change Administration, Ministry of Environment.

Greenhouse Gas (GHG) Emissions

In response to global climate change and carbon management trends, the Company began establishing a greenhouse gas management system in 2024. A formal carbon emissions data consolidation process was launched for operational sites in Taiwan, and the first GHG inventory will be completed in 2025 in accordance with the ISO 14064-1:2018 standard. The inventory scope covers office facilities and manufacturing sites, focusing on direct emissions (Scope 1) and indirect emissions from energy use (Scope 2). The Company is progressively developing carbon accounting methodologies and emission source management procedures.

Through this inventory process, the Company has gained a comprehensive understanding of the carbon emission structure and hotspots across its operations, providing a foundation for future carbon reduction initiatives and target setting. In 2024, total emissions amounted to 14,110.35 metric tons of CO₂e, representing a 6.3% reduction compared to the previous year. Emission intensity also improved, indicating that the initial management mechanisms have begun to yield positive results. Moving forward, the Company will continue to strengthen its emission source monitoring capabilities and integrate its internal energy management system to implement effective GHG reduction actions.

GHG Emissions Data – Past Two Years

Site Location	Item	2023	2024
Taiwan Operations	Scope 1 (Direct Emissions)	1,270.1735	1,219.984
	Scope 2 (Indirect Emissions from Electricity)	13,788.2170	12,890.3666
	Total Emissions (Scope 1 + 2)	15,058.3905	14,110.3506
	Emission Intensity (tCO ₂ e / NT\$ million revenue)	6.027527	4.804706

Notes:

1. Operational control approach was adopted.
2. GHG types included in the inventory: carbon dioxide (CO₂), methane (CH₄), and other greenhouse gases.
3. Scope 1 refers to direct emissions from stationary and mobile combustion sources, as well as fugitive emissions.
4. Scope 2 refers to indirect emissions from purchased electricity.
5. Emission factors are based on the latest GHG Emission Factor Management Table (Version 6.0.4) published by the Ministry of Environment.
6. Global Warming Potential (GWP) values are based on the IPCC Sixth Assessment Report.

Electricity Conservation Management

To reduce energy consumption during operations and enhance process efficiency, the Company continues to implement energy-saving improvement measures, focusing on systematic optimization and replacement of high-energy-consuming equipment. In 2024, a total of five energy-saving projects were completed, covering compressed air systems, cooling systems, process equipment, and HVAC systems. The overall performance is summarized below:

Case 1 | Replacement of Phase III Compressed Air System #2 Adsorption Dryer

The adsorption dryer in Phase III compressed air system #2 exhibited a purge loss rate of up to 20% during regeneration, resulting in significant energy consumption. After replacement, annual electricity savings reached approximately 89,666 kWh, with a carbon reduction benefit of 49,675 kg CO₂e.

Case 2 | Reduction of FFU Fan Motor Speed in Phase IV Cleanroom

Due to idle equipment and sufficient load margin, the operating stages of FFU fan motors were adjusted to reduce unnecessary energy consumption. Annual electricity savings totaled 100,483 kWh, with a carbon reduction benefit of 55,668 kg CO₂e.

Case 3 | Frequency Optimization of MAU Fan Motors in Phase IV

Following years of observation confirming excess load capacity, frequency optimization measures were implemented. Upon completion, annual electricity savings reached 206,188 kWh, with a carbon reduction benefit of 114,228 kg CO₂e.

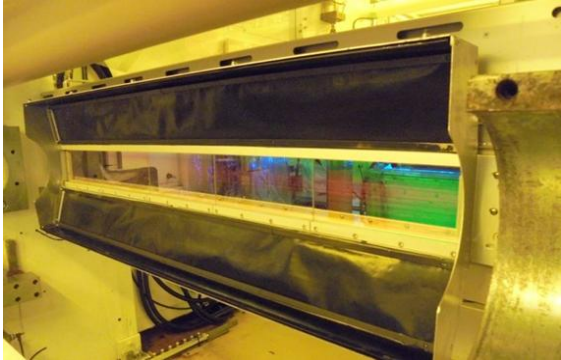
Case 4 | Conversion of Coating Machine #4 in Phase I to LED-UV Lamps

The original halogen lamp set used in Coating Machine #4 in Phase I consumed high levels of electricity. After upgrading to LED-UV lamps, significant energy savings were achieved, totaling 343,613 kWh annually, with a carbon reduction benefit of 190,362 kg CO₂e.

Case 5 | Motor Efficiency Upgrade

In 2024, the Company launched a motor efficiency upgrade program, replacing existing IE1 motors with high-efficiency IE3 motors (two units at 30HP and one unit at 20HP). Post-upgrade, the 20HP motor saved 22,871 kWh annually, while the 30HP motors saved 42,270 kWh. Total annual electricity savings reached approximately 65,141 kWh, with a carbon reduction benefit of 36,088 kg CO₂e. The upgrade also reduced operational energy consumption and maintenance costs.

Through the above initiatives, the Company achieved total electricity savings of approximately 805,091 kWh in 2024, with a cumulative carbon reduction benefit of 446,021 kg CO₂e.

Related Photos	1. Phase III #2 Adsorption Dryer 	2. Phase IV Cleanroom FFU Fan Motor 
Related Photos	3. Phase IV MAU Fan Motor 	4. Phase I Coating Machine #4 – Upgraded to LED-UV Lamp Set 

Related Photos	5. Motor Efficiency Upgrade – Energy Conservation Project 	
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Water Resource Management

All water used at the Company's operational sites and for process activities is legally sourced from the Taiwan Water Corporation supply system. No groundwater or other sensitive water sources are extracted, ensuring that the Company's operations do not exert pressure or cause adverse impacts on local water resources. Basic water-saving facilities and daily water use management measures have been implemented across all plants, with continuous tracking of water consumption to support future performance analysis.

Wastewater generated during production is classified and treated according to its characteristics, and all discharge procedures comply with applicable legal regulations. No incidents of water pollution or illegal discharge have occurred. Overall, the Company's water sourcing is stable and compliant, and its discharge practices have not caused any material impact on nearby water bodies or ecological environments.

Water Consumption Statistics – Past Two Years

Unit: million liters

Site Location	Water Source Type	Consumption	
		2023	2024
Taiwan Operations	Municipal Water	76.203	75.943

Water Conservation Measures

Cooling Tower Optimization in Phases I, III, and IV: To enhance water use efficiency, the Company implemented water-saving improvements in the cooling towers of its HVAC systems. Previously, the conductivity discharge threshold was set at approximately 1,800 $\mu\text{S}/\text{cm}$ —a relatively low standard that resulted in frequent water discharge. Following internal evaluation, the threshold was increased to 2,500 $\mu\text{S}/\text{cm}$, effectively reducing discharge frequency and extending the cooling water usage cycle. This improvement required no additional cost and was achieved solely through parameter adjustments. As a result, an estimated 335 metric tons of water were saved annually, demonstrating tangible environmental benefits while simultaneously enhancing operational efficiency.



Cooling Tower

Waste Management

During the production of optical film and related products, the Company generates various types of waste, including wiping cloths, spent solvent containers, and process effluents. All waste is classified, recorded, and outsourced for disposal in accordance with the Waste Disposal Act and relevant environmental regulations. The Company has signed formal waste disposal contracts with certified environmental service providers to ensure full legal compliance in waste handling. A robust internal audit and monitoring system has been established, with certified personnel regularly reviewing disposal procedures to prevent illegal dumping or omissions in reporting.

The Company also actively promotes waste segregation and resource recycling, reinforcing its commitment to resource efficiency and environmental responsibility in daily operations. In 2024, a total of 11,452 kilograms of recyclable resources were recovered, including paper, plastic containers, and other reusable materials. This effort significantly reduced the volume of mixed waste and saved NT\$166,055 in waste disposal costs.

Unit: metric tons

Site Location	Waste Category	Disposal Method	2023	2024
Taiwan Operations	General Industrial Waste	Incineration	239.22	297.74
		Landfill	137.71	132.90
	Hazardous Industrial Waste	Incineration	20.67	35.66
		Wastewater Treatment	24.20	19.58
		Thermal Treatment	0	9.98
		Recycling	77.49	72.02
	Total		499.29	567.88

3.2 Climate Change Response

In light of increasing international supply chain requirements for carbon reduction and information disclosure, the Company has initiated an assessment of the potential impacts of climate change on its operational activities. Although the climate governance framework is still in its early stages of development, the Company has preliminarily adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework to identify climate-related risks and opportunities, laying the foundation for future strategic planning.

In 2024, the Company, through its ESG Steering Committee, collaborated with various departments to discuss climate change issues. The initial assessment covered potential physical risks (e.g., power outages and logistics delays caused by extreme weather) and transition risks (e.g., carbon pricing, carbon disclosure regulations, and customer decarbonization requirements). Additionally, the Company evaluated potential operational benefits arising from energy conservation, carbon reduction, and production efficiency improvements.

Looking ahead, the Company will gradually establish a climate issue management mechanism in accordance with domestic and international regulatory trends and practical feasibility. Medium- to long-term risk mitigation strategies and carbon reduction targets will be formulated to enhance climate resilience and supply chain robustness.

Climate Risks and Mitigation Measures

Type	Key Climate-Related Issue	Time Horizon	Risk Description	Potential Financial Impact	Mitigation Measures
Transition Risk	International Carbon Regulations and Emissions Management	Medium Term	EU CBAM, carbon disclosure and low-carbon procurement requirements from brand clients	Increased carbon compliance costs; potential failure to pass client supplier audits	Adoption of ISO 14064; establishment of carbon data inventory and management systems
Transition Risk	Energy Price Volatility	Medium Term	Rising electricity prices or introduction of carbon fees impacting production costs	Increased energy expenditures; reduced gross profit margin	Implementation of energy-saving projects; adoption of high-efficiency equipment
Transition Risk	Market Shift Toward Green Products	Medium Term	Brand clients requiring eco-friendly materials or products with carbon footprint data	Declining competitiveness of existing products; loss of order opportunities	Early development of low-carbon, energy-efficient products; alignment with client validation requirements
Transition Risk	Technological Changes (e.g., new process technologies)	Medium to Long Term	Rapid adoption of low-carbon processes or automation replacing existing technologies	Lagging production efficiency; increased manufacturing costs if not upgraded	Monitoring industry technology trends; allocating capital expenditure budget; planning upgrade and transformation roadmap
Physical Risk	Extreme Weather Causing Power Outages or Facility Damage	Short to Medium Term	Summer heat causing grid instability; typhoons damaging equipment	Downtime losses; delivery delays	Strengthening backup power systems; installation of UPS (uninterruptible power supply) systems
Physical Risk	Water Resource Supply Risk	Long Term	Droughts leading to water restrictions in industrial zones or increased water costs	Limited production capacity; elevated operational risks	Adoption of water-saving technologies; rainwater harvesting and process water reuse planning

Climate Opportunities and Mitigation Measures

Type	Climate-Related Opportunity	Time Horizon	Opportunity Description	Potential Financial Benefit	Adopted Measures
Products & Services	Adoption of Low-Carbon Materials and Green Processes	Medium to Long Term	Capture market share for low-carbon products; meet client expectations for low-carbon supply chains	Increased orders; enhanced image as a green supplier	Planning for the use of recycled materials; optimization of process energy efficiency
Products & Services	Development of Low-Carbon Products (e.g., energy-efficient products)	Medium to Long Term	Launch energy-saving optoelectronic components; integrate low-carbon design considerations to meet client demand	Strengthened product competitiveness; access to eco-labels and brand partnerships	Establishment of R&D teams to actively develop energy-efficient products; obtain relevant certifications based on client requirements
Operational Efficiency	Energy Conservation and Management	Medium Term	Implementation of energy management systems; reduction of energy consumption in production processes	Cost reduction; improved production efficiency	Deployment of energy monitoring systems

4. A Fulfilling Workplace

Our company regards employees as the cornerstone of sustainable development. Through institutionalized management, we are committed to talent cultivation, human rights protection, equitable compensation, and workplace safety. We have established comprehensive career development and training mechanisms to support continuous professional growth. A formal human rights policy and grievance channel foster a respectful and inclusive work environment. Our compensation and benefits system is fair and reasonable, encompassing health, family, and overall well-being. We have also implemented occupational safety and health management systems to enhance safety awareness and health practices. Through these structured initiatives, we strive to build a secure and growth-oriented workplace culture.

4.1 Human Capital

Employee Structure

As of the end of 2024, the company employed a total of 585 individuals, representing an increase of 16 employees compared to 2023. The gender distribution was approximately 77% male and 23% female, with an overall male-to-female ratio of about 3.3:1. All personnel were either full-time permanent employees or cooperative education interns; the company had no temporary staff, no employees without guaranteed working hours, and no part-time personnel. Our workforce strategy has remained stable, with no significant changes in overall employee composition over the past two years.

Year	2023			2024		
Category	Male	Female	Total	Male	Female	Total
Total Employees	438	131	569	448	137	585
Permanent Employees	408	124	532	417	129	546
Temporary Employees						
Non-guaranteed Hours						
Cooperative Interns	30	7	37	31	8	39
Full-Time Employees	408	124	532	417	129	546
Cooperative Interns	30	7	37	31	8	39
Part-Time Employees						

Notes:

Permanent Employees:

Individuals employed under open-ended (i.e., indefinite) contracts, either full-time or part-time.

Temporary Employees:

Individuals employed under fixed-term contracts that expire on a specified date or upon completion of a defined task or event (e.g., project completion or return of a substituted employee).

Employees Without Guaranteed Working Hours:

Individuals not guaranteed a minimum or fixed number of working hours per day, week, or month, but who may be required to remain available for work as needed.

Non-Employee Workers

Category	Service Scope (Job Type)	Number of Workers in 2024	Contract Arrangement
Labor Agency	Dormitory Management	1	Contracted via labor agency
Dispatch	Manual Labor Services	2	Contracted via dispatch agency
Cooperative Interns	Technical Internship	39	Contracted through educational institution
Security Services	Security Guard	7	Contracted via security service company
Cleaning Services	Environmental Cleaning	6	Contracted via cleaning service company

Workforce Diversity

	Age Group	Gender	Headcount (End of 2024)	Percentage (End of 2024)
Management- Level	Under 30	Male	1	0.17%
		Female	0	0%
		Subtotal	1	0.17%
	30-50	Male	65	11.11%
		Female	14	2.39%
		Subtotal	79	13.5%
	Over 50	Male	17	2.91%
		Female	4	0.68%
		Subtotal	21	3.59%
General Employees	Under 30	Male	105	17.95%
		Female	35	5.98%
		Subtotal	140	23.93%
	30-50	Male	237	40.51%
		Female	77	13.16%
		Subtotal	314	53.68%
	Over 50	Male	23	3.93%
		Female	7	1.2%
		Subtotal	30	5.13%

	Gender	Headcount (End of 2024)
Persons with Disabilities	Male	4
	Female	1
	Subtotal	5
Foreign Nationals	Male	133
	Female	0
	Subtotal	133

Talent Recruitment and Retention

The company recognizes that a stable and technically proficient workforce is a critical pillar of manufacturing operations. In particular, talent stability in core functions such as production line operations, quality engineering, and equipment maintenance has a direct impact on product quality and operational efficiency. To meet the demands of business expansion and fluctuating order volumes, the company continues to diversify its recruitment channels—leveraging talent platforms, partnerships with vocational institutions, and internal referral programs—to attract individuals with industry experience and growth potential.

In addition to continuously optimizing the recruitment process, the company places strong emphasis on employee retention and turnover trends. Through initiatives such as onboarding retention incentives, performance-based bonus schemes, and comprehensive employee care programs, we aim to enhance workforce stability and strengthen employee engagement. Exit interviews are conducted to gather feedback, which serves as a valuable reference for improving workflows and management practices.

Employee Turnover and New Hire Statistics

	Age Group	Gender	Headcount (End of 2024)	Percentage (End of 2024)
New Hires	Under 30	Male	57	9.74%
		Female	25	4.27%
		Subtotal	82	14.02%
	30-50	Male	14	2.39%
		Female	1	0.17%
		Subtotal	15	2.56%
	Over 50	Male	3	0.51%
		Female	0	0.00%
		Subtotal	3	0.51%
Departures	Under 30	Male	28	4.79%
		Female	13	2.22%
		Subtotal	41	7.01%
	30-50	Male	21	3.59%
		Female	6	1.03%
		Subtotal	27	4.62%
	Over 50	Male	23	3.93%
		Female	4	0.68%
		Subtotal	27	4.62%

The ratio should be calculated using the total number of employees at the end of the reporting period as the denominator for both new hires and employee departures.

4.2 Compensation and Benefits

Upholding a people-centric philosophy, the company is committed to cultivating an attractive and supportive talent environment. From statutory protections to extended benefits, we have progressively built a comprehensive employee care and incentive system.

In terms of statutory entitlements, the company complies with the Labor Standards Act by offering a five-day workweek, paternity leave, special leave, prenatal check-up leave, maternity rest leave, maternity leave, parental leave, and menstrual leave for female employees. Additional protections include occupational injury insurance, annual health check-ups, and epidemic-related care leave, ensuring comprehensive employee rights and welfare.

To further enhance employee well-being, the company provides a range of competitive benefits, including year-end bonuses, holiday gifts/vouchers, employee dining facilities, fitness equipment, on-site medical services, wedding cash gifts, employee scholarships, language training subsidies, birthday celebrations, and meal allowances. Annual health screenings exceeding regulatory standards, birthday bonuses, company outings, and various team-building competitions are also offered to foster a sense of belonging and workplace vitality.

Our reward system includes clearly defined incentives for production targets, coaching bonuses, transportation subsidies, and performance-based awards. For production line personnel, retention bonuses and referral incentives are implemented as key mechanisms to stabilize the workforce and promote internal recruitment.

Through a well-rounded benefits and reward framework, the company continues to build a secure, growth-oriented, and cohesive work environment that attracts and retains top talent—serving as a solid foundation for long-term sustainable development.

Retirement System and Post-Retirement Engagement

In accordance with the Labor Standards Act and the Labor Pension Act, the company ensures basic post-retirement financial security by contributing 6% of monthly wages to individual pension accounts for employees under the new pension scheme. Employees may also voluntarily contribute an additional 0% to 6% based on personal preference. The company guarantees that all employees receive stable and compliant retirement benefits.

To preserve the professional value and institutional knowledge of senior employees, the company encourages outstanding retirees to continue contributing through advisory or re-employment opportunities, based on departmental needs and individual willingness. These arrangements support mentorship, experience sharing, and practical guidance for the team.

Employee Engagement Activities

Activity Title	2024 Annual Employee Outing
Activity Description	Promoted healthy recreational activities to foster camaraderie and strengthen harmonious relationships among colleagues.
Participation / Duration / Beneficiaries	A total of 268 participants (including family members); two-day, one-night event.
Resources Invested	NTD 1,235,001

Activity Photos	
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Activity Title	2024 Annual Employee Outing
Activity Description	Promoted healthy recreational activities to foster camaraderie and strengthen harmonious relationships among colleagues.
Participation / Duration / Beneficiaries	A total of 71 participants (including family members); two-day, one-night event.
Resources Invested	NTD 364,160
Activity Photos	

Activity Title	2024 Year-End Banquet
Activity Description	Expressed appreciation for employees' hard work throughout the year, as well as the support and collaboration from clients and suppliers. The event aimed to foster harmonious relationships and strengthen mutual goodwill.
Participation / Duration / Beneficiaries	A total of 421 participants
Resources Invested	NTD 1,550,025



Parental Leave Without Pay

The company encourages employees to find a healthy balance between career development and family care. For those with childcare needs, we offer a parental leave without pay program in accordance with the Act of Gender Equality in Employment, allowing eligible employees to apply for up to two years of leave. During the leave period, employees are encouraged to stay informed about internal updates and maintain communication. Prior to reinstatement, the company proactively provides support and necessary arrangements to ensure a smooth transition back to work—fostering a family-friendly and inclusive workplace environment.

Item	Gender	2023	2024
Number of employees eligible for parental leave	Male	1	1
	Female	1	2
	Total	2	3
Number of employees who applied for parental leave	Male	1	1
	Female	1	2
	Total	2	3
Number of employees expected to return to work	Male	1	1
	Female	1	2
	Total	2	3
Number of employees who actually returned to work	Male	1	1
	Female	0	2
	Total	1	3
Return-to-work rate	Male	100%	100%
	Female	0%	100%
	Total	100%	100%
Number of employees retained for one year post-return	Male	0	0
	Female	0	0
	Total	0	0
Retention rate	Male	0%	0%
	Female	0%	0%
	Total	0%	0%

1. Return-to-Work Rate = (Number of employees who actually returned to work ÷ Number of employees expected to return) × 100%

2. Retention Rate = (Number of employees retained for one year after returning to work during the current year ÷ Number of employees who returned to work in the previous year) × 100%

Compensation and Benefits

The company is committed to establishing an attractive, fair, and reasonable compensation system as a core strategy for attracting and retaining key talent. Our salary structure is determined based on a comprehensive assessment of local labor regulations, industry pay benchmarks, regional cost of living, and job responsibilities. Regular reviews and adjustments are conducted to ensure overall competitiveness in the market.

To uphold workplace equity and inclusivity, the company pledges not to differentiate compensation based on gender, age, nationality, marital status, religion, disability, or other personal attributes. All full-time employees receive starting salaries above the local minimum wage, and there is no gender-based difference in starting pay for employees at the same job level and with equivalent responsibilities. Salary adjustments are evaluated based on tenure, performance outcomes, and job contributions, ensuring fairness and transparency in compensation distribution.

In addition, the company offers flexible and performance-driven variable incentives, including year-end bonuses, performance bonuses, and project-based rewards. These measures reflect both individual and team achievements, reinforcing a culture of positive recognition and performance alignment.

Basic Salary Ratio – 2024

	Male	Female
Basic Salary (Entry-Level)	31,100	31,100
Statutory Minimum Wage	28,590	28,590
Multiple of Minimum Wage	1.09	1.09

Notes:

Basic salary refers to the guaranteed, short-term, fixed cash remuneration at the entry level. It excludes any additional compensation such as overtime pay or bonuses.

Entry-level employees refer to junior staff; compensation for interns or apprentices is not included in this definition.

Gender Pay Ratio

	2023		2024	
Job Level	Male	Female	Male	Female
General Staff	1	1.05	1	1.08
First-Line Supervisor	1	0.90	1	1.01
Mid-Level Manager	1	0.89	1	0.98
Senior Manager	1	0	1	0

Notes:

1. The gender pay ratio is calculated using the average salary of male employees as the denominator.

2. No female employees held senior management positions during the reporting period; therefore, the ratio could not be calculated for that level.

Average and Median Annual Salary for Non-Managerial Full-Time Employees

Unit: NT\$1,000

Item	2023	2024
Total salary of full-time employees in non-managerial roles	353,250	403,073

Number of full-time employees in non-managerial roles	487	527
Average annual salary	725	765
Median annual salary	640	645

Notes:

1. Non-managerial roles refer to employees hired in Taiwan (including both local and foreign nationals), excluding managerial staff, part-time employees, and those employed for less than six months. Figures are calculated based on average headcount.
2. Total salary includes base salary, overtime pay, various allowances, bonuses, and employee compensation. It excludes expenses recognized for share-based payments.

Annual Total Compensation Ratio

1. Ratio of the annual total compensation of the highest-paid individual to the median annual total compensation of all other employees (excluding the highest-paid individual): **7.66:1**
2. Ratio of the percentage increase in annual total compensation of the highest-paid individual to the median percentage increase in annual total compensation of all other employees (excluding the highest-paid individual): **3.80:1**

Harmonious Labor Relations

The company is committed to fostering a harmonious, respectful, and inclusive workplace environment by continuously strengthening trust and collaboration between labor and management. Gender equality and human rights protection are integral to our sustainable governance practices. In response to diversity and inclusion issues, the company promotes equal pay for equal work and fair promotion systems, encourages the development and utilization of diverse talent, and expands recruitment channels through industry-academia collaboration and other mechanisms.

In terms of workforce composition, women account for 20% of management positions, with female representation in administrative management roles reaching 30%. Among employees who applied for parental leave without pay, the female-to-male ratio was approximately 3:2, reflecting the company's respect for gender roles and support for career-family balance.

To safeguard fundamental employee rights, the company establishes labor contracts in accordance with the Labor Standards Act and has implemented mechanisms for reporting and addressing sexual harassment and workplace misconduct. Clear procedures and handling principles are defined. All new hires receive a briefing on sexual harassment prevention on their first day, and ongoing awareness is promoted through bulletin boards, email communications, and internal social media platforms to help employees understand their rights and available protections. Over the past three years, the company has had no recorded incidents of human rights violations.

In terms of human rights education, the company held a seminar titled "Prevention of Sexual Harassment and Assault: Building a Workplace of Gender Equality and Respect" on May 14, 2024, with 22 participants and a total of 33 training hours. Additionally, an "Information Security Seminar" was conducted with 12 participants. These programs enhance employee awareness of workplace ethics, human rights risks, and data protection, and are incorporated into the annual training management plan as a foundation for cultivating a sustainable workplace culture.

4.3 Talent Development

The company firmly believes that continuous learning and growth among employees are key drivers of sustainable corporate development. To this end, we have established a structured, phased, and role-aligned talent development system. Our overall training strategy is guided by the “Employee Training Policy,” focusing on three core areas: professional skill enhancement, managerial capability building, and career development. The annual training plan is dynamically adjusted based on business development priorities and organizational talent assessments.

Training programs are designed in accordance with job descriptions and competency evaluation results, covering onboarding training for new hires, in-service professional skills courses, departmental functional training, cross-departmental resource sharing, and leadership development for mid- and senior-level managers. Course content is continuously refined to meet evolving operational needs.

The company also maintains a dedicated training portal offering online resources and shared learning materials, enabling flexible and timely learning support for employees. During program execution, training progress and effectiveness are regularly tracked to ensure course quality and learning outcomes.

To effectively link training results with career development, the company implements an annual goal-setting system, integrated with performance evaluation outcomes. These serve as the basis for promotions and role planning, gradually building a competency-based talent development ladder that advances both individual learning and organizational growth in parallel.

Employee Training Statistics – By Employee Category

Job Level	2023 Year-End				2024 Year-End			
	Male	Female	Total Hours	Average Hours	Male	Female	Total hours	Average Hours
Senior Management	40.0		40.0	3.33	88.5		88.5	5.53
Mid-Level Management	187.5	75.0	262.5	3.75	416.0	134.0	550.0	3.48
First-Line Management	67.5	31.0	98.5	4.69	98.5	30.0	128.5	3.47
General Staff – Indirect Labor	338.5	305.0	643.5	3.30	454.5	390.0	844.5	2.71
General Staff – Direct Labor	1,750.0	363.5	2,113.5	1.79	1,687.0	220.5	1,907.5	1.64
Total Training Hours	2,383.5	774.5	3,158.0	2.14	2,744.5	774.5	3,519.0	2.09
Average Training Hours	2.10	2.26			2.05	2.22		

Unit: Hours

Note 1: Managerial positions (including acting roles) are classified as follows: senior level refers to department-level and above; mid-level includes manager and assistant manager roles; and first-line level covers section and team leader positions.

Note 2: General employees are categorized based on job nature into indirect labor and direct labor.

Note 3: Training hours include programs conducted in overseas regions, as well as internal and external training sessions.

Employee Training Statistics – By Training Category

Category / Year		2023	2024
New Employee Training	Number of Participants	194	61
	Total Training Hours	776.0	253.5
Professional Training	Number of Participants	766	670
	Total Training Hours	1,514.5	1,069.0
Managerial Competency Training	Number of Participants	0	57
	Total Training Hours	0.0	266.0
General Education Courses	Number of Participants	519	897
	Total Training Hours	867.5	1,930.5
Total	Number of Participants	1,479	1,685
	Total Training Hours	3,158.0	3,519.0

Performance Evaluation

To encourage continuous employee growth and enhance organizational operational efficiency, the company has established a structured system for performance appraisal, promotion, and salary adjustment. This system covers probationary evaluations for new hires as well as annual performance reviews for all regular employees. Performance evaluations are conducted by direct supervisors based on multiple dimensions, including job responsibilities, achievement of work objectives, professional attitude, and teamwork performance. Through regular one-on-one review meetings, constructive feedback and development suggestions are provided to help employees align with organizational strategies and continuously refine their individual career plans.

Category	Male			Female			Total		
	Total Employees	Employees Reviewed	Coverage Rate	Total Employees	Employees Reviewed	Coverage Rate	Total Employees	Employees Reviewed	Coverage Rate
Management Roles	63	63	100%	17	17	100%	80	80	100%
Non-Management Roles	157	156	99.36%	82	80	97.56%	239	236	98.74%
Subtotal	222	219	99.55%	99	97	97.98%	319	316	99.06%

4.4 Occupational Health, Safety, and Well-being

Comprehensive Occupational Safety Management System

The company places great importance on workplace safety and employee health, recognizing them as essential pillars of operational management. To provide a safe, healthy, and human-centered working environment, we continuously promote the institutionalization of occupational health and safety practices. We have implemented and maintained the ISO 45001 Occupational Health and Safety Management System, which enhances risk identification and prevention through a structured framework, ensuring robust protection of personnel safety.

Our occupational safety policy is built upon five core principles:

1. Regulatory Compliance – Strict adherence to all applicable domestic occupational safety laws and regulations.
 2. Waste Reduction – Commitment to minimizing the environmental impact of operational activities and improving resource and energy efficiency.
 3. Energy Performance – Support for the procurement of energy-efficient products, enhancement of energy efficiency, and reduction of energy costs.
 4. Injury and Illness Prevention – Aiming for zero pollution, zero accidents, and zero harm by creating a safe and secure working environment.
 5. Continuous Improvement – Regular internal audits and management reviews to ensure effective implementation and ongoing enhancement of safety policies.
- ※ Note: Principle 3 applies only to the Taoyuan facility, as the Zhunan plant has not yet adopted ISO 50001.

Through these management strategies and systemized practices, the company strives to cultivate a proactive safety culture, reduce workplace risks, and ensure that every employee can thrive in a secure and health-conscious environment.

Risk Assessment and Corrective Actions

To strengthen workplace safety management mechanisms, the company continuously promotes hazard identification and risk assessment systems in accordance with the ISO 45001 Occupational Health and Safety Management System. These efforts aim to identify risk factors within operational processes that may impact employee health and safety, serving as the foundation for setting annual safety and health objectives and management plans.

The company mandates a comprehensive hazard identification and risk assessment every three years. In addition, whenever operational changes occur—such as process modifications, introduction of new equipment, replacement of raw materials, or changes in workplace conditions—immediate reassessment is conducted to ensure timely and effective risk identification.

Risk control strategies follow the principle of the “hierarchy of controls,” implemented in the following order:

1. Elimination of hazards
2. Substitution with lower-risk alternatives
3. Implementation of engineering controls
4. Supplementation with signage, warnings, and administrative controls
5. Provision of appropriate personal protective equipment (PPE) as a final measure

Furthermore, to address workplace factors that may lead to musculoskeletal disorders or other chronic occupational injuries, the company enforces a physician site inspection system. At the Taoyuan facility, inspections are conducted monthly; at the Zhunan facility, quarterly. Occupational physicians assess the presence of harmful substances and poor ergonomic conditions, providing recommendations for improvement to reduce the risk of occupational diseases.

Occupational Safety Training Program

To enhance workplace safety awareness and risk response capabilities among all employees and contractors, the company has developed comprehensive occupational safety training programs for both the Taoyuan and Zhunan facilities. These programs are designed in accordance with the Occupational Safety and Health Act and the ISO 45001 Occupational Health and Safety Management System. Training participants include new hires, personnel engaged in specialized operations, and staff responsible for emergency response and fire safety. Training frequency is scheduled based on course content and certification validity to foster a strong safety culture and ensure the health and safety of all personnel.

1. Basic Safety Education

- New Employee Orientation: Conducted twice weekly at the Taoyuan facility; scheduled as needed at the Zhunan facility.
- Contractor Safety Training: Flexibly arranged based on actual site entry and operational needs.

2. Emergency Response and Fire Safety Training

- Fire and Evacuation Drills: Held semi-annually at both Taoyuan and Zhunan facilities.
- First Aid Personnel Training: Conducted in accordance with certification renewal timelines.

3. Specialized Equipment Operation and Supervisor Training (Scheduled based on certificate validity)

- Forklift Operator Training
- Fixed Crane Operator Training
- Fixed Crane (Overhead, Ground-Controlled, ≥3 Tons) Operator Training
- Rigging Operations Training
- Aerial Work Platform Operator Training

4. Occupational Safety Supervisor Training (Scheduled based on certificate validity)

- Category A Occupational Safety and Health Supervisor Training
- Organic Solvent Operations Supervisor Training
- Specific Chemical Substance Operations Supervisor Training (Taoyuan)

- Dust Operations Supervisor Training (Taoyuan)

5. Specialized Occupational Safety Training (Scheduled in accordance with certification or legal requirements)

- Occupational Safety and Health Personnel Training
- Fire Prevention Manager Training
- Security Supervisor Training
- Security Inspector Training
- Toxic Chemical Emergency Response Training
- Civil Defense Education (conducted annually)

Fire Drill Photos



Occupational Safety Training



Occupational Injury Statistics

The company continues to strengthen its occupational health and safety management mechanisms, striving to create a zero-incident work environment. Through a combination of risk identification, preventive measures, training programs, and rapid response protocols, we are committed to achieving our “zero accident” safety management goal. In accordance with the ISO 45001 Occupational Health and Safety Management System, the company regularly collects, compiles, and analyzes workplace injury data. These insights serve as the basis for refining risk control strategies and improving preventive measures.

In 2024, the Taoyuan facility recorded seven occupational injury incidents, all of which were classified as minor, with no fatalities or major occupational accidents. The Zhunan facility maintained a record of zero occupational injuries for the second consecutive year.

Taoyuan Facility

Item	2023	2024
Total Annual Working Hours	808,040	880,856
Number of Fatalities Due to Occupational Injuries	0	0
Fatality Rate from Occupational Injuries	0	0
Number of Serious Occupational Injuries	0	0
Serious Injury Rate	0	0
Number of Recordable Occupational Injuries	2	7
Recordable Injury Rate	2.47	7.95

Zhunan Facility

Item	2023	2024
Total Annual Working Hours	215,352	235,424
Number of Fatalities Due to Occupational Injuries	0	0
Fatality Rate from Occupational Injuries	0	0
Number of Serious Occupational Injuries	0	0
Serious Injury Rate	0	0
Number of Recordable Occupational Injuries	0	0
Recordable Injury Rate	0	0

Notes:

1. Only commuting accidents involving transportation arranged by the organization are counted as occupational injuries; regular commuting to and from work is excluded.
2. Total annual working hours are calculated by aggregating monthly occupational safety reporting hours.
3. All rates are calculated per one million working hours.

Calculation of Disability Injury Severity Rate

Taoyuan Facility

	2023	2024
Disability Injury Frequency	2.47	7.95
Disability Injury Severity Rate	3	83.44

Zhunan Facility

	2023	2024
Disability Injury Frequency	0	0
Disability Injury Severity Rate	0	0

Note: Disability Injury Frequency = (Total number of injury cases resulting in lost time $\times 10^6$) $\div$ Total working hours

Note: Disability Injury Severity Rate = (Total number of lost workdays due to injury $\times 10^6$) $\div$ Total working hours

Health Promotion

The company places strong emphasis on the physical and mental well-being of its employees, striving to create a friendly workplace and a sustainable working environment. Through a diverse range of health

promotion initiatives, we aim to enhance employees' quality of life and overall welfare, thereby improving work performance and organizational cohesion. These initiatives span preventive care, health education, mental wellness, nutrition, and fitness resources, and are tailored to the specific conditions of each facility.

1. Preventive Care and Medical Services

- Annual health check-ups are provided for all employees, with targeted physician consultations, health education, and ongoing follow-up for high-risk groups.
- On-site medical rooms are available at both the Taoyuan and Zhunan facilities to treat minor injuries and offer blood pressure monitoring and personalized care for high-risk employees.
- Resident physicians conduct regular rounds to provide preliminary health consultations and on-site assessments.
- Breastfeeding rooms are available at both facilities, offering safe and private spaces to support postnatal employees in continuing breastfeeding.

2. Health Education and Awareness Campaigns

- At least two health seminars are held annually, covering topics such as stress management, prevention of workplace violence and sexual harassment, and regulatory awareness of the four major occupational safety programs.
- Health bulletins and updates are distributed periodically, with health knowledge promoted via the company's LINE groups and internal website (minimum twice per month).

3. Mental Wellness and Fitness Resources

- The Taoyuan facility features a recreation room and fitness equipment, with professional trainers regularly invited to lead fitness classes and encourage healthy exercise habits.
- Visually impaired massage services are offered twice weekly, providing employees with opportunities for stress relief and muscle relaxation.

4. Emotional Care and Organizational Cohesion

- Annual employee outings and large-scale banquet events are organized to foster interdepartmental interaction and team belonging.
- Quarterly birthday celebrations are held, with birthday bonuses provided to express the company's appreciation and well wishes to employees.

GRI Content Index

Statement of Use	UBright Optronics Corp. has reported the information for the period from January 1, 2024 to December 31, 2024 in accordance with the GRI Standards 2021.
GRI 1 Used Version	GRI 1: Foundation 2021
GRI Sector Standards	Not applicable (GRI has not yet issued relevant sector standards)

General Disclosures

GRI Code	Disclosure Item	Corresponding Section / Description	Page Number	Omission Explanation
GRI 2-1	Organizational details	1.1 Company Overview	P.	
GRI 2-2	Entities included in the organization's sustainability reporting	About This Report	P.	
GRI 2-3	Reporting Period, Frequency, and Contact Point	About This Report	P.	
GRI 2-4	Restatements of information	No restatements of information	P.	
GRI 2-5	External assurance	No external assurance for this reporting year	P.	
GRI 2-6	Activities, value chain, and other business relationships	1.1 Company Overview	P.	
GRI 2-7	Employees	4.1 Human Capital	P.	
GRI 2-8	Workers who are not employees	4.1 Human Capital	P.	
GRI 2-9	Governance structure and composition	1.2 Board of Directors	P.	
GRI 2-10	Nomination and selection of the highest governance body	1.2 Board of Directors	P.	
GRI 2-11	Chair of the highest governance body	1.2 Board of Directors	P.	
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	1.2 Board of Directors	P.	
GRI 2-13	Delegation of responsibility for managing impacts	1.2 Board of Directors	P.	
GRI 2-14	Role of the highest governance body in sustainability reporting	1.2 Board of Directors	P.	
GRI 2-15	Conflicts of interest	1.2 Board of Directors	P.	
GRI 2-16	Communication of critical concerns	1.2 Board of Directors	P.	

GRI 2-17	Collective knowledge of the highest governance body	1.2 Board of Directors	P.	
GRI 2-18	Evaluation of the performance of the highest governance body	1.2 Board of Directors	P.	
GRI 2-19	Remuneration policies	1.2 Board of Directors	P.	
GRI 2-20	Process to determine remuneration	1.2 Board of Directors	P.	
GRI 2-21	Annual total compensation ratio	4.2 Compensation and Benefits	P.	
GRI 2-22	Statement on sustainable development strategy	Message from the Chairman	P.	
GRI 2-23	Policy commitments	1.3 Ethical Business Practices / 4.2 Compensation and Benefits	P.	
GRI 2-24	Embedding policy commitments	1.3 Ethical Business Practices / 4.2 Compensation and Benefits	P.	
GRI 2-25	Processes to remediate negative impacts	1.3 Ethical Business Practices / 4.2 Compensation and Benefits	P.	
GRI 2-26	Mechanisms for seeking advice and raising concerns	1.3 Ethical Business Practices / 4.2 Compensation and Benefits	P.	
GRI 2-27	Compliance with laws and regulationsStakeholder	1.3 Ethical Business Practices	P.	
GRI 2-28	Membership associations	1.1 Company Overview	P.	
GRI 2-29	Approach to stakeholder engagement	Stakeholder Identification and Communication Channels	P.	
GRI 2-30	Collective bargaining agreements	No collective bargaining agreements in place	P.	

GRI 3: Material Topics 2021			
Corresponding GRI Standards and Disclosures	Relevant Sections / Description	Page Number	Omission Explanation
3-1 Process to determine material topics	Stakeholder Identification and Communication Channels		
3-2 List of material topics	Management of Material Topics		
3-3 Management of material topics	Management Approach to Material Topics		

Custom Material Topic

Custom Material Topic				
Material Topic	Corresponding GRI Standards and Disclosures	Relevant Sections / Description	Page Number	Omission Explanation
Research & Development Innovation	3-3 Management of material topics	2.1 Innovation and R&D		
Product Quality	3-3 Management of material topics	2.2 Quality Management		

Material Topic and GRI Mapping

Material Topic: Economic Performance

	Corresponding GRI Standards and Disclosures	Relevant Sections / Description	Page Number	Omission Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	Management Approach to Material Topics		
201 Economic Performance 2016	201-1 Direct economic value generated and distributed	1.1 Company Overview		
	201-2 Financial implications and other risks and opportunities due to climate change	3.2 Climate Change Response		
	201-3 Defined benefit plan obligations and other retirement plans	4.2 Compensation and Benefits		
	201-4 Financial assistance received from government	1.1 Company Overview		

Material Topic: Energy and Carbon Emissions

	Corresponding GRI Standards and Disclosures	Relevant Sections / Description	Page Number	Omission Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	Management Approach to Material Topics		
305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	3.1 Energy Resource Management		
	305-2 Energy indirect (Scope 2) GHG emissions	3.1 Energy Resource Management		
	305-3 Other indirect (Scope 3) GHG emissions	3.1 Energy Resource Management		
	305-4 GHG emissions intensity	3.1 Energy Resource Management		
	305-5 Reduction of GHG emissions	3.1 Energy Resource Management		
	305-6 Emissions of ozone-depleting substances (ODS)	No relevant air pollutants are emitted during the Company's operational processes.		
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	No relevant air pollutants are emitted during the Company's operational processes.		

Material Topic: Compensation and Benefits

	Corresponding GRI Standards and Disclosures	Relevant Sections / Description	Page Number	Omission Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	Management Approach to Material Topics		
401 Employment 2016	401-1 New employee hires and employee turnover	4.1 Human Capital		
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.2 Compensation and Benefits		
	401-3 Parental leave	4.2 Compensation and Benefits		
405 Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	4.1 Human Capital		
	405-2 Ratio of basic salary and remuneration of women	4.2 Compensation and Benefits		

Material Topic: Occupational Health and Safety

	Corresponding GRI Standards and Disclosures	Relevant Sections / Description	Page Number	Omission Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	Management Approach to Material Topics		
403 Occupational Health and Safety 2018	403-1 Occupational health and safety management system	4.4 Occupational Health, Safety, and Well-being		
	403-2 Hazard identification, risk assessment, and incident investigation	4.4 Occupational Health, Safety, and Well-being		
	403-3 Occupational health services	4.4 Occupational Health, Safety, and Well-being		
	403-4 Worker participation, consultation, and communication on occupational health and safety	4.4 Occupational Health, Safety, and Well-being		
	403-5 Worker training on occupational health and safety	4.4 Occupational Health, Safety, and Well-being		
	403-6 Promotion of worker health	4.4 Occupational Health, Safety, and Well-being		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.4 Occupational Health, Safety, and Well-being		
	403-9 Work-related injuries	4.4 Occupational Health, Safety, and Well-being		