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2024 ESG Report

InnoCare Optoelectronics Corp.



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Foreword



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0.1 About this report

This is the second ESG Report published by InnoCare, it covers governance as well as our social and environmental goals and achievements. For presenting our performance, managerial approach, material topics to our stakeholders, this report is compiled with the comprehensive option of the 2021 GRI Sustainability Reporting Standards released by the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) Standards, and the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies.

Scope of the Report

The information disclosed in this report covers the period from January 1 to December 31, 2024. With the exception of financial performance provided in the scope of consolidated financial statements, the environmental information data is disclosed within the scope of the Taiwan plant, and other contents are based on significant topic identification to determine the impact boundaries within and outside the organization:

- Within the organization: the Taiwan plant (InnoCare Optoelectronics Corp.) and the main operating production sites of the Ningbo factory in China (Ningbo Innolux Electronics Ltd.).
- Outside the organization: customers, suppliers, local communities, etc.

Report Assurance

The data or information disclosed in this report is provided by the editorial team composed of various departments responsible for the content, including Human Resources Administration, Legal and Intellectual Property, Equity, Finance and Accounting, Factory Management, Occupational Safety and Health, Research and Development, Procurement, Logistics, Information Technology, Quality Assurance, Sales, Public Relations, and Sustainability Development. The content's authenticity and completeness were reviewed and approved by the responsible supervisors. The completed report was issued after approval by the company's board of directors.

- Greenhouse gas inventory data has been verified by third-party verification according to ISO 14064-1:2018.
- The cost and accounting information cited in the annual report have been verified by accountants.

Issue Dates

This sustainability report will be issued annually, and the Chinese version of the report will be available for download on the InnoCare website.

Current version: released in August 2025

Next version: scheduled to be released in August 2026

Contact Us

If you have any questions about the contents of this report, please contact us. Contact information is as follows:

Human Resources Administration and Sustainability Development Department,
Sustainability Report Editorial Team

- Phone: : +866-6-700-7238
- E-mail : CSR@innocare-x.com
- Website : <https://www.innocare-x.com/>
- Headquarters Address : Room B, No.2, Sec. 2, Huansi Rd., Tainan City, Southern Taiwan Science Park, 74144 Taiwan (R.O.C.)

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ESG Report download area



InnoCare official website

0.2 A Message from the Chairman

Embracing a New Era: InnoCare's Commitment to Sustainable Healthcare

The post-pandemic era presents unprecedented opportunities for the healthcare sector, driven by digital innovation and artificial intelligence. InnoCare is actively leading this transformation, guided by our core sustainability policy of “InnoCare Care for All.” Our goal extends beyond corporate growth; we are committed to the health of society and the sustainability of our environment. We are pursuing this through the following three key areas and specific initiatives:

1. Integrating Technology and Intelligent Healthcare

InnoCare is leveraging key technologies like AI and big data to enhance our automated manufacturing capabilities and provide tailored solutions. Since its launch in 2021, the ‘Sylvia Dynamic X-Ray Flat Panel Detector’ has not only earned the ‘2024 Taiwan Excellent Product Award,’ but also laid a solid foundation for the development of smart precision healthcare. Furthermore, our collaboration with National Pingtung University of Science and Technology has established an ‘Animal X-Ray Positioning Guide,’ compiling over 15,000 animal X-ray images and publishing shooting position guidelines, further strengthening the application of AI in veterinary medicine.

2. Social Responsibility and Accessible Healthcare Services

InnoCare is committed to practicing social responsibility alongside technological innovation. Since 2022, we have participated in the Yunlin, Chiayi, and Tainan 10,000-Person Action “Early Lung Cancer Screening” X-Ray event and have partnered with National Cheng Kung University Hospital and Rotary International to promote healthcare services in remote areas. We have successfully assisted in the replacement of medical equipment in 11 remote areas, ensuring that every resident receives timely health checks and medical care. In 2024, we once again partnered with the National Cheng Kung University Hospital Imaging Center and the Tainan City Chest Disease Society to launch the ‘Free X-ray Early Lung Cancer Screening Outreach Vehicle’ program and participated in the ‘Tainan City Street Dweller New Year’s Gathering and Blessing Meal’ held at the Heshunli Activity Center in North Tainan. We continuously utilize our core products and technologies to promote early lung cancer screening and contribute to public health.

3. Promoting Environmental Friendliness and Educational Guidance

InnoCare recognizes the importance of carbon reduction and environmental protection and plans to reduce carbon emissions by 25% by 2030. We have initiated an energy efficiency improvement program, which includes updating key electrical equipment to mitigate financial impact and implement carbon reduction goals. Furthermore, we are partnering with InnoLux to promote “Net-Zero Carbon Emissions” environmental education courses, utilizing situational learning and interactive games to help students understand the impact of climate change and global warming, deeply embedding this awareness within their understanding.

Looking ahead, InnoCare will continue to uphold the philosophy of “InnoCare Care for All,” collaborating with partners across sectors to advance the construction of a smart precision healthcare ecosystem and relentlessly striving to fulfill our ESG sustainability mission.



James Yang, Chairman

A stylized, handwritten signature of James Yang in black ink. The signature is fluid and cursive, with the first letters of 'James' and 'Yang' being significantly larger and more prominent.

0.3 Company Overview

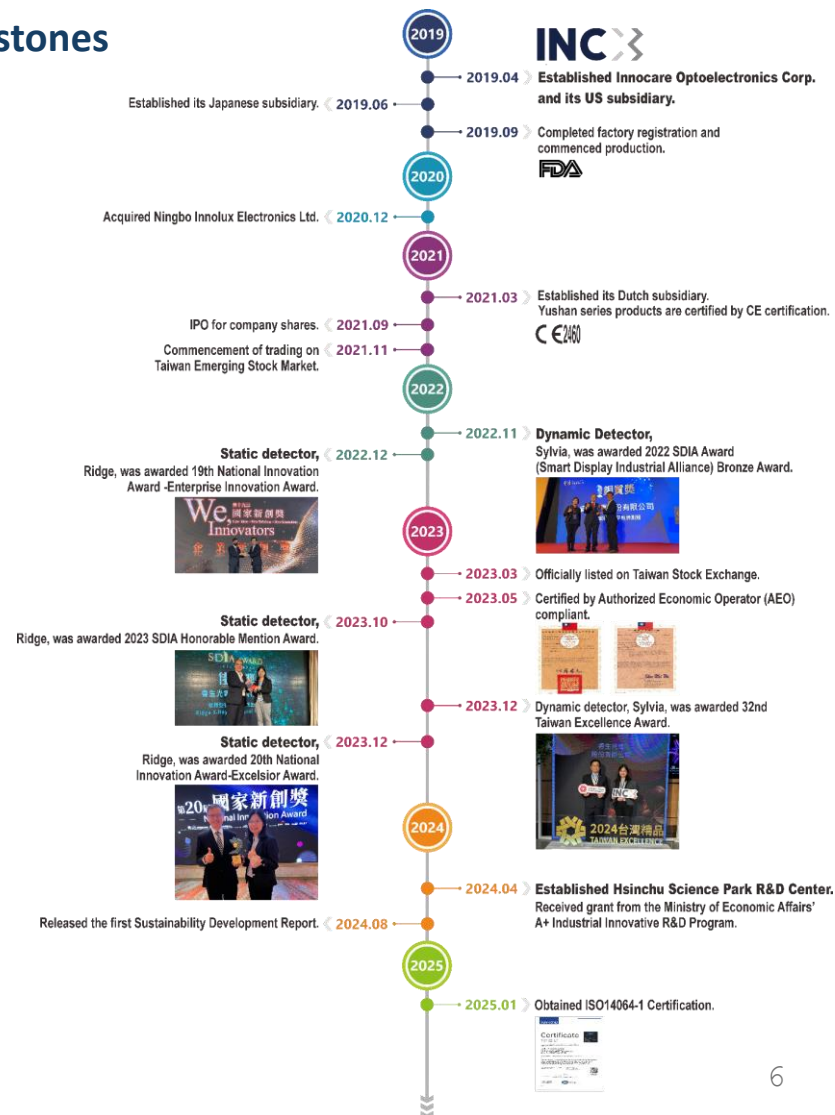
InnoCare Care for All

InnoCare was established in April 2019, with its headquarters in Taiwan. The company has manufacturing facilities in Taiwan and Ningbo, China, and service locations in Japan, the Netherlands, and the United States to meet the needs of global customers. As a company specializing in the production of X-ray flat panel sensors and modules, focusing on the independent design, research, development, and sales of X-ray sensor products, InnoCare is committed to providing comprehensive and reliable X-ray imaging sensor solutions to meet the needs of medical examinations and industrial non-destructive testing fields.

InnoCare's mission is to become the global leader in X-ray sensing technology, manufacturing, and services, creating a globally leading one-stop X-ray sensor service. The vision is to "Perceiving the Unseen to Enrich the Visible Safeguarding Health and Safety through AI-Powered Insights." The company continuously invests in the research and development of new-generation IGZO structures, high pixel fill factor component designs, and scintillator key processes to establish competitive advantages in technology and products. Expanding the product line of medical X-ray sensor modules and industrial non-destructive testing equipment, while investing in the development of AI image analysis technology to meet customers' demands for high-quality and high-performance products. By integrating the global supply chain, InnoCare forms a strong team in the global medical device industry in the field of smart healthcare, creating a new era of smart healthcare and precision testing.

InnoCare also upholds the values of respecting customers, employees, society, and nature, continuously focusing on corporate social responsibility issues. Through the power of the enterprise and the advantages of technology, the company aims to make due contributions to society and the environment.

Milestones



0.3 Company Overview



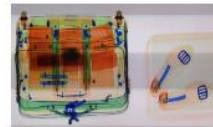
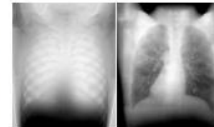
Company Profile

InnoCare Optoelectronics Corp.	
Date of Establishment	April 2019
Stock symbol	6861
Capital	NT\$ 402 million
Chairman	Chu-Hsiang (James) Yang
Number of Employees	328 employees globally
Headquarters	Room B, No.2, Sec.2, Huansi Rd., Tainan City, Southern Taiwan Science Park, 74144, Taiwan (R.O.C.)
Main Products	X-ray Flat Panel Detectors and related products
Production Capacity	44,000 units of X-ray flat panel sensor device 8,000 units of X-ray flat panel sensor module
2024 Revenue	NT\$ 1.99 billion

INCX Global Presence



Applications

Medical	Vet	NDT	Dual Energy
			
The medical line of x-ray detectors are specifically engineered for all general radiographic procedures.	The veterinary line of x-ray detectors focus on high quality imaging. They are intended for all general radiographic procedures for animals.	Innocare industrial detectors are suitable for incoming and outgoing inspection for manufacturers and assembly plants.	Dual-Energy detectors specialize in differentiating bone and soft tissue under a single exposure.

0.3 Company Overview

Participation in Organizations

InnoCare participates in various industry associations and non-profit organizations to enhance industry experience and share opinions. The company continuously focuses on important issues such as corporate governance, technological innovation, environmental sustainability, supply chain management, and human rights. All participation processes strictly adhere to Article 4 of the "InnoCare of Conduct Implementation Regulations": the company prohibits the use of political donations to obtain commercial interests or transaction advantages and avoids improper charitable donations that result in disguised bribery. In 2024, the company spent approximately NT\$272,000 on participation in industry associations and other non-profit organizations.

Organization	Participation in 2024		Amount Invested in Recent Years (in TWD)
	Member	Project/Committee	2024
THE ASSOCIATION OF ALLIED INDUSTRIES IN SCIENCE-BASED INDUSTRIAL PARK	√	√	90,000
TWCERTCC (Taiwan Computer Emergency Response Team / Coordination Center)	√	√	100,000
Taiwan Medical And Biotech Industry Association	√		12,000
Institute for Biotechnology and Medicine Industry	√		20,000
Tainan City Yizai Association	√		50,000
SMART DISPLAY INDUSTRIAL ALLIANCE, SDIA	√		-
Taiwan Computer Emergency Response Team and Coordination Center	√	-	-
SP-ISAC (Science Park Information Sharing and Analysis Center)	√	-	-
Taiwan Chief Information Security Officer Alliance	√	-	-
Taiwan Science and Industrial Park Association-Southern District Water and Electricity Committee	√	-	-
Total			272,000

0.4 Honors and Affirmations in 2024

2024 The Storm Media AI Medical Pilot Award

Won the Special Judge Award of the **Storm Media** AI Medical Pilot Award for "Dual-energy chest X-ray imaging AI-assisted diagnosis system to assist clinical diagnosis of lung lesions".

113 Annual Excellent Business Person for Using Unified Invoice

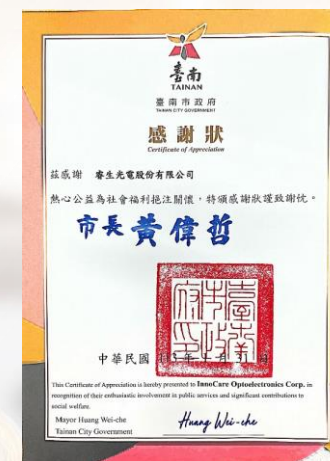
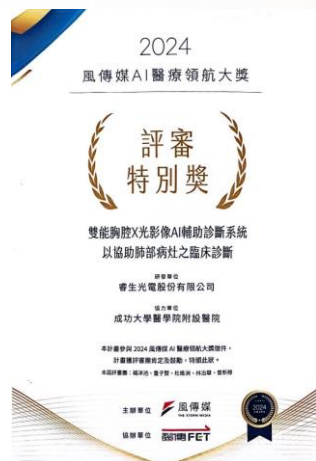
Selected and awarded by the Ministry of Finance as a role model.

Tainan City Government Appreciation Letter

Warmhearted Charity Supporting Social Welfare (for the Needy) .

Buddhist Seng-Gia Medical Foundation Appreciation Letter

National Seng-Gia Health Check-up and Free Medical Clinics.





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A Focus on Creating Sustainable Value

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1.1 Sustainability Management

1.1.1 Sustainable Development Policies

InnoCare incorporates environmental, social, and corporate governance (ESG) considerations into its operational strategies to implement sustainable development. We have also followed the Responsible Business Alliance (RBA) Code of Conduct to form the basis of InnoCare. These policies cover five major areas: "corporate governance," "environmental protection," "employee care," "supply chain social and environmental responsibility management," and "community involvement." This approach aims to shape the company's sustainable competitiveness and strengthen communication with stakeholders. By understanding and fully responding to stakeholders' concerns, these issues serve as an important basis for setting sustainable development goals. Additionally, InnoCare's "Sustainable Development Practice Guidelines" are based on four main principles: "implementing corporate governance," "developing a sustainable environment," "maintaining social welfare," and "enhancing corporate sustainability information disclosure." These principles guide InnoCare's efforts in promoting sustainable development.

1.1.2 Sustainable Development Promotion Organization

The company's Finance & Accounting & Business Management & HR Division Group serves as the dedicated organization for promoting corporate sustainable development. In 2021, the Board of Directors established the company's Sustainable Development Practice Guidelines, authorizing the Chairman or a designated person to be responsible for the execution of sustainable development policy systems, related management guidelines, and specific promotion plans. Following the principle of materiality, the company conducts risk assessments of ESG issues related to its operations and sets sustainable development goals to implement corporate sustainable development. Moreover, the execution results for the year 2024 will be reported to the Board of Directors in July 2025. Through the Board's supervision and assistance, the management team is encouraged to practice corporate social responsibility.



1.2 Stakeholder Communication and Material Topics

InnoCare refers to the GRI Universal Standards 2021 and AA 1000 SES Stakeholder Engagement Standards (SES) to regularly engage in communication and dialogue with stakeholders. This approach helps the company understand and respond to stakeholders' concerns regarding ESG issues and disclose the management of significant issues in the sustainability report, allowing stakeholders to understand InnoCare's sustainability performance. Additionally, InnoCare will report the stakeholder communication and materiality analysis results to the Board of Directors annually, integrating them into the risk management process as a reference for developing future sustainability strategies.

1.2.1 Stakeholder Communication

InnoCare follows the AA1000SES (Stakeholder Engagement Standards, SES) to identify the six major stakeholders with the highest relevance to its operations as the primary communication targets. These include employees, customers, shareholders/investors, suppliers/contractors, government/industry associations, and society (schools, communities, media, hospitals, non-governmental organizations). Through diverse communication channels, InnoCare understands the issues of concern to various stakeholders and fully responds to these concerns by disclosing the company's efforts in various ESG aspects.

【The table below illustrates the issues of concern to each stakeholder and the communication response mechanisms:】

Stakeholder	Topics of concern	Method and frequency	Tangible results in 2024
Employees	<ul style="list-style-type: none"> Talent recruitment and retention Human rights Talent development and training Diversity and equality Occupational safety and health 	<ul style="list-style-type: none"> Quarterly employer-employee meetings Irregular department meetings Employee welfare hotline and mailbox Regular/Irregular employee satisfaction surveys Mobile app: Employee Assistance Programs (EAPs) 	<ul style="list-style-type: none"> 4 Labor-Management Communication Meetings 4 Employee Welfare Committee Meetings 3 Responsibility Commitment Sessions 5 Direct Staff Forums
Clients	<ul style="list-style-type: none"> R&D innovation Financial performance Supply chain management ESG risk management 	<ul style="list-style-type: none"> Irregular client meetings Irregular customer complaint review meetings “Voice of Clients” (VoC) Annual customer satisfaction surveys Irregular customer relation audits 	<ul style="list-style-type: none"> product quality review meetings client interactions
Shareholders/ Investors	<ul style="list-style-type: none"> Financial performance Corporate governance Energy management GHG emissions 	<ul style="list-style-type: none"> Annual shareholder meetings Annual Institutional Investor Conferences 2 to 3 Institutional Investor Meetings Annually Annual reports and sustainability reports Irregular investor-analyst engagement Meetings Investor hotline and mailbox 	<ul style="list-style-type: none"> 1 annual shareholder meeting 1 Institutional Investor Conference 3 Institutional Investor Meetings >6 cases received and responded to through investor hotline/mailbox



1.2 Stakeholder Communication and Material Topics

Stakeholder	Topics of concern	Method and frequency	Tangible results in 2024
Suppliers	<ul style="list-style-type: none"> Talent recruitment and retention Occupational safety and health Diversity and equality Human rights 	<ul style="list-style-type: none"> Regular Supplier Communication Meetings/Biweekly/Monthly/Quarterly Annual supplier self-evaluation surveys Anticorruption report mailbox Irregular on-site audits 	<ul style="list-style-type: none"> 8 Supplier Assessment Meetings 10 Supplier High-Level Communication Meetings Regular Supplier Communication Meetings
Government and public associations	<ul style="list-style-type: none"> Air pollution control Water management GHG emissions Waste management and circular economy Occupational safety and health 	<ul style="list-style-type: none"> Irregular meetings (seminars, conferences, hearings, and workshops) Irregular communications through official letters 	<ul style="list-style-type: none"> 9 government-related experience sharing workshops 3 government meetings
Society (communities, media, nongovernmental organizations)	<ul style="list-style-type: none"> Financial performance GHG emissions Social engagement and welfare Talent recruitment and retention 	<ul style="list-style-type: none"> Irregular press releases, interviews, and conferences Irregular project-based collaborations and visits Irregular interaction with community members Irregular campaigns and forums Dedicated hotline and mailbox Irregular Domestic exhibitions 	<ul style="list-style-type: none"> 2 Environmental Education Activities 2 Social Benefit Activities 4 Press Releases Issued 1 Press Conference 1 Interview 3 Exhibitions

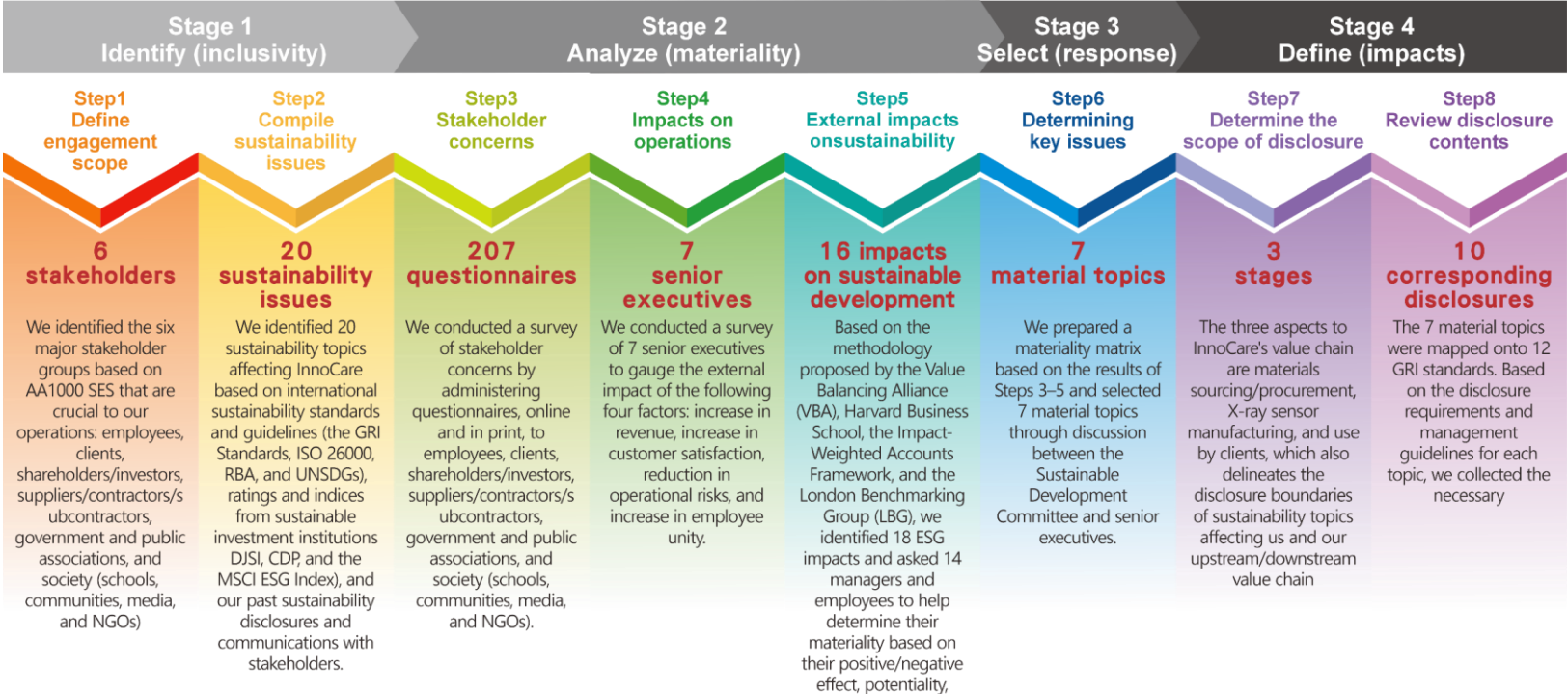


1.2 Stakeholder Communication and Material Topics

1.2.2 Materiality Analysis

InnoCare’s sustainability report is prepared in accordance with the GRI Sustainability Reporting Standards and the AA1000 Accountability Principles Standard (AA1000 AP). We conducted a materiality assessment, structured around a four-stage process: Identification (Inclusivity), Analysis (Materiality), Select (Response), and Definition (Impacts). This analysis identifies the key issues for InnoCare and defines the boundaries and scope for sustainability reporting, serving as a basis for establishing long-term sustainability goals.

In line with the AA1000 SES Stakeholder Engagement Standard, we identified stakeholders based on five principles: Dependency, Responsibility, Tension, Influence, and Diverse Perspectives. This process confirmed the key stakeholders closely linked to our operations, who are prioritized for communication in our sustainability report. For identifying sustainability issues, we combined international sustainability standards and regulations, ESG ratings, stakeholder feedback, peer analysis, and internal operational goals. This comprehensive approach allowed us to screen and identify 20 sustainability issues closely related to InnoCare.





1.2 Stakeholder Communication and Material Topics

Employing diverse perspectives, we analyzed material issues using a three-pillar framework: "Stakeholder Concerns," "Business Impacts," and "External Sustainability Impacts." In assessing "Stakeholder Concerns," we selected questionnaire respondents based on the principles of interaction frequency, significance, and influence. Regarding "business impacts," we invited seven senior managers, leveraging their professional experience, to evaluate the impact of each sustainability issue on revenue growth, customer satisfaction, employee engagement, and risk mitigation, confirming the importance of each issue to the company's operations. Ultimately, after discussion and confirmation with both internal teams and external experts, we selected seven material issues.

Based on the identification of these seven material sustainability issues, Ru Sheng systematically assessed their impacts across the value chain – upstream, within company operations, and downstream. We also aligned our disclosures with the GRI Standards, revealing the material topics relevant to InnoCare, and collected internal information, data, and management policies in accordance with their reporting requirements.

Sustainability Impact Evaluation

Positive and negative impacts

18 Impact Factors		
Aspect	Positive	Negative
Economy	3	1
Environment	2	3
Humanity / Human Rights	5	2

Sources:
 (1) VBA: Value Balance Alliance
 (2) HBS Impact-Weighted Accounts
 (3) LBG: London Benchmarking Group
 (4) InnoCare Optoelectronics Corp.

Significant impact analysis

Severity	4 Significant Impacts		
Extremely High	+ Development of industrial technologies		
High	- Resource consumption		
Medium	- Extreme weather		
Low	- Human rights risks		

Severity = (1) + (2) + (3)
 (1) Extent of impact
 (2) Scope of impact
 (3) Recoverability

Legend:
 + Positive impact
 - Negative impact

Sustainability issues with significant impact

Impact	Sustainability Issues
Extremely high	Sustainable manufacturing Waste and circular economy
High	Innovation and R&D Climate strategy and energy Supply chain management Customer relationship management Risk management Air pollution management
Significant	Financial performance Ethical management Corporate governance Water management Social engagement and care Information security Biodiversity Talent recruitment and retention Human rights Diversity and equality Talent development and training



1.2 Stakeholder Communication and Material Topics

Ranking material topics by significance

InnoCare prioritizes sustainability issue analysis and ranking based on three principles: “Level of Impact on Organizational Operations,” “Stakeholder Concerns,” and “Impact on Sustainability.” We define commitments, strategies, targets, and potential impact for each material issue, and track progress towards annual targets to meet the expectations of our stakeholders.

Material Topic	Level of Impact on Organizational Operations	Stakeholder Concerns	Impact on Sustainability	Rank
Innovation and R&D	**	**	**	1
Supply Chain Management	***	**	**	2
Customer Relationship Management	**	**	**	3
Talent Development and Training	*	**	*	4
Talent Recruitment and Retention	*	*	*	5
Occupational Safety and Health	*	**		6
Waste and Circular Economy			***	7

Relationship between material topics and our value chain

Aspect	Material Topic	GRI-defined Topic	Stage in Value Chain and Relationship Thereto				Corresponding chapters/sections in this report
			Procurement	Production/ Manufacturing	Client Use	General Public	
Economy	Innovation and R&D	Defined by InnoCare		●	⊙		3.1 R&D Innovation
	Customer Relationship Management	Customer Privacy (418)		●	⊙		3.2 Client Relationship
	Supply Chain Management	Procurement Practices (204), Supplier Environmental Assessment (308), Supplier Social Assessment (414)	⊙	●			3.3 Supply Chain Management
Environment	Waste and Circular Economy	Waste (306), Materials (301)		●			5.5 Green Circulation
Society	Talent Recruitment and Retention	Employment (401)		●		○	4.1 Talent Recruitment and Retention
	Talent Development and Training	Training and Education (404)		●			4.1.2 Diversity and Inclusion 4.2 Talent Cultivation and Development
	Occupational Safety and Health	Occupational Health and Safety (403)	⊙	●			4.4 Safety and Protection

● : Direct impact ; ○ : Indirect/potential impact ; ⊙ : Impact on business partners



1.2 Stakeholder Communication and Material Topics

The External Sustainability Impact of Each Material Topic on the Economy, Environment, and People (Human Rights)

Impact on Organizational Operations (Financial Materiality)				Material Topic	External Sustainability Impact (Impact Materiality)									
Revenue Growth	Improving Customer Satisfaction	Operational Risks	Employee Cohesion		Positive: Products and technologies facilitate industrial technological development	Positive: InnoCare's procurement creates upstream output value	Positive: InnoCare pays taxes	Negative: Improper use of data	Positive: Product environmental benefits	Positive: Increasing use of renewable energy	Negative: Consumption of resources	Negative: Scarcity of nonrenewable natural resources	Negative: Extreme climate events caused by GHG emissions	Positive: Diversity in hiring reduces inequality in employment
●	●			Innovation and R&D	⊙	⊙			⊙			●	○	
●	●			Customer Relationship Management	⊙	⊙		⊙						
●	●	●		Supply Chain Management	⊙	⊙			⊙			●		
				Waste and Circular Economy	⊙	⊙			⊙	●	●	●	○	
			●	Talent Recruitment and Retention										●
			●	Talent Development and Training										●
			●	Occupational Safety and Health										

● : Direct impact ; ○ : Indirect/potential impact ; ⊙ : Impact on business partners



1.3 Sustainable Development Blueprint

InnoCare recognizes that sustainable governance is one of the key indicators for maintaining business operations. By referencing the United Nations Sustainable Development Goals (SDGs) and the company's sustainability development strategy, InnoCare incorporates the SDGs into its organizational culture and daily operations. Based on its core competencies, the company integrates its sustainability strategy with international benchmark cases and addresses significant issues of concern to stakeholders. After internal deliberations, InnoCare focuses on 9 core SDG goals, implementing them through cross-organizational collaboration and regularly reviewing the achievement of these goals, with the aim of co-creating a sustainable world.

【 7 Key SDGs for InnoCare 】



Material topic	Waste management and circular economy	Talent recruitment and retention	Innovation in product and technology R&D
		Talent development and training	Client relations
		Occupational safety and health	Supply chain management

SDG7 Affordable and clean energy

- To reduce energy consumption, implement office electricity reduction measures and replace energy-saving lighting.

SDG12 Responsible consumption and production

- Establish ISO 14001 management programs to increase the waste recycling and reuse rate to 62.72%.
- Zero major violations.

SDG13 Climate action

- Conduct greenhouse gas inventory operations ahead of the Financial Supervisory Commission's requirements, exceeding regulatory expectations.
- Collaborate with value chain partners to implement packaging and logistics recycling, thereby reducing carbon emissions.

SDG3 Good health and well-being

- Organize health promotion activities, with 5 sessions and approximately 114 participants.
- The frequency of disabling injuries is 0, significantly better than the industry average of 0.8.
- Zero occupational accidents for 64 consecutive months since the company's establishment, far exceeding the industry average.

SDG4 Quality Education

- Conducted 71 occupational safety and health training sessions, with a total of 3,163 trainees.
- Participate in the group's talent cultivation program at Innolux University, engaging in five academies and one center curriculum in 2024.

SDG5 Gender Equality

- Female employees in managerial positions account for 17.14%.
- The promotion rate for women is 15.9%, showing no gender-based limitations.

SDG9 Industry, innovation, and infrastructure

- 34 new patents worldwide (total active patents >217)
- NT\$2.8 billion in R&D investment (13.8% of total revenue)

SDG16 Peace, justice, and strong institutions

- Trade secret, personal information regulation, anticorruption, and insider trading regulation training completion rate 98.98% °
- No penalties received due to anti-corruption reports.
- No complaints received regarding privacy violations or confidential data leaks, and no fines incurred.

02

A Win-Win Situation for Corporate Governance and Integrity

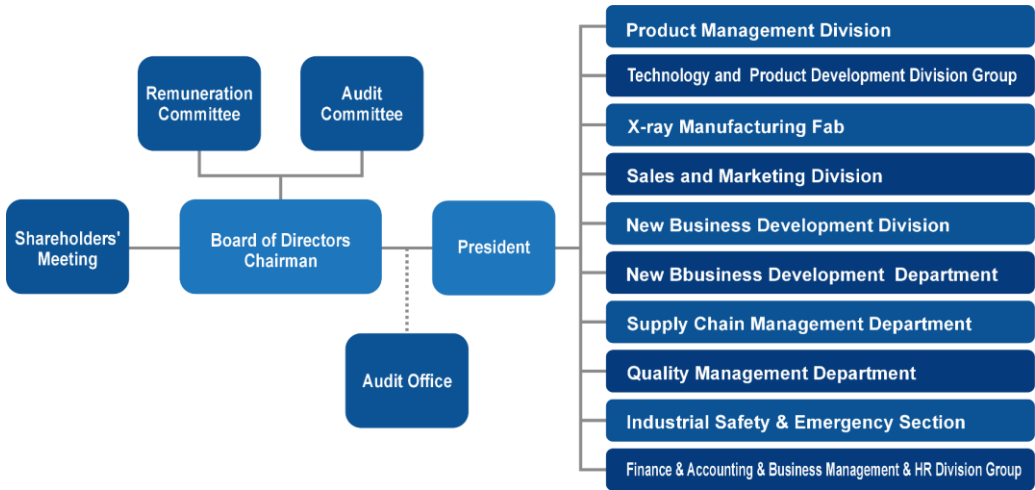
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2.1 Governing Body

As a leader in corporate governance, InnoCare has built an effective corporate governance culture in accordance with the Financial Supervisory Commission's Corporate Governance 3.0—Sustainable Development Blueprint, the OECD's Principles of Corporate Governance, as well as the Company Act, the Securities Exchange Act, and other applicable regulations. We are committed to achieving corporate sustainability by protecting our shareholders' rights and interests, strengthening the role played by the Board of Directors, addressing stakeholders' concerns, promoting information transparency, and continuing to improve business resilience and market competitiveness. please refer to the InnoCare 2024 Annual Report.

【Corporate governance structure】



2.1.1 Board of Directors and Its Operations

InnoCare's Board of Directors is accountable to the Company and its shareholders and is responsible for overseeing corporate strategies, supervising senior executives, planning and implementing the corporate governance system, maximizing value for shareholders, and exercising its duties and authority in accordance with the applicable laws, company regulations, and shareholder resolutions. The company has established the Rules and Procedures for Meetings of the Board of Directors, which stipulate a recusal system in the event of a conflict of interest so as to build a sound governance system for the Board, enhance its supervisory role, and strengthen its management. To safeguard Company interests, board members are required to recuse themselves from matters involving their personal interest. The Board convenes at least once every quarter, and interim meetings can be held at any time if an emergency arises. In 2024, a total of 5 board meetings, which had an average attendance rate of 86.25%.

2.1 Governing Body

【 Board of Directors meeting attendance record 】

Board member	Number of meetings		Attendance rate	Notes
	Attendance required	Attended		
CHU-HSIANG(JAMES) YANG	5	5	100.00%	re-elected
TIEN-JEN LIN	5	5	100.00%	re-elected
JYH-CHAU WANG	5	5	100.00%	re-elected
DA-LUN HUANG	2	1	50.00%	Resign
ZHAO-HUA LI	3	3	100.00%	newly elected
HONG-JI LI	5	4	80.00%	re-elected
CHI-TSUNG HUANG	5	3	60.00%	re-elected
I-HUNG CHOU	5	5	100.00%	re-elected

Notes: The Company conducted a complete renewal of its board of directors on May 24, 2024 , and the newly appointed directors assumed office on June 1, 2024 . Prior to the election, the board held two meetings; following the election, the board has held three meetings. Attendance rates (%) are calculated based on the total number of board meetings held during the directors' tenure and their actual attendance.

Nominations and Appointments

InnoCare's Articles of Incorporation stipulate that directors (including independent directors) be appointed through a candidate nomination system. The professional qualifications, shareholding, concurrent service restrictions, and nomination and appointment procedures for independent director candidates are subject to the Company Act, the Securities and Exchange Act, and other applicable laws and regulations. The board of directors has a term of three years. The current directors were re-election on May 24, 2024. The proportion of independent directors on the board is 42.86%, and all independent directors have not served more than three consecutive terms. The composition of the board of directors complies with the "Corporate Governance 3.0 - Sustainable Development Blueprint" and the governance code requirements.

2.1 Governing Body

Diversity and Independence

For strong corporate governance and a robust Board structure, Article 20, Paragraph 3 of InnoCare's Corporate Governance Principles outlines the following policy on diversity: The composition of the Board of Directors shall be determined with diversity taken into consideration. It is advisable that directors concurrently serving as company managerial officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the two following general standards:

1. Basic requirements and values: Gender, age, nationality and culture (including race and ethnicity, etc.)
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, [or] technology), professional skills, and industry experience.

The current Board of Director is composed of 7 members—4 non-independent directors and 3 independent directors—whose qualifications are consistent with the Company's operational needs and Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act. All directors possess expertise in finance, business, industry, and/or international trade, as well as capabilities in leadership, business operations, administration, and/or crisis management (including risk management). Members with employee status account for 0% of the board, while independent directors and female directors account for 42.86% and 14.29% of the Board respectively. Three independent directors have served on the board for less than three years. The age distribution of the board members is as follows: two director aged 50-59 years, three aged 60~69, and two aged 70~79. InnoCare prioritizes gender equality in the composition of its board of directors, with a target of at least one-third of the board positions being held by women. We will endeavor to increase the number of female directors in the future to achieve this goal.

【 Board members 】

Name	Gender	Years of service as independent director			Functional committee		Professional knowledge and skills			Age (years)			InnoCare employee?	
		<3	3-9	>9	Audit Committee	Remuneration Committee	Leadership 、 Administration 、 Industry 、 Finance / Accounting 、 Crisis Management 、 Global Markets	Operations	Business Economics	50-59	60-69	70-79		
Chairman : Representative of Innolux Corporation														
CHU-HSIANG YANG	M							V	V	V	V			
Directors of a Juridical Person: Representative of Innolux Corporation														
TIEN-JEN LIN	M							V	V	V		V		
Director														
JYH-CHAU WANG	M							V	V	V		V		
ZHAO-HUA LI	F							V	V	V	V			
Independent Director														
HONG-JI LI	M	V			V Convener	V Convener		V	V	V		V		
CHI-TSUNG HUANG	M	V			V	V		V	V	V			V	
I-HUNG CHOU	M	V			V	V		V	-	-			V	

Please refer to page 18-20 the 2024 InnoCare Annual Report or our official website for more details on the professional competencies and industry experience of our board members.



2.1 Governing Body

Board of Directors Performance Evaluation

On September, 2021, the Board of Directors adopted the Rules for Evaluating Board of Directors and Functional Committee Performance, which require that the performance of the Board as a whole, individual directors, and functional committees be reviewed annually. Furthermore, external performance reviews must be conducted by professional and independent organizations, experts, and scholars at least every 3 years. At the end of each year, a performance evaluation is carried out based on the aforementioned reviews.

The Board of Directors performance evaluation encompasses five major aspects of board performance: involvement in company operations, improvement of board decision-making quality, board membership and composition, board member selection and continuing education, and internal control. Performance evaluations of individual board members include their understanding of company goals and tasks, understanding of board responsibilities, involvement in company operations, internal relations management and communication, professionalism and continuing education, and internal control. Evaluations of functional committees also encompass five aspects: involvement in company operations, understanding of committee responsibilities, improvement of committee decision-making quality, committee composition and membership selection, and internal control.

In 2024, we conducted performance reviews of the Board of Directors, individual board members, the Audit Committee, and the Remuneration Committee using a five-point scale (“extremely poor/strongly disagree”, “poor/ disagree”, “fair/neutral”, “good/agree”, and “excellent/strongly agree”). Final results for the four reviews were “good”, “good”, “excellent”, and “excellent” respectively, suggesting that the Company's Board of Directors and functional committees are highly effective.

Enhancement of Professional Competencies

InnoCare organizes a minimum of 6 hours of continuing training courses for board members each year to improve their professional competencies and knowledge, keep them up to date on international sustainability trends, and enhance risk management. In 2024, the directors received an average of 7 hours of training on a variety of topics such as “The Impact of Export Controls on Corporate Operations and Risk Management,” “ESG-Related Legal Issues to be Considered by the Board,” that covered concepts such as corporate governance, risk management, information security, and sustainable development. Training courses like these ensure board members are familiar with Company operations while ensuring that they are equipped with the capabilities needed to manage sustainable development goals. Please refer to page 54-55 of the 2024 InnoCare Annual Report for information on continuing education for board members.

2.1 Governing Body

2.1.2 Structure and Operations of Functional Committees

To complement the Board of Directors, InnoCare established two functional committees under the board, the Remuneration Committee and the Audit Committee, to exercise the duties and powers stipulated in InnoCare's Articles of Incorporation, the Company's shareholder resolutions, and the applicable laws and regulations. All functional committees are composed of independent directors to ensure effective oversight of Company operations, enhance board functions, advance stakeholders' interests and corporate value, and guarantee the independence, professionalism, and objectivity of committee decisions and proposals.

Audit Committee

In November 2021, InnoCare established the Audit Committee to exercise legally mandated duties and powers stipulated in the Securities Exchange Act, the Company Act, and other applicable laws and regulations. The Audit Committee is responsible for assisting the Board of Directors in overseeing and strengthening internal control mechanisms, ensuring adequate disclosure of financial statements, handling the appointment/dismissal and remuneration of CPAs, and seeing to the effective implementation of internal control, regulatory compliance, and management of current and potential risks.

The Audit Committee is composed exclusively of independent directors serving 3-year terms. Independent director HONG-JI LI is the current convenor, elected by fellow members. The Audit Committee convenes at least once per quarter. In 2024, a total of 5 committee meetings were held with an average attendance rate of 86.67%. Please refer to the Market Observation Post System (MOPS) or page 28 of the 2024 InnoCare Annual Report for more information on the Audit Committee's operations.

Member	Number of meetings		Attendance rate
	Attendance required	Attended	
HONG-JI LI(Convenor)	5	5	100.00%
I-HUNG CHOU	5	5	100.00%
CHI-TSUNG HUANG	5	3	60.00%

Remuneration Committee

In September 2021, InnoCare established the Remuneration Committee, whose mandate is to formulate and regularly review performance evaluations of directors and senior executives as well as the policies, systems, standards, and organizational structures pertaining to employee remuneration and compensation. The Board of Directors appoints three independent directors to the committee in accordance with the Remuneration Committee Organizational

Independent director HONG-JI LI was elected by fellow members to serve as current convenor. The committee is required to convene at least twice each year. In 2024, a total of 4 meetings were held with a perfect attendance rate of 83.33%. Please refer to MOPS or page 39 of the 2024 InnoCare Annual Report for more information on the Remuneration Committee's operations.

Member	Number of meetings		Attendance rate
	Attendance required	Attended	
HONG-JI LI(Convenor)	4	4	100.00%
CHI-TSUNG HUANG	4	2	50.00%
I-HUNG CHOU	4	4	100.00%

2.1 Governing Body

2.1.3 Internal Audits

Operation of Internal Control Functions

In order to effectively implement the internal control system, InnoCare has established a Audit Office that reports directly to the Board of Directors. The office is staffed with full-time internal auditors who meet the qualifications set by the competent authorities and have obtained relevant professional certifications. These auditors engage in continuous professional development each year to enhance audit quality and capability. They perform internal audits with objectivity, impartiality, and rigor. In addition to assisting the Board of Directors and management in inspecting and evaluating the effectiveness of the internal control system, they also measure the effectiveness and efficiency of the company's operations (including profitability, performance, and asset security). This reliability, timeliness, transparency, and compliance of reports with relevant norms and regulations. Auditors also provide timely improvement suggestions to ensure the internal control system can be continuously and effectively implemented.

Internal Audit Operations

To ensure the appropriateness and effectiveness of the internal control system, the Audit Office of InnoCare conducts on-site and document-based audits of each operational cycle in accordance with the audit plan approved by the Board of Directors. These audits cover aspects such as compliance with laws and regulations, process design, system adherence, financial report accuracy, and operational effectiveness and efficiency. Based on these audits, various improvement suggestions are provided, and the audit results are regularly reported to the Audit Committee and the Board of Directors. This assists the Board and management in reasonably ensuring the implementation of the internal control system. Additionally, to implement the company's self-monitoring mechanism, the Audit Office is responsible for overseeing the management's internal control self-assessment operations each year. This includes reviewing the improvement of internal control deficiencies and irregularities, which serves as the basis for the Board of Directors and the General Manager to evaluate the overall effectiveness of the internal control system and issue the internal control system statement.

2.1.4 Senior Executive Remuneration and Sustainability-Linked Performance

In accordance with InnoCare's remuneration policy for board members and senior executives, the Remuneration Committee examines corporate operational performance, individual performance and duties, industry trends, and the standard remuneration for comparable positions in the industry before submitting a proposal for amounts and forms of remuneration for final approval by the Board of Directors.

The senior executives' performance evaluations encompass both financial and non-financial aspects of their service. The financial aspect of the performance evaluation consists of key indices such as operating revenue and EPS, whereas the non-financial aspect covers environmental, social, and governance (ESG) results with each index and award accounting for 0% to 5% of the final score. Thanks to this comprehensive evaluation system, we are able to formulate a competitive remuneration system that is linked to our operating performance. Please refer to MOPS or page 25 of the 2024 InnoCare Annual Report for more information on the Remuneration Committee's operations.



2.2 Risk Management

In recent years, faced with the impacts of global pandemics, geopolitical conflicts, and intensified extreme climate changes, InnoCare has approached these challenges from three major dimensions: economic, environmental, and social. Through risk strategies and management procedures, the company priorities and levels of risk control, and adopts corresponding risk management measures. This is done to establish a comprehensive risk management mechanism, ensuring a for sustainable corporate development.

2.2.1 Risk Management Policy and Procedures

In order to establish an effective risk management mechanism, InnoCare has formulated the "Risk Management Policy and Procedures". The Board of Directors acts as the highest decision-making body for risk management, responsible for approving overall risk management policies and significant decisions, with the aim of ensuring prudent operations and sustainable development. The risk management organization of InnoCare consists of the Board, the Audit Committee, the Audit Office, various risk management units, individual departments, and subsidiaries.

The structure functions as follows: The Board of Directors approves the overall risk management policies and significant decisions.

The Audit Committee reviews the effectiveness of the company's internal control system.

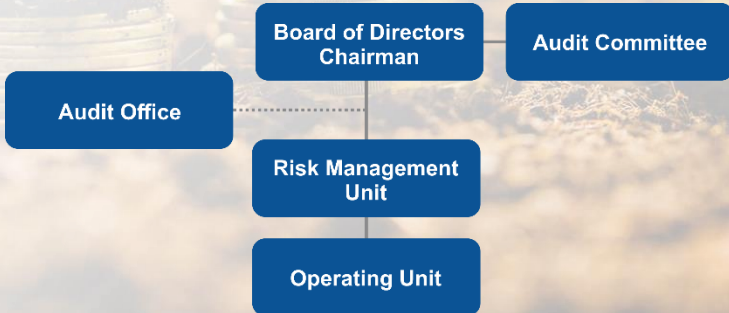
Each risk management unit understands the risks faced by their respective business areas and incorporates risk management mechanisms into operational management regulations.

Individual departments and subsidiaries clearly identify various risks, execute necessary operations and risk management to ensure that risks are controlled within acceptable limits.

The Audit Office audits the company's risk management and provides timely information to the management about existing or potential risk issues related to internal control, ensuring compliance with established regulations and control procedures.

【 Risk management structure 】

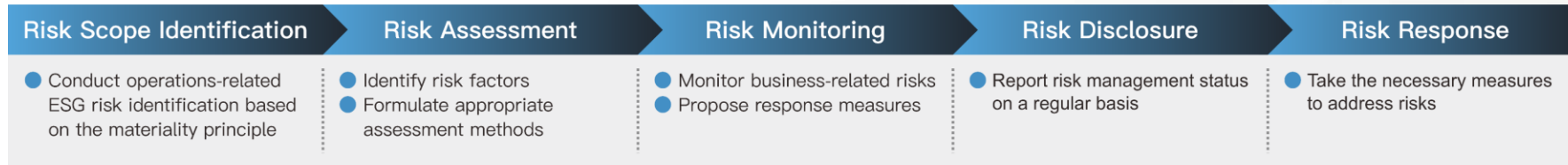
Organize	Content
Audit Committee	The Audit Committee reviews the assessment of the effectiveness of the company's internal control system.
Board of Directors	The Board of Directors approves the overall risk management policies and significant decisions.
Audit Office	Audit the company's risk management, assist the management in grasping risk issues, and ensure compliance with established regulations and control procedures.
Risk management unit	Understands the risks faced by their respective business areas and incorporates risk management mechanisms into operational management regulations.
Operating Unit (Each department and subsidiary)	Clearly identifies various risks, executes necessary operations and risk management to ensure that risks are controlled within acceptable limits.



2.2 Risk Management

The company's risk management policy is defined based on the company's operational guidelines to identify various risks. It establishes a risk management mechanism that enables early identification, accurate measurement, effective supervision, and strict control. The policy is continuously adjusted and improved in response to internal and external environmental changes, adopting corresponding risk management measures to protect the interests of employees, shareholders, partners, and customers. This approach aims to increase the company's value and achieve the principle of optimal resource allocation.

【 Risk management procedures 】



To ensure the effectiveness of risk management, the company has established the "Three Lines of Defense in Risk Management", clearly defining the organization, responsibilities, and functions of each line of defense. Through a risk management mechanism that enables early identification, accurate measurement, and strict control, the company continually adjusts and improves best risk management practices in response to internal and external environmental changes. It adopts corresponding risk management measures to reduce or avoid operational impacts caused by risks.

【 Three Lines of Defense in Risk Management 】





2.2 Risk Management

2.2.2 Risk Identification and Management

In response to changes in the global political and economic environment, InnoCare integrates its sustainable business strategy and significant issues, referencing the Global Risk Report published by the World Economic Forum (WEF). The company identifies operational risks, financial risks, geopolitical risks, and key personnel risks pertinent to InnoCare. Relevant departments take early action to address these risks, monitor the associated risks, and propose mitigation measures and response strategies.

Risk Issue	potential impact	Overview of coping mechanisms
Operational Risks	<ul style="list-style-type: none"> • Risk of Competition and Elimination of Major Products and Technologies: InnoCare holds a customer advantage and technological leadership in the field of X-ray sensors. However, in recent years, with the entry of various manufacturers, market competition has become increasingly fierce. The continuous introduction of new technologies and products and the accelerated transition to mainstream products may impact the sales of the company's existing products, potentially leading to negative effects on financial operations. • Risk of Supply Chain Supply and Concentration of Procurement: The company primarily engages in the design, manufacturing, and sales of X-ray flat panel sensors. During product development and manufacturing processes, maintaining collaborations with suppliers is essential to complete product production through specialized divisions of labor. Since the products are extensively used in the medical diagnostics field, they involve numerous items and have high requirements for technical levels and supply stability. The selection of suppliers requires comprehensive consideration of factors such as process technology, quality yield, production capacity, delivery time, and geopolitical relationships, leading to a concentration of procurement sources for some raw materials. 	<ul style="list-style-type: none"> • Facing the Risk of Competition and Elimination of Major Products and Technologies: In addition to continuously investing in the development of new technologies and products in the core sensor product field, the company strengthens its response in various ways. These include "closely communicating with major international customers regarding product and technology directions," "actively participating in exhibitions and academic seminars," "regularly monitoring the latest publications in academic journals," and "diversifying business attempts based on core competencies." Additionally, the company explores new services and product lines, such as automated industrial inspection equipment, to diversify revenue sources and reduce operational fluctuations. Furthermore, through collaborations and alliances with startups and emerging businesses, the company strategically positions itself in new application areas. • Facing the Risk of Supply Chain Supply and Concentration of Procurement: For key components, the company strives to choose more than one supplier whenever possible or mitigates the risk of supply concentration through contracts and establishing safety stocks.
Geopolitical Factors	<ul style="list-style-type: none"> • Trump's return in 2025 and the use of tariff negotiations may trigger trade rival countries to retaliate by raising tariffs and raise global trade barriers as a way to increase the risk of geo-economic confrontation. In addition, the war between Ukraine and Russia and the ceasefire agreement between Israel and Palestine have not yet reached a consensus, and geopolitical risks in some emerging market countries have caused challenges in global supply chain arrangements, which may affect the company's operating results. 	<ul style="list-style-type: none"> • The company has customers across major global regions, diversifying revenue sources to mitigate the impact of political fluctuations in any single area. The company continuously monitors international developments, maintains friendly and strategic relationships with suppliers and customers, and actively develops new suppliers and customers to reduce related operational risks. • The company also seeks the assistance of partners in various regions to plan the locations for dispersing the assembly of some end products in order to reduce the impact of tariff barriers.



2.2 Risk Management

Risk Issue	potential impact	Overview of coping mechanisms
Financial Risks	<p>Pandemic and the Russia-Ukraine war have brought global inflation, prompting central banks in major countries to respond with significant interest rate hikes. The differences in interest rates and economic environments across countries affect exchange rates and capital flows. The company has operational bases in the Americas, Europe, and Asia, with customers worldwide. Global operations face the following financial risks:</p> <ul style="list-style-type: none"> • Capital Allocation and Turnover Risk • Interest Rate Risk • Exchange Rate Fluctuations 	<ul style="list-style-type: none"> • The company plans appropriate levels of domestic and foreign currency cash based on operational revenue and expenditure needs. It signs long-term and short-term credit agreements with financial institutions and utilizes borrowing limits according to operational conditions to support cash payments and turnovers. The company maintains sufficient cash levels, thus facing no turnover risks. • The company continuously monitors changes in financial market interest rates and their impact on its funds, maintaining good relationships with banks to evaluate the costs of various funding sources. It selects appropriate financing methods to support company growth, and interest rate changes have not significantly affected the company's profit and loss. • Facing Exchange Rate Fluctuations: <ul style="list-style-type: none"> • The finance department evaluates exchange rate fluctuation risks, formulates strategies, and assesses whether to execute hedging transactions. Since the company's accounts receivable and payable are primarily in foreign currencies, it currently adopts natural hedging, and exchange rate fluctuations have not significantly impacted the company's profit and loss. • The company's main transaction currencies are the US dollar and the Japanese yen, and it primarily adopts natural hedging methods. Additionally, it evaluates the exchange rate risks arising from major substantial positions to plan hedging transaction strategies, selecting well-established and reputable financial institutions as the main counterparts.
key talent	<ul style="list-style-type: none"> • Intense Competition for R&D Talent in Taiwan with Numerous External Incentives. • Decreasing Number of Graduates in Taiwan and High-Salary Poaching by Domestic and Foreign Companies. 	<ul style="list-style-type: none"> • Global Collaboration with Innolux Group for Recruitment and International Integration: In collaboration with Innolux Group, the company is expanding its global recruitment strategy and aligning with international standards. The recruitment scope has been extended to Southeast Asian countries, offering overseas talents benefits programs and attractive salaries to come to Taiwan, preparing for the organization's international layout. • Strengthening Campus Recruitment Programs in 2024: In 2024, the company will continue to enhance its campus recruitment programs by securing talent before graduation. Through the Campus International Mentorship Program and collaboration with international industry-academia alliances, the company aims to recruit international students from campuses and retain them in Taiwan.

2.2 Risk Management

2.2.3 Financial Risk

In response to the rapid changes in the industry market, InnoCare regularly evaluates and analyzes financial risks through its finance department to effectively reduce operational risks. These financial risks include external factors such as global economic conditions and financial market changes, as well as internal factors such as the company's operational status and strategic development directions.

The finance department formulates risk management strategies based on these evaluations and executes foreign exchange transactions according to authorized decision-making powers. It also plans and allocates revolving credit limits from financial institutions to meet both short-term and long-term operational needs. During this period, the Audit Office continuously supervises internal controls, compliance with regulations, and ensures that announcements are made in accordance with regulatory requirements.

【Financial Risk Management Process】



2.2 Risk Management

Key Financial Risks and Controls

InnoCare classifies financial risks into market risk, credit risk, and liquidity risk. The potential impacts and response measures for each type of risk are explained as follows.

Type	Risk Item	Potential Impacts	Response Measures
Short Term (2025)	Market Risk (Interest Rate, Exchange Rate)	<ul style="list-style-type: none"> Fluctuations due to rising or falling interest rates could lead to increases or decreases in income or expenses. Since revenue is mainly derived from USD and JPY, and the demand for foreign currency funds for manufacturing costs and operating capital is also in USD and JPY, significant exchange rate fluctuations will impact financial gains or losses. 	<ul style="list-style-type: none"> Establish good credit relationships with banks to secure more favorable interest rates for financing or fixed deposits, thereby reducing financial costs or increasing income. Adjust the levels of foreign currency funds using natural hedging for the company's main trading currencies, USD and JPY. In the future, for net foreign currency asset positions, evaluate holding positions through forward foreign exchange transactions to mitigate exchange rate fluctuation risks.
	Credit	<ul style="list-style-type: none"> High uncertainty in the overall economic environment, geopolitical risks, and financial market turmoil can cause financial turnover risks for SMEs with weaker operational structures, affecting their ability to make regular payments for goods. 	<ul style="list-style-type: none"> According to the customer credit management policy, evaluate customers' credit trading methods and transaction limits, continuously monitor accounts receivable recovery status, and execute collection operations after the transaction. Regularly assess the financial risks of customers who have obtained credit transactions and review the usage of their credit limits, making timely adjustments to reduce the company's operational risks. For customers in high credit risk areas, mitigate related operational risks by purchasing third-party credit insurance (from institutions specializing in credit risk underwriting).
	Liquidity	<ul style="list-style-type: none"> Changes in global economic conditions and geopolitical risk factors may cause a domino effect, leading to systemic liquidity risks. 	<ul style="list-style-type: none"> In response to the uncertainties in the 2025 economic outlook, allocate funds based on the principles of stability and liquidity. Continuously expand both short-term and long-term financing channels to ensure adequate sources of funds and avoid systemic liquidity risks caused by external factors. Utilize capital markets for fundraising at appropriate times to strengthen the capital structure and enhance operational capabilities.
Long Term (3~5 Year)	Market	<ul style="list-style-type: none"> The expectations regarding the U.S. Federal Reserve's interest rate hikes or cuts will affect not only domestic interest rates but also the exchange rate fluctuations of various currencies against the U.S. dollar. 	<ul style="list-style-type: none"> Adhering to a prudent management philosophy, we do not engage in high-risk, high-leverage investment products. If necessary, we use forward foreign exchange contracts and other methods for hedging.
	Credit	<ul style="list-style-type: none"> Unfavorable overall economic conditions, geopolitical risks, and financial market volatility can cause financial turnover risks for small and medium-sized enterprises (SMEs) with weaker operational structures, thereby affecting their ability to make timely payments. 	<ul style="list-style-type: none"> Implementing customer credit management and monitoring the recovery of customer accounts receivable, along with follow-ups. The company also continuously expands orders from different industries and clients to diversify revenue sources, thereby reducing operational risks.
	Corporate Investment	<ul style="list-style-type: none"> Investments in businesses within similar industry environments are subject to operational and financial risks arising from political and geopolitical factors, supply chain adjustments, inflation, and interest rate hikes. 	<ul style="list-style-type: none"> The company will continuously monitor the operations of investment targets to ensure alignment with the company's strategic goals. For new investments, the company will carefully evaluate the timing of entry and enhance the synergy of investment production and sales strategies to aid in industry development.



2.2 Risk Management

2.2.4 Information Security Management

InnoCare is committed to protecting the confidential information and intellectual property that provide competitive advantages to the company, employees, customers, and suppliers. The company is dedicated to enhancing information and communication security protections and management mechanisms. This includes controlling information assets such as server hosts, database systems, application software systems, personal computers, operational information, and personal privacy information in accordance with the principles of the Information Security Management System (ISMS) to ensure the confidentiality, integrity, and availability of information.

Additionally, InnoCare has established regulations for information software operating systems and disaster recovery mechanisms for information security. These measures create a secure and reliable electronic information operating environment, ensuring that the company's information systems and operational data can quickly report and respond to information security incidents. The goal is to restore normal operations in the shortest possible time, thereby ensuring the continuity of the company's information security operations.

Enhancing Information Security Measures

1	Promotion of ISO 27001 Certification	<ul style="list-style-type: none"> Obtained ISO27001 certification in January 2025, maintained and continuously improved internal processes, and strengthened information security protection.
2	Email Social Engineering Protection	<ul style="list-style-type: none"> Plan internal email social engineering drills to raise employee awareness of information security.
3	Strengthening Information Security	<ul style="list-style-type: none"> Network Security Control: Deploy firewalls for external defense and regularly update Indicators of Compromise (IOCs) to prevent internal malicious connections. Information Asset Management: Establish an information security inventory management system, implement sensitive data destruction mechanisms, and establish electronic document loss prevention mechanisms. System Access Security Protection: Update original security patches and identify the latest virus attack modes to block attacks and prevent their spread immediately. Endpoint Security Protection: Deploy endpoint protection software and next-generation antivirus software on computer systems, and use multi-factor authentication for remote office login systems. Physical and Environmental Security: Control access to server rooms or sensitive areas using access control systems, and manage login systems with password controls and regular password updates. Supply Chain Information Security Protection: Require suppliers to sign confidentiality agreements and comply with regulations and entry standards. Equipment entering the facility must pass information security checks, and personnel must undergo information equipment inspections at security workstations to prevent information leakage. Compliance with Laws and Regulations: Adhere to government guidelines for establishing internal control systems for publicly traded companies. Set up a dedicated information security unit (including dedicated information security officers and personnel) to enhance information security protection. Annually review information security measures and regulations in line with relevant provisions of the information security control guidelines for listed and OTC companies.
4	Expansion of Backup Hardware and Software	<ul style="list-style-type: none"> To prevent ransomware threats, expand the range of backup equipment and strengthen backup operation management mechanisms.
5	Endpoint Detection and Defense	<ul style="list-style-type: none"> Plan endpoint detection and defense mechanisms for critical equipment in internal server rooms to prevent zero-day attacks.
6	Development Plan for Sustainable Operation of Key Equipment Information Security	<ul style="list-style-type: none"> Information security monitors technical mechanisms such as key asset management and availability maintenance of the production line, strengthens the information security protection capabilities of key machines, such as network security protection, repairs key machines with weak vulnerabilities, and carries out active information security protection mechanisms such as virtual patching, and Centralize information security protection and maintenance mechanisms in the information security situation room to solve the problem of information security protection for old computers.
7	Corporate Cyber Insurance	<ul style="list-style-type: none"> Obtain cyber insurance to prevent financial losses caused by major information security incidents and protect the interests of customers and investors.

2.2 Risk Management

Information Security Education

To effectively defend against information security risks and prevent security incidents, InnoCare holds an annual Information Security Month educational event. This event ensures that all employees complete the designated "IT Security Awareness and Advocacy Online Course," achieving a 100% training completion rate. Additionally, unscheduled social engineering drills are conducted to enhance overall employee awareness of information security. To continually advance the expertise of information security personnel, InnoCare regularly participates in external professional information security training sessions, such as SP-ISAC (Science Park Information Sharing and Analysis Center) intelligence sharing and training programs. The company also encourages employees to obtain information security certifications, aiming to bring the latest defense concepts back to the company and dynamically adjust security defense strategies in response to evolving hacking trends.

【Aspects of Information Security Education】

- Conduct the InnoCare Information Security Month activities to raise employee awareness of information security.
- Regularly use platforms such as "Online Learning Platform," and "Internal Announcement Emails" to educate employees on information security concepts.
- Implement "Email Source Verification Mechanism" to reduce the risk of phishing emails.
- Become a member of the TWCERT Information Security Alliance to exchange security intelligence with alliance members.
- Join the Taiwan Information Security Managers Alliance to share security intelligence with alliance members.

Information Security Maturity

In the face of industry competition, enterprises are constantly subjected to various cybersecurity threats. Information security management has become one of the key issues for corporate sustainability. InnoCare places great importance on information security management by identifying both internal and external cybersecurity risks and formulating corresponding strategies. Starting in 2023, the company has been conducting the Industrial Technology Research Institute's SECPAAS cybersecurity maturity assessment. This ongoing effort aims to enhance different aspects of cybersecurity and overall maturity through network security planning and improvement projects in both domestic and international plants, thereby preventing and mitigating the impact of cybersecurity incidents. The current cybersecurity maturity assessment score is 72, with a target to reach above 80 by Q4 2025. At the same time, through the implementation of security education and training for all employees, we will enhance employee security awareness and avoid major information security incidents. We hope to continuously strengthen the resilience of corporate operations, increase the confidence and satisfaction of stakeholders, and achieve the goal of sustainable operations.

2.2 Risk Management

Cybersecurity Incident Risk Management

To enhance its overall cybersecurity response capabilities and improve incident response measures, InnoCare proactively collaborates with domestic cybersecurity organizations. Domestically, the company has joined TWCERT/CC (Taiwan Computer Emergency Response Team/Coordination Center) and ISAC-SPISAC (Science Park Information Sharing and Analysis Center) to exchange and acquire the latest intrusion threat indicators. These efforts are complemented by a global cybersecurity threat information protection network for interactive detection and defense. Additionally, to ensure uninterrupted continuous operations, InnoCare has established comprehensive management procedures, such as the "Information Security Incident Management Control Guidelines" and the "Information Security Disaster Recovery Handling Mechanism Guidelines." The company has also implemented an automatic alert mechanism for cybersecurity incidents, conducting annual tests and review drills.

Supply Chain Cybersecurity Management

To effectively strengthen supply chain cybersecurity management, InnoCare enhances its protective resilience through four major protective measures:

- Suppliers are required to sign confidentiality agreements and comply with regulations and entry standards.
- Equipment entering the plant must pass information security checks.
- Personnel entering the plant must undergo information equipment inspections at security workstations to prevent information leakage.
- The MDM (Mobile Device Management) system rigorously controls the implementation and inspection mechanisms for mobile information devices.

2.3 Integrity Management and Legal Compliance

For business integrity, regulatory compliance, and sustainable corporate operations, InnoCare maintains corporate governance regulations and protocols that specify requirements for integrity management and legal compliance in accordance with the applicable domestic and international laws and policies.

2.3.1 Integrity Management

To ensure business integrity and ethical corporate development, InnoCare formulated the Ethical Corporate Management Best Practice Principles for InnoCare Corporation, the Code of Ethics for Directors and Officers, and the Code of Conduct for Employees in accordance with Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Responsible Business Alliance (RBA) Code of Conduct. To ensure that the corporate integrity policy is fully implemented by its employees and suppliers, the company requires new hires to sign the Service Agreement, Integrity and Honesty and Intellectual Property Rights Agreement, while suppliers must adhere to the Supplier Corporation Social Responsibility Code of Conduct Operation Standard and sign the Supplier's Undertakings.

Anti-Corruption Policy

InnoCare adopts a zero-tolerance policy towards unethical business conduct, maintaining principles of integrity and fairness in business activities. The anti-corruption policy is clearly stipulated in the "Ethical Corporate Management Best Practice Principles," the "Procedures for Ethical Management and Guidelines for Conduct," and the "Code of Ethical Conduct," all of which have been approved by the board of directors. These policies and practices are explicitly stated in various internal and external documents such as the Employee Code of Conduct and the Supplier Corporate Social Responsibility Code of Conduct Operational Guidelines, strictly requiring adherence from employees and suppliers.

To ensure the effective implementation of the anti-corruption policy, new employees must sign the "Service Agreement, Integrity and Honesty and Intellectual Property Rights Agreement" upon onboarding. InnoCare also conducts annual digital anti-corruption training courses for all employees, offering the "CSR Anti-Corruption, Compliance, and Confidentiality Awareness Course" to enhance employees' awareness of corporate social responsibility. According to statistics, the course completion rate in 2024 reached an impressive 97.3%.

Beyond internal management measures, InnoCare extends its anti-corruption policies to suppliers, requiring global suppliers to comply with the "Supplier Corporate Social Responsibility Code of Conduct Operational Guidelines" and sign a "Supplier's Undertakings," as well as fill out an anti-corruption questionnaire to assess related risks. The company tracks and manages supplier commitments and promptly addresses any irregularities. InnoCare will continue to advocate these policies to suppliers and employees, thereby promoting the company's culture of integrity and monitoring for any non-compliant behaviors.

Anti-Corruption Education and Training

InnoCare promotes legal compliance and training through various channels such as online courses, the company website, and boot-up screens to enhance employees' legal awareness. Training courses on key topics like anti-corruption, personal data protection, trade secret protection, antitrust, and insider trading prevention are provided, with a 98.98% completion rate for the 2024 courses.

2.3 Integrity Management and Legal Compliance

【 Training completion rate in 2024 】

Target	Metrics	Trade secret, personal data protection, anti-corruption, and insider trading prevention	Anti-trust regulations
Employees	Enrolled	197	58
	Completed	195	57
	Completion rate	98.98%	98.28%
	Target	98%	98%
	Target reached?	V	V

Anti-corruption Management

To achieve effective management and prevent corruption, InnoCare distributes the "Employee Code of Conduct | Anti-Corruption Questionnaire" to all employees to expand and deepen the implementation of the anti-corruption policy. This initiative not only periodically reminds employees to comply with InnoCare's anti-corruption policy but also investigates and understands the implementation status of the anti-corruption policy to prevent potential corruption incidents. Additionally, to reduce the risk of corruption, InnoCare uses an anti-corruption reporting mailbox (speak-up@innocare-x.com) to provide whistleblowers with a channel for reporting. This reporting channel is promoted on the company website and in the Supplier's Undertakings. If any violations are found, both internal and external personnel can report illegal activities through this channel. For reported cases, InnoCare has formulated the "Procedures for Investigating and Managing Corruption Incidents," which details the standard operating procedures and confidentiality mechanisms for handling reports. A cross departmental investigation team, consisting of the legal, HR, and Audit office, conducts intensive and prudent investigations based on the "Procedures for Investigating and Managing Corruption Incidents." If a case is confirmed to be true, subsequent measures are taken according to internal regulations, depending on the severity of the involvement of suppliers and employees. If criminal liability is involved, the case will be referred to judicial authorities for investigation. In 2024 no reports were received. InnoCare continues to strengthen company management processes and internal control procedures, and educates all employees to prevent disciplinary incidents.

【 Procedures for corruption reporting and complains 】





2.3 Integrity Management and Legal Compliance

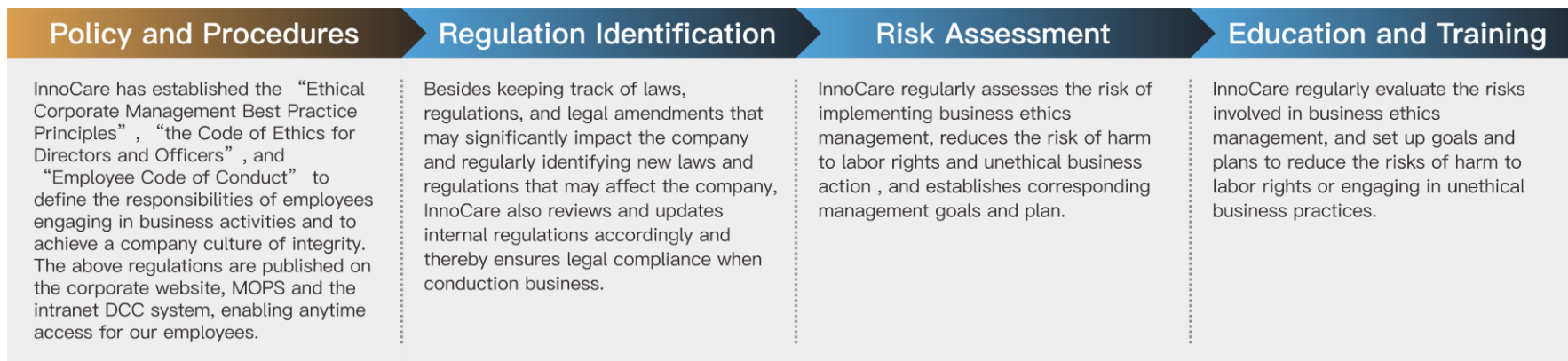
Confidential Information and Privacy Protection

Recognizing the importance of confidential information and privacy protection for customers, suppliers, and the company, InnoCare has announced the "Privacy Protection Policy" on the company website and has established the "Employee Code of Conduct," "InnoCare Corporate Social Responsibility Practice Code," and "Supplier Corporate Social Responsibility Code of Conduct Operating Procedures" to ensure compliance from internal operations to the value chain, fully implementing confidential information and privacy protection. InnoCare understands the importance of employees protecting the company's trade secrets and requires all indirect employees to participate in trade secret protection training. The company continuously promotes this through screen savers and boot screens. Any violations of trade secret protection will be handled according to the specific circumstances and reward and punishment regulations, and legal action will be pursued.

2.3.2 Legal Compliance

InnoCare's operations comply with domestic and international laws and industry standards. Relevant units implement regulatory compliance policies. In 2024, InnoCare did not receive any penalties related to anti-corruption, personal data protection, trade secret protection, or antitrust laws.

【 Risk Management Process 】



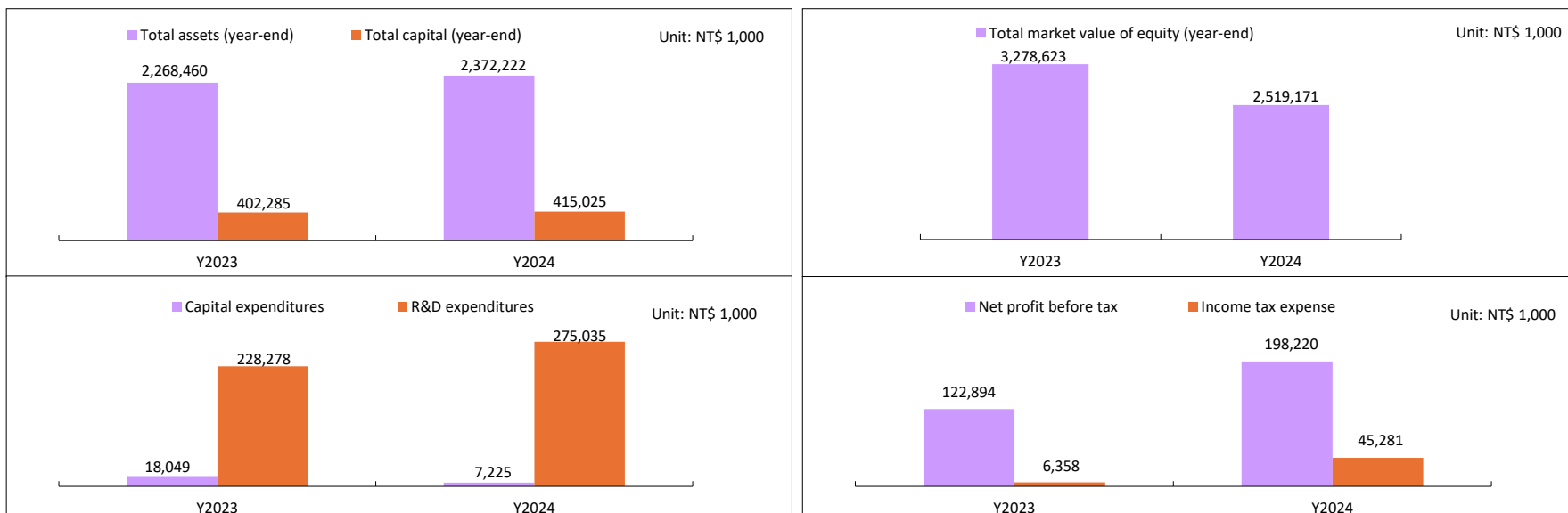
2.4 Financial Performance and Tax Governance

InnoCare believes that sound financial performance is the foundation of sustainable business operations. InnoCare is committed to building robust operational plans and fund management. By regularly disclosing financial performance, InnoCare ensures the transparency and timeliness of financial information, aiming to create long-term stable economic value for various stakeholders. This, in turn, strengthens stakeholders' confidence in long-term investments in InnoCare.

2.4.1 Financial Performance

Consolidated Revenue NT\$ 1.99 B	Gross profit NT\$ 0.55 B	Gross Profit Margin 28 %	Operating income NT\$ 30M	Operating Profit Margin 2%	Income After Tax NT\$ 0.2B	EPS NT\$ 3.75
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Operating outcomes



2.4 Financial Performance and Tax Governance

Consolidated Financial Report

Unit: NT\$ 1,000

項目	Y2023	Y2024
OPERATING REVENUE	1,837,116	1,989,666
GROSS PROFIT	502,669	552,284
OPERATING INCOME	31,169	33,422
NON-OPERATING INCOME	91,725	164,798
NET INCOME (LOSSES)	122,894	198,220
EARNINGS PER SHARE	3	3.75
INCOME TAX EXPENSE	6,236	45,281
CAPITAL EXPENDITURE	18,049	7,225
EMPLOYEE COMPENSATION	2,722	953
RESEARCH AND DEVELOPMENT EXPENDITURES	228,278	275,035
TOTAL ASSETS (YEAR-END)	2,268,461	2,372,222
TOTAL CAPITAL (YEAR-END)	402,285	415,025
TOTAL MARKET VALUE OF EQUITY (YEAR-END)	3,278,623	2,519,171
GOVERNMENT GRANTS	6,194	14,750
PENSION	19,828	21,999
INCOME TAXES PAID	36,304	39,761

2.4.2 Tax Governance

To respond to international trends in tax governance, InnoCare follows the "Group Tax Policy and Management Guidelines" to ensure compliance with tax regulations. Upholding the principles of integrity and honesty in its operations, InnoCare ensures the effective operation of its tax governance mechanisms.

【Group Tax Policy and Management Guidelines】

• Compliance

We are committed to complying with the spirit of international tax regulations as well as the letter of the tax laws and regulations of each jurisdiction in which we operate, including:

- preparing transfer pricing documentation to comply with the applicable transfer pricing regulations;
- not utilizing tax havens or engaging in tax planning specifically for the purpose of tax avoidance;
- not manipulating any profits to a foreign country or territory with low tax burden as defined under the R.O.C. Income Tax Act; and
- comprehensively understand and comply with local tax regulation and related spirit, suitable reporting of income and proper payment of tax to perform the social responsibility as a tax payer in good faith.

• Information transparency

Tax disclosure measures are implemented in compliance with the relevant regulations and guidelines. We regularly disclose tax information to stakeholders in financial statements, annual reports, and sustainability reports through public channel to ensure information transparency.

• Mutual trust and communication

We establish relationships of mutual trust and communication with the tax authorities, discussing and clarifying any tax issues in a timely manner and maintaining a harmonious and cordial relationship with the tax authorities.

• Risk controls

We assess tax-related risks and implications of major transactions and decisions prudently and implement effective risk controls through proper management mechanisms.

• Enhancing tax training and education

We have built the capability to assess the impact of changes in relevant tax laws and regulations and make quick decisions in response thereto. We provide comprehensive on-the-job training for professional tax expertise of tax talent.

03

Innovative Transformation and Coordinated Procurement

- 3.1 R&D Innovation
- 3.2 Client Relationships
- 3.3 Supply Chain Management



Management Guidelines

Materiality	2024 Strategy	2024 Result	2025 Target	Medium- to Long-Term Goals (2030)
<p style="text-align: center;">Product and Technology R&D Innovation</p>	<ul style="list-style-type: none"> Continuously improve production yield for IGZO and flexible substrates. Complete the dynamic and static product lines and upgrade existing products to enhance competitiveness. Continue to complete dynamic and static product lines and upgrade existing products to enhance competitiveness. 	<ul style="list-style-type: none"> Complete verification of the characteristics and reliability of IGZO technology with flexible substrates, providing customers with a wider range of options to enter the dynamic product and industrial inspection markets. Improve image latency by 30-40%, effectively increasing image scanning frequency and quality, better meeting the needs of end customers for dynamic products. Reduce image noise by 5-10%, increasing the signal-to-noise ratio, allowing for the acquisition of images of the same quality with a lower X-ray dose, further reducing radiation exposure for patients and healthcare professionals. <ul style="list-style-type: none"> Complete the dynamic 9x9, 12x12, and 17x17 product lines. Leverage existing static products as a foundation for software-enhanced value-added services. 	<ul style="list-style-type: none"> Continuously enhance the stability of IGZO products, increase competitiveness, and develop market-demanded applications in response to customer needs. Continue to improve image latency and noise reduction, enabling X-ray inspection to expand into a wider range of applications with greater safety. Establish a dynamic product characteristics database to develop differentiated products. Develop the next generation of static FPD (Flat Panel Detector) full product line, focusing on more durable and stable image transmission. 	<ul style="list-style-type: none"> Continuously improve the competitiveness of dynamic and flexible substrate products, expanding market share. Leverage design and process differentiation to increase customer stickiness and satisfaction. Further optimize design with the goals of carbon reduction and avoiding the use of hazardous materials. Utilize AI-powered image processing technology to assist healthcare professionals in completing diagnostic procedures more efficiently and accurately, while simultaneously reducing unnecessary examinations for patients. Further optimize design with the goals of carbon reduction and avoiding the use of hazardous materials. Utilize AI-powered image processing technology to assist healthcare professionals in conducting efficient and precise examination procedures.



03

Management Guidelines

Materiality	2024 Strategy	2024 Result	2025 Target	Medium- to Long-Term Goals (2030)
Customer Relationship Management	<ul style="list-style-type: none"> Establish a customer database. Establish a customer interaction/feedback information system. Develop a customer loyalty program and provide enhanced service. 	<ul style="list-style-type: none"> Through regular visits and teleconferences, discuss product issues and provide solutions, continuously reducing customer production defect rates. Collaborate with strategic customers to develop standard products, reducing customer development costs while increasing project initiation incentives and fostering closer customer partnerships. 	<ul style="list-style-type: none"> Connect customers and the factory to understand customer needs and receive real-time feedback. Refine product quality control to reduce customer complaints, creating maximum benefits for the company, customers, and end-users, aligned with sustainability commitments. 	<ul style="list-style-type: none"> Develop a comprehensive customer management system enabling the company to better understand customer needs and preferences, and provide superior service, fulfilling customer expectations and driving company profitability.
Supply Chain Management	<ul style="list-style-type: none"> Achieve a response rate or company public disclosure of conflict minerals due diligence for high-risk suppliers of 85.0%. 	<ul style="list-style-type: none"> A total of 36 high-risk suppliers were identified, with conflict minerals due diligence completion rate of 86%. 	<ul style="list-style-type: none"> Achieve a conflict minerals due diligence completion rate of 88% for high-risk suppliers. Expand due diligence beyond existing 3TG assessments to include broader mineral assessments across the supply chain. 	<ul style="list-style-type: none"> Continuously commit to responsible sourcing and diligent due diligence to ensure products meet conflict-free mineral requirements. Achieve a conflict minerals due diligence completion rate of 95% for high-risk suppliers.



3.1 R&D Innovation

InnoCare is committed to becoming a global leader in X-ray sensing products, offering comprehensive X-ray sensor services. The company continues to invest in R&D, focusing on new generation IGZO structures, high pixel fill factor device design, and key scintillator processes. It also expands its product line of medical X-ray sensor modules and industrial non-destructive testing equipment. Furthermore, InnoCare is developing AI image analysis technology to create multiple high-performance products, continuously advancing technological innovation and new product deployment to enhance competitiveness.

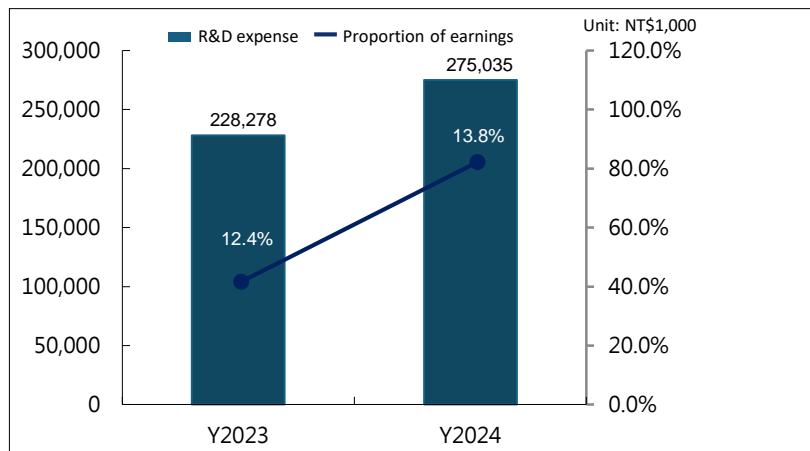
3.1.1 Technological Innovations and Breakthroughs

InnoCare is committed to developing new technologies and exploring new fields, leveraging its strong R&D capabilities to create new-generation display technologies and high-value products.

2024 R&D Investment:

- R&D Expenditure: NT\$2.8 billion, accounting for 13.8% of total revenue.
- R&D Personnel: 101 employees, accounting for 30.79% of the total workforce.

【 R&D expenditures in recent years 】



Cross-Industry Collaboration

Project Name	Technical Highlights
Development of Perovskite X-ray Scintillators	Perovskite materials, leveraging their high X-ray absorption capabilities, low cost, and manufacturability, demonstrate significant potential in X-ray detection and imaging applications. Addressing stability and environmental friendliness concerns will pave the way for their adoption as core materials in medical imaging and industrial inspection. Risen Optoelectronics initiated a collaborative development project with the Industrial Technology Research Institute (ITRI) in Q4 2023, completing preliminary material selection and membrane quality adjustments by the end of 2024. The primary objectives of the Phase 2 project in 2025 focus on enhancing light emission efficiency and validating large-scale substrate coating, continuously progressing towards commercialization.

Product Market Share

InnoCare's products are primarily used in the medical field. According to the market research report "X-Ray Detectors Market- By Detector Type, Application, End-use - Global Forecasts to 2030" by Global Market Insights, the global market value for X-ray detectors in medical applications was approximately USD 1.3 billion in 2022, with an annual growth rate of about 5-6%. InnoCare's revenue for 2024 was NT\$19.9 billion, accounting for approximately 3.5-4% of the industry's market share. Our X-ray flat panel detector components hold a global ranking within the top 3.

3.1 R&D Innovation

2024 Sales Regions for Major Products

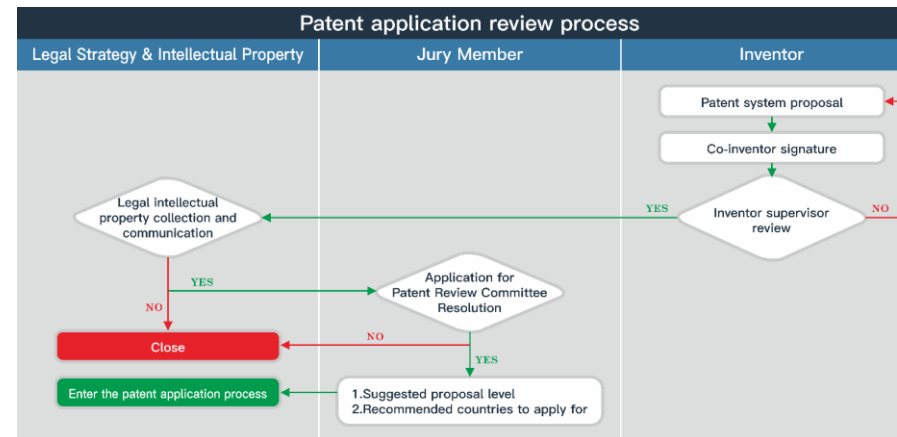
Unit: NT\$ 1,000;%

Area		Amount of Sales 2024	%
Domestic sales	Taiwan	90,546	4.55%
	Asia	1,276,901	64.18%
Export sales	America	420,828	21.15%
	Europe	194,808	9.79%
	Africa and other	6,583	0.33%
	Subtotal	1,899,120	95.45%
Total		1,989,666	100.00%

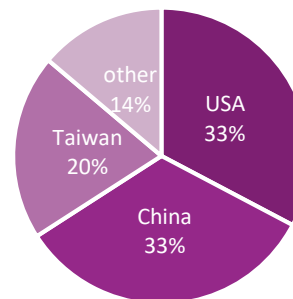
3.1.2 Intellectual Property Management

To enhance its intellectual capital, InnoCare continuously invests in R&D innovation and patent development. The Intellectual Property (IP) and R&D departments collaborate closely to conduct early patent layout for potential technologies, building a robust IP barrier. InnoCare's global patent cases (approved and pending) increased from 183 in 2023 to 217 in 2024, covering 46% of both its own and competitors' products. Looking forward, InnoCare aims to increase the quality of its patents to raise technological barriers for competitors. The company plans to grow its patents to 250 by 2025, covering over 40% of its own and competitors' products, and to 250 by 2030, covering over 40%, thereby strengthening its industrial advantage and technological leadership through intellectual property rights.

【 Patent application review process 】



【 Number of Patents in 2024 】



Area	USA	China	Taiwan	Other	Total
2023	23	13	12	3	51
2024	14	10	8	2	34
Cumulative over the years	71	72	44	30	217
%	33%	33%	20%	14%	100%

3.1 R&D Innovation

Intellectual Property Management

InnoCare actively encourages innovation and independent research and development, establishing a dedicated unit to assist in the promotion of intellectual property management affairs, effectively protecting the company's research and development results. To enhance the effectiveness of the company's intellectual property management, stimulate InnoCare's research and development energy, and improve patent quality, InnoCare has formulated the "InnoCare Optoelectronics Patent Management Measures." These measures encourage researchers to engage in forward-looking innovative research and effectively protect the company's research and development results.

The Legal Strategy & Intellectual Property Section adjusts the number of patents maintained each year based on InnoCare's operational goals and convenes relevant department personnel to discuss the necessity of continuing maintenance. The annual inventory results should be submitted to the Legal Strategy & Intellectual Property Section as the basis for maintaining various patents. The Legal Strategy & Intellectual Property Section updates the company's "Intellectual Property Rights List" monthly to implement compliance with corporate governance regulations.

【 Schematic diagram of IP operations 】

**Set annual
business goals**

**Legal Intelligence
held a patent
protection meeting**

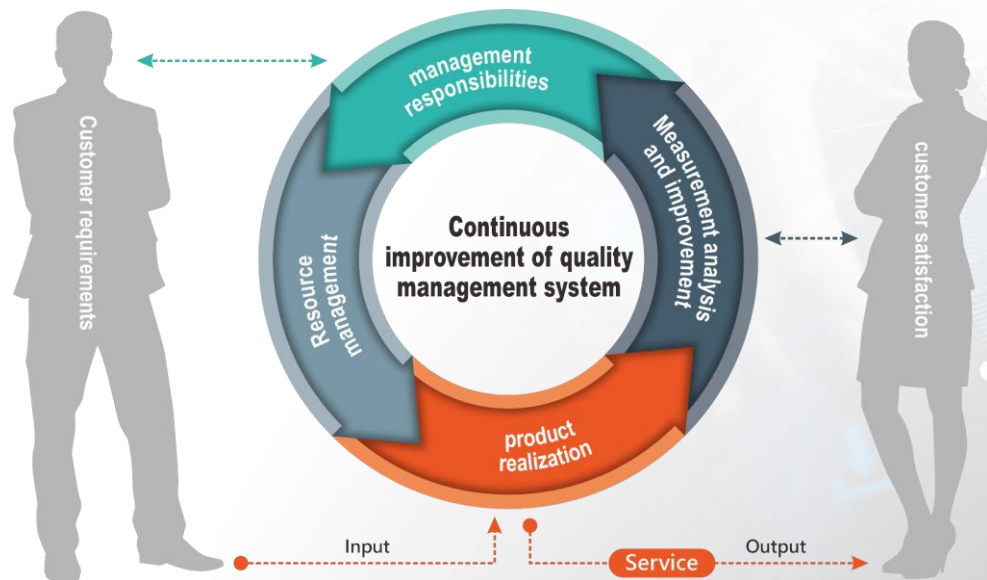
**Legal intellectual
property patent
maintenance adjustments**

3.2 Client Relationships

3.2.1 Customer Quality Management

InnoCare's customers are spread across Europe, America, Japan, China, and South Korea, with the highest operational aim being to achieve customer satisfaction. To promptly meet the needs of global customers, InnoCare maintains close contact through local sales and technical personnel, holding regular or occasional customer meetings and gathering customer feedback through annual customer satisfaction surveys. This deepens the understanding of customer needs, optimizes service processes, and ensures the delivery of excellent products and services, thereby increasing customer trust.

InnoCare takes continuous quality improvement and customer satisfaction as the long-term sustainable operational objective. The company establishes good communication channels, from improving customer complaint cases, product services, technical consultations, to developing new field applications, providing timely and flexible global services and comprehensive solutions. By continuously improving the quality management system to meet customer requirements, customer satisfaction is enhanced, deepening customer trust in InnoCare, and establishing long-term stable partnerships.



【 Management Systems and Certifications 】

Management System	Certification Body	Certified Sites
		Tainan
ISO 9001 Quality Management Systems	DNV	●
ISO 13485 Medical Devices Quality Management Systems	DNV	●
QMS Medical Device Quality Management System	Taiwan Food and Drug Administration	●



3.2 Client Relationships

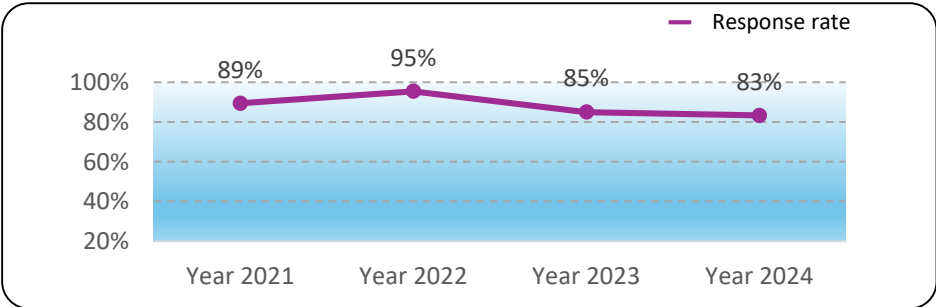
3.2.2 Client Service

InnoCare firmly believes that the highest quality products and services are key to consolidating customer satisfaction. The company continuously promotes improvement projects, integrates cross-departmental resources, enhances quality and service performance, and effectively responds to customer feedback, demonstrating a commitment to improving customer satisfaction.

Client Satisfaction Survey

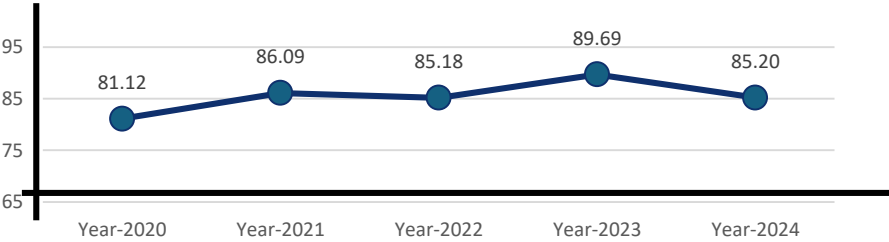
InnoCare conducts an annual "Customer Satisfaction Analysis" survey to understand and meet customer needs and expectations. The target primarily focuses on key brands and major shipping volume customers, with regular evaluations to include customers with development potential or those with leading positions and indicators in their application fields. The company uses core issues of customer concern, such as "Quality and Customer Service" and "Product Innovation and Competitiveness," as the driving force for growth with customers. Through annual surveys, improvement goals and development directions are set each year. In 2024, a customer satisfaction survey was conducted among 24 customers, with a response rate of 83%.

【 Client satisfaction survey response rate 】

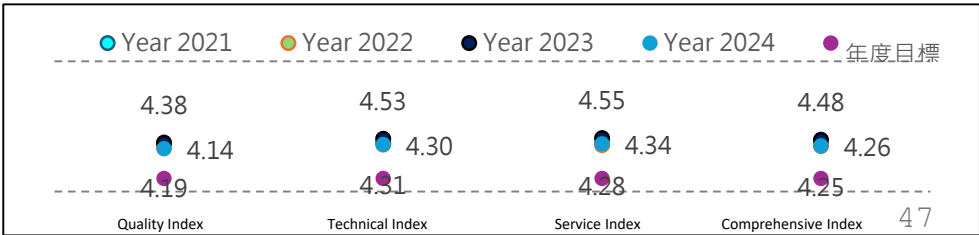


InnoCare overall customer satisfaction rate for 2024 was 85.2%, a decrease of 4.5% from 89.7% in 2022. Analysis of the customer satisfaction survey revealed that while composite, quality, technical, and service indicators all met or exceeded established targets, the primary reason for the decline compared to the previous year was a gap between customer expectations and perceived quality and service for a few clients, resulting in more negative feedback. Accordingly, in 2025, InnoCare will prioritize customer feedback, particularly focusing on quality and service. We will implement improvement plans based on customer feedback and suggestions at regular meetings, and will also connect with our manufacturing facilities to immediately communicate customer needs and continuously enhance the highest quality products and services.

【 Client satisfaction rates 】



【 Analysis of client satisfaction rates 】



3.3 Supply Chain Management

InnoCare implements sustainable supply chain management responsibilities, emphasizing not only product quality, delivery time, and price but also collaborating with supplier partners to address social and environmental issues, protecting human rights, achieving mutual prosperity, and creating sustainable value together.

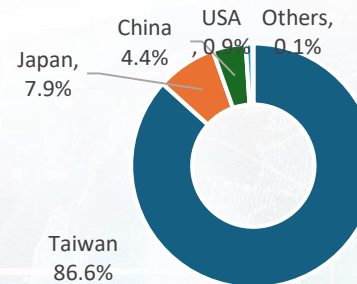
3.3.1 Procurement Management

InnoCare's suppliers are mainly categorized into four groups: optical components, electronic components, mechanical components, and others. The suppliers are distributed across Taiwan, mainland China, the United States, Japan, and South Korea, with the primary production sites concentrated in Taiwan and mainland China. To effectively manage supply chain procurement, InnoCare addresses operational risks caused by material shortages and increased raw material costs by introducing a second source for key components. One of these suppliers is chosen from local suppliers to ensure the company can respond quickly. Additionally, a cross-functional quarterly material evaluation mechanism is in place to consider quality and technical aspects, selecting suitable suppliers.

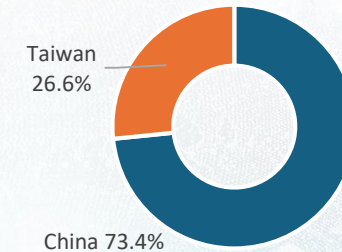
Local Procurement Note

InnoCare actively promotes industrial clustering and implements the localization of material production and supply, effectively boosting local economic development. This also helps reduce transportation costs and carbon emissions generated during transportation, balancing cost reduction with environmental protection responsibilities. On average, the proportion of local procurement in the Taiwan plant is about 86.6%, and in the mainland China plant, it is about 73.4%. In the future, InnoCare will continue to promote the localization of its supply chain, enhancing the proportion of local procurement through cooperation with local supplier partners and building a green supply chain.

【Taiwan site】



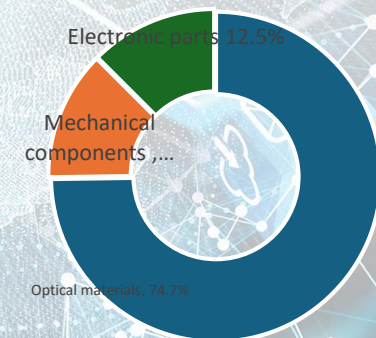
【China site】



Note: Proportional analysis of purchase amount is based on localization.

Analysis of Essential Component Procurement

The analysis of the procurement proportion of key components is as follows : The top 90% of raw material manufacturers in terms of annual purchase amount, based on the proportion of raw material categories (%).





3.3 Supply Chain Management

3.3.2 Sustainable Supply Chain

Effective management of the supply chain is a crucial part of enhancing operational competitiveness. In addition to quality and cost, InnoCare is also committed to the sustainable development of its supply chain. InnoCare follows the Responsible Business Alliance (RBA) Code of Conduct and has established the "Supplier Corporate Social Responsibility Code of Conduct Operating Procedures." All supplier partners are required to commit to these operating procedures, jointly implementing business ethics, labor and human rights, health and safety, environmental, and management system standards. This enhances the effectiveness of sustainable management and operational risk control, thereby establishing a mutually beneficial partnership.

Supply Chain Risk Management

InnoCare has proposed corresponding measures to address the risk of "supply chain disruption" as follows:

Risk Description	Over the past two years, due to supply chain imbalances and the impact of the Russia-Ukraine war, inflation has remained high, and changes in economic, geopolitical, and ecological fields have been continuous and intense. This may directly or indirectly affect the interruption of raw material production lines in the supply chain, sudden surges in material demand, and increased transportation costs.
Potential Impact	Affects revenue, costs, delivery times, and reputation. <ul style="list-style-type: none"> Increased overall operational costs for InnoCare due to surges in material demand and transportation costs. Inability to deliver on time due to interruptions in the supply chain raw material production lines, thereby impacting InnoCare's revenue and reputation.
Risk Response	<ul style="list-style-type: none"> Operational Risks (Material Shortages, Increased Raw Material Costs): Introduce a second source for key components, prioritizing local suppliers among them. Advancing ESG: Implement sustainable supply chain practices. Localization of Procurement: Actively promote industrial clustering and the localization of material production and supply. This reduces additional transportation costs and carbon emissions generated during transportation, thereby lowering procurement costs and fulfilling environmental protection responsibilities while also promoting local economic development. Supplier Selection and Evaluation Mechanism: Through quarterly material evaluations, consider and assess various aspects of quality and technology to select suitable suppliers.

Supplier Classification

Tier-1 Suppliers	Suppliers who directly transact with InnoCare (70 suppliers in 2024)
Tier-1 Key Suppliers	Suppliers who i) are irreplaceable, ii) are chosen by our clients, or iii) rank in the top 90% in terms of raw materials procurement volume 4 suppliers in 2024)
Non-Tier-1 Key Suppliers	Distributor-designated suppliers or upstream vendors (6 suppliers in 2024)

【 Schematic diagram of supplier categories 】





3.3 Supply Chain Management

Supplier Selection

InnoCare follows a group-wide supplier selection mechanism. Before introducing new suppliers, they are required to comply with the "Supplier Corporate Social Responsibility Code of Conduct Operating Procedures" and sign a "Supplier's Undertakings." Only after the company's Legal Strategy & Intellectual Property Section reviews and approves these documents can the supplier become an accredited supplier for InnoCare. In 2023, the retrieval rate of signed Supplier's Undertakings was 78%.

Conflict Minerals Management

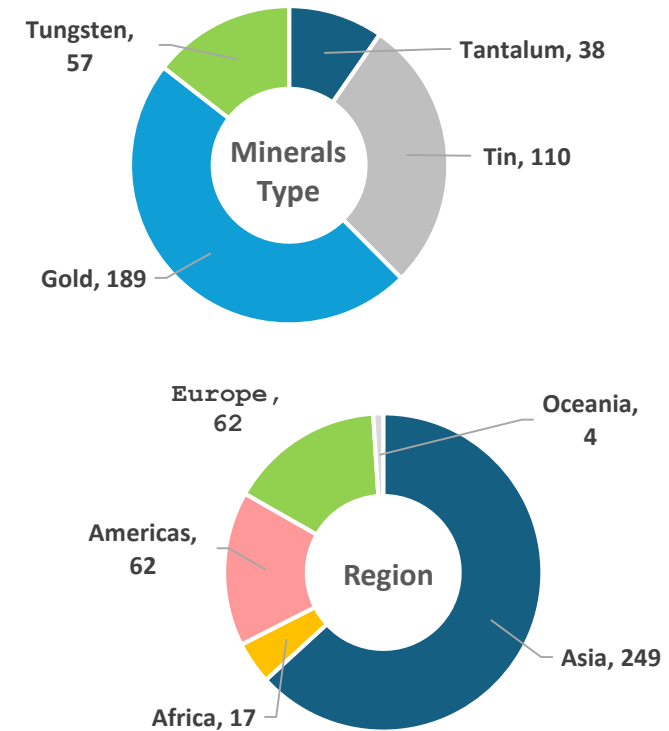
InnoCare responds to the international responsible sourcing standards and actively supports the Responsible Minerals Initiative (RMI) and other due diligence mechanisms promoted by international organizations. We require our supply chain to refrain from using conflict minerals that are extracted through illegal activities from conflict-affected and high-risk areas.

To ensure supply chain transparency and compliance with ethical procurement principles, we conduct supply chain investigations annually based on the latest version of RMI's Conflict Minerals Reporting Template (CMRT), expanding the scope of our investigations each year. In 2024, we completed our supply chain smelter survey using CMRT version 6.4, covering a total of 394 smelters. The smelters we use are primarily located in Asia, followed by Europe and the Americas.

【 Conflict Minerals Risk Management 】

2024 Achievements	1. The total number of high-risk suppliers is 36, with a completion rate of 86% for the conflict minerals survey.
2025 Goal	1. The annual completion rate for conflict minerals survey among high-risk suppliers reaches 88%. 2. In addition to the existing 3TG investigations, conduct supply chain survey for extended minerals.
2030 Development Commitment	1. Continue to strive for responsible procurement and diligently conduct due diligence to ensure products meet conflict-free mineral requirements. 2. Achieve an annual high-risk supplier conflict minerals survey completion rate of 95%.

【 Number of refineries 】



3.3 Supply Chain Management

3.3.3 Supply Chain Quality Management

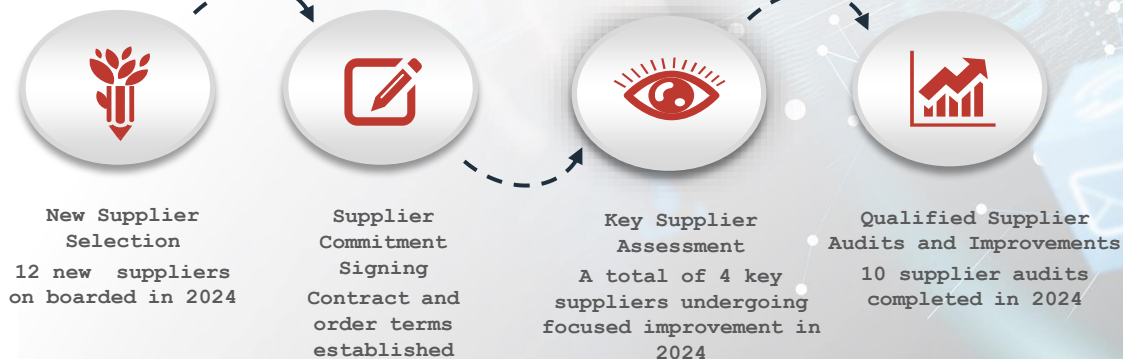
InnoCare places great emphasis on sustainable operation and management, believing that a robust supply system is a crucial cornerstone for sustainability. In the management process of raw material suppliers, InnoCare evaluates new suppliers from multiple perspectives to ensure their legality and compliance. For existing partners, InnoCare maintains positive communication to jointly face the challenges of a changing environment, and conducts regular evaluations to identify suppliers with poor management quality, offering improvement suggestions or adjusting cooperation strategies.

Selection and Management of New Suppliers

InnoCare's raw material development system ties each material category with corresponding capable manufacturers. Whether it is a new supplier for the first collaboration or an existing partner looking to develop different material categories, comprehensive evaluation and control are required to ensure efficient source management. During the introduction review of new raw material suppliers, InnoCare evaluates not only their technical, procurement, and quality systems but also considers their green products, environmentally friendly processes, labor safety, and emergency response capabilities. Under a framework of legality and compliance, InnoCare takes each step towards sustainable collaboration with its suppliers.

Supplier Quality Evaluation and Guidance

Supplier management is not a one-time assessment but a continuous and comprehensive management process. For accredited suppliers, InnoCare conducts raw material supplier evaluations every six months, assessing indicators such as delivery quality, response to anomalies, and cooperation levels to assign evaluation grades. Suppliers with poor evaluations are guided to improve their weaknesses, adhering to the spirit of mutual prosperity and growth. In response to risk management and business needs, we introduced 12 new suppliers in 2024. Additionally, 4 approval suppliers are undergoing continuous guidance and improvement due to poor quality assessments.



04

A Harmonious Workplace and a Prosperous Society

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Management Guidelines

Materiality	2024 Strategy	2024 Result	2025 Target	Medium- to Long-Term Goals (2030)
Talent Recruitment and Retention	<ul style="list-style-type: none"> To bolstering sustainability education and training resources, advancing Diversity, Equity, and Inclusion (DEI) initiatives, and fostering social prosperity for all. 	<ul style="list-style-type: none"> The completion rate for sustainability-related training programs was 75%. 	<ul style="list-style-type: none"> The completion rate for sustainability-related training programs was 80%. 	<ul style="list-style-type: none"> The completion rate for sustainability-related training programs was 90%.
Occupational Health and Safety	<ul style="list-style-type: none"> Pursue zero occupational hazards Implement and construct a commitment to a healthy and safe workplace 	<ul style="list-style-type: none"> FR (Frequency Rate) of disabling injuries: 0 SR (Severity Rate) of disabling injuries: 0 Achieved the goal of zero occupational hazards 	<ul style="list-style-type: none"> FR (Frequency Rate) of disabling injuries ≤ 1.63 	<ul style="list-style-type: none"> FR (Frequency Rate) of disabling injuries ≤ 1.63
Talent Development and Training	<ul style="list-style-type: none"> Through digital transformation and intelligent strategies, we are creating opportunities for our employees to pursue cross-disciplinary and diverse career paths. 	<ul style="list-style-type: none"> The rate of internal promotions to management positions is 100%. 	<ul style="list-style-type: none"> The rate of internal promotions to management positions is 80%. 	<ul style="list-style-type: none"> We proactively provide internal transfer and rotation opportunities to encourage employee diversification and promote a dynamic internal talent pool.

4.1 Talent Recruitment and Retention

InnoCare firmly believes that "talent" is the key driving force for sustainable corporate development. Regarding external talent acquisition, the company actively embodies sustainable practices, extending corporate sustainability actions to campuses. By combining digital recruitment strategies with sustainability principles, we are creating an innovative, diverse, and welcoming recruitment environment, enhancing the convenience and experience for potential candidates. In terms of internal talent development, InnoCare is committed to promoting sustainable talent growth and fostering a diverse and inclusive workplace culture. We offer flexible work arrangements, including flexible adjustment of working hours and locations, and provide welfare benefits that exceed legal standards, all to create a high-quality and inclusive work environment.

4.1.1 Talent Deployment

InnoCare is a professional manufacturer of digital X-ray flat panel detector products, primarily producing X-ray flat panel sensing components and modules. The company has service locations in Taiwan, China, Japan, the Netherlands, and the United States, with a global workforce of 328 employees. InnoCare's recruitment policy is diverse and inclusive, with no discrimination based on gender, age, race, nationality, religion, political stance, or sexual orientation. Additionally, InnoCare formulates recruitment strategies based on the local conditions, culture, and job characteristics of each global site. By leveraging diverse recruitment marketing channels, including physical recruitment activities and online job banks and social media, the company breaks through time and geographical limitations to enhance the breadth of recruitment. In 2024, a total of 8 people were recruited.

【 Employee Distribution Across the Globe 】

Area	Taiwan	China	Other Locations	Total
Number of Employees	310	5	13	328

【 New Employees in 2024 】

Site	Number of new employees
Taiwan	7
China	1
Other locations	0
Total	8

【 Composition of New Employees in 2024 】

Gender	Age	Taiwan		China		Other locations		Total	
		Number of new employees	Percentage of new employees	Number of new employees	Percentage of new employees	Number of new employees	Percentage of new employees	Number of new employees	Percentage of new employees
Female	<30 Years Old	0	0.00%	1	50.00%	0	0.00%	1	7.69%
	30-50 Years Old	1	0.71%	0	0.00%	0	0.00%	1	0.68%
	>50 Years Old	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Male	<30 Years Old	3	30.00%	0	0.00%	0	0.00%	3	30.00%
	30-50 Years Old	3	2.52%	0	0.00%	0	0.00%	3	2.40%
	>50 Years Old	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total		7	2.26%	1	20.00%	0	0.00%	8	2.44%

Notes:

1. The above data are established based on the incumbent employees on December 31, 2024.

2. The percentage of new employees (total number of new employees ÷ total number of employees at the end of the year) x 100%.

4.1 Talent Recruitment and Retention

【 Composition of Employees in 2024 】

Site ^{Notes2}	Item		Management ^{Notes3}			Specialists ^{Notes3}	Administrative Personnel ^{Notes3}	Technicians ^{Notes3}	Total
			Low- level managers	Middle managers	Executives				
Taiwan	<30 years old	Female	-	-	-	7	1	3	11
		Male	-	-	-	7	-	3	10
	30-50 years old	Female	5	-	-	29	34	73	141
		Male	22	2	-	63	2	30	119
	>50 years old	Female	-	-	-	1	1	2	4
		Male	7	2	2	11	-	3	25
	Total			34	4	2	118	38	114
Percentage			10.97%	1.29%	0.65%	38.06%	12.26%	36.77%	100.00%
China	<30 years old	Female	-	-	-	1	1	-	2
		Male	-	-	-	-	-	-	-
	30-50 years old	Female	1	-	-	-	-	-	1
		Male	-	-	-	2	-	-	2
	>50 years old	Female	-	-	-	-	-	-	-
		Male	-	-	-	-	-	-	-
	Total			1	-	-	3	1	-
Percentage			20.00%	0.00%	0.00%	60.00%	20.00%	0.00%	100.00%
Other locations	<30 years old	Female	-	-	-	-	-	-	-
		Male	-	-	-	-	-	-	-
	30-50 years old	Female	-	-	-	1	3	-	4
		Male	-	-	-	4	-	-	4
	>50 years old	Female	-	-	-	-	1	-	1
		Male	-	2	-	2	-	-	4
	Total			-	2	-	7	4	-
Percentage			0.00%	15.38%	0.00%	53.85%	30.77%	0.00%	100.00%

Notes:

1. The above data are established based on the incumbent employees on December 31, 2024.

2. Local managers of Taiwan sites" refers to managers of Taiwanese nationality; "local managers in China sites" refers to managers of Chinese nationality; "local managers in other location sites" refers to non-Taiwanese managers.

3. Definition of personnel: Low-level managers are assistant managers or managers; middle managers are site directors; and executives are personnel of managerial and higher positions at the head office; specialists are engineering and technical personnel; administrative personnel are administrative affairs personnel; technicians are direct production staff.

4.1 Talent Recruitment and Retention

Increased Collaborations with Universities in the Development of Future Talent

InnoCare has been an active participant in campus collaboration programs, including exhibitions organized by prestigious institutions of education such as National Taiwan University, National Tsing Hua University, and National Yang Ming Chiao Tung University. To increase

the potential for future recruitment of talent in electrical engineering, electronics and information engineering to fortify academic ties with future technology elites.

Internal Talent Circulation

InnoCare is committed to providing employees with a stable development environment and enhances organizational resilience and adaptability through internal career development programs, talent mobility mechanisms, and employee care initiatives. Against the backdrop of global industry transformations and corporate restructuring, the company emphasizes internal promotion and transfer opportunities, optimizes human resource allocation, ensures that talent is appropriately matched with roles, and minimizes the impact of corporate transformation on employees, further enhancing overall corporate competitiveness.

4.1.2 Diversity and Inclusion

InnoCare is committed to fostering a diverse, equitable, and inclusive (DEI) workplace. The Company ensures equal treatment for all employees in terms of employment, remuneration, promotion, and career development, aiming to enhance competitiveness and drive innovation through cultural inclusion and talent diversity.

A Friendly Workplace for Employees with Disabilities

To ensure job security for people with disabilities, InnoCare follow Innolux to launch a “job redesign” initiative that creates a safe, stable, and welcoming work environment. The Company evaluates standard operating procedures (SOPs) and adjusts workflows to enable employees with disabilities to fully realize their potential and access the necessary support at work. This approach not only ensures regulatory compliance but also addresses the upskilling needs of employees with disabilities, enabling them to perform as effectively as their colleagues and feel a stronger sense of identity and belonging

in the workplace.

In 2024, InnoCare employed 5 people with disabilities in Taiwan (1.61% based on a moderately-to-heavily weighted average). This demonstrates the company’s commitment to promoting employment opportunities for individuals with disabilities.

4.1 Talent Recruitment and Retention

Gender Equality and Career Development for Women

InnoCare is committed to providing women with equal opportunities in employment, pay, and promotion without discrimination based on gender, ethnicity, age, or disability status. By establishing a women-friendly workplace—through grievance channels, sexual harassment prevention policies, and maternal care programs—the Company supports female employees in achieving work-life balance and professional growth.

As of 2024, 32.11% of female employees at InnoCare are employed in STEM-related fields..

InnoCare continues to actively promote the advancement of women in the technology industry through talent development programs and internal support mechanisms, implementing gender diversity and inclusion.

【 Ratio of female employees 】

Item ^{Note 1}	2023	2024
All employees	50.41%	50.00%
STEM positions ^{Note2}	33.61%	32.11%
All management Positions	13.04%	13.95%
Senior management Positions	0.00%	0.00%
Entry-level management Positions	22.22%	17.14%
Sales-related management positions	0.00%	0.00%

Notes:

1. Includes all female employees at Taiwan and China sites.

2. “All employees”: all female employees; “all management positions”: all female managers; “entry-level management positions”: all entry-level female managers; “senior management positions”: female executives who are within two levels of command of the Chairman; “sales-related management positions”: female sales department managers at all levels.

3. STEM (Science, technology, engineering, and mathematics) positions: chief engineers, senior engineers, engineers, and associate engineers.

4.1 Talent Recruitment and Retention

Protecting and Retaining Foreign Workers

InnoCare adheres to the RBA policy and, since 2021, has fully adopted a "zero fee" policy to comply with international labor conventions and RBA regulations, ensuring the well-being of foreign workers in Taiwan. Furthermore, the company provides a variety of care measures to assist foreign workers in adapting to the workplace and living environment. Recognizing the importance of foreign workers' health and traffic safety awareness, InnoCare has introduced nursing staff and continues to promote health and safety initiatives, effectively enhancing workplace safety and health consciousness.

Human and Labor Rights Safeguards

- No employment fee : InnoCare covers all agency fees, service fees, medical examination fees, and visa application fees associated with international and domestic recruitment.
- Free return ticket: InnoCare pays for immigrant workers' return flights when their contract expires.
- Enhanced Domestic Transfer Pandemic Prevention: Zero-contact video interviews.

Language and Cultural Assimilation

To support cultural integration, InnoCare launched a Mandarin language program in 2022. As of 2024, the course has been offered 10 times to helping improve communication in both the workplace and daily life.

2024 Employee Diversity Analysis

【 Diversity 】

	Item	Number of people	percentage
Taiwan	Disabled	3	0.97%
	Migrant workers ^{Note 1}	26	8.39%
China	Disabled ^{Note 2}	0	0.00%
	Minority ^{Note 3}	1	20.00%
	Migrant workers ^{Note 4}	0	0.00%

Notes:

1. 'Foreign worker' refers to full-time, non-Taiwanese workers in Taiwan.
2. Number of the disabled is calculated after adding moderate to heavy weights.
3. Minority refers to non-Han ethnic groups from China.
4. Migrant workers refer to full-time non-Han workers in China..

【 Nationality 】

Site	Percentage of employee ^{Note 1}	Percentage of managers ^{Note 2}
Taiwanese	86.32%	95.35%
Chinese	1.40%	2.33%
Other Nationalities ^{Note 3}	12.28%	2.33%

Includes all employees based in Taiwan, China, and other overseas sites

Notes:

1. Calculated as the number of employees with the specified nationality divided by all employees.
2. Calculated as the number of managers (including entry-level, middle, and senior managers) with the specified nationality divided by all managers.
3. Employees who are neither Taiwanese nor mainland Chinese.

【 Gender and ethnicity 】

Employee type	Gender		Ethnicity ^{Note}	
	Female	Male	Asian	Others
Middle management and above	-	8	8	0
Technical staff	78	36	114	0
Other	86	120	201	5
Total	164	164	323	5
Percentage	50.00%	50.00%	98.48%	1.52%

Note: Employees are categorized by nationality due to the difficulty of obtaining statistics on their ethnicity. "Other" indicates employees of non-Asian ethnicity.

4.1 Talent Recruitment and Retention

【 Workforce overview for Taiwan sites 】

Item	Permanent employees		Contract employees Note 1		Interns		Temps		Contractors Note 2		Total
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
Number of employees	140	146	-	-	16	8	-	-	-	-	310
Total	286		-		24		-		-		310
Percentage	92.26%		0.00%		7.74%		0.00%		0.00%		100%

Based on employee data as of December 31, 2024

Notes:

1. Includes immigrant workers and industry-academia collaboration project participants
2. Includes contracted security, cleaning, and kitchen staff

【 Workforce overview for China sites 】

Item	Permanent Employees		Contract employees Note 1		Interns		派遣		Contractors Note 2		Total
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
Number of Employees	3	2	0	0	0	0	0	0	0	0	5
Total	5		0		0		0		0		5
Percentage	100%		0.00%		0.00%		0.00%		0.00%		100%

Based on employee data as of December 31, 2024

Notes:

1. Includes migrant workers and industry-academia collaboration project participants
2. Includes contracted security, cleaning, and kitchen staff

【 Percentage of local

Site	Local Manager Note	Non-local Manager	Percentage of local Managers
Taiwan	40	0	100%
China	1	0	100%

Based on employee data as of December 31, 2024

Notes: Includes assistant managers and above of Taiwanese nationality in Taiwan, and entry-level managers and above of Chinese nationality in China

4.1 Talent Recruitment and Retention

4.1.3 Remuneration and Benefits

InnoCare has made dedicated efforts to design a remuneration and benefit policy that keeps the company competitive while ensuring fairness within the company to attract and retain high-caliber professionals. To offer competitive remuneration, the Company periodically reviews market surveys of salaries and benefits, and adjusts our remuneration strategies accordingly when necessary, and assesses salary standards according to such factors as job position, experience, and skills. We have pledged to adopt and maintain a salary system that ensures no discrimination on the basis of gender, age, marital status, race, nationality, religion, or political opinion so as to create a fair and inclusive work environment.

In 2024, the average earnings of full-time employees in non-managerial roles across our Taiwan sites were NT\$1,047,000, up 4.4% from 2023, indicating that our salaries are aligned with market trends. The median earnings of these employees was NT\$931,000, reflecting the company's continued efforts to optimize its remuneration structure and ensure both fairness internally and competitiveness externally.

【 Earnings of Full-time Employees in Non-Managerial Roles 】

Region	Item	2023	2024	YoY rate of change
Taiwan	Total number of full-time non-managerial employees	314	309	(1.6%)
	Average earnings (NT\$ thousand)	1,003	1,047	4.4%
	Median earnings (NT\$ thousand)	854	931	9.0%
China	Total number of full-time non-managerial employees	11	3	(72.7%)
	Average earnings (NT\$ thousand)	513	534	4.1%
	Median earnings (NT\$ thousand)	480	540	12.5%

Note: The statistical data are disclosed within the scope set by the competent authority and are accrual-based attributable to employees' earnings for the year, which includes regular earnings (base salary + monthly allowance for food or shift work), overtime pay, and irregular earnings (bonuses and employee remuneration based on profit for the year pursuant to Article 235-1, Paragraph 4 of the Company Act and the Innolux Articles of Incorporation).

Note 1: YoY rate of change = (Figure for current year – Figure for previous year) / Figure for previous year.

Note 2: In thousands of New Taiwan Dollars (NTD).

【 Remuneration Ratio Analysis 】

Site/Year	Max-to-Median Earnings Ratio		Year-to-Year Change in Maximum and Median Earnings
	Y2023	Y2024	Y2024
Taiwan	5.4	11.3	26.5
China	2.20	1.5	(2.7)

• Note 1: Year-to-year change = A / B.

• A = (Max earnings in 2024 – Max earnings in 2023) / Max earnings in 2023.

• B = (Median earnings in 2024 – Median earnings in 2023) / Median earnings in 2023.

InnoCare discloses gender-based salary ratios by employee category. Starting salaries are determined based on factors including seniority, job level, and job attributes, without differentiation based on gender. In 2024, salary ratios for various roles ranged between 0.65 and 0.94.

【 Female-to-Male Remuneration Ratio 】

Site	Position ^{Note 1}	Female	Male	
Taiwan	Indirect Employees	Executive	-	-
		Manager	0.82	1.00
		Specialist	0.83	1.00
	Assistant	-	-	
Direct Employees	Technical	0.94	1.00	
China ^{Note 2}	Indirect Employees	Manager	-	-
		Specialist	0.65	1.00
		Assistant	-	-
	Direct Employees	Technical	-	-

Notes:

1. Senior management includes managers who are within two levels of command of the Chairman. Management positions include all entry-level managers and above. Technical staff refers to technicians with Taiwanese or mainland Chinese nationality.

2. There are no senior management positions in the China sites.

【 Standard-to-Minimum Wage Ratio for Entry-Level Positions 】

Gender	Taiwan	China
Female	1.39	2.50
Male	1.38	2.25

Note: Standard compensation for assembly line workers includes base salary, food allowance, and shift allowance.

4.1 Talent Recruitment and Retention

Talent Retention

In mid-2024, InnoCare adjusted the salaries of direct and indirect personnel based on a review of external market salary benchmarks and overall economic conditions, implementing a structural and performance-based salary adjustment. The salary increase exceeded 4%, and the company continues to plan benefits policies that surpass legal requirements, creating a competitive overall compensation package and retention program to foster a happy workplace and shared prosperity.

A Competitive Remuneration System

InnoCare is committed to creating a quality workplace that allows employees to strike a balance between their professional and personal lives. In addition to legally mandated annual leave, marriage leave, bereavement leave, and maternity/paternity leave, we offer employees 1 day of child companionship leave (taken when enrolling children in a new school or attending a parent-teacher conference, for example), 9 days of prenatal checkup accompaniment leave, and 1 day of filial piety leave per year, affording employees the flexibility to plan days off and balance their personal and family needs.

Employees at our Taiwan sites are entitled to paid time off upon hiring, without being limited by the minimum service period set forth in the Labor Standards Act. This benefit assures employees even greater flexibility to take time off. Our China plants also offer paid time off in accordance with local regulations, enabling employees to request leave as needed for personal reasons to ensure a work-life balance. As a means of managing employees' mental health and stress in the workplace, the Company completed an inventory of internal systems at the end of 2024 and made plans to introduce new types of leave. A more supportive leave system will be incorporated in 2025 to address employees' diverse needs.

Flexible Work Arrangements

InnoCare strives to help employees achieve a work-life balance. With the option of choosing when to start work and where to work, our flexible work arrangements enable employees to fulfill family and work commitments without compromising productivity.

A Comprehensive Insurance and Retirement System

InnoCare provides employees with social insurance coverage in compliance with local regulations to safeguard their fundamental rights and interests. For employees at our Taiwan sites, group insurance (covering death, major illness, medical expenses, accidents, and cancer) and overseas travel insurance are provided in addition to the mandatory labor (including employment) and national health insurance. We also extended group insurance coverage to employees' family members so that our employees can enjoy peace of mind at work and at home.

4.1 Talent Recruitment and Retention

【 Analysis of Overall Employee Separation Rate in 2024 】

Gender	Age	Taiwan		China		Other Locations		Total	
		Number of employees	Separation rates	Number of employees	Separation rates	Number of employees	Separation rates	Number of employees	Separation rates
Female	<30 years-old	2	13.8%	1	28.6%	0	0.0%	3	16.7%
	30–50 years-old	10	6.4%	0	0.0%	0	0.0%	10	6.1%
	>50 years-old	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Male	<30 years-old	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	30–50 years-old	2	1.6%	0	0.0%	1	18.0%	3	2.1%
	>50 years-old	1	3.5%	0	0.0%	0	0.0%	1	3.1%
Total		15	4.4%	1	6.9%	1	7%	17	4.6%

Note: Employee separation rate = { Number of employees leaving the company in 2024 / [(Number of employees at the start of 2024 + Number of employees at the end of 2024) / 2] } × 100%.

【 Analysis of Voluntary Separation Rate in 2024 】

Gender	age	Taiwan		China		Other Locations		Total	
		Number of employees	Separation rates	Number of employees	Separation rates	Number of employees	Separation rates	Number of employees	Separation rates
Female	<30 years-old	2	13.8%	1	28.6%	0	0%	3	16.7%
	30–50 years-old	9	11.8%	0	0.0%	0	0%	9	55%
	>50 years-old	0	0.0%	0	0.0%	0	0%	0	0.0%
Male	<30 years-old	0	0.0%	0	0.0%	0	0%	0	0.0%
	30–50 years-old	2	1.6%	0	0.0%	1	18%	3	2.1%
	>50 years-old	1	3.5%	0	0.0%	0	0%	1	3.1%
Total		14	4.1%	1	6.9%	1	6.9%	16	4.3%

Note: Employee separation rate = { Number of employees leaving the company in 2024 / [(Number of employees at the start of 2024 + Number of employees at the end of 2024) / 2] } × 100%.

4.1 Talent Recruitment and Retention

【 Above Statutory Benefits 】

Item	Statutory Standards	Benefits that are Superior to Statutory Requirements
Flexible work location	None	Employees may apply to work wherever for 10 days per year that suits the nature of work and personal needs.
Flexible working hours	None	Employees may apply to work whenever in the event of emergencies that require care for immediate family or spouse.
Filial piety leave	None Employees must apply for family care leave (unpaid) if they need time off to spend more time with parents.	This benefit is above the statutory minimum: Employees whose parents are aged 70 or older are entitled to one day of paid filial piety leave per parent per year to take care of and spend time with their parents.
Prenatal checkup accompaniment leave	7 days paternity leave including leave to accompany spouse to prenatal checkup	Employees are entitled to 9 days of paid paternity leave (the statutory minimum is 7 days), including leave to accompany their spouse to prenatal checkups. This benefit demonstrates our genuine support for pregnant employees and their partners.
Child companionship leave	None Employees must apply for family care leave (unpaid) if they need time off to spend more time with parents.	This benefit goes beyond the statutory minimum by helping employees balance family and work commitments: Employees are entitled to one day of paid leave to accompany their child on the first day of kindergarten or elementary school.
Citizen Judges Act	Employees are required to be granted leave for statutory reasons for the duration of their duties as a citizen judge. The Company determines eligibility for those who need to attend regional citizen judge mock trials during the transition to the enforcement of the new law.	This benefit, where employees are given paid time off for the duration of a regional citizen judge mock trial, is above the statutory minimum to encourage employees to fulfill their civic duty and social responsibility.
Insurance	Employees are enrolled in labor insurance, NHI, and the labor pension system on their starting date.	This benefit goes beyond the statutory minimum: Group insurance (covering life, accidents, medical expenses, cancer, and overseas travel) is offered in addition to mandatory insurance policies. Preferential premium rates are available for dependents, and employees on unpaid medical leave remain covered during their absence.
Annual leave	Employees are entitled to annual leave with pay after having been employed for 6 months or longer.	This benefit is above the statutory minimum, entitling employees to early annual leave: On the starting date, new employees are granted the same amount of annual leave as those who have worked for 6 months; then the same as those who have worked for a year after 6 months, and so forth.

Note: Employees may take ordinary sick leave for injuries or illnesses. If not hospitalized, the total number of sick leave days shall not exceed 30 days per year, with half pay granted during the period of leave. This condition applies to ensure proper recovery while balancing employee benefits and operational continuity.

4.1 Talent Recruitment and Retention

Retirement Reserve Funds withdrawal practices and preparations

Site	Taiwan	China
Pension Contribution Practices	<p>For the old pension system, in accordance with the "Labor Standards Act," 2% of the total monthly salary is allocated to a "Labor Retirement Reserve Fund Account" managed by the Bank of Taiwan. For the new pension system, in accordance with the "Labor Pension Act," 6% of the insured monthly salary is contributed to an individual account established by the Bureau of Labor Insurance, allowing the accumulation of pension funds to be portable.</p>	<p>In accordance with the "Social Insurance Law of the People's Republic of China" and regulations announced by local governments where each plant is located, a monthly contribution of 14% to 16% of employee income is paid towards the endowment insurance pension.</p> <p>Starting from November 2022, in addition to the existing social insurance, employees can voluntarily participate in a government-supported individual pension scheme as per the "Implementation Measures for Individual Pensions" (Human Resources and Social Security Ministry Document [2022] No. 70).</p> <p>Besides the statutory endowment insurance pension, the company also implements an annuity fixed deposit plan (savings trust). Employees can freely choose the contribution level up to the individual level, with both the employee and the company contributing. Each year, the company prepares a pension equivalent to approximately one month's salary for the employee, which is provided upon retirement.</p>
Pension Fund Preparedness	<p>In compliance with International Accounting Standard 19 (IAS 19R), an actuary conducts an annual pension valuation and provides an assessment report. Additionally, before the end of each year, the balance of the labor retirement fund account is estimated. If the balance is insufficient to cover the estimated retirement payouts for employees eligible to retire in the following year, the shortfall is made up with a one-time contribution, ensuring that employees' pension entitlements are fully secured.</p>	<p>In addition to the statutory social insurance, the company has set up an annuity fixed deposit plan to proactively plan for employees' retirement financial security.</p>

4.1 Talent Recruitment and Retention

【 The ratio of pension provision in local social insurance in 2024 】

Site	Company Provision Rate	Employee promotion rate
Taiwan	6%	0~6%
China	14%	8%

Note: Taiwan factories make contributions in accordance with the relevant provisions of the Labor Standards Act and the Labor Pension Ordinance.

Note: In accordance with the "Social Insurance Law of the People's Republic of China" and the "Implementation Opinions of the People's Government of Zhejiang Province on Regulating the Provincial Coordination System of Basic Pension Insurance for Enterprise Employees", social insurance is handled and paid for employees.

A Supportive and Friendly Workplace for Mothers and Fathers

InnoCare is committed to creating a friendly workplace that supports employees' work-life balance and offers unpaid parental leave for child-rearing to ensure job security and career stability during the child-rearing period. Employees with at least six months of service are eligible to apply for unpaid parental leave, in line with local regulations such as the Gender Equality in Employment Act. The Company is fully supportive of this policy and assists employees throughout the childrearing process.

In 2024, 0 employees from our Taiwan sites requested unpaid parental leave; 1 were set to be reinstated, but only 1 or 100% were reinstated. Among the 1 employees who were reinstated in 2023, 1 (100%) stayed with InnoCare (as of the end of 2023), which shows that the maternity and parental support we offered has effectively helped parents return to the workplace.

【 Unpaid Parental Leave Analysis 】

Taiwan Sites	Female	Male	Total
Employees eligible for leave in 2024	2	8	10
Employees who applied in 2024	0	0	0
A: Expected reinstatements in 2024	1	0	1
B: Reinstatements in 2024	1	0	1
C: Employees who continued working for a year after reinstatement in 2023	1	0	1
D: Reinstatements in 2023	1	0	1
Reinstatement rate (%) = B/A	100%	0%	100%
Retention rate (%) = C/D	100%	0%	100%

- Note: Number of employees eligible for maternity/paternity leave was calculated based on those eligible in 2024 among applicants from 2022 to 2024.

4.1 Talent Recruitment and Retention

【 Maternity and Childcare Support 】

Item	2024 Above-Compliance Practices
Pre-/Post-natal	<ul style="list-style-type: none"> ➤ Regulatory requirements: We established maternal healthcare and assessment measures in accordance with the Maternal Healthcare Guidelines for Female Employees and other applicable guidelines. ➤ Friendly measures: We provide pregnant employees and parents with priority parking, priority meal pick-up reminder service, priority seating, and priority elevators. ➤ Paternity/Prenatal checkup accompaniment leave: Prenatal checkup accompaniment leave is granted to employees to support their partners and fulfill family responsibilities. ➤ Parental Leave: Employees are entitled to apply for a 24-week paid parental leave at 80% of their insured salary, based on their childcare needs. ➤ Health management: We conduct maternal health risk assessments on female employees in Taiwan and China who report a pregnancy or are still within their first postpartum year.
Lactation Rooms and Childcare Resources	<ul style="list-style-type: none"> ➤ Friendly facilities and child care support: We have set up breastfeeding rooms and offer childcare programs and parent-child events, and have organized family-friendly activities, courses, and parenting workshops to help employees achieve a work-life balance. ➤ Child companionship leave: Child companionship leave is available for employees whose children are starting school for the first time, helping them accompany their children and ease their first-day anxiety.
Contracted Kindergartens and After-School Care	<ul style="list-style-type: none"> ➤ Contracted kindergarten: We contract with kindergartens and provide company-to-school shuttle services to ease employees' burden and childcare stress. ➤ Nursery: We have a shuttle service that transports children back to the company at the end of the school day and a nursery on premises where the children can play while waiting for their parents to finish work. This allows employees to stay focused at work without concerns about their children's safety.
Support for unpaid parental leave and reinstatement	<ul style="list-style-type: none"> ➤ Return-to-work assistance: Before their parental leave concludes, we reach out to employees to discuss their plans to return to work, and assist in making arrangements (with respect to job position or work schedule) to ensure a smooth transition. ➤ Retention results: 100% of employees who returned from unpaid parental leave continued to work for one full year or more. In 2024, 8 employees requested unpaid parental leave. These figures reflect the effectiveness of the company's support for returning employees.
Child care subsidy/ allowance	<ul style="list-style-type: none"> ➤ InnoCare welcomed 4 newborns in 2024 and approved a total of NT\$8,000 in child care subsidies to support employees in their parenting journey.

4.1 Talent Recruitment and Retention

4.1.4 Performance Management and Development (PMD)

Performance management is crucial for improving individual performance, enhancing organizational effectiveness, and creating corporate value. We have optimized our performance management system by incorporating six competencies into our evaluation plans and integrating day-to-day management and performance evaluations to promote talent diversification and development.

InnoCare has adopted a cyclical performance management system encompassing initial goal setting, mid-year reviews, and year-end evaluations. Through daily management and continuous feedback, the system assists employees in focusing on key tasks, aligning with organizational goals, and enhancing implementation performance. At the beginning of each cycle, objectives must align with corporate, departmental, and individual strategies based on SMART principles. During midyear reviews, progress is evaluated and adjusted based on progress and performance. At yearend, managers conduct comprehensive evaluations, provide feedback through interviews, and offer guidance for further development. Competency-oriented assessments also serve as a reference for development planning and talent inventory. In 2024, the performance evaluation completion rate for all formal employees worldwide reached 100%.

【 Performance evaluation framework 】

item	Description
Annual goals	<ul style="list-style-type: none"> Describe the completion rate of annual goals established at the beginning of the year. Add a link to the employee's performance report to demonstrate his/her performance.
Indicators of competence behavior	<ul style="list-style-type: none"> Description of competence behavior.
Individual development projects	<ul style="list-style-type: none"> Based on the results of performance evaluation, we establish individual development projects that correspond to the ability of the employee and meet the needs of the Company

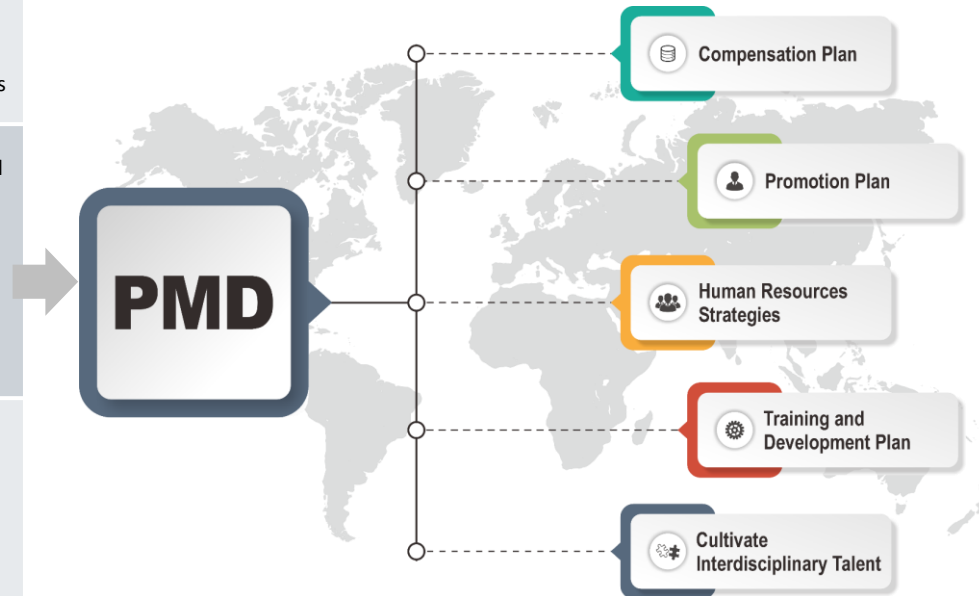


4.1 Talent Recruitment and Retention

【 Employee Performance Evaluation Methods 】

Method	Target(s)	Coverage	Frequency	Description
Goal-oriented assessment	Employees	100%	Annual	The three categories of the assessment include annual targets, professional competency indicators, and personal development. Annual targets are set for individual employees at the start of each year and reviewed at the end of the year.
Multifaceted Review	Employees	100%	Annual	Employees are asked to perform a self-evaluation before a secondary review by their superiors. Compared to traditional one-way evaluations, this multifaceted review method improves the validity of the assessment process.
Assessment and grading	Employees	100%	Annual	Employees are assigned one of four grades by their superiors based on their evaluation results for the given year.

- Dual-Track System for Career Development**
 - Combining organizational tasks with employee career development, InnoCare offers employees the option to choose between management or professional in-depth development. This dual-track development path is designed to cultivate future management successors and key technical talents.
 - This approach allows managers in the management track to focus on specific areas where they can fully utilize their strengths, while also bringing in experts from different fields to inspire team learning and growth.
- Promoting Talent Development and Job Rotation**
 - InnoCare encourages employees to apply for transfers and rotations to gain diverse experiences, creating new opportunities for talent transformation and accelerating organizational talent flow.
 - Experiences gained from job rotations are incorporated into promotion evaluation factors, enhancing employees' motivation to accept cross-domain challenges and supporting their career development.
 - The company's internal learning platform offers a variety of interdisciplinary courses, allowing employees to choose courses based on their needs, thereby broadening and deepening their career development and enriching their professional skills.
- Ensuring Equal Workplace and Implementing Gender Equality**
 - In 2024, a total of 330 employees participated in the performance evaluation process. Among the top 50% performers, 92 were men, making up approximately 55% of the male participants, and 81 were women, making up about 49% of the female participants. This indicates that InnoCare sets consistent evaluation standards for both men and women, demonstrating objectivity and fairness in performance appraisal and gender equality.
 - Despite the male-dominated nature of the tech industry and employment market trends, the promotion rate for women in 2024 was 15.9%. This shows that outstanding employees are promoted based on merit, without gender-based limitations on their development.





4.1 Talent Recruitment and Retention

【 Employee Evaluation Coverage 】

Item	Female	Male	Total	Coverage
Senior executives	0	2	2	100%
Middle management	0	6	6	100%
Entry-level managers	6	29	35	100%
Technical staff	41	88	129	100%
Others	119	39	158	100%
Total	166	164	330	100%

Note: Employees who were hired within the past 4 months or who were on leave for more than 240 days in 2024 were excluded.

4.1.5 A Warm and Welcoming Workplace

InnoCare is committed to creating a family-friendly workplace and prioritizing employee well-being, aligning with the group’s initiatives. Through the organization of leisure and cultural activities, the promotion of employee clubs, and comprehensive projects optimizing food, housing, transportation, education, entertainment, and more, we ensure that employees can maintain a healthy work-life balance. Our goal is to create a fulfilling and happy workplace where employees feel secure – peace of mind, physical health, family security, and professional success – enabling them to thrive in their careers, businesses, and personal aspirations, while balancing work and family life.

Quality Work Environment

Meatless Mondays (no red meat)	InnoCare in the Innolux Group's "Meatless Monday" initiative, which promotes avoiding red meat (pork and beef) on Mondays to reduce the carbon footprint associated with meat production. This initiative aims to achieve environmental, health, and carbon reduction benefits. In 2024, the collective effort of the group resulted in a reduction of 41 tons of pork and 6 tons of beef consumption, with an estimated of 675.6 metric tons per year, compared to 2023, which amounts to approximately 27,000 tree of carbon reduction.
Pheasant-tailed jacana-friendly rice	To foster ecological sustainability, safeguard employee health, and protect the local population of endangered pheasant-tailed jacanas, our employee cafeterias exclusively use organic rice grown without any pesticides, insecticides, or chemical fertilizers.
Healthy Meals for the Elderly	In response to the Innolux's employee health meal program, InnoCare served an average of 1,494 health meals per month in 2023, an 181% increase compared to 2022, demonstrating a growing demand among employees for healthy meals. In 2024, we adjusted the supply model to maintain an average of 735 meals per month, ensuring the sustainability of our healthy eating promotion efforts.
Sustainable Packaging	In alignment with Innolux's initiative to fully adopt PEFC/FSC certified paper products, and to optimize dining packaging, InnoCare has switched to using environmentally friendly Mien tableware to replace single-use paper boxes and disposable chopsticks. We anticipate reducing emissions by 50-52 metric tons of CO ₂ e per quarter, with the eco-friendly tableware program reducing emissions by 98-105 metric tons of CO ₂ e per quarter, effectively lowering our operational carbon footprint.

4.1 Talent Recruitment and Retention

A Healthy and Sustainable Workplace

InnoCare is promoting a Diversity, Equity, and Inclusion (DEI) culture through four key initiatives: gender, age, nationality, and accessibility. These efforts foster inclusivity at the employee, workplace, and family levels. The company organizes sports competitions, family activities, health promotion experiences, and diverse learning workshops to enhance physical and mental well-being and team cohesion.

Collaborating with Innolux, we facilitate cultural experiences, Mandarin language competitions, and international cuisine events for foreign employees to promote teamwork and bridge cultural gaps.

Employee Clubs

InnoCare employees in establishing and participating in diverse club activities. Through participation in group club activities, employees can engage in sports, stress relief, and hobby exchange, creating a vibrant, creative, caring, and joyful workplace. For example, the running club saw a 14% increase in membership in 2024, actively advocating for running and cultivating regular exercise habits among employees for improved physical and mental health. In 2024, the club actively participated in marathon events such as the Ancient Capital Marathon, Autumn Marathon, Tsengwen Marathon, and Daya Marathon.

Currently, the total number of group club members in the Taiwan plant has grown by 10%, and the number of activities has increased by 24%.



4.2 Talent Cultivation and Development

InnoCare firmly believes that talent is crucial to the productivity and competitiveness of the company. In response to the Innolux Group's "Innolux University" talent cultivation platform, the company adheres to a long-term talent training philosophy, promoting two core talent cultivation programs focused on "digital" and "cross-disciplinary" skills. According to the "Employee Space-Time Development Concept Diagram," the company adopts a structured talent development strategy. From the moment employees join the company, customized and systematic talent development learning plans are provided based on their tenure, position, and career development needs, including new employee training, on-the-job training, and self-directed learning. This approach aims to achieve a win-win situation where individual career growth aligns with the company's development.

We encourages employees to pursue internal job transfers and rotations. Through job rotations, employees can accumulate management competencies and promote internal talent flow and knowledge continuity. In 2024, 100% of managerial positions were filled by internal promotions. This systematic cultivation mechanism enables employees to continuously leverage their strengths, further driving the company's growth.

Training Statistics for 2024

【 By employee category 】

Average training (hours)	Management (Section Chiefs and above)		Indirect Labor		Direct Labor	
	Female	Male	Female	Male	Female	Male
Taiwan sites	14.3	14.8	10.4	11.3	2.9	2.3
China sites	16.0	0.0	23.7	5.9	0.0	0.0

Note: Average training hours = Total training hours / Number of employees.

【 By training hours between men and women 】

2024 Course	Taiwan		China		Total
	Female	Male	Female	Male	
total training hours	1,029	1,473	63	24	2,588
total number of people	153	149	3	4	309
hours per capita	7	10	21	6	44
Total training cost	-	-	-	-	-

【 By types of courses 】

Number of trainees	Taiwan sites	China sites
New recruit training	10	2
management training	28	2
Production line supervisor training	6	-
Empowerment Program	7	-
General courses	621	17
Legal studies	424	18
Sales and marketing	28	-
Advocacy course	381	14
Other training	245	16

【 By Training hours and age 】

2024 Course	Taiwan			China		
	<30 years-old	30-50 years-old	>50 years-old	<30 years-old	30-50 years-old	>50 years-old
Number of people	21	255	26	2	4	1
Total training hours	308	1,995	199	47	31	9
average training hours	15	8	8	24	8	-

4.2 Talent Cultivation and Development

Innolux University

In response to the talent cultivation concept of "Innolux University", InnoCare participated in the five colleges and one center established. With the Company's talent cultivation needs and provide an opportunity for managers and employees to learn about digital transformation, management competencies, professional skills, and foreign languages.

College	Courses Offered	Description	Results
College of Management	<ul style="list-style-type: none"> Empowerment Program Execution Program Leadership Program 	<ul style="list-style-type: none"> As needed for various levels of management, managerial competencies and operational strategies of Innolux are combined into a hierarchy-based management program. In 2024, our College of Management at Innolux University continued to promote the development of hard and soft skills for more effective management and stronger organizational competitiveness. The College offered five learning programs, providing systematic training in the following skillsets/capabilities for different levels of management: <ul style="list-style-type: none"> Strategic thinking and customer management skills. The ability to strategize for innovation, transformation, and influential contributions. Leadership skills with a focus on teambuilding and talent cultivation. The ability to execute actions, manage projects, and improve performance. Empowerment skills that imbue managers with cognitive and emotional perception of others for optimal interaction. 	<ul style="list-style-type: none"> 37 people completed the courses.
College of Operations	<ul style="list-style-type: none"> Sales 101 Sales techniques Presentation skills 	By the end of the courses, the learners mastered the fundamentals of sales, applied the learnt skills in the workplace, built up their knowledge base through online learning, and practiced their sales negotiation techniques in real-life.	<ul style="list-style-type: none"> 28 people completed the courses.
Frontier College	<ul style="list-style-type: none"> Artificial Intelligence (AI) Business Intelligence (BI) Digital Transformation Lectures 	The College offered AI and BI learning courses and organized digital transformation lectures to stimulate innovation in technological applications	<ul style="list-style-type: none"> 17 people completed the courses.
Sustainability lecture series	<ul style="list-style-type: none"> To foster a culture of sustainable thinking in line with international ESG standards and SDGs 	To fulfill our corporate social responsibility, align the Company with international ESG standards and SDGs (particularly in the areas of workplace DEI, gender equality, and biodiversity), and promote a culture of sustainable thinking and awareness of sustainability issues among senior executives and the entire Company.	<ul style="list-style-type: none"> Two classes, 146 attendees

4.3 Labor Rights and Relations

4.3.1 Respect for Human Rights

Human Rights and DEI Policy

InnoCare is committed to respecting and safeguarding human rights in accordance with the Universal Declaration of Human Rights, UN Global Compact, UN Guiding Principles on Business and Human Rights (UNGPs), standards issued by the International Labour Organization (ILO), and Responsible Business Alliance (RBA) Code of Conduct, as well as local laws and regulations to ensure that our economic activities uphold everyone's right to just and favorable working conditions.

The InnoCare Human Rights & Diversity, Equity and Inclusion Policy applies globally to the Company and its subsidiaries, including our employees, contract workers, suppliers, subcontractors, and contractors, so that we may work together to fulfill our collective corporate social responsibility. The Company has internal regulations and a governance mechanism in place for human rights protection and has incorporated the relevant requirements into the InnoCare Code of Conduct, Employee Handbook, Work Rules, Recruitment and Employment Rules, Code of Practice for Complaints, Management and Sexual Harassment Prevention Measures, Principles for the Prevention of Wrongful Harm During the Performance of Duties, and Greater China Code of Practice for Employee Care and Assistance, all of which clearly stipulate the rules and regulations concerning freedom of employment, humane treatment, prohibition of discrimination and harassment, and grievance mechanisms, to ensure fair treatment and respect for individual differences. Our rules and policies are regularly reviewed and revised to keep pace with current trends.

Implementation Guidelines

Our human rights policy applies to InnoCare and its subsidiaries, including employees and operating activities, as well as our suppliers, subcontractors, contractors, and clients, among other value-chain partners.

- We provide equal employment opportunities regardless of race, ethnicity, skin color, nationality, gender, sexual orientation, gender identity, disability, marital status, pregnancy, age, political beliefs, or religion. We do not tolerate discrimination or differences of treatment based on the foregoing factors. Our goal is to put into practice the value of diversity, equality, and inclusion in the workplace.
- We do not employ forced labor or child labor in our businesses and supply chains, nor do we engage in human trafficking.
- We comply with the applicable laws relating to salary, benefits, and working hours, and ensure freely chosen employment.
- We provide a work environment where the safety and health of employees are safeguarded, employees are treated humanely, harassment and bullying are not tolerated, and employees are supported to maintain a positive work-life balance.
- We respect our employees' right to freedom of association and their right to join all forms of associations and labor unions.
- We maintain positive labor relations and provide multiple communication platforms.
- We respect and protect the personal data collected and use them in accordance with regulatory requirements.
- We adhere to the principles of integrity and impartiality. We comply with the anti-corruption laws enforced in the country in which our business is conducted. We prohibit improper benefits of any form.
- We procure and produce responsibly. We do not tolerate the use of conflict minerals and illegally logged timber in our supply chain so as to create a sustainable supply chain.
- We regularly identify and assess human rights-related risks, formulate mitigation and remediation measures, and provide multiple grievance channels.



4.3 Labor Rights and Relations

InnoCare follows the "RBA Code of Conduct." New employees receive onboarding training upon arrival to understand the behavior standards related to human rights, environmental, and ethical practices within the global electronics supply chain.

Employee Orientation	Workplace Antiharassment and Antibullying Awareness Campaign
6 hours	151 hours

Prevention of Workplace Misconduct and Sexual Harassment

InnoCare is committed to ensuring that our employees are never subject to any form of workplace discrimination, sexual harassment, or bullying, and we have a comprehensive training and management system for this purpose.

Item Management Approach	Item Management Approach						
Rules and Regulations	Complaint and Management Procedures for Prevention of Sexual Harassment						
Education and Training	Orientation training and training for production line supervisors: Training is focused on promoting workplace etiquette and InnoCare's zero tolerance policy; it covers such topics as discrimination, sexual harassment, and bullying, and raises awareness of available channels for filing complaints and communication. <div style="float: right; border: 1px solid black; padding: 5px; margin-top: 10px;"> 【 Courses on workplace bullying and sexual harassment prevention 】 <table border="1" style="margin: 0 auto;"> <thead> <tr> <th>Number of Sessions</th> <th>Number of Attendees</th> <th>Total Training Hours</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">4</td> <td style="text-align: center;">301</td> <td style="text-align: center;">151</td> </tr> </tbody> </table> </div>	Number of Sessions	Number of Attendees	Total Training Hours	4	301	151
Number of Sessions	Number of Attendees	Total Training Hours					
4	301	151					
Awareness Campaigns	Posters and computer boot screens that promote antidiscrimination, antibullying, and sexual harassment Prevention.						
Grievance Channels	Employee hotline #67885 / Employee mailbox / WingHR app / WeChat						
Handling Procedures	<ul style="list-style-type: none"> • A unit is appointed to take charge of receiving and processing grievances and overseeing the units concerned to ensure that matters are dealt with in a timely manner and improvements are made. • All units involved in the investigation of an incident are subject to absolute confidentiality to protect and ensure the non-disclosure of any identifiable information; investigative results are reported to the Sexual Harassment Complaint Committee for resolution. • Each case is reviewed by a committee composed of 5 to 7 members, at least half of whom must be women, subject to the principles of recusal. • If a grievance is found to be true, disciplinary action is taken pro rata in accordance with InnoCare's Rewards and Disciplinary Actions Guidelines. 						
Internal Corrective Actions	<ul style="list-style-type: none"> • Physical: Work rearrangements in terms of duties, work stations, or shifts are made as needed. • Mental health: Psychological counseling is provided as needed. 						



4.3 Labor Rights and Relations

4.3.2 No Communication Gaps in the Workplace

InnoCare values harmonious labor relations and has established comprehensive communication channels, actively promoting workplace equality. Both local and foreign employees can report issues related to human rights, labor relations, and sexual harassment, either by name or anonymously, through 24-hour hotlines, care mailboxes, and complaint submission systems. This helps employees resolve matters concerning personal rights or unfair treatment. Employees are not subjected to unfair treatment or retaliation for reporting or filing complaints. The company has dedicated units to handle complaints, responsible for supervising the relevant departments to process them in a timely manner and propose improvement plans, ensuring the protection of employee rights. There was a total of 3 employee complaint cases with an average resolution time of 7 days in 2024. There were no cases related to labor conditions or sexual harassment, and no other discrimination complaints were filed. All reported cases were promptly addressed and appropriate corrective measures were taken, with quarterly announcements and promotions of the complaint status being made in a timely manner.

Employee Assistance Programs (EAPs)

InnoCare's Taiwan plant participates in the group's Employee Assistance Programs (EAPs), collaborating with external professional EAP teams to provide employees with unlimited 24-hour bilingual (Chinese and English) consultation services. All local and foreign employees can apply for free one-on-one real-time psychological counseling and legal consultation services. Through professional employee interviews, solutions are provided with the aim of stabilizing employee performance and creating a healthy working environment. Additionally, in response to occupational accidents, major injuries, illnesses, and significant natural disasters, the company not only assists with labor, health, and group insurance applications but also initiates a care and concern mechanism for colleagues and their families. The Ningbo plant shows employee care and concern for direct labor (DL) through measures such as seminars and the distribution of care packages. In 2024, the employee satisfaction rate was 100%, and the proportion of external complaints remained at 0%.

【Grievance handling process】

General issues	<ul style="list-style-type: none"> • Grievance filing: When an employee raises a grievance on the Employee Care System, the unit concerned will take immediate steps to handle the grievance. • Investigation: When necessary, the unit concerned will meet with the individual filing the grievance to obtain a full and in-depth understanding of the grievance. • Response: The aggrieved individual, if their identity is known, is informed of the investigation results via appropriate channels to ensure information transparency and two-way communication.
Sexual harassment	<ul style="list-style-type: none"> • Grievance filing: When a grievance involves sexual harassment, HR files it on the Employee Care System and takes charge of preliminary procedures. • Investigation: HR forms an Investigation Committee to launch a full investigation, interviewing the employee concerned and anyone else involved and collecting relevant information. • Review and evaluations: When investigation is complete, a Sexual Harassment Grievance Handling Committee is established to evaluate and review the grievance to determine if the sexual harassment claim is true.



4.3 Labor Rights and Relations

Prevention of Wrongful Harm in the Workplace

In 2024, InnoCare continued to the program for Prevention of Wrongful Harm in the Workplace. The results of the prevention plan were reported to the Occupational Safety and Health Committee . The company conducted identification and investigation of potential workplace harassment risks and completed the control and improvement of potential risk factors. Annual workplace anti-harassment advocacy and educational training were executed, achieving a 100% completion rate in 2024.

Efforts were made to cultivate awareness and frequency of frontline supervisors and employees, strengthening effective communication in frontline areas. Mid-level management communication and education training were deepened, with priority training for mid-level supervisors who received complaints, enhancing team management techniques. The company remains committed to creating a zero-tolerance safe workplace environment for unlawful harassment. Efforts were made to cultivate awareness and frequency of frontline supervisors and employees, strengthening effective communication in frontline areas. Mid-level management communication and education training were deepened, with priority training for mid-level supervisors who received complaints, enhancing team management techniques. The company remains committed to creating a zero-tolerance safe workplace environment for unlawful harassment.

Labor-Management Communication

【 Face-to-face communication 】

	Conference name	Labor Management MeetingsNote1	Employee Welfare Committee	Appointments with Management
Taiwan	Number of sessions	4	4	4
China	Conference name	Direct Labor Seminars	Appointments with Management	
	Number of sessions	5	4	

Notes:

1. Labor management meetings are convened quarterly. Issues are compiled one month before each quarterly meeting for discussion, and meeting minutes are published. Employees are informed of trade union representative elections, and labor representatives are elected through online voting.
2. In accordance with Responsible Business Alliance (RBA) policy, employees are entitled to the freedom to organize trade unions. In 2024, no employees organized a trade union at Taiwan and China.

4.3 Labor Rights and Relations

4.3.3 Employee Engagement Survey

Global Employee Engagement Survey

InnoCare's employees are our most valuable asset. To gauge employee satisfaction with organizational culture and their work, we initiated an indirect employee engagement survey in 2023, which we have continued to refine in 2024. Through regular assessments, we strive to gain deeper insights into employee perceptions of our organizational culture, job satisfaction, and career development opportunities.

In 2024, InnoCare conducted a comprehensive indirect employees assessment across Greater China. The effective response rate reached 83.0%, indicating improved employee participation (81.1% in 2023). The assessment covered approximately 40.7% of our workforce (172 out of 200) and utilized a five-point scale (from “Strongly Agree” to “Strongly Disagree”) to evaluate performance across six core dimensions. The results of this assessment serve as a key basis for our Human Resources strategies and management optimization efforts °

Impact of Engagement on Business Performance

The 2024 survey results indicate that 94.0% of our employees are willing to dedicate their full effort to their work, and 86.7% express an intention to remain with the company. These data directly reflect the stability and productivity of our organization. Employees with high engagement levels typically demonstrate greater initiative and a stronger sense of responsibility, enabling them to adapt quickly to organizational changes and, in turn, enhancing overall operational efficiency. Furthermore, when a zzzzzzcompany cultivates an environment of high engagement, employees are more likely to proactively participate in cross-functional collaboration, fostering the development of innovative thinking and further strengthening our competitive advantage. Simultaneously, high engagement effectively reduces employee turnover, providing our company with a significant advantage in human resources management, minimizing recruitment and training costs associated with personnel changes, and ensuring the stability of our operations.

Development Goals

InnoCare has set short-term (2026) development goals based on the employee engagement survey results and sustainability requirements. The objective of the goals is to continuously enhance the employee experience, increase organizational resilience, and strengthen sustainable competitiveness.

- Management Improvement: Conduct in-depth analysis of survey results to identify key areas for improvement and implement corresponding action plans.
- Employee Wellbeing: Strengthen employee engagement and support mechanisms to reduce personnel replacement costs and improve employee retention rates.
- Performance Maximization: Optimize internal communication and management practices to enhance organizational resilience and collaborative efficiency.

InnoCare remains committed to continuously enhancing the employee experience, ensuring ongoing improvements in key metrics, and regularly reviewing the effectiveness of our initiatives. Leveraging the insights gained from our engagement surveys, we have developed human resources strategies and diversity management programs that prioritize employee satisfaction, growth opportunities, and alignment with our corporate sustainability goals, ultimately creating a high-performing and competitive organizational culture.



4.4 Safety and Protection

InnoCare is committed to creating a healthy and safe working environment for its employees, aiming for zero accidents and zero occupational diseases. The company has formulated the "Environmental Safety and Health Policy" to ensure that the working environment meets safety standards and that personnel are protected from harm or injury during work. Through dynamic and static multimedia promotional activities, the company enhances employees' awareness of occupational health and safety, demonstrating its determination to safeguard employees' physical and mental health, fulfilling the company's commitment to creating a safe and healthy workplace, and moving towards alignment with the United Nations Sustainable Development Goals (SDGs).

Occupational Safety and Health Management System

In 2024, InnoCare's Taiwan plant achieved 100% certification of the ISO 45001 Occupational Health and Safety Management System, covering all workers involved in research and development, design, raw material procurement, production, waste disposal, and transportation stages, with employees accounting for 100% of this scope. The production site in the Taiwan plant also achieved 100% certification of the TOSHMS Taiwan Occupational Safety and Health Management System. Additionally, InnoCare holds annual training for internal auditors and lead auditors of the Environment, Safety, and Health Management System to cultivate employees' professional competencies. In 2024, a total of 12 employees passed the internal auditor training. The company adheres to the PDCA (Plan-Do-Check-Act) principle of the ISO 45001 management system. By regularly conducting hazard identification and risk assessment, irregular safety observations, and job safety analysis results, the company identifies and eliminates potential hazards in operational activities, thereby enhancing workplace safety and health and ensuring worker safety.

Environmental Safety and Health (ESH) Committee

InnoCare places great importance on worker safety and health issues. In addition to maintaining open communication channels with workers, the company holds a quarterly "Safety, Health, and Environmental Protection Committee" meeting. The committee is chaired by the highest-ranking company executive and includes representatives from various responsible units and labor representatives. They regularly discuss and deliberate on occupational safety and health issues and report on the progress of safety, health, and environmental protection concerns.

【ESH Committee Meetings】

Taiwan Sites	China Sites
54 labor representatives, accounting for 63% of all attendees required to be present	1 labor representatives, accounting for 100% of all attendees required to be present

【Issues of Concern During Committee Meetings】

Meeting	Frequency	Participants	Issues of Concern
ESH Committee	Quarterly	Responsible departments, labor representatives	ESH policies ISO 14001、ISO 45001 include TOSHMS

4.4 Safety and Protection

Communicating Health and Safety Issues

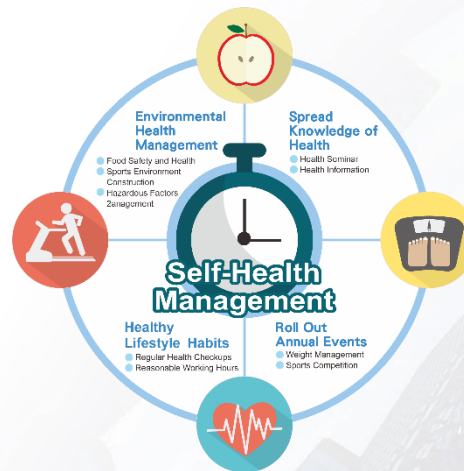
InnoCare encourages employees to actively participate in environmental, safety, and health improvement activities. Through the internal communication system, employees can report operational and environmental hazards, which are then included as positive performance indicators for the plant's environmental, safety, and health metrics. In 2024, a total of one case was completed, achieving a closure rate of 100%.

【Communicating Health and Safety Issues】

program	Target	state
FPD Laboratory Safety Management	Strengthen laboratory safety management mechanism, zero industrial safety incidents	close

4.4.1 Health Care 【InnoCare's Health-Promotion Strategies】

InnoCare utilizes an e-health management system and professional occupational health care to cultivate employees' self-awareness of health. Each year, the company plans activities such as physical and mental health promotion, health check-ups, and educational training to enhance comprehensive health management for employees, striving towards the vision of balancing work and life.



Occupational Health Risk Management

InnoCare bases its management on the ISO 45001 and TOSHMS management systems to identify all potential occupational disease risks comprehensively. Risk assessments are conducted based on the characteristics of the hazards, and risks are classified according to the severity, frequency, and probability of incidents. Control measures are then formulated according to the risk content, which includes pre-employment and on-the-job training, operational observations, workplace environment monitoring/measurement, health examinations, and implementing hazard prevention and control to reduce operational risks. Employees at the InnoCare Taiwan plant can use the group's H2U Health Bank cloud platform and its APP version for health management. This platform integrates IoT to record daily life activities, health check reports, and health risk assessments, providing personalized health information, real-time health knowledge, and personalized self-management recommendations, offering more immediate, convenient, and comprehensive self-health management. InnoCare adheres to the Personal Data Protection Act, ensuring that personal health data collected, processed, or utilized during health management operations are used only with the employee's signed authorization consent form.

To prevent occupational diseases and major illnesses, InnoCare conducts regular health check-ups, abnormal consultation services, and health guidance annually, ensuring the implementation of employee health management. In 2024, there were no cases of occupational diseases caused by work, resulting in an occupational disease rate (ODR) of 0. All workers within the InnoCare plant (including employees and non-employees) with health care or breastfeeding needs can utilize the health facilities and services within the plant.

4.4 Safety and Protection

Health Examinations and Health Care

Measure	Description	Results
General medical exam	Regular employee health examinations are scheduled each year to care for employees' health and prevent major illnesses.	<ul style="list-style-type: none"> Taiwan sites added a thyroid test to the health checkup. 323 employees were eligible for the general health checkup and 323 employees underwent a general health checkup, for a participation rate of 100%.
Value-added health services	Value-added cancer screening services as well as health consultations and education are provided during health examination periods.	<ul style="list-style-type: none"> 7 cancer screening services were provided to a total of 376 employees.
On-site services by health professionals	Health tips and consultations for those with abnormal test results.	<ul style="list-style-type: none"> On-Site Physician: 1 physician, stationed 36times Occupational Health Service Nurse: 1 nurse
Cerebral and cardiovascular disease management	In accordance with Guidelines for the Prevention of Diseases Resulting from Abnormal Workloads under the Occupational Safety and Health Act, health management is provided to high-risk groups (those who work in shifts, work at night, or have long working hours) who are at Level 2 or higher risk of developing work-related cerebral or cardiovascular diseases.	<ul style="list-style-type: none"> Total Personnel: 75 individuals. High-Risk Group: 2 individual (shift work, night work, long hours), health management completed
Occupational musculoskeletal disease prevention	Risk for musculoskeletal disease is assessed to identify those who are at risk or suspected of showing symptoms; health education and appropriate positions at work are subsequently provided.	<ul style="list-style-type: none"> Total Respondents: 315 individuals. Individuals with Suspected Symptoms: 3 individuals, all of whom have been provided with health education to improve their discomfort symptoms.
Maternal health protection	This measure involves conducting risk assessment and classification for female employees who report a pregnancy and those who have given birth in the past year.	<ul style="list-style-type: none"> Total Reported: 2 individual Management Rate: 100%
Care for elderly employees	This measure applies to middle-aged and elderly employees; it involves hazard identification, risk assessment, and job suitability assessment to ensure that older employees are physically able to handle the job they are hired to perform.	<ul style="list-style-type: none"> 121 employees were subject to job suitability assessments;17 were assessed as "physically weak". We will continue to arrange medical consultations for these employees and provide health-related assistance. 0 employees required work adjustments.

4.4 Safety and Protection

【Employee Health Examination Statistics】

Site	Total Number of Participants			Number of People with Abnormal Health Exam Results							
	Recommended to participate	Participated	Participation Rate	Minor		Moderate		Serious		Follow-up from Nurse	Consultation with Doctors
				Follow-up Recommended	Completed	Follow-up Recommended	Completed	Follow-up Recommended	Completed		
Taiwan	320	320	100%	167	167	71	71	20	20	0	0
China	3	3	100%	3	3	0	0	0	0	0	0
Total	323	323	100%	170	170	71	71	20	20	0	0

Note: We abide by legal stipulations requiring annual health checkups; if an employee who reaches the re-examination year does not get a health checkup, the employee's supervisor will urge the employee to get a checkup and keep a record of the request. There are no health checkup regulations for employees in China.

4.4 Safety and Protection

【Cancer

Screening Item	Legal Requirements		Taiwan (No. of Participants)	Resident/Supervisor	China (No. of Participants)	Total (No. of Participants)
	Taiwan	China				
Cervical cancer: Pap smear	Stipulated by law	Not stipulated by law	8	1	NA	9
Breast cancer: Breast ultrasound/mammogram	Stipulated by law	Not stipulated by law	13	0	NA	13
Colon cancer: Fecal occult blood test	Stipulated by law	Not stipulated by law	302	10	NA	312
Thyroid ultrasound	Not stipulated by law	Not stipulated by law	6	0	NA	6
Liver cancer: Abdominal ultrasound	Not stipulated by law	Not stipulated by law	14	10	NA	24
Malignant tumor marker test	Not stipulated by law	Not stipulated by law	0	12	NA	12
Total			343	33	NA	376

Note: Cancer screenings may be individually organized at the discretion of the manufacturing site or provided as part of the health examination. Tumor marker test screens include but are not limited to AFP (liver cancer), EVB-igA (nasopharyngeal cancer), PSA (prostate cancer), and CA-125 (ovarian cancer). Screening items are determined at the site's discretion. Total number of participants is calculated for all items.

Note: NA Indicates items not planned for inspection in the year 2024.

Employee Cancer Screening Campaign



Employee Cancer Screening Campaign



4.4 Safety and Protection

Mental Health

We have established a mental health management system based on the “5 levels in 3 stages” of illness prevention.

Management System	Description	Management results in 2024
Primary	Lectures and activities that help learn about mental health and achieve well-being.	2 mental health activities were held, with 26 participants, and the satisfaction rate was 100% or above.
Secondary	Distribution of health surveys to understand stress levels, identify high risks, assign professional and establish suicide/crisis lifelines.	Annual survey conducted with 0 of 315 at moderate/high risk with 100% completion rate of counseling and follow-ups. Cases of medium-risk individuals: 11 people, who have completed consultation and health management.
Tertiary	Following up on, identifying, and assisting those at high risk of mental health issues or suffering from mental illnesses.	No high risk or disease cases.

In addition, InnoCare has set two health management indicators in 2024, and both indicators have met the standards. It will continue to develop and add management indicators in other aspects to strengthen employee health management.

health management indicators		Taiwan	China
item	target		
Annual employee mental health care rate ^{Note 1}	95%	100%	100%
Annual voluntary health examination and care rate for employees ^{Note 2&3}	80%	100%	100%

Note 1: Mental health care rate = number of people who completed the annual physical and mental health questionnaire/number of all employees during the period when the physical and mental health questionnaire was administered.

Note 2: Autonomous health examination care rate = the number of people who have completed the annual independent health examination/the number of employees in the company who are qualified for the annual health examination; where the independent health examination refers to annual health examinations that are not carried out according to laws and regulations (such as annual physical examinations in mainland China and those that are carried out outside the legal limit in Taiwan). annual physical examination).

Note 3: China's employees' annual independent health examination is in line with Ningbo InnoCare's annual independent health examination schedule.

Health Promotion

InnoCare promotes a healthy work environment by organizing various health promotion activities to raise employees' awareness of physical and mental health management. In 2024, a total of 5 health promotion activities were conducted, with approximately 114 participants, achieving a satisfaction rate of 100%.

【 Number of Health-Promotion Activity Participants by Category in 2024 】

Activity	Number of people
Physical fitness test	52
When Emotions Come, What Can I Do? EAP Promotion Meeting	10
Mindfulness stress relief and healing journey to be the benefactor of life	16
2 blood donations	15
Pap smear, mammogram, breast ultrasound	21



4.4 Safety and Protection

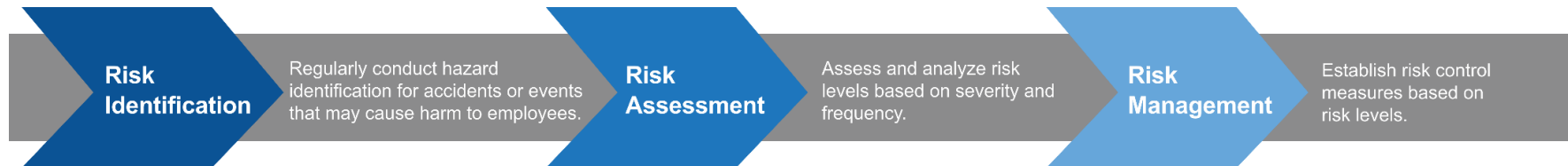
4.4.2 Occupational Safety Management

InnoCare strives for a vision of zero accidents and zero occupational diseases, ensuring that the work environment meets safety standards and that personnel are not harmed or injured during work processes. The company is committed to building a safe and healthy workplace and aligning with the United Nations Sustainable Development Goals.

Occupational Safety and Health Risk Management

To effectively prevent occupational accidents, InnoCare has established procedures for hazard identification, opportunity and risk assessment. For all routine and non-routine activities that could potentially cause injury or accidents, each department conducts regular annual reviews of their operations, services, and activities, performing comprehensive hazard identification and risk assessment checks. The Environmental, Safety, and Health (ESH) identification and assessment forms are appropriately revised.

When dealing with accidental incidents, the use of new materials/chemicals or machinery, changes in operational environmental conditions (such as new regulations, organizational changes, and activities related to the plant), assessments should be conducted before or after the occurrence. Risks are classified based on the severity, frequency, and probability of hazard events, and risk management measures are formulated accordingly to control and manage these risks.



In 2024, InnoCare identified and assessed the top three health and safety hazard risks through hazard identification and risk assessment. By implementing measures and administrative management, the company reduced the risk levels to a controllable range.

【 Top 3 health and safety hazards or risks 】

Health Hazards		Safety Hazards	
Type	% of All	Type	% of All
Workload	20%	Drawing-in, entanglement	39%
Musculoskeletal disorders	22%	Injuries caused by contact , puncture, cut, scratches	15%
Long-term exposure to Chemicals	15%	Contact with high/low temperatures	7%



4.4 Safety and Protection

Operational Safety Management

InnoCare implements management processes targeting processes, chemicals, machinery, and area configurations to reduce operational environment safety risks. According to the "Environmental, Safety, and Health Change Management Procedures," comprehensive assessments are conducted to identify unacceptable and significant safety, health, and environmental impact risks. Based on assessment results, improvement control measures and educational training are formulated to prevent hazards caused by changes.

Item	Management Approach
Chemical Safety	<ul style="list-style-type: none"> When InnoCare procures chemicals, environmental safety personnel perform source control to verify whether the chemical components to be introduced contain any company self-regulated prohibited or restricted substances (such as IARC Group 1 & 2A substances) or items regulated by competent authorities. This facilitates the execution of subsequent related occupational safety and health management tasks.
Equipment Management	<ul style="list-style-type: none"> In the plant area of InnoCare, all equipment and machinery must adhere to plant equipment safety procurement specifications lock bypass management procedures during design evaluation, installation, and before operation. This is to prevent risks of injury to personnel or property damage caused by equipment operation.
Contractor Management	<p>In compliance with legal requirements and InnoCare's contractor management regulations:</p> <ul style="list-style-type: none"> Before Entering the Plant for Work: Contractors must complete the process of joining the plant's agreement organization, explaining related contractor management tasks. During Plant Work: Contractors must present their daily work order to enter the plant. Security personnel at various plant gates and the contractor access control system will verify the work information. Only after confirmation can the contractor proceed with the work. For high-risk tasks, safety inspections must be completed before operations can commence. Upon Completion of Leaving the Plant: Contractors must return the daily work order and complete the exit process to prevent risks associated with personnel remaining in the plant.

Occupational Safety and Health Training

To foster employee safety and health awareness and strengthen identification ability, we organizes various courses based on department and job nature. These courses include general safety and health common knowledge, professional skills training, and emergency response After the courses, tests or practical drills are conducted to confirm the conformity and effectiveness of the training. Through diverse and comprehensive courses, the company aims to ensure employees' safety in daily work and emergency situations. In 2024, a total of 71 occupational safety and health training sessions were held, with 3,163 participants receiving training.

In addition to fostering employee safety awareness, to ensure stable operations and production, the company has set up a comprehensive plant safety monitoring system and a well-trained Emergency Response Team (ERT) with daily schedules. In 2024, more than 14 emergency drills were conducted, involving over 951 ERT personnel in preparedness activities.

【Annual Training】

Annual Training	Taiwan	China	Total
Sessions	69	2	71
Participants	3,159	4	3,163
Hours	4,404	12	4,416

4.4 Safety and Protection

Accidental Incident Management

Our Electronic Accident Management System classifies and incident as majors, general, minor, or near-miss. In 2024, there were zero accidents and 1 near misses reported.

Occupational Injury Management

In 2024, InnoCare achieved a disabling injury frequency rate (FR) and a disabling injury severity rate (SR) of zero. From the company's establishment to the present, it has consecutively achieved the zero occupational injury target for 64 months. The company's disabling injury frequency rate is significantly lower than the 0.8 reported by the Occupational Safety and Health Administration for the "Electronic Components Manufacturing Industry" in 2024. There have been no instances of fines for violations of the Occupational Safety and Health Act.

Notes:

1. Scope of statistics included all (contract)employees.
2. FR: disabling events per one million work hours. Formula: disabling events x one million hours / total hours; decimals are rounded off to the nearest hundredth.
3. SR: days of disabling event. Formula: days of disabling event x one million hours / total hours; decimals are rounded off to the nearest unit.
4. IR: accidents per 200,000 hours. Formula: (lost workday events + restrictive events) x 200,000 hours / total hours; decimals are rounded off to the nearest hundredth.
5. LDR: days lost to disabling event per 200,000 hours. Formula: days lost to disabling event x 200,000 hours / total hours; decimals are rounded off to the nearest unit.

【Occupational Injury Statistics】

Item		2024		
		Taiwan	China	Company
Lost Time Injury Frequency Rate (FR)	Female	0	0	0
	Male	0	0	0
Total		0	0	0
SR	Female	0	0	0
	Male	0	0	0
Total		0	0	0
Injury Rate (IR)	Female	0	0	0
	Male	0	0	0
Total		0	0	0
Lost Workday (LDR)	Female	0	0	0
	Male	0	0	0
Total		0	0	0
Occupational accidents per 1,000	Female	0	0	0
	Male	0	0	0
Total		0	0	0
Working Hours		625,582	10,560	625,582
Workers		71,365	1,320	72,685

4.4 Safety and Protection

Contractor Management

Contractors at InnoCare must adhere to the "Contractor Management Operation Procedures." Before commencing work, contractors are required to join the plant's agreement organization process and complete contractor safety and health education training, as well as hazard notification of the work site. Management of construction applications, verification of construction information, and return of work orders upon leaving the site is conducted through the contractor website to ensure the safety of the operational environment and construction personnel.

For high-risk tasks, InnoCare collaborates with contractors to complete hazard identification, risk assessment, and establish emergency response plans to minimize the probability of abnormal events. In 2024, the disabling injury frequency rate (FR), injury rate (IR), and lost day rate (LDR) for contractors at InnoCare were all zero, with no contractor occupational fatality incidents occurring.

【 Contractor -related Occupational Injury Statistics 】

Item	2024	
	Taiwan	China
Number of incapacitating injuries	0	0
Lost Time Injury Frequency Rate (LTIFR)	0	0
Injury Rate (IR)	0	0
Lost Workday Rate (LDR)	0	0
Death Rate	0	0
Number of Contractor Staff Entering Our Sites	551	0
Total Contractor Work Hours	4,408	0

Notes:

- Contractors refer to businesses that sign contracts with InnoCare to work on-site, including outsourced workers.
- Injury rate of contractors=injuries sustained by contractors x 1,000,000/total hours; decimals are rounded down to 2 places; includes work-related and injuries inflicted when moving.
- IR: refers to injuries per 200,000 work hours. Formula: (lost workday events + restricted events) x 200,000 hours / total hours; decimals are rounded to the nearest hundredth.
- Death rate= contractor-related deaths x 200,000 / total hours.
- Lost workdays calculated with calendar days excluding the day of event and return to work.



4.5 Working for the Common Good of Society

InnoCare firmly believes that for a company to achieve sustainable operations, it must also co-prosper with society. To fulfill its corporate social responsibility and exert a positive impact on the environment and people, in 2024, InnoCare employees led by example, participating in environmental education activities with their families. InnoCare has ingrained the concept of environmental sustainability into its corporate culture, encouraging employees to actively practice environmental conservation in their daily lives, thus demonstrating their commitment to environmental protection.

【2024 Environmental Education Activities】

Tentacles Nature Education Center Environmental education Activity

Colleagues and their families followed the National Forestry Volunteers to learn about the ecology and environment of the tree bank, and were introduced to the various ways in which seeds are propagated. They also DIY processed the seeds of the malus to create a "bird flute" that can make the sound of an eagle.



Budai Haomei Baoan Forest Sand Fence Beach cleaning Activity

Colleagues and their families went to Budai Beautiful Forest to build sand fences and clean the beach, interact with the natural environment, enhance parent-child interaction, and demonstrate their attention to marine conservation and environmental protection.

05

Green Transformation and Environmental Co-Prosperity

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Management Guidelines

Materiality	2024 Strategy	2024 Result	2025 Target	Medium- to Long-Term Goals (2030)
Greenhouse Gas Emissions	<ul style="list-style-type: none"> InnoCare has designated 2021 as its baseline year and continues to conduct greenhouse gas inventories according to ISO 14064:2018, verified by a third-party organization and resulting in a statement of verification. Currently, there are no significant emission reduction results to report. 	<ul style="list-style-type: none"> InnoCare has designated 2021 as its baseline year and continues to conduct greenhouse gas inventories according to ISO 14064:2018, verified by a third-party organization and resulting in a statement of verification. Currently, there are no significant emission reduction results to report. 	<ul style="list-style-type: none"> InnoCare has designated 2021 as its baseline year and continues to conduct greenhouse gas inventories according to ISO 14064:2018, verified by a third-party organization and resulting in a statement of verification. Currently, there are no significant emission reduction results to report. 	<ul style="list-style-type: none"> Evaluate the implementation of a carbon emission reduction plan of 25% (Scope 1 and 2).



Management Guidelines

Materiality	2024 Strategy	2024 Result	2025 Target	Medium- to Long-Term Goals (2030)
Energy Management	<ul style="list-style-type: none"> As InnoCare operates in leased factory and office spaces, we continuously support and promote practices such as turning off unused power sources (e.g., lights), adhering to air conditioning temperature settings of 26 degrees Celsius for meeting rooms and office areas, and replacing fluorescent lights with energy-efficient LED bulbs to reduce electricity consumption per unit area. 	<ul style="list-style-type: none"> As InnoCare operates in leased factory and office spaces, we continuously support and promote practices such as turning off unused power sources (e.g., lights), adhering to air conditioning temperature settings of 26 degrees Celsius for meeting rooms and office areas, and replacing fluorescent lights with energy-efficient LED bulbs to reduce electricity consumption per unit area. 	<ul style="list-style-type: none"> In alignment with company planning, regulatory requirements, and stakeholder concerns, introduce and implement the ISO 50001 system. 	<ul style="list-style-type: none"> In alignment with company planning, regulatory requirements, and stakeholder concerns, introduce and implement the ISO 50001 system.
Waste management and circular economy	<ul style="list-style-type: none"> Implement circular economy practices in production processes, demonstrating InnoCare's commitment to protecting the environment and diligently contributing to sustainability. 	<ul style="list-style-type: none"> Implement circular economy practices in production processes, demonstrating InnoCare's commitment to protecting the environment and diligently contributing to sustainability. 	<ul style="list-style-type: none"> Continue to implement circular economy practices in production processes. 	<ul style="list-style-type: none"> Continue to implement circular economy practices in production processes.

5.1 Green Manufacturing

In recent years, environmental issues have received great attention, and green manufacturing has become a mainstream trend. Based on the group's sustainable development strategy, InnoCare continuously deepens green management through digitalization and systematization, focusing on water-saving, energy-saving, carbon reduction, waste reduction, and other related issues. The company strives to enhance its capabilities in climate change management, water resource management, pollution prevention, waste management, and biodiversity management, achieving harmony with the environment.

5.1.1 Management System

InnoCare seeks a balanced development between environment, society, and economy, and established sustainable development goals with a focus on the environmental aspect. Since 2020, 100% of the company's plants have passed ISO 14001 and ISO 14064-1 certifications, committed to reducing the environmental impact of production and manufacturing activities. Additionally, InnoCare participates in the group's Sustainable Development Committee annually for cross-organizational collaboration and review. Simultaneously, in the Safety, Health, and Environmental Protection Committee meetings held quarterly, various projects are tracked and planned. In 2024, the proposal for the ISO 14001 Environmental Management System achieved a 100% completion rate. In the future, InnoCare will continue to advance in environmental sustainability, embedding sustainable DNA into the corporate culture.

【Environmental, Safety and Health Policy】

InnoCare promises to the current and future operation :

- Meet all government environmental protection, safety, and health regulations and strive to comply with international environmental protection, safety and health standards.
- In response to global climate change, international environmental protection trends and meeting customer requirements, we are committed to promoting the "green vision", strengthening green product design, manufacturing and delivery, and cooperating with value chain partners to implement resource saving, energy saving, low carbon, emission reduction, waste reduction, and recycling the economy, greening , biodiversity are considered to reduce the impact of products and processes on the environment.
- Root the culture of corporate risk management, and develop and promote the integrated framework of risk management.
- With the goal of zero accident, zero pollution, and zero occupational diseases, implement hazard and environmental impact identification and risk assessment, prevent work hazards, reduce health impacts, and environmental pollution to effectively reduce the risks of employees, customers, contractors, suppliers, and stakeholders. Jointly improve the environmental protection, safety and health performance of the value chain.
- Everyone shall fulfill the duty, form the culture, and implement the discipline of occupational safety.
- Promote healthy activities to improve the well being of employees.
- Provide education and training as well as communications channels to increase employees' environmental protection, safety and health awareness, and encourage all employees to participate in the environmental, safety and health management.
- Refining emergency response preparations, developing business continuity plan, identifying risks and opportunities, and reducing business impacts.



5.1 Green Manufacturing

5.1.2 Environmental Accounting

In compliance with the environmental accounting guidelines issued by the Environmental Protection Agency, InnoCare has combined the procurement mechanism and its accounting system to create an independent Environmental Account that manages and identifies the Company's expenditures related to environmental issues. In 2024, InnoCare continued to promote various environmental management systems and pollution prevention measures, and invested in resource recycling and reuse, with a total environmental expenditure of approximately NTD 188,000.

【 Environmental Protection Expenditures 】

Category	Expenditure Item	NTD
Corporate Management	Pollution control	46,000
	Global environmental protection	0
	Recycling and reuse	0
Management	Environmental education and Training/Acquisition of licenses and Certificates/Environmental monitoring/Organization of related activities/Environmental management systems maintenance	142,000
Research and Development	End-of-pipe treatment research/Process pollution reduction Research/Marketing for pollution reduction research	0
Up- and Down-stream Relations	Green procurement/Product recycling/Packaging material recycling/ Individual customer requirements	0
Social Activities	Public relations activities/Corporate image promotion/Other social activities	0
Losses and Compensation	Pollution remediation/Pollution litigation and compensation/Other Losses and Compensation	0
Total		188,000

Note: Only Taiwan factory data is disclosed.

Following Environmental Protection Regulations

InnoCare's production sites include two operational locations: Tainan, Taiwan, and China. To ensure that the company's production and operational activities fully comply with relevant environmental regulations of Taiwan and China, and adhere to the environmental standards of the Responsible Business Alliance (RBA), the Environmental and Safety Department continuously identifies various domestic, international regulations, and standards. During the 2024 operational period, InnoCare was not penalized for any violations of environmental regulations. We will continue to make efforts to ensure the company's excellent performance in environmental management and sustainable development.



5.2 Climate Change Governance

5.2.1 Climate Change Adaptation- Task Force on Climate-Related Financial Disclosures (TCFD)

The impact of climate change has led companies to face the challenge of transitioning to net zero. InnoCare responded to the International Sustainability Standards Board (ISSB) by adopting the framework for sustainability information disclosure issued in 2023, focusing primarily on ISSB S2 "Climate-Related Disclosures." Following the 2017 recommendations by the Task Force on Climate-related Financial Disclosures (TCFD), InnoCare adheres to the four main frameworks of "Governance, Strategy, Risk Management, Metrics and Targets" to help decision-makers and investors effectively focus on relevant issues.

Governance	<ul style="list-style-type: none"> • Board Supervision: The InnoCare Sustainability Development Team reports various results and vision goals to the Board of Directors annually and reviews climate-related risks and opportunities. Major climate-related decisions are addressed through the quarterly Safety, Health, and Environmental Committee to develop response plans. • Management Responsibilities: The Safety, Health, and Environmental Committee is the main organization driving climate change responses for InnoCare actively exploring various carbon reduction possibilities.
Strategy	<ul style="list-style-type: none"> • Identifying Risks and Opportunities: Referring to the TCFD framework, cross-departmental discussions are held to identify significant risks and opportunities at short, medium, and long-term time points. • Assessing Major Impacts: Evaluating the financial impacts of significant transition and physical risks and opportunities. • Conflict Impact Simulation: Conducting simulations for significant physical risks under different scenarios using historical and forward-looking considerations.
Risk Management	<ul style="list-style-type: none"> • Risk and Opportunity Identification Process: <ol style="list-style-type: none"> (1) Integrating information from domestic and international market trends, research literature, evaluation indicators, and industry reports, following the recommended framework to summarize 58 potential risks and opportunities based on four major transition risks (Policy and Legal, Technology, Market, Reputation), two major physical risks (Acute, Chronic), and five major opportunities (Resource Efficiency, Energy Sources, Products/Services, Markets, Resilience). (2) Periodically convening relevant department heads to jointly review and evaluate significant impacts, quantifying "probability of occurrence" and "impact degree," and transforming "assets and liabilities" as well as "capital and financing" into eight aspects: revenue, direct costs, indirect costs, capital expenditures, capital acquisition, asset value, premiums, and liabilities, using a two-dimensional matrix to identify significant transition and physical risks and opportunities. • Conflict Impact Simulation Process: Estimating internal company data and climate-related external data, combining them with the IPCC assessment reports' "Shared Socioeconomic Pathway (SSP)" and "Representative Concentration Pathway (RCP)" to simulate physical risks and comprehensively review the simulation results. • Integration into Corporate Risk Management: <ol style="list-style-type: none"> (1) Incorporating climate change into the "Risk Management Policy and Procedures" with the Board of Directors at the highest management level. (2) Developing an information management platform to foster "digital governance."
Metrics and Targets	<ul style="list-style-type: none"> • Strategy and Commitments: <ol style="list-style-type: none"> (1) Including climate performance indicators in compensation policies, (2) Green supply chain management. • Climate Actions: Aligning with the group's net-zero strategy, aiming for a 25% absolute reduction in greenhouse gas Scope 1+Scope 2 emissions and achieving 20% renewable energy usage (RE20) by 2030. • Carbon Inventory: Conducting greenhouse gas inventory according to ISO 14064-1:2018 and completing external verification.

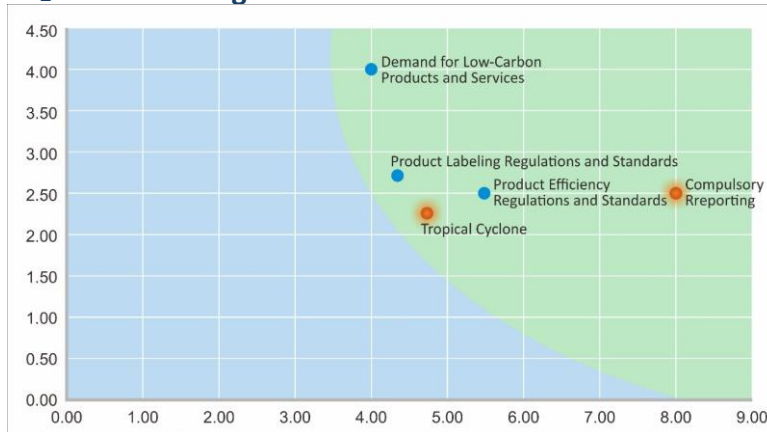


5.2 Climate Change Governance

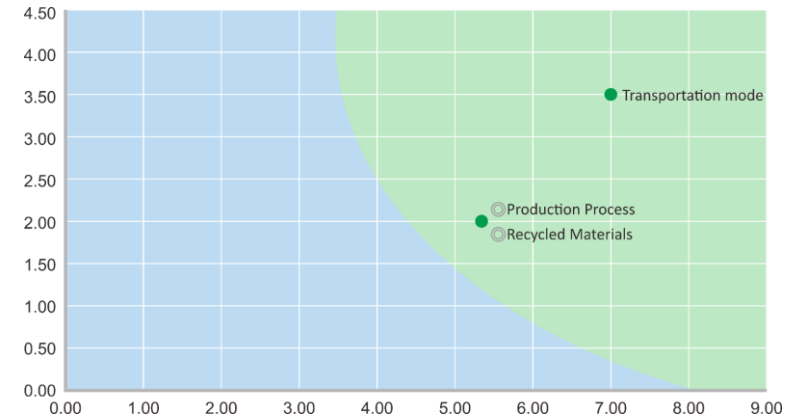
1. Identification and Assessment of Climate Impact

The impact of climate change on businesses is extensive, causing both direct and indirect effects. The issues are complex, varying in temporal and spatial scales, and have dynamic characteristics, making it difficult to isolate and quantify financial impacts. InnoCare convenes relevant department heads annually to jointly evaluate these major impact items. The results of these discussions are presented in the charts below. Future improvements will be reviewed every six months.

【Climate Change Risk】



【Climate Change Opportunity Matrix】



【Significant Climate Change Risks and Opportunities - Financial】

Type	Material Impact	Scope	Immediacy	Vulnerable Financial Aspects						
				Revenue	Costs	Expenses	Capital	Assets	Insurance	Liability
Transition Risks (Policy and Legal)	Compulsory Reporting	Upstream	Short-term		O	O	O			
Physical Risks (Acute)	Tropical Cyclone	Upstream, Self	Short-term		O					
Opportunities	Production Process	Upstream	Short-to Medium-term		O					O
Opportunities	Recycled Materials	Upstream, Self	Short-to Long-term		O					O
Opportunities	Transportation Mode	Upstream, Self	Short-to Medium-term	O	O					



5.2 Climate Change Governance

2. Climate Impact Scenario Analysis

Referring to the TCFD Knowledge Hub, InnoCare conducted matrix combination simulations based on significant physical impacts identified, using the "Representative Concentration Pathway (RCP)" and "Shared Socioeconomic Pathways (SSP)" from the sixth assessment report (AR6) released by the IPCC in 2021. Simultaneously, external database data was utilized to analyze and present multiple scenarios, including the most optimistic (OPT), the most pessimistic (PES), and the worst-case scenarios. When international layer resources are updated, a scenario analysis is performed.

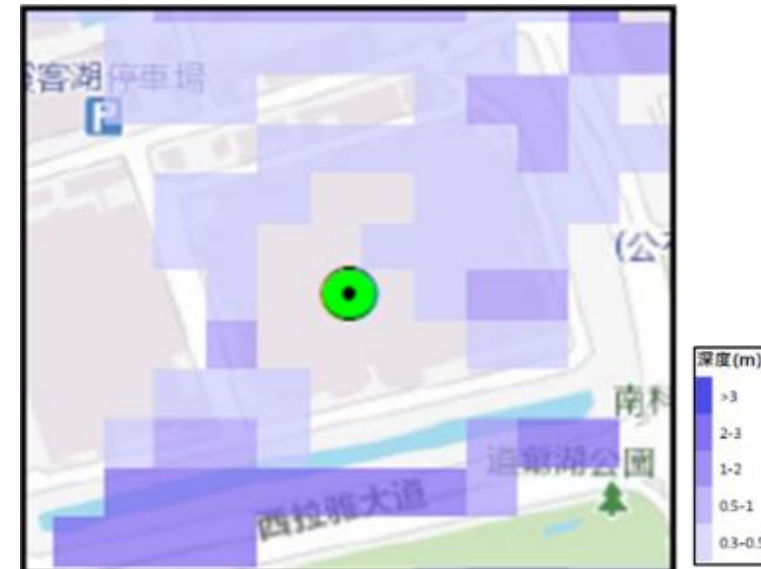
Impact	Tangible
Pathway	SSP1-RCP2.6、SSP2-RCP4.5、SSP3-RCP7.0、SSP5-RCP8.5
Immediacy	2021-2100 (From short-term to long-term)
Region	Taiwan
Type	Acute
Scope	Self

For physical impacts of climate change, InnoCare considered extreme rainfall as the "Hazard"; flooding, landslides, and debris flows triggered by it as "Vulnerability"; and the locations of their sites as "Exposure." These were categorized into four risk levels: no risk, low risk, medium risk, and high risk, to assess their sites. The analysis results showed that the overall impact on the sites was not significant in terms of time and scenarios, with the comprehensive risk being moderate, mainly due to flooding hazards. Continuous in-depth analysis of each factor and rolling tracking adjustments will be carried out.

【Climate Change Scenario Risk Levels Scenario Analysis】

period	Short-term	Medium term	Medium- to long-term	Long-term
SSP1-RCP2.6	Moderate	Moderate	Moderate	Moderate
SSP2-RCP4.5	Moderate	Moderate	Moderate	Moderate
SSP3-RCP7.0	Moderate	Moderate	Moderate	Moderate
SSP5-RCP8.5	Moderate	Moderate	Moderate	Moderate

【Baseline Flood Potential】





5.2 Climate Change Governance

5.2.2 Greenhouse Gas Management

InnoCare conducts annual greenhouse gas (GHG) inventories in accordance with ISO 14064-1:2018 and obtains verification statements through third-party verification. This helps understand the characteristics of GHG emissions during the company's production, manufacturing, and service provision processes, serving as a basis for setting carbon reduction targets. Additionally, the company plans to use related monitoring and energy-saving technologies to understand the electricity usage characteristics in these processes. Future plans include upgrading equipment to improve energy efficiency and conserve energy, thereby reducing GHG emissions. InnoCare aims to use 2021 GHG inventory data for Scope 1 and Scope 2 emissions as a baseline, challenging a 25% absolute reduction in carbon emissions by 2030 as a mid-to-long-term GHG reduction goal.

Greenhouse Gas Inventory

InnoCare uses the ISO 14064-1:2018 standard to conduct GHG inventories at its facilities. This includes direct GHG emissions and energy indirect GHG emissions, and progressively includes upstream transportation and distribution, business travel, employee commuting, and procurement of goods (fuel energy) as part of the indirect GHG inventory to provide foundational data for future GHG reduction management.

The 2024 GHG inventory results showed a total emission of 4,504.2727 tons of CO₂e. Scope 1 (Category) emissions were 9.6866 tons of CO₂e, accounting 0.21%; Scope 2 (Category 2) emissions were 3,506.1486 tons of CO₂e, originating from indirect GHG emissions from imported energy, accounting for 77.84%; and Scope 3 (Categories 3~4) emissions were 988.4375 tons of CO₂e, accounting for 21.95%. Detailed emissions for Scope 1 (Category 1), Scope 2 (Category 2), and Scope 3 (Categories 3~6) are shown in the [Detailed Emissions Table for Categories 1 to 6]

Item	Category	Emission (million t CO ₂ e)	Percentage (%)
Category1. Direct GHG emissions		9.6866	0.21
Category2. Indirect GHG emissions from imported energy		3506.1486	77.84
Category3. Indirect GHG emissions from transportation	Upstream transportation and delivery	0.8160	0.02
	Employee commuting and Business travel (employee business travel)	265.6821	5.90
	Total volume	266.7694	5.92
Category4. Indirect GHG emissions from products used by the organization	Procured products and services (raw materials)	719.7220	15.98
	Waste generated in operations	2.2174	0.05
	Total volume	721.9394	16.03
Total volume		4504.2727	100

【 Volume of GHG emissions in 2024 】

Unit: million tCO ₂ e	Volume	Percentage (%)
Scope1	9.6866	0.21
Scope2	3,506.1486	77.84
Scope3	988.4375	21.95
總計	4,504.2727	100



5.2 Climate Change Governance

5.2.3 Energy Management

Based on the assessment results from the TCFD framework, InnoCare has implemented a "Transition Strategy" to reduce financial impacts through technical and managerial means. According to the 2024 GHG inventory results, energy indirect emissions accounted for 77.84% of total emissions, making it the primary source of CO₂ emissions. Therefore, future plans include evaluating the adoption of the ISO 50001 Energy Management System to understand significant power-consuming equipment within the company, improve energy efficiency, and achieve energy-saving and carbon reduction goals. We aim to mitigate the energy crisis and align with international trends through concrete actions in energy transition.

Energy Crisis

InnoCare primarily uses electricity as its energy resource and does not use other energy resources such as natural gas or diesel. The electricity consumption in 2024 was 7.396 GW, a 0.2% decrease compared to the 7.409 GW consumed in 2023. The main reasons for this increase were changes in the allocation method for plant rental electricity consumption and the promotion of production capacity and process automation, which led to an increase in equipment and overall electricity consumption.

5.3 Natural Resource Management

In recent years, sustainable development has become one of the most important global issues. Besides focusing on the mitigation and adaptation to climate change, people are increasingly valuing natural resources. Fidelity International points out that climate change is closely related to biodiversity, being one of the reasons for biodiversity loss. Achieving net-zero emissions requires protecting natural resources while addressing climate change to mitigate threats to biodiversity. InnoCare along with its parent company, Innolux Corporation, is committed to natural resource conservation and pledges to protect biodiversity-deforestation.

5.3.1 Biodiversity

According to the "Global Risks Report 2024" released by the World Economic Forum (WEF), "Biodiversity Loss and Ecosystem Collapse" and "Natural Resource Crises" have risen to the third and fourth top risks over the next decade, highlighting the unignorable importance of biodiversity issues. InnoCare follows the "Biodiversity and Zero Deforestation Policy" established by Innolux Corporation, declaring their commitment to protecting natural resources according to the guidelines.

Biodiversity and Zero Deforestation Policy

The "Biodiversity and Zero Deforestation Policy" established by Innolux Corporation applies to its subsidiaries and all manufacturing sites. InnoCare also encourages first-tier, non-first-tier suppliers, and all value chain partners involved in business operations and relationships with the company to adhere to this policy.

【Commitment and regulations of Biodiversity and Zero Deforestation Policy】

1. Respond to global natural goals and initiatives related to biodiversity conservation, zero deforestation, and indigenous rights.
2. Avoid developing operational bases in global or national protected, or high-value areas and nearby of biodiversity and forestry species when adding or changing construction projects, and comply with international and local regulations.
3. Analysis of natural resources dependencies and impacts among the value chain, monitoring zero deforestation and inventory of biodiversity, implementing biodiversity risk assessments, and building up action baselines.
4. Adopt the concept of Nature-based Solutions, when developing biodiversity action plans, practicing the mitigation hierarchy structure that considers the four steps of avoidance, minimization, restoration, and offsetting, to the greatest extent possible in achieving the goals of NNL and NPI.
5. Support the concept of a circular economy in designing products or packaging to reduce reliance on ecosystem services, reduce the loss of natural capital, and end all deforestation (No Gross Deforestation).
6. Implement responsible procurement by prioritizing suppliers who emphasize sustainability and strictly prohibit cooperation with suppliers engaged in illegal logging or the destruction of ecology.
7. Require value chain partners to follow the policy, seek opportunities for cooperation with external partners, jointly maintain biodiversity, and expect compensate with future reforestation and habitat creation to coexist harmoniously with nature.

5.3 Natural Resource Management

Ecological Risk Assessment

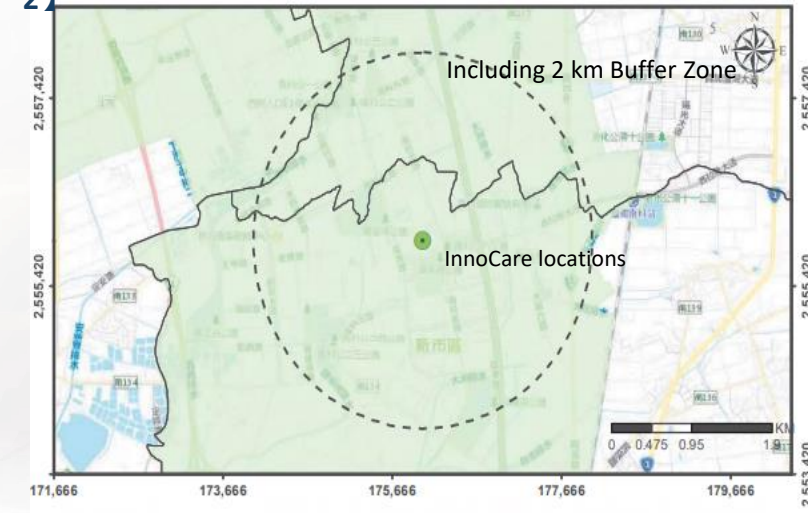
InnoCare referenced the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD) V1.0, released in 2023, to examine the relationship between their Taiwan manufacturing site operations and relevant protected areas within a 2km radius, both domestically and internationally. The results indicated that there were no intersections with seven regulatory-related analysis maps. However, there was some overlap with certain non-regulatory conservation corridors.

In the future, the company plans to conduct further analysis on other operational sites and the overall value chain. This will involve inventorying ecologically sensitive areas at different levels and appropriately refining the TNFD framework content. When international layer resources are updated, a GIS assessment is performed to implement more reasonable responses and potential compensatory measures.

【 Map of InnoCare Taiwan Sites and Nature Reserves - 1 】

	Regulatory Basis	Type	IUCN Classification	located	legend
Statutory	Cultural Heritage Preservation Act	Nature Reserve	Ia-Strict Nature Reserve	No	
	National Park Law	National Park	II-National Park	N	
	Forestry Act	Nature Refuge	III-Natural Monument/ Feature	N	
	Wetland Conservation Act	Major Wetland	IV-Habitat / Species Management Area	N	
	Wildlife Conservation Act	Wildlife Reserve		N	
	Wildlife Conservation Act	Major Habitat		N	
	Coastal Zone Management Act	Coastal Reserve	V-Protected Landscape or Seascape	N	
Non-Statutory	Ecological Corridor		-	Yes	
	Key Biodiversity Habitat		-	N	

【 Map of InnoCare Taiwan Sites and Nature Reserves - 2 】





5.3 Natural Resource Management

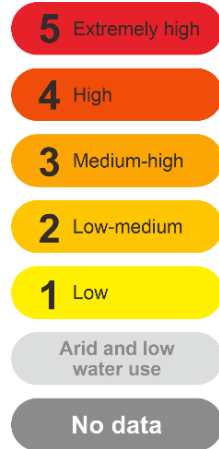
5.3.2 Water Resource Management

Extreme climate changes are causing rapid environmental changes globally. The World Meteorological Organization (WMO) pointed out in its "State of Global Water Resources" report that the impacts of climate change on water resources include frequent droughts, extreme floods, seasonal rainfall instability, and rapid glacier melting. In response to global climate actions and water scarcity crises faced by its operational regions, InnoCare aims to continuously enhance the value of water resources.

Water Risk Assessment

InnoCare referred to the water risk assessment tool Aqueduct 4.0 developed by the World Resources Institute (WRI) for analysis to examine indicators such as water stress and water consumption at its sites, summarizing them into a comprehensive score. When international layer resources are updated, a GIS assessment is performed. By using three climate change scenarios (BAU, OPT, PES) and combining them with Shared Socioeconomic Pathways (SSP3-RCP7.0, SSP1-RCP2.6, SSP5-RCP8.5) across different time scales (short-term [2015-2045], mid-term [2035-2065], long-term [2065-2085]), InnoCare examined changes in water stress indicators. The results showed that future scenarios and projected timelines did not impact its water stress, with overall risk remaining at a low to moderate level.

Scenario	2030	2050
BAU	Low to moderate	Low to moderate
OPT	Low to moderate	Low to moderate
PES	Low to moderate	Low to moderate



【 Risk Level 】

Water Resource Usage and Effectiveness

InnoCare's production water source is 100% tap water. In 2024, the process water usage was approximately 369 cubic meters, with the same amount of discharge at 369 cubic meters. The water usage and discharge increased by about 61.8% compared to 2023. The main reasons are the increase in production capacity of the evaporation process and the recycling of cleaning water for process glass, which has led to an increase in overall water consumption.



5.4 Pollution Management

InnoCare collaborates with multiple departments, including safety, facility management, and factory operations, to proactively assess potential environmental impact risks and opportunities during its operations. The aim is to ensure regulatory compliance while balancing economic benefits and environmental performance. During its 2023 operations, InnoCare did not receive any penalties for environmental pollution related to air pollution, wastewater, or waste management, in violation of environmental regulations.

5.4.1 Water Pollution Control

InnoCare entrusts the wastewater treatment to Innolux Corporation's FAB2 facility. The operations are conducted in accordance with the requirements of local regulatory authorities and environmental permits. Regular reporting and wastewater testing are performed, and in 2024, the wastewater discharge met regulatory standards.

【 Water Status Analysis at Plant Sites 】

Item	Taiwan	China
	Tainan	Ningbo
Water Source	Nanhua Reservoir and Zengwen Reservoir	Ninghai Baixi Reservoir
Discharge Point to Sewer System	Southern Taiwan Science Park Bureau (Tainan Science Park Sewer System);	Yandong Sewage Treatment Plant, Beilun District, Ningbo City
Discharge/Sewage Standards	Wastewater quality and fee standards for Southern Taiwan Science Park	Sewage standards of Yandong Sewage Treatment Plant
Receiving Water	Yanshuei River, Agongdian River	East China Sea
Wastewater Discharge Volume(m3/year)	369	0

5.4.2 Air Pollution Control

The main air pollutants from InnoCare are volatile organic compounds (VOCs). The company has installed air pollution control equipment to treat these pollutants. The operation and maintenance of this equipment are managed by Innolux Corporation's FAB2 facility to ensure effective operation. InnoCare with local conducting regular reporting and air pollutant testing. In 2024, the air pollutant emissions met regulatory standards.

【 Air Pollution Volume 】

Unit: tons	2023	2024
Volatile Organic Compounds (VOCs)	0.0876	0.11867



5.5 Green Circulation

In response to the impacts of climate change, establishing an efficient "green circulation" system is one of the pathways for corporate climate action. InnoCare utilizes digital platforms for transparent management, enabling the recycling and reuse of resources, aiming to become a green factory with low environmental impact and high recycling efficiency.

5.5.1 Waste Output

InnoCare adheres to the environmental regulations set by local authorities at its operational sites. To ensure compliance with regulatory standards, the company also plans annual audits of waste management vendors. These audits cover multiple aspects, including waste removal, processing, and recycling, as well as environmental safety and health (EH&S) measures, such as access control, waste storage area management, the operation of environmental treatment and pollution prevention equipment, on-site safety management, and operational status. This comprehensive audit process ensures responsible waste management, with the results serving as a reference for future cooperation evaluations. For new vendor selection, criteria include financial stability, relevant permits, and historical compliance records to ensure the quality of waste management services meets regulatory standards.

In 2024, InnoCare generated a total of 17.859 metric tons of waste. Hazardous industrial waste accounted for zero metric tons, while general industrial waste 100%. Among the general waste, 11.202 metric tons were recycled and reused, achieving a recycling rate of 62.72%. primarily involving the recycling of plastics, metal scraps, and paper.

5.5 Green Circulation

【 Waste Disposal Volume in 2024 (in Metric Tons) 】

Item	Treatment	Waste composition	Volume	
Hazardous waste	Chemical treatment	Copper waste, waste pickling solution	0	
	Physical treatment	Mercury-containing lamps/bulbs, optoelectronic components, metal circuit boards, etc.	0	
	Cleaning	Organic solvents (liquid waste)	0	
	Landfill	Waste sludge	0	
	Incineration	Corrosive liquids, oil, ink	With energy recovery	0
			Without energy recovery	0
	Thermal treatment	Copper waste	0	
	Reuse	Copper waste, waste pickling solution, organic solvents, etc.	0	
Treatment overseas	Cadmium-containing batteries, Waste glass containing liquid crystal	0		
Total hazardous waste disposal volume			0.0	
Hazardous waste disposal reuse rate (%)			0%	
General waste	Chemical treatment	Ion exchange resin	0	
	Physical Treatment	Plastic, glass, lubricating oil, metal, ash form dust collection system, inorganic sludge, etc.	0.188	
	Landfill	Ion exchange resin, plastic, organic/inorganic sludge, glass, ash from dust collection system, etc.	4.09	
	Incineration	Plastic, cloth, general waste, organic liquids, wood, oil, paper, etc.	With energy recovery	0
			Without energy recovery	2.379
	Thermal treatment	Inorganic/organic sludge, waste oil, etc.	0	
	stabilizing treatment	Inorganic sludge	0	
	Reuse	Plastic, glass, metal tailings, waste information equipment, and activated Carbon	11.202	
Self-handled	Waste (sewage) water, waste LCD glass	0		
Total general waste disposal volume			17.859	
General waste disposal reuse rate (%)			62.72%	
Total waste disposal volume			17.859	
Total waste reuse rate (%)			62.72%	

Notes: The source of information for the amount of waste disposal includes the declaration data of waste collection and transportation manifest and the aggregated data of resource recovery volume.



5.5 Green Circulation

5.5.2 Green Logistics

To implement the spirit of green logistics, InnoCare manages low-carbon transportation through suppliers and freight forwarders, extending these efforts to customers as well. The company also improves product packaging to increase loading rates, thereby reducing packaging material waste and enhancing shipping efficiency.

Due to the nature and benefits of their products, 28.2% of InnoCare's transportation is by land. The company fully adopts environmentally friendly transportation vehicles, integrating greenhouse gas reduction into supply chain management. Through policy guidance, suppliers are encouraged to balance delivery quality with environmental protection, including phasing out vehicles older than 10 years to reduce carbon emissions and air pollution. Priority is given to using certified eco-friendly vehicles, working together with suppliers to shoulder environmental responsibility. Additionally, air freight accounts for 46% of exports. To effectively reduce carbon emissions during transportation, InnoCare continuously employs strategies such as switching from air. The company also evaluates the use of Sustainable Aviation Fuel (SAF), which can reduce carbon dioxide emissions by about 63.7% per trip, and collaborates with low-carbon flight freight forwarders. By combining air and truck transport for destinations near airports, InnoCare achieves both cost reduction and carbon reduction in logistics.

Pursuing the goal of "zero waste," InnoCare integrates upstream and downstream industry chain partners to promote the recycling and reuse of packaging materials such as trays, cushioning materials, inner boxes, and cartons. This not only reduces operational costs but also lessens environmental impact. In 2023, the overall packaging material recycling rate was approximately 10.3%. Additionally, to comply with the EU Packaging and Packaging Waste Directive, InnoCare promotes a packaging plastic reduction policy, redesigning customer product packaging to replace most plastic materials with paper, except for functionalities that cannot be replaced. For example, the original packaging material for a full box weighed 3.5 kg (61.4% plastic). After adjustments, the plastic weight was reduced to 0.8 kg (10.2% plastic), cutting 2.7 kg of plastic, a 75% reduction. This is estimated to reduce plastic use by 250 kg annually for a single customer

【 Packaging Materials Recycling Rate in 2024 】

Tray	buffer packing materials	inner box	carton
18.4%	9.25%	100%	10.4%



5.5 Green Circulation

【Material Flow in 2024】

Input						
Main Material	Unit: tons		Energy Consumption	Unit: GJ	Water Consumption	Unit: tons
Glass	49.69		Purchased electricity	7.396	Municipal water	369
Acetone	0.009					
IC	0.023					

Output							
Air-Pollutant Emissions	Unit: tons	Wastewater Discharge	Unit: tons	Process Water Reclamation	Unit: tons	GHG Emissions	Unit: tCO2e
VOCs	0.11867	Wastewater Volume	369	Reclamation Volume	0	Scope 1	9.6866
		COD*	0.41	Reclamation Rate	17.859	Scope 2	3506.1486
		BOD*	0.043				
		SS*	0.0024				

Notes:

1. The Taiwan sites use the conversion coefficients in the Energy Statistics Handbook released by the Bureau of Energy in 2022: power heating value = 860 kcal/kWh
2. The volume of VOCs was converted from actual test results to emissions intensity.
3. The figures for COD, BOD, and SS were converted from the actual test results.
4. The data scope covers Taiwan only.

5.5 Green Circulation

5.5.3 Green Products Product Compliance

InnoCare is committed to designing and producing high-quality medical products to create a healthy quality of life and a friendly environment. To ensure that products comply with regulations and customer requirements, InnoCare has established relevant management processes to implement the requirements of RoHS and REACH regulations:

1. **Regulatory Identification:** InnoCare collects and identifies regulatory information and adopts the InnoCare Restricted Substances Specification as a standard for product and material compliance management. Through regular regulatory tracking, InnoCare stays updated on management trends to ensure that our products continuously meet the latest legal requirements.
2. **Supplier Management:** In addition to evaluating the effectiveness of the quality management system, InnoCare provides Restricted Substances Specifications to new suppliers during the onboarding process as a necessary prerequisite for subsequent cooperation. Furthermore, InnoCare has repeatedly stated through the Supplier's Undertakings and purchase orders that materials and components must meet the requirements of RoHS, REACH and other applicable environmental regulations, hoping to work together with the supply chain to reduce the harmful impact of the company's operations on the natural environment and human health.
3. **Design Control:** During the design phase, InnoCare conducts material verification to ensure material compliance. We review the test reports and full material declarations provided by suppliers to confirm that all materials comply with applicable regulatory requirements. Additionally, internal control mechanisms are established during design changes and product mass production to ensure effective management of hazardous substances.

Control of Prohibited/ Restricted Substances in 2024

InnoCare follows international environmental regulations, industry standards, and customer requirements for the prohibition/restriction of hazardous substances, formulating the "Restricted Substances Specification" as a standard for managing prohibited/restricted chemical substances in the supply chain. This ensures strict control over all products, components, and materials to comply with international and customer trends in hazardous substance (HS) management.

By 2024, InnoCare has controlled a total of 48 restricted substances, and manage and declare product hazardous substances in accordance with the latest version of RoHS exemptions and REACH 242 substances of very high concern.



06

Appendix

6.1 GRI Standards	109
6.2 Sustainability Accounting Standards Board (SASB) Content Index	117
6.3 Climate-related disclosures required by the Taiwan Stock Exchange Corporation's Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies	119
6.4 Errata	122

6.1 GRI Standards

Statement of use	The InnoCare ESG report is with reference to the GRI standard. The disclosure period is from January 1 to December 31, 2024
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	-

GRI Standards	Disclosure	Chapter	Page	Remark
GRI 2: General Disclosures 2021	2-1 Organizational details	• 0.3 Company Overview	<u>6</u>	
	2-2 Entities included in the organization's sustainability reporting	• 0.1 About this Report	<u>4</u>	
	2-3 Reporting period, frequency and contact point	• 0.1 About this Report	<u>4</u>	
	2-4 Restatements of information	• 6.4 Errata	<u>122</u>	
	2-5 External assurance			No third-party verification
	2-6 Activities, value chain and other business relationships	• 0.3 Company Overview • 3.1.1 Technological Innovations and Breakthroughs • 3.3 Supply Chain Management	<u>6</u> <u>43</u> <u>46</u>	
	2-7 Employees	• 4.1 Talent Recruitment and Retention	<u>54</u>	No part-time, temporary, or employees without guaranteed minimum working hours.
	2-8 Workers who are not employees	• 4.1 Talent Recruitment and Retention	<u>54</u>	
	2-9 Governance structure and composition	• 1.1.2 Sustainable Development Promotion Organization • 2.1 Governing Body	<u>11</u> <u>20</u>	
	2-10 Nomination and selection of the highest governance body	• 2.1 Governing Body	<u>20</u>	
	2-11 Chair of the highest governance body	• 2.1 Governing Body	<u>20</u>	
	2-12 Role of the highest governance body in overseeing the management of impacts	• 1.1 Sustainability Management • 2.1 Governing Body	<u>11</u> <u>20</u>	
	2-13 Delegation of responsibility for managing impacts	• 1.1.2 Sustainable Development Promotion Organization	<u>11</u>	
	2-14 Role of the highest governance body in sustainability reporting	• 1.1.2 Sustainable Development Promotion Organization	<u>11</u>	
	2-15 Conflicts of interest	• 2.1 Governing Body	<u>20</u>	
	2-16 Communication of critical concerns	• 1.1 Sustainability Management • 2.1 Governing Body	<u>11</u> <u>20</u>	

6.1 GRI Standards

GRI Standards	Disclosure	Chapter	Page	Remark	
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governance body	• 2.1 Governing Body	<u>20</u>		
	2-18 Evaluation of the performance of the highest governance body	• 2.1 Governing Body	<u>20</u>		
	2-19 Remuneration policies	• 2.1 Governing Body	<u>20</u>		
	2-20 Process to determine remuneration	• 2.1 Governing Body	<u>20</u>		
	2-21 Annual total compensation ratio	• 4.1.3 Remuneration and Benefits	<u>60</u>		
	2-22 Statement on sustainable development strategy	• 0.2 A Message from the Chairman	<u>5</u>		
	2-23 Policy commitments		• 1.1 Sustainability Management	<u>11</u>	
			• 2.2 Risk Management	<u>26</u>	
			• 2.3 Integrity Management and Legal Compliance	<u>35</u>	
			• 2.4.2 Tax Governance	<u>39</u>	
• 3.1.2 Intellectual Property Management			<u>44</u>		
• 3.3.2 Sustainable Supply Chain			<u>49</u>		
2-24 Embedding policy commitments		• 4.3.1 Respect for Human Rights	<u>73</u>		
		• 5.2.2 Greenhouse Gas Management	<u>97</u>		
		• 5.3.1 Biodiversity	<u>99</u>		
		• 1.1 Sustainability Management	<u>11</u>		
		• 2.2 Risk Management	<u>26</u>		
		• 2.3 Integrity Management and Legal Compliance	<u>35</u>		
		• 2.4.2 Tax Governance	<u>39</u>		
		• 3.1.2 Intellectual Property Management	<u>44</u>		
• 3.3.2 Sustainable Supply Chain	<u>49</u>				
• 4.3.1 Respect for Human Rights	<u>73</u>				
• 5.2.1 Climate Change Adaptation	<u>97</u>				
• 5.3.1 Biodiversity	<u>99</u>				



6.1 GRI Standards

GRI Standards	Disclosure	Chapter	Page	Remark
GRI 2: General Disclosures 2021	2-25 Processes to remediate negative impacts	• 1.1 Sustainability Management	11	
		• 2.2 Risk Management	26	
		• 2.3 Integrity Management and Legal Compliance	35	
		• 2.4.2 Tax Governance	39	
		• 3.1.2 Intellectual Property Management	44	
		• 3.3.2 Sustainable Supply Chain	49	
GRI 2: General Disclosures 2021	2-26 Mechanisms for seeking advice and raising concerns	• 4.3.1 Respect for Human Rights	73	
		• 5.2.1 Climate Change Adaptation	97	
		• 5.3.1 Biodiversity	99	
		• 1.2.1 Stakeholder Communication	12	
		• 4.3.2 No Gap in Communication with Employees	75	
		• 2.3 Integrity Management and Legal Compliance	35	
GRI 2: General Disclosures 2021	2-27 Compliance with laws and regulations	• 4.4.2 Occupational Safety Management	84	
		• 5.1.2 Environmental Accounting	93	
		• 0.3 Company Overview	6	
GRI 2: General Disclosures 2021	2-28 Membership associations	• 1.2 Stakeholder Communication and Material Topics	12	
		2-29 Approach to stakeholder engagement		InnoCare has not established a labor union and has no collective agreement.
GRI 3: Material Topics 2021	2-30 Collective bargaining agreements	• 1.2 Stakeholder Communication and Material Topics	12	
		3-1 Process to determine material topics		
		3-2 List of material topics		
GRI 3: Material Topics 2021	3-3 Management of material topics	• 1.2 Stakeholder Communication and Material Topics	12	
		• 1.2 Stakeholder Communication and Material Topics	12	
GRI 3: Material Topics 2021	3-3 Management of material topics	• 1.2 Stakeholder Communication and Material Topics	12	
		• 1.2 Stakeholder Communication and Material Topics	12	

6.1 GRI Standards

GRI Standards	Disclosure	Chapter	Page	Remark
GRI 201*: Economic Performance 2016	201-1 Direct economic value generated and distributed	<ul style="list-style-type: none"> • 2.4 Financial Performance and Tax Governance • For details, please refer to page 61 of "Capital and Share Issuance Situation" in the 113Annual Report. 	39	
	201-2 Financial implications and other risks and opportunities due to climate change	<ul style="list-style-type: none"> • 5.2.1 Climate Change Adaptation 	94	
	201-3 Defined benefit plan obligations and other retirement plans	<ul style="list-style-type: none"> • 4.1.3 Remuneration and Benefits 	60	
	201-4 Financial assistance received from government	<ul style="list-style-type: none"> • 2.4 Financial Performance and Tax Governance 	39	
GRI 202*: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	<ul style="list-style-type: none"> • 4.1.3 Remuneration and Benefits 	60	
	202-2 Proportion of senior management hired from the local community	<ul style="list-style-type: none"> • 4.1.2 Diversity, Equity, and Inclusion 	56	
GRI 203*: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services provided supported	-		No investment in infrastructure-related business activities or donations in 2024
	203-2 Significant indirect economic impacts	<ul style="list-style-type: none"> • 2.2 Risk Management • 2.4 Financial Performance and Tax Governance • 3.3 Supply Chain Management • 4.1 Talent Recruitment and Retention 	26 39 48 54	
GRI 204*: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	<ul style="list-style-type: none"> • 3.3.1 Procurement Management 	48	
GRI 205*: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	<ul style="list-style-type: none"> • 2.3 Integrity Management and Legal Compliance 	35	
	205-2 Communication and training about anti-corruption policies and procedures	<ul style="list-style-type: none"> • 2.3 Integrity Management and Legal Compliance 	35	
	205-3 Confirmed incidents of corruption and actions taken	<ul style="list-style-type: none"> • 2.3 Integrity Management and Legal Compliance 	35	

NOTES: " * " Note: Refers to voluntarily disclosed non-material issues.

6.1 GRI Standards

GRI Standards	Disclosure	Chapter	Page	Remark
GRI 301*: Materials 2016	301-1 Materials used by weight or volume	• 5.5.2 Green Logistics (Material Flow in 2023)	105	The total weight of "non-renewable" raw materials used by InnoCare is 49.69 metric tons. InnoCare does not use renewable raw materials.
	301-2 Recycled input materials used	-		
	301-3 Reclaimed products and their packaging materials	• 5.5.2 Green Logistics	105	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	• 5.2.3 Energy Management • 5.5.2 Green Logistics (Material Flow in 2023)	98 105	Energy consumption outside the organization has not yet been quantified.
	302-2 Energy consumption outside of the organization	-		
	302-3 Energy intensity	• 5.2.3 Energy Management	98	
	302-4 Reduction of energy consumption	• 5.2.3 Energy Management	98	
	302-5 Reductions in energy requirements of products and services	• 5.5.3 Green Product	107	No such product.
GRI 303*: Water and Effluents 2018	303-1 Interactions with water as a shared resource	• 5.3.2 Water Resource Management	101	
	303-2 Management of water discharge-related impacts	• 5.3.2 Water Resource Management	101	
	303-3 Water withdrawal	• 5.3.2 Water Resource Management	101	
	303-4 Water discharge	• 5.3.2 Water Resource Management	101	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	• 5.2.2 Greenhouse Gas Management	97	
	305-2 Energy indirect (Scope 2) GHG emissions	• 5.2.2 Greenhouse Gas Management	97	
	305-3 Other indirect (Scope 3) GHG emissions	• 5.2.2 Greenhouse Gas Management	97	
	305-4 GHG emissions intensity	• 6.3 Climate-related disclosures required by the Taiwan Stock Exchange Corporation's Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies	118	
	305-5 Reduction of GHG emissions	• 5.2.2 Greenhouse Gas Management	97	

NOTES: " * " Note: Refers to voluntarily disclosed non-material issues.

6.1 GRI Standards

GRI Standards	Disclosure	Chapter	Page	Remark
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	<ul style="list-style-type: none"> • 5.5.1 Waste Output • 5.5.2 Green Logistics 	103 105	
	306-2 Management of significant waste-related impacts	<ul style="list-style-type: none"> • 5.5.1 Waste Output • 5.5.2 Green Logistics 	103 105	
	306-3 Waste generated	<ul style="list-style-type: none"> • 5.5.1 Waste Output 	103	
	306-4 Waste diverted from disposal	<ul style="list-style-type: none"> • 5.5.1 Waste Output 	103	
	306-5 Waste directed to disposal	<ul style="list-style-type: none"> • 5.5.1 Waste Output 	103	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	<ul style="list-style-type: none"> • 3.3.2 Sustainable Supply Chain 	49	
	308-2 Negative environmental impacts in the supply chain and actions taken	<ul style="list-style-type: none"> • 3.3 Supply Chain Management 	48	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	<ul style="list-style-type: none"> • 4.1.1 Talent Deployment • 4.1.3 Remuneration and Benefits 	54 60	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	<ul style="list-style-type: none"> • 4.1.3 Remuneration and Benefits 	60	There is almost no difference in benefits provided to formal and informal employees.
	401-3 Parental leave	<ul style="list-style-type: none"> • 4.1.3 Remuneration and Benefits 	60	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	<ul style="list-style-type: none"> • 4.4 Safety and Protection 	78	
	403-2 Hazard identification, risk assessment, and incident investigation	<ul style="list-style-type: none"> • 4.4 Safety and Protection 	78	
	403-3 Occupational health services	<ul style="list-style-type: none"> • 4.4.1 Health Care 	78	
	403-4 Worker participation, consultation, and communication on occupational	<ul style="list-style-type: none"> • 4.4 Safety and Protection 	78	
	403-5 Worker training on occupational health and safety	<ul style="list-style-type: none"> • 4.4.2 Occupational Safety Management 	84	
	403-6 Promotion of worker health	<ul style="list-style-type: none"> • 4.4.1 Health Care 	78	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked to business operations	<ul style="list-style-type: none"> • 2.2 Risk Management • 4.4 Safety and Protection • 5.5.3 Green Product 	26 78 107	
	403-8 Workers covered by an occupational health and safety management system	<ul style="list-style-type: none"> • 4.4 Safety and Protection 	78	
	403-9 Work-related injuries	<ul style="list-style-type: none"> • 4.4 Safety and Protection 	78	
	403-10 Work-related health	<ul style="list-style-type: none"> • 4.4.1 Health Care 	78	

NOTES: " * " Note: Refer to the voluntarily disclosed non-material issues..

6.1 GRI Standards

GRI Standards	Disclosure	Chapter	Page	Remark
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	• 4.2 Talent Cultivation and Development	71	
	404-2 Programs for upgrading employee skills and transition assistance programs	• 4.2 Talent Cultivation and Development	71	
	404-3 Percentage of employees receiving regular performance and career development reviews	• 4.1.4 Performance Management and Development (PMD)	67	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	• 2.1.1 Board of Directors and Its Operations • 4.1.2 Diversity, Equity, and Inclusion	20 56	
	405-2 Ratio of basic salary and remuneration of women to men	• 4.1.3 Remuneration and Benefits	60	
GRI 406*: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	• 4.3 Labor Rights and Relations	73	
GRI408*: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	• 4.3 Labor Rights and Relations	73	
GRI409*: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	-	-	CSR internal audit and supplier SER audit were conducted according to RBA requirements; no significant risks were found in 2024
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	• 3.3.3 Supply Chain Quality Management	51	

NOTES: " * " Note: Refers to voluntarily disclosed non-material issues.

6.1 GRI Standards

GRI Standards	Disclosure	Chapter	Page	Remark
GRI 416*: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	• 5.5.3 Green Product	107	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	-		In 2024, InnoCare's products and services had no violations of health and safety regulations.
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	• 2.3.1 Integrity Management	35	

NOTES: " * " Note: Refers to voluntarily disclosed non-material issues.

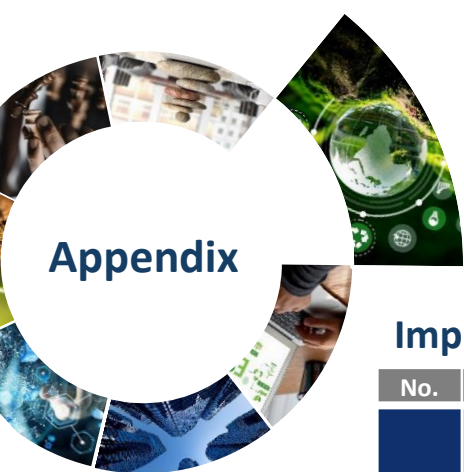
6.2 Sustainability Accounting Standards Board (SASB)^{Note}

Topic/CODE	Accounting Metric	Chapter	PAGE	Comments
Greenhouse Gas Emissions				
TC-SC-110a.1	(1) Gross global Scope 1 emissions and (2) amount of total emissions from perfluorinated compounds	5.2.2 Greenhouse Gas Management	<u>97</u>	(1) 9.6866metric tons CO2e (2) No PFC emissions
TC-SC-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	5.2.2 Greenhouse Gas Management	<u>97</u>	
Energy Management in Manufacturing				
TC-SC-130a.1	(1)Total energy consumed,(2) percentage grid electricity,(3) percentage renewable	5.2.3 Energy Management	<u>98</u>	(1) 7.396GW (7.396 GJ) (2) 100% (3) Renewable energy has not yet been adopted
Waste Management				
TC-SC-140a.1	(1) Total water withdrawn,(2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	5.3.2 Water Resource Management	<u>101</u>	(1)369m3 (2)0, no high water pressure area
Waste Management				
TC-SC-150a.1	Amount of hazardous waste from manufacturing, percentage recycled	5.5.1 Waste Output	<u>103</u>	No metric tons of hazardous waste
Employee Health & Safety				
TC-SC-320a.1	Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards.	4.4 Safety and Protection	<u>78</u>	
TC-SC-320a.2	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations.	4.4.2 Occupational Safety Management	<u>84</u>	There was no violation in 2024.

6.2 Sustainability Accounting Standards Board (SASB)^{Note}

Topic/CODE	Accounting Metric	Chapter	PAGE	Comments
Recruiting & Managing a Global & Skilled Workforce				
TC-SC-330a.1	Percentage of employees that are(1) foreign nationals and (2) located offshore.	4.1.1 Talent Deployment	58	
Product Lifecycle Management				
TC-SC-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	5.5.3 Green Product	108	InnoCare products all comply with RoHS/REACH requirements and currently do not implement the IEC62474 management system.
TC-SC-410a.2	Processor energy efficiency at a system-level for: (1) servers, (2) desktops, and (3) laptops	-	-	No production of servers, desktop and laptop products
Materials Sourcing				
TC-SC-440a.1	Description of the management of risks associated with the use of critical materials	3.3.2 Sustainable Supply Chain	53	
Intellectual Property Protection & Competitive Behavior				
TC-SC-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti- competitive behavior regulations	2.3.2 Legal Compliance	41	There was no violation in 2023
Activity Metric				
TC-SC-000.A	Total production	0.3 Company Overview	7	It is difficult to estimate the actual production volume, so actual shipments are used for disclosure.
TC-SC-000.B	Percentage of production from owned facilities	-	-	100% of products come from owned facilities.

Note: According to the Semiconductors Sustainability Accounting Standard 2023 of the SASB index



6.3 Climate-related disclosures required by the Taiwan Stock Exchange Corporation's Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Implementation of Climate-Related Information

No.	Item	Implementation Status
1	Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	The company has established risk management policies and procedures, approved by the Board of Directors, for the overall management of risk and major decisions. A dedicated organizational structure for promoting corporate sustainability will present climate-related risks and opportunities to the Board of Directors annually, along with a review of relevant sustainability vision, goals, and results, with adjustments made as necessary.
2	Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	The company refers to the TCFD recommendations reporting framework, combined with international trends, research literature, evaluation indicators, and industry reports. Through cross-departmental discussions, we identify material risks and opportunities based on their potential timing—short, medium, and long-term—assessing their potential transformation and physical impacts. To mitigate risks, we track the progress of various working groups' response strategies and develop contingency plans when making significant climate-related decisions.
3	Describe the financial impact of extreme weather events and transformative actions.	The company's Finance & Accounting & Business Management & HR Division Group compiles annual climate strategy performance data, along with climate-related risks and opportunities, and regularly presents it to the Board of Directors. This review includes relevant sustainability vision, goals, and results, with adjustments made as necessary. We also track the progress of various working groups' response strategies and develop contingency plans when making significant climate-related decisions.
4	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	When evaluating climate change risk resilience through scenario analysis, the following elements are described: the scenarios used, parameters, assumptions, analysis factors, and major financial impacts. Legal compliance is maintained, and risk management objectives are adhered to. The Audit Department independently conducts audit activities to ensure the effectiveness of the internal control system.
5	If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	If a transition plan is implemented to manage climate-related risks, the plan's content is explained, along with the indicators and targets used to identify and manage physical and transition risks. The company utilizes Representative Concentration Pathways (RCP) and Shared Socioeconomic Pathways (SSP), as published in the IPCC's Sixth Assessment Report (AR6), to perform matrix-style simulations across different time scales. These simulations incorporate external database data and extend across a range of scenarios including most optimistic (Optimism, OPT) and most pessimistic (Pessimistic, PES), representing worst-case scenarios.



6.3 Climate-related disclosures required by the Taiwan Stock Exchange Corporation's Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Implementation of Climate-Related Information

No.	Item	Implementation Status
6	If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	In response to climate change, InnoCare has developed a "Transition Plan" to reduce financial impacts through technology and management approaches. The overarching direction is to achieve a 25% absolute reduction in greenhouse gas emissions (Scope 1 + Scope 2) and a renewable energy share of 20% (RE20) by 2030.
7	If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The company has not yet adopted internal carbon pricing as a planning tool, but will continue to evaluate its implementation.
8	If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	<p>Details are provided in the table below. re references the United Nations Sustainable Development Goals (SDGs) and integrates them into the organizational culture and daily operations. Leveraging the company's core competencies, we have combined corporate sustainability strategies and international benchmarks to establish a mid-to-long-term greenhouse gas reduction target of a 25% absolute reduction in carbon emissions by 2030, using 2021 greenhouse gas inventory scope 1 and scope 2 emissions as the baseline. Relevant actions include:</p> <p>SDG 7: Affordable and Clean Energy - Implement office electricity reduction measures and replace conventional lighting with energy-efficient alternatives.</p> <p>SDG 12: Responsible Consumption and Production - Develop an ISO 14001 management system and increase waste recycling and reuse rate to 62.72%.</p> <p>SDG 13: Climate Action - Collaborate with value chain partners to promote circularity in packaging and logistics, reducing carbon emissions.</p>
9	Greenhouse gas inventory and assurance status and reduction targets strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).	Details are provided in the table below.



6.3 Climate-related disclosures required by the Taiwan Stock Exchange Corporation's Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO₂e), intensity (metric tons CO₂e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.

1. In 2023, greenhouse gas emissions totaled 4627.9721 metric tons of CO₂ equivalent (CO₂e). The emission intensity was 2.52 (NT\$ million income CO₂ emissions in metric tons). The primary source was indirect emissions from electricity consumption (Scope 2), accounting for 79.25% of total emissions. The second largest source was emissions from purchased electricity (Scope 3), accounting for 15.58% of total emissions. The data scope includes the company's Taiwan facilities (excluding overseas subsidiaries and offices) for Scope 1, Scope 2, and Scope 3.
2. In 2024, greenhouse gas emissions totaled 4504.2727 metric tons of CO₂ equivalent (CO₂e). The emission intensity was 1.76 (NT\$ million income CO₂ emissions in metric tons). The primary source was indirect emissions from electricity consumption (Scope 2), accounting for 77.84% of total emissions. The second largest source was emissions from purchased electricity (Scope 3), accounting for 15.98% of total emissions. The data scope includes the company's Taiwan facilities (excluding overseas subsidiaries and offices) for Scope 1, Scope 2, and Scope 3.

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.

1. The assurance date for 2023 was March 13, 2024. The scope of assurance included the company's Taiwan facilities (excluding overseas subsidiaries and offices) for Scope 1, Scope 2, and Scope 3. The assurance provider was DNV, the assurance standard was ISO 14064-1:2018, and the assurance statement opinion was that greenhouse gas emissions are genuine, transparent, and measurable. Complete assurance information will be disclosed on the Public Information Observation Station.
2. The assurance date for 2024 was April 15, 2025. The scope of assurance included the company's Taiwan facilities (excluding overseas subsidiaries and offices) for Scope 1, Scope 2, and Scope 3. The assurance provider was DNV, the assurance standard was ISO 14064-1:2018, and the assurance statement opinion was that greenhouse gas emissions are genuine, transparent, and measurable. Complete assurance information will be disclosed on the Public Information Observation Station.

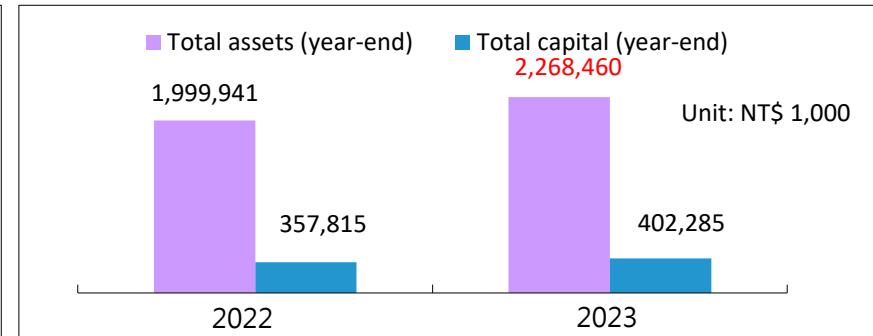
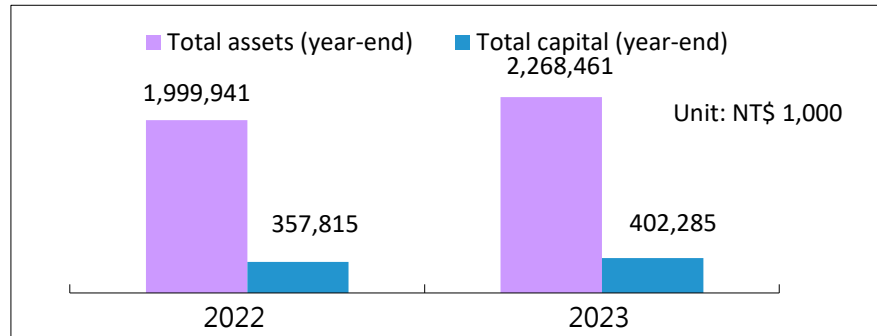
1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.

1. 1. In accordance with the schedule stipulated in Article 6, Paragraph 2 of the Guidelines for Matters to be Disclosed in Annual Reports of Publicly Traded Companies and the explanation of the Sustainability Development Roadmap for listed companies, our company has no specific reduction data for 2024.
2. 2. In 2025, as part of our greenhouse gas reduction strategy, specific actions, and reduction target planning, we are evaluating the implementation of ISO 50001 Energy Management Systems to identify our significant electricity consumption sources. This will serve as a reference for developing concrete action plans and targets in the future.

6.4 Errata

Chapter	Page	Remarks
2.4.1 Financial Performance	37&38	Total assets (year-end)
4.1.3 Remuneration and Benefits	57	Full-time nonmanagerial employee income



item	Y2022	Y2023
TOTAL ASSETS (YEAR-END)	1,999,941	2,268,461

item	Y2022	Y2023
TOTAL ASSETS (YEAR-END)	1,999,941	2,268,460

Region	Item	2023
Taiwan	Total number of full-time nonmanagerial employees	314
	Full-time nonmanagerial employee average income (NT\$ thousands)	1,003
	Full-time nonmanagerial employee median income (NT\$ thousands)	854
China	Total number of full-time nonmanagerial employees	15
	Full-time nonmanagerial employee average income (NT\$ thousands)	97
	Full-time nonmanagerial employee median income (NT\$ thousands)	87

Before Amendment

Region	Item	2023
Taiwan	Total number of full-time nonmanagerial employees	314
	Full-time nonmanagerial employee average income (NT\$ thousands)	1,003
	Full-time nonmanagerial employee median income (NT\$ thousands)	854
China	Total number of full-time nonmanagerial employees	11
	Full-time nonmanagerial employee average income (NT\$ thousands)	513
	Full-time nonmanagerial employee median income (NT\$ thousands)	480

After Amendment

