

2024 Sustainability Report





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Chairman's Message

Hi-Clearance Inc. is a professional medical equipment company committed to delivering high-quality and reliable healthcare products. Its business portfolio encompasses a wide range of fields, including hemodialysis, dental materials, medical catheters, respiratory and sleep therapy, anesthesia and emergency care, spinal surgery equipment, home healthcare, and nutritional supplements. All products are reviewed and approved by government authorities to ensure safety and consistent reliability. In terms of quality management, Hi-Clearance maintains GDP-compliant warehouses for medical devices and pharmaceuticals, ensuring rigorous control across every stage of the supply chain, from importation and storage to distribution. This approach guarantees that all products delivered to medical institutions and end users meet the original manufacturers' quality standards and stringent safety requirements.

With the increasing emphasis on social responsibility, sustainable development has emerged as a core issue that enterprises must address. In alignment with the Financial Supervisory Commission's "Corporate Governance 3.0 – Sustainable Development Blueprint," the transparency of ESG disclosures has become a key benchmark in evaluating a company's commitment to social responsibility. Hi-Clearance issued its first Sustainability Report this year. The Company will continue to strengthen corporate governance practices, enhance stakeholder engagement, and implement effective operational measures to reduce carbon emissions and safeguard a high-quality environment. As a responsible corporate citizen, Hi-Clearance is committed to advancing and realizing ESG objectives, thereby creating long-term value for environmental protection, social inclusion, employee well-being, and shareholder interests.

From the corporate perspective, the uncertainties of the environment and global landscape are testing the operational resilience of the Company. In response, Hi-Clearance embraces a governance approach rooted in agility and adaptability, embedding "sustainable development" into its core management philosophy. Through long-term strategic planning, the Company seeks to balance business growth with environmental stewardship, thereby achieving stable and sustainable development.

"Step by Step, Rooted in Taiwan, Advancing into Asia" represents Hi-Clearance's enduring vision. Supported by an exceptional team of professionals and a strong management foundation, the Company is dedicated to advancing excellence in medical sales and services. With patient needs at the center, Hi-Clearance remains committed to delivering the most suitable medical products and services. In terms of long-term operational direction, Hi-Clearance is gradually expanding beyond sales services into medical services and manufacturing. The Company actively integrates internal and external resources to develop proprietary brands, build a robust logistics network, enhance product diversity and sophistication, and connect upstream, midstream, and downstream sectors. Through these initiatives, Hi-Clearance seeks to maximize synergies and deliver more comprehensive support to the healthcare system.

The Company's senior management recognizes that medical products are not only essential to health but also carry the profound responsibility of safeguarding life. The Company remains committed to supporting Taiwan's healthcare system with professionalism, delivering trustworthy and reliable products and services. Guided by the mission of enhancing quality of life and generating optimal value for employees, customers, and shareholders, Hi-Clearance upholds the principles of sincerity, proactivity, innovation, and vision. In line with these values, the Company is dedicated to building a culture of "quality first, service excellence, and customer satisfaction".



Chairman 李忠良

About This Report

Hi-Clearance Inc. (hereinafter referred to as “the Company”), in alignment with the Financial Supervisory Commission’s “Sustainable Development Action Plan for Listed Companies”, has enhanced its sustainability disclosures and published the 2024 Sustainability Report (hereinafter referred to as “the Report”). This Report presents to stakeholders the 2024 performance and achievements of Hi-Clearance Inc. in areas such as corporate governance, environmental protection, employee well-being, and social engagement. The disclosures are structured to specifically address material topics of concern to stakeholders. The Company sincerely welcomes the continued attention and valuable feedback of all stakeholders, which will support its ongoing improvement and steady progress on the path toward sustainable development.

Report Boundaries and Scope

Disclosure Category	Scope
Reporting Period	The reporting period follows that of the consolidated financial statements for fiscal year 2024 (January 1, 2024 to December 31, 2024). To comply with the GRI reporting principles of completeness, sustainability context, and comparability, certain sections may include information prior to or beyond 2024, with details provided in the notes.
Publication Frequency	The Sustainability Report is published annually. Date of this Report: August 2025 Expected date of the next Report: August 2026
Scope Boundaries	This Report covers the operational sites of Hi-Clearance Inc. in Taiwan. Subsidiaries consolidated in the financial statements are not included.
Economic, Governance, and Social Data	Data are primarily based on consolidated financial statements. Certain sections reference individual financial statements.
Environmental Data	Taiwan (Sanchong Headquarters and Shulin Warehouse).
Restatements of Information	As this is the Company’s first Sustainability Report, no information has been restated.
External Assurance/Certification	This Report has not been independently verified by a third-party assurance provider. The Company’s management is responsible for ensuring the accuracy and reliability of the disclosed information.

Preparation Guidelines

- ◆ In compliance with the Taipei Exchange "Rules Governing the Preparation and Filing of Sustainability Reports by TPEX Listed Companies".
- ◆ In alignment with the GRI Sustainability Reporting Standards 2021 issued by the Global Reporting Initiative (GRI).
- ◆ With reference to the standards issued by the Sustainability Accounting Standards Board (SASB) and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

The appendix to this Report includes the GRI Standards Content Index, the SASB Sustainability Accounting Standards, and climate-related disclosures of TPEX-listed companies, for stakeholder reference.

Report Management and Data Quality

This Report was originally prepared in Traditional Chinese and translated into English. Financial data have been audited and certified by KPMG Taiwan in accordance with the International Financial Reporting Standards (IFRS) and are presented in thousands of New Taiwan Dollars. Environmental and social data are compiled by the respective responsible departments and verified for accuracy and completeness by their supervisors. The Sustainability Promotion Team then consolidates the data and prepares the Report, which is subsequently reviewed and approved by the General Manager, endorsed by resolution of the Board of Directors, and published on the Company's official website. In compliance with the "Rules Governing the Preparation and Filing of Sustainability Reports by TPEX Listed Companies", the Report is also filed through the Market Observation Post System (MOPS).

Feedback and Responsible Units

If you have any suggestions, feedback, or require further information regarding this Report, please contact us through the following channels.

Report Responsible Unit: Sustainability Promotion Task Force / Corporate Governance Department	Contact Person: Executive Secretary of the Sustainability Promotion Task Force
Address: 8F-2, No. 2, Lane 609, Sec. 5, Chongxin Rd., Sanchong Dist., New Taipei City, Taiwan	Telephone: 02-66261166 ext. 551
Company Official Website: http://www.hiclearance.com.tw/index.htm	Email : ESG@hiclearance.com.tw

Ch 1. Stakeholder Engagement

Stakeholder Engagement and Materiality Assessment Process



Understand the organizational context, refer to sustainability-related industry standards to identify relevant impacts, and engage with stakeholders through routine business interactions.

Through internal discussions and benchmarking against industry peers, 15 sustainability topics were identified.

By distributing questionnaires to external stakeholders and internal senior executives, scores on stakeholder concern and impact were collected to analyze the materiality of each topic.

Following discussions within the Sustainability Promotion Task Force, reporting priorities were determined, and 7 material topics were ultimately selected.

1.1 Stakeholder Identification

Stakeholders are defined as groups that either influence the operations of Hi-Clearance Inc. or are affected by them. The identification process began with each department conducting a preliminary screening of the stakeholder groups encountered in routine business interactions. Building on this, and in reference to the five principles of the AA1000 Stakeholder Engagement Standard—Dependency, Responsibility, Tension, Influence, and Diverse Perspectives—the Company held internal discussions and considered industry practices. Through this process, five stakeholder groups were ultimately identified as most significant to Hi-Clearance: shareholders and investors, customers, suppliers and business partners, employees, and the community.

1.2 Stakeholder Communication Channels and Key Issues

Due to the different categories of stakeholders, the key stakeholders of Hi-Clearance have varying concerns. The departments of Hi-Clearance maintain active communication with stakeholders through diverse channels, ensuring that stakeholders remain informed about the Company's operations in a timely manner. At the same time, these channels allow the Company to understand stakeholder demands and expectations and to respond promptly. Beginning in 2025, the Company will report to the Board of Directors at least once annually on the status of two-way communication with key stakeholders.

The departments of Hi-Clearance collect key stakeholder concerns raised during routine business interactions, which are then consolidated by the Sustainability Promotion Team. In addition, the Company referenced the GRI Sustainability Reporting Standards 2021 and the ESG reports of industry peers to summarize 15 sustainability topics. These topics span the economic, environmental, and social (including human rights) dimensions, ensuring that the sustainability information disclosed by the Company meets the GRI requirements for completeness and inclusiveness.

Key Stakeholders	Importance to the Company	Areas of Concern	Communication Channels/Frequency	Annual Communication Records
Shareholders / Investors	Shareholders are the Company's capital providers. The Company is committed to protecting shareholder rights and interests, ensuring fair treatment of all shareholders, and safeguarding their rights to be fully informed, to participate in, and to decide on significant corporate matters.	- Operational Performance - Ethics and Integrity - Occupational Health and Safety - Product Safety	- Contact Points: Spokesperson: Vice President Li Telephone: 02-66261166 ext. 510 nancy_lee@hclearance.com.tw - Acting Spokesperson: Manager Chang Telephone: 02-66261166 ext. 533 dy_chang@hclearance.com.tw - Annual Shareholders' Meeting and Institutional Investor Briefing - Market Observation Post System and company website disclose important information (irregularly / real time) - Company Phone, Official Website, Email (available anytime)	18 major announcements and notices (in Chinese) published. 1 Annual Shareholders' Meeting convened. 1 Institutional Investor Briefing organized. - Investor inquiries via email and telephone responded to promptly.
Customers	Customers are the primary source of the Company's revenue. Hi-Clearance regards product quality, safety, and after-sales service as its highest commitments to customers. Maintaining a high level of customer satisfaction enables the Company to continuously strengthen customer trust and recognition.	- Ethics and Integrity - Customer Service - Product Safety	- Contact Point: Manager Chuang Telephone: 02-66261166 ext. 511 wendy_chuang@hclearance.com.tw - Customer Satisfaction Surveys – approximately 10 per month - Product Education Training and Health Education Promotion – irregular schedule - Pre-sales Communication and After-sales Service – conducted in person as required - Customer Feedback Mailbox and Company Telephone – available anytime - Customer Complaint Handling – immediate response	0 cases received via Customer Feedback Mailbox. - Customers may contact the Company at any time via telephone or email. - Customer Satisfaction Survey for dialysis machine devices: average of 12 responses per month (by telephone). - No incidents of customer privacy breaches occurred. 6 product health education promotion sessions conducted.
Suppliers / Business Partners	The Company maintains long-term, constructive relationships with its supply partners, relying on numerous suppliers to ensure stable product provision. Leveraging its influence in the industry, the Company collaborates with supply partners to prevent environmental pollution and to safeguard labor rights.	- Customer Service - Product Safety - Ethics and Integrity	- Contact Point: International Trade Section, Administration Department Telephone: 02-66261166 ext. 502 sara_liang@hclearance.com.tw - Fulfillment of procurement contracts, payment mechanisms, and adherence to principles of integrity – during routine business interactions - Supplier self-assessment questionnaire – annually - Email communication – according to actual product requirements	Supplier self-assessment questionnaire response rate: 100%; 2024 Supplier Evaluation Results: - Grade A – Excellent Supplier: 78% - Grade B – Suppliers Eligible for Continued Business: 22% - Grade C – Temporarily suspended; reassessed upon improvement: 0% - Grade D – Disqualified, immediate termination of business relationship: 0%

Key Stakeholders	Importance to the Company	Areas of Concern	Communication Channels/Frequency	Annual Communication Records
Employees	Employees are the indispensable foundation of the Company's operations. The Company is committed to providing a workplace environment that promotes physical and mental well-being and supports diverse development opportunities, enabling employees to work with peace of mind.	• Compensation and Benefits • Talent Attraction and Retention • Ethics and Integrity • Operational Performance	• Contact Point: Director Yang Telephone: 02-66261166 ext. 520 christine_yang101@hclearance.com.tw • Labor-Management Meetings – quarterly • Performance Evaluations – semiannually • Announcement management and reward mechanisms – ongoing communication with department supervisors • Training and development programs – irregular schedule • Employee Welfare Committee and internal grievance channels – available at all times	• Distributed birthday and festival gifts/cash allowances. • Conducted biannual performance evaluations. • Provided 1 annual health examination for employees. • Held 4 labor-management meetings. • Conducted 8 internal training sessions.
Community	The Company upholds a "people-oriented spirit" and places strong emphasis on human rights. Over the years, it has continuously focused on the needs of local communities to fulfill its corporate social responsibility, listen to diverse voices, and provide meaningful assistance.	• Environmental Protection • Medical Waste Management • Social Care and Public Welfare Participation	• Contact Point: Manager Chang Telephone: 02-66261166 ext. 533 dy_chang@hclearance.com.tw • Listening to opinions to implement ESG principles and support sustainable operations – at all times • Sponsorship for children at the Family Support Center – monthly • Sponsorship of foundations established by medical institutions – irregular intervals	• No illegal activities reported. • No complaints or disputes received from the community. • In 2024, donations to the Family Support Center and medical institution foundations totaled NT\$23,467,868.

1.3 Sustainability Promotion Task Force

Hi-Clearance has formulated its "Sustainable Development Practice Guidelines", which are scheduled for implementation in 2025 following approval by the Board of Directors. In drafting these guidelines, the Company referred to the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", jointly issued by the Taiwan Stock Exchange and the Taipei Exchange. The Board of Directors authorized the General Manager to establish a Sustainability Promotion Task Force and appointed the General Manager as its Chairperson. The Sustainability Promotion Task Force is responsible for formulating sustainability policies, implementing them across the Company, and progressively embedding sustainability principles into the corporate culture.

Sustainable development encompasses the dimensions of environment, social (including human rights), and corporate governance (collectively referred to as ESG). The Sustainability Promotion Task Force has established corresponding functional subcommittees, each chaired by the head of the respective department. The responsible departments gather stakeholder concerns relating to environmental protection, labor rights, occupational health and safety, supply chain management, operational performance, and corporate governance. In recognition of stakeholder rights and interests, the Company has also established a dedicated stakeholder section on its official website to appropriately respond to material sustainability issues of concern. The General Manager convenes the ESG Sustainability Promotion Task Force annually to review reports, evaluate the feasibility of policies and objectives established for material topics, and examine the progress of ESG implementation. Where appropriate, adjustments and supervisory measures are undertaken to ensure the effective advancement of the Company's ESG initiatives.



Sustainability Promotion Task Force

Chairman (President)

Executive Secretary



Finance Department, Information
Section, Annual Report
Preparation Staff

Corporate Governance Task Force

- Corporate Governance
- Legal Compliance
- Internal Audit and Review
- Operational Performance
- Risk Management and Control
- Cybersecurity Protection

International Trade Section,
Personnel and General Affairs
Section

Environmental Sustainability Task Force

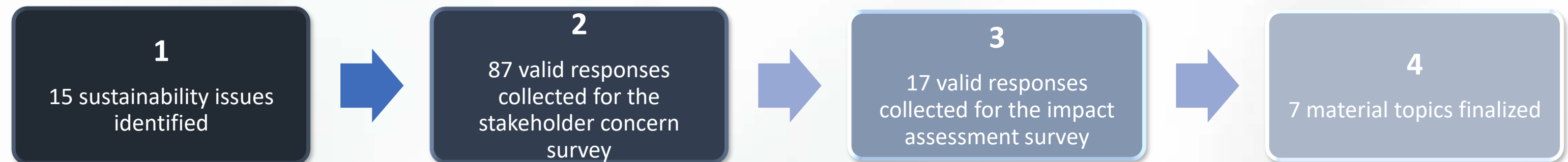
- Energy Conservation and
Carbon Reduction
- Water Resources
- Wastewater
- Waste
- Supply Chain Management

Personnel & Administration
Section

Employee Care Task Force

- Compensation and Benefits
- Labor Relations
- Occupational Health and Safety
- Talent Development
- Human Rights Policy

1.4 Materiality Assessment



The Sustainability Promotion Task Force identified 15 sustainability issues and distributed an online questionnaire to major stakeholders, collecting a total of 105 responses, of which 87 were valid. Among the valid responses, 19 were from shareholders and investors, 21 from customers, 14 from suppliers and business partners, and 33 from employees. These responses were used to evaluate stakeholder concern for each issue. A separate online questionnaire was then distributed to 17 company executives to assess the level of impact of each issue on the Company. The results from both surveys were compiled and analyzed to develop a materiality matrix. Following discussions within the Sustainability Promotion Task Force, seven material topics with high levels of concern and impact across the environmental, social, governance and economic dimensions were finalized as the focal points of this year's Sustainability Report.

Results of Materiality Assessment

Product Safety	Customer Service
Ethics and Integrity	Operational Performance
Compensation and Benefits	Occupational Health and Safety
Medical Waste Management	

Hi-Clearance Materiality Matrix



A1	Diversity and Equality
A2	Public Welfare Participation
A3	Water Stewardship
A4	Energy Conservation and Carbon Reduction
A5	Occupational Health and Safety
A6	Labor-Management Communication
A7	Medical Waste Management
A8	Product Safety

A9	Customer Service
A10	Supply Chain Management
A11	Operational Performance
A12	Cybersecurity Protection
A13	Ethics and Integrity
A14	Talent Attraction and Retention
A15	Compensation and Benefits

Determination of Material Topics and Boundaries

Aspect	Material Topic	Importance to the Company	Internal Boundaries	External Boundaries			Corresponding GRI Standards	Report Disclosure Section
			Company	Suppliers	Customers	Communities		
Governance Aspect	Ethics and Integrity (Positive Impact)	Closely tied to the Company's reputation, ethics and integrity form a critical foundation for maintaining public trust and ensuring continuous and stable operations. Careful management is required to avoid potential legal disputes or financial losses.	•				- GRI 2-24 Embedding Policy Commitments - GRI 2-25 Processes to Remediate Negative Impacts - GRI 2-26 Mechanisms for Seeking Advice and Raising Concerns - GRI 2-27 Legal Compliance	3.1.4 Ethics and Integrity
	Operational Performance (Positive Impact)	Maintaining stable profitability and effective risk control is the foundation of corporate management. Enhancing economic performance improves operational efficiency and strengthens competitiveness, enabling timely responses to external risks. °	•	•	•		GRI 201 Economic Performance	3.4 Operational Performance
Economic Aspect	Customer Service (Positive Impact)	High-quality service performance is the key to building customer trust and shaping the corporate brand image. It drives stable business growth and strengthens customer relationships.	•		•		Custom Topic	3.5 Customer Service
	Medical Waste Management (Positive Impact)	Proactively managing the environmental impacts during the end-use and disposal phases of the product life cycle reflects the Company's responsibility toward both its products and society at large.	•		•	•	GRI 306 Waste	4.3 Medical Waste Management
Environmental Aspect	Compensation and Benefits (Positive Impact)	Providing a competitive compensation structure and comprehensive employee benefits attracts top talent and ensures the human resources necessary for sustainable growth in alignment with the Company's organizational needs. This approach also strengthens employees' sense of belonging and loyalty, fostering mutual growth and creating a win-win outcome.	•				GRI 401 Employment	5.2.1 Compensation and Benefits
	Product Safety (Positive Impact)	As a distributor of medical supplies, Hi-Clearance fully recognizes that product responsibility and safety are vital to patients' lives and the quality of medical care. Ensuring that every product meets safety regulations and high-quality standards represents our commitment to medical professionals and patient safety.	•	•	•	•	GRI 416 Customer Health and Safety GRI 417 Marketing and Labeling	3.6 Product Safety and Responsibility
	Occupational Health and Safety (Positive Impact)	As an industry committed to safeguarding health, we understand that only by fostering a safe and secure work environment can employees dedicate themselves with confidence to providing professional and reliable products and services. This not only protects users' safety but also promotes the well-being of our employees.	•		•	•	GRI 403 Occupational Health and Safety	5.3 Occupational Health and Safety

Ch 2. About Hi-Clearance Inc.

2.1 Company Profile

Hi-Clearance Inc. is a professional enterprise specializing in the healthcare sector, dedicated to providing high-quality medical equipment, products, and solutions to meet the diverse needs of medical institutions and clients. The Company's business encompasses multiple fields including hemodialysis, respiratory sleep equipment, emergency medical equipment, dental materials, radiology catheters, and home healthcare. Currently, expansion into emerging medical technologies such as AI surgical navigation systems and biomedical materials is underway, while more comprehensive medical professional distribution channels are being established.

The field of hemodialysis is one of the Company's main business areas, providing key products including artificial kidneys, erythropoietin, and blood circuit tubing, helping renal failure patients maintain life and improve their quality of life. At the same time, much focus is placed on the promotion of nutritional products for chronic kidney disease, providing patients with oral and injectable nutritional supplementation solutions. In addition, respiratory sleep products such as oxygen concentrators, ventilators, CPAP (Continuous Positive Airway Pressure) devices, as well as emergency equipment such as defibrillators and emergency occlusion balloon catheters, further demonstrate the Company's professional expertise in critical care.

The Company is also actively expanding into the dental market, providing advanced products such as dental implants and implant surgical navigation equipment to assist dentists and patients in achieving oral health restoration. In the home healthcare field, the Company offers multifunctional testing devices, blood pressure monitors, oxygen concentrators, home nursing products, and more, allowing people to easily manage their health at home.

In the future, Hi-Clearance Inc. will continue to deepen the development of existing medical fields while exploring innovative applications of AI technology and biomedical materials. The Company places great emphasis on the improvement of its logistics system to ensure that the transportation and storage of medical devices meet the highest standards, and actively expands into international markets, such as China and Indonesia, to achieve a global business layout. Through a robust operational strategy and a steadfast commitment to quality, Hi-Clearance Inc. is dedicated to becoming a leader in the medical industry, bringing on a healthier future for the general public.



■ 2.1.1 Major Milestones

- 1989 ● The company was established with a paid-in capital of NT\$7,000 thousand, acting as an agent of TORAY's blood dialysis products, engaged in the sales and services of kidney washing medical equipment and consumables.
- 1995 ● Introduced IDEMSA artificial kidney from Spain and started multi-brand marketing.
● Started to act as an agent of TORAY's cardiac catheter series products, setting its foot in the field of cardiology.
- 1996 ● Authorized INFUS from Thailand to manufacture its own HEMOCARE hemodialysis catheters in OEM mode; and started to act as an agent of the hemodialysis catheters manufactured by Bioteque Corporation.
● In response to the rapid growth of the company's business, the main business premises were relocated from the new store to the latest smart office building in Sanchong Tangcheng Industrial Zone.
- 2000 ● Started to act as an agent of TERUMO artificial dermis and other dental materials, setting its foot in the field of oral surgery.
● Renamed from Hi-Clearance Industrial Co., Ltd. to Hi-Clearance, Inc.
- 2003 ● IPO in September 12, 2003.
- 2004 ● Approved for listing on TPEx.
● Started to act as an agent of the well-known American brand Lifecore's dental implant system.
- 2009 ● The Company's stock was listed for trading on the Taipei Exchange (TPEx).
- 2010 ● In order to expand the company's business scope, the company invested in Exland Biotechnology Inc. to develop healthy and health-preserving instant beverage sales through its patented low-temperature ultra frequency cold extraction technology.
- 2011 ● Started to act as an agency for TORAY PMX sepsis endotoxin adsorbers in Japan, setting its foot in the field of ICU products.
- 2012 ● To expand the company's business scope, the company invested in Sin Hwa Biotech Co., Ltd. to engage in the sales of respiratory therapy and sleep solution medical equipment.
- 2014 ● Established XinFu Healthcare Corp., to provide medical management services for long-term care institutions.
- 2017 ● Started to act as an agent of TELEFLEX anesthesia related products.
● Formally acting as an agent for the sale of X-Nav surgical navigation equipment in the United States.
● Formally obtained authorization from the world's major brand, Resmed, to start acting as an agent for the sales of its positive pressure respirator and mask series related products.
- 2018 ● Taicha International Trade (Shanghai) Co., Ltd., a 100% mainland Chinese-held sub-subsidiary, officially promoted Japanese Olympus Terumo Biomaterials collagen products to the Chinese market.

■ 2.1.1 Major Milestones

2019	- Became a distributor of Mazor Renaissance spinal minimally invasive surgical system. - Became a distributor for Mindray defibrillators.
2020	- Invested in HC-Healthcare Co., Ltd. - Invested in WS Far IR Medical Technology Co., Ltd. - Established PT. Hiclearance Medical Indonesia.
2022	- Started to act as an agent for the sale of Gmate (South Korean)'s saliva rapid screening reagent. - Started to act as an agent for the sale Getinge's respirator products. - Started to act as an agent for the sale of INION's absorbable bone nail and plate.
2023	- Shulin medical and pharmaceutical logistics warehouse officially commenced operations - Obtained medical device GDP, pharmaceutical GDP, and QMS labeling permits
2024	- Became a distributor of YJ. Biotechnology Co., Ltd. exosomes - Distributor of EPED Inc. RETINAEIite nTMS

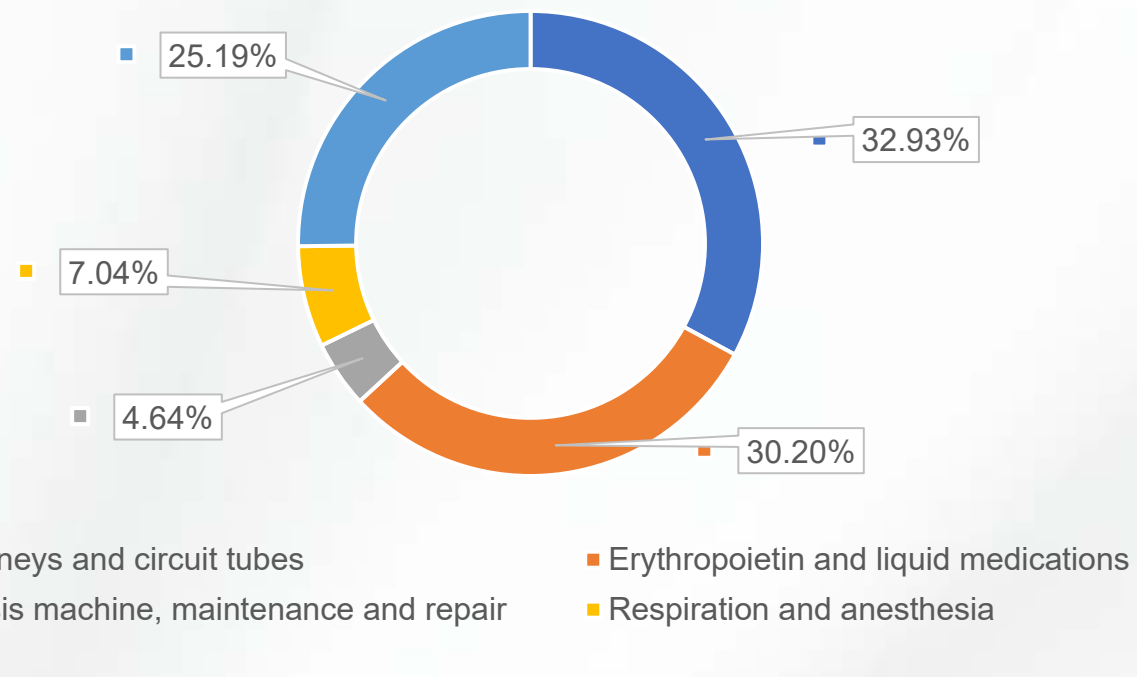


■ 2.1.2 Basic Information

Name of Company	Hi-Clearance Inc.	
Industry Type	Biotechnology and Medical Care	
Headquarters	8F-2, No. 2, Lane 609, Sec. 5, Chongxin Rd., Sanchong Dist., New Taipei City, Taiwan	
Capital (Unit: NT\$ thousands)	445,210	
Equity Structure	Domestic legal entities Domestic individuals Foreign institutions or individuals	38.81% 50.96% 10.23%
Number of employees	Taiwan: 291 persons	
Operating Locations	Taiwan (Sanchong Headquarters, Shulin Warehouse, Taichung Service Center, Chiayi Service Center, Tainan Service Center, Kaohsiung Service Center) China (Shanghai) Indonesia (Jakarta)	
Main products/services:	Trading of medical instruments, consumables, and pharmaceuticals	
Annual Revenue (Consolidated) (Unit: NT\$ thousands)	4,072,811	
Sales proportion of major products	Artificial kidneys and circuit tubes Erythropoietin and liquid medications Hemodialysis machine, maintenance and repair Respiration and anesthesia Others	32.93% 30.20% 4.64% 7.04% 25.19%
Revenue Proportion by Region	Taiwan China Japan Indonesia	99.39% 0.15% 0.01% 0.45%

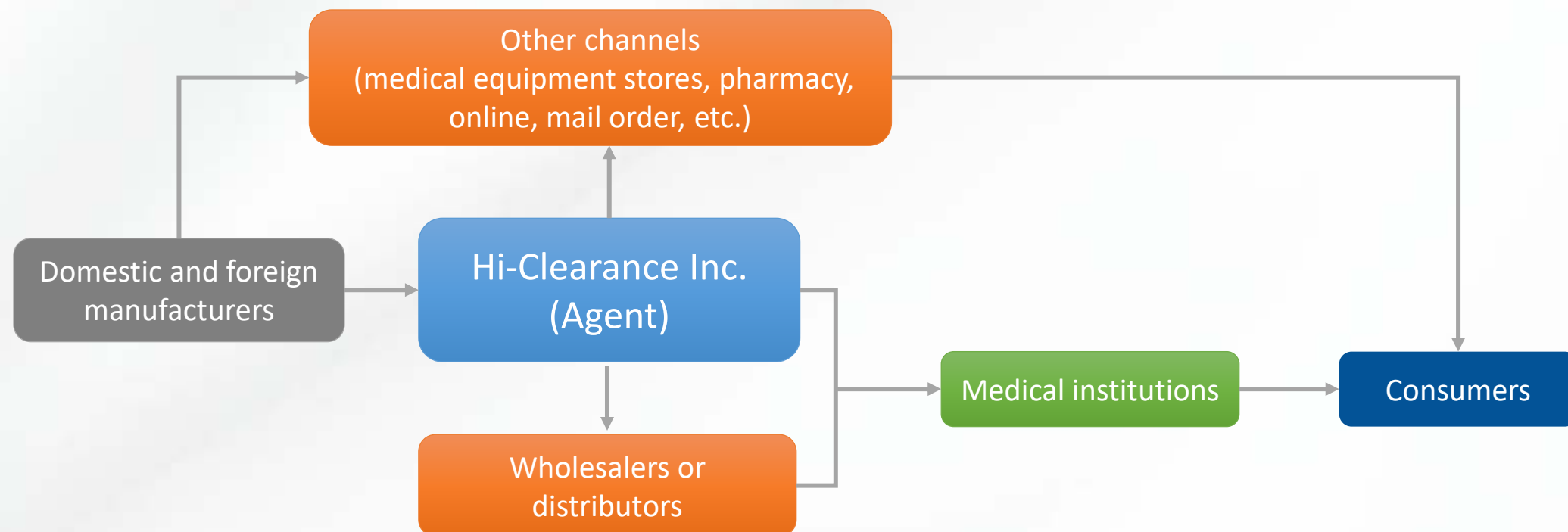
Hi-Clearance Inc. Products

Sales proportion of major products

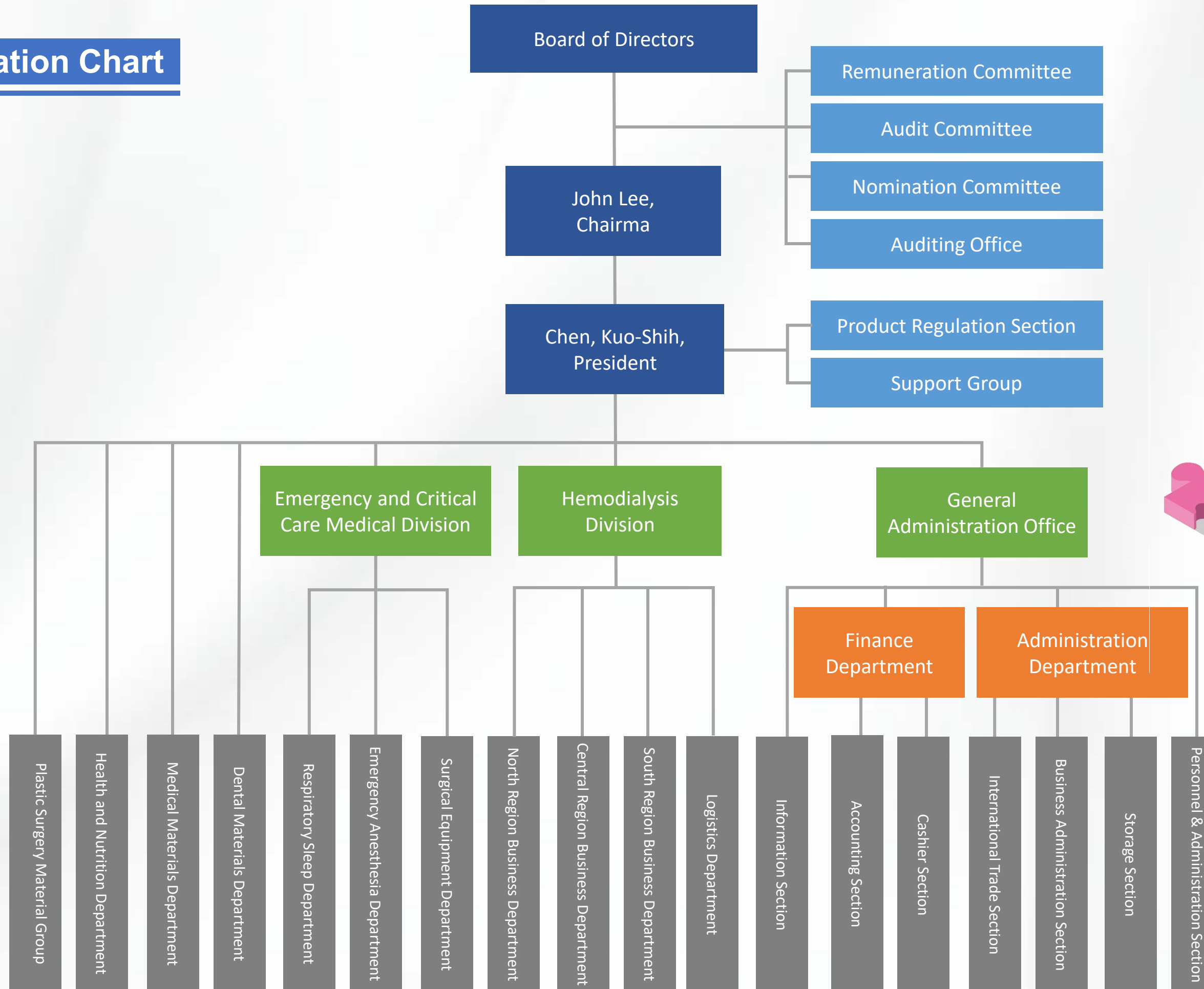


Hi-Clearance Inc. Products QR code

Company Value Chain



Organization Chart





2.2 Management Philosophy

Vision

- Establish a stable, creative, and forward-looking work environment
- Further develop high-quality products to serve more patients
- Creating a triple-win result through customer satisfaction, employee happiness, and shareholder satisfaction, thereby contributing back to society at large.

Mission

- The Company is established based on the guiding principles of "Sincerity, Proactiveness, Innovation, and Vision," aiming for "Quality First, Service Supreme, and Customer Satisfaction."
- Quality First: Introduce products from world-leading brands to offer customers optimal choices; continually enhancing employee training to elevate the quality of customer service.
- Service First: Customer-first approach ensures that every customer can enjoy a complete experience, from pre-sale planning and consultation to professional, convenient, and reliable after-sales service, allowing customers to truly feel our dedication.
- Customer Satisfaction: Curate an exceptional workforce, superior product quality, and excellent sales service; enabling customers to feel our professionalism, convenience, care, premium treatment, and trustworthiness.

Strategy

- Continued Development in Existing Fields.
- Expansion into New Medical Fields.
- Establishing a comprehensive logistics system: Medical equipment warehousing and distribution.
- Expanding Into Foreign Markets.

Planning

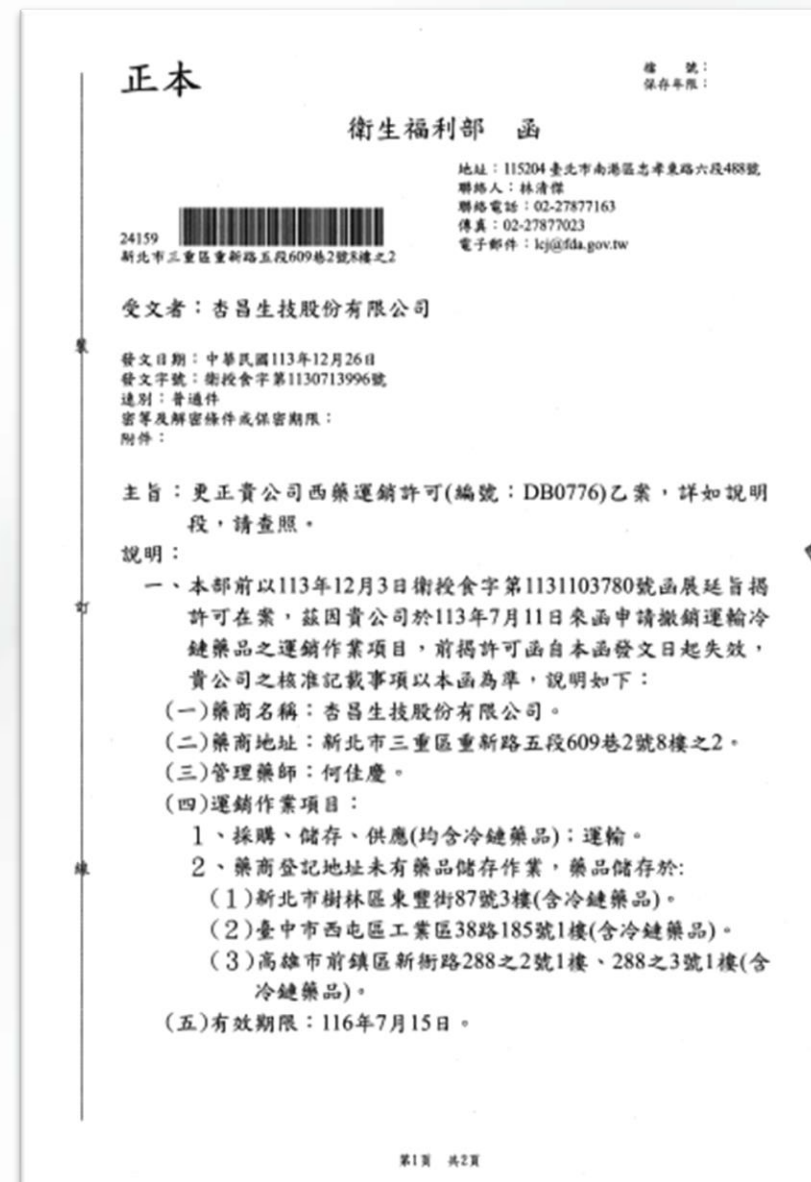
- We continue to strengthen our distribution channels in the Taiwanese medical market, optimize production and sales pathways, expand our operational platform and scale, and provide high-quality services to the public, hospitals, and clinics.
- Following a sustainable development path, we continue to implement internal governance systems, prioritize stakeholder communication, and take effective measures to reduce carbon emissions. This ensures a high-quality environment and balances revenue growth with the goal of protecting the planet, advancing towards sustainable operations.

2.3 Recognitions and Awards

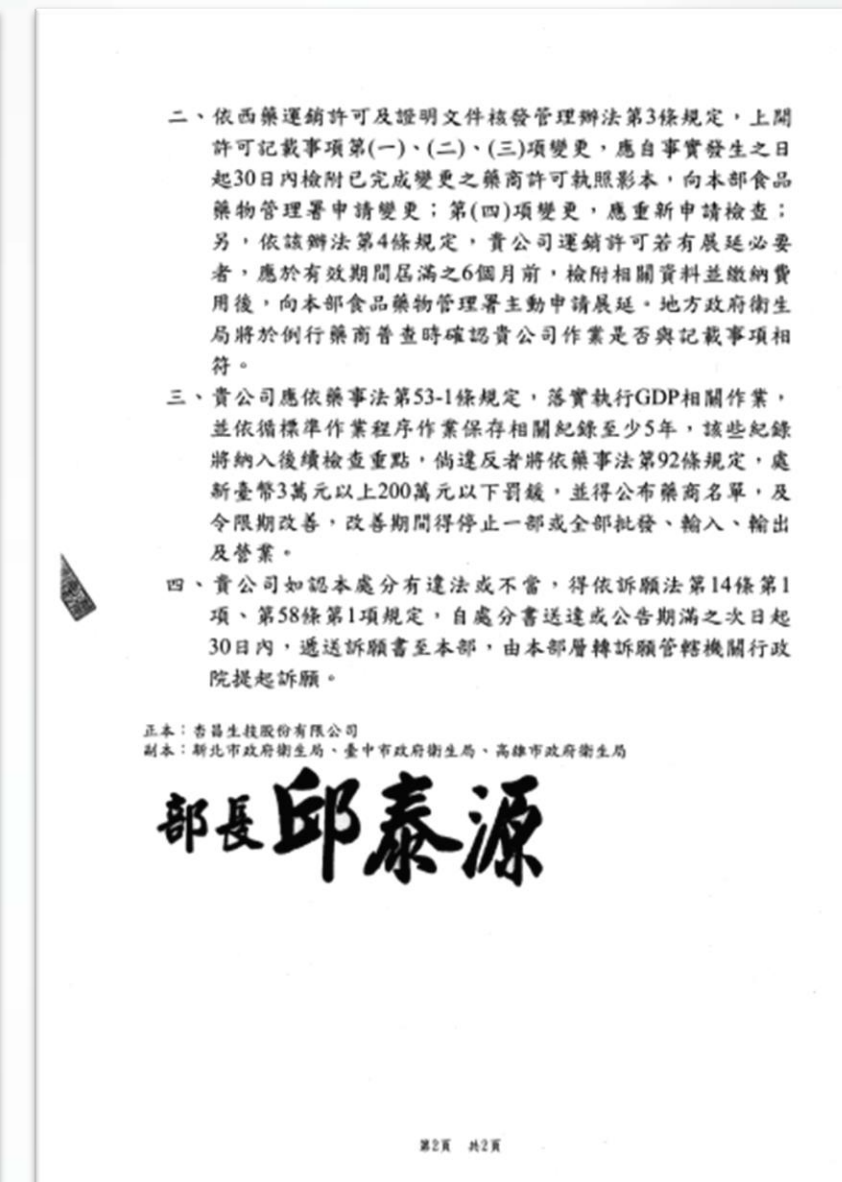
All company-owned warehouses have obtained GDP certification for medical device transportation and Western medicine distribution, issued by the Ministry of Health and Welfare. Operations include: procurement/import, storage, distribution, and sales/supply, with the Western medicine distribution certification covering cold chain pharmaceuticals. This certification covers the Company's warehouses in Shulin, Sanchong, Taichung, and Kaohsiung, demonstrating our commitment to product safety and possession of a comprehensive logistics and warehousing system.



Medical Device Transport Permit



Pharmaceutical Transport Permit



For six consecutive years, the Company has been listed among Taiwan's Top 5000 large enterprises. Based on the findings from CRIF, Hi-Clearance Inc. was honored with the following in 2024:

Item	Ranking
Mixed-business revenue ranking	1035th
Mixed-business operating performance ranking	1062nd
Service industry net revenue ranking	443rd
Service industry operating performance ranking	501st
Import and export trade industry	40th



2.4 Participation in External Organizations

In addition to enhancing its own product competitiveness, Hi-Clearance Inc. also actively communicates with various stakeholders. Through participation in industry-related associations, the Company maintains positive interactions with association members and stays informed of the latest industry development trends.

Name of External Association		Participation Status	Name of External Association		Participation Status
	Taipei Measuring Instrument Association	Member	 新北市進出口商業同業公會 New Taipei Importers & Exporters Chamber of Commerce, Taiwan	New Taipei Importers & Exporters Chamber of Commerce	Member
	Taipei Medical Instruments Commercial Association	Supervisor		New Taipei City Western-Pharmacy Trade Association	Member
 IEAT Since 1947 台北市進出口商業同業公會 Importers and Exporters Association of Taipei	Importers and Exporters Association of Taipei	Member	 中華民國醫療器材商業同業公會全國聯合會 TAIWAN FEDERATION OF MEDICAL DEVICES COMMERCIAL ASSOCIATIONS	Taiwan Federation of Medical Devices Commercial Associations	Director

■ Ch 3. Corporate Governance

Ethical governance is one of Hi-Clearance Inc.'s core business values, reflected in the sound functioning of the Board of Directors, the rigorous design and effective implementation of internal control systems, and the honest and transparent management of financial operations. Sound corporate governance not only helps reduce operational risks but also fosters a strong corporate culture and enhances brand value. Hi-Clearance Inc. complies with all applicable laws and regulations, fostering an environment of integrity and accountability. Supported by a well-functioning corporate governance framework, the Company upholds ethical business practices and safeguards the rights and interests of investors and other stakeholders.

Hi-Clearance Inc.'s corporate governance framework is established in accordance with Taiwan's Securities and Exchange Act, the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and other relevant regulations. The Board of Directors has adopted the Corporate Governance Best Practice Principles to strengthen board functions, safeguard the rights and interests of shareholders and stakeholders, and enhance information transparency. Director nomination and appointment procedures comply with the Company Act, and independent directors are appointed to strengthen the Board's management and supervisory functions. To strengthen corporate governance and implement integrity management, the Board of Directors has approved the Internal Material Information Handling and Insider Trading Management Measures, strictly prohibiting directors, managers, employees, consultants, and others who have access to the Company's internal material information from engaging in insider trading or short-term trading to seek improper benefits. In addition, Hi-Clearance Inc. adheres to principles of accuracy and transparency by establishing a comprehensive information disclosure mechanism. Through multiple channels—including the Company's official website and the Market Observation Post System—it provides timely updates on operational performance, financial status, board activities, and shareholder meetings, ensuring that all investors have equal access to the latest company developments.

Hi-Clearance Inc. has also established a diversified grievance mechanism. Within the stakeholder section of its official website, dedicated contact windows and communication channels are provided for different stakeholder categories. Through two-way communication, the Company seeks to understand stakeholder expectations and requirements, and actively responds to their concerns and feedback.

➤ 3.1 Governance Practices

Corporate Governance Results

- Chief Accounting Officer was appointed to concurrently serve as the Corporate Governance Officer on June 14, 2023.
- 2024 11th Corporate Governance Evaluation: Ranked in the 21%–35% tier among TPEX listed companies.
- The evaluation of the Board of Directors' performance resulted in a score of 98.64.
- The performance evaluation scores for the Audit and Remuneration Committees were 100 and 95, respectively.

Hi-Clearance Inc.'s shareholders' meeting, composed of all shareholders, is the Company's highest decision-making body, responsible for resolving major corporate matters and regularly receiving reports from the Board of Directors. The Board serves as the Company's highest governance authority, with all directors diligently fulfilling their duty of care. The President assists the Chairperson in formulating business policies and sustainability strategies, which are then submitted to the Board for review of financial performance, sustainability progress, and overall legal and regulatory compliance. To ensure sound corporate governance operations, the Board of Directors has established an Audit Committee, a Remuneration Committee, and a Nomination Committee. An independent Auditing Office has also been set up to conduct regular internal audits and report findings to both the Audit Committee and the Board.

Hi-Clearance Inc. continuously enhances its corporate governance structure in accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies. Internal control mechanisms are designed and implemented based on actual operational needs and are regularly reviewed and adjusted to ensure their ongoing effectiveness. Through a robust internal management system, operational efficiency is enhanced and sustainable business goals are achieved.

On June 14, 2023, the Board of Directors appointed the Chief Accounting Officer to concurrently serve as the Corporate Governance Officer, responsible for assisting directors in performing their duties, arranging training, handling board and shareholder meeting matters in accordance with the law, and supporting the Company's compliance with resolutions passed during meetings. In the 11th Corporate Governance Evaluation conducted in 2024, Hi-Clearance Inc. ranked within the 21%–35% tier among TPEx listed companies, indicating steady progress toward institutionalized and effective governance. The Company will continue striving to enhance overall governance performance.

Meanwhile, the Company's financial statements are regularly audited and certified by KPMG Taiwan. All legally required disclosures are completed accurately and promptly, with designated personnel responsible for external information release. A spokesperson system is also in place to ensure timely and appropriate disclosure of material information for shareholders and stakeholders to reference the Company's financial and operational status.

■ 3.1.1 Board of Directors

The Board of Directors is responsible for planning the Company's overall business strategy and is accountable to shareholders and all stakeholders. All directors faithfully uphold their fiduciary duty and the prudent man rule, exercising their powers with due care. Except for matters that require resolution by the shareholders' meeting as stipulated by law or the Company's Articles of Incorporation, all other key business and governance arrangements are deliberated and decided by the Board of Directors.

Hi-Clearance Inc. has established the Regulations for Board of Directors Elections to maintain the stability and vitality of board operations through regular elections. In compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, no more than one-third of board members concurrently serve as company executives. The Company also actively promotes board diversity. Director selection is based on skills and competencies, with members possessing diverse professional backgrounds and complementary capabilities. In addition to age, gender, and nationality, the board composition includes expertise in medical practice, healthcare management, marketing, as well as legal, accounting, and investment knowledge. Hi-Clearance Inc.'s directors possess both industry-specific expertise and extensive practical experience, with deep familiarity in sectoral developments. The Board currently comprises 12 directors, including 3 independent directors, each serving a three-year term. The roles of Chairperson and President are held by separate individuals. In accordance with legal requirements, the Board convenes at least once per quarter and held eight meetings during the reporting year, with an average director attendance rate of 99%.

Note: For details regarding the principal educational and professional backgrounds of the Company's board members, their concurrent positions, and the list of major shareholders, please refer to the Company's official website.

Diversity Statistics/Year			2022年		2023年		2024年	
			No. of shareholders	Percentage	No. of shareholders	Percentage	No. of shareholders	Percentage
Director	Gender	Male	9	75.00%	9	75.00%	9	75.00%
		Female	3	25.00%	3	25.00%	3	25.00%
	Age	Under 50	3	25.00%	3	25.00%	2	16.66%
		50-65	5	41.67%	5	41.67%	5	41.67%
		Over 65	4	33.33%	4	33.33%	5	41.67%
	Educational Background	Graduate school	5	41.67%	5	41.67%	5	41.67%
		College/university	6	50.00%	6	50.00%	6	50.00%
		Others	1	8.33%	1	8.33%	1	8.33%

Note: Percentage of female directors = (Number of female directors at year-end / Total number of directors at year-end) × 100%.
Percentage of male directors = (Number of male directors at year-end / Total number of directors at year-end) × 100%.



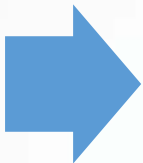
Hi-Clearance Inc. has established and approved the Rules of Procedure for Board of Directors' Meetings and the Rules Governing the Scope of Powers of Independent Directors to define the responsibilities of directors and independent directors, ensuring their independence in the performance of duties. A conflict-of-interest policy is clearly stipulated: directors must recuse themselves from discussions and are prohibited from voting or acting on behalf of other directors when board resolutions involve their own interests or those of the legal entities they represent, thereby safeguarding fairness and transparency in the decision-making process.

To enhance the overall quality of decision-making and operational efficiency, the Board has adopted the Procedures Governing the Evaluation of the Performance of the Board of Directors, under which annual evaluations are conducted for the Board as a whole, individual directors, and the Audit and Remuneration Committees. Performance evaluations are conducted through self-assessment questionnaires administered by the responsible unit, with an external independent professional organization or team of experts engaged at least once every three years to perform an objective assessment. Evaluation results serve as a key reference for future director nominations or reappointments and also inform decisions regarding individual director compensation, thereby supporting continuous improvement in board performance.

Job title	Name	Attendance Rate (%) & Total Conventions	No. of Other Companies Concurrently Serving as Director	Industry/ESG Background and Experience
Chairman	John Lee	100%	26	Industry - Medical management/Investment management Industry - Accounting & finance/Marketing management
Director	Lee, Hsi-Lu	100%	3	Industry - Investment management Industry - Accounting & finance/Marketing management
Director	Hsieh, Chih-Fu	100%	3	Industry - Medical management Industry - Marketing management
Director	Lee, Ying-Fen	100%	4	Industry - Medical management/Investment management Industry - Accounting & finance
Director	Chen, Ping-Chang	100%	2	Industry - Professional medicine/Medical management/Investment management
Director	Chen, Kuo-Shih	100%	5	Industry - Medical management/Investment management Industry - Accounting & finance/Marketing management
Director	Chiang, Ping-Hsun	100%	6	Industry - Medical management/Investment management Industry - Marketing management
Director	Chen, Chun-Hung	88%	4	Industry - Investment management Industry - Accounting & finance/Marketing management
Director	Lee, Yi-Hsuan	100%	0	Industry - Professional medicine/Investment management Industry - Accounting & finance
Independent Director	Chuang, Chien-Yu	100%	2	Industry - Professional medicine/Medical management/Investment management Industry - Accounting & finance/Marketing management
Independent Director	Chen, Hung-Pin	100%	0	Industry - Professional medicine/Medical management/Investment management Industry - Accounting & finance/Marketing management
Independent Director	Yang, Tzu-Hsuan	100%	0	Industry - Investment management Industry - Accounting & finance/Marketing management

Evaluation Mechanism for the Performance of the Board of Directors

- Annual Self-Assessment Questionnaire
- External Expert Evaluation Conducted Every Three Years



2024 Performance Self-Assessment Results

- The Board of Directors scored an average of 98.64 points.
- The Audit Committee scored an average of 100 points.
- The Remuneration Committee scored an average of 95 points.



Enhancement Plan

- Organize professional training programs
- Enhance communication between independent directors, internal audit supervisors, and accountants
- Increase board engagement in company operations

Under the Chairperson's guidance on the Company's future direction, the President and other members of the management team jointly formulate business strategies and short-, medium-, and long-term operational goals, integrating sustainability objectives into the overall strategy. These plans are reviewed by the Chairperson and subsequently reported to the Board of Directors. Each department regularly and ad hoc engages with stakeholders through established channels. In cases where stakeholder concerns or sustainability issues may pose significant potential negative impacts on operations, the responsible units conduct due diligence across areas including finance, compliance records, environmental pollution, labor rights, and occupational health and safety. While no such impacts have occurred to date and comprehensive investigations have not yet been required, supplier assessments already include human rights, environmental protection, and ethical business practices as mandatory review items. Due diligence results are first reported to the President, who then presents them to the Board of Directors. The Board deliberates and issues resolutions for execution by the respective responsible departments. In 2024, no relevant potential major adverse events occurred; therefore, no reports were submitted to the Board of Directors.

To strengthen risk management and encourage qualified professionals to serve as directors, the Company has maintained Directors and Officers Liability Insurance since 2017. This coverage helps mitigate and distribute the risk of significant losses arising from errors or omissions in the execution of duties, thereby protecting the interests of all shareholders.

Considering the regulatory compliance and governance issues directors may encounter in corporate decision-making, Hi-Clearance Inc. actively encourages and arranges professional training for board members. In the reporting year, directors completed a total of 75 hours of training, of which 54 hours, accounting for 72%, were ESG-related.

■ 3.1.2 Functional Committees

Hi-Clearance Inc. has established three functional committees: the Audit Committee, the Remuneration Committee, and the Nomination Committee. Except for those who exercise authority independently under applicable laws and regulations, all parties shall be accountable to the Board of Directors and submit proposed resolutions for board approval.

◆ Audit Committee

The Audit Committee assists the Board of Directors in overseeing management activities, including matters with significant financial impact such as major capital expenditures and material transactions. It ensures the proper presentation of financial statements and the effective operation of internal control systems, with evaluation results submitted to the Board for discussion. The committee maintain close contact and communication with CPAs and internal auditors; external audits complement internal audits. The Board of Directors of Hi-Clearance Inc. approved the Audit Committee Charter and established the Audit Committee, comprising three independent directors. One serves as the convener, and at least one member possesses expertise in accounting or finance. The committee convenes at least once per quarter and held seven meetings during the reporting year, with a 100% attendance rate.

The head of internal audit holds closed-door meetings with all independent directors on an irregular basis to report on the execution status of internal audits. In 2024, three such meetings were convened. Additionally, independent directors held five meetings with the CPAs. In addition to reporting the results of financial statement reviews to independent directors, the accountants also conduct legal compliance briefings and engage in discussions during meetings. To date, communication and collaboration among independent directors, the internal audit supervisor, and the CPAs have been smooth and effective.

◆ Remuneration Committee

To establish a sound remuneration system for directors and managers and to assess the fairness and reasonableness between their performance and compensation, the Company has adopted the Remuneration Committee Charter through board resolution and established a Remuneration Committee composed of three independent directors. In 2024, a total of two meetings were held, with a 100% attendance rate by all members.

The primary role of the Remuneration Committee is to establish a performance-linked remuneration system from an impartial and independent standpoint. It regularly reviews the reasonableness of this framework and evaluates the achievement of annual and long-term performance goals by directors and managers. When exercising its authority, the Company's Remuneration Committee shall adhere to the following principles: The Company's remuneration arrangements shall comply with relevant laws and regulations and be sufficient to attract outstanding talent; the performance evaluation and remuneration of directors and management shall take into consideration the time committed by individuals, their responsibilities, achievement of personal goals, performance in other positions held, remuneration given by the Company to persons in equivalent positions in recent years, attainment of the Company's short-term and long-term business objectives, and the Company's financial condition, among other factors, to assess the reasonable correlation between individual performance and the Company's operating performance and future risks; remuneration structures should not incentivize directors and management to engage in conduct that exceeds the Company's risk appetite in pursuit of compensation; the proportion of bonuses paid for short-term performance of directors and senior management, as well as the timing of payment for certain variable remuneration, shall be determined with consideration of industry characteristics and the nature of the Company's business; finally, based on the principle of conflict of interest avoidance, committee members shall not participate in discussions or voting on decisions regarding their own remuneration.

The Articles of Incorporation of Hi-Clearance Inc. stipulate that, in a profitable year, after reserving sufficient amounts to offset any accumulated losses, no less than 1% of the remaining earnings shall be allocated for employee compensation. The Board of Directors shall determine whether this is distributed in stock or cash, and eligible employees of subsidiaries may also be included as recipients. Additionally, no more than 3% shall be allocated for director compensation. The allocation ratios for employee and director remuneration shall be determined by special resolution of the Board of Directors and reported at the shareholders' meeting.

Hi-Clearance Inc. is currently in the early stages of ESG implementation and has not yet linked ESG development goals or performance metrics to the personal compensation of board members and managers. Hi-Clearance Inc. will continue to monitor ESG development trends. Once sufficient experience has been accumulated and internal implementation becomes more mature, the matter will be submitted to the Remuneration Committee for discussion, evaluation, and formulation of relevant measures.

◆ **Nomination Committee**

To enhance corporate governance quality, the Company has established a Remuneration Committee in accordance with legal requirements and governance best practice principles. The committee is responsible for selecting and reviewing director candidates, and for providing recommendations on board composition, member qualifications, and committee structure. The committee consists of five members, including three directors with independent qualifications. Its composition spans diverse fields such as pharmacy, healthcare, biotechnology, corporate management, and financial administration, thereby enhancing the quality of decision-making in director nominations and organizational development. The current committee members' term runs from November 3, 2023, to November 2, 2026. In 2023, one meeting was held, with all members attending in person, resulting in a 100% attendance rate. °

The Nomination Committee, authorized by the Board of Directors, faithfully performs its duty of care. Key responsibilities include evaluating the qualifications of director candidates nominated by shareholders or the Board of Directors, reviewing their educational and professional backgrounds, and assessing their integrity. Upon confirming compliance with relevant regulations, the committee submits the recommended list to the Board of Directors for discussion and resolution. When reviewing candidates for independent directors, the committee places particular emphasis on their professional competence and independence. Qualifications are verified in accordance with the Securities and Exchange Act and relevant regulations to ensure that all nominees align with the Company's long-term development goals and shareholder interests.

In addition, the Nomination Committee is responsible for reviewing the composition of the Board's specialized committees, assessing candidates' professional backgrounds and potential conflicts of interest, and providing recommendations for suitable appointments. To strengthen organizational planning and institutional development, the committee also provides amendment recommendations for the organizational regulations of each functional committee. In cases involving conflicts of interest, relevant members are required to proactively disclose such situations and legally recuse themselves from decision-making. The Company has publicly disclosed the organizational regulations, responsibilities, and operational status of the Nomination Committee on its official website and the Market Observation Post System.

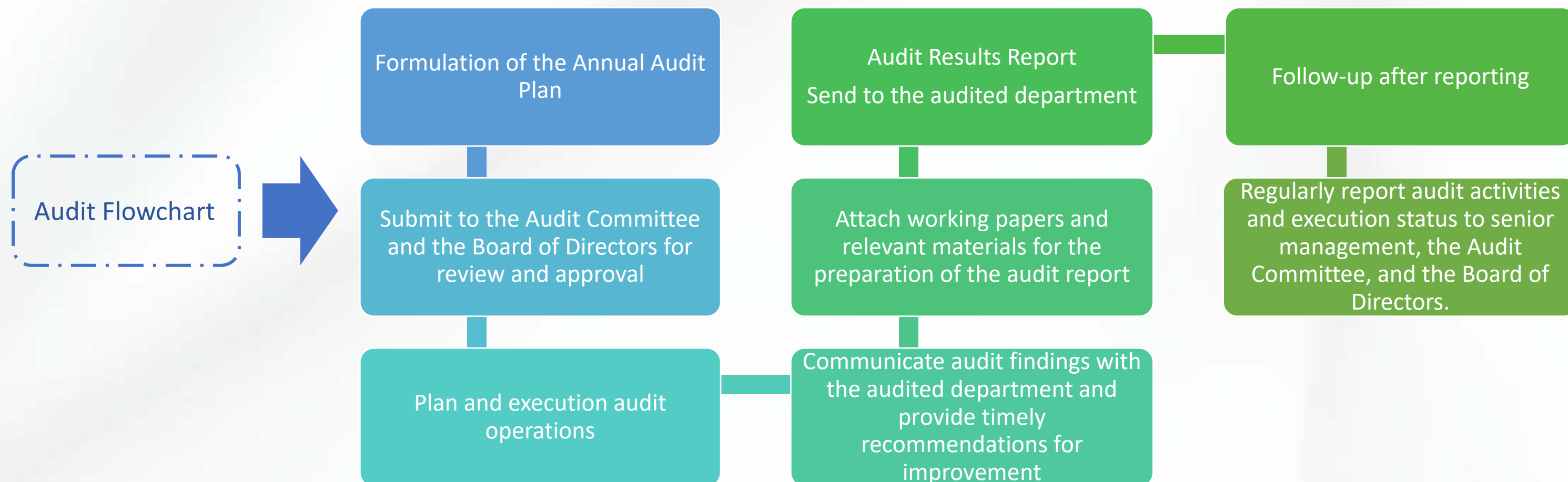
■ **3.1.3 Internal Audit**

The purpose of internal audit is to assist the Board of Directors and management in overseeing the quality of the internal control system, identifying deficiencies, evaluating operational effectiveness and efficiency, and providing timely recommendations for improvement. This ensures the continued effective implementation of internal controls and serves as a basis for reviewing and revising the system. In accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies, Hi-Clearance Inc. designs internal control systems tailored to the operational practices of its business units and subsidiaries, ensuring effective implementation. The systems are continuously reviewed and improved to respond to a rapidly changing environment.

To ensure the independence and impartiality of audit activities, Hi-Clearance Inc. has established an independent Auditing Office under the Board of Directors in accordance with relevant regulations. Dedicated audit personnel are appointed in line with the Company's Internal Audit Organization and Operation Guidelines and report directly to the Board.

In 2004, the Company established the Self-Assessment Procedures for Internal Control System to implement regular self-evaluation of internal controls. Each year, the Board of Directors and management review departmental self-assessment results and audit reports to ensure system effectiveness. The Chief Audit Officer regularly attends board meetings to report on audit execution and, depending on the implementation of the annual audit plan and the significance of issues, participates in Audit Committee meetings to brief independent directors on the operation of internal audit and control systems. Each year, the Auditing Office reviews internal control self-assessment reports from all departments and subsidiaries, along with follow-up results on deficiencies and irregularities. These findings are submitted to the Board of Directors and the President as the basis for evaluating the effectiveness of the internal control system and issuing the related statement. To enhance auditing expertise, the Company continuously arranges for audit personnel to pursue further education and participate in training designated by regulatory authorities. In the reporting year, a total of 2 training participants completed 24 hours of instruction.

In 2024, a total of 64 audit operations were conducted, achieving a 100% compliance rate with no significant deficiencies identified.



■ 3.1.4 Ethics and Integrity

Significance to the Company		The Board of Directors, executives, and senior management must set aside personal interests and prioritize the interests of all shareholders. The Company's culture of integrity and ethical values is a critical factor in its success or failure and influences every member of the organization. The Company has established a robust internal self-management mechanism to support the design and implementation of various systems, thereby enhancing overall operational performance.
Policy/Commitment		Formulated the "Integrity Management Operating Procedures and Code of Conduct," upholding the spirit of honest and transparent corporate governance to protect the rights and interests of stakeholders. Establish a transparent and responsible corporate governance framework, adhering to principles of integrity in management to ensure the legality and ethicality of all business activities.
Objective	Short-term	Establish effective financial and accounting systems as well as internal control mechanisms, incorporating the management of sustainability information to ensure the implementation of integrity in corporate operations.
	Mid- to long-term	Comply with legal regulations and requirements, maintaining a record of no violations or penalties each year.
Responsible Department/ Complaint Mechanism		- Responsible Department: Administration department of the General Administration Office. - Complaint mechanism : wendy_chuang@hclearance.com.tw
Resources Invested in the Fiscal Year		- Designate a responsible unit to report to the Board of Directors on a regular annual basis. - Internal personnel regularly assess compliance status and conduct ad hoc inspections to ensure effective implementation of company policies and continuous improvement of internal mechanisms. - Conducted two internal promotional or educational training sessions, totaling approximately two hours.
Evaluation Mechanism/Results		Directors, management, and employees adhere strictly to the principle of integrity, and to date, no violations of this principle have been reported.

Hi-Clearance Inc. upholds the core values of lawful operation and integrity, consistently conducting business with honesty and compliance. The Company is committed to embedding ethical practices into its corporate culture. At the same time, the Company also emphasizes that management should lead by example in practicing integrity, subtly shaping corporate culture through daily actions. In 2024, 54 field supervisors participated in integrity-related training sessions (excluding virtual attendees and those not signed in). A designated unit further reinforces these values by regularly communicating key messages to all employees via email and administrative meetings.

Internally, the Administration Department of the General Administration Office serves as the dedicated unit for promoting the Company's integrity policy. In 2023, the Company expanded the original Ethical Corporate Management Best Practice Principles—previously developed by the Auditing Office—by formulating the Procedures for Ethical Management and Guidelines for Conduct, which were approved by the Board of Directors and publicly disclosed on the Company's website and in the annual report. The head of the General Administration Office reports annual implementation results to the Board. Integrity-related internal regulations are available online for stakeholder reference (<http://www.hclearance.com.tw/FinancialE.htm>) , along with a designated contact channel for stakeholder feedback. Employees may consult the Administration Department via email, phone, or other means if they have questions regarding the Company's integrity policies.

Specific Achievements

- 54 field supervisors participated in the integrity and ethics training and promotion program, with 100% of employees receiving the related promotional materials.
- No records of violations related to ethical integrity were received during the year.



Anonymous Reporting and Rewards and Penalties

In 2024, the Company revised its Whistleblowing Management System to establish multiple reporting channels. Internal and external stakeholders may submit reports via the stakeholder mailbox, audit mailbox, or HR mailbox on the company website. Upon receipt, the President initiates a case and assigns the Integrity Task Force or a designated project lead to conduct an investigation, with findings reported to the relevant superior. Outcomes are documented, assigned case numbers, and archived for recordkeeping. If a case involves directors or senior management, it is escalated to the independent directors. Individuals with conflicts of interest must recuse themselves from the investigation process, which shall be conducted thoroughly and with due diligence. Whistleblower identity information must be encrypted and protected; internal whistleblowers must not be subject to dismissal, demotion, pay cuts, or other adverse actions. If a report is verified as valid, appropriate rewards shall be granted to the whistleblower or contributing personnel. Hi-Clearance Inc. received zero whistleblower reports or complaint cases during the year.

In business interactions, all Hi-Clearance Inc. employees are required to ensure that counterparties understand the Company's ethical conduct standards. They must not accept, offer, promise, solicit, or receive any form of improper benefit, whether directly or indirectly, under any name or circumstance. At the same time, the Company also requires employees to avoid engaging in transactions with agents, suppliers, customers, or other business partners involved in unethical conduct. If a counterparty is found to be engaged in dishonest practices, a risk assessment must be conducted promptly, and the party may be designated as ineligible for further dealings, thereby upholding the principles of ethical business conduct and maintaining a fair and transparent commercial environment.

Processing Channels	Email	Processed Cases in 2024
Audit mailbox	jerry_pon108@hclearance.com.tw	0
HR mailbox	christine_yang101@hclearance.com.tw	0
Stakeholder section on the company website	http://www.hclearance.com.tw/Stakeholder.htm	0



3.2 Risk Management

To mitigate potential risks, Hi-Clearance Inc.'s Board of Directors approved the Risk Management Policy and Procedures in 2023 as the guiding framework for the Company's risk management practices. The management structure is centered around the respective departments with authority and responsibility, as outlined below:

Responsible Department	Risk-related Business Matters
Board of Directors	● The highest governing body for corporate risk management ● Responsible for approving the Company's risk management policies, procedures, and framework. ● Supervise and ensure the effective operation of the overall risk management mechanism
Audit Committee	● Oversee operational mechanisms related to risk management ● Review risk management policies, procedures, and frameworks, regularly examining their applicability and execution performance ● Approve risk control priorities and risk levels, and propose improvement recommendations when necessary
Risk Management Task Force	● Responsible for planning, promoting, and implementing risk management-related matters ● The President serves as the convener, appointing task force members based on operational activities and risk characteristics, and assigning dedicated units or departmental groups accordingly.
All Operating Departments	● Ensure effective execution of all procedures in alignment with the Company's risk management policies. ● Identify and analyze risks within the department and provide relevant information. ● Promptly receive and respond to regulatory requirements.



The Company's risk management framework is centered around its respective responsible departments, which carry out subsequent risk identification and control activities. Each year, the operational status is formally reported to the Board of Directors (this year's report was submitted on November 8), enabling the corporate governance unit to further supervise, participate in, and oversee the management of actual and potential risks. The Company implements risk responses for specific high-risk items to ensure sustainable operations.

Risk Category	Source Description	Risk Management Implementation Status
Sustainable Environment	Increase in GHG emissions	● The Company is not a manufacturing enterprise. The primary sources of greenhouse gas emissions are from official vehicle fuel consumption, employee commuting carbon emissions, and daily electricity usage. ● Short-term goals: Promote the use of public transportation and reduce daily electricity consumption to lower energy usage. Conduct organizational greenhouse gas inventories in accordance with legal requirements, identify high-carbon-emitting activities, and improve operational models accordingly. ● Mid- to long-term goals: Replace energy-intensive electrical equipment; expand the installation of solar power systems to increase the usage and storage rate of green energy; obtain environmental certifications such as ISO 14001 Environmental Management System.
	Improper waste disposal	● Continue promoting the classification and reduction of general waste, and entrust qualified disposal companies with the recycling and treatment of medical waste to ensure proper reuse. This approach gives waste a second life and transforms hazardous waste into harmless materials.
	Water and power shortages	● Install solar power systems to gradually increase the use and storage of green energy, reducing reliance on electricity from Taipower.
	Typhoons and floods	● Plan natural disaster insurance to mitigate financial impact. ● Consider the area's flood risk when selecting office locations. ● Establish emergency response measures and enhance equipment maintenance to ensure continued operations during extreme weather events.
Employee Care	Labor shortage and insufficient human resources	● Offer better benefits, development programs, and promotion opportunities to attract and retain employees. ● Prioritize training and development programs to enhance employee skills and expertise, fostering greater engagement and sense of responsibility toward their work.
	Overworking	● The Company arranges free annual health checkups to help employees detect potential health risks early and enhance the effectiveness of health management. ● The Company offers professional occupational health consultations to identify and manage overwork risks, helping employees better balance their workload and overall well-being.
Operational Performance	Ethics and integrity risk	● To provide clear guidance for employees, the Company has established various integrity management regulations. Additionally, to prevent unethical conduct, all employees undergo periodic ethics and integrity training at least once a year to reinforce the importance of ethical behavior.
	Operational risk	● Conduct annual integrity audits aligned with control points in the internal control workflow. ● Establish information system management regulations to promote the importance of integrity while also mitigating potential risks through systematic operational controls.
	Product liability	● Identify suppliers with high product quality and establish a comprehensive return and exchange mechanism with the original manufacturers. ● Strengthen understanding of market demand for various products to inform the Company's product introduction decisions. ● Strengthen supplier audits to ensure their products are supported by robust production management systems and that environmental restricted substances control plans are implemented throughout the manufacturing process. ● Our warehouses have obtained GDP distribution licenses for medical devices and pharmaceuticals. Both storage and transportation of goods comply with regulatory requirements, ensuring a comprehensive lifecycle management system for medical equipment.

Risk Category	Source Description	Risk Management Implementation Status
Operational Performance	Human resources risk	● The Personnel Section conducts annual salary level surveys to provide data that enables management to determine performance bonuses, incentive awards, and year-end bonuses. These serve as the basis for evaluating individual and departmental rewards, as well as issuing bonuses tied to overall company performance. ● The Company offers leave policies that exceed legal requirements, such as providing full pay for up to 12 days of sick leave and offering various subsidy programs through the Employee Welfare Committee. ● The Company organizes internal and external training programs annually to enhance employee retention and support workforce stability.
	Compliance and contractual risk	● Assign personnel to attend regulatory briefings and accounting standards update courses on an ad hoc basis. Reference regulatory examples and consult legal and accounting professionals to integrate internal resources and prevent unnecessary losses. ● When signing contracts, each responsible department first reviews the details thoroughly and consults the legal team for professional advice. If necessary, external legal counsel is also engaged to review the contract before signing, in order to manage legal risks effectively.
	Information confidentiality and integrity	● An Information Security Officer has been appointed, and the Company adheres to cybersecurity management strategies to strengthen incident response capabilities and enhance information security awareness. ● Periodically promote information security management within the Company via email communications. ● Cultivate employees with information security certifications.
	Supply chain disruption	● Short-term risk: Foreign manufacturers face scheduling difficulties for shipments during holidays. Countermeasure: Place orders in advance of holidays to allow manufacturers to begin production early and coordinate export schedules with shipping timelines. ● Mid-term risk: Domestic and international suppliers may raise prices or face stock shortages due to rising product costs driven by exchange rate fluctuations, interest rate changes, or economic factors. Countermeasure: Maintain strong relationships with original manufacturers of key products to delay cost increases as much as possible. Rapidly integrate supplier cost and production data to identify solutions and minimize impact, while ensuring real-time control over materials and production scheduling. Identify alternative products with comparable quality and closely monitor material availability to reduce the risk of stock shortages. ● Long-term risk: Rapid surges in demand for the main product lead to tightened supply from the original manufacturer, resulting in a risk of stock shortages. Countermeasure: Closely monitor delivery schedules and inventory trends to proactively mitigate stockout risks. Increase product inventory levels and adopt multi-source procurement strategies to reduce reliance on single suppliers and enhance supply flexibility.
Strategy Risk	Market risk	● Provide reasonable authorization for risk management in business operations. ● Stay informed of the latest domestic and international market trends. ● The business unit develops appropriate market research methods to monitor market trends effectively. ● Establish approval tiers for transaction limits; for transactions exceeding the set threshold, departmental supervisors must obtain authorization from the President before execution.
	Investment risk	● Engage in reinvestments, fund lending, endorsements and guarantees, and derivative financial transactions in accordance with company policies and internal control procedures. ● Engage in low-risk derivative financial transactions to meet genuine hedging needs.





3.3 Legal Compliance

To ensure compliance in operations and business activities, each unit regularly reviews applicable domestic and international regulations and updates internal procedures based on the latest legal requirements to enhance consistency and timeliness in regulatory adherence. In addition to regular internal reviews, regulatory updates are also obtained through professional consultants and independent directors. In response to potential disputes or complex issues, the Company may engage external legal counsel to provide professional legal advice and assist in safeguarding its rights.

In terms of corporate governance, the Company has established an Audit Committee, a Remuneration Committee, and a Nomination Committee to oversee the Company's financial operations, internal control systems, and compensation policies. The Company has also adopted the Corporate Governance Best Practice Principles and the Procedures Governing the Evaluation of the Performance of the Board of Directors to encourage active board participation in key decision-making. Additionally, a Corporate Governance Officer is appointed to support board operations and provide professional advice, thereby enhancing board effectiveness. Going forward, the Company will continue to follow the corporate governance evaluation framework and Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, striving to enhance employees' awareness and commitment to legal compliance.

In personnel management, the Company has established integrity-related regulations to promote honesty and uprightness as core values. Through the formulation and implementation of policies, self-assessment, whistleblower mechanisms, and protections for whistleblowers, a robust compliance firewall is built. Management leads by example, requiring all employees to ensure their business conduct complies with laws, company policies, and standards. Regardless of position, rank, or location, all staff must adhere to the Procedures for Ethical Management and Guidelines for Conduct, which cover confidentiality clauses, prohibition of dual employment, avoidance of conflicts of interest, gift-giving and receiving etiquette, and whistleblower protocols—fostering a law-abiding corporate culture and enhancing the Company's reputation.

In terms of personnel training, the Company regularly conducts regulatory compliance education tailored to various departments and job levels to enhance employees' professional ethics and legal awareness. Training formats include onboarding programs, in-person courses, departmental briefings, external sessions, and email communications, ensuring employees have access to up-to-date regulatory information.

In terms of environmental protection, safety, and health, the Company regards suppliers as partners and is committed to long-term cooperative relationships. In addition to considering suppliers' delivery capabilities, product quality, delivery times, and price competitiveness, the Company has formulated the Supplier Management Policy with a global perspective on sustainable management as its vision. Suppliers are required to jointly commit to environmental protection, occupational safety and health, respect for human rights, and to fulfill corporate social responsibility.

All written contracts between the Company and its suppliers require compliance with applicable laws, integrity in conduct, and respect for human rights throughout the partnership. This includes prohibitions against child labor and forced labor, and bans on discriminatory treatment or any form of bias based on gender, sexual orientation, skin color, race, nationality, language, beliefs, religion, political stance, appearance, or physical or mental disability. Suppliers are expected to provide appropriate working conditions, protect the environment, engage in social welfare, and follow legally mandated management procedures to mitigate operational risks—thereby fulfilling corporate social responsibility and promoting sustainable business practices.

The Company recorded no violations for the year 2024. Should any occur, the responsible unit will promptly notify management and initiate investigation and corrective actions based on internal control and remediation mechanisms to prevent recurrence of similar incidents. To prevent legal violations, the Company conducted awareness and training sessions on regulatory changes and trends. In 2024, a total of 439 participants attended these programs, as detailed in the following statistical table.

Hi-Clearance Inc. Annual Compliance Training

Date	Course	Content	No. of shareholders	Hours
2024/02/19	Sales Process Compliance Requirements	Explanation of tax-related regulations	63	1.33
2024/04/19	The Fantastic Journey of the Bid	Explanation of Government Procurement Act	54	0.33
2024/06/13	Ministry of Justice Investigation Bureau --- Corporate Anti-Fraud and Promotion of Information Security	Promotion of anti-fraud cybersecurity awareness	42	1
2024/06/13	Introduction to the Procurement Process and Corresponding GDP Review Procedures	Explanation of best practices for distribution operations	42	0.5
2024/06/13	Promotion of Securities Regulations	Promotion of securities regulations – insider trading	42	0.16
2024/06/13	Introduction to the Universal Declaration of Human Rights and Greenhouse Gas Inventory	Introduction to the Universal Declaration of Human Rights and Greenhouse Gas Inventory	42	0.4
2024/08/09	The Fantastic Journey of the Bid	Explanation of Government Procurement Act	11	0.66
2024/11/21	Corporate Governance vs. Sustainability	Explanations regarding ethical corporate management, whistleblowing system, risk management, intellectual property, and suppliers	54	0.5
2024/11/21	Overview and Promotion of GDP & QMS	Explanation of best practices for distribution operations and guidelines for medical device quality management	54	0.66
2024/11/22	New Employee Training on Pharmaceutical and Medical Device GDP	Explanation of best practices for distribution operations and guidelines for medical device quality management	35	1





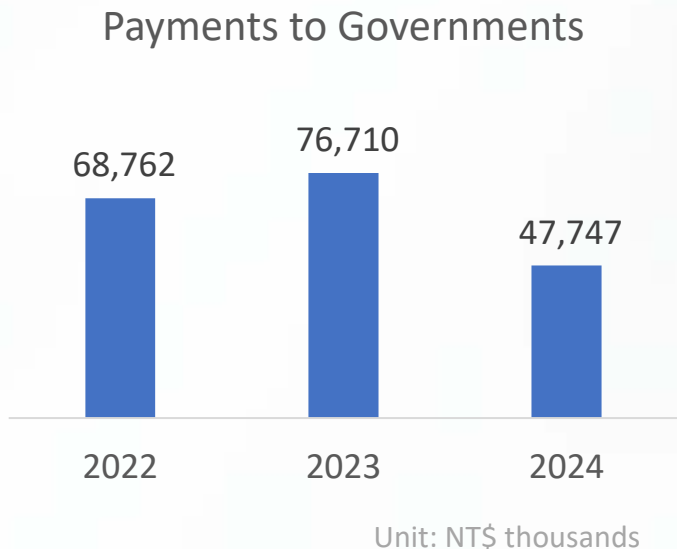
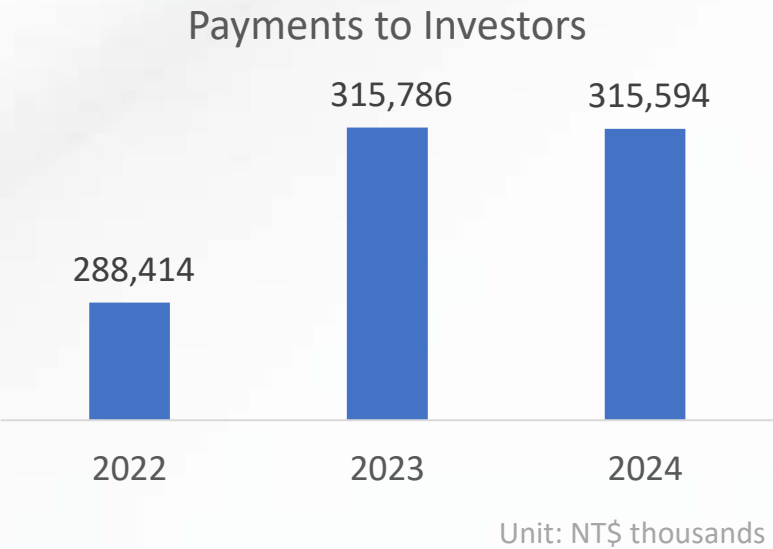
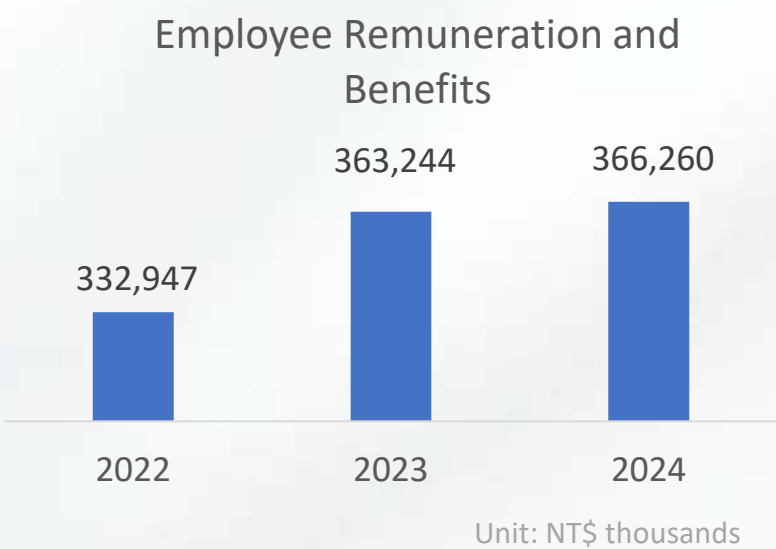
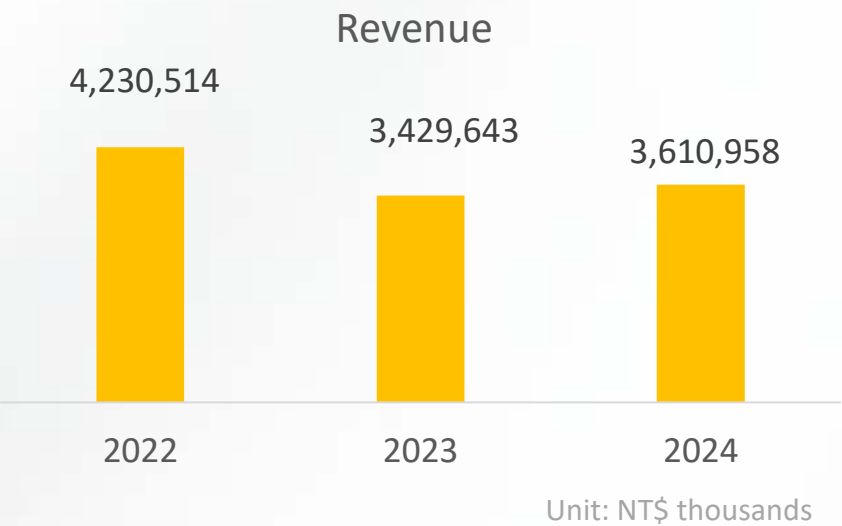
3.4 Operational Performance

Significance to the Company		With a top-tier talent pool and management team, the Company dedicates its full efforts to delivering optimal products and appropriate medical services in the healthcare sales and service sector. Over the long term, its business model has evolved from sales services into medical services and manufacturing, integrating upstream, midstream, and downstream industries. The Company remains committed to enhancing public quality of life while generating the best operational value for employees, customers, and shareholders.
Policy/Commitment		We continue to strengthen our distribution channels in the Taiwanese medical market, optimize production and sales pathways, expand our operational platform and scale, and provide high-quality services to the public, hospitals, and clinics.
Objective	Short-term	- Strengthening the product portfolio and logistics channels for hemodialysis. - Expanding markets for medical catheter materials, critical care equipment and consumables, dental materials, health devices, and nutritional care products. - Actively forming strategic alliances with hospital clinics, strengthening sales channels for dialysis, providing better products and assisting in the operation and management of dialysis rooms.
	Mid- to long-term	- Ongoing development in the medical and healthcare industry: Continuing to develop our dialysis products and actively develop industries in the fields of respiratory equipment consumables, CPAP sleep aids, dental materials, medical catheters, pharmaceuticals, and nutritional products to increase market share. - Through strategic alliances with medical institutions, aiming to continuously develop our hospital management consulting business, expand our business scope, and enhance market channel autonomy. - Actively positioning as an integrated supplier, assisting customers in business management, collaborating with original and domestic manufacturers, adopting OEM or ODM methods, providing products that meet market demand, and becoming a professional integrated supplier.
Responsible Department/ Complaint Mechanism		- Responsible Department: President's Office - Complaint mechanism : wendy_chuang@hiclearance.com.tw
Resources Invested in the Fiscal Year		- Expansion into new medical fields by introducing surgical navigation systems and biomedical materials for human tissue repair. - Enhancing competitiveness, expanding customer base, building proprietary medical logistics warehouses, and establishing a comprehensive support system for long-term profitability. - Sound capital structure and ample resources enable future expansion through integrated marketing strategies and diversified operations, leveraging economies of scale.
Evaluation Mechanism/Results		- In 2024, obtained exclusive distribution rights for YJ. Biotechnology Co., Ltd.'s exosomes and became agent for EPED Inc.'s brain nerve precision positioning system. - Overall revenue increased by 5.29% compared to the previous year. - Gross operating profit increased by 7.33% compared to the previous year. - Ranked among Taiwan's Top 5000 large enterprises in 2024: - Ranked 1035th in overall mixed-industry revenue - Ranked 1062nd in mixed-business operating performance ranking - Ranked 443rd in net revenue in the service industry - Ranked 501st in service industry operating performance - Ranked 40th in the import and export trade industry

In 2024, amid global challenges in the medical supply chain and a volatile economic environment, Hi-Clearance Inc. demonstrated strong operational resilience and financial strength, achieving consolidated annual revenue of NT\$4,072,811 thousand—maintaining a stable level compared to the previous year. To enhance operational synergy, the Company actively optimizes its sales and supply chain processes by improving service quality and expanding its operational platforms. These efforts aim to increase service coverage across medical institutions and end users, thereby supporting a stable revenue structure. The Company continues to pursue multi-sector development to achieve a win-win-win outcome: customer satisfaction, employee fulfillment, and shareholder success.

Item	2022年	2023年	2024年
Revenue	4,283,514	3,429,643	3,610,958
Operating Costs	3,403,913	2,571,109	2,689,499
Employee Remuneration and Benefits	332,947	363,244	366,260
Payments to Investors	288,414	315,786	315,594
Payments to Governments	68,762	76,710	47,747
Community Investment	0	0	0
Retained Economic Value	189,478	102,794	191,858

Note: This table reflects data pertaining to the parent company, Hi-Clearance Inc.



- Note:
- Definition of revenue includes net sales plus income from financial investments and asset disposals.
 - Operating costs are defined as cash expenditures paid to external entities for the purchase of raw materials, product components, facilities, and services.
 - Employee remuneration and benefits are defined as the total salary amount (including employee wages and payments made to the government on behalf of employees) plus the total benefits amount, excluding costs related to training, protective equipment, or other items directly tied to job responsibilities.
 - The definition of payments to investors includes the distribution of dividends to all shareholders, plus the payment of interest to lenders.
 - The definition of payments to governments includes all taxes and fines paid by the organization in accordance with international, national, and local standards. Taxes may include business tax, income tax, and property tax.
 - Community investment is not disclosed due to the absence of an established data disclosure mechanism.

3.5 Customer Service

Significance to the Company		Our customer-first approach ensures that every customer can enjoy a complete experience, from pre-sale planning and consultation to professional, convenient, and reliable after-sales service, allowing customers to truly feel our dedication and ultimately achieve improved operational efficiency and cost reduction. Curate an exceptional workforce, superior product quality, and excellent sales service; enabling customers to feel our professionalism, convenience, care, premium treatment, and trustworthiness.
Policy/Commitment		We continue to strengthen our distribution channels in the Taiwanese medical market, optimize production and sales pathways, expand our operational platform and scale, and provide high-quality services to the public, hospitals, and clinics.
Objective	Short-term	● Creating a stable, creative, and forward-looking work environment and delivering quality products to enhance patient care and share outcomes with employees and the broader public. ● Year-on-year increase in customer satisfaction survey participation, with emphasis on customer feedback. ● Strengthening the CRM system to enhance service efficiency.
	Mid- to long-term	● Upholding a Service-First philosophy, customers can contact the Company via its official website to inquire about product services, quality, and related issues. ● Establishing a B2C e-commerce platform to offer customers a more convenient shopping experience.
Responsible Department/ Complaint Mechanism		● Responsible Department: Administration department of the General Administration Office ● wendy_chuang@hclearance.com.tw
Resources Invested in the Fiscal Year		● Collected 134 customer feedback survey forms to systematically grasp customer opinions and service needs. ● Regular internal meetings to analyze and address customer feedback, ensuring the delivery of optimal solutions. ● Proactive customer engagement to foster stable and trustworthy partnerships.
Evaluation Mechanism/Results		● Customer complaints decreased by 23% in the second half compared to the first half of the year.



Hi-Clearance Inc. implements a customer-first service philosophy, regarding customer satisfaction as the primary objective. Through a systematic service process, rigorous quality management, and years of accumulated experience, we ensure that every stage—from product consultation to after-sales service—meets the needs of medical institutions and patients. This commitment aligns with the spirit of United Nations Sustainable Development Goal (SDG) 3: “Ensure healthy lives and promote well-being for all at all ages.”

The Company provides specialized product training and regular assessments for its sales team and maintenance engineers. This enhances employees’ understanding of product features and application knowledge, enabling prompt responses to customer inquiries, improving service quality, and building a professionally competent sales and technical support team. Comprehensive training programs effectively help customers quickly understand product features and operating procedures, reducing complaints and concerns caused by improper use or insufficient information. This, in turn, strengthens customer trust and satisfaction.

In addition, the Company continues to optimize logistics and distribution operations to ensure stable product delivery times and quality, minimizing inconvenience caused by stockouts or delays. In terms of after-sales service, the Company not only provides product usage guidance but also offers maintenance and care recommendations, striving to deliver a comprehensive and reliable product experience for customers.

The Company continuously collects customer feedback through the customer feedback surveys as a key reference for improving service quality. Although the survey did not include a scoring mechanism, no dissatisfaction was observed in the collected feedback, and overall responses were consistently positive. The number of returned survey responses has steadily increased in recent years, indicating rising customer engagement: 93 in 2022, 109 in 2023, and 134 in 2024. This reflects strong communication between the Company and its clients, with consistently stable service satisfaction.

Number of Customer Feedback Surveys in the Past Three Years

Survey/Year	2022	2023	2024
No. of Survey Responses	93	109	134

Customer Communication Channels

- ◆ Irregular product education training and promotion of health education
- ◆ Pre-sales communication and after-sales services
- ◆ Customer feedback mailbox and company telephone
- ◆ Customer feedback surveys



3.6 Product Safety and Responsibility

■ 3.6.1 Product Safety

Significance to the Company		Introducing world-class medical products to ensure the highest safety and quality for customers, while continuously enhancing employee training to improve service standards, has always been Hi-Clearance Inc.'s core corporate belief—and our most steadfast, long-term commitment to our customers.
Policy/Commitment		● Policy: Collaborate with reputable domestic and international suppliers to distribute high-quality medical devices and pharmaceuticals. ● Commitment: 1. No selling of products without valid medical device and pharmaceutical licenses. 2. Both storage and transportation of goods comply with regulatory requirements, ensuring a comprehensive lifecycle management system for medical equipment and guaranteeing the quality of medical products used by patients.
Objective	Short-term	● Increasing supplier communication meetings to review and improve product quality. ● Medical device GDP license to be granted extension approval in 2026. ● Pharmaceutical GDP license to be granted extension approval in 2027.
	Mid- to long-term	Initiate the application process for QMS and GDP certifications upon completion of the Chiayi medical logistics warehouse. In addition, to ensure optimal storage conditions, the Chiayi medical logistics warehouse is designed with a commitment to sustainable operations, aiming for LEED green building certification. We prioritize not only product safety but also minimizing environmental impact.
Responsible Department/ Complaint Mechanism		● Responsible Department: Product Regulation Section ● Complaint mechanism : ESG@hclearance.com.tw
Resources Invested in the Fiscal Year		● The Storage Section conducts initial inspections of each warehouse based on GDP guidelines, followed by regular internal audits by the Product Regulation Section to ensure all products comply with relevant regulations throughout the distribution process. ● To comply with temperature control regulations, both company-owned and outsourced logistics vehicles are equipped with cold chain systems. Regular temperature mapping of the cargo compartments and calibration of thermometers are conducted to ensure proper conditions. ● Medical logistics warehouses are fully temperature-controlled, with storage conditions maintained according to product labeling. Regular temperature mapping and thermometer calibration are conducted to ensure product quality. ● Conducted 18 GDP-related training sessions and participated in 9 external promotional meetings and forums. ● In 2024, the pharmaceutical GDP passed the on-site inspection conducted by the Ministry of Health and Welfare and obtained an extension permit.
Significance to the Company		● In 2024, there were zero product recalls due to medical safety incidents involving the Company's products. ● All Ministry of Health and Welfare permits are maintained within their validity periods or renewed prior to expiration. ● Conducted 18 GDP-related training sessions during the year.

Hi-Clearance Inc.'s core products are medical devices and pharmaceuticals. Although the Company is not involved in manufacturing, it maintains full oversight of product quality and user safety throughout the entire lifecycle, from production and storage to final application on patients. According to Taiwan's Medical Devices Act, designated medical devices and their distributors are required to establish a Good Distribution Practice (GDP) system. Wholesale, import, or export activities may only proceed after passing official inspections and obtaining approval. GDP is a set of standards that ensures the quality and safety of medical devices during the distribution process. This encompasses the entire supply chain from production to end users, ensuring that the quality of medical devices remains unaffected throughout transportation, storage, and handling. For imported products, a Quality System Document (QSD) must be submitted to demonstrate that the manufacturer complies with international quality management system standards. The Company is fully compliant with the aforementioned regulations. Below are the relevant certifications obtained by Hi-Clearance Inc.:

1. Pharmaceuticals GDP: The Taiwan Food and Drug Administration (TFDA) promotes the full implementation of GDP standards among pharmaceutical distributors. When conducting distribution operations, companies must ensure that procurement, storage, and supply activities throughout the supply chain comply with GDP requirements. (Details as shown in below figure, western medicine distribution permit number: DB0776)
2. Medical devices GDP, medical device distribution license: The Medical Devices Act officially came into effect on May 1, 2021. Article 24 of the Act stipulates that designated medical devices and their distributors, as announced by the central competent authority, must establish a GDP system. Wholesale, import, or export activities may only be conducted after passing official inspection and obtaining distribution approval. (Details as shown in below figure, certificate number: GDP0164)
3. Medical device manufacturing license: According to the medical devices Quality Management Systems (QMS), the purpose is to review the quality system of medical device manufacturers to ensure basic requirements such as safety, quality stability, and completeness of records. Although the Company is not a manufacturer, packaging and labeling are integral parts of the production process, and we place equal importance on managing these operations with precision and care. (Details as shown in below figure, certificate numbers: QMS2035 & QMS2245)



DB0776



GDP0164



QMS2035



QMS2245

■ 3.6.2 Product Education and Training

To maintain the integrity of these systems and ensure employees possess the necessary knowledge and skills, Hi-Clearance Inc. continues to promote educational programs. The training plan encompasses both internal professional development and external continuing education.

The internal training courses are primarily designed to maintain professional knowledge related to GDP or QMS, including but not limited to the following:

Regulations and standards related to medical devices	Sales and service operational procedures	Nonconforming product handling and product recall procedures	Prevention and corrective measures	Procurement and acceptance procedures
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External training courses focus on understanding the latest developments from regulatory authorities, as well as mastering reporting procedures and the use of supporting tools, such as:

Operation of electronic system for inspection and registration	Application of the Taiwan Unique Device Identification System (TUDID)	ISO 13485 internal auditor training	Declaration practices for medical device source and distribution data	Introduction to advanced applications of the digital clinical trial platform
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The table below summarizes participation by course type; however, due to incomplete time tracking for some courses, total hours for the year are currently unavailable.

Course Content	Course Type	Number of Participants
GDP	Internal Training	118
GDP	External Training	9
QMS	Internal Training	13
GDP	Newcomer	35

■ 3.6.3 Annual Investments and Performance Outcomes

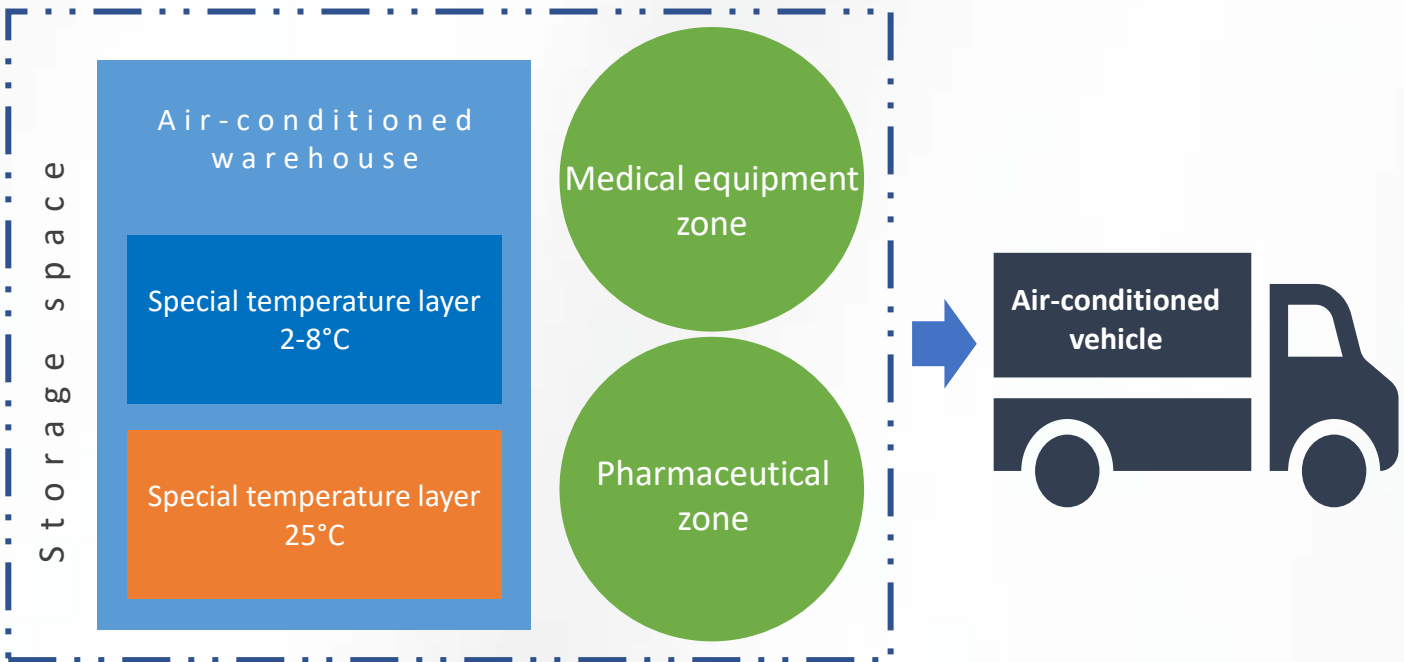
Item	Quantity	Manpower Investment	Expenditure (Application Fees)	Item
QSD (Input medical device quality system documents)		10	15 person-months	600,000
Permit	New	4	8 person-months	126,000
	Extension	7	3.5 person-months	56,000
	Change	5	5 person-months	145,000
Pharmaceutical GDP Shulin/Taichung/Kaohsiung	Extension		3 person-months	30,000
Medical device QMS Shulin	New		3 person-months	60,000



Hi-Clearance Inc. 2024 Product Safety Implementation Status

- 1. Both company-owned and outsourced delivery vehicles are equipped with climate-controlled systems. Regular temperature mapping of cargo compartments and thermometer calibration are conducted to ensure delivery quality.
- 2. Warehouse space is fully designated as temperature-controlled storage zones. For products requiring specific temperature conditions, dedicated refrigerated units (2–8°C) are installed. Storage areas are organized according to labeled temperature requirements to ensure product quality.
- 3. To ensure product quality, all storage areas are equipped with continuous temperature recording devices. Based on temperature mapping, long-term monitoring points are established, and temperature and humidity data are recorded regularly to maintain conditions that meet product storage requirements.
- 4. Temperature mapping and thermometer calibration are regularly conducted in both pharmaceutical and medical device storage areas to ensure proper equipment functionality and compliance with product storage requirements.

Note:
The purpose of temperature mapping is to identify the highest-risk areas within the storage zone. By testing multiple points across the area at fixed intervals, it assesses whether temperature conditions can be accurately maintained within the optimal range. Once the monitoring location is confirmed, daily temperature monitoring devices are installed to manage and maintain the environmental conditions of product storage.



Incidents Concerning Marketing Communications

Fiscal year	Total	Description	Corrective Improvement Measures
2022	1	The promotional material claimed therapeutic efficacy for the product, which violated advertising regulations and resulted in a fine of NT\$20,000.	1. Have the Regulation Section assist in reviewing the materials. 2. Conduct internal education and training promotion. 3. Promote self-directed learning through digital advertising courses and relevant regulations to enhance autonomous advertising management and regulatory knowledge.
2023	2	1. The promotional content violated the Act Governing Food Safety and Sanitation and was subject to an administrative fine of NT\$40,000. 2. The promotional content violated medical device advertising regulations and was subject to an administrative fine of NT\$200,000.	
2024	1	The promotional content involved violations of the Medical Devices Act and required immediate correction of the advertisement.	

Apart from the marketing communication-related incidents listed above, there were no other cases of non-compliance with product and service labeling regulations. In 2024, Hi-Clearance Inc. recorded zero product recalls or removals from shelves due to medical safety issues or preventive recalls stemming from manufacturer quality concerns.

3.7 Information Security

3.7.1 Information Security Policy

Ensure the security of company hosts, network equipment, network communication, and customer privacy, effectively reduce the risk of information assets theft, improper use, leakage, tampering, or damage caused by human negligence, intentional or natural disasters, and establish cyber security management standards.

Commitment: Ensure the confidentiality, integrity, and availability of the Company's business information.



Ensure that only authorized personnel can use information.



Ensure that the information used is correct and not tampered with.



Ensure that authorized personnel can access the required information.

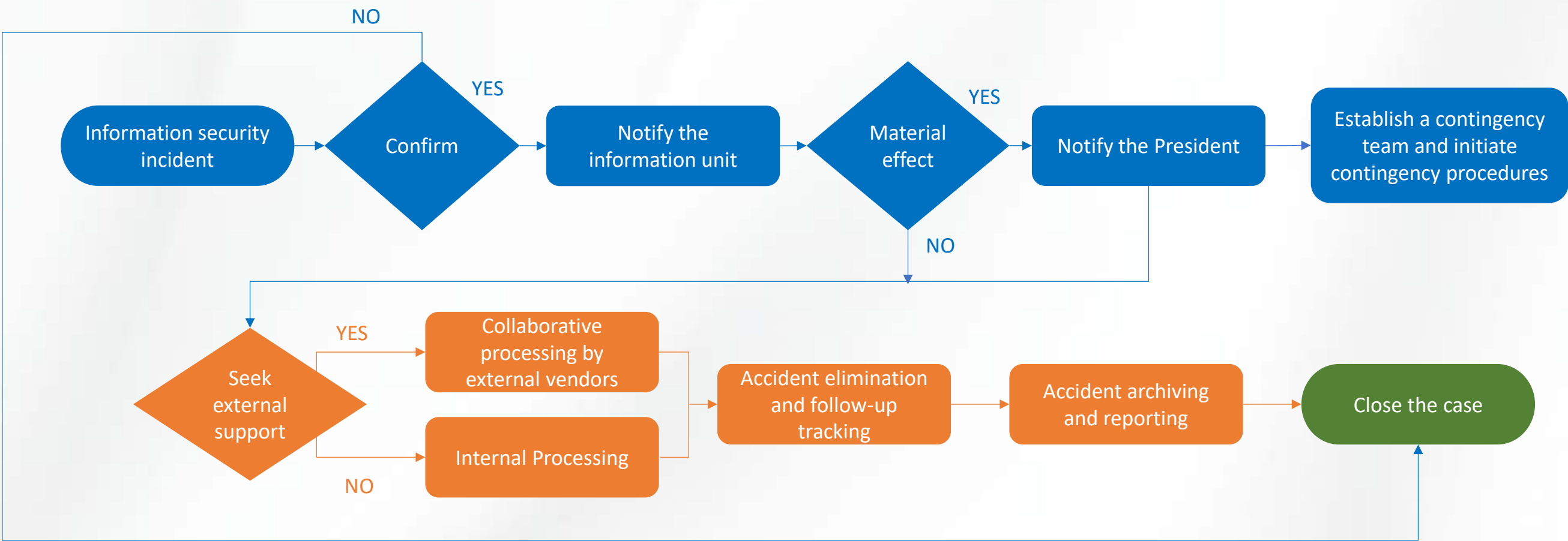


3.7.2 Responsible Units and Procedures

Information security has become one of the major operational risk concerns for global enterprises. As a result, both corporate organizations and government regulatory bodies are placing increasing emphasis on the management and maintenance of cybersecurity. In response, Hi-Clearance Inc. has established a Cyber Security Group, led by the head of the Information Department as the Chief of Information Security, supported by two dedicated security personnel. This team is responsible for coordinating, planning, executing, and analyzing security incidents, including:

1. Institutional norms: Establish the Company's cyber security management system, standardize personnel operation behavior, regularly inspect relevant systems every year to ensure compliance with changes in the operating environment, and make timely adjustments as needed.
2. System protection: Establish a cyber security management system and implement information security management measures to ensure the requirements of computer data security and enhance the overall security of the information environment.
3. Personnel training: Conduct cyber security education and training, enhance the awareness of information security among all employees, implement cyber security opportunity advocacy from time to time, in order to enhance the Company's employees' knowledge and professional skills in information security, and comply with information security regulations.

Reporting and handling of cybersecurity incidents are conducted in accordance with the Company's established procedures. The information security reporting protocol is as follows:



■ 3.7.3 Education on Information Security

Hi-Clearance Inc. continuously strengthens cybersecurity awareness among all employees. In 2024, new hires completed the required information security training courses. For existing staff, a total of nine awareness sessions were conducted throughout the year, with an average of 2.5 training hours per person and one cybersecurity incident drill executed. On June 13, 2024, the Ministry of Justice Investigation Bureau was respectfully invited to hold the Investigation Bureau and Corporate Partners Cooperation Series Promotional Seminar. The seminar lasted for 2 hours and focused on corporate fraud prevention, anti-scam measures, and information security promotion. The target audience was employees at the director level and above, with a total attendance exceeding 50 individuals.

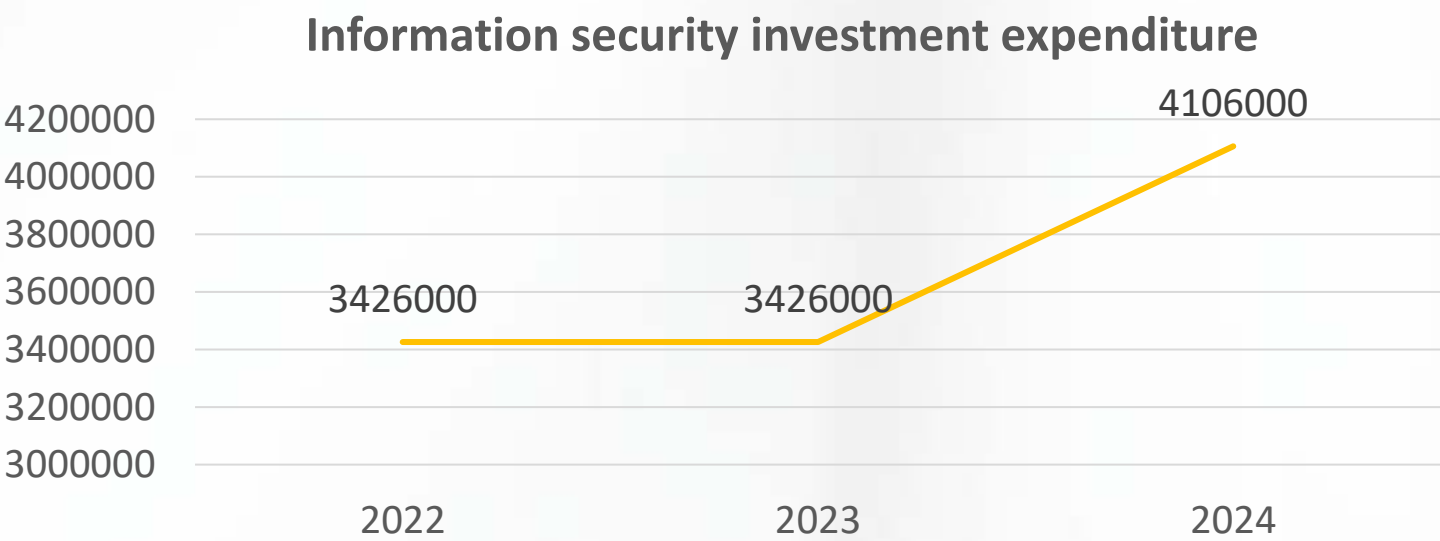


■ 3.7.4 Annual Investments and Performance Outcomes

- 1. Prevent external security attacks: Establish security mechanisms, such as firewalls and anti-virus software, and conduct regular maintenance and updates.
- 2. Enhance employee's awareness of salary and security: e.g., advocating for correct concepts of salary and security, current salary and security issues, sharing classic cases, etc., and strengthening the handling of data and emails from unknown sources by employees.
- 3. Prevent internal security threats: For example, if employees sign confidentiality agreements, data access and email sending shall be recorded on the servo host for verification. User accounts and permissions shall be determined by supervisors at all levels according to work requirements.
- 4. Data security design: Important data shall be regularly and automatically backed up, and backup and reply operations shall not be practiced regularly.
- 5. Input of manpower: e.g., daily check of host server and system status, regular backup and execution of media storage in different locations, regular data security advocacy, disaster recovery execution drills, permission review, annual internal audit of information circulation, accountant audit, etc.
- 6. Information announcements periodically inform internal employees via email to advocate for information related issues and convey the importance of information security protection.
- 7. The Company has become a member of the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC), which can provide information security incident consultation and coordination services, enabling the Company to effectively receive and transmit information on information security.

Funds invested over the past three years

Survey/Year	2022	2023	2024
Investment in information security	3,426,000	3,426,000	4,106,000



In 2024, there were zero information security incidents and no complaints regarding customer data breaches. Additionally, audits related to internal control and information cycles revealed no significant deficiencies. Based on this outstanding performance, the Company received positive recognition and a score in the information security category of the February 24 corporate governance evaluation.

Ch 4. Sustainable Environment

Hi-Clearance Inc. has long upheld environmental sustainability as a core principle. Under the Sustainability Promotion Task Force, the Company has established an Environmental Sustainability Task Force responsible for implementing control measures related to energy consumption, greenhouse gas emissions, and waste management. This task force monitors and reviews key performance indicators, aligning its efforts with government policies and international trends to minimize environmental impact as much as possible.

4.1 Climate Change Risks and Opportunities

In recent years, extreme weather events have become increasingly frequent, and climate change has undeniably become a global challenge faced by all of humanity. Its growing impact on daily life is deeply felt, and for businesses, adapting to the significant disruptions it brings has become an urgent and pressing issue. With rising global awareness of climate-related crises, governments around the world have increasingly prioritized this issue. Through the establishment and revision of national and regional regulations, they have intensified efforts to urge enterprises to incorporate climate change considerations into their operational management. Hi-Clearance Inc. references the TCFD (Task Force on Climate-Related Financial Disclosures) recommendations issued by the Financial Stability Board (FSB) for climate-related financial disclosures, identifying and managing climate risks and opportunities according to the four core elements of disclosure: Governance, Strategy, Risk Management, and Metrics and Targets. The Company discloses its governance performance in the sustainability report to help stakeholders understand the impacts of climate change on the Company and its response strategies.

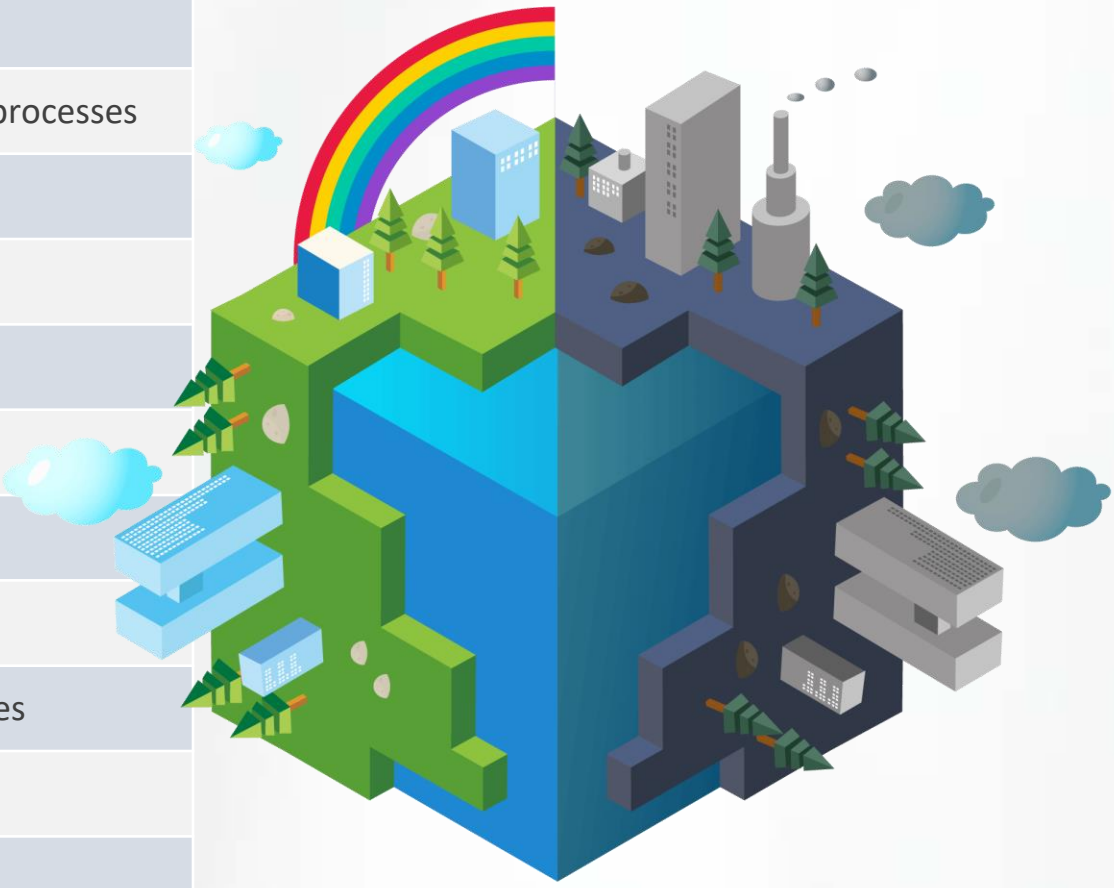
Disclosure Framework for Climate-Related Risks and Opportunities	
Governance	● Hi-Clearance Inc.'s climate change-related issues are addressed through cross-departmental integrated discussions led by the Sustainable Development Task Force, which has preliminarily formulated response strategies. ● The President serves as the Chair, overseeing final resolutions and coordinating the efforts of various departments while managing operational conditions. ● Report the annual status and implementation effectiveness, along with sustainability disclosures, to the Chairman. Under the Chairman's leadership, cultivate a corporate culture that prioritizes climate issues, demonstrating Hi-Clearance Inc.'s commitment to aligning with international organizations in the fight against global warming.
Strategy	Hi-Clearance Inc., referencing the TCFD climate-related scenario analysis, has compiled a list of relevant physical risks, transition risks, and opportunities aligned with the Company's characteristics. This list is documented and discussed during Sustainability Promotion Task Force meetings. To formulate effective response strategies, the Company adopts both quantitative and qualitative climate-related scenario analyses. Tools provided by the Climate Change Integration Platform (TCCIP) are concurrently utilized to support the evaluation of physical climate risk scenarios. In alignment with ISO 31000 Risk Management Guidelines, the Company assesses the impact and likelihood of scenarios outlined in the TCFD final report. The final identification of climate risks and opportunities related to the Company's operational scope was conducted, with reference to TCFD reports from industry peers. The Company considers a 10-year period for its long-term operational development, defining short-term as 1-3 years, medium-term as 4-6 years, and long-term as 7-10 years. After identification, the major risks and opportunities related to climate change are as follows: (see "Response to Climate Change Risks and Opportunities" for details)

Disclosure Framework for Climate-Related Risks and Opportunities

Strategy	Transition risk - Policy and regulatory risk The Ministry of the Environment's Climate Change Response Act plans to impose a carbon fee on high carbon emitters starting in 2026. The potential financial impact is an increase in expenditures; however, under the current policies and conditions, the Company has not yet experienced a significant impact. In response to the Financial Supervisory Commission's Sustainable Development Roadmap, the Company is required to report greenhouse gas emissions for the year 2025 and beyond, which will result in increased costs in terms of manpower, time, and expenses. Hi-Clearance Inc. has implemented an action plan incorporating the ISO 14064 greenhouse gas inventory, established carbon reduction targets, and completed third-party verification. Physical risk - Immediacy Due to the increase in extreme weather events, the frequency of typhoons and heavy rainfall has risen, which may cause warehouse flooding resulting in financial losses. The Company has promoted disaster prevention awareness and formulated countermeasures, thereby reducing overall operational risks to a controllable level. Hi-Clearance Inc.'s responsive measures include implementing regular cleaning and maintenance of building and drainage systems, along with establishing emergency response protocols to mitigate immediate risks. Opportunity - Energy sources Install proprietary solar panels to reduce reliance on fossil fuels and mitigate risks from rising electricity costs, decreasing sensitivity to carbon pricing fluctuations such as carbon trading and carbon fees, thereby enabling more stable financial performance. Opportunity - Resilience Establishing a new green building site in central Taiwan has the potential to enhance the market value of assets and is more conducive to long-term operations. It enables continuous operation without disruption amid climate and environmental changes, thereby strengthening brand image and goodwill.
Risk Management	The risk identification, assessment, and management process of Hi-Clearance Inc. is as follows: 1. The Sustainability Promotion Task Force completes the collection of background data. 2. Establish a climate-related risk and opportunity item list that comprehensively covers transition risks (policy and regulations, technology, market, reputation), physical risks (immediate and long-term), and opportunities (resource efficiency, energy sources, products/services, market, resilience). 3. Through the Sustainability Promotion Task Force, a TCFD Climate-related Financial Disclosures Discussion Meeting is convened, bringing together relevant personnel from various units to discuss and identify items on the checklist. 4. Conduct an operational impact analysis, establish corresponding execution strategies, and set objectives. 5. Each year, the current implementation status and ongoing effectiveness are reviewed through meetings, with continuous adjustments and improvements made accordingly. Hi-Clearance Inc. continuously monitors climate change risks by collecting data and assessing risk levels for effective management. The Company's risk management system has been approved by the President and integrated into the operations of all departments.
Metrics and Targets	1. Plan to implement ISO 14064-1:2018 in 2026 to promote GHG emissions inventory. 2. Establish annual energy usage standards and review the current energy usage situation for improvement each year based on the inventory results. Allocate budgets for energy-saving equipment or renewable energy to continuously reduce energy consumption and minimize environmental impact. 3. In 2024, an investment of NT\$3,429 thousand was allocated to establish a solar power generation system at the Shulin warehouse. The goal is to achieve an annual electricity generation of 90,000 kWh, resulting in a reduction of approximately 45 tCO₂e.

Hi-Clearance Inc. annually assesses the risks posed by climate change through the Sustainability Promotion Task Force. These risks include (1) changes in regulations, local government policies, and associated costs due to climate change, (2) disclosure and reduction of greenhouse gas emissions, and (3) the impact of extreme weather events on upstream and downstream transportation. Identify sources of risk, conduct risk analysis, risk assessment, and risk treatment, continuously improve, and discover opportunities in the process. The 2024 Climate Change Risk and Opportunity Assessment Project List is as follows:

No.	Climate Change Risk Issues	No.	Climate Change Opportunities
1	Enhancing GHG emission pricing	1	Adoption of more efficient transportation methods
2	Strengthening of emission reporting obligations	2	Utilization of more efficient production and distribution processes
3	Requirements and regulations for existing products and services	3	Recycling and reuse
4	Replacement of existing products and services with low-carbon alternatives	4	Switching to more energy-efficient buildings
5	Cost of low-carbon technology transformation	5	Reduction of water usage and consumption
6	Changes in customer behavior	6	Utilizing low-carbon energy
7	Market information uncertainty	7	Adoption of incentive policies
8	Increase in raw material costs	8	Participation in the carbon trading market
9	Changes in consumer preferences	9	Develop and/or increase low-carbon products and services
10	Industrial stigmatization	10	Diversification of business activities
11	Increase in the severity of extreme weather events, such as typhoons and water supply issues	11	Changes in consumer preferences
12	Changes in rainfall (water) patterns and extreme variations in climate patterns	12	Entering new markets
13	Average temperature increase	13	Participation in renewable energy projects and implementing energy-saving measures



Response to Key Climate Change Risks and Opportunities		
Risks and Opportunities	Impact on Company Operations	Measures for Addressing Risks and Opportunities
Strengthening of emission reporting obligations	The Ministry of Environment has advanced the Climate Change Response Act, finalizing the carbon fee rates in 2024. It is anticipated that starting in 2026, carbon fees will be levied on entities with high levels of direct or indirect emissions. This risk may directly impact finances by increasing operating costs. Currently, the Company does not operate within a high carbon emission industry; thus, the impact is relatively minor. However, considering international trends and government policy directions, the influence of such a risk must not be underestimated.	Plan to implement ISO 14064-1:2018 by the end of 2026 to assess the Company's greenhouse gas emissions. Analyze carbon emission hotspots and prioritize the development of reduction measures for those with high emission level based on the inventory results. Develop a plan for third-party data verification of data to ensure the accuracy of emission data and effectively assess reduction performance. Establish conditions for air conditioning use in the office to reduce unnecessary energy consumption and carbon emissions.
Increase in the severity of extreme weather events, such as typhoons and water supply issues	In the event of a typhoon, heavy rain, or similar conditions, there may be risks to employee safety, a reduction in working hours, and even potential casualties. This could subsequently lead to delays in work progress and result in financial losses. In severe cases, this may lead to damage to electrical and telecommunications equipment or building structures, resulting in the forced suspension of operational activities. Furthermore, the risk of disruptions in logistics must be taken into consideration, as it may result in increased transportation costs, supply interruptions, or delays in delivery schedules.	Conducting preemptive drills to gradually establish an emergency response mechanism, while reminding employees to reinforce doors and windows and implement waterproof measures. Regularly inspect the drainage system for blockages and assess the maintenance status of building facilities. Strengthen emergency power supply and backup mechanisms. Prepare protective measures in advance whenever a heavy rain warning is issued. Provide the option for remote work from home or make flexible adjustments to working hours depending on the circumstances; maintain close communication with employees to ensure safety while also facilitating timely modifications to work plans.
Utilizing low-carbon energy	Mitigate the risk of exposure to potential increases in fossil fuel prices while simultaneously reducing greenhouse gas emissions, thereby decreasing sensitivity to fluctuations in carbon trading prices or carbon fees/taxes. This contributes to enhancing the Company's reputation and increasing the demand for its products.	The Company has installed a solar power generation system at its Shulin warehouse and completed power generation testing in 2024. This system will produce green energy, reduce greenhouse gas emissions, gradually decrease reliance on non-renewable energy, and showcase the Company's positive commitment to environmental protection.
Participation in renewable energy projects and implementing energy-saving measures	Enhancement of the Company's overall market valuation through more resilient operational planning, while strengthening its ability to sustain operations under varying environmental conditions.	New operational sites shall utilize green buildings, reducing energy and resource consumption from air conditioning, lighting, and water. This will lower long-term operating costs, while their eco-friendly and durable nature will offer higher market value and slower depreciation.

4.2 Energy Conservation and Carbon Reduction

■ 4.2.1 Energy Management

Hi-Clearance Inc. primarily sells medical products. In its operations, the main source of energy used is electricity, with additional consumption of diesel for warehouse trucks and gasoline for vehicles. Hi-Clearance Inc. uses the individual revenue of the parent company as the unit for calculating intensity, aligning with the boundary of the statistical energy data. This serves as a performance indicator for future management and tracking.

      		
Energy consumption (GJ)	2023	2024
Purchased electricity (GJ)	1253.33	1423.35
Diesel (GJ)	251.12	388.47
Gasoline (GJ)	6231.06	6113.46
Total energy consumption (GJ)	7735.51	7925.28
(Individual) Revenue (NT\$ Million)	3,429.643	3,610.958
Energy intensity	2.2555	2.1949

Although the Company is not in an energy-intensive industry and its consumption is lower compared to manufacturing industries, we still actively promote energy-saving measures, believing that persistent efforts over time can accumulate to significant results. The Environmental Sustainability Task Force has preliminarily formulated the Company's short-term energy-saving measures, which are listed as follows:

Maintain office area temperature at 26°C to reduce air conditioning load.	Disseminate environmental concepts to colleagues through environmental education promotion.
Regularly clean the air conditioner filters to reduce electricity consumption.	Prioritize purchasing energy-efficient certified equipment in future procurements.
Turn off all office equipment when not in use for extended periods to conserve standby power consumption.	All photocopy paper used is PEFC-certified, demonstrating a concrete commitment to supporting sustainable forestry conservation.
Turn off lights and computers when no personnel are present in the office; ensure lights are switched off during lunch breaks as appropriate.	Encourage suppliers to consolidate transportation and reduce dispatch frequency.
Encourage employees to use public transportation whenever possible for commuting and field assignments. Adopt online video conferencing when appropriate to reduce non-essential business travel.	

■ 4.2.2 Carbon Emission Management

Greenhouse gases causing climate change is a significant issue that the entire world must collectively face. The Company is making every effort to cooperate with global initiatives and respond to government policies. Although Hi-Clearance Inc. is not a major carbon emitter, it remains a part of the global community and is equally committed to contributing to the reduction of greenhouse gas emissions. The Company plans to implement ISO 14064-1 greenhouse gas inventory in 2026 to better understand the amount of greenhouse gas emissions generated within the organization. This will serve as a reference for subsequent energy-saving and carbon reduction performance, enabling an early response to the net-zero pathway.

Hi-Clearance Inc. classifies greenhouse gas emissions by source into direct emissions (Scope 1), indirect emissions (Scope 2), and other indirect emissions (Scope 3). Direct emissions originate from sources owned or controlled by the Company, currently limited to gasoline and diesel consumption. Indirect emissions stem from purchased electricity, all sourced from Taipower. As for Scope 3 emissions, which arise from sources owned or controlled by other entities, the Company cannot monitor their activities or obtain reliable data. Therefore, only qualitative identification of emission sources is conducted without quantification, including:



Hi-Clearance Inc. 2023-2024 Emissions Statistics by Source Type

Type of Emission Source	Scope 1	Scope 2	Type of Emission Source	Total Emissions Equivalent (mtCO2e)	(Individual) Revenue (NT\$ Million)	GHG Emission Intensity
	Direct Emission	Indirect Emissions from Energy Use				
2023	Emissions equivalent (mtCO2e)	457.9615	171.9843	629.9458	3,429.643	0.1837
	Proportion (%)	72.70%	27.30%	100%		
2024	Emissions equivalent (mtCO2e)	460.1869	187.4082	647.5951	3,610.958	0.1793

Note:
The statistical boundary of this table covers Scope 1 mobile emission sources and Scope 2 indirect emissions from purchased electricity at the Sanchong Headquarters and Shulin Warehouse. Other greenhouse gas emissions will be disclosed following the inventory in the next reporting year.



4.3 Medical Waste Management

Significance to the Company		In addition to reducing the generation of general industrial waste and minimizing the use of packaging materials, Hi-Clearance Inc. is committed to supporting downstream customers in managing biomedical waste. By improving the reuse rate of medical waste and mitigating environmental impact, the Company creates added value that extends beyond the products themselves.
Policy/Commitment		Comply with relevant environmental protection regulations and commit to the effective management and disposal of waste generated during operational processes to minimize negative impacts on the environment.
Objective	Short-term	● Implement measures to reduce the use of disposable products and decrease waste disposal volume to the target level. ● Conduct regular reviews of third-party waste management partners to ensure compliance with applicable standards and regulations.
	Mid- to long-term	● Prioritize suppliers with relevant environmental certifications when selecting packaging materials. ● Select qualified vendors capable of recycling and reusing medical waste.
Responsible Department/ Complaint Mechanism		● Responsible Department: Administration department of the General Administration Office ● Complaint mechanism: ESG@hclearance.com.tw
Resources Invested in the Fiscal Year		● Conduct regular reviews of third-party waste handlers to ensure compliance with applicable standards and regulations. ● Organize training sessions to promote environmental protection, reduction of single-use products, energy and carbon savings, water conservation, and proper waste segregation. ● Share quarterly environmental updates to strengthen employee sustainability awareness.
Evaluation Mechanism/Results		● No violations of environmental protection-related regulations were recorded in 2024.

■ 4.3.1 Internal Waste

The Company is not part of the manufacturing sector, and its waste consists entirely of general waste, primarily including household garbage, wastepaper, and cardboard boxes. In line with environmental protection principles and a commitment to maximizing resource utilization, the Company actively complies with government policies to promote waste sorting, recycling, and reduction. Waste is managed with strict control measures to prevent improper disposal. Specifically, waste from the head office building is centrally collected by the Management Committee and entrusted to the park's cooperating contractors for regular removal and recycling. The Shulin warehouse waste is entrusted to licensed contractors for removal and processing.

■ 4.3.2 Downstream Medical Waste

The Company fully recognizes that medical waste generated from the sale and use of its products, if not properly managed, may pose risks to the environment and public health. Accordingly, the Company assumes responsibility for managing the entire product life cycle and proactively engages licensed and professional waste disposal providers to offer medical waste recycling and disposal services to Hi-Clearance Inc. customers—for example, recycling plastic components such as artificial kidney casings and certain dialysis consumables.

The Company has engaged Gshine Welltech Corp. (<https://www.gishine.com.tw/>), a professional firm specializing in medical waste management. In recent years, Gshine Welltech Corp. has obtained ISO 9001 and ISO 14001 certifications, as well as Class A waste removal, reuse, and treatment permits—meeting Hi-Clearance Inc.’s high standards for partner selection. The firm has an extensive track record of collaboration with major medical institutions nationwide, including Tri-Service General Hospital, Chang Gung Memorial Hospital, China Medical University Hospital, Changhua Christian Hospital, Hualien Tzu Chi Hospital, and the Show Chwan Health Care System, demonstrating its strong expertise and capabilities. Additionally, Gshine Welltech Corp. has implemented ISO 14064-1 greenhouse gas inventory practices, contributing positively to upcoming Scope 3 value chain emission reduction efforts.

Unit: Metric Ton

Location	Waste Type		Handling Method	2022	2023	2024
Headquarters Office Building Note 1	General waste		Incineration/recycling (off-site)	8.93	9.61	10.35
Shulin Warehouse				1 Note2	6	6
	Unused scrap materials, defective products, and consumables		Incineration (off-site)	NA	19.48	5.74
Downstream Hemodialysis Medical Institutions Note 3	1. General waste R-0201 2. Mixed general medical waste (D-2101) 3. Waste sharps C-0504 4. Infectious waste C-0514 5. Mixed infectious waste (C-0599) 6. Mixed general medical waste (D-2199)	1. Injection syringe 2. Artificial kidney 3. Catheters/tubing circuits 4. Infusion set 5. Dialysis canister 6. Soft bag	Off-site post-incineration recovery	329.24	295.92	300.78

Note 1: The building management committee can only provide data for the entire building; therefore, allocation is estimated based on the number of units, with Hi-Clearance Inc. accounting for 4 out of a total of 41 units.

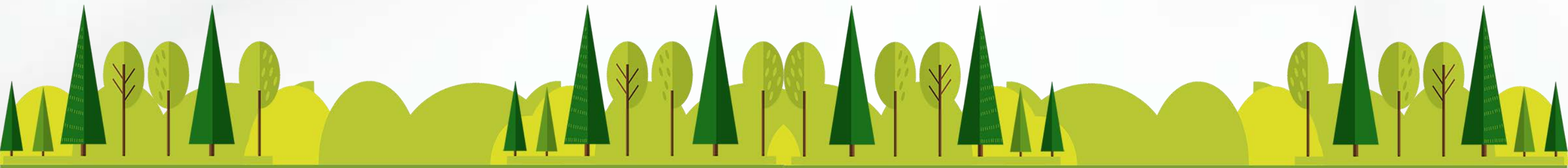
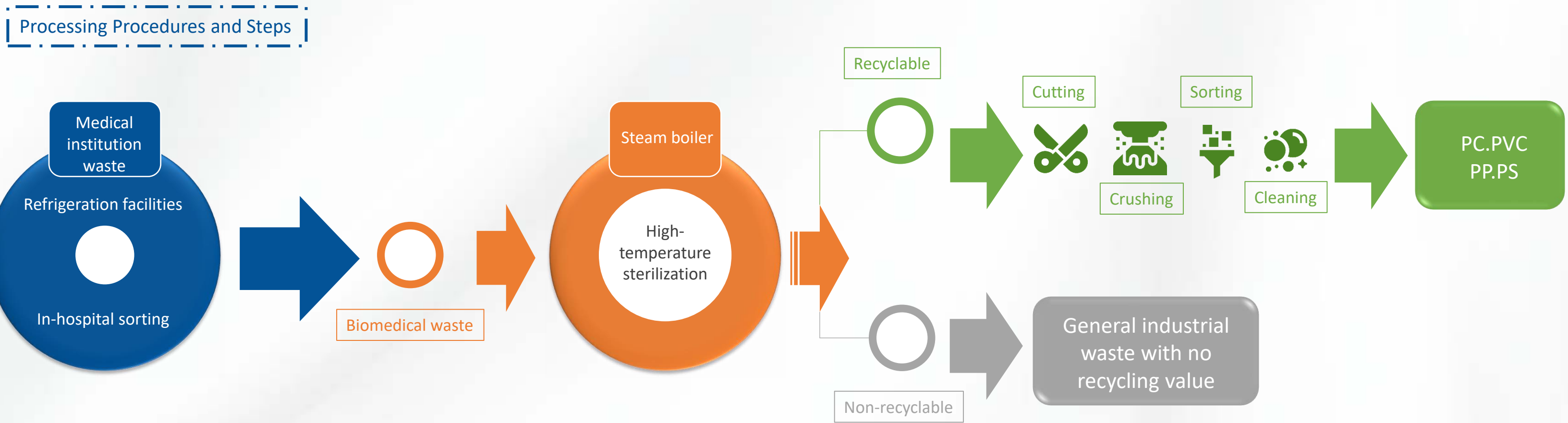
Note 2: The Shulin Warehouse entered into a contract with the waste disposal company starting from November 16, 2022.

Note 3: Medical waste is uniformly processed by licensed biomedical waste recycling providers; however, detailed breakdowns by category are not yet available.



Medical Waste Plastic Recycling

Hi-Clearance Inc. selects recycling-capable partners to process infectious medical plastic waste into reusable resources. Through sterilization, modification, pelletizing, and related technologies, these materials are transformed into PCR recycled plastic pellets certified under standards such as GRS and RCS. The recycled pellets are then used in the remanufacturing of plastic products, demonstrating the Company’s commitment to extended product life cycle management. The recycling and reuse rate is approximately 52%. In 2024, Hi-Clearance Inc. supported medical institutions nationwide in processing an estimated 300,781.5 kilograms of plastic waste, resulting in approximately 156,406 kilograms of recycled plastic output. This initiative maximizes the value of waste and advances the dual goals of resource circularity and environmental sustainability. °



4.4 Supply Chain Management

Hi-Clearance Inc. fully recognizes that suppliers are key partners in the path toward sustainable business operations and is committed to maintaining long-term, stable relationships with them. Supplier selection is not based solely on price; in addition to evaluating product quality, delivery timelines, and cooperation, Hi-Clearance Inc. also encourages suppliers to prioritize sustainable development and risk management. Since 2024, Hi-Clearance Inc. has implemented environmental and social standards as a mechanism for screening new suppliers.

4.4.1 New Supplier Selection Criteria

Environmental Standards :

- ◆ Whether an Environmental Management System is in place, such as ISO 14001
- ◆ Whether it possesses licenses or relevant permits issued by the local government, such as Good Distribution Practice (GDP) standards for excellent marketing and distribution
- ◆ Identification and classification treatment of waste
- ◆ Control, preservation, treatment, and recycling of hazardous substances
- ◆ Whether there is a comprehensive sustainable operation plan in place, and no significant violations of regulations

Social Standards :

- ◆ Oppose all forms of discrimination and bullying, and treat every employee with fairness and justice
- ◆ Comply with local labor laws on working hours, prohibit child labor, and ensure minimum wage protection
- ◆ Implement preventive safety measures in the workplace to foster a healthy and friendly working environment
- ◆ Establish fair and appropriate grievance channels, conduct objective and effective resolution, and protect whistleblower personal data
- ◆ Promote social responsibility to stakeholders including employees, upstream suppliers, and customers

In 2024, nine new suppliers were added, all of whom were evaluated by the Company in accordance with its integrity management policy and sustainability provisions. It was confirmed that they meet the cooperation criteria in terms of product quality, delivery timelines, social responsibility, and environmental standards. Relevant requirements were explicitly stipulated in contract terms, and declaration documents were signed separately when necessary to ensure the quality and transportation safety of medical products.

All suppliers selected in 2024 were screened based on environmental and social criteria, resulting in a 100% compliance rate.

	Number of New Suppliers Added	Number of New Suppliers Selected Based on Environmental and Social Standards	Proportion
2022	16	0	0.00%
2023	17	0	0.00%
2024	9	9	100.00%

■ 4.4.2 Key Supplier Evaluation

In addition to the existing annual supplier evaluations, Hi-Clearance Inc. has introduced a sustainability self-assessment questionnaire that scores suppliers across three key areas: labor rights, environmental protection, and social responsibility. This initiative enables the Company to better understand the current status of its partners and serves as one of the reference criteria for determining future collaboration. If the questionnaire reveals areas with room for improvement, Hi-Clearance Inc. will provide relevant information and offer necessary support. As of the end of 2024, no suppliers were terminated for violating company policies, aligning with Hi-Clearance Inc.’s commitment to sustainable operations.

Hi-Clearance Inc. defines suppliers whose transaction volume accounts for 90% of the annual total as “major suppliers.” In 2024, there were 25 major suppliers, of which 18 completed evaluations based on environmental and social standards, resulting in an audit response rate of 72%. The evaluation results of the 18 suppliers that have completed the audit are as follows:

2024 Supplier Evaluation Results

Grade A	Excellent Supplier	78%
Grade B	Suppliers Eligible for Continued Business	22%
Grade C	Temporarily suspended; reassessed upon improvement	0%
Grade D	Disqualified, immediate termination of business relationship	0%



■ Ch 5. Social Engagement

Hi-Clearance Inc. has consistently committed to fostering a respectful, inclusive, equitable, and opportunity-rich work environment. The Company actively safeguards employee labor rights, enforces gender equality policies and ensures that employees are not subject to discriminatory treatment based on culture, ethnicity, or religious beliefs. We aim to attract top talent and are committed to their long-term retention and development, enabling continuous growth throughout their careers. The Company offers market-competitive compensation to reduce turnover, foster team cohesion, and support stable operations. In addition, we maintain a comprehensive training system that delivers tailored programs based on individual and business needs, enhancing employees' professional capabilities and supporting career planning. Hi-Clearance Inc. further adopts an open and equitable approach to employee development, ensuring transparent promotion pathways so that every effort is recognized. We also maintain constructive labor-management relations, encouraging open dialogue in regular meetings and responding to feedback in good faith to reach mutually satisfactory consensus. Moreover, as a company operating in the healthcare sector, we place particular emphasis on the physical and mental well-being of our employees and have strengthened our management of occupational safety and health.

➤ 5.1 Employee Overview

Through the implementation of various equity measures, Hi-Clearance Inc. aims to eliminate the possibility of unequal labor conditions in the workplace and safeguard employees' fundamental rights. The Company has also established grievance channels and handling mechanisms to ensure timely support in the event of rights violations.

■ 5.1.1 Human Rights Protection

Hi-Clearance Inc. supports internationally recognized fundamental human rights. With reference to principles outlined in human rights conventions such as the United Nations (UN) Universal Declaration of Human Rights, the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Company has established internal human rights requirements for its operations. Relevant measures include:

- Compliance with the Labor Standards Act, the Gender Equality in Employment Act, and the Occupational Safety and Health Act to ensure the protection of statutory employee benefits.
- Formulation of the “Regulations for the Prevention and Complaint of Sexual Harassment at the Workplace” and the “Declaration on the Prevention of Unlawful Workplace Infringement.”
- Prohibition of child labor.
- Prohibition of forced labor.
- Care for minority and disadvantaged groups.
- Workplace safety: Maintenance of safe and sanitary working conditions.
- Workplace equality: Ensuring that no form of discrimination or differential treatment occurs based on gender, ethnicity, nationality, socioeconomic status, age, marital or family status, religion, political affiliation, appearance, height, or physical or mental disability.
- Compensation decisions follow the same principle, with no differences based on the aforementioned factors.
- Respecting the freedom of assembly and association, as well as the right to collective bargaining.
- Providing anonymous grievance channels.

Hi-Clearance Inc. complies with local labor and human rights regulations across all operational sites and actively promotes key information on human rights protection and labor rights to both current and newly hired employees. To ensure rigorous implementation, the Company also provides reporting channels for employees. Reports are handled by designated personnel who conduct thorough investigations, and the personal information of whistleblowers is kept confidential. If the report is verified, Hi-Clearance Inc. guarantees that no retaliatory action will be taken against the whistleblower. The Company has no record of human rights violations in 2024.

2024 Human Rights Training Coverage Results:

	Total Hours	Number of Participants	Total Participants	Training Participation Rate
New employees	26	52	52	100%
Current employees	103	206	239	86%

Note: One individual was rehired after retirement; therefore, no onboarding training was arranged.



■ 5.1.2 Employee Statistics

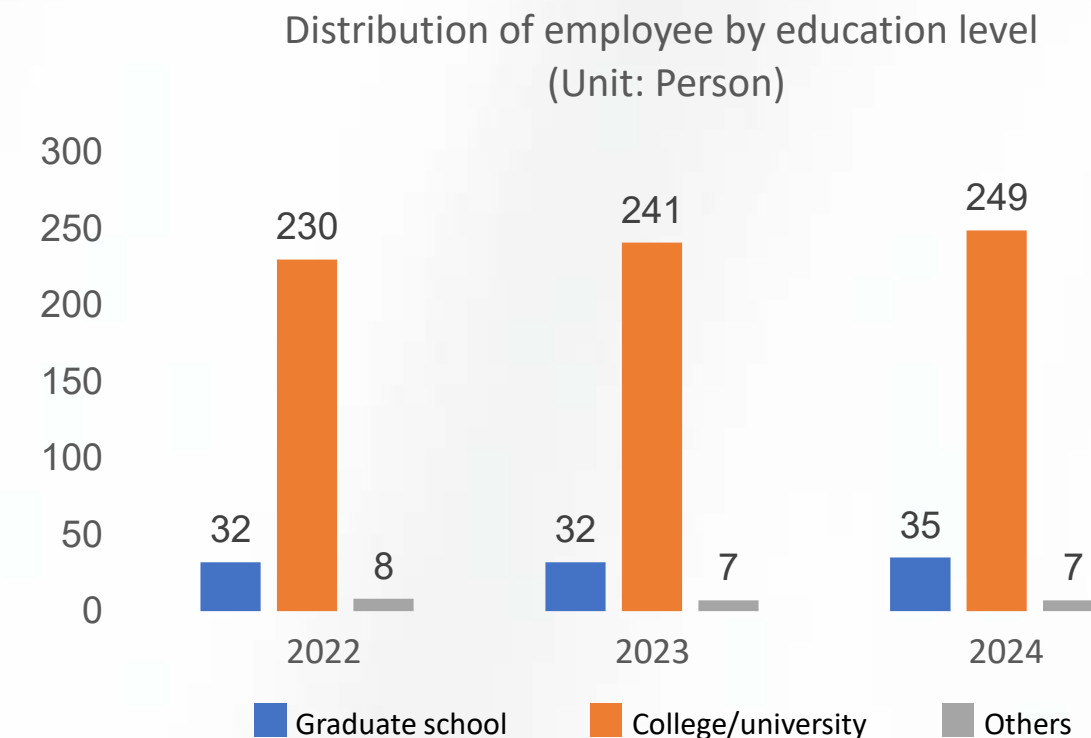
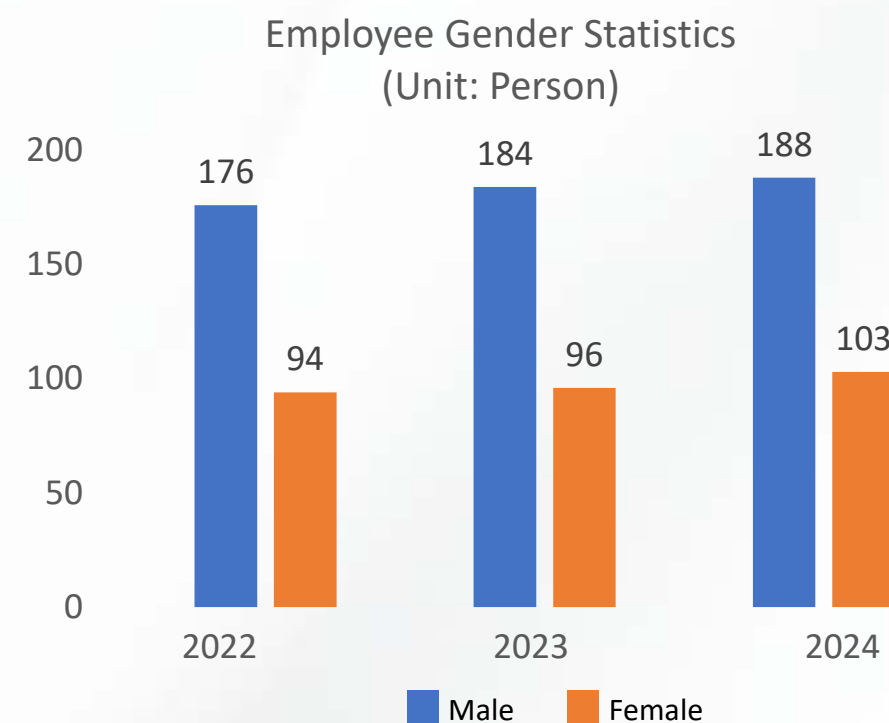
As a leading brand in medical device products, Hi-Clearance Inc. has experienced increased business demand in recent years, driving revenue growth and significantly expanding its need for talent. With competitive compensation and benefits, the Company successfully attracts outstanding professionals to join and contribute to its development.

All employees of the Company (i.e., full-time employees) are employed under indefinite-term contracts. The Company provides a long-term and stable working environment, enabling employees to fully dedicate themselves to their work without concerns. This approach helps to secure employees' economic well-being and ensures that there is no discrimination based on gender, age, or race. Over the past three years, the number of female employees at the Company has steadily increased. In terms of age distribution, approximately 70% of employees are between 30 and 50 years old, forming a core workforce of mid-career professionals. Teams are led by experienced colleagues with substantial practical expertise. The workforce structure remains stable, with a slight and steady increase in employee numbers. There is currently no risk of staffing shortages.

At its Taiwan operations, Hi-Clearance Inc. maintains a 100% rate of appointing local talent to senior management positions. This reflects the Company’s commitment to collaborating with local communities in talent development, attracting skilled professionals to work close to home, fostering local recognition, and contributing to regional economic growth.

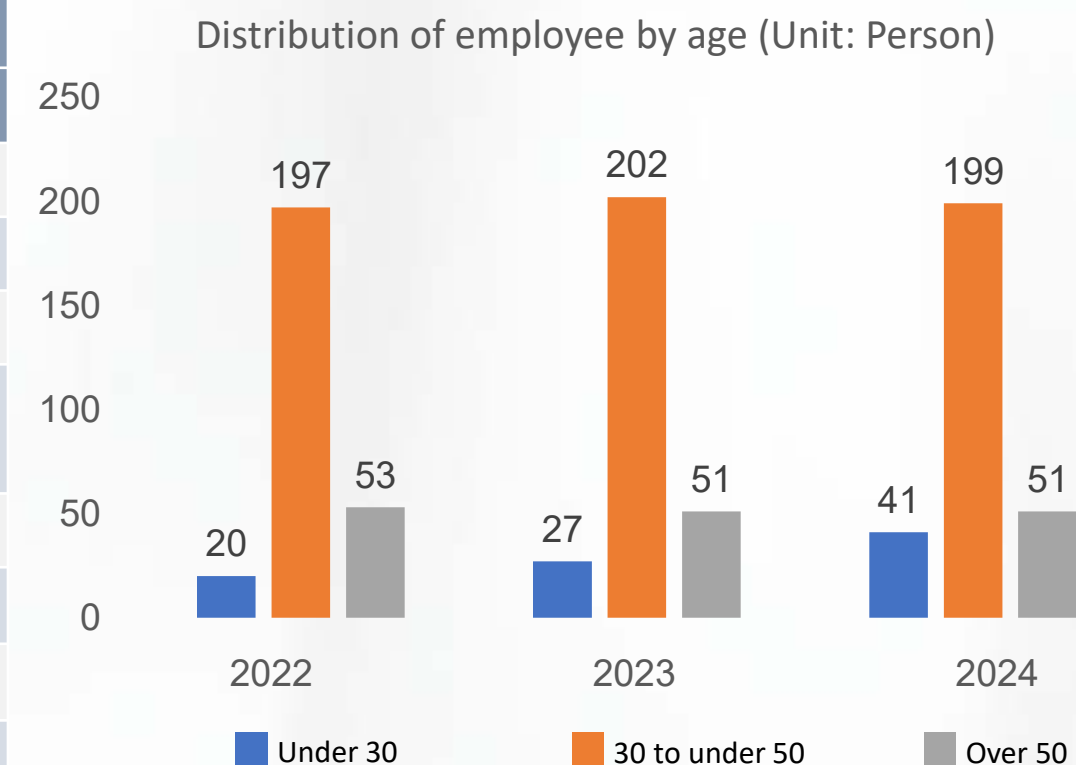
At current, the Company has no non-employee workers, as its business model does not require commissioned or contracted personnel. Should such a need arise in the future, the Company will ensure appropriate treatment and uphold their labor rights and occupational health and safety.

Survey/Year		2022		2023		2024	
Total Number of Employees (Note)		270		280		291	
Employment Contract		Non-fixed	Fixed	Non-fixed	Fixed	Non-fixed	Fixed
Gender	Male	176	0	184	0	188	0
	Female	94	0	96	0	103	0
Location	Taiwan	270	0	280	0	291	0
	Overseas	0	0	0	0	0	0
Employment Contract Type		Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Gender	Male	176	0	184	0	188	0
	Female	94	0	96	0	103	0
Location	Taiwan	270	0	280	0	291	0
	Overseas	0	0	0	0	0	0



Note: The total number of employees for the year is based on the headcount as of year-end (December 31).

Diversity Statistics/Year		2022		2023		2024	
		No. of shareholders	Percentage	No. of shareholders	Percentage	No. of shareholders	Percentage
Gender	Male	176	65.19%	184	65.71%	188	64.60%
	Female	94	34.81%	96	34.29%	103	35.40%
Age	Under 30	20	7.41%	27	9.64%	41	14.09%
	30 to under 50	197	72.96%	202	72.14%	199	68.38%
	Over 50	53	19.63%	51	18.22%	51	17.53%
Educational Background	Graduate school	32	11.85%	32	11.43%	35	12.03%
	College / university	230	85.19%	241	86.07%	249	85.57%
	Others	8	2.96%	7	2.50%	7	2.40%



Note:

The calculation method is as follows:

Percentage of direct personnel under age 30 = (Total number of direct personnel under age 30 at year-end / total number of employees at year-end) × 100%

Percentage of indirect personnel with graduate-level education = (Total number of indirect personnel with graduate-level education during the year / Total number of employees at year-end) × 100%

New Hire and Turnover Statistics of Hi-Clearance Inc.

Annual Statistics of Employee Hires and Departures		2022		2023		2024	
		Total	Proportion	Total	Proportion	Total	Proportion
New Employees							
Age	Under 30	12	4.44%	17	6.07%	24	8.25%
	30 to under 50	37	13.70%	17	6.07%	27	9.28%
	Over 50	2	0.74%	2	0.71%	2	0.69%
Gender	Male	30	11.11%	26	9.29%	31	10.65%
	Female	21	7.78%	10	3.57%	22	7.56%
Educational Background	Graduate school	2	0.74%	3	1.07%	3	1.03%
	College/university	47	17.41%	33	11.79%	47	16.15%
	Others	2	0.74%	0	0.00%	3	1.03%
Location	Northern	24	8.89%	23	8.21%	37	12.71%
	Central	19	7.04%	3	1.07%	10	3.44%
	Southern	8	2.96%	10	3.57%	6	2.06%
Employee Turnover							
Age	Under 30	6	2.22%	10	3.57%	12	4.12%
	30 to under 50	34	12.59%	13	4.64%	29	9.97%
	Over 50	2	0.74%	2	0.71%	2	0.69%
Gender	Male	24	8.89%	18	6.43%	27	9.28%
	Female	18	6.67%	7	2.50%	16	5.50%
Educational Background	Graduate school	3	1.11%	3	1.07%	4	1.37%
	College/university	37	13.70%	21	7.50%	36	12.37%
	Others	2	0.74%	1	0.36%	3	1.03%
Location	Northern	24	8.89%	16	5.71%	32	11.00%
	Central	12	4.44%	3	1.07%	8	2.75%
	Southern	6	2.22%	6	2.14%	3	1.03%

Note 1:
Data is based on the total number of employees as of year-end (December 31).

Note 2:
New hire rate = (Total number of new employees in the specified category during the year / Total number of employees in the same category at year-end) × 100%.
E.g.: Female new hire rate = (Total number of newly hired female employees during the year / Total number of female employees at year-end) × 100%.
Turnover rate = (Total number of employees who left in the specified category during the year / Total number of employees in the same category at year-end) × 100%.
E.g.: Turnover rate of employees under age 30 = (Total number of employees under age 30 who left during the year / Total number of employees under age 30 at year-end) × 100%.

5.2 Talent Placement and Role Alignment

Abundant talent is the core driving force behind the Company’s sustainable development. Hi-Clearance Inc. generously rewards employees who deliver strong performance and long-term contributions, thereby attracting more outstanding professionals to remain with the Company. According to the “Information on Full-Time Employees Without Supervisory Responsibilities” disclosed on the Market Observation Post System in 2023, Hi-Clearance Inc.’s employee salaries are significantly higher than the industry average. We uphold the principle of treating employees equally and have established a transparent evaluation and reward system. This fosters a healthy, competitive work environment where colleagues are motivated to enhance their performance. It also strengthens employee retention, builds team cohesion, and encourages active participation in company affairs. In addition to preferential treatment in compensation and benefits, we equally value the capabilities and future development of our employees. The Company has established an education and training program to arrange for staff to pursue further studies, enabling them to continuously improve in their respective professional fields and realize their self-worth. Additionally, Hi-Clearance Inc. has established multiple channels for open dialogue with employees, enabling timely feedback and constructive responses. This approach fosters mutual trust and harmonious labor-management relations.

5.2.1 Compensation and Benefits

Significance to the Company		Competitive compensation and comprehensive benefits are the most important means to attract talent and encourage their retention. Given the nature of its industry, Hi-Clearance Inc. requires strong support from top-tier talent. Hence, by ensuring that staff are able to dedicate themselves fully to their work, Hi-Clearance Inc. creates a win-win outcome for both employees and the Company.
Policy/Commitment		Offer compensation above industry standards and comprehensive employee benefits to ensure that staff are appropriately rewarded based on their capabilities and performance.
Objective	Short-term	● Maintain an average score of above 80 points consistently in annual employee performance evaluations. ● Increase employee benefits, such as company trips, according to the Company's overall profitability.
	Mid- to long-term	● Incorporate additional performance evaluation criteria to assess salary adjustments based on overall performance and enhance employee compensation satisfaction. ● Enhance employee satisfaction and foster a happy workplace.
Responsible Department / Complaint Mechanism		● Responsible Department: Personnel & Administration Section of the General Administration Office ● Complaint mechanism : christine_yang101@hclearance.com.tw
Resources Invested in the Fiscal Year		● Adjusted salaries based on operational performance, taking into account domestic economic growth, consumer price index, and industry-wide salary adjustment trends. ● Extended group insurance coverage to all employees. ● Covered all employees traveling abroad with accident insurance.
Evaluation Mechanism/Results		● In 2024, the average employee performance evaluation score exceeded 80 points. ● In the past three years, the retention rate of employees who took parental leave and subsequently returned to work has been 100%.



Hi-Clearance Inc. has established a performance-driven compensation system that provides remuneration exceeding local regulatory requirements and aligned with market competitiveness, based on the achievement rate of annual operational targets and overall company profitability. To ensure that employee performance is appropriately reflected in compensation, all staff undergo annual evaluations covering both performance and career development. The results are incorporated into promotion and salary adjustment decisions, enabling those with technical potential to deepen their expertise as domain specialists, while those with leadership qualities are cultivated for management roles, supporting diverse career development pathways.

The compensation structure is based primarily on years of service, educational background, and professional competence, and shall never result in disparities in treatment due to physiological or psychological differences. As employees accumulate experience and contributions, their industry knowledge and expertise become increasingly proficient. The Company is also willing to share operational achievements concurrently, as concretely reflected in the fact that the average annual salary of full-time employees who do not hold managerial positions is significantly higher than the industry average. This allows employees to dedicate their skills without concerns, thereby enhancing their loyalty and sense of belonging to the Company.

Industry	Name of Company	Median Salary of Full-Time Employees Without Supervisory Responsibilities (Thousand NT\$/Person)	Average Salary of Full-Time Employees Without Supervisory Responsibilities (Thousand NT\$/Person)	Average Employee Salary of Peer Companies (Thousand NT\$/Person)
Biotechnology and medical industry	Hi-Clearance Inc.	916	1091	787

Full-Time Employee Benefits

Year-end bonus	Holiday bonus/gifts	Transportation allowance
Domestic and international travel subsidies	Marriage/childbirth/funeral subsidies	Birthday gift voucher
Full-pay sick leave	Group insurance and health checkups	Continuing education subsidy



Employees are provided with a range of welfare measures and a comfortable working environment; all full-time staff are entitled to these benefits regardless of gender, age, religion, marital status, or other personal characteristics. Furthermore, regarding the salaries of frontline employees, the Company's standard wages for all frontline staff, regardless of gender, are higher than the local minimum wage. The salary standards are determined solely based on job position and function, with no differences between genders. Additionally, adjustments are made with reference to the local cost of living.

To help employees balance work and family responsibilities, and in support of government policies encouraging childbirth, Hi-Clearance Inc. provides maternity subsidies and on-site nurse consultations for pregnant staff, ensuring comprehensive care. The Company also offers lactation rooms to create a breastfeeding-friendly environment. Additional leave options include family care leave, menstrual leave, prenatal examination leave, maternity leave, paternity examination leave, and paternity leave, fostering a gender-inclusive workplace. Unpaid leave arrangements are available upon request, regardless of gender, and the Company fully supports employees in resuming work smoothly upon the end of their leave period.

In 2024, a total of six employees applied for parental leave, including five female and one male employee. In the year, two female employees resumed work (reinstatement rate: 40%) and one male employee resumed work (reinstatement rate: 100%). The relatively low rate of female employees returning to work is primarily due to personal career planning and other factors, which the Company respects and supports. Over the past three years, 100% of female employees who resumed work after parental leave have remained employed, demonstrating the stable effectiveness of the Company's workplace reintegration system. Employees also highly affirm the overall work environment and support measures.

Grassroots Employees by Region	Gender	Ratio of Standard Salary to Local Minimum Wage
Northern	Male	1.15
	Female	1.15
Central	Male	1.08
	Female	1.08
Southern	Male	1.08
	Female	1.08

Note:
Standard salary refers to the minimum fixed amount paid to employees for performing their duties, excluding any additional compensation such as overtime pay, bonuses, or various allowances.

Employee Parental/Annual Leave	Gender	Statistics		
		2022	2023	2024
Employees eligible for parental leave	Male	28	31	27
	Female	15	18	16
Employees who applied for parental leave	Male	0	0	1
	Female	6	3	5
Employees scheduled to resume work post-parental leave	Male	0	0	1
	Female	5	3	5
Employees who actually resumed work post-parental leave (including early return)	Male	0	0	1
	Female	3	2	2
Reinstatement Rate	Male	0%	0%	100%
	Female	60%	67%	40%
Employees who remained employed for 12 months after resuming work post-parental leave	Male	0	0	1
	Female	3	2	2
Retention Rate	Male	0%	0%	100%
	Female	100%	100%	100%

Note:
Reinstatement rate = (Total number of employees who actually resumed work / Total number of employees scheduled to resume work) × 100%.
Retention rate = (Total number of employees still employed 12 months after reinstatement/Actual number of employees reinstated in the previous year) × 100%.

To safeguard employees' financial planning for retirement, Hi-Clearance Inc. has established a pension system comprising a defined benefit plan (old pension scheme) and a defined contribution plan (new pension scheme), ensuring employees' rights to receive future pension benefits.

Defined Benefit Plans (Old Pension Scheme)

Hi-Clearance Inc.'s retirement system fully complies with the provisions of the Labor Standards Act. Employees who have served for 15 years or more and are aged 55 or above, or those with at least 25 years of service, may apply for voluntary retirement. Pension benefits are calculated based on years of service: two base units are granted for each full year of service up to 15 years, and one base unit for each additional year beyond 15 years, with a maximum total of 45 base units. The Company has established a supervisory committee and a dedicated pension fund account for contributions. As of the end of 2024, the balance of the dedicated account stood at NT\$20,269,000, which is sufficient to meet the pension obligations for personnel eligible for retirement. One employee applied for retirement during the year.

Defined Contribution Plans (New Pension Scheme)

Since July 1, 2005, Hi-Clearance Inc. has contributed no less than 6% of each employee's monthly salary to the retirement fund in accordance with the Labor Pension Act. These contributions are deposited into individual retirement accounts established by the Bureau of Labor Insurance. In 2024, the total amount allocated to the dedicated account reached NT\$14,019,000.

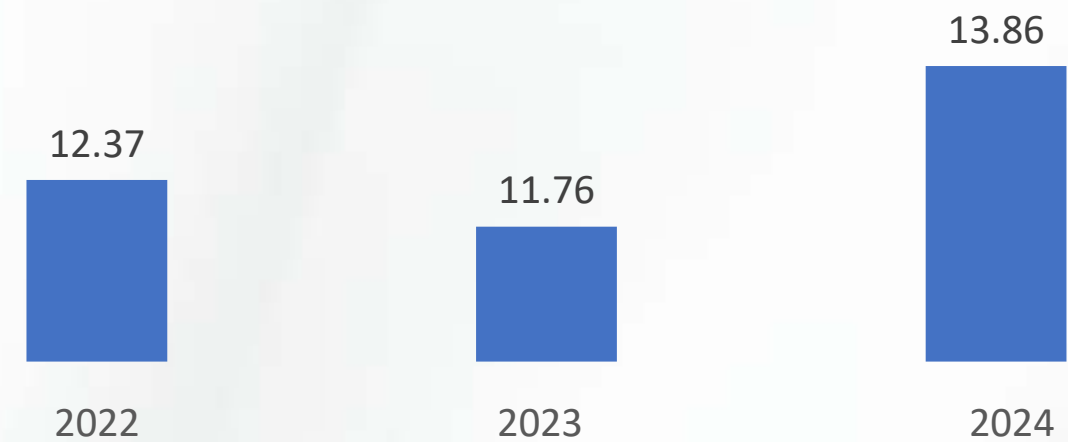


■ 5.2.2 Talent Development

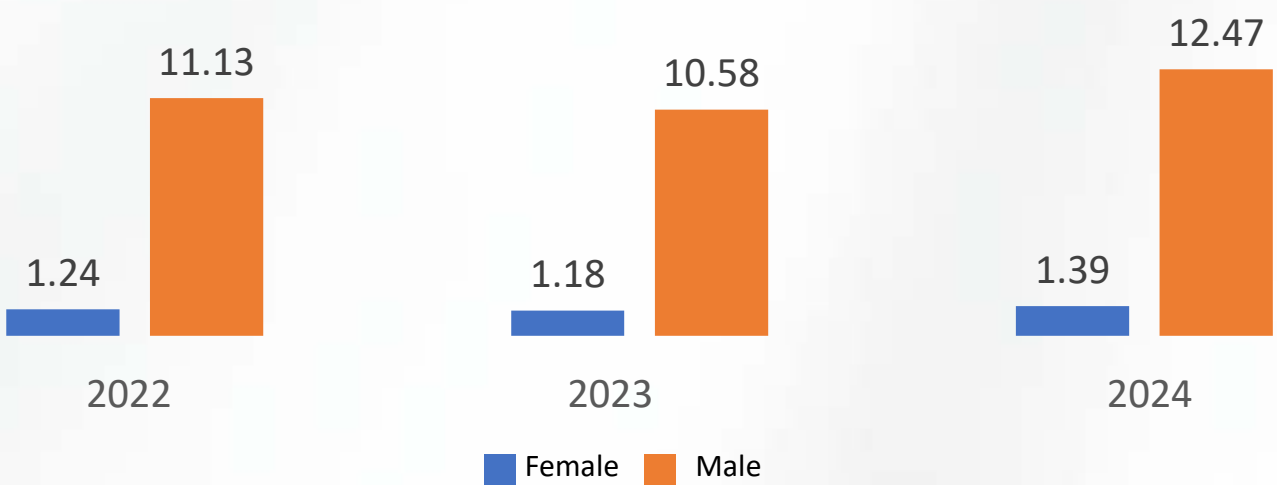
For Hi-Clearance Inc., the driving force behind sustainable corporate development lies in the continuous growth of talent and the accumulation of innovative capabilities. We firmly believe that only through a systematic education and training program combined with a structured career development framework can we ensure the enhancement of human capital and maintain a competitive edge in a rapidly evolving industrial landscape. Accordingly, the Company has made long-term investments to establish a diversified training framework built on on-the-job training, with professional competencies and leadership development as its core pillars. Annual training plans with a minimum number of required hours are formulated based on strategic priorities, operational goals, and business needs. These plans are dynamically adjusted in response to client requirements and regulatory changes to ensure close alignment between training and practical application. Over the years, the average training hours per employee have consistently exceeded 10 hours. In 2024, this figure reached a recent high of 13.86 hours. Please refer to the chart below for details.

Hi-Clearance Inc.'s education and training system adopts a "stepwise cultivation" approach, with tailored learning pathways designed for each stage—from basic onboarding for new employees to professional development for product specialists and leadership training for middle and senior management. Upon onboarding, new employees receive guided orientation on company culture, policies, and safety standards, followed by practical training from their departments to ensure smooth integration into the team. Current employees participate in annual job-specific training programs or cross-departmental knowledge sharing sessions, such as medical device sales expertise and product maintenance techniques, to continuously enhance their skills. For retired employees who have grown with and contributed to Hi-Clearance Inc. over the years, the Company has established a re-employment system, which is subject to mutual agreement, to pass on their valuable experience and mentor the next generation.

Average Training Hours (Unit: Person)



Average Training Hours per Employee (By Gender) Unit: Hours/Person



Note:
Average training hours per employee = (Total employee training hours during the year / Total number of employees at year-end)
Average training hours per female employee = (Total training hours of female employees during the year / Total number of female employees at year-end)

The gender gap in training hours is due to most courses being specialized in medical device sales, a role predominantly held by male employees. The Company’s HR department strictly oversees recruitment and selection for all positions without gender-based distinctions; however, individual voluntary choices naturally reflect preference differences. Hi-Clearance Inc. designs and arranges training programs based on professional needs, enabling each employee to grow in line with their career development plans.

The Company respects and cares about the career development of all employees. Except for new employees who have been in their positions for less than six months, all staff members are required to undergo an annual performance evaluation. The results of these evaluations are linked not only to rewards, promotions, and job transfers but also serve as an important reference for training and education.

2024 Assessment Statistics		Actual Number of Assessed Personnel	Employees in This Category	Percentage
Gender	Male	170	261	65.13%
	Female	91	261	34.87%

■ 5.2.3 Labor-Management Communication

Hi-Clearance Inc. is committed to creating a work environment that respects employees, ensures their safety, and promotes two-way communication. The company strictly complies with the Labor Standards Act, the Occupational Safety and Health Act, and the Labor Insurance Act, among other regulations, to safeguard labor rights and interests.

Hi-Clearance Inc. is committed to creating a work environment that respects employees, ensures their safety, and promotes two-way communication. The company strictly complies with the Labor Standards Act, the Occupational Safety and Health Act, and the Labor Insurance Act, among other regulations, to safeguard labor rights and interests.

The Company has not established a labor union, nor has it received any requests for collective bargaining agreements, and to date, no collective bargaining agreements have been signed. Nonetheless, the Company does not overlook the importance of labor relations. It has established an Employee Welfare Committee to represent employee interests and advocate for benefits, along with multiple communication channels such as management meetings, one-on-one discussions, a dedicated grievance hotline, and a designated mailbox. When necessary, an ad hoc grievance committee is convened. Legally mandated quarterly labor-management meetings serve as a key platform for two-way dialogue, enabling employees to voice opinions and the Company to build consensus and understand employee needs. In 2024, a total of four labor-management meetings were held to coordinate labor relations. Through regular communication and dialogue between both parties, cooperation was promoted, allowing employees to express their opinions and advocate for improved working conditions with the Company.

The meeting included five representatives each from the labor and management sides. During the meeting, they discussed agenda items such as leave regulations, adjustments to working hours, and attendance contingency plans for climate-related disasters. Additionally, considerations were made for female colleagues working night shifts, providing transportation to ensure their convenience and personal safety. Through the aforementioned approach, employees are informed about the Company's production plans, business overview, and market conditions, enabling them to fully express their opinions. The Company can then respond and systematically transform their suggestions into policies for implementation. Conversely, management can timely grasp the working conditions of employees and construct a friendly workplace based on employee needs.

In the event of major operational changes that could significantly affect employee rights, the Company will strictly comply with the Labor Standards Act and related regulations, providing advance notice and thorough communication based on employees' years of service. Specifically, employees who have worked for more than three months but less than one year must be given a 10-day notice; those employed for one to three years require a 20-day notice; and those with over three years of service must receive a 30-day notice, in accordance with the law. In the event of mass layoffs, the Company will comply with the Act for Worker Protection of Mass Redundancy by notifying the competent authority and relevant parties of the dismissal plan at least 60 days in advance and publicly disclosing the announcement. During the above-mentioned period, in addition to announcements through official channels, the Human Resources Department will also proactively contact affected employees to provide necessary assistance.

Through the collective efforts of all colleagues, Hi-Clearance Inc. has successfully cultivated a work culture characterized by a high degree of mutual trust. In the year 2024, there were no incidents of discrimination, forced labor, child labor employment, or human rights violations. A total of zero labor disputes were recorded. In the future, we will continue to strengthen employees' identification with the Company based on transparent communication and humane management.

5.3 Occupational Health and Safety

Significance to the Company		Employees are the Company's greatest asset, and safeguarding their lives and property is the fundamental requirement of occupational safety and health regulations. Under its "Safety First, Zero Harm" policy, Hi-Clearance Inc. strictly implements occupational safety and health management procedures in accordance with regulations, complies with relevant laws and standards, eliminates hazards, and reduces occupational safety risks.
Policy/Commitment		The Company commits to providing and maintaining a workplace that complies with safety and health regulations and promotes employee safety and health, creating a safe and comfortable working environment.
Objective	Short-term	Strengthen the promotion of traffic safety awareness to reduce the likelihood of employees sustaining injuries during their commute.
	Mid- to long-term	Continuously conduct educational training to establish a zero-occupational-accident safety and health workplace.
Responsible Department / Complaint Mechanism		- Responsible Department: Personnel & Administration Section of the General Administration Office - Complaint mechanism : christine_yang101@hclearance.com.tw
Resources Invested in the Fiscal Year		- All employees are covered by labor and health insurance, group insurance, and other types of insurance. Additionally, contracted nurses and physicians are available on-site to provide medical consultation and assistance to employees. - Annual health examinations for all employees are conducted on a regular basis. - Regular labor safety and health education and training are conducted for new and current employees to enhance their awareness and understanding of occupational safety and health. Fire drills are held every six months.
Evaluation Mechanism/Results		- Major occupational injury incidents in 2024: 0 cases. - In the year 2024, a total of two occupational safety and health training sessions were conducted.

■ 5.3.1 Occupational Safety Management System

Hi-Clearance Inc. has established and implemented a workplace safety and health management system in accordance with the Occupational Safety and Health Act and its related subsidiary regulations. This system includes measures such as risk assessment, hazard communication, regular education and training, health checkups, and abnormality tracking. Through institutionalized procedures, the Company continuously monitors and improves implementation to prevent occupational accidents and safeguard employees' physical and mental well-being.

■ 5.3.2 Hazard Identification and Prevention

To prevent unlawful harm in the workplace, the Company conducts a comprehensive risk assessment and management for all employees in accordance with occupational safety and health regulations, and has formulated the Plan for Prevention and Management of Unlawful Infringement in the Performance of Duties. Workplace violence prevention assessments are conducted and tailored to different departments (e.g., administrative and sales units), including investigations of both external and internal risk sources. These assessments cover four major types of unlawful harm risks: physical, verbal, psychological, and sexual harassment.

Hazard Type	Example
Physical violence	Beating, pushing, and kicking
Verbal/psychological violence	Insult, threat, humiliation, exclusion, and discrimination
Sexual harassment	Inappropriate verbal or physical behavior
Stalking and harassment	Surveillance, stalking, and harassing messages

The Company conducts formal risk assessment operations annually, including:

- Assessment of 20 items covering solo work, cash handling, and external contact.
- Adopt of a three-axis matrix for risk assessment indicators, determining risk levels (high/medium/low) based on “likelihood” and “severity,” with corresponding existing control measures and enhancement recommendations proposed accordingly.
- Control methods include three levels: engineering controls, administrative controls, and personal protective equipment.
- For moderate and higher-risk areas, such as frontline counter service personnel, it is recommended to establish standard operating procedures (SOPs) and provide employee self-protection training.

In addition, the Company has established a workplace unlawful harm prevention system, continuously reviewing risk factors and updating control measures on a rolling basis to ensure that high-risk work conditions, such as night shifts and solo assignments, are incorporated into protection planning. All risk assessment records are reviewed by professional nursing staff and serve as the basis for improving the occupational safety environment and designing training content.

Fire Drills

To strengthen workplace risk identification and safety awareness, fire prevention managers conduct self-defense fire drills every six months and report them to the local fire department. These drills include fire safety lectures, evacuation procedures, emergency reporting protocols, and fire extinguisher operation training. Additionally, personnel are regularly assigned to participate in fire drills, CPR, and AED training organized by the park management center to enhance practical emergency response capabilities. The Company will continue to review the implementation effectiveness of the occupational safety and health system, integrate digital management tools, strengthen preventive health care and work safety management, and steadily advance toward the workplace goal of healthy work environment without occupational accidents.



Fire Emergency Response Measures



■ 5.3.3 Employee Health Promotion

Regular health check-ups	On-Site Health Services	Health abnormality follow-up	Daily Health Management
Arrange annual health screenings are arranged for all employees to support disease prevention and health management.	- Contracted nurse: Arrange on-site services 4 times per month, offering health consultations and basic assessments. - Contracted physicians: Arrange on-site services four times annually to conduct follow-up and provide recommendations for cases with abnormal health examination results.	Conduct follow-up based on the classification of health examination results, providing necessary consultation or referral assistance.	- Electronic blood pressure monitors are installed in the office for employee self-monitoring. - The bulletin board is updated periodically with health promotion information to enhance health awareness.

Additionally, with on-site medical support, Hi-Clearance Inc. conducts an annual Maternity Health Implementation Form and has established a Maternity Health Protection Plan to safeguard female employees’ health during pregnancy and breastfeeding through comprehensive management of hazard identification, health consultations, and suitable job arrangements. The 2024 statistics are as follows:

Female employees	88 persons (accounting for 33.7% of the total workforce)
Female workers of childbearing age (15–49 years)	75 persons
Female employees in nursing period	4 persons (100% nursing room usage rate)



■ 5.3.4 Occupational Injury Statistics

Hi-Clearance Inc. has no reported cases of occupational disease; however, in recent years, individual employees have experienced traffic accidents during commuting and infections due to frequent visits to medical institutions as part of their job duties. In line with the principle of balanced reporting and Hi-Clearance Inc.’s commitment to proactively caring for employees’ physical and mental well-being, the following disclosures are made voluntarily:

Type/Year		2022	2023	2024	Description of Hazards and Improvements
Occupational Injury Type	Fall injury	0	0	1	While on duty, an employee tripped and fell due to an unnoticed elevation difference caused by exposed ground piping. The Company has since reinforced safety reminders and awareness efforts, and is monitoring the employee’s recovery.
	Commuting traffic accident	2	1	1	Enhance traffic safety awareness campaigns
	Infection	1	0	0	Due to frequent hospital visits required by their roles, employees are continuously reminded to strictly follow infection control measures to reduce the risk of illness

Survey/Year		2022	2023	2024
Total Cumulative Working Hours		533,520	553,280	572,448
Fatal occupational injury (Note 1)	No. of shareholders	0	0	0
	Proportion	0	0	0
Serious occupational injury (Note 2)	No. of shareholders	0	0	0
	Proportion	0	0	0
Recordable occupational injuries (Note 3)	No. of shareholders	2	1	2
	Proportion	3.75	1.81	3.49
Work-related ill health	No. of shareholders	0	0	0
	Proportion	0	0	0
Recordable work-related ill-health	No. of shareholders	1	0	0
	Proportion	1.88	0	0

Note 1:
Calculated based on the rate per 1,000,000 work hours.

Note 2:
Serious occupational injury: A severe injury that prevents or significantly hinders an employee from returning to their pre-injury health status within six months. Fatalities are excluded from statistical reporting.

Note 3:
Recordable occupational injuries or illnesses: These include any work-related injury or illness resulting in death, absence from work, restricted duties or job transfer, medical treatment beyond first aid, loss of consciousness, or a significant diagnosis by a licensed healthcare professional—even if none of the above outcomes occur. Statistical reporting must include fatalities and also accounts for minor injuries treated on-site by the employee.



5.4 Community Engagement

Medical Care and Concern: Safeguarding Health Equity

SDG 3: Ensure healthy lives and promote the well-being of all at all ages

During the COVID-19 pandemic, Hi-Clearance Inc. recognized the challenges faced by vulnerable groups in accessing preventive care and proactively donated 38,000 saliva rapid test kits to the Taiwan Fund for Children and Families to support the well-being of disadvantaged children. An additional 10,000 kits were donated to the Miner's Son Education Foundation and distributed to 21 orphanages across Taiwan, helping reduce children's fear of testing through non-invasive methods while easing the financial burden on underprivileged families. Furthermore, we continue to channel medical resources across all regions. In 2024, we donated funds and medical equipment to 11 nonprofit medical institutions throughout Taiwan, including St. Joseph's Hospital, Show Chwan Memorial Hospital, and Chia-yi Christian Hospital. Total donations for the year amounted to NT\$23.46 million, aimed at strengthening primary healthcare, long-term care services, and hospital infrastructure—contributing to a more inclusive healthcare system.

During the Formosa Fun Coast dust explosion incident, Hi-Clearance Inc. swiftly mobilized to donate artificial dermal dressings to burn victims. Leveraging technical support from its original manufacturer, TERUMO, the Company provided high-quality medical care resources to aid the injured. This not only reflects our commitment to urgent social issues, but also underscores the Company's mission to give back to society through professional medical expertise.



Educational Support: Cultivating Child and Youth Development

SDG 4: Quality Education, SDG 1: No Poverty, SDG 8: Decent Work and Economic Growth

Since 1999, Hi-Clearance Inc. has consistently sponsored three disadvantaged children each year through the Taiwan Fund for Children and Families, maintaining this commitment uninterrupted for over 25 years. In addition to regular economic assistance, we provide children with a stable growth environment through holiday gift money, social work counseling, academic guidance, and employment resource referrals, assisting them on the path to independence. This goodwill initiative, sustained for over two decades, has not only improved the living conditions of children and their families but also brought hope and opportunity to underserved communities. We believe such care plants seeds of warmth in society, fostering a virtuous cycle of compassion.

To cultivate future biotechnology talent, we have partnered with universities such as Chung Yuan Christian University, Yuanpei University of Medical Technology, and I-Shou University to promote internship programs. Through hands-on workplace experience and cross-departmental collaboration, these initiatives bridge the gap between academic learning and practical application, transfer professional knowledge for improving public health, and lay a solid foundation for sustainable industry development.



The Company encourages students to participate in internship programs during the summer vacation. Through practical guidance from department supervisors and hands-on involvement in daily work processes, the program helps students understand workplace culture, acquire practical skills, and thereby grasp the knowledge and expertise required by the industry. At the same time, interns can take this opportunity to interact and communicate with colleagues from various departments within the Company, thereby cultivating cross-departmental communication, collaboration, and problem-solving skills.

To date, the internship program has trained over 20 students, helping them explore career paths while enabling the Company to identify future talent and build a talent pipeline—advancing industry-academia collaboration and mutual growth.



Environmental Initiative: Embracing Biodiversity

SDG 13: Climate Action, SDG 15: Life on Land

Climate change and ecological crises are global challenges. In 2023, Hi-Clearance Inc. actively supported environmental education by organizing a private screening of the ecological documentary Good Morni MIT, inviting over 100 employees and their families. Through the story of Taiwan's endemic salamander and its threatened habitat, the event deepened public awareness of biodiversity conservation and climate action. Director Mai Chueh-Ming attended in person to share his 17-year filming journey, resonating with attendees and strengthening the Company's internal commitment to environmental sustainability.



Social Inclusion: Integrating Corporate Resources to Expand Social Impact

SDG 3: Good Health and Well-being—3.8 Achieve universal health coverage

Hi-Clearance Inc. actively collaborates with medical, educational, and nonprofit organizations. In 2024, the Company donated blood pressure monitors to nursing homes and co-organized two free health education seminars to promote accurate health knowledge and disease prevention awareness, with a total of 44 participants. We aim to expand the Company’s social impact through small yet meaningful actions.

Date	Location	Course	Number of Participants
2024/5/29	Cardinal Tien Junior College of Health and Management	Guidance on the Dental Implant Restoration Process	32
2024/8/23	Daxi Renshan Community Long-Term Care Institution	CPR + AED and Basic Life Support (BLS) Training Course	12
Total Number of People			44



Ch 6. Appendices

Appendix 1. GRI Content Index ★Indicates a Material Topic

Statement of Use	Hi-Clearance Inc. has reported in accordance with the GRI Standards for the period from January 1 to December 31, 2024.				
GRI 1 Used	GRI 1 : Foundation 2021				
Applicable GRI Sector Standards	No applicable GRI sector standards at present				
Topic	GRI Standard No.	Title of GRI Standard	Corresponding Sections of the Report	Page No.	Reason for Omission/Necessary Explanation
GRI 2 : General Disclosures 2021					
Organization and Reporting Practices	2-1	Organizational details	2.1.2 Basic Information	14	
	2-2	Entities included in the organization's sustainability reporting	About This Report	04	
	2-3	Reporting period, frequency and contact point	About This Report	04	
	2-4	Restatements of information	About This Report	04	
	2-5	External assurance	About This Report	04	
Activities and Workers	2-6	Activities, value chain and other business relationships	2.1.2 Basic Information	14	
	2-7	Employee	5.1.2 Employee Statistics	59	
	2-8	Workers who are not employees	5.1.2 Employee Statistics	59	
Governance	2-9	Governance structure and composition	1.3 Sustainability Promotion Task Force 3.1 Governance Practices	08 20	
	2-10	Nomination and selection of the highest governance body	3.1.1 Board of Directors	21	
	2-11	Chair of the highest governance body	3.1.1 Board of Directors	21	
	2-12	Role of the highest governance body in overseeing the management of impacts	1.3 Sustainability Promotion Task Force 3.1 Governance Practices	08 20	
	2-13	Delegation of responsibility for managing impacts	3.1 Governance Practices 3.2 Risk Management	20 30	

Topic	GRI Standard No.	Title of GRI Standard	Corresponding Sections of the Report	Page No.	Reason for Omission/Necessary Explanation
Governance	2-14	Role of the highest governance body in sustainability reporting	About This Report	04	
	2-15	Conflicts of interest	3.1.1 Board of Directors	21	
	2-16	Communication of critical concerns	1.2 Stakeholder Communication Channels and Key Issues	06	
	2-17	Collective knowledge of the highest governance body	3.1.1 Board of Directors	21	
	2-18	Evaluation of the performance of the highest governance body	3.1.1 Board of Directors	21	
	2-19	Remuneration policies	3.1.2 Functional Committees	24	
	2-20	Process to determine remuneration	3.1.2 Functional Committees	24	
	2-21	Annual total compensation ratio			Confidentiality restrictions/Compensation falls within the Company's confidential scope
Strategy, Policy, and Practice	2-22	Statement on sustainable development strategy	Chairman's Message	03	
	2-23	Policy commitments	3.1.4 Ethics and Integrity	28	
			5.1.1 Human Rights Protection	57	
	2-24	Embedding policy commitments	3.1.4 Ethics and Integrity 5.1.1 Human Rights Protection	28 57	
	2-25	Processes to remediate negative impacts	3.1.4 Ethics and Integrity	28	
	2-26	Mechanisms for seeking advice and raising concerns	3.1.4 Ethics and Integrity	28	
	2-27	Legal Compliance	3.3 Legal Compliance	33	
Stakeholder Engagement	2-28	Membership associations	2.4 Participation in External Organizations	19	
			1.1 Stakeholder Identification 1.2 Stakeholder Communication Channels and Areas of Concern	06 06	
	2-30	Collective bargaining agreements	5.2.3 Labor-Management Communication	67	
GRI 3 : Material Topics 2021					
Material Topic	3-1	Process to determine material topics	1.4 Materiality Assessment	10	
	3-2	List of material topics	1.4 Materiality Assessment	10	

Topic	GRI Standard No.	Title of GRI Standard	Corresponding Sections of the Report	Page No.	Reason for Omission/Necessary Explanation
Economic Aspect					
★Operational Performance					
GRI 3: Material Topics 2021	3-3	Management of material topics	3.4 Operational Performance	35	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	3.4 Operational Performance	35	
	201-2	Financial implications and other risks and opportunities due to climate change	4.1 Climate Change Risks and Opportunities	46	
	201-3	Defined benefit plan obligations and other retirement plans	5.2.1 Compensation and Benefits	62	
	201-4	Financial assistance received from government	None	-	Not applicable
Market Presence					
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	5.2.1 Compensation and Benefits	62	
	202-2	Proportion of senior management hired from the local community	5.1.2 Employee Statistics	59	
★ Ethics and Integrity					
GRI 3: Material Topics 2021	3-3	Management of material topics	3.1.4 Ethics and Integrity	28	
Custom Topic	Customized	Number of integrity whistleblower reports handled during the reporting year	3.1.4 Ethics and Integrity	28	
★ Customer Service					
GRI 3: Material Topics 2021	3-3	Management of material topics	3.5 Customer Service	37	
Custom Material Topic	Customized	Customer satisfaction survey conducted during the reporting year	3.5 Customer Service	37	
Environmental Aspect					
Energy					
GRI 302: Energy 2016	302-1	Energy consumption within the organization	4.2.1 Energy Management	50	
	302-3	Energy intensity	4.2.1 Energy Management	50	

Topic	GRI Standard No.	Title of GRI Standard	Corresponding Sections of the Report	Page No.	Reason for Omission/Necessary Explanation
Emission					
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	4.2.2 Carbon Emission Management	51	
	305-2	Energy indirect (Scope 2) GHG emissions	4.2.2 Carbon Emission Management	51	
	305-4	GHG emissions intensity	4.2.2 Carbon Emission Management	51	
★ (Medical Waste Management) Waste					
GRI 3: Material Topics 2021	3-3	Management of material topics	4.3 Medical Waste Management	52	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	4.3.1 Internal Waste 4.3.2 Downstream Medical Waste	52 53	
	306-2	Management of significant waste-related impacts	4.3.1 Internal Waste 4.3.2 Downstream Medical Waste	52 53	
	306-3	Waste generated	4.3.1 Internal Waste 4.3.2 Downstream Medical Waste	52 53	
	306-4	Waste diverted from disposal	4.3.2 Downstream Medical Waste	53	
	306-5	Waste directed to disposal	4.3.2 Downstream Medical Waste	53	
Supplier Environmental Assessment					
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	4.4.1 New Supplier Selection Criteria	55	
	308-2	Negative environmental impacts in the supply chain and actions taken	4.4.2 Key Supplier Evaluation	56	
Social Aspect					
★ (Compensation and Benefits) Labor-Management Relations					
GRI 3: Material Topics 2021	3-3	Management of material topics	5.2.1 Compensation and Benefits	62	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	5.1.2 Employee Statistics	59	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.2.1 Compensation and Benefits	62	

Topic	GRI Standard No.	Title of GRI Standard	Corresponding Sections of the Report	Page No.	Reason for Omission/Necessary Explanation
GRI 401: Employment 2016	401-3	Parental leave	5.2.1 Compensation and Benefits	62	
	Salary	Disclosure of the number of full-time employees not holding managerial positions, the average and median salary of such employees, and the year-over-year changes for all three metrics.	5.2.1 Compensation and Benefits	62	
Labor Relations					
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	5.2.3 Labor-Management Communication	67	
★Occupational Health and Safety					
GRI 3: Material Topics 2021	3-3	Management of material topics	5.3 Occupational Health and Safety	68	
GRI 403: Occupational Health and Safety 2018 Management Policy	403-1	Occupational health and safety management system	5.3.1 Occupational Safety Management System	68	
	403-2	Hazard identification, risk assessment, and incident investigation	5.3.2 Hazard Identification and Prevention	69	
	403-3	Occupational health services	5.3.3 Employee Health Promotion	71	
	403-4	Worker participation, consultation, and communication on occupational health and safety	5.3.3 Employee Health Promotion	71	
	403-5	Worker training on occupational health and safety	5.3.2 Hazard Identification and Prevention	69	
	403-6	Promotion of worker health	5.3.3 Employee Health Promotion	71	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.3.2 Hazard Identification and Prevention	69	
GRI 403: Occupational Health and Safety 2018	403-8	Workers covered by an occupational health and safety management system	5.3.4 Occupational Injury Statistics	71	
	403-9	Work-related injuries	5.3.4 Occupational Injury Statistics	71	
	403-10	Work-related ill health	5.3.4 Occupational Injury Statistics	71	
Training and Education					
GRI 404: Training and Education 2016	404-3	Percentage of employees receiving regular performance and career development reviews	5.2.2 Talent Development	65	

Topic	GRI Standard No.	Title of GRI Standard	Corresponding Sections of the Report	Page No.	Reason for Omission/Necessary Explanation
Diversity and Equal Opportunity					
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	5.1.2 Employee Statistics	59	
Supplier Social Assessment					
GRI 414: Supplier Social Assessment 2016	414-1	Screening of new suppliers using social criteria	4.4.1 New Supplier Selection Criteria	55	
	414-2	Negative social impacts in the supply chain and actions taken	4.4.2 Key Supplier Evaluation	56	
★Product Safety and Responsibility					
GRI 416: Customer Health and Safety 2016	3-3	Management of material topics	3.6.1 Product Safety	39	
	416-1	Negative social impacts in the supply chain and actions taken	4.4.2 Key Supplier Evaluation	56	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	3.6.3 Annual Investments and Performance Outcomes	41	
GRI 417: Marketing and Labeling 2016	417-1	Information on products, services, and labeling	3.6.1 Product Safety	39	
	417-2	Incidents of non-compliance concerning product and service information and labeling	3.6.3 Annual Investments and Performance Outcomes	41	
	417-3	Incidents of non-compliance concerning marketing communications	3.6.3 Annual Investments and Performance Outcomes	41	
Information Security					
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.7.4 Annual Investments and Performance Outcomes	45	



Appendix 2. SASB Sustainability Accounting Standards

Healthcare Industry / Medical Equipment and Supplies

Topic	Code	Metrics	Measurement Unit	Company Response
Affordability and Pricing	HC-MS-240a.2	Disclosure of product pricing information to customers or their agents	Not applicable	Not applicable
	HC-MS-240a.3	Percentage change in the (1) weighted average list price (2) and net price of the product portfolio compared to the previous reporting period	Percentage (%)	Not disclosed at this time
Product Safety	HC-MS-250a.1	(1) Number of recalls announced, (2) Total number of units recalled	Quantity	No product recall incidents occurred in 2024
	HC-MS-250a.2	Products listed in any public medical product safety or adverse event alert database	Not applicable	Not applicable
	HC-MS-250a.3	Number of deaths related to products	Quantity	No product-related deaths occurred in 2024
	HC-MS-250a.4	Number of enforcement actions taken in response to violations of Good Manufacturing Practice (GMP) or equivalent standards, categorized by type	Quantity	No violations of GMP or equivalent standards occurred in 2024
Ethical Marketing	HC-MS-270a.1	Total monetary losses resulting from legal proceedings related to false marketing statements	Expressed Currency	For details refer to “3.6.1 Product Safety”
	HC-MS-270a.2	Description of ethical guidelines for managing product promotion beyond package inserts and labeling	Not applicable	Not applicable
Product Design and Life Cycle Management	HC-MS-410a.1	Discussion of processes for evaluating and managing environmental and human health considerations related to chemicals in products, in alignment with sustainable product requirements	Not applicable	Not applicable
	HC-MS-410a.2	Total weight of products received through reclamation, reuse, recycling, or donation, categorized by (1) equipment and devices and (2) supplies	Metric ton (t)	Refer to “4.3.2 Downstream Medical Waste” for details.



Appendix 2. SASB Sustainability Accounting Standards

Healthcare Industry / Medical Equipment and Supplies

Topic	Code	Metrics	Measurement Unit	Company Response
Supply Chain Management	HC-MS-430a.1	Percentage of (1) individual sites and (2) first-tier supplier sites participating in third-party audit programs for manufacturing and product quality	Percentage (%)	(1) Individual sites – 33% with QMS medical device manufacturing licenses (labeling), 67% with GDP medical device distribution licenses, 50% with GDP pharmaceutical distribution licenses. (2) First-tier supplier locations – all distributed medical devices require manufacturers to provide supporting product safety documentation and obtain TFDA medical device licenses.
	HC-MS-430a.2	Description of efforts to maintain traceability within the distribution chain	Not applicable	Not applicable
	HC-MS-430a.3	Description of risk management related to the use of critical materials	Not applicable	Not applicable
Business Ethics	HC-MS-510a.1	Total monetary losses resulting from legal proceedings related to bribery or corruption	Expressed Currency	No legal proceedings related to bribery or corruption occurred in 2024
	HC-MS-510a.2	Description of the ethical guidelines for interactions with healthcare professionals	Not applicable	Not applicable
Number of Units Sold, Categorized by Product Type	HC-MS-000.A	Sales quantity by product category	Quantity	Refer to “2.1.2 Basic Information” for details.



Appendix 3. Climate-Related Information of TPEX Listed Company

Implementation of Climate-Related Information	
Item	Implementation Status
1. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.	Refer to Section 4.1 "Climate Change Risks and Opportunities" of this report for details.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	
3. Describe the financial impact of extreme weather events and transformative actions.	
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management 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.	
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.	
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company currently has no plans for carbon pricing, carbon offsetting, or renewable energy certificates, and expects to complete the greenhouse gas inventory by the year 2026.
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.	
9. Greenhouse gas inventory and verification status, reduction targets, strategies, and specific action plans	According to the roadmap for listed companies, the Company is required to complete the inventory check by 2026 and finalize the external verification by 2028, adhering to the stipulated timeline.