



2024 Sustainability Report

Medtecs International Corporation Limited

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Chairman's Message




Clement Yang Ker-Cheng
Chairman

Dear Stakeholders,

As we reflect on 2024, the world continues to face complex challenges, including geopolitical conflicts, persistent inflation, and the ever-pressing realities of climate change. Despite these uncertainties, Medtecs remains steadfast in our commitment to sustainability, innovation, and the well-being of our communities. Building on the progress achieved in 2023, we have deepened our efforts to create a lasting positive impact on the environment and society.

Achievements in 2024

This year, we expanded upon our environmental, social, and governance (ESG) initiatives, marking several milestones:

- **Environmental Excellence:** Our factories in Cambodia and the Philippines achieved significant reductions in resource consumption through energy-efficient equipment upgrades and the adoption of renewable energy solutions. Our expanded water conservation initiatives, including rainwater harvesting and wastewater recycling, demonstrate our dedication to sustainable resource management.
- **Employee Well-being:** For the second consecutive year, Medtecs received the 1111 Job Bank's Happiest Employees Award in the Biotech and Healthcare category. This recognition underscores our unwavering commitment to fostering a workplace that values inclusivity, safety, and growth.
- **Innovation and Governance:** We strengthened our product portfolio by focusing on the development of eco-friendly materials and products. Notably, our certifications in ISO 14001 and ISO 13485 have further solidified our position as a responsible global leader in personal protective equipment (PPE) manufacturing.

Vision for Sustainability

As we look to the future, we remain committed to our vision of "better the world's health for everyone, everywhere." In 2024 and beyond, we aim to:

1. **Achieve Net-Zero Emissions:** With a goal of net-zero emissions by 2050, we are advancing our roadmap by investing in low-carbon technologies, adopting renewable energy, and achieving incremental carbon reduction milestones, including a 20% reduction by 2030.

2. **Promote Circular Economy Practices:** Transforming waste into reusable resources remains a cornerstone of our sustainability strategy. Initiatives like repurposing waste materials into fuel rods and packaging solutions exemplify our leadership in resource innovation.
3. **Enhance Climate Resilience:** Through ongoing assessments aligned with the Task Force on Climate-Related Financial Disclosures (TCFD), we continue to integrate climate risks and opportunities into our strategic planning, ensuring a sustainable and resilient operational model.
4. **Invest in Our People and Communities:** Guided by our human rights policy, we are focused on fostering diversity, equity, and inclusion, while upholding labor rights and investing in employee development and welfare.

Building on our legacy of adaptability and innovation, Medtecs is poised to address the challenges of a changing world. Our commitment to collaboration with stakeholders remains central to our mission of advancing global health, mitigating climate impact, and supporting our communities.

Thank you for your continued trust in Medtecs. Together, we can forge a sustainable and prosperous future.

Sincerely,
Clement Yang Ker-Cheng
Chairman
Medtecs International Corporation Limited

About this Report

This is the eight Sustainability Report (the “Report”) published by Medtecs International Corporation Limited (“Medtecs” or the “Company”). Medtecs is listed on Catalist, the sponsor-supervised listing platform of the Singapore Exchange Securities Trading Limited (“SGX-ST”). In addition to complying with the Listing Manual Section B: Catalist Rules of the SGX-ST (“Catalist Rules”), we remain dedicated to fostering transparency by showcasing the Medtecs Group’s accomplishments in environmental, social, and governance (“ESG”) initiatives. Through this annual publication, we strive to provide stakeholders with a thorough understanding of our commitment to and actions toward sustainable development.

Reporting Framework

The framework of the Report is mainly based on the Universal Standards 2021 published by the Global Reporting Initiative (“GRI Standards”), a globally-recognized framework suited for reporting on sustainability matters relevant to the Group. The framework also aligns with International Financial Reporting Standards (“IFRS”) S1 and S2, issued by the International Accounting Standards Board. The Report is prepared in accordance with the requirements set out in Listing Rule 711B and Practice Note 7F: Sustainability Reporting Guide of the Catalist Rules. Please refer to Appendix Appendices 1 and 2 to this Report for details of the Group’s application of the GRI Standards.

Reporting Scope

This Sustainability Report presents the environmental, social, and governance (ESG) actions, policies, performance, and related data of the Company and its subsidiaries (collectively referred to as the “Medtecs Group” or the “Group”) for the financial year ended 31 December 2024. This report also includes content that reflects past achievements and anticipates future developments in alignment with the Group’s strategic sustainability goals.

The scope of this report primarily focuses on the ESG performance of Medtecs and its major subsidiaries operating in Taiwan, the Philippines, Cambodia, and China which represent the most significant contributors to the Group’s operational footprint and revenue. Subsidiaries located in Singapore, and Malaysia are excluded from the reporting scope for 2024 due to their relatively small contribution to the Group’s overall revenue. Financial data is based on all entities listed in the consolidated financial statements.

Included Entities

The following entities are included in this report based on their relevance and materiality.

- Medtecs (Cambodia) Corporation Limited (“MCCL”)
- Medtecs (MSEZ) Corporation (“MMSEZ”)
- Medtecs (Taiwan) Corporation
- Medtecs International Corporation Limited (Philippines)
- Medtex Corporation
- Medtecs Materials Technology Corporation
- Universal Weavers Corporation (“UWC”)
- Hangzhou Jincheng Medical Supplies Manufacture Co., Ltd. (“Jincheng Supplies ”) *
- Hangzhou Jincheng Medical Technologies Co., Ltd. (“Jincheng Technologies ”) *

The addition of Jincheng Supplies and Jincheng Technologies in the 2024 reporting scope reflects the Group’s commitment to progressively expanding its sustainability reporting coverage, consistent with evolving stakeholder expectations.

Restatements

During the reporting period, the Group made no significant restatements of previously disclosed information. Minor changes to historical data or methodologies, where applicable, are explained in the relevant sections of this report, ensuring clarity and transparency in disclosures.

Commitment to Continuous Improvement

Medtecs Group is committed to broadening the scope and depth of its sustainability reporting to meet global ESG standards and stakeholder expectations. Future reports aim to progressively include all subsidiaries and cover additional material topics, ensuring alignment with recognized reporting frameworks and best practices. For 2024, no primary components or material topics were excluded, demonstrating the Group’s comprehensive approach to sustainability reporting.

Third-party Assurance

Report Review and Management Process

The data and information in the Report are provided by various departments and operating units of the Group, compiled by the Legal Department, and revised by heads of the Sustainability Task Forces under the Sustainability Reporting Council. It is then subjected to review by the Company’s Sponsor for compliance with the relevant rules of the SGX-ST, and then sent to the Board of Directors for approval. The Company’s Internal Control Department has initiated an internal review of the Company’s sustainability reporting processes. This review aims to identify areas for improvement and ensure that the Company’s sustainability reporting is accurate, transparent, and aligned with the industry’s best practices. By continuously assessing and optimizing these processes, the Company seeks to enhance the effectiveness and efficiency of its operations, as well as its ability to identify and manage potential risks.

Third-Party Assurance

The Report has undergone rigorous scrutiny by Ernst & Young Global Limited, an independent third-party auditing firm, which has conducted independent assurance procedures to verify the accuracy of the relevant data. For a detailed account of their findings, please refer to the assurance report disclosed in page 55 of the Report.

Internal Audit (provided by IC)

The Internal Control Department has integrated the internal review of the Company's sustainability reporting processes into its annual internal audits. In compliance with Practice Note 7F of the Catalist Rules, the review process was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors, and involved requesting relevant documents to verify data sources, cross-checking information for accuracy, and fact-checking key performance indicators (KPIs) against the Company's short-term and long-term goals. By maintaining a structured approach to data validation, we enhance the credibility of our sustainability reporting and reinforce our commitment to responsible and data-driven decision-making. This review aims to ensure that the Company's sustainability reporting is accurate, transparent, and aligned with the industry's best practices. Based on internal auditor's assessment and the Board of Director's selection of material topics taking into account the expectations of management and other stakeholders, the review includes requests for relevant documents to verify data sources, cross-check of information for accuracy and fact-checking key performance indicators toward short-term and long-term goals and targets set within the Company.

In accordance with Practice Note 7F of the Catalist Rules, the prioritization of material topics not only considers the expectations of the Board but also integrates the views of management and other stakeholders, ensuring a balanced and inclusive approach to sustainability reporting. The internal review process aligns with this requirement by engaging key internal and external stakeholders to assess the relevance and significance of ESG factors. This ensures that our reporting framework is comprehensive, stakeholder-informed, and aligned with both regulatory requirements and business objectives. In addition, areas of improvement are to be identified, and the corrective actions are being tracked via regular progress reports that highlight the status of corrective actions and provide early alerts for any deviations from the agreed-upon plan.

Beginning in 2024, the Internal Control Department is also involved in monitoring the data collection process across various departments within the Company to identify inconsistencies or gaps. The Company has implemented the use of a centralized data platform to collect data from different departments, ensuring timely and accurate reporting. Data verification is applied to high-risk areas such as carbon emissions, water usage, and energy consumption, where the accuracy of the data is

crucial for external audits and public reporting.

By continuously assessing and optimizing these processes, the Company seeks to enhance its operational efficiency and ability to identify and manage potential ESG-related risks, thereby aligning sustainability practices with broader strategic goals and regulatory requirements.

Board Statement

The Board of Directors (the "Board") is pleased to present Medtecs' 2024 Sustainability Report, which confirms the Group's commitment to sustainability. This commitment is reflected in the Group's sustainable business strategies and objectives that the management have identified after determination and consideration of key ESG issues. The Board had considered sustainability issues in the Group's business and strategy, determined and approved the material ESG factors and overseen their management and monitoring by the management. The Report has been prepared in accordance with the guidelines of the Global Reporting Initiative, which are well-known and credible standards for reporting on environmental, social and governance issues that are most important to the Group's business and stakeholders.

2024 Highlight

Environment	Social	Governance & Economy
<ul style="list-style-type: none"> 13.30 % reduction in emission intensity Groupwide level 19.52% reduction in waste generation for Taiwan and 49.92% reduction for Cambodia MCCL site in Cambodia's ISO 14001:2015 and ISO 14064-1:2018 certifications reflecting the company's commitment to sustainable environmental practices and proactive approach to managing GHG emissions 	<ul style="list-style-type: none"> 5.01% employee turnover rate showcasing commitment to employee retention, engagement, and workplace satisfaction 15,694.81 training hours across all level of the organization designed to enhance technical skills, leadership capabilities, and sustainability awareness Women representation on the board doubled to 40%, up from 20% from the previous years 	<ul style="list-style-type: none"> 100% of the company's employee communicated to about the anti-corruption policies and procedures Strengthened anti-corruption framework through targeted audits in Taiwan, Cambodia, and the Philippines, found 0 corruption-related incidents



Recognition

For the second consecutive year, Medtecs was honored with the 1111 Job Bank's Happiest Employees Award in the Biotech and Healthcare category, a testament to our commitment to putting people first. Our VP of Human Resources, Ricky, has accepted the 2024 award on behalf of our employees, who are the heart of Medtecs. Their passion and dedication create a workplace where collaboration, growth, and well-being thrive. This recognition highlights our ongoing efforts to foster an innovative, diverse, friendly, and inclusive environment where every team member feels valued, realizes their potential, and achieves career success. We remain grateful for our employees' hard work, which continues to make Medtecs one of the best enterprises to work for.

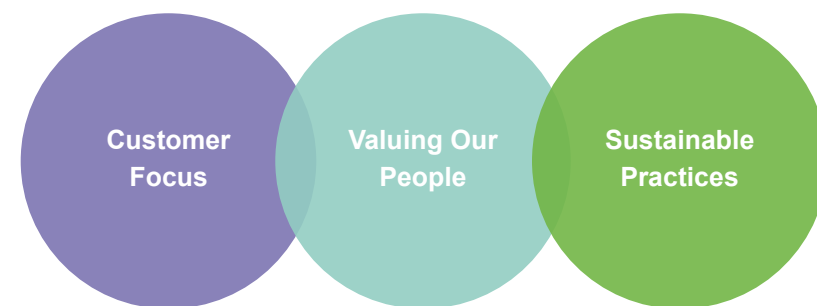


1 Sustainable Development

About the Company

Vision and Values

Medtecs is a leading provider of comprehensive medical products and services, guided by its core values of Customer Focus, Valuing Our People, and Sustainable Practices. We are committed to delivering world-class medical products, services, and protective equipment, with customer satisfaction as our highest priority. We place great importance on the career growth and well-being of our employees, reflecting our dedication to Valuing Our People. Our vision is to “better the world’s health for everyone, everywhere” supported by our mission to “providing safe and effective products with speed, warmth, and care.” By consistently improving service quality and efficiency, we remain steadfast in our commitment to Sustainable Practices, ensuring that our business decisions and operations prioritize long-term sustainability.



We embrace the TARPS management philosophy, which represents five key workplace attitudes: Teamwork, Accountability, Rewards & Consequences, and a Solution-Oriented mindset. This approach is designed to minimize potential gaps and errors in work processes, improve overall efficiency, and foster strong problem-solving capabilities among our employees.

Teamwork
Accountability
Reward & Punishment
Solution-Oriented

The company upholds the KUNG FU values in our work ethic, symbolizing our dedication to “Know your customer,” “Understand the transaction,” “Never give up,” “Good for stakeholders,” “Faith,” and “Up.” This philosophy highlights the importance of maintaining confidence and positivity, even in challenging situations. At Medtecs, we strive to exemplify these principles in our daily efforts, delivering exceptional service and unwavering commitment to our customers and stakeholders.

Know Your Customer
Understand The Transaction
Never Give Up
Good For Stakeholders
Faith
Up

Company Profile

Medtecs International Corporation Limited, established in 1989, is a leading provider of personal protective equipment (PPE) and medical consumables. The Group is a prominent global manufacturer and supplier of PPE and workwear, offering comprehensive protective solutions to government agencies, businesses, and individuals worldwide. It ensures the adequacy and effectiveness of protective equipment across diverse sectors. With a robust presence in the United States, Europe, and the Asia-Pacific region, the Group boasts the largest PPE manufacturing capacity outside of China. The Company has been listed on the Singapore Exchange since 1999, and its Taiwan Depositary Receipts began trading on the Taiwan Stock Exchange in 2002.

The Group is headquartered in Taipei, Taiwan, with offices and facilities located across Taiwan, Singapore, Cambodia, the Philippines, China, and the United States. Operating 11 factories, the Group focuses on the manufacturing and sales of PPE, medical textiles, medical consumables, and workwear, while also offering integrated hospital services such as consumables supply and laundry services. The Group’s monthly production capacity reaches 500,000 pieces of workwear, 2 million pieces of protective coveralls, 3 million pieces of AAMI Level 2 isolation gowns, 3 million pieces of isolation gowns, 5 million pieces of PE isolation gowns, 90 million pieces of medical face masks, and other products, which are sold to multiple countries and regions in Asia, Europe, the Americas, and Oceania. In 2020, the Group established its first subsidiary in the United States, Medtecs USA Corporation, to expand the local market for PPE and medical consumables. In 2023, the glove factory constructed by the Group in Cambodia commenced full-scale production, with a monthly glove production capacity of up to 50 million gloves.

Basic Information of Medtecs Group

Company Name	Medtecs International Corporation Limited
Year of Establishment	1989
Chairman	Clement Yang Ker-Cheng
CEO	William Yang Weiyuan
Headquarters Address	11F, No. 9, Song Gao Rd., Xinyi Dist., Taipei City 110, Taiwan
Stock Symbol	Singapore Exchange: 546 Taiwan Stock Exchange: 9103
No. of Employees	3,430

Products and Services

The Group’s core businesses focus on the production and distribution of personal protective equipment (PPE) and the delivery of integrated hospital logistics services.

Medtecs offers a comprehensive range of products and services, including:

- **Personal Protective Equipment (PPE):** This category encompasses isolation gowns, disposable coveralls, nitrile gloves, 3-ply surgical facemasks, and KN95 facemasks.
- **Medical Garments and Textiles:** Medtecs manufactures medical garments and textiles, providing essential apparel for healthcare professional

- **Protective Workwear:** The company produces durable workwear designed to offer protection in various industrial settings.
- **Integrated Hospital Services:** Medtecs provides comprehensive hospital services, including linen and laundry management, ensuring hygienic and efficient operations within healthcare facilities.

Medtecs International operates as a leading original product manufacturer (OPM), specializing in the production of premium personal protective equipment (PPE), medical textiles, and workwear. With strategically positioned manufacturing facilities in the Philippines and Cambodia, the Group ensures efficient production and seamless exports to its primary markets, including Europe, the Asia-Pacific region, and the United States.

In addition to its manufacturing capabilities, Medtecs offers a diverse portfolio of hospital logistics solutions designed to enhance operational efficiency and patient care. These services include equipment leasing, laundry management, logistics (3L services), and the supply of medical consumables. In Taiwan, the Group has established itself as a trusted partner for prominent medical institutions, maintaining service agreements with major hospitals such as E-Da Healthcare Group, Tri-Service General Hospital, and Tungs' Taichung Metroharbor Hospital.

Building on its success in Taiwan, Medtecs has strategically expanded its hospital logistics services to the Philippines, delivering tailored solutions to meet the unique needs of healthcare institutions. This expansion underscores the Group's commitment to providing reliable and innovative support to the healthcare sector, fostering improved outcomes for patients and providers alike.



Location	Main businesses
Taiwan	Headquarters, medical laundry facilities
Singapore	Branch office
Cambodia	Spinning; weaving; dyeing; printing; and the production of nitrile gloves, garments, protective coveralls, isolation gowns, shoe covers, and bouffant caps
China	Commercial trade of medical equipment, trays and kits, catheters, urine bags, and incontinence products
Philippines	Dyeing; weaving; laboratory; and the production of garments, medical bandages, and medical and surgical face masks
USA	Branch office

Organizational Structure of the Sustainability Team

The Group established the Sustainability Reporting Council under the Audit Committee in 2017, which operates under the authority of the Board of Directors, to serve as the management body responsible for planning and overseeing sustainable development initiatives. The Council is tasked with developing the Group's sustainability strategy and goals while regularly monitoring the progress of these goals and associated sustainability projects. The Chief Executive Officer (CEO) chairs the Council, supported by the Chief Financial Officer (CFO) and the General Counsel as executive members. The Council provides regular updates to the Audit Committee.

To further advance sustainability efforts, the Group formed five dedicated Sustainability Task Forces under the Sustainability Reporting Council. These task forces focus on key areas: Corporate Governance, Employee Care, Environmental Sustainability, Customer and Partner Relations, and Social Welfare. Each task force includes department heads as members and holds regular sustainability management meetings to drive progress toward the Group's sustainability objectives. Annual initiatives are launched in critical areas such as climate change adaptation, carbon reduction, water conservation, and human rights management. The progress of these initiatives is routinely reported to the Board, and sustainability goals are integrated into the annual performance evaluations of relevant personnel.

The Group's sustainability report is prepared annually by the Sustainability Reporting Council and undergoes independent assurance by a third-party consultant. Upon approval by the Board, the sustainability report is published to provide a transparent account of the Group's annual sustainability achievements, catering to both internal and external stakeholders.

Corporate Sustainable Governance

Sustainable Governance Organisational Structure



Task Force	Function	Responsible Units
Corporate Governance	Enhance transparency and efficiency in corporate governance, including risk management, legal compliance, and internal control	Internal Control, Legal
Employee Care	Foster employee well-being by ensuring a safe work environment, promoting health and safety initiatives, providing training opportunities, and advancing diversity and inclusion.	Human Resources & Administration, Legal
Environmental Sustainability	Advocate for environmental protection and sustainable development by reducing carbon emissions, optimizing energy and resource efficiency, and managing waste responsibly.	Factory Managers, Supply Chain Management
Customer and Partner Relations	Strengthen relationships with customers and partners through environmental sustainability efforts, including reducing carbon emissions and improving energy and resource efficiency.	Legal, Marketing, Sales
Social Welfare	Promote social welfare initiatives, such as community engagement, charitable donations, and volunteer services, to contribute positively to society.	Human Resources & Administration, Legal, Marketing

Integrity Governance	Adhering to the basic principles of accountability, transparency, and sustainability to fulfill social responsibilities to stakeholders.   
Environmental Sustainability	Emphasizing the importance of addressing climate change, implementing goals for reducing energy/resource consumption and waste, and transitioning toward a low-carbon model.   
Community Empowerment	Establishing long-term collaborative relationships with communities and non-profit organizations near our operating sites, participating in community development, and making a positive impact.   
Diversity in the Workplace	Complying with labor laws and regulations in different regions while creating a workplace that promotes happiness and health for employees.   
Value Innovation	Establishing rigorous product processes and supplier management; developing innovative and sustainable products.   

Corporate Sustainable Governance

Grounded in its core business of personal protective equipment (PPE), Medtecs Group has built a robust framework for sustainability centered on five key pillars: Integrity Governance, Value Innovation, Sustainable Environment, Diversity in the Workplace, and Community Empowerment. Each pillar reflects our unwavering commitment to responsible and impactful operations.

Medtecs' sustainability efforts are strategically aligned with 12 of the United Nations' Sustainable Development Goals (SDGs), underscoring our dedication to addressing global challenges such as climate action, responsible consumption, and inclusive growth. By integrating the core values of Customer Focus, Valuing Our People, and Sustainable Practices into our daily operations, we foster a positive and lasting influence across our ecosystem of stakeholders—customers, employees, communities, and the planet.

This comprehensive approach not only enhances our operational resilience but also drives innovation and inclusivity, ensuring Medtecs contributes meaningfully to a sustainable future while safeguarding the health and well-being of the communities we serve.

Materiality and Stakeholder Engagement

Process of Identification of Material Topics

The Group adheres to the GRI Standards and the AA1000 Accountability Principles Standard, applying the principles of inclusivity, materiality, responsiveness, and impact to identify key material topics. In line with GRI 3: Material Topics 2021, we established a structured process to analyze these topics. Additionally, we evaluated their positive and negative impacts on the environment, economy, and society, including human rights. The findings inform the Company's sustainable development strategy and provide a foundation for stakeholder engagement and transparent information disclosure.

In compliance with Practice Note 7F paragraph 4.1(e), we disclose our rationale for selecting sustainability reporting frameworks and the extent of their application. The following frameworks have been adopted based on their relevance to regulatory requirements, industry best practices, and stakeholder expectations:

- Global Reporting Initiative (GRI) Standards – Selected for their comprehensive and globally recognized approach to ESG reporting, ensuring consistency and comparability across sustainability disclosures. GRI serves as the primary framework for reporting on material topics.
- Task Force on Climate-related Financial Disclosures (TCFD) – Applied to climate risk assessment and GHG emissions management, ensuring alignment with investor and regulatory expectations on climate-related financial disclosures.
- AA1000 Accountability Principles Standard – Adopted to enhance stakeholder inclusivity, materiality, and governance accountability, ensuring that our sustainability reporting reflects responsible business practices and stakeholder engagement outcomes.
- Other Industry-Specific Guidelines – Where relevant, additional sustainability disclosure requirements, including sector-specific reporting standards, are integrated to enhance transparency and completeness of ESG reporting.

The extent of application varies by framework, with GRI Standards forming the foundation of our disclosures, TCFD guiding climate-related risk management, and AA1000 supporting governance and accountability principles.



This structured approach ensures that our sustainability disclosures align with business priorities, regulatory requirements, and stakeholder expectations, supporting informed decision-making and long-term sustainable growth.

Establishing Sustainability	Building on our existing database of sustainability issues, we review industry best practices and global trends to update this year's sustainability focus areas. These areas cover four key dimensions: economic, governance, environmental, and social.
Investigating Stakeholders	To better understand stakeholder concerns about sustainability, senior executives and members of the Sustainability Task Forces conduct surveys to gather input. These surveys help assess which sustainability issues matter most to different stakeholder groups. Feedback from 11 completed questionnaires is used to prioritize the issues that stakeholders care about most.
Assessing Sustainability	Senior executives and members of the Sustainability Task Force, guided by the Sustainability Reporting Council, evaluate how sustainability issues impact the environment, economy, and society, including human rights. Through impact assessment surveys, they analyze the potential positive and negative effects and the likelihood of these impacts occurring.
Ranking Material Topics	<p>Using the results from stakeholder surveys and impact assessments, members of the Sustainability Task Force prioritize key sustainability topics. This process takes into account economic, governance, environmental, and social factors, ensuring alignment with the Company's sustainability goals. Ultimately, this effort leads to the identification of the 11 most important topics.</p> <p>Reasons for selection of material topics:</p> <p>To ensure alignment with business priorities and long-term value creation, each material topic is selected based on its strategic importance, financial implications, and stakeholder impact. The primary factors considered when determining and ranking material ESG topics include:</p> <ol style="list-style-type: none"> 1. Alignment with Business Model and Strategy. Material topics are integral to the company's core operations, innovation initiatives, and long-term sustainability. For instance, Product Innovation and Sustainability is essential in maintaining a competitive advantage while addressing evolving consumer and regulatory demands for environmentally responsible products and solutions. 2. Financial and Operational Significance. Certain ESG factors have direct financial and operational implications, influencing brand reputation, risk exposure, and regulatory compliance. Product Quality and Safety and Integrity Governance are both critical in ensuring customer trust, operational efficiency, and adherence to ethical business practices. 3. Stakeholder Priorities and Expectations. Stakeholder concerns, investor interests, and regulatory expectations were reflected in the material topics. For example, Talent Training and Development addresses the need for continuous skills enhancement, supporting employee engagement, talent retention, and organizational resilience. 4. Regulatory and Industry Compliance. Material topics such as Product Marketing and Information Labeling are prioritized to ensure compliance with industry standards and regulations while enhancing customer transparency and trust. 5. Environmental and Social Responsibility. The broader impact of sustainability issues on society and the environment is a key determinant in materiality assessment. Addressing topics such as Sustainable Supply Chain supports ethical procurement practices, reduces environmental impact, and strengthens supplier relations.
Confirming Material Topics	The Sustainability Reporting Council reviews the analysis of material topics, and each Task Force creates customized management strategies to address them. These proposed strategies are then submitted to the Board of Directors for final approval.

List of Material Topics and Related Impact

Material Topics	Responses to Risks and Opportunities	Corresponding GRI Standards	Corresponding Sections in this Report
Integrity Governance	Integrity governance builds stakeholder confidence by fostering transparency and accountability, attracting investments, and enabling sustainable economic growth. It also ensures adherence to environmental standards, mitigating harmful practices and reducing ecological risks. Additionally, it safeguards employee rights through fairness and compliance, promoting job security, equitable treatment, and a culture of trust within the organization.	GRI 205: Anti-corruption GRI 206: Anti-competitive Behavior GRI 207: Tax GRI 405-1: Diversity of governance bodies and employees	Integrity Management
Product Innovation and Sustainability	Drives competitiveness and operational excellence by fostering continuous improvements and adopting eco-friendly materials and technologies. This approach not only minimizes environmental impact but also inspires creativity among employees and collaboration with suppliers to develop sustainable solutions that benefit both people and the planet.	Customized topic	Product and Service Innovation
Product Quality and Safety	Product quality and safety are central to building long-term partnerships and enhancing operational performance. By ensuring compliance with regulations, organizations minimize environmental impacts while prioritizing customer health and safety. Comprehensive training further empowers teams to uphold the highest safety standards, fostering trust and reliability.	GRI 416: Customer Health and Safety	Quality Management
Product Marketing and Information Labeling	Clear and responsible product marketing and labeling enhance customer confidence and performance by ensuring compliance with regulations. Accurate labeling and instructions promote health and safety while minimizing environmental impact through proper usage and disposal guidance, fostering trust and sustainable practices.	GRI 417: Marketing and Labeling	Quality Management
Sustainable Supply Chain	Enhances efficiency and drives revenue by ensuring stability and resilience. It promotes environmental responsibility through supplier initiatives focused on energy savings and carbon reduction while fostering trust by upholding human rights and ethical practices.	GRI 204: Procurement Practices GRI 308: Supplier Environmental Assessment GRI 414: Supplier Social Assessment	Sustainable Supply Chain
GHG Emissions	We are committed to reducing GHG emissions by building strong partnerships and enhancing operational performance through sustainable practices. By ensuring compliance with environmental regulations, we minimize impacts while empowering our people with training to uphold safety and protect health, fostering a culture of accountability and sustainability.	GRI 305: Emissions	Climate Change Strategy and Management
Water Management	Our approach to water management reduces costs through efficient use and treatment while preventing resource depletion and pollution. By prioritizing sustainable practices, we safeguard local communities' water needs and protect public health, ensuring a balanced and responsible use of this vital resource.	GRI 303: Water and Effluents	Water Management
Waste Management	Effective waste management reduces costs and avoids fines by ensuring proper disposal practices. It minimizes environmental impact, safeguards the company's reputation, and protects personnel safety, fostering a responsible and secure working environment.	GRI 306: Waste	Waste Management
Talent Attraction and Retention	Strong talent strategies enhance competitiveness and drive revenue by attracting and retaining top talent. By fostering job satisfaction and engagement, we create a motivated workforce that supports long-term organizational success.	GRI 401: Employment GRI 402: Labor/Management Relations 2016 GRI 405: Diversity and Equal Opportunity 2016	Employee Engagement, Welfare, and Development
Talent Training and Development	Talent training and development drive innovation and efficiency, fueling organizational growth. By offering robust training programs, we enhance job satisfaction and fulfillment, empowering employees to reach their full potential.	GRI 404: Training and Education	Employee Engagement, Welfare, and Development
Occupational Safety and Health	Occupational safety and health are key to reducing accidents, minimizing legal risks, and ensuring the safe disposal of hazardous materials to protect the environment. By prioritizing a secure work environment, we safeguard the well-being of employees and contractors, fostering a culture of safety and responsibility.	GRI 403: Occupational Safety and Health	Occupational Health and Safety Initiatives

Stakeholder Engagement

This year, the Group, in its assessment of the relationships and impact levels between each stakeholder group and Medtecs in accordance with the AA1000 Stakeholder Engagement Standard, has decided to continue engaging with seven key stakeholder groups, same with last year: shareholders, financial institutions, employees, government agencies, local communities, customers, and suppliers. To address stakeholder concerns, we maintain open communication through diverse platforms and have established a Sustainability section on our website to share updates on key initiatives. Communication channels and frequencies are detailed below.

Stakeholder Group	Key Issues and Concerns	Activities and Engagement Channels
Shareholders	<ul style="list-style-type: none"> Risk management Corporate governance 	<ul style="list-style-type: none"> Announcements of the Group's financial results via SGXNet, Taiwan Stock Exchange Market Observation Post System, and the Company's official website (as needed) Annual report and sustainability report (once a year) Annual general meeting (once a year)
Financial Institutions	<ul style="list-style-type: none"> Risk management Corporate governance 	<ul style="list-style-type: none"> Company's official website (as needed) Annual report (once a year) Mutual visits and exchanges (from time to time) E-mail (immediately)
Employees	<ul style="list-style-type: none"> Talent attraction and retention Talent training and development Occupational safety and health Operational performance Salaries and benefits 	<ul style="list-style-type: none"> Suggestion box, complaint mailbox, and hotline (immediately) Internal and external training programs (from time to time) Gatherings and events within the department or Company events (from time to time) Performance evaluations (twice a year) Labor-management meetings (quarterly) Management meetings (monthly) Employee satisfaction surveys (from time to time) Announcements of the Group's financial results via SGXNet, Taiwan Stock Exchange Market Observation Post System, and the Company's official website (as needed)
Government Agencies	<ul style="list-style-type: none"> Risk management Corporate governance Regulatory compliance Labor relations 	<ul style="list-style-type: none"> Verbal and written communication with relevant authorities regarding obtaining or renewal of permits (from time to time)
Local Communities	<ul style="list-style-type: none"> Community care and public welfare 	<ul style="list-style-type: none"> Public welfare and charitable activities (from time to time) Volunteer service (from time to time)
Customers	<ul style="list-style-type: none"> Product labeling responsibility and sales Service and product quality Customer relations 	<ul style="list-style-type: none"> Company's official website and social media platforms (from time to time) Customer satisfaction surveys (annually) Remote inspection for customers (from time to time) Participation in physical and virtual exhibitions (3-5

		times per year)
		<ul style="list-style-type: none"> Customer contact (daily)
Suppliers	<ul style="list-style-type: none"> Sustainable supply chain 	<ul style="list-style-type: none"> Company's official website (from time to time) E-mail (from time to time) Telephone and messaging apps (from time to time)

From 2024, we have shifted from an annual review of material topics to a three-year cycle, based on best practices for reassessing material topics as recommended by global sustainability frameworks such as GRI and SASB. This approach maintains consistency while allowing for adjustments if significant changes occur in our business or external environment. Since no substantial changes have taken place in either our business nature or external factors, it is appropriate to continue using the material topics identified last year.

However, we have decided to omit the following material topics from detailed reporting this year:

- Product Marketing and Information Labeling
- Waste Management
- Product Quality and Safety
- Product Innovation and Sustainability
- Occupational Safety and Health

The decision to omit these topics reflects a recalibration of our reporting focus, not a reduction in their importance. Product Marketing and Information Labeling along with Product Innovation and Sustainability, remain relevant to our operations. However, there were no significant changes or emerging risks in these areas that warranted detailed disclosure for this reporting period. This aligns with our practice of adjusting focus on material topics depending on both business cycles and external conditions.

Similarly, while Product Quality and Safety continues to be critical to our operations, it consistently meets internal standards and external regulatory requirements. Given that no significant performance issues or risks emerged in this area, we decided that additional detailed reporting was unnecessary this year. Nonetheless, we will continue to monitor product quality closely to ensure it meets the high standards we strive to achieve.

Waste Management and Occupational Safety and Health are also areas under continuous monitoring. The data relating to these topics—total waste and workplace safety incidents—showed no significant deviations from previous years, which suggests overall stability. As a result, only material changes will be addressed in future reports, but key performance data will still be disclosed to maintain transparency.

This refined focus allows us to dedicate more attention to areas where the Company sees greater risks or opportunities for improvement, providing a clearer picture of the evolving challenges that require our immediate attention. It also ensures our reporting efforts are aligned with current business priorities and sustainability objectives.



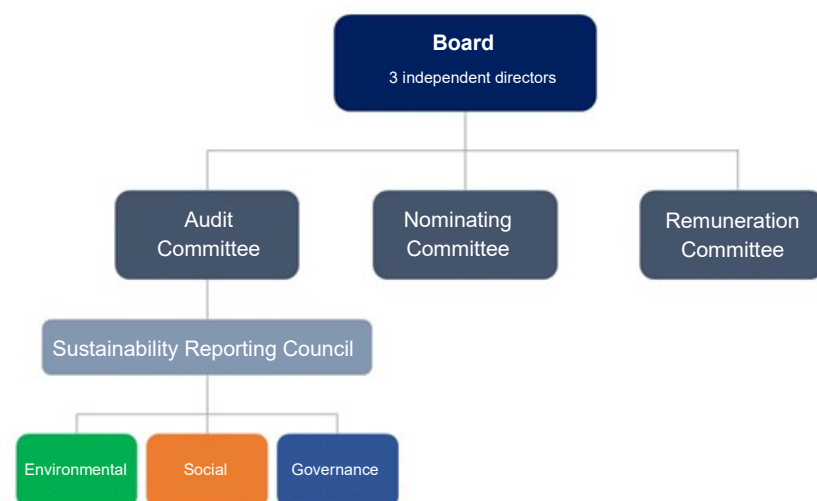
2 Operations and Governance

Sustainable Governance and Strategy

Medtecs Group is guided by its core business principles of Accountability, Transparency, and Sustainability. By adhering to high standards of corporate governance, the Company strengthens investor confidence and trust. A robust corporate governance framework fosters a culture of integrity, instills ethical values, and ensures responsible behavior across the organization. This approach not only protects stakeholder interests but also enhances shareholder value, enabling the Company to achieve long-term sustainable growth and operation.

Corporate Governance Framework

The Board functions as the highest governance authority within the Company, overseeing key committees such as the Audit Committee, Nominating Committee, and Remuneration Committee. Furthermore, the Sustainability Reporting Council, comprising senior executives from various departments, operates under the supervision of the Audit Committee.



The Group is committed to sustainable development. Its operational strategies are formulated by a Board possessing the independence, diverse thinking, and backgrounds to make decisions that align with the Company's best interests. Currently, the Company has five directors, of whom three are independent directors (including two female directors), with independent directors accounting for 60% of the Board. All external directors are considered independent within the meaning of the Listing

Manual Section B: Rules of Catalist of the SGX-ST and the Code of Corporate Governance.

To ensure the avoidance and mitigation of conflicts of interest between the Board and senior management, the Group has established the Code of Ethics and Professional Conduct (the "Code"). Measures include identifying conflicts of interest, abstaining from certain activities, and disclosing familial and financial interests. For more information on the Board members, functional committees, Board compensation policies, and shareholder-related information, please refer to Medtecs' 2024 Annual Report.

The Board meets on a quarterly basis to discuss and formulate the Group's overall strategic direction and the Company's governance framework. Additional meetings are convened whenever necessary to fulfill their duties. Each meeting is scheduled by the directors in advance, and may be conducted via telephone or video conferencing. Decisions of the Board and other functional committees may also be made through circular resolutions. In 2024, the Board held a total of four meetings, the attendance rate of individual directors was 100% for each meeting.

Evaluation of Board Members' Performance

Each year, the Nominating Committee reviews and assesses the standards for evaluating the performance of the Board. After recommending an objective set of performance criteria and processes, which are approved by the Board, the evaluation is conducted to assess the independence of the entire Board and individual committees, as well as the members' contributions to the Group. The duties of directors are all aimed at effectively enhancing long-term shareholder value; therefore, performance is closely linked to the directors' compensation system.

Criteria for Board Performance Evaluation:

- Board size and composition
- Accessibility and credibility of information available to the Board/committees/directors
- Performance in decision-making and execution of key tasks
- Communication with management and behavioral standards of each director

Based on the evaluation results, the Chairman and CEO consult with the Nominating Committee and recommend suitable candidates for new appointments or resignations.

The Group conducts at least one Board performance evaluation every year. The Nominating Committee evaluates each director and discusses, analyses, and provides recommendations based on the evaluation results to enhance the overall performance of the Board. Currently, the Group has not integrated the Company's sustainability goals and performance into the Board performance evaluation; therefore, these factors are not linked to Board compensation. This aspect will be discussed in the future. The overall performance of the Board in 2024 was satisfactory and aligned with the Nominating Committee's views. Furthermore, all committees operated effectively. However, this assessment has not yet undergone external evaluation.

Education and Training for Board Members

The directors have years of experience in corporate governance and are familiar with their responsibilities and duties as directors. To effectively contribute to the Board, directors must stay updated on the latest business and legal developments and regularly enhance their skills and knowledge. Apart from regular meetings with management, the Group provides opportunities and activities, such as visits to the Group's operating facilities in Cambodia, to increase the directors' understanding of the Group's business and strategies, and to discuss and formulate relevant sustainable development strategies.

Directors Mr Clement Yang Ker-Cheng and Mr William Yang Weiyuan, and Dr Nieh Chien-Chung have undergone training on sustainability matters as prescribed by the SGX-ST on 31 May 2022. Director Ms Jessie Low Mui Choo has prior experience as a director of a company listed on the SGX-ST and has also undergone the aforesaid training on sustainability matters on 7 August 2022. Director Ms Yuhong Zhao has confirmed her commitment to attend training on sustainability matters as prescribed by the SGX-ST and has registered for the relevant module to be conducted by the Singapore Institute of Directors in July 2025..

Integrity Management

At Medtecs, integrity governance serves as the foundation for fostering a strong corporate culture, ethical conduct, and responsible business practices. It is essential not only for enhancing shareholder value but also for ensuring a balanced approach to economic performance and social responsibility that considers the interests of all stakeholders.

The Company is committed to upholding the principles of Accountability, Transparency, and Sustainability, reinforcing high standards of corporate governance. To strengthen risk management and operational efficiency, Medtecs continuously enhances its internal policies and governance frameworks. In addition, the Company strictly complies with local tax regulations across all its operating sites and adheres to international tax standards, ensuring accurate tax calculations and timely filing of returns. By fulfilling its tax obligations responsibly, Medtecs contributes to long-term sustainable growth and value creation for the Group and its stakeholders.

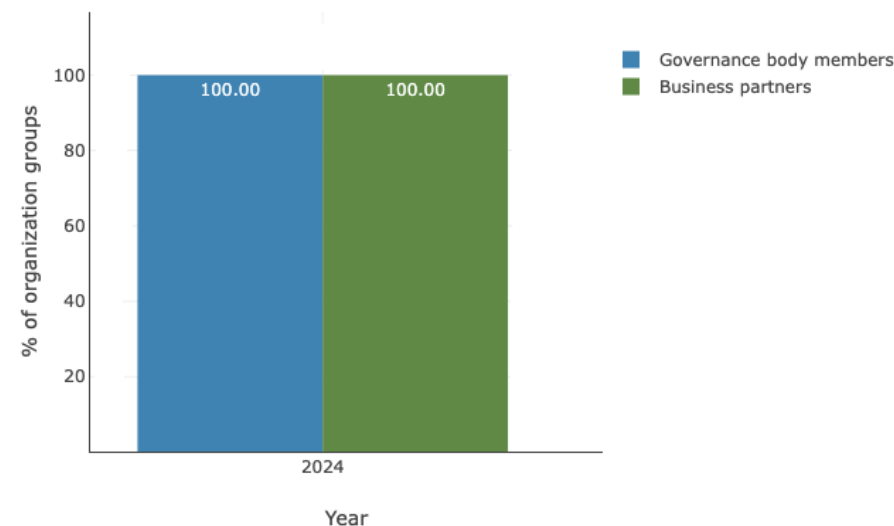
Anti-Corruption

The Group's Code of Conduct prohibits any form of direct or indirect bribery and corruption. This prohibition applies to all directors, employees, agents, and representatives. The Group's Anti-Bribery and Corruption Policy governs all of its business activities and applies to interactions with stakeholders such as government officials, customers, suppliers, partners (including healthcare professionals), and contractors.

The Group has conducted a risk assessment for corruption in Taiwan and there were no corruption-related events or litigation related to anti-competitive behavior, antitrust, or monopoly behavior in 2024. In Cambodia, our audit team evaluated procurement protocols, focusing on vendor selection and pricing mechanisms. This review strengthens our safeguards against quality compromises and cost inefficiencies while ensuring the integrity of supplier relationships. In the Philippines, we conducted a target audit of a subsidiary's general and administrative expenses for irregularities. In addition, the Group has initiated the planning of its risk management policy and procedures, with plans to expand risk assessments to other overseas operations in the future. To further enhance our anti-corruption framework, we're developing risk management protocols with planned deployment across our

international operations, ensuring consistent standards in bribery prevention and ethical business conduct.

Furthermore, to ensure that employees maintain awareness of anti-corruption practices, the Group completed anti-bribery and anti-corruption training for all office staff in December 2024. This training not only enhanced employees' legal knowledge but also improved their understanding of contract risk control. These measures demonstrate our firm commitment to creating a transparent, fair, and accountable work environment. 100% of the governance body members have been communicated to about anti-corruption policies and procedures.



The Group remains committed to promoting ethical practices, transparency, and diversity across all its operations. These initiatives are integral to fostering a culture of accountability and inclusivity while addressing corruption risks. By implementing clear policies, enhancing employee awareness, and collaborating with key stakeholders, the Group aims to strengthen its anti-corruption and diversity frameworks. Below is an overview of the key policies, actions, and plans across various regions.

Cambodia

In Cambodia, both the MCCL and MMSEZ subsidiaries are actively implementing effective anti-corruption and diversity management policies. These efforts include the establishment of clear guidelines,

comprehensive training programs to build employee awareness, and collaboration with governmental and non-governmental organizations that specialize in anti-corruption and diversity issues. These initiatives reflect the Group's proactive approach to embedding ethical standards and promoting inclusive practices within its Cambodian operations.

China

In China, where no formal anti-corruption policies or activities have previously been established, significant steps are planned for 2025. Both Jincheng Supplies and Jincheng Technologies will implement an Anti-Corruption Policy aimed at strengthening ethical standards within their operations. Comprehensive training and promotional programs will be introduced to ensure that all employees are educated on the principles of anti-corruption and are equipped to uphold these standards in their daily activities. This represents a critical step forward in aligning the Group's Chinese subsidiaries with the broader organizational commitment to integrity and accountability.

In terms of anti-corruption training, 100% of the employees in China attended such training during this reporting year.

Philippines

In the Philippines, the UWC subsidiary has adopted an Anti-Bribery and Anti-Corruption Policy as part of its ongoing efforts to foster ethical business practices. A key aspect of this initiative is the communication of the Supplier Code of Conduct to all existing suppliers, ensuring that suppliers align with the Group's ethical expectations. This process underscores the subsidiary's dedication to extending its anti-corruption framework beyond internal operations to include its supply chain partners.

The Group's anti-corruption and diversity management initiatives emphasize the importance of fostering an ethical and inclusive culture across all subsidiaries. Through the establishment of robust policies, continuous employee training, and collaborative efforts with external stakeholders, the Group is building a strong foundation for sustainable and transparent operations. These actions demonstrate the Group's unwavering commitment to maintaining the highest standards of integrity and inclusivity across all regions.

Anti - Corruption Training

As part of our unwavering commitment to integrity and ethical business conduct, we conducted comprehensive anti-corruption training programs for employees across all levels of our organization. This initiative ensures that our workforce is equipped with the knowledge and skills necessary to uphold our standards of accountability and transparency, regardless of location or rank. By equipping employees at all ranks—from senior management to executives—with the necessary tools to identify and combat corrupt practices, we aim to safeguard our operations and maintain trust with our stakeholders.

Employee Rank	China Jincheng Supplies	China Jincheng Technologies	Cambodia MCCL	Cambodia MMSEZ
Senior Management	1	-	3	1
Middle Management	1	-	15	-
Executive	4	2	-	-

These efforts reflect our dedication to ethical governance as a cornerstone of sustainable development and our resolve to contribute to a transparent and corruption-free business environment.

Key Achievements and Future Goals

Medtecs reinforced its Integrity Governance Framework by enhancing risk management policies and ensuring strict compliance with international tax regulations, upholding high standards of ethical business conduct. In 2024, the Group conducted corruption risk assessments in Taiwan, Cambodia, and the Philippines, with no reported incidents, while also expanding its risk management framework to strengthen fraud prevention and ethical supplier relationships. Additionally, Medtecs successfully completed anti-bribery and anti-corruption training for all office staff, ensuring 100% of governance body members were informed of anti-corruption policies. These initiatives underscore Medtecs' unwavering commitment to ethical governance, integrity, and sustainable business practices across all operations.

Aligned with our long-term goals for 2030, we are committed to strengthening our legal and risk management capabilities through innovation and technology-driven solutions. One of our key priorities is the development of an advanced litigation case tracking and management system. By integrating the a legal chatbot and Enterprise Information Portal (EIP) management, which refers to a centralized digital platform that streamlines contract workflows, automates approvals and tracks key milestones, we aim to standardize at least 75% of common contracts, including those for supply chain, sales, and procurement. This will help reduce errors, improve efficiency, and ensure greater consistency in contract management.

To further enhance operations, we are rolling out an automated reminder system by Q3 2025. This will ensure that key contract deadlines, such as expirations and renewals, are proactively managed, reducing the risk of oversight and minimizing manual effort. Additionally, through data analysis and regular reviews, we are targeting a 20% reduction in exceptional contract cases, such as special approvals and delays, compared to 2024.

These initiatives strongly support the Group’s Integrity Management and Anti-Corruption goals by reducing the risk of unethical behavior and improving control over legal and contractual processes. By standardizing contracts and automating tasks such as approvals and deadline tracking, the potential for errors, fraud, or unauthorized actions is minimized. The legal chatbot and tracking system help ensure that policies are followed consistently, while data reviews make it easier to identify and address irregularities. Overall, these efforts promote transparency, strengthen accountability, and help prevent corruption across our operations.

Additionally, we recognize the importance of a robust global risk management framework to ensure that our regional operations remain compliant with local regulations and adhere to consistent corporate standards. By establishing this framework, we aim to enhance governance, mitigate legal risks, and uphold the highest levels of compliance across all jurisdictions where we operate.

Material Topic: Integrity Governance

FY2025 Target

Groupwide

All new hires are required to complete anti-bribery and anti-corruption training within one month of onboarding to ensure we maintain 100% compliance in this aspect.

China

To establish Anti-Corruption Policy.

Long - Term Target (2030)

- Develop an advanced system for litigation case tracking and management, so as to enhance the effectiveness of tracking and monitoring the progress of each litigation case, and to ensure timely responses and strategic management throughout the legal process.
- Develop AI-driven legal assistants for workflow efficiency within our legal department, and for streamlining processes and reducing the time required for routine tasks.
- Establish a global risk management framework to ensure that regional operations comply with local regulations and maintain consistent standards.

Risk Management

To comprehensively identify potential risks and threats and implement proactive measures, the Group has developed a robust and comprehensive risk management framework. Guided by the principle of materiality, this framework systematically assesses risks across key domains, including economic (with a strong focus on corporate governance), environmental, social, and other critical aspects of the Group's operations.

Risks are meticulously evaluated and ranked according to their potential impact on the Group's strategic objectives, operational efficiency, and reputation. Based on this prioritization, targeted management strategies and mitigation measures are crafted to address each identified risk effectively.

The Audit Committee plays an integral role in this process by conducting thorough reviews of the proposed management measures, ensuring their alignment with best practices and organizational goals. Additionally, the Committee provides actionable recommendations to enhance the effectiveness and adaptability of the Group's risk management mechanisms, fostering a culture of continuous improvement.

Through this structured and dynamic approach, the Group not only safeguards its operations but also strengthens its resilience, adaptability, and commitment to sustainable growth in a rapidly evolving global landscape.

Supply Chain Risks

POTENTIAL RISK	RISK DESCRIPTION	RESPONSE MEASURES
Supply Chain Risk	<ul style="list-style-type: none"> Inability to negotiate effectively with multiple suppliers and agents could lower product quality and competitiveness, harm profitability, and delay material shipments, disrupting import and export schedules. Not regularly assessing suppliers and agents could lead to major gaps between their prices, quality, and market standards. 	<ul style="list-style-type: none"> For fixed export routes, we compare and negotiate prices with at least three suppliers every two weeks, selecting those who meet our requirements for timeliness and cost-effectiveness. Third-party suppliers are regularly assessed, with results documented in the Supplier Periodic Assessment Form by the Supply Chain Management and Quality Control teams before approval. The assessment team evaluates suppliers based on the Supplier Evaluation Form criteria, including their willingness to sign the Supplier Purchase Agreement. Approved suppliers are added to the Qualified Supplier List by the Supply Chain Management Department. We monitor raw material market trends and provide bi-weekly procurement reports with analysis on key materials, such as latex and chemical packaging for glove factories.
R&D and Production Risk	<ul style="list-style-type: none"> Developing a product without a feasibility evaluation can lead to issues, increasing costs and delaying the launch schedule. Poor-quality supplies may further disrupt development and delay product trials. Emergencies like power outages or natural disasters without proper response measures can halt production. Failure to secure qualified suppliers on time may result in missed bids and unfulfilled contracts. 	<ul style="list-style-type: none"> The product development team regularly reviews market competitiveness, development costs, and collaborates with Production, Quality Control, Supply Chain, Sales, and Marketing departments. We take proactive steps to mitigate the impact of natural disasters, including comprehensive staff training, equipment inspections, and response plans for floods, fires, earthquakes, and typhoons, ensuring safety and minimizing disruptions.

Operation and Governance Risks

POTENTIAL RISK	RISK DESCRIPTION	RESPONSE MEASURES
Sales risk	<ul style="list-style-type: none"> Granting excessive credit without properly assessing customers can lead to bad debts, overdue payments, and challenges in forecasting order quantities, making inventory management difficult. Poor handling of customer complaints can lead to customer loss and harm the Company's reputation. Not securing qualified suppliers on time can prevent bidding or fulfilling contracts, potentially resulting in fines or blacklisting, which could limit future opportunities. 	<ul style="list-style-type: none"> The Sales team must include customer credit limits when adding them to the database and submit the Customer Information Form for approval. Customer credit limits are regularly reviewed and adjusted based on background checks. To improve competitiveness and reduce lead times, materials are procured for long-term customers with recurring orders. Material quantities are periodically confirmed with customers to avoid disputes, and stock availability and pricing are approved annually by supervisors. When a customer complaint is received, the Sales team identifies the issue, resolves it, and completes a Customer Complaint Handling Form. After supervisor approval, the form is sent to the Quality Control department for analysis and follow-up, with a final response provided to the customer. For government tender bids, the sales team confirms the order, coordinates with production and warehouse departments to gather details such as product name, quantity, and delivery date, and evaluates the feasibility of fulfilling the order.
Operation risk	<ul style="list-style-type: none"> Insufficient network and data management can lead to data breaches, theft of confidential information, and potential system failures. Delays in updating operational regulations may cause inefficiencies and negligence, resulting in losses for the Company. 	<ul style="list-style-type: none"> Network issues are immediately repaired, with troubleshooting steps documented. Information security is regularly reviewed and strengthened. The use of removable or portable storage devices for Company information is prohibited. Department heads maintain and review control records with oversight from the IT and Internal Control Departments. Annual network vulnerability scans, semi-annual data restoration drills, and biennial disaster recovery exercises are conducted to enhance system resilience. Regulatory updates are monitored with the help of external lawyers and consultants to ensure compliance.
Fixed asset risk	<ul style="list-style-type: none"> Not insuring fixed assets can leave them unprotected during disasters or prevent claiming entitlements afterward. Poor management of machinery and equipment can lead to inadequate contingency plans, resulting in potential losses during disasters. Failing to regularly update property inventory may cause discrepancies between actual assets and accounting records. 	<ul style="list-style-type: none"> The Property Management unit oversees insured assets, including buildings, vehicles, and other key items. Equipment undergoes regular checks based on its lifespan, and nearby employees handle and report incidents during disasters to supervisors. The accounting unit, along with the Property Management and Audit departments, conducts an annual inventory following the Asset Inventory List. Property tags based on asset numbers are created for easier inventory management. Assets are managed under Fixed Asset Regulations, with a list of non-accountable assets maintained. Non-accountable assets are inventoried every six months.
Financial risk	<ul style="list-style-type: none"> Insufficient funds when needed can disrupt the Company's operations. Financial and political instability may result in poor investment performance, interest rate and exchange rate fluctuations, exchange losses, higher manufacturing costs, and reduced profits or potential losses. 	<ul style="list-style-type: none"> The Company conducts monthly financial credit rating analyses to establish credit lines with banks and maintain strong relationships with financial institutions. An investment decision-making process is in place to enhance understanding of the economic environment and market hedging tools. The Company's investment plan outlines target areas, fund size, return goals, trial periods, and sources, using external reports for guidance. Investments are selected through a structured process, executed, and results are reported. For stock market investments, financial analysis and credit rating assessments ensure profitability.
Legal and compliance risk	<ul style="list-style-type: none"> Lack of understanding of relevant laws or differences between countries' regulations can lead to losses or harm the Company's reputation. Poor compliance, legal unawareness, or improper contract management can lead to errors, unfair terms, and risky decisions. Reliance on specific individuals for critical expertise may create gaps during work handovers. 	<ul style="list-style-type: none"> The Company regularly consults external experts to stay updated on regulations in different countries. Employees receive ongoing training to improve compliance and legal knowledge, supported by implemented contract management policies and procedures.
Human resources management risk	<ul style="list-style-type: none"> Relying on specific individuals for technical expertise can cause work handover issues. Major labor disputes can make recruitment challenging. Non-compliance with labor laws may lead to fines from authorities. 	<ul style="list-style-type: none"> Standard operating procedures and training plans are developed to ensure consistent operations and proper guidance. Regular training sessions improve employee skills and knowledge. Human resource planning is adjusted to align with the Group's development and comply with regulations. Annual updates ensure compliance with the Taiwan Labor Standards Act, adapt to regulatory changes and industry trends, and maintain a legally compliant work environment with periodic adjustments to working hours.

Environmental Risks

POTENTIAL RISK	RISK DESCRIPTION	RESPONSE MEASURES
Climate risk	<ul style="list-style-type: none"> Climate change and extreme weather events may disrupt the Company's production activities. Compliance with new environmental regulations and using green energy or eco-friendly materials may increase costs and reduce profitability. Customers prioritizing companies with sustainable certifications could lead to a loss of orders, impacting future profitability. 	<ul style="list-style-type: none"> The Company follows the TCFD framework, addressing climate risks and opportunities in its strategy and governance while taking and sharing actions to boost resource efficiency, financial performance, and sustainability. To achieve net-zero emissions by 2050, the Company will buy renewable energy certificates at around US\$67 per 1,000 kWh and aims to cut emissions by 20% by 2030 and 55% by 2050, aligning with Taiwan's targets. The Company will invest US\$5 million in energy-saving and carbon-reduction efforts, including low-carbon materials, with Supply Chain Management coordinating alternative materials and supplier updates. The Company will promote eco-friendly materials in its products and actively recommend them to customers.

Emerging Risks

POTENTIAL RISK	RISK DESCRIPTION	RESPONSE MEASURES
Emerging risk	<ul style="list-style-type: none"> The Company faces emerging risks, including geopolitical, digitalization, AI and automation, social media, reputation, diversity, inclusion, and biosecurity risks, which have become critical to sustainable development as society, technology, and regulations evolve. To address these challenges, the Company emphasizes flexibility, strengthens risk management and crisis response, and actively incorporates ESG principles to ensure sustainable operations. 	<ul style="list-style-type: none"> The Company is exploring diversified supply chains in multiple regions to reduce geopolitical risks. To enhance data security, it plans to implement Personal Data Security Protection Regulations for the medical equipment sector. Employees will receive training on digital risks and artificial intelligence to increase awareness. The Company will engage actively on social media to address crises and manage reputation risks effectively. Multicultural activities, such as Pride Month and Earth Day events, will promote diversity and inclusivity. Sustainability efforts will be transparently communicated through regular ESG performance reports to stakeholders. Workplace hygiene and safety will be maintained with the continuation of 7S promotion activities for the seventh year. ESG principles will be integrated into business operations and strategic planning.

Other Risks

POTENTIAL RISK	RISK DESCRIPTION	RESPONSE MEASURES
Other risk	<ul style="list-style-type: none"> Unclassified risks, such as major external threats or extreme events, can cause significant losses for the Company. These risks should be managed based on their nature and impact by implementing suitable risk management procedures. 	<ul style="list-style-type: none"> After identifying risks and opportunities, the Company develops countermeasures to reduce economic impacts and sets achievable targets. The risk management structure includes the Board, Chairman, President, Risk Management Team, and functional teams. Each team monitors area-specific risks, creates countermeasures, and reports to senior management.



3 Value Innovation

Product and Service Innovation

Product innovation and sustainability play a vital role in strengthening the Company's market competitiveness, customer satisfaction, and brand reputation. By continuously innovating, Medtecs enhances its ability to maintain a competitive edge, seize opportunities for market expansion, and reinforce its presence in existing markets. The development of innovative and sustainable products not only meets evolving customer expectations but also elevates the Company's brand image and industry leadership.

Guided by its vision to "better the world's health for everyone, everywhere", Medtecs remains committed to delivering safe, high-quality, and effective products with speed, warmth, and care. As part of its strategic growth, the Company continues to explore new product offerings and expand into emerging markets, ensuring long-term sustainability and value creation for stakeholders.

Material Topic: Product and Service Innovation

Long - Term Target (2030)

The Group will align its operations with its vision and mission, seamlessly integrating cutting-edge AI technologies and robust ESG principles into its existing foundation. The Company's focus on product innovation and development is expected to yield a steady year-over-year increase in the proportion of revenue generated from new products.

Quality Management

As a provider of medical devices and personal protective equipment (PPE), Medtecs prioritizes product quality and accurate labeling to ensure customers can select and use products appropriately based on the level of hazard in their environment. Proper labeling not only safeguards user health and safety but also reinforces the Company's reputation for reliability and excellence.

Medtecs upholds its commitment to corporate social responsibility by continuously enhancing product capabilities and marketing efforts. All products undergo rigorous verification processes before market launch and must comply with local regulatory requirements and obtain all necessary licenses to ensure the highest standards of quality and safety. Product labeling strictly follows the approved content of the product license, providing clear and accurate information for users.

The Company adheres to internationally recognized quality management systems, including ISO 9001 and ISO 13485, ensuring continuous quality assurance through strict monitoring and compliance with global standards. Additionally, for new product packaging, Medtecs implements a comprehensive review process, requiring all text and graphic content to be submitted to the Legal Department for approval. This measure guarantees authenticity, transparency, and accuracy in product information, reinforcing consumer trust and confidence in the Company's offerings.

Certifications and Accreditations

As a globally recognized medical equipment manufacturer and supplier, our commitment to excellence, sustainability, and ethical operations is reflected in the array of certifications and accreditations we have achieved. These certifications validate our adherence to international standards for environmental management, workplace conditions, social compliance, quality assurance, and medical device regulatory requirements. They form the cornerstone of our sustainability strategy, ensuring we deliver high-quality products and services while minimizing our environmental footprint and upholding ethical practices.

Environmental Management and Sustainability

1. ISO 14001:2015. As part of our commitment to sustainable environmental practices, this certification recognizes our efforts to establish an effective environmental management system aimed at reducing our ecological impact. It highlights our dedication to resource efficiency, pollution prevention, and compliance with environmental regulations.
2. ISO 14064-1:2018. This certification reflects our proactive approach to managing greenhouse gas (GHG) emissions. By aligning with ISO 14064-1:2018, we systematically monitor, measure, and report GHG emissions, reinforcing our commitment to mitigating climate change and supporting global sustainability goals.

Social Compliance and Workplace Standards

1. WCA (Workplace Conditions Assessment). Recognized for upholding superior labor standards and workplace conditions, the WCA certification underscores our commitment to employee well-being. By focusing on fair treatment, safe working environments, and compliance with labor laws, we ensure that our workforce is supported and protected.
2. WRAP (Worldwide Responsible Accredited Production). This certification affirms our adherence to social compliance standards across manufacturing facilities, reflecting our ethical approach to production. WRAP ensures we meet globally recognized benchmarks for responsible sourcing, ethical labor practices, and compliance with international manufacturing standards.

Quality Management and Product Standards

1. ISO 13485:2016. This certification demonstrates our compliance with stringent regulatory requirements for medical devices and related services. It confirms our robust quality management system for ensuring the safety, reliability, and performance of our products in the healthcare industry.
2. ISO 9001:2015. Our commitment to continuous improvement and customer satisfaction is validated through ISO 9001:2015 certifications. This quality management standard enables us to optimize processes, enhance operational efficiency, and consistently meet customer requirements.

Site	Certification	Date of Certification	Operations Covered	Validity Period
MCCL	ISO 14001:2015	January 30, 2024	3 years	January 29, 2027
MCCL	ISO 14064-1:2018	April 02, 2024	3 years	April 01, 2027
MCCL	WCA	February 26, 2025	1 year	February 25, 2026
MCCL	WRAP	January 17, 2025	1 year	January 17, 2026
MCCL	ISO 13485:2016	January 01, 2025	3 years	December 31, 2027
MCCL	ISO 9001:2015	January 04, 2025	3 years	January 03, 2028
MMSEZ	WCA	March 29, 2024	1 year	March 28, 2025
MMSEZ	ISO 9001:2015	December 20, 2024	3 years	December 19, 2027
Medtex	ISO 13485:2016	October 07, 2023	3 years	October 06, 2026
Medtex/ MMTc	ISO 9001:2015	October 07, 2023	3 years	October 06, 2026

Integration into Sustainability Goals

The certifications and accreditations we have achieved are not standalone accomplishments but integral to our broader sustainability objectives. Key initiatives include:

1. Environmental Responsibility: Through ISO 14001:2015 and ISO 14064-1:2018, we actively work to minimize our environmental footprint by adopting energy-efficient practices, reducing carbon emissions, and optimizing resource usage.
2. Workplace Excellence: With WCA and WRAP certifications, we ensure that our workplace reflects the highest standards of safety, fairness, and inclusivity, fostering a supportive environment for our employees.
3. Product Quality and Safety: Our ISO 13485:2016 and ISO 9001:2015 certifications ensure that every product we manufacture meets or exceeds global quality and safety standards, enhancing trust among healthcare providers and patients alike.

Material Topic: Product Quality and Safety

Mid - Term Target

- Implement electronic information systems for all key quality processes (IQC, IPQC, FQC), analyse big data to identify quality issues, and improve product quality and safety.
- Upgrade factory facilities, introduce dust-free workshops to meet stricter quality requirements.

Long - Term Target (2030)

- Become the top brand in the market for reliability in quality.
- Achieve zero defect rate.

Commitment to Continuous Improvement

We are committed to maintaining and continually improving our certifications as part of our sustainability journey. By aligning with international standards, we aim to lead the medical equipment manufacturing industry in sustainability, quality, and ethical practices. These certifications not only demonstrate compliance but also inspire confidence among stakeholders, customers, and partners that we are a responsible and forward-thinking organization.

Sustainable Supply Chain

The Supply Chain Management Department plays a critical role in ensuring the efficiency, resilience, and sustainability of the Company's supply chain. Comprising experts from procurement, shipping, quality control, and production management, the team works collaboratively to optimize operations, enhance cost efficiency, and maintain a seamless supply chain that meets both brand and consumer needs.

As part of its commitment to environmental responsibility, the Company actively seeks eco-friendly materials for product development. For garment products, the focus is on sourcing sustainable primary materials and trimmings, while for disposable products, the Company prioritizes the use of biodegradable materials to minimize environmental impact. Through these efforts, Medtecs continues to integrate sustainable practices into its supply chain, supporting a more responsible and environmentally conscious production process.

Material Topic: Sustainable Supply Chain

Mid - Term Target

- Achieve a supplier evaluation percentage of 75% or higher and a non-conformance rate below 5%.

Long - Term Target (2030)

- Achieve a supplier evaluation percentage of 100% and a non-conformance rate below 1%.

Key Material Risk Management

At Medtecs, supplier management is a key pillar in driving sustainable growth and long-term value creation. Recognizing the challenges posed by climate change and global disruptions, including the impact of pandemics on raw material availability, the Company remains proactive in strengthening supply chain resilience.

To mitigate potential risks that could affect supply chain stability and access to critical raw materials, Medtecs has fostered strategic collaborations with government agencies, international procurement organizations, and brand owners. Through these partnerships, the Company has developed a robust and adaptable supply network, ensuring a reliable, flexible, and sustainable sourcing framework that integrates raw material suppliers, distributors, and manufacturers. This approach enhances operational continuity while supporting responsible sourcing and supply chain sustainability.

Medtecs is committed to strengthening supply chain resilience by integrating production, procurement, investment, and R&D across its manufacturing and operational sites in Taiwan, the Philippines, Cambodia, and China. The Company has built strategic partnerships with raw material suppliers, contract manufacturers, traders, government agencies, international procurement organizations, and brand owners to enhance supply chain stability and minimize the risk of disruptions.

To ensure operational continuity and a sustainable supply chain, Medtecs implements the following key measures:

1. Increase the proportion of procurement from qualified suppliers to ensure consistent quality and reliability.
2. Establish a backup supplier network to enable swift raw material reallocation and maintain seamless production.
3. Maintain safety stock levels at manufacturing sites to mitigate supply shortages.
4. Enhance demand forecasting through active customer engagement during peak and off-peak seasons, allowing for optimized inventory management.
5. Prioritize local procurement to reduce transportation risks and enhance supply chain sustainability.

6. Identify suppliers capable of processing finished products for others, ensuring production continuity in the event of raw material shortages or factory disruptions.

By implementing these measures, Medtecs continues to fortify its supply chain, ensuring reliability, efficiency, and sustainability while supporting long-term business growth and stakeholder confidence.

Medtecs has established a Supplier Management Procedure based on the principles of fairness, impartiality, and transparency to ensure a responsible and sustainable supply chain. Suppliers are rigorously evaluated on quality, cost, delivery lead times, sustainability performance, and financial stability to ensure they meet the Company's standards for operational excellence and ethical sourcing. Medtecs also continuously enhances its procurement processes to improve efficiency and align with best practices in sustainability.

In response to evolving customer and regulatory requirements, Medtecs has implemented stricter supplier compliance measures:

- **Supplier Commitments to Environmental and Safety Standards** – In 2024, suppliers were required to sign the Non-Use of Hazardous Substances Guarantee and Environmental Statement to reinforce environmental responsibility. Additionally, fabric suppliers must provide a Global Recycled Standard (GRS) certificate to ensure the use of sustainable materials.
- **Innovating for Sustainable Materials** – The Company collaborated with suppliers to develop biodegradable plastic reduction materials as part of its commitment to environmental sustainability. However, due to the strict regulatory requirements for PPE products, these materials remain in the development phase and have not yet entered mass production.

To ensure the quality, compliance, and sustainability of supplier products and services, Medtecs conducts comprehensive evaluations before engaging in business and maintains regular and ad-hoc audits throughout the business relationship.

- **Commitment to Responsible Sourcing** – Both new and existing suppliers must sign documents related to environmental, safety, and corporate integrity, including the Non-Use of Hazardous

Substances Guarantee, Environmental Statement, Supplier CSR & Integrity Pledge, and Nondisclosure Agreement.

- Certification and Compliance Requirements – Depending on their production category, suppliers are required to provide relevant sustainability certifications, such as:
 - Better Cotton Initiative (BCI) membership for responsible cotton sourcing
 - OEKO-TEX certification for environmentally safe textiles
 - Self-inspection reports from fabric suppliers to ensure compliance with sustainability standards

Through these stringent measures, Medtecs continuously enhances supplier accountability, promotes sustainable sourcing, and ensures environmental and social responsibility throughout its supply chain, reinforcing its commitment to ethical and sustainable business practices.

Supplier Selection and Evaluation Process





4 Environmental Sustainability

Climate Change Strategy and Management

Medtecs' climate change strategy aligns with the TCFD framework, addressing governance, strategy, risk management, and metrics. By integrating climate-related risks and opportunities into its operations, the Group ensures resilience and adaptability in a rapidly changing environment. These efforts underscore Medtecs' commitment to sustainability, operational efficiency, and long-term value creation.

TCFD-G-a:

Climate-related risks and opportunities (Board Overview)

- i. The board is informed about climate-related issues through regular updates from the Sustainability Reporting Council, which includes senior executives from various departments. The council meets periodically to discuss climate-related matters, ensuring that the board is kept abreast of developments and challenges.
- ii. The board and its committees consider climate-related issues when reviewing and guiding the organization's strategy, major plans of action, risk management policies, and annual budgets. This includes setting performance objectives and monitoring implementation, as well as overseeing major capital expenditures and acquisitions.
- iii. The board monitors and oversees progress against climate-related goals and targets through the reports provided by the Sustainability Reporting Council, which evaluates the effectiveness of the strategies implemented to address climate-related issues.

TCFD-G-b:

Climate-related risks and opportunities (Management)

- i. Assigned Responsibilities: Climate-related responsibilities are assigned to management-level positions within the Sustainability Reporting Council. The council reports directly to the board, ensuring that climate-related issues are assessed and managed at the highest levels of the organization.

- ii. Organizational Structure: The organizational structure includes a cross-department task force that focuses on climate-related issues, comprising senior executives who collaborate to identify risks and opportunities and formulate response strategies.
- iii. Processes for Management Information: Management is informed about climate-related issues through regular meetings and reports from the Sustainability Reporting Council, which discusses the identified risks and opportunities and their potential impacts on the organization.
- iv. Monitoring Climate-related Issues: Management monitors climate-related issues through the established task force, which evaluates risks and opportunities and discusses them with senior management and external advisors.

TCFD-R-a:

Risk Management a : Processes for identifying and assessing climate-related risks

- i. Regulatory Considerations: The organization considers existing and emerging regulatory requirements related to climate change, such as limits on emissions, as part of its risk assessment process.
- ii. Assessment Processes: The Group employs a financial impact and likelihood rating system to assess the potential size and scope of identified climate-related risks. This involves discussions with senior management and external advisors to confirm the ratings.
- iii. Risk Terminology: The organization uses a risk classification framework to categorize identified risks into high, medium, and low categories, facilitating a structured approach to risk management.

TCFD-R-b:

Risk Management b: Processes for managing climate-related risks

- i. Risk Management Processes: The organization has

established processes for managing climate-related risks, which include making decisions to mitigate, transfer, accept, or control those risks based on their assessed impact and likelihood. Once the risk rating and opportunities are confirmed, discussions are held to formulate response strategies and establish short, medium, and long-term goals.

- ii. Prioritization of Risks: Climate-related risks are prioritized based on their materiality, which is determined through discussions and evaluations involving senior management and the Sustainability Reporting Council. A comprehensive assessment on global sustainability trends and operational goals of the Group facilitates on assessing the materiality of the climate-related risks.

TCFD-R-c:

Risk Management c: Integration of climate-related risks into the organization's overall risk management

- i. Integration into Risk Management: The processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management framework. This includes regular reviews and updates to ensure that climate risks are considered alongside other operational risks.
- ii. Decision-Making for Risk Management: The organization employs a systematic approach to decide on risk management strategies, ensuring that climate-related risks are treated with the same rigor as other significant risks faced by the organization.

TCFD-S-a:

Actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material

- Short-term (1-3 years): This period focuses on immediate

operational adjustments and compliance with existing regulations, such as implementing energy efficiency measures and reducing greenhouse gas (GHG) emissions in response to current policies.

- Medium-term (3-5 years): This horizon considers the adaptation of business practices to evolving regulations and market conditions, including the introduction of new products that align with sustainability goals and the gradual implementation of ISO 14001 environmental management systems.
- Long-term (5+ years): This timeframe encompasses strategic planning for significant infrastructure investments, such as transitioning to renewable energy sources and developing resilient supply chains that can withstand climate-related disruptions. It also considers the potential impacts of climate change on the organization’s assets and operations over their useful life.

The organization employs a comprehensive assessment process that includes collecting background information, evaluating risks across its operational scope (headquarters in Taiwan, subsidiaries in Cambodia and the Philippines), and analyzing the financial impact and likelihood of identified risks and opportunities. This process involves discussions with senior management and external advisors to ensure a thorough evaluation of climate-related risks and opportunities by sector and geography.

The identified risks include transition risks (e.g., increased pricing of GHG emissions) and physical risks (e.g., extreme weather events), which are assessed for their potential financial impact on operations and strategic objectives.

TCFD-S-b:

Actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material

Input to Financial Planning: Climate-related risks and opportunities are integrated into the financial planning process by assessing their potential impact on operating costs, revenues, capital expenditures,

and capital allocation. This includes evaluating how increased carbon pricing may affect production costs and how investments in sustainable practices can lead to long-term savings and revenue growth.

Prioritization of Risks and Opportunities: The organization prioritizes climate-related risks and opportunities based on their materiality and potential financial impact. This prioritization informs decision-making regarding capital expenditures, such as investments in energy-efficient technologies or renewable energy sources, and guides strategic choices related to acquisitions or divestments in sectors that may be adversely affected by climate change

Climate-related risk	Risk	Time Horizon	Description
Increased Pricing of GHG Emissions	Policy and Legal Risk	Medium-Term	The Group produces medical products such as coveralls and face masks, and actively promotes GHG reduction to comply with national policies. Countries around the world have also introduced carbon taxes or carbon pricing systems, and significantly raised carbon tax standards in stages. As a result, this will significantly increase production costs for high-carbon-emission industries or small and medium-sized enterprises with high electricity consumption, reducing their competitiveness.
Net-Zero Emissions By 2050	Policy and Legal Risk	Medium-Term	In February 2023, the Greenhouse Gas Reduction and Management Act was renamed the Climate Change Response Act, setting a 2050 net-zero emissions goal. Amendments strengthened climate governance, introduced carbon fees to fund low-carbon projects, and added a chapter to improve climate reporting and

			mitigation. Additionally, an administrative mechanism was established to assess carbon footprints and label products, enhancing accountability and support for climate action.
Costs to Transition to Lower Emissions Technology	Technology Risk	Medium-Term	In numerous production processes, fossil fuels continue to play a significant role as an energy source. However, it is anticipated that there will be a significant increase in legislation related to climate change, which will have an impact on the use of fossil fuels.
Impact of Extreme Weather Events	Physical Risk	Short-Term	Every year during the monsoon season, several days of work get disrupted due to heavy rain and typhoons, which may damage factory and power facilities, and result to interruptions on transportation and logistics

TCFD-S-c:

Actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material

- Strategic Adjustments: To address climate-related risks and opportunities, Medtecs plans to enhance its sustainability initiatives, invest in research and development for eco-friendly products, and strengthen its supply chain resilience. This may involve diversifying suppliers and investing in technologies that reduce emissions and improve operational efficiency.
- Medtecs considers various climate-related scenarios, including a 2°C or lower scenario, to assess the resilience of its strategies. This involves evaluating how different levels of climate change may impact operations, supply chains, and market dynamics over the short, medium, and long term. The insights gained from these scenarios inform strategic planning and risk management efforts.

Climate Risks and Opportunities Management Strategy

After identifying climate-related risks and opportunities, we assessed the risk index based on factors such as likelihood of occurrence and financial impact. Once the levels of risks and opportunities were determined, we developed corresponding response strategies and established short-term, medium-term, and long-term goals. Medtecs conducted a comprehensive evaluation of global sustainability trends alongside the Group's operational development objectives. We analyzed key governance, economic, environmental, and social issues and formulated targeted response measures, as detailed in the table below:

Top Five Climate Related Risks and Response Measures

Risk Aspect - Category	Climate Risk	Risk Description	Response Measures	Risk Status
Transition Risk - Policy	Increased pricing of GHG emissions	The Group, which primarily produces protective clothing and medical products, actively promotes GHG reduction to comply with national policies. However, rising carbon tax levels across various countries will increase production costs, particularly for high-carbon industries or businesses with high electricity consumption, impacting competitiveness.	Align operations with international GHG regulations, calculate and report emissions as per country-specific requirements, and obtain verification from third-party agencies. Promote the adoption of ISO 14001 Environmental Management System, ISO 14064-1 GHG Inventory, and ISO 50001 Energy Management System.	Time Frame: Medium term Likelihood: Extremely High Financial Impact: Moderate
Transition Risk - Policy	Net-zero emissions by 2050	Taiwan's Climate Change Response Act targets net-zero emissions by 2050, with potential expansion of taxation policies affecting businesses. Taiwan's NDC targets require a 20% reduction by 2030 and a 55% reduction by 2050, impacting operational strategies.	The Group plans to purchase Renewable Energy Certificates (RECs) to offset electricity-related carbon emissions and align with Taiwan's net-zero targets.	Time Frame: Medium term Likelihood: Extremely High Financial Impact: Moderate
Transition Risk - Technology	Costs to transition to lower-emission technology	Fossil fuels remain a key energy source for production processes, with expected climate-related legislation increasing costs. Although Taiwan and overseas business units maintain high efficiency, further improvements and green energy investments are required.	Upgrade equipment, including drum-type washing machines and heat exchange systems for dryers at the Yilan factory, and explore 500 kW of green energy generation for overseas operations.	Time Frame: Medium term Likelihood: Low Financial Impact: Moderate
Transition Risk - Market	Changing customer behavior	Customers demand carbon footprint tracking and lower emissions in supply chains. If sustainability expectations are not met, there is a risk of supplier reassignment.	Improve process energy efficiency, use low-carbon composite materials, and maintain supplier communication for real-time market updates. Prepare a list of alternative raw materials and trimmings to meet sustainability requirements.	Time Frame: Medium term Likelihood: Moderate Financial Impact: Severe
Physical Risk - Acute	Cyclones	The typhoon season disrupts operations, causing work suspensions, power failures, and transportation issues for employees in affected areas.	Ensure insurance coverage for all factory assets in the Philippines, including buildings, machinery, and inventory. Maintain an emergency response plan to mitigate operational disruptions.	Time Frame: Short term Likelihood: Extremely High Financial Impact: Low

Energy Management

The Group has undertaken a comprehensive approach to energy conservation across its subsidiaries, implementing a variety of energy-saving measures designed to enhance energy efficiency, reduce electricity and natural gas consumption, and integrate renewable energy technologies. These efforts underscore the Group's commitment to environmental sustainability and form a cornerstone of its operational strategies. The following outlines key policies, actions, and achievements across various regions:

Cambodia

In Cambodia, the Group has made significant strides in improving energy efficiency and adopting renewable energy initiatives. Our MCCL subsidiary successfully achieved its target of reducing electricity consumption by 5% through straightforward yet impactful measures, such as reducing the number of light bulbs in use and ensuring that power is turned off during non-working hours. Similarly, our MMSEZ subsidiary focused on increasing the use of renewable energy, achieving a 5% improvement in energy efficiency by implementing energy-saving practices.

Our MCCL subsidiary has also taken proactive steps to improve fuel efficiency and reduce its environmental impact. By strategically adjusting the usage frequency of company vehicles, the subsidiary successfully achieved a 5% reduction in diesel consumption. This initiative aligns with the Group's overarching sustainability goal of minimizing resource consumption while enhancing operational efficiency.

The policy to reduce fuel usage has not only delivered measurable results but also reinforced the subsidiary's commitment to responsible energy management. Building on this success, our MCCL subsidiary has set a future target of maintaining and further reducing diesel consumption by an additional 5%, ensuring continuous improvement in fuel efficiency. These efforts reflect the Group's dedication to integrating sustainable practices into its operations and reducing its carbon footprint across all regions.

These actions reflect the Group's commitment to sustainability and resource optimization in its Cambodian operations.

Philippines

The Philippines operations have demonstrated exceptional progress in renewable energy adoption and energy-saving technologies. All streetlights across facilities were successfully converted to solar-powered lights by 2023, significantly reducing electricity usage and highlighting the Group's embrace of renewable energy solutions. Additionally, the transition to LED lighting was completed across warehouses and dyeing areas, further enhancing energy efficiency.

Energy-saving technologies have also been a key focus, with the introduction of eco-friendly dyeing machines in 2021 that continue to operate effectively, reducing energy consumption in production processes. Complementing these technological upgrades are management measures aimed at maximizing energy efficiency. These include optimized production scheduling in dyeing and finishing factories to minimize idle energy waste, the renovation of lighting systems with sectional controls in warehouses and factories, and the painting of factory ceilings white to improve brightness and reduce the need for artificial lighting during the day. Expert consultations and routine daily electricity monitoring have further reinforced energy-saving efforts, ensuring that anomalies are promptly identified and addressed.

Taiwan

In Taiwan, the Group has achieved remarkable energy savings, reducing overall energy consumption by 41% over the past four years through equipment upgrades and environmental enhancements. Building on this success, the Group plans to further reduce electricity and natural gas consumption by an additional 10% by 2025. This will be accomplished through the replacement of old washing machines with modern tunnel washers at the Laundry Factory in Miaoli, underscoring the Group's commitment to continuous improvement and sustainable innovation.

Energy usage over the past 3 years

Operating Site	Energy Type	FY 2024	FY 2023	FY 2022
Taiwan ¹	Purchased Electricity	6,772.03	7,664.00	7,405.00
	Fuel Oil	11,016.11	72.00	771.00

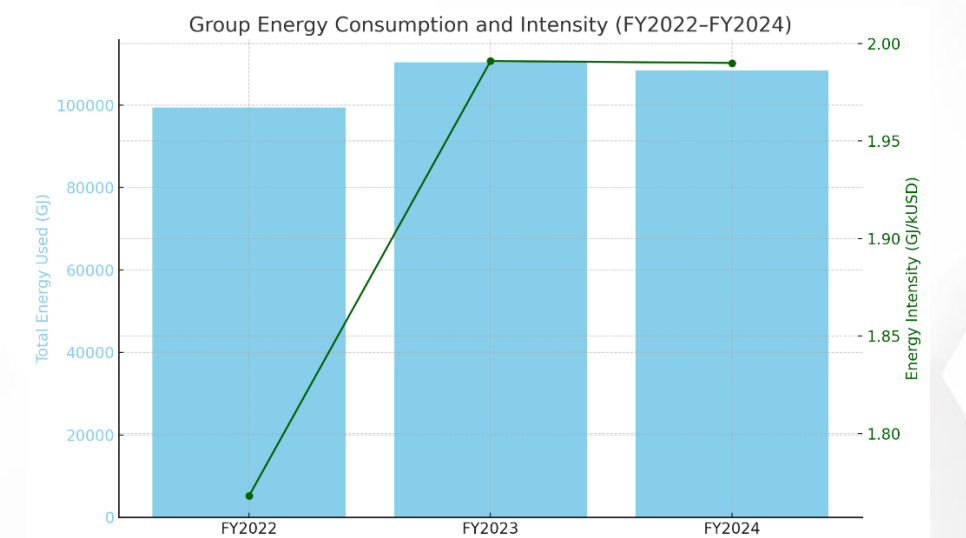
	Natural Gas	62,954.00	65,264.00	63,959.00
	Steam	-	5,550.00	5,272.00
	Total Energy Used	80,742.14	78,550.00	77,407.00
Cambodia ²	Purchased Electricity	11,295.85	8,489.00	8,926.00
	Gasoline	-	41.00	32.00
	Diesel Fuel*	1,049.43	820.00	776.00
	Total Energy Used	12,345.28	9,350.00	9,734.00
Philippines ³	Purchased Electricity	5,619.28	6,600.00	5,758.00
	Coal*	9,131.58	15,975.00	6,545.00
	Fuel Oil*	1,454.56	-	-
	Total Energy Used	16,205.42	22,575.00	12,303.00
TOTAL		109,292.84	110,475.00	99,444.00

Note 1 - For FY 2024: Fuel oil consumption in Liters is converted to GJ. Natural gas is purchased energy.

Note 2 - For FY 2024: Diesel fuel consumption in Liters is converted to GJ.

Note 3 - For FY 2024: Fuel oil consumption in Liters is converted to GJ. Coal consumption in tons is converted to GJ.

Energy intensity over the past 3 years, GJ/K USD



Emission Management

GHG Emissions, tCO₂e

Operating Sites	Scope of Emission	FY2022	FY2023	FY2024
Taiwan	Scope 1	3,254.72	3,310.45	693.21
	Scope 2	1,644.23	1,693.25	5,352.34
Cambodia	Scope 1	395.8	64.53	65.64
	Scope 2	1,239.40	1,167.30	723.86
Philippines	Scope 1	688.73	2,036.74	276.47
	Scope 2	814.11	907.55	1,111.68
Group	Scope 1	4,339.25	5,411.72	1,035.32
	Scope 2	3,697.74	3,768.10	7,187.88
Total emission		8,036.99	9,179.82	8,223.20

The Group's total greenhouse gas emissions slightly decreased compared to the previous year, primarily due to a significant reduction in direct emissions (Scope 1) across all sites, reflecting improved operational efficiency and reduced fuel use. However, indirect emissions from purchased electricity (Scope 2) increased in some locations, highlighting the ongoing need to enhance energy sourcing strategies and transition to cleaner electricity. The Group's emissions intensity decreased compared to the previous year, indicating improved efficiency in emissions relative to output. This reflects the impact of targeted operational improvements and emissions reduction measures, despite continued business activity across our sites.

Group's GHG Emission intensity over the years, tCO₂e/total operating revenue (K USD)

Operating Sites	FY2022	FY2023	FY2024
Group	0.1429	0.1744	0.1512

Key Achievements and Future Goals

In FY 2024, the Group's total energy consumption across its operating sites was 109,292.84 GJ, slightly down from 110,475.00 GJ in FY 2023 but higher than 99,444.00 GJ in FY 2022. In Taiwan, energy use reached 79,842.34 GJ, with natural gas remaining the primary source, while fuel oil consumption significantly increased, offsetting reductions in purchased electricity and the discontinuation of steam use. Cambodia recorded an increase in energy consumption to 12,345.28 GJ, driven by higher electricity and diesel usage to support operational needs. In the Philippines, energy use declined to 16,205.42 GJ from 22,575.00 GJ in the previous year, mainly due to a reduction in coal consumption, partially offset by the introduction of fuel oil. Correspondingly, the Group's GHG emissions intensity, measured in tonnes of CO₂e per thousand USD of operating revenue, improved to 0.1512 in 2024 from 0.1744 in 2023, indicating better emissions efficiency relative to revenue. This aligns with the Group's ongoing efforts to optimize energy use and enhance operational sustainability across all sites.

The Group's ongoing efforts demonstrate a holistic approach to sustainability, blending technological advancements with operational refinements. These initiatives not only reflect a commitment to environmental stewardship but also position the Group as a leader in energy efficiency within the industry. Looking ahead, the Group remains dedicated to driving further progress and achieving its ambitious sustainability targets.

The Group is steadfast in its commitment to advancing energy efficiency and sustainability across all its operations. In the short term, the Group will continue implementing energy-saving measures, focusing on upgrading equipment and expanding renewable energy solutions throughout its facilities. These initiatives aim to enhance energy efficiency, reduce reliance on traditional energy sources, and align with the Group's broader sustainability objectives.

Looking ahead, the Group has set an ambitious long-term goal of achieving a cumulative 10% reduction in electricity and natural gas consumption by 2025. This will be realized through strategic investments in modern equipment and infrastructure upgrades, including the adoption of advanced energy-efficient technologies. By leveraging these enhancements, the Group seeks to further optimize resource utilization and reduce its environmental footprint.

As part of our 2030 sustainability targets, we are implementing key initiatives across our operations to reduce carbon emissions and enhance energy efficiency. In Taiwan, we will establish a GHG inventory list for our laundry factories in compliance with ISO 14064-1, while also implementing and enhancing energy cascade use to lower unit carbon emissions. In Cambodia, we are focusing on optimizing lighting switch times to achieve a 5% reduction in electricity usage, thereby decreasing associated GHG emissions. Meanwhile, in the Philippines, we plan to transition to cleaner energy solutions by replacing two forklifts with electric forklifts and upgrading coal-fired boilers, investing in new energy-saving and low-emission boilers to support our long-term sustainability goals. These targeted initiatives reflect our commitment to reducing our environmental footprint and advancing energy-efficient practices across our global operations.

Through these short- and long-term initiatives, the Group reaffirms its commitment to minimizing environmental impact and fostering sustainable operations across all regions. These plans demonstrate a forward-thinking approach to sustainability, ensuring continued progress and alignment with global environmental goals.

Material Topic: Energy & GHG Emission Management

FY2025 Target

Groupwide

- Complete parent-company-only inventory, fully disclosing Scope 1 & 2 emissions

Cambodia

- For MCCL, to reduce electric consumption by 5% and reduce diesel consumption by 5%. For MMSEZ, increase the use of new energy source by 5%.

Mid - Term Target

- Disclose Scope 3 emissions by 2026
- Pursuing external verification and achieving ISO 14064 certification by 2027

Long - Term Target (2030)

Groupwide

In order to meet the GHG reduction and net-zero emissions targets by 2050, the Company plans to purchase renewable energy certificates (priced at approximately US\$67 per 1000 kWh of electricity) to reduce its carbon footprint from electricity usage (based on Taiwan's NDC goals with 2005 as the base year and a 20% emissions reduction by 2030 and a 55% reduction by 2050).

Taiwan

- Establish a GHG inventory list for laundry factories in accordance with ISO 14064-1.
- Implement and enhance energy cascade use to reduce unit carbon emissions.

Cambodia

- Control lighting switch times to reduce electricity usage by 5% and decrease related GHG emissions.

Philippines

- Replace two forklifts with electric forklifts.
- Upgrade coal-fired boilers and purchase new boilers with energy-saving and low-emission features.

To develop effective carbon reduction strategies, Medtecs Group conducted a greenhouse gas (GHG) inventory across six factories in Cambodia in 2022. This initiative allowed us to familiarize ourselves with the inventory process, gather essential data, and conduct internal audit training to build capacity within the organization. While external verification of the inventory is still in progress, we plan to expand the scope to include operations in Taiwan, the Philippines, and other locations.

Our roadmap includes:

- Completing a parent-company-only inventory and a consolidated GHG report for subsidiaries by 2025, fully disclosing Scope 1 and Scope 2 emissions in compliance with relevant regulations.
- Disclosing Scope 3 emissions by 2026.
- Pursuing external verification and achieving ISO 14064 certification by 2027.

This structured approach ensures we establish clear carbon reduction targets and actionable plans to reduce GHG emissions across the Group.

Sustainable Operational Practices

Medtecs Group remains committed to minimizing its environmental impact by investing resources and implementing sustainable practices across its subsidiaries. Key examples include:

- Transition to cleaner energy at Xiangshan Laundry Factory, Miaoli: Since January 2021, the factory has replaced coal with natural gas boilers, significantly improving energy efficiency and reducing carbon emissions.
- Adoption of industrial co-generation at Longde Laundry Factory, Yilan: In April 2021, the factory ceased using boilers and transitioned to steam from an industrial co-generation plant within the industrial zone, achieving a substantial reduction in carbon emissions.

These initiatives reflect our commitment to reducing the consumption of natural resources and lessening the environmental burden of our operations. By continuously improving energy efficiency and adopting cleaner energy solutions, Medtecs Group is making meaningful progress toward its sustainability goals.

Water Management

The Group has undertaken a variety of water management initiatives across its subsidiaries, demonstrating its commitment to sustainable water use, conservation, and efficiency. These efforts highlight the Group's dedication to reducing its environmental impact while ensuring the availability of water resources for future generations. Below is a summary of the key water-saving policies, actions, and achievements across its operations:

Cambodia

In Cambodia, the MCCL subsidiary has prioritized water efficiency by committing to install automatic faucets equipped with continuous water meters in 2024. This initiative aims to achieve a 5% reduction in water consumption and highlights the subsidiary's focus on environmentally friendly practices and resource conservation. Meanwhile, our MMSEZ subsidiary has implemented measures to provide filtered cold, hot, and warm water to its workforce. Currently, over 80% of employees benefit from this system, improving access to clean water and reducing reliance on bottled alternatives.

Philippines

In the Philippines, the UWC subsidiary has implemented innovative water reuse and conservation measures. The factory completed renovations to use rainwater for flushing toilets, significantly reducing water consumption, with additional renovations planned for completion by 2026. Wastewater from dyeing factories and water looms is repurposed for irrigating green spaces, with plans to expand these systems and complete pipeline installations by 2024. Cooling water from dyeing machines is collected and recycled, resulting in a 10% reduction in water consumption since its implementation in 2022. The subsidiary has also invested in infrastructure improvements, such as replacing aging underground water pipes with above-ground alternatives, reducing water leaks caused by rust and enhancing efficiency. Emergency water storage systems, including mobile water tanks with a 2.5-ton capacity, were developed and completed in September 2024 to ensure preparedness during emergencies, such as power outages or fires. Operational enhancements include the reuse of water collected from rooftop spray cooling systems, which has significantly reduced discharge into sewers and conserved resources. Daily water meter readings are conducted to analyze usage patterns and detect anomalies, enabling the timely identification and resolution of issues, such as leaks. This practice further supports the decision to switch to above-ground piping for improved maintenance.

Taiwan

In Taiwan, the Group has introduced batch washing machines with water return functions at its laundry facilities, recycling rinse water for pre-washing clothes. The first machine became operational in March 2022, with a second machine set to be commissioned by the end of 2024. These innovations have significantly reduced water consumption and contribute to an annual 1% water savings rate for the facility.

Key Achievements and Future Goals

The Group has achieved significant milestones in water conservation across all regions. Initiatives such as rainwater harvesting, wastewater reuse, and infrastructure upgrades have led to substantial reductions in water consumption. Recycling practices, including using wastewater for greening and reusing cooling water from dyeing machines, have become integral to operations, yielding measurable results. Looking ahead, the Group aims to expand successful water-saving initiatives, such as completing pipeline systems in the Philippines by 2024 to enable broader wastewater reuse and finalizing water-saving renovations in all factory toilets by 2026. The Group will continue to enhance water efficiency by adopting advanced technologies and upgrading infrastructure. These water conservation strategies reflect the Group's commitment to sustainable resource management, operational efficiency, and environmental stewardship, ensuring that water remains a protected and responsibly utilized resource across all regions.

To support our strategic priorities for 2030 in water conservation and sustainable resource management, we are implementing targeted initiatives across our operations. In Cambodia, we aim to recycle 5% to 10% of the water used for factory green irrigation and firefighting purposes, reducing water consumption and promoting responsible usage. Meanwhile, in the Philippines, we plan to construct a 1,000 m³ reservoir/purification tank to support dyeing machine and water-jet loom usage, which is expected to save 40,000 m³ of tap water annually. Additionally, over the next three years, we will replace all dyeing machines at our plant with advanced models featuring smaller bath ratios, allowing for increased fabric processing efficiency while reducing water usage and wastewater generation by approximately 30%. These initiatives demonstrate our ongoing efforts to enhance water efficiency, minimize waste, and support sustainable industrial practices across our operations.

Material Topic: Water Management

FY2025 Target

Taiwan

- An annual water savings rate of 1% in Taiwan Laundry Factory.

Cambodia

- For MCCL, reduce water consumption by 5%. For MMSEZ, more than 80% of people to use hot and cold water. Install automatic faucets with continuous water meters to reduce water consumption by 5% from 2024–2026.

Mid - Term Target

Cambodia

- Install automatic faucets with continuous water meters to reduce water consumption by 5% from 2024–2026.

Philippines

- Before the end of 2026, water-saving renovation projects for other toilets in the factory will be completed.

Long - Term Target (2030)

Cambodia

- Recycle 5% to 10% of water used for factory green irrigation and firefighting purposes.

Philippines

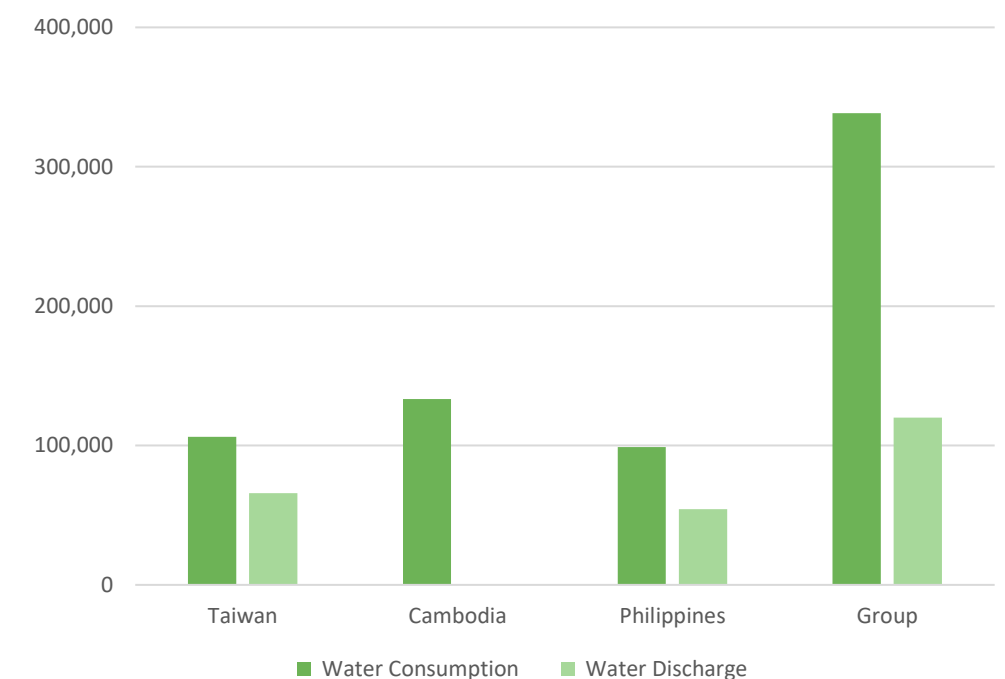
- Construct a 1,000 m3 reservoir/purification tank for dyeing machine and water-jet loom usage, expected to save 40,000 m3 of tap water annually.
- Within three years, we will replace all dyeing machines at our plant with models that have smaller bath ratios. These new machines can process more fabric with the same amount of water, cutting water use and wastewater by about 30%.

Water usage of various operating sites, m3

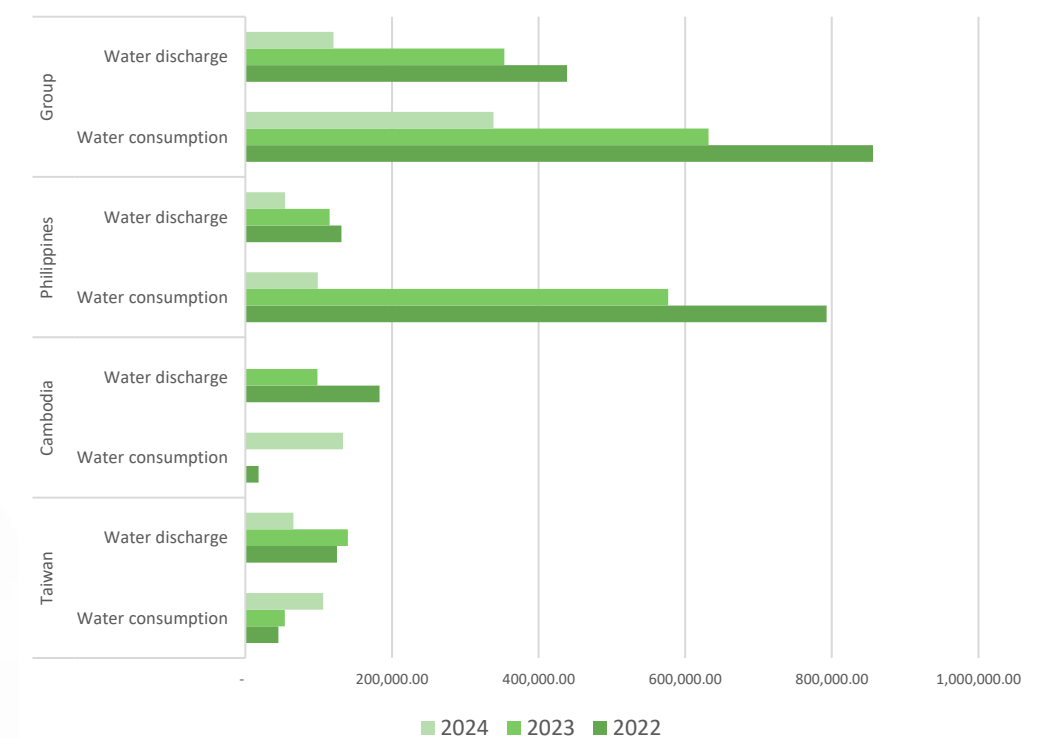
Operating Sites	Water Consumption	Water Discharge
Taiwan	106,266	65,713
Cambodia	133,357	-
Philippines	98,90	54,338
Group	338,525	120,050

Operating Sites	Metric (m3)	FY 2022	FY 2023	FY 2024
Taiwan	Water consumption	45,000.00	54,000.00	106,266.27
	Water discharge	125,000.00	140,000.00	65,712.78
Cambodia	Water consumption	18,000.00	700.00	133,357.00
	Water discharge	183,000.00	98,150.00	
Philippines	Water consumption	793,000.00	576,850.00	98,902.00
	Water discharge	131,000.00	115,000.00	54,337.60
Group	Water consumption	856,000.00	631,550.00	338,525.27
	Water discharge	439,000.00	353,150.00	120,050.38

Water Consumption & Discharge, m3



2022 - 2024 Water Data



Waste Management

The Group has implemented a range of waste reduction and recycling measures across its operations, reflecting its commitment to sustainability, resource optimization, and environmental responsibility. These initiatives aim to minimize waste generation, maximize reuse, and adopt innovative practices that contribute to the circular economy. Below is a summary of key waste management efforts across the Group's subsidiaries.

Cambodia

In Cambodia, the MCCL subsidiary believes in continuously reducing waste every year as part of its operational strategy. The factory has set an ambitious future target to reduce waste by 60%, showcasing its dedication to sustainable practices and environmental stewardship. Similarly, our MMSEZ subsidiary has prioritized waste recycling efforts, achieving a recycling rate of over 60%. This accomplishment underscores the subsidiary's focus on turning waste into a valuable resource while contributing to the Group's overarching sustainability objectives.

Philippines

In the Philippines, the UWC subsidiary has developed a comprehensive waste management policy centered on four pillars: minimizing waste generation, maximizing reuse, implementing effective waste classification, and ensuring hazardous waste is properly disposed of by specialized agencies. Significant progress has been made in various areas. For instance, reusable plastic boxes and pallets have replaced disposable materials, achieving a 95% usage rate for durable turnover boxes and plastic pallets. This shift has significantly reduced waste from cartons and wooden pallets, improving both efficiency and environmental impact. Additionally, discarded cartons from the weaving factory, previously treated as waste, are now reused at a rate exceeding 90%. By relabeling and repurposing used cartons, the subsidiary has reduced waste while maintaining packaging functionality.

The reuse of waste yarn generated during weaving production has also been a notable success at UWC. Previously considered waste, over 70% of waste yarn is now reused, thanks to the introduction of an automatic waste yarn cutting machine. This innovative approach allows waste yarn from water weaving machines to be repurposed as filler for pillows and cushions, reducing waste and creating value-added by-

products. These measures exemplify the subsidiary's commitment to sustainable waste management and resource efficiency.

Taiwan

In Taiwan, the MTC subsidiary has set a target to reduce waste by more than 10%, reflecting its ongoing commitment to sustainability and environmental preservation. The subsidiary is actively exploring and implementing initiatives to achieve this goal, ensuring continuous progress in waste management.

Across the Group, replacing disposable materials with durable, reusable alternatives has not only reduced waste but also improved operational efficiency and cost savings. By fostering a culture of sustainability and innovation, the Group continues to demonstrate leadership in waste management practices, contributing to a cleaner and more sustainable future. These ongoing efforts form an integral part of the Group's sustainability strategy, ensuring that waste is minimized and resources are utilized responsibly across all operations.

Waste Generation and Disposal

Operating Sites	Waste generated over the past 3 years, MT			Waste directed to disposal over the past 3 years, MT		
	FY 2022	FY 2023	FY 2024	FY 2022	FY 2023	FY 2024
Taiwan	134	81.05	57.27	134	81.05	-
Cambodia	1827	272.03	134.27	1827	-	132.388
Philippines	518.5	248.1	-	518.5	241	0.062862
Group	2479.5	601.18	191.54	2479.5	322.05	132.45086

Material Topic: Waste Management

FY 2025 Target

Cambodia

- For MCCL, reduce waste by 60%. For MMSEZ, recycling over 60%.

Taiwan

- Reduce waste by more than 10%

Long - Term Target (2030)

Cambodia

- Increase recycling rate.

Philippines

- Strive to use environmentally friendly, biodegradable, and recyclable production and packaging materials to reduce environmental pollution. Aim to achieve a usage rate of new environmentally friendly packaging materials of over 20% within 5 years.



5 Diversity in the Workplace

Commitment to Human Rights and Workplace Inclusion

Medtecs Group is steadfast in its commitment to respecting human rights and promoting a diverse and inclusive workplace. We align our practices with internationally recognized human rights conventions, including:

- The United Nations Global Compact
- The UN Guiding Principles on Business and Human Rights
- The ILO Declaration on Fundamental Principles and Rights at Work
- The OECD Guidelines for Multinational Enterprises
- The OECD Due Diligence Guidance for Responsible Business Conduct

We also ensure full compliance with local laws and regulations in all our operational locations worldwide, underscoring our dedication to ethical and responsible business practices.

Development of the Human Rights Policy

The comprehensive Human Rights Policy, endorsed by top-level management applies to all managers and employees within the Group and sets clear expectations for affiliated companies, suppliers, contractors, and business partners to adhere to its principles. For complete details, the full policy is available on our official website.

Human Rights Risk Assessment

To safeguard the rights of employees and mitigate potential human rights risks across our value chain, we have identified six key human rights priorities:

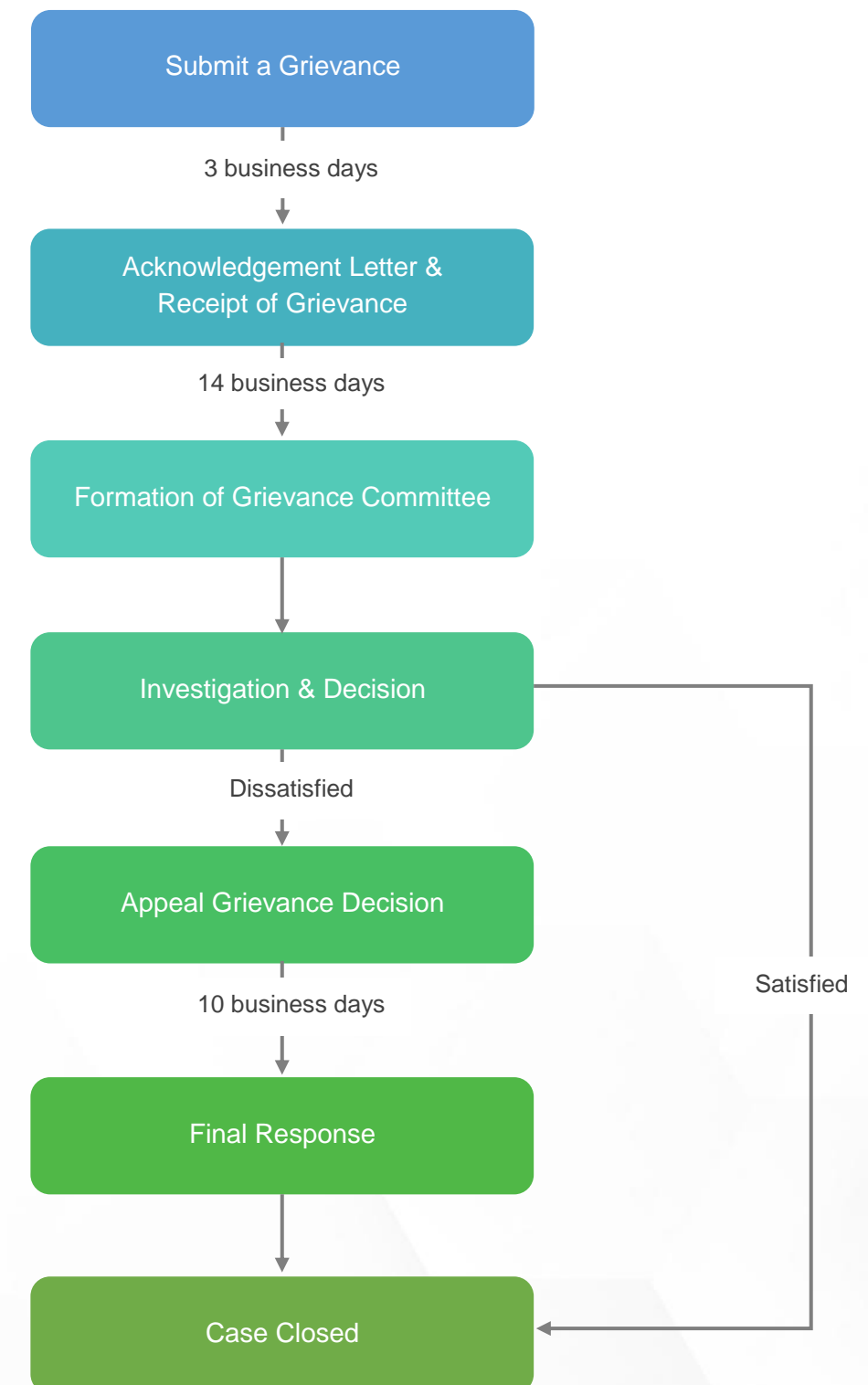
1. Prohibition of Child Labor: Strictly enforcing measures to prevent child labor in any part of our operations.
2. Prohibition of Forced Labor: Ensuring that all labor is freely chosen and free from coercion.
3. Opposition to Discrimination: Promoting equality and rejecting all forms of workplace discrimination based on race, gender, religion, or other characteristics.
4. Prohibition of Human Trafficking: Vigilantly preventing any association with human trafficking practices.
5. Ensuring a Safe and Healthy Work Environment: Prioritizing employee well-being by maintaining high standards of occupational health and safety.
6. Supporting Freedom of Association and Collective Bargaining: Respecting employees' rights to organize and engage in collective bargaining.

Medtecs Group's approach reflects our unwavering dedication to safeguarding human rights, fostering workplace inclusion, and upholding ethical business practices. By embedding these principles into our operations and engaging our stakeholders, we strive to create a workplace that respects the dignity and rights of every individual.

Grievance Mechanism

Medtecs ensures access to a robust grievance mechanism through multiple channels, including a 24/7 dedicated email address (whistleblowing@medtecs.com; hr@medtecs.com) and the option to personally visit the Group Human Resources & Administration Department at our headquarters in Taiwan.

Recognizing the diversity of our multinational workforce and the need for inclusive communication, Medtecs' multilingual Group Grievance Procedure enhances our policies and processes, enabling employees from diverse linguistic backgrounds to raise concerns or provide feedback efficiently and effectively. This reflects our commitment to fostering a transparent, inclusive, and supportive workplace for all.



Employee Engagement, Welfare, and Development

The Group places a strong emphasis on fostering employee engagement, enhancing welfare programs, and supporting professional development within the context of sustainability. By prioritizing safety, human rights protection, diversity, inclusion, and career growth, the Group aims to create a supportive and empowering environment for its workforce across all regions.



Cambodia

In Cambodia, the MCCL subsidiary is committed to addressing employee engagement, welfare, and development comprehensively. This approach ensures that employees are integral to the company's sustainability goals, fostering a sense of inclusion and shared purpose. At MMSEZ, focused efforts on employee training in production safety and self-protection have yielded remarkable results, with work-related accidents dropping to 1% per year. These initiatives underscore the importance of equipping employees with the knowledge and skills to maintain a safe and healthy work environment.

China

In China, the Jincheng Supplies and Jincheng Technologies subsidiaries are prioritizing human rights protection as a cornerstone of their employee welfare strategy. By 2025, both subsidiaries plan to implement annual human rights training programs tailored to employees' roles and responsibilities. These programs will address critical issues such as prohibiting child labor, forced labor, and human trafficking; combating discrimination; and ensuring a safe and healthy workplace. In addition to these training initiatives, both subsidiaries are leveraging recruitment platforms in China to attract top local talent, demonstrating a commitment to talent acquisition, retention, and salary system improvements.

Philippines

In the Philippines, MICL has been refining and updating policies to align with day-to-day operational needs, ensuring that employees are supported through a robust framework. UWC continues to maintain a safe and healthy work environment by adhering to 7S Good Housekeeping Practices, while complying with General Labor Standards to promote fair labor practices. These efforts reflect the subsidiary's alignment with Philippine labor laws and its dedication to employee well-being and workplace standards.

Taiwan

In Taiwan, the MTC subsidiary has adopted a multifaceted approach to talent attraction and employee development. The use of international recruitment platforms, such as Monster.SG and 51Job, has successfully expanded the reach to diverse talent pools, with 72 candidates connected within 20 days of postings. Plans to include platforms like Liepin (China) further reinforce this strategy. Additionally, the "New Industry-Academia Cooperation Program" has strengthened the pipeline for mid-level technical and management talent, with successful recruitment of international students and graduates. To enhance inclusivity, MTC has hosted Diversity, Equity, and Inclusion (DEI) workshops, including unique cultural awareness events like inviting drag queens to discuss gender inclusivity. These initiatives have created a more inclusive workplace culture, with plans to integrate DEI workshops permanently into employee training programs.

The MTC subsidiary also prioritizes employee well-being through its Work-Life Balance Improvement Initiative, organizing health and wellness programs such as "Mental Health Month." These efforts have received increased government subsidies, reflecting the program's growing impact. The newly introduced Employee Satisfaction Survey Mechanism has improved communication channels, including physical and online suggestion boxes, fostering active employee participation in shaping the workplace environment. Regular action planning based on feedback ensures continuous improvement in workplace satisfaction.

Across all regions, the Group's commitment to employee engagement, safety, welfare, and professional development reflects its vision of creating a thriving and inclusive workplace. These efforts are integral to the Group's sustainability strategy, fostering a culture of accountability, inclusivity, and shared success. By continually enhancing policies, training programs, and feedback mechanisms, the Group ensures that employees remain at the heart of its sustainable growth.



Key Performance and Future Goals

The Group has strengthened workplace safety and employee welfare initiatives across its operations, with Cambodia's MMSEZ reducing work-related accidents to just 1% per year through targeted safety training, while the Philippines upholds labor standards and safe workplace practices to ensure employee well-being. In China, the focus on human rights protection is expanding, with plans to launch annual human rights training by 2025, alongside talent acquisition efforts to improve employee retention and workforce development. Meanwhile, Taiwan's MTC subsidiary has enhanced its global recruitment strategy, successfully connecting with 72 candidates within 20 days, while fostering workforce growth through the New Industry-Academia Cooperation Program. The Group also continues to promote inclusivity and work-life balance, with Taiwan leading DEI initiatives and mental health programs, while the introduction of an Employee Satisfaction Survey Mechanism strengthens engagement and continuous workplace improvements.

As a key pillar of our 2030 long term strategy, we are committed to fostering a competitive, dynamic, and technology-driven work environment. To support employee well-being and career growth, we will enhance our system for competitive salaries and benefits while expanding internal training and professional development opportunities. Additionally, we aim to strengthen employee engagement by promoting cross-functional exchanges across the Group and introducing more work-life balance programs to ensure a healthy and productive workforce.

Beyond internal improvements, we are dedicated to increasing the visibility of our corporate brand and reinforcing our commitment to social responsibility initiatives. To further optimize talent management systems, we will integrate 4A technologies, leveraging AI to accelerate data analysis and improve accuracy, APIs to streamline workflows, data analytics to enhance service quality and cost efficiency, and automation to drive innovation and strengthen our competitive edge. These initiatives reflect our dedication to sustainable workforce development, digital transformation, and operational excellence as we move toward 2030.

Material Topic: Talent Retention and Attraction

FY2025 Target

Philippines

- Maintain satisfactory rating for 7S/Good Housekeeping
- Maintain compliant to Fair Labor Practice

Long - Term Target (2030)

- Enhance the system for competitive salaries and benefits.
- Continually expand internal training and professional development opportunities while fostering exchanges among the Group's employees.
- Offer more work-life balance programs.
- Increase the visibility of corporate brand and practice social responsibility.
- Promote the application of 4A technologies (AI, Application Programming Interfaces, Data Analytics, Automation) to further optimise talent management systems:
 - AI: Accelerate data analysis speed and improve accuracy.
 - APIs: Achieve more efficient workflow automation.
 - Data Analytics: Enhance service quality and reduce costs through data analysis.
 - Automation: Improve the Company's innovation and competitiveness through automation.

Workforce Structure

Board Diversity

Breakdown	FY 2024	FY 2023	Unit
By Gender			
Male	60	100	%
Female	40	0	%
By Age Group			
30 - 50 years old	20	50	%
> 50 years old	80	50	%

At Medtecs, we recognize that our workforce is the foundation of our success, driving our growth and innovation across global operations. In 2024, we made significant progress in advancing inclusivity, diversity, and professional development. Our Board achieved remarkable strides in gender representation, with women comprising 40% of members, a notable improvement from 20% in 2023. The Board also saw a shift toward more experienced leadership, with 80% of members now over the age of 50, reflecting our focus on strategic guidance and seasoned decision-making.

Employee Diversity, Total Workforce

Number of Employees FY2024 vs FY2023

Breakdown	FY 2024	FY 2023
By Gender		
Male	829	846
Female	2,601	2,467
By Age Group		
< 30 years old	900	970
30 - 50 years old	2,253	2,058
> 50 years old	277	285
By Employee Level		
Senior Management	24	18
Middle Management	145	37
Non- Executive	3,261	3,258
Total	3,430	3,313

Our workforce continued to expand, reflecting steady business growth and a strong commitment to inclusive employment practices. Women remained the majority in our workforce, highlighting our sustained

efforts to promote gender diversity and support an equitable workplace. The age profile of our employees remained well-balanced, with a healthy mix of early-career talent and experienced professionals, reinforcing our approach to long-term talent development and knowledge retention.

Organizationally, we observed positive shifts in our leadership structure. There was a notable increase in middle management roles, signalling enhanced opportunities for internal mobility and professional growth. Senior management also saw modest growth, contributing to leadership stability as we scale our operations. The majority of our workforce continued to be in non-executive roles, reflecting the operational strength of our frontline teams. These developments underscore our focus on nurturing talent and building leadership capabilities from within the organization.

Country	Total Employees	Gender Breakdown	
		Male	Female
Taiwan	387	151	236
Philippines	373	209	164
Cambodia	2,662	466	2,196
China	8	3	5
Groupwide	3,430	829	2,601

Country	Total Employees	Employee Level		
		Senior Management	Middle Management	Non- Executive
Taiwan	387	12	18	357
Philippines	373	9	43	321
Cambodia	2,662	2	81	2,579
China	8	1	3	4
Groupwide	3430	24	145	3,261

Country	Total Employees	Age Group		
		< 30 Years Old	30 - 50 Years Old	> 50 Years Old
Taiwan	387	49	204	134
Philippines	373	33	256	84
Cambodia	2,662	817	1,787	58
China	8	1	6	1
Groupwide	3,430	900	2,253	277

As of FY2024, our total workforce stands at 3,430 employees across four countries: Taiwan, the Philippines, Cambodia, and China. Cambodia remains our largest employment hub, accounting for the majority of our workforce. Our gender distribution shows a strong female majority, particularly in Cambodia and Taiwan, reflecting the nature of our operations and the inclusive hiring practices in place. In contrast, the Philippines maintains a more balanced gender ratio, highlighting regional variations in workforce composition.

Across the organization, non-executive roles continue to form the backbone of our workforce, especially in Cambodia, where operations are labor-intensive. However, our growing investment in leadership development is evident in the increased number of middle management positions, particularly in the Philippines and Cambodia. Age-wise, the workforce remains predominantly within the 30–50 age group, supporting organizational continuity and capability. Younger employees under 30 are well represented in Cambodia, aligning with our commitment to nurturing emerging talent, while employees over 50 contribute valuable experience across all regions, particularly in Taiwan and the Philippines. These figures underscore our commitment to maintaining a diverse, inclusive, and strategically structured workforce across all locations.

Total No. of Employee Hire

New Hires Breakdown	FY 2024	FY 2023
By Gender		
Male	196	215
Female	643	391
By Age Group		
< 30 years old	404	307
30 - 50 years old	403	262
> 50 years old	32	37
Total	839	606

In 2024, we strengthened our workforce with a notable increase in new hires, reflecting the company's continued growth and investment in building long-term operational capacity. A key development this year was the shift in gender composition among new employees, with a

marked rise in female representation. This trend likely reflects targeted efforts to promote diversity and inclusion in recruitment, as well as the nature of roles filled during the year. Meanwhile, a slight decrease in male hires may be attributed to changing workforce needs and transitions within certain business functions.

Our new hires also represent a balanced mix of emerging talent and experienced professionals. There was strong participation from younger candidates, supporting our commitment to early-career development and future talent pipelines. At the same time, an increase in mid-career hires points to the company's need for experienced individuals to support leadership, technical, and strategic roles. We also continued to welcome professionals in later stages of their careers, reinforcing our commitment to age diversity and intergenerational knowledge sharing. Overall, the composition of new hires reflects a responsive and inclusive hiring approach aligned with our evolving business priorities.

Country	Total Employees	Gender Breakdown	
		Male	Female
Taiwan	134	50	84
Philippines	19	13	6
Cambodia	686	133	553
China	0	0	0
Groupwide	839	196	643

Country	Total Employees	Employee Level		
		Senior Management	Middle Management	Non-Executive
Taiwan	134	1	3	130
Philippines	19	0	0	19
Cambodia	686	1	5	680
China	0	0	0	0
Groupwide	839	2	8	829

Country	Total Employees	Age Group		
		< 30 Years Old	30 - 50 Years Old	> 50 Years Old
Taiwan	134	26	79	29
Philippines	19	8	9	2
Cambodia	686	370	315	1
China	0	0	0	0
Groupwide	839	404	403	32

Total no. of employee turnover

Turnover Breakdown	FY 2024	FY 2023
By Gender		
Male	72	344
Female	97	836
By Age Group		
< 30 years old	31	453
30 - 50 years old	98	641
> 50 years old	40	86
Total Turnover	169	1,180
Turnover Rate	5.01%	35.62%

Note: Percentage of turnover for FY2024 = Total number of turnover / Average number of employees * 100%

This 2024, we observed a significant improvement in employee retention, with overall turnover declining sharply from the previous year. This positive shift reflects the effectiveness of our ongoing efforts to enhance employee engagement, promote a healthy work culture, and strengthen retention strategies. Both male and female turnover figures dropped considerably, indicating more consistent satisfaction and stability across the workforce.

Turnover also declined across all age groups, with the most notable improvements among younger employees—a group that previously showed higher exit rates. This suggests that our initiatives focused on early-career development, mentoring, and internal growth opportunities are yielding results. Turnover among experienced employees remained low, supporting our commitment to valuing long-term contributions and fostering knowledge retention within the organization. These trends highlight the success of our people-first approach and continuous investment in workforce well-being.

Country	Total Employees	Gender Breakdown	
		Male	Female
Taiwan	107	47	60
Philippines	61	25	36
Cambodia	0	0	0
China	1	0	1
Groupwide	169	72	97

Country	Total Employees	Gender Breakdown	
		Male	Female
Taiwan	107	47	60
Philippines	61	25	36
Cambodia	0	0	0
China	1	0	1
Groupwide	169	72	97

Country	Total Employees	Age Group		
		< 30 Years Old	30 - 50 Years Old	> 50 Years Old
Taiwan	107	21	56	30
Philippines	61	9	42	10
Cambodia	0	0	0	0
China	1	1	0	0
Groupwide	169	31	98	40

Employee Training and Development Initiatives

The Group is committed to enhancing employee skills, knowledge, and capabilities through structured training and development programs. These initiatives aim to improve individual and organizational performance, ensuring employees are well-equipped to meet evolving industry demands and contribute to the Group's competitiveness and sustainability goals.

Cambodia

In Cambodia, both MCCL and MMSEZ subsidiaries are in the process of establishing internal training plans to enhance employee knowledge and skills. These plans will be supported by partnerships with third-party organizations, leveraging their expertise and experience to deliver high-quality training programs. This dual approach ensures employees benefit from both internal insights and external best practices, fostering a well-rounded learning environment.

China

In China, Jincheng Supplies and Jincheng Technologies are aligning their training strategies with government policies to support company development and employee skill enhancement. Both subsidiaries aim to set annual training plans by 2025, focusing on improving employees' knowledge reserves and work efficiency. These efforts are designed to strengthen the companies' comprehensive competitiveness while fostering a culture of continuous learning.

Philippines

In the Philippines, MICL has introduced the Train the Trainer (TTT) program, which equips individuals with the skills and techniques required to effectively train others within the organization. Currently, 30% of participants have conducted training sessions, marking a significant step toward the program's goal of 100% trainer readiness among leaders. At UWC, the ISO Training Procedure has been established to promote employee development and increase productivity. Current training efforts are concentrated on improving the skills of the Quality Control (QC) team to enhance product quality. Looking ahead, UWC plans to provide training on sustainable manufacturing processes, including water and energy conservation and waste management, to align with environmental goals and regulatory requirements.

Taiwan

In Taiwan, MTC has achieved notable success in its training initiatives. For 2024, the subsidiary maintained the target of 26 training hours per employee, emphasizing the importance of continuous learning. Leadership development is another priority, with internal courses and occasional on-the-job training (OJT) programs designed to enhance the leadership capabilities of mid- to senior-level managers. These programs emphasize cross-cultural collaboration and adaptability in changing markets, fostering strong leadership across the organization.

MTC has also embraced digital transformation through its 4A Digital Transformation Training Program, which focuses on AI, API, Analytics, and Automation to improve operational efficiency and innovation. Workshops conducted in 2024 successfully met the 650-hour target, with 13 key department leaders participating in courses like "AI for All: Boosting Team Productivity." This initiative will continue to deepen AI knowledge and application within operational departments.

Across all regions, the Group's training and development programs underscore its commitment to empowering employees with the skills and knowledge needed to excel in their roles. By fostering continuous learning, leadership development, and digital transformation, the Group ensures a highly skilled and adaptable workforce, driving sustainable growth and long-term success.

Total Training Hours in 2024

Country	Total Number of Training Hours	Gender		Average Training Hours	
		Male	Female	Male	Female
Taiwan	10,063.00	6,018.50	4,044.50	39.86	17.14
Philippines	1,667.00	913.50	753.50	4.37	4.59
Cambodia	3,096.81	918.85	1,505.43	1.97	0.69
China	868.00	254.00	614.00	84.67	122.80
Groupwide	15,694.81	8,104.85	6,197.43	9.78	2.66

Country	Total Number of Training Hours	Employee Level			Average Training Hours		
		Senior Management	Middle Management	Non-Executive	Senior Management	Middle Management	Non-Executive
Taiwan	10,063.00	1,515.50	890.00	7,657.50	126.29	49.44	21.45
Philippines	1,667.00	164.50	346.50	1,156.00	18.28	8.06	3.60
Cambodia	3,096.81	32.00	338.80	2,726.01	16.00	4.18	0.99
China	868.00	490.00	378.00	-	490.00	126.00	-
Groupwide	15,694.81	2,202.00	1,953.30	11,539.51	91.75	13.47	3.36

Note 1 - A small portion of employee and training data for the Cambodia sites, specifically relating to employees who resigned during the reporting period—could not be retrieved, as these records were no longer accessible at the time of reporting. While the impact on overall workforce and training metrics is minimal, the organization recognizes the importance of comprehensive and consistent data for accurate sustainability reporting. Moving forward, we are committed to strengthening our data management practices by enhancing record retention protocols and ensuring that relevant employee information, including that of former staff, is systematically archived and available for future disclosures.

In 2024, we delivered over 15,694.81 hours of training across our operations, demonstrating our ongoing commitment to employee development and capacity building. Training efforts were concentrated in Taiwan, which accounted for the largest share of training hours and the highest average training per employee, particularly among male employees and those in senior roles. This reflects Taiwan's operational complexity and continued emphasis on leadership development and technical upskilling. In contrast, Cambodia and the Philippines focused more on foundational and role-based training, resulting in lower average training hours, especially among non-executive employees. China, while having a smaller workforce,

reported exceptionally high average training hours, driven by intensive programs targeted at senior and middle management levels.

Across the group, male employees recorded a higher average of training hours compared to their female counterparts. This variance may be linked to job role distribution and training program eligibility, with more technical or leadership-oriented training often associated with roles predominantly occupied by male staff. By employee level, senior and middle managers received significantly more training than non-executives, reinforcing the organization's strategic focus on leadership development and succession planning. These training investments support our goal of building a skilled, agile, and future-ready workforce, while also highlighting areas for improvement in ensuring equitable access to training opportunities across all employee groups

Key Performance and Future Goals

The Group remains committed to enhancing employee skills and knowledge through structured training programs that support both individual growth and organizational competitiveness. In Cambodia and China, subsidiaries are establishing internal training plans and aligning strategies with government policies to improve employee capabilities, with China's subsidiaries aiming to implement annual training plans by 2025. In the Philippines, the Train the Trainer (TTT) program has already seen 30% of participants conduct training, while ISO Training Procedures at UWC focus on quality control and sustainable manufacturing. Meanwhile, in Taiwan, MTC has maintained its 26 training hours per employee target, emphasizing leadership development and cross-cultural collaboration, while also achieving 650 hours of AI-focused training as part of its 4A Digital Transformation Training Program. Through these initiatives, the Group fosters a highly skilled, adaptable workforce, ensuring long-term sustainability and operational excellence

To achieve our 2030 commitments, we are committed to fostering a strong corporate culture, enhancing talent development, and promoting a diverse and inclusive workforce across all regions. In Taiwan, we aim to strengthen corporate culture and core values through internal communication and training programs, creating a collaborative and innovative work environment. Additionally, we will establish an international talent pool and implement talent mobility initiatives to meet regional workforce demands while continuously building a diverse and inclusive workplace.

In the Philippines, our focus is on employee learning and development through the establishment of an e-learning platform and collaborations

with external training institutions to provide professional training opportunities. We will also create individual development plans for employees, aligning them with organizational strategic goals while conducting competency assessments to build a structured competency framework. Furthermore, we will identify key roles for succession planning and establish key performance indicator mechanisms to track and enhance employee growth.

Meanwhile, in Cambodia, we are committed to identifying and cultivating team members who align with the Group's vision, mission, and core values. We will also continuously train and develop employees in 4A work capabilities, including AI, APIs, Data Analytics, and Automation, to enhance team productivity and management efficiency. Additionally, we aim to establish a stable multinational management team focused on quality system improvements, cost reduction, and efficiency enhancement while offering competitive compensation and working conditions to ensure long-term sustainability. Finally, we will actively nurture 10-15 local bilingual mid-level management talents to strengthen leadership within the region. These initiatives reflect our dedication to talent development, digital transformation, and organizational excellence, ensuring a skilled and competitive workforce for the future.

Material Topic: Talent Training and Development

FY 2025 Target

China

- Implement annual human rights training programs for all employees, tailored to their roles and responsibilities
- Set annual training plan in 2025
- Training and Promotion for every employee in 2025.

Philippines

- For UWC, provide training on sustainable manufacturing processes, water and energy conservation, and waste management to meet environmental goals and regulatory requirements.

Long - Term Target (2030)

Taiwan

- Strengthen corporate culture and core values through internal communication and training programs to create a collaborative and innovative work environment.
- Establish an international talent pool and implement talent mobility initiatives to meet the manpower needs of different regions.
- Continuously build a diverse and inclusive workplace environment.

Philippines

- Set up an e-learning platform with a variety of learning options.
- Collaborate with external training institutions to provide a variety of professional training programs.
- Create individual development plans for each employee.
- Align employee individual development plans with organisational strategic goals.
- Conduct competency assessments for various levels within the organisation and establish a competency framework.
- Identify key roles within the organisation and develop talent succession plans.
- Establish key performance indicators mechanisms.

Cambodia

- Identify and cultivate team members who align with and embody the vision, mission, core values, management culture, and work ethic of the Group.
- Continuously train and develop 4A work capabilities, including AI, APIs, Data Analytics, and Automation. Integrate these skills into daily work to enhance team productivity and management efficiency.
- Establish a stable multinational management team that consistently endorses the steady improvement of the quality system, cost reduction, and efficiency enhancement. Provide competitive compensation packages, living conditions, and working conditions that ensure sustainable competitiveness.
- Actively nurture 10-15 local bilingual mid-level management talents.

Occupational Health and Safety Initiatives

The Group is dedicated to ensuring the health, safety, and well-being of its employees across all subsidiaries. Recognizing the critical role occupational health and safety (OHS) plays in enhancing productivity, efficiency, and employee satisfaction, the Group has established robust policies, training programs, and risk management systems. These efforts aim to create stable, safe, and healthy working environments that contribute to employee motivation and the Group's overall sustainability.

Cambodia

In Cambodia, both the MCCL and MMSEZ subsidiaries have implemented clear Occupational Health and Safety (OHS) policies. These policies outline the Group's commitment to employee safety through comprehensive training programs on health and safety. At MMSEZ, OHS initiatives are further strengthened with the integration of health risk assessments, OSH training courses, and emergency preparedness measures. These actions reflect the subsidiaries' proactive approach to mitigating risks and fostering a culture of safety in the workplace.

China

In China, the Jincheng Supplies and Jincheng Technologies subsidiaries prioritize the health and safety of employees as integral to maintaining productivity and competitiveness. Through continuous improvement of safety management systems, risk assessments, and education, the subsidiaries aim to establish a stable and supportive work environment. Both subsidiaries have upgraded their safety practices from 6S to 7S, emphasizing the importance of risk reduction and operational excellence. Their target is ambitious yet impactful: achieving and maintaining zero work-related accidents annually, underscoring their commitment to safety as a core operational value.

Philippines

In the Philippines, the MICL subsidiary strictly implements the 7S system as part of its health and safety policies. This structured approach ensures a well-organized, clean, and safe working

environment that aligns with the Group's broader OHS goals. Similarly, at UWC, the health and safety program has successfully minimized workplace incidents, with only one minor accident reported between January and October 2024. These outcomes highlight the subsidiary's adherence to its zero-accident target, reflecting ongoing efforts to prioritize employee safety.

Taiwan

In Taiwan, the MTC subsidiary has demonstrated a strong commitment to health and safety through its environmental testing and risk assessment programs. In 2023, the facility achieved full compliance with increasingly stringent government environmental standards, showcasing its dedication to environmental protection alongside workplace safety. Comprehensive risk assessments conducted in 2024 identified potential hazards and proposed 16 improvement measures, ensuring continuous enhancement of safety protocols. The subsidiary's adoption of the PDCA (Plan-Do-Check-Act) cycle ensures a systematic approach to risk management and the consistent improvement of safety processes.

Across all regions, the Group's focus on health and safety is evident in its proactive policies, continuous training, and systematic risk assessments. These initiatives not only enhance employee satisfaction and engagement but also contribute to the Group's long-term sustainability and operational resilience. By fostering safe and healthy workplaces, the Group reaffirms its commitment to protecting its employees and supporting their well-being as a cornerstone of its success.

Taiwan has also identified risk and mitigation measures. In the wastewater area, potential chemical exposure hazards from chlorine tablet solution barrels have been addressed by prominently posting hazard warning signs to alert employees and mitigate the risk of skin or eye injuries. Similarly, in the laundry area, large fans with gaps that posed a finger entrapment risk have been equipped with safety guards, significantly reducing the potential for accidents.

Maintenance operations in high-risk areas, such as the packing

machines in the laundry area, now include clear warning signs reminding workers to turn off power before performing maintenance tasks, thus preventing head injuries. In the boiler area, high-temperature pipelines have been marked with directional arrows to minimize misjudgment during maintenance, while steam condensate recovery boilers located outside the factory are equipped with warning signs to prevent burns.

To combat noise exposure risks in the laundry area, warning signs and mandatory earmuff use policies have been implemented. The flat ironing machines and pressing areas, which pose risks of hand entrapment and burns, have been equipped with anti-entrapment devices and heat-resistant materials around hot pipes, ensuring operator safety.

Additional measures include:

- Drill machine operations in the maintenance room: Warning signs are posted to prevent finger entrapment.
- Detergent mixing areas near laundry sorting zones: Emergency showers, eyewash stations, and warning signs have been installed to prevent chemical burns and corrosion injuries.
- Steam transfer valves and pipelines: Warning signs have been added to highlight high-temperature steam hazards, particularly in maintenance and operational areas.
- Power distribution boxes in the laundry area: These areas are restricted to authorized personnel only, with clear warning signs to prevent electric shock.
- Steam pipelines behind washing and drying machines: Protective fencing and warning signs have been installed to reduce risks of steam leaks and entanglement.
- Wastewater mixing tanks near drying areas: Signs have been added to warn employees about uneven ground and potential collision risks.
- Folding and flattening machines in the ironing and folding area: Safety equipment and warning signs are used during cleaning and maintenance to prevent entanglement and exposure to high temperatures.

Safety Performance and Future Goals

The Group's commitment to incident reduction and occupational health has shown measurable progress. In 2023, there were three recorded incidents, which were successfully reduced to one in 2024 through enhanced safety training and stricter behavioral control measures. Moving forward, the Group is committed to achieving a zero-incident workplace by continuously improving safety protocols and fostering a culture of vigilance among employees.

The Group's efforts to prevent occupational diseases have also yielded positive results, with zero cases recorded in both 2023 and 2024. This achievement is supported by preventive services provided by on-site doctors and nurses, ensuring prompt attention to employee health needs. The Group's future goal is to maintain this record of zero occupational diseases through 2025, reflecting its unwavering dedication to employee well-being.

Guided by our 2030 sustainability and growth strategy, we are committed to maintaining the highest standards of workplace safety, risk management, and employee well-being across all regions. In Taiwan, we ensure that all environmental tests meet regulatory standards while conducting annual risk assessments to drive continuous improvements. Our goal is to reduce work-related incidents year by year, ultimately achieving zero cases of occupational diseases.

In the Philippines, we are working towards a zero-accident workplace by fostering a strong safety culture and ensuring that workspaces and equipment adhere to ergonomic design principles. To proactively address risks, we will conduct regular risk assessments and establish effective communication channels, encouraging employee participation in safety initiatives and ensuring timely feedback on safety concerns.

Similarly, in Cambodia, we will conduct annual risk assessments, implement effective communication channels for workplace safety, and provide employees with training to enhance their technical knowledge and skills. These initiatives reflect our commitment to workplace safety, risk mitigation, and continuous employee development, ensuring a secure and productive work environment across all our operations.

Material Topic: Occupational Safety and Health

FY 2025 Target

Cambodia

- Work accidents dropped to 1% per year

China

- Annual work accident maintain 0

Mid - Term Target

Cambodia

- Work accidents dropped to 1% per year

China

- Annual work accident maintain 0

Long - Term Target (2030)

Taiwan

- All environmental tests meet standards.
- Conduct annual risk assessments and make improvements accordingly.
- Reduce work-related incidents year by year.
- Zero cases of occupational diseases.

Philippines

- Achieve a workplace with zero accidents, zero injuries, and zero occupational diseases.
- Cultivate a safety culture within the organisation.
- Ensure that workspaces and equipment placement comply with ergonomic design principles.
- Conduct regular risk assessments.
- Establish effective communication channels for safety-related issues, encourage employee participation, and provide feedback.

Cambodia

- Conduct risk assessments annually and make improvements accordingly.
- Establish effective communication channels for safety-related issues, encourage employee participation, and provide feedback.
- Train employees to acquire more local technical knowledge and skills.

Work-Related Injuries By Gender

Work-Related Injuries	Male	Female	Total
High-consequence work-related injuries	0	0	0
Lost time injuries	5	0	5
Recordable work-related injuries and illnesses	6	6	12
Work-related fatalities	0	0	0



6 Community Empowerment

Community Engagement

The Group continues to strengthen its sustainability and Corporate Social Responsibility (CSR) efforts by fostering collaboration across departments, establishing clear guidelines, and engaging in meaningful activities to benefit society, the environment, and stakeholders. These initiatives are a testament to the Group's commitment to integrating sustainable practices into its operations and creating a positive impact across the regions it operates in.



This initiative not only reinforced the importance of environmental stewardship but also strengthened our team's sense of unity and shared purpose. By tackling challenges together and contributing to a cleaner, healthier environment, we demonstrated the impact of collective action in addressing global sustainability goals.



Cambodia



In Cambodia, both the MCCL and MMSEZ subsidiaries emphasize the need for active participation from all departments to address and improve specific sustainability goals and objectives. Beyond the establishment of policies, these subsidiaries recognize that achieving sustainability requires collective efforts across functional teams. Each department is encouraged to identify and implement actionable strategies that contribute to the Group's overarching sustainability vision. This collaborative approach ensures a comprehensive and unified effort toward meeting sustainability targets.

China

In China, the Jincheng Supplies and Jincheng Technologies subsidiaries are set to take significant steps forward in their sustainability and social

responsibility efforts. Although no formal policies or activities have been established in the past, both subsidiaries plan to introduce a Charitable Giving Guideline by 2025. This guideline will outline structured approaches to charitable contributions, enabling these subsidiaries to actively engage with their communities and support causes that align with the Group's values. The establishment of this guideline marks a pivotal step in formalizing and expanding the Group's social responsibility initiatives in China.

Philippines

In the Philippines, the MICL subsidiary has been actively supporting CSR activities to contribute to the well-being of society, the environment, and its stakeholders. This year, the subsidiary successfully completed two CSR activities and plans to execute an additional activity before the year ends. These initiatives reflect the subsidiary's dedication to giving back to the community and reinforcing its role as a socially responsible organization.

The Group's sustainability and CSR strategies are built on collaboration, structured planning, and meaningful action. By involving departments in addressing sustainability goals, establishing formal guidelines for charitable giving, and actively participating in CSR activities, the Group demonstrates its unwavering commitment to driving positive change and fostering sustainable development in the communities it serves. These ongoing efforts will continue to be a cornerstone of the Group's mission to create shared value for all stakeholders.



Taiwan



A team of 20 committed members took a step beyond the office, dedicating efforts to environmental sustainability with a coastal clean-up near Nanya Rock. Armed with gloves, sunscreen, and a strong sense of purpose, we collectively removed 47.3 kilograms of waste from the shoreline. Among the collected items were a large nylon fishing net, plastic buoys, and even a glass bottle emitting a particularly unpleasant odor.

Despite the intense heat, which posed a notable challenge, our team's dedication remained unwavering. The sight of the restored coastline, returned to its natural beauty, was a testament to the impact of our efforts and served as a source of pride and motivation for all involved.

Key Performance and Future Goals

As part of our commitment to corporate social responsibility and sustainable development, the Company actively engages in community empowerment initiatives across its operational regions. In FY2024, we contributed a total of USD 49,685 to various community programs, reflecting our dedication to social welfare, education, healthcare, and environmental sustainability.

By region, Taiwan recorded the highest contribution at USD 29,900, supporting initiatives that enhance public health, education, and environmental conservation. Cambodia contributed USD 12,250, focusing on local development projects, capacity-building programs, and disaster relief efforts to uplift vulnerable communities. In the Philippines, USD 7,535 was allocated to initiatives aimed at improving livelihoods, promoting health awareness, and strengthening community resilience. The remaining USD 49,721 was allocated at the Group level, reinforcing our overall commitment to social development, employee volunteerism, and corporate philanthropy.

Through these contributions, we continue to foster inclusive and sustainable community development, ensuring that our business growth aligns with the well-being of the communities we serve. Moving forward, we will strengthen our collaborations with local organizations, governments, and stakeholders to further expand the impact of our community programs, reinforcing our role as a responsible corporate citizen.

The Group continues to strengthen its sustainability and social responsibility efforts through collaboration, structured planning, and meaningful action. In Cambodia, MCCL and MMSEZ encourage active participation from all departments to implement actionable strategies that contribute to the Group's sustainability vision. In China, Jincheng Supplies and Jincheng Technologies will introduce a Charitable Giving Guideline by 2025, formalizing their approach to community engagement and social responsibility. Meanwhile, in the Philippines, MICL has already completed two CSR activities this year, with plans for an additional initiative, reinforcing its commitment to community welfare. These efforts reflect the Group's dedication to driving positive change and fostering sustainable development across all its regions.

As part of our medium-term (2025–2029) goals, we aim to strengthen our connection with communities by establishing sustainable community programs that promote environmental protection, education, and healthcare initiatives. We will expand our support for education by providing scholarships and professional training to drive social development. Additionally, we will promote Home-based Care for Older

Adults by collaborating with reputable business partners, local governments, and community organizations to offer long-term care services, family caregiving guidance, and essential resources. Our commitment to nurturing the future includes scholarship programs for children in rural areas, mentorship initiatives, and career guidance. In support of environmental sustainability, we will collaborate with environmental organizations to conduct tree planting, and forest and beach clean-up activities. Furthermore, we will enhance community empowerment by establishing rapid response teams at each operating site to support local donation drives and provide emergency aid and healthcare training to communities affected by natural disasters.

Looking ahead to our long-term (2030) goals, we aim to establish global sustainable development partnerships to address pressing issues such as health inequality and environmental sustainability. To ensure accountability, we will implement a comprehensive community engagement performance indicator system to assess our social responsibility impact regularly. Our focus on community empowerment will include long-term support for health-related charitable organizations, promoting fair labor policies that ensure safe working conditions, appropriate working hours, and compliance with labor regulations. Additionally, we will take an active role in public health advocacy by collaborating with governments, NGOs, and local communities to provide health education and preventive medical services, enhancing overall community well-being. These initiatives reflect our ongoing commitment to sustainability, social responsibility, and community development on both local and global scales.

CSR Activities by Type of Contribution – Charitable donations

Business Unit	Total Contribution, USD
Cambodia	12,250
Philippines	7,535
Taiwan	29,900
Group	49,685

Material Topic: Community Engagement Goals

FY2025 Target

China

- Establish Charitable Giving Guideline for Jincheng in 2025

Mid - Term Target

Deepen Medtecs' connection with the community by establishing sustainable community programs to promote sustainability initiatives in environmental protection, education, health, and other areas. Expand support for education, including providing scholarships and organising professional training to promote social development.

- Promote Home-based Care for Older Adults. In collaboration with reputable business partners, we will provide professional long-term care services to support home-based care for older adults. Provide support and resources for families who want to care for elders at home, such as family caregiving guidance and assistance services. Collaborate with local governments and community organisations to integrate and provide various resources and services for Home-based Care for Older Adults.

- Nurturing the Future. Scholarship programs for children in rural areas, including mentorship programs, career guidance, and other academic support.

- Sustaining the Earth. Collaborate with environmental organisations to carry out activities such as tree planting, and forest and beach cleanups.

- Community Empowerment. Establish rapid response teams at each operating site, focusing on supporting local donation activities. The teams can mobilize quickly to respond to urgent community needs and provide timely assistance during emergencies or local crises.

Long - Term Target (2030)

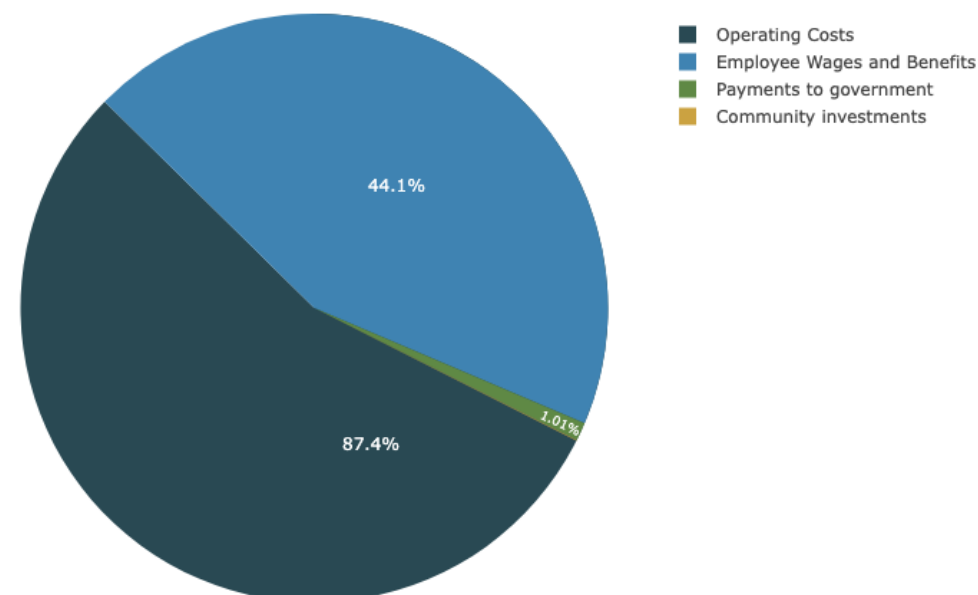
Establish global sustainable development partnerships and collaborate with various parties to address global challenges such as health inequality and environmental sustainability. Also, establish a comprehensive community engagement performance indicator system to regularly assess the Company's performance in the area of social responsibility, ensuring the realization of sustainable development.

- Community Empowerment. Long-term support and promotion of health-related charitable organisations. Implement fair labor policies, providing fair treatment to all employees. Respect labor rights, such as appropriate working hours, a safe working environment, and compliance with domestic and international labor regulations. Actively participate in public health advocacy: Participate in or initiate public health projects and initiatives, especially those targeting community health issues. Collaborate with government organisations, non-governmental organisations, and communities to provide health education and preventive medical services to enhance overall community health.

Economic Impacts

Economic Value Generated and Distributed

Value, USD	2024	2023	2022
Total Economic Value Generated (revenue)	54,423,000.00	52,639,000.00	56,243,000.00
Operating Cost	47,541,000.00	46,682,000.00	59,580,000.00
Employee Wages and Benefits	23,975,000.00	26,991,000.00	26,805,000.00
Payments to providers of capital	-	-	3,271,000.00
Payments to government	547,000.00	237,000.00	590,000.00
Community investments	15,000.00	102,000.00	62,000.00
Payment to suppliers and other operating costs	-	-	-
Total Economic Value Distributed	72,078,000.00	74,012,000.00	90,308,000.00
Total Economic Value Retained	(17,655,000.00)	(21,373,000.00)	(34,065,000.00)



In 2024, the company continued its commitment to delivering economic value while managing its financial responsibilities to various stakeholders. The total economic value generated reached USD 54.4 million, showing moderate recovery from the previous year and indicating operational resilience amidst market variability. The resulting economic value retained was negative USD 17.7 million in 2024—an improvement from negative USD 21.4 million in 2023 and negative USD 34.1 million in 2022. This upward trend signals effective cost containment and incremental financial stabilization.

Despite ongoing deficits, the company has demonstrated progressive improvement in narrowing the economic gap. Strategic cost management, reallocation of capital, and disciplined financial governance have contributed to this positive trajectory. The company remains focused on achieving long-term economic sustainability, supported by initiatives to diversify revenue streams, enhance operational efficiency, and reinvest in its workforce and communities.

These efforts reflect the organization's broader commitment to shared value creation, ensuring that economic performance contributes meaningfully to social development and sustainable growth.

Appendix

Appendix 1: GRI Content (GRI Standards) Index

Statement of use	Medtecs International Corporation Limited has reported with reference to the GRI Standards for the period 01 January 2024 to 31 December 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None

GRI Number	Disclosure	Disclosed in this Report	References
GRI 2: General Disclosures 2021 - The organization and its reporting practices			
GRI2-1	Organizational details	Yes	Company Profile
GRI2-2	Entities included in the organization's sustainability reporting	Yes	Reporting Scope
GRI2-3	Reporting period, frequency and contact point	Yes	Reporting Scope
GRI2-4	Restatements of information	Yes	Restatements
GRI2-5	External assurance	Yes	Third-Party Assurance
GRI 2: General Disclosures 2021 - Activities and workers			
GRI2-6	Activities, value chain and other business relationships	Yes	Company Profile
GRI2-7	Employees	Yes	Company Profile, Workforce Structure
GRI2-8	Workers who are not employees	Yes	Workforce Structure
GRI 2: General Disclosures 2021 - Governance			
GRI2-9	Governance structure and composition	Yes	Organizational Structure of the Sustainability team
GRI2-10	Nomination and selection of the highest governance body	Yes	Organizational Structure of the Sustainability team
GRI2-11	Chair of the highest governance body	Yes	Organizational Structure of the Sustainability team
GRI2-12	Role of the highest governance body in overseeing the management of impacts	Yes	Sustainable Governance and Strategy
GRI2-13	Delegation of responsibility for managing impacts	Yes	Sustainable Governance and Strategy
GRI2-14	Role of the highest governance body in sustainability reporting	Yes	Sustainable Governance and Strategy
GRI2-15	Conflicts of interest	Yes	Sustainable Governance and Strategy
GRI2-16	Communication of critical concerns	Yes	Sustainable Governance and Strategy
GRI2-17	Collective knowledge of the highest governance body	Yes	Sustainable Governance and Strategy
GRI2-18	Evaluation of the performance of the highest governance body	Yes	Sustainable Governance and Strategy
GRI2-19	Remuneration policies	Yes	Corporate Governance Framework
GRI2-20	Process to determine remuneration	Yes	Corporate Governance Framework

GRI2-21	Annual total compensation ratio	Omitted due to confidentiality	
GRI 2: General Disclosures 2021 - Strategy, policies and practices			
GRI2-22	Statement on sustainable development strategy	Yes	Chairman's Message
GRI2-23	Policy commitments	Yes	Corporate Sustainable Governance
GRI2-24	Embedding policy commitments	Yes	Corporate Sustainable Governance
GRI2-25	Processes to remediate negative impacts	Yes	Risk Management
GRI2-26	Mechanisms for seeking advice and raising concerns	Yes	Human Rights
GRI2-27	Compliance with laws and regulations	Yes	Intensity Management
GRI2-28	Membership associations	Yes	Participation in Associations
GRI 2: General Disclosures 2021 - Stakeholder engagement			
GRI2-29	Approach to stakeholder engagement	Yes	Stakeholder Engagement
GRI2-30	Collective bargaining agreements	Yes	Human Rights
GRI 3: Material Topics 2021			
GRI3-1	Process to determine material topics	Yes	Materiality and Stakeholder Engagement
GRI3-2	List of material topics	Yes	Materiality and Stakeholder Engagement
GRI3-3	Management of material topics	Yes	Materiality and Stakeholder Engagement
GRI3-4b	Omissions	Yes	Materiality and Stakeholder Engagement
GRI 201: Economic Performance 2016			
GRI3-3	Management of material topics	Yes	Economic Value Generated and Distributed
GRI201-1	Direct economic value generated and distributed	Yes	Economic Value Generated and Distributed
GRI201-4	Financial assistance received from government	Yes	Economic Value Generated and Distributed
GRI 205: Anti-corruption 2016			
GRI3-3	Management of material topics	Yes	Anti-Corruption
GRI205-1	Operations assessed for risks related to corruption	Yes	Anti-Corruption
GRI205-2	Communication and training about anti-corruption policies and procedures	Yes	Anti-Corruption
GRI205-3	Confirmed incidents of corruption and actions taken	Yes	Anti-Corruption
GRI 302: Energy 2016			
GRI3-3	Management of material topics	Yes	Energy Management
GRI302-1	Energy consumption within the organization	Yes	Energy Management
GRI302-2	Energy consumption outside of the organization	Not applicable	
GRI302-3	Energy intensity	Yes	Energy Management
GRI302-4	Reduction of energy consumption	Yes	Energy Management
GRI302-5	Reduction in energy requirements of products and services	Yes	Energy Management
GRI 303: Water and Effluents 2018			
GRI3-3	Management of material topics	Yes	Water Management
GRI303-1	Interactions with water as a shared resource	Yes	Water Management
GRI303-2	Management of water discharge-related impacts	Yes	Water Management
GRI303-4	Water discharge	Yes	Water Management

GRI303-5	Water consumption	Yes	Water Management
GRI 305: Emissions 2016			
GRI3-3	Management of material topics	Yes	Emissions Management
GRI305-1	Direct (Scope 1) GHG emissions	Yes	Emissions Management
GRI305-2	Energy indirect (Scope 2) GHG emissions	Yes	Emissions Management
GRI305-3	Other indirect (Scope 3) GHG emissions	Not yet available, Scope 3 to be disclosed in 2026	
GRI305-4	GHG emissions intensity	Yes	Emissions Management
GRI 306: Waste 2020			
GRI3-3	Management of material topics	Yes	Waste Management
GRI306-1	Waste generation and significant waste-related impacts	Yes	Waste Management
GRI306-2	Management of significant waste-related impacts	Yes	Waste Management
GRI306-3	Waste generated	Yes	Waste Management
GRI306-5	Waste directed to disposal	Yes	Waste Management
GRI 401: Employment 2016			
GRI3-3	Management of material topics	Yes	Workforce Structure
GRI401-1	New employee hires and employee turnover	Yes	Workforce Structure
GRI 403: Occupational Health and Safety 2018			
GRI33	Management of material topics	Yes	Occupational Health and Safety Initiatives
GRI403-1	Occupational health and safety management system	Yes	Occupational Health and Safety Initiatives
GRI403-2	Hazard identification, risk assessment, and incident investigation	Yes	Occupational Health and Safety Initiatives
GRI403-3	Occupational health services	Yes	Occupational Health and Safety Initiatives
GRI403-4	Worker participation, consultation, and communication on occupational health and safety	Yes	Occupational Health and Safety Initiatives
GRI403-5	Worker training on occupational health and safety	Yes	Occupational Health and Safety Initiatives
GRI403-6	Promotion of worker health	Yes	Occupational Health and Safety Initiatives
GRI403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Yes	Occupational Health and Safety Initiatives
GRI403-8	Workers covered by an occupational health and safety management system	Yes	Occupational Health and Safety Initiatives
GRI403-9	Work-related injuries	Yes	Occupational Health and Safety Initiatives
GRI403-10	Work-related ill health	Yes	Occupational Health and Safety Initiatives
GRI 404: Training and Education 2016			
GRI3-3	Management of material topics	Yes	List of Material Topics and Related Impacts
GRI404-1	Average hours of training per year per employee	Yes	Employee Training and Development Initiatives
GRI404-2	Programs for upgrading employee skills and transition assistance programs	Yes	Employee Training and Development Initiatives
GRI 405: Diversity and Equal Opportunity 2016			
GRI3-3	Management of material topics	Yes	List of Material Topics and Related Impacts
GRI405-1	Diversity of governance bodies and employees	Yes	Workforce structure
GRI 413: Local Communities 2016			
GRI3-3	Management of material topics	Yes	Community empowerment
GRI413-1	Operations with local community engagement, impact assessments, and development programs	Yes	Community empowerment

Appendix 2 – SGX Core Metrics

SGX Number	SGX Primary Component	Disclosed in this Report	References
710A: Board Diversity Policy			
SGX710A-5	Reference to Board Diversity Policy (in Annual Reports)	<i>c/o Annual Report</i>	<i>Board Diversity Policy to be reported in Annual Report</i>
711B: Internal Review/External Assurance			
SGX711B-3	Internal Review/External Assurance	Yes	Third Party Assurance
711B: Primary Component Exclusion			
SGX711B-2	Primary Component Exclusion	Yes	Reporting Scope
711B: Primary Components			
SGX711B-1a	Material environmental, social and governance factors	Yes	Materiality and Stakeholder Engagement
SGX711B-1aa	TCFD climate-related disclosures	Yes	Climate Change and Strategy Management
SGX711B-1b	Policies, Practices and Performance	Yes	TCFD-G-b, Climate-related risks and opportunities (Management)
SGX711B-1c	Targets	Yes	Per Topic
SGX711B-1d	Sustainability Reporting Framework	Yes	Reporting Framework
SGX711B-1e	Board statement and associated governance structure for sustainability practices	Yes	Board Statement
SGX: 27 Core ESG Metrics: Age-based Diversity			
SGX27Core-Soc-3	Current employees by age groups	Yes	Workforce Structure
SGX27Core-Soc-4	New hires and turnover by age groups	Yes	Workforce Structure
SGX: 27 Core ESG Metrics: Alignment with Frameworks			
SGX27Core-Gov-7	Alignment with frameworks and disclosure practices	Yes	Reporting Framework
SGX: 27 Core ESG Metrics: Assurance			
SGX27Core-Gov-8	Assurance of sustainability report	Yes	Third-party Assurance
SGX: 27 Core ESG Metrics: Board Composition			
SGX27Core-Gov-1	Board independence	Yes	Corporate Governance Framework
SGX27Core-Gov-2	Women on the Board	Yes	Workforce Structure - Board Diversity
SGX: 27 Core ESG Metrics: Certifications			
SGX27Core-Gov-6	List of relevant certifications	Yes	Certifications and Accreditations: Strengthening Sustainability and Operational Excellence
SGX: 27 Core ESG Metrics: Employment			
SGX27Core-Soc-5	Total turnover	Yes	Workforce structure
SGX27Core-Soc-6	Total number of employees	Yes	Workforce structure
SGX: 27 Core ESG Metrics: Energy Consumption			
SGX27Core-Env-3	Total Energy Consumption	Yes	Energy Usage Over the Past 3 Years
SGX27Core-Env-4	Energy consumption intensity	Yes	Energy Usage Over the Past 3 Years

SGX: 27 Core ESG Metrics: Ethical Behavior			
SGX27Core-Gov-4	Anti-corruption disclosures	Yes	Anti-Corruption
SGX27Core-Gov-5	Anti-corruption training for employees	Yes	Anti-Corruption Training
SGX: 27 Core ESG Metrics: Gender Diversity			
SGX27Core-Soc-1	Current employees by gender	Yes	Workforce Structure
SGX27Core-Soc-2	New hires and turnover by gender	Yes	Workforce Structure
SGX: 27 Core ESG Metrics: Greenhouse Gas Emissions			
SGX27Core-Env-1	Absolute emissions by: (a) Total; (b) Scope 1, Scope 2; and (c) Scope 3, if appropriate	Yes	Emissions Management
SGX27Core-Env-2	Metric tons of carbon dioxide equivalent (tCO2e) of relevant GHG emissions.	Yes	Emissions Management
SGX: 27 Core ESG Metrics: Management Diversity			
SGX27Core-Gov-3	Women in the management team	Yes	Workforce Structure - Board Diversity
SGX: 27 Core ESG Metrics: Occupational Health and Safety			
SGX27Core-Soc-9	Fatalities	Yes	Work-Related Injuries By Gender
SGX27Core-Soc-10	High-consequence injuries	Yes	Work-Related Injuries By Gender
SGX27Core-Soc-11		Yes	Work-Related Injuries By Gender
SGX27Core-Soc-12	Recordable work-related ill health cases	Yes	Work-Related Injuries By Gender
SGX: 27 Core ESG Metrics: Training and Development			
SGX27Core-Soc-7	Average training hours per employee	Yes	Employee Training and Development Initiatives
SGX27Core-Soc-8	Average training hours per employee by gender	Yes	Employee Training and Development Initiatives
SGX: 27 Core ESG Metrics: Waste Generation			
SGX27Core-Env-7	Total waste generated	Yes	Waste Management
SGX: 27 Core ESG Metrics: Water Consumption			
SGX27Core-Env-5	Total Water Consumption	Yes	Water Management
SGX27Core-Env-6	Water consumption intensity	Yes	Water Management

Appendix 3: Participation in Associations

In addition to prioritizing our core business operations, the Group actively engages with various organizations and associations. Through these collaborative efforts and knowledge exchanges with industry peers, we enhance our development capabilities, strengthen relationships with other companies, and gain valuable insights to guide the Company's strategic direction.

The organizations and associations the Group was a member of in 2024 are listed in the table below:

Industry associations, other member associations and national or international advocacy organisations	Membership Qualification
Chinese International Economic Cooperation Association (CIECA)	Member
Taiwan Technical Textiles Association	
Taiwan Textile Federation	
The Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	
Taipei Medical Instruments Commercial Association	
Miaoli County Industrial Association	
Miaoli County Laundry Business Association	
Importers and Exporters Association of Taipei (IEAT)	
Institute for Biotechnology and Medicine Industry (IBMI)	
Taipei Garment Business Association	
Taipei Listed Company Association	
PHILEXPORT	
Chinese National Association of Industry and Commerce	
Taiwan Women on Boards Association	
Textile Apparel, Footwear & Travel Good Association in Cambodia	
Taiwan Sustainable Development Association	
Confederation of Philippine Manufacturers of PPE	
Suppliers Ethical Data Exchange, SEDEX	Founding Member
Textile Apparel, Footwear & Travel Good Association in Cambodia	
Taiwan Sustainable Development Association	
Confederation of Philippine Manufacturers of PPE	

Appendix 4 – Limited Assurance Report

Independent Limited Assurance Report Statement	
To the Management of Medtecs International Corporation Limited	
Scope of Assurance	
We have been engaged by Medtecs International Corporation Limited ("Medtecs") to provide limited assurance on selected sustainability information disclosed in Medtecs' Sustainability Report for the year ended 31 December 2024 ("the Selected Information"). Our engagement was conducted in accordance with the attestation standards for limited assurance engagements issued by the Accounting Research and Development Foundation of the Republic of China.	
Criteria for Disclosure and Applicable Standards	
The criteria for the Selected Information and applicable standards are presented in the attached appendix.	
Responsibility of Management	
The management of Medtecs is responsible for the preparation of the sustainability information in accordance with the applicable criteria, which includes reference to the Global Reporting Initiative (GRI) Standards, specifically the 2021 GRI Universal Standards. Medtecs' management is responsible for selecting the applicable criteria, for ensuring that the information is free from material misstatement, and for maintaining the relevant documentation to support the information reported. This includes the design, implementation, and maintenance of internal controls to ensure that the information is reliable and appropriately disclosed.	
Practitioner's Responsibility	
Our responsibility is to express a limited assurance conclusion based on the procedures we have performed.	
Our engagement was conducted in accordance with the attestation standards for limited assurance engagements issued by the Accounting Research and Development Foundation of the Republic of China under Bulletin No. 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information." These standards require that we plan and perform the engagement to obtain limited assurance as to whether any material modifications should be made to the Selected Information for it to be fairly stated.	
Our engagement applied to the Mandarin version of the Report. This text is a translation of the Independent Assurance Report issued in the Mandarin language – the Mandarin text is authoritative.	

A limited assurance engagement provides less assurance than a reasonable assurance engagement. We did not perform an audit and, accordingly, do not express an audit opinion.	
We have complied with the independence and ethical requirements of the "Norm of Professional Ethics for Certified Public Accountants of the Republic of China."	
Practitioner's Independence and Quality Management	
Our firm and engagement team have complied with the relevant independence and other ethical requirements of the "Norm of Professional Ethics for Certified Public Accountants of the Republic of China," which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.	
Our firm applies the quality management standards stipulated in the "Quality Management for Accounting Firms" issued by the Accounting Research and Development Foundation. These standards include policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.	
Description of Procedures Performed	
The procedures performed for a limited assurance engagement vary in nature and timing from, and are less in extent than, those performed for a reasonable assurance engagement. Consequently, the level of assurance obtained from a limited assurance engagement is substantially lower. Therefore, we do not express a reasonable assurance conclusion.	
Our determination of the procedures performed considered the effectiveness of Medtecs' internal controls relevant to the preparation and presentation of the selected sustainability information. However, our assurance engagement was not designed to evaluate the effectiveness of internal controls.	
The procedures performed in a limited assurance engagement mainly involve inquiries of relevant personnel, observation of processes, and review and analysis of related documents and data.	
Summary of Key Procedures Performed:	
<ul style="list-style-type: none">Interviewed Medtecs' management and relevant personnel to understand Medtecs' corporate sustainability policies, implementation status, and stakeholder engagement;	
Our engagement applied to the Mandarin version of the Report. This text is a translation of the Independent Assurance Report issued in the Mandarin language – the Mandarin text is authoritative.	

<ul style="list-style-type: none">Conducted site visits and inspections of relevant documentation to understand the process for identifying and prioritizing material ESG topics and stakeholder communication channels;Evaluated the design and implementation of data collection and reporting systems used for selected sustainability disclosures;Reviewed selected sustainability data and information to verify whether it is consistent with the supporting documents and meets the reporting criteria.	
Inherent Limitations	
As the sustainability report includes non-financial information that is subject to inherent measurement uncertainties, the choice of different measurement methods may result in significant variations in results. Additionally, since the assurance work involves sampling and does not include a comprehensive internal control audit, there are inherent limitations. Therefore, we cannot guarantee the detection of all material misstatements or non-compliance, whether due to fraud or error.	
Conclusion	
Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe the selected information is not prepared, in all material respects, in accordance with the applicable reporting criteria.	
Ernst & Young Jerry Wang Partner Taipei, Taiwan 28 May 2025	
Our engagement applied to the Mandarin version of the Report. This text is a translation of the Independent Assurance Report issued in the Mandarin language – the Mandarin text is authoritative.	

Appendix 1																																																																					
No.	Page No.	Disclosure Topic	Verified Information	Applicable Criteria																																																																	
1	15	Anti-Corruption	There were no confirmed incidents of corruption in 2024.	Medtecs' 2024 internal statistics on anti-corruption incidents and risk assessment implementation.																																																																	
2	14	Governance Structure	As of 31 December 2024, there were 5 directors on the Board, including 3 independent directors (including at least 1 female director), and the proportion of independent directors exceeded 60%.	Information disclosed in Medtecs' 2023 Annual Report and related corporate governance disclosures.																																																																	
3	27	Energy Usage	<div>Historical Energy Usage Over the Past Three Years</div> <table><thead><tr><th>Location</th><th>Energy Type</th><th>2024 (GJ)</th><th>2023 (GJ)</th><th>2022 (GJ)</th></tr></thead><tbody><tr><td rowspan="5">Taiwan*</td><td>Electricity</td><td>6,772.03</td><td>7,664.00</td><td>7,405.00</td></tr><tr><td>Fuel oil</td><td>11,016.11</td><td>7.20</td><td>771.00</td></tr><tr><td>Natural gas</td><td>62,954.00</td><td>65,264.00</td><td>63,959.00</td></tr><tr><td>Steam</td><td>–</td><td>5,550.00</td><td>5,272.00</td></tr><tr><td>Total</td><td>80,472.14</td><td>78,550.00</td><td>77,407.00</td></tr><tr><td rowspan="4">Cambodia*</td><td>Electricity</td><td>11,265.85</td><td>8,489.00</td><td>8,926.00</td></tr><tr><td>Gasoline</td><td>–</td><td>41.00</td><td>32.00</td></tr><tr><td>Diesel</td><td>1,049.43</td><td>820.00</td><td>776.00</td></tr><tr><td>Total</td><td>12,345.28</td><td>9,350.00</td><td>9,734.00</td></tr><tr><td rowspan="4">Philippines*</td><td>Electricity</td><td>5,619.28</td><td>6,600.00</td><td>5,758.00</td></tr><tr><td>Coal</td><td>9,131.58</td><td>15,975.00</td><td>6,545.00</td></tr><tr><td>Fuel oil</td><td>1,454.56</td><td>–</td><td>–</td></tr><tr><td>Total</td><td>16,205.42</td><td>22,575.00</td><td>12,303.00</td></tr><tr><td>Group</td><td>Total</td><td>109,292.84</td><td>110,475.00</td><td>99,444.00</td></tr></tbody></table> <div>Note: *Taiwan: In 2024, fuel oil consumption was converted into GJ using publicly available conversion factors; natural gas reflects purchased volume. *Cambodia: In 2024, diesel consumption was converted into GJ using publicly available conversion factors. *Philippines: In 2024, fuel oil and coal consumption were converted into GJ using published emission factors.</div>	Location	Energy Type	2024 (GJ)	2023 (GJ)	2022 (GJ)	Taiwan*	Electricity	6,772.03	7,664.00	7,405.00	Fuel oil	11,016.11	7.20	771.00	Natural gas	62,954.00	65,264.00	63,959.00	Steam	–	5,550.00	5,272.00	Total	80,472.14	78,550.00	77,407.00	Cambodia*	Electricity	11,265.85	8,489.00	8,926.00	Gasoline	–	41.00	32.00	Diesel	1,049.43	820.00	776.00	Total	12,345.28	9,350.00	9,734.00	Philippines*	Electricity	5,619.28	6,600.00	5,758.00	Coal	9,131.58	15,975.00	6,545.00	Fuel oil	1,454.56	–	–	Total	16,205.42	22,575.00	12,303.00	Group	Total	109,292.84	110,475.00	99,444.00	Medtecs' 2024 energy usage data were disclosed based on internal consumption records and converted using consistent emission factors and conversion coefficients applied across the Group.
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4	40	Training and Development	Total and Average Training Hours in 2024																																									
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Medtecs International Corporation Limited