



2024 HTC ESG Report



ESG Report

2024 Environment, Social, Governance

Publication Date: August 06, 2025

Editorial Principle

Thank you for reading the 13th ESG Report issued by the HTC Corporation (HTC). HTC has an open and honest approach to the review and disclosure of our executive performance related to all Sustainability matters and offers our stakeholders a clear picture of all the related issues. Our aim is to use our brand's influence to integrate our ESG strategies into the organization, and we start off with a comprehensive response to all these issues.

As a global virtual reality and smart phone brand, we are ready to confront all the challenges that might present themselves. For each major Sustainability issue that relates to our future development, we make it clear at the beginning of each section which challenge we are facing, our management approaches and current achievements, and our goals for future development.

By understanding and commitment to these issues, HTC will define and confirm our direction toward sustainable development, and also let our stakeholders know everything about our performance and the results with respect to ESG in 2024.

This report has been prepared in Chinese and English. Both versions are posted on our official website and are available for download (www.htc.com/us/esg/)

Report Scope and Boundary

The organizational boundary of the information in this annual report is mainly based on HTC Taiwan Note 1. The boundary of financial information is HTC Global Note 2, disclosed by way of consolidated financial statements.

Environment part: The scope of greenhouse gas inventory, TCFD and electricity boundary is HTC Global, and the rest of the data disclosure scope is only HTC Taiwan.

Social part: The scope of human resources boundary is HTC Global, and the rest of the information disclosure scope is only HTC Taiwan.

Notes:

1. HTC Taiwan: HTC and its subsidiaries Hungxu Technology Co., Ltd., Viveport Digital Co., Ltd., REIGN Technology Co., Ltd., DeepQ Technology Corp., VIVE Arts Corporation, Uomo vitruviano Corporation.

2. HTC Global: HTC and its subsidiaries, please refer to Section 6.1 of the Annual Report for the current year.

HQ & Plants ● Taipei Office 1
● Taipei Office 2



2024 HTC ESG Report Organization Coverage Information

Boundary	Address	Tel
HQ & Plants	No. 1, Ln. 21, Xinghua Rd., Taoyuan Dist., Taoyuan City 330, Taiwan	+886-3-3753252
Taipei Office 1	No 88, Sec 3, Zhongxing Rd, Xindian Dist, New Taipei City, Taiwan	+886-2-89124138
Taipei Office 2	1F, No 6-3, Baoqiang Rd, Xindian Dist, New Taipei City, Taiwan	+886-2-89124138

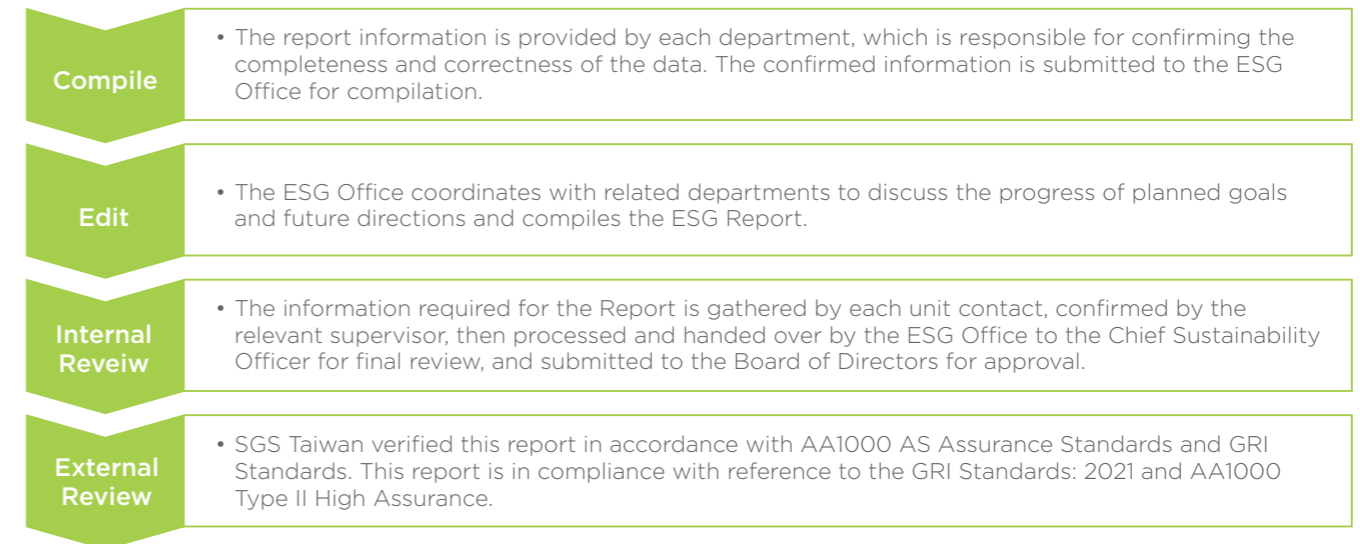
Time Coverage of Disclosure

We publish the HTC Sustainability Report on a regular basis every year. The information disclosed in this report covers the year 2024 from January 1 to December 31. In order to present complete information or the project progress, the information on some topics may also be retroactive to 2023 or extended to May 2025.

Report Basis

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: 2021, the sustainability indicators of the Sustainability Accounting Standard Board (SASB), and the United Nations Sustainable Development Goals (SDGs), and AA1000 standards and has been confirmed by SGS-Taiwan to be in compliance with AA1000AS Type II high-level assurance and reference to the GRI Standards and SASB (Hardware) industry standards.

Process of Reporting Quality Management



Forward-Looking Statements & Statistical Calculations

In this report, HTC makes some forward-looking statements about future ESG challenges and developments. However, because some of these issues are uncertain and subject to variable factors (such as policies, laws, and international regulations), it should be noted that they have been made after discussions on current HTC status and are made as forecasts, the purpose being to give our stakeholders a picture of the HTC understanding and realization of ESG issues. The forecasts are not promises by HTC of guaranteed financial, operational, and business performance.

The figures shown in this report are in the metric system and are statistical and calculated results generated according to the related international standards and bases of calculation. In the event that any special calculation methods are implemented for particular indicators, notes are provided below the corresponding tables or graphics.

- Financial data was checked and confirmed by Deloitte & Touche, and was calculated in NT\$. The report period of this year's financial report is the year 2024 from January 1 to December 31.
- ISO 14001:2015 Environment Management System, ISO 45001:2018 Occupational Health and Safety Management, ISO 14064-1:2018 Greenhouse Gas Emissions were verified by AFNOR Asia.
- ISO 50001:2018 Energy Management Systems were verified by Istituto Italiano del Marchio di Qualità.
- ISO 14067:2018 Product Carbon Footprint, IECQ QC080000:2017 Hazardous Substance Process Management System, ISO 27001:2022 Information Security Management Systems, ISO 27701:2019 Privacy Information Management System and ISO 27799:2016 Information security management in health were verified by SGS Taiwan.
- The AA1000AS Standard was assured by SGS Taiwan.
- TCFD report was passed by SGS's TCFD performance evaluation.

Feedback

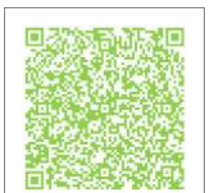
If you have any questions about this 2024 HTC ESG Report, please let us know to help us make continuous progress.

Contact Us

ESG Office, HTC Corporation
E-mail : esg@htc.com
Address: No. 1, Ln. 21, Xinghua Rd., Taoyuan Dist., Taoyuan City 330, Taiwan
ESG Website: www.htc.com/us/esg/



HTC ESG Website



HTC Sustainability Questionnaire

Statement of the Management

Thank you for taking the time to peruse the 2024 "ESG Report" issued by HTC. We continue to follow the latest "Global Reporting Initiative Standards" and AA1000 standards Type II High Level of Assurance to report information disclosure to the general public and all stakeholders. The relationship communicates with HTC's commitment and achievements in reflecting social responsibility and moving towards sustainable development.

2024 proved another commercially challenging year, with decelerating growth in the consumer goods market amid a subdued global economy and inflation remaining above pre-pandemic levels. Despite this, HTC manifested good performance over the year, with product launches from all of our business areas that raised the bar of innovation and garnered wide recognition.

HTC continues to nurture the business units into viable companies with exciting growth potential, and our landmark collaboration agreement with Google on XR technology in early 2025 represents the first successful milestone in this strategy. This saw VIVE Systems merged into the VIVE Intelligent Systems business unit; enabling a more streamlined portfolio along with greater operational efficiency. We believe this strategic move will boost the development of the whole XR ecosystem, to the benefit of consumers and all players in this market. Our goal is to realize our vision of VIVE Reality through these open, connected, and intelligent partners.

By embracing cutting-edge technologies such as artificial intelligence and the metaverse, HTC aims to pioneer innovations that adhere to strict ethical standards, ultimately enhancing human life. Indeed, HTC was founded to create products that make people's lives better. HTC's numerous partnerships with innovative organizations around the world have sought to align with that purpose, such as enabling immersive education in schools and companies, or improving healthcare. In 2024, our partner Mynd Immersive launched the 'Great American Elderverse', an excellent initiative that is set to transform the lives of millions of older adults through the delivery of virtual reality therapeutics to hundreds of underserved senior care communities, powered by HTC VIVE's XR devices. Technology being used for the good of humankind lies at the heart of HTC's mission.

HTC earned continued global recognition of our carbon reduction strategies and the application of appropriate technologies on our path to net-zero by 2050. In 2024, HTC put in place six key carbon reduction strategies on its pathway to net-zero by 2050, and expanded its scope of greenhouse gas inventory and verification to include parent and subsidiary companies. Additionally, the company strengthened its ESG evaluation indicators, and further invested in renewable energy and smart management solutions, such as solar power systems.

For this, it earned a spot on the CDP Supplier Engagement Leaderboard (A grade), and again qualified for the FTSE4Good Index Series and a Silver Medal rating from EcoVadis. HTC became only the fifth Taiwanese high-tech hardware equipment company to pass the Science-Based Targets initiative (SBTi) verification and receive approval for its net-zero target, and was the first company to win the "National Sustainable Development Award" for the last two years. HTC was also included in Taiwan's Top 100 Sustainable Companies Awards. This is a remarkable achievement in just a few years.

HTC is committed to promoting a low-carbon value chain and creating a broader ecosystem that supports carbon reduction, and will continue to focus on innovation to achieve low-carbon transformation and a sustainable value chain.

Over our 28-year journey, HTC has continually reinvented itself — transitioning from smartphone pioneer to leading in virtual reality and now driving 3D virtual worlds and technologies. We have evolved from a hardware-centric company into a comprehensive metaverse ecosystem company, on the journey towards our vision of VIVE Reality.

HTC wishes to express our appreciation to our shareholders for their continued trust in our vision of shaping the future of technology in a manner that is both groundbreaking and responsible. In this rapidly evolving digital era, we will adopt a pragmatic and enterprising approach to continuously build our core competitiveness. With the right strategies, world-class talent, and innovative R&D capabilities, we are committed to driving HTC's next stage of growth. Actively collaborating with numerous global partners, we focus on environmental protection and innovative R&D, aiming to create a better life for people, move towards sustainable business operations, and create value for all stakeholders.

HTC Corporation
Chairwoman and CEO



Letter from Chief Sustainability Officer

As HTC's Chief Sustainability Officer since taking office in 2022, we have embarked on a comprehensive and in-depth planning journey towards sustainable development. This includes organizational, strategic, and both software and hardware aspects. We are committed to gradually taking root step by step. After three years of effort, these plans began to show results in 2024, establishing a stable foundation for our 2050 net-zero target.

In terms of organization, we founded a ESG Committee chaired by the Chairman and composed of senior executives from various departments to ensure maximum visibility and priority in sustainable decision-making and execution. Additionally, we set up a dedicated ESG Office responsible for planning and guiding the company's sustainability-related operations, as well as internal and external communications. This not only continues to foster sustainability awareness among all employees but also ensures effective communication with stakeholders.

In terms of strategy, we have carefully assessed the company's current carbon emissions in line with domestic and international regulatory trends, as well as HTC's future core business directions and vision. In 2023, we officially committed to the Science Based Targets initiative (SBTi) to achieve net-zero emissions by 2050. By August 2024, our short-term and net-zero targets were officially approved by the SBTi, making us the fifth technology hardware company in Taiwan to pass this review. We use scientific methods to plan our path to net-zero, adhering to the Paris Agreement's 1.5°C warming target, ensuring our actions align with international standards. We have also developed six key strategies for HTC to achieve net-zero carbon emissions, implementing them step by step with scientific methods.

In terms of software and hardware, we have invested resources in developing and utilizing the latest cloud-based sustainability solutions, establishing an advanced carbon management platform. This platform successfully integrates and digitizes carbon emission-related hardware and software, supporting our sustainability goals. The successful implementation of the carbon management platform allows us to monitor the company's carbon status in real-time and significantly enhances our efficiency in conducting greenhouse gas inventories (ISO 14064-1:2018) and product carbon footprint assessments (ISO 14067:2018). This achievement made HTC the first company in Asia to complete greenhouse gas inventory and product carbon footprint verification using Microsoft's sustainability cloud platform. This success story, co-published with Microsoft, sets a benchmark for other companies in carbon management.

With our comprehensive planning and implementation in various sustainability aspects, HTC won the National Sustainable Development Award again in 2024, becoming the only company to win this honor consecutively in 2023 and 2024. While winning awards is a form of recognition, our primary goal remains to participate in various sustainability evaluations and awards to ensure that HTC's sustainability efforts meet the expectations of national and international communities. The recognition motivates us to continue progressing towards sustainability and net-zero emissions.

Looking ahead, HTC will further implement an internal carbon pricing mechanism strategically to better manage and assess various carbon reduction actions. This will prepare us for potential future external carbon regulatory risks. We are also continuously investing in renewable energy, not only by increasing solar panel installations but also by actively planning renewable energy procurement to implement energy management policies most economically. These initiatives respond to international trends and meet stakeholder expectations.

Finally, we understand that achieving net-zero carbon emissions and sustainable development is an ongoing process that requires long-term commitment, innovative thinking, and strong execution. We will continue to strive to find a balance between environmental protection, social responsibility, and operational growth, contributing to global sustainable development. This is our responsibility and mission as global citizens.

HTC Corporation
Chief Sustainability Officer



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About HTC

Name

HTC Corporation (TWSE stock symbol 2498)

Address

No. 1, Ln. 21, Xinghua Rd., Taoyuan Dist.,
Taoyuan City 330, Taiwan

Established

May 15, 1997

Sector

Telecommunications network Industry

Main business

Virtual reality device/Smartphone

Consolidated revenue

NT\$8,335,340,000(2024/12/31)



The global leader in innovative Virtual reality & Smartphone design – HTC

The HTC Corporation (HTC) was established in 1997. HTC brings brilliance to life through leading innovation in smart mobile device and experience design. Beginning with a vision to put a personal computer in the palm of our customers' hands, we have led the way in the evolution from palm PC to smartphone, and are now applying that same innovative approach to connected devices and virtual reality. To date, our Company has been through four major transformations that have helped us reinvent ourselves and achieve new growth. Starting from the beginning of the company's professional PDA design, HTC has continued to deepen innovation in R&D technology. HTC's first major turning point came in 1999, when the Company moved into the telecommunications arena. HTC was the first to integrate Internet, entertainment, video and personal assistant functions into a mobile phone with a large dimension onto high resolution and full-color display panel. Since 2007, the launch of the HTC brand globally has committed the Company to long term global brand development. In 2014, HTC began to seek new fields to apply our distinguished heritage in design, engineering and manufacturing excellence as well as innovative thinking. In 2015, we began to enter the virtual reality industry, and explore and create a new real experience with HTC VIVE.

In 2018, HTC set a new vision: VIVE Reality, cutting-edge technology such as virtual reality (VR), augmented reality (AR), artificial intelligence (AI), 5G high-speed connection and blockchain. Integrate humanity, humanities and imagination to achieve a richer enjoyment of a better life. Today, we call it VIVERSE.

Through our leading virtual reality line, HTC VIVE, our rich history of experience in mobile internet devices, and focused investment in key technology areas, HTC is now helping to drive this new computing paradigm and the society transformation that will ensue. This remarkable new world will be all-embracing, generating a far larger virtual economy, a much broader range of fantastic experiences, and far more meaningful social interaction, which will bring people closer together and foster greater empathy for each other.

At the same time, HTC continued to develop and refine our industry-leading mobile technology expertise. The smartphone division continues to integrate the latest technologies such as 5G and advanced photographic capabilities into some of the most beautifully crafted devices on the market. At the same time, HTC created a new division focusing solely on applying our world-class 5G networking expertise to consumer, enterprise and municipal sectors, supporting the drive to expedite 5G adoption and solve challenges for business and society.

Human health is fundamental to improving people's lives, and the HTC DeepQ business embeds advanced artificial intelligence and VR technologies into a range of hardware and software solutions aimed at raising awareness of health issues, enabling effective remote healthcare, and supporting the medical profession and government in a variety of ways.

The advent of the metaverse sees the Company focused around VIVERSE, whereby the strategic direction of all business units is to enable, enhance or expand the remarkable wealth of experiences available in the metaverse, which can be accessed from virtually any connected device.

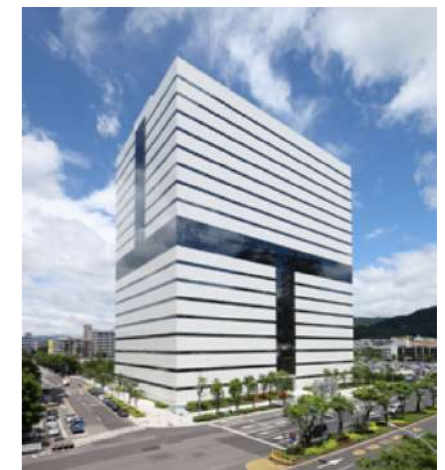
The pursuit of VIVE Reality has seen HTC transition into a complete VIVERSE solution company, creating not only leading hardware in strategic markets, but also building industry-leading platforms, software, content and services to create new revenue streams and lay the foundation for our future growth.



Global Operation Locations

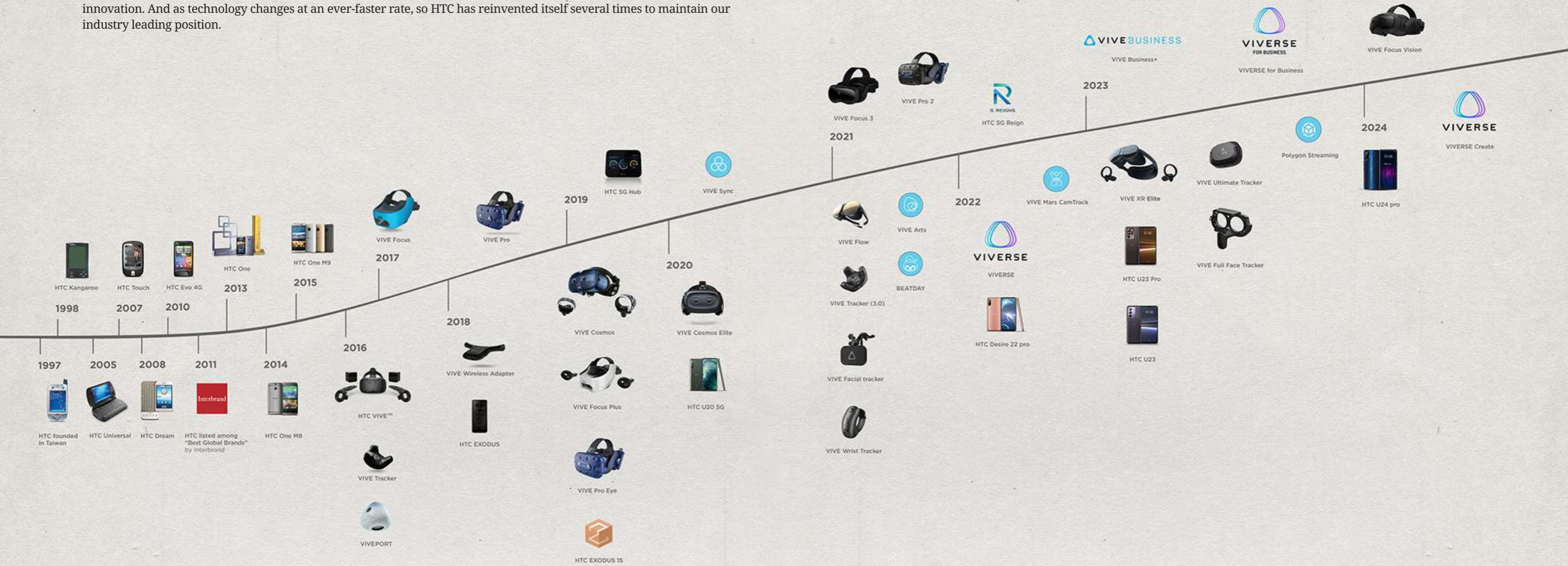


HTC is headquartered in Taiwan. Driven by effective branding, HTC now has operations, sales, and services covering most areas in the world, including Europe, the Americas and Asia. With the coordination and integration of our operational HQ, HTC provides customers with a network of professional services. Offices have been established in all the major markets of the world, including the USA, Canada, the UK, Germany, France, India, Australia, China, Japan, Hong Kong, Singapore, Ireland, Poland and UAE.



Industry Overview

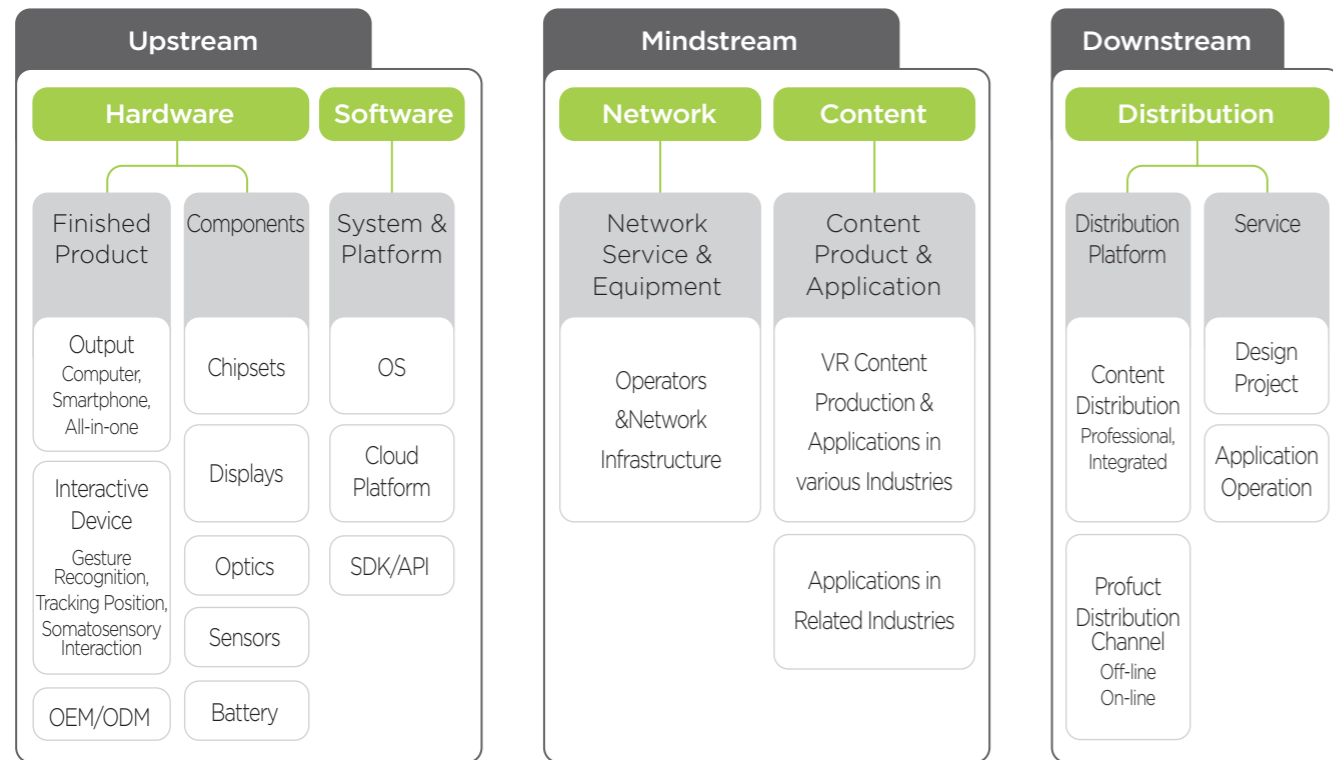
HTC was founded with the goal of bringing the power of computing and communication into the hands of people around the world. On this quest, HTC has pioneered new technologies, devices, and designs, and repeatedly set new standards in innovation. And as technology changes at an ever-faster rate, so HTC has reinvented itself several times to maintain our industry leading position.



Virtual Reality

Virtual reality comes from the human pursuit of immersion. VR is also the technology development direction that has been encouraged by the smartphone industry through the advancement of various display technologies, processors, controllers and other key components over the past 10 years. While consumers are satisfied with visual effects, they also hope to experience “new virtual worlds”.

According to IDC’s public release of the 2020 VR industry research white paper, the VR industry chain can be subdivided into five parts: hardware equipment, software, network, content, and distribution. Each part is linked and inseparable.



The hardware and software sessions can be regarded as the upstream of the VR industry. The hardware includes component parts like chipsets, displays, optical modules, and sensors, as well as various types of integration with hand recognition, tracking and positioning, and somatosensory interaction; Software includes various development platforms and tools including OS, cloud platforms, SDKs. The network and content can be regarded as the midstream of the VR industry, where the network includes operators and various levels of network infrastructure; the content includes content production related to the VR applications in various industries. Distribution can be regarded as the downstream of the VR industry, including content distribution platforms, product distribution channels.

Ever since the so-called “first year of VR” in 2016, when VR products began to enter the consumer market, first attracted the public with gaming applications. Playing games with VR not only provides advanced visual stimulation, but also delivers a more immersive content experience.

In the past, VR headsets were mainly connected to a computer. A gaming PC with strong graphics capabilities was required to have a better visual experience. Recently, standalone VR headsets have overtaken the market to become the mainstream form factor, as they have matured to include vital features of wireless connectivity, better mobility, accurate 6DoF spatial positioning, and powerful processing performance. Standalone VR headsets allow users to enjoy more freedom of movement, reducing interference from tethered cables, to provide an overall friendlier user experience. HTC continues to innovate in hardware, launching four exclusive accessories for the VIVE XR Elite in 2024. These include a more balanced and stable comfort head strap, immersive VR and MR face cushions, and temple mounts, all designed to provide users with an outstanding all-in-one headset wearing experience. In addition to improved hardware comfort, HTC has integrated DisplayPort support into its latest generation all-in one headset, the VIVE Focus Vision, allowing the lightweight AIO device to deliver a high-quality PCVR gaming experience. This makes it a versatile hybrid product that combines the mobility of an AIO with the superior visual quality of PCVR.

2024 also saw an increasing number of VR manufacturers launching full-body trackers, drawing more attention to the VR accessory market. Unlike most trackers that use IMU technology, HTC’s VIVE Ultimate Tracker is equipped with two ultra-wide-angle cameras, enabling low-latency and high-precision tracking. This allows for smooth full-body motion capture in games and virtual reality interactions, enhancing the realism of avatars. In enterprise applications, it can be used in professional fields such as sports training, emergency services training, and film motion capture. The VIVE Ultimate Tracker does not require base stations or a studio setup, significantly reducing preparation time compared to professional motion capture equipment, while also offering a more affordable solution for enterprise users.

Unlike other brands that typically only support their own products, HTC remains committed to building a more open ecosystem for the VR industry, offering users a broader range of options. The VIVE Ultimate Tracker can quickly pair with various VIVE AIO headsets, including the VIVE XR Elite, VIVE Focus 3, and VIVE Focus Vision. In 2024, it also officially supports SteamVR-compatible headsets, providing high precision full-body tracking solutions for third-party VR device users, enabling users across ecosystems to easily enjoy a more realistic and immersive VR experience.

The development of virtual reality not only relies on continuous device innovation but also requires robust enterprise management platforms to ensure smooth hardware deployment. HTC’s VIVE Business+ offers enterprise users an all-in-one management software and solution. It enables batch configuration, synchronized management, and monitoring of multiple VIVE AIO headsets and trackers. Content deployment and updates can be performed remotely, with real-time device status tracking and customizable services that cater to actual enterprise needs. With its fast and user-friendly advanced features, VIVE Business+ has made VIVE AIO devices the top choice for enterprise training, healthcare, and emergency service training, further driving the growth of related hardware sales.

The development of VR hardware depends on the continuous cooperation of software developers. For example, game applications are represented by the well-known game platform Steam, and HTC cooperates with developers to independently develop for the VIVEPORT platform so that developers can offer their application services, allowing for the use of VR not only in games, but also in movies, social media, and other visual mediums. As for VR, we believe that abundant content and application support is the key to attract consumers and stimulate VR market growth. That’s why we are building a VR ecosystem that can integrate software and hardware to expand our penetration into the consumer market.

Another major development direction of VR is to develop useful applications for professional use. From the perspective of the currently known application industries, medical and architectural professional fields are especially quick to adopt and apply VR, especially for use cases which require heavy 3D visualization. HTC aims to use VR to make medical training more efficient and effective. By using VR for surgery simulation and medical equipment operation training, for example, students and surgeons have significantly increased their surgery success rate and their confidence in how to deal with high-pressure scenarios. With the emergence of the 5G era and the acceleration of network speeds, VR medical treatment can transmit high-resolution images and data in real time, facilitating real-time multi-party consultations, and even enable remote surgery.

Entering the new 5G era, 5G technologies and technical demands have contributed to the advancement and popularity of high refresh rate displays and other low-latency components critical for VR. The development of AI and big data technology has also accelerated the development of VR from consumer-level to large-scale commercial-level applications.

The metaverse has become the focal point of conversations within the tech industry and investors in 2021. Development roadmaps were planned and announced by top global tech firms. Facebook also changed its name to Meta as a show of determination for their efforts to build their metaverse. The VR / AR industry quickly became the highlight of many metaverse market discussions, as this new direction fueled the market and triggered the development of more immersive applications and the growth of device shipment volume. Gartner projected that 25% of people will spend at least 1 hour per day for work, shopping, education, social, or entertainment in the Metaverse in 2026.

The global pandemic in the past few years has greatly accelerated the digitization of almost all activities, which is also simultaneously enriching the metaverse concept and realizing different use cases for a digital virtual world. Thus, people see 2021 as the first year of the metaverse. The metaverse is widely regarded as an “always-live” and persistent virtual ecosystem where people can meet, interact, socialize, work, learn, and play games. These systems will also have to meet the data demands of millions, billions of people. And that’s where blockchain and cryptocurrencies come in. The metaverse will be built on the foundation of blockchain technologies, and cryptocurrencies will enable its economy. This means that Blockchain and NFTs will play a vital role in the Metaverse, providing verifiable, undisputed ownership of characters, in game items, or even virtual real estate.

To realize social, gaming, shopping, office, and educational scenes in virtual space, immersion, low latency, and being unbound by space are three essential elements. Advanced high-performance communication networks will play an important role. In fact, since the development of 5G, all sectors have regarded immersive and virtual-reality technologies and services as key applications that complement 5G communication technologies. Therefore, the continuous development and improvement of 5G wireless communication technologies will lay a solid foundation for realizing the Metaverse.

With the rise of the Metaverse topic, telecommunication operators have found new hope. According to research by Ericsson AB's Consumer & Industry Lab, if telecommunications operators can successfully launch innovative applications and services that support the Metaverse on 5G communication infrastructure, their revenues have the potential to increase by one-third. By 2030, global telecommunications operators could obtain revenue of up to \$712 billion, truly realizing the monetization of 5G investments. Although it is not possible to accurately estimate how many Metaverse applications will occur, it is expected that early Metaverse applications such as advanced augmented and immersive media services will account for 40% of the 5G application service market by 2030.

There are now many examples of Metaverse applications, which are spreading and being used in many fields by combining 3D/XR, blockchain, Digital Twin, 5G, and other technologies. These applications can be divided into two parts: those aimed at the general public and those aimed at institutions.

In the section aimed at the general public, the main areas include entertainment, cities, and retail applications. In the entertainment field, it is mainly based on the large audience base of game socialization. From the direction of adding activities and creating worlds, it opens up the appearance of the Metaverse, and then attracts industries other than entertainment, it is highly malleable, and the content generation ecology is also the key to its development. such as Sandbox to create digital assets, earn while playing P2E as entry points to develop. In the development of twin cities, it is mainly based on government support or leadership, and the content mainly aims to promote social mobility, promote tourism and public services and other transformations, and gradually expand various industry services. It also has high malleability, such as Japan's promotion of virtual Shibuya, which is a classic city example of the Metaverse. Finally, in the retail application, it focuses on linking consumer attention through NFT, 3D/XR, and other technologies, and creating innovative services such as post-epidemic digital transformation, experience economy, innovative marketing, and OMO. For example, Isetan Mitsukoshi's twin department store, which provides social, pet care, salesperson services, and product guidance. Metaverse applications in the field of general public have high malleability, and its development depends on the content generation ecology and user-facing it is based on, with different development directions according to demand.

On the other hand, in the institutional sector, the prototype of the metaverse is mainly used for educational, office and industrial applications. In the field of education, the popularity of educational metaverse applications is gradually increasing due to the impact of the pandemic. Many people hope to have a more immersive, deeper experience and to break away from traditional educational models, such as Labster's scenario-based science, which allows students to experience safe experiments and realistic learning in a metaverse environment. In the field of office, in order to meet the needs of different stages and situations of enterprises, the ability to integrate virtual and physical tools as well as the "virtual + physical" hybrid working mode will become an important option for future work. Such as Gather's virtual office service, which uses office scenarios to provide video conferencing, whiteboard collaboration, and space adjustments. Finally, in industrial applications, digital twins are an important trend in industrial transformation, which has entered the stage of market deployment in recent years and can be considered as the foundation of the future industrial metaverse. For example, Siemens' introduction of industrial twins mechanisms helps production ends to collect, simulate and optimize various devices and production efficiency. These institutional applications will help improve work, learning, and production efficiency and bring more innovation and immersive experiences to people.

The metaverse as it is being described today is what HTC has continuously built and heralded as VIVERSE since a few years ago, the future that's enabled by the integration of VR, AR, AI, 5G, and Blockchain technologies. HTC has long since been leading the industry in paving the way to build and enable the metaverse.

HTC has always been committed to making the future life better and actively promoting the VIVE Reality vision through the integration of technology and humanity, to create a better metaverse experience.

5G and Smart Devices

Over the past few years, smartphones have been constantly and continuously updated with new and innovative functionality. Smartphones have fully transitioned from traditional feature phones into the touchscreen-enabled communication products with independent operating systems we all know today. Consumer demand has led to the development of components including high-performance miniature camera lenses and powerful batteries, and this has also greatly accelerated and stimulated the vigorous development of all communications-related hardware industries. At present, the smartphone industry is already a mature industrial chain with professional divisions of labor. Each specialized component integrated into smartphones comes from a different specialized supplier. After being assembled by the manufacturer, it is then sold by a dealer or a telecommunications company.

Recently the sales growth of the smartphone sector has slowed, partly due to the maturation and standardization of the hardware functions found on mobile phones, and partly due to developed markets including Europe and the United States have reached a saturation point, leading to longer life cycles and slower replacement rates for all mobile phone products.

The smartphone industry welcome new technologies to enter the 5G era in 2020. The global smartphone market was expected to embrace the new business opportunities with a wave of new 5G smartphone purchases after 5G was commercially deployed globally in 2020. However, due to COVID-19 since the beginning of 2020, the global smartphone supply and demand declined, and it also partially delayed the launch of 5G in some regional market. Therefore, global smartphone shipments continued to decline in 2020. Due to the incentive by the implementation of 5G use cases in Chinese market, the 2020 global 5G smartphone market still shared a 19% of penetration rate. Especially Chinese smartphone brands have around 60% of market share.

Smartphone market continued paying attention on 5G topic in 2021, while countries recovering back to 5G infrastructure, mobile processor manufacturers roll out low-end and middle-end processors, global 5G smartphone penetrate rate rapidly raised to around 40%. In 2022, 5G communication continued to become a market trend, prompting the continuous roll out of 5G network construction in various countries and resulting in a 5G mobile phone penetration rate of over 50%. The number of new 5G users in 2023 increased significantly by about 63% compared to 2022. The total number of global 5G users will also exceed the 1.6 billion mark with the growth of the total number of users exceeding original expectations. Although some markets are facing economic challenges and geopolitical uncertainty, the growth in the number of 5G users continues to show resilience. Signs of recovery in the smartphone market can also be observed from the growth of 5G. 5G mobile phones accounted for 62% of smartphone shipments in 2023, while it was only 57% in 2022. In addition, new 5G smartphones are coming out one after another. Even though the global economy has not yet fully recovered, the general trend of 5G remains unchanged and the impact is relatively low. It is worth noting that the application of artificial intelligence (AI) in mobile phones is expected to become the key to the recovery and growth of the smartphone market in the future.

In recent years, uncertainties and risks such as geopolitics and tariff barriers have increased rapidly. The challenges facing the smartphone market have also increased day by day, including the challenge of supply chain reconfiguration, rising costs and prices, changes in the market competition landscape, the continuous advancement of new technologies, and cross-border and cross-regional cooperation models, etc., which also makes the growth potential of emerging markets highly valued. Taking all the above factors into consideration, it remains to be seen whether the smartphone market will continue to recover in 2025 as generally expected.

Re-investment & Affiliated Companies

HTC's reinvestment policy is to provide different solutions for enterprise clients, personal consumers, and telecom operators, the company continues to deepen the enhancement of virtual reality and augmented reality related new technology, application software, and content expansion through strategic investment, to deepen the enterprise market and mass consumer market. 2024 HTC affiliated companies please refer to [2024 annual report - 6.1 Affiliates](#).

Product Overview

HTC has been tapping into the possibilities of smartphones through brand new technology in the telecommunications area. Extensive and innovative VR, AR, AI, blockchain, and high-speed 5G networks are amalgamated to create HTC's technological vision of VIVERSE.

HTC VIVE™

VR (Virtual Reality) is an exciting feature of next-generation computing and entertainment. HTC VIVE allows users to browse through the VR world and use unique hand-simulation controllers to interact with objects.

● VIVE Focus Vision

This latest addition to the VIVE Focus Series combines standalone XR capabilities with DisplayPort mode for visually lossless PCVR experiences, making it ideal for immersive gaming, industrial training, and collaborative enterprise applications. Designed to meet the needs of both gamers and businesses, the device bridges the gap between high-end VR arcades and home PC gaming setups.



Building on the success of the VIVE Focus 3, which was proven in microgravity conditions on the International Space Station, the VIVE Focus Vision introduces significant upgrades in visual quality, comfort, and operational efficiency. It's tailored for multi-user sharing, making it especially valuable for businesses such as VR arcades and sectors like healthcare, defense, finance, and manufacturing that rely on high-turnover training environments. The device's auto-IPD adjustment with built-in eye tracking ensures crystal-clear visuals for every user, while its stereoscopic passthrough cameras provide depth-accurate Mixed Reality experiences.

The VIVE Focus Vision also enhances comfort with a revamped cooling system for longer, more comfortable sessions. It features a built-in sub-battery that allows up to 20 minutes of runtime during battery swaps, ensuring uninterrupted experiences. With 5K resolution, a 120-degree FOV, and a 90Hz refresh rate (with support for 120Hz coming soon via DisplayPort mode), the headset delivers a visually stunning experience. Dual 16MP color cameras, a depth sensor for scene recognition, and infra-red tracking for low-light conditions further elevate the device's performance.

Highlighted features include visually lossless PCVR via DisplayPort, auto-IPD adjustment, and dual color cameras for full-color stereoscopic passthrough. Its combination of cutting-edge visuals, precise tracking, and user-centric design positions the VIVE Focus Vision as a leading choice for both enterprise applications and premium gaming, offering unparalleled versatility and performance in the XR space.

● VIVE XR Elite



VIVE XR Elite attracted much attention and as the most awarded VR headset of CES 2023, it combines Mixed Reality (MR) and Virtual Reality (VR) capabilities into one compact, lightweight, powerful and highly versatile device - perfect for gaming, fitness, productivity and more.

HTC continues to innovate in hardware to provide an overall friendlier user experience, launching four exclusive accessories for the VIVE XR Elite in 2024. Also launched the VIVE XR Elite Deluxe Pack, strengthening its capabilities for enterprise market applications and reinforcing HTC's commitment to building a complete 3D Internet ecosystem for consumers and businesses alike.

The visual impact is sharp with a wide 110 FOV, 4K resolution which results in a crisp image all running on a smooth 90Hz refresh rate. VIVE XR Elite includes a full color RGB passthrough camera, and handtracking, which enables a whole new dimension of MR scenarios. With four wide FOV cameras, exceptional 6DoF spatial accuracy, a depth sensor, hand-tracking and capacitive sensing for your finger movements on the controllers, developers have lots of options to incorporate in VR and MR content to help achieve more accurate motion detection and enhance the overall experience.

VIVE XR Elite can be easily connected to a computer via USB-C to access PCVR content from VIVEPORT and Steam, and supports wireless computer streaming via WiFi or the latest generation WiFi 6E, with extremely low latency and excellent display effects.

● VIVE Ultimate Tracker

VIVE Ultimate Tracker is compact, versatile, and with two wide-FOV cameras and new technology which essentially makes it "self-tracking". This makes it perfect for HTC VIVE's standalone headsets VIVE XR Elite and VIVE Focus 3, and it officially support third-party PCVR headsets compatible with SteamVR in 2024, bringing powerful tracking capabilities to more users.



Built for versatility, the VIVE Ultimate Tracker uses a standard 1/4"-20 UNC mount and has a pogo pin interface, allowing it to attach to a variety of objects. This opens the door to many use cases such as mocap for film and games, industry-specific objects for VR training, dancing in VRChat, and more. VIVE is also releasing developer documentation and the 3D CAD file publicly so that people can design their own bespoke mounts.

Up to five VIVE Ultimate Trackers can be used simultaneously per headset, delivering exceptional multipoint full-body tracking. In addition to supporting the standalone devices within the VIVE ecosystem, the VIVE Ultimate Tracker officially expanded its compatibility in 2024 to include third-party PCVR headsets that support SteamVR, bringing exceptional tracking capabilities to even more users. Originally designed for the VIVE Focus 3 and VIVE XR-Elite, the VIVE Ultimate Tracker has now broadened its scope of application. Regardless of the SteamVR-compatible headset a user chooses, the VIVE Ultimate Tracker empowers gamers and developers to elevate their VR experiences to new levels. Based on its stable selftracking ability and combined with VIVE's self-developed space calibration technology, it enables precise coordinate alignment with third-party PCVR headsets. This allows non-VIVE headset users, such as those with Meta Quest series devices, to easily experience object tracking in Steam games or achieve flexible fullbody tracking in VRChat.

● VIVE Full Face Tracker

VIVE Full Face Tracker, a plug-and-play module that brings face and mouth tracking to VIVE XR Elite through a simple USB-C connection. It allows facial movements to be represented naturally in XR, capturing up to 38 blend shapes across the lips, teeth, tongue, cheeks and chin at a 60 Hz tracking rate. This means that even subtle facial expressions are accurately portrayed, and spoken words match facial expressions in real-time.



VIVE Full Face Tracker can accurately track eye movements at 120 frames per second. It also sports an innovative auto-calibration feature: the tracker detects your IPD and automatically calibrates the headset for viewing comfort and clarity. This feature allows multiple users to share the same headset without having to manually reset the IPD slider every time. And of course, users can still adjust the diopters directly on the VIVE XR Elite headset to ensure sharp visuals.

VIVERSE

VR is an embodiment of people's pursuit for an immersive experience. The development of this technology is also the foundation for the continuous advancement of the smartphone industry after the accumulation of key technologies, including display technology, processors, and controllers in the past decade. Through VR technology, consumers are able to admire visual effects and experience the virtual world personally.

As a leading enterprise in the VR industry, HTC has established "VIVERSE", an ecosystem that provides an immersive, highly interactive, and profoundly explorative open experience through the use of the latest technologies like VR, AR, AI, Blockchain and 5G. At the MWC 2022, HTC unveiled the vision of the VIVERSE metaverse platform for the first time where people can utilize various devices and platforms to connect with VIVERSE at any time. In 2023, HTC has launched VIVERSE for Business (<https://www.viverse.com/>), a modular and customizable platform-as-a-service (PaaS) solution which enables enterprises to engage in more realistic and efficient remote virtual collaboration.

VIVERSE also launched its exclusive 3D streaming technology "Polygon Streaming," which brings revolutionary progress to the seamless integration of the real and virtual worlds. This technology can easily display 3D models of any size on the web, and supports cross-platform and multiple devices. In addition to seamlessly integrating with VIVERSE and VIVERSE for Business platforms, it can also empower various industries to meet their business needs. This technology provides more possibilities for creating metaverse scenes and brings more efficient and cost-saving 3D display and collaboration experiences to various industries.

The newly introduced VIVERSE Create v1.0 empowers creators to build interactive multiplayer virtual spaces without the need for coding or installing software. Accessible directly through a web browser, it offers seamless cross-platform compatibility, allowing virtual spaces to be shared across various devices, including mobile phones, PCs, and XR headsets. VIVERSE Create v1.0 not only grants creators worldwide the freedom to craft unique virtual worlds but also enhances the integration of entertainment, culture, and technology. For instance, in collaboration with the Kaohsiung City Government, VIVERSE developed VIVERSE Metropolis, a groundbreaking digital living experience rooted in Kaohsiung's cultural, artistic, and pop music venues. This initiative enables citizens across Taiwan to access immersive virtual exhibitions anytime and anywhere, experiencing a wide array of cultural and entertainment activities. Furthermore, this project has significantly expanded VIVERSE's role in advancing global cultural digitization. Within this fusion of virtual and physical digital life, the National Kaohsiung Center for the Arts plays a pivotal role. Featuring Asia's largest pipe organ, meticulously crafted over three years, this concert hall is now accessible in a virtual space through VIVERSE, allowing audiences to closely appreciate this world-class instrument and gain deeper insights into music and art. Since the launch of VIVERSE Create v1.0, over a hundred creators worldwide have joined VIVERSE to showcase their creativity.

In VIVERSE, everyone can have a unique virtual avatar to freely access the contents of different platforms, and interact and socialize with other virtual avatars, as well as explore the virtual worlds established by others. In addition to an entertainment experience, VIVERSE can also be applied in education and other industries, e.g., in high-danger or high-risk professional scenarios such as surgery where users can train and improve in the VIVERSE, enabling professionals and enterprises to accelerate the accumulation of experience and realize the vision of the VIVERSE without the restrictions of time and space.



● VIVERSE won international honors

In 2024, VIVERSE for Business received several prestigious accolades, demonstrating its leadership in the virtual reality sector:

- London Design Awards 2024: Recognized as "Gold Winner of Best Innovation" award, demonstrating the innovative strength of creating a deep social experience in the virtual world.
- XR Awards 2024: Won the "Best Immersive Collaboration Solution" award for its excellence in promoting immersive collaboration.
- AWE Auggie Awards 2024: Finalist in the categories of "Best Collaboration Tool" and "Best Use of AI" showcasing its innovative strength in collaboration tools and AI applications.
- AIXR Awards 2024: Reached the finals, further solidifying its impact in the virtual reality industry

These awards and nominations reflect the outstanding contributions of VIVERSE for Business in advancing virtual reality technology innovation and applications.



VIVEPORT

As the global VR application store and content subscription service platform of HTC, VIVEPORT provides more than 2,000 types of experience content in over 70 countries. It supports various major VR head-mounted displays, including computer driven head-mounted displays, all-in-one devices, and mobile devices.

Launched in 2019, VIVEPORT Infinity is the first unlimited VR subscription service in the world, bringing a brand-new content commercial model to the VR industry. This service not only creates more VR application demands, but also benefits developers to get closer to consumers. After experiencing the challenges of the epidemic, VIVEPORT will continue to grow its content, and occupy a dominant position in the virtual field.

Besides the benefits of being eco-friendly by transforming physical to virtual platforms which can effectively decrease consumption of resources, VIVEPORT also emphasizes equality and mental health in the sustainable field. All content needs to be confirmed with the "Content Guidelines" of VIVEPORT before being released. If there is any discriminatory content related to race, ethnicity, social class, or language, etc., it will not be fit for the market. After content is released, it is still under surveillance for any violations of the guidelines. HTC exists to collaborate with all developers to create a high-quality virtual content environment.

VIVE Arts

HTC launched VIVE Arts in 2017 and kicked off the Global Virtual Reality Art Program. VIVE Arts is devoted to exploring art and culture ever since it was established. Virtual reality is a new medium full of potential that provides people with a different perspective of how to appreciate artistic treasures in the world. VIVE Arts is dedicated to integrating cutting-edge technology into art and culture, enabling art and culture to transcend geographical boundaries and reach every corner of the world. Since 2017, it has collaborated with over 50 art and cultural institutions, including the Tate Modern in London, the Victoria and Albert Museum, the Louvre in Paris, the Musée de l'Orangerie, the Musée d'Orsay, the American Museum of Natural History, the National Palace Museum, the ArtScience Museum in Singapore, and the Venice Biennale.

2024 was an ambitious year for VIVE Arts as the initiative debuted in-depth collaborations with internationally renowned artists and institutions and expanded opportunities for immersive content around the world through distribution and licensing. VIVE Arts debuted three prestigious artist commissions, two major institutional partnerships and twelve location-based experience content worldwide openings in 2024, covering multiple fields such as artistic creation, cultural heritage and historical buildings, demonstrating its leadership in the field of digital art.

VIVE Arts' collaborations with major cultural institutions around the world have reached new heights, with the most representative case being the joint launch of "Van Gogh's Palette" with the Musée d'Orsay in France. This is the museum's first VR work, allowing audiences to enter Van Gogh's creative world through virtual reality and immerse themselves in his colors and brushstrokes. In 2024, this experience further expanded into a global tour as "Monsieur Vincent." In the field of artistic creation, VIVE Arts combines innovative technology with digital art and explores collaborations in virtual reality (VR) and quantum computing, as well as the possibilities of AI and the metaverse.

VIVE Arts continues to evolve and work with the world's top museums, cultural bodies and artists to make art enjoyable and culture from something new, displaying HTC's capacity and influence to the world with emerging technologies to connect people on international level.

VIVE ORIGINALS

HTC VIVE ORIGINALS is a content brand owned by HTC VIVE. It is devoted to original IP development and original content production. It also engages in the distribution and exploration of VR in film, art, animation, music, cultural collections, as well as the cultural creativity and entertainment industries.

To provide an extended variety of VR solutions, VIVE ORIGINALS is also actively building a cross-domain team to create content and VR technical specifications standardization. Moreover, it aims to create a content production SOP. Profit comes from various channels, such as licensing for public broadcasting, organizing exhibitions, and trading for art collections with cross-domain content. We also actively strive for government collaborations to garner film and television investments. Additionally, we want to expand the scale of content and build up a VIVE Reality ecosystem by content clustering to fulfill the ultimate goal of enriching people's cultural life through new technologies and creativity.

The vision of VIVE ORIGINALS is to create an entertaining experience with cultural values in the virtual world. The four pillars are content production, business channels, solution provision, and Metaverse platform services. Through VR technology combined with cultural art and film and television audio content, HTC VIVE ORIGINALS deepens the connection between the virtual world and the real world, and is committed to creating a rich and colorful cultural experience. In the second half of 2024, VIVE ORIGINALS received subsidies of NT\$8 million for X-Lab immersive XR video creation and of NT\$46.8 million for the X-Lab International Pop Music Program from the Ministry of Culture. The project works will be released progressively in 2025 and 2026.



Healthcare

● DeepQ



HTC DeepQ is comprised of cross-domain experts and engineers in areas such as computer science, software engineering, medicine, regulations, user experience, design, through digital technology, big data and artificial intelligence technology, all with the goal of developing and providing precision personalized medical products and services to reduce costs and improve the effectiveness of healthcare. This is a platform that has integrated technologies including deep learning, machine learning, and natural language processing. Through the applications of these technologies, we can provide customers with multiple intelligent solutions.

Multiple AI models are built in the DeepQ AI platform. Through the optimization of training environments, fully automated parameter adjustments, and the simple user interface, this platform has greatly reduced the learning threshold and the training cost of AI models. Doctors can quickly train AI models and easily step into the field of medical imaging AI.

The application of medical AI is reflected in the level of convenience of intelligent medicine. Through AI chatbots and public health assistance systems, DeepQ helps the general public acquire real-time epidemic information and deal with medical-related issues, reminds them to see a doctor, publicizes health information and education, and offers concepts on medication, thus making healthcare smarter and more convenient.

● HTC Medical VR



HTC Medical VR team is dedicated to applying Generative AI and VR technology in medical education and clinical applications with the objective of improving learning, bettering doctor-patient communication and medical quality, and promoting the development of global medical VR ecology. The team cooperates with developers to implement medical innovation technology VR in the actual fields. The team has already established world-class benchmarks with multiple hospitals and universities to create a world-class VR medical teaching center to improve medical education and training levels. In addition to applications in medical education and clinical applications, VR-based applications including anatomy and physiology teaching, development of customized VR teaching materials, clinical skills training, drug development, pain management, and rehabilitation can benefit student internships, teacher training, personnel training, and doctor-patient communication, and significantly enhance learning and medical quality.

Main Medical VR products currently include a platform that can assist in the development of VR and generative AI virtual lesson plans, and 3D Organon, which provides internships on human anatomy, VR training workshops, etc., and that were expanded to 16 medical centers in 2024.

G Reigns \ HTC Smart Devices

In 2024, HTC launched the new mid-to-high-end 5G smartphone, HTC U24 pro, continuing the excellent performance of the Brilliant U series while evolving from the widely praised HTC U23 pro. The U24 pro features a lightweight integrated design, a first-ever 3D curved display, offering an immersive 6.8-inch screen and comfortable handling. Equipped with AI-optimized photography, dual-stereo speakers, and large storage capacity, it significantly upgrades both performance and entertainment experience. Moreover, it expands future XR interactive scenarios through the VIVERSE application, making the smartphone not just a daily tool but a gateway to a merged virtual and physical world.

The U24 pro introduces two future-themed colors: “Space Blue” and “Twilight White.” Using a combination of grating heat-press design and micro-nano photolithography technology, these colors blend modern technological aesthetics with a subdued and refined fashion body. Regarding performance, the U24 pro is equipped with the next-generation SnapdragonR 7 Gen 3 processor, supporting 60W fast charging, wireless, and reverse charging functions, as well as IP67 water and dust resistance, a 3.5mm headphone jack, and high-strength GorillaR Glass. It also integrates seamlessly with VIVE XR Elite, enabling users to mirror the mobile screen onto a VR headset, thus facilitating seamless interaction between mobile devices and the XR ecosystem. HTC has also introduced AI motion capture for the first time on a smartphone, converting user movements into virtual avatar actions via the VIVERSE app, providing creators and users with unprecedented XR social and entertainment experiences.

G REIGNS was established in 2021 and mainly provides 5G RAN software solutions. The software provided by G REIGNS is compatible with the O-RAN open interface and supports virtualized RAN (Open vRAN). It is also committed to the optimization and integration of 5G private networks, and at the same time strengthens and innovates the connection between the virtual and the real world.

In 2024, G REIGNS collaborated with domestic automobile manufacturers to apply 5G private networks in smart factories. By leveraging the high bandwidth and low latency features of 5G, real-time image recognition and transmission were achieved, enabling highly efficient monitoring and real-time recording, significantly reducing errors that may arise from traditional manual operations. In the same year, G REIGNS also partnered with well-known car manufacturers in Japan and Korea to implement 5G private networks in their design headquarters, allowing for a more comprehensive and detailed approach to research and development.

G REIGNS also partnered with the Kaohsiung City Government to launch the largest outdoor 5G private network application field in Taiwan this year, allowing the public to experience it through autonomous vehicle, digital theaters, giant 5G water interactive shows, and other ways that combine technology, culture, and creativity, providing an application model for riverside economy, industrial ecology, and technological innovation.

With more than 20 years of communication software R&D and design capabilities, G REIGNS, in addition to its portable series of products, is more focused on project customization to create the most suitable application scenarios for customer needs.



Overview of Financial Performance

HTC's consolidated revenue for the whole year of 2024 was NT\$3.08 billion, the consolidated gross profit was NT\$ 1.25 billion, the consolidated gross profit margin was 40.7%, the operating income margin was -150.6%, the net profit after tax was NT\$ -3.4 billion, and the earnings per share (LPS) was NT\$ -4.11. There was no significant change in the operating results for the year compared with the previous period.

	Unit	2022	2023	2024
Operating Revenue	NT\$ Million	4,409	4,418	3,081
Operating Costs	NT\$ Million	2,679	2,594	1,827
Operating Expenses	NT\$ Million	6,134	6,118	5,893
Income Tax	NT\$ Million	(2)	(3)	(2)
Employee Wages	NT\$ Million	3,700	4,223	4,310
Dividends	NT\$	0	0	0
Social Investment /Donation	NT\$ Million	0	0	0

Note:
1. The related figures are those listed in the consolidated statement.
2. Final decision after annual shareholders' meeting.

Production: Virtual Reality, 5G, Smartphones and Connected Devices (accessories)

Year	Production Capacity (Thousands)	Production Quantity (Thousands)	Value (Millions)
2022	7,130	336	1,813
2023	7,300	276	1,969
2024	7,000	246	1,335

Note: Production capacity represents the normal capacity of current production equipment after making adjustments for necessary production stoppages, non-work holidays, etc.

Sales: Virtual Reality, 5G, Smartphones and Connected Devices (accessories)

Year	Domestic Sales		Export Sales	
	Quantity (Thousands)	Value (Millions)	Quantity (Thousands)	Value (Millions)
2022	37	260	400	3,753
2023	66	672	350	3,330
2024	50	432	329	2,274

Note: Main product item data not inclusive of income from maintenance / repairs or product development work.



The Pursuit of Brilliance



Future Goal

- Integrate products and services to strengthen brand-added value.
- Create professional images of products with strong technological competency to increase market shares.

- Strengthen marketing resources to elevate the brand's image.

Current Achievement

- Creating a global smartphone with excellent designs
- The most valuable international brand from Taiwan
- The world's first virtual reality system VIVE brings real-world interaction and experience through space-based positioning technology
- Through virtual reality and augmented reality, big data, and artificial intelligence technology, with the goal of developing and providing precision personalized medical products and services to reduce costs and improve the effectiveness of healthcare



HTC is an innovation company, creating powerful new products, solutions, and platforms in mobile and immersive technologies. Beginning with a vision to put a personal computer in the palm of our customers' hands, we have led the way in the evolution of smartphones, and are now applying that same innovative approach to connected devices and virtual reality as we enter the era of VIVERSE, our version of the metaverse.

At the heart of this is a bold innovative spirit of pushing new boundaries, while leveraging our industry-leading capabilities. The notion of Dare to Dream is at the heart of our daily ambitions. We ask fundamental questions at the intersection of customer aspirations and our capability to delight and surprise with innovative solutions. We challenge ourselves and our customers to achieve their full human potential. What's your dream? Can you visualize it? Will it shift our perspective? Will we feel it? The future belongs to the dreamers to power creation and innovation. Because our dreams power the future. Dare to Dream.

As we live this philosophy, we employ powerful technologies and combine them in creative new ways in order to deliver this. At this time in history, building block technologies like VR, AR, 5G, AI, and blockchain are evolving and coming together in new ways with the potential to deliver utility and experiences previously unavailable. We called this VIVE Reality in 2018, and today we see our vision as VIVERSE.

VIVERSE is the future that we strive to enable. That means understanding people's needs and desires, their hopes and aspirations, and embedding them into the building block technologies of today and tomorrow. Through creating wonderful devices, platforms, content and solutions, we can unleash imagination from the bounds of reality and realize the true potential of technology for the benefit of humankind. Our future is enhanced in a world where HTC innovation and VIVERSE experiences blend to create a new and better world. These three pillars are central to that mission:

Humanity

For HTC, our innovation is human-centered in the broadest sense. We endeavor to anticipate the needs of people, businesses and society as a whole, and expand our vision to impact people's lives in ways never before considered.

Technology

Our heritage of and commitment to technology excellence is the great enabler of our pursuit. We strive for a world in which customers, large and small, have access to the most powerful hardware, platforms, tools, and services, a world where the technology becomes secondary to the experiences that it creates.

Imagination

Imagination is one of the most powerful tools we know, and one we seek to unlock. A world where a continuum of immersive realities is possible, and experience is unbounded.

Imagination that invents new ways to make life better for people and enable them to be the best they can be, help businesses achieve their vision, and solve the greater challenges faced by society.



ESG Management ---



Our Sustainability Commitment

The HTC Environment, Social, and Governance (ESG) Policy

HTC conducts its business with integrity and integrity, and is committed to complying with relevant national and international laws and regulations in the regions in which it operates. We will continue to provide innovative and quality products, protect the environment, care for the health, safety and human rights of our employees, and positively maintain our stakeholders' rights and interests.

This ESG policy helps HTC maintain social responsibility and realize the vision of sustainable development. All our related business partners advocate and share this policy with us and in this way, we all protect and enhance the rights and interests of our internal and external stakeholders.

- Using Responsible Business Alliance Code of Conduct as a reference for code of conduct, developing HTC as a good corporate citizen and participating in international Initiatives
- Promotion of energy efficiency, carbon-reduction practices and various environmental protection activities
- Sustainable innovation from creation to development
- Sustainable supply chain management
- Be a responsible corporate citizen, with the highest ethical standards



2024 ESG Performance

ESG 2024 Performance

Governance

21 % to 35 %
The evaluation result was 21%-35% in the 11th (2024) Corporate Governance Evaluation

26.5 Billion
R&D investment accounted for 86% of HTC revenue

9,132
Cumulative number of HTC Global Patent Granted

Environment

18.6 %
SBT reduction target, Scope 1+2 reduction of 18.6% compared with the base year (2021)

45.5 %
SBT reduction target, Scope 3 reduction of 45.5% compared to the base year (2021)

287,986 kWh
In 2024, spontaneous self-consumption of solar power reached 287,986 kWh, making up about 2.5% of the total annual electricity use

233,500 kWh
Cooperate with the electricity saving measures of the current year to save electricity consumption, and achieve the target of saving 1% of electricity consumption in the current year

34.6 %
In 2024, we will focus on the process optimization of manufacturing units, and formulate countermeasures for 56% of high-frequency paper documents, and reduce the number of high-frequency paper documents by 34.6% in 2024 compared with 2023

85.89 %
In 2024, the total amount of non-hazardous waste recycled will reach 182.4 metric tons, and the annual waste recycling rate will reach 85.89%

4,838 m³
In 2024, the Taipei office will recycle a total of rainwater to make a contribution to saving water resources

99 %
VIVE XR Elite, VIVE XR Series Battery Holder, VIVE Self-Positioning Tracker, VIVE Wireless Modular and other types of paper packaging have a 99% higher percentage of recycled content

97 %
In FY2024, 97% of key suppliers responded to the CDP questionnaire, of which more than 75% of suppliers have reported Scope 1 / Scope 2, 63% have set carbon reduction targets, and 84% have reported their renewable energy use

Social

28.57 %
Female of the supervisors in global, HTC is committed in Gender Equality advance

3.95 points
HTC surveys direct employee engagement annually through a questionnaire, with a 2024 survey score of 3.95

5 Major core functions
Construct a systematic learning and development blueprint and integrate internal and external training resources so colleagues can acquire the professional knowledge and skills required to cope with future challenges.

0
violations against customer privacy and loss of customer data in 2024

88 %
Tier 1 suppliers completed the RBA Self-Assessment Questionnaire (SAQ)

0
products that use conflict minerals in 2024

ESG Achievements



Won the 20th National Sustainable Development Award

HTC won the National Sustainability Award in the "Enterprise Category" of the "2024 National Sustainability Award" sponsored by the National Sustainable Development Committee of the Executive Yuan. This is the second consecutive year that HTC has won the "National Sustainability Award", and it is the only company to win the award in 2023 and 2024. The award was presented by Mr. Cho Jung-tai, the Premier of the Executive Yuan. The judges recognized HTC's completion of ISO 14064-1 organizational greenhouse gas verification and VIVE XR Elite's ISO 14067 product carbon footprint verification through Microsoft's Sustainable Cloud Carbon Management Platform. At the same time, he was impressed by the energy-saving design of the product, the high recycling rate of packaging materials, the significant reduction of carbon emissions from transportation, and the continuous expansion of solar power generation facilities.



2024 CDP -Climate Change :
Management Level (B) for three
consecutive year

2023 CDP -SER :
Leaderboard (A)



Corporate Governance Evaluation

HTC participated in the 11th (2024) Corporate Governance Evaluation organized by the Taiwan Stock Exchange, and obtained results in the range of 21%-35%.



Climate Initiatives

In 2024, HTC passed the SBTi Near-Term and SBTi Net-Zero review, becoming the fifth company in Taiwan Technology Hardware and Equipment sector to receive SBTi approval for a net-zero target. HTC supports the Paris Agreement with practical actions and is committed to moving towards net zero by following the 1.5°C reduction path.

The Science Based Targets initiative (SBTi) is a science-based approach that can be certified by a third party to set reasonable carbon reduction targets under the global carbon budget scenario of controlling global warming within 1.5°C.



FTSE4Good

HTC is a constituent of the FTSE4Good Index Series for three consecutive years



For the fourth year in a row, HTC has been recognized with the EcoVadis Silver Award for Sustainability

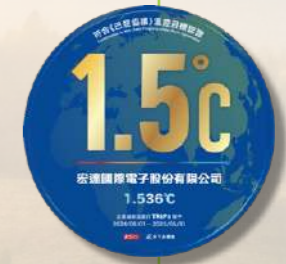
HTC has been awarded the Silver Award for Sustainability by EcoVadis, an international sustainability rating platform, and is in the top 8% of more than 150,000 companies in the world that have been assessed for sustainability by EcoVadis in 2024, and has been ranked as a "Leader" in the carbon management rating program for two consecutive years. HTC continues to rank in the top 5% in the communication equipment manufacturing category, with the most outstanding performance in the field of sustainable procurement, reaching the top 1% of the highest ranking in the industry, which shows HTC's outstanding performance in supply chain management and has become a benchmark in the industry.



Selected as one of the "Taiwan's Top 100 Sustainable Companies Award" for the first time

The highest level of the Corporate Sustainability Report Award - Platinum level

Won the "Climate Leadership Award" in the Outstanding Performance in Sustainable Practices category for the first time



Received 2024 Common Wealth Magazine "TRIPS : 1.5° C" Certification in Net-Zero progress under Paris Agreement

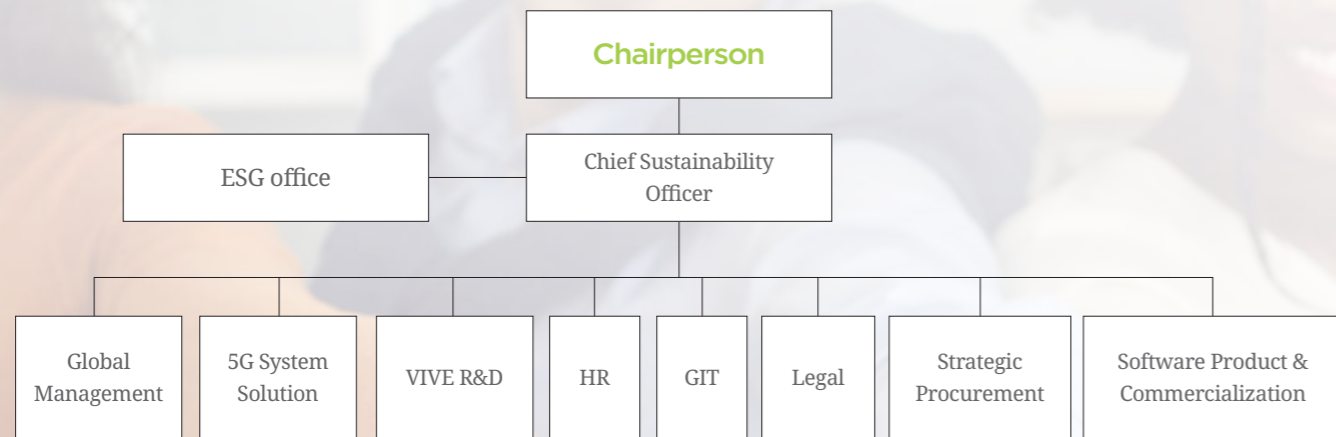
ESG Committee

In early 2022, HTC escalated the original CSR Committee to ESG Committee with Chairwoman Cher Wang as the Chair of Committee, SVP Madeline Chen as Chief Sustainability Officer, and members of executives as ESG committee members. The committee is responsible for decision-making on economic, environmental and social topics, and founded the ESG Office to assist in formulating sustainable strategies, connect sustainable development issues from various departments, and continue to promote sustainable development responsibilities. The ESG office is responsible for connecting HTC and external stakeholders, including the communication and feedbacks from important supply chain partners. Also regularly report to the ESG Committee on the trends, impacts and performance of relevant sustainability topics. There are several task forces under the committee to deal with various ESG issues and link up the sustainable development goals of various departments. Through a clear organization and division of labor, taking into account the economic, environmental and social aspects, and implementing the sustainable management of enterprises in daily operations with practical actions.

The Board of Directors is responsible for supervising the overall ESG management policy, strategy and target setting, and major decision-making, as well as overseeing the effective operation of the ESG management mechanism at HTC. The ESG Committee reports the significant ESG material topics, stakeholders engagement, execution performance and strategy and targets for the previous year to the Audit Committee at least once a year. The key projects in 2024 included the second phase of advance the paperless process, carried out the project with the Ministry of Economic Affairs' Industrial Development Administration, conducted the inventory and verification of greenhouse gases and product carbon footprints through the carbon management platform, and planning the gradual implementation of an internal carbon pricing mechanism.

To strengthen employees' awareness and knowledge of ESG, the ESG office publishes two newsletters "ESG Office Newsletter" and "ESG Office Weekly News." The former one irregularly publishes the Company's important information of ESG such as its awards, highlights in ESG Reports, Earth Day activities, etc., to intensify the ESG cognition in the company. The later one delivers popular ESG news, including Net Zero Emissions, carbon tax, CBAM, green energy, DEI, human rights, and relevant domestic and foreign regulatory trends for our colleagues to have the latest updates of ESG issues. These implements help the Company to promote ESG related strategies and targets.

Structure of the HTC ESG Committee



ESG Management Procedures and Systems

HTC's ESG topics management uses materiality analysis as an important guideline for formulating long-term sustainable goals and communicating with stakeholders. In materiality analysis, GRI guidelines and AA1000 AP 2018 responsibility principle standards are adopted, and the four principles of inclusiveness, materiality, responsiveness, and impact are used to respond to the needs of stakeholders and focus on the disclosure of material topics, and these are further used for the judgment of disclosure of relevant actions, performance and results.

At the same time, HTC attaches great importance to communication and interaction with its stakeholders. In addition to setting up various communication channels, we respond to important suggestions or opinions from stakeholders based on their concerns and impact on HTC's operational impact. The feedback is submitted to the relevant departments for response and processing, than regularly disclosed in the ESG report. We will gradually invite and encourage internal and external entities to join the ESG disclosure process in the future.

Step 1

Understand the organization's context

The overall management process of ESG topics in current year was same as that of previous year, in order to comply with the output principle of the material topics of GRI 2021: Based on industry and operating activities, as well as indicators such as interaction with the company, dependence, responsibility, attention, and influence, HTC evaluates stakeholders from multiple perspectives and identifies six key stakeholders in 2024, including (1) employees, (2) suppliers/contractors, (3) consumers/customers, (4) shareholders and investors, (5) local communities/ academic institutions & NGOs, (6) government regulatory agencies.

In addition to stakeholders, ESG Office also consider product services and operating activities, business relationships with the value chain, interested entities related to HTC (including subsidiaries and affiliated companies), sustainability context and human rights topics to determine the main framework and disclosure direction of this report.

Step 2

Identify impacts and assess the significance of the impacts

Based on GRI, SASB indicators, domestic and foreign corporate trends, peer ESG reports and other indicators, screen the issues of concern, focus on 21 sustainable topics that are highly relevant to the company covering economic, environmental, and social aspects, and distribute questionnaires to each stakeholder. Design and make a HTC Sustainable Topics Questionnaire according to the new version of GRI 3. The content of the questionnaire involves positive/negative impacts (the degree of significance of negative impacts is evaluated according to severity, possibility, and human rights; the degree of significance of positive impacts is evaluated according to scale, scope, and possibility). All the items in the questionnaire use the two major indicators of impact and possibility, and is provided to stakeholders in a five-point manner to identify possible or existing impacts. HTC distributed questionnaires to its stakeholders extensively, also invited members of the ESG working group to fill in the operational impact questionnaire, and a total of 467 valid questionnaires were collected. The company later gathered statistics on the number of various kinds of stakeholders as the cornerstone for weight adjustment so the principle that the ratio of each stakeholder does not exceed one third is adopted to prevent bias due to a relatively high ratio occupied by a certain group of stakeholders.

Step
3

Prioritize the most significant impacts for reporting

After screening and sorting by the ESG Office, HTC acquired 15 material topics in total. A discussion meeting was held internally, and the Chief Sustainability Officer also participated in the discussion. The material topics are including "Corporate Governance", "Compliance", "Customer Privacy and Health and Safety Management", "Economic Performance", "Integrity Management", "Information Security and Privacy", "Human Rights, Diversity and Inclusion", "Sustainable Supply Chain", "Climate Change", "Innovation Management", "Occupational Safety and Health", "Talent Attraction and Retention", "Risk Management", "Energy Management", "Circular Economy and Product Life Cycle". These topics have been carefully screened and identified to ensure that they fully cover HTC's sustainability issues. The ESG Office reports the results to the Audit Committee before presenting to the Board of Directors, and serves as the main line of information disclosure in this year's ESG Report, to respond to stakeholders' concerns about HTC's material issues, and to demonstrate our commitment and responsibility for sustainable development.

ESG-related management system and initiative

The Green Products Management System

HTC's HQ and factories have acquired and sustained the IECQ QC080000 Certificate of Conformity to Hazardous Substance Process Management (HSPM). Suppliers are also required to abide by HSPM to decrease the risk of hazardous substances.

HTC HSPM Policy : Design and Manufacture Green Products, Meet Regulations and Customer Requirements, Continuous Improvement to Protect the Environment

Green Product Verification

To comply with the EU Restriction of Hazardous Substances (RoHS), HTC products are sent to third-party international verification institutions for chemical analysis. The verification on products' energy consumption in compliance with the U.S. and Canadian charging energy consumption requirements is performed.

Verification on power supply's energy efficiency is conducted to ensure that the energy conversion efficiency of products is higher than the standards in various countries.

Greenhouse Gas

The carbon management platform was established and more efficiently to perform greenhouse gas (ISO14064-1) inventory in 2023. Start from 2024, the scope of the third-party greenhouse gas verification report opinion includes parent-subsidiary verification, and the certificate was obtained in May.

Product Carbon Footprint

The product carbon footprint management platform was established and more efficiently to perform product carbon footprint (ISO14067) inventory in 2023. In 2024, third-party product carbon footprint verification opinion (VIVE XR Elite) included the greenhouse gas emissions of the five stages of the product life cycle, and the certificate was issued on April 1.

The Environment Management System

We are committed to minimizing the environmental impact of our operations. HTC have established an ISO 14001 environmental management system at our Taoyuan factory, obtained and maintained the ISO 14001:2015 certificate, with a factory coverage rate of 100% and a company coverage rate of 40.63%. Through the PDCA management cycle principle, the management system complies with environmental regulations, achieves environmental goals and improves environmental performance. No penalty have been recorded in 2024.

*Company coverage rate :
Number of employees in the building or factory ISO 14001 certified /Total number of employees of the parent company in Taiwan.

The Energy Management System

We introduced the ISO 50001 Energy Management System to implement and plan energy management, and successfully obtained and maintained the certificate, with a factory coverage rate of 100% and a company-wide coverage rate of 91.27%, which contributes to the company's sustainable business goals, conserves energy resources, and responds to climate change issues.

*Company coverage rate :
Number of employees in the building or factory ISO 50001 certified /Total number of employees of the parent company in Taiwan.

Information Security and Privacy Information Management System

HTC has introduced an Information Security Management System (ISMS) and a Personal Information Management System (PIMS) and has developed 76 management policies and guidelines, including personal information protection and information security risk assessments, which have been implemented in employee training, product development, vendor management, and information security incident management. HTC has passed the ISO/IEC 27001:2013 and ISO/IEC 27701:2019 certification in 2021, expanded the scope of verification in 2022 and 2023, and passed the ISO/IEC 27001:2022 transition verification and obtain a certificate in 2024, both with a validity period of 2024/ 08/13 ~ 2027/08/13, during which regular audits will be conducted to maintain the effectiveness.

DeepQ, a subsidiary of HTC Group, has been deeply engaged in medical and AI for a long time, and also pays great attention to information security and privacy information protection in the medical field, and has successfully introduced the verification of management systems and guidelines standards such as ISO 27001/27701/27799 in 2022, and has continuously passed the verification and obtained the certificate in 2022 and 2023. The latest certificate is valid for ISO 27001 from 2023/12/10 ~ 2025/10/31. ISO 27701 is 2023/12/04 ~ 2025/10/31, ISO 27799 is 2023/12/23 ~ 2025/10/31.

The Occupational Safety & Health Management System

In order to reduce the risk of workplace hazards and prevent occupational accidents, we have established an ISO 45001 Occupational health and safety management systems at our Taoyuan factory, with a factory coverage rate of 100%, to prevent occupational disasters and ensure the safety and health of workers. The proportion of workers covered by the management system was 40.63%.

*Company coverage rate :
Number of employees in the building or factory ISO 45001 certified /Total number of employees of the parent company in Taiwan.
* This calculation is for the Taoyuan factory, which may pose higher risk to workers, excluding non-employee workers in Taiwan, as well as non-Taiwanese workers.
(non-Taiwanese workers mainly conduct business in the office and have a lower risk of occupational injuries and diseases).
*The proportion of workers in internal and external audit and certification is the same.

Supplier Management

As a member of the RBA, HTC has established the HTC Supplier Code of Conduct in accordance with the Responsible Business Alliance (RBA) Code of Conduct. In addition to requiring suppliers to sign the Supplier Code of Conduct, management initiatives include new supplier audits, quarterly evaluations of key suppliers, annual ESG programs, and annual audits of high-risk suppliers.

In 2024, HTC assessed a total of 78 suppliers (112 factories) and completed on-site audits of 38 factories, all of which were 100% on-site audits, of which 97% were RBA Effectiveness Audit Procedures (VAP). About 8% of high-risk suppliers have implemented RBA VAP, we will continue to pay attention to high-risk suppliers and select high-risk suppliers that have not implemented RBA VAP for on-site audits in 2025 if necessary. The number of high-risk facilities in 2024 decreased by 55% compared to 2023, with about the proportion 50% decreased.

The United Nation's Sustainable Development Goals

In 2015, the United Nations passed the 17 Sustainable Development Goals. These goals not only ensure peace and prosperity, but also provide a blueprint for specific goals for the next 15 years, guiding the direction for achieving sustainable development. This is a global call for medium- to long-term action, aimed at promoting the responsibility and power of businesses, governments, and society to achieve a more sustainable future.

As global citizens, we spare no effort to implement the goals of the United Nations. We are committed to integrating SDGs into corporate operations and business development planning. In addition to establishing gender equality in practice and empowering female employees and providing them with benefits, we also focus on green sustainability in the manufacturing process, achieving responsible consumption and production. Moreover, the HTC team has also collaborated with external institutions on the research and development of products and services that enhance healthcare quality, making full use of innovative technologies to promote sound health and well-being of people of all ages. We have established multiple partnerships with teams from different fields to accelerate the implementation of the goals, working together to promote a better life for humanity and achieve the vision of a sustainable world.

HTC Focus Goals

HTC has always focused on the United States SDGs, and is dedicated to promoting and realizing goals including SDG 5 (Gender Equality), SDG 6 (Clean Water and Sanitation), SDG 7 (Affordable and Clean Energy), SDG 12 (Responsible Consumption and Production), and SDG 13 (Climate Action) internally within operations as the starting point. HTC also continues to exert efforts to realize diversified group equality, and pays particular attention to the promotion of SDG 5 Gender Equality. For further detail, please refer to the relevant section of the report.

HTC promotes SDGs through its business divisions externally based on its technologies and positioning. It mainly focuses on SDG 3 (Good Health and Well-Being), SDG 4 (Quality Education), SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), SDG 12 (Responsible Consumption and Production), and SDG 17 (Partnerships for the Goals). All of these efforts have demonstrated HTC's focus and commitments to SDGs, as well as continuous progress and uninterrupted growth.



Ensure healthy lives and promote well-being for all at all ages

Through the development of health-related scientific and technological achievements, we will provide more convenient and friendly scientific and technological medical treatment

- HTC DeepQ works with the government and hospitals to promote convenient technology-based medicine
- HTC DeepQ accelerates the introduction of artificial intelligence in medical AI
- HTC VIVE supports physical and mental health and promotes VR reality therapy

Related Chapters:

- Contribute to the public with technology and promote social health and welfare
- Strength the means of implementation and revitalize the global partnership for sustainable development



Achieve gender equality and empower women

Valuing the value of gender equality is not only a social trend, but also a long-term focus on HTC

- Ensure that women are fully involved in leadership and decision-making
- Promote physical and mental care measures for female employees and create a gender-equal corporate culture

Related Chapters:

- A workplace that values Human Rights



Ensure inclusive and equitable quality education

HTC uses VR and metaverse technology to revolutionize human education

- Preservation of cultural and artistic assets through VR technology
- The metaverse integrates smart education to bridge the learning gap between urban and rural areas
- The Foundation promotes character education and public welfare programs
- Supporting Taiwan's talent through practical actions

Related Chapters:

- Use immersive technology to promote art and culture and preserve cultural assets
- Use VR to expand educational horizons and create diverse learning channels
- Strength the means of implementation and revitalize the global partnership for sustainable development
- Supporting Taiwan's talent through practical actions
- HTC Foundation



Ensure access to water and sanitation for all and its sustainable management

The water pollution intensifies and HTC strive to protect clean water. Our domestic wastewater is properly treated before discharged, and rainwater recycling is used for irrigation and planting

- Reduce water consumption and promote water resource efficiency
- Committed to water quality maintenance to make water use safer

Related Chapters:

- Water Resource Management





Ensure access to affordable, reliable, sustainable and modern energy for all

HTC has always placed a strong emphasis on energy management and is achieving its goal of net zero by gradually improving energy efficiency and green power generation

- Invest in renewable energy power generation systems and develop sustainable green energy

Related Chapters:

- Use of green energy



Build resilient and sustainable industries and accelerate innovation

HTC expands its industrial infrastructure, integrates the metaverse and 5G technology, and lays a new direction for future cities

- HTC supports Taiwan's talent through practical actions
- HTC G REIGNS innovative portable 5G private networks provides reliable private network for enterprises and introducing them into various industries
- HTC cooperates with the government to create a new sustainable industry
- HTC's innovative rendering technology creates a smooth metaverse

Related Chapters:

- Engaging Diversified R&D Talent
- REIGN CORE S4-Portable 5G Enterprise Network Solution
- Accelerate industrial innovation with a solid scientific and technological foundation and promote a virtual and sustainable life
- Product Overview / G Reigns, HTC Smart Devices



Through mitigation and adaptation to combat climate change and its impacts

HTC's expertise in mobile technology and its continuous pursuit of product innovation have enabled us to integrate climate change into our VIVE Reality vision to provide comprehensive solutions for businesses and society to create richer life experiences

- Carbon Management and Policy: Climate Change Management Policy and SBTi Net Zero Strategy
- Low-Carbon Operations: Improve energy efficiency and invest in renewable energy
- Low-Carbon Products: Promote circular economy and low-carbon business models
- Low-Carbon Transportatio: Optimize the distribution mode and adjust the global warehousing setup strategy
- Value Chain Engagement: Working together to decarbonize the supply chain

Related Chapters:

- Climate Change Management
- Sustainable Agenda



Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

HTC has worked with many partners to enrich the energy of medical education and training, and established the "Metaverse Application Alliance" to create industry value

- The Metaverse Application Alliance gathers partners in the metaverse industry value chain
- VIVE Arts collaborates with arts and cultural institutions to expand the field of arts and culture
- VIVE Originals creates a new ecosystem of community entertainment
- DeepQ collaborates with sustainable partners for the well-being of human healthcare
- VIVERSE drives innovation in XR and Metaverse education
- Medical VR works with hospitals, schools, and businesses in Taiwan to promote innovative teaching and learning models

Related Chapters:

- Use immersive technology to promote art and culture and preserve cultural assets
- Contribute to the public with technology and promote social health and welfare
- Inspire the diverse spirit of innovation and open up crosssector applications for the Metaverse industry
- Use VR to expand educational horizons and create diverse learning channels
- Strength the means of implementation and revitalize the global partnership for sustainable development



Promote inclusive and sustainable economic growth

HTC's reinterpretation of the value of the industry with the metaverse is not only a technological breakthrough, but also a symbol of diversity, inclusion and innovation

- HTC supports Taiwan's talent through practical actions
- The integration of virtual and real entertainment creates new value for art and cultural performances
- VIVERSE creates a full range of applications to enhance the business value of the metaverse

Related Chapters:

- HTC Human Resource Structure Overview
- Occupational Safety and Health Committee
- Inspire the diverse spirit of innovation and open up cross-sector applications for the Metaverse industry
- Metaverse Application Alliance



Ensure sustainable consumption and production patterns

HTC values resource conservation and aims to help making the planet more sustainable through sustainable design and circular economy

- Focus on the circular economy and improve the recyclability of products
- Increase the proportion of recycled packaging materials and adopt sustainable packaging

Related Chapters:

- Sustainable Design
- Sustainable Products

HTC 2024 Material Topics and Boundary

2024 HTC Material Topics and Boundary Identification

2024 HTC Material Topics Boundaries Matrix (HTC to External Environment)

Economic Environmental Social ★ Major Topics

<ul style="list-style-type: none"> ★ Corporate Governance ★ Human Right, Diversity and Inclusiveness ★ Regulation Compliance 	<ul style="list-style-type: none"> ★ Customer Privacy, Safety and Health Management ★ Occupational Safety and Health ★ Information Security and Privacy 		<ul style="list-style-type: none"> ★ Economic Performance ★ Talent Attraction and Retention ★ Occupational Safety and Health ★ Integrity Management 	<ul style="list-style-type: none"> ★ Information Security and Privacy Protection ★ Customer Privacy, Safety and Health Management ★ Human Right, Diversity and Inclusiveness
<ul style="list-style-type: none"> ★ Economic Performance ★ Climate Change ★ Innovation Management 	<ul style="list-style-type: none"> ★ Waste Management ★ Energy Management ★ Circular Economy and Product Life Cycle 	<ul style="list-style-type: none"> ★ Employment/Labor Relationship ★ Social Investment ★ Social Investment and Contribution 	<ul style="list-style-type: none"> ★ Sustainable Supply Chain ★ Employment/Labor Relationship ★ Energy Management ★ Innovation Management 	<ul style="list-style-type: none"> ★ Regulation Compliance ★ Corporate Governance
	<ul style="list-style-type: none"> ★ Integrity Management ★ Water Resource Management ★ Sustainable Supply Chain ★ Risk Management 	<ul style="list-style-type: none"> ★ Training and Career Development ★ Talent Attraction and Retention ★ Biodiversity 	<ul style="list-style-type: none"> ★ Risk Management 	

High Negative Impact to Economic/ Environment/ Society Low Positive Impact to Economic/ Environment/ Society High

Item	Material Topics	GRI	Chapter	Value chain			Outside the value chain		
				Upstream Suppliers/ Contractors	HTC Employee	Downstream Consumer/ Customer	Shareholders and Investors	Local communities, Academic Institutions & NGOs	Government
1	Corporate Governance	Custom theme	Corporate Governance		✓		✓		✓
2	Economic performance	201-1	Overview of Financial Performance		✓		✓		
3	Regulation Compliance	2-27	Regulation Compliance	✓	✓	✓	✓	✓	✓
4	Customer Privacy and Health and Safety Management	416-1、416-2、418-1	Customer Management		✓	✓			✓
5	Information Security and Privacy Protection	418-1	Information Security Management	✓	✓	✓	✓		
6	Sustainable Supply Chain	308-1、308-2、414-1、414-2	Sustainable supply chain	✓	✓	✓		✓	
7	Integrity Management	205-2、205-3	Integrity management	✓	✓	✓	✓		✓
8	Innovation Management	Custom theme	Innovation management	✓	✓	✓	✓	✓	
9	Risk Management	Custom theme	Risk Management	✓	✓	✓	✓	✓	✓
10	Climate Change	201-2、305-1、305-2、305-3、305-4、305-5	Climate Change Management	✓	✓	✓		✓	✓
11	Energy Management	302-1、302-4	Climate Change Management	✓	✓	✓		✓	✓
12	Circular economy and product life cycle	306-1、306-2、306-3、306-4	Sustainable Design Sustainable Manufacturing Process Sustainable Products Overview of HTC's Energy and Climate Change Management	✓	✓	✓		✓	
13	Human rights, diversity and inclusion	405-1、405-2、406-1、407-1、408-1、409-1、410-1	Board of Directors Human Rights Management and Commitment Salary and Benefits	✓	✓	✓	✓	✓	✓
14	Occupational Health and Safety	403-1 - 403-10	Occupational Health and Safety	✓	✓	✓			✓
15	Talent Attraction and Retention	401-2、404-1、404-2、404-3	Talent Attraction and Retention		✓		✓		

For SASB indicators, please refer to "Appendix 4,SASB Index"

2024 HTC Material Topics Boundaries Matrix (External Environment to HTC)

Economic Environmental Social ★ Major Topics

<ul style="list-style-type: none"> ★ Information Security and Privacy Protection ★ Customer Privacy, Safety and Health Management ★ Innovation Management 	<ul style="list-style-type: none"> ★ Integrity Management ★ Economic Performance 		<ul style="list-style-type: none"> ★ Integrity Management ★ Climate Change 	<ul style="list-style-type: none"> ★ Economic Performance ★ Information Security and Privacy Protection ★ Corporate Governance ★ Circular Economy and Product Life Cycle
<ul style="list-style-type: none"> ★ Regulation Compliance ★ Corporate Governance ★ Risk Management ★ Energy Management 	<ul style="list-style-type: none"> ★ Occupational Safety and Health ★ Circular Economy and Product Life Cycle ★ Climate Change ★ Sustainable Supply Chain 	<ul style="list-style-type: none"> ★ Waste Management ★ Training and Career Development ★ Human Right, Diversity and Inclusiveness ★ Talent Attraction and Retention 	<ul style="list-style-type: none"> ★ Talent Attraction and Retention ★ Employment/Labor Relationship ★ Training and Career Development 	<ul style="list-style-type: none"> ★ Sustainable Supply Chain ★ Risk Management ★ Human Right, Diversity and Inclusiveness ★ Occupational Safety and Health ★ Integrity Management
	<ul style="list-style-type: none"> ★ Employment/Labor Relationship 	<ul style="list-style-type: none"> ★ Social Investment and Contribution ★ Water Resource Management ★ Biodiversity 	<ul style="list-style-type: none"> ★ Energy Management ★ Biodiversity ★ Water Resource Management ★ Social Investment and Contribution 	<ul style="list-style-type: none"> ★ Waste Management

High Negative Impact to Economic/ Environment/ Society Low Positive Impact to Economic/ Environment/ Society High

Changes to HTC's Material Topics in 2024

2023 Material Topics	2024 Material Topics	Description of changes
Corporate Governance	Corporate Governance	<p>In 2024, based on the discussion with HTC according to the company's development strategy, industry status, value chain practices and expert suggestions, a total of 21 candidate material topics were screened and a questionnaire was prepared to survey the intentions of stakeholders, considering the positive / negative impacts of internal and external stakeholders. If the intensity of the impact and likelihood of occurrence of a topic is greater than moderate and appears more than twice in the four material topics matrix diagrams, it is classified as a material topic. After screening out 11 material topics, 4 topics that did not appear repeatedly were discussed and assessed to be important issues for HTC. Therefore, more material topics were selected this year (expanded from 14 to 15), to ensure that the topics covers the concerns of all stakeholders. After the material topics was determined, the ESG Office also reached the following consensus: HTC also adheres to the maximum disclosure of the topics that is not selected as the material topics of the year, so as to demonstrate the company's core value of committed to sustainable development.</p>
Innovation Management	Regulation Compliance <i>New</i> .	
Information Security and Privacy Protection	Customer Privacy & Health and Security Management <i>New</i> .	
Integrity Management	Economic Performance	
Economic Performance	Integrity Management	
Risk Management	Information Security and Privacy Protection	
Circular Economy and Product Lifecycle	Sustainable Supply Chain	
Energy Management	Innovation Management	
Waste Management (X)	Risk Management	
Climate Change	Climate Change	
Human Right, Diversity and Inclusiveness	Energy Management	
Talent Attraction and Retention	Circular Economy and Product Lifecycle	
Sustainable Supply Chain	Occupational Health and Safety <i>New</i> .	
Social Investment and Contribution (X)	Human Right, Diversity and Inclusiveness	
	Talent Attraction and Retention	



Stakeholders Engagement

	Employees	Suppliers / Contractors	Consumers/ Enterprise customers	Shareholders and Investors	Local communities, academic institutions & NGOs	Government regulatory agencies
Significance for HTC	<p>HTC upholds the people-oriented belief. Employees are the most valuable asset and the key to innovation</p>	<p>Suppliers are indispensable partners for corporates to realize continuing operating growths. Contractors provide a safe working environment helping build up a sense of cohesiveness and improve corporate image.</p>	<p>Consumers build strong customer relationships by providing first-class customer experience; corporate customers enhance company value and pursue growth through cooperation and product and business development, and gradually improve corporate sustainable operations.</p>	<p>Shareholders and investors' support have positive impact to the sustainability of HTC. Information on HTC's corporate governance policies and related regulations is available on the Company's website.</p>	<p>Communicating with community residents, academic institutions and non-governmental organizations will help HTC better understand market needs, promote technological innovation, and practice corporate social responsibility</p>	<p>The foundation of the Company is to build an excellent external environment for the corporation, by following the legal guidelines, cooperating with government policies, and earning trust, support, and collaboration with the government.</p>
Concerned Topics	<ul style="list-style-type: none"> ● Regulation Compliance ● Economic Performance ● Talent Attraction and Retention ● Human Right, Diversity and Inclusiveness ● Occupational Safety and Health ● Salary and Benefits ● Training and Career Development ● Employment/ Labor Relationship 	<ul style="list-style-type: none"> ● Regulation Compliance ● Economic Performance ● Information Security and Privacy Protection ● Climate Change ● Circular Economy and Product Life Cycle ● Sustainable Supply Chain ● Occupational Safety and Health ● Innovation Management 	<ul style="list-style-type: none"> ● Corporate Governance ● Economic Performance ● Customer Privacy, Safety and Health Management ● Innovation Management ● Information Security and Privacy Protection ● Circula Economy and Product Life Cycle ● Climate change ● Human Right, Diversity and Inclusiveness 	<ul style="list-style-type: none"> ● Corporate Governance ● Innovation Management ● Economic Performance ● ESG Management ● Regulation Compliance ● Social Investment and Contribution 	<ul style="list-style-type: none"> ● Waste Management ● Climate Change ● Energy Management ● Information Security and Privacy Protection ● Regulation Compliance ● Water Resource Management ● Social Investment and Contribution ● Human Right, Diversity and Inclusiveness ● Talent Attraction and Retention 	<ul style="list-style-type: none"> ● Economic Performance ● Innovation Management ● Corporate Governance ● Integrity Management ● Regulation Compliance ● ESG Management ● Climate change ● Human Right, Diversity and Inclusiveness
Communication Channels	<ul style="list-style-type: none"> ● Department quarterly meeting. <i>Irregular</i> ● One-on-one interview with supervisors. <i>Irregular</i> ● Annual performance appraisal/ interview. <i>2/ Yearly</i> ● New employee seminar. <i>Quarterly</i> ● Employee assistance hotline and mailbox, Health Center, Employee Aid Scheme. <i>From time to time</i> ● Labor-management meeting. <i>Quarterly</i> 	<p>Suppliers:</p> <ul style="list-style-type: none"> ● Supplier communication conference <i>Irregular</i> ● Guidance and audit for suppliers <i>Yearly</i> ● Cooperation project with suppliers for addressing ESG and greenhouse gas issues <p>Contractors:</p> <ul style="list-style-type: none"> ● Induction training. <i>Weekly</i> ● Patrol inspection in the facility. <i>Irregular</i> ● Coordinative organization meetings. <i>Quarterly</i> 	<p>Consumers (<i>Daily Ongoing</i>):</p> <ul style="list-style-type: none"> ● Local service contact channels in 10 languages to provide customers with real-time communication and assistance. ● Websites in different languages for customers to give feedback and to access information in a real-time manner (over 60 established) ● Dedicated email boxes for different functions (Support, Copyright, Security, etc.) to provide convenient customer contact with HTC ● Automated support survey invitations to collect customer satisfaction feedback ● Immediate corrective actions in place based on customer's insights <p>Enterprise Customers:</p> <ul style="list-style-type: none"> ● Reply to customer inquiries. <i>From time to time</i> ● Customer audit and replies to customer's questionnaires. <i>By customer request</i> ● Meeting the customer requirements about environmental and social responsibilities. <i>By customer request</i> 	<ul style="list-style-type: none"> ● Shareholder conference <i>Yearly</i> ● Annual report <i>Yearly</i> ● Monthly revenue statement <i>Monthly</i> ● Visiting investors <i>Irregular</i> ● Market Observation Post System <i>Irregular</i> ● Investor Relationship Website <i>Standing</i> ● Spokesperson <i>Standing</i> 	<ul style="list-style-type: none"> ● Support the activities of non-profit organizations in the fields of ecology, environmental protection and different public welfare <i>Irregular</i> ● Attending academic conferences, interviews or questionnaires <i>Irregular</i> ● Invite local artists to HTC for art exhibitions <i>Irregular</i> 	<ul style="list-style-type: none"> ● Official document, E-mail, Visit, Act and regulations database. - <i>Irregular</i> ● Meeting such as Forums, Seminars etc. -<i>Irregularly</i> ● Voluntary Greenhouse Gas Emissions Inventory - <i>Yearly</i> ● Participate in the sustainable programs of the government agency- <i>Irregular</i>. ● The major stakeholders are tax authorities in different countries. The Company files and pays its taxes in accordance with the legal regulations of each country. Furthermore, the Company consults with any of the four major accounting firms or contacts the authorities directly if there is anything unclear or a lack of understanding about the regulations. For any tax audit, the Company prepares the relevant information and cooperates with the tax authority after receiving the notification

Risk Management

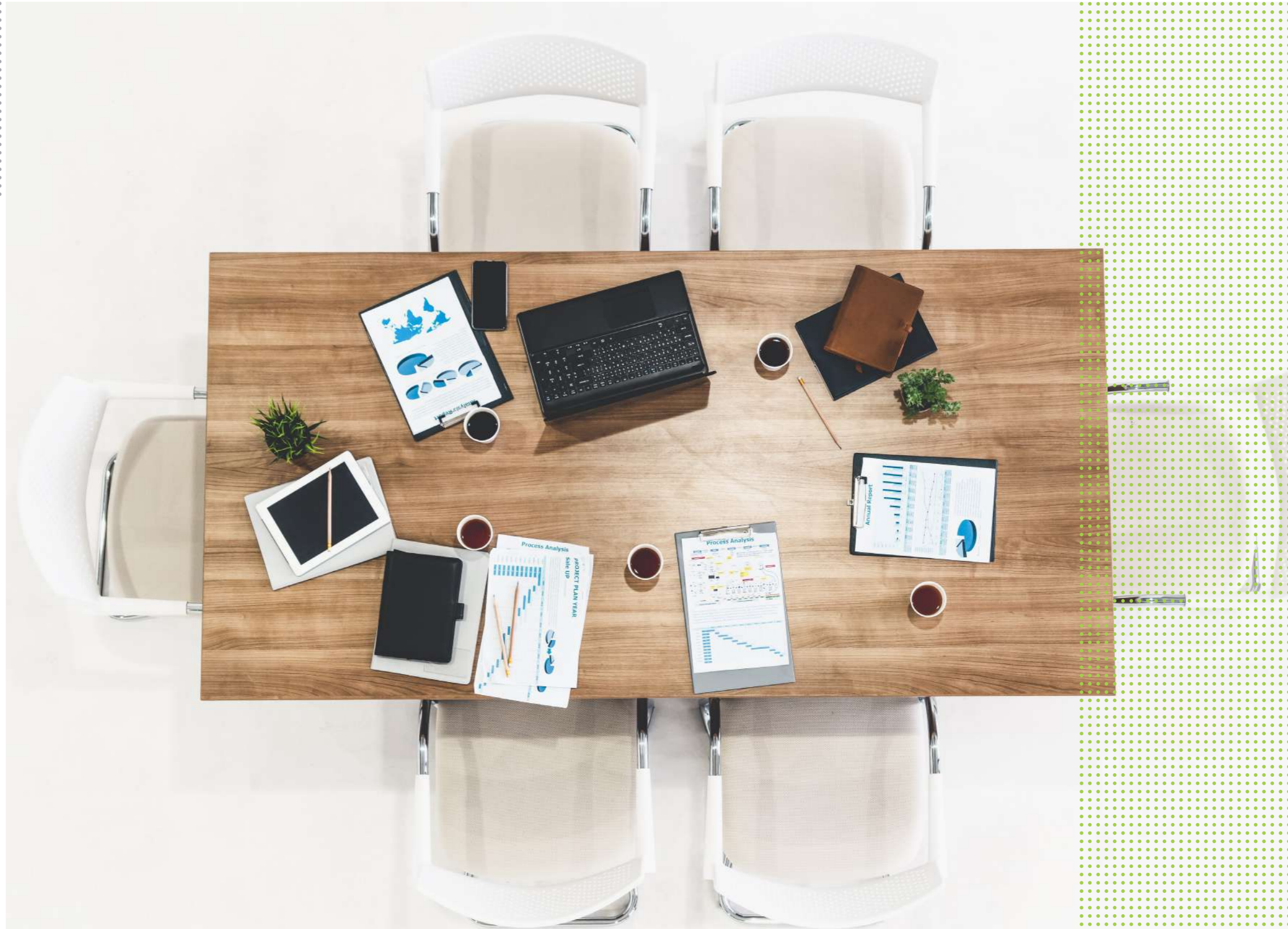
HTC manages corporate risk with a focus on sustaining value for the shareholders and stakeholders. Based on the principle of materiality, we conduct risk assessments on environmental, social and corporate governance issues related to company operations, and establish appropriate control mechanisms after careful consideration of all the various operational uncertainties that ensures a rapid response to uncertainty, as well as to any attendant risks and opportunities. Such careful risk management enhances our ability to create value.

We integrate ESG policy commitments (including RBA) such as integrity management, occupational safety and health, environmental and climate change risks, and human rights-related risks into relevant risk management strategies to ensure that these risks can be effectively implemented.

Note: For information regarding human rights related risks and due diligence, please refer to section "Annual Human Rights Issues" in this report

Main Risk Type	Financial risk	Tax risk	Integrity management risk	Climate change risk	Supply chain management risk	Occupational safety risk	Information Security and Privacy Information risk
Management Strategy	<p>In recent years, the Company has mainly utilized its internal capital to satisfy operating capital needs in response to business scale. Therefore, fluctuations in interest rates did not have a significant impact on the company's liabilities.</p> <p>During 2024, the US dollar against to the NT dollar fluctuated from 1:30.73 to 1:30.79. Net exchange loss during 2024 totaled NT\$ 9.47 million. Under effective management by the Company, negative effects of exchange rate fluctuations on profits in recent years have been minimal.</p> <p>During 2024, the inflation in Taiwan was approximately 2.18%, 3.0% in North American and 2.4% in European markets. Although the inflation rose sharply, overall, it had no significant impact on HTC profits.</p>	<p>Each company in the Group appoints local, sizable accounting firms and provides them with annual financial data for tax declaration.</p>	<p>HTC conducts risk evaluations annually, including categories of impacts related to ethics. The legal affairs department and key competent departments are responsible for further analyzing data related to anti-corruption and ethics. In recent years, the risk levels authenticated were not high.</p>	<p>In 2024, HTC launched a process for identifying risks and opportunities of climate change, completed risk and opportunity identification, and evaluated the financial impact in accordance with the risk evaluation mechanism recommended by the TCFD. Types of climate risks include transition risks and physical risks which are further distinguished into policies and regulations, technology, market, reputation, as well as those with immediate or long-term impact. After identifying potential risks, HTC establishes appropriate measurement approaches based on different risk types as the basis for risk management.</p>	<p>HTC has established a Supplier Code of Conduct in alignment with the code of conduct of RBA and the contents of the United Nations Universal Declaration of Human Rights to clearly specify the responsibilities and norms regarding workers, health and safety, and ethics. HTC expects that any suppliers with business contact comply with and practically execute this code. HTC also regularly evaluates whether suppliers comply and implement this code as the basis for appraisal and selection of business partners.</p>	<p>HTC has established an automatic health and safety inspection plan in accordance with the Occupational Health and Safety Act and the Regulations Governing Occupational Health and Safety to stress the prevention of occupational accidents. We monitor health and safety issues, eliminate and control risks, and improve unsafe work environments and machinery equipment periodically. Relevant systems for inspection and maintenance of machinery equipment have also been established.</p>	<p>HTC has established and promoted various information security management systems in accordance with the information security standards specified in ISO 27001. The company conducts risk evaluations and internal audits annually to ensure the effective implementation of these management systems.</p>
Reference	<p>Please refer to section 5.6 "Risk Issues" in the company's annual report for the current year.</p>	<p>"Tax Management"</p>	<p>"Ethical Management"</p>	<p>"Climate Change Management"</p>	<p>"Sustainable Supply Chain"</p>	<p>"Enhancing Occupational Accident Prevention"</p>	<p>"Information Security Management"</p>

Responsibility Management



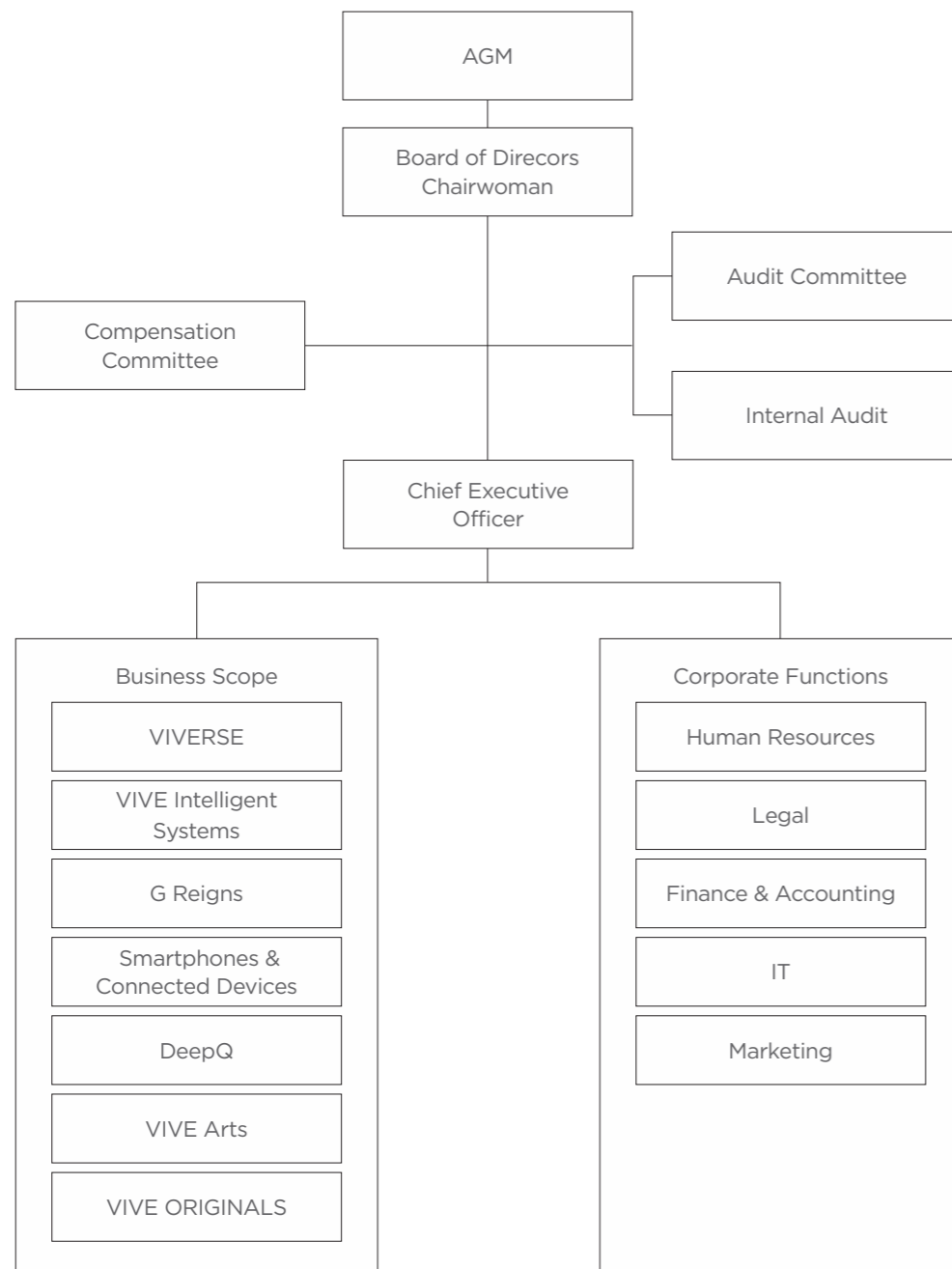
Corporate Governance

The core foundation for sustainable business operations lies in a sound governance structure, HTC believes that the core values of "Quietly Brilliant" is the foundation of corporate culture and attaches great importance to corporate governance and operational transparency. We have formulated a corporate governance structure in accordance with relevant laws and regulations, such as "Company Law" and "Taiwan's Securities Exchange Act" to protect the rights and interests of stakeholders. At the same time, we also continue to improve management performance to ensure that the company can effectively achieve its operational goals. The results of our participation in the 11th (2024) corporate governance evaluation of the Taiwan Stock Exchange were 21% to 35%. In addition, in order to better achieve operational goals, we have established a comprehensive and systematic ESG implementation system to protect the rights and interests of investors and other stakeholders.

To achieve this high standard, we formulated the HTC Corporate Governance Framework in 2014, which has been approved by the Board of Directors and complies with the "Corporate Governance Principles for TWSE/GTSM Listed Companies" as a basis for establishing an effective corporate governance structure. The objectives being:



Organization Structure



Board of Directors

The Board of Directors are elected by stakeholders and aims to monitor the management of the Company to ensure the long-term benefits of the stakeholders. Additionally, it is committed to taking care of various related parties including employees, customers, suppliers, government, and the general public, in order to fulfill its governance responsibilities.

HTC's 10th term of directors has a total of 8 directors, of which 4 are independent directors, including different nationalities, with world-class company management experience. The directors have rich practical experience in domestic and foreign corporate management or government management positions, and have leadership decision-making, international market insight and crisis management capabilities. They have diverse professional backgrounds, including marketing, technology, operations management, industry knowledge, and operational judgment. In addition, the Company attaches great importance to gender equality, and currently has one female director, representing 12.5% of all board seats. The company has also set a target of no more than 30% of directors concurrently serving as employees; At present, there is one director who is also an employee of the Company, accounting for 12.5% of the total number of board seats. The board's responsibilities include setting and monitoring management goals and long-term business strategy. They are also responsible for maintaining an internal financial and accounting inspection system, assessing operating risks, and proposing strategies for the reduction of such risks. The Regulations Governing Procedure for Board of Directors Meetings of Public Companies" legally stipulate the Strict Mechanisms for Avoiding Conflicts of Interest to ensure the compliance of the board's operations.

The composition of HTC Management(Directors) by Age & Gender

Age	Male	Female	Total
<30	0	0	0
30-50	0	0	0
>50	7	1	8
Total	7	1	8

For detailed information regarding board members and their terms of office, please refer to the Section "2.1: Information on the Company's Directors, , Assistant General Managers, Deputy Assistant General Managers, and Managers of All the Company's Divisions and Branch Units" and Section "2.3: The State of the Company's Implementation of Corporate Governance" in the annual report.

In the year 2024, the board of directors of HTC convened a total of 4 meetings, with an average frequency of once every 3 months and an overall attendance rate of directors reaching 96.88 %. The board meetings primarily focused on setting and monitoring the company's management goals and long-term business strategy, maintaining an internal financial and accounting inspection system, evaluating operational risks, and addressing key significant events. Key significant events include major events discovered in the organization's operations and business relationships, which are reported to the Board of Directors after consolidation. In 2024, a total of 33 proposals were submitted to the Board of Directors, including 26 corporate governance, 1 environmental, and 6 social, with topics such as monitoring business performance and ensuring that the company complies with various laws and regulations. Additionally, the board also assigned responsibilities to relevant units and continued to track, supervise, and follow up on the progress in subsequent meetings. For detailed information, please refer to the Section "2.3.1: Directors" in the annual report.

Nomination and Selection of Board of Directors

HTC carefully considers the composition and diversity criteria of the Board of Directors, and in accordance with the regulations outlined in the company's "Articles of Incorporation", "Bylaws for the Election of Directors" and "Corporate Governance Best Practice Principles", we follow a candidate nomination system and nominates candidates with the necessary knowledge and skills to perform their duties as directors based on the candidates' professional background, work field and practical experience. We attach great importance on a diverse range of qualifications, including educational background, gender, professional expertise, and work experience when selecting our directors so as to strengthen the board's diversity and professionalism. For further information regarding the board of directors' nomination and selection process, please refer to the Section "[2.1.1: Directors](#)" and Section "[2.1.3: Board Diversity and Independence](#)" in the annual report.

Avoidance of Conflict of Interest

Here at HTC, our highest governing body is led by Ms. Cher Wang, who also serves as the Chairperson, and CEO to enhance operational efficiency and decision-making effectiveness. We adhere to a nomination system for the appointment of our board of directors to ensure a rigorous and transparent selection process. In accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies," we have established the "Rules of Procedure for Board of Directors Meetings", which govern the principles of conflict of interest for our directors. We recognize that potential conflicts of interest exist within our company, including the presence of controlling shareholders

and transactions with related parties that may involve outstanding balances. To safeguard against conflicts of interest and to mitigate any risks that may arise, our board of directors upholds the principles of integrity and accountability and requires directors to demonstrate a high level of self-discipline and prudence in fulfilling their moral obligations as stewards of the company. They are also expected to faithfully execute their duties and prioritize the best interests of HTC. Additionally, our directors are obligated to disclose any significant personal interests that may pose a potential risk to the company. Should such an interest be identified, the director in question is prohibited from participating in discussions or voting on related matters. Furthermore, they are not authorized to vote on behalf of other directors to ensure a fair and unbiased decision-making process.

Professional Development for Board Members

To stay well-informed of global business trends and enhance our corporate governance and risk management capabilities, the members of the board are dedicated to continually deepening their industry-specific knowledge and have an in-depth understanding of their roles, functions, responsibilities and obligations on the board of directors to effectively implement the corporate governance system, strengthening their expertise in corporate governance. This commitment is aimed at elevating the collective wisdom of our highest governing body in the pursuit of sustainable development. Detailed information regarding the specific professional development endeavors undertaken by our board members can be found in the "[Note 3: Continuous Education/Training of the Board of Directors and Corporate Governance Officer](#)" of the annual report.

Performance Evaluation of Board of Directors

To enhance the operational efficiency of the board, ensure effective corporate governance, and establish performance objectives, the Board of Directors of our company approved the Director Performance Assessment Guidelines in November 2019. Detailed information regarding the execution of the performance assessment for that fiscal year can be found in the "[2.3.3 Corporate Governance – Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons](#)" of the annual report.

Remuneration Policy for Directors and Executives

At our company, the reasonableness of our executives' remuneration is thoroughly evaluated by the Compensation Committee. The committee's findings are then provided to the Board of Directors, who engage in thoughtful deliberations to ensure the overall fairness of the remuneration structure. Regular reviews are conducted to align the system with our actual business performance and in compliance with applicable laws and regulations. In regards to the distribution of remuneration, performance evaluations, and the decision-making process for remuneration of our senior executives this year, the remuneration of the Board of Directors is determined in accordance with the provisions outlined in our company's bylaws, as well as their level of participation in the company's operations and the value of their contributions. We strive to provide remuneration that is in line with industry standards and it is important to note that, currently, our remuneration practices do not incorporate explicit integration with ESG performance indicators. For further details, please refer to section "[2.2 Compensation to Directors \(Including Independent Directors\), President, Vice Presidents, and Others in the Most Recent Year](#)" in our annual report.

Recovery of Improper Benefits due to Misconduct

To ensure that all employees of our company, including executives and directors, exhibit behavior that aligns with our expectations for sustainable business practices, HTC has established an "HTC Code of Conduct". Irrespective of their positions, job levels, or locations, employees are required to adhere to high ethical standards, thereby minimizing any potential loss or damage to the company's interests. Any individual found to be in violation of this code will face disciplinary actions. In addition to reclaiming any improper benefits obtained, the severity of the offense will determine the appropriate disciplinary measures, which may include but are not limited to the withholding of bonuses, dividends, termination of employment, demotion, or the pursuit of legal action. It is our goal to ensure that all employees diligently fulfill their management and oversight responsibilities, thereby safeguarding the company's sustainable development and growth.

Independent Directors

HTC believes that good corporate governance is critical if a business is to gain the long-term funding that underlies further investment and growth. We recognize that to achieve good corporate governance, it is necessary to widen the scope of independent viewpoints in order to win the trust of the public and the shareholders. According to the Company Law, the term of the board of directors is three years and may be re-elected. According to the "Key Points of Matters to be Followed in the Establishment and Exercise of the Board of Directors of Listed Companies of Taiwan Stock Exchange Corporation", an additional independent director was elected at the 2023 regular meeting of shareholders. After the additional election, the company will have a total of eight directors (including four independent directors). The term of the new independent directors is the same as that of the 10th term of directors of the company (including independent directors), starting from the date of election and ending on June 16, 2024, to strengthen the independence and functions of the directors, and improve the general performance of the Board of Directors.

Compensation Committee

The Board of Directors at HTC has established a Compensation Committee comprised of three independent members, including two independent directors and one external independent expert, appointed by the Board. The committee is responsible for setting performance standards for HTC's directors, supervisors, and senior executives. It also assesses the achievement of performance targets, evaluates the remuneration policy and system, and ultimately provides recommendations to the Board of Directors for reference in decision-making.

The committee operates independently of the HTC Board of Directors, senior executives, and internal staff. It consists of one external independent expert who brings extensive industry experience and professional expertise to the table. The expert also provides professional and objective advice to the committee, specifically in the field of human resources. The committee conducts regular reviews and puts forth recommendations for improvement to ensure a comprehensive and unbiased evaluation of performance and compensation matters.

The Compensation Committee held a total of 2 regular meetings in 2024, and the average attendance rate of members was 100%. The composition, responsibilities, and operations of the Compensation Committee can be found in the "[2.3.4 Formation, scope of duties and operation of the Compensation Committee](#)" of our annual report.

Audit Committee

HTC established the "Audit Committee" to replace the Supervisors, which is composed of all independent directors. The Audit Committee assists the Board of Directors in fulfilling the quality and integrity requirement while carrying out the company's supervision work in accounting, auditing, financial reporting process and financial control. The Audit Committee has the right to conduct any appropriate audits and investigations, and has direct communication channels with the company's internal auditors and independent accountants. The Audit Committee convenes a meeting at least once a quarter. The audit supervisor and accountants should report on audit and financial statement review results, and report important discussions and resolutions to the Board of Directors.

The Audit Committee held a total of 4 meetings in 2024, with an average attendance rate of 100%. The composition, responsibilities, and operations of the Compensation Committee can be found in the "[3.3.2 The operational Information of the Audit Committee](#)" of our annual report.

Integrity Management

Strict Mechanisms for Avoiding Conflicts of Interest

To prevent potential risk of corruption and being unethical, HTC has formulated a series of internal rules and declarations, including the "Anti-corruption and Bribery Statement" passed by the chairman of the board, "Rules for Derivatives Transaction", "Credit Policy & Operational Procedure", and "Regulations for the Appointment of Directors/ Supervisors in Re-investment" and has revised the "Operational Procedures for Transactions of Specific Companies, Business Conglomerates, and Parties", "Regulations for Budget Management", "Regulations for Management of Subsidiaries", and "Operational Procedures for Processing Internal Material Information and Preventing Insider Trading" as bases for internal operations. Also, in its Rules of Procedure for Board of Directors Meetings, it has duly set out a system for recusal and avoidance of conflicts of interest by directors, for compliance in the operations of the board of directors. And add legal compliance training to the compulsory training courses for new recruits to strengthen the anticorruption awareness of new recruits. It was made as an annual compulsory course in 2024 to ensure that all employees are up-to-date with the latest integrity management requirements and maintain consistent compliance standards and codes of conduct.

A risk evaluation will be carried out every year, including on the impact related to ethical issues. The Legal and other responsible divisions will provide an advanced analysis according to information collected about anti-corruption and ethics. The risk levels assessed these years are relatively low. Thus, those divisions proceeded to risk management for possible issues, internal trainings, statements of anti-corruption, and control measures according to the processes.

We have disclosed the procedures for reporting violations of ethical management policy in the "Procedures for Ethical Management and Guidelines for Conduct" and "Procedures for Reporting and Handling of Violation of Ethical Management Policy". The unit responsible for receiving complaints involving personnel of different job levels is designated to handle whistleblower cases, with the Human Resources Department being responsible for executing the disciplinary procedures. Also, HTC set up an email inbox specifically for corruption reporting (anticorruption@htc.com). Anyone can report via this email with proof, if they are aware of any corruption-related events or infringement of the Company. The identity of the reporter will remain confidential to prevent inappropriate treatment. There were no corruption related incidents in 2024.

HTC Anti-Corruption Mechanism



There are special clauses in the employee code of conduct that regulate confidentiality obligations, employees' obligations to treat manufacturers and customers fairly, standards of communication and business etiquette between employees, customers and manufacturers, prohibition of providing or receiving improper benefits, avoidance of conflicts of interest, and prohibition of insider information, transactions, etc., to prevent dishonest behavior. Additionally, the provisions explicitly state that engaging in embezzlement, accepting bribes, misappropriation of public funds, violation of non-competition agreements, and similar actions will result in disciplinary measures, including dismissal.



For procurement contracts or engineering contracts signed with collaborating partners, it is required that they comply with the "Integrity Policy Statement" or sign a Vendor Integrity Commitment Letter. These documents clearly establish the guidelines that collaborating partners must adhere to, which include compliance with laws and regulations and refraining from obtaining business or work-related advantages through improper means, such as offering kickbacks, providing lavish entertainment, or engaging in other forms of undue benefits. The terms and conditions explicitly state that our company will proactively terminate any collaborating partner found to be in violation of the "Integrity Policy." In cases where such violations result in financial losses for the company, we will seek compensations to uphold the integrity of the relationship between both parties.

2024 Anti-corruption training rates for Board of Directors and all levels of the Employees in Taiwan

	All Other Employees	Technical Employees	Non-executive Management	Executive Management	Highest Governing Institution
Number of training recipient	177	403	554	31	0
Number of employees by grade in Taiwan	490	468	664	43	8
Completion rate	36%	86%	83%	72%	0%

Note:
 1. The calculation for the training recipient rate at each level is based on the number of employees completing the training/ number of employees by grade in Taiwan.
 2. The calculation for the training recipient rate of the highest governing unit is based on the number of Directors completing the training/the total number of Directors.
 3. The training completion record is calculated until December 31, 2024

HTC New Employees Legal Training in Taiwan

Course	Course hours (Minutes)	Number of trainees			2024 Completion rate
		2022	2023	2024	
Confidentiality and anti-insider trading	35	265	196	166	100%
HTC Code of Conduct	10	267	196	166	100%

Note: A total of 166new employees should be trained in 2024

Internal Audit System

HTC has set up our internal audit unit as subordinate to the Board of Directors. The internal unit is responsible for assisting the Board of Directors and management in checking any defects in internal control and in the assessment of operational efficiency and performance, as well as the reliability, timeliness, transparency of the financial statements and compliance with the related laws. The unit also addresses areas that need improvement in a timely manner to ensure internal control is continuously and effectively implemented. The audit results are used as a basis for the review and amendment of the internal control system to advance sound management in HTC. The composition and operations of the Internal Audit System can be found in the our annual report and [company website](#).

Completed Disclosures

HTC firmly believes that transparent disclosure of information is crucial to safeguarding the rights and confidence of stakeholders. We are committed to improving the immediacy and transparency of information disclosure. In addition to the timely disclosure of important financial and business-related information at the Market Observation Post System in accordance with regulations, it also actively participates in forums and investor conferences organized by domestic and foreign securities firms to help investors understand more about HTC's financial and business information.

We disclose our practice of corporate governance and legal compliance on the company website. For more information about HTC governance policy and other related guidelines, please visit <https://investors.htc.com/en/>

Transparent Information Disclosure

Spokesperson & Deputy Spokesperson	In accordance with the "Corporate Governance Principles for TWSE/GTSM Listed Companies", a spokesperson and acting spokesperson are appointed to ensure that information that may affect the decisions of shareholders and stakeholders can be promptly disclosed.
Press Release, Press Conference & Media Interview	The company's latest developments are also communicated to our investors and the public through press releases, press conferences, and media interviews.
Website Platform	<ul style="list-style-type: none"> HTC has established an Investor Relations Website (in both Chinese and English) through which the investors can access and download the company's financial statements, annual reports, other financial news, information about investor conferences, and correspondence with shareholders. In the "Investor Service" section, contact information and electronic forms are provided for investors to make contact with the Investor Relations Division by phone or by email. The Investor Relations Website is continuously maintained and updated with the latest HTC Company development information.
Investor Conference	HTC participates irregularly in international and domestic forums held by foreign brokers. Details of these are provided to explain company operation, financial profile, strategic development, and business policies to the investors.

Legal Compliance

Legal compliance serves as the cornerstone of HTC's sustainable development. We consistently adhere to relevant laws and regulations through anti-corruption measures, ESG practices, information security protocols, human rights education, and routine management. In 2024, HTC did not encounter the following incidents:

- Any penalties related to labor/environmental issues.
- Significant monetary penalties or non-monetary sanctions due to violations of laws and regulations.
- Products or services that violated consumer health and safety laws.
- Products or services that violated information or labeling regulations.
- Marketing and communication activities that contravened relevant legal requirements.
- Incidents involving confirmed infringements of customer privacy or loss of customer data.

HTC's Adjudication Incidents and Financial Penalties in the Past Two Years

	2023	2024
Number of significant adjudication incidents	0	0
Total number of incidents	0	1
Total amount of penalties	0	22,000

Note:
 1. HTC defines significant adjudication incidents as individual penalties exceeding NT\$1 million.
 2. There was a case of violation of the Fire Services Act in 2024. The fine of NT\$22,000 was paid and the violation was corrected.

Tax Management

The Company upholds the spirit of tax compliance and corporate social responsibility. Therefore, we aim to create corporate value and improve tax risk management. We set out tax management and transfer pricing policies to establish a sound tax stewardship regulation and culture, as well as an instant management process. The Company has formulated the following tax governance policies to elevate corporate value and carry out corporate sustainability

Tax Guidelines

- Comply with the local tax law and the rule of law. Calculate tax carefully and file it before the deadline.
- Ensure that experienced and professional internal and external personnel are involved in the evaluation and decision making of tax-related issues.
- Ensure that information on tax reports is transparent, such as reports to tax authorities in different countries, master files, and transfer pricing reports.
- Trades between affiliate companies shall follow the principles of transfer pricing of OECD, as well as the Base Erosion and Profit Shifting (BEPS).
- Ensure that the corporate structure and trades are in accordance with the commercial substance. The structuring and trades are not to be aimed at reducing the tax burden.
- Utilize legitimate and transparent tax incentives without tax deductions that violate the rules of law.
- HTC works with tax authorities in different countries in honesty, integrity, respect, and fairness following three pillars: mutual trust, information transparency, and legal protocol. In addition, HTC provides solutions for major tax issues to help improve the tax system and institution on business environment.

Tax and Risk Management

All companies in the group appoint a large-scale local accounting firm for their tax visas, and the company provides the tax signature accounting firms with annual financial information for tax signature declaration

Information Security Management



Results of Privacy and Information Security Management in 2024



To protect the company's R&D achievements and customer's personal data, HTC emphasizes that protecting information security and personal information is the responsibility and mission of every employee. HTC has incorporated information security and personal data protection policies into its corporate culture and core values, and complies with all relevant information security and applicable personal information protection regulations in various countries.

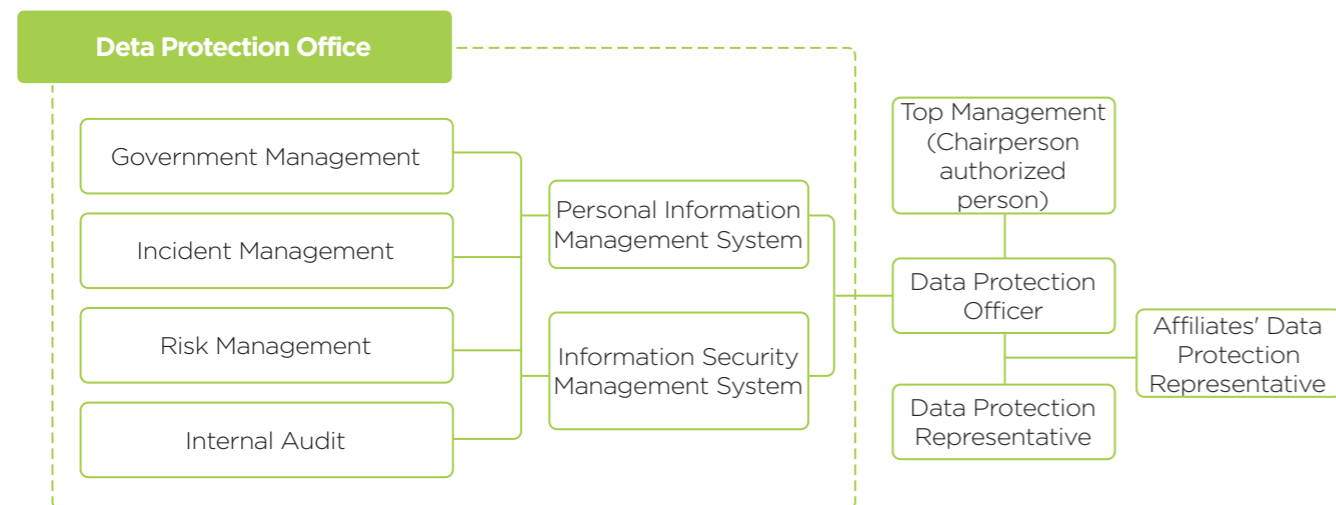
HTC has established an information security management system (ISMS) and a personal information management system (PIMS), and has formulated management policies and guidelines, including personal information protection and information security risk assessment. These policies and guidelines have been implemented in employee training, product development, vendor management, and information security incident management. In addition, in terms of product development, HTC has taken a series of measures to improve the security development standards and management mechanisms of software products. The company has adopted the BSIMM framework and established and implemented relevant security control measures to strengthen the management of software product security development.

HTC adheres to the information security standards of ISO 27001 and establishes various information security measures. Annual risk assessments and internal audits are conducted to ensure the effective implementation of the management system. We also establish defense and protection mechanisms such as firewalls, intrusion detection, anti-virus systems, virtual private networks (VPN) and data leakage prevention (DLP). From 2022 to 2024, HTC headquarters expanded the scope of validation for ISO 27001 and ISO 27701 and obtained certification through verification once again. Additionally, the subsidiary DeepQ successfully obtained certification and received recommendations for ISO 27001, ISO 27701, and ISO 27799 during the same period. Thanks to the protection provided by a layered defense approach, HTC did not experience any significant cybersecurity incidents in 2024. The Company's dedicated unit audits the operation of the ISMS information security management system and the PIMS personal information management system every year to confirm whether the system is correct and effectively implemented. The company has obtained ISO/IEC 27001:2022 and ISO/IEC 27701:2019 certifications within the scope of certification, and the certification unit will verify the operations within the scope of the company's certification every year during the certification period.

In 2024, in order to strengthen awareness promotion, instant news or policy release related to privacy protection and information security, and to further strengthen the vigilance of employees against phishing email attacks, HTC regularly conducts social engineering drills to enhance employees' awareness of information security and their ability to identify malicious social emails. For endpoint security in layered defense, we have gradually introduced a zero-trust architecture since this year, and plans to fully deploy it to all company-wide computers to achieve more secure and refined authentication and access control, combined with real-time risk assessment, to provide more resilient security protection.

Organizational Structure

To effectively control potential risks associated with personal information and information systems, HTC continuously optimizes its Personal Information Management System and Information Security Management System. A dedicated team, comprised of departments such as Legal, Product Security, and Information Security, is responsible for driving privacy protection and information security initiatives.



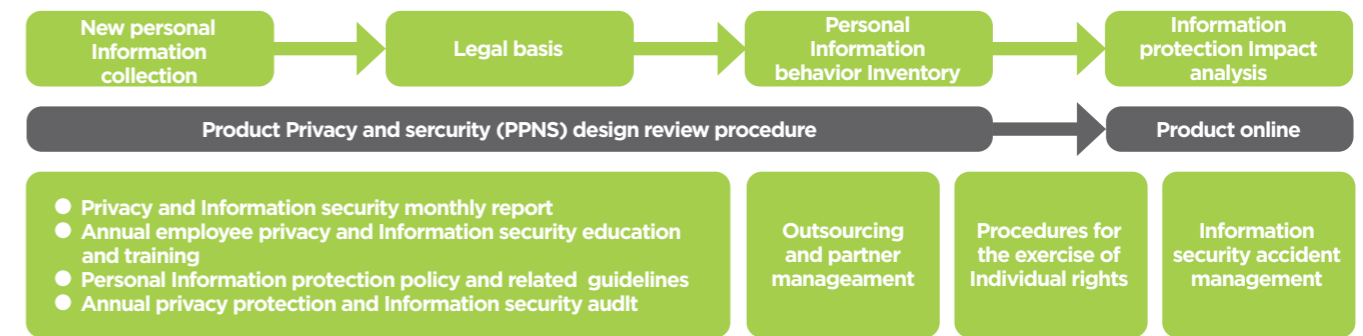
Personal Information and Information Security Risk Management

To mitigate personal data and information security risks, HTC has established guidelines for information security risk assessment and data protection impact analysis. Each year, the company conducts regular risk assessments based on these guidelines and carries out risk controls based on the results of the assessments. HTC's key business areas conduct disaster recovery plans (emergency responses) at least once a year, and the scope of validation continues to expand.

To mitigate the risk of operational disruptions, HTC collaborates with cloud service providers who have obtained multiple security certifications such as ISO 27001/27701/27017/27018, etc. The company migrates critical core systems to the cloud and takes various cloud services and cloud security measures to establish a secure and modern cloud networking environment. This not only enhances work efficiency but also enables quick disaster recovery in the event of system failures, ensuring system stability and availability. The elasticity and high availability of the cloud computing facilitate rapid deployment and efficient disaster recovery, effectively improving work efficiency.

Personal Information Management System

Structure of HTC Personal Information Management System (PIMS)



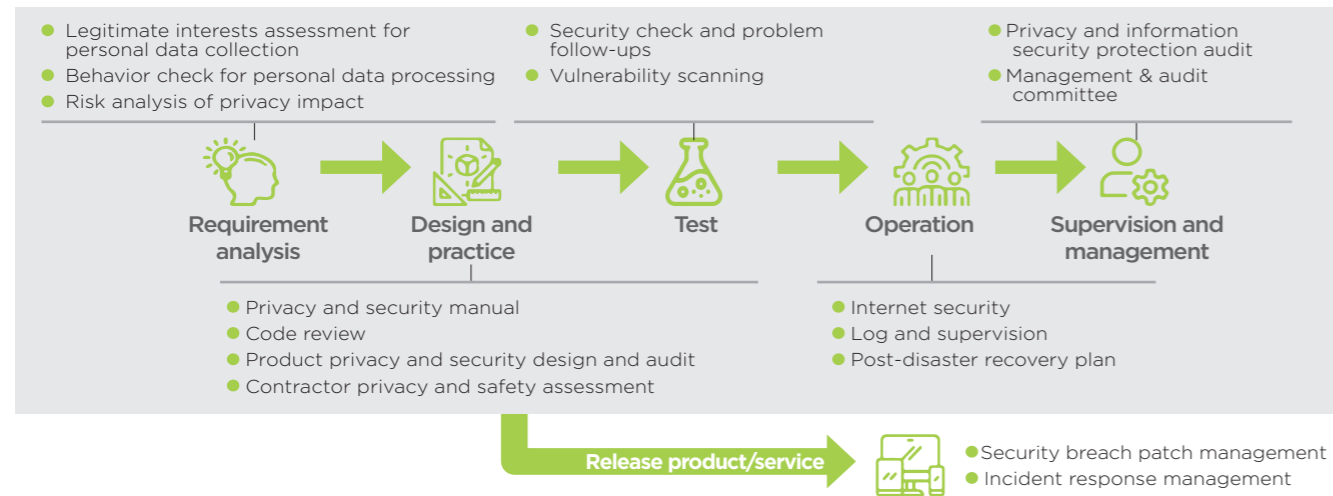
HTC's Personal Information Management System complies with the Personal Data Protection Act and other international privacy laws and regulations, such as the General Data Protection Regulation (GDPR) of the European Union, the Children's Online Privacy Protection Act (COPPA) of the United States, the California Consumer Privacy Act (CCPA), the Personal Information Protection Law of the People's Republic of China, the UK Age Appropriate Design Code, and the California Age-Appropriate Design Code Act, etc.). It also adheres to the relevant specifications of ISO 27701 Privacy Information Management System, ensuring that all business operations are conducted in a legal and ethical manner. In addition to protecting the data of corporate users and consumers, HTC's personal information management system is also committed to effectively protecting employees' personal information. In addition, the PIMS personal information management system is a management policy and guidelines formulated to regulate the collection, processing and utilization of personal information, promote the reasonable use of personal information, and prevent personal information from being stolen, tampered with, damaged, lost or leaked. The content includes the commitment and support from senior management for personal information protection, the investment of manpower and resources, training and promotion of the personal information management system, compliance management and regulatory inventory and update operations for personal information protection, the operation process for the exercise of the rights of the parties and the management of appeal or complaints, the prevention/response/handling of security incidents for information security incidents, the inventory of the behavior process of each department and the risk assessment operation, etc.

Product Information Security

The company adopts the BSIMM (Building Security in Maturity Model) and related security measures to strengthen control over the secure development of its software products. R&D teams are required to adhere to data security and privacy engineering requirements from the stage of product design. Prior to the release of software products, independent reviews, personal data privacy impact analysis, and security risk assessments are conducted as security controls. Privacy and security auditing workflows (including information security testing, static code scanning tools, vulnerability scanning, and other automated tools) are also introduced. After the products and services are launched,

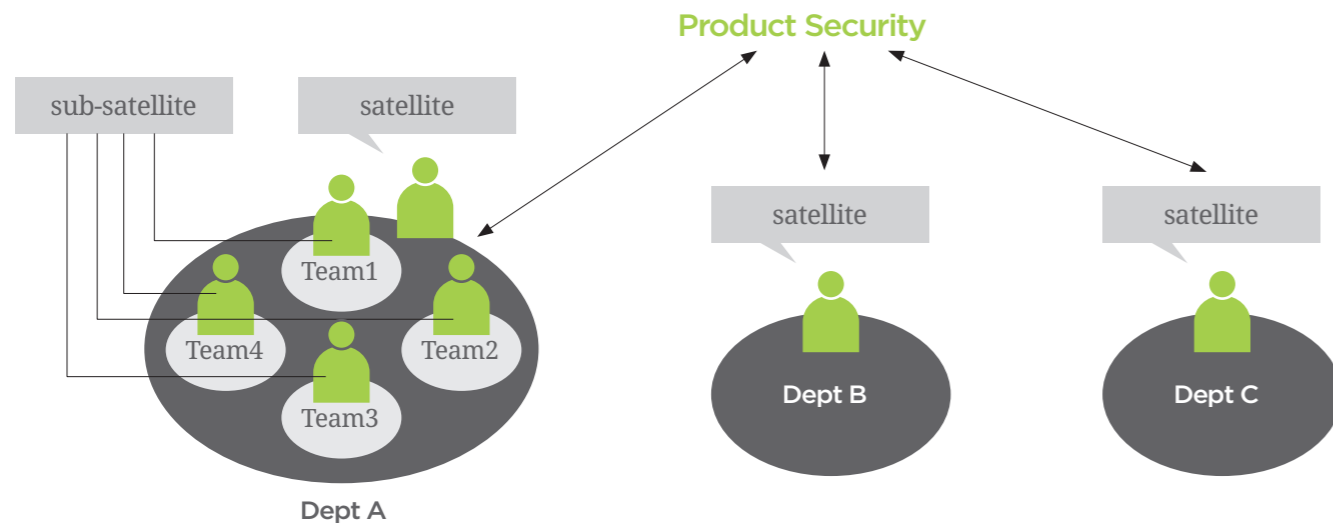
the relevant R&D teams use defect tracking management systems to track the remediation process for software security vulnerabilities. Through continuous integration, the company ensures that the products and services it provides meet the requirements of privacy protection and information security. In terms of hardware, HTC adopts fingerprint identification systems to reduce the risk of unauthorized individuals accessing products and sensitive personal information, thereby enhancing user information protection. Furthermore, HTC continuously promotes education and training on product development, privacy, and information security. The training content not only makes reference to laws and regulations of various countries but also incorporates industry best practices and HTC's internal contributions and experiences. This strengthens the security awareness, professional capabilities, and product development processes of the R&D teams. By enhancing the employees' knowledge of information security through training, the company reduces security risks as well. The Company manages (1) data collection/processing/utilization (2) data disclosure, (3) data retention, and (4) data destruction in accordance with laws and regulations to reduce the risk of information use.

Software Security Control Measures of HTC Products



HTC requires that all data collection, utilization, processing, and preservation for its products and services undergo privacy and security review. This ensures compliance not only with international information security standards in the industry but also with applicable laws, regulations, and contractual requirements. To safeguard consumer rights, comply with the company's privacy and security standards, and protect company information assets, we completed up to 70 product/service privacy and security reviews in 2024. For a small number of product/service privacy and security reviews is not completed as required before launches, we had also initiated corrective action process and expedite improvements and the review process.

Structure of Product Information Security



To carry out privacy and information security policies, provide secure solutions for engineering processes, and reduce risks associated with HTC products and services, we have established security contact points within each R&D team. These security contact points are responsible for promoting information and privacy-related policies and regulations among colleagues within their departments. Due to their deep understanding of the products, they can further enhance the depth, breadth, and strength of the review process of privacy and security design as mentioned earlier.

In terms of software design and development, HTC has developed privacy protection and secure software development framework, as well as secure coding guidelines. These require R&D teams to follow the guidelines during product development and conduct code reviews to identify potential risks such as insecure or malicious code at an early stage. HTC also performs source code security testing to identify, track, and fix technical and logical security vulnerabilities in the software source code. Additionally, for different types of products and services, various types of security scans are conducted to ensure their security.

Attaching great importance to information security incident reported by external researchers, HTC provides dedicated contact channels and a specialized project team to be in charge of receiving, interpreting, and assessing such incidents with prompt responses. We also proactively subscribe to receive news on information security and updates from government agencies, renowned cybersecurity companies, partners, and suppliers in the United States, Taiwan, and other sources. Furthermore, HTC provides internal personnel with appropriate channels to report any observed or suspicious cybersecurity incidents to the specialized project team promptly, aiming to prevent or minimize potential information security incidents. In the year 2024, HTC's products and services experience no security incidents.

HTC Cybersecurity Advocacy and Education

To ensure compliance with the policies and guidelines outlined in the "HTC Information Security Management System", HTC requires all employees to complete annual privacy protection and information security training and assessment. In addition to adhering to ISO 27001 information security management standards, which ensure the confidentiality, availability, and integrity of information, we also publish a monthly Privacy and Information Security Newsletter. This newsletter, consisting of 12 issues, serves to enhance employees' awareness of information security and privacy protection with its regulation highlights and case studies.

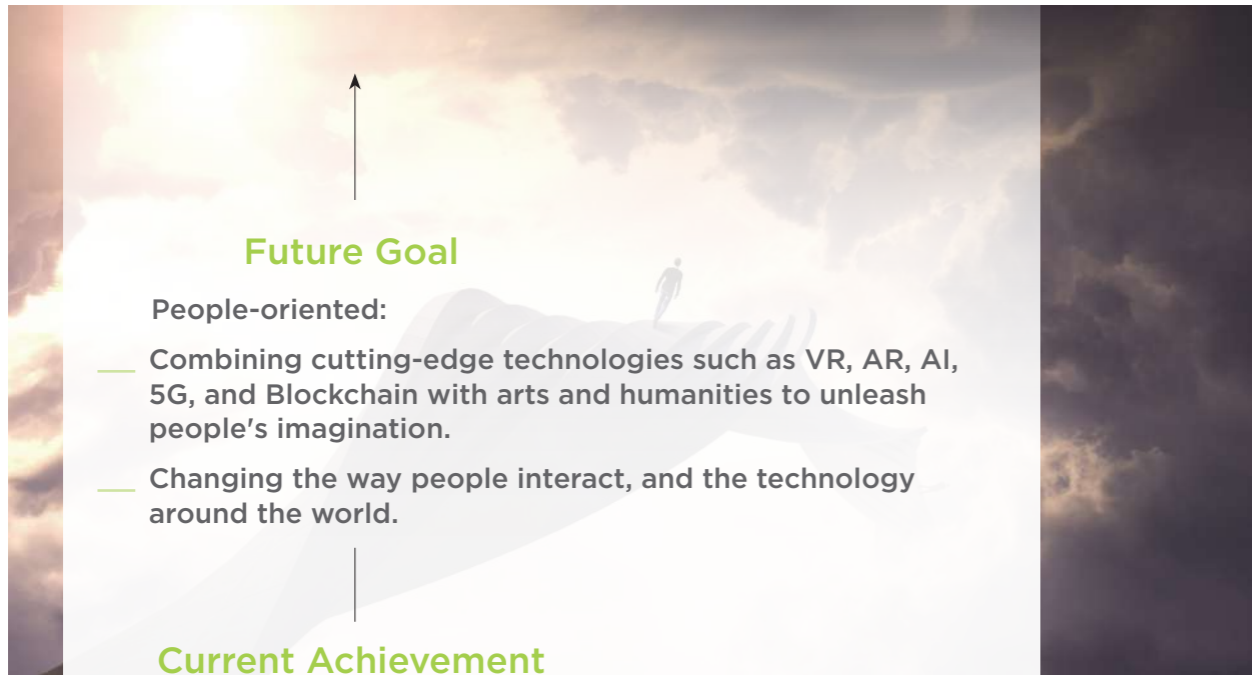
To raise colleagues' awareness of personal data protection and information security, we provided new employees with training on the regulations and guidelines pertaining to personal data protection and information security. In 2024, a total of 12 sessions were held. Of the 166 people who were supposed to attend the training, 166 actually completed it, resulting in a completion rate of 100%. Following the completion of the training courses, all participants successfully passed the assessments, achieving a 100% pass rate. Additionally, to strengthen the knowledge of software developers regarding privacy and information security measures during the product development process, we provided educational training and assessments for the software development team, with a pass rate also reaching 100%. At the same time, the completion rate of "HTC Privacy and Security Awareness Training" for all employees in 2024 is 97.6%.

Supplier Information Security Management

HTC places a strong emphasis on information security, not only within the company but also in our relationships with external suppliers and partners. We require them to adhere to applicable personal information protection regulations and HTC's personal information protection and information security requirements to jointly protect personal information and data security. When evaluating external suppliers, we conduct comprehensive assessments of various information security controls, such as information security policies, business continuity management, and access controls.

Furthermore, in response to the acceleration of digital transformation, IT technology applications continue to innovate, and new attack technologies and system vulnerabilities are constantly emerging. Therefore, a supplier's ability to effectively manage disclosed vulnerabilities and stay updated on industry security events has become one of HTC's evaluation criteria. During the current year, we conducted privacy and security assessments of 45 of our partners to ensure their compliance with HTC's relevant requirements.

Innovative Management



Future Goal

People-oriented:

- Combining cutting-edge technologies such as VR, AR, AI, 5G, and Blockchain with arts and humanities to unleash people's imagination.
- Changing the way people interact, and the technology around the world.

Current Achievement

- VIVE Pro 2 won the "CES 2022 Innovation Awards" .
- VIVE XR Elite won the "Best of CES 2023" .
- VIVERSE won VR Platform of the Year at the ICT Champion Awards and Top Metaverse Platform - Consumer category at the European Metaverse Awards.
- VIVERSE was recognized as the "Gold Winner of Best Innovation" award.
- VIVERSE won the "Best Immersive Collaboration Solution" award for its excellence in promoting immersive collaboration at XR Awards 2024.
- DeepQ Disease Control Butler and Disease Containment won Excelsior Award of National Innovation Award for two consecutive years in 2024.

HTC's Challenge

Expediting patent layout
Strengthening advertising
of product innovation

Engaging Diversified R&D Talent

By the end of 2024, a total of 980 R&D workers joined HTC globally, coming from or based in other countries, such as Europe, America, and Asia. HTC expects to promote cultural exchange and integration among employees from different regions through such a diverse talent structure, inspiring more innovative thinking to develop products that are more in line with the needs of global consumers and local cultural characteristics.

Investment in Innovative R&D

	Unit	2022	2023	2024
Fixed R&D Investment	Million(NT)	2,356	2,684	2,649
Total Revenue	Million(NT)	4,409	4,418	3,081
Percentage	%	54	61	86

Note: The related figures are those listed in the consolidated statement

HTC has long been committed to the cultivation of R&D talents and technological innovation. Currently, R&D personnel make up 50% of the global workforce, and investment in R&D resources accounts for about 86% of operating income.



Smart Innovative Products

REIGN CORE S4-Portable 5G Enterprise Network Solution

G REIGNS team launched the new REIGN CORE S4 portable 5G private network for enterprises in 2024, which is the most comprehensive solution in the entire series in terms of coverage capabilities. Continuing the concept of REIGN CORE S2, it also focuses on portable 5G private networks for enterprises. G REIGNS integrates the 5G core network and baseband unit into a single x86 architecture server. With the team's advanced technology, they developed the REIGN CORE S4, capable of integrating multiple indoor/outdoor O-RUs for more comprehensive coverage. Under the architecture compliant with 3GPP specifications and O-RAN, enterprises can use an open ecosystem to build and deploy optimized 5G private networks, suitable for diverse application scenarios. Users can easily monitor the network, create profiles, and customize settings through a simple and intuitive WebUI interface, making operations more convenient. Therefore, REIGN CORE S4 is suitable for deploying XR, AI, design, production, and other application technologies in scenarios such as training, classrooms, collaboration, design, exhibitions, and tech demonstrations.



The Taiwan-originated XR works showcase HTC's innovative strength

Marvel V2V meet-and-greet

At the 2024 Taipei Comic Fair, "VDay Birthday" launched a VR dual experience: "Lutralutra V2V Meet-and-Greet" and "Illusionary". The audience said, "I was shocked by the whole visual experience! I never thought I could get so close to Earendel and Nemesis, and reach out and call for them, it's very fun."



▲ HTC participated in the 2024 Taipei Comic Expo "VDay Birthday" VR dual experience. Fans are super excited.



▲ "VDay Birthday Day" uses VR to break through the dimensional wall to create real concerts and meet-and-greets.



▲ HTC's "VDay Birthday" "Lutralutra V2V Meeting" also created an underwater world.



▲ Unprecedented! The first VTuber VR 1-on-1 meet-and-greet in Taiwan.

The HTC VIVE ORIGINALS "Lutralutra V2V Meet-and-Greet" booth truly restores the underwater world of Lutralutra 3D scenes, allowing fans to feel like they are under the sea and have a relationship with Taiwan's endangered Eurasian otter (Lutra's identity background). Lutralutra interacts and enjoys an immersive experience from the inside out. Lutralutra, who held a VR one-on-one meeting for the first time, said, "In the past, I could only talk to fans on a flat screen, but this time I have specially designed a special effect to interact with fans with high-fives, and I have already thought of a lot of real-time games and chats, and I can't wait to meet them."

Protection of IP Rights

HTC regards R&D and innovation as an essential force needed for the company to remain sustainable and competitive. We actively formulate comprehensive strategies and regulations to protect various intellectual property rights and consolidate the cornerstone of the company's development.

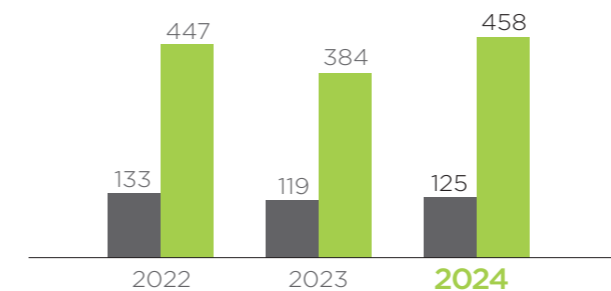
Our company takes proactive measures to defend against the infringement of intellectual property rights. In terms of patents, we actively defend against patent infringements while also acquiring patent licenses from international giants. At the same time, we proactively combat patent infringement to safeguard our company's rights and enhance our competitive advantage. Regarding trademarks, we file trademark registrations and collaborate with customs and law enforcement agencies worldwide to combat counterfeit products. Additionally, the Company clearly stipulates the ownership of intellectual property rights and related regulations in the employment contract, and restricts the access to internal data to ensure that our trade secrets are not infringed.

	2022	2023	2024
Number of Global Patent Applications	447	384	458
Number of Taiwan Patent Applications	133	119	125
Cumulative Number of Global Patent Grants ^{note}	8,514	8,807	9,132

Note: The cumulative number of global patent approvals does not include purchased patents. The information here has been re-edited due to changes in the calculation basis. For detailed revisions, please refer to "Appendix 7, Attachment: Information Re-edited List".

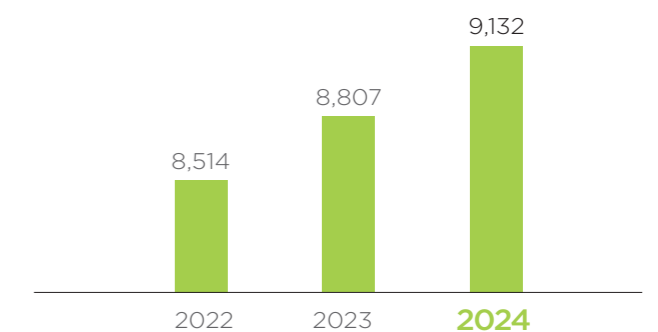
Statistics on the number of patent applications in the past three years

■ Number of Taiwan Patent Applications
■ Number of Global Patent Applications



Note: The number of patents includes inventions, utility models, and industrial designs.

Cumulative Number of Global Patent Grants



Internal

1. Positive filing of patent applications to protect the results of our various product R&D and technical innovation.
2. Organize regular training courses for R&D personnel to promote the company's intellectual property policy to establish a correct intellectual property concept.
3. Encouraging our employees to invent and create.
4. Setting up a dedicated unit under the Legal Affairs Division for the protection and dispute resolution of intangible assets such as patents, trademarks, copyrights and business secrets.

External

- Engaging in technical cooperation with leading domestic and foreign research institutions, providing top talents with the opportunity to receive practical training in HTC, thereby fueling our R&D with innovative thinking.
- Mergers and Acquisitions Company to obtain key technologies and patents to speed up research and development.

Overview of Patent Performance and Outcome

HTC regularly reviews its patent portfolio and makes adjustment to allocate patent budgets efficiently. As of the end of 2024, HTC holds 6,527 valid patents (including 6,499 internal R&D and 28 M&A patents), with 211 patent families related to 5G technology. HTC plays a significant role in the research and development of 5G-related technologies and patents in Taiwan. Additionally, HTC won the Gold Medal for its design patent for head-mounted displays in the 2024 National Invention and Creation Award competition. In 2024 top 100 patent rankings announced by the Intellectual Property Office of Ministry of Economic Affairs, HTC ranks among the top 20 resident invention patent applications.

Customer Management

Customer experience is a core value that HTC has always emphasized. We believe that delivering exceptional products and services can only be achieved by understanding customer needs and expectations, and continuously optimizing the customer experience. Therefore, our team frequently interacts with customers, collects feedback, and improves our products and services to ensure that they consistently maintain the highest level of quality and competitiveness. In the year 2024, there were no product recalls due to safety issues, and no related complaints affecting customer health were reported.

Protection of Customer Privacy

HTC is committed to strictly adhering to customer contracts and non-disclosure agreements. We have established policies and internal control mechanisms to rigorously safeguard the information provided by our customers, including confidential data related to customer patents, intellectual property, and personal information. HTC enters into non-disclosure agreements with customers and suppliers and incorporates customer information and personal information protection courses into the onboarding training to ensure that every employee is able to properly protect confidential information. HTC continuously monitors the personal data protection laws and regulations in various countries and is committed to improving personal information protection measures. Since 2018, we have launched a personal information management system and, in 2020, provided communication channels for users to exercise their rights and a user cookie management center to protect users' personal information in compliance with the California Consumer Privacy Act (CCPA). In 2023, we adjusted internal procedures and privacy statements to comply with the updated CCPA, ensuring that HTC protects customers' personal information in accordance with relevant laws and regulations. In 2024, HTC further incorporated key content from UK Age Appropriate Design Code and California Age-Appropriate Design Code Act into the documents of the personal information management system to strengthen the protection of children's privacy. There has been a total of 868 requests for exercise of data subject rights, out of which 169 requests have been confirmed by the Data Protection Office to be legally required to initiate internal processing during the year. The requests include deleting user accounts and usage data, deleting transaction data, understanding the personal information collected by HTC, and canceling subscription services. All requests from 2024 have been fully processed, and there have been no incidents of violating customer personal information protection rights or compromising customer data that would harm customer interests.

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Name	URL	Switch All
Google Analytics	https://tools.google.com/dlpage/gaoptout	On
Site24x7	https://www.site24x7.com/terms.html	On

Functionality Cookies
 These Cookies allow our website to remember if you have previously visited the site or the choices you make (such as your language, region or preferences) to provide a more personalised online experience.

Name	URL	Switch All
Marketo	https://documents.marketo.com/legal/cookies/	On

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Customer Satisfaction Management

HTC has established the "Customer Satisfaction Management Procedure", and after reviewing customer satisfaction at quarterly business meetings, corrective actions or improvement measures will be proposed and then regularly tracked. The dedicated department will regularly compile ESG information for communication and response.

Customer Warranty Maintenance Service Flow Chart, Locations, and Performance

Customer Service Center

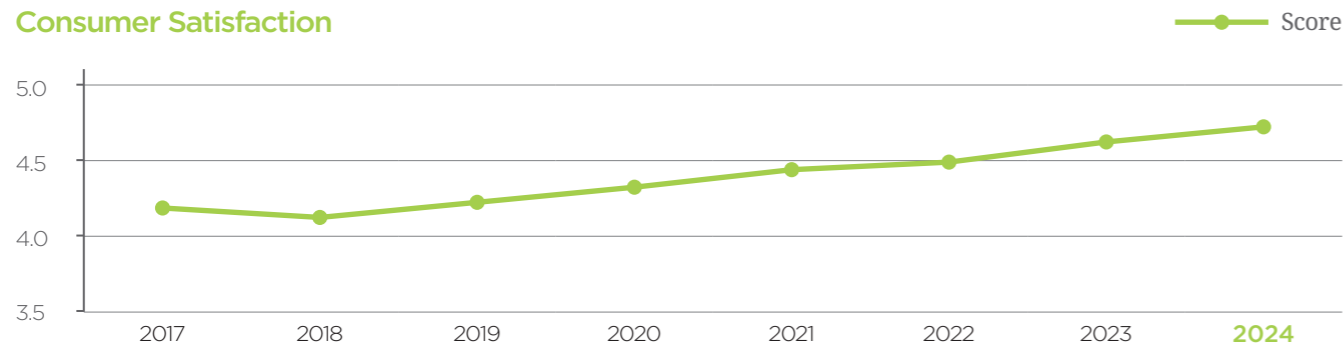
HTC has set up customer service centers in key regions worldwide, including Taiwan, the Americas, Europe, the Middle East, Africa, China, North Asia, South Asia, and Australia and New Zealand, and provides multi-language communication services. We are committed to providing diverse and locally tailored communication methods to bridge the communication gap with customers. In response to the impact of natural disasters (such as typhoons) that may be caused by climate change, resulting in local transportation and network disruptions, HTC's global customer service staff has the capability to work remotely through the customer service system using English as the common language for communication. In the event of an emergency, customers can be smoothly transferred to the service of partners in another region.



Satisfaction survey after receiving customer service

After each customer service, we extend an invitation for our customers to participate in our customer satisfaction survey, and take the initiative to contact and assist in solving problems for dissatisfied customers. This survey allows us to assess the level of satisfaction our customers have with their recent interactions with HTC. We strive to achieve a satisfaction key performance indicator of 4.0 or higher, and this KPI has continued to grow since 2018.

Consumer Satisfaction



Note: Calculation Method: The average is calculated by dividing the product of each level's score and the responses at that level with the total number of survey responses.

Customer Warranty Maintenance Service Flow Chart

HTC has a total of 22 repair centers and 8 collection points worldwide, offering tailored services based on the specific requirements of different countries. The time required for repair varies depending on the country. In Taiwan, HTC provides an "on-site pickup and delivery" repair service, which accounted for 76.4% of the total repair volume in 2024. Customers can arrange logistics pick-up and delivery through the customer service hotline or online customer service, and track the progress of their repairs through the online website. In the United States, HTC offers a 100% exchange service.

HTC Mobile phone Health Check for HTC good friends

Starting from January 2022, HTC has launched the "HTC Mobile phone Health Check for HTC good friends" original mobile phone health check and door-to-door repair services in Taiwan. Customers only need to call the customer service hotline or use online customer service to easily arrange logistics. For mobile phone delivery services, HTC will bear the logistics freight. This service provides customers with a more convenient and faster repair service and has received a wide response. HTC continues to promote this event and expands applicable models. By the end of 2024, it has provided this service to more than 4,000 mobile phones. Through practical actions, we have extended the service life and life cycle of our products, improved customer service experience, promoted the effective use of resources and reduced environmental burden, reflecting HTC's commitment to sustainable development.

Testimony

On October 22, 2024, an Australian customer checked the progress of his VIVE Focus Vision pre-order through HTC/VIVE customer service's online real-time text chat service. The customer service staff explained that due to the large number of pre-orders, shipments will be made in batches, and promised to reply to the order progress as soon as possible after collecting the necessary information.

After the service ended, the customer service staff continued to pay attention to the customer's order status and updated the latest progress in real time via email. Soon after, the customer received the product without incident but immediately discovered that the power consumption was suspected to be abnormal. The customer service specialist immediately assisted in preliminary troubleshooting and guided the customer to install the software update, successfully resolving the power loss problem.

The customer expressed deep appreciation and gratitude for the professionalism and proactive response of the HTC/VIVE customer service team, which gave him more confidence in the product. He further ordered a VIVE Ultimate Tracker that can be used with VIVE Focus Vision.

"I had a chance to use the headset after installing the beta firmware and had very little battery drain while using it in PCVR. I picked it up this morning and the headset was at 95% or so, so very impressed that it was able to be resolved so quickly! Thank you for help with resolving that. I just ordered the Ultimate Trackers too, I'm very impressed with the quality of the Vision Focus and with the level of support you've offered! Kind regards

Climate Change Management



2024 : SBTi Target Achievement Status: **(Achieved!)**

- ✔ Scope 1+2: **18.6%** reduction compared to the base year
- ✔ Scope 3: **45.5%** reduction compared to the base year

Climate Initiative

The Science Based Targets initiative (SBTi) provides a scientific methodology for companies to set reasonable carbon reduction targets that can be third-party certified, based on the global carbon budget scenario aimed at limiting global warming to within 1.5°C.

In 2024, HTC passed the SBTi Near-Term and Net-Zero target reviews, becoming the 5th company in Taiwan's high-tech hardware industry to have its net-zero targets approved by SBTi. HTC is actively supporting the Paris Agreement and is committed to following the 1.5°C reduction pathway to achieve net-zero emissions.



HTC leverages its professional expertise in mobile technology and continuous pursuit of product innovation by integrating climate change elements into the VIVERSE vision. This commitment aims to provide comprehensive solutions for businesses and society, creating richer life experiences. To enhance the company's governance of climate change and mitigate threats posed by it, we have incorporated the Task Force on Climate-related Financial Disclosures (TCFD) framework into our management scope. The ESG Committee has designated members to form a TCFD Risk Management Group, which regularly assesses and identifies relevant risk and opportunity factors, analyzing potential future transition and physical risks and opportunities, and actively responding to related impacts.

We have established a risk framework based on four core elements: "Governance," "Strategy," "Risk Management," and "Metrics and Targets." Additionally, we adopt the Science Based Targets initiative (SBTi) methodology to conduct comprehensive carbon emissions analysis, calculation, and assessment, and we have developed a net-zero carbon pathway, along with corresponding short-, medium-, and long-term carbon reduction strategies and management indicators to tackle the challenges posed by climate change.

In 2024, HTC published its 2nd standalone TCFD report and received the highest "Pioneer" rating in SGS – TCFD performance assessment. We will continue to publish standalone TCFD reports in 2025. This section provides a brief explanation of the core elements of TCFD disclosure recommendations, categorized into Governance, Strategy, Risk Management, and Metrics and Targets. For detailed information, please refer to the "[HTC TCFD Report](#)."

Climate Governance

HTC has established a "Climate Change Management Policy" to promote the company's sustainable operations. The governance and management structure for climate change at HTC is led by the Board of Directors, which is responsible for final decisions and reviews. Under it, the ESG Committee at HTC is led by the Board of Directors, which is responsible for final decisions and reviews. Under it, the ESG Committee is tasked with executing decisions related to climate change management. Led by the Chief Sustainability Officer, the ESG Committee is responsible for executing the climate change management policies and major resolutions reviewed by the Board. It integrates resources and progress across departments for climate actions and conducts a comprehensive assessment of climate change risks alongside other company risks.

Designated members of the ESG Committee form a TCFD Risk Management Group to participate in projects. The ESG Office is responsible for continuously tracking and reviewing the achievement of various climate change-related initiatives, while also monitoring the latest climate governance policies and industry practices domestically and internationally to adjust climate risk assessment analysis results. The ESG Office regularly reports on related issue trends, impacts, and execution performance to the ESG Committee, which in turn reports these actions to the Audit Committee annually. The Chief Sustainability Officer also regularly reports to the Board of Directors.

The ESG Office is in charge of the company's overall "greenhouse gas inventory and verification schedule planning," with progress reported quarterly to the Board to ensure continuous progress in climate change governance.

Risk Management

Risk Management Process

To strengthen corporate governance, achieve stable operations, and promote sustainable development, HTC has established "Risk Management Policies" for various types of risks and set up dedicated units responsible for executing the company's risk management and measurement tasks, thereby establishing a sound risk management mechanism. The ESG Office is in charge of managing the company's climate change and ESG-related risks and coordinates the TCFD risk management team to carry out related tasks. The risk management organizational structure has the Board of Directors as the highest decision-making body, with an ESG Committee responsible for reviewing risk management policies and management reports on material risk topics.

When identifying risks, HTC manages them qualitatively or quantitatively by analyzing the operating environment and covering various business and operational activities. The company uses different risk measurement methods as the basis for risk management and utilizes various information to assess the likelihood of risk events and their impact on the company. Through risk analysis, the company evaluates risk levels and provides necessary information as a basis for risk assessment and response. In the climate change risk and opportunity identification process, relevant departments provide information to the TCFD risk management team, which then reports to the ESG Committee. The ESG Committee measures and monitors the overall quality of risk management and regularly reports risk assessment results and progress to the Board of Directors.

HTC has established a "Climate Change Management Policy" and "Climate Change Risk Management Procedures." Based on the risk assessment mechanism recommended by the TCFD, the company has initiated a process to identify climate change risks and opportunities, completed the identification of these risks and opportunities, and assessed their financial impact. HTC categorizes climate-related risks and opportunities into short, medium, and long-term and formulates corresponding response measures for the top three risks and opportunities with the highest likelihood and impact. Starting from 2022, the company reassesses risks annually and adjusts response strategies based on the top three risks and opportunities, while also monitoring the execution results of related targets and indicators.

Scenario Analysis

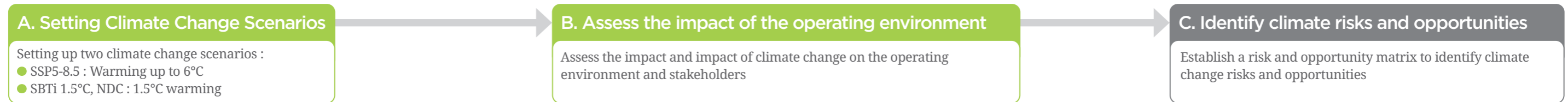
HTC follows the TCFD guidelines and uses climate scenario analysis to effectively identify and assess the potential impact of climate-related risks on business performance, and formulate robust coping strategies based on the analysis results to strengthen HTC's resilience to climate change.

Risks and Opportunities	Physical Risk	Transition Risk Opportunity
Scenarios	IPCC Global Warming Scenarios in 6th Scientific Assessment Report RCP 8.5 (or SSP5 8.5)	SBTi 1.5°C : Science-Based Target and Net-Zero Pathway NDC : Nationally Determined Expected Contribution of Taiwan
Contextual Content	Under the high emissions scenario (SSP5-8.5), climate change could lead to increased average temperatures, more extreme heat, and intensified rainfall and severe typhoons. These changes may disrupt HTC's operations and value chain, increasing costs and necessitating strategic adjustments for resilience.	When the global warming is controlled within 1.5°C, the risks arising from the low-carbon transformation faced by enterprises HTC sets a net-zero path that meets the requirements of SBT, sets reduction targets, and refers to the carbon price of NDC and IEA to calculate the financial impact of carbon tax on enterprises

Risk and Opportunity Identification

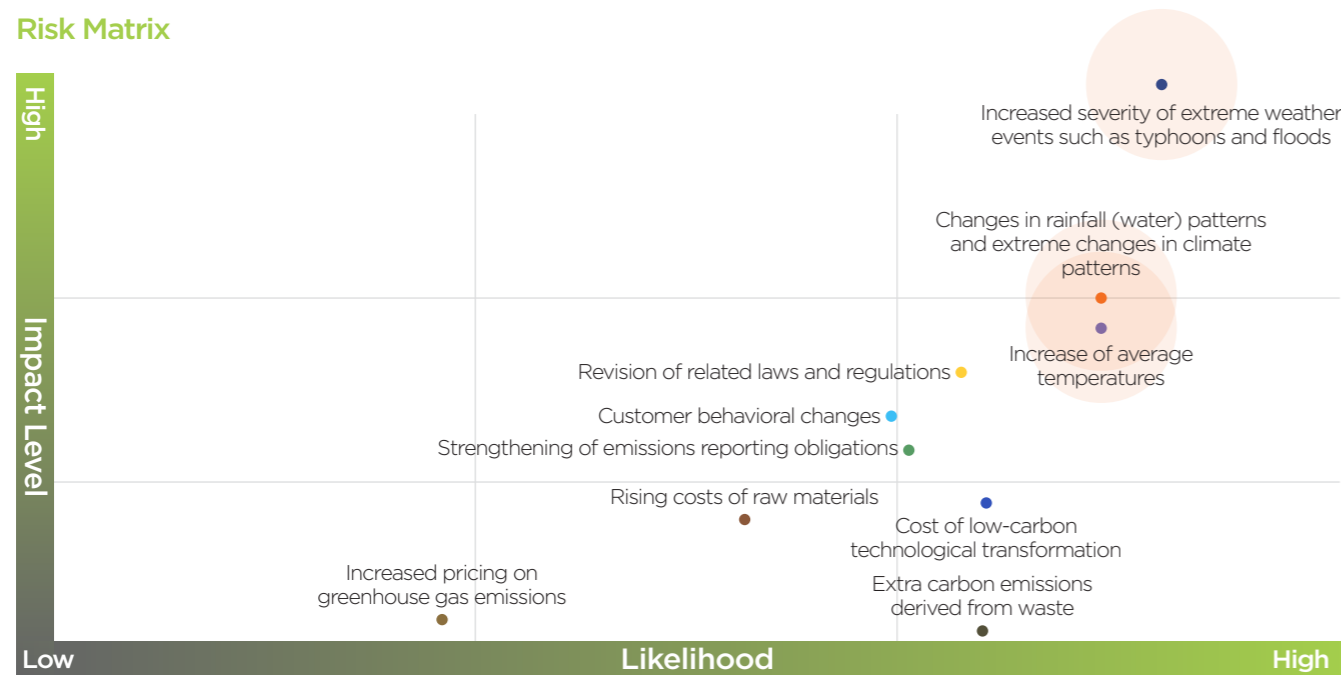
Adhering to HTC's corporate vision and sustainable responsibilities, HTC includes the risks related to climate change into the scope of assessment and tracking, and continues to pay attention to climate risks that will impact HTC's operations, including international regulations and extreme weather conditions, etc., and according to the climate change recommended by TCFD Climate change risk and opportunity assessment framework, climate change scenario setting and derived risks and opportunities, assess climate change risks and opportunities faced in the operation process, and further discuss relevant coping strategies and target targets for high-impact risks and opportunities, as a climate change specific management measures.

The specific identification process of risks and opportunities related to climate change is as follows:



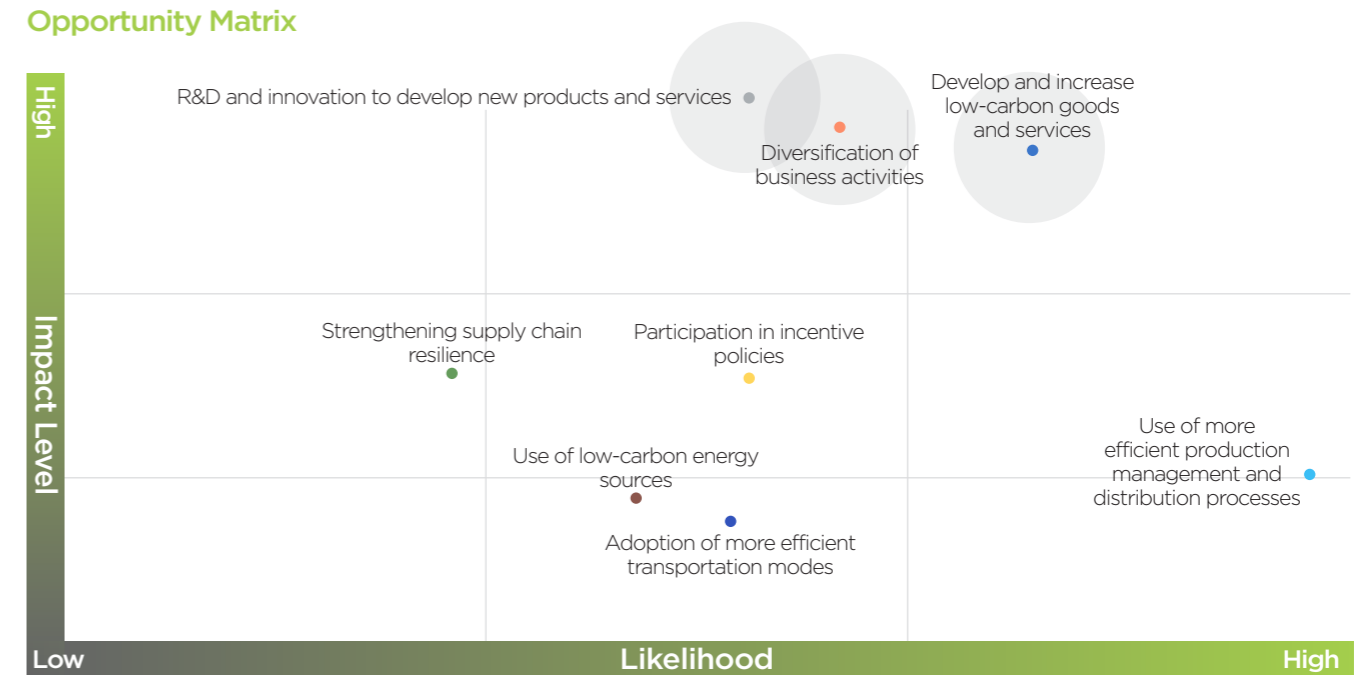
Top 3 HTC high-risk factors and three high-opportunity factors were identified, and the climate change risk matrix and opportunity matrix are shown in the figure below:

Risk Matrix



Top3	Physical Risk-Acute	Physical Risk-Chronic	Physical Risk-Chronic
	Increased severity of extreme weather events such as typhoons and floods	Changes in rainfall (water) patterns and extreme changes in climate patterns	Increase of average temperatures
	Short-Term	Long-Term	Short & Mid-Term

Opportunity Matrix



Top 3	Products and Services	Products and Services	Products and Services
	Develop and increase low-carbon goods and services	Diversification of business activities	R&D and innovation to develop new products and services
	Short & Mid-Term	Short & Mid-Term	Short & Mid-Term

Response Strategies and Their Financial Impact

For each climate change risk and opportunity, HTC considers the impact of products or services, supply chain or value chain, climate adaptation or mitigation activities, new R&D or investment, and the type of business operation or the location of business operation facilities. Conduct impact assessment, and carry out climate "mitigation" and climate "adaptation" coping strategies for possible shocks.

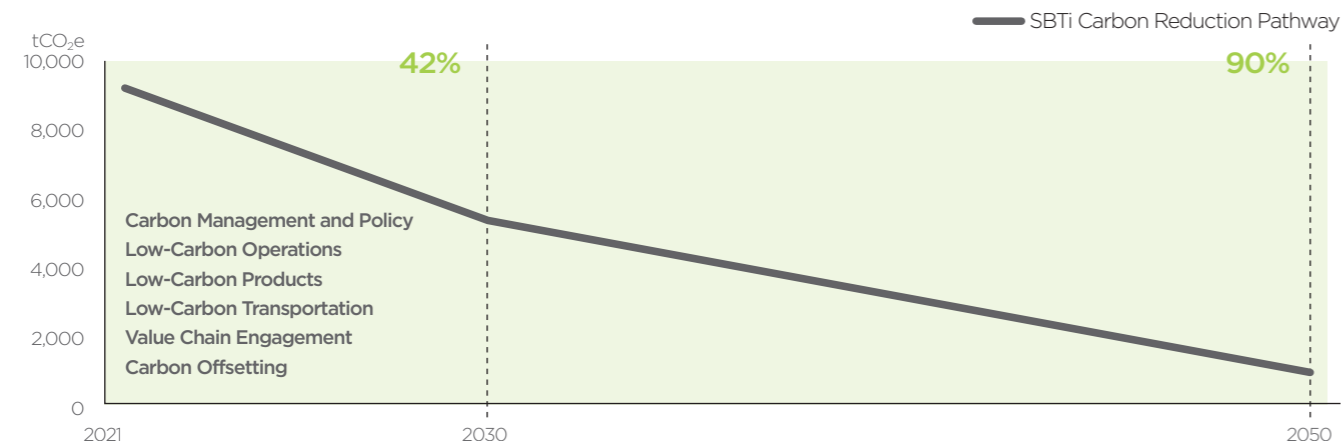
Based on the identified risk/opportunity items, HTC estimates the financial changes that climate change may cause to HTC, and develops various risk response strategies, evaluates and estimates "management costs" and "management benefits", based on each risk/ The short-, medium- and long-term characteristics of opportunities, and the estimated impact of climate change risks/opportunities on HTC's finances.

Metrics and Targets

HTC has committed to the Science Based Targets initiative (SBTi) in 2024, setting the company's greenhouse gas reduction and net-zero carbon emission targets based on the carbon reduction guidelines and methodologies published by SBTi, with the goal of achieving net-zero emissions by 2050. By linking its core business with comprehensive quantitative management, HTC has developed a clear carbon reduction path that includes six major strategies: "Carbon Management and Policies," "Low-Carbon Operations," "Low-Carbon Products," "Low-Carbon Transportation," "Value Chain engagement," and using "Carbon Offsetting" as a last resort. This multifaceted approach is designed to move towards the net-zero target by 2050.

HTC Net zero path map

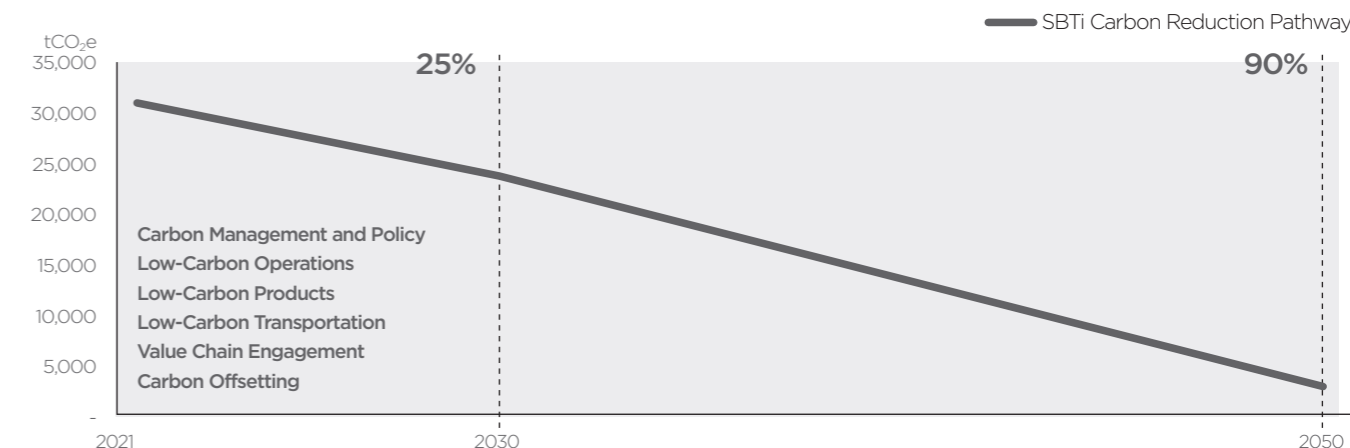
HTC Net zero path: Scope 1 + Scope 2 (100%) / 2030: -42% / 2050: -90%



HTC SBTi Net Zero Target: (Based Year: 2021)

- | | 2024 |
|--|---------|
| ● Scope 1 and 2 reduction targets are 42% reduction compared with the base year in 2030, and 90% reduction compared with the base year in 2050 | ✓ 18.6% |
| ● Scope 3 reduction target is 25% reduction compared with the base year in 2030; and 90% reduction compared with the base year in 2050 | ✓ 45.5% |

HTC Net zero path: Scope3 (100%) / 2030: -25% / 2050: -90%



HTC's annual greenhouse gas emission information is disclosed using two major frameworks: the ISO 14064-1:2018 verification information based on the operational control method and the GHG Protocol's full scope inventory information. This includes a summary of the greenhouse gas emissions from the company and all its subsidiaries as reported in the consolidated financial statements.

In 2024, the total greenhouse gas emissions calculated according to the GHG Protocol amounted to 24,321 tCO₂e. Of this, the total verified emissions for HTC globally, as per the significance analysis and verified under ISO 14064-1, were 10,426.506 tCO₂e. Compared to the baseline year of 2021, the change in greenhouse gas emissions across all scopes in 2024 did not exceed the significance threshold of 3%. Overall, CO₂ was the major greenhouse gas generated by HTC; CH₄、N₂O emissions accounted for a very minimal ratio. PFCs, SF₆, NF₃ and HFCs emissions were maintained at 0. HTC does not emit sulfur oxides or other exhaust gases, nor does it use substances that may deplete the ozone layer. The cooling systems in HTC buildings utilize environmentally friendly refrigerants like R-134a and R-410a, commonly available in the market, and have completed the phase-out of other refrigerant models with high Global Warming Potential (GWP) values to reduce the rapid warming effects caused by ozone layer depletion.

HTC Global Greenhouse Gas Emissions in the Past Three Years(Verified by ISO14064-1)

Carbon Emission (Unit : tCO ₂ e)		2022	2023	2024	
ISO 14064-1: 2006	ISO 14064-1:2018	Taiwan	Taiwan	Global	Taiwan Global
Scope 1	Category 1- Direct GHG emissions	153.623	163.540	163.540	128.91 163.790
Scope 2	Category 2- Indirect GHG emissions from imported energy	7,559.065	7,304.965	7,841.977	6,800.436 7,184.498
Scope 3	Category 3 - Indirect GHG emissions from transport (Shuttle bus, garbage trucks, overseas travel)	288.399	1,244.839	1,418.307	1,489.997 1,646.313
	Category 4- Indirect GHG emissions from Products used by the organization (Upstream emission from outsourced electricity, Waste disposal, and Procurement - tap water, Gasoline and diesel)	1,359.075	1,545.072	1,555.825	1,431.905 1,431.905
Total		9,360.162	10,258.4157	10,979.649	9,851.248 10,426.506
Emission CO ₂		9,281.582	10,200.225	10,921.458	9,810.920 10,505.390
Emission CH ₄		78.394	58.006	58.006	40.12 40.3
Emission N ₂ O		0.186	0.1855	0.186	0.21 0.45
Emission HFCs		0	0	0	0 0

Remark :
 1. The scope of investigation for Taiwan locations includes HTC headquarters and factories, Taipei office (including subsidiaries such as HungXu Technology Corporation, Viveport Digital Corporation, and REIGN Technology Corporation) and DeepQ.
 2. For the year 2024, Taiwan's electricity consumption will be calculated using the 2023 power emission factor announced by the Energy Bureau. Overseas locations will use the respective power emission factors of each country.
 3. 2024 Data Adoption GWP: Calculated using the AR6 GWP as per the greenhouse gas inventory and verification guidelines announced by the Ministry of Environment.

HTC Global Greenhouse Gas Emissions in the Past Three Years (GHG Protocol)

Scope	2022	2023	2024	
Scope 1	179,142	163,769	162,564	
Scope 2	Purchased Electricity (Location Based)	8,165,184	7,850,136	7,197,857
	Purchased Electricity (Market Based)	8,165,184	7,850,136	7,197,857
Scope 3 Total			16,960,304	
Category 1: Purchased goods and services			8,444,587	
Category 2: Capital goods			714,709	
Category 3: Fuel and energy related activities			1,583,529	
Category 4: Upstream transportation & distribution			1,324,848	
Category 5: Waste generated in operations			31,247	
Category 6: Business travel			292,954	
Category 7: Employee commuting			918,002	
Category 8: Upstream leased assets			0	
Category 9: Downstream transportation & distribution			20,479	
Category 10: Processing of sold products			N/A	
Category 11: Use of sold products			381,574	
Category 12: End-of-life treatment of sold products			11,843	
Category 13: Downstream leased assets			3,236,532	
Category 14: Franchises			N/A	
Category 15: Investments			N/A	
Grand Total	34,554,455	27,225,782	24,320,725	

Remark :
 1. The scope of inventory covers the main global operating sites of HTC below (since some subsidiaries belong to BVI, they are not included in the scope): Taiwan, mainland China, Japan, the United States, the UK, and Poland.
 2. Simple carbon inventory was conducted according to the GHG Protocol in 2022.
 3. For the year 2024, Taiwan's electricity consumption will be calculated using the 2023 power emission factor announced by the Energy Bureau. Overseas locations will use the respective power emission factors of each country.
 4. 2024 Data Adoption GWP: Calculated using the GHG Protocol based on the IPCC Sixth Assessment Report (AR6) from 2021.

Carbon Management Platform

As a leading brand in the virtual reality industry, HTC VIVE has invested resources in developing and implementing the latest cloud-based sustainable solutions. In 2023, we launched the HTC Carbon Management Platform, successfully integrating carbon-related software and hardware to achieve digitalization and automation. This platform enables real-time monitoring of the company's carbon emissions and significantly enhances the efficiency of conducting greenhouse gas inventories (ISO 14064-1:2018) and product carbon footprint assessments (ISO 14067:2018). It also facilitates the setting and tracking of the company's greenhouse gas reduction and net-zero carbon targets, aiming to fulfill our commitment to achieving net-zero emissions by 2050.

HTC became the first company in Asia to complete greenhouse gas inventories and product carbon footprint verifications using Microsoft's sustainable cloud platform. This achievement led to HTC collaborating with Microsoft to publish a corporate success story on sustainable cloud solutions ([Microsoft website link: HTC Customer Success Story](#)), setting a benchmark for carbon management for other companies.

In 2024, HTC plans to gradually introduce an internal carbon pricing (ICP) mechanism in combination with a carbon management platform to proactively prepare for potential future external carbon regulatory risks, thereby enhancing ESG competitiveness.

On the path to achieving net-zero, besides meeting compliance requirements and stakeholder expectations, HTC is proactively deploying advanced measures:

By the end of 2023, HTC will establish the "HTC Carbon Management Platform," which will enable real-time, digital, and transparent cloud-based mechanisms for auditing, disclosing, and managing targets for greenhouse gas emissions across all company scopes.


Using the "HTC Carbon Management Platform" as a tool, HTC aims to complete the auditing and verification of greenhouse gas emissions for the parent company and consolidated subsidiaries (for the year 2023) by 2024. This will be achieved 3-4 years ahead of regulatory requirements!




Overview of HTC's Climate Change Management

HTC has established six major decarbonization strategies, which are gradually implemented in the short, medium and long term, to manage and adapt to climate change indicators such as carbon emissions, and we invest considerable resources and human resources to improve and advance these goals every year. We firmly believe that through the implementation of these policies, we can gradually move towards a net-zero path and contribute to sustainable development.

HTC's Climate Actions and Carbon Reduction Strategy



Strategy	Year	Key Results
 Carbon Management and Policy	2008	HTC began to participate in CDP and regularly reported carbon risk and carbon management planning, systems, and results regarding climate change.
	2008	Implementation of ISO 14064-1:2006 Greenhouse Gas Inventory, and conducting the revision process for the ISO 14064-1:2018 edition in 2022, in order to address international greenhouse gas and global warming issues, and establish and plan carbon reduction strategies and actions.
	2011	Implementing the ISO 50001 energy management system, and upgrading to the ISO 50001:2018 edition in 2020, to establish energy-saving strategies and actions needed to address climate change and extreme weather issues, in order to achieve the goal of sustainable business operation for the enterprise.
	2022	We signed a commitment with SBTi to set HTC's greenhouse gas emission reduction targets and net zero carbon emission goals based on its published decarbonization guidance tools and methodologies, demonstrating our commitment to achieve net zero emissions by 2050.
	2022	Starting from April 2022, quarterly reports on the "Greenhouse Gas Inventory and Verification Scheduling" and the progress of implementation will be submitted to the board for control.
	2023	Submit the "Climate Change Management Policy" to the board for review and implementation; introduce the HTC Carbon Management Platform, which has been launched in early 2024.
	2024	Expand the investigation of 14064-1 boundary, focusing on HTC Group for investigation and conducting third-party verification; initiate the "Low-Carbon Manufacturing Process and Supply Chain Transformation Promotion Plan"; implement internal carbon pricing.

Strategy	Year	Key Results
 Low-Carbon Operations	2012	HTC established a complete energy management system in its Taipei office. The total number of physical monitoring points exceeded 7,000, and the total number of software points exceeded 20,000.
	2013	The Taipei office obtained a Green Building Label from the Ministry of the Interior and LEED Gold certification from the U.S. Green Building Council.
	2023	Through energy-saving management, a total of 370,620 kWh of electricity was saved, resulting in a reduction of 184 tCO ₂ e in carbon emissions. The Taiwan site uses renewable energy, achieving a carbon reduction of 10.789 tCO ₂ e.
	2024	(1) Implementing the "Low-Carbon Manufacturing Process and Supply Chain Transformation Promotion Project"- "Energy management and optimization" and "Process intelligence for carbon reduction" projects. A new solar power generation facility will be installed on the top floor of Taipei Office 1 (Taipei R&D HQ Building) to increase the proportion of self-consumption, and it is expected to open around April 2024. (2) The HQ & plant will convert waste D-0299 to R-0201 to increase resource reuse, with the permit expected to be obtained in April 2024. For details on the annual "Low Carbon Operations" strategy and performance, please refer to this chapter; the " Sustainable Environment " and " Sustainable Manufacturing Process " section.
 Low-Carbon Products	2022	HTC began product environmental impact inventory and analysis using the life cycle evaluation method in 2010. VIVE Flow: 1st HTC VR product to complete ISO 14067 Product carbon footprint verification.
	2023	VR product packaging design has made significant progress, with the release of the VIVE XR Elite in 2024. The product packaging is made of 100% recyclable materials, with 99.99% being paper-based. 99% of the packaging is made from recycled materials, which is beneficial for reducing environmental impact.
	2024/03	The VIVE XR Elite annual VR product carbon footprint inventory and report generated through HTC's carbon management platform has passed ISO 14067-1 verification. For details on the annual "Low-Carbon Products" strategy and performance, please refer to this chapter; the " Sustainable Product " section.
 Low-Carbon Transportation	Operating Base Form 2012	our operating locations have provided bicycle parking spaces to encourage employees to ride low-pollution green energy transportation devices.
	2020	HTC fully promoted the use of online meetings to replace physical meetings, with approximately 37,000 online meetings held throughout the year, estimated to reduce about 25 tCO ₂ e. In January 2021, the online employee conference was the annual highlight event, estimated to reduce about 30 tCO ₂ e.
	2021-2023	operational sites are gradually installing electric vehicle dedicated charging stations to enhance charging convenience, and encourage employees to purchase electric vehicles.
	2024	Shuttle services at operational sites will be further optimized through passenger count statistics to improve service frequency
Product Transportation From 2016	The global warehouse setup strategy aims to optimize distribution patterns and reduce the distance to international air/sea ports by adjusting warehouse locations. Through a comprehensive review, it is possible to significantly reduce carbon emissions from transportation by approximately 38.6%.	

Strategy	Year	Key Results
 Low-Carbon Transportation	2024	By consolidating shipments, we aim to reduce the overall carbon emissions from product transportation. In 2024, the consolidation rate for air, sea, and land shipments is expected to reach 61%.
	2024	Through the selection of low-carbon transportation options, we will gradually increase sea and rail transport. In 2024, the proportion of sea transport for the VIVE XR Elite in the combined air and sea shipment weight is expected to increase by 1.8% compared to 2023. For details on the annual "Low-Carbon Transportation" strategy and performance, please refer to this chapter; the " Sustainable Product " section.
 Value Chain Engagement	2018-2019	HTC became a member of the CDP Supply Chain Program and invited suppliers to participate in and respond to a climate change questionnaire. In the first year, HTC invited key suppliers with an annual reply rate of 48%; in 2019, the suppliers' response rate reached 61%.
	2023	was named to the CDP-SER Leadership List(A).
	2024	Continue inviting 118 key suppliers to participate in the CDP Climate Change Questionnaire through the CDP supply chain project, achieving an annual supplier response rate of 97%.
	2024	Implement a two-year "Low Carbon Process and Supply Chain Transformation Promotion Plan" - Supply Chain Collaboration Project. For details on the annual "Supply chain Engagement" strategy and performance, please refer to this chapter; the " Sustainable Supply Chain " section.

Electricity and Emissions

HTC primarily uses electricity as its main energy source. To reduce electricity consumption, we continuously promote various energy performance management initiatives. Through energy-saving improvement management solutions for building lighting and air conditioning equipment, we aim to save 233,500 kWh(841 GJ) in 2024, with a total reduction in carbon emissions reaching 115.34 tCO₂e, saving a total of \$1.04 million.

Electricity Usage at HTC Global

Area	Facilities		(Unit : GJ)	
Taiwan	HQ & Plant	Non-renewable energy	30,579.509	
		Renewable energy - Solar energy	502.358	
	Taipei Office 1	Non-renewable energy	15,107.944	
		Renewable energy - Solar energy	534.391	
		Taipei Office 2	Non-renewable energy	3,358.382
		Taipei Office 3	Non-renewable energy	512.001
Hong Kong	HK Office	Non-renewable energy	14.036	
China	Shanghai Office	Non-renewable energy	1,213.194	
	Beijing Office	Non-renewable energy	70.92	
Japan	TOKYO Office	Non-renewable energy	248.191	
UK	SLOUGH Office	Non-renewable energy	1,909.727	
US	BERKELEY Office	Renewable energy - Wind + Solar energy	360.382	
Poland	WARSAW Office	Non-renewable energy	9.633	
Total			54,420.669	
HTC Global Purchased Electricity Usage		kwh/ Year	14,828.87	
HTC Global Greenhouse Gas Emissions [Scope 1 + Scope 2]		tCO ₂ e	7,360.421	
Operating Revenue		NT\$million	3,081	
Revenue Generated per Unit of Electricity Used		NT\$million / kwh	0.20	
Revenue Generated per Unit of Greenhouse Gas Emissions		NT\$million /tCO ₂ e	0.42	
Greenhouse Gas Carbon Emissions per Unit of Revenue (Carbon Intensity/Density)		tCO ₂ e/ NT\$ million	2.39	
Energy Intensity		GJ /NT\$ million	17.65	

Note:
 1. Revenue Generated per Unit of Electricity Used = Operating Revenue (million) / Electricity Usage
 2. Revenue Generated per Unit of Greenhouse Gas Emissions = Operating Revenue (million) / Greenhouse Gas Emissions (Scope 1 + Scope 2)

Electricity Consumption Analysis of HTC Global

2024

		MWh	GJ
Total energy consumption		15,116.853	54,420.669
Purchased electricity	Non-renewable energy	14,728.761	53,023.538
	Renewable energy - Wind + Solar energy	100.106	360.381
Self-consumption	Renewable energy - Solar energy	287.986	1,036.75
Percentage of grid-connected electric quantity (%)			98.09
Percentage of renewable energy sources (%)			2.57

Energy Saving and Carbon Reduction Actions

HTC's Taoyuan headquarters and factory have implemented and continuously maintained ISO 50001 certification since 2011. The Taipei office has adopted the same management system to monitor internal energy usage, continuously review relevant regulatory requirements, and adjust the energy baseline. This approach helps in setting HTC's energy performance indicators and short-, medium-, and long-term improvement targets, with the goal of "conserving electricity and reducing carbon emissions." In 2023, the Taipei office building obtained the ISO 50001:2018 energy management system certification, gradually achieving energy-saving targets following the system's PDCA cycle framework.



In order to achieve the goal of saving 1% of electricity consumption, energy management has become our key energy saving direction. Since the manufacturing center and the factory facilities and computer rooms are the places where equipment energy consumption is concentrated, different energy-saving strategies and measures are adopted according to the conditions of each plant. In 2024, a total of 15.08 million was invested in the addition and replacement of energy-saving improvement equipment.

HTC utilizes a real-time information monitoring system in its head office and factories to understand existing energy consuming equipment in buildings to continually save energy. A building energy management system has also been introduced to the Taipei office to cover energy-saving and water-saving application systems involving total power resources, air-conditioning, lighting, solar panels, variable frequency control, tap water supply, and reclaimed water recovery. Furthermore, through big data analysis and comparison, HTC strives to optimize equipment operations, improve power consumption efficiency, and effectively lower scope 2 greenhouse gas emissions. For example, the electricity consumption of the resumption of normal office in Taiwan in 2023 was lower than that in 2022. Electricity consumption of working from home in Taiwan in the first half of the year.

In promoting energy savings in computer rooms and data centers, we focus on enhancing energy use efficiency and achieving energy-saving results. Specifically, we have been continuously advancing the data center integration project, saving 98,947 kWh of electricity by the end of 2024. Through virtualization technology and the End of Service (EOS) policy, we reduced 62 physical computer devices, saving a total of 48.88 metric tons of CO₂e emissions. This project not only reduces energy consumption and carbon emissions but also improves operational efficiency through centralized resource management, minimizing equipment idling. We will continue to phase out and consolidate low-utilization services to optimize servers and continuously improve energy efficiency. Additionally, the following are HTC's disclosed environmental strategy plans for each data center:

● Taoyuan Company Data Center

The building is equipped with green energy, featuring management facilities such as UPS, generators, CCTV, fire protection, and air conditioning. It also includes solar energy collectors and rainwater collection facilities. It is located near the airport and major city center transportation hubs. Additionally, the Guishan Industrial Zone has excellent management of water and power resources.

● Xindian Company Data Center

The building is equipped with green energy, featuring management facilities such as UPS, generators, CCTV, fire protection, and air conditioning. It also includes solar energy collectors and rainwater collection facilities. It is located near major city center transportation hubs.

● External Data Center Facility

Located next to the central government district in downtown Taipei, it has excellent management and protection of water and power resources, with multiple facility certifications, including ISO27001, ISO27011, ISO14001, and ISO50001. The power supply is designed with dual feed lines, the fuel tank can support 60 hours of operation, the cooling water capacity is 2,350 tons, and the cooling tower capacity is 2,800 tons. Additionally, considering operational efficiency and owning green energy buildings, we focus on the high humidity and temperature of Taoyuan and Taipei City Government areas. We chose dedicated water-cooled multi-unit air conditioning systems to ensure stable and fault-tolerant cooling technology, and to improve energy efficiency.

2024 Earth Day: Planet vs. Plastics

In 2024, in addition to continuing to promote low-carbon vegetarian meals, we will align with the theme of Earth Day to encourage everyone to reduce plastic usage in their daily lives. This includes opting to dine in rather than take out and bringing your own reusable cup when purchasing drinks. Let's face the impact of plastic products on the environment together!



2024 Energy Saving and Carbon Reduction Performance

Location	Item	Equipment Investment Amount	Electricity Saved (kwh)	Energy Savings (GJ)	Money Saved (NT\$)	Carbon Reduction This Year (kg CO ₂ e)	Carbon Accumulation Perio	Estimated Annual Carbon Reduction (kg CO ₂ e)
HQ & Plants	Water system Energy-saving Program	0	342,000	1,231	1,447	168,948	2024/01-2024/12	168,948
	Lighting Fixtures Energy-saving Program	765,700	88,863.160	319,907	375,891	43,898.401	2024/1-2024/12	68,395.393
	Data Center Consolidation Program	0	98,946.800	356.208	418,545	48,879.719	2024/1-2024/12	48,879.719
	Air Conditioning Energy-saving Program	582,750	10,728.000	38.621	45,379	5,299.632	2024/1-2024/12	10,670.400
Taipei Office	Lighting Fixtures Energy-saving Program	951,200	12,287.810	44.236	51,977	6,070.178	2024/1-2024/12	14,571.943
	Exhaust System Energy-saving Program	60,000	340.000	1.224	1,438	167.960	2024/1-2024/7	287.931
	Equipment adjustment and energy-saving Program	0	21,966.000	79.079	92,918	10,851.421	2024/1-2024/4	32,554.264
HQ & Plants	Solar panels (180kW)	8,756,000	139,544.000	502.358	631,755	68,934.736	2024/1-2024/12	68,934.736
Taipei R&D HQ	Electric vehicle charging station	710,000	4,664.000	16.790	41,641	2,304.016	2024/1-2024/12	2,304.016
	Solar panels (13.8kW)	1,704,381	13,645.000	49.122	53,488	6,740.630	2024/1-2024/12	6,740.630
	Solar panels (197.725kW)	12,000,000	134,797.000	485.269	421,034	66,589.718	2024/5-2024/12	99,884.577
Total		26,806,533	526,124.210	1,894.047	2,242,290	259,905.360		348,434.191

Note:
 1. The money saved is calculated based on the average electricity price of NT\$3/kWh as per the 2024 Energy Audit Network Reporting System.
 2. Calculated using the 2023 annual electricity carbon emission factor of 0.494 kg/CO₂e announced by the Energy Bureau.
 3. Estimation calculation method: machine operating power * operating time = actual value.
 4. "Electricity Saved" is disclosed according to the information from the Energy Audit Network Reporting System.

Promote the Use of Eco-Friendly Stationery

In response to sustainable development, HTC is promoting the use of eco-friendly stationery and environmentally certified paper company-wide. The company is committed to reducing resource waste and fostering a green office culture, embedding the awareness of carbon reduction and environmental protection in every employee's mindset.

HTC's Taipei office, The Golden LEED Certified Green Building

HTC is committed to reducing its environmental impact. Therefore, in planning the Taipei R&D Headquarters building, sustainability and lower energy resource usage were considered from design and construction to operation. The EUI for 2024 is 101 kWh/m² per year. Our efforts can be referenced on our company's website under "Sustainable Environment."



HTC obtained a LEED Gold certification and Green Building Label certified in 2013 and keep operate the headquarters in Taipei according to the LEED certification.

Using Green Energy

To create a low carbon life, we use only green energy, which includes the use of solar panels, eco-cooler air conditioners, and other low carbon emission sources like electric cars.

Energy-saving program Descriptions

Solar Power Generation System (Self-consumption)

The Taipei R&D HQ building initially installed a solar power system to supply lighting for the staircases and basement, with a total generation capacity of 13.8 kW. Since installation, the solar panels have accumulated a total of 170,866 kWh, with 12,670 kWh generated in 2022, 14,316 kWh in 2023, and 13,645 kWh in 2024. In 2023, a new approximately 197.725 kW solar power system was planned for self-use on the rooftop of the Taipei R&D Headquarters building, with a total investment of about NT\$12 million, and it was operational by May 2024. The actual power generation in 2024 was 134,797 kWh.

At the Taoyuan plant, a solar power system was installed on the rooftop of the parking lot shelter, with a total generation capacity of 180 kW. Since installation, the solar panels have accumulated a total of 944,496 kWh, with 145,432 kWh generated in 2022, 149,351 kWh in 2023, and 139,544 kWh in 2024.



Taoyuan-Solar Power Generation System, Taipei R&D HQ -Solar Power Generation System, Taipei R&D HQ- Phase II Solar Power Generation System

Heat pumps for air conditioning

We installed a heat pump system in the Taipei R&D HQ to provide hot water for showering in the staff gymnasium and hot water for cleaning in the kitchen. Besides providing heat, it can also provide partial cooling energy. The iced water produced during the heat exchange can be used for air conditioning. This system provides hot water and cold air at the same time.

Phase-out of air-conditioning refrigerant to R410A

Traditional R22 refrigeration includes chlorofluorocarbons (CFCs), the culprit of ozone layer destruction. We gradually replaced the current R22 refrigeration split-system air conditioners with R410A refrigeration to save the ozone layer that protects the earth against most ultraviolet (UV). The phased replacement of two one-to-one split air conditioning units (14.5 kW and 9 kW) has been completed.

Electric vehicles and bicycles

The Taipei R&D Headquarters building initially installed 4 dedicated electric vehicle charging stations, motorcycle charging spots, and provided bicycle parking to encourage employees to use low-pollution green transportation. To further enhance charging convenience, 8 additional electric vehicle charging stations were installed on B2F and B3F in 2023, bringing the total to 12 charging stations within the building. In 2024, it is estimated that the use of these charging stations reduced CO₂ emissions by 1,655 kgCO₂e.



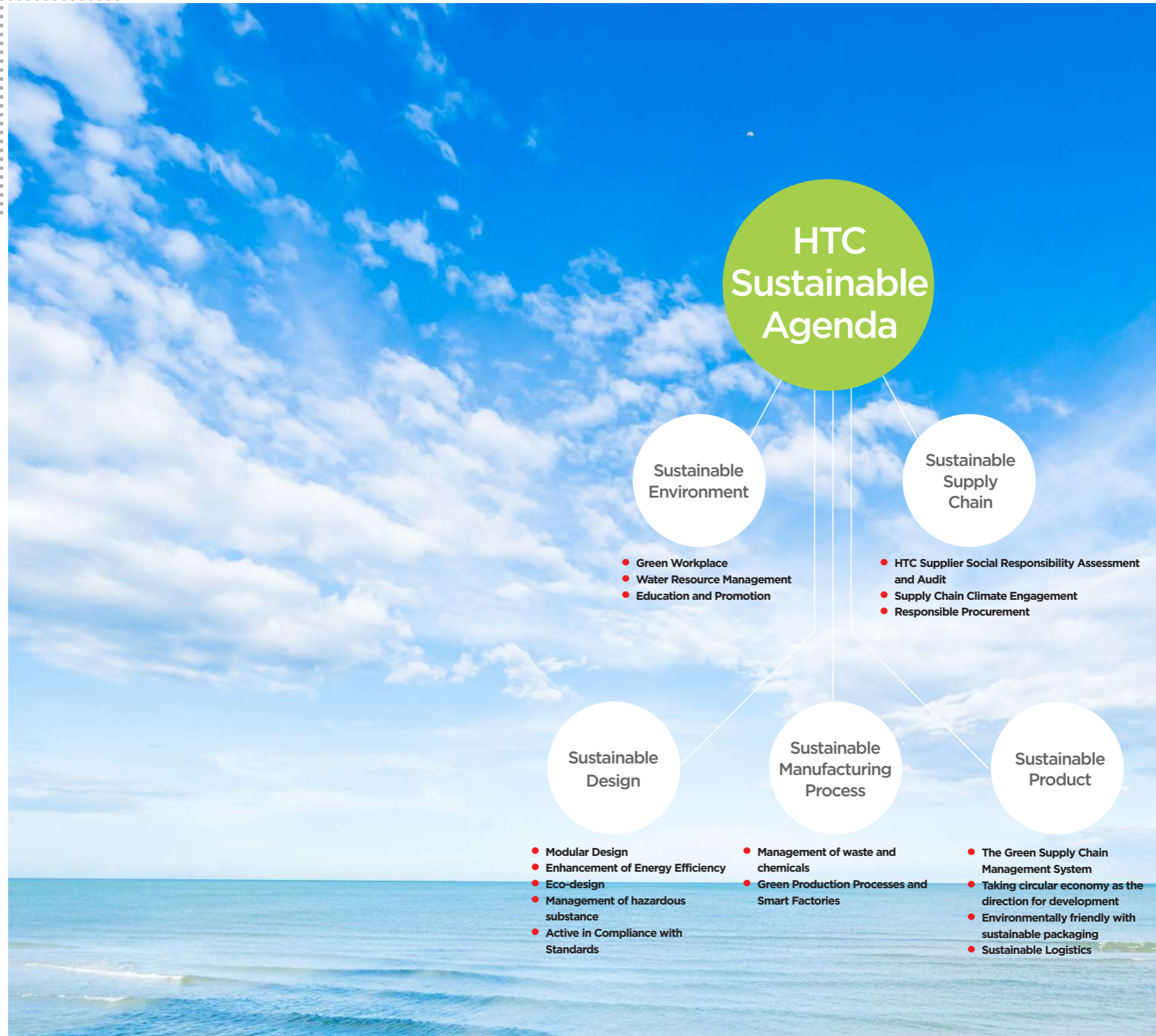
Electric vehicle charging area, Free bicycles for rides

Sustainable Agenda



As a global leader in the innovative design of virtual reality, HTC is committed to controlling and reducing the impact of its operations on the natural environment. We recognize that reducing the environmental impact of the manufacturing process is an important part of achieving sustainable developments for the company.

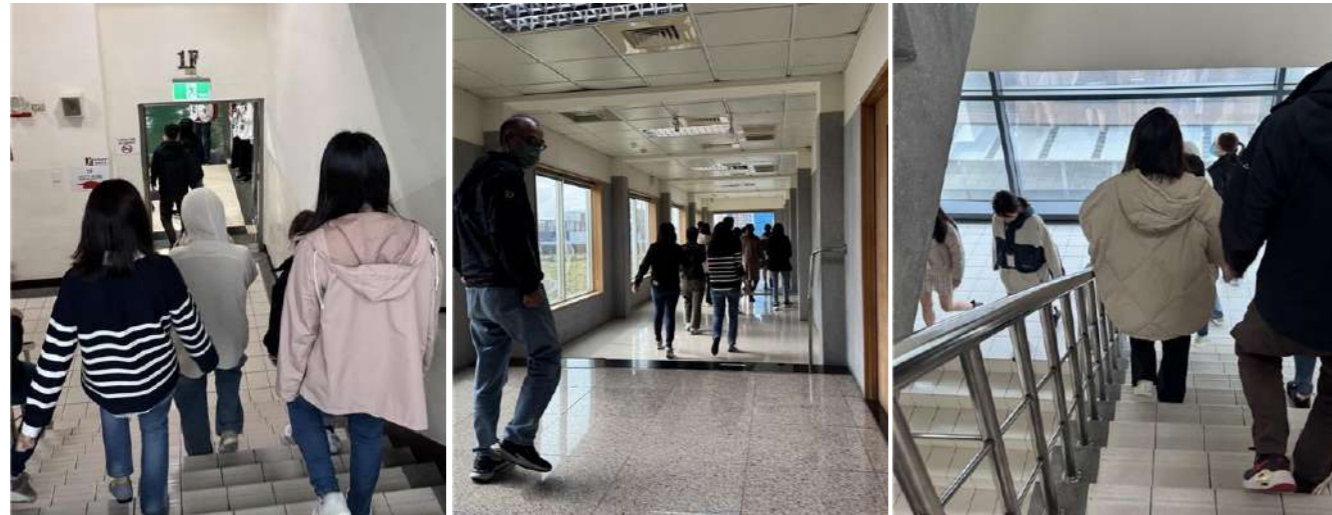
To this end, HTC has set up a "Sustainable Agenda" from five aspects: "sustainable environment, design, processes, product and supply chain." HTC promotes the concept of environmental sustainability and integrates it into all aspects of corporate operations, demonstrating HTC's active pursuit of corporate responsibility for sustainable development.



HTC complies with the regulations and has established an Occupational Safety and Health Department to implement occupational safety, environmental and energy management systems. Develop an annual plan based on the management status, focusing on compliance, risk assessment, chemical labelling and contractor management to reduce risk. We actively implement occupational safety and health management, including education and training, standard operating procedures, automatic inspections, emergency response and health management, and encourage employees to actively participate in creating a safer workplace. At the same time, we prevent occupational diseases and protect the safety and well-being of our employees through health management and risk assessment.

HTC has adopted the third-party verified ISO 45001, ISO 14001, ISO 14064-1 and ISO 50001 international standards to establish a complete management structure, integrate systematic management into daily operations, and strengthen occupational safety and environmental management performance.

In response to emergencies, we have formulated contingency plans to deal with them through situation identification, contingency measures and review feedback mechanisms, and conduct regular fire and evacuation drills. In 2024, we have completed self-defense fire marshalling and building evacuation training at the Taipei office and Taoyuan factory to ensure that everyone can respond calmly in case of emergency.



▲ We conducted an evacuation drill on November 20, 2024. Elevator operations were suspended, and everyone used the nearest emergency stairs to reach the first floor.

HTC Environment Protection, Occupational Safety, Health, and Energy Policy

HTC strives to provide a safe and healthy working atmosphere for all of our employees while adhering to sustainability best practices which protect our environment. HTC follows the guidelines below to achieve sustainable development and to ensure a better quality-working environment for our employees, customers, suppliers and contractors.

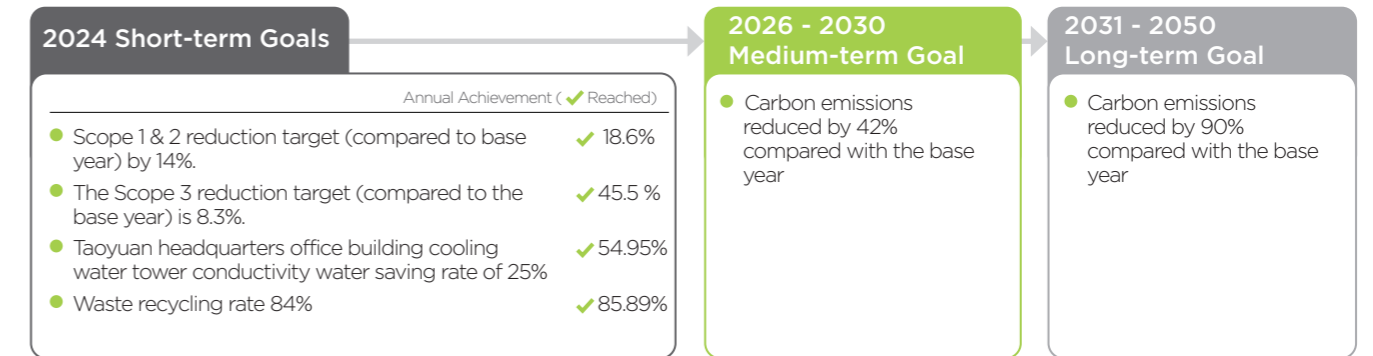
- We regard environment, safety, health, productivity, quality, and effective energy management with equal importance.
- We regard the safety and health of employees, customers, suppliers, and contractors with equal importance.
- We require our employees to observe all guideline regarding safety, operating procedures, environmental protection, hygiene, health and energy management.
- We are committed to preventing foreseeable dangers and loss control.
- We are committed to ensuring the organization establishes and implement a process for consultation and participation of workers.
- We follow required laws and regulations.
- We are committed to give priority to the purchase of green products.
- We will continue to practice and improve on our environment, safety, health and energy management systems.

Sustainable Environment

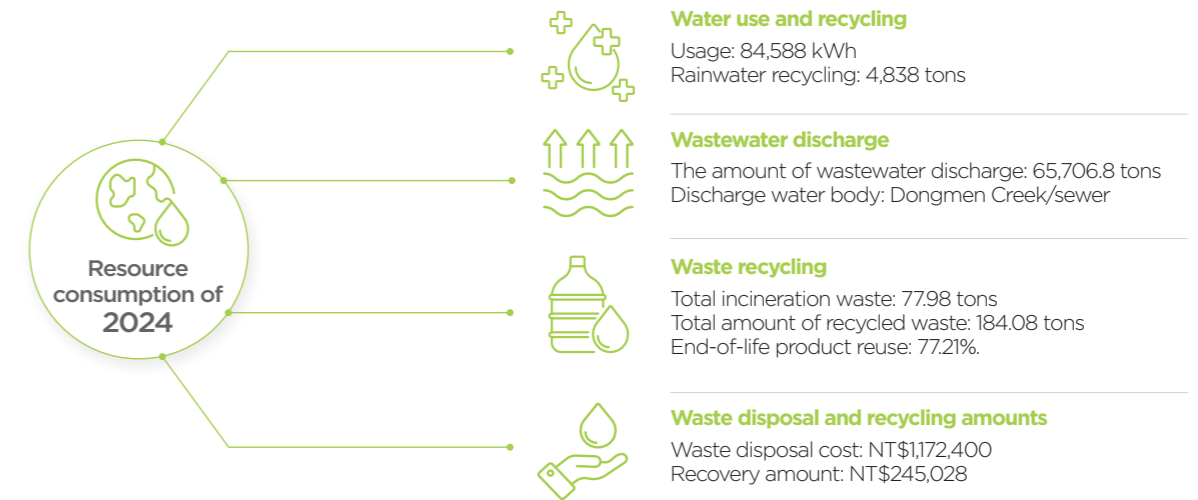
HTC is committed to protect environment, integrate the concept into our corporate culture, enhance employees' awareness of environmental protection and caring, improve energy, water and waste management, and reduce the impact to biodiversity.

In addition, HTC organizes environmental protection activities for our employees and further improve their environmental awareness. We believe that only through working together can we create more value for the environment and the society. Energy and climate change related action, please refer "Climate Change Management" section.

Sustainable Environmental Management Vision



Resource consumption of 2024



Green Workplace

All of our sites and offices are located in industrial and commercial areas that have been environmentally considered and assessed, and HTC complies with local regulations as well as internal environmental policies and practices to ensure that our activities do not have a significant impact on local ecosystems and plant and animal species. We actively encourage all our operations to carry out environmental beautification actions, introduce green building solutions in new buildings, improve the quality of the working environment for employees, and promote sustainable development practices.

Green Landscaping

HTC's commitment to sustainability is a testament to our commitment to environmental protection and biodiversity by taking into account the environmental and ecological impacts of our offices and factories, and by creating indoor and outdoor green spaces.

In the HQ and factory, a total of more than 134 native tree species (such as camphor tree, Taiwan luan tree, etc.) and a variety of green plants have been planted. The first floor of the Taipei office is planted with 41% of the total site area, planting more than 260 native trees and large trees (such as camphor trees, sweetgum, podocarpus, larch pine, cherry trees, etc.), as well as more than 3,200 shrubs, and an ecological pond that attracts animals such as tree magpies, green eyeballs, and bees, forming a rich ecosystem that helps slow soil erosion, regulate climate, and improve air quality. In order to create a healthier working environment, the interior of the building is also planted with air-purifying plants, such as eucalyptus, dracaena and saxifera, and the decoration is changed with festivals to add a natural atmosphere to the office. In 2024, to ensure providing a refreshing and comfortable working environment for employees, about NT\$ 20.09 million was allocated towards green maintenance, and regular pest control measures were carried out to reduce the density of disease-carrying mosquitoes.



Environmental Expenditures

Year	2022	2023	2024
Environmental maintenance expenditure (NT\$ Thousand).	28,970	23,668	20,094

Green Procurement

HTC integrates the concept of environmental protection into daily procurement, follows the principle of "recyclable, low pollution, and resource saving", gives priority to the purchase of environmentally friendly products, reduces the impact on the environment, and is committed to protecting the earth. In 2024, the total amount of environmentally friendly products purchased reached NT\$1.434 million, and from 2012 to 2024, the cumulative procurement amount was about NT\$35.38 million, covering all kinds of products that have obtained the green label. We hope to contribute to environmental protection through green procurement, and at the same time promote the sustainable development of the industry.

Water Resource Management

Global warming is exacerbating climate change, and water management is becoming increasingly important. In our Taipei office, we still maintain a rainwater harvesting system for toilet flushing and planting. Most of the water used is tap water obtained from the Taiwan Water Supply Company.

Since the production line uses a dry process, it does not produce wastewater, so the effluent discharged only comes from the domestic water used by employees for general office. Although HTC's processes do not require large amounts of water and have a relatively low impact on the surrounding environment, we strive to reduce water use and encourage water management and recycling.

To ensure that our operations do not affect water sources, we have conducted an assessment based on the World Resources Institute's "Aqueduct Water Risk Atlas", which confirms that the water risk in Taiwan is low to medium (1-2) and there is no immediate risk. In addition, we ensure that we do not burden the environment through sewage testing and safe discharge.

Summary Water Resource Usage for the past 3 years

Environmental indicators	unit	2022		2023		2024	
		HQ and factory	Taipei Office	HQ and factory	Taipei Office	HQ and factory	Taipei Office
Usage of Tap Water	degree	41,597	43,663	36,465	49,913	30,847	48,903
Rainwater Harvesting Volume	ton	N/A	3,863	N/A	3,522	N/A	4,838
Recycled and Reused Water Volume/Total Water Usage Ratio	%	20.2	8.13	N/A	6.59	N/A	9.00
Wastewater Discharge	river	Taipei Office - Public Sewerage HQ & Factory - Dongmen Creek					
Total Wastewater Discharge Volume	ton	16,630.20	34,930.40	18,174	32,520	22,714	42,992.8
Data coverage	%	100		100		100	

Remarks:

- The total effluent discharge of the Taipei office is estimated based on 80% of the water consumption
- In 2023, the Taoyuan plant canceled the use of recycled water for sprinkler irrigation due to the use of sprinkler irrigation water, so there is no information on recycled water
- Data coverage: The scope of environmental information disclosure in this report is HTC Taiwan, and the data coverage rate of water use accounts for 100% of HTC Taiwan.

Sewage treatment

In order to ensure that the wastewater treatment of the HQ and factories complies with the regulations, HTC strictly follows the "Code for the Maintenance of Sewage Treatment Systems", conducts daily maintenance and inspections, and entrusts EPD-approved institutions to conduct sewage sampling and testing every six months.

The test results showed that the discharged water and recycled water were in line with the standards of the Water Pollution Prevention and Control Law, and were regularly declared in accordance with the Administrative Measures for Water Pollution Prevention and Control Measures and Testing and Declaration. From 2016 to 2024, the BOD (biochemical oxygen demand) and COD (chemical oxygen demand) test data were better than the regulatory standards, and there was no negative impact on the surrounding water bodies. In 2024, we invested approximately NT\$3.4 million in sewage treatment, including projects such as power (electricity and chemicals), maintenance, water quality testing and instrument calibration. We hope to help restore the water quality of Nankan Creek (the upper reaches of Dongmen Creek) and promote ecological protection and biodiversity through continuous water quality improvement.

The Amount of Water Discharge and Recycled Water, and the Average Concentration

Annual	The amount of water discharged (metric tons).	Average concentration of BOD (mg/l)	Average concentration of COD (mg/l)	Suspended solids (mg/l)	Heavy metal detection
2022	16,630	8.08	26.5	8.5	N/A
2023	18,174	9.25	28.30	6.30	N/A
2024	22,714	17.7	32.35	7.85	N/A

Note:

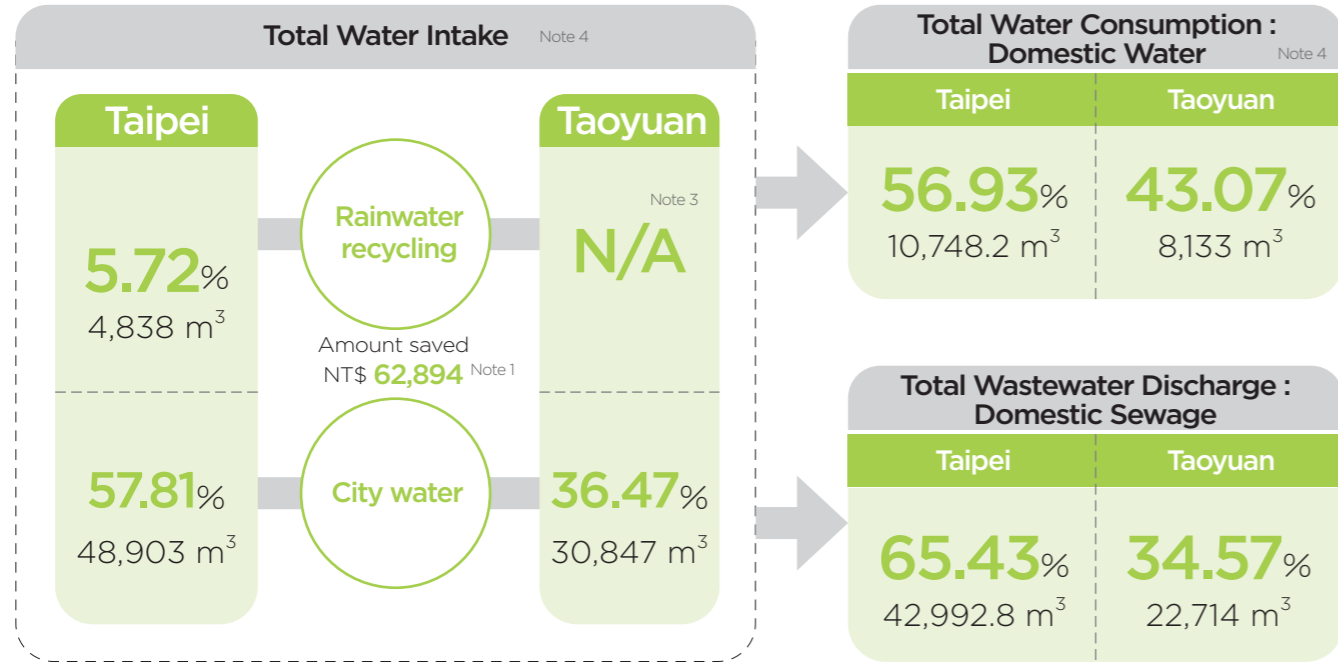
- Tested items of heavy metals: cadmium (Cd), total chromium (Cr), hexavalent chromium, copper (Cu), zinc (Zn), nickel (Ni)
- The scope of statistical data is HQ & Plants

Water Resource Recycling

In order to reduce the demand for tap water, HTC sends domestic sewage to a sewage treatment plant for treatment, and then discharges it into Dongmen Creek, which eventually flows into Nankan Creek.

In the Taipei office, we use water-saving equipment and prioritize the procurement of equipment with water-saving labels or water-saving functions. For example, we have installed sensor-operated faucets that reduce the amount of water we dispense. In addition, we have installed a rainwater harvesting system in HTC's Taipei office, which uses recycled air conditioning condensate and rainwater for toilet flushing and planting to further conserve water. In 2024, the Taipei office recycled a total of 4,838 tons of rainwater to save water resources.

2024 Water Resource Management Effectiveness



Note:
 1. The estimated savings is estimated at NT\$13 per degree of water.
 2. The denominator for the ratios is the total water intake, total water consumption, and total wastewater discharge, respectively.
 3. The rainwater recycling system of the HQ and factory (Taoyuan) is used by tenants, so it is N/A here.
 4. According to the World Resources Institute (WRI) water stress assessment, Taoyuan and Xindian are not high or very high-risk areas, so they both account for 0%.

Drinking water quality control

HTC has set up a comprehensive water fountain inspection plan to ensure the standard of purity of drinking water. Regular maintenance, water sample testing, and records disclosure are done according to the Drinking Water Management Act. A professional company carries out the maintenance and care of the drinking fountains and testing of water purity is carried out by an environmental testing agency that is authorized by the EPA to take regular samples and perform the tests every 3 months. The total bacteria count of drinking water and E. coli colonies have passed the test in 2024.

Environmental Protection Education and Promotion

HTC continues to promote and enhance environmental protection consciousness and awareness in employees using a diversified interface. Through the new employee educational training and the provided training materials, the idea of environmental protection is promoted within the organization and allowing employees to feel HTC's efforts in environmental protection and give their full support through actions as well as everyday life habits, and inspire their active participation and support.

The organization process is comprehensively paperless, digital, and optimized

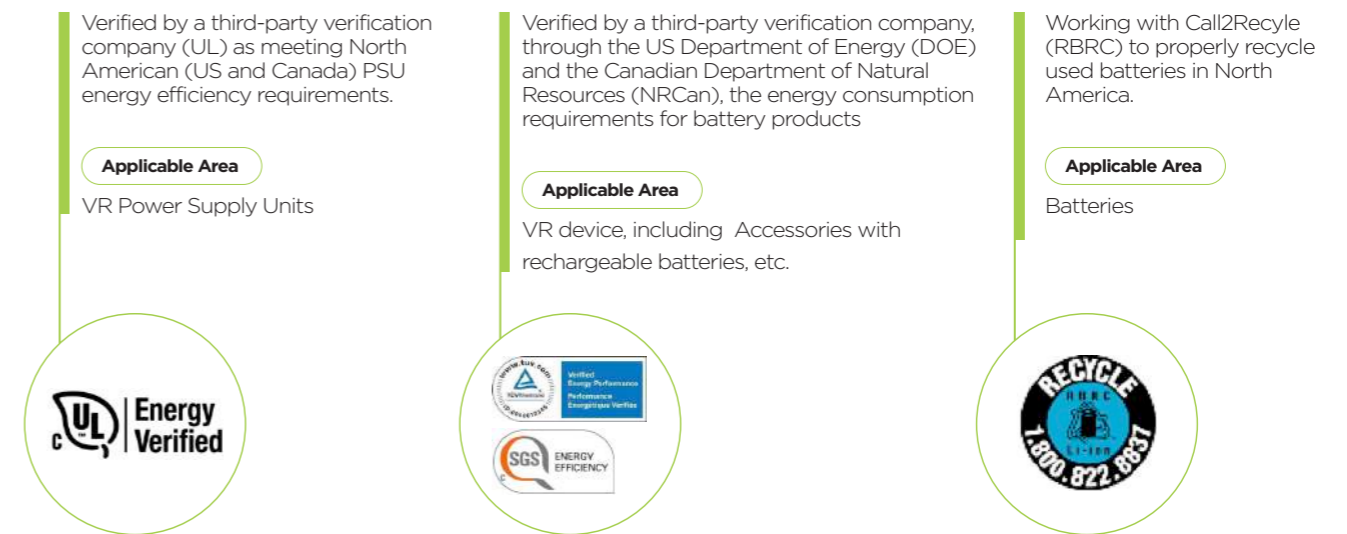
At the beginning of 2023, Sustainable established a vision of a fully paperless, digital, and optimized organizational process. To achieve this, we plan and improve for a fully paperless and digital approach through a comprehensive review of the company's internal processes. Through well-designed process optimization, we eliminate unnecessary red tape, improve efficiency and quality of work, and ensure that the company operates more smoothly, environmentally friendly and cost-effective, not just to save energy and reduce carbon emissions, but to transform the entire staff and internal culture. This important transformation will enable us to be more competitive and continue to strive for excellence.

Through the ESG Committee, we have taken stock of all the company's work processes, and with the active participation and cooperation of all employees, we have successfully reduced the use of paper by nearly 80% in 2023, achieving the results of the first phase of paperless promotion, and continuing to promote the second phase in 2024, mainly focusing on the process optimization of manufacturing units. The manufacturing unit classifies the documents that were originally recorded in paper, divides them according to the actual use scenarios, and formulates process optimization measures for 56% of the high-frequency paper-using documents. This effectively improves management efficiency and saves paper consumption, and the total paper consumption of manufacturing units was further reduced by 34.6% in 2024.

Sustainable Design

HTC's thinking on the development of sustainable products is to start from the product life cycle, and adopts different measures at various stages through innovative thinking. It uses the concept of The Precautionary Principle to carefully select the ones with lower environmental risks. It complies with the internationally Restriction of Hazardous Substances Directive, reduces the environmental impact of products, and develops sustainable products that are more environmentally friendly.

Green Marks Obtained by HTC



HTC actively promotes sustainable design, improves recycling and resource reuse efficiency through product life cycle considerations, and reduces the use of hazardous substances to reduce environmental impact. Next, we will further explain the specific sustainable practices and achievements in five aspects, including modular design, application of recycled materials, enhancement of energy efficiency, recyclability design, and reduction of hazardous substances in the sustainable design practice of products, hoping to create more environmentally friendly and sustainable products and make a contribution to environmental protection.

Modular Design

The VIVE XR Elite headsets have a detachable battery, which allows users to easily replace the battery by themselves rather than having to discard the whole device. This not only extends the product's usable lifespan but also reduces waste and optimizes usage of nonrenewable resources. In addition to battery modules, peripheral accessories related to HTC VIVE products will also develop in the direction of modular design in the future, which not only has the potential for customization, but also allows accessories to be repaired independently, improving product quality and maintainability. These advantages not only help improve the competitiveness of products, but also help reduce environmental impact.




Recycled Material Applications

HTC emphasizes the use of sustainable materials and designs that are environmentally friendly, including demonstrating its commitment to environmental responsibility in the latest VIVE Ultimate Tracker. This tracker product is designed with an easy-to-remove and replaceable base, which allows the product to be used in a variety of different combinations, such as fixed in a specific place of use for tracking, or firmly fixed on the user's body combined with the performance of movements, providing the product with more diverse ways to use and more accurate multi-directional positioning; In terms of material selection, we actively incorporate the concept of sustainable design, giving priority to low-carbon materials containing recycled plastics to create plastic enclosures that are both durable and environmentally friendly. This will not only effectively reduce the dependence on virgin plastics, reduce the consumption of petrochemical resources, but also significantly reduce carbon emissions, and contribute to the realization of low-carbon product goals. These efforts not only demonstrate our commitment to environmental responsibility, but also respond to the growing consumer demand for sustainable products, and we believe that through such design and innovation, we can move the industry towards a greener and more sustainable direction.

Enhancement of Energy Efficiency


We concentrate on energy-saving from the early design and research and development phase. All power supplies used for HTC products must comply with the relevant international energy consumption specifications, including California Energy Commission (U.S.), Energy-related Products and are approved with energy efficiency verification by third-party verification companies. All of their energy efficiency meets the criteria of Level VI which is the highest and defines the standby power shall be less than 0.1W. The lowest consumption of currently use chargers is 0.025W, which is much lower than the standard by 75%. In addition, HTC products have complied with the latest version of the EU Regulation on External Power Supplies (EU 2019/1782) to further ensure high energy efficiency and energy saving performance of the products, in line with the principles of sustainable development. In addition, HTC's existing external power supplies have met the energy efficiency standard Level VI required by the U.S. Department of Energy, and 100% of HTC's existing products that use rechargeable batteries have met the charging energy efficiency certification standards, accounting for 100% of revenue.





HTC U24 pro

115V Standby energy consumption 0.038W
Compared with Level VI standby power ↓ **62%**



VIVE Focus Vision

115V Standby energy consumption 0.037W
Compared with Level VI standby power ↓ **63%**

Level VI standby power standard

0.1 W

In addition, HTC also refers to the regulations and standards of the U.S. Department of Energy and Natural Resources Canada to improve the battery charging efficiency of the product to reduce the energy loss after full charge. The newly launched HTC VIVE Ultimate tracker has a battery life of up to 7 hours and a unit energy consumption (UEC) performance of 38.9% below the regulatory standard, fully demonstrating HTC's determination to actively promote energy conservation, carbon reduction, and energy efficiency to achieve environmental protection and sustainable development goals.



VIVE Ultimate Tracker

UEC Regulatory limits (kWh/yr)	4.374
Represented value of UEC (kWh/yr)	2.674
Compared to regulatory standards	↓ 38.9%

Note: The unit of energy consumption (Represented value of UEC) is tested and calculated according to the regulations of the US Department of Energy. It represents the additional energy consumption in addition to the power obtained by the battery during the charging process. The lower the number represents the charging process; there is Better power conversion efficiency and lower standby power.

Energy efficiency regulations for battery charging products by the US Department of Energy(DOE) and Natural Resources Canada(NRCAN)

Since 2016, the U.S. Department of Energy (DOE) has implemented strict energy efficiency regulations for battery charging products sold in the U.S. market, and Natural Resources Canada has implemented the same standards in 2019. This regulation requires that the additional amount of power used in the charging process of the charging product must meet certain standards to avoid energy waste.

HTC actively refers to and complies with these international regulations, continuously improves the energy efficiency of its products, and is committed to reducing environmental impact, in order to achieve its corporate sustainability goals.

Product Recyclability Design


HTC considers waste reduction and resource reuse in the early stages of product development, and uses the concept of circular economy to transform waste products into high-value recycled materials, extending the product life cycle and reducing the environmental burden.

We prioritize the use of highly recyclable plastic materials to ensure that products can be recycled at the end of their useful life, reducing their environmental impact. The recyclability of the products has been dismantled, simulated and tested by a third party, and the recycling rate of all products, including VR and smartphone, significantly exceeds the EU WEEE Directive standard (55%).

HTC sees the circular economy as an important direction for sustainable development, and all electronic products and packaging are marked with the EU WEEE logo to remind consumers to recycle properly. Through local recycling centers or outlets, products can be properly collected, recycled and reused, reducing the environmental impact of hazardous substances and improving the efficiency of natural resources.

In 2024, we excelled in the circular economy design of our new products. The VIVE Ultimate Tracker has been third-party tested to achieve a 79.6% recovery rate, which is 24.6% higher than the WEEE standard, demonstrating HTC's effectiveness in carbon reduction and recycling.





VIVE Ultimate Tracker
Weight 109.1 g
Recycling rate 79.6%
Recycling rate compared to regulatory standards ↑ 24.6%

EU WEEE standards
55%

Smartphone- U Series



8,5 /10
INDICE DE RÉPARABILITÉ

U24 pro
Weight 195.09 g
Recycling rate 92.83%
Recycling rate compared to regulatory standards ↑ 37.8%

Highest Dark Green Label

EU WEEE standards
55%

Note: 3R includes Reuse, Recycling and Recovery ratios, which are defined in the EU WEEE Directive (2012/19/EU).

HTC's new U24 pro, launched in 2024, continues its commitment to sustainability with a consistent high-recovery design philosophy. HTC phones continue to achieve excellent results in compliance with regulations, with a highest dark green label of 8.5 points in the French "Repairability Index" (8.4 points for the U23 pro in 2023), and high praise for five criteria: product use, manufacturing instructions, degree of disassembly, accessory availability, spare parts price, and follow-up repairs.

This not only means that HTC phones have a longer service life and excellent repairability, but also helps to reduce the product scrap rate, reduce the environmental impact of the end product, and further achieve environmental goals.

HTC actively promotes sustainable and low-carbon design in the design of products and accessories, and adopts recyclable design. From 2023, we changed our wire packaging from plastic to 100% recyclable paper rings, which are not only kinder to the environment, but also easier to dispose of than plastic. In the future, HTC's cables will be fully paper-wrapped to further reduce the carbon footprint and create more environmentally friendly products.

In response to the European law on the circular economy, France has adopted a law on the labelling of consumer information based on the principle of product classification called the "Triman logo", which contains the product information required by consumers and the graphic of the classification collection. HTC follows the regulations and labels the product according to its contents, and by adding classification information to the product, the product can be properly sorted and recycled and promote resource recycling.



Hazardous Substance Management

Always taking environmental protection and consumer health as integral factors of our consideration, we strictly adhere to the Restricted Substances List in all our product designs. This list encompasses international environmental regulations and customer requirements, which not only restricts the ten substances regulated by RoHS, but also prohibits the use of toxic substances such as polyvinyl chloride and brominated flame retardants. We require suppliers to submit testing reports and continuously monitor regulatory changes to ensure a pollution-free production that aligns with our environmental goals. We also demand that our suppliers comply with relevant regulations to safeguard consumer health and the environment.

Furthermore, concerning the REACH regulation, we annually request our suppliers to provide the latest published list of Substances of Very High Concern (SVHC) and relevant information regarding components with SVHC concentrations exceeding 0.1%. We cross-reference the supplier survey results with our GSM system to assess the SVHC content of the components. By the end of 2024, a total of 78 suppliers participated in the REACH regulation SVHC survey, with a response rate and compliance rate of 86%. In the future, we will strive to achieve the goal of 100% compliance with regulatory requirements for SCIP reporting of all our products. This ensures that our products not only meet environmental requirements but also have no adverse effects on product users.

The new VIVE XR Elite in 2023 is designed to comply with China RoHS regulations, even if the virtual headset is not in China RoHS Under the regulated product category, HTC voluntarily participates in the RoHS certification promoted in China (also known as China RoHS), The products are tested for harmful substances in China and certified. In addition to being HTC non-toxic, VIVE XR Elite parts can also fully comply with local hazardous substance management regulations around the world, achieving non-toxic products and reducing the chance of harm to the human body and the environment.

In addition, the European Union officially published the Battery and Waste Battery Regulation in July 2023 to promote the European Green Deal and promote sustainable development. The regulation will manage the life cycle of battery products in stages. HTC's built-in battery products are in full compliance with the regulation and have completed labeling and third-party composition analysis to comply with the restrictions on hazardous substances in batteries in Annex 17 of the REACH Regulation. In the future, HTC will continue to disclose battery composition and recycling information in line with regulations to ensure compliance with regulations and promote the proper recycling of used batteries.

HTC's hardware products include virtual reality devices and smartphone, and at present, the countries in the sales area do not have requirements for IEC 62474, so this disclosure data adopts the two control standards of RoHS and REACH, and among the 193 substances to be controlled by IEC 62474, the overlap rate with the hazardous substances controlled by RoHS and REACH SVHC is 82%. (There are already 160 substances in the IEC 62474 substance list). According to statistics, the proportion of product revenue of these two standards of hardware products sold in the current year is 100%, and the materials for SVHC > 0.1% have been declared in the REACH SCIP database in accordance with regulatory requirement.

Phone and Battery Recycling

To properly fulfill their responsibilities as a manufacturer, HTC, which is 100% in line with EU WEEE requirements, has also promoted the US and Canadian related electronic product recycling program. To reduce the undue disposal or handling of old mobile phones and the impact of this upon the environment.

1. HTC began operating its own mail back device recycling program from 2020. Customers can contact HTC's customer care team and request a free mailing label to send their phone, tablet, or VR headset to our ISO 14001 certified recycling partner for proper disposal. For more details, see "<https://www.htc.com/us/recycling/>."

2. HTC participates in Call2Recycle, the oldest and largest battery management and recycling program in North America, which continues to collect and recycle all types of batteries, including lithium-ion batteries for mobile phones, in the United States and Canada. HTC pays Call2Recycle to assist with recycling of every phone sold in the United States. [Call2Recycle Official Website](#).



3. HTC participates in more than 20 states' state-run e-waste recycling program to ensure electronics are responsibly recycled. Recycling regulations vary slightly from state to state:

Only three states (New Jersey, West Virginia, Maryland) are cellphone recycling-only; In other states, computers, televisions and electronic devices of all kinds are covered. Some states have begun to include VR devices with built-in processors in the definition of computers or gaming devices. HTC has filed applications in New York and Maine for recycling registrations that include VR devices and will continue to monitor regulatory changes.

States have different mechanisms for determining a manufacturer's annual recycling liability:

Recycled weight system: Some states charge a fee based on the weight of the recycled product.

Registration fee system: Other states allow manufacturers to take mail recycling and pay an annual registration fee without meeting a specific recycling target.

Market share system: In Washington state, for example, HTC pays based on the market share of the tablet, and the local government is responsible for statewide recycling, and legal recyclers are monitored by the state department of ecology to ensure that the recycling process is responsible and compliant.



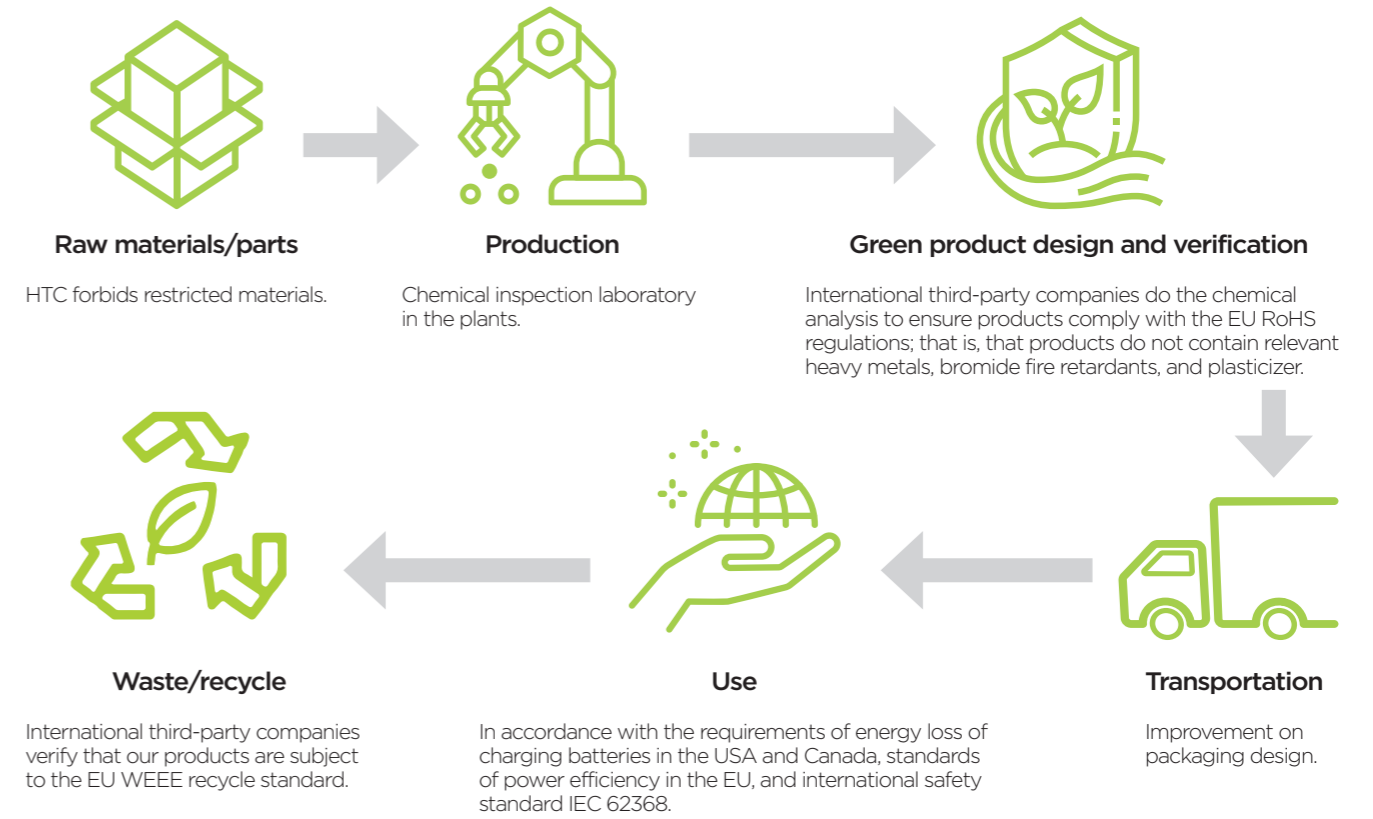
- ▶ Between 2009 and 2024, Washington state local governments have accumulated approximately 217,490,000 kilograms of e-waste.
- ▶ For details, please refer to : [Official Washington State website](#)

Active in Compliance with Standards

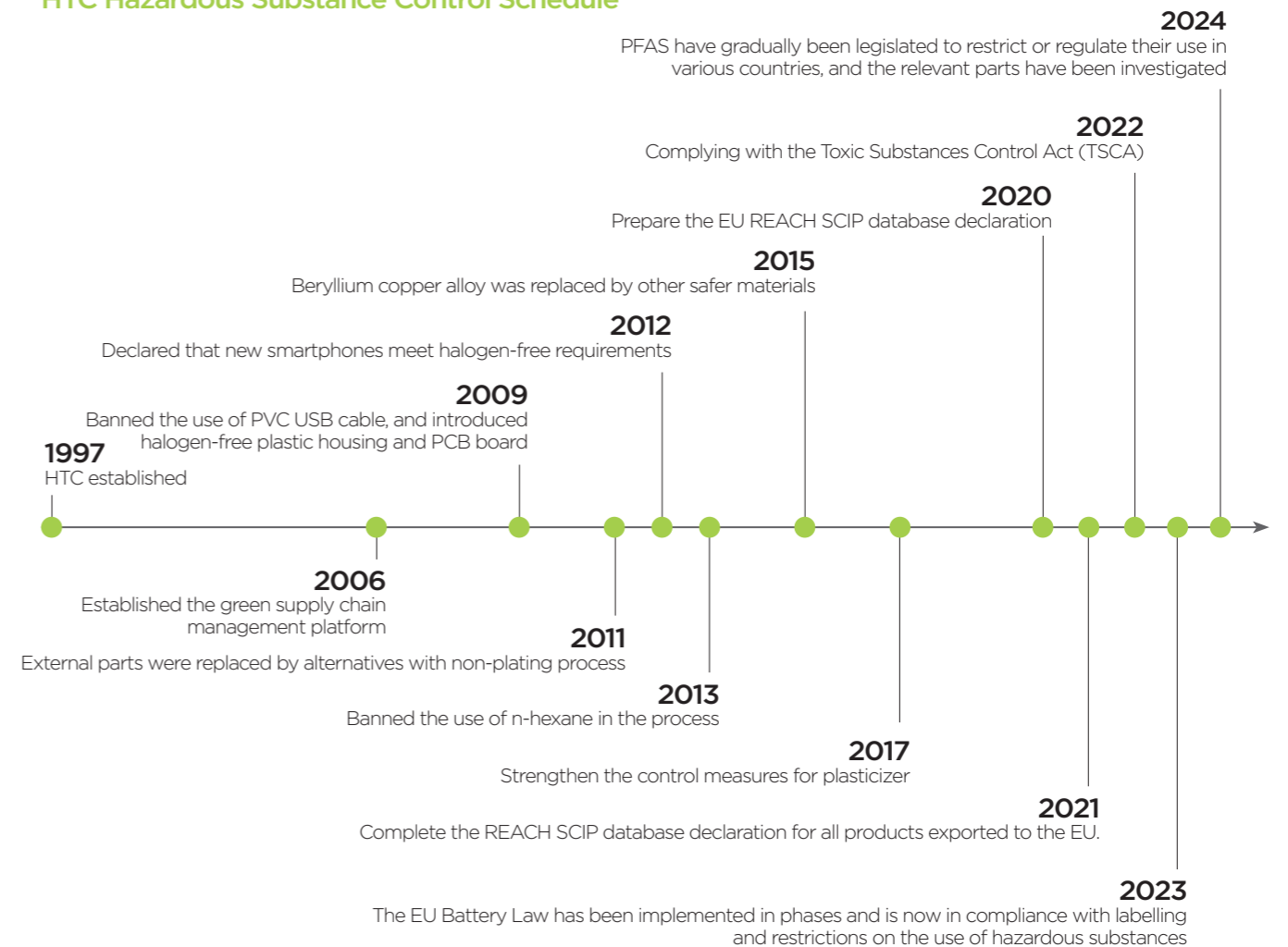
All HTC products are verified by international public certification companies. Chemical analysis is carried out to ensure compliance with the EU environmental directives. In addition, HTC has updated to the latest version of IEC62368:2018 for all products in the market with CB certificates provided. By adhering to the concept of precautionary principle, we comprehensively regulate the known hazards of our products to provide a higher level of safety in their use.



Description of the HTC product lifecycle and its different stages



HTC Hazardous Substance Control Schedule



Sustainable Manufacturing Process

The VR devices by HTC combine new forms of operation, life, working, learning and traveling through green product design and help users to reach the goal of energy saving and carbon-reduction. For energy consumption during the production process, we have strengthened our management and introduced operation control center(OCC) to reduce energy consumption and implement waste management.

Hazardous Waste Management

HTC manages waste from a holistic value chain perspective

In the upstream value chain, HTC ensures proper waste management through its supplier management system and considers waste reduction and the circular economy starting from the sustainable product design phase.

We adhere to our established "Waste Management Procedures" in our operational activities to ensure that all waste is properly classified, managed, and disposed of in accordance with procedures and regulatory requirements. We outsource the treatment of the waste generated from our operations by engaging authorized waste removal and treatment facilities approved by the Environmental Protection Administration for backend processing. Similarly, qualified vendors are entrusted with the treatment of our recyclable materials for internal recycling within the company. Our focus is on reducing the environmental impact of waste and improving waste recycling rates, thereby ensuring the effective resource recovery and proper waste management.

We minimize the amount of waste that has a negative impact on the environment in our manufacturing process and comply with environmental, safety and hygiene standards to ensure that waste is removed and disposed of legally and without environmental impact.

HTC is committed to the proper disposal of waste and takes the following steps to ensure that the disposal process complies with regulatory requirements:

- We entrust a legal waste removal and disposal company to select the most suitable disposal method for the nature of the waste.
- Supervise waste removal and transportation through online reporting, and regularly audit waste disposal manufacturers.
- Processed waste will be registered on the Ministry of Environment's "Waste Declaration and Management Information System" platform to ensure compliance with laws and regulations and implement HTC's commitment to environmental sustainability.

For more information on value chain impacts, please refer to the Flow Chart of Activities for Significant waste-related Impacts in 2024.

HTC's domestic waste disposal measures

Measure	Method
Set up recycling bins and commission manual sorting of domestic waste.	Set up recycling bins and encourage and propagandize staff to sort domestic waste. The employees recycled 14.95 Metric tons of domestic waste in 2024.
Used batteries, light tubes and information technology objects must be recycled	We have recycling stations for used batteries and light tubes available to the employees

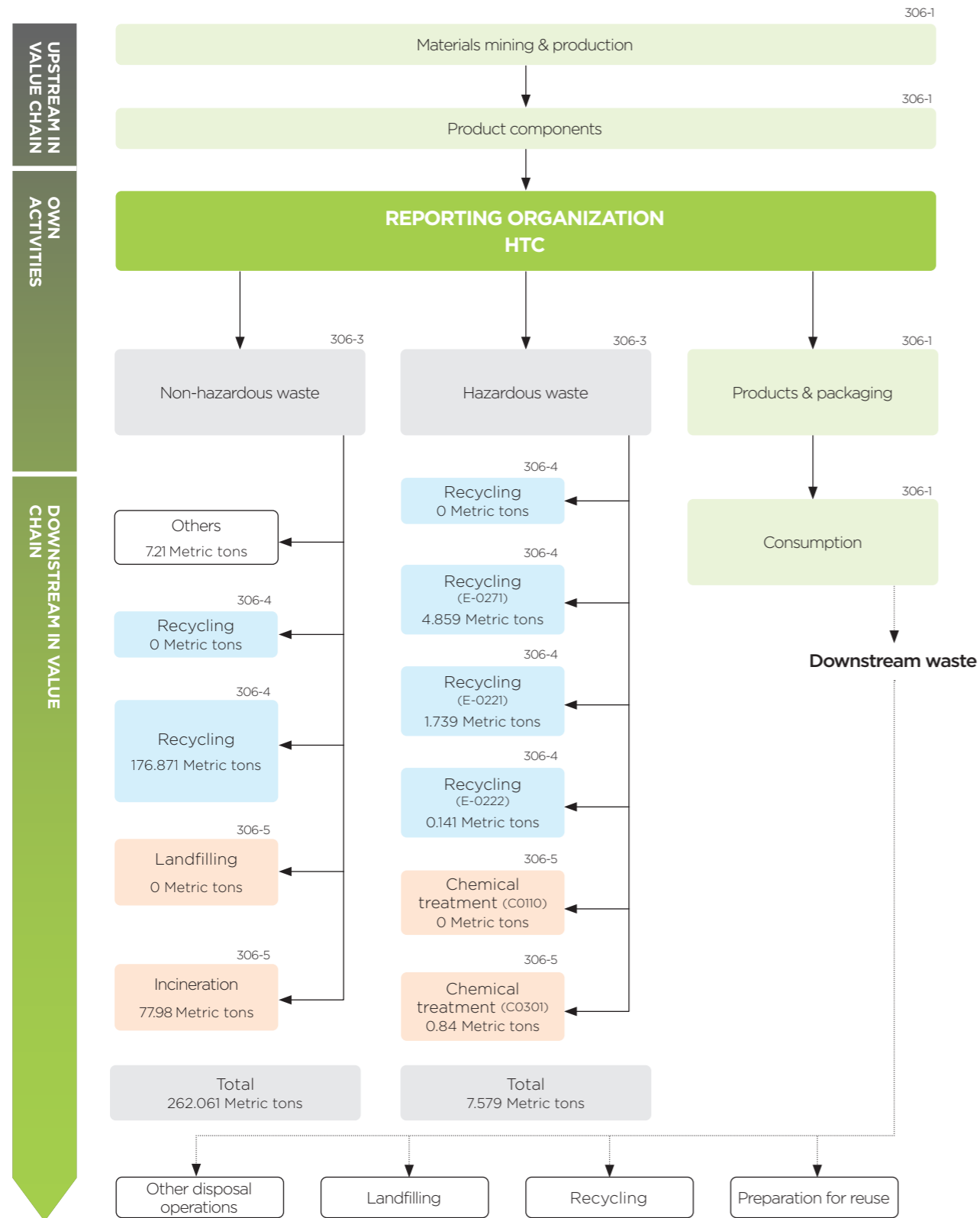
Note: Recycling domestic waste includes non-hazardous waste recycling and kitchen waste recycling.

HTC Waste Statistics

Type	Recovery Operations	Unit	Offsite Weight (Outsourcing)			2024 Density	Description
			2022	2023	2024		
Non-hazardous waste	Preparation for reuse	Metric tons	0	0	0		
	Recycling	Metric tons	299.328	255.695	176.871		Including Tray plate, foam, miscellaneous plastic, waste wood pallets, Recycling of living resources and confidential documents , Computer peripherals (host, screen, laptop, electronic waste)
	Incineration	Metric tons	107.880	100.65	77.98		Including Domestic garbage
	Landfilling	Metric tons	0	0	0		Waste Bakelite
	Other: Recycling	Metric tons	47.836	12.285	7.21		Kitchen leftover
	Subtotal	Metric tons		455.044	368.63	262.061	0.085
Hazardous waste	Preparation for reuse	Metric tons	0	0	0		
	Recycling: E-0217	Metric tons	8.937	9.755	4.859		Scrapped electronic parts and components, leftover scrap and defective goods.
	Recycling: E-0221	Metric tons	0.552	0	1.739		Scrapped metal containing PCBs and scrapped powder
	Recycling: E-0222	Metric tons	0.083	0.201	0.141		Scrapped PCBs containing parts and components
	Chemical treatment: C-0110	Metric tons	0.2	0	0		C0110- Harmful waste liquid containing copper C0301- Harmful waste liquid The chemical treatment shall be conducted once every two years for the treatment according to "Methods and Facilities Standards for the Storage, Clearance and Disposal of Industrial Waste".
	Chemical treatment: C-0301	Metric tons	0	0	0.84		
Subtotal	Metric tons		9.772	9.956	7.579	0.002	
Total	Metric tons		464.816	378.586	269.64	0.088	

Note:
 1. The computer host and screen are estimated based on the weight information obtained from the official website.
 2. Preparation for reuse: Checking, cleaning, or repairing operations, by which products or components of products that have become waste are prepared to be put to use for the same purpose for which they were conceived.
 3. Recycling: Reprocessing of products or components of products that have become waste, to make new materials.
 4. The method of estimating the weight of food waste: It is used as a feed additive by legal livestock farms, and it is calculated as 189 kg per barrel.
 5. The formula for density is as follows: Waste Weight (in metric tons) / Annual Revenue (in millions of dollars). For the year 2024, the annual revenue is 3,081 million dollars.

Flow Chart of Activities for Significant waste-related Impacts in 2024

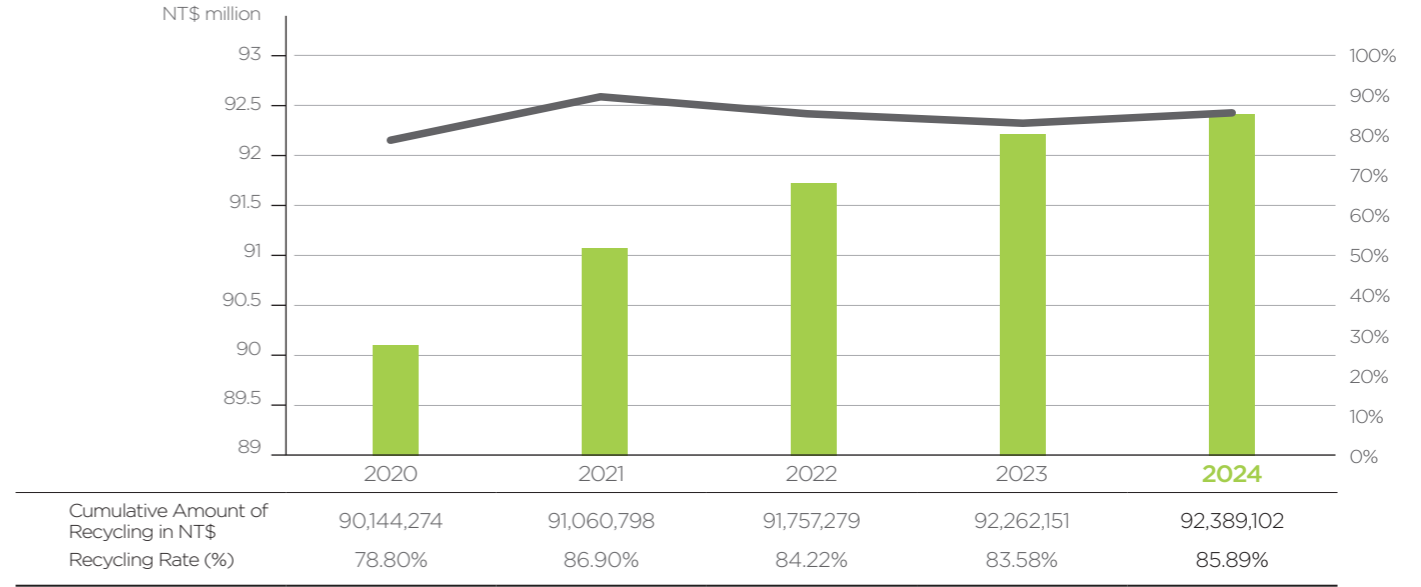


Waste Reduction, Recycling and Reuse

Committed to waste reduction strategies, such as sorting, advocacy, reducing waste at the source, and promoting resource reuse, we sort materials such as plastics, foam trays, plastic bags, containers, and plastic film rolls, which are commissioned to certified vendors for recycling with an aim to increase the efficiency of resource recovery and reuse. Usable foam trays and sponges are recycled and reused within our production line, while other waste undergoes physical sorting to increase reusability. Final disposal is only carried out when reuse is not possible, and we comply with legal requirements by reporting cases of waste disposal online.

From 2011 to 2024, HTC continued to promote sorting and reuse measures to improve the efficiency of waste recycling year by year. HTC's parent and subsidiary companies in Taiwan had a recycling benefit of NT\$126,951 in 2024, and the recycling rate of non-hazardous waste increased from 56.89% in 2011 to 85.89%. In 2024, the total amount of non-hazardous waste recycled reached 182.4 metric tons, and the cumulative amount of recycling reached NT\$92,389,102 by 2024.

Waste Recycling Effect and Rate



Annual indicators of waste in the past three years

Annual indicators of waste	Units	2022		2023		2024	
		HQ & Plants	Taipei Office	HQ & Plants	Taipei Office	HQ & Plants	Taipei Office
Weight of scrapped products for recycling	Metric ton		2,5864		5,3978		2,2529
Total recycled weight of scrapped products	Metric ton		5,7046		6,5680		2,9179
Percentage of scrapped products recycled and reused	%		45.34%		82.18%		77.21%
Total amount of waste recycled and disposed of - Information Products	Metric ton		2,980		3,819		1,61
Total waste collected for recycling - General	Metric ton	311,109	N/A	261,461	2.7	182,47	N/A
The total amount of waste reused and disposed	Metric ton	N/A	N/A	N/A	N/A	N/A	N/A
Total amount of waste incinerated (domestic garbage)	Metric ton	58,280	49,600	51,350	49,300	29,98	48
Waste disposal costs	NTD	664,860	377,700	632,022	721,729	552854.4	619546.2
Environmental Management Recycling Amount - Information Products	NTD		201,548		181,275		118,077
Environmental Management Recycling Amount - General	NTD	494,933	N/A	305,169	18,428	126,951	N/A
Data coverage	%		100		100		100

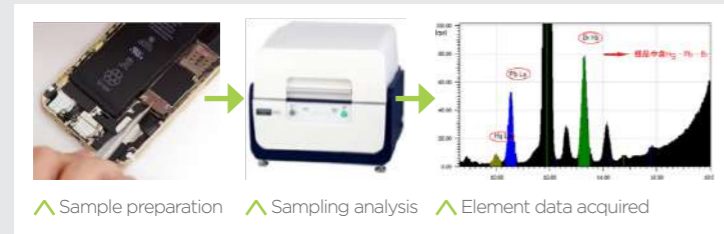
Note:
 1. Some of the domestic waste in the Taipei office belongs to recycling cartons, and the number cannot be counted, and all of them have been entrusted to qualified recyclers for disposal.
 2. Waste statistics include plastics, paper, scrap iron, scrap aluminum, scrap white iron, waste board edges, waste information products, waste wood (pallets), miscellaneous plastics, scrapped parts, abandoned desktops, abandoned screens, discarded laptops, restaurant kitchen waste, recycling weight of living resources and general garbage.
 3. In 2023, due to the scrapping of the laboratory equipment in Taipei Office 2 which were all metal, it made an income after were recycled.
 4. In 2023, the Taoyuan plant canceled the use of recycled water for sprinkler irrigation due to sprinkler irrigation water, so there is no information on recycled water.
 5. In 2023, the disposal cost was reduced due to the reduction of waste in the Taoyuan plant; Due to the increase in waste disposal fees at the Taipei office and the large amount of waste generated from space renovations, the costs are higher than last year.
 6. Statistics on the recycling and reuse of scrapped products: In 2022, the statistical basis is based on the products recycled in the current year and reused in the same year, and the adjusted statistical method from 2023 is based on the recycling and reuse of existing recycled products in a single year.
 7. Data coverage: The environmental information disclosure scope of this report is HTC Taiwan, and the data coverage rate of waste use accounts for 100% of HTC Taiwan.

Reduction of Hazardous Substances - Raw Material Management Mechanism

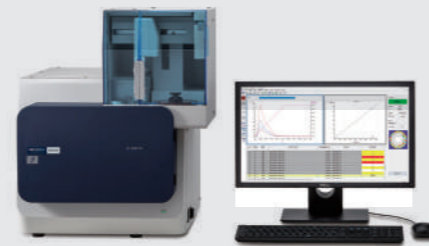
Always been dedicated to becoming an environmentally friendly enterprise, we place equal emphasis on the EP features of our products and the establishment of a green supply chain. We continuously strive to improve the environmental performance of our supply chain by regularly convening supplier conferences. During these conferences, we integrate our environmental protection policies with the concept of a green supply chain and collaborate with component suppliers to explore the use of non-toxic materials. We adhere to the principle of source management and exercise stringent control over the procurement of raw materials. In addition to maintaining the validity of the IECQ QC 080000:2017 Hazardous Substances Process Management System Certificate every year.

In the product development stage, we will deliver the relevant parts materials to the ISO 17025 qualified laboratories, such as SGS, TUV, to ensure that the materials used in the product comply with international environmental protection specifications. In terms of production management, factories regularly conduct hazardous substance tests on materials according to the "Incoming Toxic Substance Control Work Instructions". This is done to ensure that these materials comply with the RoHS 2.0 requirements, are all non-toxic, and are harmless green products.

X-ray fluorescence analyzer detects heavy metals and halogen elements



TD-GC/MS is used to check plasticizer



We are committed to actively managing hazardous substances and chemical use in the fiercely competitive global business environment to ensure compliance with national laws and customer specifications, thereby reducing the risk of product non-compliance. In order to comply with the stringent international regulations regarding chemical use, we have banned four chemicals: n-hexane, n-heptane, benzene, and toluene. Additionally, we have restricted the use of 527 other chemicals, including beryllium and dichlorobromomethane, to meet the requirements of our customers and relevant domestic and international regulations.

To ensure the safe management of chemicals, we have taken the following measures:

- We have dedicated personnel who regularly check, inspect, and verify the management of chemicals within the facility, including the types, quantities, storage conditions, completeness of labeling, and adequacy of documentation.
- Personnel are required to wear basic safety protective equipment when handling chemicals.
- Our gas fire suppression systems use halogenated fire suppression equipment instead of CO₂ systems.
- We have also replaced lead-acid batteries with environmentally friendly batteries. Any scrapped nickel-cadmium batteries are delivered to qualified Class E waste treatment facilities for proper disposal.
- We have established principles for managing chemicals used in cooling water towers. We select cooling tower cleaning agents that have relevant safety certifications or comply with specified regulations.
- We ensure that our suppliers/contractors manage chemicals properly. We conduct investigations, audits, and risk assessments on internal management system with a focus on environmental safety and health.
- HTC continues to strengthen its management capabilities for chemical substances and promote green and sustainable corporate responsibility.

Green Production Process and Smart Factory

2024 Smart Factory Programs

Our process optimization and energy improvement project in the year 2024 has made significant progress in enhancing production line efficiency. These improvement measures have not only increased efficiency but also resulted in cost savings.

With AI artificial intelligence, the test station automation and site integration > AI line control center are introduced

In order to continue to improve the efficiency of the production line and low-carbon operations, it was gradually introduced in 2024: (1) AI test station automation and site integration, and (2) AI line control center - smart factory auxiliary tool in 2024, successfully saving US\$17,934.

AI test station automation and site integration

Using HTC MFG's existing automated testing technology capabilities, the original product needs human work in the PCA factory and system factory functional test station to realize test automation through AI image recognition and control technology, power automation, image capture, sound capture and other automation equipment accessories and programs. In addition, the system factory part is integrated with the OQC site for the test process. This improvement not only reduces the risk of personnel misoperation and reduces the complexity of personnel work, but also activates the use of manpower and optimizes the production line production efficiency.

EMS product test station automation	Before	After
Difference	<ol style="list-style-type: none"> 1. Connect the power supply and follow the on-screen instructions to select the test items, scan the S/N and MAC, check the HDMI display, audio output, switch operation, determine the camera position, and evaluate the test results. 2. All processes require manual judgment and operation by personnel. 	<ol style="list-style-type: none"> 1. Scan the S/N and MAC into the HTC main testing program. 2. Connect the power supply and wait for the test to be completed
Benefit		<ol style="list-style-type: none"> 1. Changing from manual to automated testing can reduce the complexity of operations for personnel and decrease the time personnel need to intervene. 2. Reducing the risk of human error by switching to 100% program-based evaluation enhances the quality of testing. 3. Optimizing production line testing efficiency allows progress from one person operating one machine to one person operating multiple machines.

AI image recognition and control technology: allows the computer to decide whether to automatically control or press the keyboard according to the current screen.

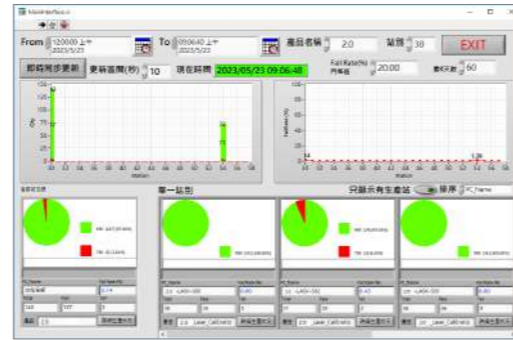
Automation: Measure voltage, current, and switching via Arduino Control Relay.

Image Acquisition: The screen required for the DUT is replaced by the image capture card, and the screen is taken out to determine the test status.

AI line control center

We use intelligent software to monitor product testing to identify potential problems early, effectively reducing the number of maintenance notifications by production line personnel and the frequency of sudden equipment defects by 50% each. In addition, we also use AI to suggest troubleshooting methods, and through step-by-step human-machine learning, we can improve the repair accuracy rate by more than 80%.

In 2023 and 2024, HTC received a grant from the Ministry of Economic Affairs for the "Process AI Intelligent Carbon Reduction Program", amounting to NT\$1,210,000. In the future, we will continue to use automation and AI technologies to improve process efficiency and reduce carbon emissions, and promote the sustainable development of the industry.



Energy conservation, power saving, paper reduction, and material recycling

In recent years, HTC has actively promoted paperless and energy-saving measures, and the results have been remarkable. Since 2020, we have saved more than 130 kg of paper consumption by going paperless through OQC, significantly reducing costs and carbon emissions. In 2024, we continued to expand the scope of paperlessness and successfully reduced the amount of paper used by 175 kg to further enhance our environmental performance. In terms of energy saving, since 2022, we have saved about 30% of the annual electricity consumption (about 1,200 kWh of electricity) by optimizing the manufacturing process and equipment usage, reduced the consumption of aluminum disc consumables by 30%, and extended the service life of X-Ray fluorescent tubes by 45%, significantly improving the overall equipment efficiency. In addition, in 2024, we centralized our SMT production line for dual-parallel production, which can save about NT\$1,836,184 per year. At the same time, through the recycling of materials such as solder paste, solder dross, steel plate and synthetic stone carriers, the efficiency of resource use is further improved and resource recycling is implemented. In the future, HTC will continue to promote environmental protection measures, and is committed to fulfilling its commitment to sustainability to create a greener and more sustainable business operating model.

Sustainable Product

The Green Supply Chain Management System

In order to enhance the reliability of green products and comply with international regulations and customer requirements, we established a Green Supply Chain Management platform in 2006. This platform enables our R&D engineers to select environmentally friendly materials from the product database during the early stages of product design to reduce the subsequent verification time significantly. Furthermore, we require all new suppliers to meet the HSF rating criteria, with a 100% compliance rate achieved in 2023. To strengthen the ESG standards of our business partners, we have incorporated ESG performance assessments into our quarterly business review (QBR) starting from 2022 with an aim to foster a green and sustainable supply chain.

Taking circular economy as the direction for development

As part of HTC's commitment to the Sustainable Development Goals, we are committed to designing and manufacturing products that use the planet's limited resources efficiently and prudently. We focus on extending the life cycle of our products and continuing to recycle them in the following directions:

- Maximal use of single plastic material helps make recycling easier. Exclusion of materials made with hazardous chemical substances and lightweight products are the future product design.
- Extended product lifecycle; use of modular designs for hardware upgradability and for changing spare parts.
- Product energy-saving design.
- Use recycled materials for manufacturing and packaging.
- Reduce the environmental impact of the manufacturing process, use recycled water and renewable energy.

Extending the product life cycle, HTC is committed to sustainability

The VIVE Ultimate Tracker is an all-in-one device that allows consumers to track their head, hands, feet, and waist at the same time, and is designed with continuity and compatibility in mind. This external accessory is compatible with VIVE XR Elite, VIVE Focus Vision, and select third-party PC VR headsets. Through its compatibility with different product ranges, VIVE self-positioning trackers extend the life of their devices and incorporate circular economy concepts into virtual reality technology. More than half of the components are compatible with the previous generation of products, reducing the waste of maintenance materials and resource consumption, and further promoting the effective use and recycling of resources, reflecting HTC's commitment to product life cycle management and sustainable development.



VIVE XR Elite Product Carbon Footprint

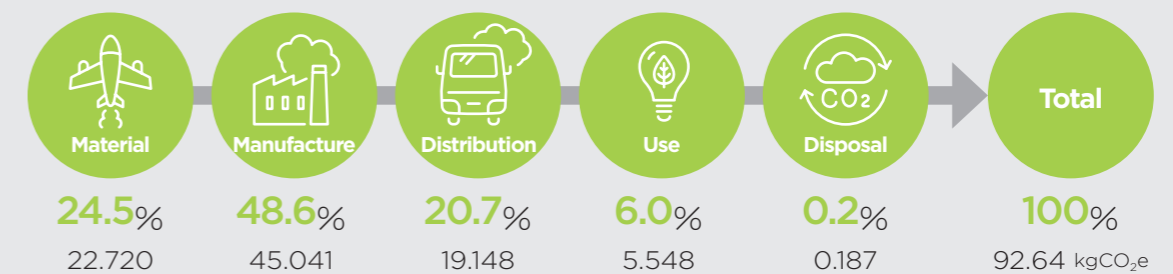
As a leading brand in virtual reality industry, HTC has been committed to environmental protection and sustainability. To reduce the impact of products to the environment, from January to March 2024, we used the new established internal carbon management platform to conduct a comprehensive carbon footprint assessment of each stage process of the VIVE XR ELITE, including raw material selection and packaging methods, and obtained ISO 14067:2018 product carbon footprint verification opinion in April of the same year, covering from Cradle to Grave. Product carbon footprint is an analysis of greenhouse gas emissions throughout the product life cycle, including the acquisition of raw materials, manufacturing, distribution, use, disposal and other stages. The carbon footprint of each VIVE XR ELITE (including packaging) is 92.64 kg CO₂e, and the main carbon emission hotspots are concentrated in the raw material manufacturing and distribution and product manufacturing stage. When developing new products in the future, we will be committed to sustainable design and sustainable supply chain promotion. In addition, since the electricity consumption in the manufacturing process is the main carbon hotspot, we can also improve the efficiency of electricity consumption in the future. HTC is committed to improving carbon emissions in every process, and providing products to consumers that are more green, environmentally friendly, and healthy, and integrating the spirit of sustainability into the entire life cycle of each product. In addition, another new product is planned to undergo third-party carbon footprint verification in June 2025.

HTC VIVE XR ELITE Product Carbon Footprint Verification Opinion : <https://www.htc.com/us/esg/certificate-report/>



▲ VIVE XR Elite ISO 14067 product carbon footprint, the certificate awarding ceremony was held by Deputy General manager of SGS (Left), HTC Chief Sustainability Officer (right)

HTC VIVE XR ELITE Product Carbon Footprint



Sustainable packaging is more environmentally friendly

HTC taking environmentally friendly and sustainable development as the primary concern when designing lightweight packaging, ensuring the protection and of the product and aesthetic while at the same time reducing impact of the packaging to the environment. All packaging materials HTC uses for its products fully comply with EC directive on packaging and the US requirement on packaging and are used:

- Low-volatility ink or soy ink certified by the American Soybean Association
- Ensure all the packaging materials are in line with the principle of environmentally friendly and sustainable development, minimizing impact of the product packaging to the environment

HTC's Four Major Directions for Sustainable Packaging

Reduce the use of plastics

Expand the use of sustainable

Printing color simplification

The facilitation of shipment.

Continuing HTC's commitment to corporate social responsibility and sustainability, we're building on last year's commitment to further enhancing our packaging solutions

- Successfully used 99% recycled materials and plant fibers as packaging materials for the VIVE XR Elite series
- In 2024, the new eco-friendly kraft paper packaging showcases HTC's efforts to promote the circular economy
- Kraft paper packaging is not only durable and highly recyclable, but also reflects HTC's environmental responsibility in material selection.

History of HTC "Sustainable Packaging"

Weight

Has been reduced, helps to reduce GHG emission resulting from transportation.

The packaging body is actively miniaturized

The increased number of products that can be stacked on a single pallet can reduce freight costs and shipping carbon footprint.

Proportion of recycled content

Increase the proportion of packaging materials containing recycled raw materials.


2024 Packaging Material Analysis

VR




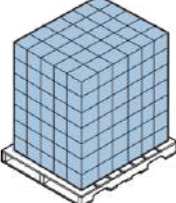

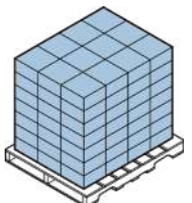

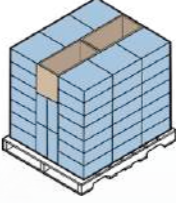
Focus Vision
Weight 783.2 g
Recycled Content Weight 486.25 g
Recycled Content Rate **62%**

Smartphone



U24pro
Weight 135.55 g
Recycled Content Weight 75.69 g
Recycled Content Rate **55.84%**

The material of VR packaging- Utilize recyclable packaging materials and lightweight design

	Dimensions	Weight(g)	The number of pallets	ECO Features
2021 Rigid Box (VIVE Flow)	 184x91x123mm	240	 420pcs	<ul style="list-style-type: none"> ● Monotone color print for a minimalist, sophisticated design. ● Optimized space allocation, light and compact outer design to change perceptions of a heavy VIVE series.
2023 Pizza Box (VIVE XR Elite)	 288x278x130mm	777.5	 84pcs	<ul style="list-style-type: none"> ● We employ a minimalist monochromatic style in our printing, utilizing simple ink printing techniques to convey the product's refined and elegant texture. ● We have replaced certain plastic bag packaging with paper-based packaging to maximize the use of paper materials. Additionally, the main device is now protected by a fiber bag with superior quality.
2024 Pizza Box (Focus Vision)	 375x338x126.5mm	783.2	 54pcs	<ul style="list-style-type: none"> ● Printing with very simple monochrome performance, with simple ink printing features, to express the elegant texture of the product. ● The use of corrugated boards is lighter and more durable. ● Use optimal pallet stacking to reduce your carbon footprint.

Sustainable Logistics

HTC has customers all over the world, and in order to support sustainable development, we actively reduce the volume and weight of product packaging, improve shipping efficiency, and choose low-carbon transportation methods to reduce our carbon footprint and fulfill our global sustainability responsibility. While we promote carbon reduction measures in distribution, we can also save costs and return the saved resources to our customers, achieving a win-win benefit.



Global warehouse setup strategy to optimize distribution mode and shorten the distance to international airports/seaports, adjust warehouse locations:

In 2016, HTC set up logistics warehouses in the eastern United States to meet the needs of the e-commerce market in the United States, however, with the deepening of operations and data analysis, HTC found that the proportion of customers in the western United States is higher. In order to reduce the carbon footprint during transportation, it was decided to add a warehouse in the West Coast in October of the same year. This not only improves distribution efficiency, reflects the emphasis on customer service, but also significantly reduces carbon emissions. In addition, HTC has successively adjusted the location of its warehouses in Europe, America and Australia, focusing on locations close to international airports/seaports.

Through a comprehensive review, this strategy has been validated by warehouse adjustments, and XR ELITE products can significantly reduce the carbon emissions generated by transportation by about 38.6% during the distribution process.



Choosing a low-carbon means of transport:

According to the data, replacing air freight with sea freight can reduce carbon emissions by more than 95%. In addition to increasing the volume of ocean freight, for shipments to the eastern United States, after shipping to the western ports of the United States, the transportation to the eastern United States by rail instead of trucks can reduce carbon emissions by an average of 91.3% per pallet. In 2024, between sea and air freight for the VIVE XR Elite, the proportion of sea freight increased by 1.8% compared to 2023.



Multiple orders or multiple products are combined to reduce the number of deliveries:

HTC continues to consolidate deliveries and consolidate orders from the same customer or destination as much as possible, resulting in a 61% consolidation rate by air, sea, and land in FY2024.

HTC's commitment to sustainable logistics not only reduces carbon emissions, but also reduces costs and improves shipping efficiency, resulting in a win-win situation for businesses and customers. In the future, we will continue to focus on green transportation solutions and work with partners to implement sustainable development goals.



Sustainable Supply Chain

HTC understands that supplier partners are the key to the continued growth of our operations. Based in Taiwan, we actively promote local procurement and supply chain diversification, giving priority to the procurement of local raw materials and related equipment in addition to key components, so as to reduce carbon emissions in the supply chain, create local employment opportunities, and improve supply chain stability.

In 2024, HTC's local procurement of raw materials accounted for 59%. While ensuring the provision of high-quality products and services, we also require our suppliers to follow high ethical standards and environmental practices, in order to grow together with our supply chain partners on the road of sustainability.

Supply Chain ESG Management Mechanism

HTC has participated in the Responsible Business Alliance (RBA) since 2023 and actively participates in discussions and actions on various supply chain social and environmental responsibility issues to understand the trends in the implementation of social responsibility by international companies and the practical experience of members. The company follows the RBA Global Responsible Business Alliance Code of Conduct and formulated the HTC Supplier Code of Conduct. It is committed to improving and enhancing the environment, labor rights, ethics, safety and health, and expanding the social responsibility of the supply chain system. We also hold supplier meetings from time to time every year to promote relevant issues.

To ensure effective implementation, supply chain ESG management and plans are formulated and implemented after discussions between the procurement unit and ESG office, and are supervised by the ESG Committee. HTC will continue to work with supply chain partners to promote supply chain diversification and responsible management, and achieve the common sustainable development of enterprises and partners.

HTC Supplier Code of Conduct

The HTC Supplier Code of Conduct details the responsibilities and regulations that have to be followed by all suppliers doing business with HTC. In addition, HTC also conducts a regular assessment of the implementation of the Code as the basis for our further selection of business partners. At the end of 2024, there were a total of 3 suppliers (new in 2024) signed the Supplier Code of Conduct, with the rate of signing reached 100%.

Additional supply chain-related policies and performance can be found on the website and can be downloaded from the "HTC Supplier Code of Conduct".

Supplier management objectives

Index	2024		2025	2030
	Target	Achievement		
Target: Tier 1 suppliers	Target	Achievement	Target	Target
● Supplier Code of Conduct return rate	100%	✓ 100%	100%	100%
● RBA SAQ completion rate	85%	✓ 88%	85%	90%
● CDP survey response rate	90%	✓ 97%	90%	95%
● Suppliers report carbon emissions data % to CDP			75%	85%
● 100% conflict-free minerals (3TG)	100%	✓ 100%	100%	100%
● Conflict Minerals (Cobalt and Cloud) survey rate	100%	✓ 100%	100%	100%

Supplier Social Responsibility Assessment and Audit

In addition to fulfilling its own corporate sustainability responsibilities, HTC has also extended the concept of sustainability management to the supply chain. The supplier factories are mainly located in Taiwan and China, and the rest are located in the United States, the Philippines, Japan, South Korea, Malaysia, Thailand and other regions.

HTC values the ESG performance of its suppliers, and not only evaluates its suppliers' ESG performance on a regular basis, but also conducts supplier ESG communication meetings and provides RBAs from time to time Web-based training courses to ensure that supplier partners understand and comply with the Supplier Code of Conduct. By providing consulting and counselling services, we work hand-in-hand with our suppliers to build stronger partnerships to drive sustainable development.

A Quick Look at the HTC Supply Chain Management

Definition of HTC Critical Supplier	
Due to differences in industry characteristics and supplier category attributes, critical suppliers are defined based on purchase amount (annual transaction amount is the top 80% of the total purchase amount for direct suppliers), substitutability, strategy and technological leadership.	
Management Mechanism	
New Supplier Management	<ul style="list-style-type: none"> New suppliers must pass the new supplier assessment and sign the HTC (RBA) Code of Conduct before they can become an official supplier. All supplier candidates are required to fill in a self-assessment questionnaire, which is designed in accordance with the five aspects of the RBA Code of Conduct, and conduct on-site audits for high-risk suppliers to ensure compliance and social responsibility, and a total of 3 new suppliers have passed the new supplier assessment in 2024, accounting for 100% of all new suppliers.
Quarterly Evaluations	<ul style="list-style-type: none"> During the quarterly supplier business review meeting, key suppliers are evaluated on their sustainability performance through the ESG scorecard based on the five major aspects of labor, environment, health and safety, ethics, and quarterly project performance. Each aspect is assessed in terms of legal compliance, performance exceeding legal requirements, and management system certification, and the sustainability performance of key suppliers is verified to be included in the priority supplier selection considerations.
Yearly On-site Audit	<ul style="list-style-type: none"> HTC implements the "Supply Chain Social Responsibility Audits and Performance Evaluations" and we have adopted the latest version of the RBA Code of Conduct, which includes: labor, health and safety, environment, ethics, and management systems. We introduced the RBA Risk Assessment Platform in 2023 to assess high-risk suppliers through information such as supplier country risks, manufacturing processes and product categories, as well as the RBA Self-Assessment Questionnaire (SAQ). We also encourage suppliers to actively implement the Validated Assessment Program (VAP) to enhance industry responsibility and compliance. In 2024, HTC assessed a total of 78 suppliers (112 factories) and completed on-site audits of 38 factories, all of which were 100% on-site audits, of which 97% were RBA Validated Assessment Program (VAP). About 8% of high-risk suppliers have implemented RBA VAP, and we will continue to pay attention to high-risk suppliers, and select high-risk suppliers who have not implemented RBA VAP to conduct on-site audits in 2025 if necessary. In 2024, the number of high-risk facilities decreased by 55% compared with 2023, and the proportion of high-risk facilities decreased by about 50%. In response to the identified deficiencies, HTC not only requires suppliers to provide corrective measures but also offers them the Company's experience in the implementation management systems for reference. If the audit results are below standard, these suppliers are placed on the priority list for on-site audits in the following year to prevent similar incidents from occurring again. In 2024, there were no suppliers whose audit results did not meet the standards.

On-site Audit Results

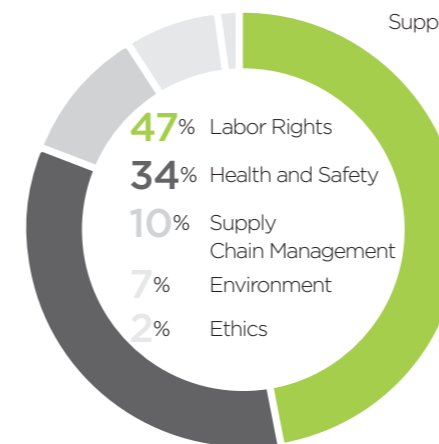
Percentage of all Tier 1 suppliers in the RBA-validated audit process

SASB Criterion	2024
The number of suppliers that have been audited by a third party / Number of facilities across all trading providers	34%
The number of high-risk suppliers that have been audited by a third party / Number of high-risk provider facilities	8%
Percentage of people who fail to pass the audit	0%
Significant missing numbers / Number of supplier facilities that have been audited by a third party	0.03
Other missing numbers / Number of supplier facilities that have been audited by a third party	5.45
Number of significant missing improvements / Significant missing numbers	100%
Number of other missing improvements / Other missing numbers	45%

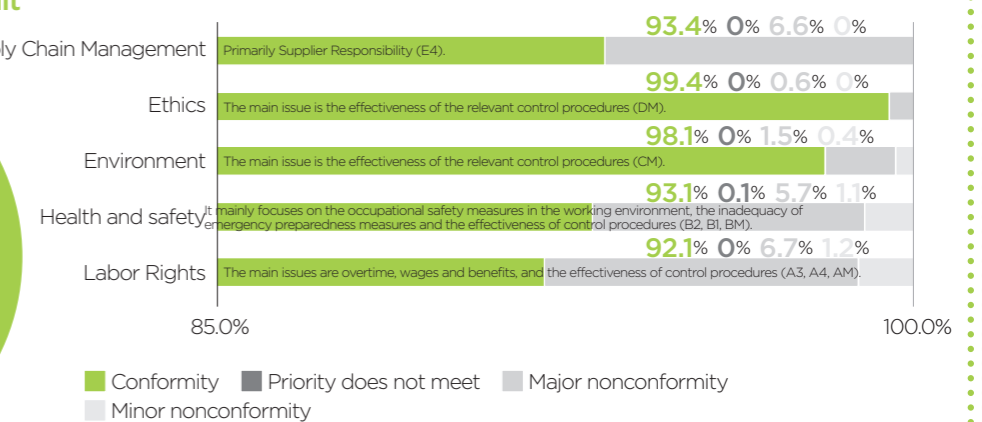
Note:

- HTC uses the RBA risk assessment tool and uses the RBA Self-Assessment Questionnaire (SAQ) to investigate high-risk suppliers, or high-risk suppliers who have not completed the SAQ and are judged to be high-risk by the RBA Risk Assessment Platform/ Medium-risk facilities.
- Third-party audits include HTC on-site audits and VAPs, and are based on RES pass standards.
- The statistical period is the data of supplier facilities that were audited by HTC in 2024 or VAP.
- In response to the above findings, HTC in addition to requiring suppliers to reply to improvement measures, it also provides suppliers with experience in the introduction and implementation of the management system, and if the audit results do not meet the standards, they will be included in the priority list of on-site audits in the next year to avoid similar situations from happening again. Suppliers who have not had audit results that do not meet the standards in the current year.

Distribution of non-conformities found in the audit



RBA Compliance with the Code of Conduct (%)



Note: The statistical period is the supplier's facility data that was audited by HTC's on-site audit or Effectiveness Audit Program (VAP) in 2024



Supplier capacity improvement

Vendor ESG Communication meetings

We continue to communicate with our suppliers to help them improve their ability to respond to sustainability issues, and encourage them to incorporate sustainability into their corporate management agendas. In line with HTC's sustainability strategy, we hold various supplier sustainability seminars, and provide the latest ESG development trends, analyze the main priorities and actions of the supply chain in various issues, and strengthen the cooperative relationship through two-way communication. It also provides the supply chain with the ability to enhance environmental and social responsibility. In 2024, three supplier training sessions were held, with more than 175 suppliers participating.

RBA Web-based training courses

We offer the RBA e-Learning Academy training system to encourage suppliers to learn synchronously, and to keep an eye on updates to the RBA Code of Conduct, providing timely information and suggestions for improvement. When there are significant changes to the Code, we train our internal staff and suppliers to ensure that the new Code is introduced quickly.

Following the release of the RBA 8th Edition Code of Conduct in 2024, HTC arranged for relevant personnel and suppliers to participate in RBA's outreach meetings in Taiwan, covering global regulations, new standards, audit findings and best practices, as well as the latest Responsible Environment Initiative (REI), as well as mandatory human rights due diligence training (mHRDD) to ensure compliance with the latest guidelines.

Supply Chain Climate Engagement

To truly reduce environmental harm in a meaningful way, companies must connect with their entire supply chain and take collective action to assess and reduce supply chain climate risks. HTC's net-zero commitment represents not only HTC's determination to promote zero-carbon transformation, but also an oath to work with the supply chain to take positive actions towards low-carbon transformations. We are committed to reducing value chain carbon emissions by 25% in 2030 compared with the base year (2021) through initiatives, establishment of supplier climate capabilities, and supply chain greenhouse gas management strategies.

Climate capacity building

HTC uses various supply chain projects combined with education and training to enhance the supply chain's ability to respond to sustainable development challenges. We continue to invite suppliers to participate in supplier ESG communication meetings, CDP project briefings, and provide relevant social and environmental responsibility management training, so that suppliers can understand the latest knowledge and trends. We provide suppliers, HTC management, and industry experts with opportunities for multilateral communication. In the series of annual supplier communication meetings, we shared the latest international corporate sustainability trends and climate change mitigation and adaptation, as well as HTC's project goals related to supply chain ESG management.

In 2024, HTC effectively collected and managed carbon emissions at the supply chain through the Supply Chain Carbon Management System, and continue to participate in CDP's supply chain projects to enhance the climate management capabilities of the supply chain. In addition, HTC is introducing an internal carbon pricing system to integrate carbon emission costs into business operations and integrate them into supply chain management to encourage suppliers to participate in carbon reduction actions.

At the same time, HTC participated in the two-year "Industrial Development Administration Project of the Ministry of Economic Affairs - Low-carbon and Intelligent Upgrading with Large and Small Enterprises", and held two supplier courses in 2024 with the Deloitte Sustainability team, including carbon management education and training and product life cycle workshops, and selected 10 local suppliers for one-on-one counseling. Analyze the current situation/demand/maturity of each manufacturer; establish a hierarchical guidance plan and action plan, and assist in building carbon inventory capabilities and setting carbon reduction targets.



Industrial Development Department - Large-scale and Small-scale Low-carbon and Smart Upgrading Scheme: Supply Chain Negotiation - Product Carbon Footprint Workshop

CDP Briefing

In 2024, HTC continued to work with CDP to hold CDP briefings to share international climate management trends and updates. Through CDP explanation, we helped suppliers understand the revised version of the CDP questionnaire and its environmental management maturity in HTC's supply chain, covering the process of using the new CDP website, HTC's key projects and best case sharing.

We expect suppliers to understand the value of climate disclosure, improve the quality of disclosure, reinforce the importance of climate management, and further enhance the maturity of environmental management, so as to encourage more enterprises to join the ranks of climate management.

Supply Chain GHG Management

In early 2024, HTC was named to the 2023 CDP Supplier Engagement Leaderboard, which is the highest grade of Supplier Engagement Rating (Grade A). Among more than 11,500 companies around the world that participated in the rating, only 450+ companies can receive this highest honor.

To truly and meaningfully reduce environmental harm, companies must connect the entire supply chain and take action to measure and reduce climate risk in their supply chains. We are proud to have a place in this space as a leader in CDP's 2023 Supply Chain Engagement Assessment. Simon Fischweicher, Director of Supply Chain and Reporter Services at CDP, said, "As a leader in supply chain engagement evaluations, HTC is demonstrating that supply chain leadership is a prerequisite for net zero and natural positive growth."



HTC became a CDP Supply Chain Member in 2023 and further integrated supply chain CDP performance into the ESG scorecard to manage the environmental impacts caused by the supply chain and incorporate supplier rating results into procurement evaluations, thereby advancing the overall supply chain's ability to address climate change.

In 2024, the CDP questionnaire response rate for Critical suppliers reached 97%. Among them, over 75% of suppliers reported on Scope 1/Scope 2, 70% included climate issues in board-level oversight, 63% set carbon reduction targets, and 84% have reported on the use of renewable energy. We will continue to communicate with tier-1 suppliers, gradually expand our influence, and work with upstream suppliers to deepen the carbon management capabilities of the industry chain.

Suppliers achieve performance

	2023 HTC Supply Chain	2024 HTC Supply Chain	2024 CDP Global Supplier Average
Percentage of suppliers reached			
Overall response rate	94%	97%	65.66%
Climate issues are included in the scope of director-level supervision	77%	70%	
Carbon reduction target setting	62%	63%	
Take action to reduce carbon emissions	66%	64%	
Report Scope 1 emissions information	78%	81%	
Report Scope 2 emissions information	74%	75%	
Report on the use of renewable energy	62%	84%	

No conflict minerals product used at HTC in **2024**

Responsible Procurement of Minerals

HTC has included conflict minerals issues in its procurement contracts, supplier code of conduct, purchase order terms, supplier social responsibility management procedures, and supplier social responsibility audits, requiring suppliers to comply with the "HTC Conflict Free Mineral Statement" to ensure that conflict minerals are not used. Each year, we use the Conflict Minerals Reporting Template (CMRT) of the Responsible Minerals Initiative (RMI) to investigate the sources of metal mines of our suppliers, effectively managing the supply chain and reducing default risks. In 2022, all minerals used in HTC products were sourced from qualified smelters. HTC has also included "cobalt" and "mica" in its metal mine source investigations since 2020 and 2022, using the Responsible Minerals Initiative's Extended Minerals Reporting Template (EMRT). The response rate for this year's survey was 100%.

The intended use of conflict minerals

Au

Point of use:
Contact in the circuit boards
Intended use:
As circuit board contacts to ensure proper connection
Number of smelters in 2024 :
177

Sn

Point of use:
Soldering in the circuit boards
Intended use:
Solder to mount circuit board electronic components
Number of smelters in 2024 :
89

W

Point of use:
Tungsten Alloy used in Vibrator
Intended use:
Tungsten alloy used in the phone vibration motor
Number of smelters in 2024 :
41

Co

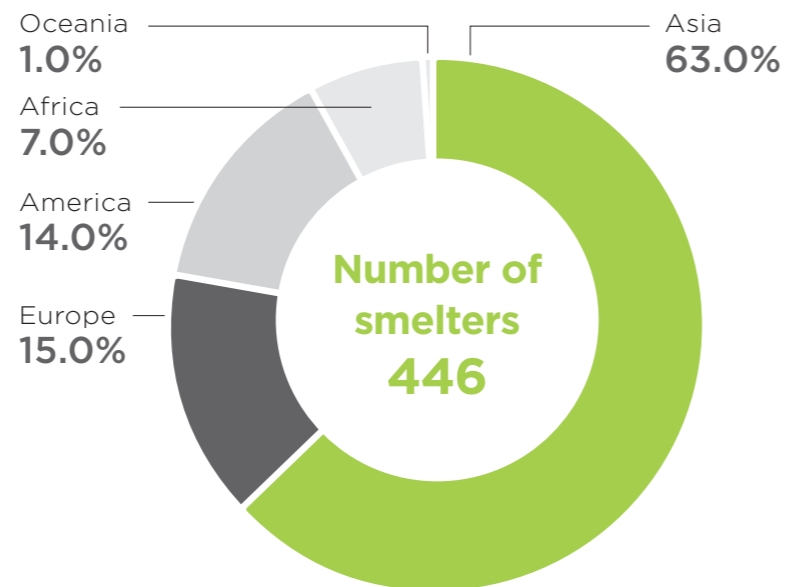
Point of use:
Used on lithium batteries
Intended use:
As electrode material for lithium battery
Number of smelters in 2024 :
85

Ta

Point of use:
Tantalum-Capacitor
Intended use:
An element used in tantalum capacitors
Number of smelters in 2024 :
37

Mica

Point of use:
Used in connectors and memory modules
Intended use:
Assist in electrical insulation and thermal insulation
Number of smelters in 2024 :
17



Friendly Workplace



Human Rights Management and Commitment

In HTC's commitment, special attention is paid to interested parties in vulnerable groups, such as children, women, indigenous peoples, people with disabilities, and other vulnerable groups. We promise not to participate in any form of human rights violations, including forced labor, child labor, discrimination, harassment, and infringement of the right to freedom of association and assembly. We also regularly review and update our policy to ensure effective implementation, including identifying and addressing potential human rights issues through due diligence by applying early warning principles.

With regard to the protection of human rights and other related policies, HTC has posted on its official website its declaration and [policy commitments](#). We promise to integrate policies into daily economic activities and business relations, striving to protect and respect human rights, for example, we require all suppliers to fulfill their corporate responsibilities to the same standard, and publicly announce compliance with the latest version of the Modern Slavery Act together with suppliers to demonstrate protection of labor rights. We believe that through our commitments and actions, we can make positive contributions to global human rights and sustainable development.

Human Rights Topics

HTC places great importance on human rights issues and is committed to ensuring that our business activities do not negatively impact the human rights of any interested party. We believe that identifying and developing annual human rights issues is an important step to ensuring the fulfillment of our commitment. Therefore, we use the following methods to identify and develop annual human rights issues:

- 1

Identifying human rights risks
 We clarify and identify potential human rights risks and hazards through parties interested in our business, and list potential risk items.
- 2

Conduct due diligence
 Internal departments conduct investigations on potential human rights risks to determine whether our policies and practices comply with relevant laws, guidelines, and standards. HTC assessed the overall level of human rights-related risks as low in 2024, including areas such as "freedom of association," "no employment of child labor and illegal workers," and "no forced labor."
- 3

External participation
 Regularly disclose human rights risks and performance in the annual sustainability report to share progress and outcomes with stakeholders.

Regularly disclose human rights risks and performance in the annual sustainability report to share progress and outcomes with stakeholders.

Based on the above approach, the annual human rights issues identified and formulated by HTC in 2024 include:

- ✓ Labor relations
- ✓ Diversity and equality
- ✓ A good working environment
- ✓ Conflict minerals
- ✓ Personal information security and privacy

HTC will continue to ensure the identification and management of human rights issues through internal and external mechanisms, actively improving human rights risks and fulfilling corporate social responsibility.

Due diligence on human rights-related risks

Human Rights Topics/Impacts	Annual Management Measures and Results
Employees	
Labor-capital Relation	
Labor consultations and appeals	HTC holds labor meetings to discuss employees' work rights and benefits on a quarterly basis, and produces meeting minutes to continuously track and improve issues. We also provide various channels for employees to express their opinions, including an appeal hotline, appeal opinion box, email, etc. In 2024, a total of four employee complaints were received and handled by the Human Resources department. Depending on the case requirements, relevant units such as Occupational Safety and Legal Affairs were involved to conduct fair investigations, address the issues, and respond under the principle of confidentiality, with continuous tracking of case progress. There were no incidents of unlawful workplace violations, and no cases of violations of the Labor Standards Act occurred in 2024.
Salaries comply with relevant regulations	HTC strictly adheres to the labor laws and regulations of each location, prohibiting discrimination against employees based on gender, race, nationality, age, religion, or party affiliation. It is committed to creating a fair and equal work environment, allowing employees to enjoy fair wages and benefits. The company also adopts a systematic performance evaluation system, taking factors into account such as employee performance, market level, and future development potential to adjust salaries, motivate employees, retain outstanding talent, and continuously promote innovative development to improve the company's competitiveness.
Diversified equal rights	
Anti-discrimination	At HTC, we uphold the principle of equal opportunity and ensure that we do not tolerate any form of discrimination in recruiting, hiring, promotion, and management of employees. We have always been committed to creating an open, diverse, and inclusive work environment to unleash the maximum potential of the company. We also provide education, training, and other measures to protect employees while performing their duties. In addition, our EAP program provides professional psychological counseling and life assistance resources to take care of employees' physical and mental health, increase job satisfaction, and strengthen self-esteem.
Respect for women	HTC values the importance of female employees in the workplace and believes that gender equality is very important. Therefore, in addition to strictly complying with relevant labor laws, it also considers adjusting service items and environmental equipment for female employees to diverse needs, and is committed to establishing a true corporate culture of gender equality. Since 2016, HTC has implemented a comprehensive Protecting and Managing Maternal Health policy, to include female employees who are pregnant, are breastfeeding for the first year after giving birth, or are still breastfeeding, to ensure that they receive the necessary protection and support. Through the above measures, we believe that we can improve the work efficiency and morale of our employees, while also attracting outstanding female talent.
Good Workplace	
Provide a safe working environment and training for workers	HTC is committed to creating a safe and healthy workplace environment and conducts regular and irregular inspections of workplaces, vehicles, equipment, facilities, and firefighting equipment to ensure a safe working environment. We also conduct audits of safety requirements such as protective measures, personnel safety, and health education records, and pre-, during, and post-use inspections of machinery and equipment, including organic solvents, ionizing radiation, and infrared detection. To enhance employees' awareness of health and safety and regulatory requirements, we provide basic training on general health and safety and use of hazardous and harmful materials, and education and training for employees engaged in hazardous or special operations.
Employee healthcare	To provide a comfortable and healthy working environment for all employees, we are committed to providing healthcare services across three major areas: "health management", "health promotion", and "healthcare", to ensure the physical and mental health of employees and to ensure a work-life balance.
No forced labor	HTC strictly prohibits any form of forced labor and ensures that employees have the freedom to terminate their labor contracts. As of 2024, no operating site has experienced any form of forced labor.
Unemployed child labor and illegal labor	HTC strictly prohibits all operating sites and global suppliers from illegally hiring children and engaging in illegal labor. We require employees to provide age certificates when hiring them, and ensure that students in cooperative education also comply with the law. We also ensure that all operating sites comply with local labor laws and regulations to protect labor rights.
Free association	HTC respects employees' right of free association and is committed to providing channels and an environment for free expression of opinions. We encourage employees to effectively express their opinions and ideas through diverse labor negotiation and appeal channels, such as unions, labor meetings, and appeal procedures.
Provide accessible facilities for individuals with physical and mental disabilities	The accessibility facilities of the building include ramps, escalators, and elevators. We have set up blind spot signs on the disabled elevators in our Taipei office so that people with limited vision can use these facilities.

Suppliers	
Conflict Minerals	
No use of conflict minerals	We conduct responsible investigations and management of conflict minerals, conduct annual investigations on the sources of raw materials from suppliers, and incorporate them into the supplier's social responsibility management program. No products were found to have used conflict minerals in 2024. See the ' Sustainable Supply Chain ' section for further details.
Labour human rights	
Free choice of profession	<p>HTC places great importance on suppliers' protection of human rights, and followed the Code of Conduct of the Responsible Business Alliance and the United Nations Declaration of Human Rights to develop the HTC Supplier Code of Conduct, which clearly outlines the responsibilities and norms related to labor, health and safety, ethics, and other key areas.</p> <p>It is implemented through multiple measures, including:</p> <ul style="list-style-type: none"> ● On-site audits, identifying deficiencies and taking corrective actions ● Training on human rights issues for colleagues working in procurement ● Participation in the Responsible Business Alliance (RBA) so we can understand the trends of international enterprises and member experience and practice. ● We hold supplier meetings every year to promote and demand human rights issues such as prohibitions on child labor, forced labor, and conflict minerals to expand the social responsibility of the supply chain system. We expect any supplier who has business dealings with HTC to comply with and implement this standard. <p>By the end of 2024, HTC has signed a total of 3 new suppliers to the Code of Conduct, with a 100% return rate. See the ' Sustainable Supply Chain ' section for more details.</p>
Unemployed child labor and illegal labor	
No Forced Labor	
Salary and Benefits	
Human Treatment	
Anti-discrimination	
Freedom of Association	
Corporate Customers	
Personal Information Security and Privacy	
No personal information or other information leaks	Attaching great importance to the security of personal data and information, HTC has imported a personal data management system and an information security management system, and has taken various management measures to ensure the security of personal data and other information. There have been no incidents of personal data or other information leaks to date.

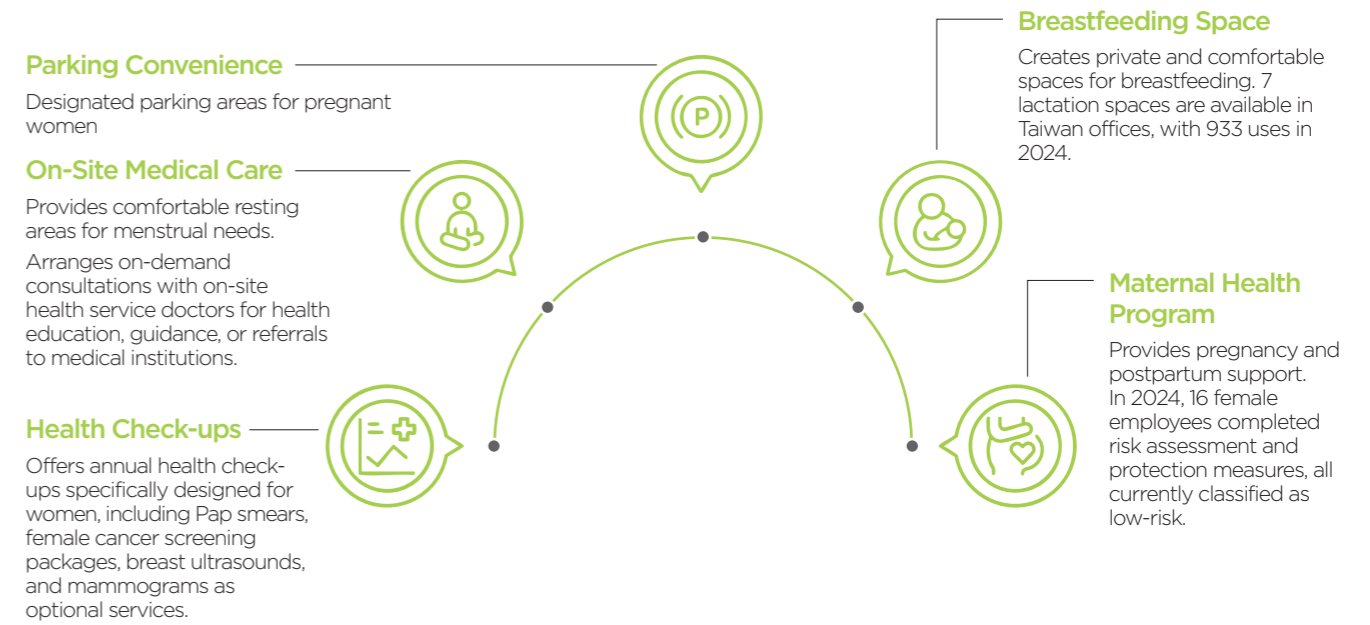
A Workplace that values Human Rights

As an international enterprise, HTC values labor human rights and upholds the basic principles of equality, inclusiveness, and anti-discrimination. We adhere to providing fair and open employment opportunities for every candidate, and respect the human rights and workplace equality of every employee. We are committed to the highest environmental, social, and moral integrity standards to create a healthy, just, and fair work environment.

No Child Labor

HTC strictly prohibits all operating sites and global suppliers from employing children. We require that an age certificate be provided when hiring employees, and that students in cooperative education meet the age threshold as stipulated by local laws to ensure that the welfare of children and adolescents is fully protected. We also ensure that all operating sites comply with the requirements of local labor laws to safeguard the labor rights of workers.

Valuing Female Employees



HTC places great emphasis on the value of female employees in the workplace, and has established a corporate culture of gender equality by adjusting our service offerings and improving environmental equipment. We also promote physical and mental healthcare measures for female employees, including the following:

- A female free cancer-screening program is part of the annual health check. This includes the choice of a Pap smear, a breast ultrasound exam, or a mammogram.
- Consideration for the physiological needs of female workers during menstrual cycles, providing a comfortable environment for rest, equipped with electric heating pads and far-infrared therapy devices, menstrual pain assessment, health knowledge and education, physician consultation or referrals and so on.
- Car/ scooter parking spaces near the parking lot entrance/exit for pregnant women.
- Seven breastfeeding rooms in the offices in Taiwan, each equipped with ultraviolet milk bottle boxes, a microcomputer water boiler, comfortable couch, refrigerator to store breast milk, and relaxing music. These facilities were used 933 times in 2024.
- The Mother Health Protection Plan kicked off in 2016 and covers pregnant women, mothers within the first year of giving birth, and mothers who are breastfeeding. The Plan made an inventory, underwent risk identification, and offers individual medical consultations, work adjustments and a reinstatement program following pregnancy. In 2024, a total of 16 female employees completed risk classification and protection measures, all of which are currently considered a low risk level and are being monitored.



▲ Accessible parking spaces for pregnant women and people with a disability

Work-life Balance Support

In addition, in order to encourage and support employees to raise the next generation with confidence, HTC has a perfect application system for family care leave and parental leave to protect employees' work rights so that parents can take care of their newborns with ease.

Employees applying for Family care leave

Year	Male	Female	Total
2022	18	59	77
2023	16	25	41
2024	20	23	43

Employees Applying for Unpaid Parental Leave and Resuming Duty after Leave in 2024

	Male	Female	Total
The Number of Qualified for UPL for Raising Children in 2024 ^(Note 1)	58	35	93
The Number of Person Actual Applied UPL in 2024	2	8	10
UPL Application Rate in 2024 ^(Note 2)	3.4%	22.9%	10.8%
The Number of Reinstatement-to-be in 2024 (A)	2	10	12
The Number of Application for Reinstatement in 2024 ^(Note 4) (B)	1	9	10
Reinstatement Rate in 2024 ^(Note 5) (B/A) %	50%	90%	83.3%
The number of Application for Reinstatement in 2023 ^(Note 3) (C)	4	9	13
The Number of Retention Over 1 Year After Reinstatement in 2023 (D)	3	4	7
Retention Rate in 2024 (Note 6) (D/C)%	75%	44.4%	53.8%

Note:

- The number of employees eligible to apply for maternity leave and paternity leave in 2024 is calculated based on the number of employees who have taken maternity leave and paternity leave in the past three years (2022-2024)
- The 2024 application rate for parental leave = the actual number of people applying for parental leave in 2024/the number of people eligible for parental leave application × 100%
- The number of people who have been reinstated in 2023 includes those who applied in 2021, 2022 and 2023, and were reinstated in 2023.
- The number of people who have been reinstated in 2024 includes those who applied in 2022, 2023 and 2024, and were reinstated in 2024.
- The 2024 Reinstated Rate = Number of reinstated people in 2024 / Number of reinstated people expected in 2024 × 100%
- The 2024 retention rate = Number of people who continued working for one year after resuming employment in 2023 / Number of people who resumed employment in 2023 × 100%

Listening to the Voice of the Employee

HTC has nearly 2,000 employees worldwide, and the improvement of internal communication mechanisms has a significant impact on the company's operational growth. Therefore, HTC places great emphasis on internal communication and is committed to establishing a harmonious atmosphere of mutual trust between labor and management, ensuring the rights and freedom of expression of employees. In 2024, there were no cases of violation of the Labor Standards Act by HTC.

HTC has established a fair system for handling employee complaints, and provides instant access to colleagues' opinions, such as via the appeal hotline, the appeal opinion box, appeal email, and a sexual harassment appeal email.

● Labor-management meeting mechanism

HTC places great importance on labor management harmony. If there are any labor disputes, we conduct labor management negotiations in accordance with the law, and handle the dispute promptly and properly.

At least 4 labor-management meetings are held regularly every year. The labor meetings consisting of seven representatives selected by employees and seven representatives designated by the company, to discuss the previous unresolved cases and new issues, and invite relevant supervisors to participate. After the meeting, the minutes are posted on the internal website for employees to review the processing status. The most frequently discussed topics in collective meetings include:

- ✓ Work environment
- ✓ Employee welfare

● Respect for corporate labor union rights

HTC has established the corporate labor union since 2015. We keep communication with members of the labor union and respect their opinions, and discuss employee feedbacks at labor-management meetings every quarter. As of the end of 2024, the corporate labor union has not proposed any demand for collective agreement.

● Comply with regulatory requirements

When there are significant operational changes, we also comply with the norms of the Labor Standards Act. No cases of violations of the Labor Standards Act occurred in HTC in 2024.

Employee Engagement Survey

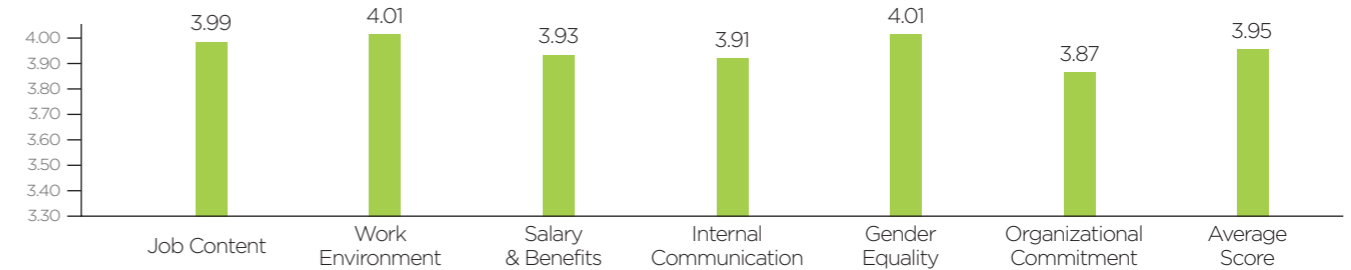
HTC values employee voice and recognition, and annually conducts employee engagement surveys to gauge employees' feelings about the company's priority measures so we can strengthen and improve specific programs accordingly.

In 2024, HTC conducted an engagement survey for manufacturing colleagues, sampling 60 people, with a response rate of 100%. The survey result was 3.95 out of 5. The survey covers six aspects: job content, working environment, salary and benefits, internal communication, gender equality and company identity. The results showed that employees affirmed HTC's performance in areas such as gender equality and job content design.

The survey results, with scores of 3.98 for "The work environment and atmosphere make me feel happy" and 4.08 for "I am confident in doing my current job well," indicate that employees have a positive work experience at the company. They not only find the workplace environment comfortable and pleasant but also have confidence in their abilities, allowing them to tackle challenges effectively and gain a sense of achievement, thereby enhancing overall workplace well-being.

HTC continues to take improvement measures and track improvements to ensure that employee input is taken seriously and that a better work place is created.

The manufacturing employee's questionnaire survey conducted in 2024



HTC Employee Code of Conduct

We believe that through training and guidance for new colleagues, we can cultivate a team that is honest, responsible, and highly ethical. This is not only crucial to the company's success but also a long-term commitment to all our stakeholders. New employees at HTC Taiwan are required to complete an online course on the Code of Conduct and participate in the subsequent tests. In 2024, a total of 166 employees completed the training, achieving a 100% pass rate.

2024 HTC Taiwan New Employees' Participation in the "New Employee Training - Employee Code of Conduct" Course

Item	2024			
	Hours	Number	Total hours	Percentage of employees in Taiwan
New Employee Training - Employee Code of Conduct	0.17	166	28.22	9.97%

Overview of Human Resource Structure

At the end of 2024, HTC global employee workforce totaled 1,946. Of these, 28.57% of the global supervisors were women. In addition, HTC's 2024 turnover rate of direct employee in Taiwan is 7.05%, including manufacturing colleagues and contract employees; The global turnover rate of indirect staff was 10.43%, including general colleagues, interns and contract employees; The voluntary turnover rate for full-time employees worldwide is 9.88%.

Note: Turnover rate= the number of employees leaving the company/ the total average number of employees per year. The figure does not include employees who were involuntary resigned employee.

HTC Human Resource Structure Overview

	Direct / Indirect	Male		Female		Total		
		Person	%	Person	%	Person	%	
Employee category	Executive management	Indirect	43	2.21%	10	0.51%	53	2.72%
	Non-executive management	Indirect	627	32.22%	258	13.26%	885	45.48%
	Technical employees	Indirect	341	17.52%	139	7.14%	480	24.67%
	All other employees - Indirect	Indirect	89	4.57%	199	10.23%	288	14.80%
	All other employees - Direct	Direct	100	5.14%	140	7.19%	240	12.33%
Type of employment	Full-time employees		1,181	60.69%	727	37.36%	1,908	98.05%
	Part-time employee		19	0.98%	19	0.98%	38	1.95%
	Employees without set hours		0	0.00%	0	0.00%	0	0.00%
Employment contract	Irregular contract/ permanent employees		1,155	59.35%	723	37.15%	1,878	96.51%
	Fixed-term contracts/ temporary employees		45	2.31%	23	1.18%	68	3.49%
Sales Department Management	Number of Management Personnel		670	34.43%	268	13.77%	938	48.20%
	Sales Department Management		90	4.62%	53	2.72%	143	7.35%
Employees with physical and mental disabilities		7	0.36%	3	0.15%	10	0.51%	
STEM people		594	30.52%	118	6.06%	712	36.59%	
Total number of employees	Global employees		1,200	61.66%	746	38.34%	1,946	100.00%

Note:
1. The calculation method in the "Percentage" column is: the number of employees in this type / the total number of employees as of December 31, 2024.
2. The definition of employment job titles is as follows:
•Executive management : executive directors, marketing directors, finance directors, and vice presidents or above. *
•Non-executive management : section chief, managers, deputy managers, etc.
•Technical employees : engineers, senior engineers, chief engineers, etc.
•Other employees - direct: manufacturing employees.
•Other Employees - Indirect: All non- "executive management" , "non-executive management" , "technical employees" , "other employees - direct" fall into this category.
3. The definition of employment type is as follows:
•Full-time employees: the number of working hours per week, month, or year as defined by national laws and practices regarding working hours.
•Part-time employees: employees who work fewer hours per week, month, or year than full-time employees.
•Employees without set hours: employees who are not guaranteed a minimum amount or fixed working hours per day, week, or month, but may be required to be ready to work according to requirements.
4. The definition of employment contract is as follows:
•Permanent employees: full-time or part-time employees who sign open-ended (i.e. indefinite) contracts.
•Temporary employees: employees who sign fixed-term (i.e. with fixed term) contracts. The contract expires at a specified time, or ends when a specific task or event with an evaluation schedule is completed (such as the end of a project or upon the return of an employee to whom the role belongs)
5. Definition of management hierarchy in the sales department:
•Management Hierarchy: Executive Management, Non-Executive Management.
•Sales Department: This category refers to business units that generate revenue.
6. Definition of STEM employees: STEM employees are those working in the fields of Science, Technology, Engineering, and Mathematics. This includes the union of two groups: 1. Employees who graduated from programs in Science, Technology, Engineering, and Mathematics, and 2. Employees working in departments that execute STEM-related business.

Employee Rank Distribution by Age

Age	Male									
	Executive management		Non-executive management		Technical employees		All other employees		Total	
	Person	%	Person	%	Person	%	Person	%	Person	%
≤ 29	0	0.00%	7	0.36%	90	4.62%	55	2.83%	152	7.81%
30-50	22	1.13%	504	25.90%	247	12.69%	122	6.27%	895	45.99%
≥ 51	21	1.08%	116	5.96%	4	0.21%	12	0.62%	153	7.86%
Total	43	2.21%	627	32.22%	341	17.52%	189	9.71%	1,200	61.66%

Age	Female									
	Executive management		Non-executive management		Technical employees		All other employees		Total	
	Person	%	Person	%	Person	%	Person	%	Person	%
≤ 29	0	0.00%	5	0.26%	55	2.83%	47	2.42%	107	5.50%
30-50	3	0.15%	213	10.95%	83	4.27%	229	11.77%	528	27.13%
≥ 51	7	0.36%	40	2.06%	1	0.05%	63	3.24%	111	5.70%
Total	10	0.51%	258	13.26%	139	7.14%	339	17.42%	746	38.34%

Note: The calculation method of the proportion is the number of persons in this category / the total number of employees at the end of the period

HTC's total employees by job title in the past 3 years

(Unit: person/%)

Year		Executive management		Non-executive management		Technical employees		All other employees		Total	
		Person	%	Person	%	Person	%	Person	%	Person	%
2022	Male	45	2.07%	628	28.90%	368	16.94%	249	11.46%	1,290	59.36%
	Female	12	0.55%	252	11.60%	134	6.17%	485	22.32%	883	40.64%
	Subtotal	57	2.62%	880	40.50%	502	23.10%	734	33.78%	2,173	100.00%
2023	Male	46	2.21%	640	30.78%	374	17.99%	205	9.86%	1,265	60.85%
	Female	9	0.43%	260	12.51%	144	6.93%	401	19.29%	814	39.15%
	Subtotal	55	2.65%	900	43.29%	518	24.92%	606	29.15%	2,079	100.00%
2024	Male	43	2.21%	627	32.22%	341	17.52%	189	9.71%	1,200	61.66%
	Female	10	0.51%	258	13.26%	139	7.14%	339	17.42%	746	38.34%
	Subtotal	53	2.72%	885	45.48%	480	24.67%	528	27.13%	1,946	100.00%

HTC Global Site Employee Structure Distribution

Percentage of gender group representation of global employees

	Local Employees		Foreign Employees		Total	
	Male	Female	Male	Female	Male	Female
Executive management	1.70%	0.46%	0.51%	0.05%	2.21%	0.51%
Non-executive management	24.77%	9.30%	7.45%	3.96%	32.22%	13.26%
Technical employees	16.91%	6.89%	0.62%	0.26%	17.52%	7.14%
All other employees	8.83%	15.93%	0.87%	1.49%	9.71%	17.42%
Total	52.20%	32.58%	9.46%	5.76%	61.66%	38.34%

Note:
Local Employees: Employees who hold the nationality of the company's location (Taiwan).
Foreign Employees: Employees who do not hold the nationality of the company's location.

The total number of employees that require a work visa in the past three years

Year	Employees that require a work visa			
	Male		Female	
	Person	%	Person	%
2022	12	0.55%	2	0.09%
2023	10	0.48%	2	0.10%
2024	13	0.67%	4	0.21%

Total number of employees by region

		Permanent employees	Full-time employees	Part-time employees	Temporary employees	Employees without set hours
APAC	Taiwan	1,597	68	1,630	35	0
	Others	109	0	109	0	0
America		98	0	98	0	0
EMEA		74	0	71	3	0

The total number of employees country in the past three years

Year	Local Employees				Foreign Employees			
	Male		Female		Male		Female	
	Person	%	Person	%	Person	%	Person	%
2022	1,087	50.0%	752	34.6%	203	9.3%	131	6.0%
2023	1,062	51.1%	688	33.1%	203	9.8%	126	6.1%
2024	1,016	52.2%	634	32.6%	184	9.5%	112	5.8%

Note:
Local Employees: Employees who hold the nationality of the company's location (Taiwan).
Foreign Employees: Employees who do not hold the nationality of the company's location.

The total number of employees by region in the past three years

Year	APAC				America	EMEA	Total		
	Taiwan	Others	Subtotal						
	Person	Person	Person	%				Person	%
2022	1,852	145	1,997	91.9%	94	4.3%	82	3.8%	2,173
2023	1,764	137	1,901	91.4%	99	4.8%	79	3.8%	2,079
2024	1,665	109	1,774	91.2%	98	5.0%	74	3.8%	1,946

HTC global new and resigned employee statistics

	APAC				America		EMEA					
	Taiwan		Other									
New Recruits of Employees												
Age	Male	Female	Male	Female	Male	Female	Male	Female				
	Person	% Person	% Person	% Person	% Person	% Person	% Person	% Person	%			
≤ 29	65	3.66%	62	3.49%	0	0.00%	1	1.02%	2	2.70%	1	1.35%
30-50	40	2.25%	31	1.75%	5	0.28%	4	0.23%	9	9.18%	3	3.06%
≥ 51	0	0.00%	0	0.00%	0	0.00%	0	0.00%	3	3.06%	1	1.02%
小計	105	5.92%	93	5.24%	5	0.28%	4	0.23%	13	13.27%	5	5.10%
Total	207				18		10					
%	11.67%				18.37%		13.51%					
Turnover of Employees												
Age	Male	Female	Male	Female	Male	Female	Male	Female				
	Person	% Person	% Person	% Person	% Person	% Person	% Person	% Person	%			
≤ 29	57	3.21%	43	2.42%	0	0.00%	1	0.06%	0	0.00%	0	0.00%
30-50	91	5.13%	76	4.28%	25	1.41%	9	0.51%	10	10.20%	5	5.10%
≥ 51	9	0.51%	24	1.35%	0	0.00%	0	0.00%	1	1.02%	0	0.00%
Subtotal	157	8.85%	143	8.06%	25	1.41%	10	0.56%	11	11.22%	8	8.16%
Voluntary Turnover	103	5.81%	72	4.06%	6	0.34%	2	0.11%	9	9.18%	1	1.35%
Involuntary Turnover	54	3.04%	71	4.00%	21	1.18%	8	0.45%	4	4.08%	7	7.14%
Departures Excluding Retirements	125	7.05%	111	6.26%	25	1.41%	10	0.56%	11	11.22%	8	8.16%
New Employee Turnover Within One Year	20	1.13%	21	1.18%	1	0.06%	1	0.06%	2	2.04%	2	2.04%
Total	335				19		15					
%	18.88%				19.39%		20.27%					

Note:
1. Proportion calculation method = Number of new or resigned employees / total number of employees in the region at the end of the period
2. Total number of employees at the period end of each region: 1,774 people from Asia; 98 people from the Americas; and 74 people from Europe and the Middle East

Talent Attraction and Retention

HTC understands that the driving force of enterprise innovation comes from talent. Therefore, in addition to encouraging employees to explore unknown fields and bring innovative design into their lives, it is also committed to building a diverse, dynamic, and enthusiastic work environment, adhering to an open and inclusive policy, and giving employees sufficient authorization and room to grow to attract outstanding talent from around the world. In addition to jointly focusing on environmental protection, social welfare, and other issues with general enterprises, HTC has a deeper understanding that investment in talent is the primary responsibility of enterprises, and continues to expand the influence of HTC's employer brand through diverse recruitment channels, such as social media, and participating in external talent sustainable alliances. To this end, we continuously strive to build a diverse and motivating work environment where employees can unleash their strength and creativity, and achieve common growth of personal values and corporate goals.

Talent Attraction - Frontline Supervisor is the best spokesperson for the brand

Faced with the challenges of attracting talent due to dynamic market changes, we believe that frontline supervisors are the best spokespersons for our brands. When recruiting, we invite business, R&D, and other department supervisors to participate, not only allowing potential employees to better understand HTC's transformation direction and innovation momentum through personal experience, but also enhance the brand attractiveness through professional sharing and first-hand experience.

For example, in 2024, we invited the heads of R&D units to participate in the Campus Talent Expo, not only to introduce HTC's VIVERSE virtual reality ecosystem, but also to promote our talent needs through on-site sharing by supervisors. Such events not only allow job seekers to better understand the strengths, characteristics and value of HTC metaverse talents, but also effectively enhance brand awareness.

When recruiting partners for joint interviews, observing the supervisor's interview and providing exclusive feedback can help improve talent selection capabilities. The selection of supervisors is critical to talent density and corporate competitiveness. In addition, we believe that members with diverse backgrounds and professions can stimulate more creative ideas that go out of the box and generate leapfrog innovation momentum. We firmly believe that we can shape the corporate charm of "Dare to Dream Big" through such innovative momentum.

Youth Empowerment Around the Globe

To recruit the best talent worldwide, HTC adheres to the concept of "all talent is useful", and actively recruit local elites in the fields of AR/VR, 5G, blockchain, artificial intelligence, and others. We release recruitment information on our official website and social media, regularly participate in campus recruitment activities, symposiums, and technical seminars, and cooperate with schools to hold youth resume health screening activities and National Taiwan University talent sustainability and industry-university co-education initiatives to promote in-depth exchanges and interactions with current students and jointly nurture future talents.

Additionally, we offer internship opportunities every year, allowing students to apply their knowledge in practice, gain experience, and quickly adapt to the workplace. In 2024, HTC officially joined the National Taiwan University's "Taiwan Mentor Program - Interdisciplinary Internship Program" providing internship opportunities open to all disciplines along with a corporate mentorship system to help young people explore career paths. We focus on three core areas: sustainability, intelligence, and innovation, enabling students to participate in forward-looking projects and prepare for the future. Through this program, HTC not only discovers potential talent but also provides priority hiring opportunities, allowing interns to seamlessly transition into the workforce and become part of HTC.



▲ HTC Global HR Head visited National Yang Ming Chiao Tung University to share career experiences with students, followed by an interactive session with them

Diverse Recruitment Approaches to Put the Spotlight on Brand Value

In 2023, HTC launched a new version of the talent acquisition system, which not only provides employers with functions such as online application for manpower needs, viewing job vacancies, resume search, and interview progress tracking, but also provides candidates with a more convenient, faster, and more efficient recruitment process experience! In recent years, HTC has adopted a themed business approach combined with technological trends to plan meaningful and developmental job responsibilities, and provide comprehensive employee care, emphasizing a work-life balance for colleagues. HTC also actively promotes and broadcasts through internet platforms such as IG, LinkedIn, and YouTube, focusing on its own advantages, expanding its reach, strengthening its brand image, and laying the foundation for recruitment. HTC is committed to giving back to society by actively collaborating with various recruitment channels, disability employment counseling agencies, and government units such as the Workforce Development Agency of the Ministry of Labor. These efforts aim to create a more inclusive and accessible job-seeking environment for individuals with disabilities. Through these partnerships, HTC hopes to offer more employment opportunities, enabling every job seeker to utilize their strengths in suitable workplaces and contribute to building a more inclusive society.

Supporting Taiwan's talent through practical actions

As a pioneer in technological innovation, HTC has always regarded talent cultivation and development as a top priority. With the rise of ESG and DEI, global companies are paying more and more attention to the social responsibility of talents. In this environment, in 2024, HTC continued to participate in and support the initiative of "TALENT, In Taiwan, Talent Sustainability Action Alliance"!

We are committed to promoting six aspects of sustainable talent development, including "Meaning & Value", "Diversity & Inclusion", "Organizational Communication", "Rewards & Incentives", "Physical & Mental Health" and "Talent Growth". In a rapidly changing industrial environment, we are committed to take these key aspects into account to ensure the sustainable competitiveness of our talents.

We work with "Commonwealth Learning", "Cheers Happy Workers" and more than 200 alliance partners to advocate for the Hope Project to nurture talent and create a better future for everyone.



Talent Cultivation and Development

HTC not only pursues its own excellence and profitability, but also places great importance on the personal growth of each employee. We are committed to establishing a high-quality learning environment and culture, and actively integrate industry needs with employee career development to encourage them to strengthen their professional abilities. In addition, talent development is listed as an important management indicator, and it is expected to achieve symbiosis and co-prosperity between employees and the company. To achieve this, HTC has established a comprehensive talent development system aligned with the company's business development strategy. This system defines learning priorities for different levels and offers corresponding training programs. By expanding human capital, HTC aims to create a competitive advantage and support employees in continuous learning and improvement.

2024 HTC talent training goals and achievement



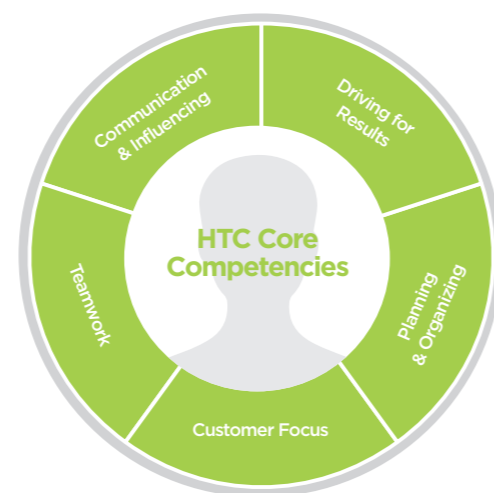
HTC Global Human Capital Return

2022	2023	2024
53.4%	59.7%	34.8%

Note: Global Human Capital Return is calculated as follows: (Total Revenue - (Total Expenses - Total Employee Expenses)) / Total Employee Expenses. Total employee expenses include costs associated with salaries, benefits, and education and training.

5 Core Competencies

To assist our employees in coping with ever-changing challenges and understand the pulse of the industry, five core functions serve as the main axis, and a systematic learning development blueprint is constructed with integrated internal and external training resources and a diverse learning platform to improve employee training plans and expand learning benefits so employees are provided with sufficient expertise and skills to meet future challenges. In 2024, we conducted four in-person courses and two online seminars, in addition to offering three e-learning courses. The content included communication and influence such as "Logical Expression," "Small Talk for International Socializing," "Captivating English Storytelling Skills," and "Positive Relationship Communication." For teamwork, we offered "Conflict Management and Internal Negotiations." Customer orientation was addressed with "Creative King + Abundant Life," while planning and organizational skills were covered with "Using PDCA to Optimize Team Efficiency" and "BCG Problem-Solving Skills." Lastly, result orientation was targeted with "Becoming a Productivity Expert." A total of 703 participants attended the training sessions, achieving an average satisfaction score of 4.69 out of 5.



Talent is HTC's most precious asset and key to achieving outstanding innovation and sustainable operations. According to the company's business development strategy, we have established a complete talent development system, formulated learning priorities for different levels, and provide corresponding training courses. Through these initiatives, we are committed to expanding our human capital, creating competitive advantage, and helping our employees to continuously learn and improve to meet the ever-changing challenges.



▲ 2024 IC Training



Assist new employees to quickly integrate into the process

With a deep understanding of the importance of attracting the best talent, HTC has planned and executed a series of orientation programs designed to help new employees quickly integrate into the company and reach their full potential. These courses cover the knowledge of the company's institutional norms, history and culture, etc., and provide a variety of resources to help employees demonstrate their professional value. For newly hired executives, we provide customized one-on-one orientation courses to ensure that they can smoothly integrate and contribute to the development of the company.

Welcome activities on the first day of registration	Dedicated human resources personnel will assist them in completing the documents required for registration, introducing the company's environmental facilities and internal platform systems, and quickly becoming familiar with the resources required for work.
Orientation and new employee training courses	Complete the online training courses for new employees within three months after registration, including occupational safety, information security, and self-reading courses, to help new employees become familiar with the company's norms and behavior guidelines in the shortest possible time.
Quarterly physical new training activities	In order to help new employees better understand the company's organizational structure, vision and values, and current main products, integrate into HTC's culture, and enhance their sense of identity with the company, we comprehensively updated the training course materials for newcomers in 2023, and launched a physical half-day training course from the fourth quarter. In 2024, HTC organized four training sessions specifically for new employees, training a total of 106 new hires.
New employee experience questionnaire	After completing various new employee training courses, new colleagues were invited to fill in questionnaires. The survey areas included "work content", "supervisors and peers getting along", "working environment", "training resources", etc. A total of 100 valid questionnaires were collected, and the overall satisfaction of this course reached 4.4 points.

Cultivating Key Leaders

Faced with rapid changes in the global industry and the new state of competition, HTC is committed to cultivating management talent who can quickly adapt to highly changing environments and have an international perspective. Such talent is expected to become the main driving force for enterprise development, and continue to promote HTC's growth and development even when faced with difficulties and challenges.

To this end, we customized a series of leadership courses tailored to different levels of supervisors, focusing on strengthening the three major functional aspects of HTC leadership management:

- Leading People
- Leading Change
- Strategic Thinking & Decision Making

Manager

● Designated Courses:

"Psychological Safety" has become one of the core issues of global corporate focus. From related research and surveys, we have identified contemporary employees' concerns such as the enhancement of leadership management thinking, compliance knowledge, and management of sensitive employee issues. Therefore, in 2024, we are launching three designated courses for managers and encouraging supervisors at all levels to actively participate. The topics include "70 Must-Learn Management Techniques for Supervisors," "Prevention of Workplace Sexual Harassment and Unlawful Infringement," and "Emotional Relief and Communication with Subordinates." Through diverse and flexible methods such as online lectures and e-learning, we assist busy managers at all levels in absorbing new management knowledge and improving their ability to handle high-risk events like compliance issues and emotionally sensitive subordinates.

● Elective Courses:

Focused on practical personnel management issues, these courses integrate theory and case analysis to plan comprehensive management training. Topics cover all aspects including performance management, employee motivation, effective communication, and counseling, helping managers at all levels enhance their skills in effective listening, performance feedback, and team motivation.

The overall satisfaction with these management and leadership training courses is 4.6 out of 5, receiving high praise from supervisors at all levels.

Professional workers

● IC Training

Centered around five core competencies, we have designed courses to encourage employees to continue learning in diverse ways. In response to changing lifestyles and diverse learning resources, we utilize an E-Learning system to promote microlearning, allowing colleagues to continuously improve their workplace skills and enhance themselves. In 2024, we hosted a total of 6 in-person and online lectures and offer 3 E-Learning courses, with a total of 703 participants. The overall satisfaction rating is an average of 4.69 out of 5.

● Employee Well-being:

In 2024, we have planned a Well-being lecture series that includes 2 online lectures: "Dialogue with Emotions: Stress Management" and "The Power of Caring: Building Positive Relationships," along with 1 E-Learning course titled "Manage Stress, Build High-Performance Resilience." Through diverse and flexible learning resources, we aim to help employees effectively understand, manage, cope with, and relieve stress. This initiative helps employees become aware of stress accumulation earlier and take action to mitigate its negative effects, thereby enhancing their well-being. The total number of participants is 279, with an average satisfaction rating of 4.5 out of 5.

Wellbeing Series Lectures

In recent years, the rapidly changing market environment and high-pressure work pace have brought employee stress and burnout issues into focus. Research shows that psychological resilience is a key ability for employees to handle stress and challenges. It is not an innate trait but a skill that can be developed through support and training. By providing learning resources, companies can enhance employees' adaptability and improve overall organizational stability and competitiveness. In 2024, we have planned two online lectures, "Dialogue with Emotions: Stress Management" and "The Power of Caring: Building Positive Relationships," along with an E-Learning course titled "Manage Stress, Build High-Performance Resilience." These diverse and flexible learning resources demonstrate the company's commitment to personal growth and health, thereby enhancing employees' sense of belonging. This approach empowers employees to be more adaptable when facing challenges and changes, allowing both the organization and individuals to respond more flexibly to environmental shifts and ensuring sustainable long-term development.

Thinker Forum

In 2020, the Forum invited Dr. Yuan Tseh Lee to discuss "Global Warming and Sustainability in Taiwan", and what we should know from the global shift and energy transition in Taiwan. In January 2022, the Forum went online with Peter Pu, who spoke about the "2022 Latest Global Risk Trends – Sustainability Challenges and Opportunities" with the Development of Technology. In October 2023, we invited Ming-Chieh Tang, President of Chang Gung University, to deliver a lecture on "Corporate Growth Strategies and Innovative Breakthroughs," along with Professor Hsin-Chien Huang, an internationally acclaimed VR director, to share insights on "A User's Perspective and the Future of XR." As AI continues to flourish in 2024, we were further honored to have Professor Tsung-Jieh Kuo, an Academician at Academia Sinica and the National Academy of Inventors in the U.S., to present on the theme of "A User's Perspective and the Future of XR." He offered observations on AI development from various energy perspectives, introducing a new AI development path focused on "decarbonization and sustainability." This aims to provide HTC practitioners with more energy-efficient and effective AI application strategies. Upholding the founding purpose of the Innovation Forum to foster deep exchanges between academia and industry, these initiatives are designed to empower employees to confidently face future technological developments and challenges.

In 2024, we revived the "Sense Academy." Unlike the Innovation Forum, which focuses on academic elites, the Sense Academy aims to invite industry experts related to the company's key development strategies to share professional knowledge and profound cross-disciplinary experiences with our managers and colleagues. With AI trends as the theme for 2024. In April, we invited Chairman Huang Chin-Yung, founder of DIGITIMES, to present on "Generational Change from .com to AI." He analyzed the accelerated iteration trends and transformation opportunities of artificial intelligence from the perspective of international industry collaboration. In July, we invited Director-General Chao Shih-Lung from the Taipei City Government's Department of Information Technology to discuss "Disruptive Innovation: Competitive Positioning in the AI Era," sharing opportunities for innovation workers to strategically position their competitive edge.

Training and Performance Integration

As HTC's organization and business expand, we actively drive innovation and development, while expecting every employee to align with the organization's common understanding and goals. To this end, we have established a systematic performance management system to help employees clarify their job objectives and performance standards. This system covers relevant indicators to help employees think about and plan their annual priorities.

HTC's performance management system is closely integrated with the training and development system, so employees can review their plan progress at any time according to the individual performance goals set at the beginning of the year, and identify the abilities that need to be strengthened and learned. At the same time, they can also participate in courses planned by the company or external training to improve their abilities. In the performance management system, supervisors and employees have in-depth meetings at the beginning of the year to jointly set personal annual goals and performance standards, and at the same time clarify the ability of employees to strengthen and learn for personal development. As time progresses, in the middle of the year, supervisors and employees will jointly review the achievement of goals and adjust the focus and schedule according to the company's development needs. In addition, at the end of the year, employees will conduct a self-assessment to review the achievement of annual goals, and receive feedback from supervisors and peers across units. Such a system allows supervisors to comprehensively evaluate the overall performance of employees and team results, making performance management a core tool for employee development, compensation design and training planning.

In 2024, we have completely updated our performance management training materials, focusing on providing managers and employees with accurate understanding and practical case exercises. This aims to prevent common cognitive biases in performance evaluations and enhance communication effectiveness.



▲ 2024 Management Training

Our employees conduct self-assessments to reflect on their goal achievement, incorporate feedback from cross-unit supervisors and peers, and then have an in-depth meeting with their supervisor to comprehensively evaluate the employee's performance and team achievements.



The supervisor and employee clarifies the work priorities and jointly sets annual goals and performance standards. Personal development needs are also discussed, and a plan for learning is mapped out based on needs.

A review is conducted with the direct supervisor and the work priorities and schedule are adjusted accordingly.

Yearly	Overall employee performance appraisal rate	360-degree performance feedback
2022	100%	32.85%
2023	100%	28.55%
2024	100%	16.00%

Note:
 1. Full-time indirect employees and new recruits who have completed the assessment are required to participate in the assessment.
 2. Calculation method of overall appraisal rate = number of employees participating in performance appraisal / total number of employees to participate in appraisal.
 3. 360-degree performance feedback calculation method = the number of people who give feedback to the supervisor / the number of people who participate in the performance appraisal.

Distribution of job levels and proportions of global employees receiving performance appraisals

Level/ Gender	Employee performance appraisal rate	
	Male	Female
Executive management	2.22%	0.51%
Non-executive management	26.22%	12.76%
Technical employees	10.22%	4.57%
All other employees	28.70%	14.79%

Training Result

As the epidemic gradually subsides in 2023, the company's internal and external training gradually resumed, and various departments paid more and more attention to the career development and learning of employees. In 2022, the company spent about NT\$2.08 million on training-related expenses, and by 2024, the amount has increased to NT\$3.98 million.

HTC Taiwan Employees Training Hours in the Past 3 Years

Year	Total Course (Hours)	Average training hours/ person	Average training days / person
2022	19,780.64	10.68	1.34
2023	20,556.71	11.65	1.46
2024	17,805.68	10.69	1.34

Note:
 1. Average of training hours per person of the year = Total of training hours of the year/ Total of Taiwan employees of the year end of period.
 2. Average of training days per person = Total annual training hours / 8 hours (daily working hours) / Total of employees at the end of the year in Taiwan.

HTC's Taiwan training courses in the past 2 years

Year	General Courses		Professional Courses		Maximum completion rate of a single course
	Total Course (Hours)	Average training hours/ person	Total Course (Hours)	Average training hours/ person	
2023	4,128.42	2.34	16,428.29	9.31	100%
2024	5,113.37	3.07	12,692.31	7.62	100%

Note:
 1. Average of training hours per person of the year = Total of training hours of the year/ Total of Taiwan employees of the year end of period.
 2. General courses include newcomer training, IC training and Wellbeing. Professional training includes supervisor management courses, direct staff training, Thinker Forum, Sense Academy and external professional training.

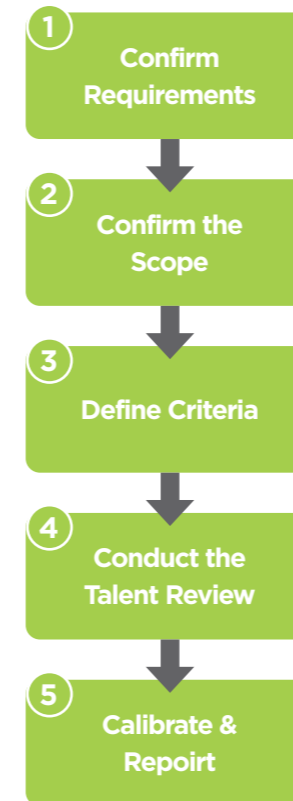
The training status of employees in each position at the Taiwan base

Level/ Gender	Total Course (Hours)		Average Training Hours	
	Male	Female	Male	Female
Executive management	236.03	63.51	6.94	7.06
Non-executive management	3,173.06	1,801.13	6.58	9.90
Technical employees	1,536.92	758.27	4.60	5.66
Other employees - indirect	818.39	1,734.85	9.41	14.46
Other employees - directly	2,304.33	5,379.18	26.19	27.59

Note: Average of training hours per person of the year = Total of training hours of the year/ Total of Taiwan employees of the year end of period.

Talent Review Mechanism

To address the rapid changes in the global market and the trend of sustainable talent development, companies must accelerate their efforts to optimize organizational efficiency and undergo transformation upgrades. Enhancing talent potential development and creating value have become top priorities. Therefore, in 2024, we are launching a "Talent Review" strategic process. This initiative involves collaborating with key business units and subsidiaries to review and organize talent layouts, identify talent and position gaps, and expedite the establishment of talent pipelines.



Salary and Benefits

HTC is grateful for the hard work of all employees so we provide excellent salary and benefits, and comprehensive welfare policies to share profits with our employees. In terms of salary and welfare policies, we strictly comply with local labor laws and regulations, and do not discriminate based on gender, race, nationality, age, religion, or political position. We also implement a systematic performance evaluation system to ensure the fairness and reasonableness of remuneration that considers market level and future development prospects, adjust salaries, and provide bonuses to align employee salaries with organizational performance, effectively retain and motivate talent, and promote continuous innovation.

Competitive Compensation

HTC is committed to creating a high-talent density environment and has therefore developed a comprehensive salary system. It participates in international salary surveys every year to understand market standards and provide employees with salaries higher than the market average guaranteed.

To retain outstanding talent, we provide appropriate salary adjustments based on employees' annual performance, development potential, company operating conditions and market salary adjustment expectations. In addition, key technology colleagues are provided with retention bonuses and long-term incentives ranging.

HTC Taiwan (parent company) average and median salaries of full-time employees not holding executive positions, and employee salaries and benefits

Item	2022	2023	2024	Annual increase/decrease rate (compared to 2023)
Number of full-time employees	1,093	1,024	906	-11.52%
Average salary (NT\$ thousand)	1,139	1,208	1,332	10.26%
Median salary (NT\$ thousand)	897	937	1,092	16.54%
Total employee salary and welfare expenses (NT\$ thousand)	1,575,030	1,602,177	1,531,749	-4.40%

Note: The data in this table is audited by accountants, and the total employee salary and welfare expenses refer to individual financial reports.

2024 Ratio of basic starting salary to minimum wage in Taiwan(parent company)

	New Recruits Basic Pay / Taiwan Minimum Wage Rate
Five-day workweek scheme	100%
Monthly rotating shift scheme	100%

Note:
1. Regular earnings include a base salary with additional benefits.
2. The 2024 Taiwan minimum wage is NT\$27,470.

HTC Average Compensation Ratio for Men and Women in Taiwan(parent company)

Employee Type	Average Compensation Ratio (Male: Female)			
	Executive management	Non-executive management	Technical employees	All other employees
2022	1.46:1	1.19:1	1.14:1	1.11:1
2023	1.41:1	1.20:1	1.14:1	1.10:1
2024	1.21:1	1.18:1	1.12:1	1.07:1

Note:
1. The base average salary includes recurring salary (including basic salary and food allowance) and non-recurring salary (such as year-end bonus, performance bonus, overtime pay, and allotment gains).
2. The data in this table is calculated based on the monthly salary of employees still in service as of December 2024.
3. The primary reason for the pay gap in management levels within our company is that most of our organizational units are research and development-based, a sector where market salaries tend to be higher. Additionally, the supply of talent in science and engineering from Taiwan's education system is predominantly male, contributing to the observed salary differences.

Diversified Employee Welfare

In order to ensure the rights and interests of employees and improve the cohesion of the company, we provide a comprehensive welfare system to all regular employees, and strive to improve the happiness of employees and create a pleasant working environment.

HTC Taiwan employee welfare measures

Basic benefits	Insurance	<ul style="list-style-type: none"> Upon joining the company, employees immediately receive group insurance coverage, which includes protection for injuries, illnesses, accidental death, and hospitalization expenses, providing financial security.
	Emergency assistance fund	<ul style="list-style-type: none"> When employees suffer from illness, injury, disability, or death due to occupational disasters, HTC will compensate them in accordance with the Labor Insurance Regulations or other laws and regulations. For example, the coverage includes medical benefits, injury and illness benefits, disability benefits, and survivor pensions. These ensure that affected employees and their families receive financial security.
	Pension systems	<ul style="list-style-type: none"> For those to whom the old system of the Labor Standards Act apply: a monthly pension of 2% of the total wages of workers shall be allocated, and shall be deposited and disbursed in a special account of the Labor Retirement Reserve Supervision Committee. For those to whom the new pension system of the Labor Pension Act applies: a labor pension contribution rate of 6% of the monthly salary of the worker and the monthly salary classification table approved by the Executive Yuan shall be the contributed and deposited in the individual labor pension account.
Rewards and benefits	Encouragement from senior employees	<ul style="list-style-type: none"> HTC places great importance on employees who have made long-term contributions, and presents long-term service commemorative prizes and thank-you cards to employees who have been in service for 5, 10, 15, 20, and 25 years to thank their long-term contributions to HTC.
	Employee Association	<ul style="list-style-type: none"> HTC provides a variety of clubs to promote employee well-being and interdepartmental interaction, including: Badminton, Basketball, and Fitness & Ball Sports Clubs: These encourage a culture of physical activity, enhancing fitness and teamwork. Music and Arts Club: This club promotes cultural, artistic, and creative activities. Charity and Volunteering Club: It focuses on community service and practicing corporate social responsibility. HTC continuously promotes health and employee care by strengthening team cohesion through club activities, fostering a joyful work environment.
Improve facilities	Stadium	<ul style="list-style-type: none"> The 17th floor of the Taipei office is a sports floor with a height of 10 meters, and can be used as an indoor basketball or badminton court; employees can register for free to use the facilities.
	Gym	<ul style="list-style-type: none"> HTC has set up a professional fitness space, including free weight training equipment and a heavy training mat area. It also cooperates with professional fitness management consultants and entrusts professional brands to manage facilities. Six coaches with first aid certificates or sports injury protection certificates are stationed to provide on-site fitness guidance, course planning, sports injury protection, and other services. In 2024, a total of 35,357 users availed of the facility.
Benefits and subsidies	Healthy Catering	<ul style="list-style-type: none"> HTC collaborates with professional catering providers to offer a diverse range of meal options based on employee dietary needs, following the principle of using seasonal ingredients to ensure balanced nutrition. All suppliers must meet food safety certifications such as CAS, TQF, ISO, and HACCP. Additionally, pork products must be free from ractopamine to ensure food safety. In response to environmental regulations, HTC's cafeteria actively promotes sustainable dining practices by: <ul style="list-style-type: none"> Providing reusable and recyclable eco-friendly utensils. Offering discounts at food stalls and convenience stores to encourage employees to bring their own reusable cups, thereby reducing single-use waste. HTC continues to enhance its healthy dining and sustainable environmental measures, ensuring employees have access to high-quality food options while minimizing environmental impact.
	Meal allowance	<ul style="list-style-type: none"> HTC offers a multi-tiered meal subsidy program to ensure employees receive adequate nutrition during work hours: <ul style="list-style-type: none"> Indirect Employees: Receive a daily meal subsidy of NT\$ 130 on weekdays and up to NT\$ 100 for lunch and dinner on holidays. Clock-in Employees (Interns, Contract Staff) and Direct Employees: Receive a subsidy ranging from NT\$ 35 to 60 based on their shift schedule. Additionally, HTC provides free afternoon tea daily to enhance employee satisfaction and well-being. The company is committed to creating an employee-friendly work environment through comprehensive meal subsidies that cater to the needs of different roles, promoting health and work efficiency.
	Transportation	<ul style="list-style-type: none"> HTC provides a shuttle service for employees, with waiting areas equipped with a GPS monitoring system so employees can track vehicle movements in real-time. Since 2022, the shuttles have been equipped with card readers to record the number of passengers. From 2023 to 2024, HTC is gradually improving vehicle dispatch to reduce carbon emissions, further enhancing the efficiency and environmental friendliness of their transportation services.
	Employee travel subsidies	<ul style="list-style-type: none"> HTC offers a seniority-based travel subsidy to reward long-term contributions and encourage work-life balance. To enhance convenience and support paperless initiatives, HTC has partnered with the PayEasy platform since 2023. This collaboration allows travel benefits and holiday bonuses to be converted into digital points, enabling employees to quickly purchase travel packages, accommodations, and various dining and entertainment tickets online, reducing the time spent on paper applications and reimbursements. Additionally, the Employee Welfare Committee launched an online subsidy application process in the second quarter of 2023 to further streamline the benefits process.

Benefits and subsidies	Children's Scholarship	<ul style="list-style-type: none"> The HTC Welfare Commission provides scholarships of different amounts for employees' children from primary school through to junior college. Those who meet the standards can apply for scholarships, which are NT\$ 800 for elementary school, NT\$ 1,600 for junior high school, NT\$ 2,000 for high school (including first grade, second grade, and third grade in a five-year junior college), and NT\$ 3,000 for junior college (including fourth grade and fifth grade in a five-year junior college). The total number of applicants in the first semester of 2024 was 351, and 311 in the second semester.
	Subsidy for the second child	<ul style="list-style-type: none"> Even as the pandemic gradually subsides in 2024, HTC's health center continues to offer free screening services and has enhanced ventilation and disinfection measures in screening areas to ensure a safe office environment. We are committed to providing timely and effective healthcare to comprehensively protect employee health.
	Pidemic Care	<ul style="list-style-type: none"> Even as the pandemic gradually subsides in 2024, HTC's health center continues to offer free screening services and has enhanced ventilation and disinfection measures in screening areas to ensure a safe office environment. We are committed to providing timely and effective healthcare to comprehensively protect employee health.
	Care, attention and protection of people with disabilities	<ul style="list-style-type: none"> Proportion of employees with disabilities : 0.6% (parent + subsidiary) Actively participate in the government's employment policy for people with disabilities, and strive to make jobs more suitable for people with disabilities and improve their work skills through job redesign Ability to adapt. We engage with people with disabilities to understand their needs and continue to work to create a more inclusive work environment.

Happy Workplace

The most important asset of the HTC brand is the creativity of its employees. To stimulate innovative thinking, we place great importance on frequent communication across departments and incorporate multiple employee interaction areas in the spatial design of the Taipei office, such as staggered sky bridges, channels connecting departmental offices, and transparent communication spaces. We hope that these areas can enhance cooperation between departments and allow creativity to be unleashed.

HTC emphasizes that sharing is the best way of interaction so we have set up the HTC Gallery in our Taipei office to provide an art exhibition venue, not only helping young local artists showcase their creativity and work, but also provide space for local schools and the public to visit, promoting interaction and exchange between HTC and the local community.

A Working Environment Incorporating Brand Spirit

HTC Gallery

HTC Gallery is a place where colleagues can rest in their minds, bodies and spirits in a work environment, and stimulate creativity through different artistic creations. Every season, we invite different artists from home and abroad to exhibit their works in the gallery, which has become a creative and dynamic art exchange platform. We cordially invite anyone interested in art to come to HTC Gallery and explore new ideas. In order to enrich and diversify the exhibitions of HTC Gallery, through cooperation with professional galleries in Taiwan and other islands, artists can go out of the gallery space and exhibit their creations in a wider office building. It is also introduced through guided tours such as professional art galleries to enhance HTC's internal artistic atmosphere and increase creative thinking. Below are photos from each of the 2024 HTC Gallery showcases.

2024 The IDEAS Print Studio Group Exhibition



Through the events of the sports season, employees not only relaxed and unwound but also strengthened their emotional connections with colleagues

2024 Modern Gallery [Dimension. Dialogue] Art Exhibition_Domestic/Foreign Artists Group Exhibition



2024 Bluerider Art Double Exhibition: [Cao Yoshigang: Celestial Path Touring Exhibition] & [Art and Technology Art and Technology Three-person Exhibition]_Overseas Artists Group Exhibition



2024 [Roaming Life-Dona Art Selected Exhibition]_ Group Exhibition of Domestic and Foreign Artists



2024 HTC Employee Conference and Thanksgiving Dinner

On January 5, 2024, HTC held an employee conference at the National Taiwan University Sports Center. During the meeting, the chairman outlined the company's vision and future plans, while 18 senior executives reported on the achievements of their respective units and their outlooks for the new year. To express gratitude for the employees' dedication over the year, HTC hosted the 2024 Thanksgiving Year-End Party on January 8, 2025, at the same venue, with over 1,400 colleagues from the Taiwan region enthusiastically participating.

The Thanksgiving banquet not only featured exciting performances but also specially acknowledged the hard work of long-serving employees. During the event, employees with 20 and 25 years of service received commemorative medals from the chairman to honor their long-term contributions. In light of the rapid growth of generative AI in 2024, the event also celebrated the winning teams of two AI Hackathon batches. Over 700 cash and gift prizes were raffled off during the event, conveying the company's deep appreciation for the employees' hard work and continuous innovation.

Employee Activities in 2024

To celebrate Mother's Day in May, HTC organized two special events at its two main locations in Taiwan:

1. Online Seminar:

Elegance Boost! Health and Diet Secrets: Through explanations by a nutritionist, employees were taught how to eat healthily.

2. In-Person Class:

Summer Floral Arrangement DIY: A floral artist was invited to provide on-site instruction, allowing employees to create unique floral arrangements to gift to their mothers.

Participation

1. Online Seminar: Elegance Boost! Health and Diet Secrets had 68 participants and received a satisfaction score of 4.91 out of 5.
2. Summer Floral Arrangement DIY had 166 participants and received a satisfaction score of 4.92 out of 5.

Mother's Day

Sports Season

Father's Day

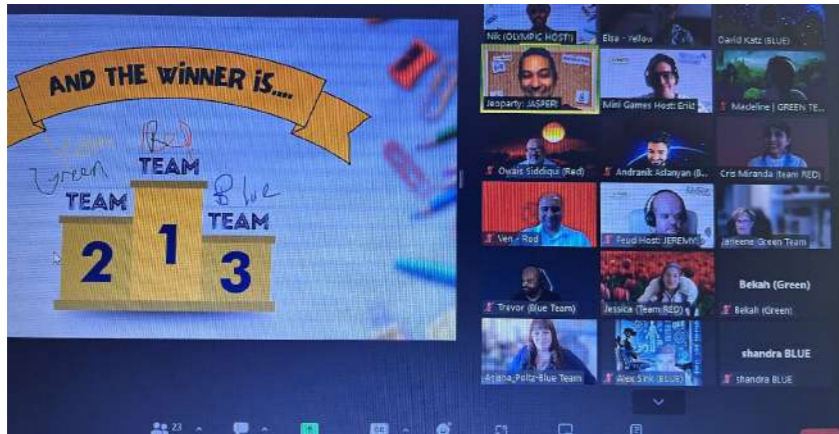
Thanksgiving

Christmas Love Without Borders

World Cleanup Day

"Employees are HTC's most valuable asset." HTC places great importance on the physical health and mental well-being of its employees. To foster a company-wide passion for sports and enhance employee relationships, HTC organized five group activities, including a pinball challenge, dodge frisbee, dragon boat team building, 3-on-3 basketball games, and a badminton team competition. These events allow employees to showcase their skills, promote health, and strengthen bonds among colleagues. Additionally, this year, North American employees participated in the headquarters' sports season by hosting an online sports event. Through team-based quiz competitions, they competed for team glory and strengthened their sense of unity.

Participation During the headquarters' sports season, there were 685 participants, and the event received a satisfaction score of 4.72 out of 5. In the North American region, approximately 30 employees participated in the online sports event.



▲ In North America, employees enthusiastically participated in the online sports festival, where team competitions brought them closer together

HTC is committed to helping employees build better parent-child relationships. To celebrate Father's Day, HTC organized two special events: the "Tea Tasting, Tea Fun" in-person DIY class and the "Finance for Happiness" online seminar. The DIY tea bag activity allowed colleagues to relax and feel time slow down, creating a comfortable atmosphere even among newly acquainted coworkers. The practical online finance course offered opportunities for interaction, fostering a tighter-knit and more cohesive work team, and promoting a positive internal company culture.

Participation A total of 221 people participated, with a satisfaction score of 4.5 out of 5.

In 2024, continuing HTC's annual tradition of hosting a Christmas concert, we invited performers to deliver captivating performances, adding joy and warmth to the holiday season.

In North America, the "The HTC Elves Save Christmas" event was organized, where employees volunteered at The Forgotten Children's Fund warehouse to help wrap Christmas presents for children and families in need. This initiative allowed them to receive inspiring gifts during this special time of year. Through this activity, employees experienced firsthand how a little effort and teamwork can make a significant difference in the world.

Participation More than 250 people participated



▲ North American employees volunteered at The Forgotten Children's Fund warehouse to help package Christmas gifts, aiming to spread love and joy to children in need

An online "Wall of Gratitude" event was organized through a dedicated section on the myHTC homepage, allowing employees worldwide to participate in this two-week celebration and express their gratitude. The online platform enabled liking and responding, fostering lively interactions among colleagues. This initiative encouraged employees to actively thank those who have provided assistance as the year comes to an end. Additionally, participants could join an in-person dice-rolling activity, where they could receive customized cookies based on their dice roll, adding a tangible element of fun to the virtual event.

Participation The Wall of Gratitude event saw participation from 418 employees, who left a total of 1,686 messages of thanks. The event's dedicated section garnered 5,537 views, with an overall satisfaction score of 4.32 out of 5.



▲ Employees expressed their abundant gratitude through the online Wall of Gratitude

In September 2024, HTC's Shanghai division sent a team of employee representatives to participate in the "4th Shanghai Citizen Sports Games - Urban Environmental Orienteering Race." Alongside hundreds of environmental enthusiasts, they carried garbage bags and embarked on a unique cleanup mission across various corners of the city. Participants not only found joy in completing the cleanup tasks but also gained a deeper understanding of the importance of environmental protection and the urgent need to build a "zero waste city."

Participation The number of participants is 10



▲ In Shanghai, employees took part in an eco-friendly orienteering race to support World Cleanup Day, contributing to sustainable development for the planet

Occupational Health and Safety

Employee Health and Wellness Program

HTC promotes various health and wellness programs with the three main directions of "Health Promotion", "Health Management", "Healthcare" to help employees achieve a balance between work and life. Maintaining physical and mental health and ensuring the health of every employee.

Health Management and Promotion

The HTC Health Center subsidizes employee health examinations in accordance with company regulations, provides health protection services for all workers, and offers comprehensive healthcare for employees through cooperation with Linkou Chang Gung Hospital's resident physician health services. Based on 2024 statistics, 914 indirect employees were scheduled to participate in health screenings, with 661 having completed them, resulting in a completion rate of 72.32%. In the manufacturing department, 18 employees were scheduled for health screenings, all of whom completed them, including 14 who underwent special operation check-ups, achieving a 100% completion rate. There were no incidents of injuries due to overwork reported in 2024, reflecting our ongoing commitment and efforts towards employee health.

HTC Employee Health and Wellness Blueprint



Annual Health Check Subsidies and abnormal tracking

After the employee undergoes a health examination, the caregiver and appointed on-site health service physician at the health center classifies the employee into high-, medium-, and low-risk levels based on the examination results, and provides on-site health service hours that are better than those specified by laws and regulations. Physicians provide health guidance and education tailored to the individual needs of each employee, while nurses are responsible for individual health management and monitoring to understand health status. In addition, employees can also access relevant resources and referrals to receive comprehensive and appropriate healthcare.

HTC's General Health Examination Regulations and Implementation Status in 2024

	Direct Employees	Indirect Employees
% of people with abnormal health check	The total number of people is 4, with 1 person with abnormal results, accounting for 25%	The total number of people is 661, with 176 people with abnormal results, accounting for 26.6%
Top 3 abnormal items	High blood pressure, elevated total cholesterol, elevated low-density lipoprotein (LDL)	High blood pressure, elevated total cholesterol, elevated low-density lipoprotein (LDL)
Follow-up	Based on health diagnosis and hierarchical management, it provides consulting services, health education, etc., to help employees manage health-related matters.	

Specific Health Check

In 2024, the work environment at the HTC Taoyuan Plant was carefully tested and monitored. Special health hazardous operations, such as those involving ionizing radiation, dust and MDI, must receive a thorough health sweep. Therefore, special health screenings have been arranged for these activities.

Subsequently, 10 employees with abnormal special health results in second-level management were arranged to go to the health center for a consultation. Physicians provided personal health guidance for employees, and strengthened disease-related health education and promotion. Currently, all environmental testing and cause analyses and monitoring have been completed, confirming that the examination results are normal, and regular tracking and management of employees' physical health will continue to ensure the safety and well-being of our employees.

2024 HTC Special Health Check Implementation

	No. of people requiring a Specific Health Check	Inspection completion rate
Employees engaged in special health hazardous operations	14 people	100%

2024 HTC Specific Health Check Results

Employees under Grade 1 Control: all categories normal, or no abnormal results as declared by a physician	4 people	Continue with regular examinations
Employees under Grade 2 Control: part or all categories declared abnormal and not related to work	10 people	Arrange a professional consultation with a physician according to Labor Health Protection Rules so employees receive specific health instructions and reinforced their health education.

Four Major Plans for Labor Health Protection

Four Major Plans for Labor Health Protection



Abnormal Workload-triggered Disorders

Description

To ensure the physical and mental health of employees, measures have been established to prevent diseases caused by abnormal workloads, including identification and evaluation of high-risk work such as shifts, night work, and long hours, as well as physician interviews and health guidance, such as measures to adjust or shorten work hours, and adjust work content. Regular health checks, management, and promotion have also been conducted, and the effectiveness evaluated and improved. In addition, other relevant health and safety matters are also being noted.

Annual performance

In 2024, 37 medium- to high-risk employees were screened and notified, and interviews with physicians were conducted to confirm that there were no injuries caused by abnormal work conditions.



Maternal Health Protection Plan

Female employees subject to maternal health protection, i.e., from the date of pregnancy to one year after delivery, and when breastfeeding, are included in the scope of protection. The health center developed a "Protecting and Managing Maternal Health" plan for such employees, and implemented measures such as hazard assessment and control, physician interview guidance, risk grading management, and work suitability arrangements to ensure the physical and mental health of female employees.

As of the end of 2024, a total of 16 employees completed risk classification and protection measures, and the results show that the working environment and job responsibilities of female employees are deemed to be at a safe level.



Preventing and Managing Musculoskeletal Health

To maintain the physical and mental health of employees engaged in repetitive operations, we have formulated a "Prevent Musculoskeletal Disorders Triggered by Repeated Operations" plan to ensure the safety and physical and mental health of employees, including taking the following measures:

1. During the biennial physical examination of direct employees, a musculoskeletal symptom questionnaire is distributed.
2. Indirect employees conduct musculoskeletal symptom surveys via email every two years.

Evaluate employees with abnormal pain symptoms to prevent and promote musculoskeletal diseases. Continue to conduct musculoskeletal health surveys, and 276 questionnaires were collected in 2024. For employees who feel uncomfortable, we will arrange interviews with health service doctors, provide individual health guidance, and make appointments to use far-infrared therapy devices as needed.



Execution Infringement Prevention

To prevent employees from being infringed upon in the workplace, we promote the Directions for the Prevention and Management of Unlawful Infringement in the Execution of Duties, and allocate relevant measures. In addition to providing labor health services for medical staff, education and training on preventing illegal infringement is also provided to make employees aware of the notification procedures.

In 2024, preventive education and training on unlawful job-related harm were conducted for employees in the manufacturing department, with a total of 308 employees trained. Additionally, 294 supervisors were enrolled in online courses on preventing sexual harassment and unlawful harm.

Employee Assistance Program (EAP)

HTC has been working with the Hsinchu Lifeline Association since February 2009 to provide employees with psychological counseling and guidance with respect to working career, relationships, family and parenting, gender sentiments, mental illness, and physical and mental stress. Each year, employees can enjoy unlimited telephone consultations and 6 free face-to-face consultation services, which are paid in full by the company. In 2024, a total of 164 people used the psychological counseling service telephone and professional counseling services; in 2024, 7.39% of employee inquiries involved psychological issues such as emotional adjustment, while 1.38% were related to legal matters, all of which are focal points of our attention. In the future, we will offer soft-topic seminars, such as self-management of physical and mental stress, emotional regulation, and stress reduction, to help employees achieve balance and adjust their mental and physical states amidst their busy lives.

In addition, HTC promotes the spirit of diversity and equality, in addition to telephone and email consultation resources, we commission professional organizations to share diversity topics on a monthly basis. The articles cover topics such as interpersonal relationships, management and leadership skills in the workplace, DEI diversity and inclusion, and daily fitness stress relief, etc., to help supervisors and colleagues make more flexible use of professional resources to enhance physical and mental health.

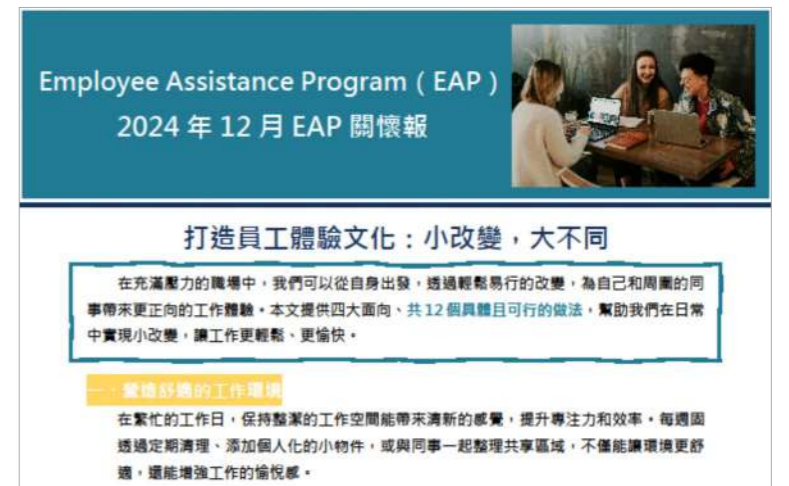
In order to establish a good communication environment and assist employees in resolving complaints and dissatisfaction caused by work or related matters, the company has set up a care and consultation referral hotline within the company, where human resources colleagues can assist or coordinate in real time to solve employees' daily work troubles, management conflicts, or gender equality disputes. Through a variety of consultation channels and assistance solutions, we stabilize the physical and mental health of our employees, thereby improving their work mood and enhancing work efficiency.

Advisory and Assistance Channels

- Call the HR hotline 02-89124138 #28585 or 38585
- Employee Help hotline E-mail: HelpMe_8585@htc.com

Achievements in the use of EAP

Year	2022	2023	2024
The number of consultations with individual managers	14	11	22
Individual Consultant Consultation Sessions	152	120	142
Invested expense (NT\$)	720,462	540,128	674,526



▲ The content of EAP Caring Newspaper not only includes topics such as multiple care, physical and mental health, leadership and management, but also shares with articles on workplace interpersonal relationships that are closely related to each colleague

Occupational Safety and Health Committee

The Occupational Safety and Health Committee of HTC's parent company in Taiwan consists of 12 members and regular meetings are held every quarter. Among them, there are 4 labor representatives, which accounted for 1/3 of the total number, 1 healthcare professional, 2 labor safety related engineer technician and 5 department managers, supervisors and directors. Other Taiwanese subsidiaries do not need to establish such positions; any related issues will be directly addressed by contacting the respective representatives of each subsidiary.

The HTC headquarters and factory have passed the ISO 45001 standard certification, and the management scope includes all personnel engaged in labor activities within the factory, including contractors. The construction management methods of relevant contractors are made public to ensure that everyone is fully aware of them. All new employees receive complete occupational health and safety training before commencing work with the company, and implement worker protection measures. The Taipei office and subsidiaries also follow the management system of the headquarters and factories to implement relevant measures.

We develop an occupational health and safety management plan annually based on the status of health and safety management to prevent the occurrence of occupational incidents and to ensure the health and safety of workers. We regularly conduct fire drills and evacuation drills to respond to emergencies that may be caused by human negligence or natural disasters.

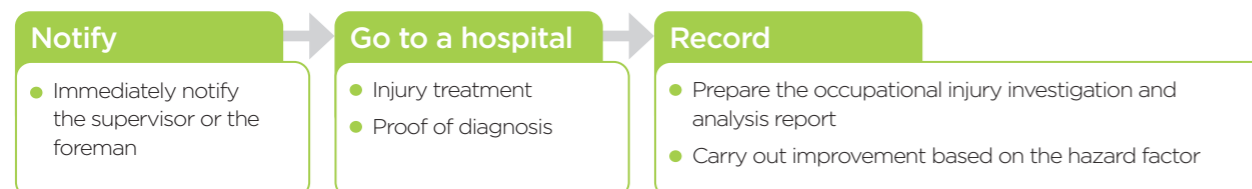
Positively Preventing Occupational Accidents

HTC has developed an automatic health and safety inspection plan in accordance with the Occupational Health and Safety Act. Every year, we conduct hazard identification and construction safety risk assessments to ensure that the risks associated with operations are acceptable. If risks exceed acceptable levels, we communicate and improve operations to meet acceptable risk standards, emphasizing the prevention of occupational hazards. We conduct regular proactive inspections, checking safety and health matters, eliminating or controlling potential dangers, and improving unsafe work environments and machinery. Additionally, we have established a system for machinery inspection and maintenance. This management approach and internal audit scope cover HTC's Taiwanese parent and subsidiary companies, with a 100% coverage rate for the parent company. The external audit and ISO 45001 certification cover the factories and the Taoyuan office, accounting for 40.63% of the parent company's coverage.

Our work covered seven aspects: "Management of Safety and Health", "Education and Training for Safety and Health", "Standard Operating Procedures and Job Safety Analysis", "Inspections for Safety and Health", "Emergency Response", "Health Management and Enhancing" and "Safety and Health Campaign" for the comprehensive prevention of occupational accidents. In the event of an emergency hazard while performing duties, personnel are allowed to stop work immediately and retreat to a safe location without facing any penalties.

In the event of an occupational incident as defined by the Occupational Safety and Health Act, the company's reporting process (without penalties) is illustrated in the diagram below. Once the Safety Department receives the report, it will conduct an accident investigation and cause analysis, provide suggested improvement items, and assess the hazard risk levels before and after improvements. This information will be used by the department involved in the incident to decide on low-risk, feasible improvement solutions.

● Accidents in the factory area



Comprehensive Occupational Health and Safety Management



Education and training statistics for new and in-service colleagues in the past three years

Course	Hours	Frequency	Responsible Unit	2022		2023		2024	
				Person	Total Hour	Person	Total Hour	Person	Total Hour
General Training									
Environmental protection and safety and health education training	3	On board	OES Dept.	233	699	206	618	173	519
Operational equipment hazard notifications	3	After arriving at the dept. of work	Equipment	0	0	0	0	0	0
General labor safety and health in-service education training	1	Annual/ On-job training	MFG OES Dept.	1,117	1,117	1,286	1,286	1,587	1,587
Hazardous chemical use notice	1	Annual/ On-job training	MFG	165	165	165	165	124	124
Professional Training									
Various occupational safety and health external training		Inclusion Preliminary Training and Retraining	External training	34	162	89	690	33	173

Note: Various occupational safety and health external training includes: Health and Safety Education and Training For Class-1 Managers of Occupational Health and Safety, Occupational safety and health specialist/ management personnel, Occupational Health Service Nurses, First Aid Personnel, Hazardous Machinery/Equipment Operation, Construction Work, Hazardous Operations Supervisors, Special Operations Personnel, Other Operators, and Firefighting.
 Note: Hazardous machinery/equipment operation includes high-pressure gas supply; construction work includes scaffolding assembly and roof work; hazardous operations include work in oxygen-deficient environments, organic solvents, and dust; special operations include aerial work platforms and forklift operations; others involve radiation work.

Professional Security Service Team

At HTC, security guards are provided by a contracted professional security service company. They are responsible not only for maintaining safety but also for emphasizing service and professionalism. They treat the company's assets and equipment as their own and approach all employees, visitors, and vendors with sincerity and professionalism, demonstrating a trustworthy service quality.

Apart from labor and health insurance (including dependents), there are no other deductions from the security guards' salaries, and insurance is handled according to salary brackets. According to Article 8-2 of the Security Service Contract, guards must complete pre-job education training, 36 hours of apprenticeship, and hazard notification courses before deployment. The training courses cover respect for privacy, prohibition of discrimination, restricted use of force, and special response methods (such as checking labels for pregnant women to avoid direct contact or using security wands). In 2024, three guards completed this training, achieving a 100% coverage rate. HTC will continue to conduct regular retraining to ensure ongoing compliance with human rights standards.

Contractor Management

HTC places great importance on the safety of its contractors and partners, and regularly formulates a complete occupational health and safety management plans to ensure the prevention of occupational disasters, and evaluate contractors' health and safety management. Engineering personnel monitor contractors' work sites.

In the event of an accident, contractors can call 821919/831919 to request assistance from medical personnel. Based on the assessment of the injury by the nursing staff, arrangements will be made for either hospital transport or treatment at the health center. A notification form also needs to be filled out, and public injury incidents recorded.

If an injury occurs, we will launch an investigation and analysis to understand the cause of the incident and request immediate on-site improvement. HTC also conducts health and safety hazard education and training for new construction company personnel through the ISO 45001:2018 occupational health and safety system to promote their understanding of the working environment, process safety regulations, and the use of firefighting equipment to improve safety awareness.

Measure of Contractor Construction Management

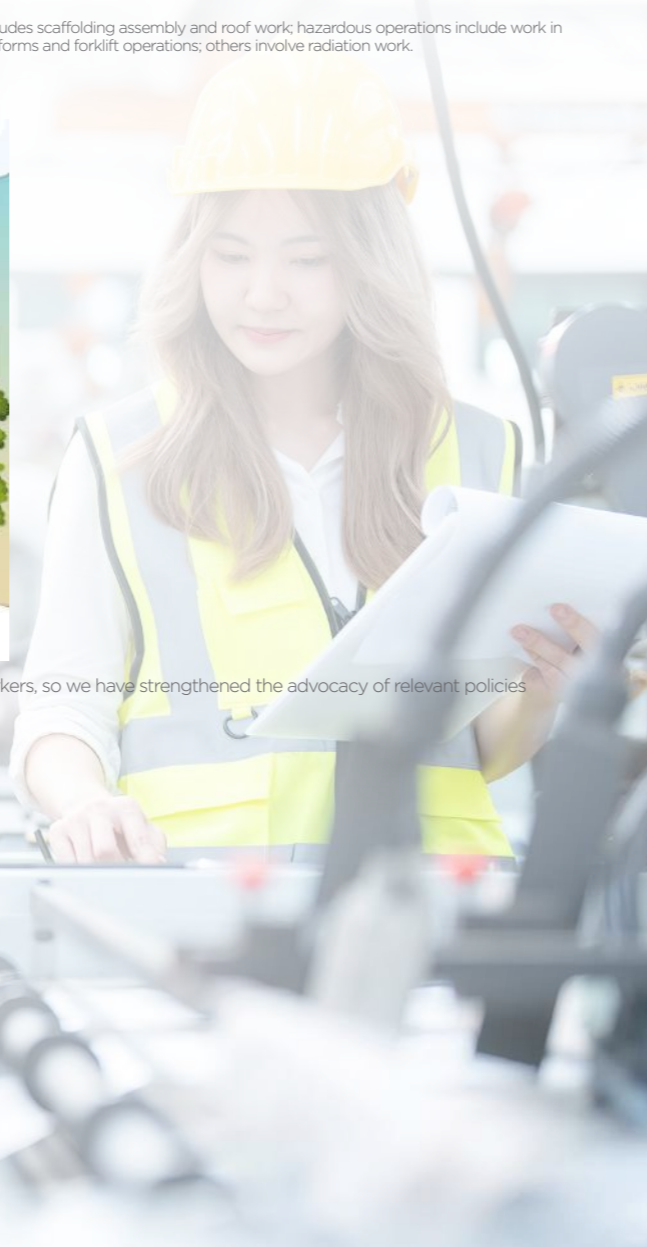
1. The provision of site safety induction sessions at construction sites.
2. Verifying the information about construction workers and vendors.
3. Monitoring high-risk operations.
4. Personnel access control.
5. Ensuring construction site safety.
6. Conducting safety and health management for new facility construction.
7. Obtaining the required insurance for contractor employees.

Contractors Health and Safety Audit

- Incorporating requirements for safety & health management in the written agreements with all contractors according to the applicable regulations to clearly define contractor obligation and responsibility, and evaluate all the risks in the working environment including that from dangerous machines, so as to have proactive control and eliminate potential hazards.
- Formulating a system for on-site patrols and inspections according to the applicable regulations and contractual requirements about labor safety & health. On-site inspections and audits are conducted on a regular/irregular basis., working precaution, records of the safety & health education of the workers, and all safety requirements to be met before, during and after the use of machines, tools and equipment.



△ In response to the hot summer in Taiwan, it is easy to cause heat hazards to outdoor workers, so we have strengthened the advocacy of relevant policies



2024 Occupational injury in Taiwan

In 2024, HTC's parent and subsidiary companies in Taiwan average Injury Frequency Rate (FR) was 0.281 person times per million working hours, the average Severity Rate (SR) of disability injuries is 9 days per million working hours. In terms of occupational diseases, as HTC Company's working environment is not a heavily polluted environment nor a toxic working environment, there have been no occupational diseases caused by the nature of the work or the workplace in 2024. Neither the parent and subsidiary companies nor their non-employees have any cases of occupational diseases confirmed through the occupational disease determination process.

Types of non-employee workers and their job responsibilities at HTC

Type	Count/ Person	Work content	On-site person
Cleaning personnel	Taoyuan 14 Xindian 29	Cleaning and disinfection of public areas	Yes
Horticultural personnel	Taoyuan 2 Xindian 5	Gardening and greening maintenance of factory and office building	Yes
Security and Real estate service personnel	Taoyuan 15 Xindian 17	Personnel entering and exiting the factory and office building areas (including employees, visitors, manufacturers), and vehicle management	Yes
Catering staff	Taoyuan 12 Xindian 108	Catering suppliers (serving counters, tea shops, coffee bars)	Yes
Engineering construction personnel	Taoyuan 2,167 Xindian 355	Contractor enters the factory for construction	Yes
Recycling and sorting of resource waste personnel	1	Recycling and sorting of resource waste	Yes
Sewage treatment personnel	1	Operation and maintenance of sewage treatment plant equipment	Yes
Dispatched personnel	2	Financial administration related work	Yes

Note: The scope of disclosure for non-employee workers of HTC is consistent with the scope of this report, mainly in the Taiwan region of HTC.

Main types and statistics of occupational injuries

(Unit: person)

Item	Recordable Occupational Injuries					Improvement Measures
	Pinch injury	Falling over	Colliding	Cutting		
Staff	1	1	0	0		1. Post safety reminder notices on stairways. 2. Enhance advocacy and personnel education training.
Non-staff worker	0	0	0	0		

Recordable injuries and the severity of injuries that resulted in disability of HTC's parent and subsidiary companies and non-HTC workers in the past three years

Year	Object	Total working Hours (Unit: Hours)	Recordable Occupational Injury Count	Recordable Occupational Injury Rate	Deaths count	Severity Occupational Injury Count	Severity Occupational Injury Rate
2022	Staff	2,912,102.81	1	0.34	0	0	0
	Non-staff worker	293,086.5	0	0	0	0	0
2023	Staff	3,631,299.9	2	0.55	0	0	0
	Non-staff worker	141,865.5	0	0	0	0	0
2024	Staff	3,554,278.79	2	0.56	0	0	0
	Non-staff worker	172,434.5	0	0	0	0	0

Note:

- Employee working hours are calculated as the sum of working hours of a year = no. of employees by the end of every month x monthly working days x daily working hours (subject to employee type)
- Working hours of non-HTC workers: provided by contractors
- Recordable injury rate: (recordable cases x 1,000,000) / total working hours; Recordable occupational injury numbers refer to the number of occupational injuries that must be legally reported to the Occupational Safety and Health Administration.
- The Disability Severity Rate is the frequency of severe injuries per Million Hours Worked(exclude death) = Disability Severity Injuries X1,000,000/Total Hours Worked; Severe occupational injuries refer to major occupational incidents that must be reported within eight hours, as stipulated in Article 37, Paragraph 2 of Taiwan's Occupational Safety and Health Act.
- 1,000,000 work hours rate indicates the occupational injuries of every 500 full time workers in one year, based on 2,000 working hours per full time worker.
- Due to the scope of employee statistical data for 2024 covering HTC parent and subsidiary companies, the relevant data for the HTC parent company from 2022-2023 has been adjusted accordingly.

Disability injury frequency and Disability Severity Rate of HTC's parent and subsidiary companies and non-HTC workers in the past three years

Year	Object	Total working Hours (Unit: Hours)	Injuries that resulted in disability	Days away from work due to injury that resulted in disability	Disabling Frequency Rate (FR)	Disabling Severity Rate (SR)	Frequency-Severity Indicator (FSI)
2022	Staff	2,912,102.81	1	6	0.343	2	0.027
	Non-staff worker	293,086.5	0	0	0	0	0
2023	Staff	3,631,299.9	1	28	0.275	8	0.046
	Non-staff worker	141,865.5	0	0	0	0	0
2024	Staff	3,554,278.79	1	31	0.281	9	0.050
	Non-staff worker	172,434.5	0	0	0	0	0
Target			-	-	1	6	-

Note:

- Occupational accidents, as any diseases, injuries, disabilities, or deaths of workers caused by buildings, machinery, equipment, raw material, material, chemical, gas, vapor, dust or other at the place of duty, or as a result of work activities, or due to other occupational causes, should be included in the calculation of the disability injury rate/ Disability Severity Rate. Injuries caused by personal factors, such as an injury during the commute to work, is not included in occupational disaster statistics
- Employee working hours are calculated as the sum of working hours of a year = no. of employees by the end of every month x monthly working days x daily working hours (subject to employee type)
- Working hours of non-HTC workers: provided by contractors
- Days away from work: days unable to work (rest days): includes occupational disaster rest days and excludes sick leave and menstrual leave
- FR (Disabling Injury Frequency Rate): (Injury Frequency Rate per Million Hours Worked) = Incidence of Lost-Time Injury X1,000,000/total hours worked. FR is counted to the second decimal place, excluding the following
- SR (Disabling Injury Severity Rate): (Lost Day Injury Frequency Rate per Million Hours Worked) =Days Lost for Lost-Time Injury X1,000,000 /Total Hours Worked. SR is taken as an integer, excluding decimal places
- Frequency-Severity Indicator (FSI) = $\sqrt{FR \times SR} \div 1,000$
- 1,000,000 work hours rate indicates the occupational injuries of every 500 full time workers in one year, based on 2,000 working hours per full time worker.
- Due to the scope of employee statistical data for 2024 covering HTC parent and subsidiary companies, the relevant data for the HTC parent company from 2022-2023 has been adjusted accordingly.

Absentee Days and Absentee Rate of HTC Employees Over the Past 3 Years

Year	Sick Leave Days	Absentee Days	Absentee Rate
2022	5,928.17	5971.17	1.5%
2023	3,200.82	3,245.95	0.9%
2024	2,140.58	2,234.58	0.6%

Note:

- Absentee Days: Lost Workdays + Sick Leave Days
- Absentee Rate Calculation: Absentee Rate = Total Absentee Days / (Total Number of Employees * Workdays in a Year)
- Does not include absentee records of non-employees



Social Investment and Contribution



HTC has always defined caring for society and promoting public welfare as our corporate mission. We have long been and continue to be the supporter and sponsor of the "HTC Foundation", upholding people-oriented values and shaping corporate culture and character. While pursuing corporate growth and technological innovation, we also actively participate in social contributions, care for disadvantaged families, and provide educational opportunities for disadvantaged students, demonstrating HTC's unique humanistic spirit. At the same time, we give full play to our industrial expertise and create more possibilities for society through technology research and development and innovation. In recent years, the company has been committed to developing innovative products that not only supporting the United Nations' Sustainable Development Goals (SDGs) with our core technologies, but also implementing social care through product innovation, actively meeting people's diverse needs, and promoting the sustainable development of enterprises and society.



HTC Foundation

The HTC Foundation is dedicated to assisting schools in promoting character education by shaping campus culture and supporting the professional development of faculty to foster the character growth of children and adolescents. We also collaborate with local governments and communities to create a culture of character within cities and communities, care for disadvantaged families and provide educational opportunities for underprivileged students.

In addition, we actively promote educational donations for environmental ecology and earth protection, participate in various social welfare activities, carry forward the humanistic spirit, and promote social stability and well-being. Through our continuous learning education programme, we work together to shape our core values of integrity, respect, care and positive thinking, and attach importance to the sustainable development of natural resources.

In 2024, the HTC Social Welfare and Charity Foundation was merged into the HTC Education Foundation, combining the Group's resources to generate greater synergies. Approximately NT\$61 million was invested throughout the year to promote character education and public welfare purposes.



Many Blessings Courses

The HTC Education Foundation is committed to the development of character education for young people. It hopes to shape character through joint efforts by schools, parents, and society. Following the principle of “lighting a candle rather than cursing the darkness,” the foundation has established the “Many Blessings Course” for senior high school students. These free courses and activities each last for five weeks and 3 hours per week, and a scholarship of NT\$5,000 is provided per semester until graduation after obtaining the certificate of completion. A total of 9 classes from 4 schools were implemented, benefiting a total of 205 students in 2024. The students get the energy to move forward and make changes inspired by their instructors and volunteers. They are encouraged to become leaders who can actively serve the public and use their own power to change the world.



Character Town

HTC foundation not only launches character education in schools but also signs “Character Town” with various towns in Taiwan. Character Learning Course is launched on a monthly or quarterly basis, promoting a character theme and lead by example to learn character lessons together. Group discussion and experience sharing with different themes and related to work will be arranged timely. Participants include public service units and other non-profit organizations; public service units such as units directly under the county government, township offices, prisons, Ministry of Resources and Electricity, etc. Parts of institutes turn into membership in the character association. Leaders in the institutes encourage good deed via communication and integration of thoughts, which becomes the internal operating mechanism.



Character English Academy

As a cooperative program between HTC Foundation and County /City Government, the Character English Academy primarily targets fourth-grade students and offers immersive residential camps and on-campus teaching services on weekdays. During the school year, there are approximately 13 camp sessions, with an additional 3 sessions during the summer. The courses and activities focus on nurturing core character and key competencies, guiding students to understand the importance and benefits of character through diverse activities. The academy emphasizes that its team members should serve as role models for students' character learning and encourages students to practice good character in their daily lives to enhance their quality of life. In 2024, 119 sessions were conducted by five academies, with 3,372 students completing the program.



Grant program for Schools of Character-Building Education in Practice

We conduct character education seminars to advocate for core education that emphasizes holistic character development and lifelong learning. These initiatives will be promoted nationwide through principal workshops and further explained in character education practice plan briefings. Schools will be invited to form character education leadership teams to build consensus and draft implementation guidelines. After these activities, schools below the high school level interested in implementing comprehensive and widespread character education to shape campus culture can submit project proposals to the foundation. After initial reviewed by the foundation staff, followed by re-evaluation by a review committee composed of external experts in character education, retired principals or teachers. Schools ultimately selected will receive an annual grant of NT\$200,000 to 300,000 for three years to promote character education within their campuses. Before the end of the three-year period, schools must organize a public presentation of their results. By 2024, grants have been awarded to 46 schools over the first three rounds, and the fourth round of school selection will continue in 2025



Use immersive technology to promote art and culture and preserve cultural assets

VIVE Arts is the first to apply immersive technologies such as VR, XR, and the metaverse to the art and cultural sectors, pioneering groundbreaking digital art pieces and experiences. This effort sparks infinite creativity among artists and creators while also preserving the world's heritage and culture. From 2023 to 2024, VIVE Arts specially participated in the "Future Content Field Demonstration Project" of the TAICCA, and jointly invested NT\$1.1 million with G REIGNS, hoping to jointly help promote Taiwan's 5G entertainment and media industry to the world.

2024 was an ambitious year for VIVE Arts as the initiative debuted in-depth collaborations with internationally renowned artists and institutions and expanded opportunities for immersive content around the world through distribution and licensing. So far, Eternal Notre Dame has received 48,131 visits, demonstrating the powerful appeal of immersive cultural content. VIVE Arts not only continues the existing long-term partnership, but also expands many new forward-looking collaborations and industry perspectives. These collaborations not only cover the combination of artistic creation and technology, but also include immersive experiences of cultural heritage, bringing new sensory enjoyment to the audience.

Combination of Creativity and Technology: Artist Programs, VR Experiences, and Global Tours

Feb.



^ 《Heartbreak and Magic》

Heartbreak and Magic

VIVE Arts commissioned artist Libby Heaney to create a groundbreaking new VR artwork utilizing quantum computing titled "Heartbreak and Magic". Developed and presented in collaboration with the Somerset House, a major institution in London, the work explores the non-binary and non-local properties of quantum physics, offering an alternative perspective on how we think and feel about ourselves and being.

Mar.



^ Premiere of "Sculpture Park" in Shanghai

Shanghai - 《Sculpture Park》

Artist Xavier Veilhan made his VR debut, blending iconic sculptures with digital creativity in an immersive art experience that transcends the boundaries of reality.

May.



^ Monet VR at the Paris Olympics

Paris Olympics - 《Monet VR》

Monet VR: The Obsession with Waterlilies, a collaboration between VIVE Arts and the Musée de l'Orangerie, first launched in 2018, returned for exhibition at the 2024 Paris Olympics, which takes the audience into the world of mind created by the impressionist master Claude Monet through VR.

Sep.



^ Launch of Ryan Waiting, a Feature length virtual reality performance art in Berlin

Berlin - Ryan Waiting Virtual Reality Performance Art

VIVE Arts and Esther Schipper present Ryan Gander's first AI-powered VR piece, Ryan Waiting — a century-long performance where a virtual avatar continually generates movements, reflecting on the persistence and evolution of art in the digital age, which makes people reflect on what kind of existence digital art will develop into when it transcends the life cycle of human beings.

Nov.



^ Musée d'Orsay x Van Gogh's Palette expands around the world

Musée d'Orsay x Van Gogh's Palette expands around the world

In 2023, VIVE Arts and Musée d'Orsay jointly launched the first VR experience, "La Palette de Van Gogh", which was one of the highlights of the annual exhibition "Van Gogh in Auvers-sur-Oise The Final Months" in Paris, France. The extended version, Monsieur Vincent, was touring the Museum of Art Pudong in Shanghai, Jeonnam Museum of Art in Seoul, and Hangar Y in France from November 2024, amplifying its global reach.

VR LBE (Virtual Reality Location-Based Entertainment) Immersive Cultural Heritage Experiences Expand Worldwide

Horizon of Khufu opened across multiple cities in China

This immersive exploration of Egypt's Great Pyramid launches in Chengdu, Xi'an, Beijing, and Shanghai. Created by Emissive Studio in France and the Giza Project at Harvard University, the project is the world's first immersive experience that recreates the interior and surroundings of the pyramid through complete scanning, mapping, and modeling.

Eternal Notre-Dame expanded to four cities in 2024

After debuting in Kaohsiung (2023), this VR recreation of Notre-Dame's history and artistry continues its global tour to Xi'an, Shanghai, Beijing, and Hangzhou, marking an important milestone in the exhibition's global tour.

Gaudi, the Atelier of the Divine XR Exhibition

Through XR technology, visitors explored Antoni Gaudi's architectural masterpieces like Sagrada Familia and Park Guell. High-res 3D scans, panoramic projections, and interactive modules let audiences experience Gaudi's organic design philosophy. The specially designed virtual interactive area allows visitors to construct a virtual building and experience how Gaudi integrates natural elements with the architectural structure to create a vibrant art space. Already showcased at Fosun Foundation in Shanghai, 798 Art District in Beijing and VIVELAND in Kaohsiung, Taiwan, with plans to expand to more international cities.



VIVE Arts will continue to integrate art and technology to deepen the application of XR technology, blockchain and Web 3.0, collaborating with world-renowned artists and institutions to deliver inspiring, tech-powered art experiences.

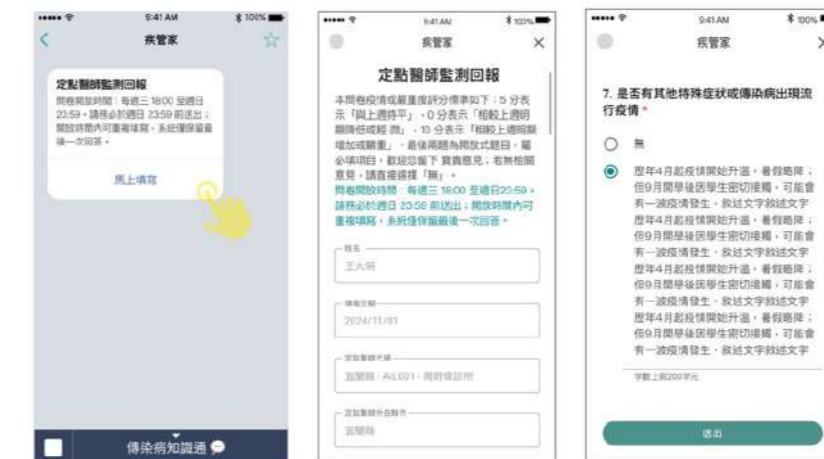
Contribute to the public with technology and promote social health and welfare

HTC leverages digital technology to promote convenient healthcare services, providing comprehensive solutions for health and medical care. HTC DeepQ collaborates with the Centers for Disease Control, Changhua Christian Hospital, and Chi Mei Hospital to develop an AI technology-based Linebot, offering diverse medical services to enhance quality of life. Through the DeepQ AI Platform, HTC helps doctors and patients diagnose and treat more quickly and accurately, contributing to public health.

Continuous collaborating with CDC and promoting healthcare services to the public

HTC DeepQ cooperated with CDC to develop Disease Control Butler 3.0 (DCB 3.0) to provide related information of COVID-19, and pandemic prevention information, decrees and health education propaganda, etc. As of the end of 2024, the user number of DCB has reached 10.41 million, becoming an important platform for the command center's policy advocacy.

The system updates domestic infectious disease-related screening, treatment, and preventive medication hospital query map data every week, as well as important domestic and foreign epidemic statistical data to ensure the timeliness and accuracy. In 2024, the Disease Control Butler enhanced health education on infectious disease prevention by launching a Q&A on topics such as enterovirus, dengue fever, influenza, COVID-19, and the new type A influenza, aiming to raise public awareness on epidemic prevention.



Additionally, DCB's epidemic risk information push notification service for health centers and medical institutions, it was implemented new push notifications for filling out feedback questionnaires by designated doctors in 2024. Through reports from designated doctors in various regions, the government can more quickly grasp the epidemic situation across different areas and deploy preventive measures in advance.

In addition, DeepQ cooperated with the CDC to launch “Campus Influenza Vaccination System”(CIVS), which has been piloted in 381 schools in 22 counties and cities in 2022 and implemented in 4,000 schools at all levels across Taiwan in 2024. 3 million parents completed online consent forms and accessed real-time vaccination schedules and information, streamlining the process and improving digital record management. The system has since been upgraded to support multiple vaccines and was renamed the “National Immunization Administration System (NIAS)” in 2024 to serve a broader population.



DeepQ received the 2024 Ministry of Health and Welfare’s Award for Excellence in Epidemic Prevention (Non-Government Category) for Disease Control Butler and NIAS platforms. With its unique innovative products – Disease Control Butler (DCB) and Disease Containment Expert chatbots, DeepQ continued to provide assistance to the CDC in epidemic prevention publicity and management and won the Excelsior Award of the National Innovation Award for two consecutive years in 2024. Moving forward, DeepQ remains committed to leveraging technology innovation to make greater contributions to human health and societal progress.

Furthermore, HTC DeepQ and the CDC’s joint proposal, “Universal Multilingual Epidemic Prevention Chatbot,” ranked among the top 10 teams at the 2024 Presidential Hackathon. The CDC plans to adopt this solution at border control points to reduce the multilingual communication burden on quarantine staff.



HTC DeepQ providing the public with a choice of multiple health services with Chi-Mei Hospital and Changhua Christian Hospital

HTC DeepQ Healthcare cooperated Changhua Christian Hospital to launch the Linebot of “Dr. Lan,” the first AI healthcare chatbot across 10 hospitals in Taiwan, provided comprehensive patient care services across 10 hospitals. In 2023, the introduction of AI health education Q&A function can accurately answer public health education questions in natural language and reduce the workload of medical staff, and is planned to be launched on the official website and App of Changhua Christian Hospital. As of the end of 2024, the user number of Dr. Lan has reached 41,000. Besides, in June 2022, HTC DeepQ cooperated with Chi-Mei Hospital to launch “Chi-Yi Butlert” healthcare linebot, which provides the public with more convenient quick access to medical services in various branches of Chi Mei Hospital. As of the end of 2024, the user number of Chi-Yi Butler has reached 32,000.

DeepQ AI Platform

To accelerate the introduction of medical-related intelligence, future medical education needs to rely on modern technology. HTC DeepQ launched medical application “DeepQ AI Platform” in September 2019, allowing doctors to train AI themselves to judge medical images, and to easily complete AI model development without investing high hardware costs through cloud.

In 2023, the version update provides more complete AI insight reports, related deep learning metrics, statistics, built-in pre-trained models, and management tools to improve model training and deployment efficiency. For example, the X-Ray pneumothorax detection model developed by a medical center detects more than 5,000 X-Ray images per month, and the emergency notification rate is increased by about 13%, the notification rate within 2 hours is increased by about 14%, and the notification time is shortened by about 50%. In 2024, the Cancer Center at Hualien Tzu Chi Hospital used the DeepQ AI Platform to develop an “Automated Lymph Node Detection and Malignancy Analysis Platform for Head and Neck Cancer,” achieving an average detection rate of 80% and winning the 21st National Innovation Award from the Research Center for Biotechnology and Medicine Policy.



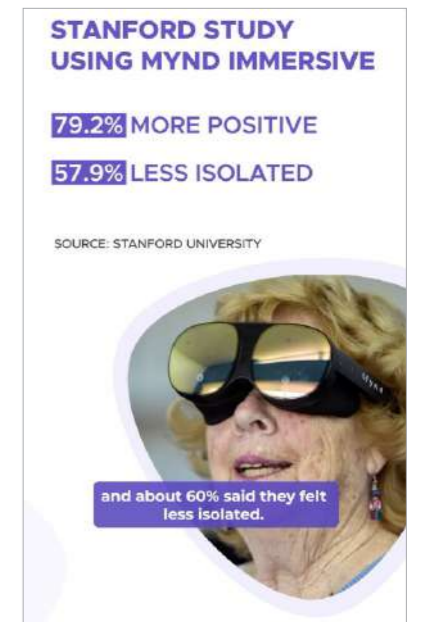
▲ The cooperation project between Deep Q and Hualien Tzu Chi Hospital was recognized by the National Innovation Award

Enriching Senior Lives: HTC Launches Immersive VR Therapy Program

HTC, together with AT&T, VIVE global partner Mynd Immersive, and the Consumer Technology Association Foundation (CTAF), announced the launch of the “Great American Elderverse” immersive VR therapy program at CES 2024. This program aims to introduce VR therapy to over 500 underserved senior communities across the U.S., supported by VIVE’s expanding product lineup, including VIVE Flow, VIVE XR Elite, and VIVE Focus 3. The program seeks practical and effective technological solutions to major challenges in aging societies worldwide, such as Alzheimer’s disease, loneliness, and depression, marking the beginning of an XR revolution in elderly care.

Elderverse primarily aims to improve seniors’ psychological, physical, emotional, and cognitive health through immersive experiences. Recent research from Stanford University shows that seniors and caregivers using Mynd Immersive have experienced improvements in cognitive and psychological states, with 57.9% of seniors feeling less isolated and 81.5% of caregivers preferring interactions with residents while using Mynd Immersive. Cher Wang, Chairwoman and CEO of HTC, emphasized that enhancing the quality of life for seniors has been a longstanding goal, with simple and user-friendly designs reflecting HTC’s commitment to innovation, bringing joy and convenience to seniors.

The first quarter target of 2025 has been achieved, successfully entering 150 long-term care communities across the U.S., expanding with its service provision and staff training, aiming to reach 500 communities and serve up to 45,000 seniors within one year - it can be called the largest XR experience deployment in the history of elderly care.



Use VR to expand educational horizons and create diverse learning channels

HTC is committed to driving educational innovation through VR and metaverse technologies, reducing the urban-rural education gap and promoting equality in education, injecting new energy into Taiwan's education system, and nurturing future tech talent. In collaboration with the Taipei Computer Association and National University of Kaohsiung, HTC launched VIVERSE Create, enabling students to unleash their creative potential in education and digital content creation without coding, blending digital technology with cultural heritage to build immersive learning environments.

Promoting Educational Equality with VR and Metaverse

HTC's "Digital Twin Science Lab" targets children aged 6 to 12, offering ten lesson plans and three virtual labs that leverage 5G and metaverse technologies to create immersive, interactive, and exploratory learning experiences, echoing the core values of SDG 4: Quality Education.

In 2024, HTC and the Taipei Computer Association launched the "VIVERSE Smart Education Metaverse" at the Taiwan EdTech Expo, integrating virtual teaching scenes, a 360-degree lesson plan creation platform, and multi-user synchronous management to narrow the gap in educational resources between urban and rural areas and promote educational equity. HTC hosted over 20 teacher workshops this year, engaging more than 300 educators to share the application of the education metaverse, injecting fresh momentum into the education ecosystem.



HTC launched the "VIVERSE Smart Education Metaverse" at the Taiwan EdTech Expo, enabled students to attend classes inside the metaverse.

Digital Empowerment in Education and Cultural Heritage

Students from the Department of Crafts and Creative Design at National University of Kaohsiung used VIVERSE Create to build the "Between Reality and Virtuality Digital Twin Gallery," featuring virtual exhibits on themes such as fishery culture, nature conservation, autism rehabilitation, the history of Taiwan's cypress industry, pastry culture, and ecological protection. These works blend interactive games, scene design, and cultural storytelling, showcasing the deep integration of digital technology and cultural heritage, creating immersive art learning environments.

HTC remains dedicated to advancing Taiwan's innovation in XR and metaverse education while actively fostering the next generation of tech talent. Through the VIVERSE Education Metaverse, teachers and students can engage in new forms of collaborative learning, exchange, and exploration in virtual spaces.



National University of Kaohsiung partnered with HTC to empower education and creativity with "VIVERSE Create".

Inspire the diverse spirit of innovation and open up cross-sector applications for the Metaverse industry

VIVE ORIGINALS leveraged the BEATDAY metaverse brand to provide audiences with new immersive entertainment experiences and promote the development of Taiwan's virtual reality entertainment industry. We expect to make entertainment more fun, and through cross-sector cooperation with other brands in different fields, we have demonstrated the possibilities of diverse applications and created a new social entertainment ecosystem. BEATDAY is not only a new breakthrough in entertainment, but also an important step towards inclusive and sustainable economic growth.

Creating brand value—the brand new BEATDAY entertainment experience metaverse

To explore new possibilities with people for cultural, VIVE ORIGINALS uses innovative technology to create the world's first music metaverse brand BEATDAY, which provides audiences with a new immersive entertainment experience and promotes the development of Taiwan's virtual reality entertainment industry.

BEATDAY not only combines music and technology but also elevates the experience to the level of the metaverse, allowing the audience to experience the charm of music in the virtual world. By watching the metaverse concert, the audience not only avoid the risks caused by participating in large-scale events during the epidemic but also reduce the energy consumption and transportation carbon emissions of attending physical events, contributing to environmental sustainability while enjoying entertainment.

In 2024, BEATDAY held the following event :

1. Illusionary: The Final Fantasy Concert (Upgraded Edition)

The concert on the BEATDAY platform enhances the interactive experience by designing exclusive avatars, glow stick interactive props, and chatroom stickers for VTuber fans. Before the concert, the "Immersive Celebration Street" was launched, attracting fans to participate in goldfish scooping and shooting competitions, and leave heartwarming fan art on the graffiti wall to strengthen fan interaction.



Illusionary: The Final Fantasy Concert (Upgraded Edition)

2. Mizuki Lin Immersive Photobook

Using VR and volumetric capture technology, available in both mobile AR and VR versions. The content is divided into four main themes: "Date," "Photo," "Support," and "Jump." Fans can interact in 360 degrees for a highly immersive and close-up experience, offering an eco-friendly way to enjoy fan interactions while reducing carbon emissions.



Mizuki Lin Immersive Photobook

3. 2024 Taipei Comic Expo - V2V Meet & Greet

At the 2024 Taipei Comic Expo, VIVE ORIGINALS launched the "VDay Birthday" VR dual experiences: the Lutralutra Ch. V2V Meet & Greet and the VR single version of Illusionary. Fans could interact with Lutralutra Ch. in a 3D underwater world, enhancing immersion and strengthening fan engagement.



VDay Birthday VR dual experience

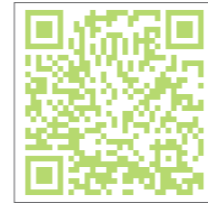
4. Annin Miru Live Show

In collaboration with VTuber Annin Miru (杏仁ミル), the "Annin Miru Wonderland" was launched. Powered by a high-spec 6 DOF platform, this immersive interactive experience brought fans closer to their idol, driving the development of Taiwan's VTuber industry.



▲ Annin Miru Live Show

The Live Show differs from regular 2D chat streams by broadcasting in a 6 DOF 3D motion capture format, allowing Annin Miru to move freely, run, and dance like any other person in the BEATDAY world. This program also invites Annin Miru's friends to join and play games, creating diverse content across five episodes. Annin Miru and her friends perform and have fun, bringing more interesting content to the show and providing fans with a new visual experience. Fans can subscribe to BEATDAY's YouTube channel to revisit Annin Miru's exciting moments.



Scan to View

2024 TTXC Taiwan Creative Content Fest (INNOVATIONS): VIVERSE Create Empowers Everyone to Become Virtual World Creators

HTC VIVERSE, in collaboration with the Taiwan Creative Content Agency (TAICCA), showcased VIVERSE Create at the "2024 TTXC Taiwan Creative Content Fest (INNOVATIONS)", demonstrating the platform's ability to build multi-user interactive virtual spaces. This marked the debut of TAICCA's "Big Leading Small" initiative, accelerating the technological transformation of content applications through partnership with HTC VIVERSE, establishing a robust XR creative ecosystem, and promoting the development of innovative content.



▲ HTC and TAICCA showcased "VIVERSE MetaCity" at the TTXC Exhibition



▲ HTC partnered with TAICCA to advance the XR ecosystem, empowering everyone to become virtual world creators with the VIVERSE Create platform

VIVERSE Create is a no-code, installation-free platform that allows creators to easily build multiuser interactive virtual spaces and share them with others via simple, secure links. Suitable for art, entertainment, and business, the platform supports various devices and offers smooth, immersive experiences for hosting all kinds of virtual events. At the event, HTC presented "Starry Space" and "VIVERSE MetaCity", allowing users to explore virtual galleries and experience a diverse range of cultural and entertainment activities anytime.

Accelerate industrial innovation with a solid technological foundation and promote virtual and physical sustainable living

In the era of globalization and digitalization, innovation is one of the goals pursued by enterprises. The Ministry of Economic Affairs' A+ Enterprise Innovation R&D Forging Program takes advantage of the opportunities in the metaverse market and integrates technologies such as 5G, AIoT and XR to promote demonstrative services using the metaverse virtual town concept, aiming to drive new business opportunities and value. The first virtual production system suite launched by HTC VIVE, VIVE Mars CamTrack, is combined with the new VIVERSE 3D visualization technology to provide convenience, affordability, and professional features, making virtual production easier. It has become an important part of Taiwan's metaverse innovation ecosystem.

HTC Metacity: creating a future life the combines virtuality and reality

The future of AI is the metaverse. Metacity created by HTC is a city that integrates virtuality and reality. It is also a more open, diverse and inclusive virtual world where everyone can enjoy the convenience and fun brought by technology. People can experience various activities in the virtual world through technologies such as VR and AR, such as visiting museums and art galleries, attending concerts and sports events, and conducting virtual socializing and shopping.

HTC MetaCity is still in its early stages of development, but it has already making some progress. For example, HTC cooperated with the Kaohsiung City Government to create the "Yancheng Demonstration City", which moved Kaohsiung's famous attractions and culture into virtual world. It also opened 20,000 "Virtual Homes" in the metaverse for free stay. People can decorate their own exclusive space, and enter the Kaohsiung City's unique digital twin virtual exhibition hall from "your own home" to watch a football game immersively, or participate in the world's first Beatday concert, Christmas and New Year parties, travel sharing sessions and other activities.

HTC expects to launch more innovative applications and services in Metacities to provide people with a richer virtual world experience. HTC Meta City is expected to develop rapidly in the next few years and become an important part of people's daily lives.



▲ HTC and the Kaohsiung City Government join forces to create the VIVERSE Meta City (from left: Kaohsiung City Mayor Chi-Mai Chen, HTC Board Member Wen-Chi Chen, HTC Senior Vice President of Global Sales and Marketing Charles Huang).



▲ Mayor Chen Chi-Mai becomes the first Meta Resident of Meta City.

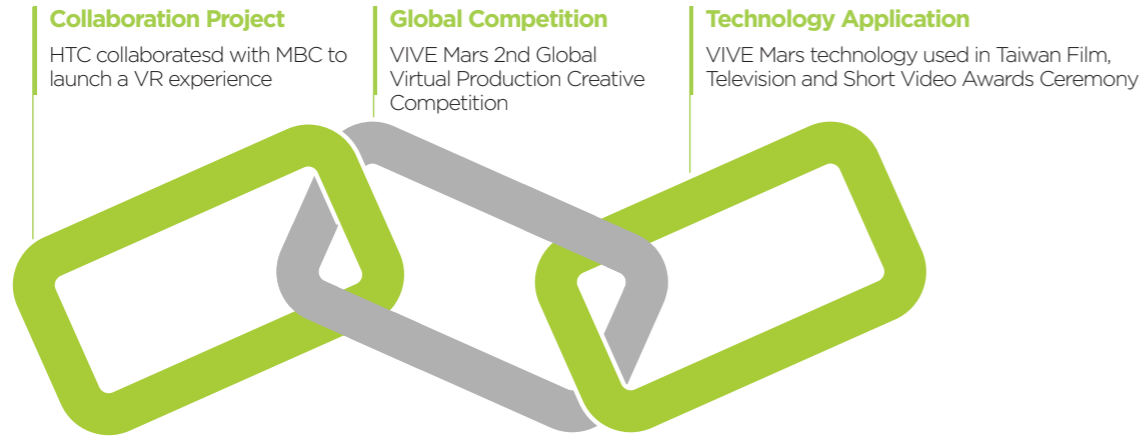
VIVERSE 3D visualization is a game-changer innovative render streaming technology for a streamlined experience

Polygon Streaming technology is a rendering streaming technology unique to VIVERSE and represents a revolutionary advancement in the seamless integration of the physical and digital worlds. This technology makes it easy to display 3D models with millions of polygons and renders highly accurate and detailed resolution on a variety of platforms and browsers. With Polygon Streaming, users can seamlessly present and share high-fidelity 3D models and beautiful scenes of any size in a more cost-effective way in the cloud, while supporting cross-platform and multi-device support. Unlike traditional cloud-based image streaming, Polygon Streaming can quickly disassemble high-quality 3D models and stream them to a variety of devices, including computers, mobile phones, and XR devices. The result is the best visual and interactive experience, providing more possibilities for creating metaverse scenarios.



VIVE Mars CamTrack: Virtual Production Solution

HTC and VIVE Mars VR Initiative



In the film industry, traditional virtual production often requires significant costs and resources. HTC's VIVE Mars CamTrack integrates professional camera tracking into a portable, plug-and-play module, allowing actors to perform in diverse virtual environments without relying on large studios. This reduces equipment and setup needs, lowers carbon emissions, and enables more cost-efficient production.

VIVE Mars successfully hosted the second Global Virtual Production Creative Competition, attracting film and television teams from 12 countries. This event showcased innovative storytelling, promoted cross-sector collaboration between the film industry and the technology sector, and propelled virtual production towards innovation and sustainable development. In 2024, HTC collaborated with Korea's MBC to apply VIVE Mars CamTrack in the program "Meeting You," helping participants reunite with deceased loved ones in VR, showcasing VR's potential in emotional connection and psychological support. The technology also powered virtual studios for Taiwan's Golden Horse and Golden Moment Awards, underscoring its maturity and promising future in the film industry.



▲ The 2024 Golden Moment Awards Ceremony uses VIVE Mars virtual production camera tracking technology to showcase more diverse short video and audio content



▲ HTC introduced innovative image tracking technology on documentary "Meet You" collaborated with South Korea's MBC

Creating Taiwan's Largest Outdoor 5G XR Smart Bay

In 2024, under the guidance of the Industrial Development Administration, Ministry of Economic Affairs, HTC partnered with the Kaohsiung City Government, Taiwan International Ports Corporation (Kaohsiung Branch), Kaohsiung Port Land Development Co., Ltd., along with FHNet and G REIGNS, to launch Taiwan's largest outdoor 5G XR Smart Bay project, establishing a "One-Day Waterfront Lifestyle Circle." Leveraging private 5G network technology, this initiative integrates cutting-edge innovation, cultural creativity, and port revitalization plans to build Taiwan's largest outdoor 5G smart private network site, spanning over 53,000 square meters. This site has become the nation's largest immersive experience hub, featuring the "Giant 5G Water Curtain Interactive Show," the "Kaohsiung Harbor Autonomous Vehicle x 5G Mobile AR Tour," and the "VIVELAND VR Virtual Theme Park at Warehouse C7" cultural interaction platform. This project redefines the cultural, tourism, and lifestyle landscape of the port area. By connecting the cluster of warehouses and nearby commercial districts through 5G private network technology, visitors can enjoy a new, smart way to explore and experience the harbor.



As of now, the event has attracted over 1,045 participants for the AR guided tours, 1,085 participants for the self-driving car experience, and VIVELAND has welcomed 5,648 visitors. This project not only represents a significant advancement in Kaohsiung's smart port and urban renewal but also serves as a model for riverbank economy, industrial ecology, and technological innovation.

Strengthen the means of implementation and revitalize the global partnership for sustainable development

HTC Medical VR is advancing diverse partnerships in medical education and contributing to sustainable development. We are committed to utilizing VR and generative AI technologies to collaborate with hospitals, schools, and businesses in Taiwan to cultivate medical talent and promote innovative teaching models. Through various collaborative projects, we have demonstrated active efforts in the field of medical education and created tangible value for society. The establishment of the "Diverse Metaverse Application Alliance" integrates elements of metaverse applications, calls for related industries to join, promotes metaverse applications, facilitates digital transformation in industries, and enhances Taiwan's competitiveness on the international stage.

The establishment of "Metaverse Application Alliance"

HTC announced the establishment of the "Metaverse Application Alliance" at the "2023 Smart City Exhibition". This alliance is the first of its kind to have a dual-chairman system, with HTC Global Sales VP Charles Huang and Far EasTone Telecommunications Executive Vice General Manager and Chief Information Officer Hu Demin as co-chairmen.

The Alliance's key development areas includes: "retail e-commerce", "medical care", "green sustainability", "manufacturing industry", "culture and entertainment", "education and learning", and "public welfare governance", calling on relevant metaverse industry players to join in driving metaverse applications, accelerating the digital transformation of the industry, and strengthening Taiwan's international competitiveness. The alliance's founding meeting attracted 49 founding members and many government guests, demonstrating the importance and support from all walks of life for the development of the metaverse.





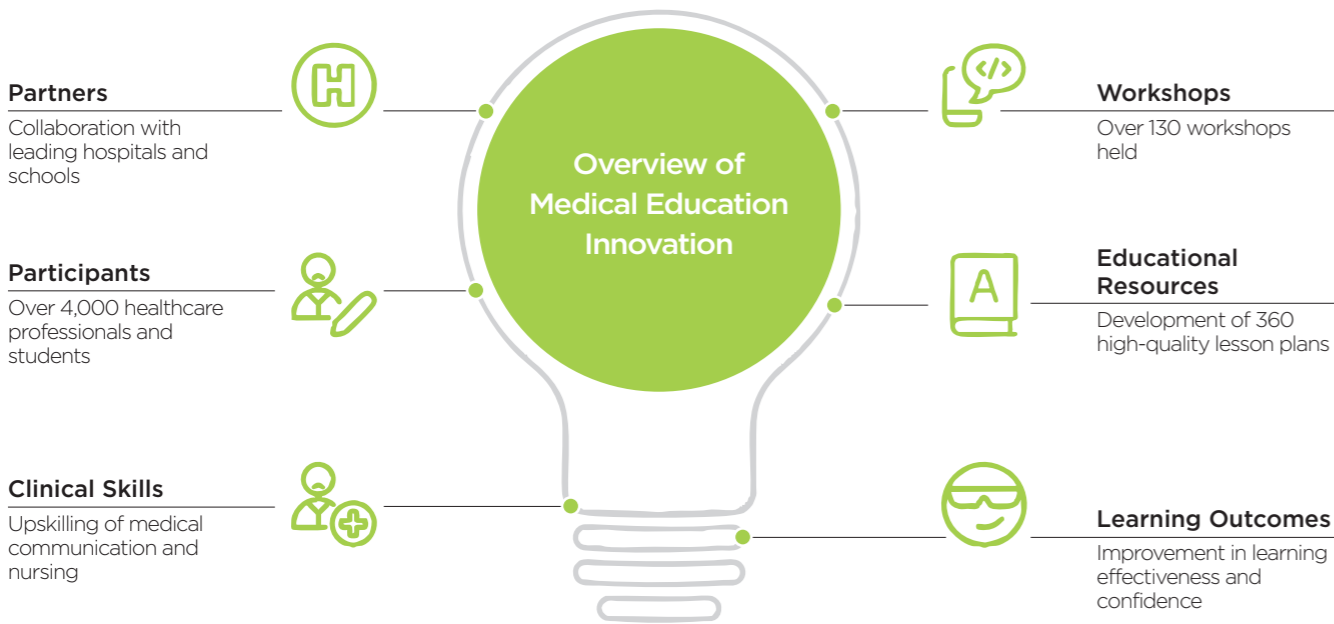
▲ Launching ceremony of the founding conference of the Metaverse Application Alliance

Efforts in Nurturing Medical Talent

Partnering with Taiwan's top hospitals and schools, we developed an AI & VR teaching platform that, by 2024, has conducted over 130 workshops, trained 4,000+ healthcare professionals, and produced 360+ quality lesson plans. Collaborations with 16 medical centers have improved clinical skills training, integrated care, and doctor-patient communication — enhancing patient safety and healthcare quality.

The platform also empowers teachers through data-driven insights, elevating educational outcomes. In partnership with Tri-Service General Hospital, learners showed notable improvements in clinical thinking and adaptability, winning national competitions.

Overview of Medical Education Innovation



Advance Care Planning (ACP) VR Training

Collaborating with Taipei Tzu Chi Hospital, we created VR training materials to enhance healthcare professionals' understanding and practice of advance care planning. Since 2020, over 140 staff have participated, with 97% satisfaction and significant gains in confidence and competence. The program was recognized at the 2021 AMEE conference and published in BMC Medical Education. In 2024, Taipei Tzu Chi Hospital earned the SNQ National Quality Award for its success in smart, holistic healthcare innovation.



▲ Taipei Tzu Chi Hospital partnered with HTC Medical VR to jointly promote the Virtual Reality Education Program for Advance Care Planning. Dr. Tzu-Hung Liu personally guided participants through the teaching modules, fostering lively on-site interaction.

The recognized progress of Advance Care Planning VR Training Program

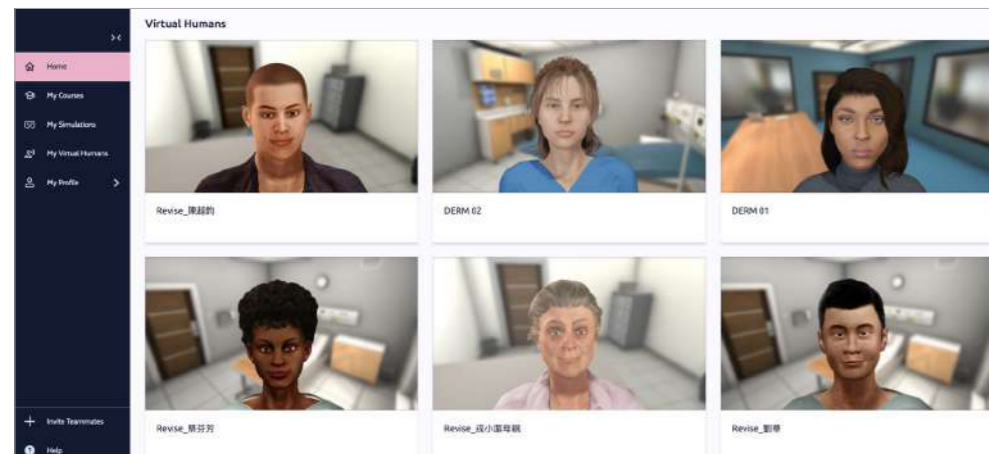


AI Virtual Patient Cases

In partnership with Tri-Service General Hospital, we developed AI virtual patient cases that revolutionize medical education by returning agency to clinical teachers and learners. Using generative AI and immersive scenarios, students design cases and hone decision-making skills with real-time AI feedback and data-driven evaluation. By 2024, the hospital had created 20+ internal medicine cases, won national awards, and gained recognition at the 2024 European medical education conference, earning the National Quality Award.



Teachers can easily create VR interactive teaching materials using the VR lesson plan development platform to enhance student learning outcomes.



Tri-Service General Hospital has successfully developed a comprehensive AI virtual patient database to support holistic medical education and training.

Building a Multilingual Medical Education Platform

With Taipei Veterans General Hospital, we built a world-class multilingual platform supporting Chinese, English, and Vietnamese, vastly expanding global medical training access and effectiveness. Combining HTC's tech with the hospital's teaching expertise, the platform offers immersive VR modules and AI virtual patients for personalized lesson plans and enhanced clinical training. For instance, AI tools are used in hyperlipidemia counseling, while VR modules train sepsis response teams — bridging theory and practice seamlessly. The platform also boasts top scores in Google Lighthouse for SEO and performance, reflecting HTC and TVGH's commitment to technological excellence and educational equity worldwide.



Taipei Veterans General Hospital (TVGH) and HTC Medical Join Forces to Build an International Benchmark Teaching Platform: wdglobal.vghtpe.gov.tw

HTC Medical VR, through innovative technology and diverse partnerships, continues to drive the development of medical education, enhance healthcare quality, and promote effective communication between healthcare professionals and patients, delivering tangible value to society. We have achieved significant breakthroughs in smart healthcare, metaverse education, and holistic medical care, earning strong international recognition. Looking ahead, HTC Medical VR remains committed to advancing smart healthcare and holistic education, aiming to achieve a win-win outcome for both medical education and societal well-being.



Taipei Veterans General Hospital (TVGH) provides a variety of professional teaching materials on the teaching website

Other Social Engagement Activities

The HTC Child Support Club

The HTC Child Support Club was founded in 2006 as a spontaneous association formed by HTC employees. The members raise money that is donated to the Taiwan Fund for Children and Families (TFCF) to support the sponsorship of children in need. HTC Child Support Club has donated a total of NTD16,992,230 Since from September 2012. In 2024, a total of 43 children were adopted, including 35 in Taiwan and 8 in foreign countries (including Guatemala, Jordan, the Philippines, Senegal, Sri Lan ka, Kyrgyzstan, and Paraguay etc.).

Appendix

Appendix 1: Participation in Industry Associations and Non-Profit Organizations



Organization Name	Membership
SDA (Secure Digital Card Association)	General member
Wi-Fi (WECA Wireless Ethernet Compatibility Alliance)	General member
Khronos Group-OpenGL (Open Standards for media Authoring and Acceleration) (The Industry's Foundation for High Performance Graphics)	Member
NMEA (New Media Entertainment Association)	Group member
JBRC (Japan Battery Recycling Collection)	General member
Taoyuan importers & exporters chamber of commerce	General member
CCSA (China Communications Standards Association)	General member
Bluetooth SIG (Bluetooth Special Interest Group)	General member
CTIA (Cellular Telecommunications Industry Association)	Operators and industry member
Taiwan Academia Industry Consortium	Group member
TCFD	Supporter
RBA (Responsible Business Alliance)	Affiliate member
CDP Supplier chain Member	Standard Member
Metaverse Application Alliance	Founding Member and President
Taiwan Electrical and Electronic Manufacturers' Association	Sponsoring Members
5G Industrial Innovation and Development Alliance	General member
ORAN Alliance	Contributors
OnGo Alliance	Adopter member
Accounting Research and Development Foundation of the Republic of China	Group Honored Member
Telecom Infra Project	Band E

Appendix 2: Material Topics Management Approach Assessment

Material topics	Corporate Governance
GRI Standard	Custom theme
Chapter	Corporate Governance
Impact Description	<p>Negative impact (potential):</p> <p>Improper corporate governance may lead to conflicts of interest, and loss of trust among investors resulting in investor loss and affecting the overall interests of HTC and shareholders.</p>
Policy or Commitment	<ul style="list-style-type: none"> Emphasize corporate governance and operational transparency, formulate and implement a corporate governance structure in accordance with relevant laws and regulations, such as the Company Law and the Securities and Exchange Law, and continuously improve management performance. Appropriately and effectively allocate the powers and responsibilities of the board of directors, managers, and shareholders to establish and maintain a management team accountable to shareholders. Protect the rights and interests of investors and other stakeholders through a systematic ESG execution system.
Metrics and Targets	<ul style="list-style-type: none"> Improve corporate governance evaluations
Mechanism of Evaluation	<ul style="list-style-type: none"> Independent director Audit committee Internal Audit System Evaluations by the relevant authorities (Corporate Governance Evaluation of TWSE)
Communication Channel	<ul style="list-style-type: none"> Issue annual reports publicly every year, and hold regular shareholder meetings to communicate with shareholders. Maintain smooth communication channels with stakeholders by providing ESG information on the company's official website. Contact for Investors: Tel: +886-2-8912-4138 E-mail: ir@htc.com Company Spokesman: spokesman@htc.com
Annual Actions and Measures	<ul style="list-style-type: none"> The results of the 11th (2024) corporate governance evaluations ranged from 21% to 35%. Evaluate the annual performance of directors in accordance with the director performance evaluation method.

Material topics	Economic performance
GRI Standard	GRI 201-1
Chapter	Financial Performance Snapshot
Impact Description	<p>Frontal Impact (Actual):</p> <p>We attach great importance to corporate governance and operational transparency, formulate and implement a corporate governance structure in accordance with the Company Act, the Securities and Exchange Act and other relevant laws and regulations, and continuously improve management performance.</p>
Policy or Commitment	<ul style="list-style-type: none"> Appropriately and effectively distribute the powers and responsibilities of the Board of Directors, managers and shareholders to establish and maintain a management team that is accountable to shareholders. Through a comprehensive and systematic ESG implementation system, the rights and interests of investors and other stakeholders are protected.
Metrics and Targets	<ul style="list-style-type: none"> Create innovative high-end hardware in strategic markets and establish industry-leading platforms, software, content and services to create revenue
Mechanism of Evaluation	<ul style="list-style-type: none"> Independent Director Audit Committee Internal audit system Evaluation by relevant authorities
Communication Channel	<ul style="list-style-type: none"> Investor contact channels Tel: +886-2-8912-4138 Email: ir@htc.com Company Spokesman: spokesman@htc.com
Annual Actions and Measures	<ul style="list-style-type: none"> 2024 operating gross margin: 40.7%

Material topics	Regulatory Compliance
GRI Standard	2-27
Chapter	Regulatory Compliance
Impact Description	<p>Positive Impact (Actual):</p> <p>Regulatory compliance is fundamental for businesses. Adhering to economic or social regulations can positively influence HTC's organizational activities and business relationships. This not only enhances trust from customers and partners but also contributes to the sustainability of the environment by maintaining ecological health. The greatest benefit of compliance is that it helps the company avoid legal risks, reducing the likelihood of lawsuits, fines, or other penalties that could harm its reputation.</p> <p>Negative Impact (Potential):</p> <p>Failure to strictly adhere to social or environmental regulations could lead to severe disruptions in HTC's organizational activities and business relationships. Non-compliance might result in a loss of trust from customers and partners and potentially cause harm to the ecological environment. Ignoring regulations can expose the company to significant legal risks, leading to time-consuming lawsuits, fines, or other penalties. Ultimately, this could severely damage the company's reputation and even threaten its survival.</p>
Policy or Commitment	<ul style="list-style-type: none"> Sustainable Development (ESG) Policy
Metrics and Targets	<ul style="list-style-type: none"> No major violations resulting in fines exceeding NT\$1 million
Mechanism of Evaluation	<ul style="list-style-type: none"> Compliance with relevant domestic and international environmental, social, and economic regulations Adherence to the Responsible Business Alliance (RBA) Code of Conduct Consideration of the French Repairability Index EU RoHS / EAC RoHS / China RoHS Compliance with the European Union Waste Electrical and Electronic Equipment Directive (EU WEEE)
Communication Channel	<ul style="list-style-type: none"> Internal channel: e-mail, announcements, improvement proposals, discussions during Health and Safety Committee meetings. External stakeholders may file an appeal through esg@htc.com, and the case will be handled by the internal responsible unit.
Annual Actions and Measures	<ul style="list-style-type: none"> No major violations occurred in 2024

Material topics	Customer Privacy and Health Safety Management
GRI Standard	416-1、416-2、418-1
Chapter	Customer Privacy and Health Safety Management
Impact Description	<p>Positive impact (actual):</p> <p>HTC is a member of the software and hardware information industry, and maintaining good information security measures can effectively protect commercial interests and intellectual property rights.</p> <p>Negative impact (potential):</p> <p>Without sufficient implementation of security measures, sensitive information may be leaked, which not only directly affects commercial interests, but also the reputation and the business.</p>
Policy or Commitment	<ul style="list-style-type: none"> HTC follows international standards set by the International Organization for Standardization (ISO) such as ISO 27001 for Information Security Management Systems, ISO 27701 for Privacy Information Management Systems, and ISO 27799 for Health Informatics to establish and promote various customer privacy management protocols. These efforts ensure the security of customer information and compliance with relevant national privacy protection regulations. HTC's wholly-owned subsidiary, DeepQ, adheres to ISO 27001 and ISO 27701, and further aligns with ISO 27799 guidelines to enhance the protection of personal health information. HTC prioritizes consumer health by ensuring that products and packaging materials are free of toxic substances. Additionally, VR product manuals include recommended usage durations to minimize potential impacts on health.
Metrics and Targets	<ul style="list-style-type: none"> Violations of customer personal data protection or data loss harming customer rights: 0 Complaints related to customer health issues: 0 Customer satisfaction ≥ 4.0 (out of 5)
Mechanism of Evaluation	<ul style="list-style-type: none"> ISO 27701 Privacy Information Management System ISO 27799 Health and Medical Industry Information Security Management Guidelines Customer Satisfaction Survey Privacy protection regulations of relevant countries
Communication Channel	<ul style="list-style-type: none"> Customer Satisfaction Survey Customer Service Hotline: 0809-090-166 Mobile Direct Dial: 02-2162-6788 Local service contact channels supporting 10 languages, with websites in over 60 different country languages External Channels (Privacy and Information Security, Product Safety): global-privacy@htc.com、security@htc.com
Annual Actions and Measures	<ul style="list-style-type: none"> In 2024, there were no product recalls due to safety issues, nor were there any complaints related to customer health problems. In 2024, HTC incorporated the key contents of the UK's Age-Appropriate Design Code and California's Age-Appropriate Design Code into the personal information management system documentation. A total of 868 request cases were received in 2024, of which 169 were confirmed by the Data Protection Office to require initiation of internal processing procedures according to the law. All were fully processed, with no violations of customer data protection or loss of customer data harming customer rights.

Material topics	Information Security and Privacy Protection
GRI Standard	GRI 418-1
Chapter	Information Security Management

Impact Description	<p>Positive impact (actual): HTC is a member of the software and hardware information industry, and maintaining good information security measures can effectively protect commercial interests and intellectual property rights.</p> <p>Negative impact (potential): Without sufficient implementation of security measures, sensitive information may be leaked, which not only directly affects commercial interests, but also the reputation and the business.</p>
Policy or Commitment	<ul style="list-style-type: none"> ● HTC adheres to the ISO 27001 Information Security Standard, establishes and promotes various information security measures, and conducts annual risk assessments and internal audits on privacy and information security. ● Actively establish and promote the "HTC Information Security Policy", "Personal Information Protection Management Policy" and "Privacy Policy" to ensure that the company's information and comply with the relevant laws and regulations of information security and privacy protection in various countries
Metrics and Targets	<ul style="list-style-type: none"> ✓ The completion rate of the annual HTC Privacy and Security Awareness training for all staff is ≥ 90% : 97.56% in 2024 ✓ The completion rate of the annual HTC Product Security training for all engineering functional department employees is ≥100% : 100% in 2024
Mechanism of Evaluation	<ul style="list-style-type: none"> ● ISO 27001 Information security management systems ● ISO 27799 Information Security Management in Health ● ISO 27701 Privacy Information Management System
Communication Channel	<ul style="list-style-type: none"> ● Internal: e-mail, announcements ● Outside channel (info-security): global-privacy@htc.com , security@htc.com ● Outside channels (intellectual property rights): Global-Copyright@htc.com
Annual Actions and Measures	<ul style="list-style-type: none"> ● Publish monthly privacy and information security newsletters, and 100% of software development related personnel to complete and pass product security training. ● Conduct 77 internal audits on personal data protection and information security. ● Complete 70 product and service privacy and security reviews, and 45 partner privacy and security assessments. ● No personal data or information leakage incidents in 2024.

Material topics	Sustainable Supply Chain
GRI Standard	308-1 \ 308-2 \ 414-1 \ 414-2
Chapter	Sustainable Supply Chain

Impact Description	<p>Negative impact (potential): If the supply chain has endangered human rights and social and environmental regulations, it may cause damage to HTC's goodwill, so HTC attaches great importance to supplier management to avoid negative impacts.</p>
Policy or Commitment	<ul style="list-style-type: none"> ● HTC has participated in the Responsible Business Alliance (RBA) since 2023 and actively participates in discussions and actions on various supply chain social and environmental responsibility issues to understand the trends in the implementation of social responsibility by international companies and the practical experience of members. The company follows the RBA Global Responsible Business Alliance Code of Conduct and formulated the HTC Supplier Code of Conduct. It is committed to improving and enhancing the environment, labor rights, ethics, safety and health, and expanding the social responsibility of the supply chain system. We also hold supplier meetings from time to time every year to promote relevant issues. To ensure effective implementation, supply chain ESG management and plans are formulated and implemented after discussions between the procurement unit and ESG office, and are supervised by the ESG Committee. ● 《HTC Sustainable Development Policy》 ● Responsible Business Alliance Code of Conduct (RBA) ● HTC Supplier Code of Conduct ● Modern Slavery Act Declaration
Metrics and Targets	<ul style="list-style-type: none"> ✓ Conflict-free minerals (CMRT, EMRT): 100% in 2024 ✓ CDP survey response rate 90%: 97% in 2024 ✓ RBA SAQ completion rate 85%: 88% in 2024 ✓ 100% investigation rate of conflict minerals (cobalt and mica) : 100% in 2024
Mechanism of Evaluation	<ul style="list-style-type: none"> ● Sustainable Development Committee ● CDP Supplier Chain project ● Quarterly Supplier Operations Meeting (QBR). ● Supplier Social Responsibility Audit ● Conflict Minerals
Communication Channel	<ul style="list-style-type: none"> ● Supplier Advocacy Symposium (Occasional) ● Supplier Coaching and Audit (Annual) ● Cooperate with suppliers on projects related to sustainable development (ESG) and greenhouse gas inventory
Annual Actions and Measures	<ul style="list-style-type: none"> ● First-tier suppliers signed the "Supplier Code of Conduct", and the return rate was 100%. ● The response rate of the first-tier supplier CDP survey is 97% ● 100% is conflict-free minerals (3TG) ● Conflict Minerals - Cobalt & Mica Survey Rate 100%

Material topics	Integrity Management
GRI Standard	GRI 205-2 \ GRI 205-3
Chapter	Integrity Management

Impact Description	<p>Positive impact (potential): The implementation of honest business policies helps to strengthen a company's reputation and brand value, enhancing the trust of stakeholders (including consumers, partners, and investors) in the company. It also encourages companies to be responsible in terms of Environmental, Social, and Governance (ESG) aspects, thereby reducing operational risks and minimizing negative environmental impacts. Additionally, implementing honest business practices contributes to establishing solid labor relations and a good corporate culture, increasing employee satisfaction, cohesion, and productivity.</p> <p>Negative impact (potential): Ineffective management of honest business practices, such as fraudulent activities or false advertising, can undermine the trust of stakeholders (including consumers, partners, and investors), leading to a decline in revenue and negatively impacting the company's image. Violations of environmental regulations may affect communities, natural resources, and the company's sustainable development. Non-compliance with labor laws or unfair compensation practices can result in employee dissatisfaction, low morale, and decreased productivity. Furthermore, dishonest competitive behavior may unfairly affect other businesses and consumers, potentially leading to the loss of partners and damaging the company's reputation.</p>
Policy or Commitment	<ul style="list-style-type: none"> ● Integrity Management Operating Procedures and Conduct Guidelines, Reporting and Handling Measures for Violations of Honest Business Practices, Employee Code of Conduct will be established to disclose the guidelines for our employees during company operations. The audit department will strictly supervise the formulation and implementation of ethical management policies and regularly report to the board of directors.
Metrics and Targets	<ul style="list-style-type: none"> ✓ Improve the completion rate of new employee Anti-Corruption Training and Employee Code of Conduct training by ≥ 97% : 100% in 2024
Mechanism of Evaluation	<ul style="list-style-type: none"> ● Establish an Ethical Management Promotion Group to supervise the effective operation of the preventive measures established for ethical management. ● The rules of procedure of the board of directors include a system for avoiding conflicts of interest of directors. ● Internal department heads, the human resources department, and the auditing unit all accept appeals, and the human resources department is responsible for implementing disciplinary procedures.
Communication Channel	<ul style="list-style-type: none"> ● HTC has a dedicated mailbox for reporting corruption (anti-corruption@htc.com). Anyone who discovers that HTC employees are involved in corrupt or other illegal activities can file a report to this email address
Annual Actions and Measures	<ul style="list-style-type: none"> ● New employee training-"Anti-corruption training-Employee Code of Conduct training completion rate" ≥ 97% : 100% in 2024 ● No corruption-related incidents occurred in 2024

Material topics	Innovation Management
GRI Standard	Custom theme
Chapter	Innovation Management

Impact Description	<p>Positive impact (potential): Innovation can help HTC create value, stimulate employee creativity, respond to market changes, generate new products and processes, and achieve sustainable goals.</p>
Policy or Commitment	<ul style="list-style-type: none"> ● Combining cutting-edge technologies such as VR, AR, AI, 5G, and Blockchain with arts and humanities to unleash people's imagination. ● Measures for the Administration of Patents ● Notice and Procedure for Complaints of Copyright Infringement
Metrics and Targets	<ul style="list-style-type: none"> ✓ Patent rights operation is used to revitalize patent assets and enhance the effectiveness of patent rights implementation.
Mechanism of Evaluation	<ul style="list-style-type: none"> ● Patent management
Communication Channel	<ul style="list-style-type: none"> ● Internal R&D innovation strategy specification ● Reward employees for invention and creation
Annual Actions and Measures	<ul style="list-style-type: none"> ● Since our establishment, HTC has invested heavily in cultivating R&D talent and developing technical innovation. Currently, our in-house R&D employees make up 50% of all HTC's global employees, the investment of which is about 86% of the total operating revenue. ● In 2024, a total of 458 global patent applications were filed, with a total of 9,132 global patents have been approved as of the end of 2024. ● Awarded the "Best Innovation" at the London Design Awards 2024, showcasing the innovative strength in creating profound social experiences in the virtual world. ● Won the "Best Immersive Collaboration Solution" at the XR Awards 2024, recognizing its excellence in promoting immersive collaboration. ● Nominated for the "Best Collaboration Tool" and "Best AI Application" at the AWE Auggie Awards 2024, demonstrating its innovative prowess in the fields of collaboration tools and artificial intelligence applications. ● Became a finalist at the AIXR Awards 2024, further affirming its influence in the virtual reality industry. ● DeepQ's innovative products, Disease Manager and Epidemic Terminator, continued to assist the Centers for Disease Control in epidemic prevention advocacy and management, earning the National Innovation Excellence Award for two consecutive years by 2024. ● Hosted two AI Hackathon sessions and recognized the winning teams at the 2024 Thanksgiving dinner.

Material topics	Risk management
GRI Standard	Custom theme
Chapter	Risk management
Impact Description	<p>Frontal Impact (Actual): Through regular inventory and hierarchical responsibility of each department, we minimize the risks that may occur in the operation and implement control to cope with the uncertainties brought about by various situations, including the risks and opportunities brought by them, so as to enhance the ability to create value.</p> <p>Negative impact (potential): Failure to correctly determine the causes and effects of risks may result in reduced profits and damage to shareholders' rights.</p>
Policy or Commitment	<ul style="list-style-type: none"> ● HTC's management thinking on corporate risks is based on safeguarding the value of shareholders and stakeholders. Based on the principle of materiality, we conduct risk assessments on environmental, social and corporate governance issues related to the company's operations. Through detailed assessment of possible operational risks Establish appropriate mechanisms to control various uncertain factors that occur. ● We integrate the commitments of ESG policies (including RBA) (e.g., ethical management, occupational safety and health, environmental and climate change risks, and human rights-related risks) into relevant risk management strategies to ensure that these risks can be effectively implemented.
Metrics and Targets	<p>✓ The following management systems are verified by a third party for the following years</p>
Mechanism of Evaluation	<ul style="list-style-type: none"> ● Responsible Business Alliance Code of Conduct (RBA). ● HTC's Supplier Management Mechanism ● Internal Audit System ● TCFD ● ISO 45001 Occupational Safety Management System ● ISO 50001 Energy Management System ● ISO 14001 Environmental Management System ● ISO 27001 Information Security Management System ● ISO 27701 Privacy Protection Management System ● ISO 27799 Information Security Management for the Health and Medical Industry
Communication Channel	<ul style="list-style-type: none"> ● Internal channels: e-mail, announcements ● External stakeholders can submit reports through the ESG mailbox esg@htc.com, and the case will be handled by the internal authority
Annual Actions and Measures	<ul style="list-style-type: none"> ● We will ESG Policies inclusive RBA (e.g., ethical management, occupational safety and health, environmental and climate change risks, and human rights-related risks) are integrated into the relevant risk management strategies, as detailed in the relevant sections of each management system

Material topics	Climate Change Adaptation
GRI Standard	GRI 201-2 、 GRI 305-1 、 GRI 305-2 、 GRI 305-3 、 GRI 305-4 、 GRI 305-5
Chapter	Climate Change Management
Impact Description	<p>Frontal Impact (Actual): As the market tends to expect products and services to be low-carbon products, HTC cares about environmental sustainability, and our products are designed with the impact on the environment in mind, so they meet market needs and regulations, which not only reduces the risk of fines for violating regulations, but also enhances consumers' impression and evaluation of HTC.</p>
Policy or Commitment	<ul style="list-style-type: none"> ● HTC's expertise in mobile technology and our continued pursuit of product innovation have enabled us to integrate climate change into our VIVE Reality vision to provide comprehensive solutions for businesses and society to create richer life experiences. In order to strengthen the company's governance of climate change and mitigate the threat posed by climate change, we have incorporated the Climate-related Financial Disclosure Framework (TCFD) into our management. ● HTC Sustainable Development Policy ● Climate Change Management Policy and Climate Change Risk Management Procedures
Metrics and Targets	<p>✓ First-tier supplier CDP questionnaire response rate >90%: 97% in 2024 SBT net zero target: (base year: 2021)</p> <p>✓ Scope 1 and 2 reduction targets are 42% reduction in 2030 compared with the base year, and 90% reduction in 2050 compared with the base year.</p> <p>✓ The scope 3 reduction target is to reduce the amount by 25% in 2030 compared with the base year; and to reduce the amount by 90% in 2050 compared with the base year.</p>
Mechanism of Evaluation	<ul style="list-style-type: none"> ● HTC Carbon Management Platform ● Join the CDP Supply Chain Program to invite suppliers to participate in carbon disclosure. ● ISO 14064-1 ● ISO 50001
Communication Channel	<ul style="list-style-type: none"> ● Internal channels: e-mail, announcement method, proposal improvement form, or discussion in the Sustainability Committee working group ● External Channel : ESG mailbox esg@htc.com ● Supplier Advocacy Symposium (Irregular) ● Cooperate with suppliers on projects related to sustainable development (ESG) and greenhouse gas inventory

Material topics	Climate Change Adaptation
Annual Actions and Measures	<ul style="list-style-type: none"> ● Promote net-zero projects and use climate-related financial disclosure frameworks to assess the risks and opportunities of climate change, and use GHG Protocol to conduct a simple carbon inventory of HTC's parent and subsidiary companies according to the SBTi methodology, plan a net-zero carbon pathway, and formulate corresponding short-, medium- and long-term carbon reduction strategies and management indicators in 2023, we will continue to issue independent reports on TCFD ● Conduct an annual Scope 1 and Scope 3 GHG inventory of the upstream/midstream/downstream of the value chain ● In 2023, the "Climate Change Management Policy" was submitted to the board of directors for review and implementation; Introduced the HTC Carbon Management Platform, which was launched in early 2024 ● The SBTi Target Review was submitted in January 2024, and passed the SBTi short-term and net-zero target review in August 2024. ● In March 2024, the annual flagship VIVE XR Elite product carbon footprint inventory and report was produced through HTC's carbon management platform, and passed ISO 14067 verification. The boundaries of ISO 14064-1 inventory were also expanded to include parent and subsidiary companies and third-party verification ● Ongoing equipment energy conservation projects and investment in solar energy self-consumption (in conjunction with annual actions and measures for energy management) ● Supply chain engagement: 97% of the CDP survey

Material topics	Energy Management
GRI Standard	302-1 、 302-4
Chapter	HTC Overview of Energy and Climate Change Management, Electricity and emissions
Impact Description	<p>Positive impact (potential): Effective energy management can help HTC improve energy efficiency, reduce the negative impact on the environment, and also reduce HTC's operating costs and energy regulatory risks.</p> <p>Negative impact (potential): Poor energy management policies may continue to cause energy waste and increase operating costs, or may generate regulatory risks due to increasingly strict energy policies.</p>
Policy or Commitment	<ul style="list-style-type: none"> ● HTC uses electricity as its main energy source, and we reduce electricity usage through various energy-saving improvement plans. ● Use green energy, including low-polluting energy sources such as solar panels, heat pump systems, and electric vehicles.
Metrics and Targets	<p>✓ Starting from 2023, the power saving ratio will be set according to HTC's net zero path. The target in 2024 is the energy saving ratio > 4.2%.</p>
Mechanism of Evaluation	<ul style="list-style-type: none"> ● ISO 50001 Energy management system ● CDP ● Sustainable Development Committee
Communication Channel	<ul style="list-style-type: none"> ● Internal channel: e-mail, announcements, improvement proposals, discussions during Health and Safety Committee meetings. ● External stakeholders may file an appeal through esg@htc.com, and the case will be handled by the internal responsible unit.
Annual Actions and Measures	<ul style="list-style-type: none"> ● In 2024, 21 energy-saving measures were implemented, saving 233,500 kWh of electricity, equivalent to 841 GJ, and reducing total carbon emissions by 115.34 tCO₂e, saving a total of NT\$ 1.04 million. ● A 200 kW solar power system was added to the rooftop of the Taipei R&D headquarters building and became operational in May 2024. By the end of December of the same year, it generated a total of 134,797 kWh of electricity, equivalent to 485.27 GJ, reducing carbon emissions by 66.590 tCO₂e.

Material topics	Circular Economy and Product Lifecycle
GRI Standard	306-1、306-2、306-3、306-4
Chapter	Sustainable Design, Sustainable Process, Sustainable Products, HTC Energy and Climate Change Management Overview

Impact Description	<p>Frontal Impact (Potential): The circular economy is one of the means to achieve sustainability, which can enable HTC to improve climate-related resilience and energy conservation and carbon reduction, in line with the net-zero goal.</p> <p>Sustainability requires circulation, and creating value can create an economy. HTC is committed to a circular economy that not only helps slow the damage caused by climate change to the planet, but also promotes energy conservation and carbon reduction from the inside out to meet net-zero goals.</p> <p>Negative impact (potential): If HTC does not follow a circular economy policy, it will not only waste a lot of resources, but also make it difficult to achieve the net-zero goal.</p> <p>In the past, under the condition of "only focusing on product production, not resource efficiency" in the linear economy, industrial waste was incinerated and buried and disposed of in the environment, whether it was traditional industries, science and technology, agriculture, forestry, fishery and animal husbandry, a large amount of pollution was generated in the production process, and many harmful substances were discharged into the air, water and soil, causing great harm to the environment and human body. If we do not strive to promote a circular economy, we will face major problems such as resource depletion and ecosystem imbalance, and it will be difficult to achieve the net-zero goal.</p>
	<ul style="list-style-type: none"> ● HTC sees the circular economy as one of the key directions for sustainable development. Waste reduction and resource reuse are taken into account early in product development, and material recycling rates are well above WEEE specifications. ● HTC's sustainable packaging has four major directions: reducing the use of plastic products, expanding the use of sustainable materials, simplifying printing colors, and packaging design that is conducive to transportation. ● HTC Hazardous Substances Management Policy: Design and manufacture green products, comply with regulatory and customer requirements, and continuously improve to protect the environment.
Policy or Commitment	
Metrics and Targets	<ul style="list-style-type: none"> ✓ Product recovery rates are higher than regulations (Directive 2012/19/EU, WEEE) Normative 55% : HTC VIVE XR Elite The percentage of materials that can be recycled and reused is reached 76.7% ✓ Waste recycling rate of 84%: In 2024, it was 85.89%.

Mechanism of Evaluation	<ul style="list-style-type: none"> ● Directive 2012/19/EU, WEEE ● LOI n° 2020-105, art. 16, French Repairability Index ● Directive 2011/65/EU(EU RoHS), EAEU TR 037/2016(EAC RoHS), GB/T 39560(China RoHS) ● IECQ QC 080000 Hazardous Substances Process Management System ● ISO 14067 Product Carbon Footprint Standard ● ISO 14001 Environmental Management System
Communication Channel	<ul style="list-style-type: none"> ● Internal Channels (Waste): Email, announcements, improvement proposal forms, or discussions in the Safety and Health Committee ● External Channels (Waste): Complaints can be submitted via the ESG mailbox at esg@htc.com, and the case will be handled by the responsible internal unit ● External Channels (Product): Global sales locations, recycling systems, and mechanisms
Annual Actions and Measures	<ul style="list-style-type: none"> ● Product WEEE recycling rate is higher than 75% (regulatory standard 55%) ● The new product in 2024, VIVE Ultimate Tracker, HTC U24 pro series have higher recycling rates than regulatory standards. Among them, HTC mobile phones received a green label of 8.5 points on the French Repair Index. ● VIVE XR Elite obtained ISO 14067 Product Carbon Footprint Certificate ● IECQ QC 080000:2017 Hazardous Substances Process Management System Certificate ● The recycling rate of recyclable waste was increased to 85.89%, with cumulative recycling benefits amounting to NT\$92,389,102 by 2024.

Material topics	Human Right, Diversity and Inclusiveness
GRI Standard	405-1、405-2、406-1、407-1、408-1、409-1、410-1
Chapter	Board of Directors、Human Rights Management and Commitment、Compensation and Benefits

Impact Description	<p>Frontal Impact (Potential): As a company that values human rights, HTC makes its colleagues feel valued and cultivates a harmonious and united company culture, promoting the overall growth of the company's interests.</p> <p>Negative impact (potential): Neglecting human rights and diversity may lead to disharmony in company culture, talent loss, and tension in labor relations.</p>
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Material topics	Human Right, Diversity and Inclusiveness
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Policy or Commitment	<p>HTC values labor human rights, upholds the basic principles of equality, inclusiveness, and non-discrimination, is committed to the highest standards of environmental, social, and ethical integrity, respects the human rights and workplace equality of every employee, and requires all suppliers to fulfill their corporate responsibilities to the same standards</p> <ul style="list-style-type: none"> ● Responsible Business Alliance Code of Conduct ● Modern Slavery Act Declaration ● Employee Code of Conduct ● HTC Supplier Code of Conduct
Metrics and Targets	<ul style="list-style-type: none"> ✓ 100% maternity protection: 100% in 2024 ✓ Weekly working hours: ≤ 60 hours/week: 48 hours/week in 2024 ✓ New employee training - Completion rate of employee Code of Conduct training by ≥ 97% : 100% in 2024
Mechanism of Evaluation	<ul style="list-style-type: none"> ● Quarterly labor-management meetings are held to record and track problems and improvement results ● Parental leave application mechanism ● The Occupational Safety and Health Committee monitors the implementation of the occupational safety and health management system, formulates an annual plan ● Supplier social responsibility audit mechanism
Communication Channel	<ul style="list-style-type: none"> ● Multiple grievance channels include employee grievance hotline, grievance suggestion box, grievance e-mail, and sexual harassment complaint mailbox ✓ Call the human resources hotline ✓ Employee Assistance Line Email HelpMe_8585@htc.com ✓ External channel: ESG mailbox esg@htc.com
Annual Actions and Measures	<ul style="list-style-type: none"> ● Annual human rights related risk due diligence ● Announce the latest version of the Modern Slavery Act Transparency Statement. ● Respect human rights and workplace equality of every employee, prohibit child labor, prioritize gender equality, provide a good work environment, and implement a friendly workplace. ● 2024 New employee training - Completion rate of employee Code of Conduct training: 100%.

Material topics	Occupational Safety and Health
GRI Standard	403-1、403-2、403-3、403-4、403-5、403-6、403-7、403-8、403-9、403-10
Chapter	Occupational Safety and Health

Impact Description	<p>Frontal Impact (Potential): A safe work environment can increase employee productivity and reduce absenteeism due to occupational injuries.</p> <p>Negative impact (potential): Absenteeism caused by occupational injuries, violations of labor regulations leading to reputational damage, legal lawsuits, and fines.</p>
Policy or Commitment	<p>HTC, in accordance with the Occupational Safety and Health Act and the Occupational Safety and Health Management Regulations, has established an automatic safety and health inspection plan to emphasize and prevent occupational hazards. We conduct regular proactive inspections of safety and health matters to eliminate or control dangers, improve unsafe work environments and machinery, and establish systems for machinery inspection and maintenance.</p> <ul style="list-style-type: none"> ● HTC Sustainable Development Policy ● Environmental Protection, Occupational Safety, Health, and Energy Policy ● Safety, Health, and Environment Management Manual ● Responsible Business Alliance Code of Conduct ● HTC Supplier Code of Conduct
Metrics and Targets	<ul style="list-style-type: none"> ✓ FR: Less than 1.0 incidents per million work hours ✓ SR: Less than 6.0 days per million work hours
Mechanism of Evaluation	<ul style="list-style-type: none"> ● ISO 45001 Occupational Health and Safety Management System ● Monitored by the Occupational Safety and Health Committee, which oversees the implementation of the occupational safety and health management system and formulates annual plans ● Contractor Occupational Safety Management ● Supplier Social Responsibility Audit Mechanism
Communication Channel	<ul style="list-style-type: none"> ● Multiple grievance channels include an employee grievance hotline, a grievance email box, and a sexual harassment grievance mailbox. ● Company extension for production line manufacturing colleagues: 38585 ● Company extension for other general colleagues: 28585 ● Employee Assistance Hotline Email: HelpMe_8585@htc.com ● External channel: ESG email esg@htc.com ● In the event of an accident, contractors can call 821919/831919 for medical assistance. ● Regular organizational meetings ● Quarterly Occupational Safety and Health Committee meetings
Annual Actions and Measures	<ul style="list-style-type: none"> ● Hazard Identification and Risk Assessment ● Standard Operating Procedures ● Regular Safety and Health Inspections ● Formulation of Annual Emergency Response Plans

Material topics	Talent attraction and retention
GRI Standard	401-2、404-1、404-2、404-3
Chapter	Talent attraction and retention

Impact Description	<p>Frontal Impact (Actual): As a pioneer in technological innovation, HTC has always regarded talent cultivation and development as a top priority. With the rise of ESG and DEI, global companies are paying more and more attention to the social responsibility of talents.</p> <p>Negative impact (potential): If we fail to pay attention to talent cultivation and retention, when we encounter market shocks, we may reduce resilience and increase the cost of risk response.</p>
Policy or Commitment	<ul style="list-style-type: none"> ● We will continue to expand the influence of HTC's employer brand through multiple recruitment channels, social media management, and participation in external talent sustainability alliances. ● Constantly strive to build a diverse, challenging, dynamic and enthusiastic work environment, uphold an open and inclusive attitude, and give enough to colleagues Empowerment and development space. ● HTC is committed to using only talent and actively recruiting local elites in AR/VR, 5G, blockchain, artificial intelligence, and more. ● We are committed to promoting six aspects of sustainable talent development, including "Meaning & Value", "Diversity & Inclusion", "Organizational Communication", "Reward & Incentive", "Physical and mental health" and "talent development". ● Depending on the employee's annual performance, development potential, company operating conditions and market salary adjustment expectations, we provide appropriate salary adjustments. In addition, it provides talent retention bonuses and long-term incentives for key technical colleagues.
Metrics and Targets	<ul style="list-style-type: none"> ✓ Direct employee satisfaction \geq 3.8: 3.95 in 2024 ✓ The annual turnover rate of direct employees \leq 10%: 8.58% in 2024 ✓ The actual operating rate of the annual training plan should be more than 90%: 99% in 2024
Mechanism of Evaluation	<ul style="list-style-type: none"> ● Direct employee engagement survey ● Turnover rate tracking ● Training plan start rate
Communication Channel	<ul style="list-style-type: none"> ● Social media ● Company internal website ● Activity and course announcements
Annual Actions and Measures	<ul style="list-style-type: none"> ● In 2024, HTC continues to participate in and support the initiative of "TALENT, in Taiwan, Taiwan Talent Sustainability Action Alliance" ● Partnering with World Learning, Cheers and more than 200 alliance partners, we are working together to advocate the Hope Project for talent cultivation and create a better future for every worker.

Appendix 3: GRI Standards Index

Statement Of Use	HTC Corporation has reported in accordance with the GRI Standards for the period 1 January 2024 to 31 December 2024.
GRI 1 Used	GRI 1 : Foundation 2021
Applicable GRI Sector Standard(s)	None

Disclosed		Location [Referring Page]
GRI 2 : General Disclosures 2021		
2-1	Organizational details	P009 About HTC P001 Report Scope and Boundary
2-2	Entities included in the organization's sustainability reporting	P001 Report Scope and Boundary
2-3	Reporting period, frequency and contact point	P001 Time Coverage of Disclosure P002 Contact Us
2-4	Restatements of information	P199 Some 2022 and 2023 data include restated information , Attached Table: Information Reorganization List
2-5	External assurance	P002 Process of Reporting Quality Management P201 Assurance Statement
2-6	Activities, value chain and other business relationships	P012 Global Operation Locations P013-014 Industry Overview
2-7	Employees	P131-P134 Overview of Human Resource Structure
2-8	Workers who are not employees	P157 Table 'Types of Workers and Their Job Responsibilities for HTC Non-Employees'
2-9	Governance structure and composition	P055 Organization Structure P056 Board of Directors P037 ESG Committee
2-10	Nomination and selection of the highest governance body	P056 Board of Directors P056 Nomination and Selection of the Board of Directors
2-11	Chair of the highest governance body	P056 Board of Directors P057 Benefit Avoidance
2-12	Role of the highest governance body in overseeing the management of impacts	P037 ESG Committee
2-13	Delegation of responsibility for managing impacts	P037 ESG Committee
2-14	Role of the highest governance body in sustainability reporting	P037 ESG Committee P038-P040 ESG Management Procedures and Systems
2-15	Conflicts of interest	P056 Board of Directors P057 Benefit Avoidance
2-16	Communication of critical concerns	P056 Board of Directors P037 ESG Committee
2-17	Collective knowledge of the highest governance body	P057 Board of Directors Continuing Education
2-18	Evaluation of the performance of the highest governance body	P057 Performance Evaluation of the Board of Directors The Board of Directors' Performance Evaluation Report issued by the Taiwan Corporate Governance Association
2-19	Remuneration policies	P057 Compensation Policy for Employees and Managers

Disclosed		Location [Referring Page]	
2-20	Process to determine remuneration	P.057 Compensation Policy for Employees and Managers P.058 Compensation Committee	
2-22	Statement on sustainable development strategy	P.005-P.006 Letter from Chief Sustainability Officer P.033 Our Sustainability Commitment P.125 Human Rights Management and Commitment	
2-23	Policy commitments	P.031 ESG Management P.094 Sustainable Environment P.125 Human Rights Management and Commitment P.058 Integrity Management	
2-24	Embedding policy commitments	P.058 Integrity Management P.125 Human Rights Management and Commitment P.033 Our Sustainability Commitment P.051-P.052 Risk Management	
2-25	Processes to remediate negative impacts	P.049-P.050 Stakeholder Engagement P.058 Strict Mechanisms for Avoiding Conflicts of Interest P.129 Listening to the Voice of the Employee P.181 Material Topics Management Approach Assessment P.051-P.052 Risk Management	
2-26	Processes to remediate negative impacts	P.058 Strict Mechanisms for Avoiding Conflicts of Interest	
2-27	Compliance with laws and regulations	P.129 Regulatory Compliance P.125 Listening to the Voice of the Employee P.060 Human Rights Topics	
2-28	Membership associations	P.180 Participation in Industry Associations and Non-Profit Organizations	
2-29	Approach to stakeholder engagement	P.038-P.040 ESG Management Procedures and Systems	
2-30	Collective bargaining agreements	P.129 Listening to the Voice of the Employee	
GRI 3 Material Topics 2021			
3-1	Process to determine material topics	P.038-P.040 ESG Management Procedures and Systems	
3-2	List of material topics	P.045-P.046 HTC 2024 Material Topics and Boundary	
3-3	Management of material topics	P.181 2024 Material Topics Management Approach Assessment	
Topic-Specific Disclosures: GRI 200 (Economic topics)			
GRI 201 : Economic-Performance 2016			
201-1	Direct economic value generated and distributed	P.027 Overview of Financial Performance	●
201-2	Financial implications and other risks and opportunities due to climate change	P.075-P.090 Climate Change Management	●
201-3	Defined benefit plan obligations and other retirement plans	P.144 Diversified Employee Welfare	
GRI 202 : Market-Presence 2016			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	P.143 Competitive Compensation	
GRI 204 : Procurement Practices 2016			
204-1	Proportion of spending on local suppliers	P.116 Sustainable Supply Chain	
GRI 205 : Anti-Corruption 2016			
205-2	Communication and training about anti-corruption policies and procedures	P.058 Strict Mechanisms for Avoiding Conflicts of Interest	●

Disclosed		Location [Referring Page]	
205-3	Confirmed incidents of corruption and actions taken	P.058 Strict Mechanisms for Avoiding Conflicts of Interest None	●
GRI 207 : Tax 2019			
207-1	Approach to tax	P.061 Tax Guidelines	
207-2	Tax governance, control, and risk management	P.061 Tax and Risk Management	
207-3	Stakeholder engagement and management of concerns related to tax	P.049-P.050 Stakeholder Engagement	
Topic-Specific Disclosures: GRI 300 Environmental topics			
GRI 302 : Energy 2016			
302-1	Energy consumption within the organization	P.086-P.087 Energy and Emission P.090 The Use of Green Energy	●
302-3	Energy intensity	P.086-P.087 Energy and Emission	
302-4	Reduction of energy consumption	P.088-P.089 Energy-saving and carbon reduction Actions	●
GRI 303 : Water and Effluents 2018			
303-1	Interactions with water as a shared resource	P.095-P.097 Water Resource Management	
303-2	Management of water discharge-related impacts	P.096 Sewage Treatment	
303-4	Water withdrawal	P.096 Sewage Treatment	
GRI 305 : Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	P.081-P.082 Climate Change Management-Metrics & Targets	●
305-2	Energy indirect (Scope 2) GHG emissions	P.081-P.082 Climate Change Management-Metrics & Targets	●
305-3	Other indirect (Scope 3) GHG emissions	P.081-P.082 Climate Change Management-Metrics & Targets	●
305-4	Greenhouse gas emission intensity	P.086-P.087 Energy and Emission	●
305-5	Reduction of GHG emissions	P.088-P.089 Energy-saving and carbon reduction Actions	●
GRI 306 : Waste 2020			
306-1	Waste generation and significant waste-related impacts	P.105-P.109 Hazardous Waste Management	●
306-2	Management of significant waste-related impacts	P.100-P.101 Product Recyclability Design	●
306-3	Waste generated	P.105-P.109 Hazardous Waste Management	●
306-4	Waste diverted from disposal	P.105-P.109 Hazardous Waste Management P.108 Waste Reduction, Recycling and Reuse	
306-5	Direct disposal of waste	P.105-P.109 Hazardous Waste Management	
GRI 308 : Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	P.117-P.118 The HTC Supplier social responsibility Assessment and Audit	●
308-2	Negative environmental impacts in the supply chain and actions taken	P.117-P.118 The HTC Supplier social responsibility Assessment and Audit	●
Topic-Specific Disclosures: GRI 400 (Social topics)			
GRI 401 : Employment 2016			
401-1	New employee hires and employee turnover	P.133-P.134 HTC Global Site Employee Structure Distribution	

Disclosed	Location [Referring Page]		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	P.144 Diversified Employee Welfare	●
401-3	Parental leave	P.129 Work-life Balance Support	
GRI 402 : Labor Management Relations 2016			
402-1	Minimum notice periods regarding operational changes	P.129 Listening to the Voice of the Employee	
GRI 403 : Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	P.153 Occupational Safety and Health Committee	●
403-2	Hazard identification, risk assessment, and incident investigation	P.153-P.154 Positively Preventing Occupational Accidents	●
403-3	Occupational health services	P.149 Health Management and Promotion	●
403-4	Worker participation, consultation, and communication on occupational health and safety	P.153 Occupational Safety and Health Committee	●
403-5	Worker training on occupational health and safety	P.153-P.154 Positively Preventing Occupational Accidents	●
403-6	Promotion of worker health	P.149 Employee Health and Wellness Program	●
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	P.109 Hazardous Substances and Chemical Control P.117-P.118 The HTC Supplier social responsibility Assessment and Audit P.153-P.154 Positively Preventing Occupational Accidents P.156 Contractor Management	●
403-8	Workers covered by an occupational health and safety management system	P.038-P.040 ESG Management Procedures and Systems	●
403-9	Work-related injuries	P.157-P.158 2024 Occupational injury in Taiwan	●
403-10	Work-related ill health	P.157-P.158 2024 Occupational injury in Taiwan	●
GRI 404 : Training and Education 2016			
404-1	Average hours of training per year per employee	P.141-P.142 Training Result	●
404-2	Programs for upgrading employee skills and transition assistance programs	P.137-P.142 Talent Cultivation and Development	●
404-3	Percentage of employees receiving regular performance and career development reviews	P.140-P.142 Training and Performance Integration	●
GRI 405 : Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	P.056 The composition of HTC Management (Directors) by Age & Gender P.131-P.134 Overview of Human Resource Structure P.133-P.134 HTC Global Site Employee Structure Distribution	●
405-2	Ratio of basic salary and remuneration of women to men	P.143 Competitive Compensation	●
GRI 406 : Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	P.126-P.127 Human Rights Due Diligence (HRDD) Form None	●
GRI 407 : Freedom of Association and Collective Bargaining 2016			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	P.126-P.127 Human Rights Due Diligence (HRDD) Form None	●
GRI 408 : Child Labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labor	P.126-P.127 Human Rights Due Diligence (HRDD) Form None	●

Disclosed	Location [Referring Page]		
GRI 409 : Forced or Compulsory Labor 2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	P.126-P.127 Human Rights Due Diligence (HRDD) Form None	●
GRI 410 : Security Practices 2016			
410-1	Security personnel trained in human rights policies or procedures	P.156 Professional Security Service Team	●
GRI 414 : Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	P.117-P.118 The HTC Supplier social responsibility Assessment and Audit	●
414-2	Negative social impacts in the supply chain and actions taken	P.117-P.118 The HTC Supplier social responsibility Assessment and Audit	●
GRI 416 : Customer Health and Safety 2016			
416-1	Assessment of the health and safety impacts of product and service categories	P.072-P.074 Customer Management	●
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	P.072-P.074 Customer Management P.060 Regulatory Compliance: No related situation	●
GRI 417 : Marketing and Labeling 2016			
417-1	Requirements for product and service information and labeling	P.100-P.101 Product Recyclability Design	
417-2	Incidents of non-compliance concerning product and service information and labeling	P.060 Regulatory Compliance: No related situation	
417-3	Incidents of non-compliance concerning marketing communications	P.060 Regulatory Compliance: No related situation	
GRI 418 : Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	P.060 Regulatory Compliance: No related situation	●

Note: ● means material topics

Appendix 4: SASB Index

HTC selects applicable indicators from the 11 sectors and 77 industries in the SASB Material Map of the SASB Guidelines, taking into account the company's own operational activities and referring to the recommendations of the regulatory authority to disclose:

- Sector: Technology & Communications
- Industry: Hardware and Software & IT Services

SASB Index : Hardware

Scope: The organizational boundary mainly covers the company office buildings and plants in Taiwan. All HTC business operations in Taiwan are within the boundary. The scope of financial information is consolidated financial disclosure; the scope of human resources information covers employees worldwide.

TOPIC	SASB Code	ACCOUNTING METRIC	Location
Product Security	TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	Information Security Management
Employee Diversity & Inclusion	TC-HW-330a.1	Representation of (1) gender and (2) diversity groups in (a) executive management, (b) non-executive management, (c) technical employees, and (d) all other employees	Employee Structure Distribution at HTC Global Locations
Product Lifecycle Management	TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Hazardous Substances Management
	TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	EPEAT is a voluntary environmental performance assessment tool for electronic products in the United States, currently covering 8 product categories. However, VR products are not yet included in the applicable product range. HTC continues to monitor and track international environmental product certifications. If applicable product categories are announced, HTC will further evaluate and actively incorporate them into product research and design.
	TC-HW-410a.3	Percentage of eligible products that have achieved energy efficiency certification (by revenue).	HTC's current external power adapters comply with the U.S. Department of Energy's Level VI energy efficiency standards. All HTC devices using rechargeable batteries are 100% compliant with charging efficiency certification standards, accounting for 100% of revenue. See more on Energy Efficiency Improvement
	TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	Sustainable Environment
Supply Chain Management	TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	Supplier sustainability assessment and audit
	TC-HW-430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances	Supplier sustainability assessment and audit

Materials Sourcing	TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	Regarding the risk assessment of critical materials, during each project development phase, we evaluate the risk based on the lifecycle of raw materials, and the recent ease of acquisition/supply and demand status, to determine whether there is a risk and if early material preparation/substitution is needed. Currently, graphite is frequently used in our materials list. After evaluation, graphite is not expected to face supply shortages in the coming years, but we will continue to monitor and update as necessary. Besides graphite, HTC also considers conflict minerals as critical raw materials. To prevent conflict minerals from entering the supply chain, we investigate suppliers' raw material sources annually and incorporate this into the supplier social responsibility management procedures. For detailed management guidelines, please refer to Responsible Mineral Procurement Management.
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TOPIC	ACCOUNTING METRIC	ACCOUNTING METRIC	Location
TC-HW-000.A	Number of units produced by product category	Overview of Financial Performance	
TC-HW-000.B	Area of manufacturing facilities	HTC had a factory area of 27,984 m ²	
TC-HW-000.C	Percentage of production from owned facilities	Not disclosing sensitive information	

SASB Index : Software & IT Services

Voluntary disclosure

In addition to the hardware industry in which HTC operates, we independently disclose indicators related to significant themes in the same industry category. Scope: The organizational boundary mainly covers the company office buildings and plants in Taiwan. All HTC business operations in Taiwan are within the boundary. The scope of financial information is consolidated financial disclosure; the scope of human resources information covers employees worldwide.

TOPIC	SASB Code	ACCOUNTING METRIC	Location	Page
Environmental Footprint of Hardware Infrastructure	TC-SI-130a.1	(1) Total energy consumed,	(1) 54,420.669 GJ (2) 98.09 % (3) 2.57% See more on Electricity and Emissions	
	TC-SI-130a.2	(2) percentage grid electricity,	Water Resource Recycling and Reuse	
	TC-SI-130a.3	(3) percentage renewable	Energy Saving and Carbon Reduction Actions	

TOPIC	SASB Code	ACCOUNTING METRIC	Location	Page
Data Privacy & Freedom of Expression	TC-SI-220a.1	Description of policies and practices relating to behavioral advertising and user privacy	Information Security Management	
	TC-SI-220a.2	Number of users whose information is used for secondary purposes	During the reporting period, the company did not use user information for secondary purposes	
	TC-SI-220a.3	Total amount of monetary losses as a result of legal proceedings associated with user privacy	During the reporting period, the company did not encounter any legal proceedings or economic losses related to user privacy incidents	
	TC-SI-220a.4	(1) Number of law enforcement requests for user information (2) number of users whose information was requested (3) percentage resulting in disclosure	During the reporting period, the company did not receive any requests from government or law enforcement agencies to provide user information	
	TC-SI-220a.5	List of countries where core products or services are subject to government required monitoring, blocking, content filtering, or censoring	During the reporting period, there were no instances where the company was required by any government, judicial, or investigative agencies to monitor, block, or censor content related to the company's products or services	
Data Security	TC-SI-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	During the reporting period, the company did not experience any incidents of customer data breaches	
	TC-SI-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	To effectively manage potential risks in privacy protection and information security, HTC continually improves its Personal Data Management System and Information Security Management System. It has consecutively passed ISO 27001 and ISO 27701 certifications in August 2021, August 2022, November 2023, and July 2024. Additionally, HTC sends out a monthly Privacy and Information Security report to all employees to enhance awareness and advocacy of privacy protection and information security, including real-time news or policy releases. To further improve employees' awareness of phishing email attacks, HTC regularly conducts social engineering exercises aimed at enhancing employees' information security awareness and their ability to identify malicious social engineering emails. Regarding endpoint security in defense-in-depth, a zero-trust architecture is being gradually introduced starting this year, with plans to deploy it across all company computers. This aims to achieve more secure and refined identity verification and access control, combined with real-time risk assessment, providing more flexible security protection.	
Recruiting & Managing a Global, Diverse & Skilled Workforce	TC-SI-330a.1	Percentage of employees who need a work visa	HTC Global Site Employee Structure Distribution	
	TC-SI-330a.2	Employee engagement as a percentage	Open Communication Channels	
	TC-SI-330a.3	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	HTC Global Site Employee Structure Distribution	
Intellectual Property Protection & Competitive Behavior	TC-SI-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	During the reporting period, the company did not incur any economic losses from legal proceedings related to anti-competitive behavior.	

TOPIC	SASB Code	ACCOUNTING METRIC	Location	Page
Managing Systemic Risks from Technology Disruptions	TC-SI-550a.2	Description of business continuity risks related to disruptions of operations	Information Security Management	
SASB Code	ACCOUNTING METRIC	Location		
TC-SI-000.A	(1) Number of licenses or subscriptions, (2) Cloud percentage	As of the end of 2024, 1,957,367 VIVEPORT accounts have been opened on the VIVEPORT platform, and 100% of this website service is located in the cloud.		
TC-SI-000.B	(1) Data computing capabilities, (2) Percentage of outsourcing	SASB Index: Software & IT Services		
TC-SI-000.C	(1) amount of data stored, (2) Percentage of outsourcing	SASB Index: Software & IT Services		

TC-SI-000.B (1) Data processing capabilities \ (2) Outsourcing percentage

HTC's overall data center computing power is as follows:

- **Physical servers:** We have more than 500 physical servers equipped with more than 4,700 CPU cores to meet the diverse application and service needs of enterprises.
- **Memory (RAM):** Data centers currently have about 24 petabytes of RAM to ensure that the system has enough memory to run and to ensure an optimal balance of performance and usage.
- **Storage:** With 1.2 petabytes of disk capacity, physical servers provide the storage space businesses need to hold data and applications while ensuring high-speed access and data protection.
- **Outsourcing:** The company rents a secure and reliable physical computer room facility provided by an external IDC, including access control, cabinets, power and air conditioning, for storage and to operate our information resources. These outsourced resources account for nearly 5% of the company's physical server count, 7% of the number of CPU cores, and 1.34% of the total storage space.

TC-SI-000.C (1) Data storage capacity \ (2) Outsourcing percentage

With an overall storage capacity of 4.4 petabytes, HTC's data centers can cope with the company's massive data storage needs, while also ensuring data security, availability, and instant access.

- **Outsourcing:** The company's data is stored in the self-built information center, and there is no outsourcing to the contractor.

Appendix 5: Sustainability Disclosure Metric- Telecommunication & Internet Services

NO.	METRIC	CATEGORY	Annual Disclosure (Referring Page)	UNIT OF MEASURE
1	Total energy consumed, percentage grid electricity, percentage renewable	Quantitative	Disclosed information can be found in the P086 "Energy and Emissions" chapter of this report.	Gigajoules (GJ) \ Percentage (%)
2	Total water withdrawn, total water consumed	Quantitative	Disclosed information can be found in the P095 "Water Resource Management" chapter of this report.	Thousand cubic meters (m ³)
3	Amount of hazardous waste from manufacturing, percentage recycled	Quantitative	Disclosed information can be found in the P105 "Hazardous Waste Management" chapter of this report.	Metric tons (t), Percentage (%)
4	Explain the type, number and rate of occupational hazards	Quantitative	Disclosed information can be found in the P157 "2024 Occupational injury in Taiwan" chapter of this report.	Percentage (%), Quantity

5	Product Lifecycle Management : Weight of end-of-life products and e-waste recovered, percentage recycled	Quantitative	Disclosed information can be found in the P.094 "Sustainable Environment" chapter of this report.	Metric tons (t), Percentage (%)
6	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	HTC investigates conflict minerals (CMRT/EMRT) in the supply chain every year, but currently has not investigated and controlled the metals or elements covered by key materials.	N/A
7	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	Quantitative	None	Reporting currency
8	Number of units produced by product category	Quantitative	Overview of Financial Performance	Various, by product category

Appendix 6: Climate-related information of listed for IPO companies

The risks and opportunities caused by climate change to the company and the relevant response measures taken by the company

No.	Item	Execution Status
1	Describe the boards and management's role in assessing and managing climate-related risks and opportunities.	
2	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	
3	Describe the financial impact on the organization from extreme climate change and relevant corporate transformation.	Disclosed information can be found in the "Climate Change Management" chapter of this report and the independent TCFD report.
4	Explain how the identification, assessment, and management of climate risk are incorporated into the overall risk management system.	
5	Provide details of the scenarios, parameters, assumptions, analytical factors, and major financial impacts if scenario analysis is used to assess resilience to climate change risks.	
6	Describe the content of the plan, as well as the indicators and targets used to identify and manage physical and transition risks if there is a transition plan for managing climate-related risks.	
7	Explain the basis for price determination if internal carbon pricing is used as a planning tool.	The company was gradually planning to introduce an internal carbon pricing mechanism in 2024.
8	Provide information on the activities covered, the scope of greenhouse gas emissions, planning timeline, annual progress, and other relevant details if climate-related targets are determined. Explain the sources and quantities of carbon offsets or the number of renewable energy certificates (RECs) used for carbon reduction if carbon offsets or RECs are used to achieve these targets.	Disclosed information can be found in the "Climate Change Management" chapter of this report and the independent TCFD report.
9	Greenhouse Gas Inventory and Assurance Engagements.	

Appendix 7: Attached Table: Information Reorganization List

In this annual report, due to some changes in the statistical methodology of previous information, there have been instances of information rewriting. Please refer to the attached table for details. The changes are all changes in the presentation of calculation methods and therefore have no significant impact.

Protection of IP Rights

	2022 (Original)	2022 (New Data)	2023 (Original)	2023 (New Data)
Number of Global Patent Applications	443	447	384	384
Number of Taiwan Patent Applications	133	133	118	119
Cumulative Number of Global Patent Grants	8,515	8,514	8,806	8,807

Note :

The changes to the calculation criteria for patent statistics are as follows:

- The number of European patents is calculated based on the patent examination organizations. For example, if a patent application is filed with the European Patent Office (EPO), even if the patent application is valid in multiple countries after the EPO's approval, it will be counted as 1 case.
- Previously, the number of licenses obtained included patents acquired through mergers and acquisitions, but now only patents filed with HTC as the patent applicant are counted.
- Correction of the number of patents in the past three year :
 - (1) Exclusion of U.S. Provisional Applications.
 - (2) Due to the differences in the processing schedule of patent offices and patent agents in various countries, the update speed of the database system will be later than the actual time of patent publication, so the number of patents has been corrected.
 - (3) Correction of data in the internal company patent database.

Water Resource Management

Environmental Indicators	Unit	Taipei Office			
		2022 (Original)	2022 (New Data)	2023 (Original)	2023 (New Data)
Ratio of Recycled and Reused Water to Total Water Usage	%	8.85	8.13	7.06	6.59

Note:

Reason for Revision: Adjusted the calculation scope for 2021 and 2022 to include rainwater harvesting in the water usage data analysis.

Occupational Injuries at Taiwan Sites

Recordable injuries and the severity of injuries that resulted in disability of HTC's parent and subsidiary companies and non-HTC workers in the past three years

Year	Object	Total working Hours (Unit: Hours)	Recordable Occupational Injury Count	Recordable Occupational Injury Rate
2022	Staff	Original 1,424,303.19	1	0.7
		New Data 2,912,102.81	1	0.34
2023	Staff	Original 1,087,083.18	0	0
		New Data 3,631,299.90	2	0.55

Note:

Reason for Revision: Primarily to adjust the calculation scope for 2021 and 2022, changing from HTC parent company to HTC parent and subsidiary companies. Therefore, the relevant data for 2022-2023 has been revised, and the recordable occupational injury cases have been corrected.

Disability injury frequency and Disability Severity Rate of HTC's parent and subsidiary companies and non-HTC workers in the past three years

Year	Object	Total working Hours (Unit: Hours)	Injuries that resulted in disability	Days away from work due to injury that resulted in disability	Disabling Frequency Rate (FR)	Disabling Severity Rate (SR)	Frequency-Severity Indicator (FSI)
2022	Staff	Original 1,424,303.19	1	6	0.7	4	0.05
		New Data 2,912,102.81	1	6	0.34	2.06	0.03
2023	Staff	Original 1,087,083.18	0	0	0	0	0
		New Data 3,631,299.90	1	28	0.28	7.71	0.05

Note:

Reason for Revision: Primarily to adjust the calculation scope for 2021 and 2022, changing from HTC parent company to HTC parent and subsidiary companies. Therefore, the relevant data for 2022-2023 has been revised, and the number/days of disabling injuries have been corrected.



ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE HTC CORPORATION'S ESG REPORT FOR 2024

NATURE AND SCOPE OF THE ASSURANCE

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by HTC Corporation. (hereinafter referred to as HTC) to conduct an independent assurance of the ESG Report for 2024. The assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standard v3 Type 2 High level during 2025/3/25 to 2025/5/5. HTC Taiwan operational and production or service sites as disclosed in HTC's ESG Report of 2024. The boundary is not the same as HTC's consolidated financial statements.

SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all HTC's Stakeholders.

RESPONSIBILITIES

The information in the HTC's ESG Report of 2024 and its presentation are the responsibility of the directors or governing body (as applicable) and the management of HTC. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance based upon sufficient and appropriate objective evidence.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The assurance of this report has been conducted according to the AA1000 Assurance Standard (AA1000AS v3), a standard used globally to provide assurance on sustainability-related information across organizations of all types, including the evaluation of the nature and extent to which an organization adheres to the AccountAbility Principles (AA1000AP,2018).

Assurance has been conducted at a type 2 high level of scrutiny.

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

Select specific reporting criteria included in the contract

Reporting Criteria Options	
1	AA1000 Accountability Principles (2018)
2	GRI (With Reference to)
3	SASB Hardware Sustainability Accounting Standard (Version 2023-12.)

- The evaluation of the reliability and quality of specified sustainability performance information in HTC's ESG Report is limited to determined material topics or those clearly marked in the report as conducted in accordance with type 2 of AA1000AS v3 sustainability assurance engagement at a High level of scrutiny for HTC.
- The evaluation of the report against the requirements of GRI Standards is listed in the GRI content index as material in the report and is conducted with reference to the Standard.

SPECIFIED PERFORMANCE INFORMATION AND DISCLOSURES INCLUDED IN SCOPE

The specified performance information includes the data for 2024, which is related to GRI 2, GRI 3, GRI 200, 300 and 400 series claimed in the GRI content index as material in HTC's ESG Report.

The specified performance information includes the data for 2024, claimed in the content index of the SASB Hardware Standard, version 2023-12, in HTC's ESG Report.

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, Sustainability committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

LIMITATIONS

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

INDEPENDENCE AND COMPETENCE

SGS affirm our independence from HTC, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

FINDINGS AND CONCLUSIONS

ASSURANCE OPINION

On the basis of the methodology described and the assurance work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the AA1000 AccountAbility Principles (2018).

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)

INCLUSIVITY

HTC has demonstrated its commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, sustainability experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, HTC may collect more responses from diversified stakeholders to integrate their engagement results into governance, strategy, and relevant decision-making processes across the full organisation.

MATERIALITY

HTC has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders. HTC's highest governance body has overseen the process, reviewed and approved the material topics, including the actual and potential negative impacts.

RESPONSIVENESS

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback. HTC could develop a strategy based on a comprehensive and balanced understanding and response to material sustainability topics and stakeholder concerns.

IMPACT

HTC has demonstrated a process on identifying impacts that fairly encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. Impacts related to material topics were in place at target setting with qualitative and quantitative measurements and evaluation, leading to more effective decision-making and results-based management.

QUALITY AND RELIABILITY OF SPECIFIED PERFORMANCE INFORMATION

On the basis of the verification work performed, we have conducted interviews with top management, reviewed meeting minutes, internal policies and procedures, internal/external audit records, routine operation records from multiple departments, and external third-party certifications. The assurance team has confidence that the specified performance information included in the scope of assurance is reliable at a high level of scrutiny for HTC.

ADHERENCE TO GRI

The report, HTC's ESG Report of 2024, is reporting with reference to the GRI Universal Standards 2021. The significant impacts were assessed and disclosed with reference to the guidance defined in GRI 3: Material Topic 2021 and the relevant 200/300/400 series Topic Standard related to the material topics claimed in the GRI content index. The report has properly disclosed information related to HTC's contributions to sustainability development. For future reporting, HTC is encouraged to prepare for the transition to reporting in accordance with the GRI Standards, with more comprehensive details of its management processes on the identified impacts on the economy, environment, and people, including impacts on their human rights.

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ADHERENCE TO SASB

HTC has referenced with SASB's Standard, Hardware, VERSION 2023-12 to disclose information of material topics that are vital for enterprise value creation. The disclosure boundary of SASB is consistent with the aforementioned sustainability report boundary. Process to identify, assess, and manage SASB-topic-related risks and opportunities were integrated into HTC's overall management process. Process to identify, assess, and manage topic-related risks and opportunities were integrated into HTC's overall management process. It is recommended that regular monitoring of peer disclosure can help HTC better understand evolving expectations—among investors and other stakeholders and ensure to provide comparable information.

Signed:
For and on behalf of SGS Taiwan Ltd.



Stephen Pao
Business Assurance Director
Taipei, Taiwan
30 June, 2025
WWW.SGS.COM



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