



**United Orthopedic's 2024  
Sustainability Report**



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## About this report

This is the ninth Sustainability Report published by United Orthopedic Corporation (hereinafter referred to as "United Orthopedic," "the Company," or "we"). Guided by the core values of Corporate Social Responsibility (CSR) and sustainable development, and structured around the three key aspects of Environmental, Social and Governance (ESG), this report highlights the Company's efforts and achievements in environmental protection, social contribution and corporate governance. Using an internationally recognized reporting framework, we aim to address stakeholders' concerns on various issues while demonstrating the Company's commitment and actions toward sustainable development.

## Report Scope and Boundaries

This report aims to disclose United Orthopedic's management policies in the three major aspects of economy, society and environment for the year 2024 (from January 1 to December 31, 2024), and present our focus and achievements on material issues. The content and performance data presented in this report pertain solely to United Orthopedic as an individual entity. Any information that includes consolidated data from multiple entities within the Group is specifically indicated. All financial data in this report are presented in New Taiwan Dollars. There were no significant changes in the organizational size and structure during the reporting period. Any restatements of information are explained within the main text.

## Report Preparation Guidelines

This report aims to ensure transparency, accuracy, and comparability of its content. It is prepared in accordance with the GRI Sustainability Reporting Standards (GRI STANDARDS 2021 version) issued by the Global Reporting Initiative (GRI) as the disclosure standard for this report. The report also references the United Nations Sustainable Development Goals (SDGs), the Medical Equipment & Supplies indicators published by the Sustainability Accounting Standards Board (SASB), while assessing and disclosing climate-related risks. In doing, it seeks to fully consider stakeholder feedback and expectations. The GRI Content Index is detailed in Appendix I.

## Report Verification

This report is compiled by the Company's Sustainability Development Task Force and published after approval by the Sustainability Development Committee and the Board of Directors. We commissioned Ernst & Young was to plan and performance work in accordance with the International Standard on Assurance Engagements (ISAE) 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information. The purpose was to provide a limited assurance report on whether any material misstatements exist in the assured information included in this report. The aforementioned assurance report issued by the accountants is included in Appendix V of this report.

## Date of Publication

United Orthopedic publishes its sustainability report annually and announces it on the official website.

Current edition: Issued in August 2025

Previous edition: Issued in September 2024

Next edition: Expected to be released in August 2026

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Company E-mail: [tw.service@unitedorthopedic.com](mailto:tw.service@unitedorthopedic.com)

Sustainability Development Affairs Contact Website: <https://tw.unitedorthopedic.com/esg/stakeholders/>



## Message from the Chairman

# Each Step We Care

### Our goal is to become the most professional high-end orthopedic materials manufacturer in Asia

People often ask me why I named the company United Orthopedic. I would like to take this opportunity to explain the reason behind the name. United Orthopedic's predecessor was a medical device distribution company, mainly representing foreign orthopedic equipment, introducing and promoting them to Taiwan's medical institutions. At that time, we distributed artificial joint products from one of the four major manufacturers. We often discussed products and clinical applications with orthopedic surgeons, who would provide suggestions for improving products and surgical instruments. However, when I relayed these improvement requests to the original manufacturer, we either received delayed responses or were ignored entirely. Looking back, I realize I was quite frustrated during that period. On one occasion, while chatting with a professor from National Taiwan University's Orthopedics Department and a professor from the Bioengineering Department, I learned about an engineer who had studied in the United States and settled there. He was working as a manufacturing manager at a major artificial joint manufacturer in the US and had extensive experience in artificial joint production. The four of us met to explore the possibility of establishing an artificial joint manufacturing plant in Taiwan, and with their support, United Orthopedic Corporation was founded.

When choosing the company name, I considered artificial joint products themselves, which integrate orthopedic medicine, bioengineering, rigorous quality control, advanced manufacturing technology, and market promotion services. It is only through doctors' expertise that these products can be implanted in patients to relieve pain and improve quality of life. The entire process relies on the dedication and contribution of numerous experts, including doctors, professional

scholars, R&D personnel, manufacturing engineers, technicians, and market service personnel, working together to establish a comprehensive service chain that ensures patients receive the highest quality care. Why is it called United Orthopedic? From the very start of our entrepreneurial journey, we have centered our mission on orthopedic medicine. Through continuous focus and refinement, United has grown into a dedicated and professional provider of orthopedic medical services.

Founded in 1993, United Orthopedic has been in operation for 32 years, consistently adhering to the belief that only high-quality technology and products can earn customers' complete trust. Beyond meeting TFDA certification requirements, we have also obtained international certifications, including US FDA, European Union CE marking, and China NMPA. These achievements reflect our unwavering focus on quality and functionality as the core of our corporate development. Patient health and clinical success are our primary missions. To ensure high efficiency and exceptional service, United Orthopedic upholds four core values: integrity, responsibility, innovation, and happiness. We implement quality policies that emphasize doing things right the first time, complying fully with regulatory requirements, and ensuring every product meets customer expectations. We believe that only by prioritizing quality can we build a solid foundation for sustainable corporate development. Countless doctors, scholars, engineers, and our 900 employees worldwide have come together to provide excellent care to over 600,000 patients, helping them restore their health and quality of life. These achievements and the recognition we receive belong to all contributors, not a single founder, which is why the company is named "United."

Our business philosophy is rooted in a deep understanding of patient needs, and we consistently listen to doctors to respond promptly to the challenges of orthopedic surgery. To realize this vision, we have developed an exclusive vertically integrated process, rigorously controlling every aspect of design and manufacturing to meet clinical requirements efficiently and deliver high-quality, diverse solutions.



Chairman, Lin, Yan-Shen



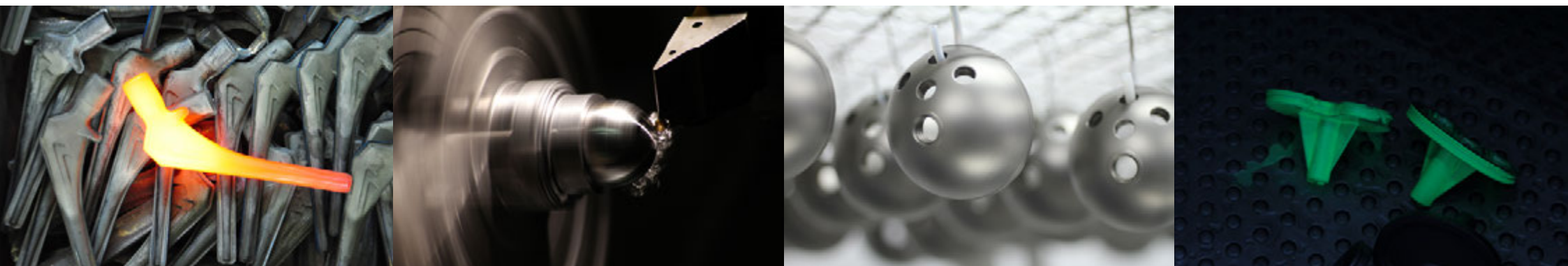
## Investing in the Taiwan market and strengthening the international market distribution

United Orthopedic has successfully maintained and surpassed industry growth rates over more than thirty years, despite intense competition from major European and American manufacturers, thereby establishing a solid foundation in the international market. To strengthen our global market position, since 2010, we have successively completed Phase I to III production line projects at our Kaohsiung plant, achieving a streamlined and efficient production plan. Together with the existing Hsinchu plant, we have achieved consistent production quality across all plants, meeting multiple international quality standards and fully satisfying market demands. In terms of new product development, we focus on niche products for specific markets, matching them with tailored local market sales strategies. Our capabilities are now approaching those of major international manufacturers, with some products already on par with their standards. With the launch of new products, we continue to strengthen our direct sales in hospitals across Europe and America, further enhancing our brand image and expanding our market reach.

## Implementing corporate governance and fulfilling corporate social responsibility

As a responsible corporate citizen, United Orthopedic has long been committed to sustainable operation. Since 2016, we have published Corporate Social Responsibility Reports, placing company growth and product quality as the heart of our CSR initiatives. We strive to increase the transparency of corporate disclosures, strengthen engagement with stakeholders, and operate with integrity, foster a friendly workplace, deliver high-quality medical products, and reduce patients' medical burden. With growing annual investments in Taiwan, we will continue to create job opportunities, generate business prospects, and retain technical expertise rooted in the country.

For over thirty years, United Orthopedic has consistently upheld its core values in collaborations with customers, suppliers, partners, and employees. Under the Board's supervision, we established a Sustainability Development Committee to actively promote ESG initiatives, benefiting not only the Company's internal development but also creating a meaningful impact on society. Our motto, "Sincere Care in Every Step," reflects our attention to every detail and demonstrates our commitment to integrity, responsibility, innovation, and well-being.



## Highlights and Performance

Since 2020, United Orthopedic has maintained a stable annual revenue growth of approximately 20%. Revenue in 2024 reached NT\$4.65 billion, doubling from NT\$223.4 million in 2020, indicating that the Company has entered a stable, sustained period of high growth. It is expected that in 2025, with all business units actively expanding their global market presence, revenue will continue to grow. We have successfully established strong brand image and marketing channels in 52 countries worldwide, and continue to expand our presence in local markets, steadily increasing market share through differentiation strategies and technological advantages.

The Company is dedicated to building a vertically integrated system from research and development, design, production to marketing and sales, ensuring consistency and timeliness in product quality and customer experience. We have established direct subsidiaries in major markets across Europe, America, and Asia, directly engaging with physicians

and end users, building first-line trust relationships and brand loyalty. This self-managed operating model also provides the company with greater flexibility and initiative in future development.

As global medical regulations become increasingly stringent and product entry thresholds rise, we will face greater challenges in regulatory compliance and quality control. Our professional team can quickly adapt and respond to regulatory changes in various countries, giving the Company higher competitive barriers and advantages in sustainable operations. Overall, we are gradually building strength and clear direction in terms of steady growth performance, innovative R&D achievements, global market presence, and regulatory response capabilities. In the future, we will continue to strengthen brand value, expand global influence, and move toward long-term, stable and internationally competitive sustainable development goals.

## Honors and Recognition



Received the "National Innovation Award - Cellbrick Porous Knee Joint Infection Control Pad Block and RepliCase Hip Joint Bone Cement Molding Template"



Received the "Silver Prize for National Pharmaceutical Technology & Research Development Award - Innovative Surgical Instruments for Artificial Knee Joints"



Received the "Top Orthopedic Solution Providers in Europe" award



Received the "Taiwan Excellence Gold Award - USTAR II Knee System" System"



Received the "National Innovation Award - Best Optimized Total Hip Arthroplasty Surgery Guidance System"



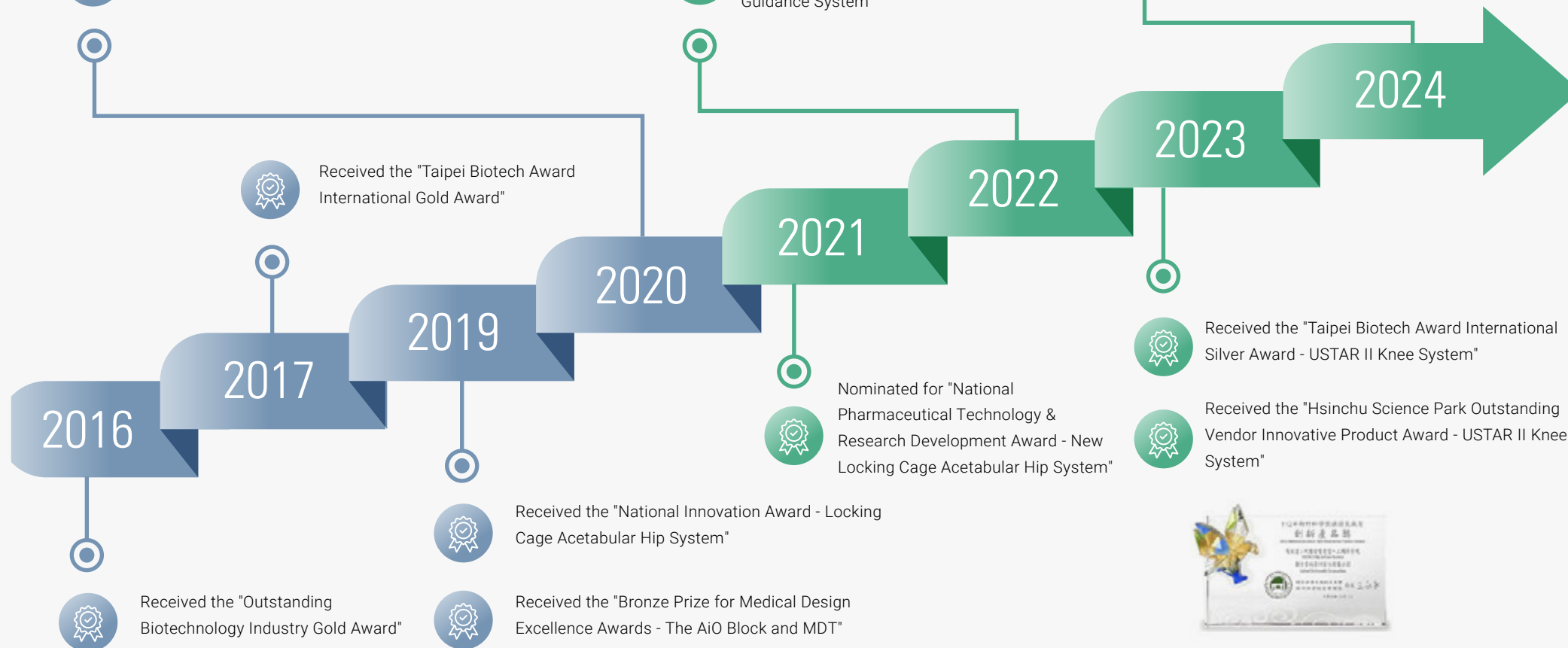
Invested a cumulative total of NT\$5.92 million in academic exchanges to promote orthopedic medical development



Completed two cases of customized artificial joints in Taiwan, helping patients restore their quality of life



Completed humanitarian medical missions in Vietnam, successfully helping 57 patients





# Unity for good

## Article 1

### United Orthopedics supports Ireland in 2024 Operation Walk Program - Humanitarian Assistance Initiative

In November 2024, United Orthopedic collaborated with Ireland Operation Walk to support a humanitarian aid initiative aimed at providing orthopedic hip and knee joint replacement surgeries for patients with limited medical resources. The program has entered its 13th year, bringing together highly skilled clinical medical professionals who volunteer their time and expertise to help patients receive joint reconstruction surgery. To date, this program has helped over 1,000 patients.

United Orthopedic, as a collaborative sponsorship partner of this program, works with Operation Walk Ireland to promote patient care and outreach work in communities worldwide.



## Unity for good

### Article 2

### Together, Making a Difference

United Orthopedics supports Operation Walk Ireland 2024, a collaborative program that helps underprivileged patients in Vietnam regain mobility by providing free complex joint replacement surgeries to patients in need. Through the support of orthopedic clinicians who volunteer their time and sponsors, the program enables patients to access resources for joint reconstruction and promotes improvement in patient mobility.

Operation Walk Ireland's motto is: "We cannot change the world, but we can change your life", which aligns with United Orthopedics' core values: Each Step We Care deeply resonates. These shared values promote medical accessibility and enhance human well-being. United Orthopedics is delighted to participate in such meaningful action.







## International Collaboration, Bringing New Steps to Life

We are honored to share an inspiring story about a partnership established between Dr. Khalid M. Yousuf, a Pakistani-American orthopedic surgeon, the GODA (Gift of Disability Alleviation) program, RECH International, and the United Orthopedics USA team. In February 2025, this passionate team of 25 people, including 15 US-certified orthopedic surgeons, performed a total of 235 hip and knee replacement surgeries, 25 spine surgeries, and 34 sports medicine surgeries during seven days of intensive operations across three Pakistani cities: Karachi, Lahore, and Muzaffargarh. As Dr. Khalid M. Yousuf stated: "In Pakistan, the waiting list for joint replacement surgeries exceeds five years,

and this mission significantly reduced the hospitals' burden. Since 2016, GODA has completed over 750 free joint replacement surgeries for patients, advancing their mission of care. We express our deepest gratitude to Dr. Khalid M. Yousuf for inviting us to participate in this impactful mission, and we thank all team members who contributed their time, expertise, and compassion. This embodies the spirit of United Orthopedics - the incredible impact we can achieve when we collaborate across borders. Let us continue creating change together with our partners, one step at a time.



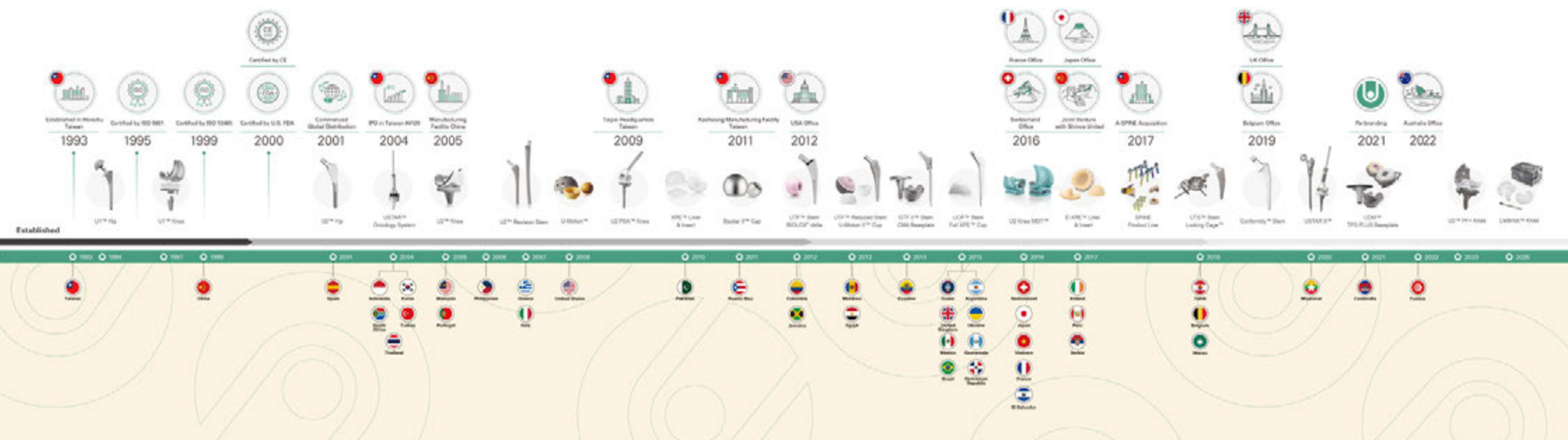
## Company profile

United Orthopedic was established in 1993 and is a domestic over-the-counter listed company (stock code: 4129) in the biotechnology medical device industry. Its main products are orthopedic implants (artificial joints) and related surgical instruments. The Company has achieved full vertical integration from product design, manufacturing, and global end-market marketing. Manufacturing facilities are located in the Southern Taiwan Science Park (Luzhu) and Hsinchu Science Park, with overseas operations in Shanghai, China; California, USA; Yokohama, Japan; and across in Switzerland, France, the UK, Belgium, and Australia.

United Orthopedic is Taiwan's first orthopedic implant manufacturer and one of the few in Asia certified for mass production of artificial joints that meet international standards. It is also recognized as one of the government's top ten emerging high-tech industries. The Company has

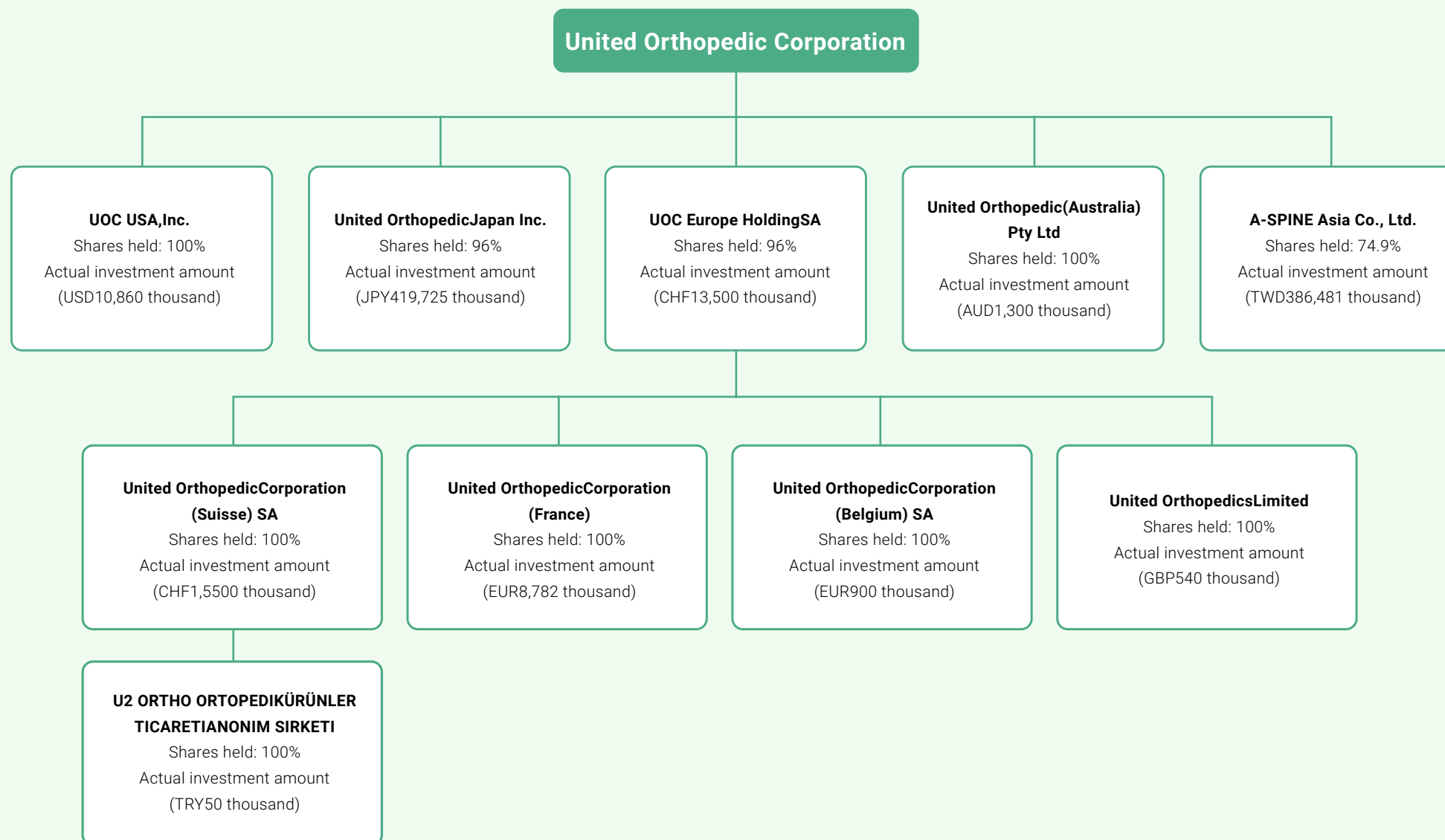
obtained ISO 9001 / ISO 13485 quality certifications and simultaneously received manufacturing approvals from Taiwan's Ministry of Health and Welfare GMP, U.S. Food and Drug Administration (FDA), European CE marking, and China's National Medical Products Administration (NMPA) among other major market certifications. The company strives for excellence in its products and has received multiple product awards including the Medical Design Excellence Awards Bronze Medal and the 30th Taiwan Excellence Gold Award.

United Orthopedic's artificial joint manufacturing is designed to meet the diverse surgical and medical needs of doctors and patients. Its own brand, United, is sold in over 50 countries across Europe, Americas, Asia, and Africa. As of 2024, more than 710,000 successful implantations have been completed globally, benefiting patients and their families in regaining a happy life.



## Related companies

The organizational chart of United Orthopedic's affiliated companies is as follows. The primary industries are the manufacturing and sales of orthopedic implants and surgical medical devices.



Note: Data as of December 31, 2024

## Core values

### INTEGRITY

United Orthopedic regards integrity as the cornerstone of its business, committing to addressing issues honestly and to follow through on its promises. At the corporate governance level, United Orthopedic strengthens employees' ethical awareness and compliance with laws and regulations through the establishment and implementation of the Integrity Management and related training programs. The Company fosters a culture of trust toward internal and external stakeholders, thereby promoting the sustainable practice of integrity in business operations.

### INNOVATION

While promoting workplace well-being, United Orthopedic emphasizes a positive culture and team cohesion. Through regularly organized activities, including company trips, birthday celebrations, and club events, the company fosters employees' well-being, mutual appreciation, and support, thereby enhancing workplace satisfaction. By promoting volunteer services and community welfare activities, the Company extends a sense of happiness to the broader community and society, embodying the principle of shared well-being.



### ACCOUNTABILITY

The Company places great importance on employees' professionalism and sense of responsibility, fostering a culture where they proactively solve problems, take ownership of outcomes, and achieve objectives through teamwork. This core value is embodied in the areas of human resource management and social engagement. By implementing a robust performance evaluation, clearly defined responsibilities, and goal-oriented systems, the Company encourages employees and the organization to actively fulfill its social responsibilities.

### HAPPINESS

Innovation drives the sustainable growth of a company. United Orthopedic dedicates itself to new product development, process optimization, and digital transformation, actively integrating green technologies and smart equipment to improve operational efficiency while minimizing environmental impact. By promoting research and development and continuous improvement, the Company generates value for society, reflecting its commitment to future generations and its care for human welfare.



## Brand and technology advantages

United Orthopedic is dedicated to developing its own brand and mastering core technologies in product research, development, and manufacturing. Its R&D center and main production lines are all located in Taiwan. As the only artificial joint manufacturer in Taiwan with the capability to vertically integrate key upstream and downstream manufacturing processes, the Company is able to respond swiftly to shifts in the international market and effectively address customer needs.

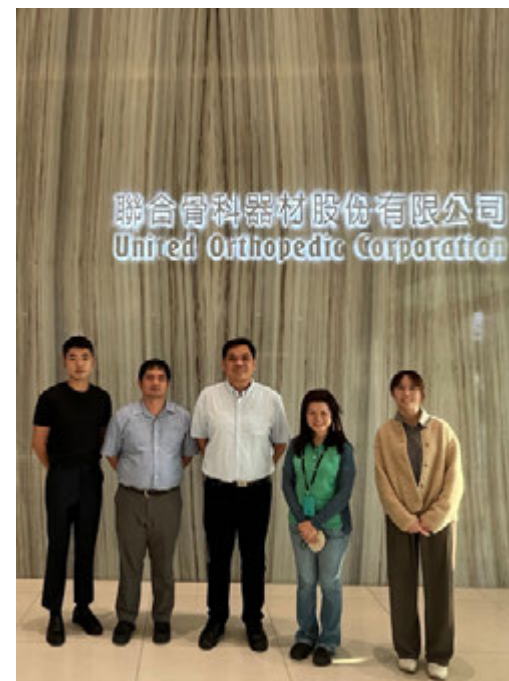
### Brand advantages

- **Vertical Integration:** Adopts a vertical integration strategy covering design, R&D, production, and marketing phases to ensure product quality and effectively control costs.
- **International Certifications:** Products have obtained multiple international certifications including the U.S. Food and Drug Administration (FDA), European CE marking, Japan's Pharmaceuticals and Medical Devices Agency (PMDA), China's National Medical Products Administration (NMPA), and Taiwan Food and Drug Administration (TFDA), meeting global medical device standards.
- **Product Positioning:** With a strong focus on international markets, the Company consistently provides high-quality products and services at competitive prices. Its distinct and recognizable brand identity enables it to compete effectively with leading global manufacturers.

### Technology advantages

- **Continuous Innovation and R&D:** The Company continues to invest in research and development, introducing innovative products such as the Radifocus Modular Femoral Stem, Shoulder Joint System, United U-Motion Acetabular System, and Revision Knee Joint Augmentation Implants. These advancements strengthen the Company's product portfolio, enhance brand image, and drive greater recognition in international markets.
- **Comprehensive Product Line:** The Company offers a full range of artificial joint systems—covering primary replacement, revision, and fracture treatment—designed to meet the diverse needs of patients.
- **Precise Surgical Technology:** In collaboration with an Italian navigation system company, the Company is developing a knee joint navigation robotic surgical system to provide advanced robotic surgical solutions. In addition, it is partnering with National Taiwan University to advance orthopedic precision medicine. The Company also continues to focus on personalized custom joints, precision surgery, and accelerated recovery, aiming to further improve surgical accuracy and reproducibility.

2024.11 Philippines



2024.01 Indonesia



2024.04 Argentinian Hip and Knee Society

## Operating performance

United Orthopedic upholds the principles of stable operation and value co-creation with diverse stakeholders, demonstrating the Company's responsibility and commitment to shareholders, employees, government, customers, and society through transparent financial disclosure. From 2022 to 2024, the Company's operating revenue steadily grew from NT\$3,168,680 thousand to NT\$4,653,130 thousand, demonstrating strong operational momentum. The revenue growth meets shareholders' and investors' expectations for stable profitability.

With increased production capacity and market expansion, operating costs grew from NT\$805,697 thousand in 2022 to NT\$1,030,809 thousand in 2024, reflecting the Company's continued investment in high-quality products and services to meet market demands and create value. Stable operational performance further supports the fulfillment of commitments to customers, continuous investment in innovation, technology upgrades, and quality assurance, and strengthens customer brand recognition and loyalty.

The Company's stable growth further increases investment in employee remuneration and benefits (such as salary raises, bonuses, and health coverage), improving employee

job satisfaction and loyalty. Employee salary and benefit expenses have increased year by year, reaching NT\$1,141,893 thousand in 2024, reflecting our commitment to employees, fostering a happier and more competitive workplace.

While shareholders, investors, customers, and employees all benefit from operational growth, the Company complies with tax regulations, with payments totaling NT\$114,723 thousand in 2024, contributing to public infrastructure and local development. Furthermore, the Company continues to invest in social engagement, academic exchanges, and charitable activities, with community investment reaching NT\$5,920 thousand in 2024, further giving back to meet government and society expectations.

Economic performance is the foundation of sound business operations. The Company's key performance indicators, including revenue and profitability, continue to grow, with net profit after tax reaching NT\$460,381 thousand in 2024. This demonstrates strong operational performance and strengthens the resource base for sustainable investments, directly addressing stakeholder concerns and contributing to value creation.





### Operating performance

## 2024 Consolidated Financial Information

Unit: NT\$ thousand

Item	Basic Requirements	Year		
		2022	2023	2024
Direct Economic Value Generated	Operating revenue *	3,168,680	3,929,887	4,653,130
	Operating costs *	805,697	893,517	1,030,809
Economic Value Distributed	Employee remuneration and benefits * (note 1)	898,810	1,086,383	1,141,893
	Payments to Providers of Capital* (Dividends for the Year)	218,727	385,946	385,866
	Payments to Government* (Note 2)	79,440	120,917	114,723
	Community Investment (Note 3)	1,916	4,610	5,920
Economic Value Retained	Net profit after Tax *	223,581	338,309	460,381

Note 1: Including salary, bonus, pension, and other personnel-related expenses.

Note 2: Income tax paid.

Note 3: Expenditure on social engagement, academic exchange, and charitable activities.

Note 4: The data from 2022 to 2024 have been audited and certified by Ernst & Young Global Limited.

Item	2022	2023	2024
Net profit after Tax (NT\$ thousand)	223,581	338,309	460,381
Net Profit Margin %	7.06%	9.88%	9.89%
R&D Investment (NT\$ thousand)	167,257	185,029	220,493
Return on Equity %	7.57%	11.62%	12.21%
Cash dividends distributed %	80.10%	88.90%	84.40%
Earnings per share (NT\$)	2.84	4.50	4.74



## Global Product Portfolio and Introduction

Driven by the gradual aging of the global population and advances in medical technology, demand for orthopedic diagnosis and treatment has increased, with the orthopedic industry reaching a market size of US\$65.17 billion in 2023. Among this, the artificial joint segment, as an essential part of the industry, accounts for approximately 33% with a market size of US\$21.53 billion and is projected to grow to US\$33.62 billion by 2030.

United Orthopedic's core products are artificial joint implants, which are high-end medical devices primarily used to replace patients' damaged joints and restore their mobility functions, with an expected product lifespan of 20 to 30 years. As these products directly affect patients' quality of life and treatment outcomes, physicians have extremely strict requirements for their quality, functionality, and compatibility. The company adheres to independent design and research and development in Taiwan, successfully launching its own brand products with technology and quality comparable to leading international manufacturers, securing a position in the global market.

With a vertically integrated structure from design to manufacturing, the Company has established direct operation sites in Europe, America, Asia, and Australia, providing comprehensive promotion and after-sales services. This global operation system not only strengthens the Company's immediate response to market demands but also gradually establishes a highly independent marketing and customer service system.

### In terms of market deployment, the Company focuses on three main region

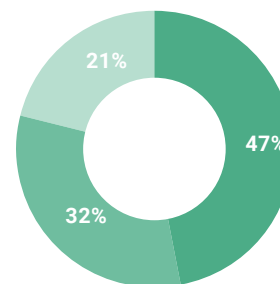
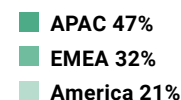
- **Asia-Pacific (APAC):** The largest source of revenue in 2024, demonstrating robust and continuous growth in regional demand.
- **Europe, Middle East and Africa (EMEA):** Ranked second in performance, demonstrating high recognition of the Company's brand in mature markets.
- **Americas (AMERICA):** Achieved significant revenue growth in 2024, positioning the region as the key driver of future expansion.

All three regions achieved double-digit revenue growth in 2024, highlighting the strong global competitiveness of United Orthopedic's products and the successful implementation of the Local R&D, Global Deployment development strategy, establishing a solid foundation for the Company's sustainable operation.

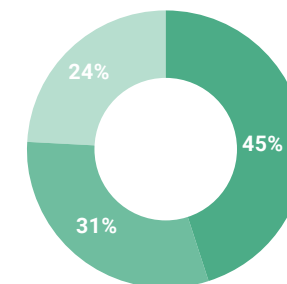
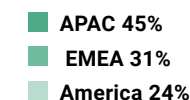
(NT\$1,000,000)	2023	2024	YoY%
Operating revenue	3,929.9	<b>4,653.1</b>	18%
APAC	1,867.2	<b>2,080.6</b>	11%
EMEA	1,239.6	<b>1,467.1</b>	18%
America	823.1	<b>1,105.3</b>	34%

### Regional Revenue Proportion

**2023**  
NT\$3.93 billion



**2024**  
NT\$4.653 billion



## Global Product Portfolio and Introduction

### Product introduction

Artificial joints provide ultimate medical solutions for patients who cannot be treated through conservative treatment or traditional surgery due to joint degeneration, severe injury, or disease. During surgery, orthopedic surgeons use specialized surgical instruments to precisely remove damaged joint areas and replace them with advanced artificial joint implants. This procedure effectively relieves pain, restores joint function, and provides stability and durability, enabling patients to regain mobility and improve their quality of life.

During product development, the Company works closely with frontline orthopedic surgeons, focusing on clinical needs and potential improvements to existing products. Leveraging expertise in R&D, regulatory affairs, process development, and quality assurance, and adhering to ISO 13485 medical device quality management standards, the Company ensures rigorous and compliant product development before market launch.

Technological advancement drives continuous innovation in surgical assistance technologies and implant materials, including the use of image navigation and robotic arms to improve the precision and safety of artificial joint implantation. Artificial joint materials continue to evolve, incorporating anti-allergic, antibacterial materials antibacterial materials and advanced surface treatment technologies to further enhance implant biocompatibility and durability. The promotion of 3D printing technology in orthopedic implants significantly increases the feasibility of complex implants. In response to this wave of technological transformation, United Orthopedic's product strategy is as follows:

- **Enhance implant stability and biocompatibility:** Utilize specialized metal sintering technology and 3D-printed porous structures to optimize the bone growth environment.
- **Strengthen product safety and durability:** Introduce anti-allergic coating technology.
- **Expand the service range of artificial joint products:** In addition to traditional knee joint, hip joint, and spinal implant areas, actively expand into artificial shoulder joint product development.

Through collaboration among United Orthopedic's business team, domestic and international distributors, and medical institutions, we have established comprehensive product sales channels. We actively participate in domestic and international orthopedic medical exhibitions, organize product technical training, and orthopedic medical seminars to help physicians understand and become familiar with United Orthopedic's products.

#### Injury and other orthopedic products:

- Orthopedic Internal Fixation Nails
- Bone Plates, Bone Screws, Bone Pins, Bone Screws and similar products

#### Spinal products

Vertebral fixation devices

#### Artificial knee joints

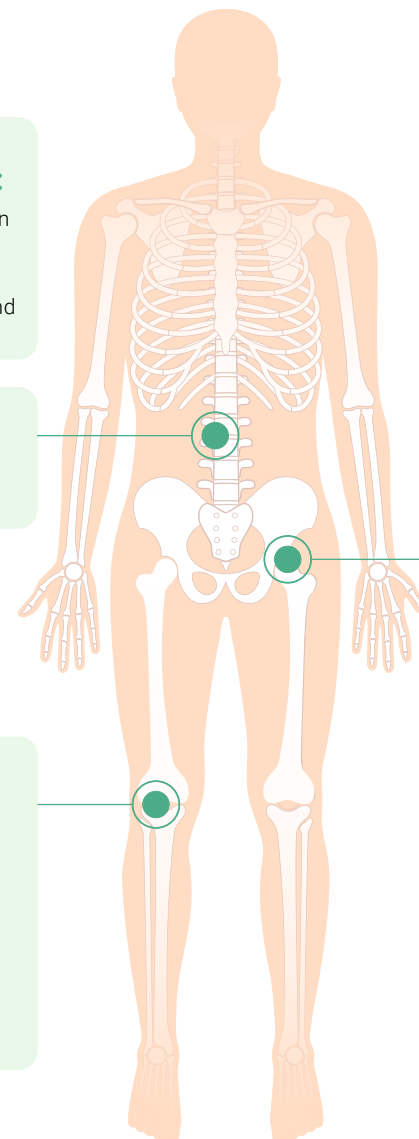
- Total Knee Replacement Joint
  - Total Knee Revision Joint
  - Constrained Artificial Knee Joint
  - Custom-made Tumor Prosthesis for Individual Patients
- Artificial knee joints

#### Artificial hip joints

- Artificial Hip Joint
- Hemi Hip Joint
- Trochanteric Fracture Joint
- Moore Artificial Femoral Head and Custom-made Artificial Hip Joint for Individual Tumor Patients

#### OEM products

Orthopedic internal fixation



**Global Product Portfolio and  
Introduction**

**Primary**

**U2™ Knee**  
Total Knee System

U2 PF+ Knee  
Total Knee System

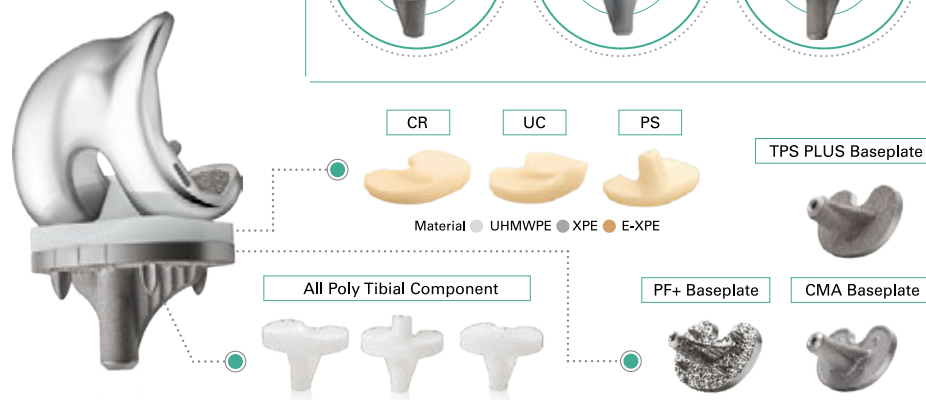
CR Cruciate Retaining PS Posterior Stabilized UC Ultracongruent



CR UC PS  
TPS PLUS Baseplate

Material UHMWPE XPE E-XPE

All Poly Tibial Component PF+ Baseplate CMA Baseplate



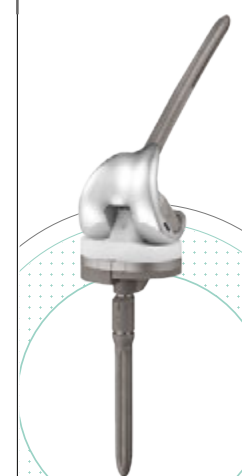
**Complex Primary**

U2 Knee with  
CMA Baseplate



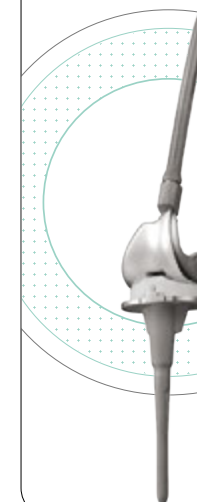
**Revision**

**U2 PSA™ Knee**  
Revision Knee System



**Hinge**

**USTAR II™**  
Rotating Hinge Knee System



**U2 MB™ Knee**  
Mobile Bearing Total Knee System

Mobile Bearing Insert Mobile Bearing Congruent Insert



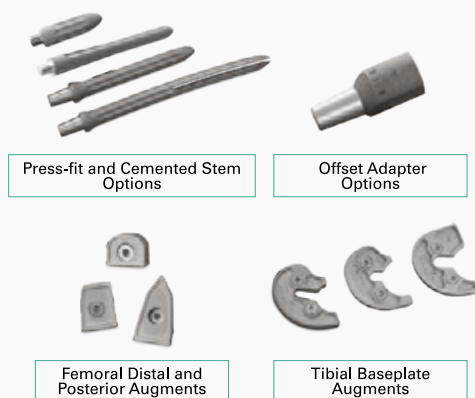
Material UHMWPE XPE

MB Baseplate TPS PLUS Baseplate MBA Baseplate

U2 MB Knee with  
MBA Baseplate



**Multiple Choices of Augments and Stems**



Press-fit and Cemented Stem  
Options

Offset Adapter  
Options

Femoral Distal and  
Posterior Augments

Tibial Baseplate  
Augments

Global Product Portfolio and  
Introduction

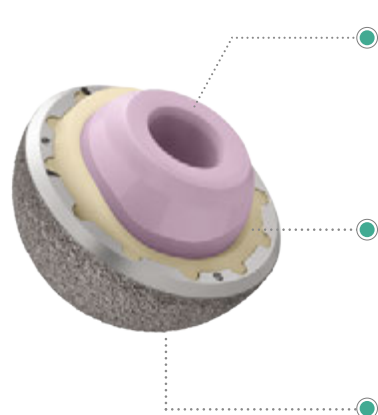
Acetabular Systems

Primary

Revision

Fracture

U-Motion II™ Cup  
Acetabular Hip System



CoCr BIOLOX® delta



Liner Material & Options

0° 20°



Material ● XPE ● E-XPE

No-hole

Cluster-hole

Multi-hole



Full XPE™ Cup  
Acetabular Hip System



BIOLOX® delta

UDM™  
Mobile Bearing Hip System



CoCr BIOLOX® delta



Mobile Liner

Material ● XPE ● E-XPE

Press-fit

Peg-fixed

Cemented



Locking Cage™  
Revision Acetabular Hip System



BIOLOX® OPTION  
Femoral Head System



RepliCase Hip™  
Cement Spacer Mold



Bipolar II™ Cap  
Hemi-Arthroplasty Hip System



GTF II™ Stem  
Femoral Hip System



Femoral Systems

Primary

Revision

Taper Type Stem

UTS™ Stem UTF™ Reduced Stem



Bone Compaction Type Stem

Conformity™ Stem



Collarless Collared Cemented

Cylindrical Type Stem

U2™ Hip Stem



Porous HA Cemented

Cemented Polished Stem

UCP™ Stem



U2™ Revision Stem



UCP™ Revision Stem



\*BIOLOX® is a registered trademark of the CeramTec Group, Germany



## Association Memberships

In addition to maintaining strong and close interaction with stakeholders, United Orthopedic actively participates in external associations and activities, engaging in the exchange of industry and technology-related information. Below is a summary of the external organizations in which the company participates.

Institution Name	2024 Membership Status
New Taipei City Medical Devices Commercial Association	Member
Taiwan Medical and Biotech Industry Association	Member
Institute for Biotechnology and Medicine Industry	Member
Taiwan Bio Industry Organization	Member
Taiwanese Society of Biomedical Engineering	Member
Taiwan Society for Computer Assisted Orthopedic Surgery	Member

# 01

# Sustainable Governance

- 1.1 Sustainable Governance
- 1.2 Stakeholder Engagement
- 1.3 Management of Material Topics



# Sustainable Governance

The Board of Directors, as United Orthopedic's highest governing body, deeply recognizes that sustainable development is key to the Company's long-term success. The Company is integrating sustainability into its business decisions and operations. The Board of Directors is responsible for supervising the direction of sustainable development, maintaining alignment with the Company's long-term goals, and regularly evaluating the implementation of Environmental, Social, and Governance (ESG) initiatives. Senior management is responsible for promoting sustainability policies and ensuring the allocation of resources and implementation of plans. °

Our sustainable development strategy encompasses environmental protection, social responsibility, and corporate governance. We commit to publishing annual sustainability reports and regularly undergo third-party verification to enhance transparency and reliability. Through the Sustainability Development Committee, we review the information compiled for sustainability reports and external assurance verification results and convene board meetings to approve the content of sustainability reports. In the future, we will continue to collaborate with stakeholders to create long-term value.

## 1.1 Sustainable Governance

### Sustainable Development Committee

United Orthopedic has strengthened the integration of ESG (Environmental, Social, and Corporate Governance) principles into its corporate operations, addressing stakeholders' expectations for sustainable development. In June 2023, the Board of Directors approved the establishment of the Sustainability Development Committee, serving as the core unit coordinating the Company's sustainability policies and strategies. The committee reviews and supervises sustainability-related matters and appoints senior executives to lead the Sustainability Development Task Force, which manages and reports on the assessment and procedures regarding the Company's operational impacts on the economy, environment, and society. In December 2024, the Board of Directors approved the Sustainability Information Management Operating Guidelines, establishing the institutional framework for sustainability information disclosure and internal management. The guidelines specify that the Board is the highest decision-making body for sustainability information governance, responsible for the achievement of sustainability management objectives and regularly evaluating the design and effectiveness of the sustainability internal control system to ensure information transparency, accuracy, and regulatory compliance. °

Senior management drives the implementation of Board decisions by integrating sustainable development goals with the Company's daily operations. They formulate specific strategies and plans, ensure thorough implementation, and regularly report progress to the Board while making adjustments as needed. Under the Sustainability Development Committee, a Sustainability Development Task Force has been established, comprising representatives from sales, operations, R&D, administration, and finance departments. It is divided into three groups: corporate governance, sustainable environment, and social welfare. The task force is responsible for promoting sustainability-related initiatives, information collection, and disclosure, ensuring compliance with domestic and international regulations and standards (such as GRI and TCFD), and enhancing information transparency and accountability. The Audit Office incorporates sustainability information operations into its annual audit plan, conducting compliance and performance checks, and providing improvement recommendations to strengthen the sustainability governance mechanism.

In 2024, the Sustainability Committee held four meetings (March 13, 2024; June 18, 2024; August 9, 2024; December 20, 2024). Through a top-down approach, the committee established the Company's medium and long-term sustainable development plans, identified sustainability issues relevant to company operations and stakeholder concerns, formulated strategies and work guidelines, allocated budgets for sustainability initiatives, planned and implemented annual programs, and tracked their effectiveness. Key matters reported to the Board of Directors included reviewing and ratifying the ISO 14064-1 greenhouse gas inventory contract, changes in corporate governance officers, establishing regulations for the Sustainability Development Committee, sustainability information management guidelines, risk management policies and procedures, and appointing accountants for the 2024 sustainability report.

Date	Event
2024 / 03 / 13	Ratification of ISO 14064-1 Greenhouse Gas Inventory Guidance and Assurance Report Contract
2024 / 06 / 18	Approval of Changes in Corporate Governance Officers of the Company
2024 / 08 / 09	Approved the organizational regulations for the Sustainability Committee.
2024 / 12 / 20	Approved the management operating regulations for sustainability information.
	Addition of "Risk Management Policy and Procedure Measures.
	Appointment of CPA for 2024 Sustainability Report

## 1.1 Sustainable Governance

### Organizational Chart of Sustainable Development Committee and Sustainable Development Task Force



Units	Responsibilities
<b>Board of Directors</b>	As the highest decision-making body, the Board is responsible for promoting and implementing sustainability information management objectives, holding ultimate accountability, and regularly evaluating the design and effectiveness of sustainability internal controls.
<b>Sustainable Development Committee</b>	Assists the Board of Directors in implementing and reviewing sustainability information issues, responsible for formulating and promoting the Company's sustainability development policies and strategies and conducts review and supervision of sustainability reports.
<b>Auditing Office</b>	Reports to the Board of Directors, responsible for incorporating sustainability information operations into the annual audit plan, ensuring information compliance and effectiveness, and providing improvement recommendations.
<b>Sustainability Development Task Force</b>	The task force established under the Sustainability Development Committee is responsible for specific management and disclosure of sustainability information, ensuring compliance with relevant regulations and international standards, and enhancing information transparency and reliability.



## 1.2 Stakeholder engagement

### Stakeholder Communication Channels and Their Concerns

In line with the Sustainability Information Management Operating Guidelines and AA1000 Stakeholder Engagement Standards, United Orthopedic has established a systematic and forward-looking communication mechanism, with the Board of Directors serving as the highest governance unit. In 2024, the Company re-identified its main stakeholders based on characteristics such as dependency, influence, and communication frequency, including five major stakeholder groups: employees, suppliers, shareholders, government agencies, and customers.

We actively listen and engage with stakeholders, and through ongoing monitoring, evaluation, and strategic adjustments, we effectively manage the Company's economic, environmental, and social impacts to promote sustainable development. The specific approaches are as follows:

#### 01 Regular meetings and communication channels

Board members arrange regular meetings or discussions to communicate with key stakeholders (such as shareholders, employees, customers, etc.). Understand their concerns about the Company's economic, environmental, and social impacts, and collect feedback and suggestions.

#### 02 Two-way communication

Executive directors lead in establishing transparent and convenient communication channels (such as customer surveys, employee grievance mailboxes, stakeholder comment sections, etc.), actively listen to stakeholder needs, and respond to issues and suggestions in a timely manner to ensure smooth two-way communication.

#### 03 Conflict of interest management

When certain strategies or decisions may create unfair impacts on specific stakeholders, executive directors involve the Board of Directors in decision-making, allocate company resources, and guide negotiations.

#### 04 Stakeholder feedback mechanism

Sustainability reports and results are regularly disclosed to stakeholders, and feedback on key issues is actively sought to ensure all relevant parties have a clear understanding of the Company's sustainable development goals and progress.

#### 05 Third-party verification

The Board of Directors commissions independent third-party organizations to verify sustainability-related procedures and results to ensure transparency and credibility. Meanwhile, external audits can provide the Board of Directors with more objective data support, facilitating effective decision-making by the Board.

## 1.2 Stakeholder engagement

Stakeholders	Topics focused	Communication channels:	Communication frequency	2024 Communication Performance	Corresponding chapters
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Labor Rights Protection</li> <li>• Occupational health and safety</li> <li>• Career Development and Educational Training</li> <li>• Employee Communication and Engagement Mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>• Labor-Management Meeting</li> <li>• Occupational Safety and Health Committee</li> <li>• Environmental Safety and Health Education Training</li> <li>• Website Announcements and Email Communications</li> <li>• Suggestion Box and Communication Software</li> <li>• Department meetings</li> <li>• HR Care Interviews</li> <li>• Employee Performance Interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly</li> <li>• Quarterly</li> <li>• Quarterly or Irregularly</li> <li>• Irregular/Instant</li> <li>• Instant</li> <li>• Convened as needed</li> <li>• Arranged as Needed</li> <li>• Beginning/Middle/End of Year</li> </ul>	<ul style="list-style-type: none"> <li>• Held 4 Labor-Management Meetings</li> <li>• Held 4 Occupational Safety and Health Committee Meetings</li> <li>• Internal Environmental Safety and Health Education Training, with 1,666 participants in total</li> <li>• External Environmental Safety and Health Education Training, with 43 participants in total</li> <li>• Held 12 Monthly Plant Direct Staff Meetings and 2 Semi-annual Communication Conferences</li> <li>• Held 35 R&amp;D Department Meetings</li> <li>• 200 Company Website Announcements in total</li> <li>• HR Care Services provided to 328 employees in total</li> <li>• Employee Performance Interview Completion Rate: 100%</li> </ul>	1. Sustainable Governance 4. Social inclusion
<b>Supplier</b>	<ul style="list-style-type: none"> <li>• Compliance with laws and regulations</li> <li>• Product Safety Responsibility</li> <li>• Supply chain management</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier Audit or Guidance</li> <li>• Company Website Communication Portal</li> <li>• Procurement Contact Window</li> <li>• Phone Calls and Emails</li> </ul>	<ul style="list-style-type: none"> <li>• Arranged as Needed</li> <li>• Instant</li> <li>• Instant</li> <li>• Instant</li> </ul>	<ul style="list-style-type: none"> <li>• On-site Audits of 30 Suppliers</li> <li>• Document Audits of 47 Suppliers</li> </ul>	1. Sustainable Governance 3.2 Value chain management
<b>Shareholder</b>	<ul style="list-style-type: none"> <li>• Financial performance</li> <li>• Information Transparency and Timeliness</li> <li>• Risk management and compliance</li> <li>• Sustainable Governance</li> </ul>	<ul style="list-style-type: none"> <li>• Shareholders' meeting</li> <li>• Institutional Investor Conference</li> <li>• Regular Financial Report Announcements</li> <li>• Annual Publication of Annual Reports and Sustainability Reports</li> <li>• Major Information Disclosure on Market Observation Post System</li> <li>• Company Website Communication Portal</li> </ul>	<ul style="list-style-type: none"> <li>• Annually</li> <li>• Convened as Needed</li> <li>• Quarterly</li> <li>• Annually</li> <li>• Published as Needed</li> <li>• Instant</li> </ul>	<ul style="list-style-type: none"> <li>• Held 1 Shareholders' Meeting</li> <li>• Participated in 4 Institutional Investor Conferences</li> <li>• Released Quarterly Financial Reports for 2024</li> <li>• Released 2023 Annual Financial Report and 2023 Sustainability Report</li> <li>• Published 62 Material Information Announcements in Chinese and English on the Market Observation Post System</li> <li>• Released Monthly Consolidated Revenue Information Quarterly for 12 Months</li> </ul>	Operating performance 1. Sustainable Governance 2 Corporate governance

## 1.2 Stakeholder engagement

Stakeholders	Topics focused	Communication channels:	Communication frequency	2024 Communication Performance	Corresponding chapters
<b>Government agencies</b>	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> <li>Product Safety Responsibility</li> <li>Labor Rights and Workplace Safety Protection</li> </ul>	<ul style="list-style-type: none"> <li>Official Document Correspondence</li> <li>Email</li> <li>Regulatory Authority Audit</li> <li>Meetings (Seminars/Lectures/Courses)</li> </ul>	<ul style="list-style-type: none"> <li>As Needed</li> <li>Instant</li> <li>Arranged as Needed</li> <li>Arranged as Needed</li> </ul>	<ul style="list-style-type: none"> <li>1,451 Documents Received and Sent</li> <li>19 teleconferences and over 100 email exchanges with medical device regulatory authorities in Taiwan, US, and EU</li> <li>20 on-site audits or guidance visits from regulatory authorities including EHS and fire safety</li> <li>Attended 17 seminars/lectures/courses held by EHS and fire safety regulatory authorities</li> </ul>	1. Sustainable Governance 2. Corporate governance
<b>Customer</b>	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> <li>Product Safety Responsibility</li> <li>Product Consultation and Training</li> </ul>	<ul style="list-style-type: none"> <li>Customer Service Contact</li> <li>Customer satisfaction survey</li> <li>Product Information Sessions</li> <li>User Education and Training</li> <li>Meetings (User Conferences, Distributor Conferences)</li> <li>Customer Site Visits</li> <li>Academic Exchange Activities</li> <li>Phone Calls and Emails</li> <li>Company Website Communication Portal</li> </ul>	<ul style="list-style-type: none"> <li>Daily</li> <li>Annually</li> <li>Arranged as Needed</li> <li>Annually</li> <li>Arranged as Needed</li> <li>Arranged as Needed</li> <li>Real-time Communication</li> <li>Daily</li> <li>Instant</li> </ul>	<ul style="list-style-type: none"> <li>Completed 1 Customer Satisfaction Survey</li> <li>Hosted 20 Product Information Sessions</li> <li>Hosted 18 User Education Training Sessions</li> <li>Hosted 1 Clinical Anatomy Practice Session</li> <li>Hosted 1 User Conference</li> <li>Hosted 1 Distributor Conference</li> <li>Hosted Factory Visits for 242 Customers</li> <li>Participated in 29 Medical Professional Exhibitions</li> <li>Hosted 2 Academic Exchange Sessions</li> </ul>	About United Orthopedic 1. Sustainable Governance 3. Innovation and change 4.1 Customer service

## 1.3 Management of material

### Material topic identification

United Orthopedic identifies its material sustainability issues through four major steps in accordance with the GRI Sustainability Reporting Standards (GRI Standards). In addition to addressing issues of concern to internal and external stakeholders, the Company develops its sustainability strategies and actions accordingly. The Board of Directors continuously supervises and identifies the economic, environmental, and social impacts of the Company's operations.

#### Material topic identification process





1.3 Management of  
material topics

## Sustainability Issues Impact Level



## 2024 Material Sustainability Topics Ranking



### 1.3 Management of material topics

## Material Topics Boundary

Material topics	Topic Boundary			Impact Description	Relevant Policies and commitments	Actions Taken	Effectiveness Tracking Indicators for Actions	Response Chapter
	Upstream	Within the organization	Downstream					
<b>Employee training and development</b>		●		Through systematic employee training and development mechanisms, United Orthopedic strengthens employees' professional skills and their adaptability to market changes, enhances employee satisfaction, and strengthens both talent attraction and sustainable competitiveness.	The Company is committed to providing systematic training and career planning to support employees' continuous growth and capability development.	<ul style="list-style-type: none"> <li>Internal and external training courses are planned each year, covering diverse topics such as job competencies, management, quality, and regulations, to promote employees' professional growth.</li> <li>Establish competency training and job rotation learning systems to help employees develop diverse skills and cross-departmental collaboration experience.</li> <li>Conduct quality and safety professional training to strengthen quality control capabilities and regulatory compliance, ensuring product and workplace quality.</li> </ul>	<ul style="list-style-type: none"> <li>Training hours</li> <li>Course Completion Rate</li> </ul>	4.3 Employee training and development
<b>Wastewater and waste management</b>		●	●	United Orthopedic emphasizes wastewater and waste management. By implementing effective classification, reduction, and compliant treatment measures, the Company minimizes environmental impact, ensures regulatory compliance, and reduces potential risks, demonstrating its commitment to environmental sustainability while strengthening social trust and investor confidence.	The Company has established Waste Management Measures and commits to following environmental regulations, promoting waste recycling and reuse, energy conservation and carbon reduction, while continuously optimizing resource utilization efficiency.	Upholding the principles of process reduction and resource recycling, the Company reduces raw material use and waste generation. It ensures proper disposal and recycling through qualified contractors according to regulations, continuously improves facility infrastructure, and strengthens pollution prevention and resource reuse.	<ul style="list-style-type: none"> <li>Wastewater Generation Volume</li> <li>Resource Recycling Volume</li> </ul>	5.3 Wastewater and waste management
<b>Carbon emission inventory</b>		●	●	United Orthopedic promotes carbon emission inventory by identifying Scope 1 greenhouse gas emission sources to understand carbon emissions during operations. This helps to further develop countermeasures that comply with climate-related regulations and international standards, while also helping to reduce operational risks and improve energy efficiency.	The Company commits to continuously promoting carbon inventory and further developing countermeasures that comply with climate-related regulations and international standards, moving toward the goal of environmental sustainability.	<ul style="list-style-type: none"> <li>Conduct greenhouse gas inventory in accordance with ISO 14064-1:2018, using 2023 as the base year, complete internal verification in 2024 and pass LRQA external verification.</li> <li>The Sustainability Committee coordinates climate strategies and carbon reduction actions to promote energy conservation and resource optimization.</li> </ul>	<ul style="list-style-type: none"> <li>Total Greenhouse Gas Emissions</li> </ul>	5.2 Carbon emissions inventory

### 1.3 Management of material topics








Material topics	Topic Boundary			Impact Description	Relevant Policies and commitments	Actions Taken	Effectiveness Tracking Indicators for Actions	Response Chapter
	Upstream	Within the organization	Downstream					
<b>Occupational health and safety</b>		●		United Orthopedic establishes relevant management systems in compliance with regulations, conducts safety education training and risk assessments, and safeguards employee health and workplace safety. These efforts enhance employee trust and work efficiency, demonstrating the Company's commitment to social responsibility.	The Company is dedicated to fostering a zero-hazard workplace, implementing preventive management, and strengthening employee health and safety protection.	<ul style="list-style-type: none"> <li>Strictly comply with occupational safety and health regulations, regularly conduct safety education training and invest in facility improvements. Assign dedicated personnel for work safety and environmental protection to conduct regular environmental monitoring and risk control.</li> <li>Provide employee health examinations and health promotion activities to support employees' physical and mental health and reduce occupational diseases.</li> </ul>	<ul style="list-style-type: none"> <li>Number of Occupational Accidents</li> </ul>	4.5 Occupational health and safety
<b>Corporate governance and integrity</b>	●	●	●	United Orthopedic upholds the principle of integrity management and promotes anti-corruption and regulatory compliance mechanisms through Board operations and internal control systems. Transparent stakeholder communication and risk management strengthen investor confidence, reflecting the Company's commitment to sustainable development.	<ul style="list-style-type: none"> <li>Corporate Governance Best Practice Principles</li> <li>Procedures for Ethical Management and Guidelines for Conduct</li> <li>Opinion Box Management Measures</li> </ul>	<ul style="list-style-type: none"> <li>Establish corporate governance principles and set up functional committees such as Remuneration, Audit, and Sustainable Development Committees to strengthen the functions of the Board of Directors.</li> <li>Strengthen information disclosure by establishing a company website and stakeholder section, appointing dedicated personnel to disclose important information, and enhancing transparency.</li> <li>Implement internal control and audit systems, establish insider trading prevention measures, strengthen risk management, and promote continuing education for directors and integrity culture.</li> </ul>	<ul style="list-style-type: none"> <li>Internal and External Audit Evaluations</li> <li>Number of Whistleblowing Cases Accepted</li> </ul>	2.1 Corporate governance and integrity
<b>Value chain management</b>	●	●	●	United Orthopedic ensures product quality and legal compliance while reducing supply chain risks through supplier management and tiered audits. Through distributor education, training, and information sharing, we enhance partners' professional capabilities and competitiveness, promote sustainable development of the value chain, and strengthen customer trust and market competitiveness.	The Company is committed to ensuring product quality, safety, and compliance to protect patient interests through continuous supplier management, audits, and distributor training.	<ul style="list-style-type: none"> <li>Establish rigorous supplier selection, evaluation, and re-audit systems to ensure quality and risk control.</li> <li>Continuously promote distributor and customer education and training to strengthen professional knowledge and market competitiveness.</li> </ul>	<ul style="list-style-type: none"> <li>Supplier Audit Results</li> <li>Customer satisfaction survey</li> </ul>	3.2 Value chain management



### 1.3 Management of material topics

## Implementation of United Nations Sustainable Development Goals (SDGs)

In 2015, the United Nations proposed 17 Sustainable Development Goals (SDGs) to guide global businesses in jointly addressing challenges in social, economic, and environmental areas. United Orthopedic aims to align its sustainability strategy with international trends, leveraging its core industrial strengths to actively support the United Nations' sustainable development concepts. The following outlines the Company's relevant SDG targets and achievements:

3 Health and well-being	4 Quality education	5 Gender equality	7 Affordable and Clean Energy	8 Employment and economic growth	9 Industry, Innovation and Infrastructure	12 Responsible consumption and production
						
<ul style="list-style-type: none"> <li>Regularly organize employee health examinations, health consultations, health education seminars, physical fitness tests, and provide on-site healthcare services by medical professionals to support employees' health.</li> <li>Established the United Orthopedic Corporation Employee Welfare Committee to implement various welfare measures in accordance with related laws, including birthday bonuses, wedding and funeral subsidies, employee trips, dining gatherings, recreational activities, and club activities, fostering employee well-being and strengthening corporate cohesion.</li> </ul>	<ul style="list-style-type: none"> <li>Regularly organize domestic and international product knowledge sessions, professional training courses, and seminars to enhance employees' professional capabilities.</li> <li>Actively participate in and support domestic and international orthopedic medical research and academic activities, helping to improve Taiwan's orthopedic medical standards and industrial competitiveness.</li> </ul>	<ul style="list-style-type: none"> <li>The Company upholds the principle of equality, determining salaries based on employees' educational background, work experience, professional capabilities, and performance. We strictly prohibit discrimination based on gender, marital status, religion, race, political stance, or other factors, aiming to foster a diverse and inclusive workplace.</li> </ul>	<ul style="list-style-type: none"> <li>To support the government's Renewable Energy Development Act, United Orthopedic seeks to promote the national energy transition policy through concrete actions. Since 2018, the Kaohsiung plant has collaborated with Feng Zhao Power Co., Ltd., signing a Solar Power Plant Project Building Rooftop Lease Agreement to install a solar power generation system, which helped the government generate 482,898 kilowatt-hours (kWh) of electricity in 2024.</li> <li>The plant also installed wastewater and rainwater recycling systems to effectively improve the efficiency of water resource circulation and reuse.</li> </ul>	<ul style="list-style-type: none"> <li>We recruit talent based on business needs, strive to establish diverse recruitment channels, implement the principle of meritocracy, and strictly prohibit child labor.</li> <li>We fully comply with the Labor Standards Act, Gender Equality in Employment Act, Occupational Safety and Health Act, and other relevant regulations. Additionally, we employ individuals with disabilities and indigenous people in accordance with the People with Disabilities Rights Protection Act and the Indigenous Peoples Employment Rights Protection Act, ensuring equal employment opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>Air pollutants generated during the manufacturing process are properly collected and treated according to the characteristics of each pollution source, and equipment operation records are maintained in accordance with relevant permit requirements to ensure emissions comply with standards.</li> <li>In 2024, a total of four pollution prevention and energy-saving carbon reduction projects were implemented, with a total investment of NT\$1.513 million, fulfilling our commitment to continuous improvement.</li> </ul>	<ul style="list-style-type: none"> <li>All products must comply with domestic and international regulations, standards, and quality requirements. Product testing and risk control procedures are strictly implemented to ensure its safety and stable performance.</li> <li>To support national net-zero emission policies and global sustainability initiatives, we have established a Sustainability Development Committee to promote greenhouse gas inventory and assurance operations, creating a green supply chain and sustainable operation system.</li> </ul>



# 02

## Corporate governance

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2.1 Corporate Governance and Integrity

2.2 Risk Management

2.3 Information Security

## Corporate governance

United Orthopedic has always upheld the core values of integrity, responsibility, innovation, and well-being. Adhering to corporate integrity and ethical standards is the key to sustainable corporate governance. Through a multi-tiered governance structure and board functions, corporate governance-related matters are effectively handled. Additionally, the Company has established a Remuneration Committee to formulate reasonable policies, and a performance evaluation to safeguard employee welfare. Complemented by the implementation of internal control systems and proper disclosure of material information, the company has established effective communication channels to respond to stakeholders' expectations regarding corporate governance and corporate social responsibility.

The Company has appointed a corporate governance officer responsible for handling corporate governance-related matters, including legally managing meetings of the Board of Directors, Audit Committee, Remuneration Committee, Sustainability Development Committee, and shareholders' meetings; assisting directors with their appointment and continuing education; providing directors with information necessary for business execution; and helping directors comply with laws and regulations.

## 2.1 Corporate governance and integrity

### Corporate governance and integrity management approach

Management approach: Corporate governance and integrity	
<b>Policies and commitments</b>	Guided by the core values of integrity, responsibility, happiness, and innovation, United Orthopedic has consistently upheld the principles of professional responsibility and honest management. We have established policies such as Corporate Governance Practice Principles, Ethical Management Procedures and Behavioral Guidelines, and Opinion Box Management Regulations to promote corporate social responsibility and implement corporate governance, regulatory compliance, and various operational risk controls. Following Corporate Governance 3.0 principles, the Company strengthens Board functions, safeguards shareholder rights, focuses on stakeholder interests, and continues to enhance internal management mechanisms. In addition, we establish effective communication platforms to create a transparent and honest governance structure.
<b>Goal</b>	<p><b>Short-term Goal:</b></p> <ul style="list-style-type: none"> <li>- 100% of new employees complete ethical management training and sign integrity management commitments</li> <li>- 100% of Board members complete and sign the ethical management code commitment annually</li> <li>- Board members complete self-evaluations annually and achieve an average score above 90 points</li> </ul> <p><b>Mid-term goal:</b> Integrate ethical management and sustainable development principles into corporate culture, embed them in employee conduct guidelines, and broaden their positive social impact.</p> <p><b>Long-term goal:</b> Establish comprehensive corporate governance and integrity management mechanisms, lay the foundation for stable corporate growth, and implement sustainable operations.</p>
<b>Invest resources and take specific actions</b>	<ul style="list-style-type: none"> <li>• Strengthen regulatory and foster integrity culture: Enhance Board functions, enhance employee awareness of regulatory compliance and corporate integrity culture, regularly conduct relevant educational training, and promotion integrity behaviors in daily business operations.</li> <li>• Develop annual audit plans, inspect and evaluate the implementation of internal controls across different operational cycles and management control operations in various units, and provide improvement recommendations.</li> <li>• In accordance with internal procedures for handling material information, directors, managers, and employees are required to conduct business with due care, fulfill their fiduciary duties, and adhere to the principle of good faith.</li> </ul>
<b>Grievance mechanism</b>	<p>The Company supports and continues to promote integrity and ethical culture, encouraging both employees and external parties to report any behavior that does not comply with regulations or company policies through relevant reporting channels. We have established Opinion Box Management Measures to ensure smooth reporting channels for both internal and external personnel. Dedicated mailboxes and hotlines are available for stakeholders to file complaints and reports, providing immediate feedback mechanisms to ensure stakeholders' rights and interests are protected.</p> <p>• Whistleblowing and complaint email: 885@unitedorthopedic.com • Whistleblowing hotline: +886-2-29294567 ext. 1168</p>
<b>Evaluation mechanism</b>	Based on internal and external audit evaluation results and analysis of reported incidents, develop specific action plans for items requiring improvement, and report to management.

## 2.1 Corporate governance and integrity

### Governance Organizational Structure

In accordance with the Company Act, Securities and Exchange Act, and Corporate Governance Best Practice Principles, the company has established a comprehensive corporate governance structure. The Board of Directors serves as the highest governing body, with three functional committees underneath: the Audit Committee, Remuneration Committee, and Sustainability Development Committee. Through effective division of labor and supervision mechanisms, we enhance operational efficiency and transparency, implement corporate social responsibility, and steadily progress toward sustainable development goals.

#### Main Organizations and Functions of Corporate Governance Structure

<b>Shareholders' Meeting</b>	The shareholders' meeting is the Company's highest authority, exercising major decision-making powers in accordance with laws, including director appointments, amendments to articles of incorporation, and profit distribution. To encourage greater participation, the Company has implemented an electronic voting system, allowing all shareholders to conveniently take part and express their opinions, thereby protecting their rights and interests.
<b>Board of Directors</b>	The Board of Directors is responsible for formulating business strategies and supervising overall company operations, and is accountable to both the Company and shareholders. Board members possess industry expertise and diverse backgrounds, covering fields such as finance, law, marketing, healthcare, and business management, greatly enhancing decision-making quality and corporate governance effectiveness.
<b>Functional Committees</b>	<p><b>To strengthen Board functions and enhance governance effectiveness, the Company has established the following functional committees:</b></p> <p><b>Audit Committee:</b> Entirely composed of independent directors, responsible for supervising the Company's financial statements, internal controls, audit systems, and major financial transactions, ensuring the accuracy of information disclosure and soundness of internal controls.</p> <p><b>Remuneration Committee:</b> Responsible for reviewing the remuneration policies and structures for directors and senior executives, ensuring alignment with company performance, industry standards, and sustainable development goals, while maintaining a balance between incentive and fairness.</p> <p><b>Sustainability Development Committee:</b> To strengthen the company's planning and implementation in Environmental, Social, and Governance (ESG) aspects, the Board of Directors has established a "Sustainability Development Committee," chaired by a director and involving cross-departmental executives. The Committee is responsible for formulating sustainability development strategies and goals, promoting initiatives related to climate change, resource efficiency, social engagement, employee care, supply chain management, and information disclosure. The Sustainability Development Committee holds regular meetings to monitor the progress of sustainability initiatives and reports to the Board of Directors, driving corporate responsibility and enhancing stakeholder value.</p>
<b>Management Level</b>	The management team is responsible for daily operations and executing Board decisions, overseeing core functional departments including finance, human resources, business, legal affairs, R&D, production, and quality. Senior executives submit regular report to the Board of Directors on operations and risk management status to ensure the promotion and progress of strategic objectives.
<b>Internal Audit Unit</b>	The Internal Audit Unit is independently established, reports directly to the Board of Directors and the Audit Committee. Based on the annual audit plan, it regularly reviews the development and implementation of the Company's internal control system, provides suggestions for improvement, and supports the Company in achieving operational objectives and maintaining risk management.



## 2.1 Corporate governance and integrity

# Operations of the Board of Directors

## Board Members

After the re-election of the Board of Directors at United Orthopedic in June 2023, nine directors (eight men and a woman) were elected, including four independent directors. These independent directors form professional committees such as the Audit Committee, the Remuneration Committee, and the Sustainable Development Committee. The Board comprises members with diverse backgrounds and professional expertise. All directors have over five years of experience in business, legal affairs, finance, accounting, or company-related operations. The professional qualifications of directors and supervisors, along with the independence information of independent directors, are publicly disclosed. According to the company's rules, the board meets at least once a quarter to discuss and resolve important operational matters.

The Company has established Director Election Procedures and Board Member Diversity Policy to implement director diversity and promote a sound Board structure. Board members are selected based on the principle of choosing the best talent, ensuring they bring diverse, complementary capabilities across industries, as well as professional competencies in business judgment, operational management, leadership decision-making, and crisis management. The Company also emphasizes gender equality in Board composition and aims to continuously increase the proportion of female directors in the future. Except for Director Ng Chor Wah Patrick, all other directors are of ROC nationality. The Board includes four independent directors (44%), two employee directors (22%), including one female member, with female directors representing 11% of the Board. The age distribution of Board members ranges from 41 to 80 years old.

Diversity Items  Name	Basic composition									Core item							
	Nationality	Gender	Employee status	Age				Length of service as independent directors		Business determination capability	Business capability and financial analysis capability	Operation management capability	Crisis handling capability	Industry knowledge	International market vision	Leadership	Decision-making capability
				41-50	51-60	61-70	71-80	Less than 3 years	3-6 years								
Lin Yan-Shen	R.O.C.	Male	✓	-	-	-	✓	-	-	✓	✓	✓	✓	✓	✓	✓	✓
Chun-Sheng Lin	R.O.C.	Male	-	-	-	-	✓	-	-	✓	-	-	-	✓	✓	-	-
Hau, Hai-Yen	R.O.C.	Male	-	-	-	✓	-	-	-	✓	✓	✓	✓	✓	✓	✓	✓
Ng Chor Wah Patrick	R.O.C.	Male	-	-	-	✓	-	-	-	✓	✓	✓	✓	✓	✓	✓	✓
Lin, Ter-Chien	R.O.C.	Male	✓	✓	-	-	-	-	-	✓	-	✓	✓	✓	✓	✓	✓
Independent Director Liu, Chien-Lin	R.O.C.	Male	-	-	-	-	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	✓
Independent Director Lee, Kuen-Chang	R.O.C.	Male	-	-	✓	-	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓
Independent Director Wu, Meng-Da	R.O.C.	Male	-	-	✓	-	-	-	✓	-	✓	-	✓	-	-	-	-
Independent Director CHEN,LI-JU	R.O.C.	Female	-	-	✓	-	-	✓	-	✓	✓	✓	-	✓	-	-	✓

The Company's Chairman does not concurrently serve as President. To prevent conflicts of interest, any director representative with direct or indirect investment ties to a transaction counterparty must recuse themselves from related proposals. Directors are required to maintain a high degree of self-discipline, and recusal situations are recorded in the meeting minutes. In 2024, there were four proposals where directors recused themselves due to conflicts of interest.

In 2024, six Board meetings were held, and the attendance is as follows:

Title	Number of people	Proportion of members on the Board of Directors	Actual attendance rate
Chairman	1	12%	100%
Directors	4	44%	92%
Independent Director	4	44%	100%

Note: For more information about the Board of Director members and operations, please refer to the United Orthopedic 2024 Annual Report.

## 2.1 Corporate governance and integrity

### Enhancement of Directors' Professional Competencies Implementation Status

The Company's Board of Directors is the core of corporate governance, responsible for guiding overall business strategies, supervising management operations, and bearing ultimate responsibility to the Company and all shareholders. The Board of Directors conducts various business operations in accordance with relevant laws and regulations, the Company's Articles of Incorporation, and corporate governance practice principles. This ensures the Board effectively fulfills its responsibilities while continuously strengthening the governance framework,

enhancing the Company's overall operational efficiency and transparency. To effectively perform their duties, Board members must possess the knowledge and professional skills necessary for business operations, covering aspects such as industry decision-making, management experience, finance, legal affairs, and risk management. This enables the Board to provide effective supervision and make informed decisions from diverse perspectives, supporting the Company's sustainable development goals.

To ensure the operational effectiveness and decision-making capabilities of the Board of Directors, the Company periodically arranges corporate governance and sustainability-related training and also encourages directors to actively participate in external courses to further enhance their professional competencies. In 2024, the average training hours for directors was 7.06 hours.

### Status of directors' training in 2024

Title	Name	Date	Organizer	Course Name	Training hours (hr)
<b>Chairman</b>	<b>Lin Yan-Shen</b>	2024/12/03	Accounting Research and Development Foundation	The latest revisions to the Guidelines for Establishing Internal Control Systems and the practical compliance with internal audit and internal control regulations related to financial report preparation	6
<b>Directors</b>	<b>Chun-Sheng Lin</b>	2024/09/11	Securities and Futures Institute	Shareholders' meeting, management rights, and equity strategy	3
				Sustainable development strategies and planning for listed companies	3
<b>Directors</b>	<b>Hau, Hai-Yen</b>	2024/01/26	Committee Member of Taiwan Corporate Governance Association	Analysis of Taiwan's Economic Trends in 2024	3
		2024/11/22	Securities and Futures Institute	2024 Insiders' Equity Trading Legal Compliance Information Session	3
<b>Directors</b>	<b>Ng Chor Wah Patrick</b>	2024/09/03	Hong Kong Institute of Certified Public Accountants	China taxation conference 2024	3
		2024/09/06		Digitalization Series: How can GPT Reconstruct Your Business	1.5
		2024/09/20		Preparing Accountants	2
<b>Directors</b>	<b>Lin Ter-Chien</b>	2024/03/12	Committee Member of Taiwan Corporate Governance Association	International Trends and Experience Sharing on Corporate Integrity Management and Senior Executive Accountability System	3
		2024/04/12		Shareholders' meeting, management rights, and equity strategy	3
		2024/11/26	Taiwan Academy of Banking and Finance	Enterprise Information Security Posture under Digital Resilience	3

## 2.1 Corporate governance and integrity

Title	Name	Date	Organizer	Course Name	Training hours (hr)
Independent Director	Liu, Chien-Lin	2024/10/30	Committee Member of Taiwan Corporate Governance Association	Latest Trends in Corporate Governance Evaluation Indicators That Directors and Supervisors Must Know - Intellectual Property Management	3
		2024/12/10	Taiwan Academy of Banking and Finance	Sustainability Trend Analysis and Its Risks and Opportunities for Business Operations	3
Independent Director	Lee, Kuen-Chang	2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit Forum	6
		2024/09/06	Securities and Futures Institute	Insider Trading Prevention Promotion Session in 2024	3
		2024/11/08	Committee Member of Taiwan Corporate Governance Association	Current Status of ESG Reporting and ESG in Corporate Governance Evaluation	3
Independent Director	Wu, Meng-Da	2024/03/08	Taiwan CPA Association, ROC	Greenhouse Gas Inventory Practices	6
Independent Director	Chen, Li-Ju	2024/09/05	Taiwan CPA Association, ROC	How to Establish an Effective Anti-Money Laundering and Counter-Terrorism Financing System	3
		2024/10/08		Money Laundering Patterns That CPAs Should Be Aware of in Their Practice, Analysis of Tax Crime Cases	3

## Evaluations Status of the Board of Directors and Functional Committees

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content		
Once a year	January 1 to December 31, 2024	1. The Board of Directors 2. Individual Directors 3. Functional Committees	Self-assessment through internal questionnaires	<p>The measurement items for the performance evaluation of the board of directors include the following five aspects:</p> <ul style="list-style-type: none"> <li>Engagement in company operations</li> <li>Improvement the board's decision quality</li> <li>Board composition and structure</li> <li>Election and continual education of directors</li> <li>Internal control</li> </ul>	<p>The measurement items for the performance evaluation of individual directors include the following six aspects:</p> <ul style="list-style-type: none"> <li>Mastery of the Company's goals and tasks</li> <li>Awareness of directors' responsibilities</li> <li>Engagement in company operations</li> <li>Internal relationship management and communication</li> <li>Director's expertise and continual education</li> <li>Internal control</li> </ul>	<p>The measurement items for the performance evaluation of the functional committees include the following five aspects:</p> <ul style="list-style-type: none"> <li>Engagement in company operations</li> <li>Understanding of Functional Committee Responsibilities</li> <li>Improvement the Functional Committees' Decision Quality</li> <li>Composition and Member Selection of Functional Committees</li> <li>Internal control</li> </ul>

## 2.1 Corporate governance and integrity

### Functional Committees

The Board of Directors has authorized three functional committees under its jurisdiction - the Audit Committee, Remuneration Committee, and Sustainability Development Committee - to assist the Board in exercising oversight and providing guidance. These committees hold meetings in accordance with the organizational regulations approved by the Board, exercise their statutory authority to review and discuss relevant proposals, and submit their conclusions and recommendations to the Board for resolution.

Name		Convener/Meeting Frequency/Main Responsibilities		
Audit Committee	Chairman	Independent Director: Chen, Li-Ju	Meeting Frequency	6 times, with an attendance rate of 100%
	Members	Three Independent Directors: Liu, Chien-Lin; Lee, Kuen-Chang; Wu, Meng-Da		
	Main Duties	The primary purpose of the operation of the Audit Committee is to oversee the following matters: <ul style="list-style-type: none"><li>• Appropriate presentation of the company's financial statements.</li><li>• Selection (dismissal), appointment, independence, and performance of CPAs.</li><li>• Effective implementation of internal control within the company.</li><li>• The company's compliance with relevant laws and regulations.</li><li>• Management of existing or potential risks to the company.</li></ul>		
Remuneration Committee	Convener	Independent Director: LI, KUN-MING	Meeting Frequency	2 times, with an attendance rate of 100%
	Members	Two Independent Directors: Liu, Chien-Lin; Wu, Meng-Da		
	Main Duties	<ul style="list-style-type: none"><li>• The Remuneration Committee is primarily responsible for the regular performance evaluation of the Board of Directors members and assists the Board with daily operations, operating performance decisions, remuneration policies, procedures for determining remunerations, and future risk management. The members also perform their duties in accordance with the Remuneration Committee's organizational rules.</li></ul>		
Sustainable Development Committee	Convener	Independent Director: Lee, Kuen-Chang	Meeting Frequency	4 times, with an attendance rate of 100%
	Main Duties	<ul style="list-style-type: none"><li>• Formulate, promote, and strengthen the Company's sustainability development policies, annual plans, and strategies.</li><li>• Review, track, and revise the implementation status and effectiveness of sustainability development.</li><li>• Oversee sustainability disclosures and review sustainability reports.</li><li>• Supervise the implementation of the Company's sustainability development and other sustainability-related work resolved by the Board of Directors.</li></ul>		



## 2.1 Corporate governance and integrity

### Internal control system

United Orthopedic has established an internal control system in accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies. The Audit Office, which reports to the Board of Directors, drafted the 2024 audit plan based on risk assessment results. The plan was submitted to and approved by the Board on December 20, 2023. The Audit Office conducts its operations in accordance with the annual audit plan to assess the Company's internal control system. In addition to regularly submitting audit reports to the Audit Committee for review, the head of audit also attends Board meetings to report and submits audit results and deficiency follow-up status to the competent authorities within the prescribed time limit. According to the 2024 audit results, no major deficiencies or abnormalities were identified, except that the French subsidiary should strengthen its asset management system.

### Sustainability Information Management

Corporate sustainability information has become a key basis for stakeholders to examine a company's sustainable performance and make investment and financing decisions. To enhance the quality of the Company's sustainability information, strengthen its sustainability governance culture, and improve sustainability information disclosure, while complying with the Regulations Governing the Preparation and Filing of Sustainability Reports by TPEX Listed Companies, the Company has approved the Sustainability Information Management Operating Procedures on December 20, 2024, following approval by the Sustainability Development Committee and Audit Committee and resolution by the Board of Directors.

The Sustainability Information Management Operating Procedures specify that the Board serves as the highest decision-making body for the Company's sustainability information management, responsible for promoting and implementing including the following:

- (1) supervision of responsible personnel's qualifications and continuous training requirements;
- (2) approval of policies, procedures, authorization limits, assurance/verification levels, and internal audit competency assessment;
- (3) resource allocation;
- (4) regular evaluation of sustainability internal control design and implementation effectiveness, while bearing ultimate responsibility. Meanwhile, through the Audit Office, sustainability information operations are included in the annual audit plan, establishing audit trails, assessing internal control deficiencies, tracking improvements, and implementing communication mechanisms. This ensures all operations comply with established regulations and control procedures, while enabling timely recommendations.

### Directors and Managers Remuneration Policy

United Orthopedic has established the Directors' Remuneration System and Managers' Performance Evaluation and Remuneration Standards as approved by the Board of Directors, which serve as the basis for distributing remuneration to directors and managers. Additionally, a Remuneration Committee has been established to review and evaluate the performance and remuneration of directors and managers. A conflict-of-interest avoidance mechanism is in place to ensure its independence and fairness. During committee meetings, the Company's directors, relevant department managers, internal auditors, accountants, legal counsels, or other personnel may be invited to attend and provide necessary information. However, they must leave during discussions and voting. In 2024, a total of two meetings were held. The remuneration for directors and managers is determined by the Remuneration Committee, taking into account individual performance and company operating results, and then submitting it to the Board of Directors. The 2024 KPIs cover two major areas: operations and sustainable management. They include operational performance indicators, such as business growth and company profitability, as well as sustainable management indicators, such as participation in operational decisions and progress in promoting sustainable development, to evaluate directors' and managers' contributions to enhancing company value and long-term development. In the future, we will gradually strengthen the connection between director appointments, the Board's collective knowledge, performance evaluations, and remuneration, taking into account the material sustainability issues identified each year.

Note: For detailed information on directors' and managers' compensation, please refer to United Orthopedic's 2024 Annual Report.

### Protection of Shareholders' Rights and Information Transparency

The Company has established a spokesperson and deputy spokesperson system. It has appointed a professional stock affairs agency to manage shareholder suggestions, disputes, and other matters related to shareholders' rights, ensuring that their opinions are effectively reflected and addressed. To strengthen corporate governance mechanisms, dedicated personnel have been assigned to monitor real-time changes in shareholdings of directors and major shareholders holding 5% or more shares and provide monthly reports in accordance with relevant regulations to maintain information timeliness and transparency. Furthermore, the Company actively implements shareholder activism by introducing an electronic voting system for shareholders' meetings, allowing shareholders to conveniently exercise their voting rights without being restricted by meeting time and location. The voting results of all proposals are disclosed in the minutes of shareholders' meetings, ensuring shareholders' right to information and further strengthening corporate governance transparency and shareholder participation.

## 2.1 Corporate governance and integrity

### Information Transparency and Communication with Institutional Investors

The Company continues to strengthen information disclosure and investor relations management. This year, we participated in four institutional investor conferences, and audio-visual materials were uploaded to our website for investors' timely reference. The first institutional investor conference was held in March, and the last one was held in November, with an interval of more than three months between them, ensuring continuous and stable disclosure and communication of significant operational information. Through regular communication, the Company promptly discloses operational status and development strategies, enhancing investors' trust and support for the Company.

### Insider Trading Management and Code of Ethics

To prevent insiders from abusing non-public information for trading, the Company has established a Code of Ethical Conduct that explicitly prohibits insiders from engaging in securities trading using non-public market information. In addition, the Company regularly conducts legal compliance training and promotion for directors, managers, and relevant internal personnel. This system not only complies with regulatory requirements but also demonstrates the Company's commitment to corporate integrity and protection of shareholders' interests.

### Stakeholder Communication Mechanism

The Company has established multiple communication channels, including a dedicated investor relations contact window, as well as an Opinion Mailbox, Employee Mailbox, and Stakeholder Section on its website, providing shareholders, investors, customers, suppliers, and other stakeholders with a convenient means of communication supported by response mechanisms. All incoming correspondence and feedback are managed by dedicated units based on the nature of the issues, actively addressing stakeholders' concerns and implementing corporate social responsibility and transparent governance.

### Implementation of Integrity Management

Based on principles of fairness, honesty, trustworthiness, and transparency in business activities, United Orthopedic has established Procedures and Guidelines for Integrity Management in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies to implement integrity management policies. These were approved by the Board of Directors on December 20, 2023, and by the shareholders' meeting on June 18, 2024, specifically regulating matters that company personnel should pay attention to when executing business operations. Company personnel are prohibited from directly or indirectly offering, receiving, promising, or requesting any improper benefits, or engaging in other actions that violate integrity, laws, or fiduciary duties in order to gain benefits during business operations.

### Integrity Governance and Supervision Mechanism

- The Corporate Governance Team is responsible for implementing integrity policies, system revisions, and maintaining records of reported incidents.
- Regularly report to the Sustainability Development Committee for review and submit the report to the Board of Directors.
- All new employees must participate in integrity management training and sign a compliance commitment.

### 2024 Participation in Integrity Management and Whistleblowing System Training

Category	Number of Males	Number of Females	Total Number of Trainees	Training Ratio
Management Position	75	32	107	100%
Non-management Position	337	239	576	100%
Total	412	271	683	100%

Note: The above statistics represent full participation of all employees in Taiwan. Management positions include Chief Strategy Officer, President, Vice President, Division Director, Associate Manager, Manager, Section Chief, and Shift Leader.

## 2.1 Corporate governance and integrity

### Handling unethical conduct

The Company has established physical suggestion boxes and email inboxes for employees. Depending on the nature of the complaint, cases are handled by either the President's Office or HR Department. Investigation procedures and confidentiality mechanisms have been established for handling reported matters, ensuring whistleblowers are protected from improper treatment due to their reporting. When dishonest conduct is discovered or reported, an immediate investigation will be carried out, and appropriate measures will be taken. When necessary, legal actions will be initiated to seek compensation for damages in order to protect the Company's reputation and interests. For confirmed instances of unethical conduct, the Company shall task relevant units to review and propose improvements to the internal control systems and operational procedures to prevent recurrence of the same conduct. The Dedicated Unit shall report the unethical conduct, handling methods, and subsequent review and improvement measures to the Board of Directors. According to the 2024 anti-corruption and dishonesty risk assessment results, no related reports were received, and no corruption or dishonesty incidents occurred. °

### Integrity assessment prior to establishing business relationships

Before establishing business relationships, the Company shall first assess the legality, integrity management policies, and records of unethical conduct of agents, suppliers, customers, or other business counterparts to ensure that their business operations are fair, transparent, and do not involve requests, provisions, or acceptance of bribes. Additionally, a supplier integrity commitment mechanism has been established. Suppliers are required to sign commitment letters, which will be completed by the third quarter of 2025.

### Whistleblowing Channels


**Whistleblowing Mailbox**

885@unitedorthopedic.com


**Telephone Hotline**

02-29294567 ext. 1168


**Responsible unit**

Corporate Governance Team / Peng, Yu-Hsing

### Compliance with laws and regulations

United Orthopedic is committed to expanding its business operations into global markets, with product sales and services established worldwide. The Company has established a Regulatory Affairs and Document Management Department responsible for product regulatory compliance verification, product marketing authorization, patent and trademark applications, document coding registration and issuance, document control and preservation, as well as planning and execution of product development-related testing and verification. Meanwhile, to ensure all employees comply with national laws and local regulations during business operations, the Company has established and continuously updates a range of internal policies and management measures based on regulations in Taiwan and worldwide, covering:

- Personal Data Protection
- Trade Secrets and Information Confidentiality
- Anti-bribery and Anti-corruption
- Anti-discrimination and Equal Employment
- Environmental Protection and Pollution Prevention
- Intellectual Property Protection
- Prevention of Insider Trading
- Maintaining Fair Competition
- Labor Rights and Workplace Safety

The Company has established a comprehensive regulatory compliance and risk control system, incorporating regular audits, internal checks, and educational training mechanisms to ensure effective management and compliance with relevant regulations in all business operations. In 2024, the Company had no records of legal violations or penalties, demonstrating United Orthopedic's high commitment and concrete achievements in regulatory compliance and ethical business operations.

### Employee Cross-departmental Collaboration

United Orthopedic emphasizes full participation by implementing compliance policies through cross-departmental cooperation, with HR conducting integrity training, the Audit Office responsible for daily audits, and operational units ensuring policies are effectively implemented. The Company has established whistleblowing channels via email and telephone to encourage employees to report any non-compliant behavior. In daily operations, the Company strictly requires all employees to adhere to integrity principles, maintaining the highest standards of professional ethics and conduct.

## 2.2 Risk Management

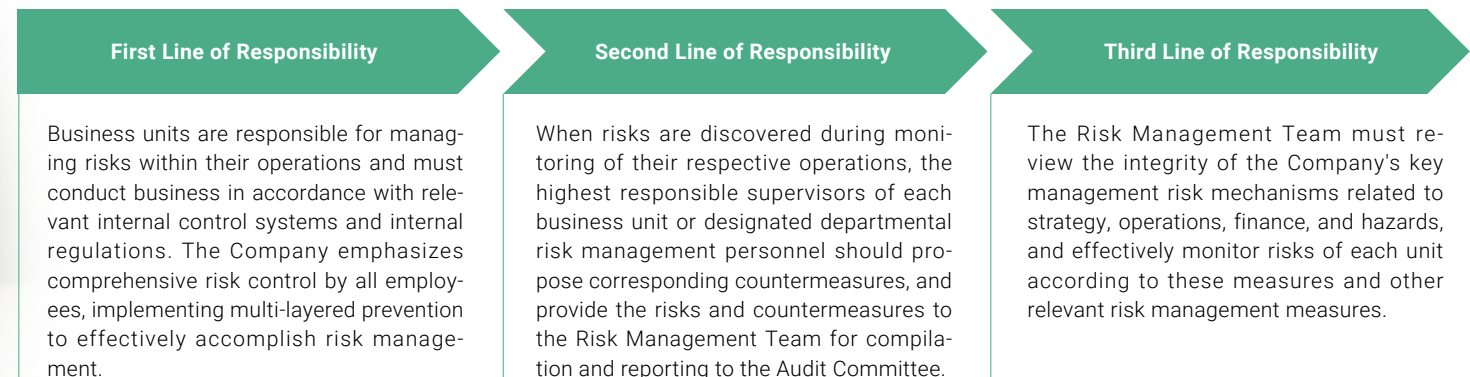
United Orthopedic defines risks according to its overall operational guidelines and has established mechanisms for risk identification, accurate assessment, effective continuous monitoring and control. The Company also promotes risk awareness among all employees to prevent potential losses. In response to shifts in internal and external environments, we continuously strengthen risk management procedures and ensure their effectiveness and integrity. Accordingly, we have established Risk Management Policies and Procedures, aiming to build a comprehensive risk management system. Through systematic risk identification, measurement, monitoring, and response processes, we reasonably control risk impacts to ensure stable achievement of operational objectives and corporate responsibilities.

### Organizational Structure and Responsibility Levels

<b>Board of Directors</b>	As the highest decision-making body for risk management, it promotes and implements the Company's overall risk control objectives while bearing ultimate responsibility for risk management.
<b>Audit Committee</b>	Assists the Board of Directors in supervising and managing its risk management responsibilities, reviews risk management issues raised by the Risk Management Team, and reports on overall risk management implementation to the Board at least once annually.
<b>Auditing Office</b>	Reports to the Board of Directors and develops annual audit plans based on risk management policies and risk assessment results. Executes audits according to plans, assists the Board in supervising and controlling potential risks, ensures all operations comply with established regulations and control procedures, and provides improvement suggestions when appropriate.
<b>Risk Management Team</b>	A unit under the Audit Committee that assists the Audit Committee in supervising risk management policies, regularly reports implementation status to the Audit Committee, and oversees related strategies.
<b>Business Units</b>	Direct units responsible for detecting, evaluating, and controlling risks, with thorough understanding of the risks faced by their respective business operations. Their unit supervisors are responsible for risk management, monitoring relevant risks, and ensuring management systems and procedures are implemented effectively to control risks.

### Three-Level Responsibility System

Encompasses business units, supervisory units, internal audit and risk control units, promoting a management culture of full participation and comprehensive monitoring.





## 2.2 Risk Management

### Main Risk Types

Based on the principle of materiality, the Company continuously identifies and monitors the following main risk categories:

Risk types	Description:
<b>Strategic Risk</b>	Including global and regional economic changes, industry shifts, technological substitution, and market competition, all of which may affect the Company's positioning and long-term development.
<b>Operational risk</b>	Involving information security, data protection, supply chain disruption, quality control, occupational safety and health, and regulatory compliance, all of which affect the Company's operational efficiency and reputation.
<b>Financial risk</b>	Including exchange rate and interest rate fluctuations, liquidity risk, investment and lending risks, credit risk and inflation, which affect the Company's financial stability and fund allocation.
<b>Hazard Risk</b>	Natural disasters (earthquakes, typhoons), climate change, infectious diseases, power outages, and industrial safety accidents, which may cause significant impact on company personnel and facilities.
<b>Sustainability Risk</b>	The risk arises from the failure to achieve established targets in Environmental, Social, and Corporate Governance (ESG) performance. Including carbon emissions, labor disputes, internal control failures, etc., which could damage corporate governance image and sustainable operation capability if not properly managed.
<b>Other Risks</b>	Including unexpected challenges such as policy and regulatory changes, legal litigation, loss of key talent, or technological disruptions.

### Risk Management Process and Implementation Mechanism

The Company adopts the following five-step risk management process to incorporate risk awareness into daily operations:



#### 01 Risk Identification

Each business unit, based on their business characteristics, cooperates with the risk management team to conduct risk inventory and classification.



#### 02 Risk Assessment

Using qualitative and quantitative evaluation methods to analyze the impact level and probability of risks and prioritize them accordingly.



#### 03 Risk Monitoring

Incorporate risk control measures into operational processes, continuously monitor implementation effectiveness, and have units regularly report risk status.



#### 04 Response Strategy

Adopt corresponding control measures for different risks, including risk avoidance, reduction, transfer, or acceptance.



#### 05 Reporting and Disclosure

The risk management team regularly reports implementation status to the Audit Committee and Board of Directors and discloses information in annual reports and on the official website to ensure transparency and safeguard stakeholders' right to know.

## 2.3 Information Security

United Orthopedic's information security objective is to ensure the confidentiality, integrity, availability, and compliance of the core system management business (i.e., the information systems and related management activities within the scope of the information security management system). Define quantitative indicators for information security performance based on each level and competency to verify the implementation status of the information security management system and whether the information security objectives have been achieved.

The implementation of the information security management system follows the cycle model of Plan, Do, Check, and Action. Continuous evaluation and review are conducted, taking into account current conditions such as the latest regulations, technological changes, stakeholder expectations, business activities, internal management, and resources, to ensure the effectiveness of information security practices. In 2024, there were no incidents of customer privacy breaches, customer personal data leaks or losses, and no information security-related incident reports or abnormal records.

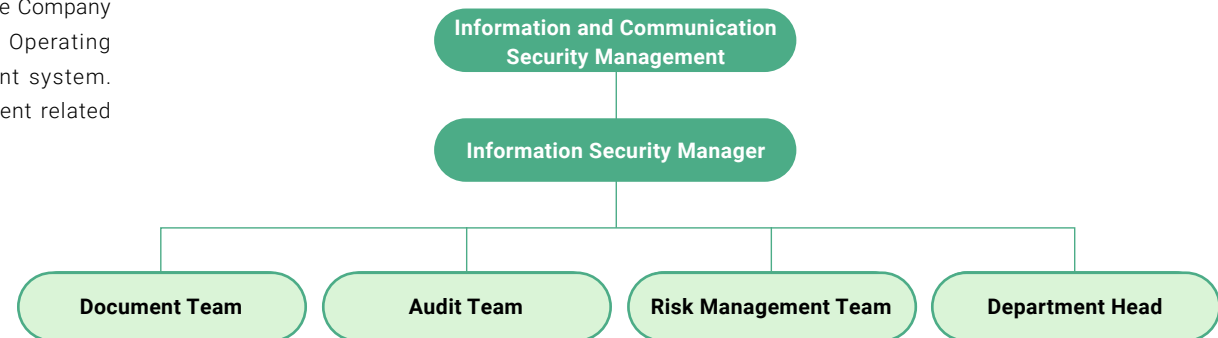
### Information Security Management Statement

United Orthopedic highly values information security and customer privacy protection. In accordance with the Information Security Control Guidelines for Listed Companies, the Company has established its Information Security Organization and Management Review Operating Procedures, thereby building a comprehensive information security management system. An Information Security Management Committee has been established to implement related measures, ensuring the safety of data processing and maintaining stakeholder trust.

### Information Security Management Framework

The Company has established a closed-loop management process from policy formulation and risk assessment to continuous improvement, strengthening the protection of information assets. The Company has established a personal data management project organization, led by the information security supervisor, with a cross-departmental team to formulate and implement the Personal Data Management Regulations. Continuous education, training, and promotion of information security culture are conducted, which are also incorporated into the essential onboarding process for new employees. The core management measures are as follows:

Management Aspects	Implementation Content
<b>Customer privacy management</b>	1. Customer data is set to undergo de-identification processing by default 2. Regularly review personal data access permissions in the ERP system
<b>Data Backup and Drill</b>	1. Regularly backup core system data 2. Conduct backup drills and disaster recovery simulations annually
<b>Vulnerability and Security Patch Management</b>	1. Conduct regular security vulnerability scans 2. Initiate patch and risk control processes



## 2.3 Information Security

# Information Security Drill Mechanism and Implementation Results

Drill Items	Drill Purpose	Execution Method	Drill Frequency	2024 Implementation Results
<b>Social Engineering Drill</b>	Enhance employee information security awareness and reduce risks	Email Phishing Simulation	Monthly	2,564 participants, with a passing rate of 98.4%. Personnel who failed to pass the test have completed remedial education training and necessary improvement measures.
<b>Disaster Recovery Drill</b>	Ensure core business continuity	Remote Server Backup Test	Annually	Meets RPO/RTO standards.

Note: RPO (Recovery Point Objective) and RTO (Recovery Time Objective) refer to the required system recovery time and acceptable level of data loss. The 2024 drill results met the established standards, demonstrating cyber security resilience.

2024 Cyber Security Drill						
Email Social Engineering Drill (Monthly)						
Drill Purpose				Execution Method		
To enhance employee cyber security awareness and reduce risks, the Company regularly conducts social engineering drills for computer system users, strengthens information security training, and raises staff vigilance against social engineering, phishing, and other deceptive attacks.				Simulated hacker emails with social engineering patterns are sent to all employees, attempting to deceive test subjects and evaluate their alertness through test emails.		
Execution Results						
Quarterly	Number of participants	Clicks	Input	Click %	Input %	Notes
Q1	129	8	0	6.2%	0.0%	January 1, 2024 ~ March 31, 2024
Q2	79	6	0	7.6%	0.0%	April 1, 2024 ~ June 30, 2024
Q3	1163	10	4	0.9%	0.3%	July 1, 2024 ~ September 30, 2024
Q4	1193	27	5	2.3%	0.4%	October 1, 2024 ~ December 31, 2024

## 2.3 Information Security

### 2024 Cyber Security Drill

#### Disaster Recovery System Drill (Execute once per year)

Drill Purpose	Execution Method
According to the Business Continuity Management Operation Procedures, disaster recovery drills must be conducted at least once a year. Through these drill operations, system operators can improve their familiarity with various systems and verify the accuracy of SOPs, ensuring that the Company maintains critical information operations when disasters strike.	In 2024, the Company simulated a drill for file server and core ERP system equipment damage, activated the backup recovery mechanism, and restored the backup system to new hosts to ensure sufficient proficiency, SOP accuracy, and backup system availability in the event of a disaster.
Execution Results	
Verified that the file server and core ERP system functions are normal, and all backup systems were completed within the target time.	

## Information Disclosure and Action

- All information security policies, handling guidelines, and drill records are compiled, managed, and regularly reported to internal audit units.
- Major information security risks and reporting mechanisms are incorporated into the sustainability governance mechanism and disclosed in annual reports or official websites as needed.
- Continuously monitor international cybersecurity trends and security regulations (such as GDPR, Taiwan Personal Data Protection Act) to ensure timely response.

established a personal information management project organization, formulated and implemented the Personal Information Management Regulations, continued to provide education, training and promotion of information security culture, and incorporated it into the onboarding process for new employees. In 2024, there were no incidents of customer privacy violations; no personal information leakage or loss occurred. The core management measures are as follows:

1. Customer data is set to undergo de-identification processing by default.
2. Regularly review personal information access permissions in the ERP system.

## Continuous Improvement and Outlook

United Orthopedic prioritizes customer privacy protection in all business operations. We stay informed about domestic and international privacy protection regulations and best practices, regularly review and optimize our existing systems, and leverage technological innovation and process improvements to build a more secure and trustworthy digital development environment that strengthens personal information protection.

## Customer Privacy Protection and Implementation

United Orthopedic deeply recognizes the importance of customer privacy and is committed to establishing a sound personal data protection mechanism to ensure that customer data complies with relevant regulations and the highest standards throughout the collection, processing, utilization, and storage processes to maintain customer trust and rights. In addition, the Company





# 03

## Pursuing Innovation and Change

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3.1 Innovative Research and Development

3.2 Value Chain Management

## Innovation and change

In an era of rapid medical technology growth, United Orthopedic is committed to advancing human well-being while enhancing corporate value. The research and development and advancement of artificial joint products is not just about technical updates, but also a response to patients' pursuit of health and high-quality life.

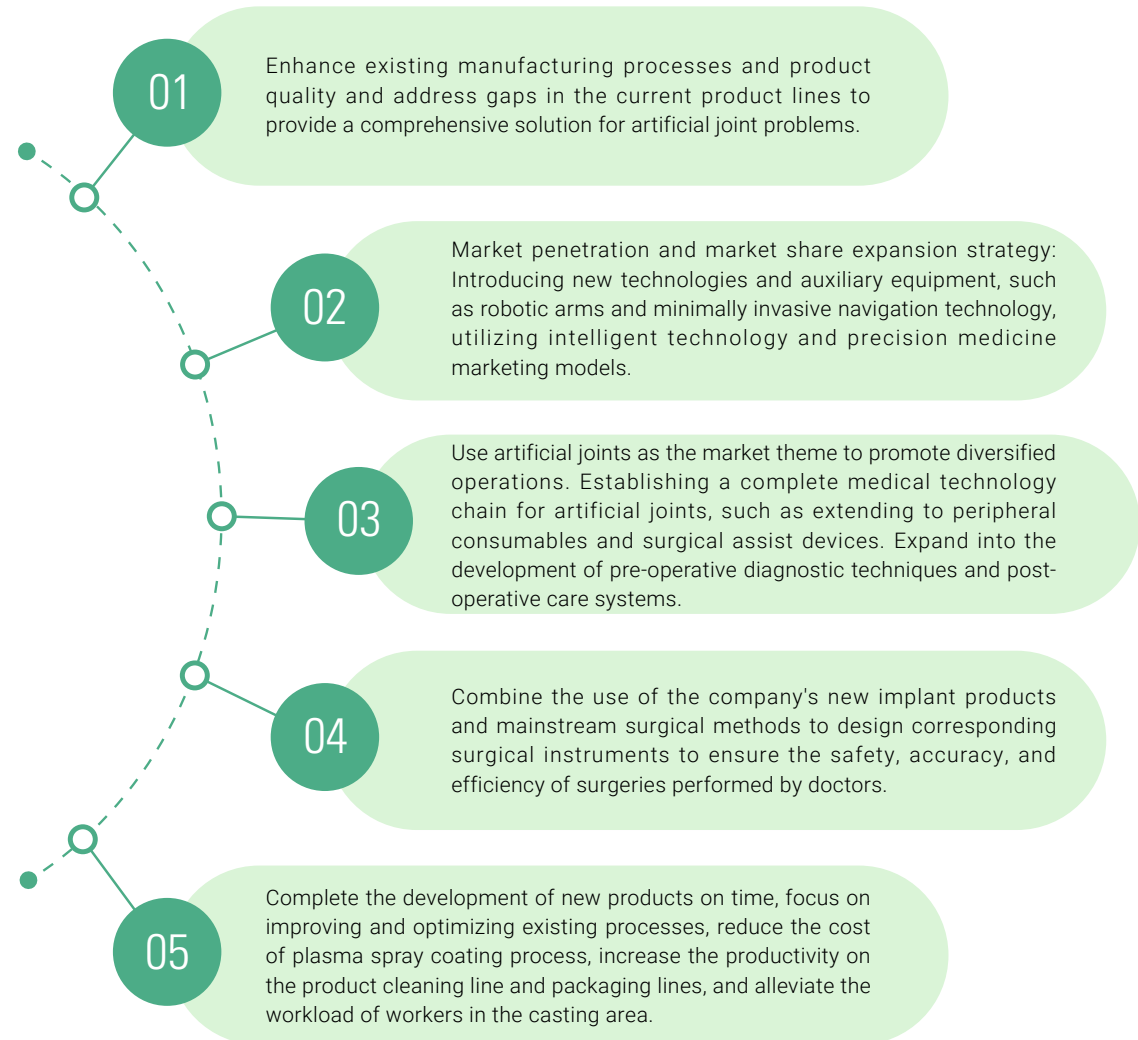
While expanding global markets and upgrading manufacturing capabilities, United Orthopedic is gradually incorporating ESG factors, promoting resource circulation, low-carbon transformation, and sustainable supply chains, moving forward on dual tracks of medical technology and sustainable value. We aim to build our growth on a balanced foundation of economic performance, social welfare, and environmental sustainability. While continuously pursuing innovation, we also prioritize addressing and managing issues raised by diverse stakeholders, striving to achieve shared prosperity across economic, social, and environmental aspects.

### 3.1 Innovative Research and Development

Following the core philosophy of "Each Step We Care," United Orthopedic is dedicated to improving the clinical applicability of artificial joints and patients' post-operative quality of life. To ensure product designs align with real-world usage, the Company maintains strong collaborations with clinical physicians and academic institutions, fostering technical and knowledge exchange, enhancing understanding of global medical trends while improving the precision of clinical technological innovation. United Orthopedic emphasizes integrating technological breakthroughs and solutions, continuously investing in resources in advanced implant design, surgical instrument improvement, and auxiliary treatment development. These efforts help medical professionals enhance surgical efficiency and precision while reducing post-operative risks and recovery periods for patients, fulfilling the sustainable medical commitment of being patient-centered.

United Orthopedic's innovation is not just about technological self-breakthrough but is always oriented towards the needs of clinical physicians and patients, ensuring our long-term competitiveness in the medical field. To enhance clinical application effectiveness and product competitiveness, we establish a comprehensive and scientific R&D management system, implementing precision manufacturing and digital process control. All products undergo quality control according to strict standards and have obtained international medical device management system certifications (such as ISO 13485) to ensure compliance with global medical safety and regulatory requirements.

#### The objectives of related innovative research and development are as follows:



### 3.1 Innovative Research and Development

## UNITED Quality Control Circle

### Resources and actions

- The clinical research team has been merged with the regulatory documentation department, focusing on relevant data collection and analysis to ensure products meet regulatory safety assessments.
- The product development department continues to expand its workforce, refine organizational structure, establish product management teams, focus on product development, and enhance overall efficiency.
- Continue QCC (Quality Control Circle) activities to increase both quantity and quality of quality improvements, enhance production efficiency, and reduce worker fatigue from repetitive tasks.
- Invest in surface treatment process improvements to reduce product defect rates.
- Complete the planning and contracting for Phase 3 automated rinsing lines and cleanroom packaging production lines.
- Invest in planning labor-saving devices for casting processes and automated robotic arm grinding devices to reduce the physical workload of operators.

### Innovative Operations and Management

United Orthopedic collaborates with medical institutions and key opinion leaders from various advanced countries to jointly develop new products. Meanwhile, the Company partners with artificial joint experts from multiple countries worldwide on cutting-edge development research to maintain its innovative R&D competitiveness and promote sustainable corporate development.

Based on our commitment to innovative R&D, United Orthopedic continues to invest resources and efforts. Through collaboration between our professional R&D team and clinical practitioners, academic institutions, and professional medical teams, we have developed over 20 products and technologies while simultaneously obtaining multiple product certifications. In 2024, United Orthopedic invested a total of NT\$220,493 thousand in innovative R&D expenses.

Item	2023	2024
Research and development expenses	185,029	<b>220,493</b>
to Revenue (%)	4.7%	<b>4.7%</b>

(Unit: NT\$ thousand)

### 3.1 Innovative Research and Development

In 2024, in addition to our existing market-approved product lines, we have added three new product certifications, and three product specification expansion Note 1 certifications; simultaneously, three new product system certifications are under review, and nine product systems are under development/specification expansion.

Obtained market approval	
Products/Technologies	Certification
Septic knee spacer	TFDA 註2 / FDA 註3
Radifocus Modular Femoral Stem (Resolve modular revision stem)	TFDA
PSA knee extension line (slotted stem)	TFDA
Conformity Stem extension (125° standard series expansion)	TFDA / FDA
Conformity Stem extension (#0 series expansion)	TFDA / FDA
Under certification review	
Press-fit patellar implant U2 PF+ Knee, patellar component	TFDA / FDA
E-XPE bipolar II with antioxidant highly wear-resistant polyethylene	TFDA / PMDA

Note 1: Adding product specifications can be shared with marketed products and expand clinical application range.

Note 2: TFDA is the abbreviation for Taiwan Food and Drug Administration, which is responsible for the management and supervision of products such as food, drugs, medical devices, and cosmetics.

Note 3: The US FDA is an authoritative international medical review institution, authorized by the US Congress and federal government, and is the highest law enforcement agency specializing in food and drug administration.

## Intellectual Property Management

The Company places great emphasis on the protection and management of intellectual property rights, viewing them as crucial elements for protecting technological achievements, strengthening market competitive advantages, and upholding business ethics. To effectively manage intellectual property assets and uphold respect for others' rights, the Company's regulatory documentation unit collaborates with the R&D department to establish intellectual property rights management mechanisms and continuously refine related operational processes. The Company adopts routine operational methods to execute domestic and international trademark and patent research, analysis, and

maintenance management to protect the exclusivity and market extensibility of the Company's R&D achievements. Through systematic management, we enhance the overall application value and protection effectiveness of intellectual property.

Furthermore, the Company continues to raise employees' intellectual property awareness and guides business and marketing personnel in external business dealings to prevent infringing of others' intellectual property, portrait, or other rights, thereby safeguarding corporate brand reputation and fulfilling social responsibility.

## 3.2 Value chain management

In pursuing sustainable development, the Company recognizes the critical role of value chain management in achieving corporate sustainability goals and is committed to building a comprehensive and resilient supply chain, ensuring that every stage from raw material procurement, manufacturing production, logistics distribution to customer end is conducted in accordance with sustainable development principles.

Through regular written communications and meetings, we convey our anti-corruption and anti-bribery policies to suppliers and require their commitment to complying with relevant regulations, ensuring their business operations remain free from any corruption and bribery practices. Furthermore, to strengthen the monitoring mechanism, anonymous reporting channels are provided to encourage suppliers to report any behavior that may violate integrity principles.

Meanwhile, to effectively manage suppliers, we implement a tiered management system that categorizes suppliers into different types and levels for corresponding management and evaluation procedures. From initial qualification reviews, process capabilities, quality systems, first article sample confirmation to on-site evaluation and annual reassessment, we implement continuous tracking to ensure every qualified supplier meets sustainable development standards. Through these measures, we strengthen cooperation with suppliers and enhance the overall supply chain resilience and competitiveness, achieving long-term shared value.

### Management Approach: Value Chain Management Approach

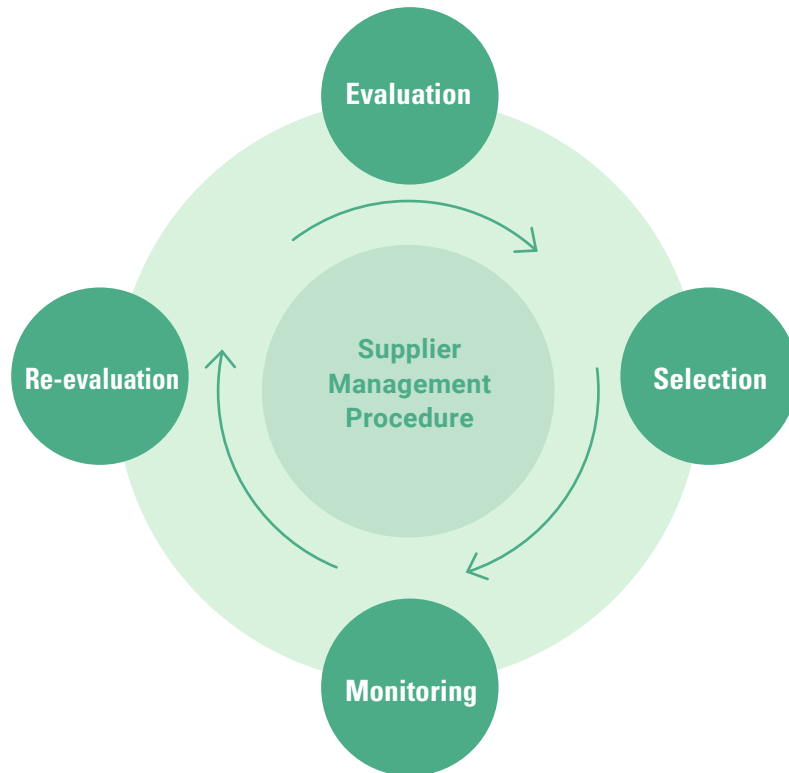
Policies and commitments	United Orthopedic is committed to maintaining a stable supply chain by strategically cooperating with suppliers on key issues such as environmental protection and labor safety guarantees. We build a supply chain network with sustainable value through implementing concrete supplier management and sustainable procurement policies and commitments. We strictly comply with supply chain management policies internally while encouraging suppliers to work together. We also regularly disclose supplier management performance in our annual sustainability report to achieve sustainable value chain goals.			
	Gradually implement supply chain management approaches and policies, strengthen the connectivity of various links in the value chain, and work with suppliers to implement sustainable development goals and create long-term competitive advantages.			
Goal	Sustainable Management Goals and Indicators			
		2025	2026	2027
	Key Supplier ESG Self-Assessment Questionnaire Response Rate	95%	98%	99%
	Key Supplier Environmental Health and Safety Self-Assessment Questionnaire Response Rate	95%	98%	99%
	Key Supplier Annual Qualification Assessment (Document Review/On-site Audit)	98%	99%	100%
Invest resources and take specific actions	Guide suppliers to develop and implement Corrective and Preventive Action (CAPA) plans based on audit results			
	<ol style="list-style-type: none"> <li>1. Implement supplier assessment and evaluation on environmental and labor safety aspects.</li> <li>2. Regularly conduct supplier audits, on-site inspections, reviews and guidance.</li> <li>3. Establish supply chain traceability mechanisms (such as transparency in raw material sources).</li> <li>4. Require suppliers to sign supplier change declarations and provide prior notification and review for changes.</li> </ol>			
Grievance mechanism	<p>To ensure all stakeholders can report any illegal, non-compliant, or inappropriate conduct to the Company. For supplier grievance cases, we handle them legally, confidentially and fairly, and take necessary corrective or disciplinary measures.</p> <ul style="list-style-type: none"> <li>• Whistleblowing and complaint email: 885@unitedorthopedic.com</li> <li>• Whistleblowing hotline: +886-2-29294567 ext. 1168</li> </ul>			
Evaluation mechanism	<p>Evaluation targets:</p> <ul style="list-style-type: none"> <li>• Key suppliers (raw materials, processes, etc.).</li> <li>• New and potential suppliers (initial qualification review).</li> </ul> <p>Evaluation aspects:</p> <ul style="list-style-type: none"> <li>• Quality: Testing capabilities, delivery batch rejection rate, quality system certification, etc.</li> <li>• Delivery accuracy: Timeliness and quantity conformity.</li> <li>• Process capability: Equipment specifications, processes, etc.</li> <li>• Assessment of compliance with environmental and labor safety regulations, and evaluation of any penalties.</li> </ul>			



### 3.2 Value chain management

## Supplier Management

United Orthopedic adheres to a supplier management system, upholds the spirit of honesty, openness, and fairness, and develops long-term and stable partnerships with suppliers. The supplier management guidelines include the assessment, selection, and monitoring of suppliers. In addition to evaluating suppliers based on their price, quality, and delivery time, supplier risk management is also included in the guidelines to ensure that they meet sustainability management requirements.



## Supplier Selection and Capability Assessment

Before becoming a qualified supplier for United Orthopedic, suppliers must complete the relevant selection procedures. Assessments cover areas including supplier basic information, production capacity, quality standards, and regulatory compliance. Only after receiving approval through signatures from responsible units and senior management can a supplier officially qualified. In addition, suppliers of critical materials and processes must undergo verification and evaluation of special requirements to ensure their management systems and products meet the Company's needs.

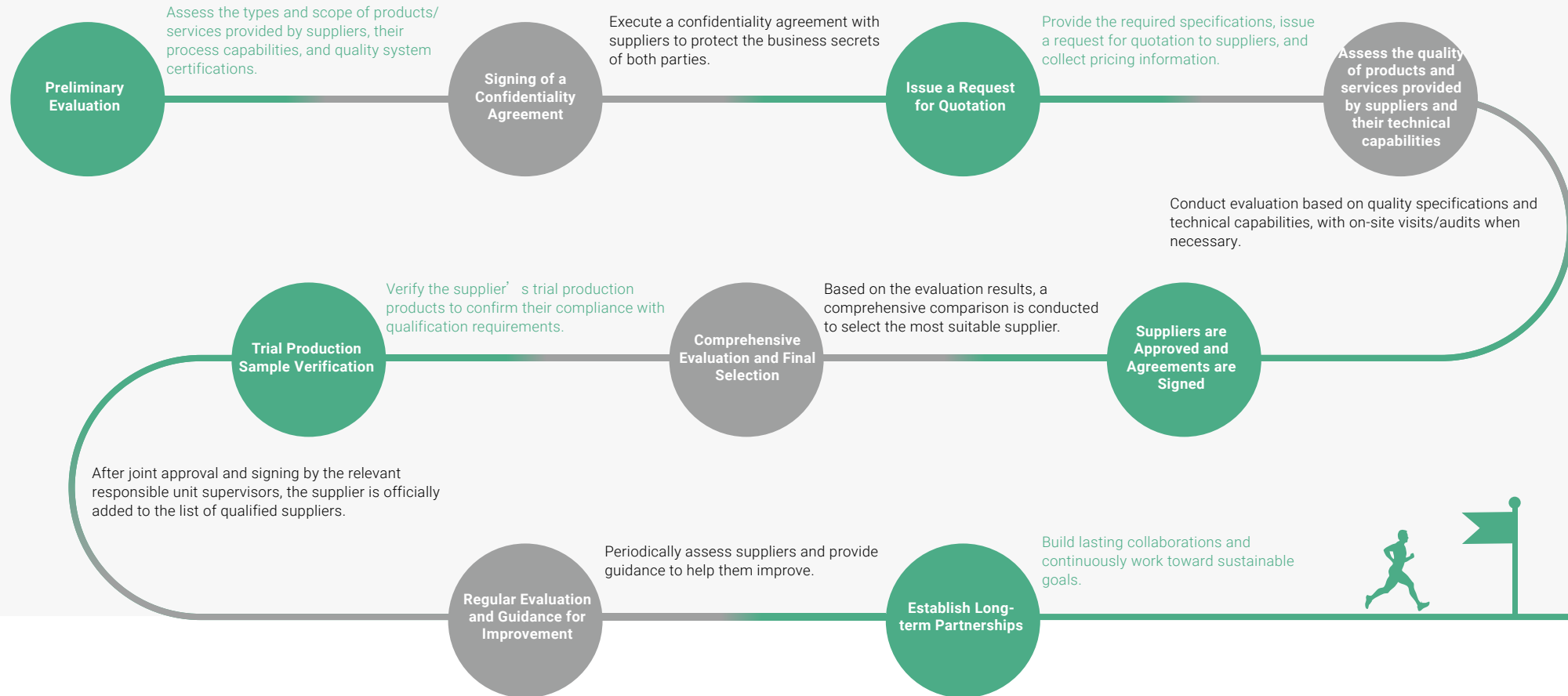
### Supplier Selection and Capability Assessment Indicators

- Suppliers must be registered in compliance with local regulations.
- Categorize suppliers based on the nature of products/services provided.
- Conduct documentary and on-site assessment or audit of suppliers' basic information, process capabilities, quality systems, occupational safety and health, ensuring suppliers maintain stable production capacity.
- Production raw materials must have relevant inspection certificates.



### 3.2 Value chain management

## Standard selection process



## Supplier Sustainability Assessment

### Supplier Screening and Qualification Review



- Supplier submits compliance documents and certifications (ISO 14001, ISO 45001, etc.).
- Evaluate supplier performance in areas such as environmental impact and labor rights.



### Supplier Sustainability Assessment and Monitoring

- Complete supplier/contractor EHS self-assessment form.
- Ensure long-term supply chain stability (establish long-term cooperation with qualified suppliers).

### 3.2 Value chain management

## Supplier Performance Evaluation Principles

United Orthopedic's clients are primarily hospitals and other corporate entities that demand high standards of information transparency. Therefore, the Company has established a rigorous supplier evaluation mechanism, and suppliers must go through relevant assessment processes before being listed as qualified suppliers. Additionally, the Company conducts regular and irregular audits and improvement guidance in accordance with ISO standards, ensuring supplier management processes aligns with the principle of sustainable development.

Supplier Rating	Score	Corresponding Measures
<b>A</b>	<b>95 points or above</b>	<ul style="list-style-type: none"> <li>• Priority consideration for adding new items or expanding cooperation scope</li> </ul>
<b>B</b>	<b>90 to 94 points</b>	<ul style="list-style-type: none"> <li>• Continue cooperation</li> <li>• Conduct regular assessments</li> </ul>
<b>C</b>	<b>85 to 89 points</b>	<ul style="list-style-type: none"> <li>• Continuous monitoring, require improvements when necessary</li> <li>• Conduct regular assessments</li> </ul>
<b>D</b>	<b>Below 85 points</b>	<ul style="list-style-type: none"> <li>• Set deadline for improvements and track improvement results</li> <li>• Will be removed from qualified supplier list if no improvement</li> </ul>

## Supplier performance management

United Orthopedic's suppliers are divided into ten categories based on requirement types (as shown in the table below), and supplier evaluations and audits are conducted based on different categories. To implement supplier performance management, annual audit plans are developed based on supplier characteristics, transaction items, and evaluation results. On-site or document reviews are conducted to verify supplier performance and guide improvements. At the end of each year, suppliers are re-evaluated based on overall performance to ensure the supply chain delivers sustainable development benefits.

Supplier Categories	Category Description
<b>A</b>	Professional manufacturers, agents, and distributors of implant raw materials, or suppliers of sterile barrier system contact packaging materials
<b>B</b>	Suppliers of industry-standard products or specification-based products
<b>C</b>	Suppliers who provide outsourced machine or custom-made products for the Company's products
<b>D</b>	Suppliers of critical processes and complete manufacturing processes for the Company's implants
<b>E</b>	Suppliers of production equipment, final product shipping services, and maintenance products
<b>F</b>	Suppliers who provide molds, measuring tools, packaging materials, and research & development prototypes for the Company
<b>G</b>	Suppliers of outsourced non-implant product processes for the Company
<b>H</b>	Third-party laboratories
<b>I</b>	Critical service providers for the Company
<b>M</b>	General miscellaneous suppliers for the Company

### 3.2 Value chain management

## Audit and management

To ensure the safety and effectiveness of final products, United Orthopedic has established cross-disciplinary and multi-dimensional monitoring and auditing procedures to oversee supplier sustainability. This is implemented through supplier performance reports, supplier re-evaluation forms, supplier environmental health and safety assessment forms, implant critical material testing, and quality system audits as mechanisms for implementing sustainable development.

Qualified suppliers who have passed the qualification review and assessment will undergo regular and irregular audits to ensure their sustainable operating quality. If a supplier's annual average rating falls below 85 points, a supplier non-conformance notice will be issued, and they will be required to propose corrective and preventive measures.

## Sustainable Procurement Policy

The Company promotes sustainable procurement to ensure the product supply chain complies with environmental protection and social responsibility principles. We continuously monitor suppliers' performance in labor rights and environmental impact, while ensuring their deliveries and services meet our standards, ensuring sustainable supply performance and compliance with legal regulations.

## Raw Material Management

In 2024, the ratio of domestic and overseas procurement of raw materials was 3% and 97%, respectively, with the main materials procured included ceramic ball heads, rods, plastic rods, and ingots.

Region	Proportion	Materials	Region
Domestic Procurement <sup>4</sup>	3%	Titanium alloy bar	Taiwan
		Stainless steel bar	Taiwan
Overseas procurement	97%	Ceramic Ball Head	Germany
		CoCrMo bar	United States
		Cobalt-Chromium-Molybdenum Ingot	United States
		Plastic bar	Europe (UK, Germany) & USA
		Titanium alloy bar	Europe (Italy) & USA
		Titanium Alloy Powder	Germany
		Titanium Alloy Bead	United States
		Cobalt-Chromium-Molybdenum Bead	United States
		HA Coating Powder	Germany

Note 4: Domestic suppliers refer to companies or their agents registered in the Republic of China, who must issue a uniform invoice for billing in accordance with regulations, and follow the relevant procedures and regulations for domestic procurement.

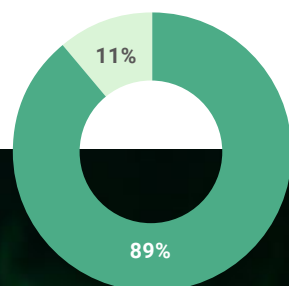


### 3.2 Value chain management

## Support Local Procurement

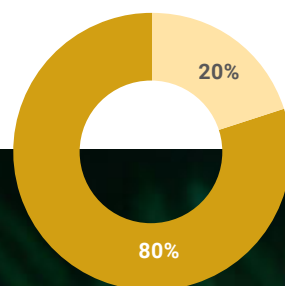
United Orthopedic is committed to establishing and strengthening local supply chains. Through local procurement strategies, we enhance local supply stability, support promote regional economic development, reduce transportation carbon emissions, all aimed at fulfilling our corporate social responsibility. In the future, we will continue to expand the proportion of local procurement and strengthen collaboration with local suppliers to build a mutually beneficial value chain. In 2024, the Company worked with a total of 717 suppliers, including 640 local suppliers and 77 foreign suppliers.

Region	Number of Suppliers	Supplier Regional Distribution	Procurement Amount (NT\$)	Procurement Amount Percentage
Domestic	641	89%	218,381,528	20%
Foreign	76	11%	860,663,181	80%
<b>Total</b>	<b>717</b>	<b>100%</b>	<b>1,079,044,710</b>	<b>100%</b>



Number of Suppliers

■ Domestic  
■ Foreign



Procurement Amount

■ Domestic  
■ Foreign

## Green Procurement

In recent years, United Orthopedic has actively promoted environmental protection and energy-saving policies, encouraging all units to adopt energy-efficient and environmentally friendly materials. Examples include energy-saving equipment (like frequency converters, explosion-proof LED lights, UPS uninterruptible power systems) and eco-labeled products (like energy-efficient computer equipment and air conditioning systems).

The Company specializes in the production of artificial joint products and has strict regulations for raw material procurement. The raw materials provided by suppliers must undergo long-term human trials before being used in implants, ensuring strict supervision and safety testing. In addition to environmental considerations, product safety for human use is a top priority.

Green Procurement Items	2023 (NT\$)	2024 (NT\$)
<ul style="list-style-type: none"> <li>Frequency Converter</li> <li>Explosion-proof LED Lights</li> <li>UPS (Uninterruptible Power Supply) System</li> <li>Eco-Label Products (Energy-efficient Computer Equipment, Air Conditioning Equipment, Paper Boxes)</li> </ul>	520,180	707,311



# 04

## Social Integration

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4.1 Customer Service

4.2 Employee overview

4.3 Employee Training and  
Development

4.4 Talent Attraction and Retention

4.5 Occupational Health and Safety

4.6 Social Participation



## 4.1 Customer service

## Market and Sales Strategies

United Orthopedic's product sales cover both domestic (Taiwan) and international markets, with main products including self-manufactured artificial knee joints, hip joints, tumor implants and customized products, along with corresponding surgical instruments. Sales models are adjusted according to regional market strategies:

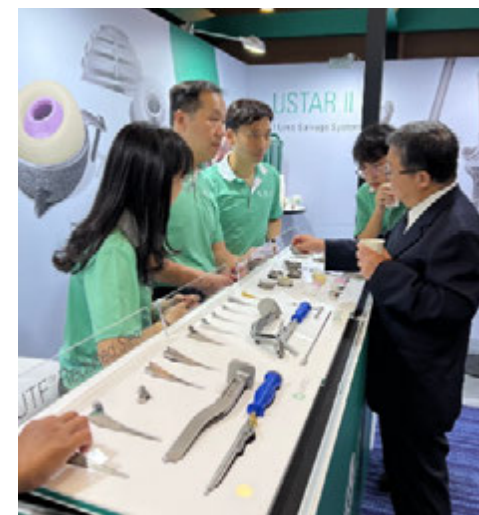
- **Domestic market:** Primarily through regional distributors, while direct sales and service are adopted for certain key hospitals to strengthen customer relationships and service quality
- **International markets:** Establish subsidiaries and collaborate with local distribution partners to deepen market penetration
- **Instrument provision model:** In addition to traditional sales models, leasing options are also provided based on market demands and regional characteristics to reduce initial investment costs for medical institutions and expand market coverage.

We will continue to optimize our products and service processes to ensure the safe, compliant, and efficient application of medical devices in global markets, while taking concrete actions to support the sustainable development of global healthcare systems.

2024 AAOS



Taiwan Orthopedic Association Spring Meeting



Cadaveric Workshop



Cadaveric Workshop

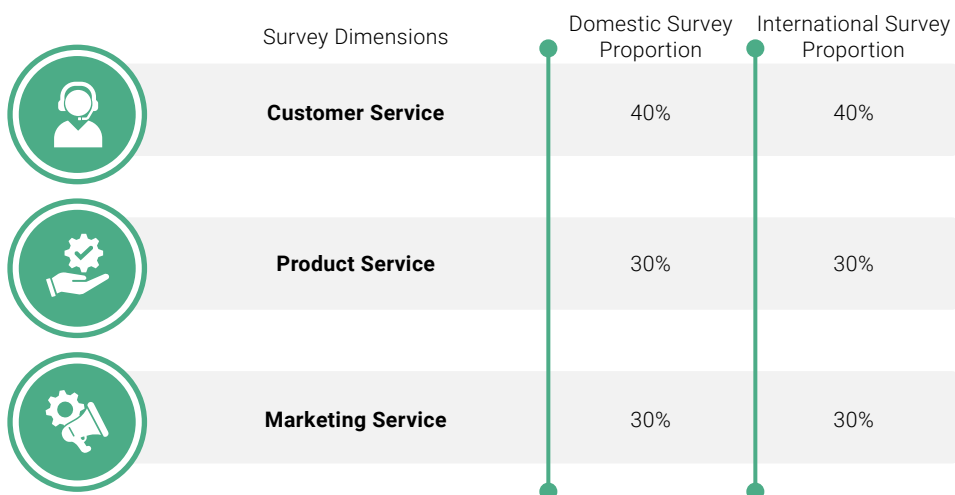


## 4.1 Customer service

### Customer satisfaction survey

To continuously improve service quality, the Company conducts annual customer satisfaction surveys through questionnaires, systematically tracks and reviews results regularly, and emphasizes follow-up improvement implementation mechanisms. The survey targets two major customer groups, domestic and international, and covers three main areas: **1. Personnel services**, **2. Product satisfaction**, and **3. Marketing support**. The 2024 satisfaction survey results show that the domestic market achieved an average score of 95 points; the international market averaged 93 points. Through improving domestic and international distribution services and strengthening product training, regularly holding online seminars and new product launches, the satisfaction levels met expectations and achieved the predetermined satisfaction targets.

The proportions of the relevant survey in 2024 are as follows:



### Customer complaint mechanism

United Orthopedic's direct customers primarily include distributors, medical institutions, and doctors from various countries. Customer complaint are mainly submitted through the Company's sales units. Survey statistics and analysis results show that customers are most concerned with issues such as prosthetic medical device quality and design, packaging instructions, surgical instrument durability, surgical instrument operation methods and convenience. To address these concerns, the Company not only regularly organizes educational training sessions and specialized seminars but also establishes a comprehensive feedback process. Customer issues and suggestions are forwarded to relevant responsible units for careful response and improvement, ensuring timely and effective resolution. All related reports are regularly compiled and archived for future reference.

### Customer Complaint Handling Process

The customer complaint handling process follows the Customer Complaint Handling Operating Procedures. The sales unit first files the case, and the Quality Assurance unit conducts a formal investigation. Upon completion, the investigation report and results are provided to the customer, while the sales unit simultaneously submits the complaint response form to the Quality Assurance unit for reference and filing. In 2024, there were a total of 105 complaint cases, among which 57 cases qualified for formal complaint investigation. All 57 cases completed the complaint response process by the end of March 2025, with all customers accepting the investigation results and signing off on the complaint response forms, with no further feedback.

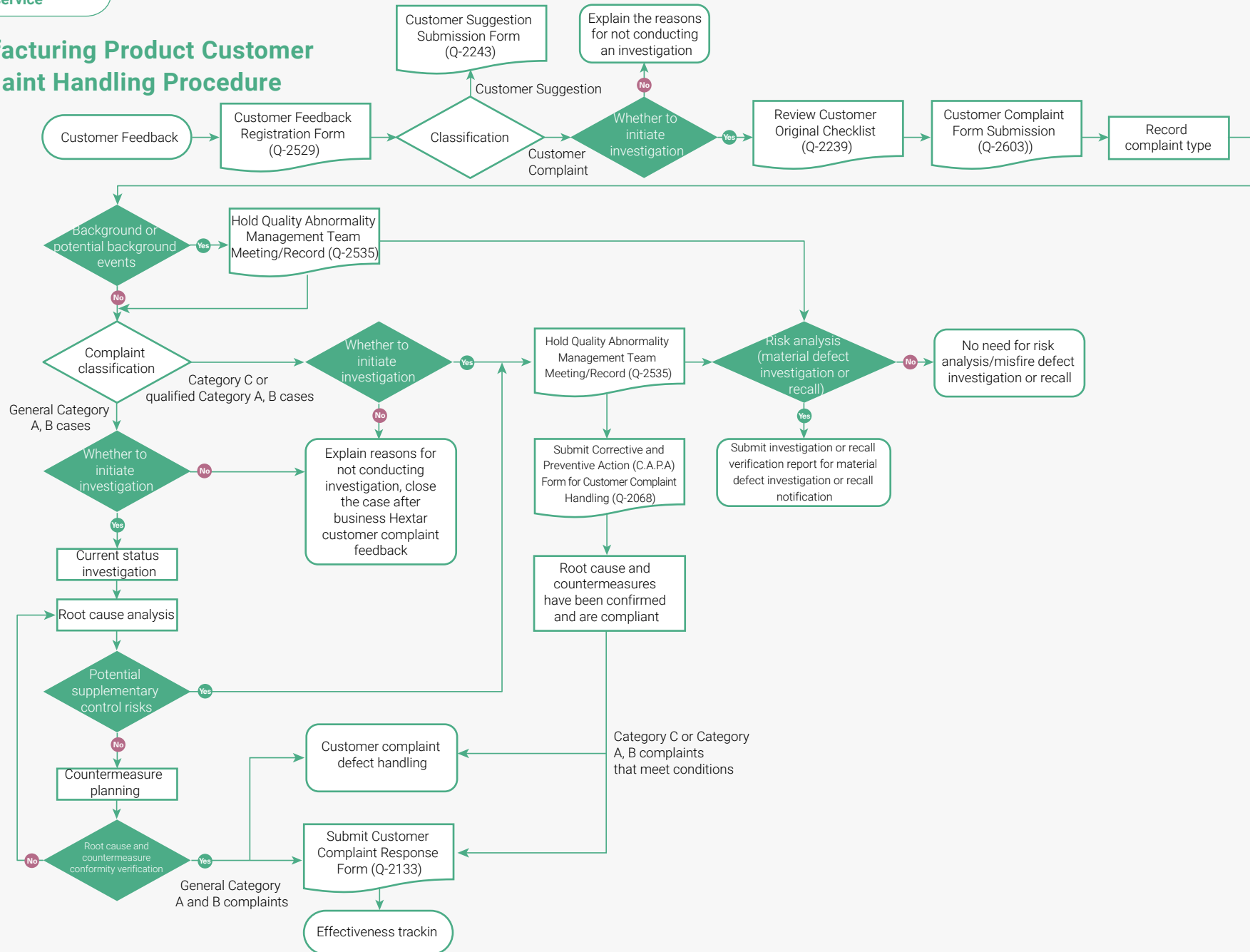
Year	Registered Cases <sup>1</sup>	Case Filing <sup>2</sup>
2023	38	26
<b>2024</b>	<b>105</b>	<b>57</b>

Note 1: Registered Cases: The customer service unit records and maintains customer complaints from various sources, while evaluating whether an investigation needs to be initiated; if no investigation is required, the reason for not conducting an investigation must be explained and recorded.

Note 2: Case Filing: For quality-related customer complaint cases, the sales unit documents the customer complaint content, type, and severity level in the Customer Complaint Handling Form and Customer Complaint Checklist for formal case filing. The Quality Assurance department accepts the investigation and requests relevant units to conduct analysis.

#### 4.1 Customer service

### Manufacturing Product Customer Complaint Handling Procedure





## 4.2 Employee overview

United Orthopedic deeply understands that employees are the cornerstone of sustainable operations and is committed to creating a fair, safe, and inclusive workplace. As of the end of 2024, the total number of employees was 683, covering diverse functions including operations, R&D, sales, and management, with employee composition demonstrating diversity in gender, age, and professional backgrounds. To implement the concept of diversity and inclusion, the Company continues to promote gender equality policies and emphasizes fair promotion opportunities and career development for talents. Female employees account for 40% of the workforce, demonstrating the Company's emphasis on gender balance. Furthermore, the Company actively establishes training and development systems, encouraging employees to pursue continuing education and self-improvement. In 2024, the total employee training hours reached 34,031 hours, with training expenses amounting to NT\$3.61 million. Training content covered onboarding, professional skills, management competencies, ESG sustainability knowledge, and workplace safety. Through comprehensive learning resources, the Company strengthens the overall human capital competitiveness.

### Employee Information by Gender

Item	2022				2023				2024			
	Female	Male	Others*	Total	Female	Male	Others*	Total	Female	Male	Others*	Total
<b>Number of Permanent Employees</b>	238	341	0	579	261	370	0	631	265	362	0	627
<b>Number of Temporary Employees (Contract-based)</b>	4	24	0	28	5	43	0	48	6	50	0	56
<b>Number of Employees without Guaranteed Hours</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Number of Full-time Employees</b>	242	365	0	607	266	413	0	679	271	412	0	683
<b>Number of Part-time Employees</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Number of Full-time + Part-time Employees</b>	242	365	0	607	266	413	0	679	271	412	0	683

Note: The above statistics cover data from the parent company in Taiwan.

Note: Gender is self-defined by employees (if applicable).

### Employee Information by Region

Item	2022					2023					2024				
	Taiwan	United States	Europe	Japan	Total	Taiwan	United States	Europe	Japan	Total	Taiwan	United States	Europe	Japan	Total
<b>Number of Permanent Employees</b>	647	25	34	11	716	699	24	37	15	774	695	29	51	25	799
<b>Number of Temporary Employees (Contract-based)</b>	28	0	0	0	28	48	0	0	0	48	56	0	0	0	56
<b>Number of Employees without Guaranteed Hours</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Number of Full-time Employees</b>	675	25	34	11	744	747	24	37	15	822	751	29	51	25	855
<b>Number of Part-time Employees</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Number of Full-time + Part-time Employees</b>	675	25	34	11	744	747	24	37	15	822	751	29	51	25	855

Note: The above statistics cover data from the parent company in Taiwan and subsidiaries in other regions globally.

## 4.2 Employee overview

### Employee Information by Age

Item	2022				2023				2024			
	Under 30 years old	31-49 years old	Over 50 years old	Total	Under 30 years old	31-49 years old	Over 50 years old	Total	Under 30 years old	31-49 years old	Over 50 years old	Total
<b>Number of Permanent Employees</b>	87	413	79	579	100	447	84	631	92	453	82	627
<b>Number of Temporary Employees (Contract-based)</b>	8	19	1	28	20	27	1	48	22	34	0	56
<b>Number of Employees without Guaranteed Hours</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Number of Full-time Employees</b>	95	432	80	607	120	474	85	679	114	487	82	683
<b>Number of Part-time Employees</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Number of Full-time + Part-time Employees</b>	95	432	80	607	120	474	85	679	114	487	82	683

Note: The above statistics cover data from the parent company in Taiwan.

### Employee Information by Position Level

Item	2022			2023			2024		
	Management Position	Non-management Position	Total	Management Position	Non-management Position	Total	Management Position	Non-management Position	Total
<b>Number of Permanent Employees</b>	103	476	579	105	574	679	115	568	683
<b>Number of Temporary Employees (Contract-based)</b>	0	28	28	0	0	0	0	0	0
<b>Number of Employees without Guaranteed Hours</b>	0	0	0	0	0	0	0	0	0
<b>Number of Full-time Employees</b>	103	504	607	105	574	679	115	568	683
<b>Number of Part-time Employees</b>	0	0	0	0	0	0	0	0	0
<b>Total Number of Full-time + Part-time Employees</b>	103	504	607	105	574	679	115	568	683

Note: The above statistics cover data from the parent company in Taiwan.

Note: Definition of Management Position - Refers to supervisors who are directly involved in personnel management and have administrative management responsibilities.

## 4.2 Employee overview

### Employee Information by Diversity Indicators

Item	2022				2023				2024			
	Foreign Nationality	People with Disabilities	Indigenous People	Total	Foreign Nationality	People with Disabilities	Indigenous People	Total	Foreign Nationality	People with Disabilities	Indigenous People	Total
Number of Permanent Employees	0	6	5	11	1	6	6	13	1	6	6	13
Number of Temporary Employees	21	0	0	21	38	0	0	38	45	0	0	45
Number of Employees without Guaranteed Hours	0	0	0	0	0	0	0	0		0	0	0
Number of Full-time Employees	21	6	5	32	39	6	6	51	46	6	6	58
Number of Part-time Employees	0	0	0	0	0	0	0	0	0	0	0	0
Total Number of Full-time + Part-time Employees	21	6	5	32	39	6	6	51	46	6	6	58

Note: The above statistics cover data from the parent company in Taiwan.

### Workers who are not employees

Category	Male	Female	Total
Number of Interns	0	0	0
Number of Cleaners	0	7	7

Note: Non-employee workers refer to individuals who work for the organization but do not have a direct employment relationship with the organization, such as cleaning staff from manpower agencies, security personnel, or contractor employees.

### Employee Recruitment Rate

New Employees	2022								2023								2024							
	Male	Female	Total Number of New Hires	Total Number of Employees	Percentage of New Hires (%)	Beginning Headcount	Ending Headcount	Recruitment Rate (%)	Male	Female	Total Number of New Hires	Total Number of Employees	Percentage of New Hires (%)	Beginning Headcount	Ending Headcount	Recruitment Rate (%)	Male	Female	Total Number of New Hires	Total Number of Employees	Percentage of New Hires (%)	Beginning Headcount	Ending Headcount	Recruitment Rate (%)
Under 30 years old	36	38	74	95	78	88	95	81	59	28	87	120	73	95	120	81	24	21	45	114	39	120	114	38
30-49 years old	52	38	90	432	21	400	432	22	66	40	106	474	22	432	474	23	44	30	74	487	15	474	487	15
Over 50 years old	5	1	6	80	8	75	80	8	2	0	2	85	2	80	85	2	3	0	3	82	4	85	82	4
Total	93	77	170	607	28	563	607	29	127	68	195	679	29	607	679	30	71	51	122	683	18	679	683	18

Note: The above statistics cover data from the parent company in Taiwan.

## 4.2 Employee overview

## Employee Turnover Statistics

Resigned Employees	2022								2023								2024							
	Male	Female	Total Number of Resignations	Total Number of Employees	Percentage of Resignations (%)	Beginning Headcount	Ending Headcount	Turnover Rate (%)	Male	Female	Total Number of Resignations	Total Number of Employees	Percentage of Resignations (%)	Beginning Headcount	Ending Headcount	Turnover Rate (%)	Male	Female	Total Number of Resignations	Total Number of Employees	Percentage of Resignations (%)	Beginning Headcount	Ending Headcount	Turnover Rate (%)
<b>Under 30 years old</b>	17	16	33	95	35	88	95	36	23	17	40	120	33	95	120	37	15	11	26	114	23	120	114	22
<b>30-49 years old</b>	44	31	75	432	17	400	432	18	50	25	75	474	16	432	474	17	44	32	76	487	16	474	487	16
<b>Over 50 years old</b>	8	1	9	80	11	75	80	12	5	2	7	85	8	80	85	8	10	3	13	82	16	85	82	16
<b>Total</b>	69	48	117	607	19	563	607	20	78	44	122	679	18	607	679	19	69	46	115	683	17	679	683	17

Note: The above statistics cover data from the parent company in Taiwan.

Category	2022					2023					2024				
	Male	Female	Total	Total Number of Employees	Employee Turnover Ratio	Male	Female	Total	Total Number of Employees	Employee Turnover Ratio	Male	Female	Total	Total Number of Employees	Employee Turnover Ratio
Voluntary Turnover	64	41	105	607	17.3%	63	40	103	679	15.2%	58	41	99	683	14.5%
Involuntary Turnover	5	7	12		2%	15	4	19		2.8%	11	5	16		2.3%

Note: The above statistics cover data from the parent company in Taiwan.

## 4.3 Employee Training and Development

United Orthopedic promises to provide a good workplace and establish a comprehensive management system to protect employees' rights and health and safety. Meanwhile, the Company has established smooth communication channels and grievance mechanisms to allow employees to speak freely. In addition to formulating sound policies, the Company has established a comprehensive training and management system, aiming to attract and retain like-minded talents through extensive employee education and training, as well as smooth promotion channels.



### Management Approach: Employee Training and Development

Policies and commitments	<p><b>Education, Training and Development Policies and Commitments</b></p> <p>We are committed to promoting the concept of "Care for Every Step", emphasizing the clarification of upstream and downstream relationships between organizational functions in all business operations, and providing appropriate support and attention at every operational node. Therefore, we are committed to:</p> <ol style="list-style-type: none"> <li><b>1. Systematic training design:</b> Establish a training system covering process establishment, continuous improvement, quality assurance verification, and performance management based on various functional requirements.</li> <li><b>2. Inclusive learning culture:</b> Encourage all employees to actively participate in learning and growth, strengthening cross-departmental understanding and collaboration.</li> <li><b>3. Focus on practical effectiveness:</b> Training plans not only emphasize knowledge transfer but also stress practical application, ensuring that training outcomes are effectively transformed into daily operations and performance improvement.</li> <li><b>4. Continuous improvement and feedback mechanism:</b> Through regular reviews and internal feedback, we continuously optimize education and training to ensure synchronous evolution with organizational development.</li> </ol> <p>We believe that by attending to every detail and process, we can achieve stable and continuous growth in organizational learning capabilities and competitiveness.</p>
Goal	<p><b>Short-term Goal:</b></p> <p>Achievement rate of 100% for basic competency, professional competency, and legally required education and training; achievement rate of 95% for business management, general courses, and competency-based education and training. Average training hours per employee reached 41 hours; average training hours for senior executives reached 19 hours</p> <p><b>Medium and long-term goals:</b></p> <ol style="list-style-type: none"> <li>1. Implement manpower assessments to maximize the value of human resources</li> <li>2. Effectively cultivate talents, place the right person in the right position, and enhance the company's competitiveness</li> <li>3. Integrate functions of various organizations and establish management mechanisms</li> <li>4. Establish an employee learning map</li> </ol>
Invest resources and take specific actions	<p>To strengthen employee competency and organizational talent competitiveness, the Company continues to invest in educational resources and actively promotes systematic education, training, and development plans. Based on training needs for different positions and career stages, we have established a training framework that clearly differentiates between pre-job training and on-the-job training, providing employees with a clear and feasible learning roadmap.</p> <p>In terms of pre-job training, we help new employees quickly integrate into the team and acquire the basic abilities needed for work through courses on corporate culture, system regulations, and professional skills. On-the-job training covers advanced content, including general competencies, professional skills, and supervisory management competencies, supporting employees' growth at different career stages.</p>
Grievance mechanism	<p>Internal: "Non-conformity" reporting procedure, labor-management meetings, employee suggestion box, internal website announcements External: Company website, Email, phone, and reporting channel</p>
Evaluation mechanism	<ol style="list-style-type: none"> <li>1. Internal Audit Report</li> <li>2. Management Review Meeting</li> </ol>



### 4.3 Employee Training and Development

## Education and Training Planning

To systematically promote employee development and career planning, the Company has established a training framework tailored to employees' needs at different stages and positions, providing clear and actionable learning paths. This framework serves as an important basis for continuous talent development, enabling a sustainable and effective talent development mechanism that supports the Company's future strategic and development goals.

This framework is divided into pre-job training and on-the-job training, explained as follows:

- **Pre-job training:** Offers new employees courses on corporate culture, system regulations, and relevant technical knowledge and operational skills based on their job roles, helping them quickly integrate into the organization.
- **On-the-job training:** Covers general competency training courses for essential and behavioral traits, as well as related training for supervisory roles, focusing on planning, leadership, decision-making, nurturing organizational resources, and integration capabilities.

In addition, the Company has implemented digital learning platforms and utilized external professional resources to foster a diverse self-learning culture and strengthen employees' ongoing learning momentum.



### 4.3 Employee Training and Development

Category	Course Nature	2024 Achievement Rate	Training Target	Actual Number of Participants	2024 Total Expenditure (NT\$ thousand)	2024 Total Training Sessions	Total Training Hours (Sum of Participants per Session * Hours per Session)
<b>Basic competency</b>	Mandatory Training/With Assessment/Both Online and In-person Courses	100%	New Employees/All Employees	450	0	4,334	4,137
<b>Professional competency</b>	Mandatory Training/Practice or Assessment/In-person Courses	100%	New Employees/Newly Assigned Training Employees	266	141	2,135	23,087
<b>Business management</b>	Feedback or Questionnaire/In-person Courses	100%	Management Position	83	195	84	377
<b>General education course</b>	Assessment or Feedback/Both Online and In-person Courses	99%	General Employees	89	264	153	619
<b>Legal provisions</b>	Mandatory Training/Assessment or Feedback/Both Online and In-person Courses	100%	Employees with Special Qualifications	712	159	3,372	3,441
<b>Competency Requirements</b>	Assessment or Feedback or Transfer Training/Both Online and In-person Courses	99%	Employees from All Departments	357	651	1,267	4,295

## Training situation

Item	By Gender		Management Position		Non-management Position	
	Male	Female	Male	Female	Male	Female
<b>Average Training Hours per Employee per Year in 2024 (Employee)</b>	50.3	35.1	52.5	40.1	49.6	34.3
<b>Average Training Hours per Senior Executive per Year in 2024 (Senior)</b>	22.7	10.3	N/A	N/A	N/A	N/A
<b>Average training hours per person per year in 2024 (Directors)</b>	6.3		N/A	N/A	N/A	N/A

Note: Explanation of the difference in average training hours between male and female employees: (1) The company has a higher proportion of male employees (male employees are 1.6 times the number of female employees); (2) Direct workforce with higher professional competency training hours (male employees are 2 times the number of female employees), hence the difference in average training hours between males and females.

### 4.3 Employee Training and Development

## Quality management training

Quality is a fundamental core value of the company. United Orthopedic values its employees' embodiment of quality, upholding the principle of **"getting it right the first time."** Therefore, there is a comprehensive plan for quality management education and training.

The quality engineering personnel provides the following training courses:

Course categories	Number of trainees	Course hours
<b>Basic competency</b>	2,787	2,086.5
<b>Professional competency</b>	2,135	23,086.5
<b>Business management</b>	84	377
<b>General education course</b>	1,450	5,069
<b>Legal provisions</b>	3,367	3,411
<b>Annual total</b>	9,823	34,030

	New hires	On-the-job education and training
<b>Quality control personnel</b>	<ol style="list-style-type: none"> <li>Adopting one-on-one mentor training method</li> <li>Providing a six-week comprehensive education and training courses, including: <ul style="list-style-type: none"> <li>Operation of testing instruments</li> <li>Product testing technology</li> <li>Quality Control Standard Operating Procedures</li> <li>Understanding Medical Devices and Quality Standard Requirements</li> </ul> </li> </ol>	<ol style="list-style-type: none"> <li>Implement personnel multi-skill technical training and inspection technical ability assessment annually</li> <li>Irregularly implement training on new product development and measurement technology to ensure that quality control personnel continuously maintain and improve their technical capabilities</li> </ol>
<b>Quality assurance engineer</b>	<ol style="list-style-type: none"> <li>According to the professional competency training plan, each subject is conducted by responsible personnel of each specialty</li> <li>Provide a three-month observation and training, including <ul style="list-style-type: none"> <li>Instrument operation technology</li> <li>Quality Planning Operating Procedures</li> <li>Recognition of engineering symbols</li> <li>Geometric Graphics, Inspection Technology Development and Measurement</li> <li>Understanding of quality system operating procedures</li> </ul> </li> <li>After completing the training and passing the qualification assessment, one can begin independent work as a medical device production quality control operator</li> </ol>	<ol style="list-style-type: none"> <li>Monthly Improvement Project sharing meeting held by the Quality Assurance Department</li> <li>Assign a dedicated person responsible for document specification, continuously enhance the workflow and professionalism</li> <li>Implemented irregularly: <ul style="list-style-type: none"> <li>Internal new product</li> <li>Training for new measurement technology</li> <li>Quality system and internal audit personnel training</li> <li>Attend external seminars or education and training on medical device regulations and international standards</li> </ul> </li> <li>Ensure that quality assurance engineers can maintain their engineering knowledge and technical capabilities to support ongoing progress</li> <li>Organize Quality Control Circle improvement activity annually to optimize the quality improvement methods and awareness of frontline staff</li> </ol>

### 4.3 Employee Training and Development

## Education training for various factories

Internal/ External	Course Name	Organizer	Participants	Number of Trainees	Course Hours
Internal	Medical Device Ethylene Oxide (EO) Sterilization Process Planning	Research & Design Department	R&D Engineers, Regulatory Engineers, and Related Supervisors from R&D Center	9	8
	ISO 11737 Microbiological Testing Methods for Sterilized Medical Devices	A-SPINE Asia Co., Ltd.	R&D Engineer	2	8
	ISO 11135 Medical Device Ethylene Oxide (EO) Sterilization	A-SPINE Asia Co., Ltd.	R&D Engineer	2	8
	ISO 14064-1 Greenhouse Gas Emissions Verification/Validation - Introduction to International Trends	President's Office	R&D Center Secondary Supervisors, Greenhouse Gas Inventory Internal Auditors	8	6
	ISO 13485 Internal Auditor Training	Quality Assurance Department	Internal Auditor	4	3
	Occupational Safety and Health Education Training Course for In-Service Workers	Department of Construction Safety	All Personnel	683	1
External	Manufacturing Product Transportation Packaging Design and Regulations	Industrial Technology Research Institute (ITRI) College - Tainan Learning Center	R&D Engineer	4	6
	ISO 11607 Requirements for Sterile Barrier Systems and Sealing Process Validation	Industrial Technology Research Institute (ITRI)	R&D Engineer	4	6
	Power BI Desktop Big Data Analytics Practical Applications	Industrial Technology Research Institute (ITRI) College	Manager	2	14
	ISO 13485 Medical Device Quality Management System Training	Industrial Technology Research Institute (ITRI)	R&D Engineer	3	7
	Solid Edge Basic Course	NST Technology Inc.	R&D Engineer	2	24
	Medical Device Radiation Sterilization Process Planning Training Course - ISO 11137 Standards and Practices	Industrial Technology Research Institute (ITRI)	R&D Engineer	3	6
	Ansys Workbench Structural Analysis Fundamentals Course	Taiwan Auto-Design Co.	R&D Engineer	3	13
	Medical Device Design and Development Process Control	National Yang Ming Chiao Tung University	Manager	3	8
	Medical Device Sterilization, Packaging Validation and Report Acceptance	Industrial Technology Research Institute (ITRI) College	R&D Engineer	3	6
	Medical Device Safety and Risk Management and Practical Applications	Industrial Technology Research Institute (ITRI) College	R&D Engineer	1	6
	Process Validation Standards and Practices - Using EO Sterilization Validation as an Example	National Science and Technology Council Hsinchu Science Park	R&D Engineer	1	6
	IEC62366 Medical Device Usability and US FDA Human Factors Engineering Practice	Industrial Technology Research Institute (ITRI) College	R&D Engineer	1	6

### 4.3 Employee Training and Development

Internal/ External	Course Name	Organizer	Participants	Number of Trainees	Course Hours
External	How to Succeed in Your First IRB Submission	Taiwan Salt and Light Biotech Institute	Regulatory Engineer	2	3.5
	2024 Clinical Research Associate (CRA) Professional Practical Training Course	Taiwan Salt and Light Biotech Institute	Regulatory Engineer	2	12
	2024 Clinical Research Associate (CRA) Professional Practical Training Course and Workshop	Taiwan Salt and Light Biotech Institute	Regulatory Engineer	1	12
	CE-07: How to Write Medical Device Clinical Evaluation Reports that Meet EU Review Requirements	Industrial Technology Research Institute (ITRI) College	Regulatory Engineer	1	6
	GCP Educational Training Seminar	TFDA	Regulatory Engineer	1	6.5
	IEC62366 Medical Device Usability and US FDA Human Factors Engineering Practice	Professional Instructor	Regulatory Engineer	1	6
	ISO 14971:2019 Medical Device Risk Management Training Course	Industrial Technology Research Institute (ITRI) College	Regulatory Engineer	4	7
	ISO10993 Medical Device Biocompatibility Standards and Regulatory Analysis	Industrial Technology Research Institute (ITRI) College	Regulatory Engineer	2	6
	MDR Medical Device Regulation - Clinical Evaluation Training Course	Industrial Technology Research Institute (ITRI) College	Regulatory Engineer	2	7
	Power BI Desktop Big Data Analytics Practical Applications	Industrial Technology Research Institute (ITRI) College	Regulatory Engineer	1	14
	Two-Day Training Course on Medical Device Clinical Trials in China	RusCert Technology Co., Ltd., Taipei Biotechnology Service and Business Trade Association	Regulatory Engineer	1	12
	Training Course on Radiation Sterilization and EO Sterilization Validation for Biomedical Industry	Industrial Technology Research Institute (ITRI) College	Regulatory Engineer	1	7
	Practical Training Course on Writing US FDA 510(k) Premarket Notification	Industrial Technology Research Institute (ITRI) College	Regulatory Engineer	1	9
	Product Verification and Validation Training Course	Industrial Technology Research Institute (ITRI) College	Regulatory Engineer	1	4
	Medical Device Human Factors Engineering Simulation and Validation Seminar	Industrial Technology Research Institute (ITRI) College	Regulatory Engineer	1	3
	Training Course on the Concept and Method of Process Validation for Medical Device Manufacturing	Industrial Technology Research Institute (ITRI) College	Regulatory Engineer	2	7
	Medical Device Clinical Evaluation, Clinical Trial Design and Submission	Industrial Technology Research Institute (ITRI) College	Regulatory Engineer	1	6
	Practical Planning and Implementation of Medical Device Clinical Trials	Industrial Technology Research Institute (ITRI) College	Regulatory Engineer	2	6



### 4.3 Employee Training and Development

## Career development

The company emphasizes the career development of its employees. In addition to providing various training courses based on the business needs of different plants, each department also conducts internal training according to their responsibilities. The company also identifies suitable employees for job rotation and learning opportunities across departments based on internal job vacancies. When new hires onboard or employees transfer within the company, appropriate competency training will be arranged based on their positions to facilitate their work. The learning effectiveness will be assessed within a specified period. During the learning process, various forms of training will be adopted depending on the job functions, including classroom education and training, hands-on operation, and other methods. Additionally, after employees have been in their positions for a certain period, timely competency assessments will also be arranged to evaluate their learning effectiveness, as well as other periodic training sessions to enhance various professional skills.

External training (person-times)	256			
Average hours	8.9			
Course categories	Course Name	Number of trainees	Number of courses	Course hours
Competency training	Related training required for each competency	256	256	2266

## Transition Assistance Program for Supporting Retired or Employment-Terminated Employees

1. Legally contribute to pension funds to secure retired employees' livelihood; retirement incentive programs are also available for employees to choose from.
2. Develop rehiring policies for retired employees to leverage their expertise and experience, supporting both operational and organizational needs.
3. Provide severance pay to laid-off employees in accordance with regulations to maintain their livelihood during the transition period; and assist in connecting them with government employment or training institutions to help them return to the workforce as soon as possible.

## 4.4 Talent Attraction and Retention

### Human Rights Policy and Management

To protect employees' fundamental human rights and foster a fully respectful work environment, United Orthopedic upholds human rights protection principles outlined in international human rights conventions, such as the United Nations Universal Declaration of Human Rights, United Nations Guiding Principles on Business and Human Rights, United Nations Global Compact, and International Labour Organization. This demonstrates the Company's commitment to respecting and protecting human rights, while strictly complying with local labor regulations in all operational regions. Employees will not face any differential treatment or discrimination based on gender, sexual orientation, race, social class, age, marital status, family status, language, thought, political affiliation, nationality, appearance, facial features, or physical/mental disabilities. This ensures a workplace that is dignified, safe, equal, and free from harassment.

The Company has established Workplace Sexual Harassment Prevention, Complaint, and Disciplinary Measures, and set up a Sexual Harassment Complaint Committee with equal male and female representation to handle sexual harassment incidents. The committee members' list and contact information are announced company-wide to ensure employees can receive appropriate assistance when encountering workplace sexual harassment. In 2024, a total of 731 participants from our company attended Sexual Harassment Prevention Law training courses, with a total training duration of 365.5 hours. To protect employees from physical or psychological harm while performing their duties, we have explicitly mandated Prohibition of Workplace Violence and established a Prevention Plan for Illegal Harm While Performing Duties. We have also established workplace violence complaint and reporting channels to build a workplace culture that is safe, dignified, non-discriminatory, mutually respectful and inclusive, supporting employees' physical and mental well-being.

In 2024, the Audit Office reviewed workers' overtime hours, overtime pay, working hours, holiday pay, and labor-management meetings. The audit confirmed compliance with regulations, with no instances of child labor, discrimination, or violations of employee rights. However, one case of sexual harassment was identified and has been appropriately addressed.

United Orthopedic Corporation's Written Statement on Prevention of Workplace Illegal Harassment: All employees of the Company are responsible for ensuring a work environment free from illegal harassment. Anyone who witnesses or hears of workplace illegal harassment incidents may immediately file a complaint through the following channels based on the type of harassment behavior:

- Physical, psychological, verbal violence: Industrial Safety Department, 885@unitedorthopedic.com, suggestion box.
- Sexual harassment, stalking harassment: Administrative Management Department (Ext. 2207), 885@unitedorthopedic.com, suggestion box.



Category	United Orthopedic Related Policies
Employee Integrity and Ethics Related Regulations	Procedures for Ethical Management and Guidelines for Conduct
Labor Rights Protection Policy and Regulations	Personnel Management Rules
Gender Equality Related Policies	Workplace Sexual Harassment Prevention Measures, Complaint and Disciplinary Guidelines
Feedback Related Regulations	Suggestion Box Management Regulations

Sexual Harassment Prevention Related Policies	Number of Reports Received		Case Closure Description
	2023	2024	
Workplace Sexual Harassment Prevention Measures, Complaint and Disciplinary Guidelines	1	1	<ul style="list-style-type: none"> <li>• The accused person was dismissed in 2023</li> <li>• The accused person received a demerit in 2024</li> </ul>

#### 4.4 Talent Attraction and Retention

## Employee Diverse Benefits

Benefit Items	Applicable to Full-time Employees	Applicable to Contract Employees	Number of People Subsidized in 2024	Subsidy Amount in 2024
Year-end Bonus	✓	✓	1,929	1,543,200
Innovation Achievement Bonus	✓	✓	1,345	2,684,115
Retirement/Resignation System	✓	✓	7	6,968,410
4. Employee bonuses and capital increase subscription	✓		614	66,891,875
Regular Employee Health Consultation	✓		58	190,600
Travel Subsidy	✓	✓	524	2,091,763
Marriage Subsidy	✓	✓	10	36,000
Funeral Subsidy	✓	✓	20	42,000
Childbirth Subsidy	✓	✓	17	51,000
Hospital Care Allowance	✓	✓	28	37,200
Company Dinner	✓	✓	1,129	564,500
Birthday Celebration Event	✓	✓	639	639,000
Family Day Event	✓	✓	1,387	4,016,033
Referral bonus	✓	✓	12	36,000
Performance bonus	✓	✓	2,016	132,707,241
Annual party bonus	✓	✓	653	5,032,450

Note: Record-Breaking Bonus: When monthly consolidated revenue reaches a historical high, current employees will receive one day's salary and a gift for that month.

Note: 2024 Annual Bonus, scheduled to be distributed on August 20, 2025

Note: The Company has dedicated nursing rooms at the Taipei office, Hsinchu factory, and Kaohsiung factory.

Family Day



#### 4.4 Talent Attraction and Retention

### Statistics of Parental Leave in Recent Two Years

In accordance with the Gender Equality in Employment Act and Regulations for Implementing Unpaid Parental Leave for Raising Children, the Company offers unpaid parental leave. Employees who have completed six months of service may apply for leave before their children reach the age of three. Upon completion of the unpaid parental leave period, the company will arrange for employees to return to their original units and positions and provide relevant educational guidance courses to help employees become familiar with their work duties.

Item	2023			2024		
	Male	Female	Total	Male	Female	Total
<b>Number of employees eligible for parental leave application in the current year (A)</b>	32	23	55	19	20	39
<b>Number of employees who actually took parental leave in the current year (B)</b>	2	3	5	4	7	11
<b>Number of employees who should return to work from parental leave in the current year (C)</b>	2	3	5	2	7	9
<b>Number of employees who actually applied to return to work in the current year (D)</b>	1	2	3	2	7	9
<b>Number of employees who returned to work in the previous year (E)</b>	1	3	4	1	3	4
<b>Number of employees who remained employed for one year after returning to work in the previous year (F)</b>	1	2	3	0	2	2
<b>Application rate (B/A)</b>	6%	13%	9%	21%	35%	28%
<b>Return-to-work rate (D/C)</b>	50%	67%	60%	100%	100%	100%
<b>Retention rate (F/E)</b>	100%	67%	75%	0%	67%	50%



#### 4.4 Talent Attraction and Retention

## Equal Pay and Remuneration Policy

United Orthopedic has always regarded employees as the core strength of enterprise development and firmly believes that employee satisfaction and growth are key to the Company's sustainable development. To establish a fair, just, and competitive work environment, we continue to optimize our remuneration structure and benefits system, ensuring that all employees' compensation packages comply with equal pay principles, regardless of gender, age, ethnicity, or other differences.

### 1. Equal Pay and Fair Remuneration

United Orthopedic is committed to providing a fair remuneration system, with salaries determined based on job performance, role requirements, and market benchmarks. We are dedicated to eliminating all forms of wage discrimination, ensuring fair salaries for all employees in the same position with similar job performance, regardless of their gender, age, ethnicity, or other background characteristics.

- **Equal Pay Principles:** Conduct annual remuneration surveys to ensure salary levels align with market standards.
- **Gender Pay Gap:** Regularly assess and reduce gender pay gaps to ensure equal pay for equal work.

### 2. Comprehensive Remuneration and Benefits System

In addition to providing basic coverage through mandatory labor insurance, health insurance, and group insurance, we design a comprehensive compensation and benefits system tailored to employee needs and market trends, including but not limited to:

- **Bonuses and Allowances:** Distribute year-end bonuses and performance bonuses based on employee work performance and company results.
- **Flexible Benefits Plan:** Including health check-ups, parental leave, employee travel, and other benefits to enhance overall employee well-being.

### 3. Incentive Mechanisms and Employee Development

To encourage employees to grow alongside the Company, we have established a comprehensive performance management mechanism and offer competitive incentives based on work performance, professional skills, and contributions to the Company. Furthermore, to support employee development, we offer professional training and promotion opportunities, enabling employees to continuously grow and enhance their market value.

- **Performance Evaluation:** Conduct annual employee performance evaluations, adjusting remuneration and bonuses based on evaluation results.
- **Career Development:** Provide regular professional development courses and internal promotion opportunities to support employees' long-term career development.

### 4. Social Responsibility and Employee Care

As a responsible company, United Orthopedic focuses not only on salaries and benefits but also on fostering a positive work environment and culture. Guided by a people-oriented principle, the Company respects every employee and actively promotes employee care programs, focusing on physical and mental health as well as family well-being.

- **Employee Health and Care:** Regularly organize health promotion activities and provide mental health support services.

United Orthopedic will continue its efforts to ensure fairness and transparency in the salary system, providing employees with competitive remuneration and benefits. We firmly believe that employee growth and well-being are the cornerstones of company success. We will continue to focus on salary equality and workplace benefits to create a harmonious and mutually prosperous work environment.



#### 4.4 Talent Attraction and Retention



## Remuneration Ratio

The company treats all employees equally, and remuneration is determined based on their educational background, professional expertise, job duties, skills, and individual performance. Remuneration is fairly determined without being affected by factors such as gender, marital status, race, political stance, religion, or other differences among employees.

Category	Male	Female
<b>Management Position</b>	1	1.07
<b>Non-management Position</b>	1	0.98

## Annual Total Remuneration Ratio

Item	2024 Results
<b>Ratio between the highest individual remuneration and the median annual total remuneration of all other employees (excluding the highest-paid individual)</b>	12.79
<b>Ratio of annual increase between the total remuneration of the highest-paid individual and the median annual total remuneration of all other employees (excluding the highest-paid individual)</b>	2.54

## Average/Median Salary of Full-time Non-management Employees

Average Employee Salary (NT\$ thousand)			Median Employee Salary (NT\$ thousand)		
2023	2024	Change from Previous Year <sup>Note</sup>	2023	2024	Change from Previous Year <sup>Note</sup>
<b>820</b>	848	3.4%	<b>726</b>	813	12%

Note: The change from previous year is calculated as: (Current year figure - Previous year figure) / Previous year figure.

#### 4.4 Talent Attraction and Retention

## Employee performance evaluation

To implement performance management, United Orthopedic has established a comprehensive and transparent evaluation system. Through bi-annual goal setting and performance reviews, we achieve two key objectives: strengthening organizational effectiveness and improving employee capabilities. In 2024, the evaluation coverage rate was 100%, with annual comprehensive performance bonuses and employee remuneration both linked to evaluation results.

The Company has long-term cooperation with external management consulting firms, participating in salary surveys to obtain market insights on human resources and remuneration. Conduct remuneration planning surveys to obtain market insights on human resources and remuneration. Remuneration planning integrates three aspects: external competitiveness, internal fairness, and employee contribution and performance. Employee performance is evaluated annually using established performance evaluation methods, with results directly linked to comprehensive performance bonuses and remuneration, ensuring alignment between rewards and contributions while motivating employees to deliver their best performance.

### 1. Performance Evaluation Process

Annual employee performance is comprehensively evaluated based on company objectives and departmental needs. Performance evaluation results directly affect employees' comprehensive performance bonuses, salary adjustments, and promotion opportunities. Evaluation indicators include, but are not limited to, multi-dimensional metrics such as work performance, goal achievement, innovation capability, and team cooperation spirit.

### 2. Remuneration and Performance Linkage

To ensure employee remuneration reflects their contributions, United Orthopedic directly links performance evaluation results to salary adjustments and bonus distributions. Employees' annual performance bonuses are closely tied to their work performance, and outstanding employees can receive additional rewards and opportunities for salary adjustments.

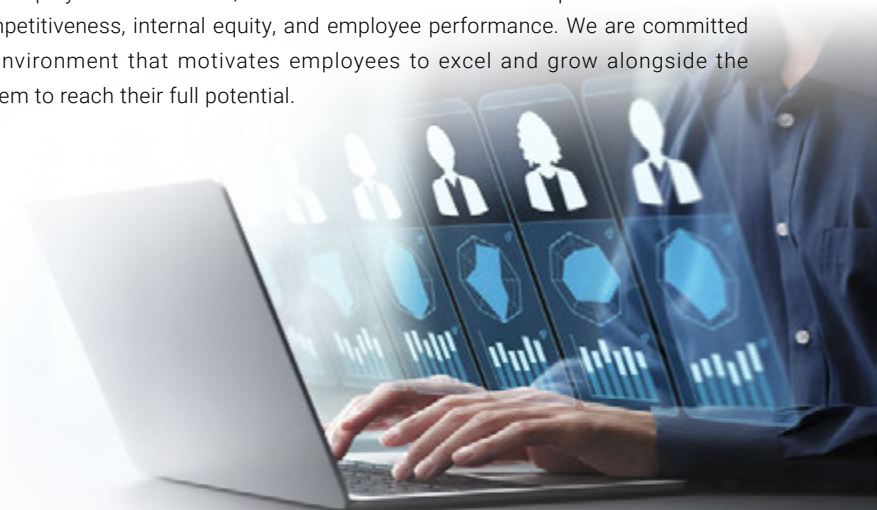
### 3. External Remuneration Survey and Market Competitiveness

To ensure a competitive remuneration system, United Orthopedic maintains long-term cooperation with external management consulting firms, participates in industry salary surveys, and obtains market human resources and remuneration information. Remuneration planning not only considers external market competitiveness but also develops reasonable compensation adjustment plans based on internal equity principles, combined with employee contributions and performance.

### 4. Employee Development and Performance Feedback

United Orthopedic not only values performance evaluation results but also continuously focuses on employee development and performance feedback. We regularly provide feedback to employees to help them understand their strengths and areas for improvement, and provide corresponding training and support based on their development needs. This not only helps enhance employees' professional qualities but also promotes the overall performance improvement of the company.

United Orthopedic will continue to optimize its performance evaluation system, ensure remuneration reflects employee contributions, and establish a reasonable compensation structure based on market competitiveness, internal equity, and employee performance. We are committed to creating a work environment that motivates employees to excel and grow alongside the Company, enabling them to reach their full potential.



#### 4.4 Talent Attraction and Retention

## Pension system

### Employee Pension System and Protection

The Company prioritizes employees' retirement benefits and has established a comprehensive and compliant retirement system for all employees in accordance with the Labor Standards Act and Labor Pension Act. We legally contribute pension funds to all current employees (with a 100% participation rate) to ensure they have basic financial security after retirement.

### Old Pension System

For employees who joined before June 30, 2005 (inclusive), the company implements the old pension system in accordance with the Labor Standards Act. The Company contributes 4% of each eligible employee's monthly salary to a dedicated Retirement Reserve Account, which is managed by financial institutions approved by the Ministry of Labor and reported regularly. This old pension seniority will continue to accumulate until the date when employees choose to switch to the new system.

### New Pension System

For employees who joined after July 1, 2005, or voluntarily chose to switch to the new pension system, in accordance with the Labor Pension Act, the Company regularly contributes 6% of their monthly salary to their Individual Pension Account established at the Bureau of Labor Insurance as their retirement savings.

The Company will continue to adjust relevant pension policies according to government regulations to safeguard employees' quality of life after retirement and demonstrate our long-term commitment to employees through comprehensive retirement plans that cover all staff.

## Feedback and Communication Mechanisms

To fully listen to employee voices, United Orthopedic has established diverse feedback and communication platforms. Through these mechanisms, we achieve transparent communication and positive interaction between the company and employees, continuously optimizing the work environment and welfare system. Including:

- Regular departmental meetings and supervisor communication sessions
- Installation of suggestion boxes and internal recommendation systems
- Employee satisfaction surveys and regular communication mechanisms with the Employee Welfare Committee
- Labor-management meetings to strengthen two-way dialogue and negotiation

## Labor-management communication

Items/Year	2023	2024
<b>Number of labor-management meetings held</b>	4	4
<b>Number of proposals</b>	12	6
<b>Number of penalties due to labor-management disputes (referring to grievance cases arising from labor-management disputes)</b>	0	0
<b>Key proposals</b>	1. Proposal for calculating the base number for bonus distribution targets 2. Proposal for annual salary guarantee provisions 1. Proposal to add performance evaluation levels for employees	

#### 4.4 Talent Attraction and Retention

## Employee Welfare Committee

United Orthopedic established the United Orthopedic Corporation Employee Welfare Committee (referred to as the Welfare Committee) in accordance with relevant regulations, aimed at improving employee benefits, enhancing satisfaction and loyalty, and fostering a workplace that cares for employees' physical and mental health. The Welfare Committee actively develops and implements various welfare activities, creating a harmonious workplace, promoting employees' physical and mental wellbeing as well as work-life balance.



### Operations and Organization of the Welfare Committee

To ensure effective implementation of various welfare activities, the Welfare Committee operates in accordance with company management regulations and regularly reports activity results and employee feedback to management. The Welfare Committee members come from various departments, ensuring that employee needs can be fully represented and addressed.

The Welfare Committee's key tasks include but are not limited to the following aspects:

- Regular welfare activities: Plan and implement various welfare activities annually based on employee needs and company development to enhance employee satisfaction.
- Communication and feedback mechanism: Set up employee suggestion boxes and hotlines to collect employee suggestions and needs regarding welfare activities, conduct regular activity reviews and evaluations to ensure continuous improvement of welfare activities.

### Welfare Activities and Programs

Main welfare items include but are not limited to:

- Distribution of bonuses and birthday gifts: Provide bonuses on employees' birthdays and other important holidays (such as Spring Festival, Dragon Boat Festival, Mid-Autumn Festival, etc.) to express the company's care and best wishes to employees.
- Marriage, funeral, and celebration subsidies: Provide subsidies for colleagues' weddings, childbirth, or funeral events.
- Birthday celebrations and team gatherings: Regularly hold employee birthday celebrations throughout the year and organize company dinners and team-building activities to strengthen cohesion and team spirit among employees.
- Club participation and employee trips: Encourage colleagues to participate in various club activities and subsidize employee trips and other group activities to promote work-life balance among colleagues.

### Continuous Improvement and Future Planning

United Orthopedic is committed to continuously improving its employee welfare system, innovating and adjusting welfare activities based on employee needs, to provide more comprehensive and valuable welfare measures. The Company will also continue to prioritize employees' life and work needs, dedicated to creating a more attractive and supportive work environment.

As an important organization in United Orthopedic's employee care system, the Employee Welfare Committee will continue to uphold the core value of caring for employees, dedicated to improving employees' quality of life and job satisfaction, creating a harmonious, healthy, and happy work environment.

## 4.5 Occupational health and safety

United Orthopedic firmly believes that safety is not only a fundamental requirement for work but also a core objective for sustainable business operations. The Company is committed to creating a safe, healthy, and comfortable work environment for all employees, making this both the foundation and ultimate goal of occupational safety and health management.

### Management approach: occupational health and safety

#### Policies and commitments

The Company has established an Environmental Safety and Health Policy, implementing clear environmental safety and health systems and procedures, enhancing occupational safety awareness among all employees to prevent occupational hazard risks while minimizing injuries.

#### Goal

- 1 Strictly comply with regulations and requirements to achieve zero violations, and continuously identify regulations, requirements, and standards
- 2 Aside from traffic accidents, reduce the number of occupational safety incidents to fewer than two cases
- 3 Reduce and improve issues that do not comply with occupational health and safety requirements
- 4 Continuously invest budget to improve various risks and opportunities, preventing workplace safety incidents
- 5 Conduct at least ten education and training courses
- 6 Operate and maintain the effectiveness of ISO 14001 & 45001 management systems

#### Invest resources and take specific actions

- 1 88 sessions of educational training were conducted to enhance the safety and health skills and awareness of all employees
- 2 Operate and maintain the effectiveness of ISO 14001 & 45001 management systems
- 3 To ensure a safe workplace for employees and reduce occupational accidents, United Orthopedic implemented six targeted programs, investing approximately NT\$601,000 in improvements
- 4 The Company implemented five pollution prevention and regulatory compliance related objective programs, investing approximately NT\$2.293 million in improvement costs
- 5 Organize employee health examinations, health consultations and education seminars, on-site health services by medical personnel, physical fitness tests, and other activities

#### Grievance mechanism

Non-conformity reporting procedures, occupational safety and health committee meetings, department meetings, on-site suggestion boxes, internal website announcements  
Sexual harassment (including stalking harassment): Administrative Management Department, +886-2-29294567 ext. 2207  
Email suggestion box: 885@unitedorthopedic.com  
Workplace violence (such as physical, verbal violence), workplace bullying, employment discrimination: Industrial Safety Department, +886-2-29294567 ext. 2310  
Email suggestion box: 919@unitedorthopedic.com

#### Evaluation mechanism

- 1 Internal audit report and management review meeting
- 2 Review the performance indicators of environmental safety and health for each quarter and discuss them in the occupational safety and health committee



#### 4.5 Occupational health and safety

## Environmental Safety and Health Policy

1. Fulfill compliance obligations and social responsibility: Regularly identify and evaluate regulations, integrate compliance obligations with management processes, enhance all employees' awareness and responsibility regarding environmental, safety and health compliance to ensure implementation.
2. Risk-based thinking, reduce operational risks: Apply risk-based thinking in planning and implementing EHS management systems, eliminate occupational injuries and illnesses in production processes, prevent pollution, reduce environmental impacts; improve environmental and safety & health performance to reduce operational risks.
3. Life cycle perspective, build a mutually prosperous environment: Develop environmental, safety, and health management processes from a life cycle perspective, enabling employees, suppliers and contractors to thrive together under safe, healthy and environmentally sound conditions.
4. Promote full participation, effective consultation and communication: Pay attention to stakeholders' needs and expectations, provide effective consultation and communication channels, continuously improving the work environment and safety, and foster a comfortable, safe, and healthy workplace.

## Occupational Safety and Health Organization and Operation

United Orthopedic prioritizes workplace safety and environmental sustainability. Professional occupational safety and environmental protection specialists are assigned at each plant to promote daily management and conduct improvement measures for occupational safety, health, and environmental protection. Dedicated personnel support each department in implementing workplace safety and health management in accordance with the Company's policies and standard operating procedures, mitigate potential workplace risks, and regularly review task implementation to ensure the system operates effectively. In addition, dedicated personnel also conduct irregular internal checks and audits of safety and environmental protection operations within plant areas to identify issues and supervise improvement progress. They are also responsible for communicating with external stakeholders such as customers, suppliers, and government agencies. In addition, they proactively respond to regulatory changes and compliance requirements, and implement corresponding improvement action plans to ensure the Company's operations comply with relevant domestic and international laws and standards.

## Occupational safety and health management

Following relevant regulations such as the Occupational Safety and Health Act, United Orthopedic has established and continues to implement the ISO 45001 Occupational Safety and Health Management System. Through systematic processes and dedicated organizations, it prevents occupational accidents and diseases, thereby

improving workplace safety. The Company has established comprehensive occupational safety and health management procedures and implementation measures, including regular workplace monitoring, self-inspection systems, and contractor safety management, to mitigate potential workplace risks. Dedicated occupational safety and health management personnel are responsible for risk assessment and improvement. For identified potential safety risks, emergency response and improvement mechanisms are implemented to ensure workplace safety and health.

To enhance employee participation and communication, the Company regularly convenes Occupational Safety and Health Committee meetings. In 2024, there were 27 committee members, including 12 labor representatives. Through a two-way opinion exchange mechanism, this approach ensures employees' rights to participate and be informed in the formulation and improvement of occupational safety and health-related policies.

### Employee Education, Training, and Health Promotion Measures

In accordance with the Occupational Safety and Health Education and Training Rules, the Company regularly organizes various occupational safety and health training courses, covering general safety knowledge, operational guidance, and emergency response skills, to enhance employees' risk identification and self-management capabilities. Additionally, warning signs and promotional boards are installed in prominent locations throughout the facility to establish correct safety awareness.

In accordance with the Labor Health Protection Rules, regular employee health examinations are conducted, and professional health consultation and follow-up tracking are provided for employees with abnormal examination results. The Company also proactively promotes various health promotion activities, such as stress management seminars and healthy lifestyle education, to maintain employees' physical and mental health and create a positive workplace.

United Orthopedic will continue to focus on prevention, adopt systematic approaches, and encourage employee participation to create a safe workplace with zero accidents and occupational diseases, fulfilling its long-term commitment to employees' health and well-being.

#### Occupational Safety Committee Composition

- Business Operation Representative
- Occupational Safety and Health Personnel
- Internal Department Supervisors, Managers, and Directors
- Occupational Safety and Health-related Engineering Personnel
- Medical and Healthcare Personnel Providing Worker Health Services
- Worker Representatives

#### 4.5 Occupational health and safety

## Occupational Safety Incident Management and Absences

### Occupational accident statistics

United Orthopedic recorded one occupational incident company-wide in 2024. Currently, various improvement measures have been strengthened, such as revising relevant SOPs and enhancing personnel training to raise employee safety awareness and reduce the occurrence of occupational incidents.

Total Working Days for the Year	Total Working Hours for the Year	Number of Disability Cases	Number of Disability Days	Disability Frequency Rate (FR)	Disability Severity Rate (SR)	Average Days Lost per Disability Case (ADCDI)	Frequency-Severity Indicator (FSI)
<b>167,438</b>	1,339,501	1	1	0.75	1	1	0.02

Description:

1. Temporary Total Disability: Refers to when a worker suffers an injury without death or permanent disability. However, they are unable to continue their normal work and must take leave from the workplace. The time lost is one day or more (including Sundays, holidays, or business closure days), during which they are temporarily unable to return to work.
2. Permanent Total Disability: Refers to any condition, other than death, which causes permanent total disability to the victim, or the loss or loss of function of any of the following items in a single accident (should be calculated as 6,000 days lost).
  - Both eyes.
  - One eye and one hand, or arm or leg or foot.
  - Any two of the following from different limbs: hand, arm, foot, or leg.
3. Death: Refers to the loss of life of a worker due to occupational accidents, regardless of the duration between injury and death (should be calculated as 6,000 days lost).
4. The calculation formula is as follows, including permanent and non-permanent employees
  - Disabling Injury Frequency Rate (FR) = (Number of Disabling Injuries × 1,000,000) / Total Working Hours.
  - Disabling Injury Severity Rate (SR) = (Total Days Lost Due to Disabling Injuries × 1,000,000) / Total Working Hours.
  - Average Days Charged per Disabling Injury (ADCDI) = SR / FR.
  - Frequency Severity Indicator (FSI) = (FR × SR / 1000)<sup>0.5</sup>.

## 4.5 Occupational health and safety

### Occupational Accident Incident Handling Process

STEP  
01

#### In the event of an incident

Diseases, injuries or accidents caused by employment or work activities in the workplace and other occupational reasons

STEP  
02

#### Accident report

Report step by step according to the environmental safety and health emergency accident reporting procedure

STEP  
03

#### Survey analysis

The competent authorities should work together with labor representatives to conduct investigations and analyses

STEP  
04

#### Accident report form

Record the time of the accident, its cause, the sequence of events, and measures to prevent recurrence

STEP  
05

#### Leave registration

For cases identified as occupational injuries or illnesses, relevant document copies will be forwarded to the human resource department for registration

STEP  
06

#### Filing and storage

Based on the accident reports, fill out the online monthly occupational accident reports and submit them to the central authority for reference

### Emergency response measures

To ensure effective response in emergencies and protect employee safety, the Company conducts annual fire drills and evacuation exercises at each plant. These drills enhance employees' familiarity with fire safety equipment operations and improve their responsiveness during a crisis, thereby effectively minimizing potential damage to the Company, employees, property, and environment.

#### 1. Emergency Response Plan and Response Drills

United Orthopedic has established standard operating procedures for various emergency scenarios and conducts at least two fire and evacuation drills annually. The drills cover emergency response procedures for fires and other disasters.

- Number of annual drills: At least two regular fire and emergency evacuation drills for each plant
- Drill coverage rate: 100% employee participation, covering all plant employees and key management personnel

#### 2. Facility and Equipment Management

Each factory is equipped with clearly marked emergency exits and evacuation signs and is furnished with adequate fire safety equipment such as fire extinguishers and fire hydrants. Additionally, all emergency equipment systems are regularly tested to ensure immediate functionality during emergencies, minimizing potential damage.

#### 3. Enhancing Crisis Awareness and Risk Management

To strengthen employees' crisis awareness, United Orthopedic regularly organizes crisis management workshops and provides emergency scenario training, helping employees stay calm during unexpected incidents and reducing potential losses. Furthermore, we continuously update and optimize our emergency response plans to enhance response capabilities and overall risk management standards.

## 4.5 Occupational health and safety

### Occupational Safety and Health Education Training

To safeguard employee safety and health, the Company regularly provides safety and health education training for new and current employees in compliance with occupational safety and health regulations. The training, offered through both in-person and online courses, ensures that all supervisors, operators, and new employees meet required certification standards and on-the-job training hours.

We also strengthen employees' responsiveness through emergency response training and drills, enhancing the Company's overall efficiency in handling emergencies and raising safety awareness.

#### 2024 Training Status:

- **Number of Safety and Health Education Training Sessions: 88 sessions**
- **Number of Trainees: 1,666 person-times**
- **Total Training Hours: 2,761 hours**

Through the above training and drills, we not only ensure that employees operate in compliance with regulations but also enhance their awareness of safety and health as well as emergency response capabilities, ensuring a safe and healthy workplace.

### Health Management and Health Promotion

United Orthopedic has designated full-time nursing staff and regularly invites occupational medicine physicians to provide on-site services, comprehensively supporting employees' physical and mental health. Each production and operation site is equipped with first-aid medical supplies to ensure timely treatment in the event of emergencies.

To continuously monitor employees' health conditions, the Company conducts health examinations every two years and annual special health examinations for employees engaged in high-risk operations. Health checks are also carried out when upon hiring and when employees change positions. Through questionnaire surveys and analysis of health examination reports, the Company can develop and implement effective health management measures based on employees' health conditions.

For employees found to have abnormalities during health examinations, we offer specialized health care and health education consultation to ensure they receive the necessary health support and guidance. Additionally, the Company selects a health education topic each month and promotes it to all employees through emails and announcements to raise their health awareness.

#### Health Management and Health Promotion Status in 2024:

- **Number of individual health education consultations: 200 person-times**
- **Number of health seminars: 5 sessions**
- **Health education promotion: Monthly selection of health topics and promotion to all employees**

Through these measures, the Company is committed to offering comprehensive health support for employees and continuously promoting their health and well-being.

## 4.6 Social Participation

United Orthopedic firmly believes that everyone should have equal access to medical resources and opportunities. The Company views giving back to society and promoting global health as key responsibilities and actively participates in various charitable programs. Not only focusing on local market needs, we also expand internationally to help regions lacking medical resources and vulnerable groups, providing professional medical support and services to more patients in need.

Internationally, United Orthopedic collaborates with Operation Walk Ireland to provide humanitarian assistance for hip and knee joint replacement surgeries to patients in areas with limited medical resources. The program has been running for 13 years and has successfully helped over 1,000 patients. In 2024, we provided 58 artificial joint implant surgeries for 57 patients in Vietnam,

demonstrating our commitment to international medical aid.

Domestically, we provide customized artificial joint services to assist clinical physicians in treating patients who cannot use standard artificial joints due to abnormal bone structure or comorbidity factors. Additionally, we actively donate and support various academic activities and medical conferences, including the Taiwan Orthopedic Association, Asia Pacific Musculoskeletal Infection Society, and Taiwan Orthopedic Research Society, among others. Total donations have reached several million New Taiwan Dollars, reflecting the Company's strong commitment to advancing medical development and social welfare.

### Community Care / Industry-Academia Research Collaboration / Medical Health Education Public Welfare Activities

Charitable Projects	Domestic or International	Expected Results	Resources and Actions Invested	Social Impact (Including Donation Items: Money, Material Goods, etc.)
<b>Operation Walk Ireland</b>	International: Medical Service Location: Vietnam	Providing free medical services, helping patients rebuild joints, and promoting social well-being	<ul style="list-style-type: none"> <li>Medical professional consultation services</li> <li>Mandatory provision of implants</li> <li>Equipment and manpower input from Vietnamese distributors</li> <li>Logistics coordination from Taiwan</li> </ul>	<p>In November 2024, United Orthopedic collaborated with Operation Walk Ireland to support a humanitarian aid initiative aimed at providing orthopedic hip and knee joint replacement surgeries for patients with limited medical resources. The program has entered its 13th year, bringing together highly skilled clinical medical professionals who volunteer their time and expertise to help patients receive joint reconstruction surgery. To date, this program has helped over 1,000 patients.</p> <p>As a collaborative sponsoring partner of this program, United Orthopedic worked together with Operation Walk Ireland in 2024 to help 57 patients in Vietnam, implanting a total of 58 artificial joints.</p>
<b>Custommade Artificial Joint Project</b>	Domestic	Customized artificial joint components to assist doctors in solving clinical problems and help patients restore their health together	<ul style="list-style-type: none"> <li>Professional consultation for artificial joint implants</li> <li>Research and development design resources</li> <li>Case production schedule arrangement</li> </ul>	<p>In 2024, a total of two customized artificial joint orders were executed in Taiwan.</p> <p>Patients who need customized joints are often unable to use standard specifications due to bone structure or comorbidities, yet urgently need artificial joint implants to correct deformities and restore health. Under the supervision of the Ministry of Health and Welfare, United Orthopedic collaborated with clinical physicians to customize specific artificial joint components to solve clinical problems.</p>



#### 4.6 Social Participation

### Donation Statistics

Recipient Category	Recipient Organization	Donation Date	Donation Amount (NT\$)	Additional Notes
Incorporated Association	Taiwan Orthopaedic Association	2023/11	2,200,000	Sponsorship for Taiwan Physicians to Participate in International Medical Conference Project 2024
Incorporated Association	Taiwan Orthopaedic Association	2024/2/27 2024/9/12	400,000 1,100,000	Sponsorship for 2024 Academic Symposiums (Spring and Fall, once each)
Incorporated Association	Asia Pacific Musculoskeletal Infection Society	2024/4/10	500,000	Sponsorship for 2024 Asia Pacific Musculoskeletal Infection Society Summer Meeting
Incorporated Foundation	Cheng Hsin Medical Foundation	2024/5/8	100,000	Sponsorship for 2024 Taiwan-Japan Orthopaedic Exchange Program
Incorporated Association	Taiwan Orthopaedic Research Society	2024/5/22	50,000	Sponsorship for Taiwan Orthopaedic Research Society Publications
Incorporated Foundation	Chi Mei Hospital	2024/6/5	50,000	Sponsorship for 2024 Asia Pacific Diving and Hyperbaric Medicine Conference
Incorporated Association	Taiwan Osteoporosis Association	2024/10/9	50,000	Sponsorship for 2024 Taiwan Osteoporosis Association Symposium
Incorporated Association	Joint Reconstruction Society, R.O.C.	2024/8/14	100,000	Sponsorship for Annual Meeting
Incorporated Association	Joint Reconstruction Society, R.O.C.	2024/10/15	120,000	Sponsorship for International Guest Speakers at 2024 Academic Symposium
Incorporated Association	Joint Reconstruction Society, R.O.C.	2024/10/23	1,100,000	Sponsorship for Taiwan Physicians to Participate in International Medical Conference Project 2024
Incorporated Association	Taiwan Society for Computer Assisted Orthopedic Surgery	2024/1/3 2024/6/29 2024/11/27	50,000 50,000 50,000	Sponsorship for 2024 Academic Symposiums (Once each in Spring, Summer and Winter)

# 05

## Sustainable Environment

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- 5.1 Environmental Management
- 5.2 Carbon Emissions Inventory
- 5.3 Wastewater and Waste Management

## Sustainable Environment

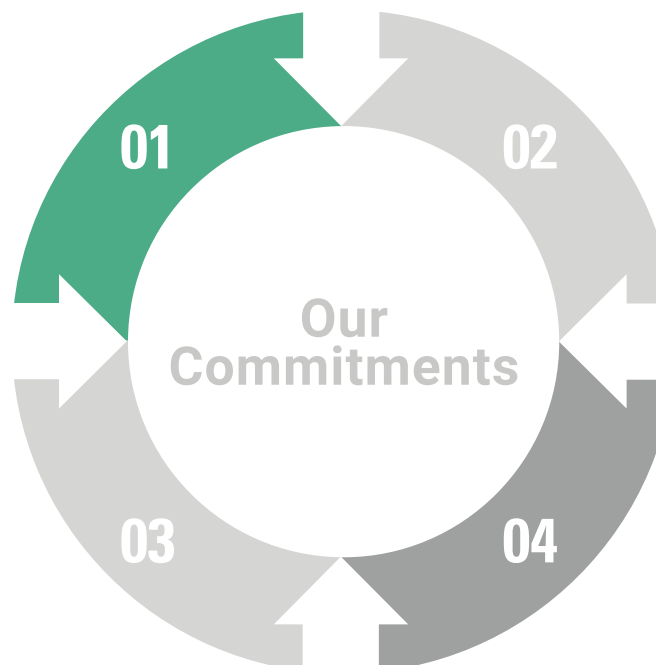
United Orthopedic's products are distributed worldwide. In response to global sustainability trends and the growing impacts of climate change, the Company is subject to climate and environmental requirements worldwide. Under the supervision of the Board of Directors and Sustainability Development Committee, we have launched environmental management assessments and implementation measures, gradually extending them to global operations, with the goal of building a resilient, sustainable, and environmentally responsible business model. We incorporate energy conservation, carbon reduction, pollution prevention, and resource recycling into daily operations assessment, upholding the principle of zero hazards, zero pollution, and low-carbon resilience.

### Reinforce legal compliance to demonstrate our commitment to responsible governance worldwide

Starting from headquarters, we continue to inventory and identify applicable environmental regulations for each operational site, strengthen cross-regional regulatory integration, and ensure systematic implementation, thereby demonstrating our corporate responsibility to society and the environment.

### Embrace life cycle perspective to advance circular economy

Adopt a product and service life cycle perspective, from raw material procurement, production and processing to transportation and after-sales service, establish consistent EHS management processes covering global locations, and strengthen supply chain partnerships and environmental co-prosperity.



### Implement climate risk management to enhance operational resilience

In line with the Task Force on Climate-related Financial Disclosures (TCFD), we have developed management mechanisms covering physical and transition risk assessments, promoting green manufacturing processes and pollution prevention to effectively reduce operational disruption and compliance risks.

### Promote global participation, strengthen cross-domain communication and collaboration

Establish a multi-language, cross-time zone EHS communication platform, incorporating diverse perspectives from internal and external stakeholders, enhance global employee engagement, and create an inclusive, resilient, and sustainable workplace.



## 5.1 Environmental management

### Climate Change Management Framework

Based on the Risk Management Policy and Procedure Guidelines and Sustainability Information Management Operating Standards, the Company assesses potential risks and opportunities from climate change and implements corresponding measures. We reference the four aspects of the Task Force on Climate-related Financial Disclosures (TCFD): governance, strategy, risk management, metrics and targets, to conduct inventory and establish management systems. In accordance with Appendix 2 of the Rules Governing the Preparation and Filing of Sustainability Reports by TPEX Listed Companies, we disclose climate-related actions and conduct annual monitoring, review, and improvement to gradually realize our low-carbon transition vision.

Governance	Board of Directors	As the highest climate governance unit, the Board continuously supervises and strengthens sustainability management approaches, as well as develops climate change-related strategies and targets. The Board regularly discusses annual plans with the Sustainability Committee, monitors and reviews related measures to ensure environmental management requirements are integrated into organizational operations.
	Sustainable Development Committee	As the top organization in charge of climate change management, the corporation maintains a Sustainable Development Committee. The group assesses the Company's climate change strategy and goals on an annual basis, manages climate change risks and opportunities, evaluates implementation progress, and discusses future plans. It simultaneously creates and executes action plans, reports to the board of directors, and consistently implements energy conservation and carbon reduction measures.
	Sustainability Development Task Force	The Sustainability Development Task Force consists of three groups: sustainable environment, social welfare, and corporate governance. Its responsibilities are to plan, integrate, and coordinate resources from various departments, lead the implementation of ESG strategies and action plans established by the Sustainability Development Committee, and report execution results to the Sustainability Development Committee.
Strategy	Identify Risks and Opportunities	Following TCFD guidelines, evaluate climate change risks and opportunities for the Company through cross-departmental discussions, as well as identify feasible opportunities and develop corresponding measures.
Risk management	Incorporate Climate Risks into Risk Management System	The Company has established Risk Management Policy and Procedures and Sustainability Information Management Guidelines to incorporate significant ESG risks and climate-related risks associated with operations into the corporate risk assessment process, including risk assessment methods, evaluation criteria, and materiality determination principles for ESG issues and climate change.
Indicators and Targets	Greenhouse Gas Emissions	In accordance with regulatory timelines, 2023 is designated as the base year to progressively establish annual reduction targets, strategies, and specific action plans.
	Energy Management Efficiency	Plan to inventory current energy usage status to understand the energy efficiency of various energy-consuming equipment, then gradually develop annual energy management efficiency targets, strategies, and specific action plans.

## 5.1 Environmental management

### Governance

The Company's Sustainability Development Committee under the Board of Directors serves as the highest organization for climate change management, responsible for supervising and strengthening management approaches for climate-related risks and opportunities, establishing climate change-related strategies and targets, and regularly reporting to the Board. The Committee shall consist of no fewer than three members, who are appointed by Board resolution. Committee members must possess professional knowledge and capabilities in corporate sustainability. A senior executive is appointed as the corporate governance officer to ensure the promotion of the Company's sustainable development and environmental-related initiatives.

The corporate governance officer forms a Sustainability Development Task Force, organized into three functional groups: sustainable environment, social welfare, and corporate governance. Among these, the environmental task force is responsible for issues including climate change mitigation and adaptation, greenhouse gas inventory and carbon reduction, energy management, water resource management, and waste management. It identifies climate-related risks and opportunities, monitors the achievement and improvement of environmental targets, while coordinating related work across departments.

### Strategy

Extreme weather events have prompted increasingly stringent regulations, which are expected to raise operational and compliance costs for companies and influence business and strategic planning. Additionally, the increased probability of physical risks such as heavy rainfall may cause equipment damage and supply chain disruption risks. Conversely, investing in energy-efficient process development presents opportunities to increase market acceptance and business opportunities, thereby enhancing revenue. The impacts of climate-related risks and opportunities are summarized in the following table:

Category	Aspect	Description of Financial Impacts and Response Measures	Impact Timeline
Physical Risks	Heavy Rainfall	Heavy rainfall associated with climate change may affect raw material quality, cause flooding in plant areas, or damage equipment, all of which could lead to temporary operational interruptions. The Company reduces risks through flood prevention measures and regular supplier evaluations.	Long-term
	Unstable Rainfall	Uneven rainfall accompanying climate change may lead to water shortages, affecting operations.	Long-term
Transition Risks	Policies and Regulations	With the implementation of Taiwan's Climate Change Response Act, carbon fees will be collected in phases. If the Company becomes subject to these fees in the future, it will incur additional carbon fee expenses, leading to higher operational costs.	Long-term
		Greenhouse gas inventory regulations are becoming stricter, increasing the Company's verification costs.	Short-term
Opportunities	Products and Services	In response to growing market demand for low-carbon products, the Company develops energy-efficient manufacturing processes to produce low-carbon products, enhancing market acceptance.	Medium-term
	Resource Usage Efficiency	The Company seeks partial energy self-sufficiency planning through low-carbon innovation and applications or planning to install renewable energy equipment, reducing electricity costs.	Short-term



## 5.1 Environmental management

### Risk management

The Company has incorporated climate change into its existing risk management process and evaluates relevant risks based on materiality principles. The detailed risk identification, assessment, and management processes are as follows:

STEP  
01  
⋮



#### Risk Identification

Strategic Risks: Domestic and international economic fluctuation risks, industry risks, and competitor risks.

Operational Risks: Market demand risks, information security risks, supply chain management risks, operational risks, occupational safety risks, and legal compliance risks.

Financial Risks: Interest rate risks, exchange rate risks, financing risks, investment risks, liquidity risks, credit risks, risks of lending funds to others, endorsement guarantee risks, and inflation risks.

Hazard Risks: Natural disaster risks, climate change risks, infectious disease risks, power and water supply interruption risks, occupational safety accident risks, and major external hazard risks.

Sustainability Risks: Risks arising from failure to meet established targets in environmental, social, and corporate governance (ESG) performance.

Other Risks: Risks that do not fall into the above categories. If such risks result in company losses, appropriate risk assessment procedures should be established based on their characteristics and potential impact.

STEP  
02  
⋮



#### Risk Measurement

For identified risk factors, analyze their attributes and impact levels, and establish appropriate quantitative, qualitative, or semi-quantitative analysis methods to evaluate risk levels and tolerance.

STEP  
03  
⋮



#### Risk Monitoring

Each business unit should monitor the risks within its operations, relevant departments should propose response strategies, and both risks and response strategies should be reported during regular Audit Committee meetings.

STEP  
04  
⋮



#### Risk Reporting and Disclosure

To fully document risk management procedures and execution results, the Risk Management Team should regularly report risk status to the Audit Committee for management reference.

STEP  
05  
⋮



#### Risk Response

After evaluating and summarizing risks, each business unit should take appropriate response measures for the risks they face.

Risk response measures can be implemented in the following ways:

- (1) Risk Avoidance: Take measures to prevent potential risks.
- (2) Risk Reduction: Take relevant measures to reduce or diversify the impact or probability of risk occurrence.
- (3) Risk Sharing: Transfer part or all of the risk to others through contractual arrangements.
- (4) Risk Acceptance: Take no measures to change the probability and impact of risk occurrence.

## 5.1 Environmental management

### Environmental Impact Mitigation and Response.

Climate Change Mitigation	Green Operations	The Sustainability Committee has been established to address climate change management and appoint corporate governance officers to lead the Company's transformation towards green operations.
	Energy Management	<p><b>Energy-saving measures for Hsinchu Plant in 2024:</b></p> <ol style="list-style-type: none"> <li>Air conditioning energy-saving project (invested NT\$44,000 to improve the energy efficiency of air conditioning systems, reduce energy consumption and carbon emissions), compared with the same period of the previous year from Nov 2024 to Mar 2025, saving approximately 99,320 kWh of electricity.</li> <li>Replacement of T8 fluorescent tubes with LED tubes: 354 units/year, saving approximately 31,116 kWh of electricity annually.</li> </ol> <p><b>Energy-saving measures for Kaohsiung Plant in 2024:</b></p> <ol style="list-style-type: none"> <li>Replacement of conventional lighting with LED fixtures (8 atrium lights in high-ceiling areas of Phase I plant, T5 panel lights, T5 4-foot fixtures, and high-mounted street lights), saving approximately 10,772 kWh of electricity annually.</li> <li>Shutdown of chillers, chilled water pumps, cooling water pumps, and cooling towers during Chinese New Year period, saving approximately 10,160.9 kWh of electricity annually.</li> <li>Shutdown of dehumidification systems, saving approximately 19,460 kWh of electricity annually.</li> <li>Replacement of forging machine cooling water pump, saving approximately 35,557 kWh of electricity annually.</li> <li>Replacement of cooling tower fans and heat sink fins, saving approximately 2,430.9 kWh of electricity annually.</li> <li>Replacement of Phase I plant forging dust collection fans, saving approximately 175,296 kWh of electricity annually.</li> <li>Replacement of Phase II plant casting dust collection fan motors, saving approximately 278,880 kWh of electricity annually.</li> <li>Repair of air compressor pipeline joint leaks in Phase II plant, saving approximately 35,856 kWh of electricity annually.</li> </ol>
	Carbon Information Disclosure	The Company has conducted greenhouse gas inventories for two consecutive years (2023 and 2024), and disclosed the annual carbon emissions in its annual reports. This practice and the disclosure of results will continue in the future.
Climate Change Adaptation	Strengthen Basic Infrastructure	To mitigate the negative impacts of unstable external power supply on company operations, we have conducted a comprehensive inventory and ensured the connection of critical process equipment with emergency generators to prevent losses from scrapping process products and semi-finished goods.
	Develop Sustainable Operation Capabilities	In response to climate change, the Company continues to plan and implement appropriate adaptation measures and implement resource management to build sustainable operation capabilities. In 2024, various energy-saving measures were implemented in phases at the Hsinchu and Kaohsiung plants, which can save approximately 209,605.553 kWh of electricity annually.

### Indicators and Targets

United Orthopedic conducted its first greenhouse gas inventory in 2023 in accordance with the ISO 14064-1:2018 standard, and set 2023 as the base year for establishing carbon reduction targets, strategies, and action plans. The greenhouse gas inventory was completed in 2024. We will continue to conduct regular greenhouse gas emission inventories and internally discuss and establish specific emission reduction targets for the Company. We will also gradually improve energy efficiency and set relevant targets.



## 5.1 Environmental management

### Energy Management

United Orthopedic regularly compiles statistics and tracks energy usage, using this as a basis for energy management and improvement measures. With the increase in production capacity, electricity consumption across all plants has continued to grow over the past three years. The Company considers energy management a key strategy and actively promotes energy-saving and carbon reduction initiatives to achieve its low-carbon transformation goals.

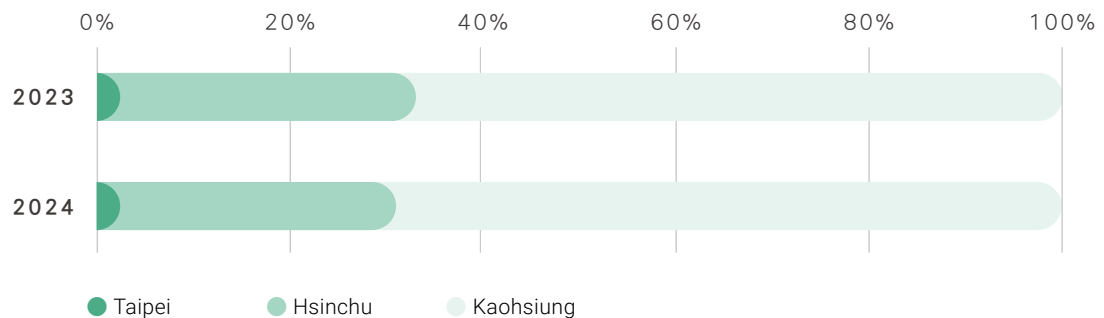
- 1. Improve energy use efficiency:** Based on energy consumption data, evaluate the energy usage conditions of each plant and adopt targeted measures to reduce unnecessary energy waste.
- 2. Energy saving and carbon reduction:** Through improving energy efficiency and updating energy-saving equipment, reduce carbon emissions and contribute to achieving carbon neutrality goals.
- 3. Continuous monitoring and tracking:** Strengthen the monitoring and tracking of energy usage, conduct regular energy audits, and adjust energy management strategies based on the results.

### Overview of Energy Usage

United Orthopedic's total electricity consumption in 2024 reached 8,584,558.4 kWh, with natural gas consumption of 45,354.5 cubic meters. The Company continuously monitors energy consumption at each plant to ensure efficient energy use and promote energy and carbon reduction.

### Energy Usage and Proportion for the Past Two Years

Factory category	Energy category	Units	Year	
				2024
Taipei	Electricity	kWh	173,979.0609	166,568.7669
	Gasoline	L	8,747.066	10,077.479
Hsinchu	Electricity	kWh	2,615,276.1314	2,508,389.6761
	Natural gas	m <sup>3</sup>	10.8958	7.5664
	Gasoline	L	1,148.89	1,279.804
Kaohsiung	Diesel	L	6.0312	22.558
	Electricity	kWh	5,417,000.0000	5,909,600.0000
	Natural gas	m <sup>3</sup>	53,949.0000	45,347.0000
Total	Gasoline	L	2,228.558	2,361.036
	Diesel	L	473.52	549.726
Total		Calories	GJ	32,043.3372
				33,127.4711





## 5.1 Environmental management



## Support National Renewable Energy Policy

In response to global climate change, carbon reduction trends, and to support the government's Renewable Energy Development Act, United Orthopedic aims to advance national energy transition policies through concrete actions. Since 2018, the Company has collaborated with Feng Zhao Power Co.,Ltd. by signing a Solar Power Plant Project Building Rooftop Lease Agreement and installed a solar power system on the rooftop of the Kaohsiung plant facility. The lease term is 20 years from the date of grid connection approval by Taipower, with a total installed capacity of 380.37kW, using 1,227 pieces of TSEC 310W high-efficiency solar modules.

In 2024, the Company helped the government generate 482,898 kilowatt-hours (kWh) of electricity. This project effectively utilizes the building resources of the Kaohsiung plant, reduces direct sunlight exposure on the roof, indirectly improves air-conditioning efficiency and energy savings, and enhances the employee work environment (parking lot), achieving both national renewable energy policy support and economic benefits.

## 5.2 Carbon emissions inventory

### Management Approach: Carbon Emissions Inventory

<b>Policies and commitments</b>	United Orthopedic upholds its commitment to corporate sustainable development by actively promoting greenhouse gas reduction measures and conducting environmental inventory and management according to international standards. To ensure the accuracy and impartiality of greenhouse gas inventory, the Company has compiled and published a greenhouse gas inventory management report in accordance with the ISO 14064-1:2018 standard. This report underwent preliminary verification by an internal team and was internally verified according to the Greenhouse Gas Inventory Internal Verification Management Procedure. To enhance transparency and trust and ensure data accuracy, we will engage qualified external verification bodies, approved by the Ministry of Environment, to conduct annual verification of our greenhouse gas emissions inventory.
<b>Goal</b>	<p><b>Short-term</b></p> <ol style="list-style-type: none"> <li>1. We commit to conducting annual greenhouse gas inventory operations, setting 2023 as the carbon reduction baseline year, and gradually establishing carbon reduction targets, strategies, and action plans by 2026.</li> <li>2. Through internal training and promotional activities, we raise carbon reduction awareness among all employees and encourage energy-saving and carbon-reducing practices in daily work.</li> </ol> <p><b>Medium and long-term</b></p> <ol style="list-style-type: none"> <li>1. Gradually complete greenhouse gas inventory operations for subsidiaries included in consolidated financial statements.</li> <li>2. Gradually complete and strengthen the inventory operations for Scope 3 greenhouse gas emissions.</li> <li>3. Develop more refined emission reduction strategies and targets. We will continue to monitor environmental performance, benchmark against industry best practices, continuously improve internal operations, and strive to achieve significant results in reducing emissions, improving energy efficiency, and reducing carbon footprint.</li> </ol>
<b>Invest resources and take specific actions</b>	<ol style="list-style-type: none"> <li>1. The Company has revised its Sustainable Development Practice Principles to evaluate related risks in response to environmental change trends.</li> <li>2. The audit unit develops annual audit plans based on risk assessment results.</li> <li>3. Energy-saving improvement projects for plant facilities and equipment.</li> <li>4. Air conditioning energy-saving project at Hsinchu Plant (invested NT\$44,000 to improve the energy efficiency of the air conditioning system, reduce energy consumption and decrease carbon emissions.)</li> </ol>
<b>Grievance mechanism</b>	Complaint hotline: +886 2 2929 4567 ext. 2310
<b>Evaluation mechanism</b>	Annual carbon emissions

### Greenhouse gas inventory organization and implementation mechanism

The Company has established a Board-directed Sustainability Development Committee responsible for comprehensively promoting and supervising greenhouse gas inventories. The Corporate Governance Officer serves as the convener for ESG greenhouse gas inventory initiatives, responsible for planning, implementing, and monitoring the overall progress and budget control of the program, while ensuring the inventory work meets the highest standards and requirements.

The collection and organization of inventory data is assisted by various business units. Each unit summarizes the relevant data and provides it to the dedicated team for calculation and consolidation, ensuring the accuracy and integrity of the data.

### Inventory base year and organizational boundary settings

The Company has set 2023 as the base year for greenhouse gas inventory. The inventory scope includes United Orthopedic Corporation and all subsidiaries and branches under its consolidated financial statements, totaling five operational sites. The organizational boundary is established using the operational control approach, ensuring all emission sources are within the Company's control scope, and accurately aggregating and calculating greenhouse gas emissions and removals at the facility level.



## 5.2 Carbon emissions inventory

### Greenhouse gas emissions inventory and external verification

To ensure the authenticity and impartiality of greenhouse gas inventory data, we not only conduct internal verification in line with international standards but also engage Lloyd's Register Quality Assurance (LRQA) as a third-party verification body to conduct external verification, further enhancing the credibility and transparency of the inventory report. The external verification body independently assesses and reviews our greenhouse gas inventory results according to ISO 14064-3:2019 standards, providing professional opinions and recommendations.

### Types and scopes of GHG emissions sources

Category	Emission sources
Direct GHG emissions	<ul style="list-style-type: none"> <li>• Stationary combustion sources: generators (diesel), natural gas</li> <li>• Mobile combustion sources: official cars (gasoline, diesel)</li> <li>• Fugitive emission sources: septic tanks, fire extinguishers (CO<sub>2</sub>, HFC-227ea), natural gas pipeline leakage, refrigeration equipment (household refrigeration equipment, standalone commercial refrigeration equipment, chiller units, air conditioners, vehicles,...)/refrigerants, process emissions (welding rods, WD-40, Starrett M1)</li> <li>• Land use emission sources: None</li> </ul>
Indirect GHG emissions caused by imported energy	<ul style="list-style-type: none"> <li>• Purchased electricity</li> </ul>
Indirect GHG emissions generated from transportation	<ul style="list-style-type: none"> <li>• Business travel: Taxi (gasoline), high-speed rail, overseas business trips (airplane)</li> <li>• Employee commuting: Car/motorcycle (gasoline), high-speed rail</li> </ul>
Indirect GHG emissions generated from the use of products by the organization	<ul style="list-style-type: none"> <li>• Tap water</li> <li>• Energy upstream: gasoline, diesel, natural gas, and purchased electricity</li> <li>• Waste: waste incineration, waste transportation</li> </ul>
Indirect GHG emissions related to the use of the organization's products	None
Indirect GHG emissions from other sources	None

## 5.2 Carbon emissions inventory

## Greenhouse Gas Emissions

Item	Emission Types	United Orthopedic Corporation		A-SPINE Asia Co., Ltd.	
		2023	2024	2023	2024
		Emission equivalence (tonnes CO <sub>2</sub> e/year)		Emission equivalence (tonnes CO <sub>2</sub> e/year)	
Scope 1	Direct GHG emissions	286.4743	174.0390	5.7431	1.9165
Scope 2	Indirect GHG emissions from imported energy <sup>Note 1</sup>	4,053.8901	4,069.0807	174.8687	158.9245
Total (Scope 1 + Scope 2)		4,340.3644	4,243.1197	180.6118	160.8410
Scope 3	Indirect GHG emissions generated from transportation	363.7151	438.0527	37.3440	34.9077
	Indirect GHG emissions generated from the use of products by the organization	846.5889	881.2175	35.6784	33.5136
	Indirect GHG emissions related to the use of the organization's products	0.0000	0.0000	0.0000	0.0000
	Indirect GHG emissions from other sources	0.0000	0.0000	0.0000	0.0000
Total (Scope 3)		1,210.304	1,319.2702	73.0224	68.4214
GHG emissions intensity <sup>Note 2</sup> (tCO <sub>2</sub> e/million dollars of revenue)		1.7084	1.4993	0.4460	0.3972

Note 1: The electricity emission factor uses the factor announced by the Bureau of Energy, with a factor of 0.494 (kgCO<sub>2</sub>e/kWh) for 2023 and 0.474 (kgCO<sub>2</sub>e/kWh) for 2024.

Note 2: United Orthopedic emissions intensity calculation method: (Scope 1 + Scope 2)/revenue; A-SPINE Asia Co., Ltd. emissions intensity calculation method: (Scope 1 + Scope 2)/revenue.

Note 3: The Company's Scope 2 greenhouse gas emissions data for 2024 is calculated based on the Location-based method.

## 5.3 Wastewater and waste management

### Water Resource Usage and Management

United Orthopedic understands the limited nature of water resources and is committed to ensuring effective water use through comprehensive management measures. Through daily monitoring, inspections, and employee training, we further improve water resource management efficiency and achieve sustainable development goals. To achieve these goals, we have established the following management guidelines:

#### Daily water system monitoring and anomaly inspection

Daily water system meter readings are conducted to compare real-time daily water consumption data and promptly detect any pipeline leakage or abnormal conditions. Through daily monitoring, we can quickly respond and take timely action to prevent water resource waste.

#### Regular inspection and maintenance

Every two weeks, comprehensive inspections of all water pipelines within the facility are conducted to check for any leakage or abnormal conditions. Designated personnel conduct inspection to ensure proper pipeline operation and prevent water resource losses.

#### Real-time fault handling and repair

Once water pipe leakage or abnormalities are detected, emergency response procedures are immediately activated to quickly locate and repair the abnormal points.

#### Water conservation advocacy and employee training

To raise employees' awareness of water resource management, regular advocacy is conducted to highlight the importance of water conservation and its implementation measures. Through regular educational advocacy, all employees are encouraged to participate in water resource conservation and protection efforts.

### Water usage

Factory category	Year		2023	2024
Taipei	Total volume		1,130.7629	1,162.1775
	Tap water	Usage	1,130.7629	1,162.1775
		Proportion	100%	100%
Hsinchu	Total volume		17,193.7603	16,255.5500
	Tap water	Usage	14,657.4603	14,694.7500
		Proportion	85.25%	90.4%
	Recycled water	Waste water	2,536.0000	1,560.8000
		Total volume	2,536.0000	1,560.8000
		Proportion	14.75%	9.6%
Kaohsiung	Total volume		20,449	22,948.5357
	Tap water	Usage	19,082.9458	21,406.5357
		Proportion	92.73%	93.28%
	Recycled water	Rainwater	121	121
		Waste water	1,365	1,421
		Total volume	1,486	1,542
		Proportion	7.27%	6.72%

Note: The recycled water volume for each year is an estimated value and has not been verified by third-party organizations.

### 5.3 Wastewater and waste management

## Wastewater discharge

United Orthopedic's facilities have installed wastewater and rainwater recycling systems. The wastewater discharge volume in 2024 increased compared to the previous two years due to increased production capacity. The wastewater discharge volumes for the past two years are as follows:

Factory category	Units	Year	
		2023	2024
Hsinchu	Tons	6,516.0	8,317.4
Kaohsiung	Tons	10,522.38	12,698.00

## Waste Management

United Orthopedic adheres to the principle of process reduction and resource recycling and is committed to reducing waste generation while maximizing resource reuse. To effectively manage waste, the following management guidelines have been established:

### Process Reduction and Resource Recycling

During the production process, we prioritize reducing the use of raw materials and continuously optimize process procedures to minimize waste generation. Moreover, these measures not only help reduce environmental impact but also effectively decrease production costs, achieving a win-win outcome.

### Comply with Waste Management Regulations

The Company consistently complies with all waste management-related regulations and standards, ensuring that waste treatment processes meet relevant requirements, and all waste recycling and disposal processes are transparent and compliant.

### Commission Qualified Waste Transportation Contractors

To ensure proper waste management, we entrust waste recycling and disposal to qualified professional waste transportation contractors. These contractors are responsible for sorting, processing, and reusing waste materials to minimize the environmental impact of waste to the greatest extent possible.

Through the management strategy of Process Reduction and Resource Recycling, United Orthopedic actively promotes waste recycling and reuse while reducing waste generation, striving to minimize negative environmental impacts.



### 5.3 Wastewater and waste management

## The amount of waste generated in 2024

Factory category	Name of waste	Production (tonnes/year)	Handling method
Hsinchu factory	Tailings	3.37	Reuse
	Plastic tailings	0.26	Reuse
	Waste paper	4.44	Reuse
	Waste lighting sources	0.1	Reuse
	Waste Liquid with pH Value Less Than or Equal to 2.0	1.49	Chemical treatment
	General Office Waste	131.29	Incineration
	Waste oil mixture	32.96	Physical processing
	Waste grinding wheel	0.2	Landfilling
	Scrap glass sand	10.75	Landfilling
	Mixed plastic waste	5.575	Incineration
	Waste Wood	0.135	Incineration
	Waste Fiber Mixtures	2.3	Incineration
	General Waste Generated from Business Activities	1.42	Incineration

Factory category	Name of waste	Production (tonnes/year)	Handling method
Kaohsiung factory	Waste oil mixture	29.1	Physical
	Non-hazardous dust	2.8	Landfilling
	Sandblasting waste	14.91	Landfilling
	Waste Molds	36.29	Landfilling
	Scrap glass sand	3.85	Landfilling
	General Waste Generated from Business Activities	27.05	Incineration
	Waste paper	3.5	Recycling
	Mixed plastic waste	3.85	Incineration
	Waste rubber mixture	0.5	Incineration
	Waste Fiber Mixtures	3.49	Incineration
	Waste activated carbon	0.83	Landfilling
	Waste Liquid with pH Value Less Than or Equal to 2.0	1.2	Chemistry
	Tailings	20.746	Recycling
	Sludge Mixtures	12.32	Landfilling
	Waste grinding wheel	1.41	Landfilling
	Waste Wood	12.54	Incineration
	Waste Alcohol	1.15	Incineration
	Food Waste	1.08	Reuse





### 5.3 Wastewater and waste management

## Air pollution control

United Orthopedic collects different types of air pollutants based on their characteristics and treats them through appropriate air pollution control equipment to ensure emissions meet regulatory requirements. All air pollution control equipment is operated, maintained, and serviced according to permit requirements, with complete records kept to ensure equipment effectiveness and safeguard environmental and employee health.

## 2024 Goals and Implementation Results

To comply with environmental regulations and achieve practical benefits in pollution prevention and energy conservation, United Orthopedic implemented the following three target programs in 2024 with an investment of NT\$1.467 million. The specific items are as follows:

### Functional Improvement of Existing Air Pollution Control Equipment at Kaohsiung Plant

Invested NT\$800,000 to improve the functionality of existing air pollution control equipment at the Kaohsiung Plant, enhancing its operational efficiency and ensuring air quality compliance.

### Improvement Project for Sampling Ports and Sampling Platforms of Air Pollution Emission Ducts at Kaohsiung Plant Phase I and II

Invested NT\$97,000 to renovate the air pollution emission ducts at Kaohsiung Plant Phase I and II, installing more precise sampling ports and sampling platforms to improve the accuracy of air quality monitoring.

### Improvement Project for Waste Gas Emissions from Cleaning Room at Kaohsiung Plant Phase I

Invested NT\$570,000 in improving the waste gas emission system of the cleaning room at Kaohsiung Plant Phase I to reduce emissions and meet environmental protection requirements.

United Orthopedic ensures the operational effectiveness of air pollution control equipment through scientific management and continuous investment, achieving tangible results in pollution reduction, energy efficiency, and regulatory compliance. We will continue to be committed to environmental protection-related initiatives in the future.



Appendix 1: GRI Standards Index

Appendix 2: Sustainability Accounting Standards  
Board (SASB) Content Index

Appendix 3: Implementation Status of Climate-  
related Information and Climate-  
related Financial Disclosures (TCFD)  
Index Table

Appendix 4: Greenhouse Gas Inventory Report

Appendix 5: Third-Party Assurance Report

# Appendix

## Appendix 1: GRI Standards Index

No.	GRI Standards Disclosure Content	Corresponding Chapter or Description	Pages
<b>1. Organization and Reporting Practices</b>			
2-1	Organization details	About United Orthopedic	11
2-2	Entities Included in the Organization's Sustainability Report	Report Editorial Principles	3
2-3	Reporting Period, Frequency and Contact Information	Report Editorial Principles	3
2-4	Restatements of information	Report Editorial Principles	3
2-5	External assurance	Report Editorial Principles	3
<b>2. Activities and Workers</b>			
2-6	Activities, value chain, and other business relationships	About United Orthopedic, 4.1 Customer Service	11 、 59
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2-8	Workers who are not employees	4.2 Employee overview	63
<b>3. Governance</b>			
2-9	Governance structure and composition	1.1 Sustainable Governance, 2.1 Corporate Governance and Integrity	23 、 34
2-10	Nomination and Selection of the Highest Governance Body	2.1 Corporate Governance and Integrity	34
2-11	Chair of the Highest Governance Body	2.1 Corporate Governance and Integrity	34
2-12	Role of the highest governing body in overseeing management of impacts	1.2 Stakeholder Engagement, 2.1 Corporate Governance and Integrity	25 、 34
2-13	Delegation of Responsibility for Managing Impacts	1.1 Sustainable Governance	23
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No.	GRI Standards Disclosure Content	Corresponding Chapter or Description	Pages
2-16	Communication incident critical concerns	1.1 Sustainable Governance	23
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2-18	Evaluation of the performance of the highest governance body	2.1 Corporate Governance and Integrity	34
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2-20	Process determine remuneration	2.1 Corporate Governance and Integrity	34
2-21	Annual Total Compensation Ratio	4.4 Talent Attraction and Retention	74
<b>4. Strategy, policy, and practice</b>			
2-22	Statement of sustainable development strategy	Message from the Operator	4
2-23	Policy commitments	4.4 Talent Attraction and Retention	74
2-24	Embedding policy commitments	4.4 Talent Attraction and Retention	74
2-25	The process of mitigating negative impacts.	1.2 Stakeholder Engagement, 2.1 Corporate Governance and Integrity, 4.1 Customer Service	25 、 34 、 59
2-26	Mechanisms for seeking advice and raising concerns	4.1 Customer service	59
2-27	Compliance with laws and regulations	2.1 Corporate Governance and Integrity	34
2-28	Membership associations	About United Orthopedic	11
<b>5. Stakeholder Engagement</b>			
2-29	Approach policies stakeholder engagement	1.2 Stakeholder Engagement	25
2-30	Collective Bargaining Agreements	The Company currently has no collective bargaining agreements	



## GRI 3: Material Topics Disclosures 2021

GRI 3: Material Topics 2021			
No.	Disclosure Items	Corresponding Chapter or Description	Pages
GRI 3: Management of Material Topics			
3-1	Process to determine material topics	1.3 Management of material topics	28
3-2	List of Material Topics	1.3 Management of material topics	28
3-3	Management of Material Topics	1.3 Management of material topics	28

Material Topics: Employee Training and Development			
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GRI 3: Material Topics 2021			
3-3	Management of Material Topics	4.3 Employee Training and Development	67
GRI 404: Training and Education 2016			
404-1	Average Hours of Training per Employee per Year	4.3 Employee Training and Development	67
404-2	Employee Skills Enhancement and Transition Assistance Programs	4.3 Employee Training and Development	67

Material Topics: Wastewater and Waste Management			
No.	Disclosure Items	Corresponding Chapter or Description	Pages
GRI 3: Material Topics 2021			
3-3	Management of Material Topics	5.3 Wastewater and Waste Management	100



GRI 303: Water and Effluents 2018			
303-4	Drainage volume	5.3 Wastewater and Waste Management	100
303-5	Water consumption	5.3 Wastewater and Waste Management	100
GRI 306: Waste 2020			
306-3	Generation of waste	5.3 Wastewater and Waste Management	100

Material Topics: Carbon Emissions Inventory			
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GRI 3: Material Topics 2021			
3-3	Management of Material Topics	5.2 Carbon Emissions Inventory	97
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	5.2 Carbon Emissions Inventory	97
305-2	Energy Indirect (Scope 2) GHG Emissions	5.2 Carbon Emissions Inventory	97
305-3	Other Indirect (Scope 3) GHG Emissions	5.2 Carbon Emissions Inventory	97

Material Topics: Occupational Health and Safety			
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GRI 3: Material Topics 2021			
3-3	Management of Material Topics	4.5 Occupational Health and Safety	82
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational Health and Safety Management System	4.5 Occupational Health and Safety	82
403-2	Hazard Identification, Risk Assessment and Incident Investigation	4.5 Occupational Health and Safety	82

403-3	Occupational Health Services	4.5 Occupational Health and Safety	82
403-4	Worker Participation, Consultation and Communication on Occupational Health and Safety	4.5 Occupational Health and Safety	82
403-5	Worker Training on Occupational Health and Safety	4.5 Occupational Health and Safety	82
403-6	Worker Health Promotion	4.5 Occupational Health and Safety	82
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#### Material Topic: Corporate Governance and Integrity

No.	Disclosure Items	Corresponding Chapter or Description	Pages
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3-3	Management of Material Topics	2.1 Corporate governance and integrity	34
GRI 205: Anti-corruption 2016			
205-1	Operations Assessed for Risks Related to Corruption	2.1 Corporate governance and integrity	34
205-2	Communication and Training about Anti-corruption Policies and Procedures	2.1 Corporate governance and integrity	34
205-3	Confirmed Incidents of Corruption and Actions Taken	2.1 Corporate governance and integrity	34

#### Material Topic: Value Chain Management

No.	Disclosure Items	Corresponding Chapter or Description	Pages
GRI 3: Material Topics 2021			
3-3	Management of Material Topics	3.2 Value chain management	52
GRI 204: Procurement Practices 2016			
204-1	Proportion of Spending on Local Suppliers	3.2 Value chain management	52

## Appendix 2: Sustainability Accounting Standards Board (SASB) Content Index

Medical Equipment and Supplies				
Disclosure Topics	Indicator Code	Disclosure Indicators	Response Content/Corresponding Chapter	Pages
<b>Affordability and Pricing</b>	HC-MS-240a.2	Description of how price information for each product is disclosed to customers or their agents	The pricing for domestic public hospitals is regulated by the Government Procurement Act and undergoes public bidding processes on the Government e-Procurement System ( <a href="https://web.pcc.gov.tw/pis/">https://web.pcc.gov.tw/pis/</a> ). Product pricing for private hospitals and distributors is determined in accordance with the Sales Management Guidelines and specified in the transaction contracts between both parties.	-
	HC-MS-240a.3	Percentage change in (1) weighted average list price and (2) weighted average net price across product portfolio compared to previous reporting period	The Company has not conducted related statistics.	-
<b>Product Safety</b>	HC-MS-250a.1	(1) Number of recalls announced, (2) Total number of units recalled	(1) Number of recalls announced in 2024: 1. (2) Total number of units recalled in 2024: As per item 1, the total number of units recalled was 1,741 pieces (Recall products of USTAR II Curved Stem series products). Classified as U.S. FDA Class II.	59
	HC-MS-250a.2	Products listed in any public medical product safety or adverse event alert database	The Company has no products listed in any public medical product safety or adverse event alert database.	59
	HC-MS-250a.3	Number of deaths related to products	As of the reporting period, there have been no deaths directly related to the products.	-
	HC-MS-250a.4	Number of enforcement actions taken in response to violations of Good Manufacturing Practice (GMP) or equivalent standards, by type	There were no major violations recorded this year.	-

<b>Ethical Marketing</b>	HC-MS-270a.1	Total monetary losses resulting from legal proceedings associated with false marketing claims	No relevant litigation cases were involved in 2024.			34
	HC-MS-270a.2	Description of ethical standards for managing the promotion of off-label use of products	Promotional materials, including product catalogs and surgical operation manuals, are prepared in line with the content of instructions approved by domestic and foreign regulatory authorities, ensuring that no content promotes off-label use of regulated pharmaceutical products. Product advertisements are published in academic medical publications only after obtaining the Medical Device Advertisement License Number from the Ministry of Health and Welfare in accordance with the law.			59
<b>Product Design and Life Cycle Management</b>	HC-MS-410a.1	Discussion of processes for evaluating and managing environmental and human health considerations related to chemicals in products, while ensuring compliance with sustainable product requirements	3.2 Value chain management			52
	HC-MS-410a.2	Total weight of products accepted for take-back and reuse, recycling, or donation, broken down by (1) devices and equipment and (2) supplies	Established process for recovering and reusing expired but unopened sterilized products. In 2024, the total estimated weight of products recovered and reprocessed at the plant for reuse is 2,704 kilograms.			102
<b>Supply chain management</b>	HC-MS-430a.1	Percentage of (1) entity facilities and (2) tier 1 supplier facilities participating in third-party manufacturing and product quality audit programs	100% ISO 13485 document review or on-site audits are conducted for suppliers in categories A/C/D/G.			52
	HC-MS-430a.2	Description of efforts to maintain traceability within the distribution chain	Products' batch numbers are controlled through tracking mechanisms using UDI/batch number management.			52
	HC-MS-430a.3	Description of risk management process for use of critical materials	Critical materials are regularly verified through third-party laboratories.			52
<b>Business Ethics</b>	HC-MS-510a.1	Total monetary losses resulting from legal proceedings associated with bribery or corruption	2.1 Corporate Governance and Integrity No relevant litigation cases were involved in 2024.			34
	HC-MS-510a.2	Description of ethical standards for managing interactions with healthcare professionals	4.1 Customer service			59
<b>Activity Metrics</b>	HC-MS-000.A	Number of units sold, by product category	1. Implants PCS	Knee joint: 49%	Hip joint: 48%	-
			Revision: 2%	Tumor: 1%		
			2. Equipment	Hip joint: 53%	Knee joint: 47%	

## Appendix 3: Implementation Status of Climate-related Information and Climate-related Financial Disclosures (TCFD) Index Table

Code	TCFD Recommended Disclosures	2024 Disclosure Content	Pages
<b>Governance</b>			
TCFD 1(a)	Describe the Board's oversight of climate-related risks and opportunities	5.1 Climate Governance	91
TCFD 1(b)	Describe management's role in assessing and managing climate-related risks and opportunities	5.1 Climate Governance	91
<b>Strategy</b>			
TCFD 2(a)	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	5.1 Climate Governance	91
TCFD 2(b)	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	5.1 Climate Governance	91
TCFD 2(c)	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios (including a 2°C or lower scenario)	5.1 Climate Governance	91
<b>Risk management</b>			
TCFD 3(a)	Describe the organization's processes for identifying and assessing climate-related risks	5.1 Climate Governance	91
TCFD 3(b)	Describe the organization's processes for managing climate-related risks	5.1 Climate Governance	91
TCFD 3(c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	5.1 Climate Governance	91
<b>Indicators and goals</b>			
TCFD 4(a)	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management processes	5.1 Climate Governance	91
TCFD 4(b)	Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	5.2 Environmental management	97
TCFD 4(c)	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	5.1 Climate Governance	91



## Appendix 4: Greenhouse Gas Inventory Report



### 查證聲明書

## LRQA Independent Assurance Statement Relating to United Orthopedic Corporation's GHG Inventory Report for the calendar year 2024

#### 服務條件

本保證聲明書乃為聯合骨科器材股份有限公司所準備。

英商勞盛股份有限公司台灣分公司(以下簡稱 LRQA)受聯合骨科器材股份有限公司(以下簡稱“聯合骨科”)之委託以查證其 2024 日曆年度 1/1/2024~31/12/2024 期間溫室氣體盤查報告(發行日期:2025 年 05 月 20 日),以下簡稱為“溫室氣體盤查報告”。

此溫室氣體盤查報告包含直接、能源間接以及其他間接溫室氣體排放。“聯合骨科”包含下列的地址範圍內的“骨科植入物(人工關節、脊椎固定系統和聚合物椎間盤墊片/融合器)與手術器械的設計、製造及銷售。”等相關活動,與其他相關設施設備活動,如溫室氣體盤查報告中所描述,溫室氣體排放使用營運控制權。

溫室氣體報告: 2024 年聯合骨科器材股份有限公司溫室氣體盤查報告書

“聯合骨科”的地理邊界包含台北辦公室、新竹廠、高雄廠、冠亞台北辦公室與冠亞新店廠以及以下地點(溫室氣體報告書所述)

廠區	地址	作業活動
聯合骨科器材股份有限公司總公司與新竹廠	台灣新竹市東區國區二路 51,53,55,57 號、新竹市東區工業東四路 12 號 2 樓	生產製造與辦公室
	台灣新竹市東區工業東四路 22 號 2 樓與 24 號 2F	倉庫
聯合骨科器材股份有限公司-台北辦公室	台灣新北市永和區成功路一段 80 號 12F 與 82 號 11F,11F-1,12F	辦公室
聯合骨科器材股份有限公司-高雄廠	台灣高雄市路竹區路科一路 16 號	生產製造
冠亞生技股份有限公司-台北辦公室	台灣新北市永和區成功路一段 80 號 20F, 20F-1 與 82 號 20F, 20F-1	辦公室
冠亞生技股份有限公司-新店廠	台灣新北市新店區復興路 43 號 1F	生產製造

#### Terms of Engagement

This Assurance Statement has been prepared for United Orthopedic Corporation.

## Appendix 5: Third-Party Assurance Report



Ernst &amp; Young Global Limited

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### Limited Assurance Report of Accountants

United Orthopedic Corporation Limited Assurance Scope

We, the accountants, have been engaged by United Orthopedic Corporation (United Orthopedic) to perform a limited assurance engagement, as defined by the assurance standards issued by the Accounting Research and Development Foundation, on selected sustainability performance information (subject matter information) in the 2024 Sustainability Report, and to issue a report thereon.

#### Subject Matter Information and Applicable Criteria

The subject matter information and applicable criteria for United Orthopedic are detailed in Appendix 1. Management's Responsibility

The responsibility of United Orthopedic's management is to prepare the subject matter information in accordance with the Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies issued by the Taipei Exchange, and with reference to appropriate criteria, including the 2021 GRI Standards issued by the Global Reporting Initiative (GRI). Management of United Orthopedic is responsible for selecting the applicable criteria and for ensuring that the subject matter information is reported in accordance with these criteria in all material aspects. This responsibility includes establishing and maintaining internal controls related to the preparation of subject matter information, maintaining appropriate records, and making estimates to ensure that the subject matter information is free from material misstatement, whether due to fraud or error.

#### The Accountant's Responsibility

Our responsibility as accountants is to form a conclusion on the subject matter based on the evidence we have obtained.

We have conducted our assurance engagement in accordance with TWSAE3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the Accounting Research and Development Foundation. The engagement was planned and performed to identify whether the subject matter information requires any material modifications to conform with the applicable criteria in all material aspects and to issue a limited assurance report.

Based on our professional judgment, including the assessment of risks of material misstatement due to fraud or error, we determine the nature, timing, and scope of assurance procedures.

We believe we have obtained sufficient and appropriate evidence to provide a basis for expressing our limited assurance conclusion.



### The Accountant's Independence and Quality Control

We and our firm comply with the independence and other ethical requirements in the Professional Ethics Standards for Accountants, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm complies with Statement of Quality Management Standards No. 1 Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, which requires firms to design, implement, and operate a quality management system, including policies or procedures to ensure compliance with ethical requirements, professional standards, and applicable legal and regulatory obligations.

### Description of Procedures Performed

The nature and timing of procedures performed in a limited assurance engagement are different from a reasonable assurance engagement, and their scope is more limited. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than that obtained in a reasonable assurance engagement. Our procedures are designed to obtain limited assurance and form a conclusion accordingly, and do not provide all the evidence necessary for reasonable assurance.

Although we considered the effectiveness of United Orthopedic's internal control when determining the nature and scope of our assurance procedures, this engagement does not provide an opinion on the effectiveness of those internal controls. Our procedures performed do not include testing controls or performing procedures related to checking aggregation or calculation of data within IT systems.

A limited assurance engagement involves making inquiries, primarily of those responsible for preparing the subject matter information and related data, and applying analytical and other appropriate procedures.

Our procedures performed include:

- Conducting interviews with United Orthopedic's personnel to understand their business operations, overall sustainability development implementation, and the sustainability reporting process;
- Through interviews and review of relevant documents, to understand United Orthopedic's key stakeholders and their expectations and needs, the specific communication channels between them, and how the Company responds to these expectations and needs;
- Conducting interviews with relevant personnel of United Orthopedic to understand



the related processes for collecting, organizing, and reporting the subject matter information;

- Examining whether calculation criteria have been correctly applied in accordance with the methods outlined in the applicable criteria;
- Performing analytical procedures on selected sustainability performance information in the report, collecting and evaluating other supporting evidence and management representations obtained; and conducting sample testing where necessary;
- Review United Orthopedic's sustainability report to confirm its consistency with our understanding of the Company's overall sustainability initiatives;

### Inherent Limitations

Due to the inherent measurement uncertainties in non-financial information included in sustainability reports, the use of different measurement methods may result in significant variations in performance measurement. Additionally, as assurance work is conducted on a sampling basis and all internal controls have inherent limitations, it may not be possible to detect all material misstatements, whether arising from fraud or error.

### Conclusion

Based on the procedures performed and the evidence obtained, we have not identified any matters that would necessitate material modifications to the subject information in accordance with the applicable criteria.

Ernst &amp; Young Global Limited

CPA: Lin, Shih-Huan

August 11, 2025



Attachment 1:

No.	Chapter	Content Title	Subject Information				Applicable Criteria	
1	About United Orthopedic	Operating performance	2024 Financial Performance				GRI 2-18 Evaluation of the performance of the highest governance body	
			Item		2024			
			Net profit after Tax (NT\$ thousand)		460,381			
			Net interest rate		9.89%			
			R&D Investment (NT\$ thousand)		220,493			
			Return on Equity %		12.21%			
			Cash dividends distributed %		84.39%			
Earnings per share (NT\$)		4.74						
2	Chapter 2	2.1 Corporate governance and integrity	United Orthopedic had no records of legal violations or penalties in 2024.				GRI 2-27 Compliance with laws and regulations	
3	Chapter 3	3.2 Value chain management	Supplier Regional Distribution in 2024				GRI 204-1 Proportion of spending on local suppliers	
			Region	Number of Suppliers	Supplier Regional Distribution			
			Domestic	640	89%			
			Foreign	77	11%			
Total		717	100%					
4	Chapter 4	4.2 Employee overview	Employee Information by Gender in 2024				GRI 2-7 Employees	
			Item		2024			
				Female	Male	Others*		Total
			Number of Permanent Employees	265	362	-		627
			Number of Temporary Employees (Contract-based)	6	50	-		56
			Number of Employees without Guaranteed Hours	-	-	-		-
			Number of Full-time Employees	271	412	-		683
			Number of Part-time Employees	-	-	-		-
			Total Number of Full-time + Part-time Employees	271	412	-		683
			5	Chapter 5	5.3 Wastewater and waste management	Wastewater Discharge Volume in 2024		
Factory category	Unit	2024						
Hsinchu	Tons	8,317.40						
Kashiung	Tons	11,222.78						



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