2025 Wellell Sustainability Report

Wellell Sustainability Report

Be well, Live well

Wellell

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About the Report

In order to maintain good communication channels with stakeholders, Wellell Inc. (hereinafter referred to as Wellell) issues a sustainability report every year. This report is the sixth sustainability report of Wellell, disclosing financial and non-financial information for 2025 (January 1, 2025 to December 31, 2025).

Wellell Sustainability Report

Be well, Live well
Wellell

Issue date of the previous report: August 2025

Issue date of this report: August 2026

Expected issue date of the next report: August 2027

If you have any questions or suggestions about this report, you can contact us through the stakeholder mailbox or the "Contact Us" section of the Company's official website:
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Company website: https://tw.wellell.com/zh-tw

Boundaries and Scope of the Report

Except for financial performance, which is provided within the scope of consolidated financial statements, the remainder of this report focuses on the operations of Wellell's parent company (in Taiwan), detailing actions and outcomes related to sustainability across environmental, social, and corporate governance dimensions. Subsidiaries are not included in the disclosure scope; however, considering the group's sustainable development, the sustainable performance of some subsidiaries will be explained in the relevant sections of this report.

Reporting Guidelines

The format of this report follows the GRI Standards published by the Global Reporting Initiative and references the Sustainability Accounting Standards Board (SASB) Medical Equipment & Supplies industry standards to explain to stakeholders the Company's strategies and activities in the four aspects of economy, environment, society and products, and disclose performance results and management policies. This report does not include any restated information. If there are any changes to the scope and basis of data calculations in this report, an explanation will be included in the corresponding chapter.

Reporting Management Principles

In Wellell, the Executive Secretary Team of the Corporate Sustainability Committee (ESG Office) is responsible for overall planning, communication, and preparation of the report. The report is reviewed by the head of each division and finalized after approval by the President. It is then submitted to the Chairman for review and the Board of Directors for approval. The report is published on the Company's official website after completing the internal review process. This report has not been verified by an independent third-party verification institution.

Message from the Chairman

In 2026, Wellell officially steps into a new chapter following its 35th anniversary. This does not merely build on our previous milestones, but represents a critical year for us to further enhance innovation, sustainability, and responsibility in the global healthcare industry. Along the journey, we have consistently upheld the brand philosophy of “Be well, live well” and accompanied users toward a healthier and higher quality of life through products and services that combine professionalism and care.

Wellell Wellell Inc.

Over the past year, Wellell continued to strengthen its corporate foundation and further turned sustainable development from a strategic blueprint into actions. With ESG at the core, we deepened our connection with the United Nations Sustainable Development Goals (SDGs), progressively promoted environmentally friendly design, and operational optimization, and social value creation, making sustainability not just a commitment but a part of daily decision-making process. On the environmental dimension, we continued to advance the Group’s greenhouse gas inventory and management mechanisms and gradually expanded them to more operational sites to improve carbon data transparency and management efficiency; at the same time, we adopted green design thinking to reduce environmental impacts from the source of product development, and worked hand-in-hand with supply chain partners to take carbon reduction actions for a more resilient sustainable value chain.

On the social and governance dimensions, Wellell continuously takes “people” as the core and focuses on the actual needs of patients, caregivers, and medical professionals. Through the adoption of digital technology and smart care solutions, we optimize medical experiences and care efficiency, and actively penetrate deep into communities to promote educational activities such as assistive device applications, pressure injury prevention, and health promotion to assist more people in achieving autonomous and dignified lives. Meanwhile, we continue to enhance operational transparency and regulatory compliance, establish closer partnerships with supply chain partners, and promote the implementation of business ethics and social responsibility standards, thus laying a solid and trustworthy foundation for corporate development.

Facing the challenges of global climate change and rapidly changing medical demands, Wellell will continue to pursue innovation and combine digital technology, smart manufacturing, and sustainable thinking to create safer, more efficient, and more advanced healthcare solutions. Looking to the future, we are not only committed to becoming a leading brand in the healthcare industry but also aspire to be an important driving force for sustainable transformation.

Let us continue to move forward hand-in-hand toward a healthier and more sustainable future.

Sustainability Performance

Environment

- Invested over NT$4.6 million in replacing energy-efficient equipment
- Electricity consumption decreased by 2.47% compared to the previous year
- Recycling and reuse of fabric scraps and scraps reached 3.847 tons.
- Continuously promoted sustainable supply chain transformation projects, rallying 2 supplier partners to jointly invest in smart and low-carbon transformation.

Social

- No human rights violations
- Cumulative charitable contributions exceeded NT$4.5 million (since 2023)
- Supporting the Welfare Organization for the Elderly for 27 years.

Governance

- Continuously R&D products, invested NT$150 million
- Independent directors account for 55% of the board - exceeding regulatory requirements.
- Female board seats account for one-third.
- Maintained its position within the 36-50% range in the 2025 Corporate Governance Evaluation.
- Customer satisfaction score of 4.5
- No major information security incidents or data breaches involving customer information or personal data

Wellell | Corporate Governance

1.Corporate Governance

1.1 About Wellell

Wellell, founded in 1990, focuses on the design and manufacture of medical devices, and is dedicated to improving the quality of life for global patients and caregivers. The Company takes the Patient Recovery Care (PRC) journey as its core developmental direction. Based on the needs of patient recovery care, it integrates product lines including Pressure Injury Prevention (PAC), Mobility Assistive Devices (Mobility), Patient Lifts (Hoist), Intermittent Pneumatic Compressors (IPC), and Medical Beds (Bed), to continuously strengthen its total solution capabilities. In recent years, we have also actively promoted the market penetration of high-end alternating pressure mattress products and enhanced product accessibility and care efficacy through strategic channel cooperation, thus steadily expanding our operational scale.

In 2022, Wellell launched a brand revitalization and officially adopted “Wellell” as its global brand name, while establishing “respecting the value of life and allowing people to live healthy and comfortable lives” as its core brand philosophy. Wellell Group is headquartered in Tucheng District, New Taipei City, Taiwan, with business operations spanning the globe. Its sales and service network covers over 80 countries. The Company adopts an international strategy of “channel deployment and localized operations,” and has established nine sales subsidiaries globally, while cooperating with 140 brand distributors and over 6,000 retail channel partners to continuously enhance its global market presence and operational resilience.

Company Name	Wellell Inc.
Company Type	Listed Company
Establishment date	March 17, 1990
Headquarters Location	No. 9, Minsheng St., Tucheng Dist., New Taipei City
Industry Category	Medical Device Manufacturing Industry
Number of employees	200 at headquarters (Note) The above information is based on statistics of Taiwan as of December 31, 2025
Capital	NT$1.009 billion
Consolidated Revenue	NT$2.40433 billion

1.1.1 Excellent Products and Services

Pressure Area Care

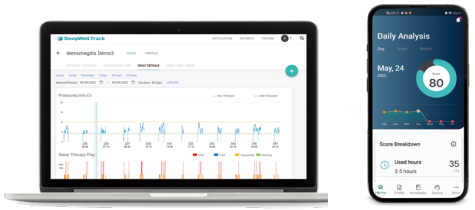
Medical pressure-reducing beds assist patients in turning and positioning and contribute to the treatment and prevention of bedsores, while meeting the care needs of patients at different risk levels. The cost of treating pressure ulcers is high; the expense for each hospitalized patient can reach US$250,000, and daily hospitalization expenditures increase to US$2,122, imposing a heavy burden on the medical system. Wellell continuously invests in product research and development. Through alternating pressure-reducing beds, it can not only enhance patients' comfort and reduce the incidence of pressure ulcers but also alleviate the burden on nursing personnel, thus optimizing care processes and improving overall efficiency. In 2025, we launched the Procare Auto Link G3 Smart IoT Full-time Pressure Ulcer Care Pressure-Relieving Air Mattress System was recognized with the 34th Taiwan Excellence Award. The product takes the pressure ulcer care journey as its core and features a real-time, complete, and flexible pressure relief solution through integrated design, comprehensively enhancing care quality and optimizing medical cost-effectiveness.

Respiratory Therapy

Untreated Obstructive Sleep Apnea (OSA) not only affects interpersonal interactions but can also lead to daytime fatigue and excessive sleepiness, thereby reducing work performance, increasing the risk of traffic accidents, and even significantly raising overall medical expenditures and seriously affecting the quality of life. To improve this issue, Wellell launched the iX Auto series of continuous positive airway pressure (auto CPAP) devices with the aim to assist OSA patients in stabilizing treatment effects and improving sleep quality, thereby regaining health and the rhythm of daily life, while reducing the high medical burden brought by complications (estimated annual medical costs are approximately US$153,477). The iX Auto series is suitable for homes and medical institutions, and integrates smart connectivity across mobile apps and web platforms. By delivering real-time sleep data and interactive feedback, it makes therapy more intuitive and seamless, comprehensively elevating the user experience and enhancing long-term treatment adherence.

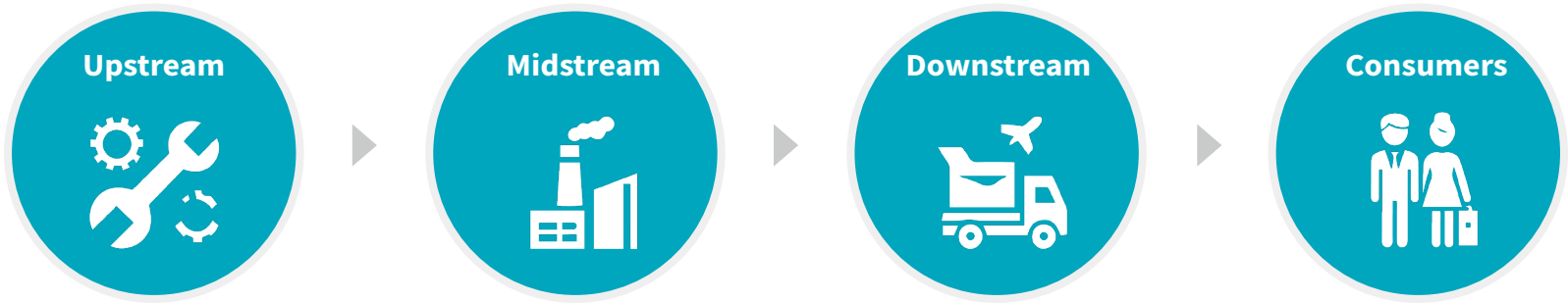
Smart Medical Technology

Due to shortages in healthcare personnel in many countries, the demand among medical institutions for air mattress rental and scheduling efficiency is increasing day by day. However, traditional processes that rely on manual communication and decentralized management often face problems such as non-real-time information, inefficient scheduling, unclear equipment tracking, and difficult billing tracking, which in turn affects delivery speed and even increases the risk of pressure ulcers in high-risk patients. To solve the aforementioned pain points, Wellell developed the smart management platform KeepWell. It connects ordering, delivery, recycling, and cleaning/disinfection operations through digitalized processes and shortens the delivery time of air mattresses to hospitals. Medical personnel can instantly query inventory and equipment status to quickly complete replenishment and ordering without manual inventory counting. This significantly improves operational efficiency. At the same time, the system can automatically track equipment flows and rental information, ensuring supply stability, reducing the risk of pressure ulcers, and comprehensively improving care quality and operational efficiency.



1.1.2 Industry Value Chain

Wellell's own products include pressure-relieving air mattresses, CPAP respirators, masks, and intermittent pneumatic compressors. The upstream, midstream, and downstream relationships within the industry are as follows, with the Company's products in the midstream.



Upstream	Midstream	Downstream	Consumers
Plastic components	Device assembly	Downstream	Medical Institutions
Metal components	Mattress assembly	Importers	Care Facilities
Silicone components	Ventilator assembly	Agents	
Leather fabric components	Mask assembly	Distributors	
Motor components	Functional test	Rental Service Provider	
PC boards			
Other parts			
Accessories			

1.1.3 Financial Performance

Wellell's consolidated revenue in 2025 was NT$2,404,332 thousand, an increase of 0.7% from NT$2,386,654 thousand in 2024. Benefiting from the optimization of the product sales portfolio, the gross profit margin in 2025 reached 46%, showing an increase compared to the previous year. Facing changes in the market environment, the Company has continuously promoted organizational and operational optimization, thereby still delivering steady results in 2025. For other financial performance descriptions and analyses, please refer to the Company's consolidated financial statements.

Category	Item	2024	2025
Economic value	Operating revenue	$ 2,386,654	$ 2,404,332
	Gross profit	1,074,850	1,103,597
	Operating expenses	943,141	952,767
	Operating profit	131,709	150,830
	Non-operating income and expenses	16,135	15,662
	Net profit before tax	147,844	166,492
	Net profit after tax	115,651	121,817
Economic value	Employee remuneration and benefits	742,034	719,327
	Distribution of shareholder dividends	80,729	100,912
	Payment of government taxes	32,193	44,675

Unit: NT$1,000

1.1.4 Association Participation

Wellell actively participates in industry associations and has long been caring about the development of Taiwan's medical equipment industry. As a small to medium-sized enterprise operating its own brand, Wellell is fully aware of the substantial resources required for brand management and investment in medical and clinical research. Wellell is committed to putting down roots in Taiwan and creating a platform for the next generation. We share our brand management experience with medical and brand-related industry associations, government and legal institutions, as well as other companies to contribute to the development of medical device brands by the government and Taiwanese society.

Name of Organization	Representative	Position in Organization
Taiwan Medical and Biotech Industry Association (TMBIA)	Lee, Yung-Chuan	Chairman
Biotechnology and Pharmaceutical Industries Promotion Office, Ministry of Economic Affairs	Lee, Yung-Chuan	Committee member
Biotechnology Regulation Strategic Advisory Council, Ministry of Health and Welfare	Lee, Yung-Chuan	Advisory committee member
Smart Healthcare International Partnership Advisory Committee, National Science and Technology Council	Lee, Yung-Chuan	Committee member
International Economic and Trade Affairs Committee, Chinese National Federation of Industries	Lee, Yung-Chuan	Committee member
Taiwan Textile Federation	Lee, Yung-Chuan	Supervisor
Taiwan Excellent Brand Association (TEBA)	Lee, Yung-Chuan	Vice president
National Association of Small & Medium Enterprises, R.O.C.	Lee, Yung-Chuan	Executive director
Small and Medium Enterprise Foundation, Taiwan	Lee, Yung-Chuan	Director
Puren Youth Care Foundation	Lee, Yung-Chuan	Director
Welfare Organization for the Elderly, Taiwan, R.O.C.	Lee, Yung-Chuan	Honorary chairman
New Taipei City Industrial Development Advisory Committee	Lee, Yung-Chuan	Advisory committee member
Biotechnology and Medical Industry Research Committee, Chinese National Association of Industry and Commerce, Taiwan	Lee, Yung-Chuan	Committee member

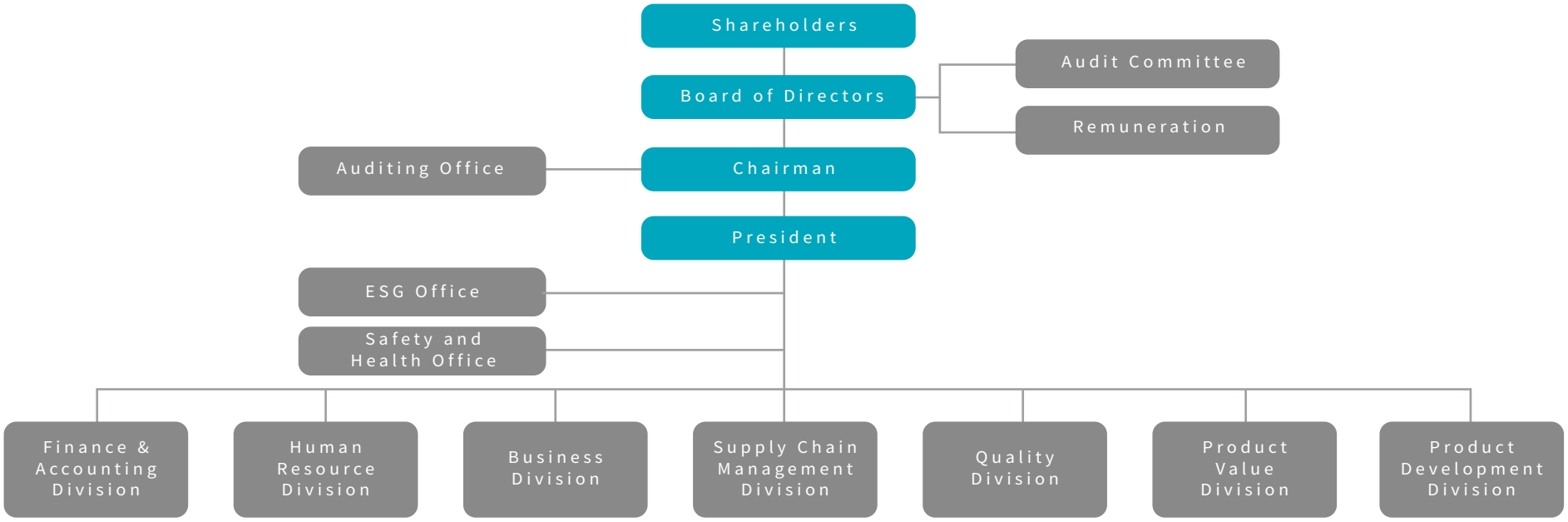
1.2 Corporate Governance

1.2.1 Corporate Governance Organization

The Board of Directors is the Company's highest decision-making unit and oversees the Company's overall operations and management. In order to improve the operational performance of the Board of Directors and strengthen corporate governance, the Company has established two board-level committees, the Remuneration Committee and the Audit Committee. In addition, a Sustainable Development Committee was established at the end of 2023 as an internal organization, and the ESG Office was established as a dedicated unit to regularly report the Company's actions and resolutions related to sustainable development to the Board of Directors.

The Remuneration Committee consists of 3 professionals with expert knowledge and practical experience who are mainly to assist the Board of Directors in reviewing and evaluating the Company's overall remuneration and benefits policies, as well as the performance evaluation and remuneration of the Company's directors and managers. The Audit Committee consists of 5 members with at least 1 who has accounting or finance expertise. The primary responsibility of the Committee is to assist the Board of Directors in overseeing the accounting, auditing, and financial reporting processes of the Company as well as the quality and integrity of financial management.

Organizational structure of Wellell's corporate governance



1.2.2 Board of Directors

Board Composition and Operation

The Board of Directors of Wellell operates under a candidate nomination system. In accordance with the educational background and work experience of the nominees, the Regulations Governing the Election of Directors, the Corporate Governance Best-Practice Principles, and other relevant regulations, the Board will review the diversity, independence, and ability of the nominees to address organizational challenges, as well as the opinions of stakeholders, and confirm whether the nominees meet the qualifications and conditions for serving as directors and align with corporate governance principles and the best interests of all stakeholders. After review without objection, the nominees will be submitted to the shareholders' meeting for election. In addition, in accordance with the Company Act, shareholders holding more than one percent of the total number of issued shares of the Company may submit a list of director candidates to the Company in writing.

5
independent directors

4
non-independent directors

33%
the number of female directors

The current board members possess the abilities to respond to industry changes, operational risks, and major crises, including diverse professional backgrounds and experience in areas such as financial management, strategic planning, legal compliance, international perspective, and corporate sustainability, to guide the Company's strategic direction on economic, environmental, and social topics, while making decisions that are most beneficial to the Company's shareholders and society. The Company's current Board of Directors consists of 9 directors, including 5 independent directors and 4 non-independent directors. Meanwhile, the Company attaches importance to gender equality in the composition of the Board of Directors and aims to increase the number of female directors to more than one-third (i.e. 33%). Currently, the Board of Directors consists of 6 (67%) male members and 3 (33%) female members, thereby achieving the aforementioned goal.

The Company's Board of Directors holds at least one meeting every quarter. **A total of 5 board meetings were held in 2025, with an attendance rate of 100%**, discussing business strategies, operational risks, and sustainability-related topics. The Board of Directors fully considers the opinions of the independent directors when discussing any proposal. The reasons of opposition or contrary opinions are all recorded in the meeting minutes.

Diverse Core Competency Table of Board of Directors

Basic composition									Industry experience				Professional abilities				
Name of director	Title	Nationality	Gender	Concurrently serving as an employee of the Company	Age	Year(s) as independent director			Biotechnology and medical care	Manufacturing and brand channels	Investment and M&A	Advancing economic development-related operations and researches	Accounting	Finance	Industry	Marketing	Technology
						Under 3 years	3–9 years	Over 9 years									
Lee, Yung-Chuan	Director	Republic of China	Male	None	61-70				◆	◆				◆	◆	◆	◆
Liu, Chang-Qi	Director	Republic of China	Male	None	61-70				◆	◆				◆	◆	◆	◆
Wei, Hong-Zhen	Director	Republic of China	Male	None	51-60						◆			◆	◆		
Chen, Mei-Ju	Director	Republic of China	Female	None	51-60							◆			◆		
Zheng, Kuei-Hui	Independent director	Republic of China	Female	None	61-70	◆				◆			◆	◆			
Lee, Hsiung-Ching	Independent director	Republic of China	Male	None	61-70		◆			◆					◆	◆	
He, Chun-Cheng	Independent director	Republic of China	Male	None	Over 70	◆			◆	◆				◆	◆	◆	◆
Sui, Tai-Zhong	Independent director	Republic of China	Male	None	Over 70	◆				◆				◆	◆	◆	◆
Zhou, Xia-Li	Independent director	Republic of China	Female	None	61-70	◆			◆			◆		◆	◆		◆

Board Performance Evaluation

To enhance board efficiency and establish performance objectives, Wellell has established the Rules for Performance Evaluation of Board of Directors. The Company conducts annual self-evaluation of the board of directors and functional committees (Audit Committee, Remuneration Committee) as well as individual directors, to evaluate aspects such as awareness toward the Company's goals and missions, professional competence, level of participation in the Company's operations, awareness of responsibilities, participation in the Company's operations, internal relations management and communication, internal controls, and continuing education. The results are compiled and reported to the Board of Directors. For details of the performance evaluation results, please refer to "The state of operations of the Board of Directors" section of Wellell's 2025 Annual Report.

In 2025, the performance evaluations of the Board of Directors and functional committees were conducted using a five-tier quantitative standard: poor, below average, average, good, and excellent. The evaluation results were rated "Good" or above. However, in the performance evaluation of "Board of Directors", there is still one area identified for improvement, which is to notify shareholders of the date of Annual Shareholders' Meeting in advance to increase director attendance rate. The above evaluation results and recommendations were reported to the Board of Directors in March 2026 and incorporated into subsequent improvement references.

Continuing Education for the Board of Directors

The Company arranges annual continuing education courses for directors to enhance their knowledge of corporate governance, economic, environmental, and social topics, thereby improving the risk management ability of the Board of Directors. In 2025, the total education hours for all board members reached 60 hours, with an average of over 6 hours per director. The board education status is as follows:

Name of director	Education Date	Organizer	Course Name	Education Hours
Sui, Tai-Zhong	July 9, 2025	Taiwan Stock Exchange (TWSE)	2025 Cathay Sustainable Finance and Climate Change Summit	6
Zheng, Kuei-Hui	September 3, 2025	Taiwan Corporate Governance Association	The 21st (2025) Corporate Governance International Summit Forum - The Role of the Board of Directors in Shaping Corporate Strategy Amidst Global Environmental Turbulences	6
Zhou, Xia-Li	December 23, 2025	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations - TWSE/TPEx Companies' Directors and Senior Executives' Understanding of Competent Authority Supervision	3
	December 9, 2025	Taiwan Corporate Governance Association	The Importance of Sustainability Information Digitalization to Internal Control Systems	3
Lee, Yung-Chuan	April 8, 2025	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3
	March 14, 2025	Securities & Futures Institute	Directors, Supervisors, and Corporate Governance Officers Series Courses — 2025 Global and Taiwan Economic Outlook	3
Lee, Hsiung-Ching	August 22, 2025	Chinese National Association of Industry and Commerce	Director and Supervisor Seminar - "2025 TS Holdings Net Zero Summit"	3
	June 4, 2025	Taiwan Institute of Directors	Benchmark Practices in the Era of Co-governance	3
He, Chun-Cheng	July 9, 2025	Cathay Financial Holdings	2025 Cathay Sustainable Finance and Climate Change Summit	6
Chen, Mei-Ju	September 18, 2025	Securities & Futures Institute	Directors, Supervisors, and Corporate Governance Officers Series Courses - Trends and Risk Management in Digital Technology and Artificial Intelligence	3
	September 25, 2025	Securities & Futures Institute	Directors, Supervisors, and Corporate Governance Officers Series Courses — International Economic Situation and Taiwan Industry Dynamics Under Trump 2.0	3
	October 3, 2025	Securities & Futures Institute	2025 Anti-Insider Trading Seminar	3
	October 15, 2025	ESG World Citizens & Digital Governance Foundation (ESGWD)	Sexual Harassment Prevention Responsibilities That Institutions Must Know Under the Me Too Wave	3
Liu, Chang-Qi	July 22, 2025	Taiwan Corporate Governance Association	Risk Management and Strategic Analysis of Corporate Sustainability	3
	August 22, 2025	Taiwan Corporate Governance Association	The Operation of the Remuneration Committee and the Performance Compensation System for Directors and Managers	3
Wei, Hong-Zhen	May 21, 2025	Taiwan Investor Relations Institute	From Data to AI: A Strategic Guide to Correctly Utilizing Technology to Reduce Costs and Increase Efficiency	3
	August 7, 2025	Taiwan Investor Relations Institute	Digital Technology and Sustainable Development - IFRS S1/S2	3

Mechanisms for Avoiding Conflicts of Interest

Wellell stipulates the governance relationship between the Company and related parties in the Corporate Governance Best-Practice Principles and clearly defines the conflict of interest avoidance mechanisms for directors and managers in the Regulations Governing Procedure for Board of Directors Meetings and the Ethical Corporate Management Best Practice Principles. Among them, the Regulations Governing Procedure for Board of Directors Meetings explicitly stipulate that if a director has a conflict of interest regarding a board resolution involving himself/herself or the legal entity he/she represents, he/she must disclose the significant details of such conflict of interest at the relevant meeting; If such a relationship may harm the Company's interests, the director may only express opinions and answer questions regarding the relevant proposal, shall not participate in discussions or voting, and shall recuse himself/herself from discussions and voting on the proposal, nor shall he/she exercise the voting right on behalf of other directors. In addition, there are no transactions involving goods or services, or technical services between the members of the Board of Directors and related parties, nor are there any cross-shareholdings with major suppliers.

1.2.3 Functional Committees

Audit Committee

The Audit Committee is composed of all independent directors and holds at least one regular meeting per quarter. In 2025, the Audit Committee held four meetings with an attendance rate of 95%. The Committee's primary responsibilities include:

- Supervising the preparation and disclosure of the Company's financial statements
- Ensuring the effective implementation of the Company's internal controls
- Monitoring the Company's compliance with laws and regulations and management of major risks
- Appointing or removing CPAs, ensuring their independence and performance

Remuneration Committee

In 2011, Wellell established the Remuneration Committee in accordance with the provisions of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange. The Committee members are appointed by Board of Directors resolution. After the reelection of the Committee members upon the end of their term in 2025, three independent directors, He, Chun-Cheng; Lee, Hsiung-Ching; and Lin, Tien-Fa, serve as members of the Committee, with He, Chun-Cheng acting as the convener. A total of three general meetings were held in 2025, with an attendance rate of 88.89%. The Remuneration Committee's main responsibilities include:

- Stipulate and regularly review the policies, systems, standards, and structures for performance evaluation and remuneration of directors and managers.
- Regularly review and determine director and manager remuneration.
- Select and appoint managers and regularly review the management team's training and development plan.

Board and Senior Management Remuneration Policies

Wellell's directors' remuneration measures comply with the provisions of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange. It is proposed by the Remuneration Committee before being implemented after Board of Directors resolution. According to Article 20-2 of the Articles of Incorporation, where the Company has annual profits at the end of a financial year, the Company shall distribute not more than 2% of the profits for such year as directors' remuneration. However, if the Company has accumulated losses, the Company shall reserve the profits to offset the losses. The compensation of Wellell's senior managers is linked to the Company's operating performance. To enhance and create long-term shareholder value, senior management compensation consists of salaries, variable bonuses, and employee bonuses from dividend distribution. Variable compensation is determined based on the Company's operating performance for the year and ranges from 30% to 50% of the total compensation, depending on position and performance. This system ensures a strong correlation between senior management compensation and the performance of the Company. When approving compensation for senior managers, the Remuneration Committee simultaneously consults and cooperates with professional consultants to ensure that it is competitive and in line with external market trends.

7.00

The ratio between the highest compensation and the median annual salary of other employees in the organization

19.61

The ratio between the highest compensation and the median variable salary of other employees in the organization

1.3 Ethical Corporate Management

Wellell upholds the principles of "Integrity, Professionalism, and Innovation" as its core business philosophy, strengthening the Company's culture of integrity, sound business operations, and healthy development. In line with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, Wellell has established the Wellell Ethical Corporate Management Best Practice Principles, the Ethical Corporate Management Operating Procedures and Code of Conduct, and the Operating Procedures for Handling Material Inside Information and Preventing Insider Trading. In addition, the Chairman has signed the Statement of Ethical Corporate Management Policy, which has been published on the Company's official website. Wellell requires directors, managers, employees, assignees, and controlling persons, in the process of engaging in business activities, to not directly or indirectly offer, promise, solicit, or accept any improper benefits, nor commit unethical acts including breaches of ethics, illegal acts, or breaches of fiduciary duty for the purposes of acquiring or maintaining benefits.

To strengthen ethical corporate management, the human resources division of Wellell is responsible for the establishment, supervision, and execution of ethical corporate management policies and prevention measures. The unit reports its ethical corporate management policies and unethical conduct prevention measures, as well as the implementation status of supervision to the Board of Directors once a year. The Board of Directors exercises its duty of care by actively preventing unethical conduct. In addition, it constantly reviews the results of preventive measures and continually makes adjustments so as to ensure the thorough implementation of ethical corporate management policies. In 2025, Wellell provided internal and external education and training on Ethical Corporate Management Best Practice Principles to all employees. A total of 214 people participated, totaling 171.2 hours, with a completion rate of 100%. In addition, courses on insider trading and an introduction to legal knowledge were organized for employees, in which a total of 214 employees took part and which lasted a total of 12.1 hours. In 2025, there were no legal violations in the Company, including bribery, corruption, discrimination, leakage of confidential information, conflicts of interest, anti-competitive behavior, or money laundering.

Legal Compliance

Wellell strictly abides by the law. In accordance with the Ethical Corporate Management Best Practice Principles formulated by Wellell, in addition to the prohibition of illegal political donations, direct or indirect donations to political parties or organizations involved in political activities or to individuals must comply with the Political Donations Act and the Company's internal operating procedures. In 2025, Wellell did not make any political donations. At the same time, to ensure that the Company's operations and business activities comply with regulations, Wellell's various business units, legal departments, and other departments dealing with domestic and international regulations review and confirm all regulatory changes on an annual basis. If there are any violations of relevant laws or regulations during operations, the management is notified immediately and managerial corrective actions are taken. Regarding legal compliance, major incidents are defined as events that involve the core of the Company's operations and have a significant impact on the Company's reputation or financial status. Such incidents will be disclosed in the report. In 2025, no fines were imposed on Wellell for violations of the law, and there were no lawsuits for violations of fair trade or antitrust law.

Grievance Channels

To ensure the effectiveness of ethical corporate management and promote sound business operations, the Company has established the Disciplinary and Whistle-Blowing Measures for Violations of Ethical Corporate Management Regulations, which applies to all employees. If employees have doubts about ethical management and compliance with the law, they can first contact the Human Resources Division. If it is confirmed that the case is serious, they can use the formal reporting channels listed. The following are channels for reporting violations of ethical management through which internal and external whistleblowers can submit complaints or report related cases.

Complaint reporting channel: https://tw.wellell.com/zh-tw/wellell.html
Complaint reporting hotline: (02) 2268-5568 ext. 8202
Complaint reporting fax number: (02) 2268-0164
Letters of complaint can be sent to: Wellell Inc. Human Resources Department

1.4 Risk Management

To mitigate operational risks, Wellell identifies the risks to which the Company could be exposed from the perspective of the individual departments and based on their respective operational contexts. Wellell also establishes relevant procedures and action plans to manage and address the risks identified. The risk management organizational structure includes business units, the auditing department, the Audit Committee, and the Board of Directors. The internal auditing department operates as an independent unit, capable of independently reviewing the execution of the organization's operations. It reports directly to the Board of Directors and the Audit Committee. All three entities play a role in supervising and controlling risks while continuously monitoring the effectiveness of internal controls across departments to ensure effective risk management.

Types of Identified Risks and Response Measures

Category	Description	Risk mitigation measures
Supply Chain Risk	• The impact of changes in the external environment, such as changes due to pandemics, natural disasters, or unstable sea and air transportation, on the supply chain • Frequent changes in global tariff policies, especially the US-China trade dispute and import restrictions in emerging markets, may affect the costs of raw materials and components • Market fluctuations may lead to adjustments to raw material sources, increasing supply chain management complexity and quality control risks	• Establish a safety stock strategy for critical components • Strategically and dynamically adjust material preparation and production plans, Appropriately review prices and strictly control costs as well as inventory levels • Establish supplier evaluation and contingency conversion mechanisms • Establish a diversified supplier source strategy to reduce reliance on a single country
Financial Risks	Fluctuations in the US dollar and other major currencies against the New Taiwan dollar have intensified, potentially impacting import and export transaction costs, revenue recognition, and gross margin performance	• Always refer to foreign exchange reports by banks and monitor international economic conditions. Moreover, formulate hedging plans to reduce the impact of exchange rate fluctuations • Establish an exchange rate risk early warning mechanism • Adjust export pricing strategies to reflect changes in exchange rate costs
Information Security Risks	Cyberattacks may lead to data leaks and paralyze information systems. This may result in interruptions of the Company's operations or legal issues	• Use network firewalls, antivirus software, and other related information security tools to conduct monitoring and necessary troubleshooting • Strengthen information security incident reporting mechanism and backup plan • Formulate information security policies to implement management and control. Conduct information security training for all employees every year so that all employees can jointly protect the Company's information security • Conduct information security vulnerability scans by external, professional information security protection units every year to reduce information security risks

Category	Description	Risk mitigation measures
Regulatory Risks	Regulations for medical devices are becoming increasingly strict all over the world. Products that do not comply with the regulations cannot be sold and may have to be phased out	• Establish a dedicated regulatory compliance team to closely track regulatory developments in major global markets • Regularly conduct internal personnel education and training to understand relevant standards and regulatory requirements • Regularly update design and manufacturing processes to comply with the latest regulatory requirements • Collaborate with local consultants and agents to ensure the accuracy of application procedures
Stakeholder Trust Risks	If external risks are not properly disclosed and addressed, it may impact investor and partner trust, thereby damaging the Company's sustainable reputation	• Disclose currency exchange rate/tariff/regulatory/information security risk management measures in sustainability report and financial report • Regularly report risk evaluations and improvement results to the Board of Directors • Strengthen investor communication channels and establish a transparent risk management mechanism

Internal Audit

The Company's Audit Office is an independent unit under the Board of Directors, responsible for reviewing the operations of the Company and reporting to the Board of Directors and the Audit Committee. The appointment and removal of the internal audit supervisors are subject to the approval of the Audit Committee and the resolution of the Board of Directors.

Audit work is primarily conducted in accordance with the annual audit plan approved by the Board of Directors, which is formulated based on the results of risk evaluation. After the completion of internal audit operations, an audit report is compiled and submitted to the Chairman for review. If any deficiencies or abnormalities are identified, recommendations are made and the responsible units are organized for improvement, and progress is regularly tracked until improvements are implemented.

Audit reports (including follow-up reports) are submitted to independent directors for review by the end of the next month following completion. The internal audit supervisor also presents reports at each meeting of the Audit Committee and the Board of Directors.

The Audit Office annually reviews the self-inspection of internal controls conducted by the Company's various units and subsidiaries, and reports the results to the Audit Committee and the Board of Directors as a basis for evaluating the effectiveness of the overall internal control system and issuing the internal control system statement.

The Company's internal audit supervisor attends each Board of Directors meeting and Audit Committee meeting to report, and communicates or provides supplementary explanations based on questions raised by independent directors.

1.5 Information Security

Wellell has established the Rules for Managing Information Operations, Personal Information Protection and Management Guidelines, Personal Data Security Maintenance Procedures, Personal Data Management Procedures, and Trade Secrets Procedures to promote and implement information security management. These measures ensure the protection of the Company's internal confidential information, control the privacy of customer personal data, and enhance employee awareness of information security.

Establishment of a Dedicated Unit to Promote Information Security Management

To strengthen and promote information security management, Wellell has established the Information Security Team, with the IT Department serving as the primary responsible unit. The team is in charge of formulating information security management and protection measures and is made up of members from the Human Resources Division, the Legal and Intellectual Property Department, and the Software Design Department. The employees from the individual departments assist in the promotion and implementation of the various information security tasks.

Department	Responsibilities
Human Resource Division	Coordinate the Company's internal and external corporate risk control and management (including labor-management relations, protection against natural disasters, etc.)
Legal and Intellectual Property Department	Handle legal matters related to the Trade Secrets and Sensitive Data Protection Act and the Personal Data Protection Act.
IT Department	Formulate information security management measures and implement various information security protection operations.
Software Design Department	Handle information management incidents in cloud services provided to external customers.
Auditing Office	Conduct internal audits on information security, and report to the Board of Directors

Aspects of Information Security Management Policies

Aspect	Description
IT system policy and principles	System permission management, system access management, and backup management
Operation execution principles	Software/equipment security management and network usage management
Personnel training operating principles	Conduct hands-on information security education and training courses for new employees and establish information security e-learning courses to enhance the information security knowledge and professional skills of internal personnel.
Information security incident handling processes	Major incidents should be handled in accordance with the 5W1H principle and reported to superiors after the information manager has confirmed the extent of the impact and the severity of the situation.

Enhancing Employee Information Security Awareness

Wellell places great importance on raising employees' information security awareness. Every new employee is required to take mandatory courses on social engineering and the Personal Data Protection Act. To ensure that all employees stay informed about current information security risks, the Company also conducts annual social engineering courses and drills to continuously enhance employees' information security awareness. In 2025, 13.85% of employees classified as high-risk received additional training.

Continuous Monitoring of Information Security Risks

To prevent various information security threats and attacks, Wellell continuously adopts relevant strategies and controls to effectively stop external attacks and internal oversights. The Company ensures the effectiveness of all stages of information security management to mitigate information security risks. Major incidents are handled and reported in accordance with the 5W1H principle. Thanks to our information security protection strategies, there were no incidents of information leaks at Wellell in 2025. The relevant strategies are as follows:

1. Conduct information security tests (information security diagnostics) every year.
2. Continue to monitor changing trends in information security, and promote and announce protection mechanisms and plans internally.
3. Utilizing the current anti-virus system, email protection system, and information security network equipment for protection and recording, we aim to implement advance protection and immediately detect and reduce the impact of information security incidents on the business.
4. Social engineering drills are held every year and on-site vulnerability scans of endpoints are conducted quarterly to enable timely patching and real-time protection.

Reporting and Handling of Information Security Incidents

Wellell has established reporting and response mechanisms for information security incidents. If an incident occurs within the Company and it is determined that a system, service, or network may be violating the information security policies or rendering the protective measures ineffective, thus affecting the operation of the IT system and constituting a threat to the information security policies, it will be handled according to its classification and level. In 2025, there were no major information security incidents impairing operations.

Privacy Protection

Wellell attaches great importance to protecting the privacy of all stakeholders, including customers, employees, and suppliers. The Company strictly abides by the management requirements of privacy and information security laws when collecting, storing, managing, and sharing personal data. We regularly provide employees with education and training on the management of sensitive data and privacy rights. In 2025, Wellell did not receive any complaints regarding breaches of customer privacy or the loss of customer data.

Wellell | Sustainable Operations

2.Sustainable Operations

2.1 Sustainable Development Strategy

Wellell adheres to the Company's purpose of existence and brand vision in planning the direction and strategies for sustainable development. In line with the United Nations' 17 Sustainable Development Goals (UN SDGs), considering material stakeholder topics and trends in the sustainable healthcare industry, we have developed five strategic directions and goals as key priorities across governance, environmental, and social dimensions. We have also established short-, medium-, and long-term sustainability plans, set indicators, and developed action plans to achieve sustainability goals, thereby implementing sustainable operations and creating value for stakeholders. At the same time, the Company reports to the Board of Directors on the progress of its sustainable development strategies and goals annually, and the Board of Directors provides advice on future development directions.

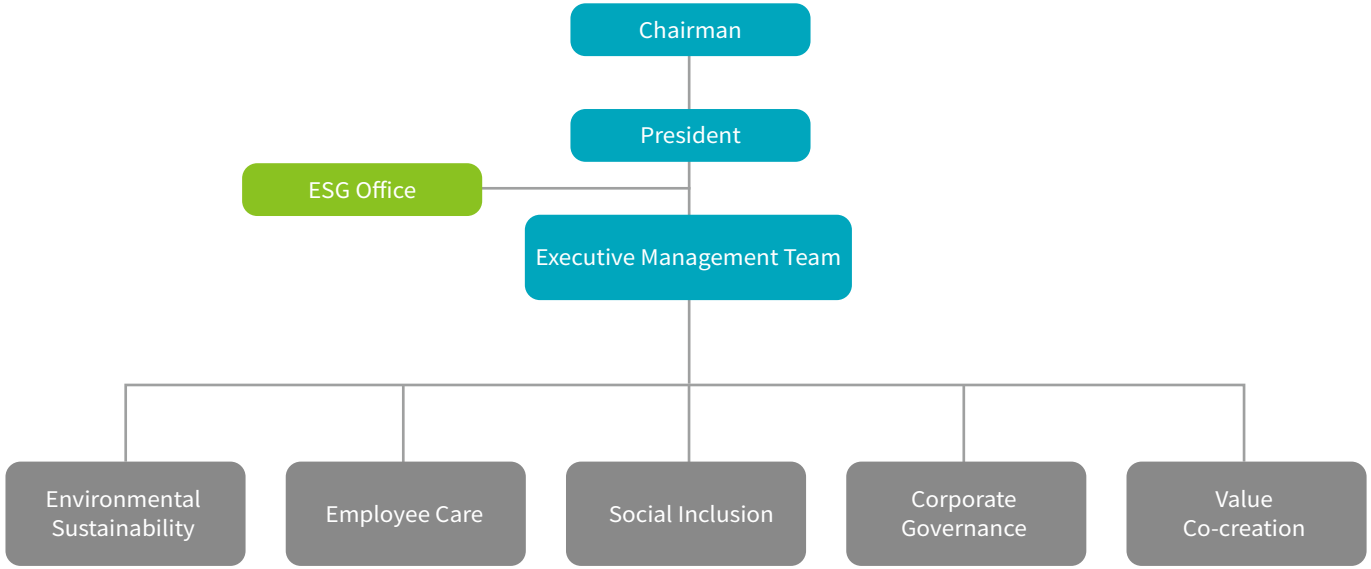
Sustainable Goals and Plans

	Short-term goals	Mid- to long-term goals (2030)
Governance Corporate governance/ Value Co-creation	• Reduce the risk of information leaks and prevent major information security incidents • Maintained its ranking tier in the Corporate Governance Evaluation • Invest in product development that is energy-efficient and environmentally friendly • Continuously control product quality to achieve 100% compliance and pass ISO 13485 certification • Listen to customer opinions through customer satisfaction surveys • Increase the number of green supply chain vendors • Develop ESG Code of Conduct for suppliers and sign contracts	• Introduce ISO 27001 international information security standards • Maintained its ranking tier in the Corporate Governance Evaluation • Continue research and development and innovation with the goal of sustainable products • Continue to pass ISO 13485 certification to ensure quality • Improve customer satisfaction and ensure that products and services continue to meet customer needs • Achieve a 30% proportion of green supply chain vendors to align with sustainable product demands • Achieve a 90% signing rate for the ESG Code of Conduct among suppliers • Strengthen brand value
Social Employee care/ Social inclusion	• Continue to provide local clinical professional health education on pressure ulcer knowledge for assistive device centers and spinal cord injury associations • Establish diverse communication channels for employees • Enhance employees' awareness of DEI and labor rights to build a diverse and inclusive workplace environment • Organize employee health promotion activities	• Promote medical and health education, cumulatively impacting over 1,800 people • Listen to employee feedback to enhance employee satisfaction • Drive subsidiaries to fully promote workplace equality, prohibit workplace gender discrimination and workplace bullying • Continuously enhance employee participation in health promotion activities
Environment Environmental sustainability	• Prioritizing equipment with energy efficiency labels to progressively replace and upgrade legacy facilities • Control electricity consumption and establish energy-saving targets • Reduce disposable tableware in group meals and promote employees' environmental awareness • Recycling and repurposing textile waste to achieve waste reduction and carbon mitigation targets • Complete a comprehensive greenhouse gas inventory across all subsidiaries	• Aim for an annual energy saving rate of 1% with an electricity contract capacity of no more than 800KW • Continuously reduce waste and expand reduction efforts to include waste generated during the manufacturing process • Conduct comprehensive greenhouse gas inventory and verification for subsidiary companies in advance of regulatory requirements

2.2 Sustainable Management Structure

Wellell has established the "Sustainable Development Best Practice Principles" as the direction for the Company's sustainable development. Meanwhile, at the end of 2023, it set up an internal Sustainability Committee, with the Chairman serving as the Chairperson and the President as the Convener. Senior executives from each department serve as conveners of cross-departmental working groups, leading committee representatives from their respective departments. Additionally, it also establishes ESG Office as the dedicated unit to ensure the implementation of sustainable actions and measures within the Company, report to the Board of Directors on the content of the sustainability report, communication with stakeholders, and future sustainable development directions.

The Wellell Sustainability Committee consists of five groups: Corporate Governance Group, Environmental Sustainability Group, Employee Care Group, Social Inclusion Group, and Value Co-creation Group. They jointly promote relevant sustainable policies and plans to respond to the United Nations Sustainable Development Goals (SDGs) and implement the Sustainable Action Plan. They are committed to creating the greatest contribution to the economy, environment, and society, implementing the Wellell's brand spirit of "Be well live well", respecting the value of life, and enabling people to have a healthy and comfortable life.



2.3 Stakeholders and Material Topics

2.3.1 Stakeholder Identification

In accordance with the AA1000 Stakeholder Engagement Standards (AA1000 SES), Wellell has identified six key categories of stakeholders that are relevant to its operations. At the same time, members of the Sustainability Committee from various departments regularly review engagement with these stakeholders and integrate internal resources to provide appropriate responses. This ensures that the Company effectively addresses the diverse concerns and expectations of its stakeholders in daily operations. Additionally, the status of stakeholder engagement is reported to the Board of Directors annually, and a dedicated communication channel is established on the official website to gather more feedback.

Communication Mechanisms and Key Issues of Stakeholders in 2025 Were as Follows:

Stakeholder	Importance to Wellell	Issue of concern	Communication channel	Communication performance
Employees	Employees are the Company's most important asset. We care for our employees and provide smooth and diverse communication management to create a happy working environment for our employees.	Talent development Ethical governance Talent attraction and retention	Employee assembly	1 employee assembly and brand day events were held together with global subsidiaries and related companies
			Employee survey	In 2025, Wellell conducted an employee experience feedback survey. This survey covered eight major employee experience dimensions: competence, leadership, collaboration, development, compensation, culture, advocacy, and sustainability. The average experience score was 4.34 points (out of a maximum score of 6 points)
			Wellell Monthly	Internal publications are published to help employees access news about the Company. A total of 6 issues of Wellell Monthly were published
			Employee suggestion/ complaint mailbox	No feedback was received from employees
			Labor-management meetings	Conducted every quarter. A total of 4 labor-management meetings were held to discuss meals, the environment and facilities, computer equipment, and other issues
			Joint Employee Welfare Committee activities	A total of 23 meetings were held to discuss various employee welfare and activity matters
			Group orientation for new employees	A total of 1 group orientation sessions for new employees to explore Wellell's corporate culture and brand spirit in depth were held. Wellell's founder and chairman was invited to teach in person
			Performance evaluations and career development interviews	Interviews are held between each supervisor and their subordinates at least once a year. The number of accepted annual performance evaluations reached 100%
			Internal communication meetings of each department	Each department holds communication meetings at least once a month. In addition, meetings on business management, brand marketing, clinical research, quality, and product improvement are organized as required

Stakeholder	Importance to Wellell	Issue of concern	Communication channel	Communication performance
Suppliers	The provision of high-quality materials and services by suppliers is the foundation for the Company to create products and services. Maintaining good partnerships with suppliers benefits both parties	Supply chain management Ethical governance Quality management	Supplier evaluation and comparison Project communication with vendors	For detailed communication performance, please refer to chapter "3.5 Supplier Management" of this report
Customers	Customers are the main source of the Company's revenue. High-quality and user-friendly products bring customers higher brand value	Excellent products and services Product innovation and R&D Quality management Customer care Information security	Customer complaint channels Customer service hotline Customer satisfaction surveys (annually) Marketing campaigns (intermittently) Sales visits (intermittently)	Continuously provide high-quality products and services, establish a good bridge of communication with customers, and enhance customer satisfaction. Executed a customer satisfaction survey, with a customer satisfaction score of 4.50 points (out of a total score of 5 points)
Investors	Investors are the funders of the Company. Open and transparent information is provided to maintain investor confidence	Financial performance Ethical governance	Shareholders' meetings Investor conferences Publication of information on the Market Observation Post System An "Investor Section" on the official website	1 shareholders' meeting was held 2 investor conferences were held, allowing investors to directly communicate with senior managers Operating income data was released 12 times on the official website on a monthly basis Quarterly financial reports Irregular material information
Government agencies	Maintain smooth communication with government agencies to avoid accidental violations of the law and ensure stable operations	Ethical governance Legal compliance Risk management	Official correspondence Phone or e-mail	Communication took place irregularly as required
Social groups/ NGOs	Maintain partnerships and implement ESG plans together to create social value	Community involvement and care Customer care Excellent products and services	ESG collaboration Education and promotion of medical assistive devices	The total investment in public welfare activities exceeded NT$4.5 million Social welfare activities benefited 27,240 people For detailed communication performance, please refer to chapter "5.5 Community Involvement and Care" of this report

2.3.2 Management of Material Topics

Wellell values the expectations and suggestions of stakeholders. Based on the GRI Universal Standards 2021, and with reference to the material topics of concern to institutional investors, benchmark peers, and the Sustainability Accounting Standards Board (SASB) in the medical device industry, Wellell has incorporated economic, environmental, and human (human rights) impact assessments, and established a material topics analysis process. To effectively manage material topics, Wellell conducts an analysis of material topics every two years, involving 115 internal and external stakeholders and nearly 30 middle and senior managers in the survey. Based on a questionnaire survey that comprehensively considered stakeholder concerns, the positive and negative impacts of sustainability topics, and the likelihood of their occurrence, the Sustainable Development Committee identified five material topics through review and resolution, created a matrix of material topics for Wellell, and worked out the positive and negative impact results. The relevant results were also reported to the Board of Directors. By extending the 2024 survey and analytical insights into 2025, the Company ensures that all sustainability initiatives remain strictly aligned with our stakeholders' core material topics of concern. This year, the Company continues to track the target achievement rate and manage performance for the five established material topics.

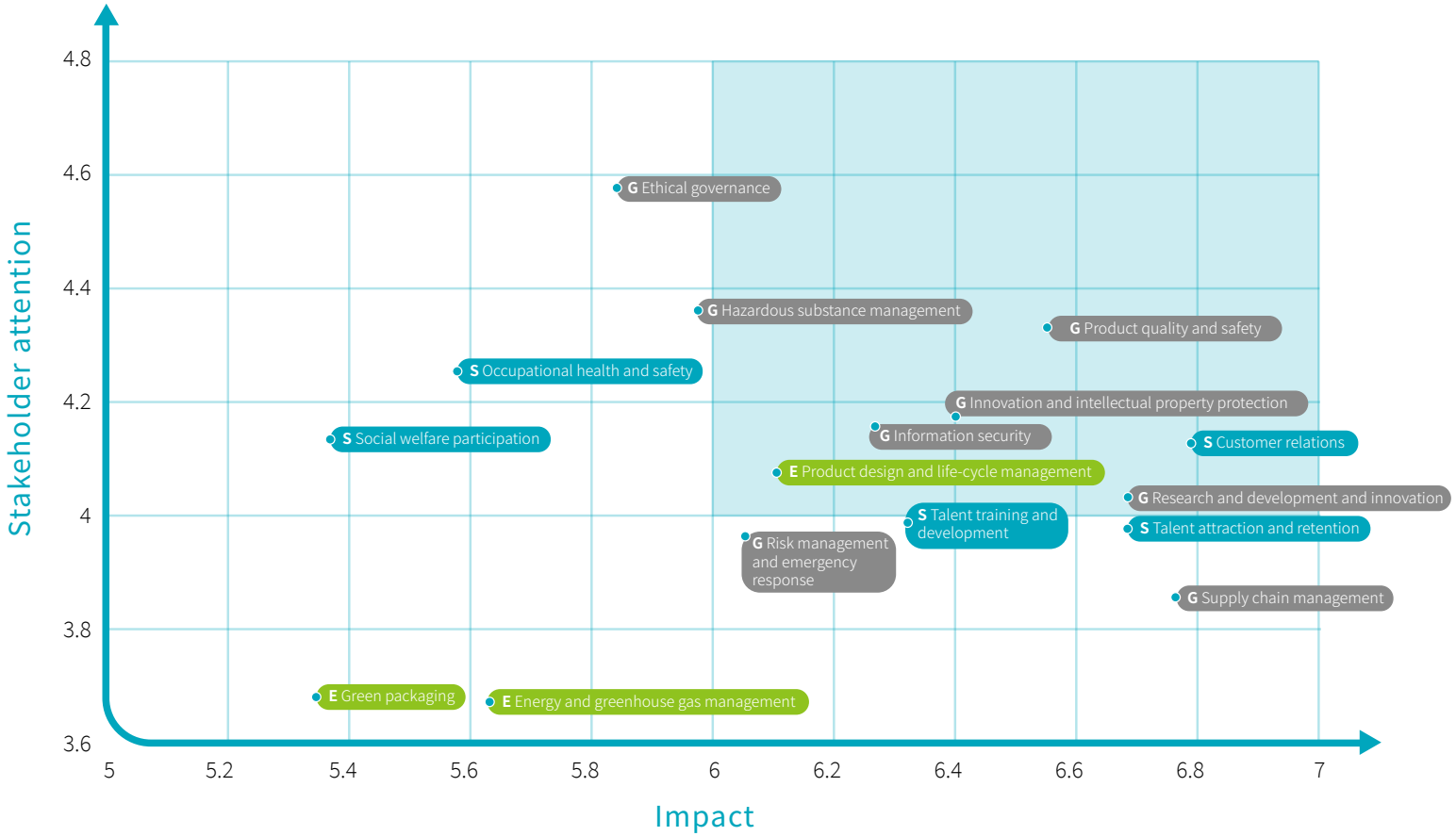
Process for Evaluating Material Topics

Collect sustainability topics	Based on the three dimensions of "E," "S," and "G," a total of 16 sustainability topics were compiled.
Survey stakeholder's concern level	A questionnaire was distributed to six major internal and external stakeholders to understand the level of concern different stakeholders on different topics.
Identify impacts and assess significance	Middle and senior managers assessed the positive and negative impact levels and likelihood of occurrence for each sustainability topic.
Materiality analysis and ranking	Based on the questionnaire results, impact scores were calculated and ranked, while considering the topics concerned by stakeholders. Based on the results, material topics were screened out, and senior managers set materiality threshold scores. After analysis and discussion, the material topics for the current year were selected.
Management of Material Topics	The material topic matrix and list were adjusted. After the results of the identification were discussed and approved by the Sustainable Development Committee, management policies and annual targets were established.

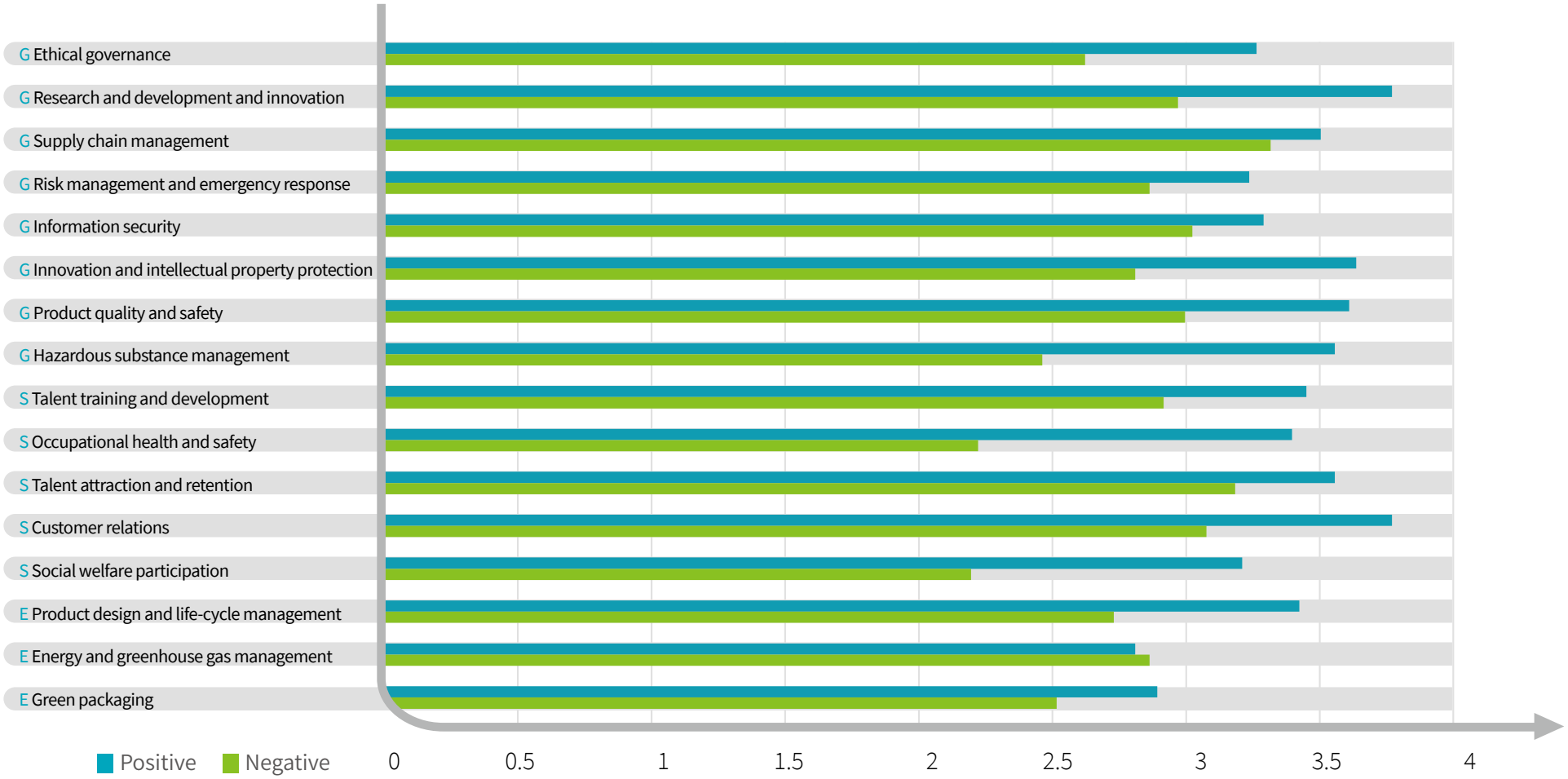
Analysis of Material Topics

After analysis and discussion, and combining similar topics, five material topics were finally selected for 2024, including information security, innovation and intellectual property protection, product quality and safety, product design and life cycle management, and customer relations. Compared to the identification results of material topics in 2023, the results in 2024 changed significantly, as they were obtained through a questionnaire survey to collect opinions from internal and external stakeholders, while expanding the scope of industry-related topics and adjusting the material topics. As a result, innovation and intellectual property protection, product design and life cycle management, and customer relations were added. However, topics not included in 2023 will continue to be managed under the existing procedures.

Matrix of material topics



Positive and negative impact results



Material topic management policy

Material topic	Impact description	Value chain impact			Achievements in 2025	Targets in 2026	Mid- to long-term goals	Corresponding GRI Topics	Corresponding Chapters
		Upstream (Suppliers)	The Company (Within the organization)	Downstream (Customers)					
Innovation and intellectual property protection	**Positive:** Considering the rapid changes in the global market, it is necessary to continuously strengthen technological innovation and establish intellectual property protection and management mechanisms to ensure the protection of corporate intellectual property **Negative:** The Company faces costs related to lack of competitive advantage protection, possible market operation obstacles, and brand value damage	◆	◆	◆	1. 12 domestic and international patents were approved 2. Zero major patent infringement incidents and trade secret leakage incidents	1. Strictly control risks, with zero major intellectual property risk incidents 2. Introduce digital applications for intellectual property management 3. Enhance intellectual property value	1. Strictly control risks, with zero major intellectual property risk incidents 2. Strengthen core patent and trademark portfolio		1.1.1 Excellent Products and Services 3.1. Product innovation and R&D
Information security	**Positive:** Implement information security maintenance and management to effectively protect the Company and maintain the normal operation of core systems **Negative:** Information security breaches lead to the malicious use of the Company's confidential information or customer data, affecting customer privacy and causing losses to the Company's reputation and finance	◆	◆	◆	No major information security incidents or data breaches involving customer information or personal data	1. Zero information leakage risks and avoidance of major information security incidents 2. Conduct social engineering drills and information security awareness training	Introduce ISO 27001 international information security standards	418 Customer privacy	1.5 Information Security

Material topic management policy

Material topic	Impact description	Value chain impact			Achievements in 2025	Targets in 2026	Mid- to long-term goals	Corresponding GRI Topics	Corresponding Chapters
		Upstream (Suppliers)	The Company (Within the organization)	Downstream (Customers)					
Product quality and safety	**Positive:** Emphasize product quality and safety, and comply with international certification standards to ensure long-term product sales **Negative:** Product quality fails to meet customer requirements, leading to loss of customer trust, reduced orders, and decreased revenue	◆	◆	◆	1. 100% product compliance rate 2. Continuously passed the ISO 13485 quality management system certification	1. Products must be 100% compliant with regulations prior to market launch 2. Continuously passed the ISO 13485 quality management system certification		417 Marketing and labeling	1.3 Ethical Corporate Management 3.2 Quality management
Product design and life-cycle management	**Positive:** Designing products from an environmentally friendly perspective aligns with future international standards for green products, and can enhance product competitiveness **Negative:** If a company's product design does not comply with international standards for green products, it may not be sold continuously in the market	◆	◆	◆	1. 50% of air mattress products use Oeko-Tex-certified fabrics 2. Reducing plastic packaging thickness from 0.08 mm to 0.03 mm through our source reduction plan	1. Maintaining the utilization rate of Oeko-Tex-certified fabrics at 50% across our air mattress product lines 2. Tracking packaging material metrics and corresponding carbon reduction rates quarterly, with an annual target to reduce carbon emissions per unit by 15%	Continuously improve toward sustainable products		3.1. Product innovation and R&D 3.2 Quality Management
Customer relations	**Positive:** Actively implement customer communication and problem-solving, improve customer satisfaction, and obtain more customer orders **Negative:** Failure to properly implement customer relation management will increase customer complaints and loss of trust, affecting the company's revenue and sustainable operations			◆	Maintained Customer satisfaction scoreabove 4 points	Maintain customer satisfaction score > 4 points			3.4 Customer Care

Wellell | Co-Creating Value

3.Co-Creating Value

3.1 Product Innovation and R&D

With research and development innovation as its core competitiveness, Wellell has secured 362 approved patents and consistently leads technological breakthroughs in the field of pressure injury care. Wellell's independently developed advanced material technology, automatic adjustment algorithms, and smart management platforms (SleepWell and KeepWell) not only enhance clinical care but also enable smart care, connecting caregivers, data, and equipment to transform care models, improve patient care outcomes, and create long-term value.

Meanwhile, Wellell is gradually integrating sustainability concept into its innovation and R&D, continuously optimizing the environmental performance of its products, and actively launching global patent and trademark portfolios. We collaborate with medical institutions and academic organizations to optimize technology and ensure clinical application effectiveness. Currently, our products are exported to Europe, the Americas, and Asia, and we are striving to become a regional trusted brand for home care products.

Sustainable Product Innovation and Green Design

Wellell adheres to environmental sustainability philosophy, integrates green innovation into product design and manufacturing, drives upgrades in packaging materials and fabric technologies, and achieves an environmental transformation from materials to packaging. Through the selection of environment-friendly materials, process optimization, and extended product lifespans, we aim to reduce resource consumption and carbon footprints, and demonstrate our long-term commitment to sustainable development.

Green Packaging Material Innovation

In terms of packaging design, Wellell uses recyclable paper materials, honeycomb-shaped cushioning structures, interfolded support systems, and multi-layered shock-absorbing cardboard to replace traditional non-biodegradable and non-recyclable foam, impact-resistant sponge, and PE air cushioning materials. This design not only ensures product safety during transportation but also reduces environmental impact. By minimizing plastic use and optimizing packaging design, resource utilization efficiency is effectively enhanced, achieving sustainable upgrades in packaging materials.

Development of Environment-friendly Leather Fabrics

In the development of leather fabrics for products, we will introduce environment-friendly reactive polyurethane resin (PUR) bonding technology to replace traditional solvent-based or high-temperature resin processes. PUR bonding not only features low volatile organic compound (VOC) emissions and high-performance bonding effects, but also can be combined with recycled materials, conforming to the principles of a circular economy. At the same time, in terms of material selection, recycled polyester (rPET) is adopted as the base fabric, paired with a high-purity thermoplastic polyurethane (TPU) film to optimize the overall structure toward a mono-material system design. This design helps enhance the feasibility of material recycling and reuse to reduce the environmental burden at the end of the product life cycle and further advance resource circulation and carbon reduction goals. The eco-friendly leather and fabric developed not only possess low environmental impact characteristics but can also enhance fabric durability and overall performance, thus effectively extending product service life and reducing the generation of medical waste. The products will be applied to the medical air mattress series to provide medical-grade functions such as antibacterial, waterproof, and breathable properties to meet clinical care needs.

In the future, Wellell will continue to invest in R&D resources, strengthen the application of green materials, and deepen intelligent process optimization to achieve more sustainable product design from material selection to product life cycle management. This aims to create innovative medical devices that balance patient care quality and environmental responsibility, making design and selection concrete actions driving sustainable development.

Intellectual Property Management

Wellell is committed to the development of innovative medical devices and global market layout, views intellectual property as one of the Company's core competitive advantages, and has established a comprehensive intellectual property management policy and system covering four key areas: patents, trademarks, trade secrets, and information security. The Company has also established the Intellectual Property Management Regulations and related operating procedures, clearly defining the acquisition, protection, utilization, and risk prevention of intellectual property to ensure that R&D results are fully protected, supporting brand expansion and market layout.

To enhance management efficiency and reduce the risk of infringement, Wellell has established a dedicated intellectual property management team:

- Patent management: Develop patent layout strategy, analyze the technology trends of competitive products, and collaborate with domestic and international professional agencies to file patent applications to ensure patent quality and validity.
- Trademark management: Implement global trademark layout and registration maintenance covering the core brand "Wellell", plan for the registration applications for multiple product and technology names, and establish a trademark database for renewal management.
- Trade secret protection: Establish the Trade Secret Management Regulations, and implement information classification, access control, and regular checks to strengthen confidentiality management.

In addition, Wellell emphasizes employees' awareness of intellectual property risks, regularly conducts training courses or awareness campaigns related to patents, trademarks, and trade secrets. In 2025, over 40 hours of training courses were held. Through three strategies, i.e. systematization, digitization, and education & training, we have established a sustainable intellectual property governance framework to assist the Company in complying with laws and regulations and strengthening its innovation capabilities.

R&D Expenditure

Wellell continues to invest in research and development to enhance production technology and product development. In 2025, R&D expenditures reached NT$153,690 thousand, accounting for 6.39% of the net consolidated revenue. In 2026, the planned investment is expected to be approximately 8.25% higher than that in 2025 to ensure the Company's competitiveness.

Item/ Year	2024	2025
R&D expenditure (A)	163,526	153,690
R&D expenditure as a percentage of revenue (%)	6.85%	6.39%

Unit: NT$1,000

3.2 Quality Management

Wellell upholds the quality management spirit of "Do It Right the First Time" and views product safety and quality assurance as the core cornerstone of corporate sustainable operation. The Company implements a comprehensive quality management system through rigorous regulations, and ensures that products comply with international standards in safety, reliability, and effectiveness through systematic design verification and validation processes.
During the product development and verification process, Wellell adopts multiple testing and evaluation mechanisms, including product basic performance verification (such as mattress surface pressure distribution, pressure and flow control, noise testing), electrical safety verification (IEC 60601 series), biocompatibility assessment (ISO 10993, ISO 18562 series), product durability and lifespan testing, as well as transportation and storage condition verification. Meanwhile, through usability engineering and clinical evaluation, the Company ensures that products balance safety and user experience in actual use scenarios, thereby fulfilling its responsibility to patients and medical personnel. Wellell actively implements green product management; all products comply with international chemical management and hazardous substance restriction regulations such as REACH and RoHS to effectively reduce the potential impacts of products on the environment and human health. In addition, for materials in prolonged contact with patient skin, cytotoxicity, skin irritation, and sensitization tests are conducted to ensure that the products are completely safe for users.

Wellell establishes a highly transparent and traceable quality management system and has obtained the ISO 13485 medical device quality management system certification. We strictly follow medical regulations and international standards of various countries to design and manufacture products that meet customers' needs. From key raw material procurement, incoming inspection, production manufacturing, quality control to final packaging and shipping, all products undergo full-process traceability management through a batch number system. Furthermore, all products must obtain third-party verification or competent authority approval prior to market launch to ensure that products meet regulatory requirements and quality standards. For medical electrical products, materials provided by suppliers must also pass 100% testing and third-party verification to strengthen supply chain quality management and risk control. To ensure the continuous and effective operation of the quality management system, Wellell regularly executes internal audits every year, and continuously refines management processes to enhance overall operational resilience and sustainable competitiveness.
To date, Wellell's products have obtained 182 safety certifications and 218 medical product certifications globally. These include the US FDA's 510(k), the EU Medical Device Regulation, as well as approvals from the National Medical Products Administration (NMPA) in China, the Therapeutic Goods Administration (TGA) in Australia, Health Canada, and the Taiwan Food and Drug Administration (TFDA). Through product design and quality management that comply with international regulations, Wellell continuously provides safe, reliable, and trustworthy medical products to global customers, and practices the enterprise's commitment to society and sustainable development.

Quality Management Education and Training

Wellell is deeply aware that high-quality products rely on the enhancement of employees' professional capabilities and quality awareness; therefore, it continuously invests in quality-related education and training to strengthen human capital.

We organize quality system and regulatory training regularly every year, and the courses cover, but are not limited to, the following:

- ISO 13485 Medical Devices - Quality Management Systems
- Medical device regulations of various countries
- Relevant quality and regulatory courses

In 2025, a total of 665 hours of courses were offered, with a cumulative total of 336 person-times participating. It continuously improves employees' professional capabilities and quality management awareness and ensures that products meet international standards.

3.3 Marketing and Labeling

The accuracy of product labeling reflects Wellell's commitment to product responsibility. Therefore, Wellell's product packaging labels and user manuals must comply with ISO standards for medical devices and other international regulations, providing compliant, accurate, and clear instructions. Wellell provides detailed information on the marketing packaging and in the operating instructions of its products, including product specifications, certification numbers, precautions, warnings, contraindications, cleaning methods, operating instructions, and recycling guidelines. This ensures that consumers can read and clearly understand the instructions for use before purchasing and using the products. In addition, the packaging and manuals contain information about the manufacturer and distributor so that users have a point of contact for any product-related inquiries or concerns. In 2025, there were no violations of product safety, marketing labels, and advertising.

3.4 Customer Care and Service

Wellell adheres to the philosophy of "Customer First" and dedicates itself to providing a warm, friendly, and reliable user experience, while viewing customer satisfaction and product responsibility as important indicators of the enterprise's sustainable development. The Company has established subsidiaries in Spain, the United Kingdom, France, Germany, China, and the United States, and has a marketing office in Jordan, thus building a comprehensive global service network. Through localized services and real-time support mechanisms, it proactively collects customer needs and usage feedback, continuously optimizes product and service quality, and establishes long-term and stable partnerships with customers.

Wellell has established a flexible, tiered pricing mechanism based on market conditions, product characteristics, and customer needs. The sales team conducts professional evaluations based on market competitiveness to optimize resource allocation efficiency and accelerate market expansion.

Customer Complaints and Satisfaction Management

Wellell has established a comprehensive customer complaint and feedback mechanism to ensure that customers' voice can be received and responded to in real time. After receiving customer feedback, the Company conducts problem analysis, improvement, and replies through standardized processes to protect customers' rights and continuously refine product and service quality.
In addition, the Company regularly conducts a customer satisfaction survey every year, covering dimensions such as product quality, after-sales service, and overall evaluation, and submits the results to senior management for review to serve as a basis for continuous improvement. In 2025, a total of 165 questionnaires were collected, and the overall satisfaction reached 4.50 points (out of a maximum score of 5 points), demonstrating that Wellell's brand trust and service quality in the global market have been recognized by customers.

Customer Satisfaction **4.50** (Out of 5)

Complaint Handling Procedure

Customer opinions and feedback are the driving force behind the Company's growth. Therefore, Wellell provides channels for customer complaints and suggestions. Upon receiving feedback, Wellell promptly addresses concerns and responds to ensure that customer's rights are upheld.

- **Customer feedback**: Feedback provided in written form, by telecommunication, or verbally.
- **Cause analysis**: Identify the cause and formulate corrective actions based on the circumstances of the incident
- **Corrective actions**: Implement corrective actions and respond to the customer to resolve issues.
- **Preventive measures**: Formulate a preventive action plan after the corrective actions have achieved positive results to prevent the sane incident from happening again.

3.5 Supply Chain Management

Suppliers are one of Wellell's key stakeholders. Upholding the principle of "cooperation and co-existence," Wellell continuously maintains mutually cooperative relationships with upstream and downstream partners in the supply chain. The Company aims to create sustainable value together with its supplier partners and fulfill its corporate social responsibilities.

Wellell has formulated the Procurement Operations Management Measures and Procurement Operations Standards as the basis for supplier management. The content of these documents includes mechanisms for supplier selection, standards for the management of supplier classification, and standards for supplier evaluation. Additionally, Wellell categorizes its suppliers to ensure that the goods provided comply with regulations. The Company also requires key/high-risk suppliers to sign quality agreements to ensure that the quality of medical equipment products, which are subject to strict regulatory controls, meets both regulatory requirements and Wellell's high quality standards.

To counter risks that could potentially disrupt the supply chain and make key raw materials difficult to obtain, Wellell not only maintains stable friendly relationships with suppliers but also closely monitors the supply status and inventory levels of critical materials. In addition, for materials with long lead times, Wellell provides suppliers with estimates of required quantities to help them make appropriate supply arrangements, thereby reducing the risk of insufficient supply.

Supplier Types

Wellell divides suppliers into 4 categories according to their characteristics:

Category	Description	Number of companies	Ratio
Type A: Key/High-Risk Suppliers	• Quality agreements must be signed to stipulate relevant quality requirements. • Major suppliers: The materials provided are defined as critical and important for the design and development process. • High-risk suppliers: Manufacturers that offer finished products to Wellell.	128	19.0%
Type B: Not Classified as Type A or C	• Manufacturers who provide materials that directly or indirectly affect product functionality or finished products.	418	61.9%
Type C: Low-Risk Suppliers	• Manufacturers of cartons, cardboard boxes, or accessories (items not related to product functionality).	85	12.6%
Type D: Providing Quality-Related Services	• Product certification and instrument calibration vendors.	44	6.5%
	Total	675	100%

Local Procurement

When selecting suppliers, in addition to considering specifications and source of supply restrictions, Wellell also tries to increase the ratio of localized procurement as much as possible. Among regular trading suppliers, the ratio of localized procurement in Taiwan is approximately 87.11%. At the same time, Wellell also follows various international regulations and guidelines, including RoHS (Restriction of Hazardous Substances Directive) and REACH (Regulation on the Registration, Authorization, and Restriction of Chemicals). During the selection process for parts and materials, suppliers are required to pass relevant tests and attach certificates or sign affidavits. This is done not only to avoid harm to users, but also to reduce the impact on the environment.

Supplier Management Mechanisms and Procedures

Selection of qualified suppliers

Signing of confidentiality agreements and quality requirement documents according to the type of supplier

Supplier assessment, evaluation, and improvement

Selection of qualified suppliers and signing of confidentiality documents

After identifying potential suppliers that meet the requirements, Wellell evaluates them based on the multiple aspects of MEQCD (management, environment, quality, cost, delivery, and technology). Qualified suppliers are selected according to their score. At the same time, Wellell requires its suppliers, categorized into four different types, to sign confidentiality agreements, quality agreements, and affidavits on the non-use of hazardous substances (type A suppliers).

Supplier assessment, evaluation, and improvement

Assessments: Once deemed as qualified, suppliers must undergo an assessment every six months. The assessment focuses on quality and delivery times. Wellell requires suppliers who score less than 80 in the assessment to improve and take corrective and preventive measures. If the improvements are ineffective, the supplier is reported for removal from the list of qualified suppliers.

Regular evaluations: Annual evaluations are conducted by selecting evaluation targets and formulating plans, which are then executed on a monthly basis. The evaluation targets are mainly the key suppliers mentioned above (type A suppliers), followed by those who have changed their manufacturing location or added new equipment. If the result of the evaluation is unsatisfactory, the corrective and preventive action process is initiated and the manufacturer is required to make improvements. If the improvements are ineffective, the supplier is reported for removal from the list of qualified suppliers. In 2025, a total of 53 items divided into 6 categories were evaluated, with a total of 12 suppliers being scrutinized. All suppliers were deemed qualified.

Rating	Score	Handling
A	Over 90	N/A
B	Over 80	N/A
C	Over 70	Corrective and preventive measures (for important materials)
D	Less than 70	Corrective and preventive measures

Supplier Sustainability Evaluation

In addition to management of suppliers' performance and capabilities, Wellell has gradually incorporated requirements for suppliers to implement ESG practices into its procurement procedures. Since 2024, the Company has established the Supplier Social Responsibility and Business Ethics Statement, and suppliers with transaction records over the past two years will be required to sign it. It is expected that 60% of suppliers will sign it in 2026. Through the signing of the statement, suppliers are required to comply with standards in areas such as health and safety, labor and human rights, environmental protection, and business ethics, and fully comply with the laws and regulations of the countries/regions where they operate.

ESG Evaluation Items and Scoring Principles

Through the Supplier Corporate Social Responsibility Checklist, the suppliers should evaluate their social responsibility practices by themselves. Meanwhile, Wellell conducts on-site evaluations and reviews, and scores based on actual implementation results to establish a standardized review mechanism.

Scoring Items: including four items: health and safety, labor and human rights, environment, and business ethics.

Scoring Instructions:
5: With complete processes and 100% implementation records
4: Approximately 80% of processes available or approximately 80% implemented
3: Approximately 50% of processes available or approximately 50% implemented
2: Approximately 30% of processes available or approximately 30% implemented
1: Less than 30% of processes available
0: No processes or implementation records

Rating criteria:

Rating	Score range	Rating criteria explanation
Level A	Above 90	Pass
Level B	Above 80	Class A suppliers must achieve a B-level rating or above
Level C	Above 70	Class B or C suppliers must achieve a C-level rating or above
Level D	Less than 70	Fail

Corrective measures for abnormalities:

In the Corporate Social Responsibility Checklist, if the rating is Level D (70 or below, including Level D) or if a Class A supplier is rated Level C or below (including Level C), an "Abnormality Correction Action Form" will be issued, and the supplier will be notified to respond with corrective measures. The re-evaluation period is 3 months, during which procurement may continue; if the re-evaluation results remain Fail, the procurement department manager will report to the monthly manufacturing supply chain meeting to decide whether the supplier is delisted or conditionally monitored.

Driving Sustainable Supply Chain Transformation

In 2025, Wellell continued to implement supply chain transformation projects and facilitated the practice of smart manufacturing and low-carbon technologies with supplier partners. Wellell requires suppliers to meet management regulations on the environmental dimension. The audit items cover chemical and hazardous substance management, waste and wastewater treatment, exhaust emission control, as well as pollution prevention and reduction at the source. Quantified scores are given based on implementation results and incorporated into the suppliers' annual procurement evaluation. This year, our supplier partners responded proactively by implementing high-efficiency digital production equipment and automated nesting systems to replace traditional manual processes. This transition has significantly optimized raw material utilization and minimized scrap waste. Concurrently, high-energy-consuming equipment is being progressively phased out in favor of energy-efficient electronic control power systems to deliver substantial electricity savings and carbon emission reductions. Through these technological upgrades, Wellell not only effectively optimized the efficiency of resource utilization, but also joined hands with suppliers to build a highly efficient supply chain system that possesses climate resilience and environmental friendliness.

Wellell | Environmental Sustainability

4.Environmental Sustainability

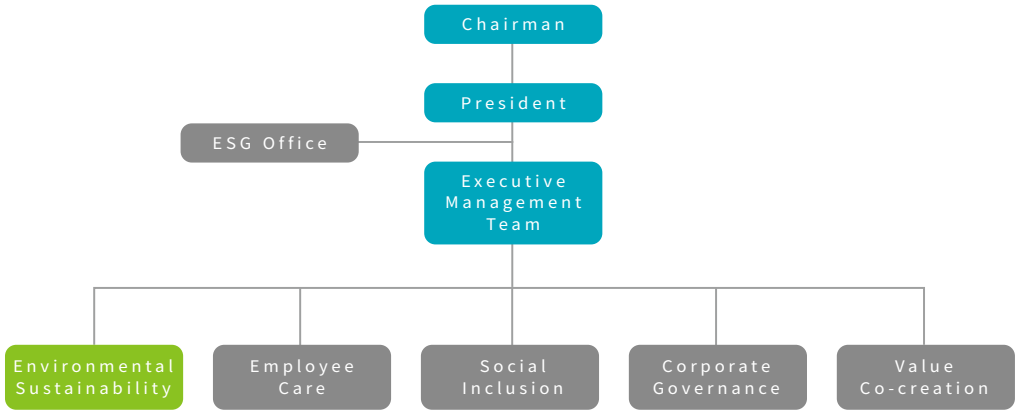
Wellell's production model focuses primarily on assembly. The required components are delivered by various suppliers and then assembled into finished products on the respective production lines. The energy used for the manufacturing process is exclusively electricity, without the use of water, steam, or heat sources. In response to global efforts to achieve net-zero carbon emissions and the need for effective environmental energy management, Wellell has established the Tucheng Building Management Guidelines. These guidelines set out various control standards for internal energy management to ensure the implementation of energy-saving measures, thereby achieving environmental sustainability. In addition, Wellell initiated an internal greenhouse gas inventory in 2022 to assess the Company's current greenhouse gas emissions. All subsidiaries in the consolidated financial reporting boundary was included in the greenhouse gas inventory in 2025.

4.1 Climate Change Management

In response to the risks and challenges posed by global climate change, the Company follows the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and further references the framework of International Financial Reporting Standard S2 (IFRS S2), integrates the four core disclosure areas of "Governance," "Strategy," "Risk Management," and "Metrics and Targets" into the operation management. The Company discloses the implementation status and performance in its sustainability report, and expects that the stakeholders could understand the impacts of climate change related risks and opportunities on the Company, as well as the corresponding response measures.

Governance

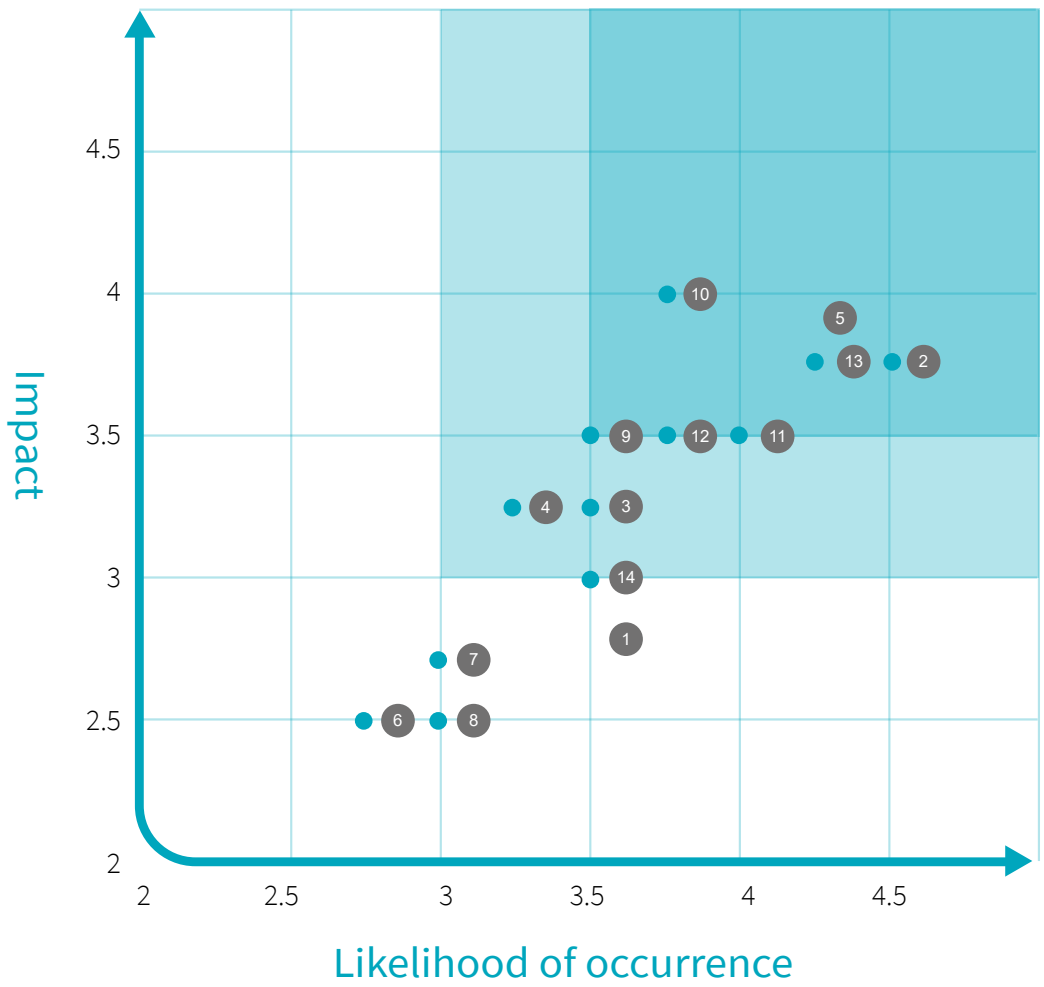
The Company has established a Sustainability Committee internally, with the Chairman serving as the Chairperson, the President as the Convener, and senior executives from each department serve as conveners of cross-departmental working groups, leading the committee representatives from their respective departments. Meanwhile, an ESG Office has been established as a dedicated promotion unit. Five functional groups are organized based on their roles. Among them, climate change-related topics are primarily promoted by the Environmental Sustainability Group. Departments such as General Affairs, Production, R&D, and Supply Chain have different implementation tasks. The ESG Office conducts environmental evaluation on the Company's activities, products, and services, and conducts evaluation and management of risks and opportunities related to climate change. The ESG Office reports quarterly to the Board of Directors on overall sustainability actions and measures, so that the Board can effectively monitor the Company's climate risk management and implementation. The Board may also propose improvement or implementation suggestions at any time to guide and oversee the Company's climate risk management efforts.



Strategy

Faced with the potential operational impacts of global climate change and extreme weather events on the Company, the Company follows the framework outlined in the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and IFRS S2, and begins to collect data, identify and evaluate the risks and opportunities associated with climate change and their potential operational and financial impacts on the Company. The Company has defined short-term as 1–3 years, medium-term as 3–5 years, and long-term as over 5 years, and has also planned various actions to address the risks and opportunities brought about by climate change.

Climate-related risk identification matrix



Transformation Risk

1 Increased pricing of GHG emissions
2 Enhanced emissions-reporting obligations
3 Replace existing products and services with low-carbon goods
4 Raw material regions are affected by climate change
5 The supply chain affects the process by which the Company transforms existing products into sustainable products
6 The demand for green consumption markets increases, leading to a decline in demand for existing goods and services
7 Insufficient climate response actions have led to a decline in bran reputation
8 Increased stakeholder concern or negative stakeholder feedback

Physical Risk

9 Extreme weather impacts have led to a sharp increase in maintenance and operation costs or disruptions in the supply chain
10 Work suspension and commuting disruptions caused by typhoons and torrential rain
11 The average temperature rises, and in the case of an increase in heat load, it leads to an increase in electricity consumption
12 Utility grid capacity shortfalls leading to power rationing or outages

Opportunity

13 Invest in the recycling and reusing process to improve the efficiency of resource utilization
14 The demand for green consumption market is increasing, providing low-carbon products and services

According to the reports and discussions of the Sustainability Committee and senior management, six climate-related risks and one climate-related opportunity were identified, with the following response measures proposed:

	Category	Item	Potential impact on Wellell	Impact time	Financial impact on the Company	Response measures
Transformation Risk		2. Enhanced emissions-reporting obligations	The government has established a "Sustainable Development Roadmap for TWSE/TPEx Listed Companies", which requires parent company and subsidiaries to disclose and check their timelines by stages, resulting in increased operating costs	Short	Cost increase	Depending on the region of the parent company and subsidiaries, phase in ISO 14064-1 greenhouse gas inventory and verification companies, and train internal greenhouse gas inventory seed personnel to complete self-inventory ahead of the statutory schedule.
		5. The supply chain affects the process by which the Company transforms existing products into sustainable productssustainable products	In response to the global trend toward low-carbon transformation, customers require carbon emission reduction for the products. If suppliers cannot provide green raw materials, the products may fail to meet customer demands, and the orders may be transferred to other suppliers	Long	Cost increase	Choose low-carbon product suppliers and encourage them to take climate action
Physical Risk		9. Extreme weather impacts have led to a sharp increase in maintenance and operation costs or disruptions in the supply chain	The increased frequency of natural disasters caused by global extreme climate will lead to logistics disruptions and unstable raw material supplies, and will also cause an increase in repair and maintenance demands for facilities such as production equipment and factory buildings.	Long	Decreased revenue Cost increase	Production is carried out by operating factories from different countries to mitigate the risks faced
		10. Work suspension and commuting disruptions caused by typhoons and torrential rain	The rising probability of intense typhoons or short-duration heavy rainfall will lead to increased commuting risks and trigger disaster prevention work-suspension mechanisms, thus resulting in human resources being unable to report to work as planned and causing production process stagnation.	Short	Decreased revenue Cost increase	
		11. The average temperature rises, and in the case of an increase in heat load, it leads to an increase in electricity consumption	Rising average temperatures across Taiwan will result in increased usage of related air conditioning or cooling equipment	Medium	Cost increase	Purchase energy-saving equipment The factory power is equipped with an emergency generator system, which provides fire protection systems and important instruments and equipment for use Improve the contingency measures for power outages
		12. Insufficient backup load of the municipal power supply leads to power restrictions/outages	As the frequency of extreme weather events increases, summer grid loads will increase sharply, reserve capacity will decrease, and sudden power rationing will occur, posing operational disruption risks to production lines and critical equipment	Short	Decreased revenue Cost increase	
Opportunity		13. Invest in the recycling and reusing process to improve the efficiency of resource utilization	Under the global sustainable transformation and circular economy trends, enterprises invest in green R&D and technological innovation. Although R&D and equipment expenditures increase in the short term, resource utilization rates can be optimized in the medium to long term, thus reducing raw material costs and developing a market competitive advantage for low-carbon transformation.	Long	Capital expenditure Cost reduction	Invest in the research and development and innovation of green products

Risk Management

Wellell identifies climate risks following the framework of International Financial Reporting Standard S2 (IFRS S2), and the ESG Office refers to the International Financial Reporting Standard S2 (IFRS S2) and the Task Force on Climate-related Financial Disclosures (TCFD), benchmark enterprises, and sustainability reports from the healthcare industry to collect topics, and has summarized 14 climate risks and opportunities. A questionnaire is sent to the President and senior executives of various departments to evaluate the likelihood and impact of climate risk issues. The results are analyzed and ranked, and finally a sustainability committee meeting is convened to discuss and identify climate risks and opportunities with relevant members, and corresponding measures are formulated. Meanwhile, the identification results are included in the sustainability report, and a report is submitted to the Board of Directors at least once a year.

Climate Risk Management Process

Step 1

Establish a risk list

According to the International Financial Reporting Standard S2 (IFRS S2) and Task Force on Climate-related Financial Disclosures (TCFD), benchmark enterprises, and sustainability reports from the healthcare industry, a climate risk list was established and 14 climate risks and opportunities were identified

Step 2

Identify risks

Based on the 14 climate risks and opportunities, the Chairman, President, and senior executives from each department evaluated the impact and likelihood of occurrence of these topics on the Company through a questionnaire, and analysis and ranking were performed according to the results

Step 3

Confirm key risks

Through discussion and identification with relevant managers on the climate risks and opportunities at the Sustainability Committee meeting, key management topics were finally confirmed

Step 4

Develop response measures and follow-up management method

Assess the potential financial impact of climate risks and develop response strategies and follow-up management method

Metrics and Targets

To formulate future carbon reduction strategies, Wellell is conducting greenhouse gas inventories in phases to understand the data of each subsidiary, thus planning for the overall carbon reduction targets:

Item	2025 Target	2026 Target	2030 Target
Introduction of greenhouse gas inventory	1. The 2024 inventory reports and lists have been completed for Wellell (including Wellell (Kunshan)). 2. Guidance for subsidiaries began in early December.	Parent company and subsidiaries in the consolidated statements produce greenhouse gas inventory reports and lists for 2025	Annual greenhouse gas inventory and third-party verification for subsidiaries in the consolidated statements
Percentage reduction in total greenhouse gas emissions of parent company (Scopes 1+2) (compared to the base year 2022)	Reduce by 6.5%	Within ±2% of the base year	Reduce by 5%

4.2 Energy Management

Wellell's primary energy consumption is electricity. The parent company's greenhouse gas emissions, electricity usage, water consumption, and total waste volume over the past four years are shown below. Additionally, currently the Company has not yet adopted renewable energy, and the renewable energy utilization ratio is 0%.

Greenhouse gas

Wellell has introduced greenhouse gas inventory in accordance with the ISO 14064-1:2018 standard. Due to the fact that Wellell is mainly engaged in light assembly and the energy used in the manufacturing process is mainly electricity, the largest source of emissions is purchased electricity under Scope 2. In 2025, due to the addition and replacement of equipment, Category 1 direct emissions increased.

2022-2025 Greenhouse Gas Emissions of Wellell Headquarters

Scope	Category	Description	2022	2023	2024	2025
Scope 1	Category 1	Direct emissions	37.5716	35.6238	31.0823	107.379
Scope 2	Category 2	Indirect greenhouse gas emissions from purchased electricity	886.7925	861.9312	789.6840	757.1565
Scope 3	Category 3	Transportation	163.6350	141.3807	135.2330	140.9858
	Category 4	Products used by organization	211.1599	197.8748	182.9801	227.9488
Total		Carbon dioxide equivalent (ton-CO2e)	1,299.1590	1,236.8110	1,138.9790	1,233.4701

Note 1: The data in this table covers the headquarters of the Wellell Inc.
Note 2: In 2025, subsidiary Sturdy Industrial Co., Ltd.'s data was newly added (calculated starting from September).

2025 Greenhouse Gas Emissions of Wellell Group (Scope 1 and Scope 2)

Year	Scope	2025
Parent company and subsidiaries in Taiwan	Scope 1	120.5744
	Scope 2	767.5441
	Subtotal	888.1185
Overseas subsidiaries in consolidated financial statement	Scope 1	713.5289
	Scope 2	531.8994
	Subtotal	1,245.4283
Total (ton-Co2e)		2,133.5468

Note 1: The inventory scope of overseas subsidiaries in consolidated financial statement covers the China Business Zone, Pan-European Business Zone, and North American Business Zone.

2022–2025 Electricity Consumption of Wellell Headquarters

Year	Total power consumption	GJ (Note)	Energy saving performance and measures	Future reduction targets and implementation status
2022	1,770,600kWh	6374.160	Performance: A decrease of 41,200 kWh compared to the previous year, or 2.47%. Measures: 1. Replaced old chillers with new variable-frequency ones. 2. All replacement equipment is selected according to whether it meets energy label standards to achieve the goal of saving electricity	The target is to reduce electricity consumption by 0.1% annually compared to the previous year.
2023	1,767,300kWh	6362.280		
2024	1,666,000kWh	5997.600		
2025	1,624,800 kWh	5849.280		

Note 1: 1kWh = 0.0036GJ
Note 2: In 2025, subsidiary Sturdy Industrial Co., Ltd.'s data was newly added (calculated starting from September).

Water Consumption

No water is used in Wellell's production processes, and the total water consumption is mainly daily water consumption.

2022–2025 Water Consumption of the Wellell Headquarters

Year	Total water consumption	Energy saving performance and measures	Future reduction targets and implementation measures
2022	7,308kL	Performance: A decrease of 862 m3 of water consumption compared to the previous year. Measures: 1. All replacement equipment is selected according to whether it meets water efficiency label standards to achieve the goal of saving water 2. Recycled wastewater from the RO system process for flushing toilet facilities.	By 2026, we aim to reduce water consumption by 1% compared to 2022.
2023	7,641kL		
2024	7,889kL		
2025	7,027 kL		

Note: In 2025, subsidiary Sturdy Industrial Co., Ltd.'s data was newly added (calculated starting from September).

Waste Generation

Wellell does not produce hazardous waste. Non-hazardous waste can be divided into two types: "waste cloth generated during manufacturing processes" and "general waste." As far as waste disposal is concerned, Wellell adheres strictly to the Waste Disposal Act when collecting, classifying, and storing waste. The Company commissions qualified waste disposal companies to dispose of waste according to the regulations. In addition, Wellell ensures that the disposal companies and waste processors provide final proof of transportation and disposal upon receipt of the waste. The recycling and reuse of waste is entrusted to qualified processors for disposal and transportation.

Year	Hazardous waste (tons)	Non-hazardous waste (tons)	Energy saving performance and measures	Future reduction targets and implementation measures
2022	0	67.675	An increase of 0.23 tons compared to the previous year, with a slight increase due to production capacity factors in 2025. However, in 2025, the recycling and reuse of fabric scraps and scraps reached 3.847 tons.	By 2026, it is expected that the waste will be reduced by 5% compared to 2022. 1. Promote full implementation of resource recycling among all employees. 2. Collaborate with recycling plants to recycle leather fabric scraps and achieve the recycling goal.
2023	0	66.166		
2024	0	52.631		
2025	0	52.861		

4.3 Environmental Resource Management

Product Manufacturing

Although Wellell does not operate in an industry with a high energy consumption and its production model is primarily based on assembly, the Company strictly adheres to environmental regulations and meets all requirements. None of our manufacturing processes generate substances that pollute the environment. In addition, Wellell requires its raw material suppliers to comply with the Restriction of Hazardous Substances (RoHS) Directive, which restricts the use of certain hazardous substances in electronic products. Currently, Wellell is gradually moving toward using recyclable or biodegradable green products. The Company places great emphasis on material sourcing, strength, durability, and biocompatibility to ensure that its products are not only more comfortable and safer to use, but also more environmentally friendly.

Digital learning reduces resource consumption

To reduce the environmental impact of physical business travel, Wellell practically applied digital product courses. By introducing online courses and digital teaching materials across subsidiaries in the world, we not only effectively reduce carbon emissions from international business travel and transportation but also significantly reduce resource consumption associated with printing physical teaching materials. In 2025, by using electronic teaching materials, over 3600 sheets of A4 paper were saved, equivalent to reducing approximately 27.36 kg of carbon dioxide emissions, while enhancing the efficiency and flexibility of education and training.

Furthermore, online learning enables remote participation for colleagues worldwide and provides video playbacks, which can substantially promote knowledge sharing and real-time communication within the company, enhances learning outcomes, and drives the company toward a low-carbon, high-efficiency green office culture, demonstrating Wellell's dual commitments to sustainability and digital transformation.

Note: Based on Taiwan's Product Carbon Footprint Information Network of the Environmental Protection Administration of the Executive Yuan, the carbon footprint for a ream of 500 sheets of A4 paper is calculated at 3.8 kg Co2e.

Fully use gifts made from environment-friendly materials

Wellell is committed to sustainable development and environmental protection. In 2025, all gifts were made from environment-friendly materials or reusable products, and by selecting low-carbon products, the overall carbon emissions were effectively reduced, such as tote bags, paper bags, notebooks, and thermal cups, and coasters, made of eco-friendly recycled materials, achieving a total carbon reduction of 5.5 metric tons.

Wellell | Social Inclusion

5. Social Inclusion

5.1 Human Resources Management

In 2025, Wellell's Taiwan parent company had a total of 200 employees, and global employees totaled 529 employees, among which 51% of whom were non-Taiwanese. The Company is dedicated to working with global brand partners at the forefront of providing medical products and services, contributing to the health and well-being of people worldwide. Guided by our business philosophy of "integrity, professionalism, and innovation," we provide a friendly workplace, a diverse and inclusive working environment, comprehensive care and benefits, open and transparent communication channels, and a culture of genuine care. This ensures that our employees are in roles that match their talents, allowing them to shine on the global medical brand stage.

At 53.75%, the proportion of female employees in Wellell's employee structure is slightly higher than that of male employees (46.25%). Among them, female managers (at junior management level and above) account for 25.00% of management. 100% of Wellell's employees are Taiwanese employees with permanent employment contracts. Wellell continues to recruit new talent in the technical area and is implementing corresponding plans to adjust the personnel structure. In 2025, the total number of employees was 200, representing a decrease of 7% compared to the previous year due to organizational restructuring within the group. The number of employees of the Company is calculated based on the total number of employees at the end of the year.

Number of employees (Note)

Type of employment	Gender	2024	2025
Full-time employees	Male	97	97
	Female	116	103
Number of full-time employees		213	200
Part-time employees	Male	2	0
	Female	0	0
Number of part-time employees		2	0
Non-guaranteed hours employees	Male	0	0
	Female	0	0
Number of non-guaranteed hours employees		0	0
Total		215	200

Definitions:
Full-time employees: The weekly working hours of the employees correspond to the weekly working hours for full-time employees specified in the local regulations.
Part-time employees: The weekly working hours of the employees do not correspond to the weekly working hours for full-time employees specified in the local regulations.
Non-guaranteed hours employees: Employees with irregular weekly working hours.

Type of employment contract	Gender	2024	2025
Indefinite contract	Male	97	97
	Female	116	103
Total		213	200
Temporary contract	Male	2	0
	Female	0	0
Total		2	0
Total		215	200

Definitions:
Indefinite contract: Employment contract with non-fixed term.
Temporary contract: Employment contract with fixed term.
Note: The employees who are statistically recorded in this report are all located in Taiwan.

Average Age and Seniority of Employees

Year	Average age (years old)			Average seniority (years)		
	Male	Female	Total	Male	Female	Total
2023	41.4	41.8	41.6	7	9.5	8.4
2024	41.9	41.9	41.9	7.34	9.5	8.5
2025	43.79	43.71	43.78	8.08	10.87	9.51

Diversity Indicators

Wellell is committed to creating an equal, inclusive, and diverse working environment. Differences in race, nationality, gender, religion, and other factors have no impact on hiring, compensation, or promotion. As a multinational company, Wellell encourages its employees to respect their differences and learn together. In 2025, in compliance with the law, Wellell employed one person with a disability and hired two employees of indigenous descent to promote employee diversity and equal employment opportunities.

Age and Gender of Employees by Levels of Positions					
Category	Number of people	Male	Female	Age	Percentage
General employees	158	40.8%	59.2%	Under 30 years old	69.6%
				30–50 years old	7.6%
				Over 50 years old	22.8%
Entry-level managers	13	61.5%	38.5%	Under 30 years old	0%
				30–50 years old	84.6%
				Over 50 years old	15.4%
Mid-level managers	16	75.0%	25.0%	Under 30 years old	0%
				30–50 years old	68.8%
				Over 50 years old	31.2%
Senior managers	13	100%	0%	Under 30 years old	0%
				30–50 years old	30.8%
				Over 50 years old	69.2%
All employees	200	48.74%	51.26%	Under 30 years old	12.0%
				30–50 years old	68.0%
				Over 50 years old	26.0%
Disabled employees	1	The ratio of disabled employees is 0.50%			

Note: The actual number of employees with disabilities is one. In accordance with the regulations, the employment of a person with a severe disability counts as two employees. Applying this weighting results in a figure of two, which meets the legal requirements.

5.2 Talent Development

5.2.1 Talent Cultivation

Employees are an important asset for Wellell. The Company can only achieve sustainable development with its employees by continuously improving their knowledge and skills. Wellell's talent cultivation is structured by the two approaches of "management/professional dual-track system" and "generalist/specialist training." These approaches are designed to provide employees with comprehensive training plans tailored to their career path.

Management and professional dual-track system:
The management/professional dual-track system provides diverse career development opportunities within the Company, enabling employees with different strengths and characteristics to develop into either management or professional positions. The aim is to ensure that employees are placed in positions that best suit their talents and skills.

Generalist/specialist training:
"Specialists" are encouraged to deepen their expertise in specific areas, while "generalists" focus on cross-disciplinary integration. Together, these roles complement each other and create an optimal balance for internal operations within the organization.

Education and Training Programs

Wellell aligns talent development with its mid- to long-term business strategies and annual goals, focusing on nurturing the talent needed for current and future business growth. Our aim is to enhance employee productivity and improve the overall performance of the Company. The programs not only encourage employees to improve their skills on their own, but are also aligned with employees' personal career plans and enable them to grow together with the Company. This system creates a culture of lifelong learning within the Company.

Blended/Hybrid Learning for New Employees

Due to the unique nature of the industry, we employ blended/hybrid learning methods for new employee training, enabling new employees to demonstrate their skills in the shortest possible time. Orientation training includes online courses on products, processes, and clinical practices. The training is supplemented by individualized OJT sessions. These are conducted one-on-one by managers or senior employees to ensure that each new employee can quickly adapt to their role.

Core Knowledge Management Platform

As a medical equipment company with its own brand, Wellell's core competencies lie in its knowledge of products, clinical practices, research and development, and market insights. Wellell preserves and leverages this knowledge by digitizing it via a digital learning platform, where it is stored in video and audio formats. Employees in different roles can access job-specific knowledge and materials directly via the learning platform. They can also freely explore and enroll in open courses available in the system, using the platform's learning resources to supplement their professional knowledge.

Deepening/Broadening of Professional Skills

To continuously promote the development of our employees' expertise, we have systematically shifted the main focus of our educational and training programs from product research and development to areas such as quality systems and legal and intellectual property rights. By utilizing an open platform for cross-functional collaboration and brainstorming, Wellell aims to foster new ideas in brand and product development.

With regard to the statistics on employee education and training (including both internal and external training) in 2025, a total of 1,384 employees were trained, with a total training duration of 3293.98 hours. The average training time per employee was 13.12 hours. The total cost of external training amounted to approximately NT$100,000, while around NT$1 million was invested in internal training.

Statistics on Training Types

Training course type	Number of sessions	Number of trainees	Training hours
Internal training - In-person course	13	420	707
Internal training - Online session	7	889	2,017.98
External training - Course	75	75	569
Total	95	1,384	3,293.98

Description:

Number of trainees: The number of employees (including those who have resigned) who participated in training courses.

Total training hours: The number of hours spent on training by employees (including those who have resigned).

Number, Training Hours, and Gender Distribution of Employees Trained

Item	Male	Female	Total
Number of employees	118	133	251
Number of trainees	627	757	1,384
Total training hours (hours)	1,571.21	1,722.77	3,293.98
Average training hours (hours)	13.32	12.95	13.12

Description:

Number of trainees: The number of employees (including those who have resigned) who participated in training courses.

Total training hours: The number of hours spent on training by employees (including those who have resigned).

Average training hours per employee = total employee training hours/number of employees

5.2.2 New Personnel and Employees Who Resigned

Wellell has a comprehensive recruitment system and hopes that employees and the Company can grow together. At the same time, we also respect employees' decisions to change careers. A total of 39 new employees were recruited in 2025, including 19 men and 20 women. In addition, 54 employees resigned, including 20 men and 34 women. The reasons for resignation included family commitments, a change of residence, a career change, and organizational optimization. The overall turnover rate in 2025 decreased by 10.21% compared to 2024, mainly due to organizational optimization adjustments, which gradually stabilized the workforce. In order to protect the rights of employees and improve the recruitment system, managers of the Company's responsible unit interviewed all employees who resigned to understand the reasons for their resignation in detail. The interviews can be used as a reference for subsequent improvements in human resources management.

Total Number and Proportion of New Employees

Gender	Age	2024		2025	
		Total	Proportion of new employees	Total	Proportion of new employees
Male	Under 30 years old	11	6.51%	1	9.50%
	30-50 years old	2		13	
	Over 50 years old	1		5	
	Subtotal	14		19	
Female	Under 30 years old	13	9.30%	4	10.00%
	30-50 years old	6		16	
	Over 50 years old	1		0	
	Subtotal	20		20	
Total		34	15.81%	39	19.50%

Total Number and Proportion of Employees Who Resigned

Gender	Age	2024		2025	
		Total	Proportion of employees who resigned	Total	Proportion of employees who resigned
Male	Under 30 years old	22	13.95%	3	10.00%
	30-50 years old	2		14	
	Over 51 years old	6		3	
	Subtotal	30		20	
Female	Under 30 years old	31	23.26%	8	17.00%
	30-50 years old	5		24	
	Over 51 years old	14		2	
	Subtotal	50		34	
Total		80	37.21%	54	27.00%

Note: All new employees/employees who resigned are located in Taiwan.
Note: New/resignation proportion = new/resignation (male and female) employees ÷ total (male and female) employees

5.3 Talent Attraction and Retention

5.3.1 Employee Benefits

In addition to complying with various laws and regulations, Wellell also offers a variety of welfare programs to its employees and has established an Employee Welfare Committee, which is responsible for planning and implementing various employee welfare matters. In order to provide our employees with a diverse and friendly workplace, we provide a number of employee benefits, including group insurance, club activity subsidies, and quarterly flexible welfare payments.

Items	Content
Employee health checkups	Wellell provides employees with a health checkup every two years, going beyond regulatory obligations by including ultrasound, electrocardiogram, and cancer screening.
Employee cafeteria	Subsidies are provided so that employees can enjoy lunch at a low price.
Group insurance	Group insurance for employees (including accidental death, accidental injury, and medical treatment for accidents) is provided. The insurance is purchased for all employees to improve their job security.
Perks	We offer wedding bonuses, birth celebration bonuses, hospitalization consolation bonuses, birthday gifts, gifts for the Lunar New Year, the Dragon Boat Festival, and the Mid-Autumn Festival, first home purchase celebration bonuses, and funeral subsidies.
Exercise and health facilities	Sofa seating areas are set up on each floor of the office where employees can relax temporarily during their breaks. We have also set up a gym and a basketball court and hired masseurs so that employees can exercise and relax.
Diverse club activities	Clubs for physical fitness, basketball, badminton, and yoga have been set up to encourage employees to enrich their lives after work. We also provide club fee subsidies.
Breastfeeding room/dedicated parking spaces for pregnant women	Breastfeeding rooms are offered to encourage employees to continue breastfeeding after giving birth. Employees who are pregnant and one year postpartum are also provided with interviews with medical staff and information on health education. Maternity bags and gifts are provided before childbirth. Dedicated parking spaces for pregnant women are available for employees in need upon application in order to protect the health of mothers.

2025 Parental Leaves

Unit: Person

Item	Male	Female	Total
Number of employees eligible for parental leave (A)	2	3	5
Actual number of applicants for parental leave (B)	1	2	3
Application rate (B/A)	50%	67%	60%
Number of employees expected to be reinstated in the reporting year (C)	1	1	2
Number of employees who applied for reinstatement (D)	1	1	2
Reinstatement rate (D/C)	100%	100%	100%
Number of employees reinstated in the previous year (E)	0	0	0
Number of people reinstated for one year in the previous year (F)	0	0	0
Retention rate (F/E)	0%	0%	0%

5.3.2 Diverse Communication Channels

To promote labor-management harmony, Wellell has established the Regulations on Labor-Management Meeting, under which labor and management representatives are elected in accordance with the law to attend labor-management meetings, which are held at least once per quarter. Based on the current number of employees, labor-management interaction, and the effective operation of internal communication channels, both labor and management can achieve good negotiation and consensus through the existing system. Currently, no labor union has been established, and no collective agreement has been signed with employees. However, the Company has established diverse communication channels to allow employees to submit suggestions and complaints at any time and protect the rights and benefits of employees.

Communication channel	Communicated content
Employee assembly	Wellell holds employee engagement assemblies annually, which are hosted by the president. The aim of these meetings is to build consensus and communicate current operations as well as future development plans, while also facilitating two-way communication and interaction with employees. Moreover, the brand day has been extended to global subsidiaries and affiliated companies. In addition to sharing company information, a variety of activities are designed to promote interaction and exchange between employees within the group.
Labor-management meetings	Conducted every quarter, a total of 4 labor-management meetings were held to discuss meals, environmental facilities, computer equipment, and other issues. At the same time, laws and regulations related to human resources were promoted and progress on health and safety in the workplace was explained. The meetings effectively facilitated communication and exchange of opinions between labor and management.
Wellell Monthly	Internal publications are issued to help employees access news about the Company. A total of 6 issues were published. The content covered the presentation of benchmark brands on the market, including those operating in the fields of medical materials, cultural and creative products, games and entertainment, as well as consumer goods. In addition, information on participation in domestic and foreign exhibitions, supplier meetings, customer visits, and seminar attendance was disseminated
Employee Welfare Committee	A total of 23 meetings were held to discuss various employee benefits and activities. The ticket distribution process was optimized and the procedures for various activities are continuously adjusted. Moreover, the annual budget is carefully reviewed and used efficiently to ensure the effective use of funds.
Grievance Channels	The Company has set up a “diverse feedback mailbox” where employees can express their opinions, file complaints, or report concerns. In 2025, no feedback or grievances were submitted. All cases were handled according to the Company’s standard procedures, ensuring proper communication with employees.
Employee opinion surveys	In 2025, Wellell conducted an employee experience feedback survey. This survey covered eight major employee experience dimensions: competence, leadership, collaboration, development, compensation, culture, advocacy, and sustainability. The average experience score was 4.34 points.

5.3.3 Performance Management System

Wellell's performance management system is designed to align with the brand vision of "becoming a leading brand in the medical industry that focuses on innovation and can be trusted." Each year, key performance indicators are set for teams and individuals based on the Company's operational objectives. The performance management cycle takes place twice a year and is supported by regular meetings, real-time feedback, and regular performance reviews. This approach creates a working environment that is conducive to open communication and provides appropriate support and assistance to employees. The annual performance results are also used as a key basis for decisions regarding promotions and compensation. In 2025, the completion rate of the official performance management cycle for employees was 100%, with indirect employees accounting for 83.7% and direct employees for 16.3%. Broken down by position, the proportion of management positions was 13.3% and the proportion of non-management positions was 86.7%. Starting from 2025, Wellell linked executive performance evaluations and compensation directly to its defined ESG strategic goals. Senior executives are assigned role-specific ESG-related metrics, which account for 5% of their overall performance evaluation. These metrics are aligned with the Company's strategic goals of sustainable development, such as environmental sustainability, employee care, social inclusion, corporate governance, and value co-creation. Each metric is reviewed at the end of the year.

5.3.4 Remuneration

Wellell determines employee salaries based on their educational and work background, professional knowledge and skills, professional experience, and individual performance. The salaries paid to employees comply with all applicable regulations, including basic wage, overtime pay, and statutory benefits. Equal pay for equal work is applied to both men and women, without discrimination based on gender, race, religion, political stance, or marital status.

In addition to basic salaries, the Company adjusts remuneration based on operational performance, including year-end bonuses, performance bonuses, production bonuses, and employee incentives. Annual salary adjustments are based on the Company's operational performance, economic conditions, prices and inflation indexes. Salary adjustment items and amounts are determined separately based on employees' position levels and performance evaluations to ensure basic living needs are met. Through various incentive programs, the Company aims to motivate employees and retain outstanding talents.

Salary ratio of male and female employees

Year	2024		2025	
Gender	Male	Female	Male	Female
Mean salary	1	0.74	1	0.73

Mean and median salaries for full-time employees not in management positions

Year	2024	2025	Year-on-year difference
Number of full-time employees not in management positions (Note)	220	187	-33
Mean salary for full-time employees not in management positions	827	914	+87
Median salary for full-time employees not in management positions	692	784	+92

Note: Number of full-time employees not in management positions = (Number of employees who have been employed and paid for six months or more in the current year - Number of employees in management positions - Number of part-time employees) Weighted average of the proportion of employment days

5.4 Occupational Health and Safety

Wellell is committed to creating a safe and healthy work environment by adhering to occupational safety and health regulations. The Company has established an Occupational Safety and Health Committee and an Occupational Safety and Health Unit to enhance workplace safety and promote the well-being of employees. At the same time, Wellell has established occupational safety management regulations that apply to all employees and vendors. The Occupational Safety and Health Committee is made up of 11 members, including occupational safety and health personnel, supervisors from each department, and employee representatives. The employee representatives total 5 members, accounting for 45% and exceeding the statutory requirement. The Committee meets quarterly to discuss topics such as annual occupational safety and health education and training, employee health management, and occupational disease prevention. The results of these discussions are announced and made available to all employees. In addition, the Occupational Safety and Health Unit actively promotes disaster prevention concepts and workplace safety measures for both employees and vendors. In 2025, a total of 5 courses were organized, in which 271 participants were trained in a total of 406.5 training hours.

5.4.1 Occupational Safety Management

Hazard Identification and Risk Assessment Operations

Wellell carries out the necessary hazard identification and risk assessment of work content and workplace environments, focusing on routine and non-routine activities, overwork-related diseases, and maternity protection. The identification of hazards makes it possible to recognize potential risks and define appropriate management measures. In this regard, the Company has developed and implemented specific operational guidelines, including the Procedures for the Prevention of Ergonomic Hazards, Procedures for the Prevention of Overwork, Procedures for the Prevention of Unlawful Infringement in the Workplace, and Procedures for Maternity Health Protection. These measures each serve as a basis for the management and mitigation of risks. At the same time, Wellell found that employees working on assembly lines were at risk of developing musculoskeletal disorders due to maintaining a constant posture over long periods of time. In 2025, the Company arranged for medical professionals to visit the workplace, assess risks, and make recommendations to improve employees' posture. To date, no employee has been diagnosed with a related occupational disease.

Emergency Response Measures and Mitigation of Occupational Injuries and Accidents

In the event of an emergency, the safety of our employees is our top priority. To enhance employees' emergency response capabilities, Wellell conducts regular fire safety education and emergency evacuation drills every six months. These drills are designed to familiarize employees with evacuation routes and the operation of fire safety equipment. The results of these drills are also reported to the local fire authorities. In addition, the Operating Standards for Handling Accidents have been formulated internally to prevent occupational safety and health-related injuries from happening and ensure the safety of employees. In the event of an emergency, managers as well as occupational safety and health personnel are notified immediately. The emergency response protocol is activated, which provides for rescue operations, evacuation of personnel, and medical treatment of injured persons by contacting the emergency services. At the same time, a follow-up investigation of the incident is conducted to determine the necessary improvement measures and to ensure that future incidents are avoided.

Statistics on Occupational Accidents

Item	2025
Number of fatalities as a result of work-related injuries	0
Rate of fatalities as a result of work-related injuries [Note 1]	0
Number of high-consequence work-related injuries	0
Rate of high-consequence work-related injuries [Note 2] (excluding fatalities)	0
Number of recordable work-related injuries	2
Rate of recordable work-related injury [Note 3]	0.97
Number of work hours	413,728

Note 1: Rate of fatalities as a result of work-related injuries = number of fatalities as a result of work-related injuries / work hours x 200,000
Note 2: Rate of high-consequence work-related injuries (excluding fatalities) = number of high-consequence work-related injuries (excluding fatalities) / work hours x 200,000
Note 3: Rate of recordable work-related injury = number of recordable work-related injuries (including fatalities caused by work-related injuries) / work hours x 200,000
Note 4: The main types of work-related injuries were falls, bumps, and cuts. The recordable work-related injuries do not include traffic accidents on the way to and from work.

5.4.2 Health Promotion Activities

Wellell strives to offer its employees a balanced, healthy, and happy working environment. We organize diversified health promotion activities to help employees develop exercise habits and protect their health after work.

Item	Implementation results
Health checkups	Wellell provides employees with a health checkup every two years, with subsidized items superior to regulatory requirements such as ultrasound, electrocardiogram, and cancer screening. At the same time, follow-up visits are arranged with medical staff and patients are followed up on the basis of graded results (19 person-times). If an abnormality is found in a new employee's physical examination, a health care sheet will be sent out, and health education leaflets will be distributed or interviews with medical staff will be arranged based on the classification results.
Health lectures/health education promotion	We organized 2 health seminars, "Our Distance from Long-term Care" and "Anti-stress and Good Mood," with a total of 82 person-times participating.
Health education e-newsletter	Different health education topics are addressed each month, with a total of 12 issues published. At the same time, quarterly health education conference examinations are held, in which employees are encouraged to take part with small gifts. A total of 229 people took part.
Sports clubs	4 sports clubs have been established with annual subsidies and a total of 636 club members.
Massage rooms	Visually impaired masseurs were hired to offer employees free massages to relieve stress and relax skeletal muscles. A total of 1,350 people took advantage of their services.

5.5 Community Involvement and Care

Wellell upholds the philosophy of “respecting every individual and making a contribution to a healthy and carefree life.” The Company engages in community involvement through its core business activities, aiming to assist the government, patients, caregivers, and society in creating a safe and comfortable living environment. Wellell prioritizes issues such as the health of the elderly, the care for disadvantaged groups, and the correct use of medical assistive equipment. This commitment aligns with the objectives of SDG 3 (Good Health and Well-Being), SDG 4 (Quality Education), and SDG 10 (Reduced Inequality). Leveraging its corporate power, Wellell seeks to make a positive impact on society. In 2025, Wellell reached a total of 27,240 people with more than NT$4.5 million in public welfare investment over the past three years.

Charity and Social Care

Blood Donation Drives
For four consecutive years, Wellell has collaborated with the Tucheng District Manufacturers’ Association in New Taipei City to organize a corporate blood donation campaign. As part of this initiative, Wellell donated 500 gift sets in 2025 to encourage employees from companies in the Tucheng Industrial Park to actively participate. Through this ongoing effort, we aim to give back to society and promote the values of care and sustainability.

Tucheng Industrial Park Greenery and Landscaping Adoption
The adoption activity for the greenery and landscaping of street trees in the Tucheng Industrial Park ensure environmental protection and deepen community connections and a sense of identity, while assisting in urban landscaping, reducing air pollution, lowering temperatures, and contributing to our fulfillment of corporate social responsibility.

Earth Hour
In 2025, we took part in Earth Hour organized by the World Wildlife Fund (WWF) again. On March 22, starting at 8:30 p.m., we switched off the lights together with government agencies and other companies. A total of 2,249 lights were turned off in Wellell’s offices and factories.

Sustainable Green Living Initiatives

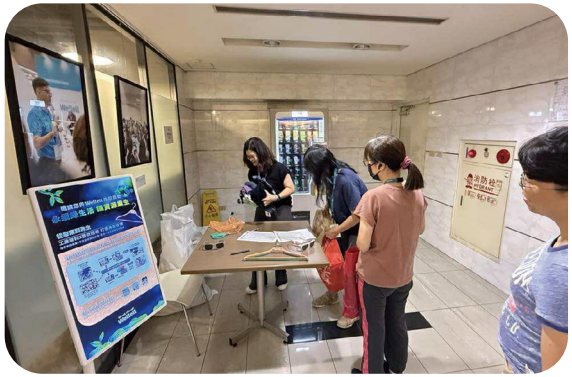
Wellell is committed to integrating sustainability concepts into employees' daily office work and lives. In 2025, it launched the "Sustainable Green Life" initiatives and took resource recycling, waste regeneration, and environmental education as the three major directions, thus implementing environmental protection measures through actions from the inside out.

Resource Circulation and Waste Regeneration Actions

Through employees' autonomous recycling of 200 pieces of old clothing, combined with resource circulation technology, 1,000 eco-friendly hangers were produced. Wellell presented these circular products to employees as sustainability-themed gifts and extended the reach to social charities, embodying the shared dedication of the enterprise and its workforce to environmental protection and community welfare. In addition, we conducted the optimization of the office garbage classification and recycling system. Through clear labeling guidelines, we advocated correct disposal concepts such as "flattening paper containers to reduce volume" to improve resource recycling efficiency and reduce the load on waste incineration.

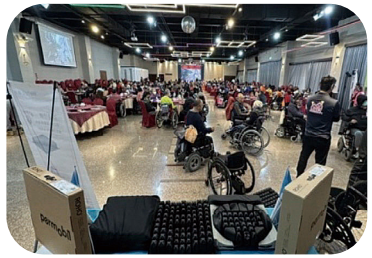
Green Action in Life Seminar

On August 8, 2025, the "Green Action in Life" environmental education course was held, inviting instructors with expertise in environment and health to lead our colleagues to understand the importance of sustainable living from a multi-dimensional perspective, and to share daily energy-saving and carbon-reduction techniques with them. Through knowledge sharing, environmental responsibility is transformed into daily actions to strengthen employees' sense of identity with sustainable development. A total of 31 colleagues participated.



Series of Educational Activities on Medical Assistive Equipment

Wellell aims to reach out to communities across Taiwan to provide health education services to groups in need. The goal is to enhance knowledge about the use of assistive equipment and prevention of pressure injuries, thereby helping more individuals with disabilities and patients to embark on a journey toward a healthy and independent recovery. To achieve this, Wellell has collaborated with associations and organizations in various counties, cities, and regions to organize a series of educational activities on medical assistive devices.



Assistance Programs for Patients with Spinal Injuries
Wellell makes regular annual donations to regional spinal cord injury associations across Taiwan. In 2025, the Company supported nine such associations in their ongoing efforts to care for individuals with spinal cord injuries. Wellell also sent corporate volunteers to the associations' general meetings to provide product education and assist members in the use of pressure-relief devices, such as the ROHO floating cushion, ensuring that individuals with spinal cord injuries can use such assistive devices correctly, reducing the risk of pressure injuries when sitting. At the same time, the associations also produced manuals, with Wellell providing information on health education so that even the injured who did not participate could understand the subject. This project has assisted a total of 1,228 people with spinal cord injuries.

Education on Assistive Products and Pressure Injury Prevention
Class A assistive device assessment specialists, as well as physiotherapists and occupational therapists, are the frontline staff dealing with patients. To support them, Wellell walked into 5 assistive device centers across communities in Taiwan and National Taipei University of Nursing and Health Sciences to provide assistive device knowledge to assessment specialists and physiotherapists/occupational therapists who attended accredited courses. This initiative ensures that professionals in different regions receive specialized knowledge so that individuals with disabilities have local access to pressure injury prevention resources. The health education knowledge courses enable every specialist to understand the functionality of assistive devices and the concepts of preventing pressure injury exacerbation. The aim was to equip these professionals with the knowledge to recommend the timely use of assistive devices when interacting with patients for the first time, preventing serious pressure injuries and reducing the burden on social and medical resources. In 2025, Wellell invested a total of 165 hours and organized 6 health education activities. This influenced approximately 230 person-times of professionals and assessment specialists.

Well-Being of the Elderly

In response to Taiwan's rapidly aging population and the resulting care-related issues, Wellell has been contributing to the Welfare Organization for the Elderly, Taiwan, R.O.C. for 27 years. The Company not only donates funds but also provides office space and equipment free of charge to support the organization. By collaborating with government agencies, social welfare organizations, and other groups, Wellell aims to raise awareness among the government and the public about the challenges faced by the elderly. This initiative seeks to promote the enactment of relevant legislation, advocate for the rights of the elderly, and enhance their quality of life. In 2025, a total of 2 large-scale seminars and 1 online public welfare voting activity were organized, including the promotion of "assistive devices" and "rehabilitation" and other long-term care topics for medical and care professionals, aiming at improving care quality, reducing care burdens, and helping the elderly enjoy safer, more independent, and dignified silver-haired lives. In 2025, a total of 25,175 people were reached.

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206 Anti-competitive behavior	1.3 Ethical Corporate Management	19
405-1 Diversity of governance bodies and employees	5.1 Human Resources Management	53
415 Public policies	1.3 Ethical Corporate Management	19

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Topic	Code	Indicator	Chapter of the report and description	Page No.
Affordability and pricing	HC-MS-240a.2	Description of how price information for each product is disclosed to customers or to their agents	3.4 Customer Care	40
	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 enhances the communication mechanism between subsidiaries and local customers to align with market demands and optimize our product portfolio. Facing global material cost fluctuations, we continuously advance product iterative development and manufacturing process optimization to guarantee customers' maximum rights and interests using our core competitiveness.	
Product safety	HC-MS-250a.1	(1) Number of recalls issued, (2) total units recalled	No incidents occurred in 2025	
	HC-MS-250a.2	Products listed in any public medical product safety or adverse event alert database	No incidents occurred in 2025	
	HC-MS-250a.3	Number of fatalities associated with products	No incidents occurred in 2025	
	HC-MS-250a.4	Number of enforcement actions taken in response to violations of good manufacturing practices (GMP) or equivalent standards, by type	No incidents occurred in 2025	
Ethical marketing	HC-MS-270a.1	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	3.2 Quality Management No related incidents occurred	38
		Description of code of ethics governing promotion of off-label use of products	3.3 Marketing and Labeling	38
Product design and life-cycle management	HC-MS-410a.1	Discussion of process to assess and manage environmental and human health considerations associated with chemicals in products, and meet demand for sustainable products	3.2 Quality Management	38
	HC-MS-410a.2	Total amount of products accepted for take-back and reused, recycled or donated, broken down by: (1) devices and equipment and (2) supplies	Not applicable	
Supply chain management	HC-MS-430a.1	Percentage of (1) entity's facilities and (2) Tier 1 suppliers' facilities participating in third-party audit programs for manufacturing and product quality	3.2 Quality Management	38
	HC-MS-430a.2	Description of efforts to maintain traceability within the distribution chain	3.2 Quality Management	38
	HC-MS-430a.3	Description of the management of risks associated with the use of critical materials	3.5 Supply Chain Management	41
Business ethics	HC-MS-510a.1	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	1.3 Ethical Corporate Management No related incidents occurred	19
	HC-MS-510a.2	Description of code of ethics governing interactions with health care professionals	A code of ethics for health care professionals will be stipulated in the future	

Activity indicators

Code	Indicator	Chapter of the report and description	Page No.
HC-MS-000.A	Number of units sold by product category	1.1.1 Excellent Products and Services	7

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