

SUSTAINABILITY REPORT

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About This Report

Basis of Preparation

This Sustainability Report (the "Report") has been prepared by Heron Neutron Medical Corp. (stock code: 7799; hereinafter "Heron" or the "Company") in accordance with the GRI Standards 2021 issued by the Global Reporting Initiative (GRI) and the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies issued by the Taiwan Stock Exchange Corporation (TWSE).

Through this Report, the Company seeks to address sustainability issues of concern to its stakeholders and transparently communicate its corporate sustainability performance across the economic, environmental, and social dimensions. The Company remains committed to fulfilling its corporate social responsibility and advancing sustainable development.

For information concerning the Company's financial position and operating performance, please refer to its 2025 Annual Report. All financial information presented in this Report is derived from financial statements audited by independent certified public accountants. Related information is also available under "Financials" on Heron's website.

Reporting Period

The disclosures and data in this Report primarily cover the Company's economic, environmental, and social performance during fiscal year 2025, from January 1 to December 31, 2025. Where relevant, certain performance data include historical information dating back before 2023 or the latest available information through 2026.

Reporting Scope and Boundaries

This Report covers Heron Neutron Medical Corp. and is consistent with the reporting scope of the Company's publicly disclosed financial reports. Any differences in the reporting boundaries of individual chapters are specified in the relevant chapters. The management approach disclosures in this Report relate primarily to Heron. The scope of the financial data is consistent with that of the Company's financial statements and comprises publicly disclosed information audited by PricewaterhouseCoopers Taiwan (PwC Taiwan).

Data Compilation and Calculation Methods

The information and statistical data presented in this Report are based on data compiled and surveys conducted internally. Certain financial figures in the chapter on operating performance are derived from the Company's audited financial statements. All financial figures in this Report are presented in New Taiwan dollars (NT\$). Data are collected, measured, and calculated primarily in accordance with applicable regulatory requirements. Where regulations do not prescribe a specific methodology, applicable international standards are followed. Where no international standard applies, relevant industry standards or generally accepted industry practices are used.

Adhere to standards

GRI Standards.

Assurance Provider

PricewaterhouseCoopers Taiwan

External Assurance

The Company engaged PwC Taiwan to perform a limited assurance engagement on selected key performance information in accordance with International Standard on Assurance Engagements (ISAE) 3000. The assurance report is provided in Appendix IV of this Report.

Report Preparation and Review Process



Publication

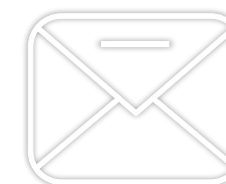
The Company publishes a Sustainability Report annually and makes it available for viewing and download on Heron's website.

Current edition: Published in August 2026

Feedback

If you have any comments or questions concerning this Report, please contact us:

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 Tel: 03-5619-366
 Company website: <https://www.heron-neutron.com/>



Message from the Chairperson

Since its establishment in 2017, Heron Neutron Medical Corp. has remained steadfast in its mission to "transform Taiwan's world-class technologies into innovations that benefit humanity". Historically, Taiwan relied heavily on overseas suppliers for radiotherapy equipment and technologies. Heron seeks to bring decades of homegrown research and development to fruition in Taiwan, advance the localization of related technologies, and accelerate the medical device approval process. Through these efforts, we aim to enable Taiwan's medical industry to enter the field of cutting-edge medical equipment, drive the development of related biomedical industries, and support the government in advancing Taiwan's precision health strategy.

Heron brings together more than 30 years of research and development expertise from National Tsing Hua University and the Industrial Technology Research Institute (ITRI), focusing on the clinical development and commercialization of Accelerator-Based Boron Neutron Capture Therapy (AB-BNCT). Building on our world-leading AB-BNCT technology, we have developed a multi-stage market expansion strategy.

First, in Taiwan, we are collaborating with leading domestic medical centers to establish BNCT demonstration centers and plan to expand to more medical institutions in Taiwan and overseas over the next five years.

Second, Asia is our first priority for international expansion. By leveraging the clinical and technical experience accumulated in Taiwan, we aim to promote the establishment of BNCT centers in major countries across the region.

Finally, we are looking toward highly regulated markets such as the United States and Europe. Through collaboration with leading hospitals and research institutions, we plan to gradually expand our global presence over the medium to long term, bringing BNCT technology to patients around the world and benefiting more people with cancer.

In 2024, Heron obtained a medical device license and established an accelerator-based boron neutron capture cancer treatment R&D center at China Medical University. To date, more than 100 patients have received treatment, and we continue to expand the range of indications in the hope of providing new treatment opportunities for more patients with cancer.

At Heron, "sustainability" represents not only corporate responsibility, but also our commitment to the life sciences, patients, and society. We are committed to using precision medicine to help patients maintain a high quality of life while receiving effective tumor treatment. At the same time, we actively participate in charitable and community initiatives, giving back to society through concrete action.

Within the Company, we place great importance on employee health and well-being, training, and career development. In corporate governance, we have established comprehensive internal control mechanisms to ensure lawful, transparent, and efficient operations. We firmly believe that a sound governance framework is not only the foundation for stable, long-term growth, but also key to building investor trust.



Chin-Yung Shu

Chairperson

About Heron

Rooted in Taiwan, with a Global Vision

Established in 2017, Heron brings together the experience accumulated by National Tsing Hua University and the Industrial Technology Research Institute (ITRI) in the development of Accelerator-Based Boron Neutron Capture Therapy (AB-BNCT). By integrating specialized research talent and expertise across relevant fields, the Company provides comprehensive AB-BNCT solutions, including the Proton Accelerator System, Neutron Source Target System, Beam-Shaping Assembly, Treatment Control System, Treatment Planning System, and Patient Positioning System. In contrast to the traditional reliance on overseas suppliers for radiotherapy equipment and technologies, Heron seeks to bring decades of homegrown research and development to fruition in Taiwan and advance the medical device approval process. Through these efforts, the Company aims to enable Taiwan's medical industry to enter the field of cutting-edge medical equipment, drive the development of related biomedical and pharmaceutical industries, and support the government in advancing Taiwan's precision health strategy.

Company Values, Mission, and Vision

Our mission is "to become a leading global brand in BNCT and a comprehensive provider of BNCT solutions". Guided by our aspiration to contribute to human well-being and our commitment to the life sciences, and in support of Taiwan's national strategy for the development of precision medicine, we bring together leading domestic talent in nuclear engineering and other fields. We seek to commercialize the results of more than 30 years of research and translate them into clinical practice. By obtaining medical device marketing authorization and applying this technology in clinical settings, we aim to benefit more patients with cancer, enable effective tumor treatment, reduce the side effects of cancer therapy, and improve patients' quality of life. Heron aspires to represent Taiwan on the global stage, build on its roots in Taiwan while looking to the world, and become one of the world's leading suppliers of AB-BNCT medical equipment.

Company Information	
Full Company Name	Heron Neutron Medical Corp. UPI Semiconductor Corp.
Abbreviated Name	Heron
Date of Incorporation	August 8, 2017
Industry	Medical Equipment
Stock Code	7799

Company Information	
Paid-in Capital	NT\$1,575,120 thousand (as of December 31, 2025)
Principal Products and Services	Research, design, development, manufacture, and sale of the following products or services: 1. Accelerator boron neutron capture cancer treatment (AB-BNCT) medical equipment 2. Radiotherapy positioning couches 3. Accelerator-Based Boron Neutron Capture Cancer Therapy (AB-BNCT) planning systems 4. Radiation shielding planning services 5. Boron-containing drugs
Operating Location	No. 66-2, Shengyi 5th Rd., Zhubei City, Hsinchu County

Principal Products and Value Chain

• Heron's Value Chain

Heron is primarily engaged in the manufacture of complete medical device systems and the production of pharmaceuticals. Its product sales are primarily concentrated in Asian markets, including Taiwan, Singapore, and China. The various stages of the BNCT value chain are highly interdependent, encompassing the upstream supply of raw materials and critical components (including ion sources, accelerators, detection systems, beam-shaping assemblies, and shielding materials and systems), midstream equipment manufacturing and pharmaceutical production, and downstream clinical applications and market development. Together, these activities form a comprehensive industry ecosystem.

By integrating resources across different stages of the value chain, the Company actively promotes the overall development of BNCT technology and is committed to introducing this innovative cancer treatment technology to markets worldwide.



Milestones

2017

- Heron Neutron Medical Corp. was established

2019

- Launched an AB-BNCT collaboration project with China Medical University (CMU)

2020

- Established operations in the Hsinchu Biomedical Science Park

2021

- Officially procured an accelerator
- Held the groundbreaking ceremony for the CMU AB-BNCT Center

2022

- Obtained permission from the Atomic Energy Council (AEC) to install a high-intensity radiation facility
- Obtained a Medical Device Business Permit as both a manufacturer and distributor
- Held the topping-out ceremony for the CMU AB-BNCT treatment facility
- Obtained a Pharmaceutical Firm Permit License as a seller of Western drugs
- Received the Enterprise Innovation Award at the 19th National Innovation Award

2023

- Completed construction of the CMU AB-BNCT treatment facility and obtained a Usage License
- Received the Silver Award in the Innovation Award category at the 2023 Taipei Biotech Awards
- Received regulatory approval to commence system commissioning at the CMU AB-BNCT treatment facility
- Received the 2023 Hsinchu Science Park Outstanding Manufacturer Innovative Product Award

2024

- Obtained an Operator Certificate for a high-intensity radiation facility
- Officially inaugurated the Heron BNCT Center
- Obtained a Certificate of Permission for the Use of Equipment Capable of Producing Ionizing Radiation for the high-intensity radiation facility
- Obtained a Medical Device Manufacturing License following QMS conformity assessment
- Obtained TFDA medical device approval for Heron's AB-BNCT system.
- Mr. Archie Hwang of Hermes-Epitek Corp. donated a Heron AB-BNCT system to National Yang Ming Chiao Tung University
- Heron and Taipei Veterans General Hospital completed the first treatment in an AB-BNCT clinical trial for recurrent meningioma
- Heron shares began trading on the Taipei Exchange (TPEX) Emerging Stock Market
- The "Bennu" Neutron Irradiation System was awarded the SNQ Symbol of National Quality
- Received the 2024 National Innovation and Advancement Award

2025

- Completed the first treatment in an AB-BNCT clinical trial for recurrent head and neck cancer
- Obtained ISO 13485 certification for its medical device quality management system
- Heron shares (stock code: 7799) were listed on the Taiwan Stock Exchange (TWSE)
- Moved forward with a collaborative project to establish Southeast Asia's first AB-BNCT research center

2025 Sustainability Performance Highlights

Governance

- The Audit Committee held five meetings in 2025, with an average attendance rate of 100%.
- The Remuneration Committee held two meetings in 2025, with an average attendance rate of 100%.
- The average number of continuing education hours completed by directors/supervisors exceeded regulatory requirements, with directors completing a total of 51 hours in 2025.
- In 2025, the Company had 116 suppliers, of which 102 had signed the Supplier Code of Conduct, representing a signing rate of 88%.
- In 2025, procurement from 21 suppliers in Taiwan accounted for 92% of the Company's total procurement amount.
- No significant fines or non-monetary sanctions were imposed on the Company in 2025.

Product

- The on-time completion rate for repair and service cases was 100%. In 2025, there were no recalls or regulatory non-compliance involving pharmaceuticals or medical devices.
- R&D expenditure totaled NT\$321,865 thousand in 2025. Clinical applications of the BNCT system continued to expand steadily; two clinical trials were initiated for the new drug B10 L-BPA, and the Company significantly expanded its patent portfolio.
- In 2025, the Company provided more than 600 hours of cross-disciplinary professional training covering quality, regulatory compliance, risk management, and technical competencies.

Environment

- The Company adopted the TCFD framework, completed an assessment of climate-related risks and opportunities, and established a comprehensive governance framework and systematic management processes.
- The Company completed its first greenhouse gas inventory in 2025, with Scope 2 emissions from purchased electricity accounting for the majority of its emissions. The Company continued to implement energy conservation and carbon reduction measures.
- The Company established long-term emissions reduction targets: to reduce emissions by 10% from the base year by 2030 and achieve net-zero emissions by 2050.

Social

- Employees completed a total of 1,765 training hours in 2025, averaging 17 hours per employee.
- 100% of employees received regular performance and career development reviews.
- At the end of 2024, the Company had 32 R&D employees, 31 of whom remained with the Company in 2025, representing a retention rate of 97%.
- No occupational accidents or occupational diseases occurred in 2025.
- In 2025, 50 employees participated in sports clubs, with a total of 51 activities held during the year.
- As of the end of 2025, Heron had provided 134 compassionate-use treatments, with an estimated market value of approximately NT\$5.5 million.

Note: For the purposes of this Report, a significant instance of non-compliance is defined as one involving a fine exceeding NT\$100,000 or a violation that has a material impact on the Company's operations, financial position, business activities, or stakeholders.

1

Sustainability Management

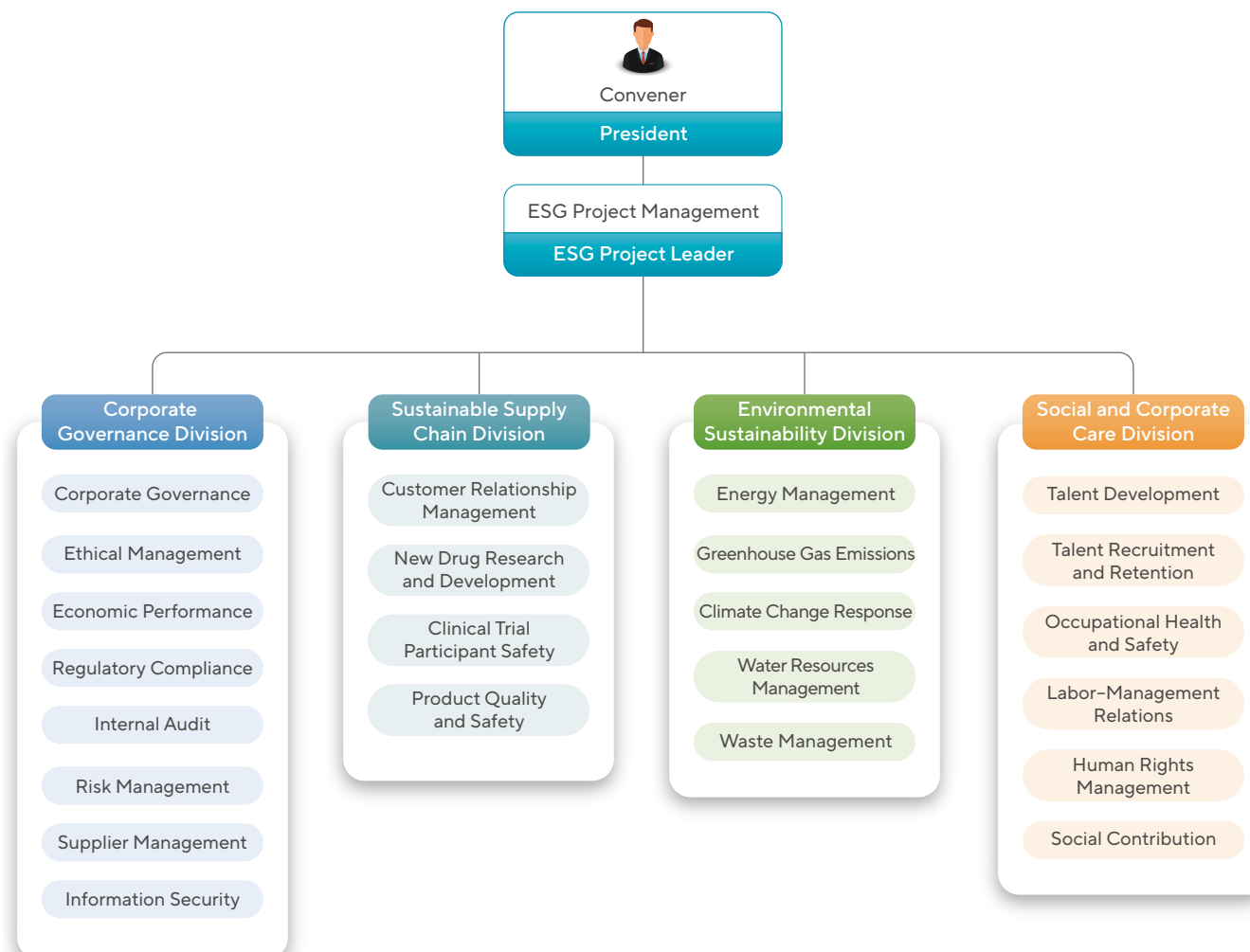


1.1 Sustainability Management Strategy

Heron established its "Sustainable Development Committee" in 2025, with an independent director serving as its chair. Guided by corporate sustainability as its overarching principle, the Committee is responsible for formulating the Company's sustainability strategy and developing its medium- and long-term sustainability vision. The Committee meets annually to review the progress of sustainability initiatives. It reports to the Board of Directors on the implementation progress and performance results of ESG projects, material topics, and stakeholder engagement. This oversight helps ensure the effective implementation of the Company's sustainability strategies, strengthen corporate governance, promote environmental protection, and fulfill its social responsibilities.

The "Sustainable Development Committee" annually reviews performance against the Company's sustainability indicators and discusses objectives and action plans for the next phase. The "Sustainability Promotion Task Force" established under the Committee comprises four divisions: the "Corporate Governance Division", "Sustainable Supply Chain Division", "Environmental Sustainability Division", and "Social and Corporate Care Division". The Convener appoints an ESG Project Leader and the head of each division to coordinate and implement the relevant sustainability initiatives. Through continuous review, improvement, and refinement, the Company puts its sustainable development commitments into practice across the environmental, social, and corporate governance dimensions.

Organizational Structure of the Sustainability Promotion Task Force



1.2 Material Topic Determination

In 2025, pursuant to the Taiwan Stock Exchange Corporation Rules Governing the "Preparation and Filing of Sustainability Reports by TWSE Listed Companies", Heron applied the GRI Standards 2021 to identify its key stakeholders and assess the significance of impacts associated with each sustainability issue. Through this process, the Company identified 27 sustainability issues in 2025, of which seven were determined to be material topics. These material topics form the basis for the preparation and disclosure of this Sustainability Report. The process also enables the Company to take stock of its current sustainability performance, continue implementing relevant policies, and create shared value for the Company and society.

Process for Determining Material Topics

Step 1 Compile Sustainability Issues	
Understand the Organization's Context	Based on the characteristics of the Company's industry and topics of internal interest, Heron identified sustainability issues by referring to the GRI Standards, sustainability trends in Taiwan and abroad, industry benchmarks, and information disclosed by industry peers. Topics commonly relevant to the industry were identified based on areas of overlap.
▼	
Step 2 Assess Actual and Potential Impacts	
Assess the Significance of Impacts	With the assistance from consultants and following discussions among senior management, the Company assessed the positive and negative impacts of its sustainability issues on the economy, environment, and people (including human rights).
▼	
Step 3 Prioritize Material Topics	
Determine Material Topics Seven Material Topics	- The Sustainable Development Committee reviewed the results of the material topic determination process to confirm compliance with requirements concerning sustainability context and completeness. Seven material topics were identified: Ethical Management, Supply Chain Management, Climate Change and Greenhouse Gas Management, Product Quality and Safety, Talent Strategy and an Inclusive Workplace (Employee Diversity and Equal Opportunity and Talent Development), and Occupational Safety and Health. - The material topics serve as the basis for the preparation of this year's Sustainability Report. Senior management establishes the relevant management approaches, which are fully disclosed in the Report together with the associated performance results.
▼	
Step 4 Approve the Material Topics	
Reporting and Disclosure	The Sustainability Promotion Task Force collects the relevant information and prepares the Sustainability Report. The head of each division reviews the content to ensure that the Company's sustainability information and performance are accurately presented. The completed Report is then submitted to the Chairperson for final approval.

Heron's Sustainability Topics

Dimension	Material Topic	Corresponding GRI Topic Standard	Corresponding Section
Governance	Ethical Management	GRI 2-23、2-24、205-1~3	2.2 Ethical Management
	Supply Chain Management	GRI 2-6、204-1、308-1~2、414-1~2	2.5 Supply Chain Management
Product	Product Quality and Safety	Customized topics	3.1 Product Quality and Safety
Environment	Climate Change and Greenhouse Gas Management	GRI 201-2、305-1~305-5	4.1 Climate Change and Greenhouse Gas Management
Social	Talent Strategy and an Inclusive Workplace	GRI 402-1、404-1~3、405-1~2、406-1、408-1、409-1	5.3 Talent Strategy and an Inclusive Workplace
	Occupational Health and Safety	GRI 403-1~10	5.4 Occupational Safety and Health

1.3 Stakeholder Engagement

Heron is committed to maintaining constructive engagement with its stakeholders. With reference to the AA1000 Stakeholder Engagement Standard (AA1000SES, 2015), the Company identified five stakeholder groups based on its past experience, industry characteristics, and five stakeholder identification criteria: shareholders/investors, customers, employees, suppliers/contractors, and government and regulatory authorities. To gain a deeper understanding of stakeholder concerns and pursue continuous improvement, Heron has established transparent and open communication channels. The Company actively responds to stakeholder expectations and needs to ensure effective communication. It has also established a dedicated stakeholder section on its corporate website that provides contact details and designated points of contact for different topics.

Stakeholder	Importance to the Company	Topics of Concern	2025 Communication Methods and Frequency	Implementation of Engagement Channels in 2025	Communication Outcomes by Engagement Channel in 2025
Shareholders/ Investors	Shareholders and investors are key drivers of Heron's success. The Company will continue to expand its business and achieve stable growth in financial performance to ensure sustainable operations and create value in return for investors' support.	- Business Operations - Regulatory Compliance - Protection of Shareholders' Rights and Interests - Information Transparency - Sustainability Management Strategy	- Annual General Meeting - Annual publication of the Company's annual report - Disclosures made as needed through the Company's website, news releases, and the Market Observation Post System (MOPS) - Information collected and responses provided by telephone and email as needed (through the investor hotline and mailbox)	- Held the shareholders' meeting and used investor feedback and recommendations as an important reference for future development strategies - Held investor conferences - Uploaded the annual report, prospectus, and financial statements - Disclosed the Company's operating status in accordance with applicable regulations to maintain transparency and protect investors' rights and interests	- Held the Annual General Meeting on June 19, 2025 - Held four investor conferences in 2025 - Published quarterly and annual financial reports, as well as the annual report in both Chinese and English as required in 2025 - Published material information announcements in accordance with regulatory requirements
Customers	Heron is committed to strengthening its presence in the medical equipment market and providing customers at medical institutions with professional, high-quality services that meet their needs.	- Market Expansion - Product Quality Control - Customer Satisfaction - Customer Privacy - Protection of Customers' Rights and Interests - Customer Relationship Management - After-Sales Service - Sustainability Management Strategy	- Customer visits and lunch meetings as needed - Customer complaints handled by telephone or email as needed	- Maintained systematic communication, considered issues from customers' perspectives, and effectively addressed their needs and challenges - The Company's products and services relating to customers' health and safety, customer privacy, marketing, and labeling are all handled in compliance with relevant laws and regulations and international standards, and the Company has, in accordance with law, established policies for protecting consumer rights and interests, as well as complaint channels.	- Exhibited at seven medical conferences in Taiwan and abroad in 2025 - Regularly updated product information on the Company's website - Responded through the dedicated hotline and at ir@heron-neutron.com
Employees	Employees are the Company's most important asset and one of the keys to its operational success. Heron's employment practices are based on merit and on matching employees with roles suited to their abilities, enabling them to work with confidence, make full use of their expertise and capabilities, and contribute to the Company's sustainable operations.	- Employee Compensation - Employee Benefits - Labor-Management Relations - Education and Training - Work Environment - Corporate Culture and Policies - Sustainability Management Strategy	- Communications through the Company's intranet and email as needed - Quarterly labor-management meetings - Grievance mailboxes and hotlines available as needed - Annual performance appraisal interviews	- Regularly convened labor-management meetings - The Employee Welfare Committee organized seven recreational activities and a year-end banquet - Provided annual employee health examinations - Regularly published information on training courses through the Company's intranet - Organized sports clubs to encourage employees to exercise	- Convened one labor-management meeting each quarter - Arranged monthly on-site services provided by a contracted occupational health nurse, including consultations concerning employee health examinations - Developed plans for an employee share ownership platform to enhance employee rewards and benefits - In 2025, 50 employees participated in sports clubs, with a total of 51 activities held during the year.
Suppliers/ Contractors	Suppliers are Heron's key partners in delivering excellent products and services. Through relationships built on mutual trust, Heron and its suppliers can support one another when challenges arise and pursue sustainable growth together.	- Market Expansion - Supply Chain Management - Supplier Relations - Sustainability Management Strategy	Information collected and responses provided as needed by telephone, at in-person or online meetings, and by email	- Conducted evaluations of suppliers and contractors - Encouraged suppliers to sign the Supplier Code of Conduct	The proportion of suppliers that signed the Supplier Code of Conduct was 88%
Government and Regulatory Authorities	The Company must maintain open and constructive communication with government and regulatory authorities to demonstrate its commitment to complying with regulatory requirements.	- Regulatory Compliance - Announcements of New and Amended Regulations - Environmental Permit Reviews and Filings - Communication Regarding (Draft) Regulations and Regulatory Interpretations	- Official correspondence and meetings, including public hearings and briefing sessions, as needed - Communication through meetings held by trade or professional associations as needed - On-site inspections as needed	- Participated in the electronic official document exchange system to ensure effective communication with government and regulatory authorities - Conducted regular occupational health and safety inspections	- Completed a fire safety inspection in December 2025 - Conducted environmental monitoring regularly - Checked the electronic official document system daily

2

Corporate Governance



Chapter Contents

2.1	Governance Structure
2.2	Ethical Management
2.3	Risk Management
2.4	Economic Performance
2.5	Supply Chain Management
2.6	Regulatory Compliance

Chapter Highlights

- The Audit Committee held five meetings in 2025, with an average attendance rate of 100%.
- The Remuneration Committee held two meetings in 2025, with an average attendance rate of 100%.
- The average number of continuing education hours completed by directors/supervisors exceeded regulatory requirements, with directors completing a total of 51 hours in 2025.
- In 2025, the Company had 116 new suppliers, of which 102 had signed the Supplier Code of Conduct, representing a signing rate of 88%.
- In 2025, procurement from 21 suppliers in Taiwan accounted for 92% of the Company's total procurement amount.
- No significant fines or non-monetary sanctions were imposed on the Company in 2025.

Note: For the purposes of this Report, a significant instance of non-compliance is defined as one involving a fine exceeding NT\$100,000 or a violation that has a material impact on the Company's operations, financial position, business activities, or stakeholders.

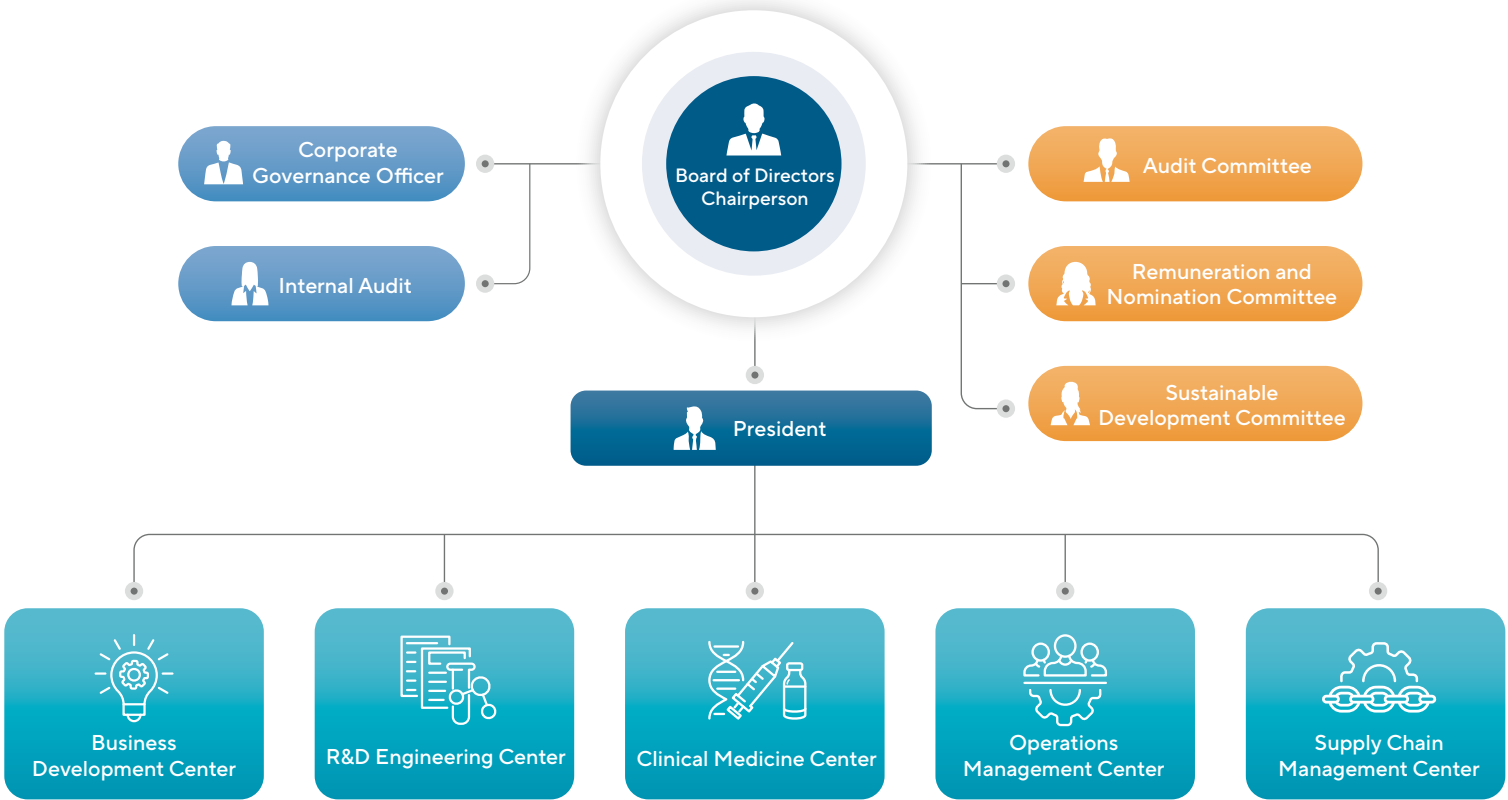
2.1 Governance Structure

2.1.1 Corporate Governance Structure

To implement corporate governance and enhance transparency in its operations, Heron has adopted the candidate nomination system for all director elections in accordance with its Articles of Incorporation and Procedures for Election of Directors. Nominators put forward candidates, whose educational background and professional experience are carefully evaluated. Shareholders then elect directors from the list of candidates at the shareholders' meeting. The relevant rules and procedures are disclosed in full on the Company's website and the Market Observation Post System (MOPS) to ensure information transparency.

The Board of Directors is responsible for guiding the Company's business strategies, overseeing management, and reviewing the operation of its corporate governance framework. The Board exercises its powers in accordance with applicable laws and regulations and resolutions adopted by the shareholders' meeting, is accountable to all stakeholders, and is committed to improving the Company's operating performance.

The Board has established three functional committees under its authority: the Audit Committee, Remuneration and Nomination Committee, and Sustainable Development Committee. These committees strengthen the functions of the Board through a professional division of responsibilities. The committees respectively assist the Board in overseeing material operating activities, formulating the overall remuneration policy, reviewing the remuneration of directors and managerial officers, and advancing the Company's sustainable development strategy, thereby ensuring continuous improvement in governance effectiveness and operational quality.



2.1.2 Board Operations

Based on its operational characteristics and development needs, the Company has established a "Board Diversity Policy". The policy addresses basic qualifications, professional backgrounds, and industry experience. Directors are expected to possess core competencies in operational judgment, financial analysis, business management, crisis management, industry knowledge, international perspectives, leadership, and decision-making, thereby enhancing the effectiveness of the Board's oversight and judgment.

Board diversity encompasses two dimensions:

- 1 Basic attributes and values, including gender, age, nationality, and culture
- 2 Professional knowledge and skills, including law, accounting, finance, marketing, technology, and industry experience

Upholding the principles of merit-based selection and complementary diversity, all directors are elected by the shareholders' meeting in accordance with the Company Act and the "Company's Articles of Incorporation" and "Procedures for Election of Directors". The director selection process emphasizes that more than half of the Board members should possess industry backgrounds or capabilities in overall planning, coordination, and management. The current fourth-term Board consists of seven directors, four of whom have professional backgrounds in the biotechnology and medical industries. All members possess expertise in finance and accounting, business management, marketing, and leadership and decision-making. The current directors also possess extensive industry experience and professional knowledge, enabling them to provide comprehensive guidance on the Company's operations and actively participate in Board meetings and business decisions. Among the seven Board members, no more than half have a spousal relationship or are relatives within the second degree of kinship. Three directors are women, accounting for 42.86% of the Board and demonstrating gender diversity. The Company has three independent directors, accounting for 42.86% of the Board, all of whom meet the independence requirements under applicable laws and regulations.

Board Members and Their Backgrounds

Position	Director	Gender	Age	Date of Election (Appointment)	Term of Office	Education and Professional Experience	Other Significant Positions
Chairperson	HonSean-JY Company Limited	Corporate Director					
	Representative: Chin-Yung Shu	Male 71-80	71-80	1/14/2025	3 years	Master's degree in Institute of EO Engineering from National Chiao Tung University Director, Hermes-Epitek Corporation	Chairperson, Huntertext Corp. Chairperson, HonSean-JY Company Limited Director, JadeYale-CY Company Limited Director, HAN SHIN CORP. Corporate Director Representative and Chairperson, Shinyu light Co., Ltd. Corporate Director Representative and Director, Episil Technologies Inc. Corporate Director Representative and Director, Giga Solar Materials Corp. Director, Hermes-Epitek Corporation
Directors	Han Hsin Investment Corp.	Corporate Director					
	Representative: Archie Hwang	Male	71-80	1/14/2025	3 years	Department of Electrophysics, National Chiao Tung University Chairperson, Hermes-Epitek Corporation	Chairperson, Hermes-Epitek Corporation
Directors	Han Hsin Investment Corp.	Corporate Director					
	Representative: Sue Lin	Female	71-80	1/14/2025	3 years	Executive Master of Business Administration, National Chiao Tung University Vice Chairperson, Hermes-Epitek Corporation	Vice Chairperson, Hermes-Epitek Corporation

Position	Director	Gender	Age	Date of Election (Appointment)	Term of Office	Education and Professional Experience	Other Significant Positions
Directors	SINCERE HOLDING COMPANY	Corporate Director					
	Representative: Amy Chen	Female	51-60	1/14/2025	3 years	Master of Accountancy, The George Washington University Member National Federation of CPA Associations of the R.O.C. Taxation Committee	Partner, Cordiality Justice Service CPAs & Co. Supervisor, Shih Pu Investment Co., Ltd.
Independent Director	Chyan Yang	Male	71-80	1/14/2025	3 years	PhD in Computer Science, University of Washington Master's degree in Management Science, National Chiao Tung University Adjunct Professor, College of Management, National Yang Ming Chiao Tung University Director, EMBA Program, National Yang Ming Chiao Tung University	Adjunct Professor, College of Management, National Yang Ming Chiao Tung University Director, Chia Chang Co., Ltd. Independent Director, NOVA TECHNOLOGY CORP. Independent Director, Cheng Mei Instrument Technology Co., Ltd.
Independent Director	Jay Hsieh	Male	51-60	1/14/2025	3 years	Executive Master of Business Administration, College of Technology Management, National Tsing Hua University Chairperson, Bojal Co., Ltd Chairperson, Izo Health Care Co., Ltd.	Chief Executive Officer, Izo Health Care Co., Ltd.
Independent Director	Chih-Chieh Lin ^{Note}	Female	51-60	1/14/2025	3 years	S.J.D. and LL.M., Duke University School of Law Chairperson, Financial Ombudsman Institution Member, Presidential Office National Congress on Judicial Reform Associate Vice President for International Affairs, National Chiao Tung University Director, Institute of Technology Law, and Associate Dean, School of Law, National Chiao Tung University Deputy Editor-in-Chief, Taiwan Law Review Member, Human Rights Committee, Ministry of Justice Member, Prosecutor Selection Committee Member, Integrity Committee, Ministry of Economic Affairs Member, Integrity Committees of the Ministry of Foreign Affairs, Ministry of Transportation and Communications, and Ministry of Economic Affairs Member, Advisory Committee, Mainland Affairs Council Member, Central Integrity Committee Member, Integrity Committee, Ministry of Justice Member, Integrity Committee, Veterans General Hospital Member, National Health Insurance Dispute Mediation Committee Member, Attorney Qualification Review Committee Member, Criminal Code Amendment Committee, Ministry of Justice Member, Integrity Committee, Ministry of National Defense Member, Attorney Disciplinary Review Committee Member, Judicial Evaluation Committee Member, Prosecutor Evaluation Committee Member, Judicial Officer Training Committee	Distinguished Professor, National Yang Ming Chiao Tung University Director, Research Center for Financial Regulation and Corporate Governance, National Yang Ming Chiao Tung University Executive Director, Taipei Financial Regulatory Compliance Independent Director, TrueLight Corporation

Note: Independent Director Chih-Chieh Lin resigned on March 11, 2026.

2.1.3 Nomination and Election of Directors

The election process for all directors of Heron is conducted in accordance with the Company Act and the relevant provisions of the Company's "Articles of Incorporation" and "Procedures for Election of Directors". The Company's Board consists of five to nine directors, including independent directors, each serving for a three-year term. The Company adopts a candidate nomination system, under which directors are elected by the shareholders' meeting from among persons with full legal capacity. Directors may be re-elected. The Company shall have at least three independent directors, who shall constitute no less than one-third of all directors. Independent directors are elected by the shareholders' meeting from the list of independent director candidates. The professional qualifications, shareholding restrictions, concurrent positions, nomination and election procedures, and other compliance requirements applicable to independent directors are governed by the relevant regulations of the competent securities authority.

The Company's "Ethical Corporate Management Best Practice Principles" and "Rules of Procedure for Board of Directors Meetings" set out rules on the prevention of conflicts of interest and recusal. If a director or the juristic person represented by the director has an interest in a matter under consideration, the director must disclose the material aspects of that interest at the relevant Board meeting. If the interest is likely to prejudice the interests of the Company, the director may not participate in the discussion or vote on the matter and must recuse themselves accordingly. The director may also not exercise voting rights on behalf of another director. These requirements ensure that directors discharge their duties objectively and independently.

2.1.4 Functional Committees

To strengthen its supervisory and management functions, Heron's Board of Directors has established an Audit Committee and a Remuneration Committee.

In accordance with the Company's "Audit Committee Charter", the Audit Committee is composed of all independent directors and must have no fewer than three members. Committee members serve three-year terms and elect one independent director from among themselves to serve as the convener and chair of committee meetings. The Audit Committee currently comprises three independent directors. Its primary responsibilities include oversight, risk management, evaluation of operational performance, and deliberation and resolution of significant matters. The Committee meets at least once per quarter and conducts an internal performance evaluation annually. The Audit Committee held five meetings in 2025, with an average attendance rate of 100%.

In accordance with the Company's "Remuneration Committee Charter", members of the Remuneration Committee serve three-year terms and are appointed by resolution of the Board of Directors. The Committee must have no fewer than three members, including at least one independent director. Committee members elect one independent director from among themselves to serve as the convener. The Remuneration Committee currently comprises three independent directors. Acting in a professional and objective capacity, the Committee evaluates the remuneration policies and systems for the Company's directors and managerial officers and makes recommendations to the Board of Directors to support its decision-making. The Committee meets at least twice a year and conducts an internal performance evaluation annually. The Remuneration Committee held two meetings in 2025, with an average attendance rate of 100%. The Remuneration Committee was renamed the Remuneration and Nomination Committee in December 2025.

2.1.5 Performance Evaluation

To strengthen corporate governance and enhance the effectiveness of Board operations, the Company has adopted the "Performance Evaluation Rules for the Board of Directors, Functional Committees, and Managerial Officers". Under these Rules, the Board as a whole, individual directors, and each functional committee must undergo a performance evaluation at least once a year. An evaluation must also be conducted by an external independent professional institution or a panel of external experts and scholars at least once every three years. The Company discloses the implementation of its Board performance evaluations in its annual report. When an evaluation is conducted by an external institution or experts, the annual report also discloses the external evaluation institution, the experts and their team members, their professional expertise, and the applicable statements of independence. The evaluation methods, criteria, and recommendations for future improvement are also disclosed to enhance the transparency and credibility of the evaluation.

The Company uses these evaluation indicators to gauge directors' level of support for the operation of the Board and its functional committees. In 2025, the average self-evaluation score for the Board as a whole was 97.46, while the average self-evaluation score for individual directors was 99.50. The combined average self-evaluation score for the Remuneration and Nomination Committee and the Audit Committee was 98.40, and the average self-evaluation score for the Sustainable Development Committee was 99.22. The performance evaluation results for the Board as a whole, individual directors, and all functional committees were rated "Excellent" or above, indicating that they operated effectively. The results were reported to the Board of Directors and served as an important reference for the Company's continued improvement.

Internal Evaluations (conducted annually; evaluation period: January 1 to December 31, 2025)

Scope of Evaluation	Evaluation Method	Evaluation Criteria
Board of Directors as a Whole	Board Performance Self-Evaluation Questionnaire	(1). Degree of participation in the operation of the Company
		(2). Improvement in the quality of decision-making by the Board
		(3). Board composition and structure
		(4). Election and continuing education of directors
		(5). Internal control
Individual Directors	Director Performance Self-Evaluation Questionnaire	(1). Understanding of the Company's goals and missions
		(2). Awareness of directors' duties
		(3). Degree of participation in the operation of the Company
		(4). Management of internal relationships and communication
		(5). Professional competence and continuing education of directors
		(6). Internal control

Scope of Evaluation	Evaluation Method	Evaluation Criteria
Functional Committees	Remuneration and Nomination Committee and Audit Committee Performance Self-Evaluation Questionnaire	(1). Degree of participation in the operation of the Company (2). Awareness of the duties of functional committees (3). Improvement in the quality of decision-making by functional committees (4). Composition of functional committees and selection of committee members (5). Internal control
Functional Committees	Sustainable Development Committee Performance Self-Evaluation Questionnaire	(1). Degree of participation in the operation of the Company (2). Awareness of the duties of functional committees (3). Improvement in the quality of decision-making by functional committees (4). Composition of functional committees and selection of committee members



2.1.6 Continuing Education for Directors

Heron encourages its directors to continually strengthen their professional knowledge and capabilities so that they stay abreast of industry developments, regulatory updates, and the latest management trends, thereby enhancing their market insight and corporate governance perspective. In 2025, all directors and supervisors met the applicable regulatory requirements for continuing education. Directors completed a total of 51 training hours through a diverse range of courses covering regulatory, economic, governance, and social topics. These courses helped enhance their professional capabilities and further strengthen their decision-making and oversight performance.

Directors' Continuing Education in 2025

Course Title	Number of Participants	Total Hours
NVIDIA's US\$3 Trillion Miracle: New Perspectives on the Semiconductor Industry Revolution Behind AI	1	3
Annual Sustainability Governance Strategy Management for the Board of Directors (Sustainable Development Committee)	2	6
Corporate Governance Forum	1	3
Global Economic Outlook and the Effects of the Trump Administration's New Policies	1	3
How Directors and Supervisors Should Review Internal Control and Internal Audit	1	3
Corporate M&A Practice and Case Studies	1	3
Embracing AI and Sustainability Transformation: Executive Compensation Management and Talent Development	5	15
Corporate Strategies for Managing Carbon Credits and Carbon Assets under Global Carbon Trading Mechanisms	5	15

2.1.7 Remuneration Policy

The Company's remuneration policy focuses on encouraging contributions, enhancing performance, and ensuring that remuneration is allocated fairly and reasonably. Through clear performance indicators and an objective evaluation process, the Company has established a transparent and equitable remuneration system designed to motivate employees to apply their professional expertise while supporting the Company's continued and sound growth.

The achievement of performance objectives by the Company's directors and managerial officers is evaluated periodically in accordance with the "Performance Evaluation Rules for the Board of Directors, Functional Committees, and Managerial Officers". Individual remuneration components and amounts are determined based on the results obtained under the applicable performance evaluation criteria. At the shareholders' meeting, the Company reports the components and amounts of individual remuneration and explains their linkage to the performance evaluation results and the reasonableness of the remuneration.

The Remuneration Committee ensures that the remuneration system complies with applicable laws and regulations and remains competitive. In determining remuneration, the Committee considers industry benchmarks as well as individual performance, responsibilities, time commitment, achievement of objectives, and the Company's financial and operating performance. This maintains a reasonable alignment between remuneration and Company performance. Remuneration includes cash compensation, stock options, stock bonuses, retirement benefits or severance pay, allowances, and other incentive measures.

2.1.8 Sustainability Governance

We are committed to fulfilling our corporate social responsibility and achieving sustainable development goals through proactive action to advance economic growth, environmental protection, and social well-being. With reference to the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, the Company adopted its "Sustainable Development Best Practice Principles". In 2025, the Company established the Sustainable Development Committee, chaired by an independent director. The President appoints the project lead and the leaders of the respective working groups, while the project lead oversees and coordinates the implementation of related initiatives. To ensure the effective implementation of the Company's sustainability strategies, each working group establishes corporate sustainability indicators based on its respective functions and responsibilities.

The Sustainable Development Committee convenes meetings annually to review performance against sustainability indicators across the economic, environmental, and social dimensions and to discuss objectives and work plans for the next phase. The consolidated annual results are reported to the Board of Directors, which provides oversight and direction as the Company continues to enhance its sustainability initiatives.

Key Resolutions in 2025

Date	Resolutions
May 6, 2025 Board Meeting	Adoption of the Company's "Sustainable Development Committee Charter"
	Adoption of the appointment of the members of the Company's 1st-term Sustainable Development Committee



2.1.9 External Participation

To keep abreast of industry conditions and developments, Heron actively participates as a member of external industry associations and professional societies. Through these organizations, the Company maintains dialogue and exchanges with industry peers and investors, supporting continuous learning and improvement. The organizations in which Heron participated in 2025 are listed below:

Organization	Region	Role
Taiwan Medical and Biotech Industry Association	Taiwan	Member
Hsinchu County Pharmacists Association	Taiwan	Member
Taiwan Society for Therapeutic Radiology and Oncology	Taiwan	Member
Taiwan Bio Industry Organization	Taiwan	Member
Taiwan Society of Neutron Capture Therapy	Taiwan	Member
Taiwan Medical Enduring Education Institute	Taiwan	Member
Taiwan Clinical Oncology Society	Taiwan	Member
Taiwan Association for Cancer Prevention and Immuno-Promotion	Taiwan	Member
Chinese Medical Association	Taiwan	Member
Japanese Society for Radiation Oncology	Japan	Member



2.2 Ethical Management

Management Approach	
Importance of the Topic to the Organization	- Positive impact: Ethical corporate management is the foundation of corporate sustainability. By strictly complying with laws and regulations and upholding business ethics, the Company can build a strong corporate reputation, deepen stakeholder trust, and effectively reduce compliance and operational risks, thereby creating a long-term competitive advantage in the market. - Negative impact: Failure to comply with the law may expose the Company to reputational damage, substantial penalties, and litigation costs. It may also disrupt business activities or infringe upon stakeholders' rights and interests, triggering a crisis of trust and creating cascading effects on operational stability, ultimately impeding the Company's long-term sustainable development.
Policies and Commitments	The Company has adopted the "Ethical Corporate Management Best Practice Principles", the "Procedures for Ethical Management and Guidelines for Conduct", and the "Code of Ethical Conduct". The adoption and amendment of all such rules have been approved by the Board of Directors. The Company has also adopted the "Whistleblowing System Management Regulations", as approved by the President, in order to implement a corporate culture of ethical management.
Responsible Unit	Operations Management Center
Grievance Mechanism	Company Email: ir@heron-neutron.com Tel: +886-3-561-9366 Company website: https://www.heron-neutron.com/contact-investor
Targets	Short-term Targets (0-3 Years) - Conduct annual awareness training on insider trading prevention and ethical corporate management. - Maintain zero material incidents of dishonest or unethical conduct.
	Medium-term Targets (3-5 Years) - Maintain a 100% completion rate for ethical corporate management awareness training. - Maintain zero material incidents of dishonest or unethical conduct.
	Long-term Target (More Than Five Years) Revise the Company's management regulations and internal control systems and conduct training programs to prevent actions involving improper benefits or other unethical practices, with the goal of achieving zero incidents of unethical conduct or insider trading.
Action Plans	- The Company's "Procedures for Ethical Management and Guidelines for Conduct" designate a dedicated unit responsible for promoting ethical corporate management. The unit regularly reports to the Board of Directors on the Company's ethical corporate management policies, programs for preventing unethical conduct, and their implementation. - All employees participate in ethical corporate management awareness training annually.
Evaluation	- Internal rules and policies: The Company has adopted the "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", "Code of Ethical Conduct", "Whistleblowing System Management Regulations", and "Management Rules for Prevention of Insider Trading" to strengthen its anti-corruption framework. - Education and Training: In 2025, the Company held one awareness session on insider trading prevention and one on ethical corporate management.
	Whistleblowing mailbox: The Company has established specific procedures in its "Whistleblowing System Management Regulations", including the establishment of an email mailbox and handling principles, so that its ethical corporate management policy can be effectively implemented. Whistleblowing cases are accepted by the dedicated unit. After a case is formally registered, it is referred to the responsible handling unit for investigation and disposition in accordance with the Company's "Whistleblowing System Management Regulations".

Note: A material incident of dishonest or unethical conduct refers to an incident serious enough to affect the Company's reputation or normal business operations, or cause material losses to investors.

2.2.1 Strengthening Anti-Corruption and Ethical Conduct

Heron regards ethical corporate management as the foundation of corporate sustainability and places a strong emphasis on ethical conduct. The Company has adopted the "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct", "Code of Ethical Conduct", and "Whistleblowing System Management Regulations". These documents clearly require all Company personnel, including directors, managerial officers, and other employees, to conduct business objectively and efficiently.

In addition to promoting awareness of ethical conduct, the Company has established whistleblowing channels. Employees who suspect or discover conduct that violates laws, regulations, or the Code of Ethical Conduct are encouraged to report the matter to an independent director, managerial officer, the head of internal audit, or other appropriate personnel, and provide relevant information so that the Company can take appropriate follow-up action. Reports are handled confidentially, and employees are informed that the Company will make every effort to protect whistleblowers and ensure that they are not subjected to retaliation.

The Company encourages suppliers to sign its "Supplier Code of Conduct". Business dealings with customers and suppliers are conducted fairly and transparently, and contracts clearly specify the rights and obligations of both parties, helping ensure that the Company and its business partners share the same commitment to integrity.

In 2025, the Company provided education on ethical corporate management at its major operating locations in Taiwan. The Company has also implemented the Ethical Corporate Management Best Practice Principles and Whistleblowing System Management Regulations. No employees were disciplined or dismissed for corruption, and no contracts with business partners were terminated or not renewed due to corruption-related violations.

Anti-Corruption Training Participation Rate

Target Group	Course Content	Number of Participants
Managerial officers	Ethical corporate management policy awareness training	5
Employees	Ethical corporate management policy awareness training	63
Employees	Awareness training on the handling of material internal information and the prevention of insider trading	66

Percentage of Governance Body Members Who Signed Anti-Corruption or Insider Trading Prevention Documents

Signing relevant documents on anti-corruption or anti-insider trading	Number of Governance Body Personnel	Percentage
7	7	100%

Note 1: Governance bodies include the Board of Directors, management committee, or a similar body for non-corporate organizations.

Note 2: Includes the independent director who resigned on March 11, 2026.

Percentage of Suppliers to Which Anti-Corruption Policies Were Communicated

Number of Suppliers That Signed Documents Related to Ethical Corporate Management	Total Number of Suppliers	Percentage
102	116	88%

2.2.2 Whistleblowing Mechanism and Reporting of Misconduct

To implement the requirements of its "Code of Ethical Conduct" and "Ethical Corporate Management Best Practice Principles", Heron has established the "Whistleblowing System Management Regulations" to encourage the reporting of any illegal conduct or conduct that violates its ethical standards. The Company has established internal and external whistleblowing channels and procedures to ensure that employees uphold ethical conduct in the course of corporate management in performing their duties and that the lawful rights and interests of both whistleblowers and respondents are protected.

Whistleblowing Procedures:

Reporting Channels:

- Customers/shareholders/investors/suppliers/contractors: ir@heron-neutron.com
- Employees contact email: help@heron-neutron.com

Handling Procedures:

- Where a report concerns an employee, it shall be submitted to the relevant department head. Where a report concerns a director or senior executive, it shall be submitted to an independent director or an Audit Committee member.
- The Company's dedicated unit and the managers or personnel to whom a report is submitted shall promptly investigate the relevant facts. Assistance may be sought from the Legal Department or other relevant departments where necessary.
- If the respondent is found to have violated applicable laws and regulations or the Company's ethical corporate management policies and rules, the Company shall immediately require the respondent to cease the conduct and take appropriate action. Where necessary, the Company may seek damages through legal proceedings to protect its reputation, rights, and interests.
- Written records of the receipt, investigation, and outcome of each report shall be retained for five years. Such records may be stored electronically. If litigation relating to a report arises before the retention period expires, the relevant records shall continue to be retained until the litigation is concluded.
- Where a report is substantiated, the relevant Company units shall review the applicable internal control systems and operating procedures and propose corrective measures to prevent recurrence.
- The Company's dedicated unit shall report the matter, the manner in which the matter was handled, and the subsequent review and corrective measures to the Chairperson and the President.

Confidentiality and Rewards

- The parties involved in a reported matter, the whistleblower, and all personnel responsible for handling the case shall keep the matter confidential and shall not disclose it externally. This requirement is intended to prevent whistleblowers from being subjected to unfair treatment, retaliation, or threats. Any violation shall be handled in accordance with the applicable disciplinary rules. The parties involved in the reported matter and relevant personnel are required to cooperate with inquiries, respond truthfully, and provide relevant information.
- Where a report is substantiated and the matter is material, appropriate action shall be taken in accordance with applicable laws and regulations and the Company's internal rules. The whistleblower may also be granted an appropriate reward based on the materiality of the matter. Employees who submit false reports or make malicious allegations shall be subject to disciplinary action. Where the circumstances are serious, the employee may be dismissed.



2.3 Risk Management

2.3.1 Risk Management Framework

Heron has established a comprehensive risk management framework, with the Board of Directors serving as the highest governance body. Risk management activities are carried out based on the Company's overall business strategy and the external operating environment. The Board bears ultimate responsibility for ensuring that the Company has a clear understanding of the risks it faces and maintains an effective risk management system. The Audit Committee oversees the operation of the Company's risk management mechanisms. Each functional unit analyzes, manages, and monitors risks within its respective area of responsibility to ensure the effective implementation of risk control procedures. The Internal Audit Unit is independent and reports directly to the Board of Directors. It reviews the implementation of each unit's risk controls and response measures and recommends improvements to strengthen the Company's overall risk management framework.

To respond to the rapidly changing business environment, maintain sound operations, and advance sustainable development, the Company has adopted its "Risk Management Policy and Procedures". This policy establishes an effective mechanism for assessing and monitoring the Company's risk capacity, risk profile, and risk response measures and for reviewing compliance with its risk management procedures, thereby ensuring that risk management strategies are effectively implemented throughout the Company's management and operations.

2.3.2 Risk Identification and Response

The Company's risk management process comprises risk identification, risk measurement, risk monitoring, risk reporting, and risk response. Each risk management unit identifies potential risks based on its business scope and respective functions and responsibilities to ensure comprehensive risk coverage and prevent material risks from being overlooked. Each unit conducts an in-depth analysis of the characteristics of identified risks and assesses their likelihood and potential impact. The effectiveness of existing controls, historical experience, and relevant industry cases are taken into consideration when formulating response strategies.

For existing risks, the Company continuously monitors changes in the external environment and developments related to emerging risks. It regularly reviews the implementation and effectiveness of its risk controls to ensure that its internal control mechanisms operate effectively. The Audit Committee consolidates the results of the Company's risk response measures and reports them regularly to the Board of Directors, strengthening oversight of risk governance. Based on the Company's strategic objectives and stakeholder expectations, the most appropriate risk response measures are selected, with relevant personnel required to fully understand and implement them. The Company continuously monitors implementation progress and makes improvements to enhance the overall effectiveness of risk management.



Risk Category	Risk Description	Response Measures
Market Risk	The risk of loss arising when fluctuations in market risk factors, including interest rates, exchange rates, equity prices, and commodity prices, change the value of financial assets and liabilities, including on- and off-balance-sheet assets and liabilities.	- The Company continuously monitors the impact of inflation on industry costs and uses this information as a key indicator for decision-making and responding to changing conditions. - The Company regularly reviews and optimizes its financial structure and proactively prepares for potential exchange-rate and interest-rate risks to maintain flexibility and security in funding.
Liquidity Risk	Liquidity risk comprises market liquidity risk and funding liquidity risk. Market liquidity risk is the risk of significant market movements when positions are liquidated or offset due to insufficient market depth or disorderly market conditions. Funding liquidity risk is the risk of being unable to liquidate assets or obtain sufficient funding to meet obligations as they fall due.	- The Company maintains sufficient liquidity and prudent funding levels to support its operating needs and effectively manage liquidity risk. - The Company has established credit facilities with banks.
Operational Risk	The risk that uncertainties arising during the research and development of biopharmaceuticals and the production and operation of the Company's proprietary products may disrupt normal operations. These include process risks, such as material shortages or improper production scheduling; product quality risk; information systems risk; and credit risk. Credit risk refers to the risk of loss arising when customers, suppliers, or other counterparties fail to fulfill their agreements or obligations.	- The Company is committed to establishing a comprehensive quality assurance framework. In addition to engaging qualified GMP-compliant manufacturers to ensure the safety of its pharmaceutical products, the Company has established rigorous quality management processes and audit plans. The Company fully complies with regulatory requirements governing manufacturing, product registration, quality control, and safety surveillance to ensure product safety and efficacy both before and after market launch. The Company has also implemented a medical device quality management system in accordance with the Medical Device Quality Management System Regulations. Through ongoing education and training, it also strengthens employees' professional competencies to safeguard product quality comprehensively. - The Company's information technology unit is responsible for planning and implementing its information security policy. Through comprehensive policies, advanced technologies, and risk management practices, the Company safeguards its information assets and ensures operational stability. Going forward, the Company will continue to improve and adapt its information security measures in response to emerging security threats and maintain its competitiveness.
Hazard Risk	The risk of loss arising from major natural or human-induced disasters, such as earthquakes, fires, chemical spills, or outbreaks of infectious diseases.	The Company has established and follows its "Occupational Safety and Health Management Regulations". Work environment monitoring is conducted annually in office areas, while radiation workplaces are inspected daily. The Company also regularly monitors ambient radiation and implements personnel radiation dose controls.
Legal Risk	The risk of potential loss arising from failure to comply with applicable laws and regulations or from contracts becoming invalid due to a lack of legal enforceability, unauthorized acts, omitted provisions, or inadequate procedures.	The Company complies with applicable laws and regulations in Taiwan and overseas. Relevant personnel continuously monitor regulatory developments and provide updates to management, enabling the Company to promptly identify and effectively respond to significant domestic and international policy and legal changes.

2.4 Economic Performance

Heron is committed to providing comprehensive solutions for Accelerator-Based Boron Neutron Capture Therapy (AB-BNCT). As advanced radiotherapy technologies such as proton therapy and BNCT continue to develop, AB-BNCT has attracted growing market attention for its precise tumor targeting and relatively limited side effects. Bringing together leading talent in nuclear engineering and other fields in Taiwan, the Company completed the first AB-BNCT treatment in a clinical trial for recurrent head and neck cancer in 2025 as it continued to commercialize the results of years of research achievements and bring the technology into clinical practice. As Taiwan's population ages and cancer incidence rises, demand for precision radiotherapy technologies continues to grow. Patients also have increasingly high expectations for treatment outcomes and quality of life. AB-BNCT is therefore expected to play an important role in the Taiwanese market.

Furthermore, the potential applications of BNCT are not limited to cancer treatment. In the future, the technology may be extended to other areas of medicine, including the treatment of rare diseases and the development of precision radiopharmaceuticals. Against the backdrop of growing global healthcare demand, BNCT is expected to become an indispensable part of the radiotherapy market, offering patients more treatment options and renewed hope.

Unit: NT\$ thousand

Item	2023	2024	2025
Direct Economic Value Generated (A)			
Revenues ^{Note 1}	3,793	6,149	63,852
Economic Value Distributed (B)			
Operating costs ^{Note 2}	77,371	161,057	232,007
Employee wages and benefits ^{Note 3}	52,399	96,733	282,793
Payments to providers of capital ^{Note 4}	243	183	887
Payments to government ^{Note 5}	30	-	30
Community investments ^{Note 6}	170	8,253	29,831
Economic Value Retained (A — B)	(126,420)	(260,077)	(481,696)

Note 1: Includes Heron's operating revenue, interest income, and other gains for each year.

Note 2: Includes Heron's operating costs, operating expenses, and other losses for each year, excluding employee wages and benefits, payments to providers of capital, property tax, other taxes, fines, and community investments.

Note 3: Includes personnel expenses such as bonuses, pension contributions, Labor Insurance premiums, and National Health Insurance premiums.

Note 4: Includes cash dividends distributed during the year and finance costs.

Note 5: Includes income tax, property tax, other taxes, and fines.

Note 6: Refers to charitable expenditures, including donations to government agencies and charitable organizations.

2.5 Supply Chain Management

Management Approach	
Importance of the Topic to the Organization	- Positive impact: Customer satisfaction is achieved through supplier performance in quality, cost, delivery, service, and continuity of supply. - Negative impact: Potential risks associated with suppliers' labor practices, health and safety, environmental practices, business ethics, and management may result in adverse governance, environmental, and social impacts.
Policies and Commitments	Sound supply chain management enhances operational efficiency and effectiveness and helps reduce the occurrence of risks. The Company also works with its suppliers to advance environmental protection and social responsibility.
Responsible Unit	Supply Chain Management Center
Grievance Mechanism	Company Email: ir@heron-neutron.com Tel: +886-3-561-9366 Company website: https://www.heron-neutron.com/esg/stakeholders
Targets	Short-term Targets (0-3 Years) Achieve a Supplier Code of Conduct signing rate of 95%.
	Medium-term Targets (3-5 Years) Achieve a Supplier Code of Conduct signing rate of 99%.
	Medium- to Long-term Targets (More Than Five Years) - Communicate relevant ESG assessment requirements to new and existing suppliers. - Conduct sustainability assessments in conjunction with annual quality audits. - Continue tracking the corrective actions of suppliers whose assessment scores fall below the established threshold.
Action Plans	- Complete the supplier ESG assessment checklist. - Communicate relevant ESG assessment requirements to suppliers.
Evaluation Mechanisms	Supplier Code of Conduct signing rate: The Company compiles its supplier list every six months, reviews progress in obtaining signed Codes of Conduct, and incorporates the signing status into the annual supplier performance evaluation through the Supplier Periodic Monitoring Record Form. For any unmet requirements, the Procurement Unit follows up with the supplier and provides appropriate guidance.

2.5.1 Supply Chain Management

Heron is committed to advancing corporate sustainability. In addition to pursuing its own continued growth, the Company actively invites all supply chain partners to join its sustainability efforts. The Company has established a "Supplier Management Procedure" and developed its "Supplier Code of Conduct" based on the Responsible Business Alliance (RBA) Code of Conduct. The Code covers anti-bribery and anti-corruption, social and environmental responsibility, conflict-free minerals, compliance with trade laws and regulations, and intellectual property protection and non-infringement. The Company expects suppliers to sign and comply with the relevant requirements. By working together to implement responsible supply chain management, Heron and its suppliers can jointly advance their shared sustainability objectives.

2.5.2 Supplier Screening and Assessment

New Supplier Evaluation Procedures

Under the "Supplier Management Procedure", new suppliers must first submit a basic information form and an initial assessment form for document review. Where further assessment is considered necessary, an on-site audit is arranged. Suppliers that meet the applicable requirements are registered and added to the Approved Supplier List. In 2025, the Company had 116 new suppliers, of which 102 had signed the Supplier Code of Conduct, representing a signing rate of 88%. Some suppliers that had not signed Heron's Code had already been subject to relevant codes of conduct. The Procurement and Legal units compared these codes with Heron's requirements and confirmed that their underlying principles were consistent with the Company's "Supplier Code of Conduct". Their signing status is also incorporated into the annual supplier evaluation as an item for which points may be added or deducted. If a supplier continues to decline cooperation, the Company will adjust its supplier classification or place the supplier on its "non-cooperation list".

Supplier Evaluation and Audit System

To manage suppliers effectively, the Company has established a tiered supplier management system under its "Supplier Management Procedure". Suppliers are assessed based on price, delivery performance, service, conformity to specifications, and quality and are classified into high, medium, low, and other categories. For suppliers that fail to meet the required standards (high-, medium-, or low-risk), the Company requires corrective and preventive actions, issues improvement notices specifying a deadline for corrective action, and provides follow-up guidance to support improvement. The "Other" category comprises suppliers whose products or services do not directly affect product functionality or safety, including suppliers providing design, research and development, engineering, general services, administrative supplies, and other non-medical-device-related products or services. These suppliers are excluded from the scope of supplier management.

The Company will gradually incorporate ESG requirements into its supplier assessments and communicate these requirements to suppliers. Sustainability assessments will also be conducted in conjunction with annual quality audits. Going forward, the Company will track the corrective actions of suppliers whose scores fall below the established threshold. Through this collaborative approach, the Company aims to improve the sustainability performance of its overall supply chain and build a more resilient and competitive supply chain.

2.5.3 Local Procurement

Given the high costs associated with the research, development, and production of BNCT equipment and pharmaceuticals, local procurement is one of the Company's key strategies. In 2025, procurement from 21 suppliers in Taiwan accounted for 92% of Heron's total procurement amount. This local procurement model not only reduces transportation costs and carbon emissions but also strengthens partnerships with local suppliers and enhances the stability and resilience of the overall supply chain. The Company will continue to maintain a high proportion of local sourcing and work with its suppliers to build a more sustainable and competitive supply chain, jointly advancing its corporate sustainability vision.

Proportion of Spending on Local Suppliers over the Past Two Years

Region	2024 Percentage of Procurement Spending	2025 Percentage of Procurement Spending
Taiwan	93%	92%
Others	7%	8%

2.6 Regulatory Compliance

Heron regards regulatory compliance as a key driver of corporate responsibility. Its day-to-day operations are conducted in accordance with applicable laws and regulations in Taiwan and overseas. The Company continuously monitors domestic and international policy trends and regulatory developments to stay abreast of the latest changes in the market environment.

The Company uses contract reviews and potential disputes as triggers for identifying risks. When an issue arises, risks are promptly identified and jointly reviewed and approved by the Legal function and the relevant responsible departments to ensure effective regulatory compliance. Relevant participating functions include medical devices, pharmaceutical quality assurance, procurement, environmental health and safety, human resources, and finance. This ensures that regulatory matters are comprehensively reviewed and implemented by the appropriate functions. Through cross-functional collaboration, the Company ensures the safety and efficacy of its products and technologies, protects the rights and interests of clinical trial participants and patients, and safeguards intellectual property arising from its research and development. Through these efforts, the Company supports the successful introduction of its products and technologies to the market within a safe and reliable framework, thereby delivering meaningful value to patients.

Going forward, the Company will continue to adopt an event-driven management approach, using contract reviews and potential disputes as triggers. Combined with its cross-functional review and approval mechanism, this approach enables the Company to identify and control risks promptly and ensure regulatory compliance. The Company will also strengthen legal and regulatory training to enhance employees' awareness of regulatory compliance. In 2025, the Company was not subject to any significant (Note) fines or other non-monetary sanctions. There were also no cases requiring the initiation of a dispute resolution mechanism.

Note: For the purposes of this Report, a significant instance of non-compliance is defined as one involving a fine exceeding NT\$100,000 or a violation that has a material impact on the Company's operations, financial position, business activities, or stakeholders.



3

Responsible
Production

Chapter Contents

3.1	Product Quality and Safety
3.2	Innovation and R&D
3.3	Sales Responsibility
3.4	Customer Relationship Management

Chapter Highlights

- The on-time completion rate for repair and service cases was 100%. In 2025, there were no recalls or regulatory non-compliance involving pharmaceuticals or medical devices.
- R&D expenditure totaled NT\$321,865 thousand in 2025. Clinical applications of the BNCT system continued to expand steadily; two clinical trials were initiated for the new drug B10 L-BPA, and the Company significantly expanded its patent portfolio.
- In 2025, the Company provided more than 600 hours of cross-disciplinary professional training covering quality, regulatory compliance, risk management, and technical competencies.

3.1 Product Quality and Safety

Management Approach	
Importance of the Topic to the Organization	• Positive impact: Heron focuses on the research and development, manufacture, and clinical application of Boron Neutron Capture Therapy (BNCT) equipment and boron-containing drugs. The Company strictly complies with applicable medical device and pharmaceutical regulations and has established comprehensive quality management, clinical safety, and risk monitoring mechanisms. By providing safe, precise, and reliable radiotherapy solutions, the Company expands treatment options for cancer patients, improves the quality of care, and generates positive impacts on public health. The Company ensures the stability of pharmaceutical manufacturing processes and the safety and reliability of its supply chain to safeguard medication safety for clinical trial participants and patients. It also implements radiation safety and information transparency principles and respects the rights of patients and medical institutions to information and choice. These efforts continue to strengthen the Company's professional reputation and public trust in the fields of precision medicine and advanced medical equipment. • Negative impact: Failure to manage product quality, clinical safety, or regulatory compliance appropriately could create risks to medication and treatment safety and undermine the confidence of medical institutions and the public in the Company. It could also lead to regulatory authorities requiring improvements, delays in clinical trials, or adverse impacts on the product commercialization process, thereby adversely affecting the Company's operations, R&D progress, and reputation. In addition, inconsistent pharmaceutical or equipment quality or inadequate supply chain management could interrupt clinical trials, increase risks associated with regulatory review, or even give rise to medical disputes. Such events could infringe upon patients' rights to health and information, adversely affect patients, particularly those with limited treatment options, and place pressure on the healthcare system and the Company's long-term sustainability.
Policies and Commitments	With "patient safety" and "regulatory compliance" at the core of its approach, Heron has established a quality management system covering the entire product lifecycle, from research and development and clinical trials to manufacturing and post-market surveillance. The Company strictly complies with Taiwan Food and Drug Administration (TFDA) requirements and Good Laboratory Practice (GLP), Good Clinical Practice (GCP), Good Manufacturing Practice (GMP), and Good Distribution Practice (GDP) standards. Through systematic risk management and precise radiation safety controls, the Company ensures the safety and efficacy of its medical devices and pharmaceuticals. It also implements adverse-event reporting and monitoring mechanisms to protect the rights and interests of healthcare providers and patients and fulfill its product responsibility.
Responsible Unit	Regulatory and Quality Assurance Department and Drug Development Department
Grievance Mechanism	Company Email: ir@heron-neutron.com Tel: +886-3-561-9366 Company website: https://www.heron-neutron.com/contact-investor
Targets	Short-term Targets (0–3 Years) 1. Maintain compliance with TFDA requirements and applicable regulations throughout medical device research and development, manufacturing, servicing, sales, and promotional activities, with zero significant instances of regulatory non-compliance. 2. Complete annual internal training on quality and safety, with a training completion rate of 100%. 3. Establish in-house pharmaceutical storage and transportation capabilities and obtain PIC/S GDP certification. 4. Continue advancing clinical trials of pharmaceuticals for different indications to expand their potential therapeutic applications and benefit more patients. 5. Maintain 100% validity of the ISO 13485 medical device quality management system certification.
	Medium-term Targets (3–5 Years) 1. Continue optimizing the quality management and safety monitoring mechanisms for BNCT equipment and boron-containing drugs to improve the safety and stability of clinical trials and medical applications. 2. Establish a more comprehensive collaboration network involving hospitals and academic and research institutions to advance the clinical adoption of advanced cancer treatment technologies. 3. Continue optimizing pharmaceutical manufacturing processes, with a planned increase in unit packaging volume from 55 mL to 100 mL. Through the use of larger-volume packaging, reduce the consumption of glass vials and cartons by nearly 50% at an equivalent production capacity, thereby reducing medical waste and transportation-related carbon emissions at the source. 4. Maintain an annual completion rate of at least 95% for corrective actions addressing findings from internal audits of the medical device quality management system. 5. Maintain an annual completion rate of at least 95% for improvements addressing product safety feedback collected through medical device post-market surveillance. 6. Complete 100% of annual internal audits and risk assessments relating to product quality and safety.
	Long-term Target (More Than Five Years) 1. Maintain zero significant product recalls or mandatory suspensions each year. 2. Incorporate product quality and safety performance into the Company's corporate governance and sustainability management review mechanisms each year as a basis for risk management and resource allocation.

Management Approach	
Action Plans	• Work with academic and research institutions to advance BNCT technology and expand its medical impact. Strengthen pharmaceutical safety monitoring and improve the reliability of radiation equipment and reinforce the Company's brand reputation through its commitment to quality, while reducing operational risks and implementing a sustainability strategy centered on "safety and innovation". • Actions to prevent potential negative events: Establish mechanisms for adverse-event reporting, risk assessment, and safety-signal monitoring. Provide education and training to strengthen employees' regulatory compliance and safety-surveillance capabilities and reduce potential product quality and safety risks. • Actions to address actual negative events: Where a safety event occurs, promptly initiate an investigation and report the event in accordance with the TFDA's Regulations for Reporting Serious Adverse Reactions of Medicaments and Regulations for Reporting Serious Adverse Events of Medical Devices, thereby strengthening the effectiveness of pharmaceutical and medical device safety management.
Evaluation Mechanisms	Review Mechanisms and Frequency: 1. Conduct an internal audit and management review at least once each year to assess target achievement and the effectiveness of the relevant systems. 2. Undergo periodic external audits for ISO 13485 certification. Performance: 1. No significant instances of regulatory non-compliance occurred during the year. 2. The completion rate for quality- and safety-related training reached 100%. 3. BNCT-related research and development and clinical collaboration projects continued to advance.

3.1.1 Product Quality and Safety Performance

In 2025, Heron took a further step toward international markets for its medical devices. In addition to its existing Taiwan medical device manufacturing authorization obtained through QMS conformity assessment, the Company obtained ISO 13485 certification, establishing a broader, more comprehensive and internationally aligned management framework throughout the product life cycle. This management framework encompasses a continuous cycle of design control, quality management, risk management, and post-market safety surveillance, with the Company continuously pursuing improvements in product safety and efficacy.

In 2025, the Company's pharmaceutical products remained in clinical development. Participant safety and product quality remained central to its efforts, which included pre-market testing, risk assessments, and regulatory compliance management. All clinical trials were reviewed and approved by the Taiwan Food and Drug Administration (TFDA) and the relevant institutional review boards (IRBs). The Company also continued to oversee outsourced GMP and GDP operations to ensure pharmaceutical quality and protect patient health and safety. No significant safety events attributable to product quality or manufacturing process issues occurred in 2025.

Key Pharmaceutical Quality and Safety Performance in 2025

Item	2025 Result
Key Measures	1. Completed GMP-compliant pharmaceutical production. 2. Completed the required nonclinical safety studies and validation to provide a basis for clinical trial design and risk control. 3. Conducted adverse event and serious adverse event (AE/SAE) monitoring and reporting in accordance with the Safety Management Plan and Good Clinical Practice (GCP).
Pharmaceutical Quality and Safety Performance Indicators	1. Clinical trial participant safety events attributable to pharmaceutical quality issues: 0 cases 2. Completion rate for nonclinical safety validation: 100% 3. AE/SAE assessment and reporting completion rate: N/A (no events occurred) 4. Cases of failure to report as required or late reporting: 0 cases 5. Proportion of clinical trials conducted in accordance with the approved Safety Management Plan and GCP: 100% 6. GDP compliance rate for pharmaceutical storage and transportation: 100%

Key Medical Device Quality and Safety Performance in 2025

Item	2025 Result
Education, Training, and Supply Chain Management Performance	1. Three training programs covering installation, maintenance, and inspection procedures were completed in January 2025. 2. All monthly supplier assessment results met the scoring criteria applicable to their respective supplier classifications, representing a supplier assessment pass rate of 100%. 3. Quality agreements were required for five suppliers, and the quality agreement signing rate was 100%. 4. Accuracy rates for both the mid-year and year-end inventory counts were 100%.
Operations and Customer Service Performance	1. The sales and marketing function handled seven customer service cases, with more than one case handled per quarter. 2. The customer service function processed 28 maintenance work orders, with a 100% completion rate within 30 days.
R&D and Production Quality Performance	1. The R&D unit processed 56 technical documents. All were completed within two weeks, with an accuracy rate of 100%.
Medical Device Regulatory and Quality Management System Performance	1. The incoming inspection pass rate was 100% in each quarter from Q1 through Q4. 2. No PQC (semi-finished product) inspections were conducted from Q1 through Q3. The PQC inspection pass rate for semi-finished products in Q4 was 100%. 3. The pass rates for installation verification and FQC inspections were 100% in each quarter. 4. The Regulatory and Quality Assurance Department processed 120 quality management system documents. All were completed within two weeks, representing a completion rate of 100%. 5. Two internal audits were conducted: one routine audit and one in connection with the implementation of ISO 13485. 6. Two management reviews were conducted: one routine review and one in connection with the implementation of ISO 13485. 7. In August 2025, the Company obtained ISO 13485:2016 / EN ISO 13485:2016 certification for its medical device quality management system.

3.1.2 Pharmaceutical Quality and Safety

Quality and Safety Assessment throughout the Product Life Cycle

1 Safety and Benefit Assessment Prior to Development

During the early stages of product development, the Company conducts literature reviews and collects regulatory information to perform preliminary assessments of safety and regulatory risks and assess the feasibility of further product development. These measures are intended to prevent significant risks to patient safety or regulatory noncompliance during subsequent R&D or clinical trial stages.

2 Quality and Safety Management of Nonclinical Studies

The Company plans and commissions nonclinical toxicology and safety studies conducted in accordance with Good Laboratory Practice (GLP). The study results are used to confirm the pharmaceutical's basic safety profile before it is administered to humans, reduce the likelihood that clinical trial participants will be exposed to unforeseen risks, and provide an important basis for clinical trial design and risk management.

3 Safety Monitoring and Benefit Assessment in Clinical Trials

In accordance with the standard operating procedures of the Taiwan Food and Drug Administration (TFDA) and the institutional review boards (IRBs) of the participating hospitals, the Company establishes a Data and Safety Monitoring Plan (DSMP) and conducts a safety risk assessment before initiating a clinical trial. The clinical trial protocol and related documentation are then submitted to TFDA and the relevant IRBs for review. A clinical trial may begin only after approval has been obtained from both TFDA and the relevant IRBs. Safety monitoring and management are conducted in accordance with the DSMP and the approved trial documentation. Participant safety and trial risks are monitored continuously to ensure that the clinical trial complies with applicable regulatory requirements and that risks remain within acceptable limits.

Protecting the Health and Safety of Clinical Trial Participants during Recruitment

In accordance with the "Guidelines for Recruitment of Clinical Trial Subjects", the Company has established requirements governing participant recruitment and promotional activities in compliance with applicable requirements. Recruitment strategies and materials are prepared by the clinical trial team and submitted to the relevant hospital IRB for ethical and regulatory review. Recruitment may begin only after IRB approval has been obtained. During recruitment, the Company's regulatory affairs and clinical functions continuously oversee recruitment activities to ensure the accuracy of the information provided, verify participant eligibility, and ensure that informed consent procedures are properly implemented. Any changes to recruitment content or methods must be resubmitted to the IRB for review, and all relevant documents and records must be retained. These measures help prevent participants from being exposed to unnecessary health risks due to incorrect or incomplete information and enable them to make an informed and independent decision on whether to participate after fully understanding the risks and uncertainties associated with the trial. By doing so, the Company seeks to uphold the ethical conduct of clinical trials and strengthen public trust while continuously refining the relevant management processes.

Manufacturing and Testing

The Company selects contract manufacturers certified for compliance with pharmaceutical Good Manufacturing Practice (GMP) requirements and enters into "pharmaceutical manufacturing contracts and quality agreements" with these manufacturers. These contracts and agreements govern the contract manufacturers' manufacturing and testing activities and ensure that their manufacturing and testing processes comply with GMP requirements, thereby maintaining pharmaceutical quality and protecting patient health and safety. The relevant measures include:

- 1 Verifying that the contract manufacturer is a pharmaceutical manufacturer certified for compliance with GMP requirements.
- 2 Assessing the compliance of its manufacturing and testing processes.
- 3 Confirming that the manufacturing processes, analytical methods, and relevant equipment and instruments have been successfully validated or calibrated.
- 4 Confirming that every batch is subject to appropriate process controls and passes all required testing.

Storage, Transportation, and Supply

For pharmaceutical storage and transportation, the Company uses its internal procedures and forms governing outsourced pharmaceutical operations to evaluate and verify the compliance of its contract logistics providers. Each provider must be certified for compliance with pharmaceutical Good Distribution Practice (GDP) requirements and possess facilities, equipment, instruments, and personnel that meet GDP requirements. Pharmaceuticals must be stored in suitable temperature-controlled facilities equipped with temperature-monitoring systems, and the providers must have appropriate pharmaceutical transportation controls in place. The Company enters into "pharmaceutical storage and transportation contracts and quality agreements" with its contract logistics providers to govern and manage their storage and transportation operations. These contracts and agreements ensure that appropriate environmental conditions are maintained and that product quality and stability are preserved throughout storage and transportation, preventing deterioration that could affect patient health and safety.

With respect to pharmaceutical supply, the Company verifies that customers receiving pharmaceutical products are legally authorized institutions. This ensures that the products circulate through legitimate supply chains, prevents the illegal use of pharmaceutical products, and protects patient health and safety.

Specific measures include:

- 1 Using internal pharmaceutical customer approval procedures and forms to verify that customers are legally authorized institutions and that pharmaceutical products circulate through legitimate supply chains.
- 2 Using internal procedures and forms governing outsourced pharmaceutical operations to evaluate and verify that contract logistics providers are certified for compliance with pharmaceutical GDP requirements and have compliant receiving, dispatch, and transportation procedures, appropriate transportation equipment and instruments, and experienced personnel.
- 3 Ensuring that pharmaceutical products are kept in suitable temperature-controlled transport equipment and continuously monitored for temperature throughout transportation to maintain product quality and stability.
- 4 Entering into pharmaceutical storage and transportation contracts and quality agreements with contract logistics providers to govern and manage their operations, ensuring compliance and appropriate environmental conditions throughout transportation.

Through these controls, the Company safeguards the quality and safety of pharmaceutical products throughout the supply chain and transportation process and protects patient health and safety.

Investigation Product Management and Adverse Event Reporting

During clinical trials, the Company continuously collects and assesses safety information concerning investigational products in accordance with the Safety Management Plan (SMP), including the monitoring and recording of adverse events (AEs). When an AE occurs, the Company reports it in accordance with the clinical trial SMP and the Pharmaceutical Affairs Act. The participant receives appropriate care and follow-up to protect their health and safety. Based on the results of safety assessments, the Company continuously reviews and improves its risk management measures to ensure the overall safety of investigational products used in clinical trials.

Product Labeling

During the Clinical Trial Stage: Product labeling complies with the Regulations for Good Clinical Practice, ICH Good Clinical Practice (ICH GCP), and PIC/S Good Manufacturing Practice (PIC/S GMP). The packaging and labels of investigational products contain only the required information, including the product name, dosage form and strength, batch number, expiration date, storage conditions, clinical trial protocol number, and the statement "For Clinical Trial Use Only". Detailed product information, including the product's composition and safety information, is provided in the clinical trial technical documentation for reference by relevant trial personnel. This approach to labeling is intended to ensure that the product is used correctly in the designated clinical trial and to protect participant safety.

After Obtaining a Drug License: Following receipt of marketing authorization, the package insert, packaging, and labeling will comply with the "Pharmaceutical Affairs Act", the "Regulations for Medicament Contract Manufacture and Analysis", the "Regulations for Registration of Medicinal Products", and other applicable requirements. The information provided will include the product's full composition, indications, dosage and administration, adverse reactions, warnings, and other information related to safe use. This information will be continuously updated based on the results of nonclinical studies and clinical trials. The formats and contents of these package inserts, packaging, and labels may be used only after they have been reviewed and approved by the competent health authority.



3.1.3 Medical Device Quality and Safety

Quality and Risk Management Framework

The Company's principal products are medical devices used in radiotherapy. Product safety and quality are therefore central to its operations. To protect patients and users, the Company has established a comprehensive medical device quality management and risk control framework in accordance with applicable domestic and international medical device regulations and standards. The framework covers the entire product life cycle, including product conceptualization, design and development, manufacturing and production, installation and maintenance, storage and logistics, post-market surveillance, and product recalls.

The Company has established its medical device quality and safety management system in accordance with ISO 13485, Medical devices - Quality management systems - Requirements for regulatory purposes, and the risk management principles of ISO 14971, Medical devices - Application of risk management to medical devices. Its medical devices have completed the applicable TFDA registration and approval procedures, and the Company's quality management system (QMS) has undergone the applicable approvals and inspections. Through documented quality system management and internal and external audits, the Company ensures that product design and manufacturing comply with applicable regulatory requirements and international standards. It continuously improves the effectiveness of its quality management through corrective and preventive action, data analysis, internal audits, and other mechanisms.

For risk management, the Company follows its medical device risk management control procedures to identify, analyze, and control risks associated with radiotherapy equipment throughout the design, manufacturing, and use stages. These activities incorporate usability evaluations, biocompatibility assessments, electrical safety testing, and electromagnetic compatibility assessments to mitigate the potential effects of hazards on patients and users and ensure that overall product risk remains within acceptable limits.

Product Concept and Design and Development Stages

During product conceptualization, the Company conducts product development feasibility assessments that integrate clinical needs, technical feasibility, and regulatory requirements. These assessments confirm that the proposed product design meets clinical practice needs and safety principles, thereby reducing the risks of subsequent development failure and adverse effects on patient treatment. During this stage, the Company follows its internal design and development control procedures to ensure that design requirements are complete and verifiable. Design verification and validation activities are conducted to confirm that the product meets its intended use and applicable performance and safety requirements.

The Company conducts risk assessments in accordance with ISO 14971 to systematically identify and reduce product risks. Biocompatibility assessments are performed in accordance with the ISO 10993 series to confirm that materials coming into contact with patients do not present biological hazards. Usability evaluations are also conducted in accordance with IEC 62366 to analyze actual use scenarios and potential misuse, thereby reducing treatment risks resulting from user errors. Given the specialized nature of radiotherapy equipment, beam output and radiation control performance testing and dosimetry are conducted during the R&D stage to ensure that the product's basic performance meets the applicable design and safety requirements.

For the electrical and electromagnetic safety of medical electrical equipment, the Company outsources electrical safety and electromagnetic compatibility testing in accordance with IEC 60601-1, IEC 60601-1-2, and other applicable standards. During the later stages of R&D, pilot production assessments are conducted to confirm that the product design is suitable for mass production and can maintain consistent quality, thereby reducing the impact of abnormalities arising after mass production begins on product safety.

Manufacturing, Quality, and Supply Chain Management

The Company systematically manages medical device manufacturing in accordance with its process control procedures. Critical processes, operating conditions, and quality controls are monitored and documented, and periodically reviewed to reduce the risk of process deviations. For the assembly of semi-finished products and the results of critical processes, the Company follows the applicable specifications to ensure conformity with design specifications and to identify quality anomalies at an early stage.

For quality control, the Company conducts inspections at different stages for raw materials, in-process products, and finished products in accordance with its quality inspection procedures. The calibration, maintenance, and use of measuring equipment are also managed under established procedures to ensure the accuracy and reliability of inspection and measurement results and prevent nonconforming products from being released to the market. Products that do not meet quality or safety requirements are segregated, identified, evaluated, and handled in accordance with the applicable control procedures to prevent their unintended use by patients.

For supply chain management, the Company has established purchasing process and supplier management control procedures that clearly define procurement standards, document review requirements, and delivery management mechanisms for medical device raw materials, components, and outsourced services. Supplier selection, periodic assessments and audits, and performance monitoring are used to reduce the impact of supply chain issues on product quality, equipment safety, and patient treatment. The Company also manages customer property, including equipment, components, and related information supplied by customers, in accordance with established procedures to protect customer interests and prevent improper management from affecting product quality and safety.

Installation, Labeling, and Maintenance Management

For large-scale radiotherapy equipment, the Company has established installation control procedures, product installation specifications, and installation verification requirements that define responsibilities, operating steps, and quality requirements for on-site installation. Standardized installation processes, post-installation functional testing, and safety verification ensure that equipment is correctly installed in the clinical environment and meets applicable design specifications and performance and safety requirements. These measures maintain treatment accuracy and protect patients and users.

For product labeling and information disclosure, the Company has established operating requirements in accordance with applicable medical device regulations, ISO 15223-1, ISO 20417, and other applicable standards to ensure that the labeling of products and accompanying materials, such as instructions for use and operating manuals, is accurate and clear, and includes necessary information such as safety warnings, limitations on use, storage conditions, and periods of validity. This helps healthcare professionals and users understand and operate the products correctly, thereby reducing the risk of misuse.

After a product is placed into clinical use, the Company conducts periodic inspections, maintenance, and repairs in accordance with its equipment maintenance and repair procedures and retains the relevant records. These measures ensure the continued proper operation and treatment accuracy of the equipment and reduce the potential effects of equipment malfunctions on patient treatment and safety.

Storage, Transportation, and Customer Communication

The Company manages the storage conditions and protective measures for medical devices, components, and related materials in accordance with its storage and preservation procedures. Requirements cover temperature, humidity, packaging, and other relevant conditions to prevent environmental factors from causing deterioration or safety risks during storage, maintain product integrity, and reduce the risk of damage.

For customer service and support, the Company has established customer communication control procedures to ensure that product safety information, questions concerning product use, and customer feedback are promptly collected and addressed through formal channels. This information serves as an important basis for product improvement and risk management. When repair needs arise during product use, the Company performs the required inspection, repair, and testing in accordance with its product repair control procedures to confirm that the equipment continues to meet applicable safety and performance requirements following repair.

Post-Market Surveillance and Continual Improvement

After a product is placed on the market, the Company systematically collects, analyzes, and evaluates safety information and adverse event reports arising from actual product use in accordance with its post-market surveillance and recall control procedures. If a risk that may affect patient safety is identified, the Company initiates corrective and preventive action in accordance with established procedures. Where necessary, it undertakes a product recall or correction to protect patient health and safety.

The Company also periodically consolidates and analyzes quality data from manufacturing processes, inspections, and post-market surveillance in accordance with its data analysis control procedures. Improvement measures are implemented through its corrective and preventive action control procedures. Computer software system validation and the control of measuring equipment ensure the accuracy and traceability of quality data, thereby supporting continual improvement and management decisions with accurate and complete quality data.

Regulatory Compliance and Information Disclosure

All of the Company's medical devices have completed the applicable TFDA registration and approval procedures, and the Company has established the required quality management system in accordance with applicable TFDA medical device regulations and international standards. Complete product labels, user manuals, and Chinese-language instructions for use are provided. The labeling includes the product name, model and specifications, manufacturer information, important safety warnings, expiration date or period of validity, storage conditions, instructions for use, and disposal instructions. Internationally recognized medical device symbols are used where appropriate to help users quickly identify important information.

Through these comprehensive quality and safety management practices, the Company is committed to providing healthcare institutions and patients with safe and reliable radiotherapy equipment that meets clinical needs. Through continual improvement and transparent information disclosure, the Company demonstrates its commitment to patient safety and social responsibility as a medical device company.

3.1.4 Product Safety and Training

The Company regards employee competence as a key factor in product safety performance. Through regular safety training, job-specific professional courses, and briefings on relevant standard operating procedures (SOPs), the Company embeds "risk management" awareness into operational processes at all levels, thereby strengthening organizational resilience while supporting the mutually reinforcing growth of talent development and corporate competitiveness.

Given the highly regulated nature of pharmaceuticals and medical devices, the Company places particular emphasis on continuing education relating to professional certification and regulatory compliance. In 2025, the Company devoted the greatest training effort to Western Pharmaceuticals' "Good Distribution Practice (GDP)" and "adverse drug reaction monitoring". GDP-related training reached 238 participants, ensuring that every stage of the supply chain complies with international standards. The Company also implements its "continuing education requirements for medical device technicians" to ensure that employees remain informed of the latest regulatory developments and technical requirements. The Company's pursuit of professional expertise demonstrates its commitment to customers and translates "product responsibility" into concrete action to protect public health.

Through education and training, the Company fosters an internal "quality first" culture. Regular training on incoming inspection, semi-finished product inspection, and final inspection supports a rigorous internal quality system and ensures that products delivered to customers meet the highest safety standards. The Company recorded no regulatory violations in 2025, reflecting the tangible results of its long-term investment in employee training. Looking ahead, the Company will continue to refine its training resources and integrate digital management with internal and external communication mechanisms to ensure that all employees respond professionally to challenges in the rapidly changing healthcare environment and fulfill the Company's sustainability responsibilities to society and its stakeholders.

Target Group	Training Content	Total Training Participants	Total Training Hours
Employees	Maintenance activities	4	24
Employees	Final inspection, semi-finished product inspection, and incoming inspection	6	36
Employees	Installation activities (installation records and installation verification)	9	54
Employees	Maintenance activities	5	20
Employees	Risk Management	17	68
Employees	Final inspection, semi-finished product inspection, and incoming inspection	9	54
Employees	Installation activities (installation records and installation verification)	7	42
Employees	Process validation/software validation	8	56
Employees	Risk Management	20	140
Employees	Human resources	1	9
Employees	Continuing education for medical device technicians	1	8.3
Employees	SOP training and external training on Western Pharmaceuticals GDP	238	244
Employees	Courses on adverse drug reactions and pharmacovigilance management	2	9.4

The Company regards its employees as core assets in advancing corporate sustainability. In 2025, the Company developed comprehensive education and training programs tailored to different job functions and invested substantial resources to ensure that front-line technical personnel could perform their duties accurately. With more than 700 participants in training programs, the Company not only strengthened employees' professional and technical capabilities but also embedded "risk management" awareness into operational processes at all levels, thereby strengthening organizational resilience while supporting the mutually reinforcing growth of talent development and corporate competitiveness.

Given the highly regulated nature of pharmaceuticals and medical devices, the Company places particular emphasis on continuing education in professional certification and regulatory compliance. In 2025, the Company devoted the greatest training effort to Western Pharmaceuticals' "Good Distribution Practice (GDP)" and "adverse drug reaction monitoring." GDP-related training reached 238 participants, ensuring that every stage of the supply chain complies with international standards. The Company also requires "continuing education for medical device technicians" to ensure that employees remain informed of the latest regulatory developments and technical requirements. This sustained pursuit of professional expertise demonstrates the Company's commitment to customers and translates "product responsibility" as part of its ESG commitments into concrete action to protect public health.

Education and training do more than transfer knowledge; they also serve to embed the Company's "quality first" culture. Through regular training on incoming inspection, semi-finished product inspection, and final inspection, the Company has established a rigorous internal quality control framework to ensure that products delivered to customers meet the highest safety standards. The Company recorded no regulatory violations in 2025, reflecting the tangible results of its long-term investment in employee training. Looking ahead, the Company will continue to refine its training resources on an ongoing basis and integrate digital management with internal and external communication mechanisms to ensure that all employees respond to challenges in the rapidly changing healthcare environment with the highest level of professionalism and fulfill the Company's sustainability responsibilities to society and its stakeholders.



3.2 Innovation and R&D

3.2.1 R&D Strategy and Governance Framework

The Company's R&D strategy centers on "Self-Reliance in Critical Technologies", "Broader Access to Clinical Treatment", and "Enhanced International Competitiveness". Its efforts focus on the development of AB-BNCT and related boron-containing pharmaceutical products and technologies. The Company has established a cross-functional R&D management mechanism under which the engineering R&D, drug development, regulatory and quality, supply chain, and operations functions jointly participate in product life-cycle management. Risk controls and stakeholder impact assessments are incorporated throughout the process, from technical feasibility assessments and the analysis of unmet clinical needs to mass production and market introduction.

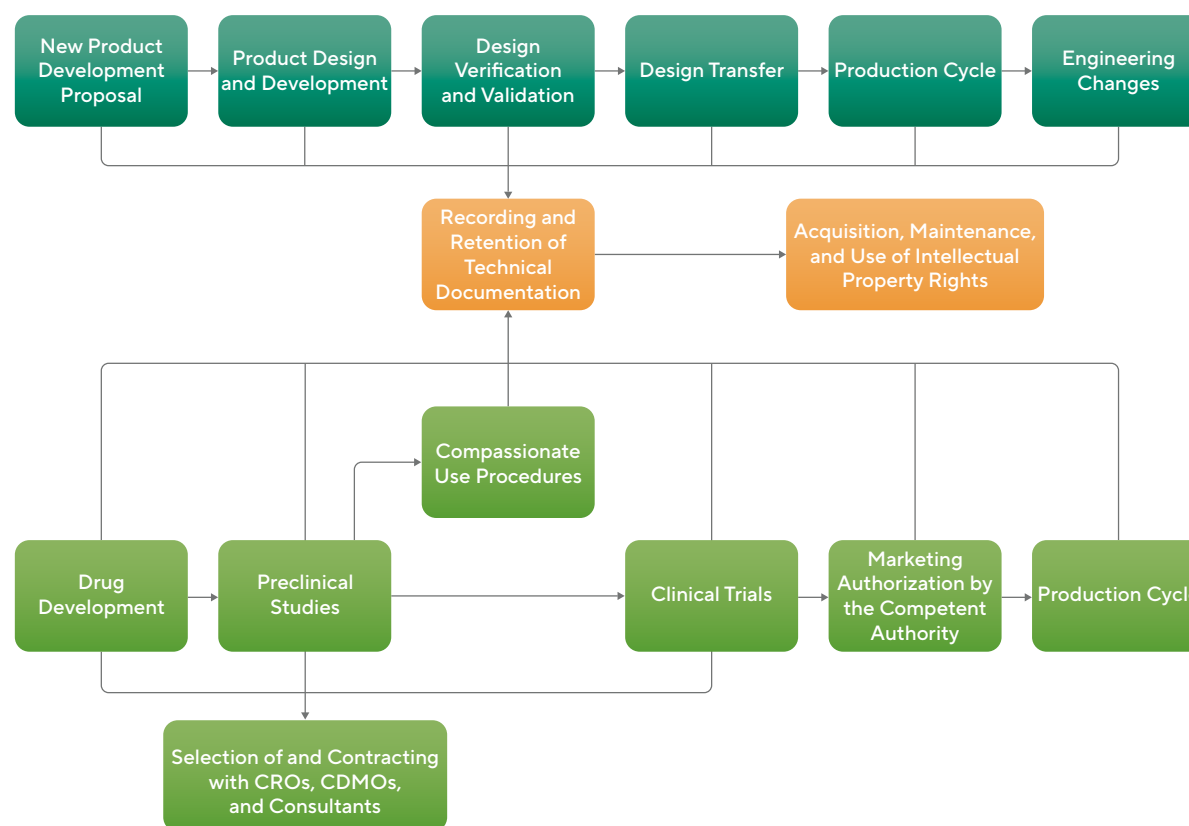
For intellectual property management, the Company has established a comprehensive management system encompassing patent landscape mapping and search mechanisms, agreements governing researchers' confidentiality obligations, rights, and responsibilities, patent filing and maintenance procedures, and incentive programs for R&D outcomes and innovative proposals. These measures foster a corporate culture that values innovation and intellectual property rights.

3.2.2 Product Development Process

For product development and technological innovation, the Company has established systematic, parallel R&D pathways for "medical devices" and "pharmaceuticals". These pathways ensure that R&D outcomes can be effectively translated into commercially competitive cancer treatment solutions. For medical devices, projects progress from project initiation through product design, verification, and design transfer. Following regulatory approval and mass production, engineering changes and product life-cycle management are implemented to maintain process stability and ensure full compliance with applicable regulations and international standards. For pharmaceuticals, the process proceeds from drug development through preclinical studies and human clinical trials, culminating in an application to the competent authority for marketing authorization in accordance with stringent regulatory requirements. The overall process emphasizes cross-functional collaboration and standardized management to ensure that products meet the highest standards of quality, regulatory compliance, and safety throughout their progression from concept to market.

For R&D governance, the Company ensures the preservation and continuity of R&D knowledge through rigorous controls governing the "recording and retention of technical documentation". It also actively pursues, maintains, and applies intellectual property rights to protect its core technological achievements and enhance overall R&D effectiveness.

To improve R&D execution efficiency and ensure supply chain quality, the Company maintains close strategic partnerships with contract research organizations (CROs), contract development and manufacturing organizations (CDMOs), professional consultants, and other external partners. Through its comprehensive R&D management framework and integration of resources, the Company continues to deepen its technological capabilities, enhance product performance, meet market and clinical needs, and create long-term value for society and healthcare.



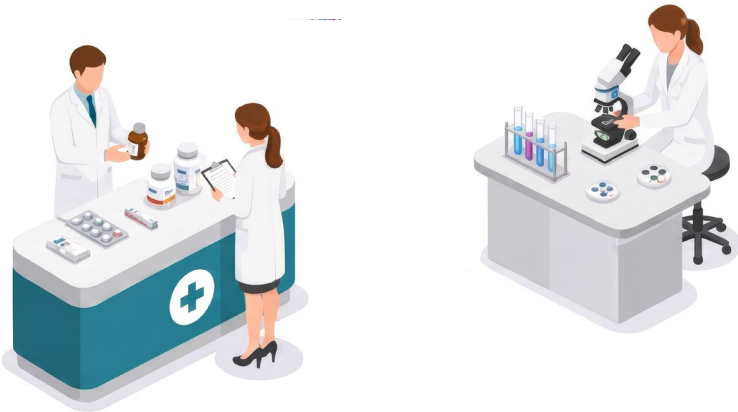
3.2.3 Total R&D Expenditure

2024 marked the beginning of a period of major breakthroughs in Heron's development. Following years of R&D, the Company completed its AB-BNCT system and obtained a Medical Device License from the Taiwan Food and Drug Administration (TFDA), making Heron one of only two suppliers worldwide capable of commercializing an AB-BNCT system and laying an important foundation for the industry's commercialization efforts. As part of its business expansion, the Company's boron neutron capture therapy center at China Medical University Hsinchu Hospital officially opened in May 2024. In November of the same year, the Company began collaborating with Taipei Veterans General Hospital to initiate compassionate-use treatment for multiple indications, putting into practice its corporate vision of "Innovating Cancer Care Technology to Extend the Length and Breadth of Life".

In 2025, the Company's B-10 L-BPA Injection received TFDA clearance for its investigational new drug (IND) application, enabling the initiation of two major clinical trials:

- 1 A Phase II clinical trial intended to support registration for unresectable recurrent head and neck cancer.
- 2 A Phase I/II clinical trial for academic research on malignant brain tumors. Through these clinical trials, the Company continues to explore additional treatment possibilities for patients with cancer.

R&D Expenditure	2023	2024	2025
Amount (NT\$ thousand)	84,845	173,390	321,865
Net Operating Revenue (NT\$ thousand)	238	-	10,308
Percentage	35,649.16%	-	3,122.48%



3.2.4 Key Product R&D Achievements

AB-BNCT Treatment System

The AB-BNCT system is one of the Company's core products. It integrates key modules including accelerator technology, neutron beam control, image guidance, dose assessment, and patient positioning to provide a highly selective, next-generation radiotherapy option for patients with cancer that can reduce damage to healthy tissue.

Key Milestone	Achievement
Infrastructure and Demonstration Center	2021: The Company initiated the development of the Heron BNCT Demonstration Center and commenced construction, marking an important step for Taiwan in the field of accelerator-based BNCT. 2024: The BNCT Demonstration Center was completed, transitioning from the R&D and validation stage to a stage of ongoing clinical demonstration. Comprehensive clinical workflows and quality assurance mechanisms were established.
Safety and Regulatory Validation	2024: The Company completed neutron beam intensity and quality validation, demonstrating that the system can provide a stable neutron beam that meets treatment requirements during treatment and establishing a safety foundation for subsequent clinical applications. The Company applied for and obtained medical device approval for the BNCT facility, enabling its lawful deployment in a clinical setting in compliance with regulatory requirements.
Clinical Applications and Demonstration Cases	2024: Accelerator-based BNCT was administered clinically in Taiwan to a patient with a primary brain tumor at a medical center, marking the transition of the technology from research and validation to actual clinical care. 2025: The Company collaborated with Taipei Veterans General Hospital, National Defense Medical Center, and Fu Jen Catholic University to establish Taiwan's second accelerator-based BNCT facility, expanding clinical service capacity and the education and research platform.
Intelligent Systems and Patient Experience Enhancement	2025: The Company completed the development of a real-time patient-positioning system for nasal cancer treatment and introduced automated positioning functions. These developments effectively reduce errors resulting from patient movement during treatment while supporting both treatment accuracy and patient comfort.



Pharmaceuticals

1 B10 L-BPA Injection

- 2023: Completed initial process development and pharmacology and pharmacokinetic (PK) animal studies, establishing preliminary data for safety and efficacy assessments.
- 2024: Established a reproducible GMP-compliant manufacturing process and completed preliminary toxicology studies. Clinical testing was initiated in the first patient with meningioma, advancing the product from R&D to clinical validation.
- 2025: Confirmed critical process parameters (CPPs) and optimized the manufacturing process. The Company also accumulated clinical treatment cases across multiple hospitals, continuing to strengthen the evidence supporting clinical safety and efficacy.

2 F18 FBPA Injection

- 2023: Completed initial development of a manual synthesis process and obtained a Taiwan patent for the F18-FBPA precursor, establishing the Company's core synthesis capabilities. °
- 2024: Completed development of an automated synthesis process and pharmacology and PK animal studies, improving production consistency and operational safety.
- 2025: Established a GMP-compliant process suitable for clinical applications and completed toxicology studies. These achievements support the integration of BNCT-related diagnostic imaging and treatment planning, providing an important tool for precise patient selection and treatment-response monitoring.

3.2.5 Patent Achievements over the Past Three Years

Over the past three years, the Company has continued to invest in the R&D of its core technologies and the development of its intellectual property portfolio, strengthening its technological competitiveness and ensuring that its innovations are fully protected. Patent application volumes increased steadily from 2023 through 2025, with significant growth recorded in 2025. This reflects the Company's increasing R&D capacity and the accelerated pace of new product development. In the same year, 55 new design patents were granted, and the Company held 57 valid invention patents, demonstrating the continued accumulation of achievements in product design and technological innovation.

To encourage employees to participate actively in innovation and patent applications, the Company continues to operate its patent incentive program. The number and value of patent incentive awards over the past three years reflect the Company's sustained investment in innovation. Patent incentive payments totaled NT\$365 thousand in 2025. As of the end of 2025, the Company had obtained 55 patents from a cumulative total of 176 patent applications, providing effective support for its long-term technological development and market competitiveness.

Patent Indicators	2023	2024	2025
Patent applications	49	9	87
Patent incentive awards	38	5	21
Patent incentive amount (NT\$ thousand)	240	205	365

3.2.6 Future R&D Directions and Innovation Roadmap

In response to the rapid global development of precision medicine and advanced radiotherapy, the Company will focus its future R&D efforts on the following areas:

- 1 Development of New Indications and Expansion into Earlier Lines of Therapy:** For difficult-to-treat head and neck and thoracic cancers, the Company will continue to optimize neutron beam modulation and patient-positioning technologies. It aims to gradually expand the application of AB-BNCT from later-line therapy to first-line use.
- 2 Enhanced Image Guidance and Dose Assessment Systems:** The Company will develop an integrated BNCT treatment platform combining pre-treatment imaging, real-time imaging feedback, and automated dose calculation to improve the accuracy and efficiency of treatment planning.
- 3 Intelligent Systems and Digital Integration:** The Company will introduce artificial intelligence algorithms and big data analytics to optimize treatment parameter settings and prognostic assessments. It will also integrate its systems with hospital information systems to strengthen clinical decision-making and cybersecurity safeguards.
- 4 International Collaboration and Market Expansion:** The Company will collaborate with international medical centers and academic and research institutions to participate in multicenter clinical trials and technology research. These collaborations will better align its products with international regulatory requirements and market needs and expand the impact of BNCT treatment within cancer care systems worldwide.



3.3 Sales Responsibility

3.3.1 Marketing Principles

1 Principles for Professional, Fact-Based Technology Promotion

The content of the Company's technology promotion activities, professional presentations, and speeches at domestic and international exhibitions, seminars, academic events, and customer visits is based on verifiable technical data, research findings, or clinical experience. The Company clearly explains the scope of application, development stage, and limitations of its technologies and avoids exaggerated or misleading claims.

2 Compliance with Regulations, Medical Ethics, and Internal Review Procedures

All of the Company's marketing and academic promotion activities comply with applicable medical, radiation safety, and medical device regulations in each jurisdiction and adhere to the principles of medical ethics. Presentations, exhibition materials, and collaboration-related information intended for external use may be released only after their compliance and appropriateness have been confirmed through the Company's internal review procedures.

3 Engagement Centered on Long-Term Partnerships and Capacity Building

During customer visits, academic exchanges, and partnership discussions, the Company prioritizes the development of long-term partnerships. Through technical briefings, introductions to system integration, education and training, and the sharing of clinical implementation experience, the Company assists partner organizations in assessing their actual needs and feasibility, rather than treating short-term sales as its sole objective. The disclosure should be prepared based on the Company's actual activities, such as exhibitions, seminars, academic events, and customer visits, and should set out the applicable internal and external standards or principles and describe the considerations taken into account when conducting such activities.

In 2025, Heron recorded no incidents of non-compliance concerning marketing communications.

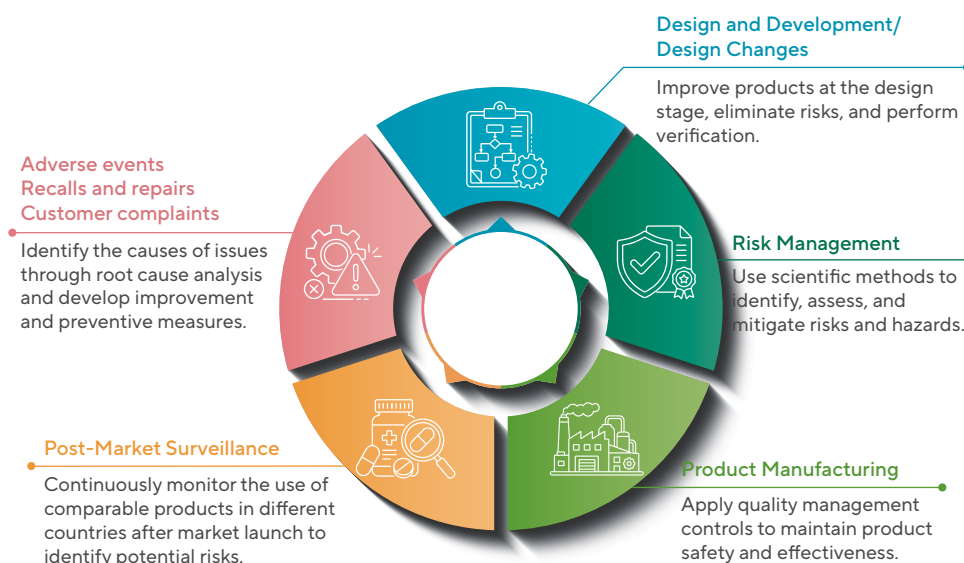


3.3.2 Product Recall Mechanism

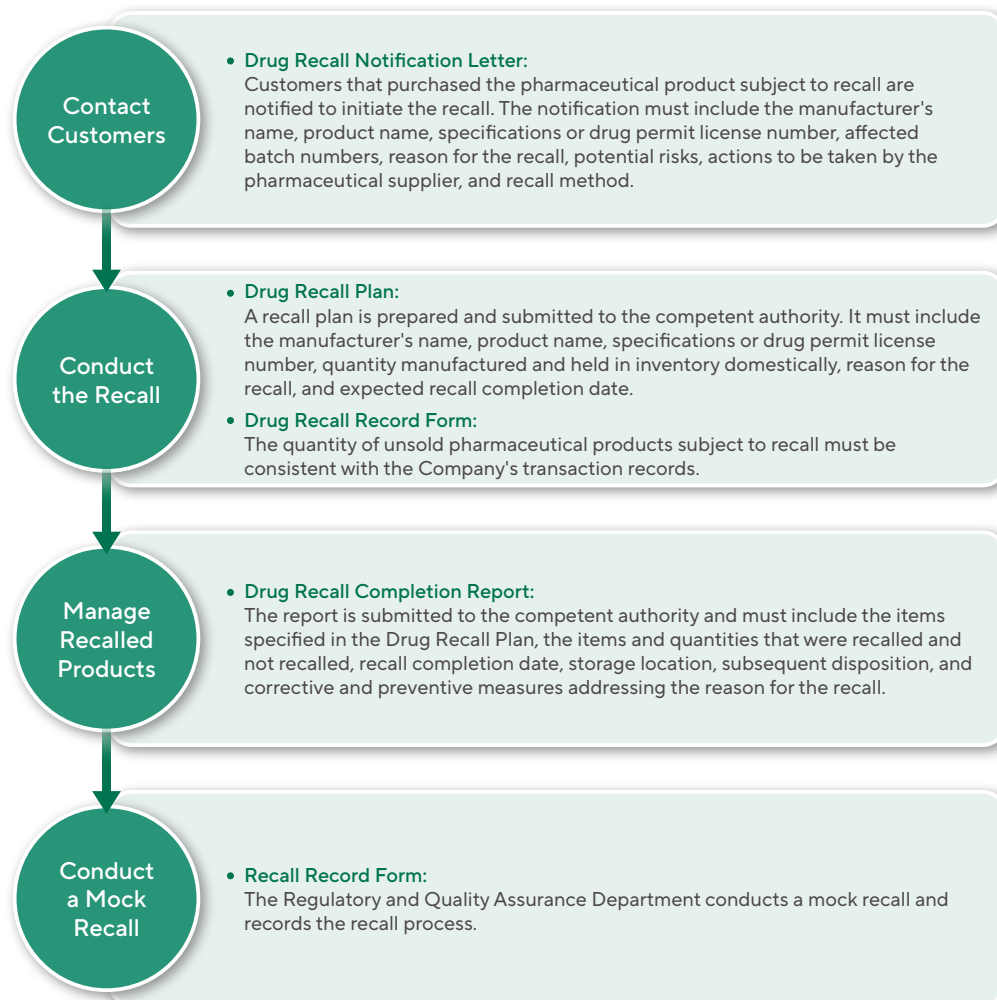
The Company places risk management at the core of its governance approach and has established a comprehensive post-market surveillance system for medical devices. When potential product quality risks or safety concerns are identified, the Company conducts a rigorous benefit-risk analysis and proactively issues safety advisory notices. With patient safety and regulatory compliance as its primary considerations, the Company provides detailed and transparent product information, including the medical device license number, affected lot numbers, and risk classifications, and guides customers in taking necessary clinical actions. These practices demonstrate the Company's professional responsibility for managing products throughout their entire life cycle.

During a recall, the Company strictly complies with the "Medical Devices Act" and applicable QMS requirements. It prepares a recall plan designed to ensure a high level of traceability and submits it to the competent authority. Manufacturing and distribution records are precisely reconciled to ensure full control over the distribution of affected products. After a recall has been completed, the Company submits a recall completion report and incorporates the incident into its continual improvement process. A thorough root cause analysis is performed, followed by the implementation of corrective and preventive actions (CAPA). If the analysis indicates that product improvements are required, the Company also initiates its design change control process. All improvements are subject to rigorous verification and validation, thereby improving product performance at the design stage and protecting user safety.

Medical Device Life-Cycle Management



To improve the timeliness and completeness of its pharmaceutical recall process, the Company conducts a GDP pharmaceutical mock recall every six months to regularly review the effectiveness of its recall procedures and continually improve the relevant processes. The Company had no actual product recalls in 2025.

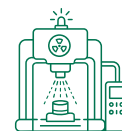


3.3.3 Product Labeling

The Company's product labeling falls into two categories: medical devices and pharmaceuticals.

For the "Bennu" Neutron Irradiation System under Taiwan medical device license No. 008196, the accompanying documents include product labels, approved Chinese instructions for use, operating manuals, and other relevant documents. The contents are prepared in accordance with the TFDA's Principles of Drafting Chinese Instructions for Medical Devices, with the versions approved following registration and market approval serving as the governing versions.

Medical Device Products



"Bennu" Neutron Irradiation System

- **Approved Chinese Instructions for Use:** The principal contents include the product description, performance, intended use or indications, expected and foreseeable side effects or complications, contraindications, warnings and precautions, limitations on use, model numbers, and specifications.
- **Approved Labels and Packaging:** The contents include the Chinese and English product names, medical device license number, date of manufacture and serial number, manufacturer's name and address, and medical device dealer's name and address.
- **Other Operating and Maintenance Manuals:** The contents depend on the product's actual operating and maintenance requirements.

For pharmaceuticals, product labeling includes vial labels and outer carton labels. Vial and outer carton labels are prepared in accordance with the labeling requirements for investigational medicinal products set out in "Section 6.6 of the PIC/S GMP Guide, Annex 13: Manufacture of Investigational Medicinal Products" to comply with the management requirements for investigational medicinal products.

Pharmaceutical Products



Pharmaceutical Vial Label

- The label is prepared in accordance with the requirements of "Section 6.6 of the PIC/S GMP Guide, Annex 13: Manufacture of Investigational Medicinal Products". (Includes the clinical trial protocol number, name and strength of the investigational product, trial site and investigator information, storage conditions, batch number, date of manufacture, and expiration date.)

Pharmaceutical Products



Pharmaceutical Outer Carton Label

- The label is prepared in accordance with the requirements of "Section 6.6 of the PIC/S GMP Guide, Annex 13: Manufacture of Investigational Medicinal Products". (Includes the clinical trial protocol number, name and strength of the investigational product, trial site and investigator information, storage conditions, batch number, date of manufacture, and expiration date.)

In 2025, Heron recorded no incidents of non-compliance concerning product and service information and labeling.

3.4 Customer Relationship Management

3.4.1 Customer Relationship Policy

The Company values customer satisfaction and trust. To handle customer complaints efficiently and maintain end-product quality, it has established an SOP for pharmaceutical complaints, including a Customer Feedback Handling Form and a Complaint Handling Form. The Company uses Customer Service Record Forms to track and maintain records of individual cases. Complaint Handling Forms are used to investigate and respond to each case, make a preliminary determination of the cause, and notify the relevant departments and responsible managers. Internally, the Company initiates corrective and preventive action controls and reports nonconformities; externally, it promptly provides customers with the corresponding response measures. All procedures are accurately documented, and communications are handled transparently to ensure product quality and safety.

3.4.2 Return and Exchange Policy

The Company has established comprehensive customer feedback and return and exchange procedures to ensure that customer requests are handled promptly and transparently. The sales function serves as the first point of contact for customer inquiries and provides timely responses. Customers may communicate their needs through multiple channels, including written correspondence, telephone, fax, and email. All feedback and requests are documented and tracked in accordance with standard operating procedures through the following management chain: "Customer Feedback Handling Form → Customer Service Record Form".

For customer complaints, the Company uses a Pharmaceutical Complaint Handling Form to track and document each case. The Company commits to opening a case within five days and responding to the customer with the relevant corrective measures. Corrective and preventive actions are implemented to address identified issues, and necessary return, exchange, or repair services are provided. If a material incident is involved, the Company immediately reports it to the competent authority and initiates risk control measures.

The Company periodically consolidates customer feedback and case-handling results as an important basis for improving product quality and optimizing service processes. Through continual process review and improvement, the Company is committed to enhancing customer trust and satisfaction and implementing responsible business practices.



Customer Communication

- **Customer Feedback Handling Form:**

Completed by the sales function during customer visits. Customers may communicate relevant matters in writing, through telecommunications (including telephone, fax, and email), or verbally. Matters communicated may include:

- Product explanations and site tours
- Customer contracts and orders
- Customer complaints concerning product repairs, equipment maintenance, system updates, or replacement of consumables

Complaint Handling

- **Complaint Handling Form:**

A case is opened within five days, followed by an investigation and response. If an adverse event is involved, it must be reported to the competent authority. If analysis identifies an upward trend in the product anomaly rate, corrective and preventive actions are initiated.

Continual Improvement

- Data from Customer Feedback Handling Forms and Complaint Handling Forms are analyzed periodically to ensure product quality and safety.
- Meetings are convened and appropriate measures implemented in accordance with the advisory notice procedure to enhance customer trust and confidence.

4

Climate
Change and
Greenhouse Gas
Management

Chapter Contents

4.1	Climate Action
4.2	Energy and Greenhouse Gas Management
4.3	Water Resources Management
4.4	Waste Management

Chapter Highlights

- The Company adopted the TCFD framework, completed an assessment of climate-related risks and opportunities, and established a comprehensive governance framework and systematic management processes.
- The Company completed its first greenhouse gas inventory in 2025, with Scope 2 emissions from purchased electricity accounting for the majority of its emissions. The Company continued to implement energy conservation and carbon reduction measures.
- The Company established long-term emissions reduction targets: to reduce emissions by 10% from the base year by 2030 and achieve net-zero emissions by 2050.

4.1 Climate Change and Greenhouse Gas Management

Management Approach	
Importance of the Topic to the Organization	• Positive Impact: By strengthening energy management and implementing energy-saving measures, Heron can effectively reduce energy expenditures and mitigate the risks associated with future carbon fees and other environment-related costs. These measures also help enhance the Company's reputation for sustainability, meet regulatory requirements and investor expectations regarding environmental responsibility, and further strengthen its market competitiveness and long-term corporate value. • Negative Impact: Fluctuations in energy prices may increase operating costs and affect product pricing strategies, thereby placing pressure on the Company's market competitiveness. As electricity is still generated primarily from fossil fuels, its use results in indirect greenhouse gas emissions, increasing the burden on the environment and exacerbating climate-related risks.
Policies and Commitments	• Heron is committed to incorporating energy use and greenhouse gas emissions management into its operational decision-making while taking environmental impacts and resource-use efficiency into account as it pursues business growth. With regulatory compliance as its foundation, the Company continues to plan and implement energy conservation and carbon reduction measures to put its sustainable management philosophy into practice and reduce its environmental impacts. To strengthen energy management and achieve its emissions reduction targets, Heron has established mechanisms for conducting energy-use inventories and managing energy consumption by category. These mechanisms enable the Company to regularly track the use of different energy types and manage energy consumption more precisely. The Company is also progressively introducing energy-efficient equipment and implementing improvement measures to enhance overall energy efficiency and reduce energy consumption across its operations.
Responsible Unit	Administration Department
Grievance Mechanism	Company Email: ir@heron-neutron.com Tel: +886-3-561-9366 Company website: https://www.heron-neutron.com/contact-investor
Targets	Short-term Targets (0-3 Years) • Promote awareness of energy conservation and carbon reduction practices, such as: Switching off unused lights and bringing reusable tableware. • Use green building materials in the new facility to help protect the environment and reduce energy consumption. • Expand the scope of the greenhouse gas inventory to include subsidiaries.
	Medium-term Targets (3-5 Years) • Continue introducing low-carbon equipment.
	Long-term Target (More Than Five Years) • Replace all lighting at Company premises with energy-efficient lighting. • Increase the proportion of electric vehicles used by logistics service providers.
Action Plans	• Establish management systems and strengthen data monitoring and collection. • Improve the energy efficiency of operating equipment, including through the adoption of energy-efficient equipment. • Conduct greenhouse gas inventories, plan to expand their scope, and obtain relevant certifications. • Raise employee awareness of energy conservation and carbon reduction.
Evaluation Mechanisms	Energy consumption and greenhouse gas emissions data serve as the primary performance indicators for evaluating the effectiveness of the management approach. The Environmental Sustainability Working Group under the Sustainability Promotion Task Force periodically evaluates implementation status, performance, and progress toward target achievement.

To proactively address the potential risks arising from climate change, Heron referred to the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in conducting its 2025 climate-related risk and opportunity assessment. The Company identified the risks and opportunities it faces, developed management strategies and action plans, and used the results to strengthen its response measures and formulate corresponding strategies. Through concrete climate change mitigation and adaptation actions, the Company seeks to enhance its climate resilience, reduce the potential impacts of global warming on its operations, and create opportunities that enhance Heron's competitive advantages.

4.1.1 Board of Directors

The Board of Directors serves as the highest unit for the Company's overall risk management and bears ultimate oversight responsibility. In line with the Company's operating strategy and business environment, and with the objectives of legal compliance and strengthened risk control, it ensures that the Company is able to fully understand and manage the various risks arising from its operations. The Board of Directors serves as the Company's highest climate governance body. From the perspective of sustainable development, it oversees and formulates climate-change-related strategies so that climate issues are integrated into the Company's long-term development and governance framework.

To implement the Board's decisions, the Board has authorized the Sustainable Development Committee to establish the Sustainability Promotion Task Force. The Task Force is responsible for coordinating the collection and analysis of climate-related risk and opportunity information in collaboration with the various working groups, ensuring that climate efforts comprehensively reflect the Company's actual operations. At least once a year, the Sustainable Development Committee reports to the Board on the implementation of ESG and climate-related initiatives, strategic objectives, and revisions to related systems. It also implements the climate governance directives and management requirements established by the Board, enabling the Board to stay fully informed of the Company's sustainability and climate management and fulfill its oversight responsibilities.

The Sustainable Development Committee and the Audit Committee jointly review major climate risks and the corresponding response measures. The Audit Committee incorporates the implementation status and improvement progress of climate risk management into the overall risk management report and regularly reports to the Board of Directors on the implementation progress of ESG and climate issues, strategic objectives, and revisions to relevant systems, so that the Board may fully understand the Company's sustainability and climate management status and fulfill its oversight responsibilities.

The Company's sustainable development and climate-related work plan for 2025 was submitted to the Sustainable Development Committee for review on October 9, 2025, and subsequently approved by the Board of Directors, demonstrating the Board's strong emphasis on sustainable development and climate-related matters and the exercise of its substantive oversight responsibility.

4.1.2 Climate Change Response Strategies

The table below summarizes the climate-related risks and opportunities identified by Heron and presents the time horizon, potential financial impacts, and strategies for each issue.

Type	Climate risk issue	Impact period	Potential financial impact	Strategy	Benefit
Transition risk	Enhanced emissions reporting obligations	Short term	Requirements imposed by the competent authority for the disclosure of sustainability reports, greenhouse gas emissions data, and assurance will lead to increased operating costs.	Train internal personnel to master carbon inventory and verification techniques, establish a standardized collection system by clarifying the relationship between underlying activity data and the corresponding coefficients.	Improve data accuracy at the source and minimize communication costs arising from information gaps.
Physical risk	Rising average temperatures	Long term	Rising temperatures increase demand for cooling equipment, such as air conditioning, and increased electricity consumption will result in higher related operating costs.	The Company has introduced indoor air conditioning temperature management with settings at 26 to 28° C, improved equipment heat dissipation efficiency, reduced thermal load, and gradually adjusted its electricity management procedures.	Reduce the impact of air conditioning loads during high-temperature periods on operations and enhance the ability to respond to future climate change trends.
Opportunity	Improved efficiency in the use of energy and resources	Medium term	The promotion of energy performance management, replacement of energy-consuming equipment, and introduction of energy-saving equipment will increase expenditures in the short term, but can reduce electricity consumption and operating costs in the medium to long term.	Promote energy management programs to reduce greenhouse gases and water consumption, promote resource recycling to reduce waste generation, and comprehensively promote the digitalization of operating processes.	Reduce greenhouse gas emissions, water consumption, and waste generation, and improve the efficiency of energy and resource utilization.

Under the Company's Board-level climate governance framework and existing risk management system, the Company takes climate-related transition risks, physical risks, and related opportunities into account in its overall operations, forming a systematic, top-down response strategy. With respect to transition risks, regulatory requirements concerning sustainability reporting, greenhouse gas disclosures, and assurance will increase compliance and disclosure costs. With respect to physical risks, rising temperatures will increase cooling demand and electricity consumption, resulting in higher operating costs, while an unstable power supply may also result in business interruption losses. In terms of opportunities, the Company is implementing energy-performance management measures and making related investments. Although these initiatives will increase capital and operating expenditures in the short term, they can reduce electricity consumption and operating costs over the medium to long term, thereby improving overall financial performance.

The Board of Directors, the Sustainable Development Committee, and the various risk management units work collaboratively under a defined division of responsibilities to incorporate the identification and management of climate-related financial impacts into the decision-making process, thereby strengthening the Company's climate resilience and enhancing the effectiveness of its overall risk governance.

4.1.3 Climate-related Risk Management

The Company has established a climate-related risk management framework in accordance with its "Risk Management Policy and Procedures". The Company systematically assesses and analyzes climate change-related issues and formulates corresponding response measures and action plans to reduce the potential impacts of climate change on its operations.

The relevant risk management activities are carried out by each risk management unit according to its business scope and responsibilities, with climate-related risks tracked annually to stay informed of the latest risk impacts arising from climate change. The assessment and analysis results are consolidated by the respective units and submitted to senior management for review, facilitating early planning and implementation of necessary response measures. The Company follows the five procedures established under its risk management system to identify, assess, and manage climate-related risks.

During the risk identification stage, each risk management unit identifies risk items that may be affected by climate change based on its assigned functions and responsibilities, ensuring comprehensive coverage of climate-related risks. During the risk measurement stage, the identified risks are analyzed in depth to assess their likelihood and impact. The effectiveness of existing controls, historical experience, cases involving industry peers, and other relevant factors provide an important basis for developing risk management and response strategies.

The Company subsequently monitors changes in the external environment and emerging climate-related risks through its risk monitoring procedures. It also periodically reviews the implementation and effectiveness of existing control measures to ensure that its internal control system continues to adapt to and improve upon climate change trends.

The Audit Committee is responsible for risk reporting. It consolidates information on climate risk controls and their implementation results and reports this information to the Board of Directors on a regular basis, enabling the Board to fulfill its oversight responsibilities for climate risk governance. During the risk response stage, the Company considers its strategic direction and stakeholder expectations in determining the most appropriate climate risk response measures. It ensures that the relevant personnel fully understand how the measures are to be implemented and monitors the progress of improvement plans to ensure that risk management operates as a continuous cycle and is effectively implemented.

Through this integrated process, the Company has integrated climate risk management into its overall risk management system. This establishes an institutionalized management and oversight mechanism for climate change issues across the operational and governance levels, thereby strengthening the Company's resilience to climate change impacts and enhancing the overall effectiveness of its risk governance and sustainability management.

4.1.4 Greenhouse Gas Inventory

Beginning in 2025, the Company conducts an annual greenhouse gas inventory in accordance with the GHG Protocol and formulates emissions reduction strategies based on the inventory results. In 2025, Scope 1 direct emissions accounted for 0.01% of total emissions and arose from fugitive refrigerant emissions. Scope 2 emissions accounted for 99.99% of total emissions and arose from purchased electricity. In fulfilling its responsibilities for sustainable development, the Company is committed to reducing energy consumption and, consequently, carbon emissions.

Greenhouse Gas Emissions Statistics: Scope 1 and Scope 2 Emissions and Emissions Intensity

	2024	2025
Scope 1 emissions (tCO ₂ e)	0.0337	0.0870
Scope 2 emissions (tCO ₂ e)	650.8975	803.6833
Total emissions	650.9312	803.7703
Revenue (NT\$ thousand)	-	10,308
Greenhouse gas emissions intensity (tCO ₂ e/NT\$ million in revenue)	-	77.9669

Note 1: The organizational boundary of the greenhouse gas emissions data covers: the Hsinchu headquarters and the Boron Neutron Capture Treatment Center at China Medical University Hsinchu Hospital.

Note 2: Emission factors are based on the "Greenhouse Gas Emission Factors" announced by the Ministry of Environment on February 5, 2024.

Note 3: The Company recognized no revenue in 2024.

4.1.5 Metrics and Targets

The Company conducted its first greenhouse gas inventory in 2025. It has established a target of reducing its combined Scope 1 and Scope 2 greenhouse gas emissions by 10% from the baseline-year level by 2030 and achieving net-zero emissions by 2050.

4.2 Energy Management

4.2.1 Energy Mix

Purchased electricity is the Company's sole energy source, accounting for 100% of its total energy consumption. In 2025, the Company's total energy consumption was 6,105.314 GJ, and its energy intensity was 0.592 GJ per NT\$1,000 of revenue. The increase in total energy consumption was attributable to the commencement of operations at the Boron Neutron Capture Therapy Center at China Medical University Hsinchu Hospital, the expansion of the Hsinchu headquarters, and an increase in headcount. The decrease in energy intensity compared with 2023 was attributable to an increase in the Company's revenue. Going forward, the Company will continue to monitor its energy mix to achieve its goal of reducing energy consumption.

Energy Mix over the Past Three Years

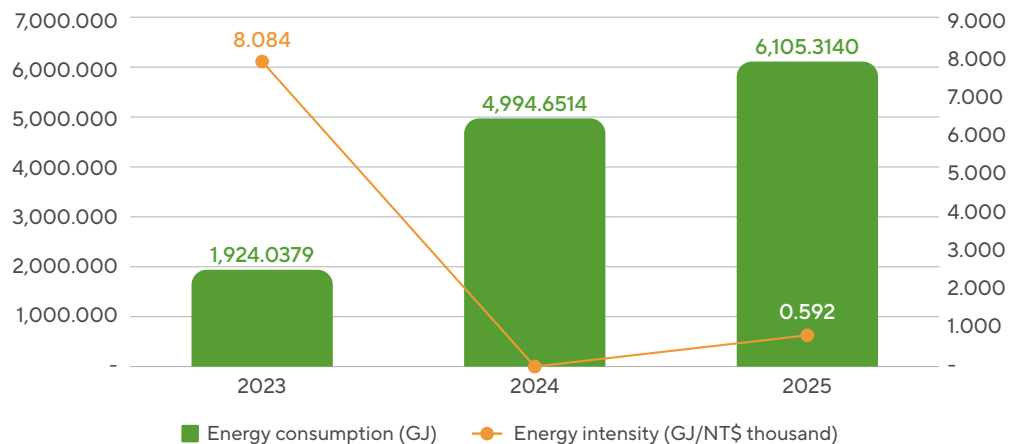
Non-renewable energy (GJ)	2023	2024	2025
Purchased electricity	1,924.0379	4,944.6514	6,105.3140
Revenue (NT\$ thousand)	238	-	10,308
Energy intensity (GJ/NT\$ thousand)	8.084	-	0.592

Note 1: The boundary of the energy consumption data covers: the Hsinchu headquarters and the Boron Neutron Capture Treatment Center at China Medical University Hsinchu Hospital.

Note 2: Heating values are based on the heating value table published by the Bureau of Energy, Ministry of Economic Affairs, and data provided by local energy suppliers.

Note 3: The Company recognized no revenue in 2024.

Energy Consumption and Energy Intensity over the Past Three Years



4.2.2 Energy Conservation Measures

The Company implements an energy management plan, raising employee awareness and promoting energy conservation initiatives to encourage concrete action.

Energy Management Plan

- The Company operates in the biomedical industry, primarily engaging in the development, manufacture, and sale of medical devices and pharmaceuticals. For pharmaceuticals, the Company adopts a CDMO strategy and collaborates with established domestic pharmaceutical manufacturers for product development. The Company currently does not operate its own pharmaceutical manufacturing facility. To contribute to environmental protection, the Company has established policies and implementation measures for energy conservation and carbon reduction, water conservation, and waste management.

Item	Specific Measures
Energy Conservation and Carbon Reduction Policy	Reminder signs encouraging employees to switch off lights when not in use are posted in areas where lighting and air-conditioning are used. Employees are required to turn off air-conditioning systems after meetings and at the end of the workday. Multifunction printers and computer monitors are set to sleep mode.
	The Company has progressively introduced an electronic document review and approval system to reduce paper consumption. Official correspondence is exchanged by email whenever practicable to further reduce paper consumption and the use of multifunction printers and shredders, thereby reducing energy consumption.
	Office air-conditioning is adjusted as appropriate according to seasonal changes, with temperatures set at 26–28° C to avoid excessive energy consumption.
Water Conservation Policy	Visible "Conserve Water" reminder signs are posted in facility and office areas to promote water conservation among employees.
Waste Management Policy	The Company actively promotes a "plastic-free workplace", encourages employees to bring reusable tableware, and implements comprehensive waste sorting and recycling practices to reduce resource waste.

- Committed to sustainable operations and environmental protection, the Company continues to implement energy conservation and carbon reduction measures to effectively reduce greenhouse gas emissions and operating costs. As global temperatures continue to rise and greenhouse gas concentrations increase, the impacts on people and the environment are becoming increasingly severe. Mitigating the greenhouse effect has therefore become a shared responsibility. Statistics on the Company's greenhouse gas emissions, water consumption, and total weight of waste are presented in Section 4.2.1, "Energy Mix"; Section 4.3.2, "Water Use"; and Section 4.4.2, "Waste Generation", respectively. In 2025, Scope 1 direct emissions accounted for 0.01% of total emissions and arose from fugitive refrigerant emissions. Scope 2 emissions accounted for 99.99% of total emissions and arose from purchased electricity. In fulfilling its responsibilities for sustainable development, the Company is committed to reducing energy consumption and, consequently, carbon emissions.

3 Future Quantitative Targets

Item	Targets
Greenhouse Gas Emissions	Using 2025 as the baseline year, the Company aims to reduce Scope 1 and Scope 2 greenhouse gas emissions by 10% from the 2025 baseline by 2030 and achieve net-zero emissions by 2050.

4.3 Water Resources Management

4.3.1 Water Management

The intensification of extreme weather events has increased water-related risks worldwide. Increasingly frequent and severe rainstorms, droughts, and floods not only affect water supplies for domestic use but also heighten supply chain instability and the risk of business interruptions. Water resources management has therefore become a critical issue for corporate operations. Heron's headquarters is located in the Hsinchu Biomedical Science Park in Zhubei. A water stress analysis of the Company's operating sites using the World Resources Institute's online Aqueduct Water Risk Atlas indicates that the sites are not located in areas of high water stress. Water is sourced from the Baoshan Reservoir and Baoshan Second Reservoir, with water withdrawal and use managed in accordance with applicable Science Park requirements. The Company's principal operating sites consist of offices and medical service facilities, with no water-intensive processes. The Company will continue to implement water conservation measures based on the principles of water conservation and improved water-use efficiency. These measures include promoting water conservation awareness, regularly inspecting water-use equipment, and monitoring abnormal water consumption to reduce water use and improve water-use efficiency.

The Company has established a target of reducing per capita water consumption by 1% from the previous year. Its management objective is to achieve this target each year. Water consumption at each operating site is reviewed periodically to provide a basis for continued improvement.

4.3.2 Water Use

All water withdrawn by the Company is supplied by a third-party water utility and is used primarily for domestic purposes. Total water withdrawal in 2025 was 0.206 million liters. Water withdrawal at the Hsinchu headquarters increased from 2024, primarily because of an increase in headcount. Water withdrawal at the Boron Neutron Capture Treatment Center at China Medical University Hsinchu Hospital decreased from 2024. This was mainly because the Center was undergoing trial operations during the first half of 2024, which required additional water for cooling and testing and resulted in higher water withdrawal that year.

Water Withdrawal over the Past Three Years

Unit: million liters

	2023	2024	2025
Water withdrawal - Hsinchu headquarters	0.057	0.045	0.088
Water withdrawal - Boron Neutron Capture Treatment Center at China Medical University Hsinchu Hospital	0.111	0.190	0.118
Total water withdrawal	0.168	0.235	0.206

4.3.3 Water Pollution Prevention and Control

The Company's wastewater consists primarily of domestic sewage. It is collected through the sewerage system and conveyed to the Zhubei Water Resources Recycling Center in Hsinchu County for treatment before being discharged into the Fengshan River. The discharge has not resulted in adverse impacts on the local ecosystem or water quality. In 2025, the Company recorded no exceedances of effluent limits or wastewater leakage incidents.



4.4 Waste Management

4.4.1 Waste Management

Heron's operating sites comprise the Hsinchu headquarters and the Boron Neutron Capture Treatment Center at China Medical University Hsinchu Hospital. Waste generated by the Company includes general industrial waste and hazardous industrial waste. The Company properly manages all types of waste generated through its operations in accordance with applicable regulatory requirements. The hazardous industrial waste generated by the Company consists of infectious waste. In accordance with regulatory requirements, the Company engages qualified waste clearance and disposal contractors to clear and dispose of the waste and file the required reports on its behalf. This ensures that the relevant information is entered into the Ministry of Environment's waste management system promptly and accurately. Monthly waste clearance records are retained to ensure that waste flows remain transparent and traceable and to reduce potential risks to the environment and the safety of personnel.

Heron manages waste according to the principles of reduction at source, sorting and recycling, and lawful clearance and disposal. The Company reduces waste generated through its operations and improves resource-use efficiency through measures such as adopting digital processes, reducing paper use, and implementing resource recycling. The Company has established a target of maintaining a recycling rate of more than 50% for general industrial waste. Its management objective is to achieve this target each year. Waste generation at each operating site is reviewed periodically to provide a basis for continued improvement.

For any radioactive waste that may be generated in the future, the Company will strictly comply with applicable laws and regulations and engage legally authorized and professionally qualified organizations for proper treatment. The Company will ensure that the treatment process complies with regulatory, safety, and environmental protection requirements, thereby reducing potential impacts on the environment and society and fulfilling its commitments to sustainable development and risk management.

4.4.2 Waste Generation

General industrial waste is stored separately and cleared and disposed of in accordance with the "Methods and Facilities Standards for the Storage, Clearance and Disposal of Industrial Waste". Hazardous industrial waste is stored separately and cleared and disposed of in accordance with the Company's "Medical Waste Handling Procedures". Waste from the Hsinchu headquarters is cleared and disposed of through the Hsinchu Science Park Bureau. The Boron Neutron Capture Treatment Center at China Medical University Hsinchu Hospital engages qualified waste clearance and disposal contractors. The Company generated 9.29 metric tons of waste in 2025, comprising 8.92 metric tons of non-hazardous waste and 0.37 metric tons of hazardous waste. The increase in total waste from 2024 was attributable to the increase in headcount at the Hsinchu headquarters and an increase in treatment cases.

Waste by Treatment Method

Waste Category	Waste Type	Treatment Method	Waste Generated in 2024 (Metric Tons)	Waste Generated in 2025 (Metric Tons)
Non-hazardous industrial waste	General waste generated through business activities	Recycling/reuse, incineration, or landfill	5.27	8.92
Hazardous industrial waste	Infectious waste (contaminated articles or equipment)	Incineration (without energy recovery)	0.02	0.37
Total waste			5.29	9.29

4.4.3 Waste Reduction Measures

Heron manages waste according to the principles of reduction at source, sorting and recycling, and lawful clearance and disposal. Clearly labeled and compliant recycling containers are provided in office areas in accordance with the waste classification methods announced by the Ministry of Environment to ensure proper waste sorting. The Company continues to promote electronic document management, reduce paper printing, and encourage employees to bring reusable tableware, thereby reducing general waste generation and improving recycling performance.



5

Social Inclusion



Chapter Contents

5.1	Workforce Composition
5.2	Talent Recruitment and Retention
5.3	Talent Strategy and an Inclusive Workplace
5.4	Occupational Health and Safety
5.5	Social Engagement

Chapter Highlights

- Total employee training hours reached 1,765 hours in 2025, averaging 17 hours per employee.
- 100% of employees received regular performance and career development reviews.
- No occupational accidents or occupational diseases occurred in 2025.
- In 2025, 50 employees participated in sports clubs, with a total of 51 activities held during the year.
- As of the end of 2025, Heron had provided 134 compassionate-use treatments, with an estimated market value of approximately NT\$5,500 million.

5.1 Workforce Composition

In 2025, Heron had a total of 104 employees in Taiwan, including one employee with a disability and one foreign-national employee. Male employees made up 44% of the workforce and female employees made up 56%. Women held 17% of managerial positions. Employees aged 30–50 represented the largest age group, accounting for approximately 64% of the total workforce, followed by employees under 30, who accounted for 23%. Heron is committed to providing employees with a safe and dignified working environment. The Company is committed to diversity in employment and fairness in remuneration and promotion opportunities, ensuring that employees are not subject to discrimination, harassment, or unequal treatment based on race, gender, sexual orientation, religious belief, age, political affiliation, place of birth, disability, or any other status protected under applicable laws and regulations.

Heron Employees in Taiwan by Gender and Employment Contract in 2025

Category		Male	Female
By Employment Contract	Permanent employees	43	56
	Fixed-term employees	1	2
	Temporary employees	2	-
Total		46	58
By Working Hours	Full-time employees	43	58
	Part-time employees	1	-
	Non-guaranteed hours employees	2	-
Total		46	58

Note: The total number of employees is reported in head count as of December 31, 2025.

Heron Workers Who Were Not Employees in 2025

Type	Male	Female
Contract workers	2	-
Total	2	-

Note: Note: The total number of workers who were not employees is reported in head count as of December 31, 2025.

Heron Workforce Diversity in 2025

Employee Category	Under 30		30-50		Over 50		Total
	Male	Female	Male	Female	Male	Female	
Managerial employees ^{Note}	-	-	9	1	6	2	18
Non-managerial employees	8	16	18	39	5	-	86
Total	8	16	27	40	11	2	104
Percentage of total employees (by gender)	8%	15 %	26%	38%	11%	2%	100%
Percentage of total employees (by age group)	23%		64 %		13%		100%

Note: Managerial employees are defined as employees at the assistant manager level or above.



5.2 Talent Recruitment and Retention

Heron continues to invest in talent recruitment and retention, using a variety of recruitment channels to attract qualified professional talent. The Company offers market-competitive remuneration and comprehensive employee benefits, creating an environment that both attracts and retains critical talent. The Company also continues to invest resources in talent development. It has established a comprehensive training and development system that provides learning opportunities aligned with employees' career needs, strengthens their professional capabilities, and enhances the organization's overall competitiveness.

Employees are the Company's most important asset and a key driver of its operational success. Guided by the principles of "merit-based employment and matching people with roles suited to their strengths", Heron is committed to creating a secure and stable working environment in which employees can apply their expertise, realize their potential, and work with the Company toward its sustainable development goals.

In recruitment, Heron provides equal employment opportunities and evaluates candidates based on their work experience, without discrimination on the basis of race, religion, nationality, gender, or other such factors. The Company continues to expand its recruitment channels and build close ties with academia through campus recruitment, industry-academia collaboration, and summer internship programs. It also uses 104 Job Bank and other recruitment platforms to engage with prospective candidates and regularly posts vacancies to attract suitable talent. For critical positions and specialized talent, the Company engages executive search firms as needed, in response to market developments. By leveraging their industry networks and candidate databases, the Company improves the efficiency and precision of recruiting mid- to senior-level personnel and specialized talent in short supply. This enables Heron to recruit the talent it requires as it grows and advances its strategic plans, thereby continuously strengthening its human capital and supporting long-term growth.

For talent retention, Heron adopts a market-competitive total-rewards strategy supported by a comprehensive range of employee benefits. The Company is committed to providing equal employment opportunities and maintaining a safe, healthy, and supportive working environment. The Company values employees' long-term development and capability enhancement. It provides comprehensive orientation training, professional competency training, and occupational safety and health education and encourages employees to participate in external professional courses. Employees therefore have access to appropriate learning resources at different stages of their careers, enabling them to continuously strengthen their professional capabilities and enhance overall organizational effectiveness.

5.2.1 New Hires and Employee Turnover

Heron actively creates employment opportunities, recording a new hire rate of 56% in 2025. To continue attracting high-caliber talent, the Company has established diverse and innovative recruitment channels and applies fair and consistent evaluation processes. Evaluation results serve as a basis for management decisions concerning promotions, salary adjustments, performance bonuses, and employee development.

Heron is also committed to reducing employee turnover and has developed comprehensive retention initiatives to maintain workforce stability. The employee turnover rate was 13% in 2025, a decrease from 2024. The comparatively high turnover rate in 2024 was primarily attributable to factors such as health, family circumstances, and retirement, as well as higher turnover among groups such as student workers. The Company conducts an exit review for each departing employee and uses the findings to improve its management systems and employee support measures, with the aim of improving its overall retention rate.

New Hire Statistics

Gender	Age	2024		2025	
		Number of New Hires	New Hire Rate (%)	Number of New Hires	New Hire Rate (%)
Female	30 and below	7	12%	13	12%
	31 – 50 years old	14	23%	19	18%
	50 and above	1	2%	1	1%
Male	30 and below	-	-	9	9%
	31 – 50 years old	7	12%	11	11%
	50 and above	3	5%	5	5%
Subtotal		32	54%	58	56%

Note: New hire rate = (number of employees hired in the relevant category during the year ÷ total number of employees at year-end) × 100%.

Employee Turnover Statistics

Gender	Age	2024		2025	
		Number of Departures	Turnover Rate (%)	Number of Departures	Turnover Rate (%)
Female	30 and below	2	3%	4	4%
	31 – 50 years old	1	2%	2	2%
	50 and above	1	2%	-	-
Male	30 and below	-	-	2	2%
	31 – 50 years old	2	3%	2	2%
	50 and above	2	3%	3	3%
Subtotal		8	13%	13	13%

Note: Turnover rate = (number of employees who left the Company in the relevant category during the year ÷ total number of employees at year-end) × 100%.

5.2.2 Comprehensive Remuneration System

The Company's remuneration system complies with the Labor Standards Act and adheres to the principle of equal remuneration regardless of race, gender, or other such factors. When determining salary adjustments, the Company refers to market benchmarks, salary survey reports, and overall industry pay levels, conducts remuneration competitiveness analyses, and formulates its remuneration strategies accordingly. The Company's overall compensation consists of base salary, bonuses, and other remuneration components. Performance bonuses are granted based on the Company's operating performance and individual performance.

In 2025, the average annual salary of Heron's full-time employees who were not in managerial positions was NT\$1,153 thousand, while the median annual salary was NT\$1,082 thousand.

Employee Category	2025
	Female-to-Male Remuneration Ratio
Managerial employees	-
Non-managerial employees	1 : 1.19

Note 1: Managerial employees: The Company currently has no female managers and will make appropriate adjustments going forward as circumstances warrant to promote gender equality.

Note 2: Remuneration includes base salary, overtime pay, meal allowances, payments for unused annual leave, bonuses for the three major festivals, year-end bonuses, and profit-sharing bonuses. Salary of Full-Time Employees Who Are Not in Managerial Positions

Average Compensation of Full-Time Non-Executive Employees

Unit: NT\$ thousan

Item	2025
Number of full-time employees who are not in managerial positions	64
Total salary of full-time employees who are not in managerial positions	73,774
Average salary of full-time employees who are not in managerial positions	1,153
Median salary of full-time employees who are not in managerial positions	1,082

Ratio of the highest-paid individual's compensation to median compensation

Ratio of the highest-paid individual's annual total compensation to median annual total compensation	Ratio of the change in the highest-paid individual's annual total compensation to the change in median annual total compensation
4.55	10.18

Note 1: Annual total compensation ratio: Annual total compensation for the organization's highest-paid individual / median annual total compensation for all employees (excluding the highest-paid individual).

Note 2: Ratio of the change in annual total compensation: Percentage increase in annual total compensation for the organization's highest-paid individual / median percentage increase in annual total compensation for all employees (excluding the highest-paid individual).

Note 3: Only the remuneration of employees with more than six months of service is included in the calculation of the compensation ratios.

5.2.3 Employee Benefits and Care

To attract high-caliber talent and enhance team stability, Heron is committed to providing comprehensive employee benefits and care measures that enable employees to feel valued and supported by the Company, thereby enhancing work efficiency and quality of life. Through a diverse and thoughtful benefits system, the Company helps employees achieve a healthy work-life balance, enabling them to grow and thrive together with the Company.

Heron Employee Benefits

Item	Resolutions
Health Care	- Employee health examinations: The Company provides an annual subsidy for comprehensive employee health examinations. - On-site medical and nursing services: Employees are provided with free consultations with occupational health nurses on physical and mental health matters. - Employee group insurance: The Company provides employees with free group health and medical insurance. Employees may also enroll their dependents in the insurance plan at their own expense.
Financial Assistance/ Allowances	- Festival bonuses: Bonuses for the Dragon Boat Festival and Mid-Autumn Festival. - Wedding gift: NT\$12,800 per employee upon marriage. - Childbirth allowance: NT\$6,600 for each birth. - Funeral assistance: Condolence allowances are provided upon the death of an employee's spouse or first- or second-degree relative. - Year-end bonuses and performance bonuses - Immediate recognition awards: Awards ranging from NT\$1,000 to NT\$30,000 are granted based on factors such as achievements, degree of contribution, and scope of impact.
Employee Activities and Other Benefits	- Employee trips and activities: Domestic employee trips, family days, arts and cultural activities, club activities, and team-building activities are held from time to time. - Birthday celebrations: Birthday celebrations are held monthly. - Afternoon tea: Hand-shaken beverages are provided every Friday afternoon. - Employee stock option program/employee shareholding platform incentives - Employee recognition: The Company has established an immediate employee recognition system and the Patent Application and Incentive Management Regulations, providing comprehensive incentive mechanisms to encourage employees to exercise their creativity and engage in technological R&D and improvement. - Continuing education subsidies: Employees are eligible for subsidies for external education and training. - Flexible leave and working hours: The Company provides a flexible leave system that exceeds the requirements of the Labor Standards Act. It is committed to helping employees achieve work-life balance and enhancing employee morale and productivity through a high level of trust.

Pension System

To help ensure employees' financial security after retirement and enhance their quality of life during employment, the Company makes pension contributions in accordance with the Labor Standards Act and the Labor Pension Act. Each month, the Company contributes 6% of each employee's salary to the employee's individual pension account with the Bureau of Labor Insurance. Employees may also elect to make voluntary contributions to their individual pension accounts. Total pension contributions in 2025 amounted to NT\$4,352 thousand. Upon retirement, employees may elect to receive their pensions either as monthly payments or as a lump-sum payment based on the principal and accumulated earnings in their individual pension accounts.

5.2.4 Parental Leave

Heron places great importance on helping employees balance work and family life and is committed to creating a family-friendly and supportive workplace environment. In addition to safeguarding employees' right to unpaid parental leave in accordance with the Act of Gender Equality in Employment, employees may apply for unpaid parental leave for each child before the child reaches the age of three. The leave period may continue until the child reaches the age of three but may not exceed two years. For employees raising two or more children at the same time, the periods of unpaid parental leave are calculated together, with the maximum period limited to two years for the youngest child. In 2025, a total of two Heron employees applied for unpaid parental leave. The Company will continue to monitor indicators such as return-to-work and retention rates and refine its parental leave policies to create a more family-friendly workplace.

In terms of tangible benefits, Heron also participates in employees' joy as they marry and start families through allowances and monetary gifts. In 2025, the Company provided wedding gifts to two employees, totaling NT\$26 thousand, and a childbirth allowance to one employee, totaling NT\$7 thousand. Heron aspires to be a strong source of support for its employees and to fulfill its commitment to supporting and caring for them through important stages of their lives.

Item	Male	Female	Total
2025 - Employees entitled to parental leave (A)	-	2	2
2025 - Employees who took parental leave (B)	-	2	2
2025 - Employees expected to return to work from parental leave (C)	-	-	-
2025 - Employees who returned to work from parental leave (D)	-	-	-
2024 - Employees who returned to work from parental leave (E)	-	-	-
2024 - Employees who remained employed 12 months after returning from parental leave in 2024 (F)	-	-	-
Parental leave application rate (B/A)	-	100%	100%
Return-to-work rate (D/C)	-	-	-
Retention rate (F/E)	-	-	-

5.3 Talent Strategy and an Inclusive Workplace

Guided by the principles of merit-based employment and matching people with roles suited to their strengths, Heron is committed to creating a working environment in which employees can work with peace of mind and fully apply their expertise and potential, contributing to the Company's sustainable development goals.

Management Approach	
Importance of the Topic to the Organization	Positive Impact: Employees are the Company's most important asset and one of the keys to its operational success. Heron's employment practices are based on merit and matching employees with roles suited to their abilities, enabling them to work with confidence, make full use of their expertise and capabilities, and contribute to the Company's sustainable operations. Negative Impact: Job applicants increasingly consider a company's employee policies and human rights management practices, including working conditions, equal employment opportunities, and grievance mechanisms. Inadequate management of these matters may undermine recruitment effectiveness and increase the risk of employee turnover.
Policies and Commitments	- Establish a market-competitive total rewards strategy and provide a diverse range of employee benefits. - Provide equal employment and development opportunities and maintain a safe and supportive working environment. - Company intranet or internal email announcements: Information on employee benefits (such as health examinations and group insurance), Employee Welfare Committee activities, significant Company operating information, education and training courses, annual performance management procedures, and other matters is announced from time to time.
Responsible Unit	Human Resources Department
Grievance Mechanism	Human Resources Department help@heron-neutron.com
Targets	Short-Term Targets (Within 3 Years) - Achieve a competency training rate of 100% for new employees. - Provide an average of at least 20 hours of training per employee annually. - Maintain the employee turnover rate below 15%.
	Medium-Term Targets (3–5 Years) - Human rights: Provide at least one human rights-related training course each year to strengthen employee awareness of gender equality and human rights. - Remuneration: Develop salary bands to enhance market competitiveness and establish a fair and structured remuneration system. Annual salary adjustments will be based on individual annual performance evaluations and job positions to retain high-performing employees.
	Long-term Target (More Than Five Years) - Enhance the leadership capabilities of managers at all levels through competency-based management development programs. - Develop a training roadmap to strengthen employees' professional knowledge and managers' management capabilities. Personal effectiveness and professional development courses will also be provided to support employees' career development. - Establish a systematic online learning platform. - Develop a succession plan.
Action Plans	- Hold labor-management meetings regularly. - Have the Employee Welfare Committee organize seven team-building activities and an annual year-end banquet. - Regularly publish information on training courses through the Company's intranet. - Organize employee sports clubs to encourage employees to exercise.
Evaluation Mechanisms	- The Company continues to enhance and broaden its employee benefits program each year. The employee turnover rate remained at 13% in both 2024 and 2025. - The Company regards its research and development personnel as critical talent and continues to strengthen employee benefits and its competitive advantages. Heron had 32 research and development employees at the end of 2024, of whom 31 remained with the Company in 2025, representing a retention rate of 97%.

5.3.1 Talent Development Management

Heron regards talent development as an essential foundation for sustainable operations and continues to invest resources in improving its employee training system. Through diverse and systematic courses, the Company strengthens employees' professional skills while aligning talent development with the needs of organizational growth. The Company also provides extensive learning resources to help employees enhance their career competitiveness at different stages of their careers and achieve their individual career goals, ultimately creating a development environment in which employees and the Company can succeed together.

Implementation of Continuing Education and Training in 2025

The Company aims to enhance employees' professional capabilities and core competitiveness. The Company arranges external continuing education courses for personnel responsible for accounting and corporate governance functions to ensure that their professional knowledge remains aligned with the latest regulatory requirements. Internal audit and research and development personnel are also encouraged to participate in external seminars to strengthen their professional capabilities and remain informed of industry trends.

To enhance employee skills and competencies and make more effective use of its human resources, the Company continues to provide diverse employee training programs each year, creating a comprehensive learning environment that supports employees' continued growth. Each department develops its training plan for the following year based on the Company's operating objectives, departmental key performance indicators (KPIs), and competency requirements. The Company's training system encompasses new employee orientation, professional training, and occupational safety and health training. In addition to internal courses, the Company provides access to external training resources, enabling employees to obtain appropriate learning and development opportunities at different stages of their careers.

To enable employees to pursue learning at any time, the Company subscribes to the Hahow for Business online learning platform and regularly updates the diverse range of courses available, encouraging employees to engage in self-directed learning and continuously enhance their capabilities. The Company believes that continuous learning will also contribute to steady improvements in its overall operating performance.

01 New Employee

On their first day of employment, new employees receive an introduction to the Company's corporate culture, organizational history, work rules, employee benefits, workplace guidelines, and working environment, providing them with a basic understanding of the Company.

02 On-the-Job

On-the-job training develops the professional skills, knowledge, and management capabilities employees require in their work.

03 Professional

Employees are assigned to training programs offered by relevant institutions as needed, enabling them to obtain relevant professional certifications.

In 2025, the Company recorded a total of 1,765 training hours, averaging 17 hours per employee, demonstrating its continued investment in and commitment to talent development.

Average Training Hours in 2025

Employee Category	Managerial employees		Non-managerial employees		Total
	Male	Female	Male	Female	
Total training hours	320	25	562	858	1,765
Total number of employees ^{Note}	16	3	30	55	104
Average training hours per employee	20	8	19	13	17

Note: The number of employees used to calculate training data is the employee head count as of December 31, 2025, the final day of the reporting period.

Results of the 2025 Training Plan

Course Type	Employee Category	Total Training Attendances
New employee orientation	200	39
Safety training	229	50
On-the-job training	409	365
Professional competency training	927	79
Total	1,765	533

5.3.2 Performance Appraisal Mechanism

The Company places considerable importance on employee performance and has established a transparent and comprehensive appraisal system, supported by its "Performance Appraisal Management Procedures" and "Promotion Management Procedures". Employees below the vice president level who have completed at least three months of service undergo performance appraisals twice a year. The appraisal process is carried out by each department head based on the approved departmental plan. Each supervisor works with their employees to jointly establish annual work responsibilities and objectives. Employees record the agreed plan in the "Performance Plan Form" on the performance management platform. Once reviewed and approved by the supervisor, the plan serves as the employee's work objectives for the relevant period and as the basis for subsequent performance appraisals. The performance of management personnel at the vice president level or above is evaluated by the Remuneration Committee, and these employees do not participate in the general employee performance appraisal process.

For employees who receive a performance rating of "D" for the relevant period, experience significant performance issues during the period, or demonstrate inappropriate competency-related behaviors, the supervisor meets with the employee to identify the causes of the performance issues or inappropriate behaviors and jointly develop a performance improvement plan. The plan is documented in the Performance "Improvement Plan Form". Depending on the circumstances, the performance improvement period lasts from one to three months, after which the employee's performance or behavioral improvement is evaluated.

Heron Performance Appraisal Coverage

Employee Category	Male			Female		
	Employees Receiving Appraisals	Total Employees	Percentage Receiving Appraisals	Employees Receiving Appraisals	Total Employees	Percentage Receiving Appraisals
Managerial employees	9	9	100%	3	3	100%
Non-managerial employees	22	22	100%	39	39	100%
Total	31	31	100%	42	42	100%

Note 1: Managerial employees are defined as employees at the assistant manager level or above, excluding employees at the vice president level or above.

Note 2: Total employees refers to employees who have completed at least three months of service.

5.3.3 Advancing Human Rights Protections in the Workplace

Heron complies with applicable laws and regulations and follows internationally recognized human rights principles. The Company recognizes and supports the spirit and fundamental principles of human rights protection embodied in the "Universal Declaration of Human Rights", the "United Nations Global Compact", the "United Nations Guiding Principles on Business and Human Rights", and the principles and standards of the "International Labour Organization (ILO)". Accordingly, the Company has established a "Human Rights Policy" to respect and uphold these human rights protections and has published the policy on its [corporate website](#). The Company continues to promote workplace diversity and human rights education. Human rights-related courses are incorporated into new employee orientation and cover workplace equality, anti-discrimination, and fundamental human rights concepts. In 2025, 50 new employees completed the relevant training.

Human Rights Policy

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The Company respects employees' rights to form and join various clubs and organizations, and provides proper and diversified activities to promote work-life balance.
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The Company prohibits forced labor, human trafficking, child labor, sexual harassment, and other acts that violate human rights, and continues to create diversity, inclusion, and equal opportunity. It prohibits differential treatment of employees, including discrimination based on gender, including sexual orientation, race, nationality, class, age, marital status, language, ideology, religion, political affiliation, place of origin, birthplace, appearance, facial features, blood type, zodiac sign, or physical or mental disability, so as to effectively protect employees' workplace human rights and provide a dignified and equal working environment.
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The Company does not differentiate in the payment of wages to employees on the basis of gender or sexual orientation. Equal pay shall be paid for the same work or work of equal value. However, this shall not apply where there are legitimate reasons based on seniority, rewards and disciplinary actions, performance, or other factors unrelated to gender or sexual orientation.
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The Company complies with laws and regulations relating to occupational safety and health, and cares for the physical and mental health of employees by carrying out safety and health operations, education and training, employee health examinations, and various health promotion activities. It improves and enhances workplace safety and health conditions, reduces the risk of occupational accidents, and provides employees with a safe, healthy, and hygienic working environment.
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The Company is concerned with and manages issues related to employees' labor rights and interests. Through collective bargaining, regular labor-management meetings, and channels for employee complaints and suggestions, it implements communication between labor and management and protects and enhances employees' rights and interests.

If any conduct violates the human rights matters described above, the Company investigates the circumstances of the violation and its impacts in accordance with its internal procedures. The party responsible for the violation will be required to take corrective action and may be subject to disciplinary action or a warning in accordance with the Company's relevant procedures. Those whose rights have been adversely affected will be provided with appropriate remedial measures, including but not limited to counseling services, support payments, and corrective actions. In 2025, Heron recorded no incidents of discrimination, child labor, or forced or compulsory labor.

5.3.4 Effective Communication Channels

Heron currently has no labor union and is not party to a collective bargaining agreement. Nevertheless, the Company remains committed to fostering a transparent and open communication culture and protecting the rights and interests of both employees and management. To ensure that employees' views are fully heard and properly addressed, the Company convenes a labor-management meeting every quarter in accordance with the "Labor Standards Act" and the "Regulations for Implementing Labor-Management Meeting". It also facilitates communication between employees and management and safeguards employee rights through collective consultation, regular labor-management meetings, and employee grievance and suggestion channels. Four labor-management meetings were held in 2025, and no employee grievances were received. Topics discussed at the labor-management meetings included allowances and subsidies, incentive programs, adjustments to the flexible leave system, and improvements to the compensatory leave system for overtime, facilitating two-way communication between employees and management.

Where the Company terminates an employment contract pursuant to Article 11 or Article 13 of the Labor Standards Act, the following minimum advance-notice periods apply:

- Employees who have worked continuously for three months or more but less than one year must receive at least 10 days' advance notice.
- Employees who have worked continuously for one year or more but less than three years must receive at least 20 days' advance notice.
- Employees who have worked continuously for three years or more must receive at least 30 days' advance notice.

5.4 Occupational Safety and Health

Heron regards its employees as its most important asset and makes occupational safety and health a top operational priority. Through comprehensive education and training, the Company raises employee awareness of applicable laws, regulations, and safety requirements and helps employees identify potential workplace hazards. The Company continues to enhance its occupational safety and health management practices to prevent occupational accidents and safeguard the health and safety of every employee.

Management Approach	
Importance of the Topic to the Organization	Positive Impact: The Company places considerable importance on occupational safety and employee health. It complies fully with applicable occupational safety and health laws and regulations and incorporates risk management to effectively identify and eliminate potential workplace hazards. By continuously improving equipment and the working environment and refining processes and work practices, the Company is committed to creating a safe workplace and demonstrating its commitment to protecting employee rights and fulfilling its corporate sustainability responsibilities. Negative Impact: A serious occupational safety and health incident could significantly damage the Company's reputation, adversely affect Heron's corporate image, and undermine investor confidence. Insufficient support for employees' physical and mental health could also result in talent loss and weaken organizational stability. Prolonged exposure to an unsafe working environment increases the risk of occupational diseases and accidents and may adversely affect employees' physical and mental well-being, posing potential risks to the Company's operations and sustainable development.
Policies and Commitments	Guided by the principles of "legal compliance, risk reduction, education and care, and the creation of a healthy workplace", the Company is fully committed to achieving its goal of "zero occupational accidents and zero safety incidents".
Responsible Unit	Human Resources Department
Grievance Mechanism	Human Resources Department help@heron-neutron.com
Targets	Short-Term Targets (Within 3 Years) - Maintain zero occupational health and safety violations, reduce the rate of occupational accidents at Company sites, and maintain zero high-consequence work-related injuries and occupational diseases. - Achieve a new employee training completion rate of 100%.
	Medium-Term Targets (3–5 Years) - Create an accident-free working environment. - Ensure the continued effective operation of the occupational safety and health management system.
	Long-term Target (More Than Five Years) - Continue increasing employee in-service training hours. - Promote health-related knowledge.
Action Plans	- Comply with and seek to exceed regulatory requirements: Fully comply with or exceed applicable occupational health and safety laws and regulations, with the goal of achieving zero occupational accidents. - Strengthen occupational safety and health management: Continue implementing and enhancing the occupational health and safety management system. - Adopt advanced technologies: Apply new technologies and best practices to improve operational safety. - Implement preventive management and audits: Strengthen preventive management and internal audit mechanisms to ensure the safety of the working environment and work processes. - Improve communication and participation: Maintain effective communication with employees, strengthen the exchange of views and employee participation in decision-making, and work together to prevent accidents. - Enhance education and training: Continue providing occupational safety and health education and awareness programs and encourage employees to participate actively in occupational safety and health activities. - Provide annual health examinations: Conduct annual employee health examinations to facilitate the early identification of potential health issues, enhance health awareness and employees' ability to manage their own health, reduce work-related fatigue and risks, and strengthen employees' sense of belonging and well-being, enabling them to focus on their work with greater peace of mind.
Evaluation Mechanisms	- In 2025, the Company strengthened its preventive management practices by conducting facility-wide safety inspections once every six months and holding two fire safety seminars. - For health promotion, the Company integrated external medical resources and provided monthly on-site medical consultations, embedding the concept of preventive medicine into its operations and providing comprehensive support for employees' physical and mental well-being. - No high-consequence work-related injuries or occupational diseases occurred in 2025.

5.4.1 Occupational Safety and Health Management

Heron is committed to creating a safe and healthy workplace. Although the Company has not yet obtained external third-party verification, it has established its "Occupational Safety and Health Management Procedures" in accordance with the Occupational Safety and Health Act and implemented systematic management processes. As of year-end 2025, all 104 Company employees were covered by the internal occupational safety and health management system, representing 100% coverage. The Company has also established its "Occupational Safety and Health Hazard Identification and Risk Assessment Management Procedures" to provide employees with a healthy and comfortable working environment. Work environment monitoring is conducted annually at office premises, while radiation workplaces are inspected daily. Ambient environmental radiation is monitored periodically, and personnel radiation doses are monitored and controlled.

Management Structure and Qualified Personnel

The Company's "Occupational Safety and Health Management Procedures" and "Occupational Safety and Health Hazard Identification and Risk Assessment Management Procedures" systematically define responsibilities and relevant operating procedures. The Company has appointed dedicated Category A and Category B supervisors of occupational safety and health affairs who are responsible for Company-wide occupational safety and health planning, risk assessment, and oversight of implementation. These arrangements support the continuous improvement of occupational safety and health management and strengthen the protection of employee health.

Systematic Management and Standard Operating Procedures

The Company implements the Plan-Do-Check-Act (PDCA) cycle through internal standard operating procedures (SOPs), including periodic work environment monitoring, facility self-inspections, and employee occupational safety and health education and training. These measures help embed safety awareness in the Company's corporate culture.

Comprehensive Communication and Grievance Mechanisms

To ensure that the management system is effectively implemented at the operational level, the Company has established transparent and protected grievance and reporting channels:

Standardized procedures: Clear internal management documents and reporting SOPs are in place. Employees who identify a potential safety hazard in the workplace or have concerns about occupational safety and health measures may promptly report the matter through designated channels.

Confidentiality and protection: The grievance process strictly adheres to protection principles to ensure that reporting persons are not subject to discrimination or improper disciplinary action.

Follow-up and corrective action: All reported cases are investigated on-site by the occupational safety and health supervisor together with the relevant departments. Progress on corrective action is reported at internal meetings to ensure that the underlying causes are properly addressed.

Hazard Identification, Risk Assessment, and Incident Investigation

The supervisor of occupational safety and health affairs is responsible for forming an occupational safety and health risk assessment team, overseeing the implementation of hazard identification and risk assessments, and reviewing the assessment results. Risk assessments are conducted annually. Additional ad hoc risk assessments are also conducted when new equipment or processes are introduced, new chemicals are used, operating procedures are changed, a serious incident occurs, occupational safety and health policies undergo major revisions, or the supervisor of occupational safety and health affairs otherwise considers an assessment necessary.

The Company has established standardized incident-reporting procedures. When an incident occurs, including a near miss, an "Incident and Injury Report Form" must be completed. The supervisor of the unit in which the incident occurred records the circumstances in detail, investigates the root causes of any unsafe acts or conditions, and recommends corrective measures. The completed form must be reviewed and signed by a worker representative, the supervisor of occupational safety and health affairs, and the President, ensuring the joint participation of management and workers in the investigation.



5.4.2 Measures to Prevent or Mitigate Occupational Safety and Health Impacts

The Company places employee safety and health first. Through comprehensive management measures, it strives to provide every employee with a safe working environment and create a safe and supportive workplace.

Measures to Prevent or Mitigate Occupational Health and Safety Impacts	Target Group	Description of Measures
Comprehensive Health Protection	All employees	The Company offers an employee-paid group insurance plan covering inpatient medical care, cancer treatment, and daily cash benefits. Coverage may also be extended to employees' spouses and children, providing health protection for employees and their families.
Radiation Safety Operating Requirements	Employees engaged in designated operations	Personnel working in radiation workplaces must be qualified as a Senior Radiation Protection Officer or Radiation Protection Officer, possess a Radiation Safety Certificate for Radiation Worker, or complete at least three hours of radiation protection education and training each year.
Tiered Work Controls	Contractors	Contractor work is subject to "hazard notification" for general risks and "work permits" for specific high-risk activities. The contractor's responsible person must personally countersign the results of on-site safety inspections. For example, combustible materials must be cleared within a five-meter radius of a hot-work area, and stepladders used for work at height must be structurally sound and free of damage.
On-site Supervision and Accountability	Contractors	A designated person must be assigned to supervise high-risk work. If safety controls cannot be continuously maintained, workers and supervisors are authorized to halt work immediately to protect contractor safety and health.
Pre-entry Hazard Communication	Contractors	Contractors must sign a "Contractor Work Environment Hazard Notification Form" before commencing work. The form clearly communicates potential workplace hazards, such as gas pipelines and electrical equipment, as well as the applicable safety requirements.
Permit-to-Work Management and On-site Supervision	Contractors	Contractors performing hot work, confined-space work, or other high-risk activities must submit an application and obtain approval before work begins. Conducting high-risk work without an on-site supervisor is strictly prohibited.
Training and Personal Protective Equipment Requirements	Contractors	Workers employed by contractors must wear safety helmets and appropriate personal protective equipment when entering work areas. Special equipment operators must also hold the required valid qualifications or licenses.

5.4.3 Occupational Safety and Health Education and Training

The Company provides occupational safety and health training for new employees to develop appropriate safety awareness and familiarize them with relevant Company requirements and emergency response procedures. Employees also participate regularly in emergency evacuation drills to strengthen their response capabilities. In 2025, occupational safety and health education and training programs had a total of 58 participants and 204 training hours. All new employees completed the required occupational safety and health training, demonstrating Heron's commitment to workplace safety.

Item	Participants	Description
Fire Safety Education and Emergency Response Drill	Company-wide	1. Instruction on fire prevention and evacuation procedures. 2. Practical exercises in the use of fire extinguishers and fire hydrants. 3. Simulated emergency evacuation, assembly, and headcount procedures.
Basic Occupational Safety and Health Training	New employees	In addition to basic familiarization with the working environment and fire evacuation procedures, risk-specific prevention courses are added in response to technological developments and changes in the working environment to ensure that employees have the necessary safety awareness and competencies before entering operational areas.
Advanced Occupational Safety and Health Training / Hazard Communication	New employees (RE&MD)	Awareness training on basic occupational safety knowledge and precautions for offices and cleanrooms 1. Cleanroom safety management 2. Risk assessment 3. Work at height and fall prevention at openings 4. Confined-space work 5. Electrical safety 6. Radiation safety 7. Chemical safety (hazard communication) 8. Protective equipment 9. Lockout/tagout (LOTO)
Radiation Safety Training	Designated personnel	Personnel must complete the required basic training before taking the examination for a Radiation Safety Certificate for Radiation Worker. Only personnel who have obtained the certificate may operate the Company's accelerator equipment. 1. Radiation fundamentals 2. Radiation protection 3. Radiation applications and protection 4. Ionizing radiation protection laws and regulations 5. Radiation protection practicum or supervised observation 6. Radiation measurement and dose

5.4.4 Occupational Health Services and Health Promotion Activities

Item	Description	Performance
General Employee Health Examinations	1. A survey of work history, medical history, lifestyle habits, and self-reported symptoms. 2. General physical examinations, including height, weight, waist circumference, visual acuity, color vision, hearing, blood pressure, and physical examinations of relevant body systems or regions. 3. Chest X-ray examination (large film). 4. Urine protein and occult blood tests. 5. Hemoglobin and white blood cell count tests. 6. Tests for blood glucose, serum alanine aminotransferase (ALT, also known as SGPT), creatinine, total cholesterol, high-density lipoprotein cholesterol, and triglycerides.	In 2025, 56 employees completed general health examinations, with total subsidies of NT\$331 thousand.
Special Health Examinations	Employees engaged in operations involving specific health hazards, such as radiation exposure, high noise levels, or specified chemicals, are provided with examination items beyond those included in general employee health examinations.	In 2025, 17 employees completed general health examinations, with total subsidies of NT\$19 thousand.
Health Consultation Services	In support of its commitment to a "healthy workplace", the Company provides professional consultations on health examination results each month. Employees may receive one-on-one consultations with healthcare professionals regarding their individual health examination reports or physiological abnormalities. The Company has also established an ongoing health monitoring mechanism under which employees may complete a form concerning their physical and mental well-being. This enables supervisors and healthcare professionals to promptly identify employee health risks and provide preventive support.	• On-site physician services were provided once during the year, while on-site nursing services were provided once a month, for a total of 12 nursing visits. • Each month, the nurse reviewed and classified the physical examination results of new employees and provided corresponding health management services, covering 42 employees. • Employees with abnormal health examination results received health follow-up and individual consultations, with a total of 23 participants taking part in health consultation services. Employees undergoing health examinations in 2025 could choose to have their examinations conducted at a medical institution. Post-examination health consultations and health education were provided to 19 employees.
Massage Services Provided by Visually Impaired Therapists	Head, neck, and shoulder massage services are provided to employees on request.	Four massage sessions were held each month, with 29 employees participating in 2025.
Sports Clubs	Two club activities are organized each week, including jogging, marathon training, high-intensity interval training, and core training.	A total of 50 employees participated in 2025.

5.4.5 Work-related Injuries and Ill Health

Heron is committed to creating a healthy and safe workplace with "zero occupational accidents and zero safety incidents" and takes concrete action to fulfill this commitment. The Company regards data on work-related injuries and ill health as key performance indicators. Through data analysis, it investigates underlying causes and continuously improves its occupational health and safety management approach. In 2025, Heron recorded no work-related injuries and no cases of work-related ill health, demonstrating the Company's continued commitment to workplace safety.

2025 Work-related Injury and Ill Health Data

Year	Total Hours Worked Note 1	Lost Days Note 2	Number of Recordable Work-related Injuries		Number of High-consequence Work-related Injuries		Number of Cases of Recordable Work-related Ill Health	Number of Work-related Fatalities Note 5
			Number	Rate Note 3	Number	Rate Note 4		
2025	170,544	-	-	-	-	-	-	-

Note 1: Total hours worked are the aggregate hours worked by all personnel other than the employer, including employees and non-employee workers. They are calculated by multiplying the total number of days worked during the year by the number of working hours per day.

Note 2: Lost days are the number of days during which an injured person is temporarily unable to return to work. The day of the injury and the day on which the person returns to work are excluded. However, all intervening days, including Sundays, holidays, and days on which the establishment is not operating, as well as any full days on which the person is subsequently unable to work as a result of the injury after returning to work, are included.

Note 3: Rate of recordable work-related injuries = [Number of recordable work-related injuries (number of workers sustaining work-related injuries + number of fatalities resulting from work-related injuries) × 106] / Total hours worked.

Note 4: Rate of high-consequence work-related injuries = [Number of high-consequence work-related injuries (excluding fatalities) × 106] / Total hours worked.

Note 5: Includes the number of fatalities resulting from work-related injuries and work-related ill health.



5.5 Social Engagement

Heron continues to take an active interest in social development. Through a diverse range of charitable initiatives and community activities, the Company fulfills its commitment to society while fostering a workplace that promotes well-being.

Environmental Stewardship - Xinyue Beach Cleanup

As global climate change and marine pollution become increasingly serious, protecting marine ecosystems has become an integral component of corporate sustainability and ESG efforts. With deep roots in Hsinchu, Heron regards protecting the local environment as part of its responsibility. In support of SDG 14: Life Below Water, we seek not only to achieve breakthroughs in medical technology but also to extend our respect for life to the natural environment. By organizing a beach cleanup and encouraging employees to participate personally, the Company translated environmental awareness into concrete action. Together, participants helped protect our shared coastline and create a greener future for the planet and future generations.

On March 10, 2025, the Company held a beach cleanup at Xinyue Beach in Hsinchu, inviting employees to help preserve the coastline's natural environment and cleanliness. Employees formed an "Ocean Guardians Team" and systematically swept the beach, removing discarded plastics, fishing nets and ropes, glass bottles, and other human-generated waste to improve the quality of the local environment. The activity also incorporated environmental education on marine debris and microplastics, helping employees gain a deeper understanding of their long-term impacts on marine food chains. Working together by the sea not only restored the beach's cleanliness but also strengthened teamwork across departments and employees' commitment to sustainability. The activity also incorporated environmental education on marine debris and microplastics, helping employees gain a deeper understanding of their long-term impacts on marine food chains. Working together by the sea not only restored the beach's cleanliness but also strengthened teamwork across departments and employees' commitment to sustainability.

A total of 750 kilograms of marine debris was removed during the cleanup, helping to reduce the environmental burden on the coastline. Through concrete action, the Company helped build a first line of defense for marine ecosystems. To continue expanding its positive social impact, the Company has formulated short-, medium-, and long-term sustainability goals and is implementing related initiatives systematically to strengthen their overall impact.



Social Care - A Visit to the Rare Disease Welfare Center: Discovering the Resilience of Life

Heron is committed to developing world-class Boron Neutron Capture Therapy (BNCT) technology to offer new hope to cancer patients facing limited treatment options. We recognize that patients with difficult-to-treat cancers or rare diseases, along with their families, face numerous challenges when seeking medical resources. Guided by a shared commitment to the "equal dignity of every life" and to "precision medicine", we planned a visit to the Rare Disease Welfare Center in Guanxi, Hsinchu. Through this visit, members of our research, development, and administrative teams were able to witness the resilience of patients firsthand. The activity connected the scientific spirit underlying BNCT research with concern for the rare disease community, demonstrating the Company's commitment to social inclusion beyond the field of advanced medical technology.

With guidance from professionals from the Taiwan Foundation for Rare Disorders, employees toured the Rare Disease Welfare Center's facilities, including its sensory garden, multipurpose classrooms, and nonprofit organization (NPO) incubation hub. Firsthand accounts shared by patients and their families gave employees a deeper understanding of the challenges and needs that rare disease families encounter in medical care and daily life. The activity also included a discussion session exploring the potential future applications of precision medicine technologies, such as BNCT, in rare cancers and genetic disorders. The discussion not only broadened employees' perspectives on emerging medical technologies but also served as an important reminder that the fundamental value of medical innovation lies in meeting the urgent and genuine needs of every patient.



Image source: Materials provided by the Taiwan Foundation for Rare Disorders.

Community Activity -
Employee Game Day: Supporting a Local Team

With deep roots in Hsinchu, Heron is guided by the principle of "giving back to the community that supports us". In addition to advancing cutting-edge medical technologies, the Company actively participates in local activities. The Hsinchu Toplus Lions are a professional basketball team that embodies Hsinchu's resilience and solidarity. The team's pursuit of excellence and willingness to embrace challenges closely align with Heron's core values as it develops BNCT precision medicine technology and pushes the boundaries of medical treatment.

To support local professional sports and deepen its connection with the community, the Company organized an "Employee Game Day", inviting employees and their families to attend a game at Hsinchu County Stadium, the Lions' home venue, and show their support for the local team. By attending a professional basketball game, employees were able to strengthen their connection with Hsinchu's local culture. The lively atmosphere also encouraged interaction across departments, helped relieve work-related stress, and supported the Company's commitment to employee health and work-life balance.

Social Care -
Compassionate-Use Treatment

Heron is committed to developing a comprehensive "Accelerator-Based Boron Neutron Capture Therapy (AB-BNCT)" solution that can be installed at hospitals. By using an accelerator to generate neutron beams, the system eliminates reliance on conventional nuclear reactors. This has made Taiwan, following Japan, the United States, China, and South Korea, one of the few countries capable of independently developing and manufacturing this advanced radiotherapy equipment. After receiving medical device approval from the Taiwan Food and Drug Administration, the Company actively established close collaborations with leading universities and medical centers in Taiwan and overseas. These collaborations support the development of specialized professionals and the growth of Taiwan's biomedical industry value chain. As of the end of 2025, Heron had provided 134 compassionate-use treatments, with an estimated market value of approximately NT\$5,500 million. Recipients included economically disadvantaged patients and critically ill patients whose conditions were urgent, whose existing treatments had proven ineffective, or whose cancer had recurred. We continue to provide irradiation and medication services free of charge in certain cases, creating critical treatment opportunities for patients urgently seeking care. As the range of indications expands, BNCT is expected to offer renewed hope to more cancer patients.

Indication	
Head and Neck	Buccal cancer (hard palate - upper gum - lower gingiva - Tongue - Soft plate); Tonsil cancer; Laryngeal cancer; Sinus cancer; Nasopharyngeal carcinoma; Parotid gland carcinoma
Central Nervous System	Diffuse intrinsic glioma; Glioblastoma; Ependymoma; Anaplastic oligodendroglioma; Meningioma; Solitary fibrous tumor; meningioma; Skull base chondroma
Thoracic	Lung squamous cell carcinoma; Adenocarcinoma; Synovial sarcoma; lung; Mesothelioma
Breast	Invasive ductal carcinoma; Triple-negative breast cancer; Breast cancer with brain metastases
Soft Tissue & Bone	Undifferentiated pleomorphic sarcoma; Chondrosarcoma; Osteosarcoma; Synovial sarcoma; Dermatofibrosarcoma protuberans; Myxoid spindle cell sarcoma; Atypical lipomatous tumor; Malignant peripheral nerve sheath tumor; Unclassified spindle to epithelioid tumor
Skin & Melanocytic	Melanoma
Endocrine	Anaplastic thyroid carcinoma
Female Genital Tract	Vaginal cancer; Squamous cell carcinoma of reconstructed labia minor

Note: Clinical trial and compassionate treatment cases.

Community Relations Management

The Company has not yet implemented formal community engagement, impact assessments, or community development programs. Nevertheless, to protect the quality of life of local residents and support environmental sustainability, the Company proactively conducts risk assessments and adopts preventive measures to reduce the potential impacts of its operations on surrounding communities. The risks assessed by the Company are presented below:

Risk Type	Risk Description	Response Measures	Status in 2025
Environmental Radiation Risk	Operations involve neutron generation. Inadequate shielding could give rise to radiation safety concerns for the surrounding environment and nearby residents.	- Physical shielding: Large areas are cast in a single continuous pour to minimize construction joints. - Rigorous monitoring: Environmental radiation detectors are installed at multiple locations around the exterior of the shielding walls to provide real-time monitoring during testing. - Controlled-area management: Radiation-controlled areas are subject to strict tiered access controls, and unauthorized personnel are prohibited from entering.	In 2025, the Company continued to conduct environmental monitoring and personnel access control in accordance with its radiation protection control procedures. No radiation leakage or regulatory exceedance occurred during the year. All radiation monitoring readings remained below regulatory limits. Equipment inspections and relevant education and training were also completed regularly to protect the safety of the working environment and surrounding areas.
Construction Dust and Noise	Facility construction involves civil engineering work and the movement of heavy machinery. The resulting dust, vibration, and noise could disturb neighboring communities or other clinical services at nearby medical facilities.	- Environmental protection: Dust screens are installed around construction areas, and water is sprayed to control dust. - Work-hour controls: High-noise activities are scheduled to avoid rest periods at medical institutions and early-morning or late-night hours in surrounding communities. - Low-vibration construction methods: Precision machinery with low-noise and low-vibration characteristics is used wherever possible.	During construction in 2025, dust-control facilities and noise-control mechanisms were implemented in accordance with the Company's environmental management measures. Construction hours were also managed appropriately, and the Company received no significant public complaints or penalties. Dust and noise monitoring results complied with the requirements of the local competent authorities, and impacts on the surrounding environment remained within a controllable range.
Risks Associated with Transporting Heavy Equipment	Components such as accelerators and shielding doors are large and highly precise. Transporting them could obstruct traffic or result in equipment damage.	- Route planning and simulation: Transportation routes are surveyed in advance to avoid narrow streets and lanes. - Traffic management: Designated personnel manage traffic during transportation, and the necessary road-use permits are obtained to protect public safety along the transportation route.	All heavy-equipment transportation activities in 2025 were conducted in accordance with established route plans and traffic-management arrangements. No traffic accidents or equipment damage occurred. Route surveys and safety assessments were completed before each transportation operation, and designated personnel provided on-site direction to protect public safety and transportation quality.

Appendix



Appendix 1 GRI Content Index

Statement of use	Heron Neutron Medical Corp. has reported in accordance with the GRI Standards for the period from 1 January 2025 to 31 December 2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None

GRI Standard	Disclosure	Page	Corresponding Section / Additional Information
GRI 2: General Disclosures 2021			
GRI 2: General Disclosures 2021	2-1 Organizational details	4	About Heron
	2-2 Entities included in the organization's sustainability reporting	2	About This Report
	2-3 Reporting period, frequency and contact point	2	About This Report
	2-4 Restatements of information	-	This is the Company's first Sustainability Report; therefore, there are no restatements of information.
	2-5 External assurance	2	About This Report
	2-6 Activities, value chain and other business relationships	4	About Heron
	2-7 Employees	45	5.1 Workforce Composition
	2-8 Workers who are not employees	45	5.1 Workforce Composition
	2-9 Governance structure and composition	11	2.1 Governance Structure
	2-10 Nomination and selection of the highest governance body	14	2.1 Governance Structure
	2-11 Chair of the highest governance body	11	2.1 Governance Structure
	2-12 Role of the highest governance body in overseeing the management of impacts	11	2.1 Governance Structure

GRI Standard	Disclosure	Page	Corresponding Section / Additional Information
GRI 2: General Disclosures 2021	2-13 Delegation of responsibility for managing impacts	7	1.1 Sustainability Management Strategy
	2-14 Role of the highest governance body in sustainability reporting	2 7	About This Report 1.1 Sustainability Management Strategy
	2-15 Conflicts of interest	14	2.1 Governance Structure
	2-16 Communication of critical concerns	14	2.1 Governance Structure
	2-17 Collective knowledge of the highest governance body	15	2.1 Governance Structure
	2-18 Evaluation of the performance of the highest governance body	14-15	2.1 Governance Structure
	2-19 Remuneration policies	15	2.1 Governance Structure
	2-20 Process to determine remuneration	15	2.1 Governance Structure
	2-21 Annual total compensation ratio	48	5.2 Talent Recruitment and Retention
	2-22 Statement on sustainable development strategy	3	Message from the Chairperson
	2-23 Policy commitments	-	Management Approach for Each Material Topic
	2-24 Embedding policy commitments	-	Management Approach for Each Material Topic
	2-25 Processes to remediate negative impacts	18	2.2 Ethical Management and Anti-corruption
	2-26 Mechanisms for seeking advice and raising concerns	18	2.2 Ethical Management and Anti-corruption
	2-27 Compliance with laws and regulations	23	2.6 Regulatory Compliance
	2-28 Membership associations	16	2.1 Governance Structure
	2-29 Approach to stakeholder engagement	9	1.3 Stakeholder Engagement
	2-30 Collective bargaining agreements	-	Heron has not entered into any collective bargaining agreements.

GRI Standard	Disclosure	Page	Corresponding Section / Additional Information
GRI 3: Material Topics 2021			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	8	1.2 Material Topic Determination
	3-2 List of material topics	8	1.2 Material Topic Determination
Ethical Management			
3-3 Management of material topics		17	2.2 Ethical Management
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	17	2.2 Ethical Management
	205-2 Communication and training about anti-corruption policies and procedures	17	2.2 Ethical Management
	205-3 Confirmed incidents of corruption and actions taken	17	2.2 Ethical Management
Supply Chain Management			
3-3 Management of material topics		22	2.5 Supply Chain Management
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	22	2.5 Supply Chain Management
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	22	2.5 Supply Chain Management
	308-2 Negative environmental impacts in the supply chain and actions taken	22	2.5 Supply Chain Management
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	22	2.5 Supply Chain Management
	414-2 Negative social impacts in the supply chain and actions taken	22	2.5 Supply Chain Management

GRI Standard	Disclosure	Page	Corresponding Section / Additional Information
Climate Change and Greenhouse Gas Management			
3-3 Management of material topics		38	4.1 Climate Change and Greenhouse Gas Management
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	39-40	4.1 Climate Change and Greenhouse Gas Management
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	40	4.1 Climate Change and Greenhouse Gas Management
	305-2 Energy indirect (Scope 2) GHG emissions	40	4.1 Climate Change and Greenhouse Gas Management
	305-4 GHG emissions intensity	40	4.1 Climate Change and Greenhouse Gas Management
Talent Strategy and an Inclusive Workplace			
3-3 Management of material topics		50	5.3 Talent Strategy and an Inclusive Workplace
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	52	5.3 Talent Strategy and an Inclusive Workplace
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	51	5.3 Talent Strategy and an Inclusive Workplace
	404-2 Programs for upgrading employee skills and transition assistance programs	51-52	5.3 Talent Strategy and an Inclusive Workplace
	404-3 Percentage of employees receiving regular performance and career development reviews	52	5.3 Talent Strategy and an Inclusive Workplace
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	12 45-46	2.1 Governance Structure 5.2 Talent Recruitment and Retention
	405-2 Ratio of basic salary and remuneration of women to men	48	5.2 Talent Recruitment and Retention
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	52	5.3 Talent Strategy and an Inclusive Workplace
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	52	5.3 Talent Strategy and an Inclusive Workplace

GRI Standard	Disclosure	Page	Corresponding Section / Additional Information
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	52	5.3 Talent Strategy and an Inclusive Workplace
Occupational Health and Safety			
3-3 Management of material topics		53	5.4 Occupational Safety and Health
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	54	5.4 Occupational Safety and Health
	403-2 Hazard identification, risk assessment, and incident investigation	54	5.4 Occupational Safety and Health
	403-3 Occupational health services	55-56	5.4 Occupational Safety and Health
	403-4 Worker participation, consultation, and communication on occupational health and safety	55	5.4 Occupational Safety and Health
	403-5 Worker training on occupational health and safety	55	5.4 Occupational Safety and Health
	403-6 Promotion of worker health	55-56	5.4 Occupational Safety and Health
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	55	5.4 Occupational Safety and Health
	403-8 Workers covered by an occupational health and safety management system	54	5.4 Occupational Safety and Health
	403-9 Work-related injuries	56	5.4 Occupational Safety and Health
	403-10 Work-related ill health	56	5.4 Occupational Safety and Health
Other Topics			
GRI 200 Series: Economic Topics			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	21	2.4 Economic Performance
	201-4 Financial assistance received from government	-	The Company received no financial assistance from the government in 2025.

GRI Standard	Disclosure	Page	Corresponding Section / Additional Information
GRI 300 Series: Environmental Topics			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	41	4.2 Energy Management
	302-3 Energy intensity	41	4.2 Energy Management
	302-4 Reduction of energy consumption	41	4.2 Energy Management
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	42	4.3 Water Resources Management
	303-3 Water withdrawal	42	4.3 Water Resources Management
	303-5 Water consumption	42	4.3 Water Resources Management
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	43	4.4 Waste Management
	306-3 Waste Generation	43	4.4 Waste Management
GRI 400 Series: Social Topics			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	47	5.2 Talent Recruitment and Retention
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	48-49	5.2 Talent Recruitment and Retention
	401-3 Parental leave	49	5.2 Talent Recruitment and Retention
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	57-58	5.5 Social Engagement
	413-2 Operations with significant actual and potential negative impacts on local communities	57-58	5.5 Social Engagement
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	35	3.3 Sales Responsibility
	417-2 Incidents of non-compliance concerning product and service information and labeling	35	3.3 Sales Responsibility
	417-3 Incidents of non-compliance concerning marketing communications	34	3.3 Sales Responsibility

Appendix 2 Article 4-1 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Risks and Opportunities Posed by Climate Change to the Company and the Relevant Measures Taken by the Company

Item	Disclosure	Corresponding Section	Page
1	The Board of Directors' and management's oversight and governance of climate-related risks and opportunities	4.1 Climate Change and Greenhouse Gas Management	39
2	How the identified climate risks and opportunities affect the business, strategy, and finances of the Company (short, medium, and long term)	4.1 Climate Change and Greenhouse Gas Management	39
3	The financial impact of extreme weather events and transformative actions	4.1 Climate Change and Greenhouse Gas Management	39
4	How climate risk identification, assessment, and management processes are integrated into the overall risk management system	4.1 Climate Change and Greenhouse Gas Management	40
5	If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described	The Company analyzes climate-related risks and opportunities under different scenarios, taking into account potential policy, regulatory, market, and technological changes, as well as physical risks. The assessment of financial impacts is currently in progress, and the results are expected to be disclosed in a future Sustainability Report.	-
6	If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks	4.1 Climate Change and Greenhouse Gas Management	39
7	If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated	The Company does not currently use internal carbon pricing.	-
8	If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified	4.1 Climate Change and Greenhouse Gas Management	40
9	Greenhouse gas inventory and assurance status	4.1 Climate Change and Greenhouse Gas Management	40

Appendix 3 SASB Standards Content Index

Disclosure Topic	Metric Code	Accounting Metric	Category	Corresponding Section / Description
Affordability & Pricing	HC-MS-240a.2	Description of how price information for each product is disclosed to customers or to their agents	Discussion and Analysis	Pricing strategies are primarily based on customer contracts. This information is currently not disclosed due to confidentiality considerations.
	HC-MS-240a.3	Percentage change in: (1) weighted average list price and (2) weighted average net price across product portfolio compared with the previous reporting period	Quantitative	Pricing strategies are primarily based on customer contracts. This information is currently not disclosed due to confidentiality considerations.
Product Safety	HC-MS-250a.1	(1). Number of recalls issued (2). Total units recalled	Quantitative	3.3.2 Product Recall Mechanism
	HC-MS-250a.2	Products listed in any public medical product safety or adverse event alert database	Discussion and Analysis	No products were listed in any such database in 2025.
	HC-MS-250a.3	Number of fatalities associated with products	Quantitative	No products were listed in any such database in 2025.
	HC-MS-250a.4	Number of enforcement actions taken in response to violations of current Good Manufacturing Practices (GMP) or equivalent standards, by type	Quantitative	No products were listed in any such database in 2025.
Ethical Marketing	HC-MS-270a.1	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	Quantitative	No products were listed in any such database in 2025.
	HC-MS-270a.2	Description of code of ethics governing promotion of off-label use of products	Discussion and Analysis	No products were listed in any such database in 2025.
Product Design & Lifecycle 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	Discussion and Analysis	5.4.1 Occupational Safety and Health Management
	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	Quantitative	Not applicable.
Supply Chain Management	HC-MS-430a.1	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in third-party audit programs for manufacturing and product quality	Quantitative	2.5 Supply Chain Management
	HC-MS-430a.2	Description of efforts to maintain traceability within the distribution chain	Discussion and Analysis	3.1.1 Product Quality and Safety Performance
	HC-MS-430a.3	Description of management of risks associated with the use of critical materials	Discussion and Analysis	2.5 Supply Chain Management
Business Ethics	HC-MS-510a.1	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Quantitative	No products were listed in any such database in 2025.
	HC-MS-510a.2	Description of code of ethics governing interactions with health care professionals	Discussion and Analysis	In 2025, the Company received no complaints concerning breaches of customer privacy or losses of customer data, and there were no violations of ethical standards governing interactions with health care professionals.
-	HC-MS-000.A	Number of units sold by product category	Quantitative	—

Appendix 4 Summary of Information Subject to Assurance

Item No.	Subject Matter Information	Applicable Criteria	Page
1	The Company's energy consumption in 2025 was 6,105.314 gigajoules (GJ), and its energy intensity was 0.592 GJ per NT\$1,000 of revenue.	Total energy consumed within the Company from non-renewable and renewable energy sources.	41
2	In 2025, the Company provided a total of 1,765 training hours, averaging 17 training hours per employee.	Average training hours per employee are calculated by dividing the total number of training hours provided by the Company during the reporting year by the number of employees employed as of December 31 of that year.	51
3	At the end of 2024, the Company had 32 R&D employees, 31 of whom remained with the Company in 2025, representing a retention rate of 97%.	The research and development personnel retention rate is calculated by dividing the number of research and development personnel retained from the prior year as of December 31 of the reporting year by the number employed as of December 31 of the preceding year.	5 、 50

Appendix 5 Assurance Statement

Independent Limited Assurance Report

Tzi-Hwei-Tzung-Tzi No. 25013825

To Heron Neutron Medical Corp.:

We have been engaged by Heron Neutron Medical Corp. (the "Company") to perform assurance procedures on the key performance indicators selected by the Company and reported in its 2025 Sustainability Report (the "Identified Key Performance Indicators"). We have completed the assurance engagement and, based on the results of our work, issue this limited assurance report.

Subject Matter Information and Applicable Criteria

The subject matter information for this assurance engagement comprises the Identified Key Performance Indicators described above. Details of the Identified Key Performance Indicators and the applicable criteria are set out in the "Summary of Information Subject to Assurance" in the Company's 2025 Sustainability Report. The reporting scope of the Identified Key Performance Indicators referred to above is described in the "Reporting Scope and Boundaries" section of the Sustainability Report.

Management's Responsibility

The Company's management is responsible for preparing the Identified Key Performance Indicators in the Sustainability Report in accordance with the applicable criteria and for designing, implementing, and maintaining internal controls relevant to the preparation of the Identified Key Performance Indicators to ensure that they are free from material misstatement, whether due to fraud or error.

Inherent Limitations

Many of the matters subject to assurance in this engagement involve non-financial information and are therefore subject to greater inherent limitations than assurance of financial information. Qualitative interpretations of the relevance, materiality, and accuracy of such information are more dependent on individual assumptions and judgments.

Our Independence and Quality Management

We and our firm have complied with the independence and other ethical requirements of the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies Taiwan Standard on Quality Management 1, "Quality Management for Firms" that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements. This standard requires the firm to design, implement, and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to plan and perform the limited assurance engagement in accordance with

Appendix 5 Assurance Statement

Taiwan Standard on Assurance Engagements 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", to obtain limited assurance as to whether the Company's Identified Key Performance Indicators described in the first paragraph are free from material misstatement, and to express a limited assurance conclusion based on the procedures performed and the evidence obtained.

In accordance with Taiwan Standard on Assurance Engagements 3000, our limited assurance engagement includes assessing the suitability of the applicable criteria used by the Company to prepare the Identified Key Performance Indicators in the Sustainability Report, assessing the risks of material misstatement of the Identified Key Performance Indicators, whether due to fraud or error, responding to the assessed risks as considered necessary in the circumstances, and evaluating the overall presentation of the Identified Key Performance Indicators. The scope of a limited assurance engagement is substantially less than that of a reasonable assurance engagement with respect to both risk assessment procedures, including obtaining an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed on the Company's Identified Key Performance Indicators described in the first paragraph were based on our professional judgment. These procedures included inquiries, observation of processes, inspection of documents, assessment of the appropriateness of quantitative methods, and agreement or reconciliation to relevant records.

Based on the circumstances of this engagement, in performing the procedures described above, we:

- Interviewed relevant personnel involved in the preparation of the Identified Key Performance Indicators to understand the processes used to prepare such information and the relevant internal controls, and to identify areas in which material misstatements could arise.
- Based on our understanding of the matters described above and the areas identified, we selected samples of the Identified Key Performance Indicators and performed procedures including inquiries, inspection, and reperformance to obtain limited assurance evidence.

The procedures performed in a limited assurance engagement differ in nature and timing from, and are less extensive than, those performed in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than that obtained in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion as to whether the Company's Identified Key Performance Indicators have been prepared, in all material respects, in accordance with the applicable criteria.

This report does not provide any assurance on the Company's 2025 Sustainability Report as a whole or on the effectiveness of the design or operation of its related internal controls.

Limited Assurance Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention

Appendix 5 Assurance Statement

that causes us to believe that the Company's Identified Key Performance Indicators described in the first paragraph have not been prepared, in all material respects, in accordance with the applicable criteria.

Other Matter

The maintenance of the Company's website is the responsibility of the Company's management. We have no responsibility to re-perform any assurance procedures with respect to any changes made to the Identified Key Performance Indicators or the applicable criteria after this assurance report has been published on the Company's website.

PricewaterhouseCoopers Taiwan

Tien-I Li, CPA

July 23, 2026



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