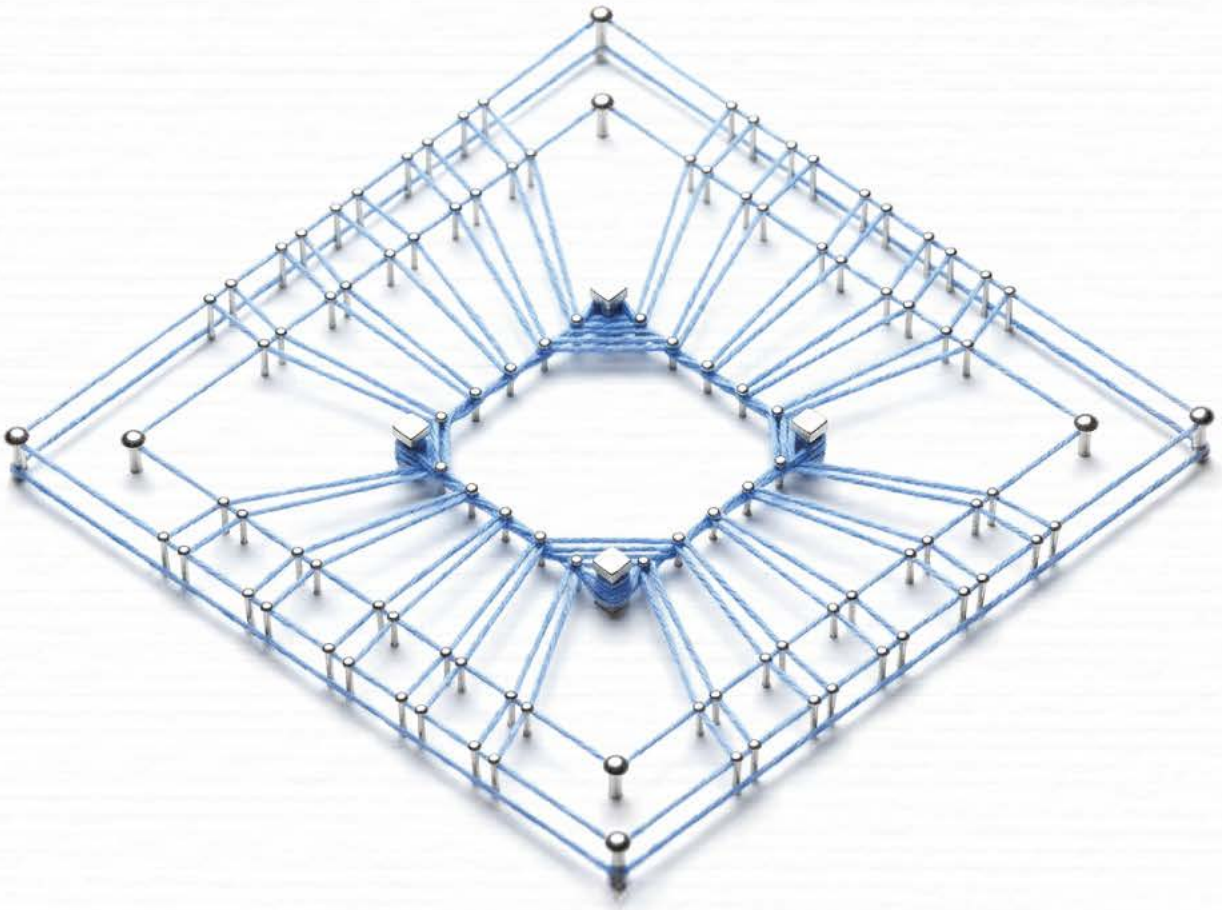

2025

ENVIROMENT
SOCIAL
GOVERNANCE

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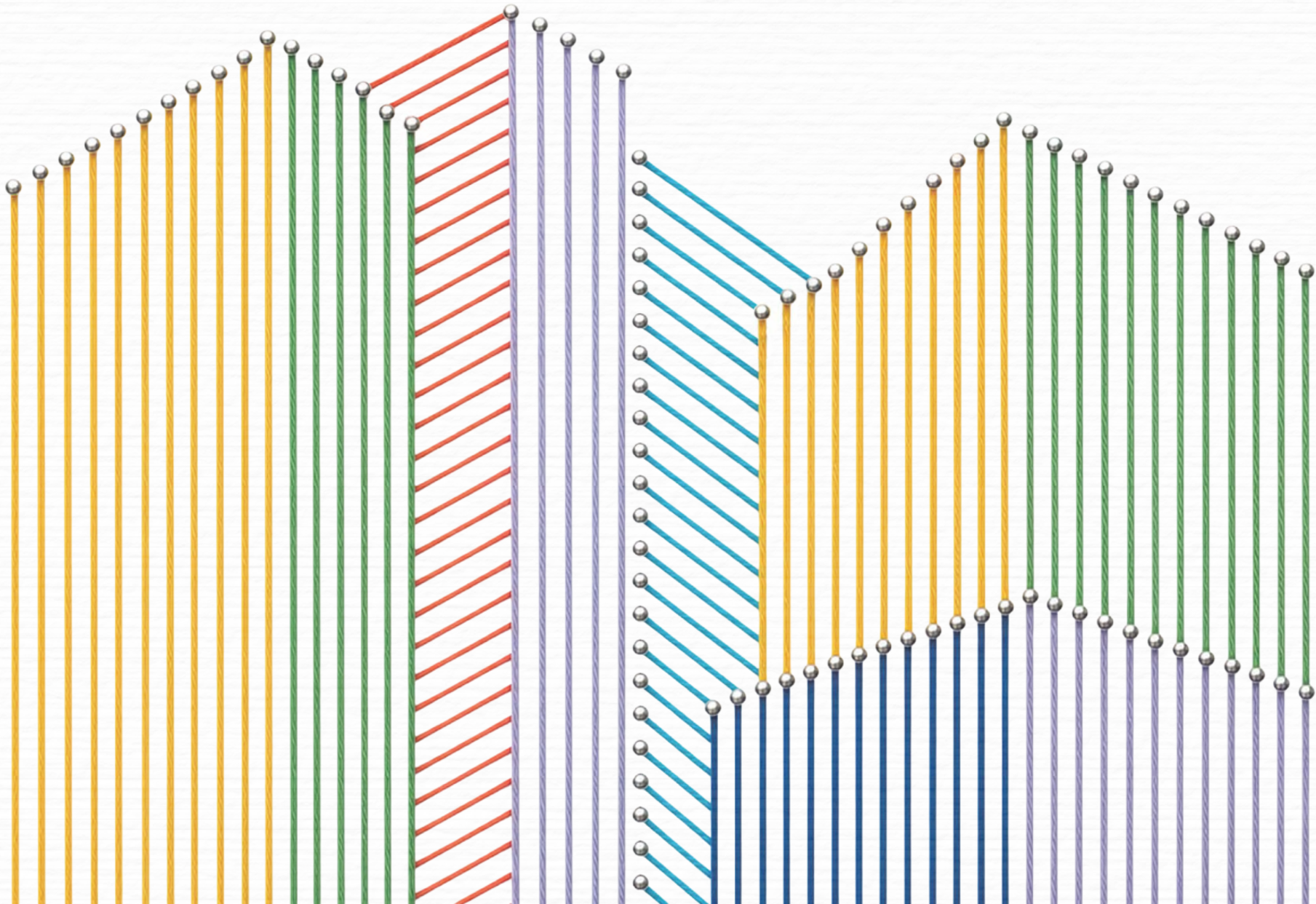


About This Report

This SUSTAINABILITY REPORT for 2025 is published by Elite Semiconductor Microelectronics Technology Inc. (hereinafter referred to as "ESMT"). This report makes transparent ESMT's efforts and achievements regarding the Environment, Social, and Governance (ESG) aspects, and presents it to the stakeholders who pay close attention to ESMT.

Scope

The reporting boundary of this report primarily covers the standalone entity of ESMT (the Hsinchu operating site and the Taipei and Tainan offices). The disclosure period spans the 2025 fiscal year (from January 1 to December 31, 2025), presenting actions and performance data across economic, environmental, and social dimensions, including corporate governance, partnerships, environmental sustainability, workplace friendliness, and social welfare.

Compilation Principles

This report identifies the issues concerning stakeholders by performing a materiality analysis of the ESG issues (Environment, Social, Governance) related to ESMT. This report has been prepared in accordance with the GRI Standards issued by the Global Reporting Initiative (GRI) and with reference to the Sustainability Accounting Standards Board (SASB) Semiconductors Standard in compiling and disclosing the relevant information.

The statistics in this report are the summary statistics provided by each responsible unit of ESMT; the financial performance statistics are open information which has been attested by CPAs, and are consistent with those in ESMT's annual report.

Report Verification

The content of this report was collected and compiled by each task force and the executive secretary of ESMT's Sustainable Development Committee, verified by the supervisor of each responsible unit, confirmed by the Sustainable Development Committee, submitted to the Audit Committee for discussion on July 30, 2026, and approved by the Board of Directors before publication.

Restatements of Information

No restatements of information.

Report Publication

ESMT independently publishes the Sustainability Report each year, and provides both Chinese and English versions for download from its official website.

First issue released: September 2021
Previous issue released: July 2025
Current issue released: July 2026
Next issue released: July 2027

Opinion Feedback

To maintain good communication with stakeholders, we will be pleased if you would contact us and give us your valuable opinions and suggestions.

Overseen by the Executive Secretary of ESMT Sustainable Development Committee

Contact address: No.23, Gongye E. 4th Rd, Hsinchu Science Park

Contact Number: 886-3-5781970 ext. 2120

E-mail: ESG@esmt.com.tw

Company official website: https://www.esmt.com.tw/en/esg (CSR Zone)

Message from the Executives

Forging New Paths Amid Volatility; Upholding Core Values Through Change

Looking back at 2025, the global economy navigated through multiple headwinds. Amid the ongoing Russo-Ukrainian War, the escalating Israel-Hamas conflict, and Middle East crises, alongside U.S. reciprocal tariff policies and sharp exchange rate volatility, the global geopolitical and economic landscape remained shrouded in uncertainty. Concurrently, food shortages and frequent extreme weather events posed severe threats to human livelihoods and assets. These challenges brought unprecedented attention to the United Nations Sustainable Development Goals (SDGs) and accelerated the transformation of ESG (Environmental, Social, and Governance) from conceptual advocacy into a common framework for government policy and corporate action.

For ESMT, 2025 was a year marked by turbulent waters, yet it ultimately paved the way for renewed growth and breakthroughs.

In the first half of the year, sluggish global consumption momentum, persistent interest rate pressures, uncertainty stemming from the U.S. reciprocal tariff policy, and the rapid appreciation of the TWD presented formidable operational challenges for the niche memory industry. However, amid such crises, new opportunities emerged. With the widespread expansion of AI applications, surging demand for

high-bandwidth memory (HBM) crowded out substantial production capacity, inadvertently creating a supply shortage in the niche memory sector. Starting in the second half of the year, niche DRAM prices gradually recovered, spreading from DDR4 to DDR3 and DDR2, and further extending to product lines such as NOR Flash and NAND Flash. Concurrently, the TWD exchange rate stabilized, significantly easing operational pressures. This upcycle is expected to become even more pronounced in 2026, pointing toward strong operating performance for the full year.

Seizing the AI Wave and Laying the Groundwork for Future Technologies

The emergence of OpenAI in early 2023 ignited global momentum for generative AI and large language models (LLMs). Microsoft, Google, Meta, and major Chinese technology conglomerates accelerated their investments, driving rapid advancements in language models. AI model training and inference rely not only on high-performance computing processors but also on high-capacity, high-bandwidth memory (HBM), with per-chip HBM capacities starting at 64GB and exceeding 200GB. The launch of DeepSeek's open-source system at the end of 2024 further reshaped the AI landscape, ushering in a flourishing new era of diversified development. Looking ahead beyond 2026, as AI transitions from model training to inference applications, market demand for memory is poised for continued growth.

In the automotive electronics sector, aligned with environmental sustainability trends, electric vehicles will maintain robust growth momentum, driving an increasing proportion of automotive semiconductors. The Company has obtained ISO 26262 functional safety certification, and several products have secured automotive OEM certifications, reflecting our dedicated commitment to automotive electronics. Consequently, automotive semiconductor revenue is projected to achieve steady year-over-year growth in the coming years.

In our power IC and analog IC product lines, years of dedicated effort have established an increasingly comprehensive portfolio that continues to gain qualification from major international clients. Among these, our market share in audio amplifiers for TV applications steadily increased. However, in 2025, headwinds from global economic weakness, reduced consumer spending, declining prices, and exchange rate fluctuations led to a 20.3% revenue decline. Looking ahead to 2026, our audio amplifiers are poised for robust performance in the South Korean TV market. Nevertheless, given intense competition from domestic substitution in the Chinese TV market, overall shipment volume and revenue are projected to achieve moderate growth.

Strengthening Core Competencies and Building a Diversified Product Portfolio

As a professional IC design company, ESMT has long specialized in niche memory solutions—spanning DRAM, NOR Flash, SLC NAND Flash, and MCP—establishing itself as an indispensable key component supplier in the intelligent era. Concurrently, our strategic diversification into audio amplifiers and power ICs has yielded tangible results. Furthermore, the Company is actively investing in emerging sectors such as Wireless SoC ICs, Motor Driver ICs, and Sensor ICs, aiming to harness R&D achievements to drive long-term growth and broaden our product portfolio.

Anchored by Core Values, Delivering on ESG Commitments

Since its inception, ESMT has remained focused on its core operations while upholding its corporate core values of "Integrity, Accountability, Excellence, and Innovation." We require all employees to strictly adhere to laws and regulations, honor commitments to stakeholders, fulfill work objectives with a responsible attitude, and take accountability. Meanwhile, we maintain a commitment to continuous improvement, constantly striving for excellence and outperforming industry peers. We encourage innovative thinking and the courage to break through technical bottlenecks, developing new products in line with evolving market trends to maintain a competitive edge over industry peers. By embedding these core values in every employee, we establish a solid foundation for corporate sustainability.

Since initiating the institutionalization of ESG in 2021, under the leadership of the Board of Directors and the planning of the Sustainable Development Committee, we have progressively achieved tangible results:

Governance (G)

In 2025, consolidated revenue reached NT$14.575 billion, representing year-on-year growth. Net profit after tax was NT$244 million, reflecting a decline compared to 2024 due to sluggish market conditions in the first half of the year. However, our corporate governance evaluation ranking remained in the second tier (top 6%–20%), demonstrating stable governance performance.

Environmental (E)

In addition to continuously developing low-power solutions, promoting routine energy-saving and environmental practices, and adopting the TCFD framework, we have completed the parent company's GHG inventory reports for two consecutive years (2024 and 2025) and obtained third-party verification, translating climate commitments into concrete actions.

Social (S)

Employees are our most valuable asset. We continue to promote workplace-friendly initiatives, with employee compensation levels consistently ranking among the top tier of listed companies. Furthermore, pursuant to a resolution passed at the 8th meeting of the 10th Board of Directors in April 2026, the Company partnered with other donors to establish the national "ESMT Social Welfare and Charity Foundation." In synergy with the existing "ESMT Educational Foundation," we have broadened our social philanthropy and charitable initiatives, actively putting into practice our commitment to mutual societal prosperity.

Outlook: Sustainable Operations, Shared Prosperity

Looking ahead, ESMT will stay committed to its corporate sustainability philosophy, attentively address stakeholder interests and expectations, and emphasize the profound impact of environmental, social, and governance factors on corporate operations. We will closely monitor the risks and opportunities arising from geopolitical dynamics, post-pandemic developments, and climate change, while continuously supporting vulnerable communities to foster an inclusive and thriving society.

We are committed to being guided by our core values, persistently advancing R&D in new technologies to develop low-power, energy-efficient products that outperform industry peers. We aspire to further strengthen our corporate fundamentals, become the most trusted supplier and partner for customers worldwide, and achieve the ultimate goals of corporate sustainability and shared social value.

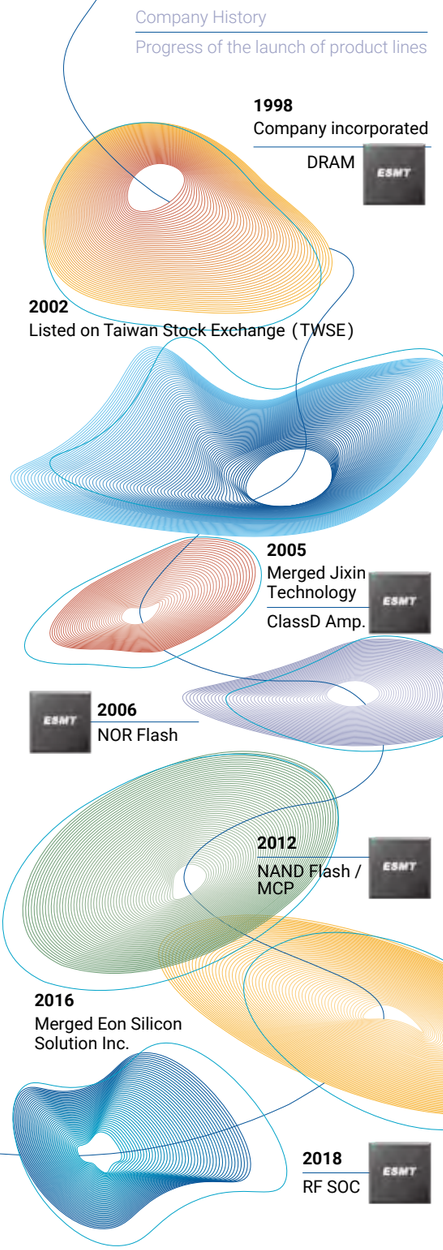
Chairman and President
(Convener of the Sustainable Development Committee)
Chang Ming-chien

June 2026

About ESMT

Elite Semiconductor Microelectronics Technology Inc. (ESMT) is a professional IC design company incorporated in Hsinchu Science Park in Taiwan in June 1998. The Company's main business activity includes the design, production, sale, and technical support of private-brand IC products. The Company was listed on Taiwan Stock Exchange (TWSE) in March 2002, with the stock code being 3006. As of December 31, 2025, the Company had a total of 601 employees, 462 of whom were R&D engineering personnel.

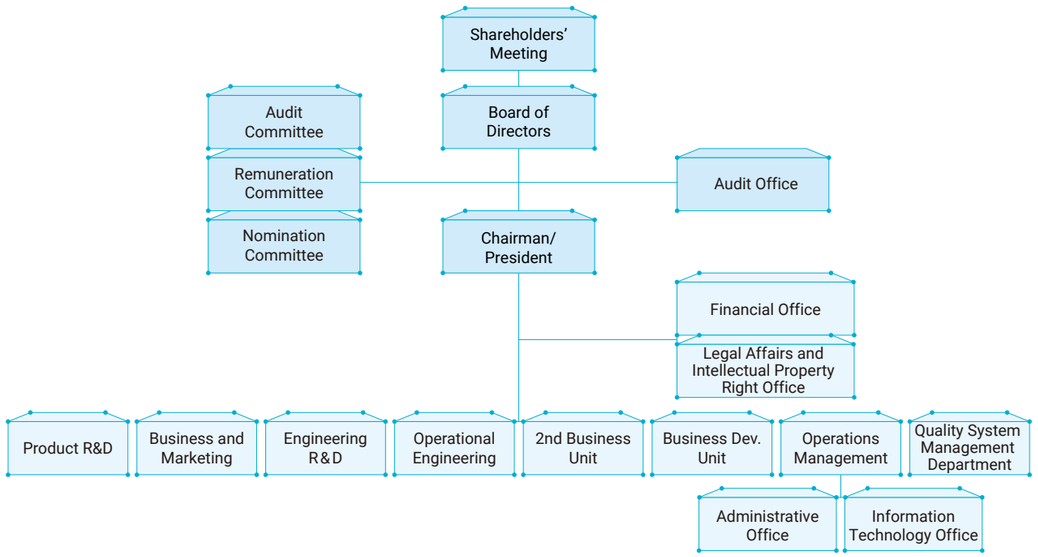
Since establishment the Company has been pursuing the role as a provider of each type of memory product and technology for customers. The Company's self-developed specific-type DRAM products are widely used in PC peripherals, information-based home appliance, and consumer and communication systems. Successfully developed products include the DRAM product lines (SDRAM, DDR I/II/III, PSRAM, energy-efficient Mobile DRAM) comprising each type of capacity and interface specifications. On the flash memory front, the Company has successfully developed NOR Flash and NAND Flash comprising multiple capacity and interfaces, which can meet the requirements of specific application systems. In addition, in view of the soaring demand for System in a Package (SiP), ESMT has already developed the Known-Good-Die (KGD) products requisite for the products stated above, as well as the Multi-chip Package (MCP) solution, to satisfy customers' demands of all kind.



To meet the demands of a wider customer base, ESMT has branched out into field having nothing to do with memory applications in recent years, e.g., analog/mixed signal applications and system IC. Currently available products include a range of power management devices, ADC/DAC, Class D Amplifier, and wireless system IC.

With technology R&D as its core competitiveness, ESMT has excellent design, process, packaging/testing, production, and quality assurance teams, which are capable of using the most advanced process technology to continuously develop high-quality IC product solutions that best meet customer needs, thereby enhancing customers' market competitiveness. Aided by experienced partners in the upstream and downstream supply chain, ESMT is even capable of offering customers the most premium and most cost-effective products and services in a timely manner.

ESMT Organizational Chart



Building A

Building B

Company headquarters address: No.23, Gongye E. 4th Rd, Hsinchu Science Park

Association Membership

- The Allied Association for Science Park Industries
- Taiwan Semiconductor Industry Association (TSIA)
- JEDEC Solid State Technology Association
- AI on Chip Taiwan Alliance (AITA)
- Zeta Alliance
- Smart Vehicle Electronics Special Interest Group (IoT Promotion Platform, Smart Electronics Industry Project Promotion Office, IDB, MOEA)
- Taiwan Advanced Automotive Technology Development Association (TADA)

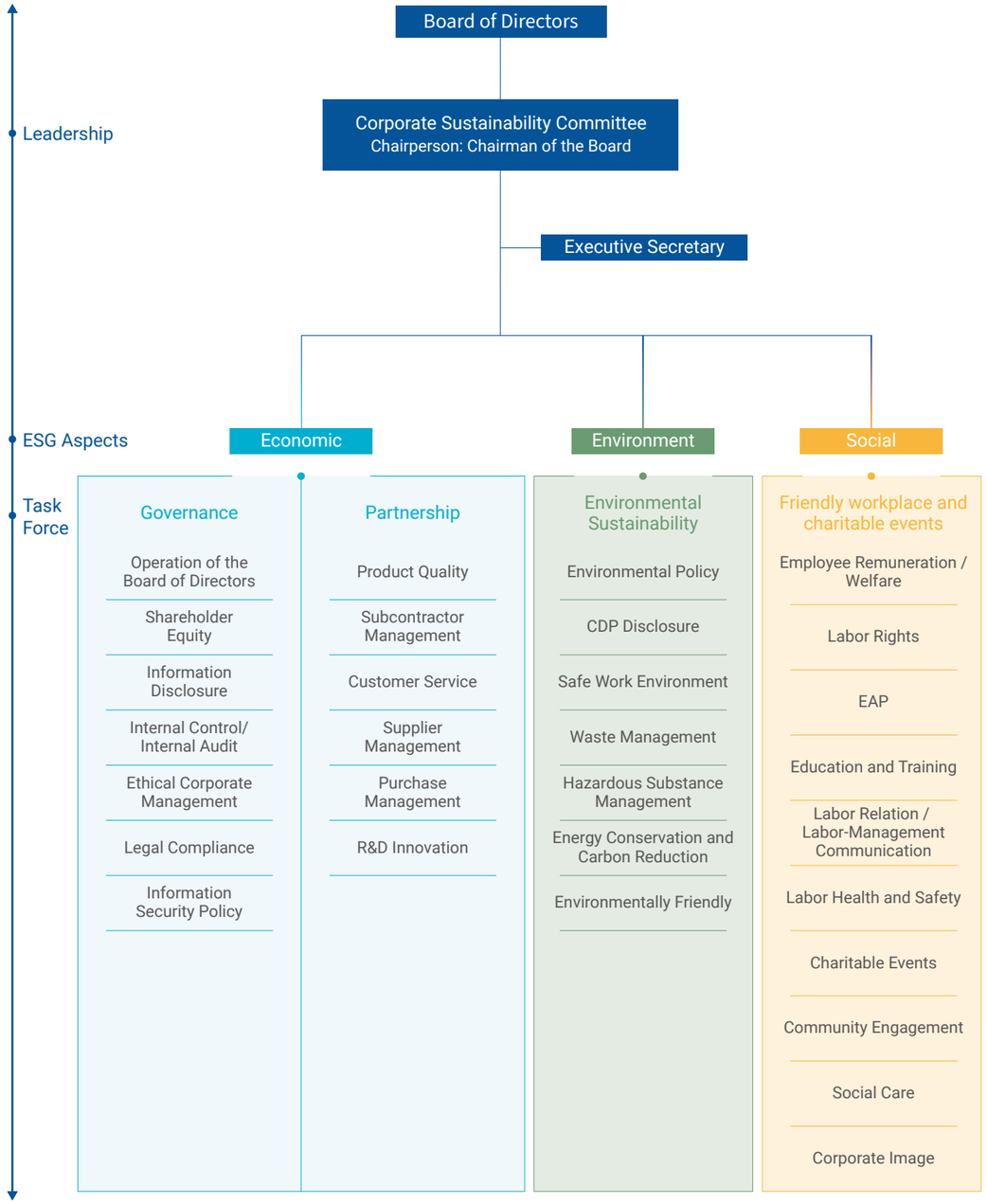
Sustainable Development Committee

Adhering to the principle of corporate sustainable development, ESMT pursues business interest while attending to the issues concerning stakeholders and making improvement, so as to fulfill its corporate social responsibility on the ESG front, thereby improving the sustainable operations performance. ESMT established the Corporate Sustainability Committee in October 2020, which will take charge of assessing the risks and rewards associated with sustainable operations and formulating the vision and strategy requisite for corporate sustainability, so as to enhance governance, partnership, environmental sustainability, friendly workplace, and charitable events. The committee is chaired by the Chairman, who convenes meetings to review the effectiveness of corporate sustainability initiatives and reports annual implementation outcomes to the Board of Directors.

To strengthen sustainable governance, following a resolution by the 10th Board of Directors in June 2025, a committee under the Board of Directors of the Company will be upgraded and reorganized as the “Sustainable Development Committee” in order to achieve the Company’s sustainable development goals.

The ESMT Sustainable Development Committee has established four working groups: Governance Task Force; Partnership Task Force; Environmental Sustainability Task Force; and Friendly Workplace and Charitable Events Task Force. Members come from each relevant functional unit; the Sustainable Development Committee assigns members to be the task force chiefs, who shall plan and supervise the task forces’ operation and regularly convene meetings. Additionally, ESMT’s Sustainable Development Committee has established the position of Executive Secretary, who is responsible for coordinating the task forces in promoting key corporate sustainability issues, convening Sustainable Development Committee meetings, and compiling the ESG Report.

ESMT Corporate Sustainability Committee Organizational Structure



The functions served by each task force are described as follows:

Governance

- Help enhance the occupational competence of the Board of Directors.
- Uphold investors' rights.
- Formulate systems and regulations concerning governance.
- Ensure transparent disclosure of information.
- Comply with laws and regulations.

Partnership

- Advance the sustainability of the supply chain.
- Establish a long-term co-prosperous partnership concerning supply chain management such as product quality, customer service, and delivery and supply.

Environmental Sustainability

- Carry out the Company's environmental operation in compliance with laws and regulations.
- Carry out safety and health work in compliance with laws and regulations and ensure workplace safety.
- Carry out work concerning energy conservation and carbon reduction to meet the goals.

Friendly Workplace and Charitable Events

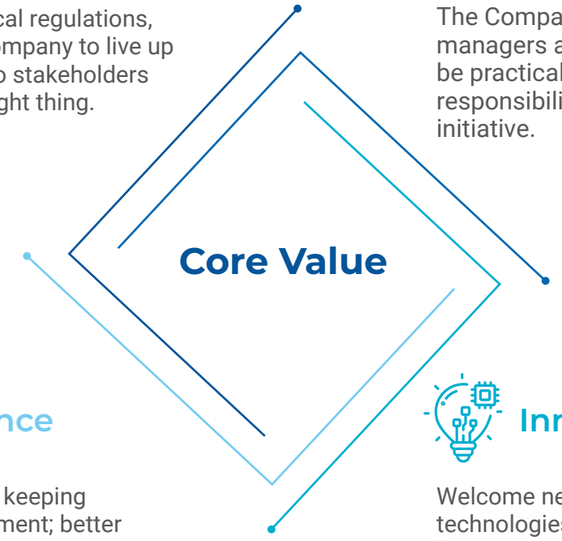
- Plan employee welfare.
- Help implement employee career development plan.
- Maintain employee employment rights.
- Establish a friendly workplace.
- Incorporate corporate core philosophy into promoting community and charity development.

Sustainability Vision and Commitment

Upholding the spirit of sustainable operations, ESMT works hard on the governance, environment, and social front. Through coordinating resource planning, ESMT has established a long-term partnership with customers, suppliers, and society groups. ESMT also offers good working conditions, cares for employees, and maintain a good safety/health/environment standard, thereby fulfilling its responsibility as a corporate citizen. Since the outbreak of COVID-19 in 2020, the raging pandemic worldwide has thrown the society and economy alike into turmoil, thereby sending global macro economy into uncertainty. Meanwhile, the increasing frequency of occurrence of extreme weather resulting from climate change has caused disasters around the world, posing a great threat to the existence and property of mankind. This draws great attention to the issues concerning corporate sustainable development. As such, the importance of ESG has become the consensus among enterprises. ESMT commits to the vision of "upholding the ideal of corporate sustainability while developing new technologies and new products and becoming the world's top IC supplier and best partner." ESMT commits to paying close attention to stakeholders' rights and expectation, valuing the influence of ESG on corporate operations, and working with stakeholders to pursue the sustainable growth of an enterprise and the society.

ESMT also formulates "Integrity, Accountability, Excellence, Innovation" as its corporate core values, and as the code of conduct for employees to follow when they pursue sustainable operations.

Core Value



Integrity

The Company's ethical regulations, which require the Company to live up to its commitment to stakeholders and always do the right thing.

Accountability

The Company demands that managers and employees alike be practical and undertake responsibilities on their own initiative.

Excellence

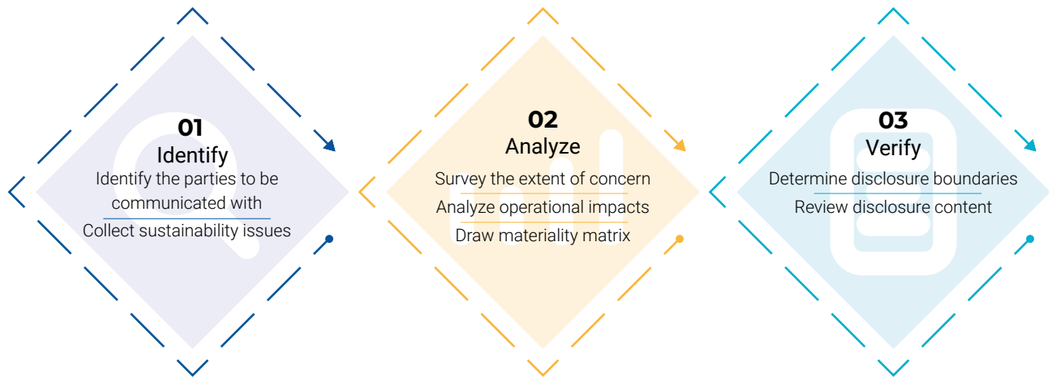
Keep the mindset of keeping continuous improvement; better themselves; and pursue better products quality and performance.

Innovation

Welcome new ideas and technologies.
Be bold enough to break existing technological bottlenecks.
Keep pace with development trends and develop new products.

Materiality Analysis and Stakeholder Engagement

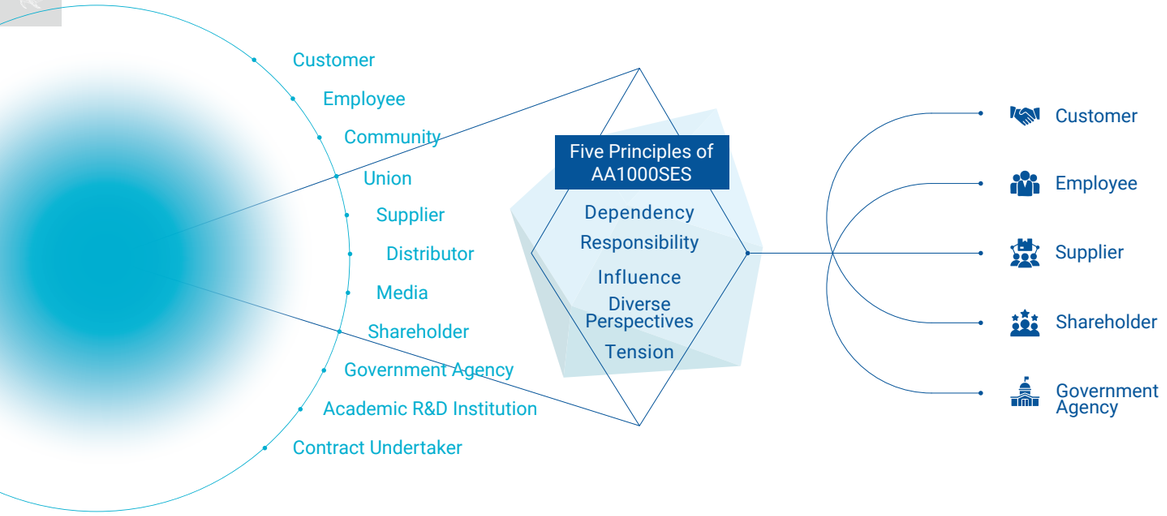
ESMT reviewed sustainability issues and executed materiality analysis by following the GRI Standards' four principles, namely, stakeholder inclusiveness, sustainability context, materiality, and completeness, and through the three steps, namely, identification, analysis, and verification.



Identification

Identify the Parties to be Communicated with (i.e., Identify Stakeholders)

By adhering to the GRI standards, and through a detailed discussion in the Sustainable Development Committee based on the five principles of the AA1000SES Stakeholder Engagement Standard, namely, dependency, responsibility, influence, diverse perspectives, and tension, ESMT has identified its critical stakeholders. The five critical stakeholders identified in this way are listed below in order of priority: clients/customers, employees, suppliers, shareholders, and government agencies.



Collect Sustainability Issues

ESMT has collected 29 sustainability issues by referencing the GRI Standards, RBA, SDGs, company development goals and vision, stakeholder communication, and the issues of concern to benchmarking enterprises.

Analysis

Survey the Extent of Concern (Issues of Concern to Stakeholders; Communication Methods)

ESMT incorporated the 29 collected sustainability issues into a questionnaire and distribute it to the five stakeholders to survey the issues of their concern. A total of 197 questionnaires were distributed and 136 retrieved, with a recycling rate of 69%, and hence the issues of concern to stakeholders are as follows:

Stakeholder	Association	Communication Method	Issues of Concern
Client / Customer	Clients / customers are long-term partners and the key to the Company's growth	• Customer satisfaction survey (annually) • Sustainability Report (annually) • Dedicated window (unscheduled) • Customer audit (unscheduled) • Business meeting (unscheduled) • Company website (unscheduled)	1. Quality management 2. Information security protection / personal data protection / customer privacy 3. Ethical governance 4. Products and services innovation 5. Anti-corruption 6. Climate change response
Employee	Employees are importance assets of the Company. Sustainable development may be achieved by improving employee welfare and career development and enhancing their cohesion.	• Labor-management meeting, welfare committee meeting, and Occupational Safety Committee meeting (quarterly) • Employee inbox / hotline • Internal website, bulletin board • Chairman / President speech; dinner party (periodically)	1. Salary and welfare 2. Employee competence management 3. Talent development 4. Products and services innovation 5. Labor relation
Supplier	Long-term partners with which the Company works to achieve stable development and sustainable operations.	• Supplier evaluation (quarterly) • Sustainability Report (annually) • Dedicated window (unscheduled) • Supplier meeting (unscheduled) • Company website (unscheduled)	1. Information security protection / personal data protection / customer privacy 2. Occupational Safety and Health (OSH) 3. Ethical governance 4. Economic performance 5. Environmentally friendly products
Shareholder	Important source of fund for the Company; excellent operational performance may show the Company's value and facilitate the pursuit of sustainable operations.	• Company financial statements (quarterly) • Institutional shareholder conference (twice a year) • Company annual report (annually) • Annual Shareholders' Meeting (annually) • Market Observation Post System (as prescribed) • Sustainability Report (annually) • Company website (unscheduled) • Spokesperson's inbox and hotline (unscheduled)	1. Ethical governance 2. Economic performance 3. Products and services innovation 4. Environmentally friendly products 5. Salary and welfare
Government Agency	Communication channel with the government to access the most up-to-date legal information	• Market Observation Post System (periodically) • Pollution control filing (periodically) • Sustainability Report (annually) • Government agency inspection (unscheduled) • Official letter, e-mail, and meeting (unscheduled) • Company website (unscheduled)	1. Legal compliance 2. Information security protection / personal data protection / customer privacy 3. Ethical governance 4. Economic performance 5. Intellectual property right 6. Greenhouse Gas Emissions 7. Energy 8. Waste

Analyze Operational Impacts

Considering the actual and potential positive and negative impacts of sustainability issues on the environment, economy, and society (human rights), all members of ESMT's Sustainable Development Committee identified and evaluated all 29 issues to analyze their impact on the Company's internal sustainable operations.

Draw Materiality Matrix

ESMT's Materiality Matrix was drawn by referring to the extent of concern being surveyed and results of the operational impact analysis.

Verification

Decide Disclosure Boundary / Review Disclosure Content (Material Issues Management Approach)

Following deliberations on the results, the ESMT Sustainable Development Committee unanimously determined that, in addition to the nine topics characterized by high operational impact and significant stakeholder concern, risk management is also critical. Consequently, a total of ten topics—comprising the nine high-priority topics alongside risk management—were finalized as ESMT's material issues. This report discloses management approach and effectiveness in relevant chapters based on the GRI standards, sets management goals for each material issue, and periodically reviews the effectiveness.

Changes in ESMT's material issues in 2025:

2024 Material Issues	2025 Material Issues	Changes
Economic Performance	Economic Performance	Same Ranking –
Quality Management	Quality Management	Same Ranking –
Ethical Governance	Ethical Governance	Same Ranking –
Products and Services Innovation	Products and Services Innovation	Same Ranking –
Talent Development	Talent Development	Same Ranking –
Anti-Corruption	Anti-Corruption	Higher Ranking ▲
Information Security Protection	Information Security Protection	Lower Ranking ▼
Intellectual Property Right	Intellectual Property Right	Lower Ranking ▼
Risk Management	Risk Management	Lower Ranking ▼
	Salary and Welfare	New In 2025 +
Environmentally Friendly Products		Removed in 2025 –
Supplier Management		Removed in 2025 –
Legal Compliance		Removed in 2025 –

Management of Material Sustainability Issues

Material Sustainability Issue
Ethical Governance

GRI Corresponding Topic		205-1, 205-2, 205-3, 206-1
Impact	Positive	Ethical corporate governance effectively reduces investor concerns and government oversight,and improves company operations and the advancement of major decision-making.
	Negative	Investors' concerns and increased government regulation have increased the potential and actual costs of the Company's operations.
	Actual / Potential	Actual positive impact: The Company discloses its financial and material information openly and strengthens its internal audit and internal control mechanisms in compliance with the law to protect investor rights and meet stakeholder expectations.
Achievement in 2025		Ranked among those at the 6%~20% interval in the Corporate Governance Evaluation Included in the TWSE Corporate Governance 100 Index published by Taiwan Index Plus Corporation.
Goals		Be among those at the 6%~20% interval or above in the Corporate Governance Evaluation

Material Sustainability Issue
Economic Performance

GRI Corresponding Topic		201-1, 201-2, 201-3
Impact	Positive	Maintain the Company's normal operations and financial performance, and promote its sustainable development.
	Negative	Lack of investor confidence is creating operational difficulties for the Company, while production investment from upstream suppliers and purchasing power from downstream customers are declining.
	Actual / Potential	Actual positive impact: The Company continues to promote R&D innovation and meet stakeholder expectations for sustainable development. Potential positive impact: Investors expect to supervise the Company's operations, anticipating continued growth based on its business performance.
Achievement in 2025		As stated in the financial statements for 2025
Goals		Stable growth in operational performance.

Material Sustainability Issue
Anti-Corruption

GRI Corresponding Topic		205-1, 205-2, 205-3, 206-1
Impact	Positive	Comply with government regulations and provide timely feedback on suggestions and opinions regarding government policy initiatives.
	Negative	Failure to comply with government regulations and legal orders, resulting in regulatory avoidance or false and misleading responses.
	Actual / Potential	Actual positive impact: Continue to monitor government policies and the implementation of various laws and regulations. Implement daily work progress through regular employee education and training.
Achievement in 2025		No incident of violating laws and regulations concerning governance and ethical corporate management. The completion rate of education and training reached 97%.
Goals		Maintain the operation of laws and regulations concerning governance and ethical corporate management. Employee education and training completion rate >90%

Management of Material Sustainability Issues

Material Sustainability Issue
Products and Services & R&D Innovation

GRI Corresponding Topic		-
Impact	Positive	Diverse products efficiently address customer needs for new product development and product specification adjustments. In addition to meeting customer demands for product technology, eco-friendly product development can also add value to products and help achieve corporate sustainability goals.
	Negative	Failure to meet customer demand for product innovation and eco-friendly products, and low production efficiency increases R&D costs.
	Actual / Potential	Positive potential impact: Continue to develop eco-friendly products in addition to meeting customers' performance requirements. Continue to develop and innovate to meet uncertain market demands and ensure corporate sustainability.
Achievement in 2025		Completed 21 product design plans and obtained 38 patents abroad in 2025
Goals		Continue new product design and technology development.

Material Sustainability Issue
Quality Management

GRI Corresponding Topic		-
Impact	Positive	Maintaining high-quality and stable products enhances customers' confidence in R&D and manufacturing capabilities.
	Negative	Poor quality management not only results in a loss of product value, but also seriously impacts the Company's reputation.
	Actual / Potential	Actual positive impact: Formulate quality management policies, guidelines, and goals, and continuously improve. In addition to providing customers with competitive products, ESMT also meets their requirements for diversity and stable quality.
Achievement in 2025		Customer satisfaction score 4.47 points (out of 5 points)
Goals		Maintain customer satisfaction score at 4.5 points or above

Material Sustainability Issue
Information Security Protection / Customer Privacy

GRI Corresponding Topic		418-1
Impact	Positive	Information security protects the confidentiality of the Company, suppliers, and customers and prevents damage to operational and commercial confidential information, maintaining stakeholders' trust in ESMT.
	Negative	Data security function failure not only creates a crisis for the Company but also leads to information leakage from upstream and downstream partners, disrupting market order.
	Actual / Potential	Positive potential impact: In addition to maintaining the normal operation of data security functions, we also understand, evaluate, and strengthen the implementation of data security-related regulations to continuously improve functionality and effective protection.
Achievement in 2025		No material information security incident.
Goals		Maintain zero information security incident every year. Cope with the deteriorating information security attacks from external sources, enhance the establishment of protection mechanisms, including end point security, host backup, and recovery mechanism, and so on.

Management of Material Sustainability Issues

Material Sustainability Issue

Talent Development

GRI Corresponding Topic		401-1, 401-2, 401-3, 404, 405
Impact	Positive	Cultivation and recruitment of outstanding talent. Promote employee on-the-job education and training, and provide channels and resources for continuing education to sustain industry competitiveness.
	Negative	Facing the ever-changing trends in industry development. The design of products and the operation of the Company require recruiting diverse talent and employee training to develop optimal strategies and governance direction.
	Actual / Potential	Actual positive impact: The number of employees continues to grow every year, and we continue to promote on-the-job training to strengthen industry competitiveness. Potential negative impact: The competition in the IC design industry is fierce. Faced with Taiwan's declining birth rate and its continued development of the semiconductor industry, ESMT needs more diversified and flexible policies to attract more talented people.
Achievement in 2025		Included as a constituent of the TWSE RAFI® Taiwan High Compensation 100 Index for 9 years.
Goals		• Offer diverse learning resources and channels • Encourage employees to learn on their own initiative to improve their performance and develop their potential • Offer competitive remuneration and welfare, and keep investing in talent recruitment and development mechanisms, so as to render the Company the competitiveness requisite for development.

Material Sustainability Issue

Intellectual Property Right

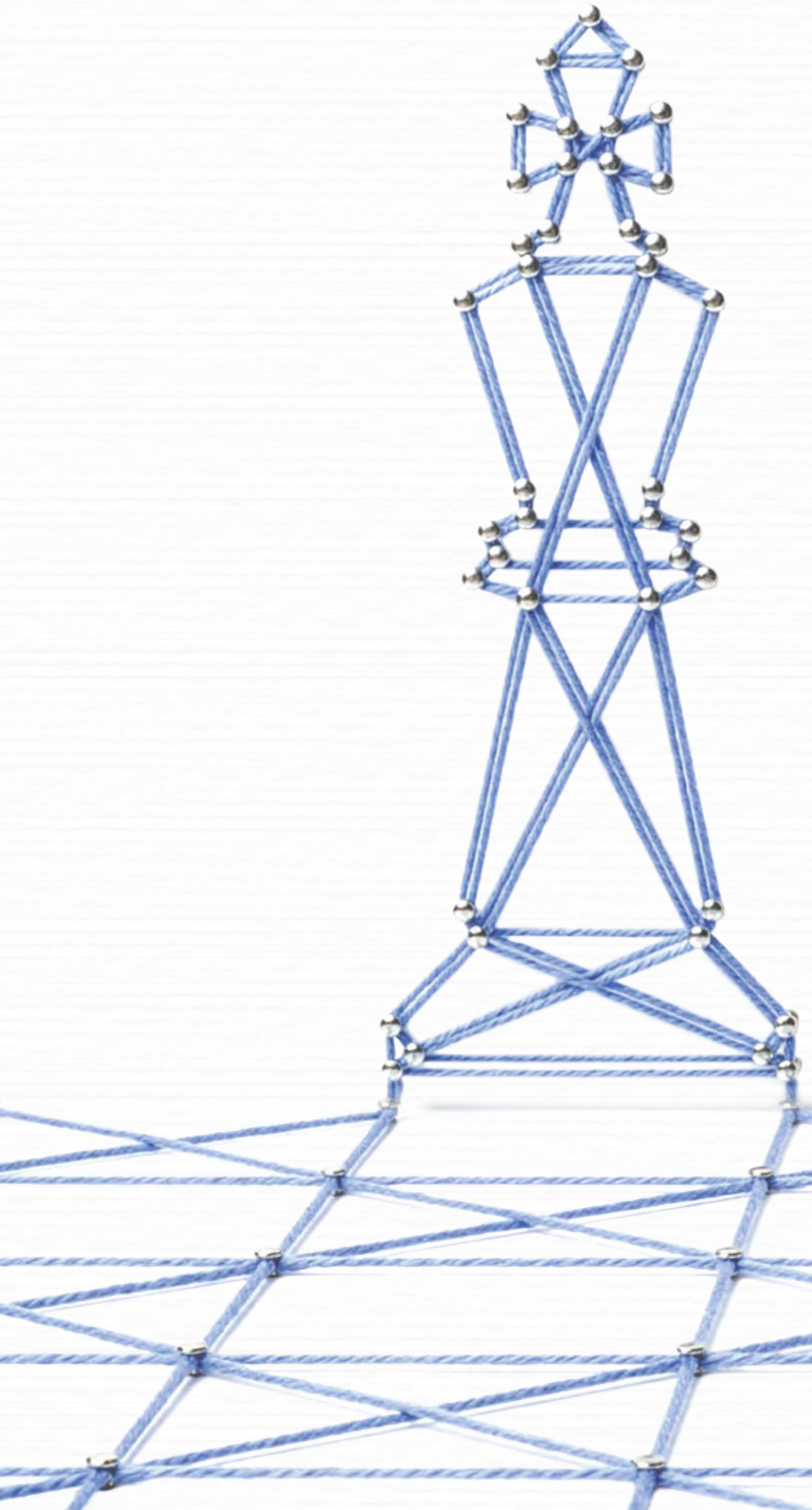
GRI Corresponding Topic		418-1
Impact	Positive	An effective weapon to consolidate product competitiveness and achieve a leading position through technological innovation and product R&D.
	Negative	When new technologies lose intellectual property protection, they risk losing product competitiveness and may even become victims of their own innovation.
	Actual / Potential	Actual positive impact: The Company is deeply engaged in the R&D of niche memory products, continuously accumulating relevant patent technologies to maintain its industry leadership. Potential positive impact: Long-standing efforts in power IC and analog IC product R&D continue to pass customer verification, expanding market visibility.
Achievement in 2025		The number of patents accumulated in 2025 reached.
Goals		• Enhance patent portfolio • Strengthen internal intellectual property training

Management of Material Sustainability Issues

Material Sustainability Issue

Risk Management

GRI Corresponding Topic		201-2, 308, 414
Impact	Positive	Building a key to the Company's sustainable operations involves identifying, assessing, and developing appropriate response strategies to address risks related to environmental sustainability, social responsibility, and corporate governance.
	Negative	The risk management unit is ineffective and personnel lack sufficient understanding of the issues, potentially leading to misjudgment and exposing the Company to reputational damage and legal risks.
	Actual / Potential	Substantive positive: The establishment of the Sustainable Development Committee provides the Company with risk control and assessment teams focusing on corporate governance, partnerships, environmental sustainability, a positive workplace, and social welfare.
Achievement in 2025		-
Goals		• Establish risk management systems • Identify the type of major risk • Internal control system and audit



Governance

1.1 Management

1.2 Operational Performance

1.3 Ethics and Legal Compliance

1.4 Risk and Management

1.5 R&D Innovation

1.6 Intellectual Properties

1.7 Prevent Insider Trading

1.8 Reporting of Unethical Conduct or Misconduct

1.9 Litigation and Compensation

1.10 Information Security Policy and Management Plan

1. Governance

1.1 Management

ESMT operates with integrity, discloses information transparently, and always prioritizes shareholder interests. Members of the Board of Directors are composed of professionals with managerial experiences in the technology industry. As prescribed by the competent authority as well as regulations, the Board of Directors has established the “Audit Committee”, “Remuneration Committee”, and “Nomination Committee” under it. They are responsible for assisting the Board of Directors in performing its supervision duty, establishing intra-company governance mechanisms, and executing any work in relation to governance. To fulfill the Company’s sustainable development goals and reinforce sustainability governance, the 10th Board of Directors approved the establishment of the ESMT Sustainable Development Committee under its purview in June 2025, thereby strengthening the execution and promotion of sustainable operations.

Election of the Board of Directors

ESMT’s Board of Directors has 7 to 11 directors; the Board of Directors is authorized to determine the number of directors (including at least 3 independent directors). A director shall be elected by the Shareholders’ Meeting from among the personnel with disposing capacity for a term of 3 years. The Articles of Incorporation stipulates the candidates nomination system for the election of directors (including independent directors). The professional qualifications, shareholding, restrictions on concurrent positions, nomination, and election methods for independent director candidates are in accordance with the Company Act, the Securities and Exchange Act, and other relevant laws and regulations. The election of directors considers the composition of the Board of Directors. All Board of Directors members have the knowledge, skill, and competency required for execution of their duties.

Member of the Board of Directors

To enhance the functions of the Board of Directors, when electing directors (including independent directors), the Company not only considers the professional backgrounds of the directors (including independent directors), but also has established a Board Diversification Policy to ensure the diversity and independence of Board members. Among the ten members of the Company’s 10th Board of Directors, including five independent directors, all have expertise in leadership, operational judgment, business management, and crisis management, as well as industry knowledge and an international market perspective. Their professional backgrounds cover management, science and engineering, and finance, and they are executives in the technology industry. All are aged 50 or above and can provide professional advice from different perspectives, which greatly contributes to enhancing the Company’s operating performance and management efficiency.

The list of the 10th Board of Directors (ten members) is as follows:

Chairman
Ming-Chien Chang

Education and Experience
Chairman, ESMT
M.A., Institute of Electronics, National Chiao Tung University

Director
Hsing-Hai Chen

Education and Experience
Chairman, ESMT
Master of Applied Physics, National Tsing Hua University

Director
Yeong-Wen Diah

Education and Experience
Senior Vice President, ESMT
M.A., Institute of Electronics,National Chiao Tung University

Director
Kuan-Chun Chang

Education and Experience
Senior Vice President, ESMT
M.S., Department of Electrical Engineering, National Cheng Kung University

Director
Ming-Lin Hsieh

Education and Experience
Director and President, Powerchip Investment Holding Corporation
Master’s Degree, Graduate Institute of Business Administration, National Taiwan University

Independent Director
Willian W.Shen

Education and Experience
Professor, Department of Public Finance and Taxation, National Taichung University of Science and Technology
PhD in Science in Accounting, Purdue University

Independent Director
Bing-Yue Tsui

Education and Experience
Professor, Institute of Electronics, National Yang Ming Chiao Tung University
PhD in Institute of Electronics, National Yang Ming Chiao Tung University

Independent Director
Tai-Haur Kuo

Education and Experience
Professor, Department of Electrical Engineering, National Cheng Kung University
Ph.D. in Electrical Engineering,University of Maryland, USA

Independent Director
Cheng-Yang Chien

Education and Experience
Independent director, Eon Silicon Solution Inc.
M.B.A., Emory University

Independent Director
Yu-Kuan Lin

Education and Experience
Director, ESMT Educational Foundation
Master’s Degree, EMBA Program in Accounting, National Chengchi University

Management team

As professional managers in this industry for years, ESMT's management team fuses their rich experience and the Company's goals, and regularly reports business strategy and outlook to the Board of Directors, in the hope to create the maximum value for shareholders.

Members of the team are as follows:

Ming-Chien Chang	Yeong-Wen Daih	Kuan-Chun Chang	Shu-Hui Feng
Chairman	Senior Vice President and Chief Technology Officer	Senior Vice President and Second Business Unit Chief Financial Officer[1]	Vice President and Operations & Quality System Management
Education M.A., Institute of Electronics, National Chiao Tung Universily	**Education** M.A., Institute of Electronics,National Chiao Tung University	**Education** M.A., Institute of Electrical Engineering, National Cheng Kung University	**Education** M.A.,Institute of Technology Management, Nationa. Tsing Hua University

Chung-Hsien Hao	Meng-Hung Tsai	Hong-Gee Wu
Vice President of Memory Product Business Marketing	Vice President of Audio / Power Products	Special Assistant, President's Office and Corporate Governance Officer
Education Department of Electronic Engineering, Kun Shan Institute of Technology	**Education** MBA, City University of New York	**Education** Department of Industrial Engineering and Management, National Yang Ming Chiao Tung University

[1] Note for Chang Kuan-chun: Concurrently serving as Chief Financial Officer.
Cheng Hui-Wen resigned on March 24, 2026. Senior Vice President Chang Kuan-chun concurrently serves as the Chief Financial Officer, and Manager Chen Chia-yu serves as the Chief Accounting Officer.

Chief Governance Officer

To ensure shareholder interests and enhance the occupational competency of the Board of Directors, the Company appointed Mr. Wu Hung-chi as Chief Governance Officer in June 2021 through a resolution reached at a Board of Directors meeting.

The duties of the Chief Governance Officer include the following:

1. Organize the Board of Directors meetings and the Shareholders' Meeting in accordance with laws.
2. Take the minutes of the Board of Directors meetings and the Shareholders' Meeting.
3. Assist the directors and independent directors in assuming the office and continuing education.
4. Provide directors and independent directors with the materials required for performing their duties.
5. Assist directors and independent directors in complying with laws and regulations.
6. Report to the Board of Directors the results of the review on whether the qualifications of independent directors comply with relevant laws and regulations at the time of nomination, election, and during the term of office.
7. Handle matters related to the changes of directors.
8. Other matters prescribed in the Articles of Incorporation or contracts.

1.2 Operational Performance

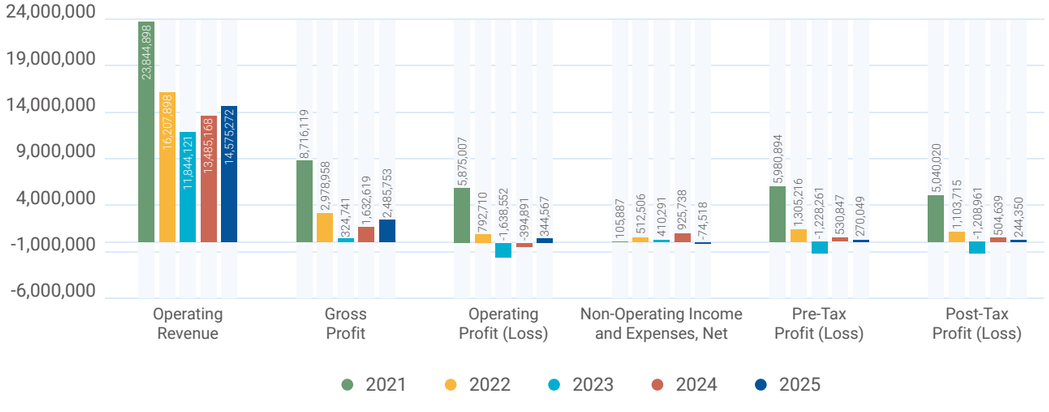
1.2.1 2025 Operating Results

(i) The table below compares the operational status of 2025 with that of 2024:

	2025	2024	Amount Increased (decreased)	Percentage Change (%)
Operating Revenue	14,575,272	13,485,168	1,090,104	8.08
Gross Profit	2,485,753	1,632,619	853,134	52.26
Operating Expenses	2,141,186	2,027,510	113,676	5.61
Operating Profit (Loss)	344,567	(394,891)	739,458	(187.26)
Non-Operating Income and Expenses, Net	(74,518)	925,738	(1,000,256)	(108.05)
Pre-Tax Profit (Loss)	270,049	530,847	(260,798)	(49.13)
Post-Tax Profit (Loss)	244,350	504,639	(260,289)	(51.58)

Operating Status

Unit: NT$1,000



(ii) Analysis of income and expenses and profitability

(1) Income and expenses

Item	2025	2024	Amount Increased (decreased)	Percentage Increased (decreased)
Cash flows from operating activities	1,502,209	109,553	1,392,656	1,271.22
Cash flows from investing activities	(544,720)	398,167	(944,887)	(236.81)
Cash flows from financing activities	(913,749)	(552,393)	(361,356)	(65.42)

Unit: NT$1,000

(2) Profitability

Item		2025	2024
Return on Assets (%)		1.85	3.2
Return on Equity (%)		2.39	4.99
As a Percentage of Paid-In Capita	Operating Profit	12.04	(13.8)
	Pre-Tax Profit	9.44	18.55
Profit Margin (%)		1.68	3.74
EPS (NT$)		0.87	1.8

Unit: NT$1,000

(3) R&D status: R&D expenses in 2025 reached NT$1,541,540 thousand, accounting for 10.58% of operating revenue.

1.2.2. Summary of the 2026 Business Plan

1. Operational Policy

(1) Expand the R&D personnel base to enhance R&D strength; increase R&D equipment expenses to improve R&D effectiveness.

(2) Expand the 25 nm/21 nm low-density niche DRAM memory product lines, such as DDR4, LPDDR4, DDR3, LP DDR3, DDR2, LP DDR2, etc.

(3) Accelerate the R&D of 19nm DRAM products and introduce the mass production.

(4) Completed the introduction of 19 nm/40 nm NAND products into mass production.

(5) Accelerate the expansion of MCP, eMCP and eMMC product lines.

(6) Advance the aiPIM architecture to deliver edge AI computing solutions.

(7) Expand the 50nm NOR Flash product line and business without reservation.

(8) Expansion of the niche memory product line for automotive applications.

(9) Accelerate the R&D of audio amplifier IC and power IC product lines.

(10) Expand non-memory product lines, such as IoT/AIoT wireless IC/Solution, motor drive IC, sensor IC (Temperature/Photo).

(11) Maintain a robust financial structure.

2. Sales forecast and Forecast Basis

The global semiconductor industry experienced a strong start in 2026, most notably driven by leading memory chip manufacturers. Driven by rising artificial intelligence (AI) demand, the supply-demand deficit has progressively widened, elevating expectations for further memory price increases. Specifically, demand for dynamic random-access memory (DRAM) across AI data center applications remains particularly robust. Market research institutes indicate that memory prices increased significantly in 2025 and are projected to continue climbing through the second quarter of 2026, with cumulative price growth reaching up to 40%. This recent momentum across the semiconductor sector has been primarily driven by the memory market rather than logic chips. Strong demand for AI workloads, coupled with relatively constrained supply—particularly for high-bandwidth memory (HBM)—has driven both prices and market sentiment upward. An improving profitability outlook in the memory market has further driven an uptrend across the broader semiconductor supply chain. In this rapidly changing market environment, it is necessary to maintain a keen market insight and respond flexibly to market changes.

The outlook for the global electric vehicle (EV) market has turned more conservative heading into 2026. Policy shifts and the phase-out of subsidies are contributing to a notable deceleration in EV sales growth across major markets. According to BloombergNEF estimates, global passenger EV year-on-year growth will reach only 12% in 2026, down significantly from 23% in 2025. The Company is actively positioning itself in the automotive EV memory market, where long-term market growth is expected to drive business performance.

The Company is also actively expanding R&D into other IC design sectors, including Wireless SoC ICs, Motor Driver ICs, and Sensor ICs (such as temperature and optical sensors), with these initiatives expected to yield tangible results over the next two to three years.

3. Important Production and Sale Policy

(1) Enhance the partnership with chip suppliers and back-end production suppliers to maintain a stable production capacity and goods supply.

(2) Strengthen the promotion of SOC memory, NOR flash, NAND flash and MCP/eMCP.

(3) Provide an industry-leading quality and cost structure to expand the market share at home and abroad.

(4) Strengthen the interaction with customers, agents and distributors, expand the application fields of new products, and increase business sales.

1.2.3. Future Development Strategies and Their Impact from the External Competitive Environment, Regulatory Environment, and Overall Business Environment.

In the first quarter of 2026, as DRAM manufacturers shifted capacity toward advanced process nodes and server/HBM applications to meet AI server demand, supply in other markets tightened significantly. The surge in server deployment driven by computing power demands for large AI models continued to spur procurement by cloud service providers. Since late 2025, industry players have continued to place orders and increase their demand for server DRAM from suppliers. Supported by solid historical transaction records and a favorable demand outlook, they secured larger year-on-year increases in bit supply from suppliers. Consequently, as supplier inventory levels bottom out, growth in shipment volume can only rely on wafer foundries increasing output, exacerbating the supply-demand imbalance. It is projected that suppliers will aggressively raise server DRAM prices in the first quarter of 2026. Amid an overall tight DRAM supply, consumer DRAM customers seeking to mitigate future shortage risks are willing to pay higher prices to secure priority allocations from original manufacturers in the first quarter. To survive the environment, the Company must enhance technological strength, accelerate new product development, and continue lowering the cost to cope with future competition.

As for the low-density niche memory that the Company has cultivated, its applications are becoming increasingly diverse, and it has become an indispensable electronic component in technology products. The global demand for niche memory in technology products is expected to continue to grow in 2026. To meet market demand, the Company will continue to develop new products. In addition to focusing on the business of highly integrated, high-speed, and low-power memory IC products, KGD, NOR and NAND Flash, and MCP/eMCP/eMMC, the Company will also accelerate the R&D of analog IC and mixed-signal IC product lines, including audio amplifiers, power management, IoT/AIoT wireless communications, and temperature/light sensor ICs, to improve product competitiveness and meet various customer needs. In addition, the Company will enter the global supply chain for advanced automotive electronic safety systems as soon as possible, establishing a stronger foothold in future competition and maximizing benefits for the Company.

The Company's operations comply with the laws and regulations of the countries in which it invests. The management team will also pay close attention to any change in policy, laws, or regulations which might impact the Company's business and finance, so as to obtain a reference for operations. In addition, by working with professional institutions, the Company pays close attention to the development of relevant laws and adjusts strategy whenever the operations require so. As such, the Company is able to grasp and cope with any important change in policy and laws at home and abroad.

Dividend Policy

The company's dividend distribution policy is subject to its current and future investing environment, capital requirements, competition at home and abroad, and capital budget while also considering shareholder interests, equalization of dividends, and ESMT's long-term financial planning. The Board of Directors will draft a dividend distribution proposal and submit it to the Shareholders' Meeting every year. If the company generates profits in its annual financial statements, the following steps are taken in order: payment of taxes, offsetting of losses, and allocation of 10% of the profits to the legal reserve. However, if the accumulated legal reserve reaches the total capital of the company, there is no requirement to allocate further funds to the legal reserve. Additionally, the company may allocate or reverse special reserves as required by law. The remaining profits are retained as deemed necessary for operational needs, with a minimum distribution of 20% of the annual profits as dividends and shareholder payouts.

2026 Dividend Policy and Policy Execution

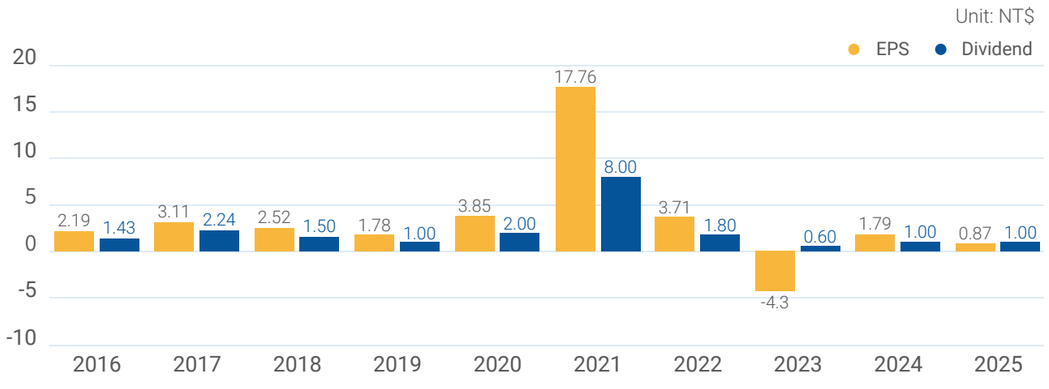
1. Dividend policy stated in the Articles of Incorporation:

As a company operating in an industry that is still in the growth phase of its life cycle, in order to meet future capital needs, long-term financial planning, and satisfy shareholders' demand for cash dividends, it is possible to distribute the entire distributable earnings of the current year. Each year, the Board of Directors prepares a distribution proposal in accordance with the law and submits it for resolution at the shareholders' meeting. The distribution of shareholder dividends can be made in cash or stock, with the principle that the proportion of cash dividends distributed to shareholders should not be less than 50% of the total dividend amount.

In the event that the company decides to distribute all or part of the earnings retained in the legal reserve or capital surplus in the form of cash, the Board of Directors is authorized, in accordance with Articles 240 and 241 of the Company Act, to proceed with the distribution upon the agreement of two-thirds or more of the directors present, with the condition that the majority of attending directors support the decision, and the matter is reported to the shareholders' meeting.

2. Dividend Distribution for 2025:

On February 26, 2026, the Board of Directors resolved to distribute a cash dividend of NT$1 for every share (to be calculated until a full NTD) after earnings distribution.



1.3 Ethics and Legal Compliance

Ethical and Business Strategy

As a member of enterprises and the society, ESMT pursues operational performance and creates economic value while wishing to using its power to "better the society", a corporate social responsibility goal it has set for itself. During our daily operations, we are committed to upholding business ethics, integrity, and honesty, abiding by laws and regulations, opposing corruption, rejecting bribery, and refraining from engaging in political-business relationships.

Aside from abiding by the Company Act and Securities Exchange Act of the Republic of China, ESMT also formulates its own "Ethical Corporate Management Best Practice Principles" to provide a basis for establishing an effective governance structure, thereby ensuring compliance with laws, securing shareholders equity, enhancing the occupational competence of the Board of Directors, respecting stakeholders' interests, and improving the transparency of information. ESMT wishes to fulfill the corporate sustainability operations responsibility and improve ESMT's business performance through a functioning governance framework.

ESMT has set up a reporting system for unethical conduct or misconduct and disclosed the reporting system on the Company's website. Insiders or outsiders may report the unethical conduct or misconduct, if any, of the Company's employees in accordance with the reporting system. If the matter reported is verified to be true, the Company will have the responsible units review relevant internal operating procedures and propose corrective actions to prevent the recurrence of the same conduct. In 2025, there were no incidents of unethical conduct or misconduct.

To strengthen governance, ESMT has additionally formulated policies in relation to "human rights policy", "ethical corporate management", and "insider trading prevention dissemination" and arranged corresponding education and training. 581 employees have finished the training, accounting for 97% of total employees.

Corporate Social Responsibility Policy

As a member of enterprises and the society, ESMT pursues operational performance and creates economic value while wishing to using its power to "better the society", a corporate social responsibility goal it has set for itself. During our daily operations, we are committed to upholding business ethics, integrity, and honesty, abiding by laws and regulations, opposing corruption, rejecting bribery, and refraining from engaging in political-business relationships.

ESMT values governance, aiming to strike a balance between the interests of shareholders, employees, the society, and all stakeholders. With the vision of jointly creating sustainable development and promoting work-life balance, we offer quality work opportunities and a quality work environment, share the fruits of the Company's development with employees, and promote employment opportunities, thereby contributing to a society where people can live and work in peace.

We also encourage employees to practice society engagement in their spare time. Together with ESMT Educational Foundation which promotes education and culture, ESMT has been caring for the underprivileged groups, enthusiastically participating in the promotion of charitable events, and making its humble contribution to the society.

To care for the Earth and in response to climate change, ESMT values and continuously implements environmental protection measures. Aside from actively promoting energy conservation and carbon reduction on its own initiative, ESMT also exerts its influence by working with suppliers to promote green production and improve the effectiveness of environmental management.

Moving forward, we will uphold our pursuit of a fair and beautiful society by dedicating to the sustainable development of enterprises and the society, so as to create a win-win situation among stakeholders, thereby driving the society forward.

1.4 Risk and Management

To facilitate risk management and promote corporate sustainable operations, the Company established the Sustainable Development Committee on October 7, 2020. The Chairperson and the President serve as the committee chair and vice chair, respectively, convening relevant senior executives to form the committee. The committee oversees four task forces: Corporate Governance, Partnerships, Environmental Sustainability, and Friendly Workplace and Social Welfare. Based on sustainability principles, these task forces aim to manage operational risks across economic, environmental, and social dimensions, thereby providing strategic guidance and management insights for senior Managerial Officers and the Board of Directors.

The Company assessed the risks inherent to material issues based on the corporate social responsibility materiality principles, and formulated corresponding risk management policy or strategy based on the assessed risks, to be submitted to the Audit Committee and Board of Directors for deliberation, including the following:

Material Issues	Risk Assessment Items	Risk Management Policy or Strategy
Environmental Sustainability	Environmental Protection	As a member of the supply chain of global semiconductor products, ESMT is obliged to assume the responsibility for environmental sustainability development. By formulating policies on environmental friendliness, energy conservation and carbon reduction, and safety and health, the Company ensures that its business activities that may impact the environment or safety and health comply with laws and regulations, thereby reducing the negative impacts on the environment, safety, and health, and aiming to increase resource recycling and reuse. In addition, to comply with international environmental protection laws and regulations and customers' environmental protection requirements, ESMT has established a green product management system and continuously improves it through a systematic PDCA management cycle. In addition to obtaining Green Partner certification from major international brands, ESMT also ensures that its product lines comply with RoHS and REACH requirements. ESMT's major goal respecting environmental sustainability will be to advance the design of green products to launch more low-energy and low-impact products, so as to make its fair share of contribution to environmental sustainability development.
Social Responsibility	Workplace Safety	To prevent occupational accident and ensure employee safety and health, ESMT has set up the Occupational Safety and Health Committee. ESMT implements labor safety and health duties through internal and external safety inspection, and by regularly convening committee meetings to discuss labor safety and health. The Company disseminates company commitments and relevant policy requirements to employees and subcontractors through education and training, hoping that they can understand safety and health regulations and policy. ESMT ensures the realization of safety and health goals and workplace safety by making continuous improvement using the systematic PDCA management cycle, and by implementing the emergency response plan.
	Social Care	The Company has been supporting special education groups and educational activities by providing resources and manpower. Together with ESMT Educational Foundation and other groups, ESMT helps orphans and sponsors or organizes charitable events concerning culture, art, and education, and reviews the effectiveness of the annual plan, thereby achieving the goal of caring for society and giving back to society.
Governance	Socioeconomic Legal Compliance	By establishing a compliant governance organization and implementing the internal control system, the Company ensures the achievement of the goal of operational benefits, and hence giving back to shareholders, employees, and the society; meanwhile, by establishing and disseminating relevant systems, the Company ensures that all personnel and operation are compliant with laws and regulations.

1.5 R&D Innovation

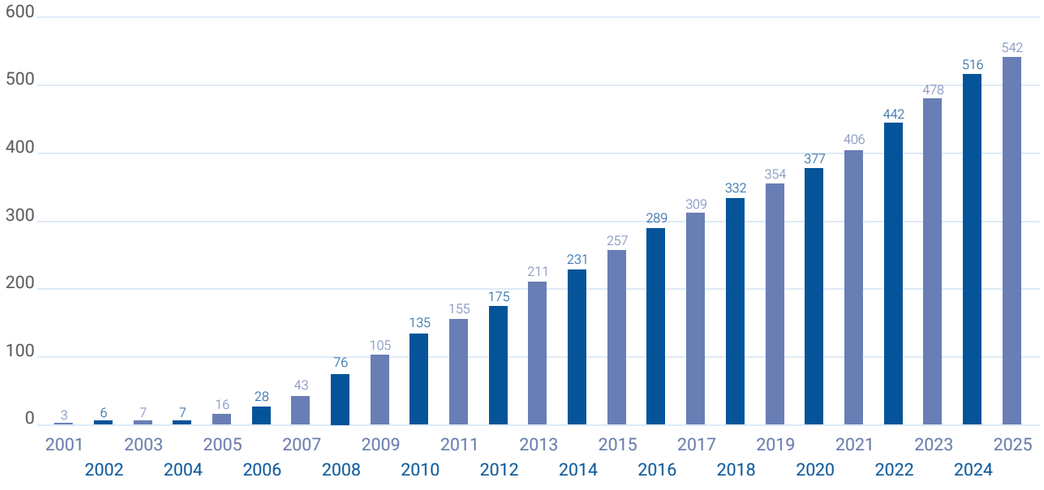
The company focuses on the research and development of niche memory products, including niche DRAM, NOR Flash, SLC NAND, MCP, eMMC, eMCP, and other memory ICs. These products have broad applications in various electronic devices such as computer peripherals, network communication, consumer electronics, IoT/AIoT, and automotive.

In the power IC and analog IC product lines, after years of effort and cultivation, ESMT has developed a more complete product portfolio. The Company has also received validation from major customers, particularly as the market share of Audio Amplifiers in the TV market continues to increase. In 2022, the Company achieved excellent results in expanding its presence in the smart speaker market, benefiting from the demand for audiovisual equipment driven by the "stay-at-home economy."

Furthermore, in response to market demand, the company is actively expanding its research and development efforts in new product lines, including wireless communication, motor ICs, and sensor ICs. These initiatives are expected to contribute to the company's future growth and success in its operations.

Looking forward, ESMT will continue to increase the number of patented technologies it has obtained and leverage them to invest in advanced technology R&D and product design, launch cost-effective, high-quality IC products across all product lines, and make it its mission to become a long-term trusted partner of its customers.

Total Number of Awarded Patents Over the Years



1.6 Intellectual Property

As technology advances, the Company's R&D expenses also edge up year by year. To enhance the Company's business competitiveness and protect the advanced technological achievements of R&D personnel, the Company has established a business model that integrates business goals and R&D resources and leverages intellectual property rights to create value for the Company and intangible assets. The business model, which combines the Company's product strategy, R&D strategy, and intellectual property strategy, strengthens the Company's use of intellectual property, not only protecting the Company's operational autonomy and enhancing its competitiveness, but also helping the Company generate profits.

Patent Protection Measures

To improve the intellectual property competitiveness, the Company's patent application strategy covers not only current and future products, but also specific technologies (i.e., strategic patent strategy and fencing strategy). The Company has dedicated personnel responsible for intellectual property management, from literature survey before the product R&D, to discussion about technologies, to formulation of a patent map for specific technologies, and to maintenance of patents, strictly controlling the quality of patented technologies. The personnel also monitor the patent application status of competitors in order to know what their product and technology development trend is and whether there is doubt about patent infringement.

The Company also pays attention to the technology transfer market and patent transaction market. The Company looks at the patent technology transfer or matching activities on each transaction platform (e.g., ITRI, NCSIST, and TWTM, etc.) and assesses whether a technology is potential for transfer or matching, so as to fully leverage the Company's patent value. The Company has set up a Patent Review Committee, which is composed of top management, senior technological executives familiar with the technology, and recruited professionals and advisors, and adopts a graded review process to improve patent quality. The Company has also set up a proper patent reward system to encourage employees to propose a patent application. In addition, the Company also regularly organizes education and training on patented technologies to raise employees' awareness of the protection of patented technologies and patents.

Trade Secret Protection

Trade secret protection is critical to the Company's competitive edges such as leading technologies, excellent production, and customer trust, in particular to the Company as an IC designer which focuses on autonomously developed products.

The Company has established internal regulations for trade secrets. Periodically, training on trade secret protection is provided for new employees; from time to time, an internal announcement is made to disseminate the Company's trade secret protection policy to employees. All employees upon starting work and resigning shall sign a written confidentiality undertaking document; in doing so, they are obliged to keep confidential the Company's confidential information. The Company has established document control regulations, as well as the Document Control Center (DCC), which is responsible for managing and maintaining technological information critical to the Company. The Company also highly values information security, has established information security management regulations, and implements relevant measures to prevent the Company's information from being improperly disclosed and its interests from being harmed. By holding education and training on trade secrets from time to time, the Company raises employees' awareness of the protection of the Company's confidential information as well as relevant laws and regulations.

Trademark Management

Ever since its establishment, the Company has actively sought trademark protection in countries where the main markets for its products are located. The Company has dedicated personnel responsible for searches prior to trademark applications, the management of trademark cases and trademark databases, and the handling of matters related to the protection of the Company's trademark rights, so that the Company can market its products worldwide under its own brand.

Copyright Management

To protect company confidential information and the acquisition of patented technology rights, if the Company's product and technology must be publicized on periodicals, in seminars, or in the form of a thesis, the Company will review and manage the publication beforehand. Also, the Company has established internal regulations for control and review purposes in order to thoroughly implement the internal review mechanism, lest the Company's important technological information is unduly publicized.

The Company reported intellectual property matters to the 10th meeting of the 8th Board of Directors on December 23, 2020, and proposed corrective actions based on the directors' suggestions.

Since its establishment, the Company has gradually introduced and been committed to establishing a comprehensive intellectual property management system. Matters executed in the past few years are stated as follows:

1. Since 2006, the Company has invited prestigious scholars from time to time and had the supervisor of the Company's Legal Affairs and Intellectual Property Office lecture to employees on and disseminate information about trade secret protection and the basic concepts related to patented technologies and the acquisition of patent rights.
2. Since 2011, the Company has been participating in the Corporate Intellectual Property Promotion Campaign organized by the Intellectual Property Office, MOEA, during which lawyers and scholars are invited to the Company to provide training to employees on patent rights, trademark rights, copyrights, and trade secrets, as well as practical applications and discussions.
3. In 2013, the Company updated the patent application procedures to implement a graded patent review system.
4. In 2014, the Company established the mechanism for applying for and reviewing company information to be publicized.
5. In 2015, the Company established and executed the strategy toward the analysis and arrangement of new product patent technologies, so as to govern the technology involved in new product development.
6. In 2017, the Company updated and established a comprehensive intellectual property right information management system to enhance the management of the various application information and patent protection information; it also updated the intellectual property protection strategy and patent review system to support the development and operations of new business.
7. In 2018, the Company invited the professor of the School of Law, Soochow University who is also the dean of the Intellectual Property Law Research Center to lecture on the protection and reasonable use of copyright; in addition, the supervisors of the Company's patent department held education and training on the analysis of patent technology for R&D personnel.
8. In 2019, the Company surveyed the standards for grading the Company's important information, and assessed patent licensing companies and patent insurance.

9. In 2020, the Company assessed the feasibility of introducing the Taiwan Intellectual Property Management System (TIPS).

10. In 2021, the Company invited the professor of School of Law, Soochow University, who is also the dean of the Intellectual Property Law Research Center to the Company to lecture on trade secret protection, copyright protection, and software copyright. To enhance the information management efficiency and centrally maintain and manage legal documents under the approval process and relevant confidential information, the Company has established the electronic approval management system; this ensures that only concerned personnel may access the confidential information and thus maintains the secrecy of confidential information. In response to the expansion of product lines, the Company once again adjusted the membership of the Patent Review Committee based on the technological attributes of products, so as to enhance the development of a portfolio of the patent technology of new products.

11. In 2022, efforts were made to enhance the comprehensiveness and accuracy of patent document retrieval by conducting a comparative investigation between the currently used patent databases and other patent databases.

    The feasibility of adopting the Taiwan Intellectual Property Management System (TIPS) was reassessed, taking into account the company's research and development activities and intellectual property management status. Data was organized and compiled, and a self-evaluation was conducted on the "inspection items" and "corresponding provisions/subjects" required by TIPS.

    In accordance with the company's epidemic prevention policy, an online approval process was designed for the company's patent review committee members to review and approve patents. Additionally, in response to online training for new employees on trade secrets, appropriate course materials were compiled, and the online training interaction mode was adjusted.

    Assistance was provided to the new product business department in developing new products, including evaluating potential applications and conducting a worldwide trademark layout assessment for future products.

12. In 2024, the Company invited senior professional lecturers from well-known patent and trademark firms to deliver seminars to the Company's R&D personnel on topics such as patent avoidance design and analysis of patent litigation cases related to memory.

    In light of the vigorous development of AI technology in recent years, we have widely adopted AI technology in various databases. We have conducted tests and evaluations of the latest AI search functions offered by various patent databases on the market, aiming to introduce new patent databases and build more diverse AI search tools to enhance database functionality. In response to the new direction of the Company's product market development and the addition of new product lines, and to support product promotion and trademark usage across business units, the Company will leverage resources to gather industry insights on trademark portfolios and conduct a comprehensive evaluation of its trademark deployment across countries, products, and services.

13. In 2025, in response to the advent of the AI era, the Company invited senior lecturers from renowned patent and trademark firms to deliver lectures to employees on the relationship between AI and intellectual property rights. This initiative provided employees with foundational insights into effectively leveraging AI collaboration to enhance operational efficiency within the current intellectual property legal framework. The Company held a formal public commendation event for inventors of patents granted in recent years, with the Chairman and heads of various business units commending and encouraging the awardees. Overcoming venue limitations for the first time this year, online participation was made available to all employees, allowing them to witness this proud occasion that highlighted the Company's technological innovation and R&D capabilities. Furthermore, through the sharing and passing on of valuable experiences by past "Patent Champions," the Company aims to inspire more employees to participate in patent applications.

    The Company regularly introduces fundamental intellectual property rights concepts and its patent incentive scheme to new R&D personnel, providing them with a clear understanding of patent criteria and eligible technologies. This initiative encourages new employees to actively pursue patent applications, fostering a mutually beneficial outcome for personal career development and corporate growth. The Company invited judicial investigators to analyze major trade secret cases from a legal practice perspective and organized trade secret seminars and training courses for managers as well as sales, marketing, and procurement personnel. Through real-world case studies, the Company reinforced the critical importance of safeguarding trade secrets as intangible assets, while also conducting trademark usage training sessions for management and sales-related staff.

1.7 Prevent Insider Trading

1. The Company is a public company. As such, employees are heavily regulated by the laws and regulations governing insider trading and material information which might impact shareholder equity or securities price.
2. The so-called "material information" is handled in accordance with Article 4 of the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities.
3. Unless otherwise provided by law, the Company's material information shall be disclosed by the Company's spokesperson or acting spokesperson.

   Unless being authorized, no employee of the Company may disclose the material information they are informed of.
4. No employee informed of material information may trade the Company's securities under their own name or other person's name before the official disclosure of the material information or within 18 hours after the disclosure of the material information. The regulations also apply to the material information that an employee indirectly acquires due to reasons other than their duties.
5. No employee may inquire about or collect any non-public material information unrelated to their job duties.
6. All employees of the Company are obliged to keep confidential the Company's trade secret and non-public material information, shall exercise the due care and fiduciary duty typical of a good administrator when performing their duties, and may not leak any trade secret or non-public material information that they acquired in the course of performing their duties to anyone unrelated to their duties.
7. External institutions or personnel that participate in the Company's investment, merger, procurement, strategic alliance, or important collaboration plan, or that are a signatory to important legal documents, shall execute a confidentiality undertaking agreement as required by the Company; none of them may confide the Company's trade secret or non-public material information they are informed of.
8. No employee may discuss any topic related to the Company in internet chat rooms or message boards related to investments or stocks.
9. If an employee is not sure whether their conduct violates the laws governing insider trading, or whether their conduct leaks the Company's trade secret or non-public information, they shall immediately consult the Company's Legal Affairs and Intellectual Property Office or the Audit Department.
10. The Company's directors are prohibited from trading their shares during the lockdown period that is 30 days prior to the publication date of the annual financial statements and 15 days prior to the publication date of the quarterly financial statements.

During the 14th meeting of the 9th Board of Directors held on February 27, 2025, the Company conducted a briefing on preventing insider trading and provided explanations regarding the prohibition for directors from trading their stocks during the 30-day period before the annual financial report announcement and the 15-day period before the announcement of each quarterly financial report. Prior to the closed periods before the announcement of the financial reports in 2025 (including the 30-day period before the 2023 annual financial report and the 15-day period before each quarterly financial report), the directors were notified in advance of the financial report announcement dates to reinforce the awareness and remind them of the relevant regulations prohibiting stock trading during closed periods. During the 2024 fiscal year, there were no occurrences of directors trading their stocks during the closed periods before the financial report announcements, as stated above.

As required by the Regulations Governing Establishment of Internal Control Systems by Public Companies, the Company has established the "Insider Trading Prevention Management" regulations within its internal control system, and conducts information dissemination every year. The Company disseminated the information on "insider trading prevention" to employees by means of e-learning in December 2025. A total of 581 employees completed the e-learning courses, accounting for 97% of total employees. Those who have yet to complete the e-learning courses will be tracked as part of the 2026 annual education and information dissemination.

1.8 Reporting of Unethical Conduct or Misconduct

According to the Company's Ethical Corporate Management Best Practice Principles, an insider or outsider may report the unethical conduct or misconduct of the Company's employee, if any, through audit@esmt.com.tw.

The reporter shall provide at least the following information:

I. The reporter's identity information, contact address, telephone number, and e-mail address.

II. The name of the person being reported, or other materials sufficient to identify the person being reported.

III. Concrete evidence for investigation purpose.

The person in charge of dealing with the matter being reported shall make a written statement stating that the reporter's identity and the content of the report will be kept confidential. The Company also pledges that the reporter will not be improperly treated as a result of the report.

The Company's dedicated unit shall deal with the reported matter in accordance with the following procedures:

I. Reported matters involving an employee shall be reported to the departmental supervisor governing the employee; reported matters involving a director or top management shall be reported to the independent director.

II. The Company's dedicated unit and the supervisor stated in the previous subparagraph shall immediately verify the reported matter, and may request assistance from the legal compliance department or other relevant department wherever necessary.

III. If the person being reported is confirmed to be in violation of laws or regulations or the Company's ethical corporate management policy, the Company shall demand that the person immediately cease the conduct, and shall impose proper punishment, or, whenever appropriate, report the person to the competent authority, transfer the person to judicial authority for investigation, or demand compensation from the person through legal proceedings, so as to maintain the Company's reputation and interests.

IV. Reporting acceptance, investigation process, and investigation results shall be kept in writing, and shall be preserved, either in hard copy or electronic file, for 5 years. If litigation related to the content of the report occurs before the expiration of the preservation period, the relevant materials shall continue to be preserved until the litigation is concluded.

V. If the matter reported is verified to be true, the Company will have the responsible units review internal control system and operating procedures, and propose corrective actions to avert the recurrence of the same matter.

VI. The Company's dedicated unit shall report to the Board of Directors on the reported matter, handling methods, and subsequent review and corrective actions.

1.9 Litigation and Compensation

During the year 2025, the company did not encounter any litigation events nor incur any litigation-related damages or compensations.

1.10 Information Security Policy and Management Plan

1. Information Security Risk Management Framework

   The Information Office is the unit in charge of information security within the Company; the Information Office shall formulate and implement the information security policy, and report to the management on the information security implementation plan and implementation status quarterly, so as to ensure that the internal information security management mechanism continues to operate effectively.

   The Audit Office is the unit in charge of auditing information security. If finding any non-conformity during inspection, the Audit Office shall demand that the audited unit propose corrective actions, and shall track the result of corrective actions periodically, so as to mitigate internal information security risk.

   The Company adopts the PDCA (Plan-Do-Check-Act) management cycle to establish a comprehensive information security management system, so as to effectively prevent information security incidents, thereby ensuring the achievement of information security goals and continuously optimizing and improving the system.

2. Information Security Policy

   This policy is to protect the security of ESMT's information assets, and prevent internal or external threats and compromises, intentional or accidental, resulting in the business failing to be operated normally, or information being tampered with, accessed, or destroyed, for the purpose of sustainable operations.

   (1) Definition of Information Security

To protect the Company's information and information systems from unauthorized access, use, disclosure, compromise, modification, inspection, recording, and destruction, while maintaining the availability of existing information systems.

(2) Targets of Information Security

1. Ensure the confidentiality of business-related information and protect the Company's secrets.
2. Ensure the integrity and availability of business-related information.
3. Enhance the capabilities of information security protection.

(3) Scope of Information Security

This policy applies to the Company's internal information systems, internal employees, vendors and third-party personnel accessing the business information or providing services.

3. Information Security Management Measures

The Company has purchased electronic insurance for hardware equipment for operating assets such as information systems, network equipment, etc., and has adopted security monitoring operations to prevent equipment from being stolen or intentionally damaged. Since information security insurance is an emerging insurance, the Company decides not to purchase one for the time being after assessing the synergy of insurance coverage, claims coverage, claims identification, and identification institution qualification. Nonetheless, the Company has adopted the following strategy for emerging information security challenges such as advanced persistent threat (APT), DDoS attack, ransom ware, social engineering, and data theft: The Company pays close attention to the change in information security environment based on its information security policy ever year, and formulates information security protection mechanism and projects by referencing technology journals. The Company has joined the Information Sharing and Analysis Center, from which the up-to-date attack information can be obtained to serve as a reference for taking proper defense measures. Periodically, the Company executes safety testing, information security examination, and social engineering and information security incident drill, so as to enhance employees' awareness of information security crisis and improve the preparedness of information security personnel, in the hope to prevent intrusion and detect and block intrusion in the first place.

Pursuant to the Regulations Governing Establishment of Internal Control Systems by Public Companies of the Financial Supervisory Commission, the Company has set up corresponding information security workforce, including a dedicated information security officer and information security personnel, while integrating the above-mentioned information security management programs to enable the programs to exert a greater synergy with incremental investment in information security.

4. Information Security Management Measures:

Type	Description	Related Operation
Authority Management	Measures for management of personnel accounts and authority and system operation behavior	• Personnel account and authority management and review • Periodical count of personnel account and authority
Access Control	Measures for controlling personnel accessing internal and external systems and data transmission channels	• Internal / external access control measures • Sensitive data leakage control • Operation behavior trajectory record
External Threat	Internal potential vulnerabilities, virus contraction channels, and protective measures	• Host/computer vulnerability protection and update measures • Virus protection and malware detection • Cyber threat monitoring
System Availability	System availability status and measures taken upon service interruption	• System / Network availability status monitoring and reporting mechanism • Measures taken upon service interruption • Information back-up mechanism; local/remote back-up mechanism • Periodical recovery drill

5. As of the date of this report, the Company has not experienced any major information security incident.

Prosper with Partners

2.1 Customer Feedback

2.2 Supplier Management and Evaluation

2.3 Green Products

2.4 Risk Management of Critical Raw Material Usage

2. Prosper with Partners

2.1 Customer Feedback

ESMT upholds a customer-centric service philosophy, actively listening to and understanding customer needs and providing timely feedback. In addition to conducting annual self-assessments and information disclosures based on the requirements of brand customers such as RBA SAQ (Responsible Business Alliance, Self-Assessment Questionnaire) and CDP (Carbon Disclosure Project), the company also regularly provides customers with reports or investigation information on product environmental management substances and conflict minerals. This ensures that ESMT's governance, environmental, and social management practices consistently meet customer requirements.

Through annual customer satisfaction surveys, ESMT collects feedback and ratings from customers. The company reviews this feedback internally and transforms it into feasible improvement plans, ensuring that customer voices are implemented in improvement initiatives.

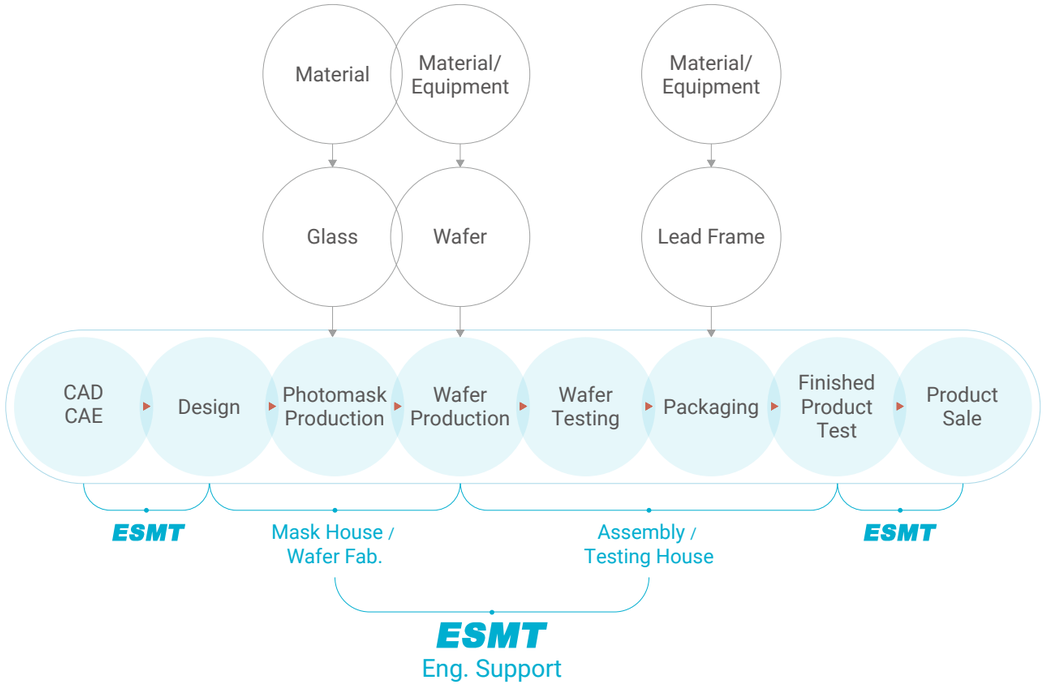
In 2025, customer satisfaction regarding ESMT's quality showed no significant change, while overall customer satisfaction increased slightly compared to 2024. The slight increase in overall customer satisfaction was primarily driven by customers' high appreciation of ESMT's prompt responsiveness and service attitude. However, some customer feedback indicated that supply disruptions of certain critical materials necessitated the re-validation of alternative materials. Consequently, ESMT heightened its oversight and monitoring of subcontractors' material supplies and production capacities, promptly requiring them to adjust production schedules or introduce new materials. Through its sales and operations teams, ESMT maintains ongoing communication with customers regarding sales, service, lead times, and quality issues. The Company actively advances continuous improvement across process management metrics and performance to achieve customer satisfaction goals.

Customer Satisfaction Trend

2.2 Supplier Management and Evaluation

Supply Chain Overview

Within the scope from IC design to IC products, ESMT outsources the processes, including wafer production, packaging, and testing. The Company needs to work closely with subcontractors at every stage of production and processing to integrate and adjust the processes required for proper functioning of the supply chain.

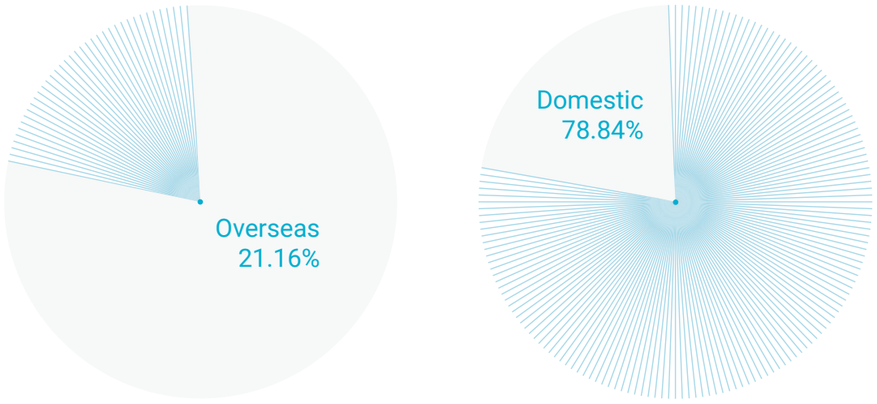


Local Procurement

ESMT approves procurement and implements procurement by following the standard procedures stated in the Procurement Management Regulations, and by type of procurement case and monetary amount. In order to reduce carbon emissions from transportation, the Company prioritizes sourcing from local suppliers. In 2025, localized procurement accounted for 78.84% of ESMT's purchases in Taiwan.

Driven by rising raw material and labor costs, alongside the impacts of the U.S.-China trade war and tariff increases, ESMT initiated plans in 2025 to progressively implement a "local production, local sales" operating model, aiming to significantly reduce transportation-related carbon emissions in the future. It is estimated that in 2026, the local production and local sales operating model will expand significantly, thereby reducing carbon emissions generated from cross-border transportation.

Local Procurement Ratio in 2025

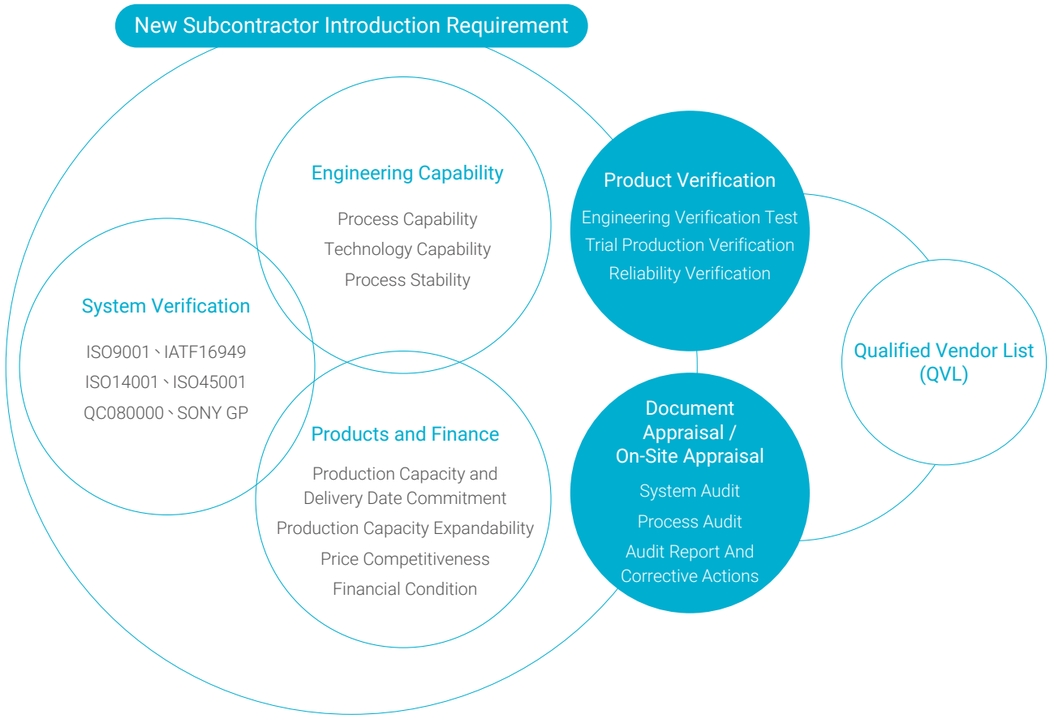


New Supplier Evaluation

When selecting outsourced partners, ESMT adheres to the External Vendor Management Regulations, requiring key external suppliers to obtain ISO 9001 or IATF 16949 as well as ISO 14001 certifications. In addition, key external vendors are required to address and establish management requirements equivalent to an occupational health and safety management system (ISO 45001) and an information security management system (ISO 27001). ESMT evaluates subcontractors' engineering capabilities, management system certifications, production capacity, and financial standing to verify their competitiveness. Concurrently, ESMT conducts systematic audits and product verifications to ensure that subcontractors' capabilities comply with its quality and ESG management requirements. Only subcontractors that successfully pass these evaluations and audits are included in ESMT's Qualified Vendor List (QVL).

In addition to quality management, the audit checklist for key external vendors encompasses information security (14 items), environmental protection/conflict minerals (21 items), labor and human rights (10 items), occupational safety and health (6 items), ethics (3 items), and RBA management systems (3 items).

Subcontractor Introduction Procedures



Subcontractor Management

ESMT periodically audits contractors annually and evaluates them quarterly, to continuously review their conformity through the PDCA management cycle, and to see whether there is still room for improvement.

Subcontractor Coaching Flow Chart

In 2025, the management system certification rate for key vendors of ESMT reached 76%. The 2025 annual regular audits of vendors were conducted through both physical audits and document audits. All non-conformities identified during the audits have been fully rectified, meeting ESMT's requirements and local regulations. The management system certification, regular audits, and periodic evaluations of ESMT's key contractors are described as follows:

Vendor Management System Certification Rate

Aspect	Governance			Environmental		Social
Type	ISO9001	IATF16949	ISO27001	ISO14001	QC080000 or SONY GP	ISO45001
Wafer Plant	100%	89%	89%	100%	89%	100%
Packaging Plant	100%	100%	86%	100%	100%	93%
Testing Plant	100%	88%	60%	100%	N/A	88%
RDL Plant	100%	0%	0%	100%	100%	100%
Overall Percentage	100%	91%	81%	100%	96%	94%

Subcontractor Evaluation and Periodical Audit

Frequency	• Annual
Party	• Contractors or subcontractors included in the annual audit plan
Audit Scope	• Quality System Audit (QSA) • Quality Process Audit (QPA) • Responsible Business Alliance (RBA) audits (covering labor, health and safety, environmental, ethics, and management systems).
Audit Checklist	• Covers key evaluation items, including 14 items for information security, 21 for environmental protection/conflict minerals, 10 for labor and human rights, 6 for occupational safety and health, 3 for ethics, and 3 for the RBA management system.
Method	• Written self-assessment or on-site audit • Non-conformity corrective actions

2025 Contractor Periodic Audit Completion Rate

Subcontractor	QSA	QPA	RBA
Wafer Plant	100%	100%	100%
Packaging Plant	100%	100%	100%
Testing + RDL Plant	100%	100%	100%

Subcontractor Evaluation And Periodical Rating

Frequency	• Quarterly / Semi-annually
Target	• Major production vendors for the current quarter or half-year
Evaluation Items	• Quality • Delivery date • Service / Engineering capability

2025 Contractor Periodical Rating Completion Rate

Subcontractor	Completion Rate
Wafer Plant	100%
Packaging Plant	100%
Testing + RDL Plant	100%

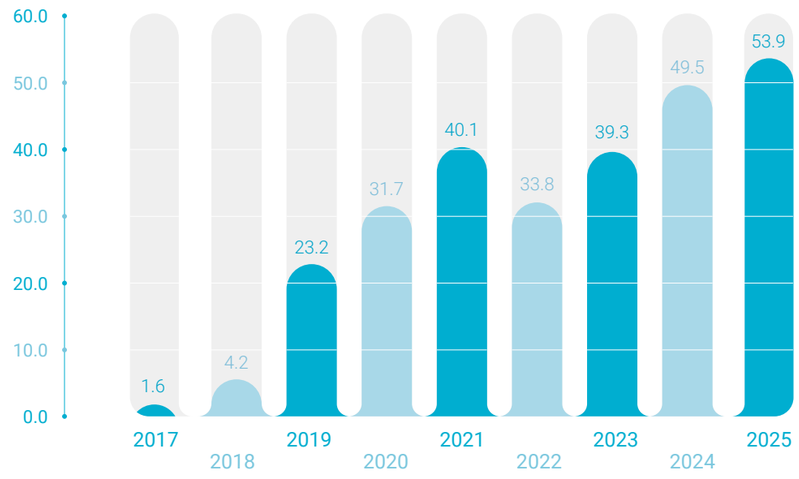
2.3 Green Products

I. Green Design:

ESMT focuses on the development of niche products. To achieve the goal of reducing product energy consumption, ESMT's product design was based on DDR2 products in 2016. We have transitioned our product design to low-energy DDR3 and DDR4 products, while replacing the 30nm process technology with 25 nm low-energy process technology. The DDR4 products have been successfully introduced into cloud server applications to the hard drive customers in the US, and have been introduced into home appliances for brand customers; DDR3 products have been applied in home appliances for brand customers, and the home appliance products have obtained the U.S. Energy Star certification; since 2019, the audio IC products have been gradually replacing the 0.30μm process with the 0.18μm and 0.13μm process technology. From 2017 to 2025, the cumulative power savings achieved through the use of these low-energy products in end-product devices amounted to a reduction of 107,947 metric tons of carbon emissions, equivalent to the carbon sequestration capacity of 277.5 Daan Forest Parks.

Carbon Adsorption Capacity in Daan Forest Park (Piece)

Daan Forest Parks.



II. Green Production (RoHS):

ESMT complies with the EU's Restriction of the use of certain Hazardous Substances in electrical and electronic equipment (RoHS) in all respects, from product design to production. ESMT also formulates the "Environmental Policy" and "Environmental Management Substance Operating Procedures," by which all contractors are required to commit to zero use of environmental management substances and monitor and manage environmental management substances, so as to comply with the green product requirements and international laws and regulations.

All products of the Company comply with RoHS regulations and the regulations for restricted hazardous substances. To meet the RoHS regulations, the Company demands the following:

1. Any process change must comply with EU's RoHS regulations and customers' requirements for green production.
2. Contractors must be informed of, and comply with, the requirements for managing environmental management substances and the limits on environmental management substances they are allowed to use; they must also provide supporting documents.
3. Contractors must be audited from time to time and coached to enhance green supply chain management.

2.4 Risk Management of Critical Raw Material Usage

As a semiconductor chip design company at the forefront of the semiconductor industry chain, ESMT not only focuses on continuous innovation in product design and technology to minimize the environmental and social impact of our products but also manages the risks associated with critical raw material suppliers in the production of our products. We require and audit our subcontractors to comply with environmental management substance requirements and conduct investigations on conflict minerals to achieve our roadmap for sustainable development.

The Company has established the environmental policy, human rights policy, and conflict minerals policy, with related management regulations. Other than announcing that ESMT complies with the requirements of corporate sustainability, we also actively request subcontractors to sign the "Restricted Substances Not Used Commitment" and "Conflict-Free Metal Self-Declaration" to ensure their compliance with ESMT's requirements for sustainable development.

Green Partner

To meet customers' constantly updated environmental management substance requirements and maintain the ESMT's environmental management substance requirements and commitments, ESMT not only complies with EU RoHS regulations and SONY SS00259 standards, but also dedicates to promoting the certification of

environmental management substance system. ESMT was awarded the SONY GP (Green Partner) certificate in July 2005. 96% of ESMT's key subcontractors have obtained the QC080000 certification or SONY GP certification; we ensure that ESMT and the subcontractors continuously comply with green product standards through annual regular audits and the subcontractors' fulfillment of responsible conflict mineral investigation.

Conflict Minerals

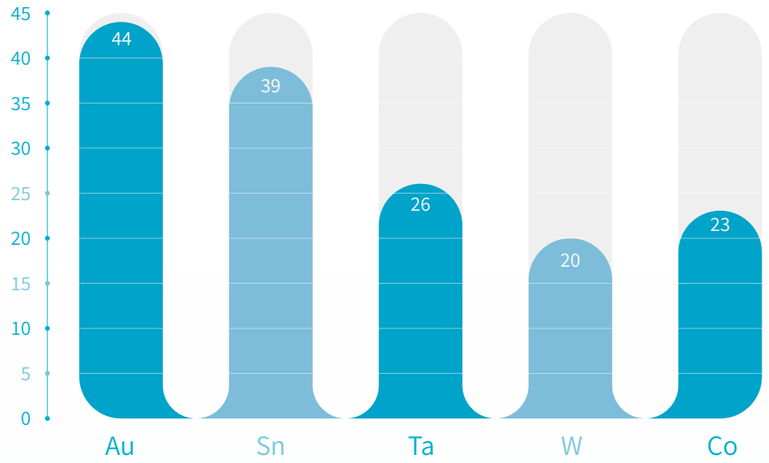
The rare metals such as coltan, cassiterite (tin), gold, and wolframite (tungsten) that are mined in the Democratic Republic of the Congo or adjoining countries or regions have caused serious human rights and environmental issues.

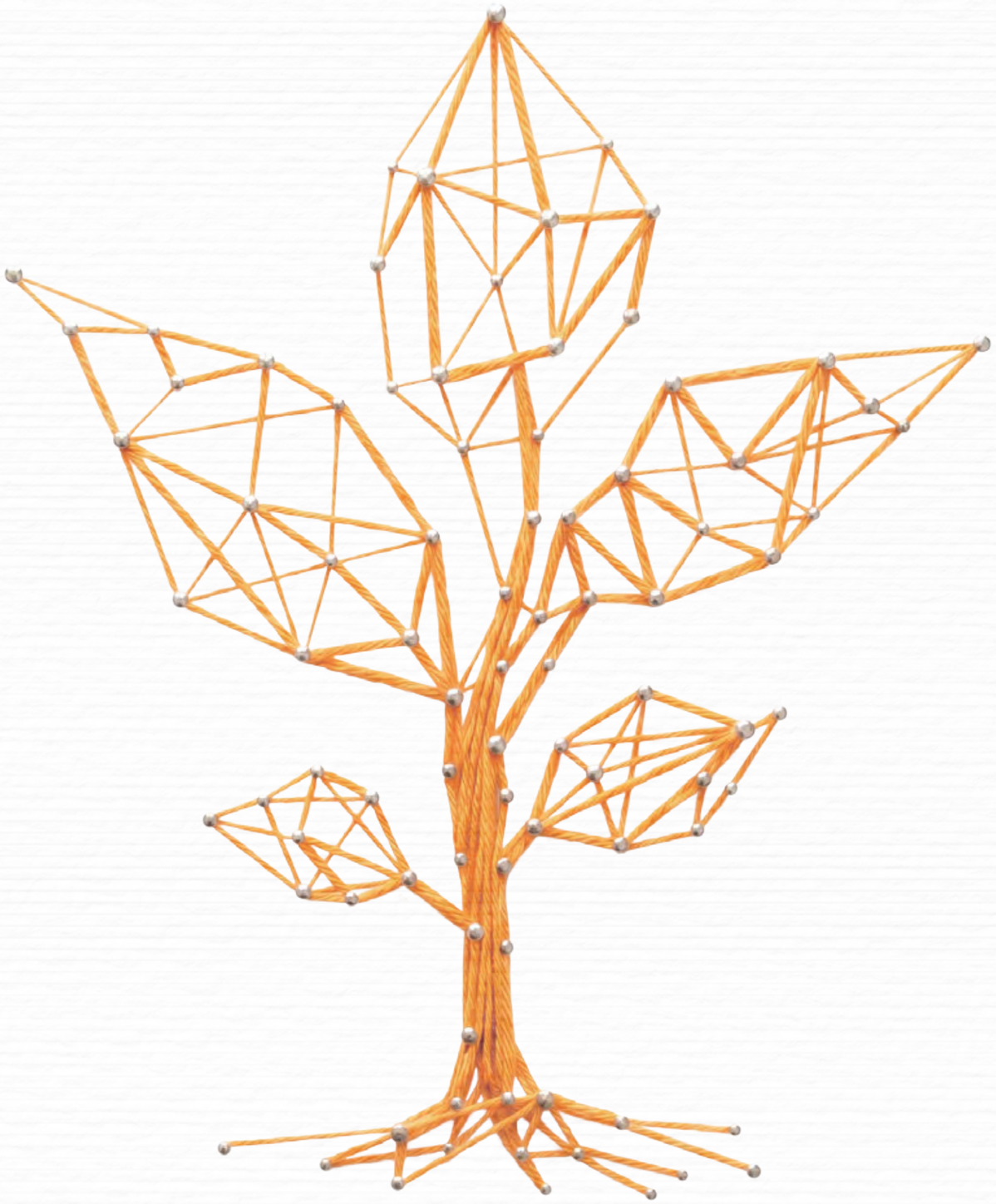
To support international human rights development and fulfill corporate social responsibility, ESMT commits itself to the following:

1. The Company complies with the RBA Code of Conduct (RBA CoC) and is committed to conducting due diligence in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (hereinafter referred to as the "OECD Guidelines"). This ensures that the products provided by contractors and suppliers do not directly or indirectly benefit armed groups that violate human rights.
2. For the outsourced vendors and suppliers of products containing gold (Au), tin (Sn), tantalum (Ta), tungsten (W), and cobalt (Co), we require them to disclose smelter information and conduct supply chain due diligence in accordance with the OECD Guidelines.
3. We are committed to and require that the outsourcing contractor shall only purchase from smelters or refineries that have passed third-party verification.
4. No prohibition on conflict minerals sourced from the DRC or neighboring countries that are mined in compliance with human rights standards.

In 2025, the Company investigated raw materials suppliers in relation to conflict minerals for a glimpse of smelters; there were 44 gold smelters, 39 tin smelters, 20 tungsten smelters, 26 tantalum smelters, and 23 cobalt smelters. In response to ESG carbon reduction priorities, Elite Semiconductor ESMT's operational strategy is shifting toward a "local production for local sales" model. Consequently, the scope of the 2025 conflict minerals investigation was expanded beyond existing vendors to encompass newly added vendors, resulting in a 71% increase in the number of compliant smelters in 2025. All metals contained in materials are sourced from compliant smelters or refiners validated through third-party audits.

Number of Smelters in Relation to Conflict Minerals





Environmental Sustainability

3.1 Environmental Protection Policy

3.2 Response to Climate Change

3.3 Energy Management

3.4 GHG Inventory Management

3.5 Water Resource Management

3.6 Waste Management

3.7 Green Actions

3.8 Biodiversity

3.9 Environmental Protection Expenditures and Compliance with Environmental Regulations

3. Environmental Sustainability

3.1 Environmental Protection Policy

- *Comply with all environmental regulations and take corporate social responsibility.*
- *Devote to green product design to reduce the impact on environment.*
- *Continue to minimize waste and conserve energy as well as make efforts to prevent pollution.*
- *Review the performance on environmental protection regularly to ensure continuous improvement.*
- *Implement environmental protection education and training to raise employees' awareness.*
- *Communicate with suppliers continuously to promote our concept of environmental protection.*

ESMT passed the ISO 14001 (Environmental Management System) certification in January 2008. Upholding the spirit of ISO systems, ESMT strictly complies with regulations, to strive to conform to the advanced international environmental protection standards; it is committed to providing and maintaining a work environment superior than the legal regulations, and prevent any risk which might cause environmental pollution with continuous improvement. From the environmental friendliness of source products and optimized process design, among other things, we strive to reduce the use of energy and resources such as water, power, and precious metals, while reducing the discharge of pollutants, to achieve pollution reduction and prevention, and pursue sustainable development. The Company continuously promotes reduction of greenhouse gas/energy, water resources, and waste management, as well as optimization.

Greenhouse Gas / Energy Management

- Continue to replace the lighting system with LED lights in the plant area.
- Set the air-conditioning temperature in the office area to 26–28 degrees Celsius.
- Turn off unnecessary lighting during meal and break times.
- Promote paperless policies and introduce electronic forms to reduce paper usage.
- Provide colleagues with eco-friendly tableware and limit the use of disposable tableware.
- Use green products, or equipment and electrical appliances with an energy label.
- Encourage employees to take the stairs instead of the elevator and promote carpooling for official transportation.
- Promote the inventory and updating program for the major energy-consuming equipment.
- Promote renewable energy adoption and procurement to increase the share of green power usage.

Water Resource Management

a. Establishment of Management System
- Water resource risk management.
- Management of the rainwater recycling, storage, and reuse system.
- Water quality monitoring and spill and leakage prevention.
- Reduction of water consumption and improvement of water use efficiency.
- Monitor water resources data.

b. Introduction of New Equipment
- Introduction of water-saving equipment.

Waste Management

- Implement the resource recycling and classification mechanism and set the resource recycling rate.
- Enhance the value of resource recycling by reusing product outer packaging cartons.
- Encourage employees to reduce waste generation.

3.2 Response to Climate Change

Introduction of Task Force on Climate-related Financial Disclosure (TCFD)

ESMT is well aware that the deteriorating climate change is highly related to product manufacturing and related industry supply chain. To continue to improve its climate change preparedness, the Company discloses its concrete climate actions by proper means. Since 2020, we have referred to the Task Force on Climate-Related Financial Disclosures (TCFD) framework to disclose the risks and opportunities climate change poses to our operations. We have strengthened our climate change governance by adopting the four key pillars of governance, strategy, risk management, and metrics and targets, in order to meet the expectations of external stakeholders regarding our management of climate change. We continue to monitor climate change risks and opportunities, regularly collecting information and staying abreast of domestic and international developments in this field.

Governance

Sustainable Development Committee	Promote the "TCFD Risk and Opportunity Identification," which integrates the resources of each subordinate task force and business unit, for the identification of risks and opportunities from climate change, short-, medium-, and long-term strategic planning, implementation of risk assessment, and performance evaluation and tracking. The implementation status is reported by the executive secretary to the Board of Directors on a quarterly basis.
Board of Directors	Urge the management to promote climate change-related issues, supervise the risk response strategies and performance evaluations of climate-related issues, and strengthen the resilience of the Company's sustainable development.

- Regularly review the status of identification of internal and external risks/opportunities from climate change.
- Evaluate existing risk/opportunity response measures and implementation status, and assess sensitivity to emerging risks and opportunities.

The achievement status of climate-related environmental goals, and the identification, assessment, and tracking of risks/opportunities; regular reports to the Audit Committee/Board of Directors every year.

- Supervise the Company's response strategies to risks and opportunities from climate change.
- Urge the management to implement and track outcomes and performance.

Each Task Force → Sustainable Development Committee → Board of Directors

Strategy
Transition Risks

In response to identified climate change risks and opportunities, the process for planning climate adaptation strategies incorporates the quantitative assessment of substantial impacts and climate scenario analysis tools. Short-term (3–5 years), medium-term (within 5–10 years), and long-term (over 10 years) issues and corresponding measures are prioritized based on their likelihood and magnitude of impact. This approach aims to identify the risks and opportunities and take preventive measures in advance.

Risk Item	Chronology	Impact Description	Potential Financial Risk	Response Measures
Energy Supply Instability	Short-term	A substantial increase in electricity demand coupled with a higher share of renewable energy may impact operational stability due to potential energy supply fluctuations.	Rising electricity prices lead to increased operating costs.	Promote workplace energy conservation and carbon reduction measures and replace outdated equipment.
				Set an annual electricity conservation goal
				In-house power consumption survey.
				Assess the procurement or development of renewable energy.
Tighter Fuel / Energy / Environmental Regulatory Requirements	Short- and mid-terms	The introduction of carbon taxes and fees, the tightening of environmental regulations, and stricter requirements for major electricity consumers reflect increasingly rigorous and interconnected regulatory trends.	Increased operating and outsourced manufacturing costs, alongside the need to install and upgrade process equipment.	Continuously monitor and identify the impact of regulatory trends.
				Exchange information among members of industry associations and participate in regulatory courses organized by the government.
				Enhance legal awareness and education and training.

Strategy
Physical Risk

Risk Item	Chronology	Impact Description	Potential Financial Risk	Response Measures
Increased Frequency of Extreme Weather	Short-term	Increased extreme events such as typhoons and heavy rainfall	Operations are affected or interrupted	Shorten the time required for restoration of operational systems, as well as of operations.
				Continue to supervise suppliers holding climate event contingency plans and drills.
				Assess and set up backup equipment.
Rising Average Temperature	Short- and mid-terms	Continuous high temperatures and prolonged summer hours	Elevated building energy consumption	Continuously improve the energy efficiency through the energy management system assessments.
Drought	Long-term	Increase in consecutive days without rainfall during the rainy season	Externally purchased water trucks or additional water tanks are required to maintain normal operations.	Continuously monitor the water consumption in the plant area.
				Set up the emergency water-saving plan.

Opportunity Items	Chronology	Challenge Description	Potential Financial Impacts	Response Measures
Market Transformation/ Technology Development	Mid- and long-term	Develop low-carbon products and adopt low-carbon process technologies to expand market entry opportunities.	Increase the investment in R&D personnel and funds for low-carbon products.	Assess and develop low-carbon products and markets.
				Encourage existing suppliers to deploy low-carbon technology processes, and preferentially work with suppliers that do so.

Risk Management

Each task force is responsible for identifying climate-related risks across business units and departments. Based on risk management and assessment results, these risks are incorporated into the key agenda of corporate sustainability development, and effective and continuous (PDCA) actions are taken to respond to emerging climate-related challenges and opportunities. The Company will strengthen the feedback information from internal and external stakeholders, identify climate-related risks and opportunities, and quantitatively assess them to update or develop new strategies and goals.

Each Task Force

Identification of Risk / Opportunity Issues

Sustainable Development Committee

Risk / opportunity assessment, level analysis (urgency / degree of impact), and formulation of countermeasures

Board of Directors

The annual implementation results and performance tracking, as well as the response strategy formulation

Indicators and Targets

We will continue to conduct GHG inventory operations and track environmental indicators. Following the achievement of our Phase 1 medium-term targets in 2025, we will implement Phase 2 short- and medium-term reduction targets starting in 2026. These include reduction targets and action plans for GHG emissions, water consumption, and waste generation:

- Set a 2030 GHG reduction target (using 2024 as the base year, achieve a 16% reduction in GHG emissions by 2030)
- Set a total water consumption reduction target (a 1% reduction in 2026 compared to 2025)
- Set a waste generation reduction target (a 1% reduction in 2026 compared to 2025)
- The waste resource recycling rate is 60%, and continue to promote a circular economy to double the value of recycling.

3.3 Energy Management

ESMT is a professional IC design company. The primary energy consumption in its daily operations stems from electricity (purchased power), followed by gasoline for company vehicles and diesel for emergency backup generators. The total energy consumption in 2025 was 30798.73 GJ (an increase of 0.33% compared to 2024). Compared to the previous year (2024), the per capita energy consumption intensity of employees decreased by 0.37%.

In order to effectively improve energy efficiency, ESMT has gradually replaced the chillers in regional offices and replaced the lighting with new LED lighting, and continues to evaluate options for installing solar power systems on rooftops,

while also working to diversify its electricity sources and reduce its own energy consumption.

Energy Consumption in The Past Two Years

Energy Type	Source	Usage	2022	2023	2024	2025	Difference (%)
Electricity	Taiwan Power Company	Plant-Wide Electricity-Driven Facilities	25,401.60	28,338.90	30,642.89	30,743.83	0.33
Gasoline	Taiwan CPC Corporation	On-site Company Vehicles	35. 92	46.37	52.38	50.84	-2.94
Diesel	Taiwan CPC Corporation	Emergency Generator	1. 41	4.92	15.02	4.06	-72.97
Total Energy Consumption (GJ)			25438.93	28390.18	30711.19	30798.73	0.29
Energy Intensity (GJ/persons)			48.09	50.07	51.44	51.25	-0.37

(Data Scope: Hsinchu Science Park headquarters, Taipei, Hsinchu Zhubei, and Tainan offices)

Note 1: Unit of conversion: 1 kWh of electricity = 3.6 megajoules
Note 2: Conversion units for gasoline and diesel are 7,586 kcal/L and 8,636 kcal/L, respectively (announced in 2025).
Note 3: The conversion data are based on the Energy Product Unit Heat Content Table published by the Bureau of Energy, MOEA.

Renewable Energy Adoption and Energy Efficiency Initiatives

In addition to directly contributing to operating costs, the management of energy use, as the main source of greenhouse gas emissions, represents a key focus area of the Company's direct/indirect GHG emissions (see 3.4 GHG Inventory Management). Therefore, ESMT has implemented the survey plan of energy (power) consumption in the plant in 2023 to grasp the energy consumption of all equipment in each plant, and make a comprehensive plan for promoting the replacement of low-efficiency equipment in the future.

In 2023, ESMT began to purchase T-RECs from the "National Renewable Energy Certification Center," and the certificates are all from solar power generation. Familiarize with the trading mechanism, and take a step toward achieving net zero by 2050. In 2025, the Company established a target to achieve 25% renewable energy usage by 2030. This goal will be pursued through the procurement of renewable energy (and certificates) and on-site generation projects, progressively expanding adoption to reduce GHG emissions associated with electricity consumption.

The Climate Change Response Act was passed by the Legislative Yuan in 2023, and the issue of carbon fee collection was announced in August 2024. Implementation will begin in 2025, with the initial carbon fee rate set at NT$300 per metric ton. Starting in 2023, ESMT has implemented a carbon fee of NT$500 and introduced an internal carbon pricing mechanism as a key consideration in evaluating major equipment replacement projects. The replacement of the chiller in Building B at Hsinchu HQ was expedited by nearly 1.5 years due to its inclusion in the internal carbon pricing assessment, accelerating equipment upgrades. In 2024, building on the success of the Hsinchu HQ's Building B office renovation, the Company further included the upgrade of the chiller in Building A office in the improvement project, with a total investment of NT$14 million. In 2025, the Company completed the installation of a new magnetic levitation chiller, enhancing the operational efficiency of the existing chiller system.

3.4 GHG Inventory Management

Starting from 2020, ESMT has conducted annual GHG inventories and management following the ISO 14064-1:2018 standard, with third-party verification completed in 2024. The GHG inventory scope covered all operating sites in Taiwan (Hsinchu HQ, Taipei Office, and Tainan Office).

The total GHG emissions in 2025 were 5996.3459 tCO_2e, with direct emissions (Scope 1, Category 1) at 198.1539 tCO_2e, representing 3.49%. Indirect energy emissions (Scope 2, Category 2) were 4,205.5581 tCO_2e, accounting for 73.97%. Other indirect emissions (Scope 3, Categories 3-4) totaled 851.4320 tCO_2e, accounting for 14.97%.

GHG Emissions for Scopes 1 to 3 (Categories 1–5) over the Past Two Years

GHG Scope	ISO 1464-1 Category Description	2024 Emissions (t CO_2e)	2024 Emission Percentage (%)	2025 Emissions (t CO_2e)	2025 Emission Percentage(%)
Scope 1	Category 1 Direct GHG emissions	198.1539	3.49	142.2816	2.37
Scope 2	Category 2 Indirect greenhouse gas emissions from input energy	4205.5581	73.97	4047.9372	67.51
Scope 3	Category 3 Indirect GHG emissions from transportation	430.6426	7.57	477.8153	7.97
	Category 4 Indirect GHG emissions from the products used by the organization	851.432	14.97	975.4680	16.27
	Category 5	-	-	352.8438	5.88
	Category 6	-	-	-	-
Total Emissions		5685.787	100	5996.3459	100

(Data Scope: Hsinchu Science Park headquarters, Taipei, Hsinchu Zhubei, and Tainan offices)

In 2025, Scope 1 and Scope 2 emissions of ESMT totaled 4,190.2188 tCO_{2e}, representing a decrease of approximately 213 tCO_{2e} compared to 2024. Per capita emissions were 6.97 tCO_{2e}/person, successfully meeting the quantitative GHG reduction target established in 2020 for the fourth consecutive year since 2022: reducing per capita GHG emissions by 4% by 2025 compared to 2019 levels (7.37 tCO_{2e}/person).

To more effectively monitor and assess GHG emissions across its own operations and supply chain, ESMT has completed third-party verification since 2024. Moving forward, the Company will focus on group-wide data consolidation and expanding the inventory of Scope 3 other indirect GHG emission sources under Categories 3 to 6, identifying additional GHG emission hotspots, and engaging supplier partners and employees to drive decarbonization initiatives together.

2019–2025 Annual GHG Emissions

Unit: t CO_{2e}

Year	Scope 1	Scope 2	Scope 1 + 2 Greenhouse Gas Emissions	Greenhouse Gas Emissions Per Capita	%
2019	4.92	3186.86	3,191.78	7.69	-
2020	38.836	3298.044	3,336.88	7.87	2.34
2021	124.303	3245.932	3,370.24	7.49	-2.60
2022	44.533	3591.517	3636.05	6.87	-10.62
2023	55.8122	3896.5984	3952.411	6.97	8.70
2024	198.1539	4205.5581	4403.712	7.36	5.74
2025	142.2816	4047.9372	4190.2188	6.97	-5.30

(Data Scope: Hsinchu Science Park headquarters, Taipei, Hsinchu Zhubei, and Tainan offices)

The 2025 GHG inventory results show that the primary emission sources remained electricity consumption (Scope 2) and its associated life-cycle emissions (part of Category 4 under Scope 3), accounting for 84.27% of total emissions. Under the impact of climate change, the average summer temperature of each operating site in Taiwan continues to hit new highs, making it even more challenging to curb overall energy use.

2025 GHG Statistics

Type of Greenhouse Gas	CO_2	CH_4	N_2O	HFCs	PFCs	SF_6	NF_3	Aggregate
Emissions (metric tons CO_{2e}/year)	5857.9143	5.4965	0.1118	21.7074	111.1159	0	0	5996.3459
As a percentage of total emissions (%)	97.69%	0.09%	0.00%	0.36%	1.85%	0.00%	0.00%	100.00%

(Data Scope: Hsinchu Science Park headquarters, Taipei, Hsinchu Zhubei, and Tainan offices)

ESMT continues to expand the scope of its GHG quantification and management. Since initiating GHG inventory calculations in 2019, the Company has set GHG reduction targets. In 2024, the Company expanded the inventory scope to include Scopes 1 to 3 (Categories 1–4) and obtained a verification statement through assurance engagements conducted by an independent third-party organization. In 2025, the Company continued to expand the inventory scope to include Categories 1–5. In 2026, the inventory scope is expanded to comprehensively cover carbon inventory data for all domestic and overseas subsidiaries, steadily fulfilling the carbon inventory roadmap and meeting stakeholder expectations. Concurrently, the Company identifies carbon emission hotspots and scales up the adoption of renewable energy, taking substantive actions to reduce carbon emissions and proactively manage climate change risks.

In addition, in 2025, the Company approved the next phase of its medium-term GHG reduction targets, setting a goal to reduce GHG emissions (Scope 1 + 2) by 16% by 2030 compared to the 2024 base year. Through energy conservation (equipment replacement and retrofitting), energy generation (planning and development of renewable energy power generation sites), and the procurement of renewable energy (green power), the Company precisely targets GHG emission hotspots (electricity consumption) to effectively reduce carbon emissions.

3.5 Water Resource Management

When planning the intake of water resources in all plant area of ESMT, the first considerations are given to the government policies, company development, and industry characteristics, reasonable and effective management and allocation, while reducing the consumption of water resources. Although the impact of water issues on chip R&D and design companies without manufacturing processes is limited, it is imperative to address the issue of water shortage from the view of upstream and downstream integration of the supply chain and fulfillment of social responsibility. The quantified targets of water management is determined as: reducing the overall water consumption per capita by 2% in 2025 comparing to 2019, with the aim of taking concrete actions alongside global enterprises to address the challenges of climate change. Achieved the 2025 per capita water consumption target ahead of schedule in 2023. However, the total water intake figure has continued to rise. ESMT will continuously promote water-saving facilities and manage water resources.

2019-2025 Water Consumption

Unit(m^3)

	2019	2020	2021	2022	2023	2024	2025
Water Consumption (m^3)	16,947	19,169	17,820	20,499	20,894	22,182	22,452
Water Consumption Per Capita (m^3)	39.88	43.86	39.60	39.57	37.65	38.11	38.58
Water Consumption Per Capita (%)	-	9.98	-0.7	-0.76	-14.18	1.22	1.23

(Data Scope: Hsinchu Science Park HQ, Taipei Office)

The statistics of water resource usage cover the Hsinchu Science Park HQ and the Taipei Nangang Office. The water resources are sourced from the Hsinchu Baoshan second reservoir and the Taipei Feitsui Reservoir, respectively. As for the risk management assessment of water use, based on the analysis results from the World Resources Institute (WRI)'s Water Risk Atlas, Taiwan, neither the Hsinchu Science Park HQ nor the Taipei office is located in a water-stressed area. In addition, rainwater recycling equipment in the Hsinchu HQ has been installed to collect and store rainwater, to channel into secondary water systems such as the cooling tower of the main chiller.

The sewage discharged is mainly the domestic sewage discharged from the offices, and no process sewage is generated. All sewage is discharged through sewage drainage pipes and treated properly before outfall.

2021-2025 Water Resource Usage

Unit: million liters (thousand m^3)

Water Resource Statistics	2021	2022	2023	2024	2025
Total Water Intake	17.954	20.687	21.063	22.361	22.763
Surface Water (rainwater)	0.134	0.188	0.169	0.179	0.311
Groundwater	0	0	0	0	0
Seawater	0	0	0	0	0
Third-Party Water Supply (tap water)	17.820	20.499	20.894	22.182	22.452
Water Consumption	9.578	11.312	10.091	11.926	15.099
Water Discharge Volume	8.376	9.375	10.972	10.435	7.664

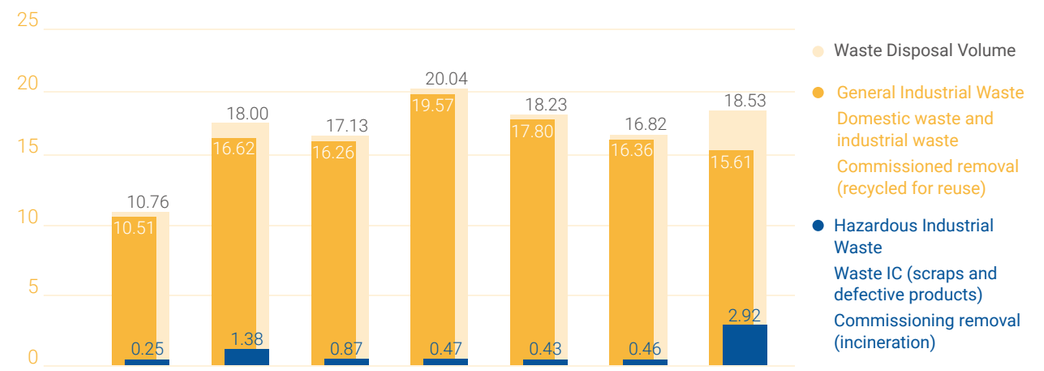
(Data Scope: Hsinchu Science Park HQ, Taipei Office)

3.6 Waste Management

The main waste of ESMT mainly comes from the general domestic waste generated by employees during office activities at the plant. The COVID-19 pandemic has spread since 2020, impacting not only human health but also our established lifestyles. This has contributed to the increasing convenience of food delivery services. The amount of waste remains significantly higher than the 2019 output. The total amount of waste treated in 2024 reached 16.82 metric tons, decreased by about 1.4 metric tons from 18.23 metric tons in 2023. There is still a lot of room for improvement from the waste reduction management goal of ESMT: "reducing personal output by 2% in 2025 comparing to 2019." However, it is also gradually returning to the output level seen at the start of the pandemic.

2019–2025 Statistic of Waste Disposal

Unit: ton



	25.32	41.18	38.06	38.69	33.08	29.20	32.28
							Output per capita (kg)

(Data Scope: Hsinchu Science Park)

ESMT divides the industrial waste into two categories: hazardous industrial waste and general industrial waste. The main sources of the hazardous industrial waste are scrapped defective IC chips from research, testing, and factory testing; the general industrial waste can be divided into general garbage and recycled waste resource. In 2024, significant progress was made in promoting waste plastic recycling (with a recycling rate of approximately 21%). Waste previously destined for incineration is now being strengthened through enhanced plastic sorting and diversified resource recovery channels. This approach has reduced the output of industrial waste and increased the volume of plastic recycling.

Under the concept of the Sustainable Development Goals (SDGs), the limited supply

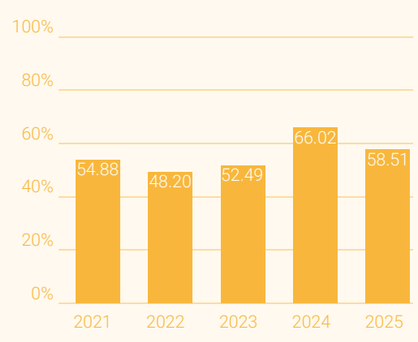
of resources in the future has unlimited value. Implement resource sorting and recycling, increase the reuse rate of recycled resources, and enhance the value of resource recycling and reuse. Regarding waste recycling, the Company set a target resource recycling rate of 60% in 2023, which slightly decreased to 58.51% in 2025. Packaging materials (waste paper) accounted for the largest share, followed by waste plastics, scrap iron, and mixed metals.

2023-2025 Resource Recycling Volume

Unit: metric tons

Type	2023	2024	2025	Disposal Method
Paper	15.28	18.42	22.29	Commissioned removal (recycled for reuse)
Plastic	0	6.94	1.75	
Iron	4.252	5.455	1.78	
Other Metals	0.605	1.855	0.313	
Information Products (unit)	85	51	31	

Recycling Rate



Note: Recycling rate = volume recycled / (volume of general industrial waste + volume of hazardous industrial waste + volume recycled)

(Data Scope: Hsinchu Science Park)

3.7 Green Actions

ESMT actively promotes the reduction of disposable plastics by providing employees with a set of eco-friendly utensils and eco-friendly straws. Employees can use eco-friendly utensils whether eating in the office or during business trips, thereby reducing their reliance on disposable utensils (plastic spoons, forks, and bamboo chopsticks, etc.). The amount of disposable items reduced over the past four years (2022-2025) would stack up to over 5.9 times the height of Taipei 101.

Joined the Green Office Initiative of the Ministry of Environment

In 2023, ESMT promoted the green office event through promotion of event in advance, self-evaluation of achievement status, and evaluation of unachieved goals. By the first quarter of 2024, the participation in the green office was completed (achieved 27 out of 35 indicators).

For the indicators failed to be achieved, ESMT will continue to promote and improve the planning. 1) We will continue to promote ad hoc projects until 2026, with the goal of increasing the penetration rate of LED lamps from 20% currently to over 50%. 2) Invite the employees to participate in other indicators that have not yet been achieved (such as green procurement, environmentally friendly restaurants and green tourism), so that the green life spreads to every employee's life circle.

3.8 Biodiversity

In 2023, ESMT held a 25th anniversary celebration event, inviting employees outdoors to connect with nature and learn about the organisms sharing their land through the documentary "Hynobius Formosanus." These organisms face threats to their habitat from extreme weather and human economic development. We extend the evaluation options for business operations and take action to protect nature, based on the concept of "living in harmony with nature."

The Company's operating sites and offices in Taiwan are located in general office buildings within the Hsinchu Science Park and the city, and are not situated in areas of concern within the national soil and ecological green network. The Company continuously monitors and explores relevant methodologies for assessing and mitigating the impact on biodiversity, employing actions that are relevant and provide reference value in order to meet stakeholder expectations.

25th anniversary of ESMT

The event was held at the Second Baoshan Reservoir in Hsinchu, near the Hsinchu Science Park headquarters, allowing all employees to immerse themselves in nature, appreciate the mountains, and learn about the local forests and the park's water source. To enable the employees to understand the ecology of the surrounding environment, the participants were invited to capture creatures in the ecosystem around the reservoir. A total of 101 groups of adults and children signed up to participate the activity, and more than 200 species were identified. Among the captured biological species, local species that are not native to Taiwan were also found, such as the (exotic species) bittervine. This is not a good thing for local biodiversity, and may reduce biodiversity, as the main culprit of ecological damage.

Good Morni MIT – Video Viewing

Promoting the ecological sustainability from awareness. In 2023, ESMT invited employees to bring their family members and friends to participate in the film-viewing event “Good Morni MIT.” Through the private screening event, we not only provided direct support to environmental and ecological documentary filmmakers, but also enabled employees to learn more about the activities of native species in the alpine regions of Taiwan. The Hynobius is not a fish, but an amphibian. It is one of the few creatures from the same period as the dinosaurs that still exist on Earth. In this era of intensified climate change, we can’t help but think about whether Hynobius will survive and leave good things to future generations.

3.9 Environmental Protection Expenditures and Compliance with Environmental Regulations

In 2025, ESMT invested approximately NT$[amount] thousand in environmental protection-related expenses. Details are shown in the table below. In addition, there were no incidents of environmental regulatory violations or fines in 2025.

2025 Environmental Protection Expenditures

Unit: NT$ thousand

Environmental Protection Category	Amount
Environmental Management System Certification	993.96
General Industrial Waste Clearance/Recycling	321.21
Office Cleaning and Floor Washing	5597.42
Landscape Maintenance	19.95
Vector Control and Environmental Hygiene	29.40
Cleaning Supplies and Consumables	466.50
Total Expenses	7428.44

Friendly Workplace

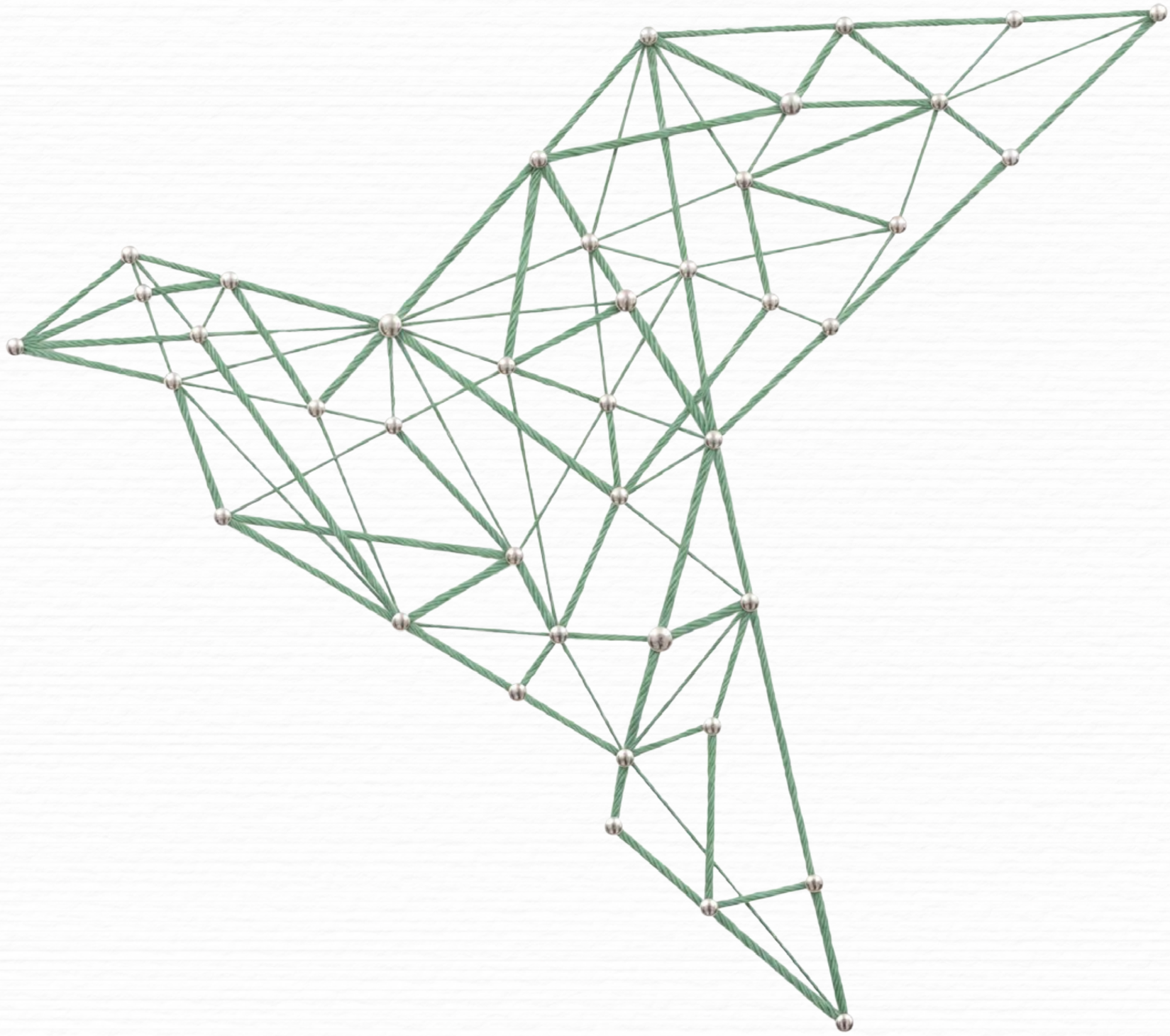
4.1 Excellent Team

4.2 Talent Development

4.3 Salary and Welfare

4.4 Labor-Management Communication

4.5 Safety Workplace



4. Friendly Workplace

Every employee is an important partner of ESMT for the sustainable development, as well as one of the key assets. We value the working environment and work-life balance of employees. Therefore, our systems and strategies aim to create a work-life balance, diversified communication channels, and a friendly workplace, to form the cohesion of employees, enterprise recognition, attract excellent talents, and improve enterprise competitiveness, to build an outstanding team, thereby achieving the goal of sustainable development.

The Company values the rights and interests of employees and is committed to creating a friendly workplace. The specific measures are as follows:

Comply with Local Labor Laws and Protect the Basic Rights of Employees

Upholding the core values of "Integrity, Accountability, Excellence, and Innovation," the Company regards human rights as the cornerstone of sustainable operations. We comply with the United Nations Guiding Principles on Business and Human Rights (UNGPs), the United Nations Global Compact, the International Labor Conventions, the OECD Guidelines for Multinational Enterprises, the Responsible Business Alliance Code of Conduct, the Responsible Business Alliance Due Diligence Guidance, the EU Corporate Sustainability Due Diligence Directive, the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization, and other relevant standards of international organizations, as well as the domestic Labor Standards Act and other applicable laws and regulations. In doing so, we ensure that employees, affiliated companies, suppliers, contractors, partners, and other stakeholders are treated equally and with respect in a dignified and safe working environment.

ESMT systematically and effectively promotes its human rights policy across departments through the "Friendly Workplace and Social Welfare Task Force" under the ESMT Sustainable Development Committee. The Board of Directors serves as the highest governing body of the Committee, overseeing the implementation of the human rights policy. Following approval and signature by the Chairman, the Company officially promulgated its human rights policy while requiring suppliers to adhere to the following implementation guidelines to realize the human rights policy of ESMT.

1. Value the rights and interests of employees and human rights, including eliminating discrimination and not coercing or forcing them into involuntary labor.
2. Continuously improve the health and safety of our working environment, foster a friendly workplace, and promote work-life balance.
3. To protect the health and safety of the aforementioned stakeholders, negative impacts on the environment and natural resources must be avoided.
4. Demand that all employees and suppliers to adhere to high ethical standards and strictly comply with our code of business ethics.
5. Comply with maternity protection regulations and prohibit child labor.

Provide Diverse Benefits to Enhance Employees' Well-Being

The Company provides diverse benefits, including group insurance, meal subsidies, travel subsidies, childcare allowances, wedding and funeral subsidies, among other things, to enhance the well-being of employees.

Create a Safe and Healthy Working Environment

The Company regularly organizes occupational safety and health education and training, provides employee health checkups that exceed regulatory requirements, and provides safety equipment and facilities to create a safe and healthy working environment.

Respect Diverse Cultures and Promote Inclusion in the Workplace

The Company respects the cultural diversity, without discrimination against any employee, and promotes workplace inclusion, so that employees can work in an environment of equality and respect. The Company has also formulated relevant regulations that explicitly prohibit any form of discrimination, including gender, age, race, religion, and disability. Also, the regulations are established for preventing workplace violence to protect employees from workplace violence.

Value Employees' Development and Provide Career Training

The Company values the employee development and provides relevant training courses to assist employees to improve their work skills and career development.

Work-life Balance

The Company values the physical and mental health of employees and encourages them to achieve work-life balance.

Diverse Communication Channels

The Company has established various communication channels, such as labor-management meetings and the opinion box, to allow employees to express their

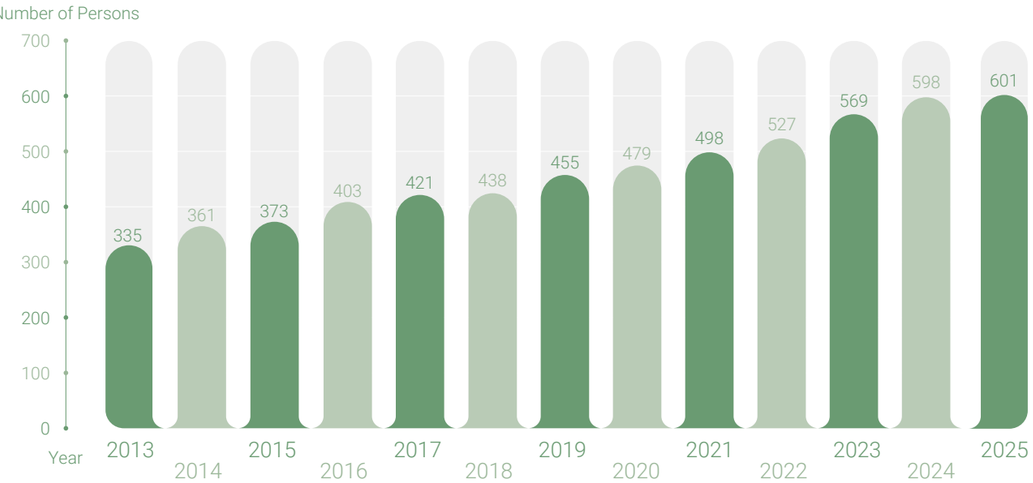
opinions and communicate with the colleagues or officers anytime, anywhere.

Through the above-mentioned measures, ESMT will continuously strive to create a friendly workplace, so that employees can gain a sense of accomplishment and happiness at work and create the common good for the sustainable development of the Company.

4.1 Excellent Team

The number of employees at ESMT has been growing steadily each year. As of the end of 2025, the Company had a total of 601 employees, with 71.21% being male and 28.79% female. As for the age distribution, most employees are aged between 30 and 50, accounting for 65.56 % of total employees. Expatriate employees accounted for 0.5% among the total number of employees. As for the educational background of members of the excellent team, 63.39% of them have a master's degree or above, and 77.87% of them are R&D engineers. This means ESMT employees possess professional technological strength and practical experience, making them the most important partners of ESMT on the road towards growth.

Total Number of ESMT Employees Each Year



Statistics on Manpower Composition in 2025 (Taiwan)

Type	Group Type	Male	Female	Total
Age	30 and under	68	17	85
	31 - 40	124	58	182
	41 - 50	145	67	212
	51 and above	91	31	122

Type	Group Type	Male	Female	Total
Education Qualification	Others	2	7	9
	Junior College	110	101	211
	Master	309	65	374
	PhD	7	0	7

Type	Group Type	Male	Female	Total
Type of Position	R&D / Engineering	372	99	471
	Administration / Business / Management	41	62	103
	Production	15	12	27
	Functional and Technological Supervisor	173	43	216
	Functional Supervisor	78	25	103

Type	Group Type	Male	Female	Total
Seniority	1 year and under	34	19	53
	1-3 years	71	20	91
	3-10 years	125	52	177
	10-15 years	60	24	84
	More than 15 years	138	58	196

Turnover Rate-By Gender and Age

	2024			2025		
Age	Male	Female	Total(%)	Male	Female	Total(%)
30 and under	3	2	0.86	5	2	1.17
31 - 50	12	4	2.74	20	9	4.84
51 and above	7	4	1.88	11	4	2.50

The company's turnover rate in 2025 increased by 3.03% compared to 2024. Based on age distribution analysis, the 31–50 age group accounted for the highest number of departures in 2025.

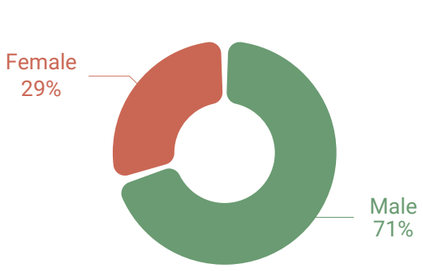
Employment Status of Full-time and Part-time

Region	Type		Male	Female	Total
Taiwan	Regular	Full-time	426	170	596
		Part-time	0	0	0
	Contractor	Full-time	1	1	2
		Part-time	1	2	3

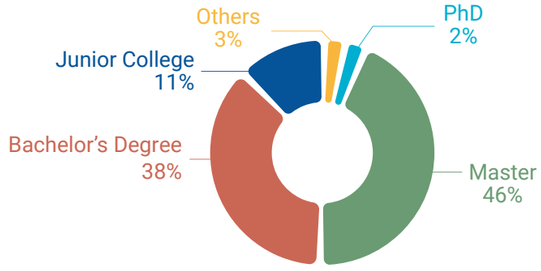
Region	Type		Male	Female	Total
China	Regular	Full-time	25	6	31
		Part-time	0	0	0
	Contractor	Full-time	0	2	2
		Part-time	0	0	0

Region	Type		Male	Female	Total
Japan	Regular	Full-time	3	1	4
		Part-time	0	0	0
	Contractor	Full-time	0	0	0
		Part-time	0	0	0

Region	Type		Male	Female	Total
U.S.	Regular	Full-time	3	2	5
		Part-time	0	1	1
	Contractor	Full-time	0	0	0
		Part-time	0	0	0



Employee Sex Ratio



Employee Education Qualification

Note: Calculated based on the number of employees who were still in service on December 31, 2025.

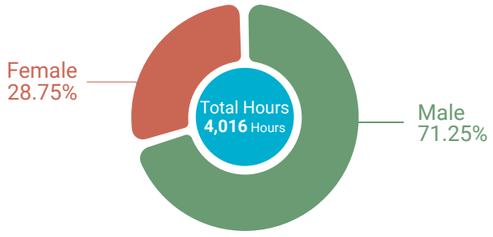
4.2 Talent Development

Talent cultivation is the key to innovation and development. The most important strategy for talent cultivation is the pass-on of R&D professional technologies and the trend of self-directed learning. Courses to hone professional skill and management skills are both available, so as to pile up the Company's capital strength and overall competitiveness.

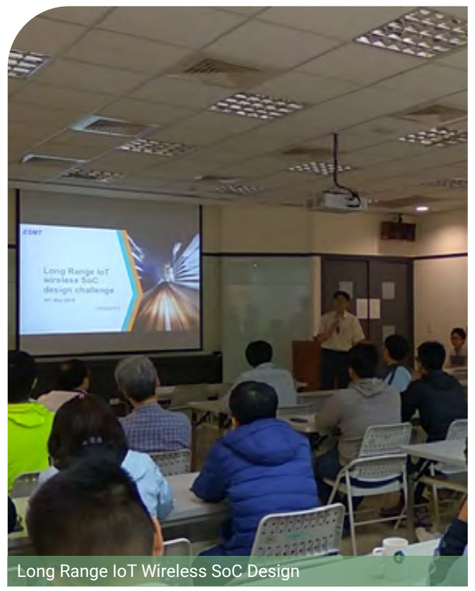
By looking at the occupational competency required of the position of employees, the requirement for personal development, and the requirement for company operational expansion, the Company not only formulates the training course for individuals, but also has each department formulate the annual training plan and implement it accordingly.

Type	Target	Learning Method
New Employee Orientation	Employees serving the Company for less than 3 months	Internal training
Courses for Obtaining a License	Personnel required by law to have a license	External training
Job Duties	All employees	Internal training / external training / OJT
General Management	All employees	Internal training / external training
Professional Skills	All employees	Internal training / external training / OJT
Supervisor Training	Rank-and-file / middle level / top level	Internal training / external training

Employee training hours in ESMT in 2025 totaled 4,016 hours, of which men and women accounted for 71.25% and 28.75%, respectively.



Continuing Education Courses


Long Range IoT Wireless SoC Design

Circuit Design

EMI for CMOS

Debug Experience

Fundamental Operation

Theme Courses

Communication Across Generations

Mentor Instructions and Experience Pass-On

Consensus Camp

Work Enthusiasm and Energy

Stress Relief Plants

Aromatic Essential Oils For Stress Relief

4.3 Salary and Welfare

ESMT views employees as an important asset. To attract exceptional talents to join ESMT and enhance cohesion among employees, ESMT not only provides competitive remuneration and benefits, employee welfare measures, and a cozy work environment, but also values the work-life balance of employees.

Remuneration System

The Company plans a comprehensive performance assessment every year to provide a basis for promotion and salary adjustment, thereby offering an appealing remuneration system. All salary standards fully demonstrate the spirit of equity, in that they do not discriminate on grounds of sex, race, or age. The average and median salaries of non-managerial employees of ESMT in listed companies for the years 2024 and 2025 are detailed in the table below. ESMT has been included as a constituent of the TWSE RAFI® Taiwan High Compensation 100 Index for 12 consecutive years.

Average and Median Compensation of Full-Time Non-Managerial Employees Announced by the Taiwan Stock Exchange

Unit: NT$1,000

Year	Average Compensation	Median Compensation
2024	2,113	1,969
2025	2,108	1,938

Employee Welfare Measures

1. Group / Travel Insurance

   Aside from the mandatory labor insurance, health insurance, and pension contribution, the Company also provides each employee, their spouse, and their children with a group insurance which covers hospitalization, accidents, and major illness. We care for not only the employees per se but also their families.

   ESMT has planned a comprehensive travel accident insurance plan for employees required to take overseas business trips, so that in the event of any inconvenience or unexpected emergency during the trip, the insurance can help employees deal with inconveniences encountered during their overseas business trips.

2. Retirement System

   The Company set up the Labor Retirement Reserve Fund Dedicated Account with the Central Trust of China in December 1998, and started making a contribution equal to 2% of the monthly salary of an employee to the account. The application for pension payment and the manner in which pension will be paid shall be in accordance with the Labor Standards Law. As required by the Statement of Financial Accounting Standard No.18: Accounting for Pensions, from 1999 onwards, qualified actuaries have been engaged to appraise the value of pension. As required by the Labor Pension Act (new pension system), from July 1, 2005 onwards, the Company consulted employees on their preference for a pension system before making a contribution to their personal pension account. Matters regarding retirement of employees were also conducted according to relevant regulations.

3. Work-life Balance Measures and Welfare

   ESMT offers employees a friendly workplace, which allows them to achieve a balance and harmony among work, life, and family. In terms of the workplace, to create a flexible working environment, ESMT opened the Taipei Office in 2023 so that colleagues living in Taipei may choose to work in the Taipei Office, significantly reducing the transportation time and costs for employees to commute to and from work. The carbon emissions reduced from the employees' commute further achieves the environmental sustainability, and the employees also reduce commuting time and thereby improve their quality of life. As for working hours, employees are allowed to work flexible time so if they need to take care of their families or themselves; aside from enjoying Sundays and Saturdays off, employees are also given the off-day hours more premium than those required by the Labor Standards Act. For employees, in addition to providing the mandatory labor insurance, National Health Insurance, and labor pension as required by law, ESMT also provides all employees and their dependents with group insurance, including life insurance, accident insurance, hospitalization medical insurance, and cancer/critical illness insurance, with all premiums fully covered by ESMT. ESMT also provides on-site services and consultation by professionals. Travel insurance is also purchased for employees who are required to take an overseas business trip, so as to provide a comprehensive coverage for them.

   ESMT holds a year-end party every year, at which employees are rewarded for their year-long efforts and senior employees are awarded trophies and cash bonuses in recognition of their contributions and efforts for ESMT. In addition, gift vouchers or cash bonuses are provided to employees during major holidays and on their birthdays.

   Healthy and happy employees create higher sustainability performance for the Company. As such, ESMT is dedicated to promoting and providing diverse healthcare projects to take care of employees' health, and to foster a quality work environment. The Company's health center provides employee with health management, health examination, and health education and consultation, cares for specific parties, and arranges health consultations with on-site doctors. As for maternity protection measures, a breastfeeding / milk collection room was set

up in the health center in 2011. The lactation room allows employees unlimited breastfeeding hours, and regularly arranges for pregnant and postpartum employees to have a one-on-one consultation with on-site doctors. Since its foundation, the Company's breastfeeding / milk collection rooms have been certified as the excellent breastfeeding / milk collection rooms in Hsinchu City for many times.

In addition to the regular labor physical checkups required by laws, ESMT also provides employees with checkups superior than the law based on their age and health conditions, such as fundus photography, various ultrasound examinations, and electrocardiography. In 2024, to take care of middle-aged and elderly employees, the Company provided them with preventive medical examinations with high subsidies, seeking to meet the physical and mental health and safety needs of employees through the care and health promotion mentioned above, while helping employees to know and understand their health better.

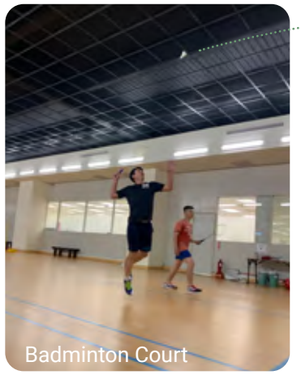
Health Center & Lactation Room

The Company has set up the Employee Welfare Committee at the time of foundation; until now, the Employee Welfare Committee regularly organizes domestic and foreign trips, birthday party, and afternoon tea fair every year, to relax employee's mind and body and enhance the communication, interaction, and bond among them. Employees' dependents are also welcome to participate in domestic and overseas trips, which provide opportunities for employees and their family members to get to know and interact with each other. ESMT encourages employees to keep fit in that its building has a fitness center, basketball court, badminton court, aerobics classroom and other sports, fitness, and leisure spaces. In addition, ESMT values work-leisure balance for employees, and welcomes employees creating clubs of various types, which organize club activities from time to time with subsidies from the Employee Welfare Committee, so that the clubs operate smoothly and help relieve employees' pressure.

Aerobics Classroom

Basketball Court

Work-life balance
Relaxation after work



Badminton Court

Fitness Center

ESMT has set up an employee-only cafeteria to provide employees with a variety of choices such as buffet, noodles, or simple meals. The cafeteria also provides calorie information for employees to not only enjoy delicious food during meal time, but also provides a place for employees to relax, gather and communicate in a comfortable, safe, and hygienic dining environment, with meal subsidies for employees who dine in.

Employee Restaurant & A Cozy Light Meal Restaurant

The Company offers diverse benefits and subsidies to employees. An annual budget is developed and welfare measures are planned every year, e.g., the subsidies for marriage, funeral, illness, childbirth and child rearing, and education. The Company also assesses the contracted day care center and kindergarten and offers health

education information on child rearing. Starting from 2022, to take care of the employees' families, the Company has added the monthly childcare allowance for employees who have children aged between 0 to 6 years old. In 2025, a total of 14.31% of the employees benefited. There are other regularly held diverse activities to refresh employees, hoping that they take care of their physical and mental health in addition to their work and relax themselves in a timely manner. For instance, ESMT offers employees courses and seminars on parent-child communication, self-growth, and pressure relief and makes leisure magazines and books available for borrowing.

Work

- Flexible working hour
- Festival / Birthday gift voucher; festive bonus
- Off-day hours beyond the legal requirements
- Year end party
  Offer senior colleagues trophy and cash gift for encouragement
- Cover business trip with travel insurance

Family

- Set up a lactation room
  Provide unlimited time for breastfeeding and expressing breast milk
- Arrange for pregnant and postpartum employees to have a one-on-one consultation with on-site doctors
- Subsidies for employees regarding marriage, funeral, illness, childbirth and child rearing, and education
- Providing childcare allowance for employees with children aged 0-6
- Assess contracted day care center and kindergarten
  Offer health education information on child rearing
- Courses and seminars on parent-child communication
- Parent-child tour for employees and their dependents
- Group insurance for employees and their dependents

Health

- Employee assistance projects and health promotion activities
- Periodic health check beyond the legal requirements
- Providing the subsidies of preventive medical examinations for elderly employees
- The health center offers employees health management and health education and consultation on health check
- Leisure and fitness space such as the basketball court, badminton court, and aerobics classroom
- The Employee Welfare Committee regularly organizes domestic and foreign tours, birthday party, and afternoon tea party
- Hold self-growth and pressure relief courses
- Set up an employee restaurant which offers buffet, noodles, or light meal

4.4 Labor-Management Communication

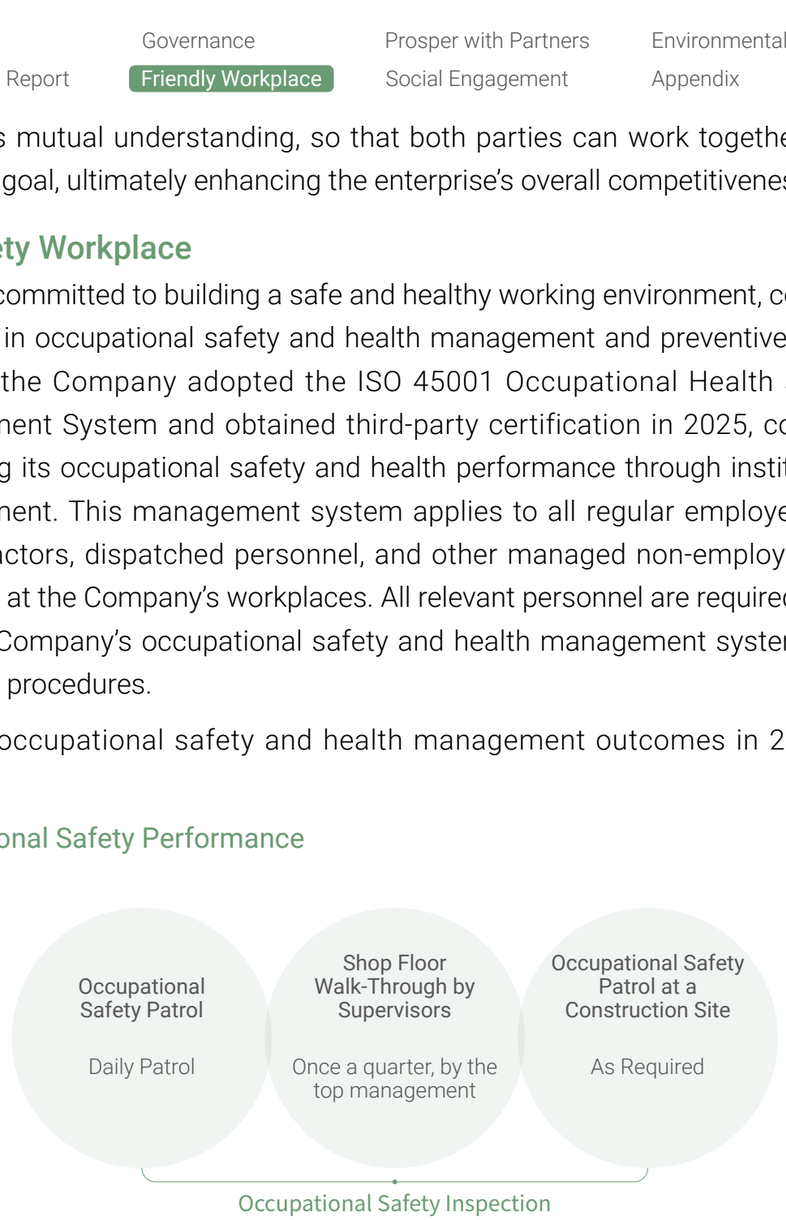
The Company organizes labor-management meetings in accordance with relevant laws and regulations, and regularly holds them to discuss and negotiate labor-management issues. This provides employees with a platform for effective communication with the Company, allowing both parties to discuss issues such as remuneration, benefits, and the work environment. At the same time, the Company also promotes employee cohesion through various activities, working in conjunction with the Employee Welfare Committee. Labor-management meetings and welfare committees play an important role in promoting labor-management communication. In addition, the Company values human-based management and is well aware of the interdependence of labors and management. As such, where labor issues are concerned, the Company always adopts a two-way communication method which facilitates mutual understanding, so that both parties can work together toward a common goal, ultimately enhancing the enterprise's overall competitiveness.

4.5 Safety Workplace

ESMT is committed to building a safe and healthy working environment, continuously investing in occupational safety and health management and preventive measures. In 2024, the Company adopted the ISO 45001 Occupational Health and Safety Management System and obtained third-party certification in 2025, continuously enhancing its occupational safety and health performance through institutionalized management. This management system applies to all regular employees, as well as contractors, dispatched personnel, and other managed non-employee workers operating at the Company's workplaces. All relevant personnel are required to comply with the Company's occupational safety and health management system and safe operating procedures.

The key occupational safety and health management outcomes in 2025 are as follows:

Occupational Safety Performance



Organization of the Occupational Safety and Health Committee

We have established the Occupational Safety and Health Committee (hereinafter referred to as the "safety committee") in accordance with the Regulations for Occupational Safety and Health Management and hold quarterly Occupational Safety and Health meetings. In 2025, a total of four meetings were held, with at least one-third of the participants being labor representatives (elected at the labor-management meeting). These meetings were convened to review the implementation of each goal, discuss the past and future quarterly dynamics, and jointly resolve the matters raised. Any questions raised by labor representatives or on-site management personnel of contractors during the meeting were prioritized. The relevant records of this meeting

were reported to the president. In addition to complying with the Occupational Safety and Health Act and relevant regulations, we have also established plans for safety and health education, drills, counseling, prevention, and risk monitoring.

Contractor Safety and Health Management

ESMT places great emphasis on the occupational safety and health of contractors and other non-employee workers operating at company workplaces. ESMT has established a contractor safety and health management system that incorporates occupational safety and health requirements into contractor management processes to mitigate construction and operational risks.

Key management measures include:

- Review contractor entry qualifications and verify occupational safety and health requirements.
- Convene safety and health coordination meetings and communicate hazard notifications prior to the commencement of work.
- Implement work permit management for high-risk operations (e.g., hot work, work at height, confined space, and lifting operations).
- Conduct daily toolbox talks prior to commencing work.
- Perform inspections and oversight by responsible units and EHS personnel during operations, tracking corrective actions for any identified deficiencies.

Occupational Work Environment Monitoring

The Company adopts planning, sampling, testing, and analysis to grasp the conditions in the work environment at the workplace, and to assess the exposure of the work environment where an operator is in. To prevent labors from being harmed by hazardous substance at workplace, and to offer employees a healthy, cozy work environment, the Company executes environment monitoring every year to prevent the occurrence of occupational accidents.

Work Environment for Employees

ESMT values the safety of its employees' work environment and provides relevant equipment and aids to ensure their health and safety.

1. All employees are provided with ergonomic chairs, to ensure the comfort and safety of seats in office.
2. Employees who engage in prolonged screen use are provided with large monitors or monitor stands to prevent eye fatigue and meet ergonomic standards.
3. Desks for employees who sit for extended periods are converted to adjustable height desks to avoid chronic injuries caused by incorrect posture.

Implementation Status of Safety and Health Training

In order to strengthen the safety awareness and response ability of employees and to comply with relevant safety operation specifications, we plan diversified and systematic occupational safety and health education and training. By doing this, we ensure that employees can quickly become familiar with the work environment and the company's safety and health policies and management specifications, thereby reducing work-related injuries caused by unfamiliarity with the work environment.

- New employee orientation: New employees receive "occupational safety and health education and training" upon reporting to work. The training covers basic safety specifications, hazard identification, and emergency response measures (such as emergency evacuation drills and firefighting self-defense teams, etc.). This helps our employees quickly familiarize themselves with the work environment and the Company's safety and health policies, and reduce occupational risks stemming from unfamiliar operations.
- On-the-job training: The Company organizes occupational safety and health training courses for employees from time to time. The training courses are designed to promote and strengthen the awareness of practical cases, legal requirements, and on-site risks. This ensures that employees are equipped with the tools to identify and respond to risks in a timely manner.
- Fire drills: Fire evacuation and escape drills are conducted once every six months at the plant to simulate disaster scenarios and enhance employees' response capabilities and familiarity with escape routes.
- Internal audit training: In response to the promotion of the ISO 45001 Occupational Safety and Health Management System, internal auditors are arranged to receive professional training, ensuring the operation of the management system meets the standards and continues to improve.

Number of People and Total Training Hours for Work Safety Education and Training

Item / Year	2019	2020	2021	2022	2023	2024	2025
Number of Trainees	172	149	163	246	347	664	806
Education and Training man-hour	413	332.5	363.5	554	688	2,679	1,508

Work Safety Personnel with Professional License

Type A Occupational Safety and Health Manager	1	High-Pressure Gas Container Operator	1
Occupational Safety Manager	1	Organic Solvent Safety Supervisor	2
Occupational Safety and Health Manager	1	Radiation Safety Certificate for Operator	3
Operators of Forklift Over 1 Ton	10	First Aid Personnel	13
Oxygen-Deficient Operations Supervisor	1	Healthcare Personnel for Labor Health Services	1

Incident Response Procedures

ESMT is committed to providing employees with a safe working environment. In case of accidents, the person concerned or the personnel around them shall immediately notify the officers and the Administration Division; in addition, the occupational safety personnel and the nurses assist in handling the accident. Internally, the "Employee Care System" and the "Occupational Injury Investigation" are established simultaneously, to grasp and report related accident injuries in a timely manner.

Accident Reporting Process

Statistics on Work-related Injuries and Occupational Diseases

The Company's statistics on work-related injuries and occupational diseases are compiled in accordance with Taiwan's occupational safety and health regulations, and the statistical scope covers all regular employees of the Company. In 2025, there were no fatal occupational accidents, high-consequence work-related injuries, or recognized cases of occupational diseases—both the disabling frequency rate (FR) and disabling severity rate (SR) were 0. The Company is committed to continuing to progress toward the goals of zero occupational accidents and zero occupational diseases.

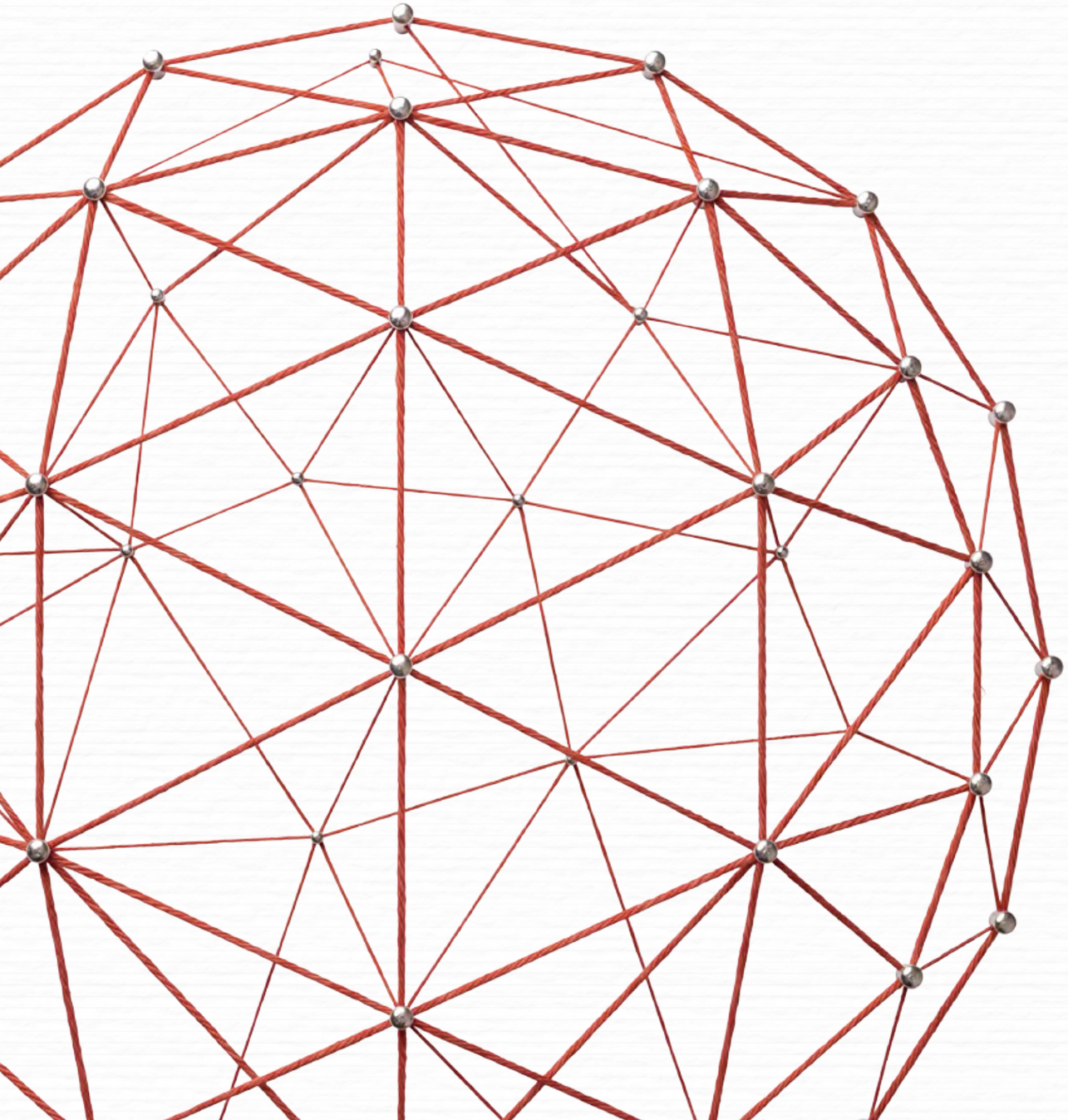
	2022	2023	2024	2025
Number of Occupational Accidents	0	0	0	0
Occupational Fatality Rate	0	0	0	0
Disabling Frequency Rate (FR)	0	0	0	0
Disabling Severity Rate (SR)	0	0	0	0

*Note 1. FR/SR are calculated per million man-hours.

Short-Term Goals	Mid-and Long-Term Goals	2025 Goal Achievement Rate
Zero occupational disease Zero major occupational accidents There were zero major occupational accidents across the Company, and minor accidents were ≤ 8.	Value the physical and mental health of all employees and create a "healthy workplace" environment. Work with contractors/suppliers to promote occupational health and safety jointly. There were zero major occupational accidents across the Company, and minor accidents were ≤ 5.	Zero occupational diseases at ESMT in 2025 Zero major occupational accidents at ESMT in 2025 Total number of occupational accidents at ESMT in 2025 : 0

Overwork-related Illness Prevention Procedures

Being a professional IC design house, ESMT has a simple office environment. According to Article 6 of the Occupational Safety and Health Act, an employer is obliged to ensure the work safety and physical and mental health of employees by preventing them from suffering illness caused by overwork such as working in shift, working at night, working long hours, or other work load. The Company believes that an enterprise's competitiveness lies in a safe and healthy workforce. Accordingly, ESMT establishes the "Overwork-related Illness Prevention Procedures", which stipulate illness preventive measures and management measures aiming to protect employees' physical and mental health, lest they develop any illness due to extraordinary workload. The medical staff periodically carry out an assessment, have an interview with the medical specialist of the occupational medicine division for advice, and propose suggestions based on the specialist's advice, implement the suggestions, and record the implementation.



Social Engagement

5.1 Fostering Memory Industry Talent in Taiwan

5.2 Promoting a Healthy Society

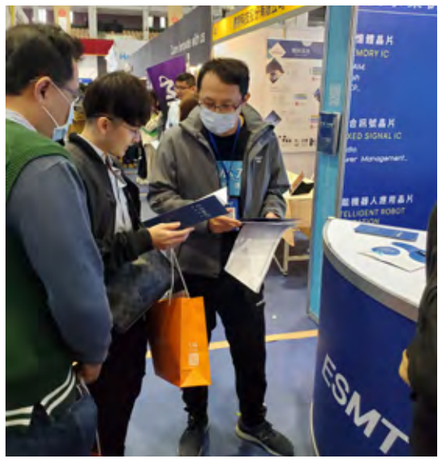
5.3 Charitable Events

5. Social Engagement

As a member of enterprises and the society, ESMT pursues operational performance and creates economic value while wishing to using its power to “better the society”, a corporate social responsibility goal it has set for itself. ESMT has been caring for the underprivileged groups and engaging in charitable events; it also contributes its fair share to talent cultivation and social education, hoping to activate a virtuous circle and fulfill corporate social responsibility.

5.1 Fostering Memory Industry Talent in Taiwan

In view of the acute shortage of semiconductor talent in Taiwan, which has indirectly impacted national competitiveness, ESMT notes that the output value of Taiwan’s memory industry is approaching NT$300 billion and is expected to double in the future. The Company also launches its campus campaign each year, namely, “IC Design Industry Introduction and Career Development Planning Seminar”, at the various campus, aiming to enable students to understand their personal strength and the industry before they start work, so as to enhance their competitiveness. ESMT actively promotes the memory industry to students, strengthening their knowledge and deepening their expertise to align with industry development trends. This proactive approach ensures early alignment with industry needs and maintains Taiwan’s competitiveness in the international market. Furthermore, ESMT invests resources every year to provide internship and scholarship opportunities, cultivating its own talent and further supporting industry development. ESMT has joined the Electric Resource Industry-Academia Alliance of National Yang Ming Chiao Tung University to promote research and development collaborations between the company and the university.



5.2 Promoting a Healthy Society

In the era of rapid advancements in medical technology, ESMT actively participates in social responsibility and is committed to promoting public health and enhancing quality of life. From 2023 to 2024, ESMT sponsored hospitals to conduct clinical trials, aiming to predict cancer through precision testing technology and identify high-risk groups early. The strength of an enterprise lies not only in transforming economic value, but also in its social responsibility to improve the social environment and enhance human health and quality of life.

5.3 Charitable Events

As a member of enterprises and the society, ESMT pursues operational performance and creates economic value while wishing to using its power to “better the society”, a corporate social responsibility goal it has set for itself. ESMT has been caring for the underprivileged groups and engaging in the promotion of charitable events, so as to contribute to the society.

In support of the ESMT Educational Foundation which aims to promote educational and artistic charitable events and encourage life-long learning and expression of life essence, ESMT has:

I. Set up or provide scholarship to encourage study or learning professional skills.

II. Promoted, subsidized, or organized charitable events and clubs in relation to education, arts, and promotion of aesthetics.

III. Promoted, subsidized, or organized charitable events and clubs in relation to lifelong learning, skill training, occupational competence training, life education, correctional education, and heuristic growth education.

IV. Sponsored high-tech education and talent cultivation.

V. Promoted, subsidized, or organized the various academic activities and interchange.

VI. Sponsored the cultivation of outstanding talents and participation in various performances and competitions.

VII. Donated books and equipment for charitable and educational purposes.

VIII. Engaged in other charitable, educational affairs which align with the purpose of the establishment of the ESMT Educational Foundation.

In 2022, the ESMT Educational Foundation officially became a national legal entity under the Ministry of Education. The scope of sponsorship has expanded to various

locations nationwide, focusing on diverse learning programs to assist remote schools, school dropouts, individuals with disabilities, and children in need of special care to participate in various learning activities.

Stated below is the 2025 execution plan of ESMT Educational Foundation:

I. ESMT Learning and Growth Train – Programming Education Promotion Program for Elementary and Junior High Schools.

II. ESMT Learning and Growth Train – Emotional Support Dog-Assisted Learning Program for Special Education Classes in Elementary and Junior High Schools.

III. ESMT Learning and Growth Train –

(I) Campus Life Education Through Sports for Persons with Disabilities;

(II) Badminton Practice Program for Persons with Disabilities.

IV. ESMT Learning and Growth Train – Ballet Arts Campus Promotion.

V. ESMT Learning and Growth Train – Sustainable Campus Promotion Program.

VI. Learning/Reading Project Grant – Formosa 3D Mobile Cinema School Tour.

VII. Learning/Reading Project Grant – Sponsorship of the Chengzhi Education Foundation.

VIII. Learning/Reading Project Grant – Sponsorship of the Lan-Chui Social Welfare Foundation.

IX. Learning/Reading Project Grant – Sponsorship of the Good Shepherd Social Welfare Foundation's De Xin Home.

X. Public Welfare Sponsorship – Hsinchu Municipal Wind Orchestra – Music Residency Program.

XI. Public Welfare Sponsorship – Taiwan Vox Nativa Association.

XII. Public Welfare Sponsorship – Hsinchu Boxing Association.

XIII. Improvement of school facilities in remote areas, and subsidies for clubs and courses.

XIV. Science Education Promotion and Scholarships for College, Master's, and Doctoral Students

Description of the 2025 Execution Plan of ESMT Educational Foundation

ESMT Learning and Growth Train

Subsidy for Programming Education Promotion to Junior High Schools and Elementary Schools.

Expense	NT$ 428,000	Locations	Miaoli County, Yunlin County

Implementation Methods and Descriptions

- The Foundation collaborated with the Coding for Taiwan Association to dispatch professional instructors to schools in Miaoli and Yunlin. A total of five schools participated: Ciaoshan Elementary School (Miaoli), Nanpu Elementary School (Miaoli), Sanwan Elementary School (Miaoli), Xihu Elementary School (Miaoli), and Shuicanlin Elementary School (Yunlin), delivering specialized programming education courses. In addition to providing students with free access to learning the latest globally updated version of Scratch, the program empowered them to unleash their imagination to create engaging animations and interactive gaming experiences.

Implementation Benefits

- Cultivated students' logical and innovative thinking, enabling them to integrate foundational programming knowledgewith creativity to develop interactive programming projects. Enhanced students' self-directed learning and problem-solving capabilities, helping them discover personal interests and explore the potential of the programming world.
- Professional instructors were fully dedicated to mentorship and teaching, encouraging students to participate in competitions and confidently showcase their logical thinking and creativity. Eleven students from Sanwan Elementary School represented their school in the 2025 Miaoli County Maolimiao Cup programming competition, delivering outstanding performances to advance to the on-site semi-finals. In addition, eight students from Shuicanlin Elementary School represented their school in the National Cat Cup Scratch Competition, successfully advancing to the second stage in Yunlin County.

Number of Beneficiaries

- 360 students/visits at Ciaoshan Elementary School;
  240 students/visits at Nanpu Elementary School;
  290 students/visits at Sanwan Elementary School;
  385 students/visits at Xihu Elementary School;
  410 students/visits at Shuicanlin Elementary School.

ESMT Learning and Growth Train

Subsidy of Special Education by Emotional Support Dogs to Junior High Schools and Elementary Schools.

Expense	NT$ 200,000	Locations	Yilan County

Implementation Methods and Descriptions

- The Foundation partnered with professional teams to provide emotional support dog therapy and interpersonal development courses at Guangfu Elementary School and Yilan Elementary School in Yilan County. Under the guidance of professional teams, emotional support dogs collaborated with school teachers to help students with special education needs foster positive interactions with living creatures and build supportive friendships, thereby relieving negative emotions and stress. This enabled students with special education needs to develop more inclusive and accepting interaction patterns, thereby understanding their own and others' needs and rebuilding positive interpersonal relationships.

Implementation Benefits

- Enhanced emotional understanding and awareness among students with special education needs, providing a safe environment for emotional expression and promoting integration into the school community. This program facilitates communication and mutual support among peers and teachers, fostering trust in the environment and improving interpersonal skills.
- Through their involvement and efforts with the emotional support dogs, students with special education needs gain self-affirmation. They learn through practical experiences and participation in planning and execution, gaining a deeper understanding of the true meaning of service and self-discovery through helping others.
- Working in collaboration with on-site teachers, the program provides students with special education needs with opportunities for natural rehabilitation. Through physical movement and interaction with emotional support dogs, students are encouraged to engage with cognitive learning areas where motivation is typically low.

Number of Beneficiaries

- Approximately 110 students/visits per school, totaling approximately 220 students/visits.

ESMT Learning and Growth Train

Ballet Arts Campus Promotion

Expense	NT$ 300,000	Locations	Across Taiwan

Implementation Methods and Descriptions

- The Foundation cooperated with Taiwan Ballet Company to bring ballet art closer to the campus. In addition to classic concert performances, a demonstration and explanation of ballet basics, along with an introduction to the history of ballet – including its origins and the development of different ballet styles – were also conducted. During the event, students had the opportunity to interact with and ask questions of the dancers, allowing them to gain a deeper understanding of the dancers' experiences learning to dance.

  In 2025, the ballet arts campus outreach program reached 13 schools, including Guanshan Junior High School, Wan'an Elementary School, Yong'an Elementary School, Baosang Junior High School, Donghai Elementary School, Malan Elementary School, Fushan Elementary School, and Dianguang Elementary School in Taitung County, as well as Shihhu Elementary School, Maolin Elementary School, Longshan Elementary School, Taishan Elementary School, and Linluo Elementary School in Kaohsiung and Pingtung. The initiative provided students across southern and eastern Taiwan with opportunities to experience professional ballet performances up close.

Implementation Benefits

- We enable children in remote areas to experience ballet, bringing the art form back to their communities, bridging the urban-rural divide in resources, broadening their perspectives, and enhancing their aesthetic education.
- The dance troupe tours various regions annually, sowing the seeds of aesthetic education in every corner and ensuring that arts education is no longer a privilege reserved solely for urban students.

Number of Beneficiaries

- 13 schools, with approximately 200 participants per school, totaling approximately 2,600 attendances/visits.

ESMT Learning and Growth Train

Campus Life Education Through Sports for Persons with Disabilities; and Badminton Practice Program for Persons with Disabilities

Expense	NT$ 500,000	Locations	Across Taiwan

Implementation Methods and Descriptions

- ESMT Educational Foundation collaborated with a team of athletes with disabilities to promote life education through sports on campus. A total of ten schools in the New Taipei area participated, including Changkeng Elementary School, Pengfu Elementary School, Zhonggang Elementary School, Fengzhu High School, Shimen Experimental Junior High School, Erchong Junior High School, Shiding Senior High School, Shulin Senior High School, Xinzhuang Elementary School, and Tucheng Elementary School. Various sports demonstrations were organized for people with disabilities on campus, allowing students to try wheelchairs and experience the diverse lifestyles of people with disabilities. In addition, a youth badminton experience camp was held, enabling students to learn badminton together with persons with disabilities and compete in doubles matches.

  The Foundation also continued to engage professional teams to implement badminton training programs for persons with disabilities and organized national wheelchair tennis tournaments to enhance participants' competition experience and broaden their international outlook.

Implementation Benefits

- We have introduced adaptive sports into campus life education, allowing students to learn about various sports for people with disabilities. We also let students experience playing and competing in wheelchairs, so that they can understand the challenges faced by people with disabilities and develop empathy, as well as learn the courage to overcome difficulties. Ten schools participated in campus life education promotion activities this year, benefiting around 1,000 people.
- The Youth Badminton Experience Camp was held, allowing students to partner with people with disabilities in competitions and learn about respect, acceptance, equality, and inclusion. Through practical interactions, we put empathy into practice. Approximately 40 people participated.

Number of Beneficiaries

- The wheelchair badminton training program was conducted for three hours per week (totaling 160 hours annually), engaging approximately 45 participants in the beginner class and 16 in the advanced class, with a cumulative total of approximately 6,300 participant-visits.

ESMT Learning and Growth Train

Sustainable Campus Promotion Project

Expense	NT$ 150,000	Locations	Hsinchu County

Implementation Methods and Descriptions

- In collaboration with the Professional Team for Sustainable Campuses and Homes, the Foundation introduced microbial control equipment and formulations for biting midges to Dadu Elementary School in Hsinchu County. The initiative included providing aeration and fermentation training along with spraying operations.The formulation—composed of vermicompost and organic compost—utilizes dominant indigenous microbial colonies cultivated in the soil to achieve biocontrol (microbial antagonism). By reducing biting midge larval habitats and their primary food source, cyanobacteria (blue-green algae), this approach aimed to effectively suppress biting midge breeding.

Implementation Benefits

- Through themed courses, students were guided to identify common campus plants, observe vermicomposting boxes, and learn about ecological maintenance, thereby enhancing their understanding of the ecosystem.

Number of Beneficiaries

- A total of approximately 100 participant-times (teachers and students).

Learning / Reading Project Grants

Lan-Chui Social Welfare Foundation – Handicraft Course Lifelong Learning Program

Expense	NT$ 300,000	Locations	Yilan County

Implementation Methods and Descriptions

- Assisting in handicraft and baking courses for individuals with physical and mental disabilities to learn continuously, allowing them to acquire skills and a sense of accomplishment through learning. Courses of more than 20 hours of learning per week were arranged to build students' capabilities.

Implementation Benefits

- Enhanced students' hand-made skills, focus, muscle maintenance, and friendly group relations, while learning mutual assistance and collaboration. In addition, the program provides a supportive and secure working environment for persons with disabilities, guiding employees with an interest and proficiency in sewing to pursue professional certifications and facilitate their transition into mainstream employment.

Number of Beneficiaries

- Approximately seven students, with a total of approximately 1,120 person-hours for the annual courses.

Learning / Reading Project Grants

"Beautiful Taiwan 3D" Mobile Cinema Truck School Tour

Expense	NT$ 450,000	Locations	Across Taiwan

Implementation Methods and Descriptions

- In collaboration with the Formosa 3D Mobile Cinema, the "Formosa 3D Film Series" was screened via the mobile cinema platform. Spanning environments from sub-surface marine life to alpine ecosystems, and encompassing local landscapes and traditional craftsmanship, the initiative aimed to use impactful 3D visuals to leave a lasting impression on children and encourage reflection on their attitudes toward the environment. A total of seven schools participated, including Taoyuan Elementary School, Anshuo Elementary School, Tuban Experimental Elementary School, Daxi Elementary School, Binmao Elementary School, and Meihe Elementary School in Taitung, as well as Dadu Elementary School in Hsinchu.

Implementation Benefits

- In recent years, global warming has remained an environmental issue of critical global concern. Mobile solar panels installed on top of the 3D mobile cinema vehicle supply electricity for the film screenings. This practical demonstration enables students to understand the principles of green energy and power generation. At the same time, the side of the vehicle has been designed as a "green energy classroom" to pique students' curiosity, help them understand global warming, climate change, and energy conservation and carbon reduction, and inspire their interest in green energy. By presenting these concepts directly to students, the initiative effectively delivers dynamic science education experiences through real-life applications.

Number of Beneficiaries

- A total of 598 students.

Learning / Reading Project Grants

Chengzhi Education Foundation –Cross-School Teacher Empowerment System Project for Social Studies and Natural Science

Expense	NT$ 600,000	Locations	Across Taiwan

Implementation Methods and Descriptions

- Marking the fourth year of collaboration with the Chengzhi Education Foundation, the Foundation developed Sharestart handouts and supplementary videos for social studies and natural science subjects. These materials were uploaded to a shared teaching resource platform for use in teacher training workshops and made available for school teachers to download free of charge.

Implementation Benefits

- During this period, more than 2,300 copies of Sharestart handouts were printed and distributed, benefiting a total of 18 schools. Digital files were also made accessible to on-site teachers, allowing them to freely select the required units for their lessons to enhance teaching quality.
- As of September 4, 2025, cumulative downloads of the handouts exceeded 6,800. Assuming that each teacher impacts at least one class of approximately 10 students (a typical class size for small rural schools), the initiative has benefited over 60,000 children, fulfilling our commitment to supporting teaching and youth education.
- An analysis of the Comprehensive Assessment Program for Junior High School Students results at KIST schools over the past three years shows year-on-year improvements in student performance, demonstrating that the program's positive impact extends beyond educators to directly benefit students.

Number of Beneficiaries

- More than 60,000 teachers and students benefited.

Learning / Reading Project Grants

Sponsorship of the Good Shepherd Social Welfare Foundation's De Xin Home – De Xin Education and Learning Program

Expense	NT$ 200,000	Locations	Hsinchu

Implementation Methods and Descriptions

- Courses on life adaptation and gender-related topics were organized for girls residing in the home. Capacity-building courses were provided for staff, covering gender issues, support and companionship, self-care, intimate relationships, parent-child activities, and family dynamics. Additionally, picture books were developed to help staff empathize with the girls' feelings during environmental transitions, facilitating the collection of the children's thoughts and fostering stronger relationships between staff and the girls.

Implementation Benefits

- The program helped the girls enhance their ability to express their feelings, build self-worth, and establish personal physical boundaries, enabling them to foster healthy perspectives on sexuality and develop sound intimate relationships.
- Through staff capacity-building courses, hands-on practice, and reflective exercises, staff reported being more aware of and methodical in responding to beneficiaries' emotions during daily counseling and caregiving, thereby enhancing interaction quality and creating a stronger sense of security.

Number of Beneficiaries

- A total of approximately 223 person-times (including staff and girls).

Public Welfare Sponsorship

Hsinchu Boxing Association

Expense	NT$ 300,000	Locations	Hsinchu County and Hsinchu City

Implementation Methods and Descriptions

- The students of the Association were distributed among Wufeng Junior High School in Hsinchu County, Chengde Junior High School, and National Tsing Hua University in Hsinchu City. The Association's teachers assisted students with their studies, further education, and guidance on daily life, and arranged their participation in boxing practice and various competitions.

Implementation Benefits

- The Association's teachers provided multifaceted guidance for students' physical and mental development, and strengthened their physical fitness, allowing students to leverage their studies to pursue further education opportunities. Students consistently achieved outstanding results in boxing competitions, building self-confidence and a sense of self-worth as they pursued their goals.

Number of Beneficiaries

- Approximately 30 students and teachers.

Public Welfare Sponsorship

Hsinchu Municipal Wind Orchestra

Expense	NT$ 300,000	Locations	Across Taiwan

Implementation Methods and Descriptions

- Supported the Hsinchu Municipal Wind Orchestra in continuing to organize music performances and competitions of various sizes; and provided teaching staff and instruments to schools with limited musical resources for community outreach, including wind instrument teaching at the Hsinchu St. Teresa Children Center, and wind instrument teaching at Fuli Junior High School in Hsinchu City. In addition, the orchestra conducted campus music tours to inspire students' passion for music learning. Participating schools included Gangnan Elementary School, Hulin Junior High School, Guanpu Elementary School, Hsinchu Fuli Junior High School, Zaixi Elementary School, and Dahu Elementary School in the Hsinchu area.

Implementation Benefits

- Staging music performance in public brought people and students the aesthetic experience and joy of appreciation. We introduced teachers and instruments to schools and public welfare organizations to provide charity education, allowing students to experience a variety of instruments. Using music as a medium, the musicians of Hsinchu Municipal Wind Orchestra honed students' skills in playing wind instruments and percussion instruments, allowing them to broaden their horizon and develop confidence through charitable performance.

Number of Beneficiaries

- Approximately 16,000 people attended the concert. Approximately 55 people participated in the public welfare education sessions.

Public Welfare Sponsorship

Taiwan Vox Nativa Association

Expense	NT$ 300,000	Locations	Across Taiwan

Implementation Methods and Descriptions

- Funds were provided for homework assistance, choir and percussion ensemble music education, and performance and homework assistance for Indigenous children and teenagers.

Implementation Benefits

- The practice and performance of the choir will expand the students' vision and enhance their self-confidence. Through academic support and extracurricular teaching, students are able to maintain their progress in regular curriculum while pursuing chorus.

Number of Beneficiaries

- Approximately 200 students; approximately 6,000 people participated in the tour.

Subsidies for Equipment Improvements and Club Activities in Remote Schools

Expense	NT$ 900,000	Locations	Across Taiwan

Implementation Methods and Descriptions

- The sponsorships are evaluated in the form of school proposals, to assist rural schools in improving the campus environment, learning equipment, or provide subsidies for club courses, to create a good learning environment for students.

  Schools sponsored this year include: A total of 13 schools were sponsored, all of which are remote schools or schools that are neither in mountainous nor urban areas: Ercheng Elementary School in Yilan, Lishe Elementary School in Pingtung, Daxi Elementary School in Yilan, Daxi Junior High School in Taoyuan, Zhongcheng Elementary School in Hualien, Beipu Elementary School in Hsinchu, National Taitung University Affiliated Senior High School, Pinglin Experimental Junior High School in New Taipei, Taoyuan Elementary School in Taitung, Haibao Elementary School in Miaoli, Xinfeng Elementary School in Nantou, Tsio Hai Waldorf Education Institution in Hsinchu, and Lanyu Senior High School in Taitung.

Implementation Benefits

- Enhance the learning environment and teaching quality through the improvement of teaching equipment and club courses. The diversified club learning courses bring resources to the rural schools, broaden the visions of students, and enhance their abilities, talents, and self-confidence.

Number of Beneficiaries

- 13 elementary and junior high schools, benefiting approximately 665 teachers and students, with a total of approximately 24,755 participant-times.

University Master's and Doctoral Scholarships / Educational Promotion Grants

Expense	NT$ 400,000	Locations	Across Taiwan

Implementation Methods and Descriptions

- Continued to subsidize the doctoral student scholarships of the Department of Physics/Astronomy, National Tsing Hua University.

Implementation Benefits

- Reduced the financial burden of students for them to focus on long-term study and research, and encouraged outstanding college / graduate school students to pursue doctoral degrees. Promoted cutting-edge technology, improved the quality of science education, and laid the foundation for future tech talent.

Number of Beneficiaries

- Approximately 45 students from the Graduate Institute of Physics and Astronomy, National Tsing Hua University.

Proactive Activities of ESMT and its Employees

The Company's employees also initiated various activities in 2025:

1. Purchased Positive Energy Diaries from the Taiwan Foundation for Rare Disorders and donated a portion of them to other charitable organizations.
2. Purchased 2025 Mid-Autumn Festival gift sets from the New Taipei City Youth Empowerment Center and donated a portion of them to other charitable organizations.
3. Purchased 2026 planners from the Saint Joseph Social Welfare Foundation and donated a portion of them to other charitable organizations.
4. Supported the Andrew Charity Association's "Spreading Love through the Fragrance of Zongzi, Warming Hearts This Dragon Boat Festival" initiative to provide care and support for children and elderly individuals from underprivileged families.

Moving forward, we will uphold our pursuit of a fair and beautiful society by dedicating to the sustainable development of enterprises and the society, so as to create a win-win situation among stakeholders, thereby driving the society forward.

Appendix

GRI Standards Comparison Table

SASB Comparison Table
(Sustainability Accounting Standards Board)

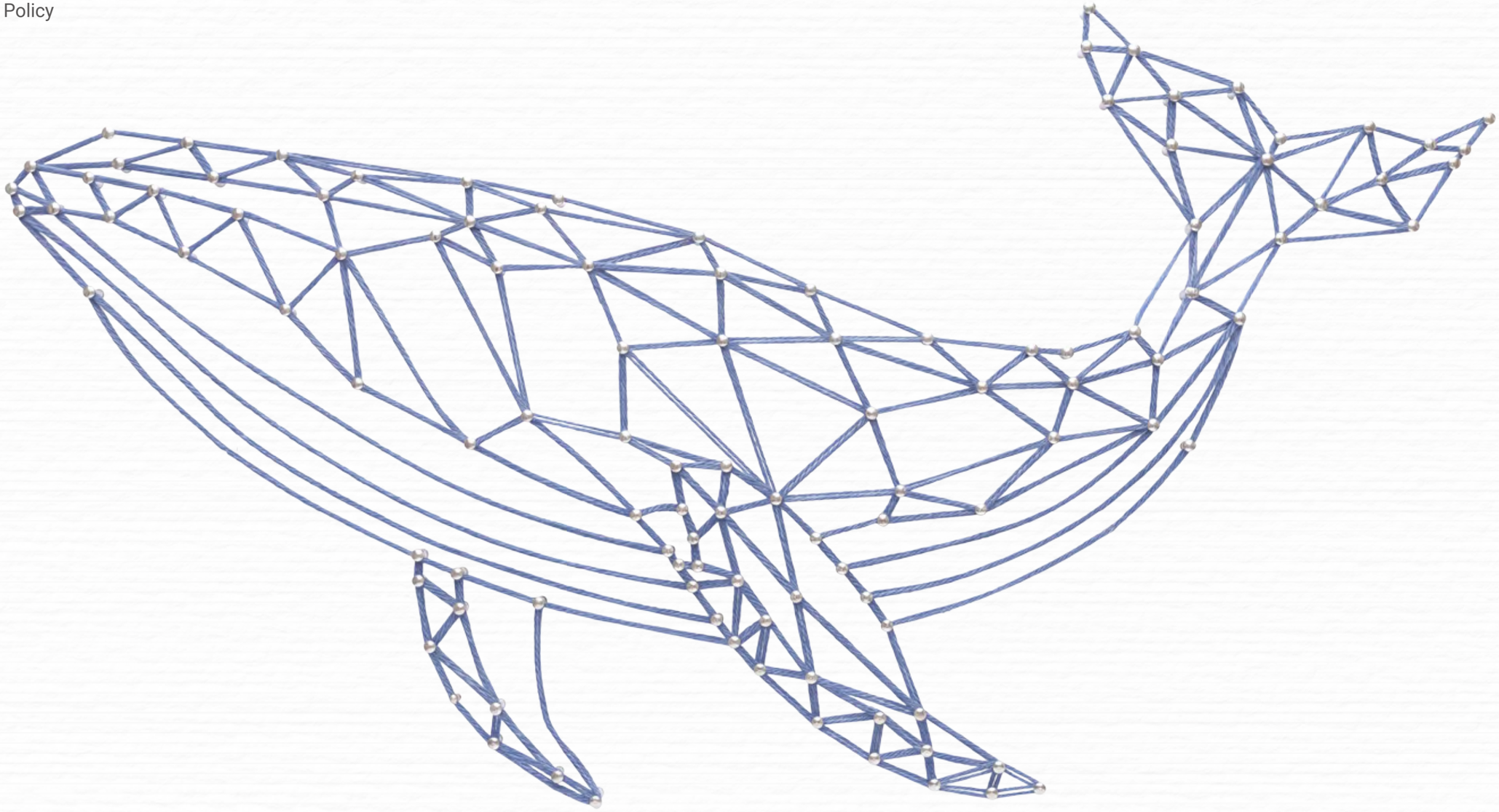
TCFD Disclosure Comparison Table

Information Security Policy /
Human Rights Policy

Environmental Policy / Safety and Health Policy

Conflict Minerals Policy / Quality Policy

Functional Safety Policy



6. Appendix

GRI Standards Comparison Table

Use of GRI 1 | Basics 2021 | Applicable GRI Industry Standards | Not Applicable

GRI 2: General Disclosures 2021

No. of Disclosure Item	Title of Disclosure Item	Report Content or Description	Page
Organization and Reporting Practices			
2-1	Organization Details	About This Report	6
2-2	Entities Included in the Organization's Sustainability Reports		
2-3	Reporting Period, Frequency, and Contacts		
2-4	Restatements of Information		
2-5	External Assurance		NA
Activities and Workers			
2-6	Activities, Value Chain, and Other Business Relationships	2.2 Supplier Management and Evaluation	55
2-7	Employee	4.1 Excellent Team	84
2-8	Workers Who are Not Employees		
Governance			
2-9	Governance Structure and Composition	1.1 Management	28
2-10	Nomination and Selection of the Highest Governance Body		
2-11	Chairperson of the Highest Governance Body		
2-12	The Role of The Highest Governance Body in Overseeing the Impact Management		
2-13	Person in Charge of Impact Management		
2-14	The Role of The Highest Governance Body in Sustainability Reporting	About This Report	6
2-15	Conflicts of Interest	Please refer to the Corporate Governance (Board of Directors and Committees) Operations in the Annual Report P.5	-
2-16	Communicating Key Material Events	Materiality Analysis and Stakeholder Engagement	17
2-17	The Group Intelligence of The Highest Governance Body	1.1 Management	28
		Please refer to the Board Diversity and Independence in the Annual Report P.11	-
2-18	The Performance Evaluation of The Highest Governance Body	4.3 Salary and Welfare	87
2-19	Remuneration Policy	Please refer to the Information in the Annual Report P.17 (Performance Evaluation of Directors and Managerial Officers and Distribution of Remunerations)	-
2-20	Remuneration Decision Process		
2-21	Ratio to the Total Annual Remuneration		
Strategies, Policies and Practices			
2-22	Statement of Sustainable Development Strategy	1.4 Risk and Management	38
2-23	Policy Commitments	1.3 Ethics and Legal Compliance	36
2-24	Incorporation of Policy Commitments	Please refer to the Appendix	122
2-25	Procedures for Remediating Negative Impacts	Please refer to the Company's official website	
2-26	Mechanisms for Seeking Advice and Raising Concerns		
2-27	Legal Compliance	1.3 Ethics and Legal Compliance	36
2-28	Membership of Associations	Association Membership	13
Stakeholder Engagement			
2-29	Guidance of Stakeholder Engagement	Materiality Analysis and Stakeholder Engagement	17
2-30	Collective Bargaining Agreements	The Company did not have a union.	

GRI 3: Material Topics 2021

No. of Disclosure Item	Title of Disclosure Item	Report Content or Description	Page
3-1	Determination of Material Topics	Materiality Analysis and Stakeholder Engagement	17
3-2	List of Material Topics		
3-3	Management of Material Topics		

No. of Disclosure Item	Title of Disclosure Item	Report Content or Description	Page
GRI 201 Economic Performance			
201-1	Direct Economic Value Generated and Distributed	1.2 Operational Performance (Dividend Distribution in Recent Years)	31
201-2	Financial implications and other risks and opportunities due to climate change	3.2 Response to Climate Change	67
201-3	Defined benefit plan obligations and other retirement plans	4.3 Salary and welfare	71

No. of Disclosure Item	Title of Disclosure Item	Report Content or Description	Page
GRI 204 Procurement Practices			
204-1	Proportion of Spending on Local Suppliers	2.2 Supplier Management and Evaluation	55
GRI 205 Anti-Corruption			
205-2	Communication and Training About Anti-Corruption Policies and Procedures	1.3 Ethics and Legal Compliance	36
GRI 305 Emissions			
305-1	Direct (Scope 1) GHG Emissions	3.4 GHG Inventory Management	71
305-2	Energy Indirect (Scope 2) GHG Emissions		
305-4	Intensity of GHG Emissions		
305-5	Reduction of GHG Emissions		
GRI 308 Supplier Environmental Assessment			
308-1	New Suppliers That Were Screened Using Environmental Criteria	2.2 Supplier Management and Evaluation	55
308-2	Negative Impacts from The Supply Chain on The Environment and Actions Taken		
GRI 401 Employment Relation			
401-2	Benefits Provided to Full-Time Employees (Excluding the Temporary or Part-Time Employees)	4.3 Salary and Welfare	87
GRI 403 Occupational Health and Safety			
403-1	Occupational Safety and Health Management System	4.5 Safety Workplace	93
403-2	Hazard Identification, Risk Assessment, And Incident Investigation		
403-3	Occupational Health Services	4.3 Salary and Welfare	87
403-4	Worker Participation, Consultation, And Communication on Occupational Health and Safety	4.5 Safety Workplace	93
403-5	Worker Training on Occupational Health and Safety		
403-6	Promotion of Worker Health	4.3 Salary and Welfare	87
GRI 414 Social Assessment of Suppliers			
414-1	New Suppliers Are Screened by Using Social Criteria	2.2 Supplier Management and Evaluation	55
414-2	Negative Social Impacts in The Supply Chain and Actions Taken		

SASB (Sustainability Accounting Standards Board) Comparison Table

Theme / Code	Disclosure Indicator	Nature / Unit	Summary of Content	Referenced Chapter / Page No.
Greenhouse Gas Emissions				
TC-SC-110a.1	• Scope 1 Greenhouse Gas Emissions • Perfluorinated Compounds (PFCs) Emissions	Quantitative / tCO2e	• Scope 1 Emissions: 142.2816 tCO2e • Perfluorinated Compounds (PFCs) Emissions: 111.1159 tCO2e	3.4 GHG Inventory Management
TC-SC-110a.2	Scope 1 Greenhouse Gas Emissions, Reduction Targets, and Short-term / Long-term Strategies or Management Plans	Qualitative Explanation / -	Scope 1 emissions are mainly generated from refrigerant leakage (refill) and the use of company vehicles. To reduce these emissions, regular maintenance of refrigerant equipment and company vehicles is conducted to ensure their high operational efficiency. Additionally, efforts are made to procure machinery and equipment with improved energy efficiency. Measures such as carpooling for company vehicles are implemented.	3.1 Environmental Protection Policy 3.4 GHG Inventory Management
Process Energy Management				
TC-SC-130a.1	• Total Energy Consumption • Percentage of Purchased Electricity • Percentage of Renewable Energy	Quantitative / (GJ, %)	• Total Energy Consumption: 30,798.73 GJ • Percentage of Purchased Electricity: 100% • Percentage of Renewable Energy: 0%	3.3 Energy Management
Water Resource Management				
TC-SC-140a.1	• Total Water Intake • Total Water Consumption • Percentage of Water-Stressed/High Water Stress Areas	Quantitative / (m^3, %)	• Total Water Intake: 22,763 cubic meters • Total Water Consumption: 15,099 cubic meters None of which are classified as areas of high water risk.	3.5 Water Resource Management
Waste Management				
TC-SC-150a.1	Total Quantity of Hazardous Process Waste and its Recycling Percentage	Quantitative / (%)	As an IC design company, ESMT is not involved in the manufacturing process. We are primarily responsible for IC design and sales, while the production is outsourced to professional wafer foundries and assembly testing providers. Therefore, this indicator is not applicable.	3.6 Waste Management

Theme / Code	Disclosure Indicator	Nature / Unit	Summary of Content	Referenced Chapter / Page No.
Employee Health and Safety				
TC-SC-320a.1	Description of Health Risk Assessment, Monitoring Plans, and Exposure Assessment Measures for Employees	Qualitative Explanation / -	• Regular annual monitoring of the workplace environment • Periodic inspections for occupational health and safety	4.5 Safety Workplace
TC-SC-320a.2	Loss Amount from Violations of Employee Health and Safety Related Laws	Quantitative / NTD (New Taiwan Dollars)	0	1.9 Litigation and Compensation 4.5 Safety Workplace
Talent Recruitment, Global, and Technical Workforce				
TC-SC-330a.1	• Percentage of Foreign Employees • Percentage of Overseas Employees	Quantitative / (%)	• 0% • Percentage of Overseas Assigned Employees 0.9%	4.1 Excellent Team
Product Lifecycle Management				
TC-SC-410a.1	Revenue Share of Entities Subject to IEC 62474 Standard Declaration	Quantitative / (%)	Not Applicable	-
TC-SC-410a.2	Processor's Overall System Stage Energy Efficiency, including (1) Servers (2) Desktop Computers (3) Laptop Computers	Quantitative / (per category)	Not Applicable	-
Raw Material Procurement				
TC-SC-440a.1	Description of Risk Management of Critical Raw Material Usage	Qualitative Explanation / -	ESMT strives to fulfill its corporate social responsibility by committing to meet the requirements of RoHS and SONY GP, ensuring that its products do not contain minerals extracted from illegal smelters in conflict mineral high-risk areas.	2.4 Risk Management of Critical Raw Material Usage
Intellectual Property Protection and Competition Practices				
TC-SC-520a.1	Loss Amount from Lawsuits Related to Anticompetitive Practices	Quantitative / NTD (New Taiwan Dollars)	In 2022, there were no litigation events and no situations that resulted in any litigation compensation.	1.9 Litigation and Compensation

Theme / Code	Disclosure Indicator	Nature / Unit	Summary of Content	Referenced Chapter / Page No.
Indicators				
TC-SC-000.A	Total Production Volume	Quantitative / (As per company's definition)	ESMT's products are manufactured by wafer foundries through outsourcing for the production, packaging, and testing processes. There are no production capacity constraints. Production Volume: Integrated Circuits (IC) – 1,650,356K units.	
TC-SC-000.B	Percentage of Products Produced with Own Equipment	Quantitative / (%)	Not Applicable. ESMT's production is outsourced to wafer foundries and packaging testing facilities for packaging and testing operations. We do not have our own production capacity.	

Sustainability Disclosure Indicators - Semiconductor Industry

Number	Indicators	Type of Indicators	Status of Annual Disclosure	Unit
I	Total energy consumption, percentage of purchased power, and utilization rate of renewable energy	Quantification	Referring to SASB Indicator Comparison Table TC-SC-130a.1	Gigajoules (GJ), Percentage (%)
II	Total water intake and total water consumption	Quantification	Referring to SASB Indicator Comparison Table TC-SC-140a.1	1,000 cubic meters (m^3)
III	Weight of hazardous waste generated and percentage of the recycled	Quantification	Referring to SASB Indicator Comparison Table TC-SC-150a.1	Metric tons (t) Percentage (%)
IV	Describe the type, number of people, and ratio of occupational accidents	Quantification	Referring to Section 4.5 Safe Workplace	Percentage (%), Quantity
V	Disclosure of product life cycle management: including the weight of scrapped products and electronic waste, and the percentage of the recycled thereof	Quantification	Referring to Section 3.6 Waste Management	Ton (T), Percentage (%)
VI	Description of risk management related to the use of critical materials	Qualitative Description	Referring to SASB Indicator Comparison Table TC-SC-440a.1	Not Applicable
VII	Total monetary losses resulting from legal proceedings related to the anticompetitive practices ordinance	Quantification	Referring to SASB Indicator Comparison Table TC-SC-520a.1	Reporting Currency
VIII	Description of production volume of major products by product category	Quantification	Referring to SASB Indicator Comparison Table TC-SC-000.A	Thousand Pieces

Note 1: VIII. The major product in terms of output volume by product category is chips

TCFD Disclosure Comparison Table

Aspect	TCFD Recommended Disclosure Item	Corresponding Sections in this Report	Page Numbers
Governance	• How the Board of Directors oversees climate-related issues. • How the management evaluates and manages climate-related issues.	Sustainable Development Committee, Organizational Structure	14~15
		1.4 Risk and Management	38
		3.2 Response to Climate Change	67
Strategy	• Short, medium, and long-term risks and opportunities identified by the company. • The impact of climate-related issues on the company's business model, strategy, and financial planning. • Scenario analysis, including scenarios based on a 2°C or more stringent climate scenario.	1.4 Risk and Management	38
		3.2 Response to Climate Change	67
Risk Management	• The process of identifying and assessing climate-related risks. • Explanation of how the above-mentioned processes for identifying and managing risks are integrated into the company's overall risk management system.	Sustainability Vision and Commitment	16
		1.4 Risk and Management	38
		3.2 Response to Climate Change	67
Indicators and Goals	• Assess whether the indicators are aligned with the company's strategy and risk management. • Disclose greenhouse gas emissions and related risks in Scope 1, Scope 2, and Scope 3 (if applicable). • Management objectives and related performance.	3.1 Environmental Protection Policy	66
		3.4 GHG Inventory Management	71

Information Security Policy

Elite Semiconductor Microelectronics Technology Inc.

Information Security Policy

- ESMT is committed to continuously strengthening information security to protect the interests of customers, shareholders, employees, and suppliers.
- ESMT is committed to safeguarding the confidentiality, integrity, and availability of information and reducing the risks of data leakage and unauthorized use.
- ESMT promotes information security awareness and provides relevant training to employees to foster the principle that "Information Security is Everyone' s Responsibility."

Chairman：Ming-Chien Chang

ESMT 晶豪科技

Environmental Policy

Environment Policy

晶豪科技為提供設計與研發半導體產品之IC設計公司，本公司秉持對環境保護的理念，追求企業永續經營。為達成此目標，本公司承諾：

As an IC design company with businesses focusing on the design and development of semiconductor products. ESMT holds the spirit of environmental protection to pursue the business continuity .To achieve this goal, ESMT is committed to:

- 遵守環保法規要求，善盡社會責任。
  Comply with all environmental regulations and corporate social responsibility.
- 致力綠色產品設計，減少環境衝擊。
  Devote to green product design to reduce the impact on environment.
- 持續減廢加強節能，強化污染預防。
  Continue to minimize waste and conserve energy as well as make efforts to prevent pollution.
- 定期審查環保績效，確保持續改善。
  Review the performance on environmental protection regularly to ensure continual improvement.
- 落實環保教育訓練，提昇員工認知。
  Practice environmental protection education to raise employees awareness.
- 與供應商持續溝通，推展環保理念。
  Communicate with subcontractors continuously to promote our concept of environmental protection.

以上政策對全體員工及社會大眾公開，共同保護環境。

We openly announce the above policy of environmental protection for attention of our employees and the public.

董事長 (Chairman) 9/16, 2024

ESMT 晶豪科技

P. 1

Human Rights Policy

Elite Semiconductor Microelectronics Technology Inc. (ESMT)
Human Rights Policy

ESMT commitment is guided by the United Nations Guiding Principles on Business and Human Rights (UNGPs), the United Nations Global Compact, the various conventions of the International Labour Organization (ILO), the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the principle of Responsible Business Alliance (RBA), the Responsible Business Alliance Conduct Due Diligence, and the International Labour Organization. We exercise due diligence to prevent human rights violations with or to any third parties, and build a culture of equality, respect, care, and security within our company.

ESMT requires our group's suppliers, to adhere to the same standards:

1. Respect employees' rights and benefits, including prohibitions on harassment, coercion, and any form of involuntary labour.
2. Continuously enhance workplace health and safety, promoting a positive and balanced relationship between professional responsibilities and personal life.
3. Safeguard the health and safety of all relevant stakeholders, ensuring that operational activities do not negatively impact the environment or deplete natural resources.
4. Engage in business practices characterized by integrity, maintaining high ethical standards applicable to all employees and suppliers.
5. Prohibit the hiring of child labour or labour originated from human trafficking.

Chairman Ming-Chien Chang

ESMT 晶豪科技

Safety and Health Policy

ESMT Occupational Health and Safety Policy

ESMT as a professional IC design company, we strive to enhance workplace health and safety, foster a corporate culture that engages all employees, and achieve our goal of minimising Occupational Health and Safety (OHS) impacts, we continuously implement the following policies:

- Comply with OHS regulations and create a safe working environment.
- Implement risk assessment and management to eliminate hazards and reduce risks.
- Strengthen the continuous management of OHS and provide clear communication channels.
- Fulfill corporate social responsibility by pursuing continuous improvement and performance enhancement.

Chairman: Ming-Chien Chang

Confidential ESMT 晶豪科技

P. 2

Conflict Minerals Policy

Elite Semiconductor Microelectronics Technology Inc.

Conflict Minerals Policy

The extraction of rare metals such as cassiterite, coltan, wolframite, and gold in the Democratic Republic of Congo and surrounding regions has caused severe human rights and environmental issues:
To respond to international human rights developments and fulfill corporate social responsibility, ESMT commits to:

1. Comply with the Responsible Business Alliance Code of Conduct (RBA CoC) and conduct Due Diligence according to the Organization for Economic Co-operation and Development (OECD) Due Diligence Guidelines for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance) to ensure that the products provided by subcontractors and suppliers do not directly or indirectly benefit armed groups that violate human rights.
2. Require subcontractors and suppliers to disclose information about the Gold (Au), Tin (Sn), Tantalum (Ta), Tungsten (W), and Cobalt (Co) contained in the products they provide and conduct supply chain due diligence according to the OECD Guidance.
3. Commit and require subcontractors to source only from smelters or refiners that have been audited by a third-party.
4. Not prohibit conflict-free minerals from the Democratic Republic of Congo or neighboring countries that are mined in accordance with human rights.

Chairman : Mong-Chion Chang

ESMT 晶豪科技

Functional Safety Policy

Functional Safety Policy

◆ **ESMT 將盡最大努力來避免功能安全元件的系統性/隨機/共因故障風險，並確保為功能安全相關管理系統開發提供足夠的資源。**
ESMT will do the best to avoid the risk caused systematic/random/common cause failure for functional safety component and ensure providing sufficient resource for functional safety related management system development.

◆ **被認為與功能安全相關的產品專案，功能安全委員會主席應任命功能安全經理負責功能安全管理過程。**
The product project which is deemed to be functional safety related then the Functional Safety Committee chairman shall appoint a functional safety manager to take responsibility of functional safety management process.

董事長(Chairman) 9/16, 2024

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Quality Policy

Quality Policy

◆ To provide excellent semiconductor products and technical service that meet the quality requirements of our customers.
提供卓越的 IC 產品及技術服務，滿足顧客對品質的要求。

◆ To fulfill the quality commitment through continual improvement and the involvement of all corporate members in all activities.
透過持續改善及全員參與，實現公司對品質的承諾。

9/16, 2024
董事長(Chairman)

ESMT 晶豪科技

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