

ESMT

Elite Semiconductor Microelectronics Technology Inc.



Sustainability Report

Enviroment Social Governance

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About this report



About this report |

This Sustainability Report for 2022 is published by Elite Semiconductor Microelectronics Technology Inc., ESMT (“ESMT” hereinafter). This report makes ESMT’ s efforts and achievements regarding the Environment, Social, and Governance (ESG) aspects transparent to the stakeholders.

| Scope |

This report discloses ESMT’ s actions and accomplishment on the ESG fronts, such as governance, partnership, environmental sustainability, friendly workplace, and charitable events carried out by ESMT’ s Hsinchu Operations Headquarters in Taiwan in 2022 (January 1, 2022 ~ December 31, 2022).

| Compilation principles |

This report is based on the collection of ESG (Environment, Social, Governance) issues related to ESMT. It analyzes the materiality of these issues to understand the concerns of stakeholders. The report is prepared following the core option of the Global Reporting Initiative (GRI Standards) and refers to the Semiconductor Industry Disclosure Standard of the Sustainability Accounting Standards Board (SASB) for content development and disclosure. Additionally, it incorporates the analytical framework of the Task Force on Climate-related Financial Disclosures (TCFD) for climate-related financial disclosures.

This report provides a summary of statistics from each responsible unit of ESMT; the financial performance statistics are public information which has been attested by CPAs and are consistent with 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 Corporate Sustainability Committee. After being verified by the supervisor of each responsible unit and confirmed by all members of the Corporate Sustainability Committee, the report is then approved by the chairperson of the Corporate Sustainability Committee and finally presented to the Board of Directors.

| Report publication |

ESMT has published the Sustainability Report in both Chinese and English on the official website for review and download by the general public.

Publication date: August 2023

| 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.

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(Corporate Social Responsibility zone)



Chen Hsing-hai, Chairman of the Board

(chairperson of the Corporate Sustainability Committee)

陳興海

The geopolitical conflict has led to the ongoing Russo-Ukrainian War that began with Russia's invasion of Ukraine in early 2022. Various countries in Europe and America have imposed sanctions on Russia. This has led to soaring energy prices, food shortages, and rare inflation crises unseen for three to four decades in Europe and America, exacerbating global economic conditions. Meanwhile, the continued devastation caused by the COVID-19 pandemic and the impact of climate change, resulting in extreme weather events worldwide, pose significant threats to human life and property. Consequently, this draws greater attention to the 17 Sustainable Development Goals (SDGs) proposed by the UN. As such, the importance of environment, social, and governance (ESG) has become the topic which the government and enterprises alike value.

The effects of the Russo-Ukrainian War, high inflation, supply chain reorganization, and the gradual lifting of COVID-19 restrictions have caused a rapid decline in the boom of the semiconductor industry, which has lasted for over two years. The consumer electronics and semiconductor markets are experiencing oversupply, with the "stay-at-home economy" rapidly cooling



Chang Ming-chien, President

(deputy chairperson of the Corporate Sustainability Committee)

張明健

down and port congestion issues being resolved. The memory industry, in particular, is facing its harshest business environment in 25 years. Memory products (DRAM, NAND/NOR) have always been crucial components of electronic products, accounting for approximately one-fourth to one-third of the overall IC market. As memory ICs are standard specification products, they are more susceptible to market fluctuations than other IC products. As inventory adjustments gradually conclude in the coming quarters, the memory industry is expected to usher in another period of growth. Our company focuses on low-density niche memory, which experiences lower volatility than standard memory but is still affected by the overall market, leading to price declines. The operational challenges in 2023 are expected to be severe, with anticipated growth in shipments but declining revenues.

ESMT is a professional IC design company with years of expertise in niche memory design, manufacturing, and sales. Our product portfolio includes DRAM, NOR Flash, SLC NAND Flash, and MCP, which have become critical components in the era of smart technology. We have also become an indispensable supplier for key electronic products. Additionally, our

diversified market presence in audio amplifier ICs and power ICs has yielded favorable results. We are actively engaged in research and development in other IC design fields, such as Wireless SOC ICs, Motor Driver ICs, and Sensor ICs, aiming to further diversify our product line and contribute to the company's growth.

Since establishment ESMT has been focusing on IC design and upholding the corporate sustainable management philosophy of which the core values are “Integrity; Accountability; Excellence; Innovation”. All employees are demanded to comply with laws and regulations and keep and fulfill the commitments to stakeholders. On the work attitude front, they are required to complete their tasks conscientiously, be practical, and undertake responsibilities on their own initiative. They should keep the mindset of keeping continuous improvement, bettering themselves, and pursuing better products and work quality, thereby outperforming industry peers.

They should welcome innovative ideas and knowledge, be bold enough to break the current technical bottleneck, and keep pace with trends, so as to develop new products, thus making the Company ahead of peers in terms of competitiveness. Implanting the Company's core values in the mind of employees just makes corporate sustainable operations.

Since the implementation of ESG (Environmental, Social, Governance) practices in 2021, ESMT has made gradual progress under the leadership of the Board of Directors and the promotion of the Corporate Sustainability Committee. In terms of governance, due to the impact of the overall economic situation, the company's consolidated revenue (NTD 16.21 billion) and profit (after-tax net income of NTD 1.1 billion) for the fiscal year 2022 were significantly lower compared to the previous year. The company's governance evaluation remained within the second tier (6%~20%). Regarding the environmental aspect, ESMT has maintained normal operations in compliance with energy-saving and environmental protection standards. The company has also initiated a carbon inventory program and continues to develop low-energy-consumption products to provide customers with environmentally friendly product applications. On the social front, aside from engaging in the participation in the promotion of Social welfare, ESMT ranks high in the Listed Company List published by the competent authority in terms of employee salary. Recognizing the significant shortage

of talent in the domestic semiconductor industry, which indirectly affects national competitiveness, ESMT signed a collaborative agreement with Chang Gung University in 2022 to invest resources through industry-academia cooperation. This includes providing scholarships and internship opportunities to cultivate internal talent and promote industry development.

Together with the university, ESMT encourages students to take part in the memory industry, deepens their knowledge, enhances their professionalism, keeps them in pace with industry trend, and helps them understand the industry requirements early on, so as to ensure Taiwan's competitiveness in the memory industry on the international arena.

Looking ahead, ESMT will continue to uphold its commitment to sustainable business practices, constantly considering the interests and expectations of stakeholders.

The company will place importance on the impact of environmental, social, and governance aspects on its operations, closely monitoring international situations, pandemics, and the challenges posed by climate change. ESMT will also continue to prioritize care for the underprivileged and strive for a better society. It will align with the sustainable development roadmap outlined by regulatory authorities, fulfill its sustainability commitments, and practice corporate social responsibility to contribute back to society. Upholding its core values, the Company relentlessly develops new technologies and new industry-leading energy-efficient products, hoping that the Company grows even stronger, becomes the best global supplier and partner, and thus achieves the goals of corporate sustainability and a common-good society.

| About ESMT |

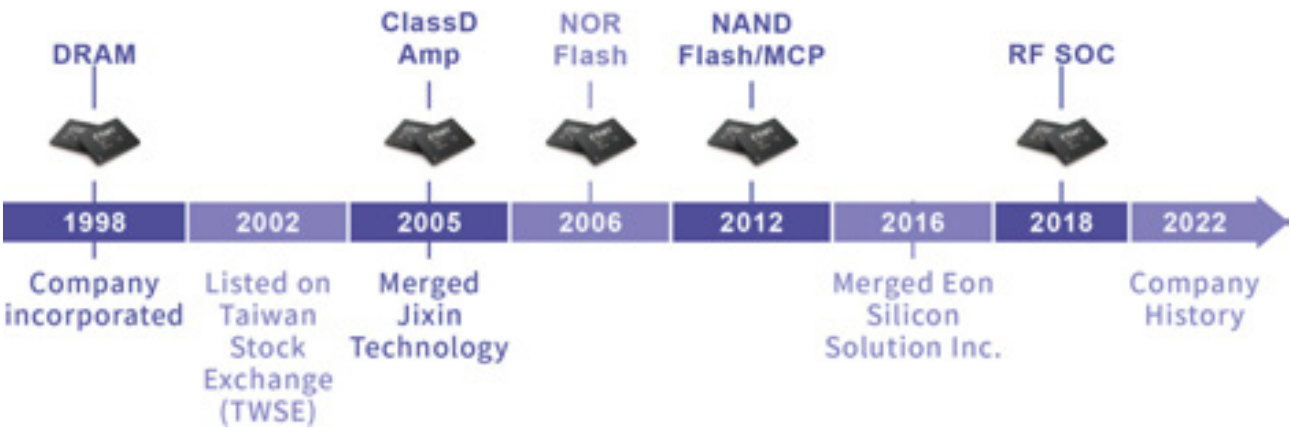
Elite Semiconductor Microelectronics Technology Inc. (ESMT) is a professional IC design company incorporated in Hsinchu Science Park in Taiwan in June 1998. The Company's main business activity includes the design, production, sale and technical support of private-brand IC products. The Company was listed on Taiwan Stock Exchange (TWSE) in March 2002, with the stock code being 3006. As of December 31, 2022, the company had 529 employees; among them 316 are R&D personnel.

Since establishment the Company has been pursuing the role as a provider for a variety of memory products and technologies for customers. The Company’s self-developed specialty DRAM products are widely used in PC peripherals, smart home appliances, consumer electronics and communication systems. ESMT has successfully developed DRAM product lines (SDRAM, DDR I/II/III, PSRAM, energy-efficient Mobile DRAM) comprising of various types of capacity and interface specifications. On the flash memory front, the Company has successfully developed NOR Flash and NAND Flash product lines comprising of multiple capacity and interface that meet the requirements of many application-specific systems. In addition, in view of the soaring demand for System in a Package (SiP), ESMT also offers Known-Good-Die (KGD) as well as the Multi-chip Package (MCP) solution for all the DRAM and Flash products to satisfy every customer’s demands.

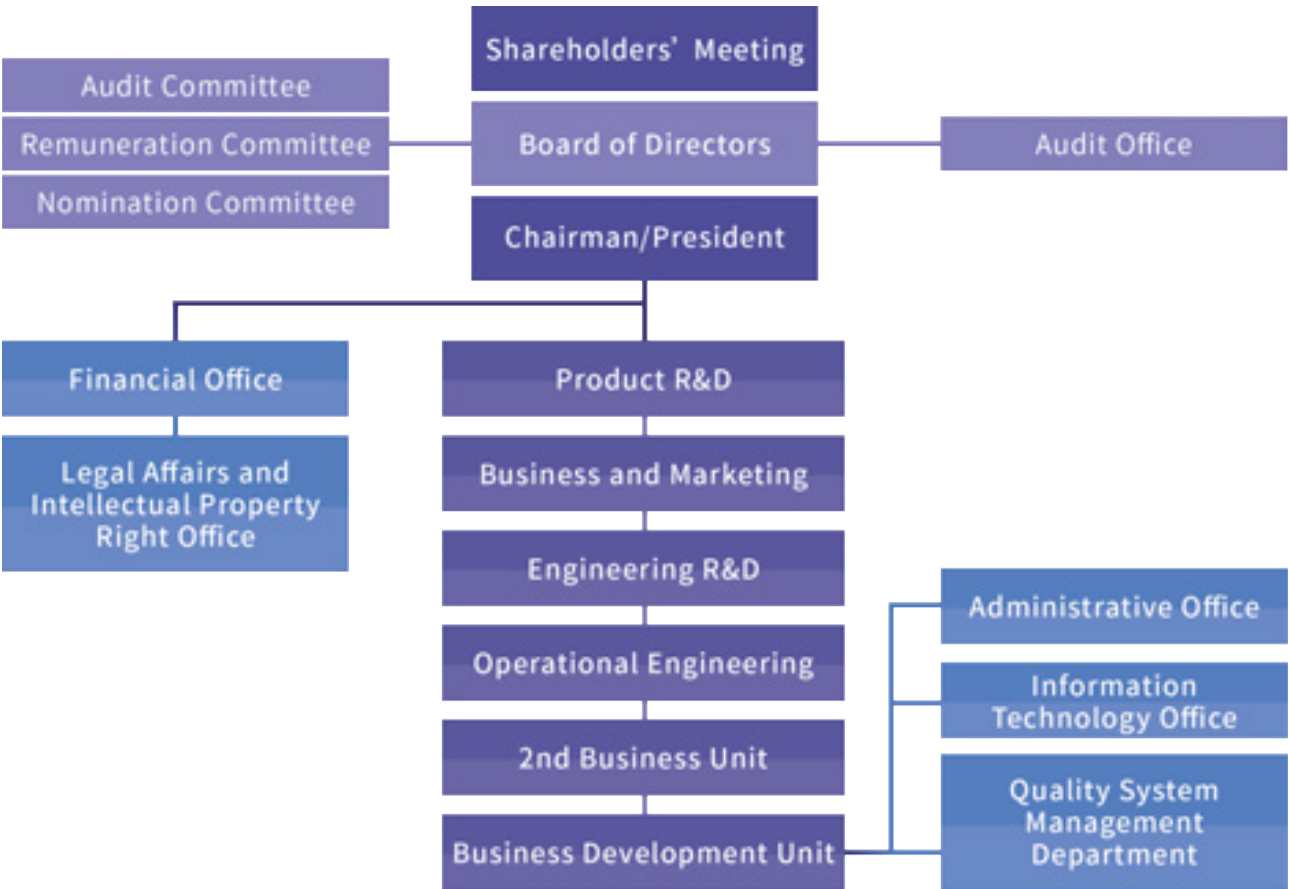
To meet the demands of a wider customer base, ESMT has expanded its product offering to include analog/mixed signal IC and SoC . Besides memory and flash products, ESMT now also offers a range of power management IC, ADC/DAC, Class D Amplifier and wireless SoC.

ESMT, with a strong R&D team at the core of its competitiveness, has excellent IC design, production and quality assurance teams which are capable of utilizing the most advanced process technology to manufacture products of the best quality to meet customers’ needs and help customers to come out on top of their competitors. Working very closely with experienced partners in the supply chain, ESMT is capable of supplying customers the most cost-effective products and services of the best quality on demand.

Progress of the launch of product lines



Elite Semiconductor Microelectronics Technology Inc. (ESMT) Organizational Chart



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



Building A



Building B

| Association Membership |

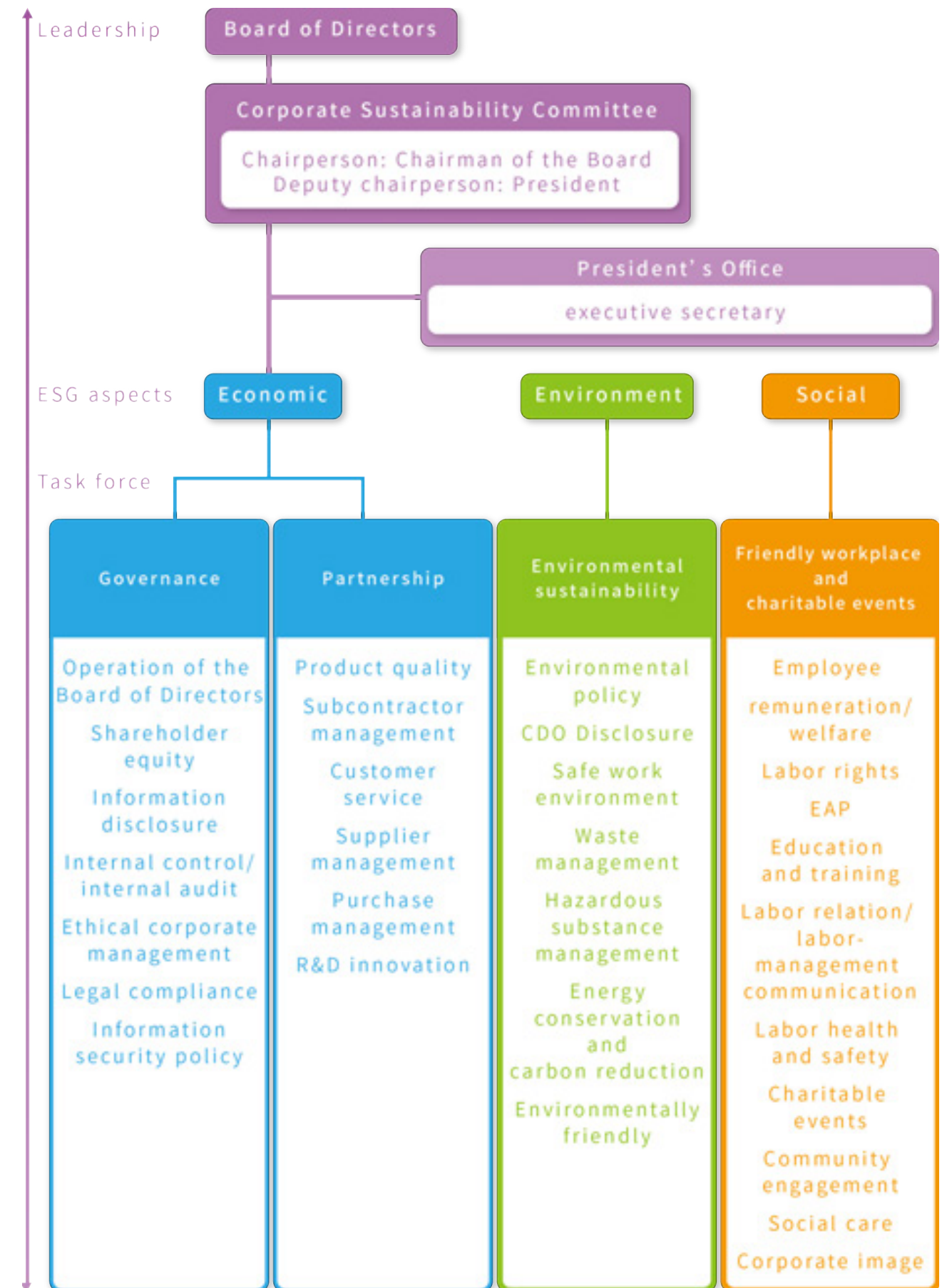
The Allied Association for Science Park Industries
 Taiwan Semiconductor Industry Association (TSIA)
 JEDEC Solid State Technology Association
 AI on Chip Taiwan Alliance (AITA)
 Zeta Alliance
 Smart Vehicle Electronics Special Interest Group (IoT Promotion Platform,
 Smart Electronics Industry Project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

| Corporate Sustainability Committee |

Adhering to the principle of corporate sustainable development, ESMT attends to the issues that stakeholders concern while pursuing business interests in order to fulfill its corporate social responsibility on the ESG front and thereby improve the corporate sustainability. ESMT Corporate Sustainability Committee, established in October 2020, will take charge of assessing the risks and rewards associated with sustainable operations and formulating the vision and strategy for corporate sustainability, so as to enhance governance, partnership, environmental sustainability, workplace friendliness and promote charitable events. With the Chairman of the Board assuming the position of chairperson and the President the deputy chairperson, the committee oversees promotion of corporate sustainability, assesses the effectiveness in committee meetings and reports the annual execution results to the Board of Directors.

ESMT's Corporate Sustainability Committee comprises of four task forces: Governance Task Force, Partnership Task Force, Environmental Sustainability Task Force and Friendly Workplace and Charitable Events Task Force. Members of each task force come from the relevant functional unit. The Corporate Sustainability Committee appoints task force chiefs who plan and supervise the task forces operations and regularly convene meetings. Additionally, ESMT's Corporate Sustainability Committee has designated an executive secretary who is responsible for coordinating the promotion of sustainability issues of concern among the task forces and compiling the Sustainability Report.

ESMT Sustainability Committee Organizational Structure



The functions of each task force are described as follows:

	Governance 1.Enhancing the capacity of the Board of Directors 2.Upholding investors' rights 3.Formulating system and regulations concerning governance 4.Ensuring transparent disclosure of information 5.Complying with laws and regulations
	Partnership 1.Advancing the sustainability of the supply chain 2.Establishing a long-term mutually beneficial partnership with supply chain management to improve product quality, customer satisfaction and reliability of delivery and supply
	Environmental sustainability 1.Ensuringthe Company's operation is in compliance with environmental laws and regulations 2.Creating a safe and healthy workplace in compliance with laws and regulations 3.Enforce and realize energy conservation and carbon reduction goals
	Friendly workplace and charitable events 1.Planning employee welfare 2.Helping employees plan and implement career development 3.Upholding employees' rights and interests 4.Establishing a friendly workplace 5.Fusing corporate core philosophy with promoting community development and charity

| Sustainability vision and commitment |

Upholding the spirit of corporate sustainability, ESMT works hard on complying with the three criteria of ESG in its future development and operations: governance, environment, and social. Through coordinating and collaborating resources, ESMT has established long-term partnerships with customers, suppliers and social groups. ESMT also offers good working conditions, cares for employees and maintains good safety, health and environmental standards in workplace, 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 |

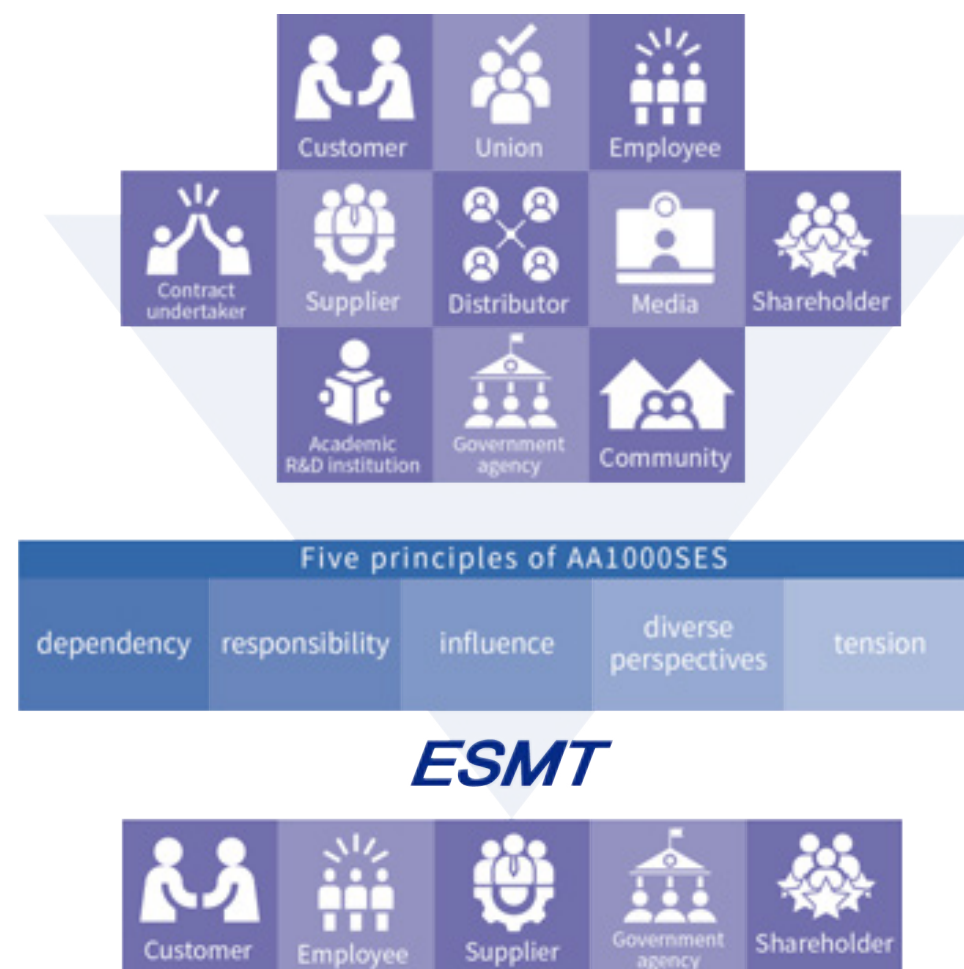
ESMT reviewed sustainability issues and executed materiality analysis by following the GRI Standards’ four principles, namely, stakeholder inclusiveness, sustainability context, materiality, and completeness, and going through the identification, analysis and verification steps.

1 Identify - Identifying the parties to communicate with - Collecting sustainability issues	2 Analyze - Surveying the extent of concern - Analyzing operational impacts - Creating materiality matrix	3 Verify - Determining disclosure boundaries - Reviewing disclosure content
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Identification

| Identifying the parties to communicate with (i.e., identifying stakeholders) |

By adhering to the GRI standards, and through a detailed discussion in the Corporate Sustainability Committee based on the five principles of 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.



| Collecting sustainability issues |

ESMT has collected 34 sustainability issues by referencing the GRI Standards, RBA, SDGs, company development goals and vision, stakeholder communication and the issues of concern to benchmarking enterprises.

Analyze

| Surveying the extent of concern (Issues of concern to stakeholders; communication methods) |

ESMT incorporated the 34 collected sustainability issues into a questionnaire and distribute it to the five groups of stakeholders to survey the issues of their concern. A total number of 157 questionnaires were distributed, and 144 were retrieved with a response rate of 91.72%, and hence the issues of concern to stakeholders are listed as follows:

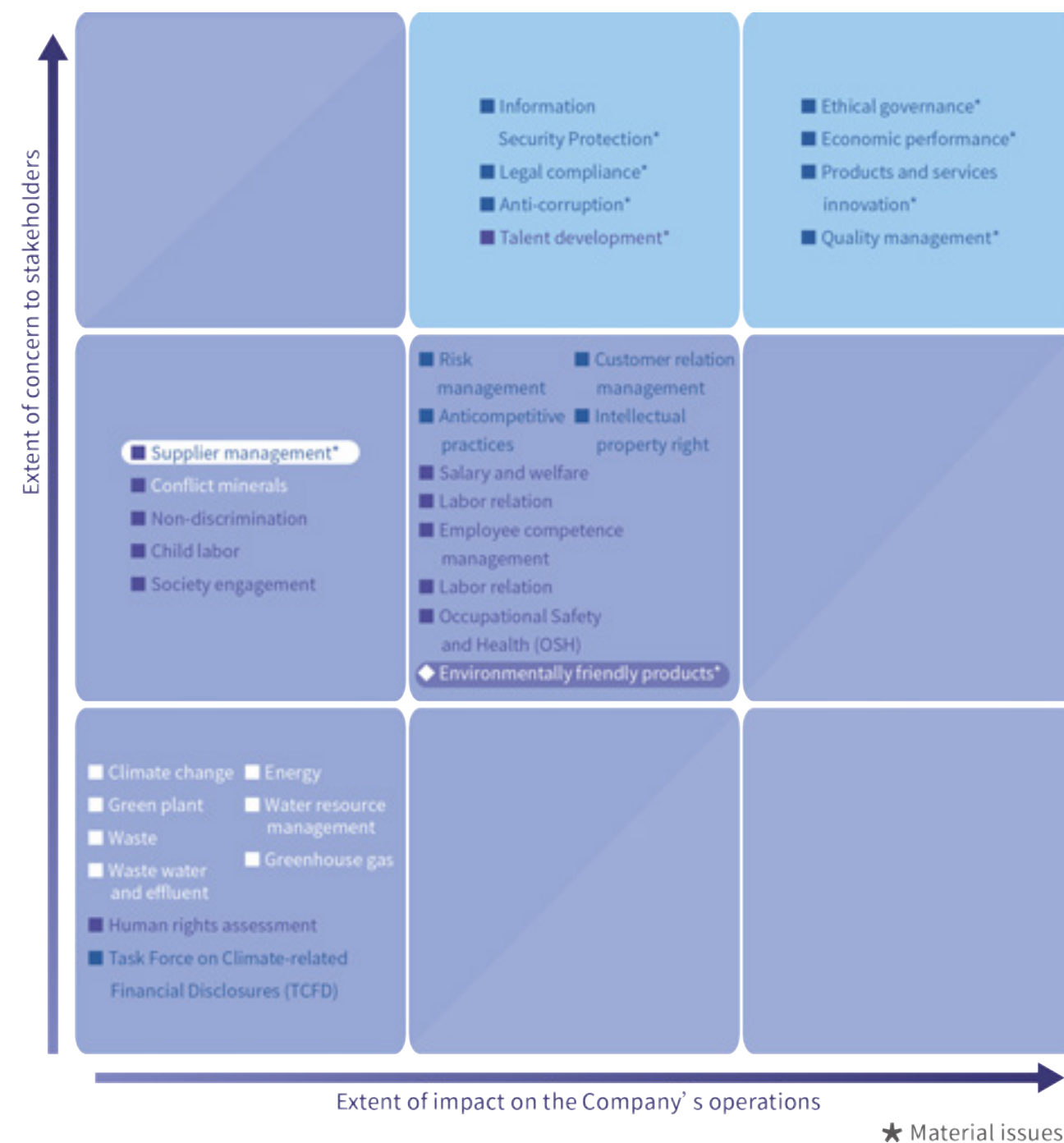
Stakeholder	Association	Communication method	Issues of concern
Customer	Clients/customers are long-term partners and the key to the Company's growth.	- Customer satisfaction survey (annually) - Sustainability Report (annually) - Dedicated window (irregularly) - Customer audit (irregularly) - Business meeting (irregularly) - Company website (irregularly)	1. Quality management 2. Information security / personal data protection / customer privacy 3. Ethical governance 4. Products and services innovation 5. Anti-corruption
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; Employee Welfare Committee meeting (quarterly) - Employee inbox/hotline - Internal website, bulletin board - Chairman / President speech; dinner party (periodically)	1. Salary and benefit 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 contact window (irregularly) - Supplier meeting (irregularly) - Company website (irregularly)	1. Information security / 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 (irregularly) - Shareholder inbox and hotline (irregularly)	1. Ethical governance 2. Economic performance 3. Products and services innovation 4. Environmentally friendly products 5. Salary and benefit
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 - Official letter, e-mail, and meeting (intermittently) - Company website (irregularly)	1. Legal compliance 2. Information security protection / personal data protection / customer privacy 3. Ethical governance 4. Economic performance 5. Intellectual property right

| Analyzing operational impacts |

Considering the ESG impact as well as the risks and opportunities in all operational aspects, ESMT' s Corporate Sustainability Committee identified, assessed and analyzed the extent of impact of the 34 issues on the Company's internal sustainable operations.

| Creating materiality matrix |

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



Verification

| Deciding disclosure boundary / reviewing disclosure content (Material issues management approach) |

After discussing about the results, ESMT' s Corporate Sustainability Committee deemed the eight issues which highly impacted company operations and concern stakeholders, in addition to the other two issues, namely, environmentally friendly products and ESMT supplier management, to be material. Hence, a total of 10 material issues were identified. 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.

| Material issue management approach and goals |

Issue	Achievement in 2022	Goals
Ethical governance	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	Be among those at the 6%~20% interval or above in the Corporate Governance Evaluation
Economic performance	As stated in the financial statements for 2022	Stable growth in operational performance
Legal compliance, anti-corruption	No incident of violating laws and regulations concerning governance and ethical corporate management. The completion rate of education and training reached 95.85%.	Maintain the operation of laws and regulations concerning governance and ethical corporate management. Employee education and training completion rate >90%
Products and services R&D	Completed 21 product design plans and obtained 36 patents abroad in 2022	Continuing new products design and technology development
Quality management	Customer satisfaction score 4.19 points (out of 5 points). View topic 2.1 for further information	Maintain customer satisfaction score at 4.5 points or above
Information Security Protection/ Customer privacy	No material information security incident	Maintain zero information security incident every year Cope with the intensified information security attacks from external sources and enhance the establishment of protection mechanisms, including end point security, host backup, recovery mechanism, and so on.
Supplier management	As high as 95% suppliers had their ESG system certified Local procurement accounted for 80.26% of total procurement View topic 2.2 for further information	No less than 96% of suppliers have their ESG system certified Local procurement accounts for no less than 85% of total procurement
Environmentally friendly products	The products sold in the year can effect a reduction in greenhouse gas emissions equivalent to 53,279 tons of carbon emissions.	Improve the performance of self-developed low-energy DDR2 and DDR3, and Low Power products
Talent development	Included as a constituent of the TWSE RAFI® Taiwan High Compensation 100 Index for 9 years.	- 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 benefit, and keep investing in talent recruitment and development, so as to render the Company the competitiveness requisite for development.

01

Governance



Governance

1.1Management

ESMT dully operates, 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 supervisory duty, establishing intra-company governance mechanisms and executing any work in relation to governance.

Election of the Board of Directors

ESMT’ s Board of Directors has 7 ~ 9 directors; the Board of Directors is authorized to determine the number of directors (including at least 3 independent directors). A director shall be elected at the Shareholders’ Meeting among the personnel with disposing capacity for a term of 3 years. The company bylaws stipulate the candidate nomination system for the election of directors (including independent directors). Independent director candidates’ professional qualifications, shareholding and concurrent-post restriction nomination and election method are in compliance with the Company Act and the Securities Exchange Act. The election of directors shall take the composition of the Board of Directors into consideration. 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 occupational competence of the Board of Directors, when electing directors (including independent directors), the Company not only considers the professionalism of each candidate (including independent director), a Board Diversification Policy is also in place to ensure the diversity and independence of Board members. Judging

from the list of the 9 members of the 8th Board of Directors, all of them are experts in either leadership, operation, business administration or crisis management, and possess extensive industry knowledge and a global market perspective. They are professionals of either business administration, science and engineering and finance, are managers in the technology industry, are aged 50 or above and are capable of offering professional advice from different perspectives and considerably helpful in improving operational performance and management effectiveness.

Below is the list of directors of ESMT’ s 8th Board of Directors:

Chairman Hsing-Hai Chen	Education and Experience Chairman, ESMT Master of Applied Physics, National Tsing Hua University	Director Ming-Chien Chang	Education and Experience President, ESMT M.A., Institute of Electronics, National Chiao Tung University	Director Chih-Hung Ho	Education and Experience Senior Vice President, ESMT PhD in Mechanical Engineering, North Carolina State University
Director Yeong-Wen Diah	Education and Experience Vice President, ESMT M.A., Institute of Electronics, National Chiao Tung University	Director Chia-Neng Huang	Education and Experience Chairman and CEO, Chang Wah Electromaterials Inc. Department of Mechanical Engineering, Chung Yuan Christian University	Independent director Cheng-Yan Chien	Education and Experience Independent director, Eon Silicon Solution Inc. M.B.A., Emory University
Independent director Tai-Haur Kuo	Education and Experience Professor, Department of Electrical Engineering, National Cheng Kung University PhD in Institute of Electrical Engineering, University of Maryland	Independent director William 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

Management team

As professional and experienced managers in this industry, ESMT’ s management team fuses their rich experience with the Company’ s goals to formulate business strategy and outlook which they report regularly to the Board of Directors, in the hope to maximize profit for shareholders.

Members of the team are as follows:

Ming-Chien Chang	Chih-Hong Ho	Kuan-Chun Chang	Yeong-Wen Daih
President	Senior Vice President and Chief Marketing Officer	Senior Vice President and Second Business Unit	Senior Vice President and Chief Technology Officer
Education	Education	Education	Education
M.A., Institute of Electronics, National Chiao Tung University	PhD in Mechanical Engineering, North Carolina State University	M.A., Institute of Electrical Engineering, National Cheng Kung University	M.A., Institute of Electronics, National Chiao Tung University
Shu-Hui Feng	Jackie Hao	Hong-Gee We	Candy Chu
Vice President and Chief Operating Officer	Vice President and Chief Sales Officer	Special Assistant, President’ s Office and Corporate Governance Officer	Senior Director of Finance Division
Education	Education	Education	Education
M.A.,Institute of Technology Management, National Tsing Hua University	Department of Electronic Engineering, Kun Shan University	Department of Industrial Engineering and Management, National Yang Ming Chiao Tung University	Department of Accounting and Statistics, Ming Chuan Business College

Chief Governance Officer

To protect shareholders' 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. Other matters prescribed in the company bylaws or contracts.

| 1.2 Operational performance |

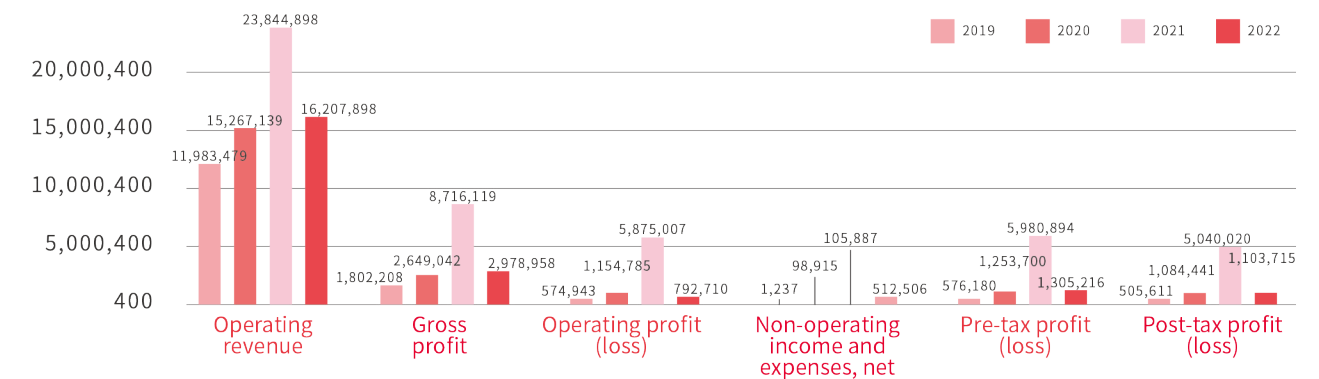
1.2.1 Operational report of 2022 (data taken from the consolidated financial statements)

(i) The table below compares the operational status of 2022 with that of 2021 : Unit: NT\$ thousand

	2022	2021	Amount increased (decreased)	Percentage increased (decreased)
Operating revenue	16,207,898	23,844,898	(7,637,000)	(32.03%)
Gross profit	2,978,958	8,716,119	(5,737,161)	(65.82%)
Operating expenses	(2,186,248)	(2,841,112)	654,864	23.05%
Operating profit (loss)	792,710	5,875,007	(5,082,297)	(86.51%)
Non-operating income and expenses, net	512,506	105,887	406,619	384.01%
Pre-tax profit (loss)	1,305,216	5,980,894	(4,675,678)	(78.18%)
Post-tax profit (loss)	1,103,715	5,040,020	(3,936,305)	(78.10%)

Operating status

Unit: NT\$ thousand



(ii) Analysis of income and expenses and profitability

(1) Income and expenses

Unit: NT\$ thousand

Item	2022	2021	Amount increased (decreased)	Percentage increased (decreased)
Cash flows from operating activities	3,528,541	8,289,599	(11,818,140)	(142.57%)
Cash flows from investing activities	(1,273,847)	(1,811,305)	537,458	29.67%
Cash flows from financing activities	(223,653)	(285,489)	61,836	21.66%

(2) Profitability

Item	2022	2021
Return on assets (%)	5.67	30.43
Return on equity (%)	9.16	48.49
As a percentage of paid-in capital	Operating profit	27.70
	Pre-tax profit	45.61
Profit margin (%)	6.81	21.14
EPS (NT\$)	3.71	17.76

(3) R&D status: R&D expenses in 2022 reached NT\$1,532,493 thousand, accounting for 9.46% of operating revenue.

| 1.2.2 Summary of the 2023 Business Plan |

1. Operational policy

- (1) Expand the R&D personnel base to enhance R&D strength; increase
- (2) R&D equipment expenses to improve R&D effectiveness.
Expand 25nm low-density niche DRAM memory product line such as DDR4, DDR3, LP DDR3, DDR2, LP DDR2, etc.
- (3) Accelerate the adoption of 21nm DRAM product research and development to maintain a competitive advantage of cost structure.
- (4) Accelerate the mass production of 19nm DRAM products.
- (5) Accelerate the mass production of 28nm NAND products.
- (6) Accelerate the expansion of product lines such as MCP (NAND+LP DRAM) and eMCP (controller+NAND+LP DRAM).
- (7) Expand the 50nm NOR Flash product line and business without reservation.
- (8) Research and develop the niche memory of car specifications.
- (9) Accelerate the promotion of power IC and analog IC product lines.
- (10) Expand the Company's product lines such as IoT IC, Motor Drive IC, Sensor IC, etc.
- (11) Maintain a robust financial structure.

2. Sales forecast and forecast basis

Due to the surge in demand driven by the “stay-at-home economy” in the past two years, the semiconductor market experienced an unprecedented boom. ESMT achieved record-high shipment quantities and revenues in 2020 and 2021. However, with the outbreak of the Russo-Ukrainian War and the inflation crisis in Europe and America, which worsened the global economy, as well as the reduced fatality rate of COVID-19 variants and the gradual lifting of restrictions in various countries, the “stay-at-home economy” rapidly cooled down, resulting in oversupply of consumer electronics products. In the first half of 2022, the memory market performed relatively well, but in the second half, demand froze, prices declined, and major companies experienced losses in

the fourth quarter. It will take several quarters to adjust inventory before the next wave of growth can be anticipated. As 5G smartphones gradually become more prevalent and to enhance their performance, the memory capacity required for PCs and smartphones will significantly increase. Furthermore, the demand for memory capacity in electric vehicles is rapidly rising, providing momentum for the next wave of growth.

Memory products are more susceptible to market fluctuations, and although ESMT focuses on niche memory, it is still affected by the downturn in the memory industry. The company is facing a severe test as prices decline before rebounding. Adjusting inventory and accelerating product development are immediate priorities to provide competitive products and seize opportunities for the next wave of growth. It is estimated that there will be a slight increase in shipments in 2023, but revenues will continue to decline.

3. Important production and sale policies

- (1) Enhance the partnership with chip suppliers and back-end production suppliers to maintain a stable production capacity and goods supply.
- (2) Enhance the promotion of Know-good die (KGD), NOR, NAND and MCP.
- (3) Provide an industry-leading quality and cost structure to expand the market share domestically and abroad.
- (4) Strengthen the interaction with agents and distributors, expand the application fields of new products to increase business sales.

| 1.2.3 Future development strategy |

Although global supplier of DRAM and NAND Flash opted for integration as opposed to the red ocean competition as in the past, mainland China has been cultivating its own semiconductor industry with state power, especially the DRAM and NAND memory industry, and introduced much uncertainty into memory supply in the future. Construction of new memory fabs in China have been completed in 2020 and started mass production. The memory industry will start a new round of competition and elimination and this will affect the market for niche memory. Nonetheless, the market for niche memory in the

short run will still see demand outpace supply. 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 low-density niche memory, due to its even broader application and its role as a critical electronic component, the demand is expected to soar worldwide in 2022. To meet market demand, the Company will continue to develop new products. Aside from focusing on the business of highly integrated, high-speed, low-energy memory IC products, KGD, NOR, NAND Flash, and MCP, the Company will also accelerate the R&D of analog IC and mixed signal IC product lines, so as to meet customer requirements of all kind. The Company will aggressively enhance the development of new products to improve its own competitiveness to gain a larger share in the competitive market in the future and thus maximize profit.

| 1.2.4 Effect of external competition, the legal environment and the overall business environment |

The progress of the “stay-at-home economy” and digital lifestyles has driven the demand for semiconductor components beyond expectations. Over the past two years, major manufacturers have expanded their production capacity in response. However, when the market sentiment reverses, it presents significant challenges for operations. Since the outbreak of the COVID-19 pandemic, many people’s lives have been affected, and governments worldwide have implemented quantitative easing and economic stimulus measures to improve people’s livelihoods. The aftereffect of these measures has gradually emerged, with countries experiencing record-high inflation rates. The Russo-Ukrainian War has further contributed to inflation, reaching levels not seen in three to four decades, causing hardship for people and impacting consumer confidence. Central banks implemented aggressive interest rate hikes in 2022 to address the inflation crisis, which continues to persist. Central banks worldwide will continue to raise interest rates, resulting in high rates throughout 2023. This leads to uncertainty in economic development. Additionally, geopolitical issues such as escalating tensions between China and the United States and

the Russo-Ukrainian War have led to surging oil and natural gas prices. Overall, the semiconductor market in 2023 is in a period of inventory adjustment, but the future growth of the digital lifestyle still relies on semiconductors, making the prospects for semiconductor growth still promising.

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

ESMT’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 there are earnings in the final account, the Company shall use the earnings in the following order of priority: (1) pay taxes and duties; (2) compensate for prior deficit; (3) set aside 10% of the remaining earnings as legal reserve; (4) provide special reserve, where applicable; (5) reserve a certain portion of the remaining earnings to meet operational requirements; and (6) appropriate no less than 20% of the annual earnings as shareholder bonus and dividends.

2022 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.

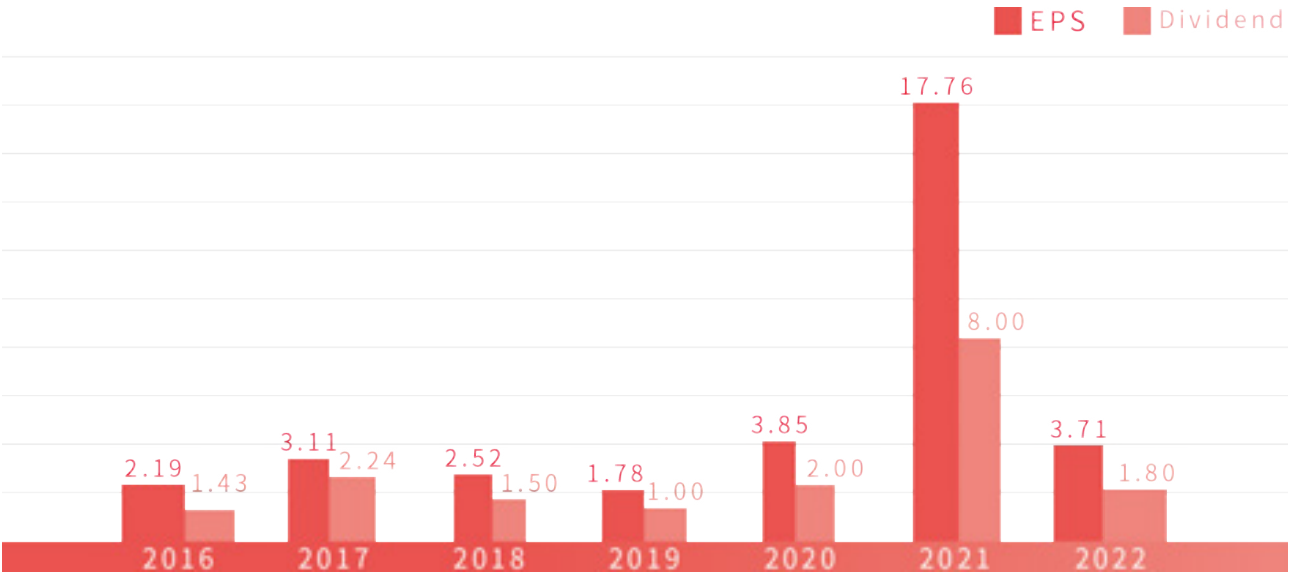
- (2) In 2022, the Board of Directors proposed to use earnings and capital surplus to distribute cash dividends, as stated in the following:
1. Each 1,000 shares are assigned a cash dividend of NT\$1,800 (rounded to the nearest NTD), pending the approval of the 2023 Shareholder’ s Meeting, after which the Chairman shall be authorized to set the ex-dividend date and distribution date and deal with relevant matters.
 2. If before the ex-dividend date, the Earnings Statement is changed because the number of outstanding shares is affected due to modification made by the competent authority, or due to change in the Company’ s capital such as conversion of employee stock options into common shares, it is proposed that the Chairman is fully authorized by the Shareholders’ Meeting to deal with the matter on the condition that the payout ratio maintains at NT\$1.8 per share.
 3. The dividend distribution matters mentioned above have been approved at the shareholders’ meeting held on May 30, 2023.

(3) Future dividend policy principles:

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.

Dividend distribution in recent years



| 1.3 Ethics and legal compliance |

Ethical and business strategy

As a member of the society, ESMT pursues operational performance and creates economic value while wishing to use its resourcesto “better the society” , a corporate social responsibility goal it has set for itself. During our daily operations, we commit to obeying business ethics,

uphold the virtue of integrity, abide by laws, oppose to corruption, reject bribing and bribes and never forge any political relation.

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, protecting stakeholders’ interests and improving the transparency of information. ESMT wishes to fulfill the corporate sustainability responsibility and improve ESMT’s business performance through a functioning governance framework.

ESMT has set up a system for reporting unethical conduct or misconduct and disclosed the reporting system on company website. Insiders or outsiders may report the unethical conduct or misconduct, if any, of the Company’s employees through the reporting system. If the matter reported is verified to be true, the Company will have the responsible units review internal operating procedures and propose corrective actions to avert the recurrence of the same matter. In 2022, there was no 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. 507 employees have finished the training, accounting for 95.85% of total employees.

Corporate social responsibility policy

As a member of the society, ESMT pursues operational performance and creates economic value while wishing to use its resourcesto “better the society”, a corporate social responsibility goal it has set for itself. During our daily operations, we commit to obeying business ethics, uphold the virtue of integrity, abide by laws, oppose to corruption, reject bribing and bribes, and never forge any political relation.

ESMT values governance, aiming to strike a balance among 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 environment and share the business development fruit with employees; in doing so, we also create jobs and make the society where people could work and live happily.

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 contributing to the society.

To care for the Earth and in response to climate change, ESMT values and maintains its environmental protection measures; aside from promoting energy conservation and carbon reduction on its own initiative, ESMT has also exerted its influence in that it worked with suppliers to promote green production and improve the environmental management effectiveness.

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 the promotion of the strategy of corporate sustainable operations, the Company established the Corporate Sustainability Committee on October 7, 2020. The chairperson and deputy chairperson of the committee were the Chairman of the Board and the President, respectively, who further assembled the top management into various task forces under the committee, namely “Governance Task Force”, “Partnership Task Force”, “Environmental Sustainability Task Force”, and “Friendly Workplace and Charitable Events Task Force”, in the hope to control the business risks on the ESG front using the principles for sustainable operations, thereby providing a basis for the formulation of strategy and policy and the advancement of

management by the top management 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, as stated in the following:

Material issues	Risk assessed	Risk management policy or strategy
Environmental sustainability	Environmental protection	As a member of the global supply chain of 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 has aligned its operations which might impact the environment or safety and health with laws and regulations, successfully reducing the adverse ESG impact, aiming to increase resource recycling and reuse. In addition, to comply with international environmental protection laws and regulations and customers' environmental protection requirement, ESMT has constructed a green product management system, and continually improved it with the systematic PDCA management cycle. Aside from being certified by Green Partner, an international brand name, ESMT also has its product lines compliant 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.
	Workplace safety	To prevent occupational accident and ensure employee safety and health, ESMT has set up the Occupational Safety and Health Committee. ESMT fulfills 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 responsibility	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.
	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, which allows it to give 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.
Governance		

| 1.5 R&D innovation |

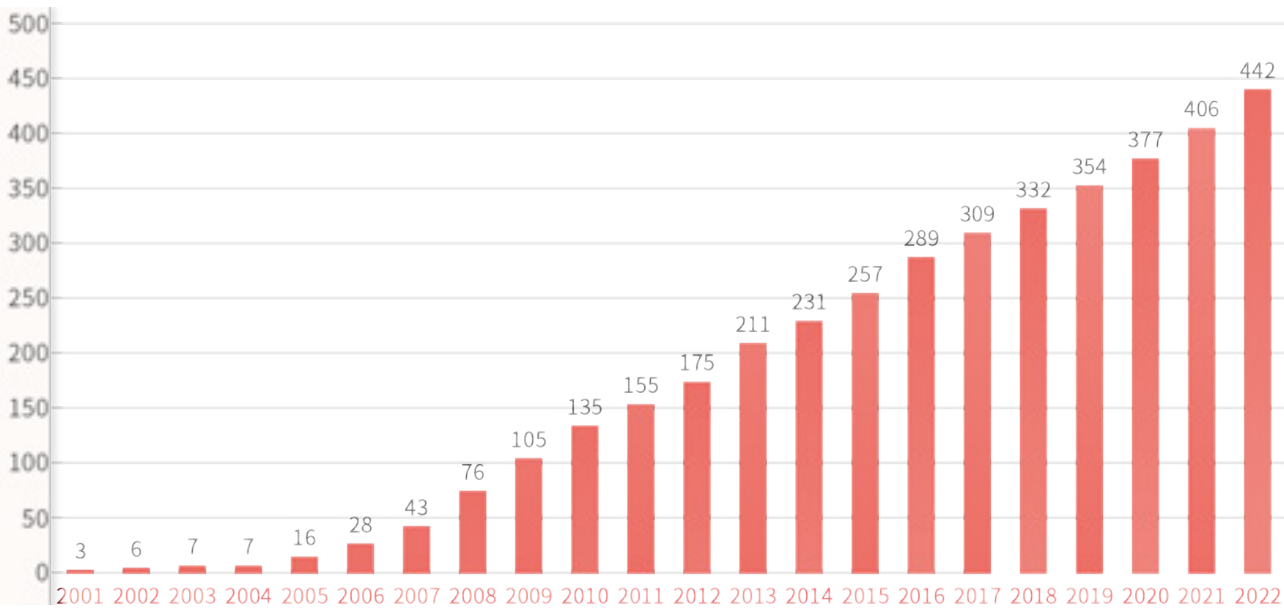
The company focuses on the research and development of niche memory products, including niche DRAM, NOR Flash, SLC NAND, MCP, eMMC, eMCP, and other memory ICs. These products have broad applications in various electronic devices such as computer peripherals, network communication, consumer electronics, 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 in the increasing market share of Audio Amplifiers in the TV market. 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 building up the number of patents and continue to leverage advanced technologies and product design to launch cost-effective and high quality memory, mixed signal IC and system IC products, aiming to become the long-term trust-worthy partner for customers.

Total number of awarded patents over the years



| 1.6 Intellectual property |

As the technology advances, the Company's R&D expenses also edges 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. This model utilizes intellectual property right management mechanisms, which integrate business goals and R&D resources to create a company value and intangible assets. The business model, which is a combination of company product strategy, R&D strategy and intellectual property strategy, enhances the Company's use of intellectual property, protects the Company's operational autonomy and enhances competitiveness and makes the Company profitable.

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, discussion about technologies, to formulation of a patent map for specific technologies and 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 has the 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, recruited professionals and

advisors, and adopted 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 seminar on patented technologies to raise employees' awareness of the protection of 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, particularly for the Company as an IC designer which focuses on autonomously developed products.

The Company has established internal regulations for trade secret. Periodically, an orientation on trade secret protection is held for new employees; irregularly, 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 agreement; in doing so, they are prohibited to disclose 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 in that it has set up information security management regulations and implemented applicable measures lest its information is leaked and interests infringed. By holding education and training seminar on trade secret, the Company raises employees' awareness of the protection of the Company's confidential information as well as relevant laws and regulations.

Trade mark management

Ever since its establishment the Company has always been seeking trademark protection in countries that are major markets for its product. The Company has dedicated personnel responsible for the research prior to trademark application, management of trademark cases and trademark data and maintenance of trademark, so that the Company can market worldwide under its private brand.

Copyright management

To protect company confidential information and the rights of acquired patented technology, 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 the early stage after establishment the Company has been gradually introducing and bettering the intellectual property management system. Matters executed in the past few years are stated as follows:

- (1) Since 2006 the Company has been inviting prestigious scholars or having the supervisor of the Company's Legal Affairs and Intellectual Property Office to lecture on or disseminate trade secret protection and the basic concept of acquiring patent rights and patented technology to employees.
- (2) Since 2011 the Company has been participating in the Corporate Intellectual Property Information Dissemination Tournament organized by the Intellectual Property Office, MOEA, during which

lawyers and scholars are invited to the Company to lecture on patent right, trade mark right, copyright, trade secret and practices to employees.

- (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 to review applications for publishing company information.
- (5) In 2015, the Company established and executed the strategy toward the analysis and arrangement of new technology patent, 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 standard for grading the Company's important information, and assessed patent insurance and non-practicing entities.
- (9) In 2020, the Company assessed the feasibility of introducing the Taiwan Intellectual Property Management System (TIP).
- (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 centralize the

maintenance and management of 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.

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.

Below is a list of awarded intellectual property rights:

1. Patents: As of December 2022, the total number of granted patents worldwide has exceeded 491. In 2022 alone, the company obtained 36 domestic and international patents.
2. Trademarks: As of December 2022, the company has accumulated a total of 37 registered trademarks in major countries where it has established its presence.

| 1.7 Insider trading prevention |

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 required by law, the Company's material information shall be disclosed by the Company's spokesperson or acting spokesperson. No employee of the Company may disclose the material information without authorization.
4. No employee with knowledge 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 positions in the company.

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 with irrelevant 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 agreement as required by the Company; none of them may reveal the Company's trade secret or non-public material information.
8. No employee may discuss any topic related to the Company in internet chat rooms or digital signage board related to investment 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.

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 2022. A total of 508 completed the e-learning courses, accounting for 95.85% of total employees. Those who have yet to complete the e-learning courses will be tracked during the 2023 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:

1. The reporter's identity information, contact address, contract number, and e-mail address.
2. The name of the person being reported or other materials sufficient to identify the person being reported.
3. Concrete evidence for investigation purpose.

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

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

1. 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.

2. The Company's dedicated unit and the supervisor stated in the previous subparagraph shall immediately verify the reported matter, and may request the assistance from the legal compliance department or other relevant departments wherever necessary.
3. 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.
4. 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 within the preservation period a litigation similar to that stated on the reporting content of the preserved file occurs, the preserved file shall be kept preserved until the litigation is completed.
5. 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.
6. 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 2022, the company did not encounter any litigation events nor incur any litigation-related damages or compensations.

| 1.10 Information security policy and management projects |

The Company's Information Office is the unit in charge of information security within the Company; the Information Office shall formulate and implement information security policy and report to the management on information security execution plan and achievement every quarter, so as to ensure a functioning information security management mechanism.

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 incident, thereby ensuring the achievement of information security goals and continuing improvement.

The Company has purchased hardware electronic insurance for operating assets such as information system, network equipment, etc., and has adopted security monitoring operation to avoid equipment 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.

The table below lists the Company's information security management measures:

Information security management measures

Type	Description	Related operation
Authority management	Measures for management of personnel accounts and permission and system operation behavior	- Personnel account and permission management and review - Periodical inventory of personnel account and permission
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 trace 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

1.11 COVID-19 control measures

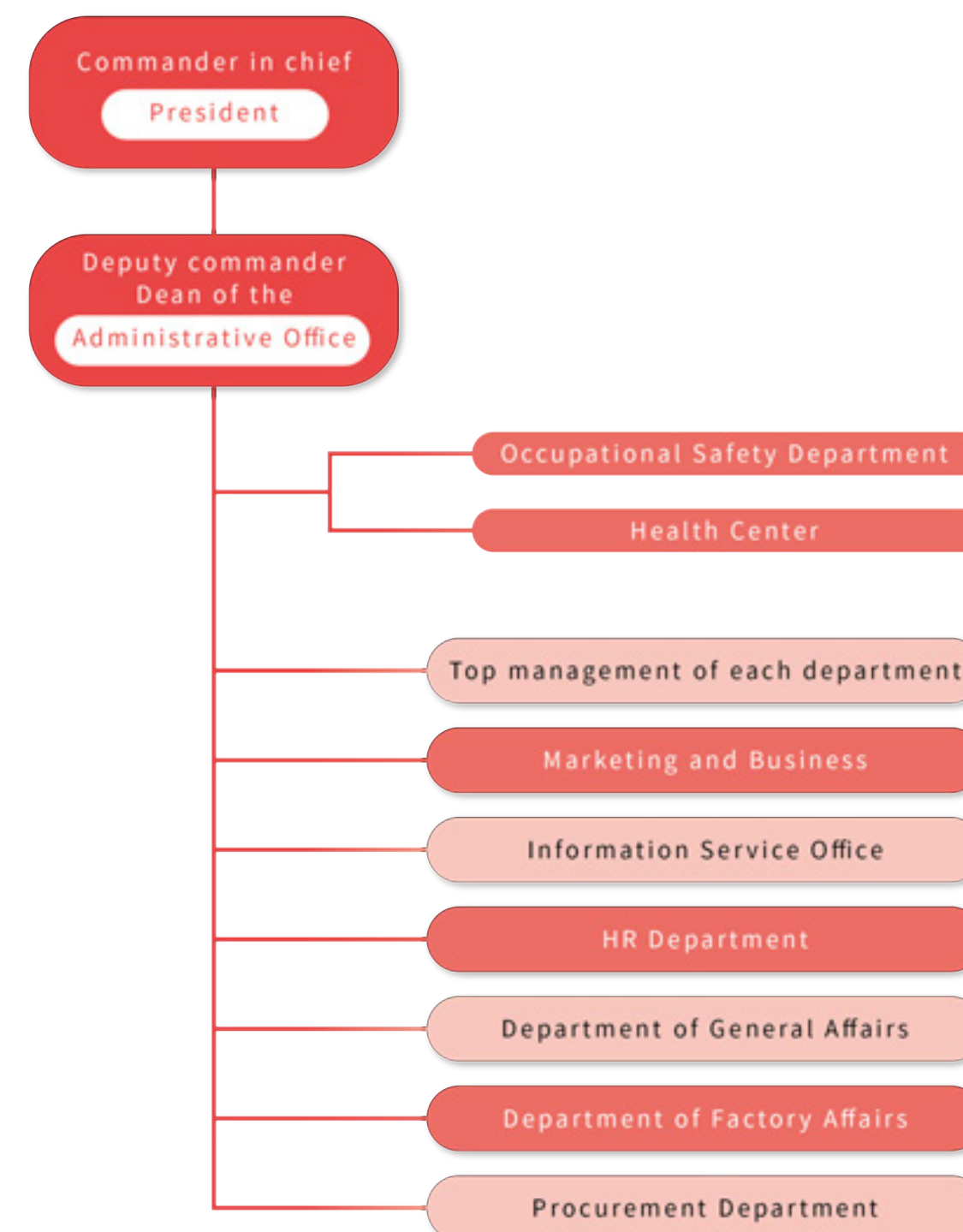
The breakout of COVID-19 pandemic in 2020 significantly changed global economy and the society. Global confirmed cases and death toll soar every day because great worry in people. For an enterprise, it's the best time for showing resilience. The pandemic restricted people's mobility and changed their living and work pattern. Facing the pandemic, ESMT's strict pandemic control measures allow ESMT employees to battle the virus together.

Upon the outbreak of COVID-19 pandemic in March 2020, ESMT Administrative Office immediately assembled a pandemic control task force led by the head of the Administrative Office. The task force adjusts the Company's pandemic phase based on the development of the

pandemic, and notifies employees of the pandemic control measures through the announcement system.

Pandemic control organizational structure

- If any imported case is found, the below mechanism concerning the deputy commander will be activated.
- In case of cluster infection, the President shall be commander in chief and the deputy commander shall serve as a staff adviser.



Definition of pandemic phases

➤ Formulated by referencing the following standards

- 1.Domestic influenza Phases
- 2.Guidelines for Enterprise Planning of Business Continuity in Response to the Coronavirus Disease (COVID-19)

Phase 1	Phase 2	Phase 3	Phase 4
A confirmed case does not occur in Taiwan, but in foreign countries only.	An imported case occurs in Taiwan.	A domestically confirmed case occurs in Taiwan.	Cluster infection occurs in Taiwan and a suspected case or confirmed case (widespread community transmission) is found in the Company or Hsinchu County/City.

ESMT' s pandemic control measures are described as follows:

- (1) Employee: Take body temperature every day; regularly fill in the Health Statement; prohibited from entering the buildings if their body temperature indicated on the forehead thermometer exceeds 37.5°C .
- (2) Visitor; vendor: Take body temperature; fill in the Health Statement; prohibited from entering the buildings if their body temperature indicated on the forehead thermometer exceeds 37.5°C .
- (3) Restaurant: Put up barriers; adopt a checkerboard seating; keep social distance.
- (4) Enclosed space: Reduce unnecessary meetings or replace physical meetings with video conferencing.
- (5) Environment: Increase the frequency of environment disinfection.
- (6) Others: Work in segregation and alternated schedule; offer employees medical masks; irregularly announce the Company' s new measures; control the frequency of business trips.
- (7) In 2022, when the COVID-19 situation intensified, the company implemented real-time online reporting groups, allowing employees to report any relevant information. The HR department received these messages immediately to conduct contact tracing and initiate appropriate preventive measures such as environmental disinfection

and contact tracing. The confirmed case numbers were compiled and reported to the command center on a weekly basis, ensuring that the command center had the latest information. From the outbreak to the subsequent downgrade of the pandemic, the company was not significantly impacted by the situation.



02

Prosper with partners



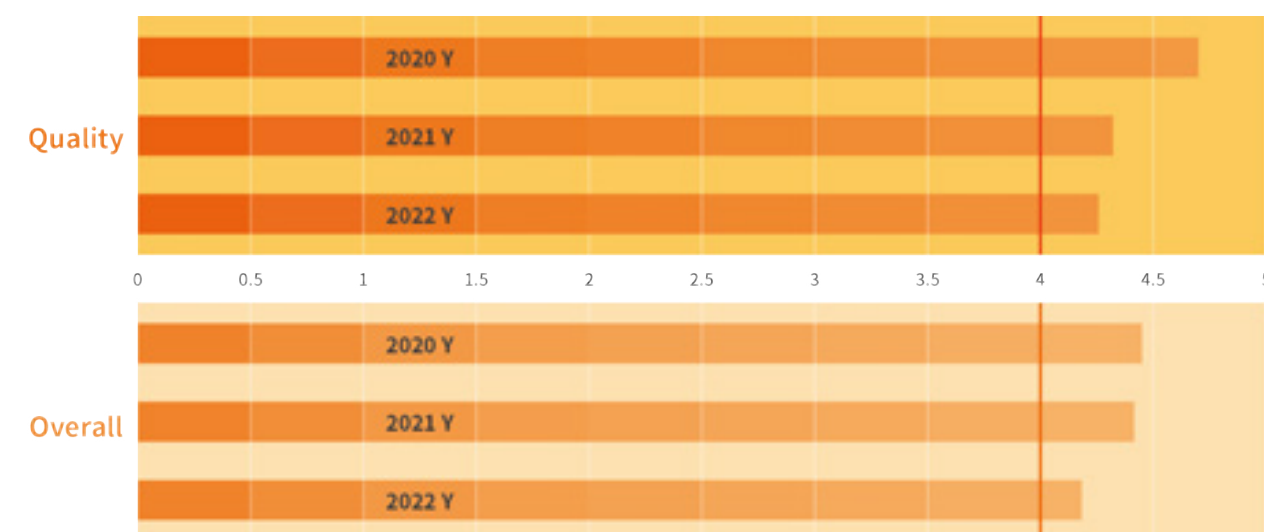
| 2.1 Customer Satisfaction Trend |

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.

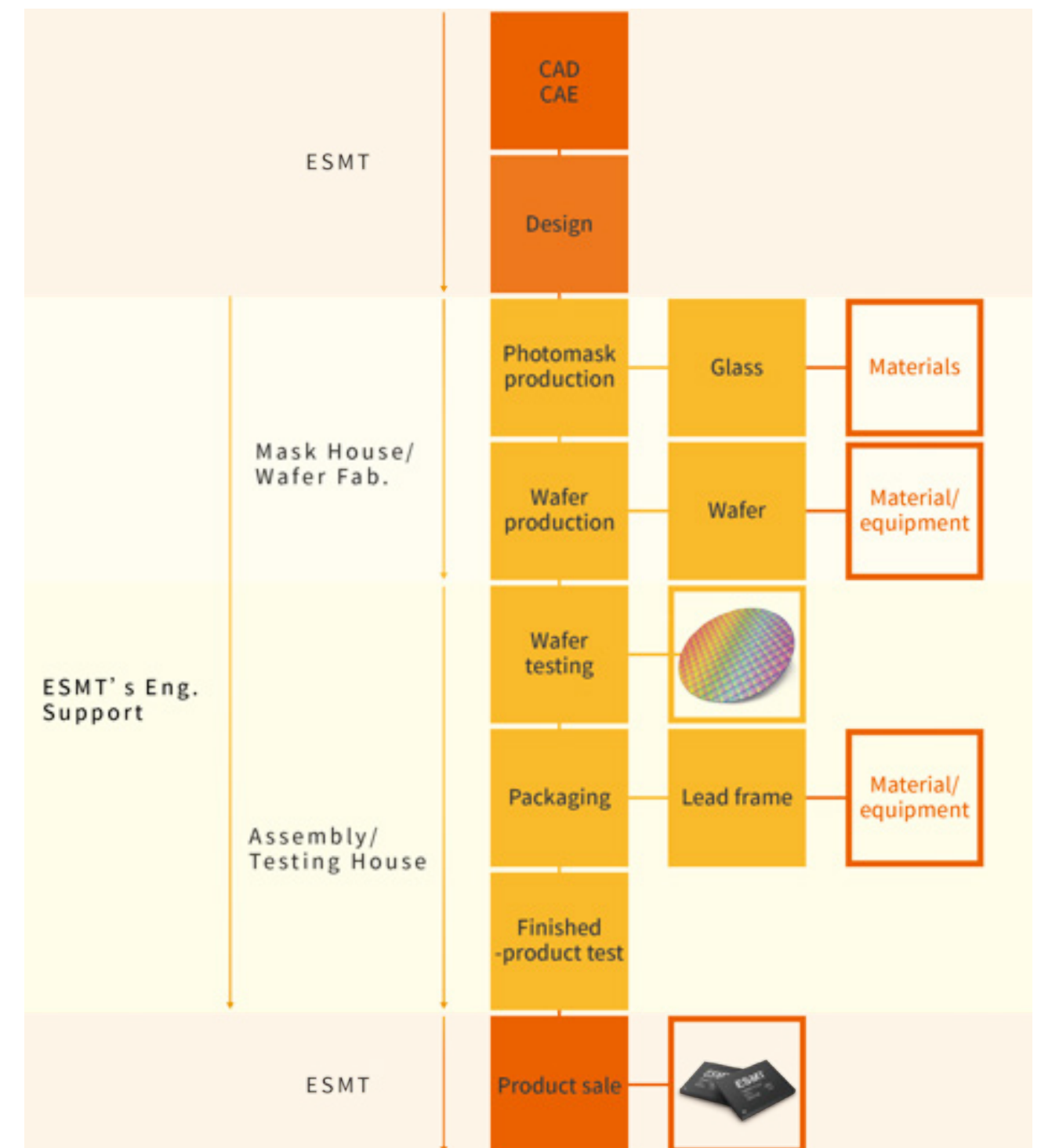
In 2022, the overall customer satisfaction with our quality did not show significant changes compared to 2021. However, the overall customer satisfaction slightly decreased compared to 2021, mainly due to factors such as product pricing and product shortages. ESMT continues to communicate with customers and address relevant sales-related issues to achieve customer satisfaction goals.

Customer Satisfaction Trend



Supply chain overview

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



Local Procurement

ESMT approves and implements procurement by following the standard procedures stated in the Procurement Management Regulations and by type of procurement case and monetary amount. However, to reduce the carbon emission as a result of transportation, the Company preferentially conducts local procurement. The ratio of ESMT's local procurement in Taiwan in 2022 accounted for 80.26% of total procurement.

Raw material shortage as a result of the pandemic prevented some local procurement from being delivered on the desired delivery date, and the Company had no other alternatives but to turn to external procurement, a reason why the local procurement ratio dipped slightly. Nonetheless, the Company will still work towards local procurement which reduces carbon transmission during transportation.

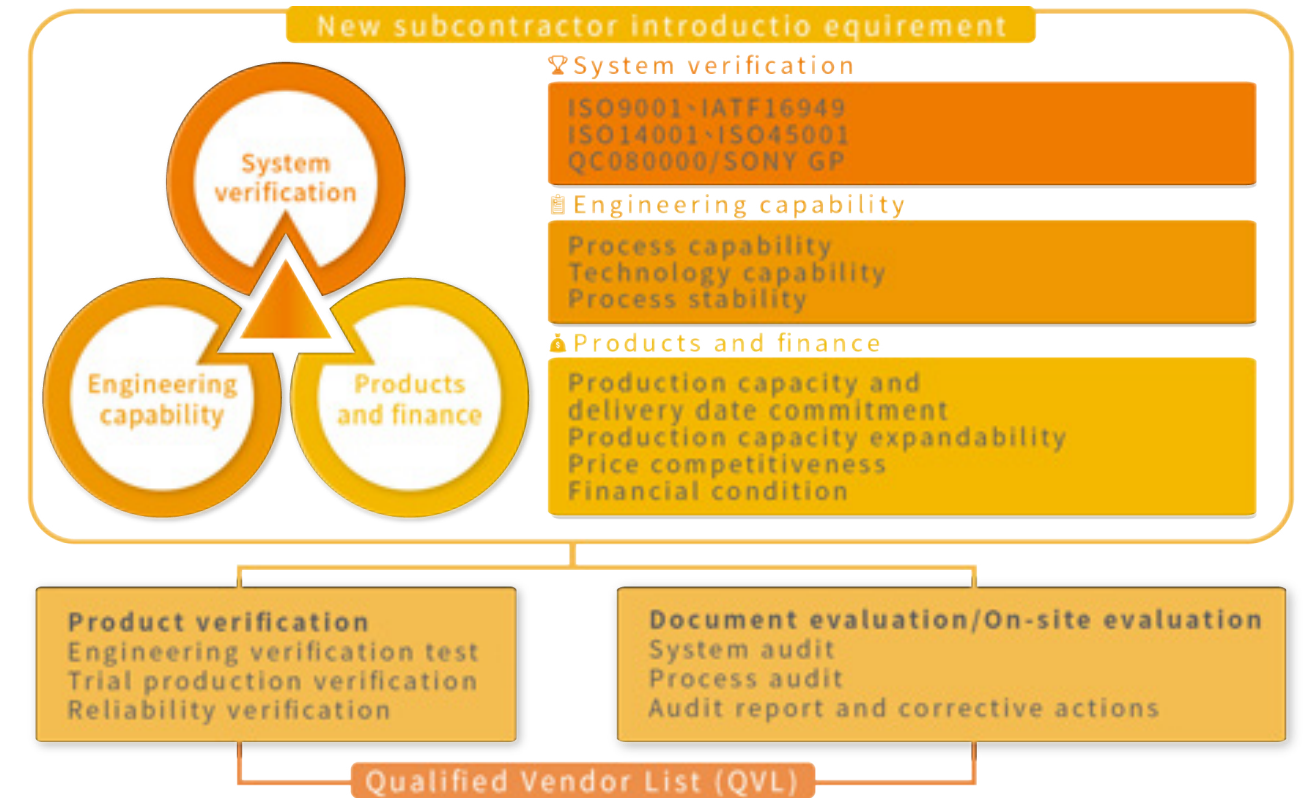
Local procurement ratio in 2022



New supplier evaluation

When choosing an external partner, ESMT will follow the 『External Supplier Management Regulations』 which requires important external partners to obtain ISO 9001 / IATF 16949 and ISO 14001 certification. This is confirmed by evaluating engineering capability, system certification, capacity and financial performance to see whether the supplier is competitive enough; ESMT will also conduct a systematic audit and inspect the products of the supplier to see whether they meet ESMT's requirements. Approved suppliers will be included in ESMT's Qualified Vendor List (QVL). The audit checklist for important external suppliers includes 21 items of environmental protection/conflict minerals, 10 items of labor rights, 6 items of occupational safety and health, 3 items of ethics, 3 items of RBA management system and etc. inspection items. We check whether important external suppliers comply with ESMT's ESG policy requirements.

Subcontractor introduction procedures



Supplier management

ESMT periodically audits suppliers and quarterly evaluates them every year, during which the PDCA management cycle is adopted to examine their conformity and to see whether there is still room for improvement.

Subcontractor coaching flow chart



In 2022, ESMT achieved a 96% ESG system certification rate for its key subcontractors. Due to the ongoing impact of the COVID-19 pandemic, ESMT personnel were unable to conduct on-site audits at the subcontractors' facilities. As a result, the annual audits of subcontractors in 2022 were conducted through online meetings. The system certification, regular audits, and periodic evaluations of ESMT's key subcontractor are described as follows:

Subcontractor System Verification Percentage

Aspect	Governance		Environment		Social
Type	ISO 9001	IATF 16949	ISO 14001	QC0 80000 or SONY GP	ISO 45001
Wafer plant	100%	94%	100%	88%	94%
Packaging plant	100%	100%	100%	100%	94%
Testing plant	100%	86%	100%	86%	86%
RDL plant	100%	75%	100%	100%	100%
Tape reel plant	100%	0%	0%	0%	0%
Overall percentage	100%	91%	98%	91%	91%

Subcontractor evaluation and periodical audit

- Frequency : Annual
- Party : New subcontractors or subcontractors included in the annual audit plan
- Audit checklist : 21 items of environmental protection/conflict minerals, 10 items of labor rights, 6 items of occupational safety and health, 3 items of ethics, 3 items of RBA management system and etc. inspection items.
- Method : ✓ Document evaluation by the subcontractor pers
✓ On-site audit
✓ Non-conformity corrective actions

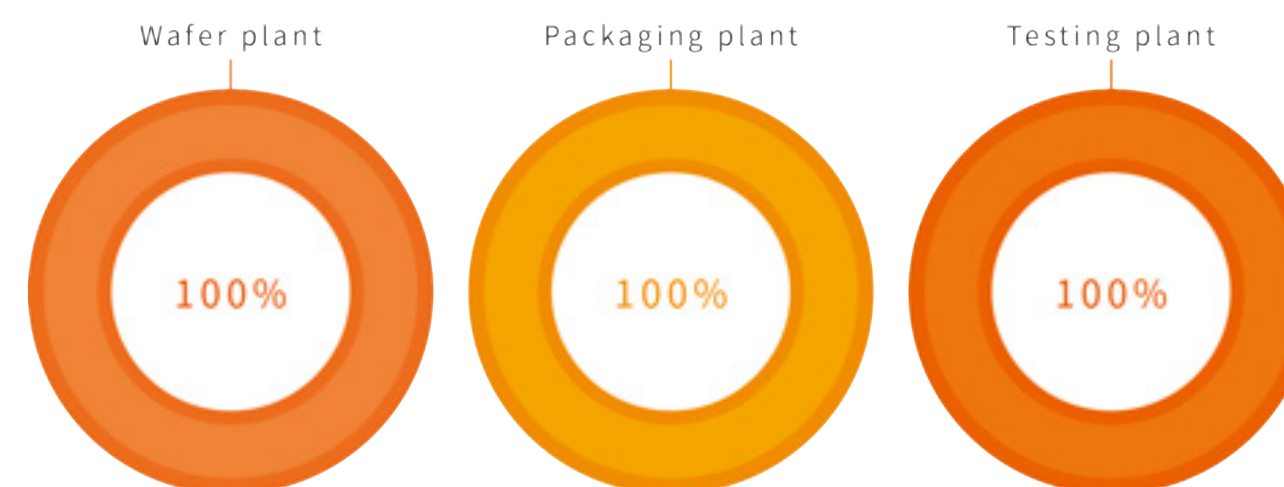
2022 Subcontractor Audit Completion Rate

Subcontractor	QSA	QPA	CSR	EMS
Wafer plant	100%	100%	100%	100%
Packaging plant	100%	100%	100%	100%
Overall percentage	100%	100%	100%	100%

Subcontractor evaluation and periodical rating

- Frequency : Quarterly
- Party : Subcontractors undertaking the production for the current quarter
- Evaluation items : Quality; delivery date; service / engineering capability; price

2022 Subcontractor Periodical Rating Completion Rate

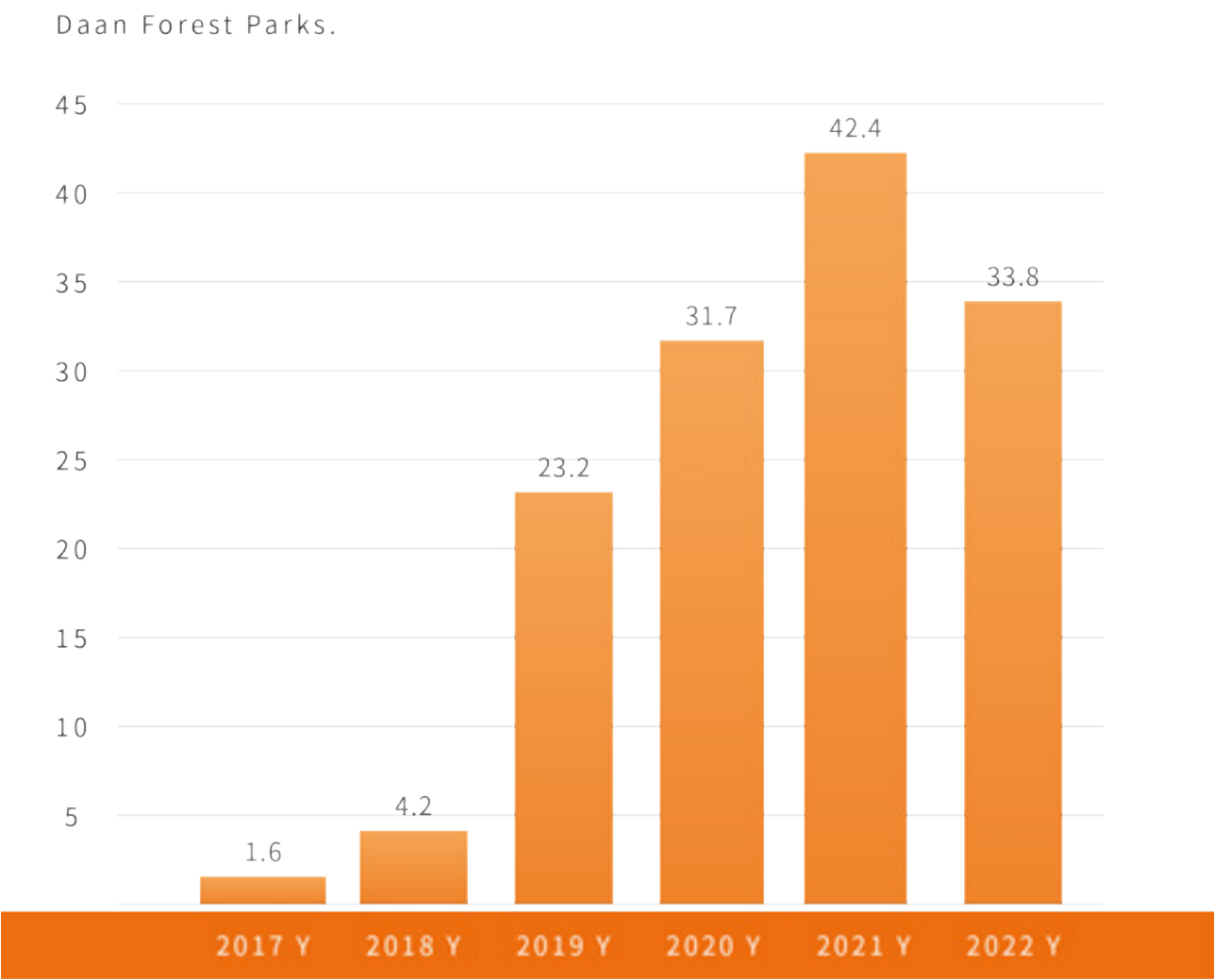


| 2.3 Green Products |

I. Green Design:

ESMT focuses on developing niche products. In order to improve energy efficiency, our product designs have gradually shifted from DDR2, which served as the benchmark in 2016, to low-energy DDR3 designs. We have also transitioned from 30nm process technology to 25nm low-energy process technology. DDR3 products have been successfully incorporated into the home appliances of brand customers such as Samsung and LG, and these products have obtained ENERGY STAR certification. In addition, the Audio IC products have transitioned from 0.30μm to 0.18μm process technology since 2019. From 2017 to 2022, the cumulative power savings achieved through the use of these low-energy products in end-product devices amounted to a reduction of 53,279 metric tons of carbon emissions, equivalent to the carbon sequestration capacity of 137 Daan Forest Parks.

Carbon adsorption capacity of Daan Forest Park



II. Green production (RoHS):

ESMT complies with the EU’ s Restriction of Hazardous Substances Directive for electrical and electronic equipment (RoHS) at all respects, from product design to production. ESMT also formulates the “Environmental Policy” and “Environment Management Substance Operation Procedures” , by which all suppliers are required to commit to zero use of environmentally controlled substance and monitor and manage such substance 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 substance. 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. Suppliers must be informed of, and comply with, the requirements for managing environmentally controlled substance and the restriction of usage; they are required to provide supporting documents.
3. Suppliers must be irregularly audited 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 environmental policies, human rights policies, conflict minerals policies, and related management measures to declare ESMT’ s commitment to sustainability.

We 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 requirements and maintain the Company’ s commitments to manage environmentally controlled substances, ESMT not only complies with EU RoHS regulations and SONY SS00259 standards, but also dedicates to promoting the environmental management system. ESMT was awarded the SONY GP (Green Partner) certificate in July 2005.

Conflict minerals

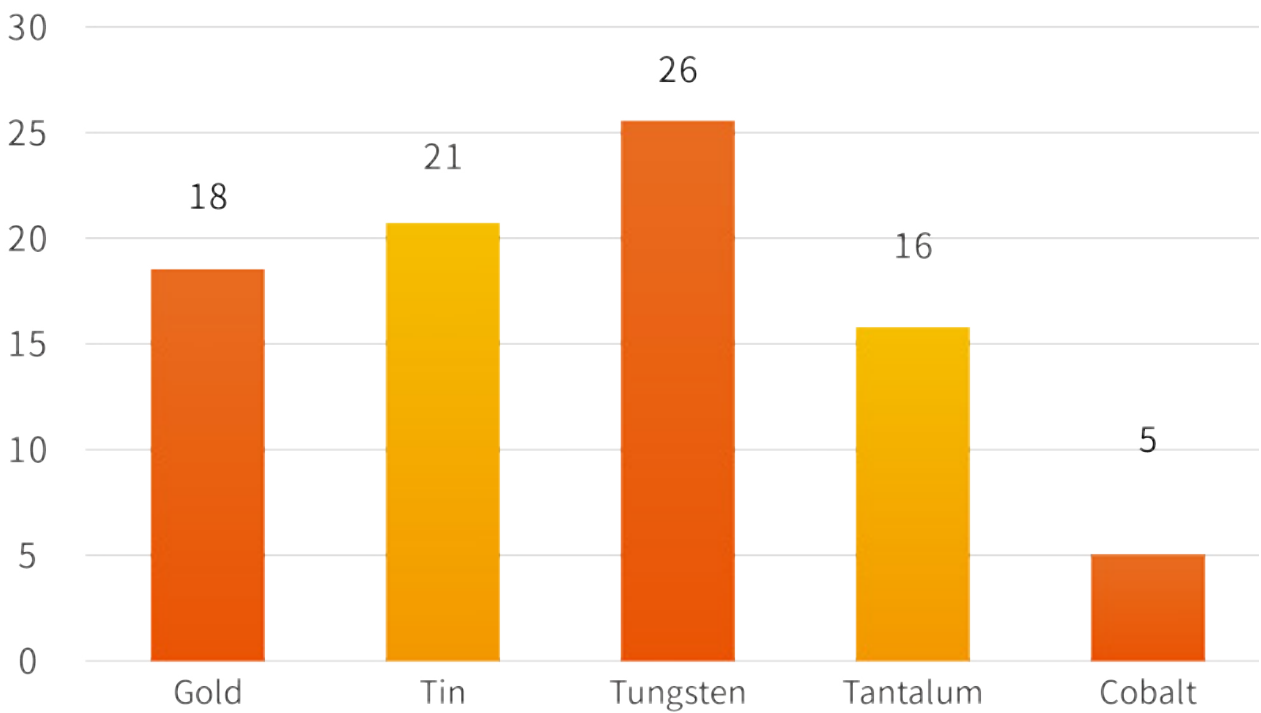
“Conflict minerals” refers to the minerals mined and sold by regions experiencing some kind of military or economic conflicts where human rights violation often occurs in the pursuit of valuable minerals. More specifically, rare metals such as coltan, cassiterite (tin), gold and wolframite (tungsten) extracted in the Democratic Republic of the Congo or adjoining countries or regions where human rights are severely violated and environment exploited. To support international human rights development, fulfill corporate social responsibility and prevent the product raw materials or production process from involving conflict minerals, ESMT commits itself to the following:

- 1. Follow the Responsible Business Alliance Code of Conduct (RBA CoC); commit to supporting responsible procurement of gold (Au), tin (Sn), tantalum (Ta), tungsten (W) and cobalt (Co); refrain from using the said minerals extracted by illegal smelters in the Democratic Republic of the Congo, other conflicting or high risk area.

- 2. Investigate conflict metals in accordance with the Responsible Business Alliance (RBA) Code of Conduct and require that suppliers to reveal sources of gold (Au), tin (Sn), tantalum (Ta), tungsten (W) and cobalt (Co) contained in their products and the information on smelters. Verify the information provided by suppliers or vendors.
- 3. Explicitly demand that suppliers and vendors comply with the said responsible procurement requirements to meet the goals set forth in the Responsible Minerals Assurance Process (RMAP).

In 2022 the Company investigated raw materials suppliers in relation to conflict minerals for a glimpse of smelters; there were 18 gold smelters, 21 tin smelters, 16 tungsten smelters, 26 tantalum smelters and 5 cobalt smelters. The Company did not find any conflict metal contained in the materials of subcontractors to come from illegal smelters in the Democratic Republic of the Congo or adjoining countries.

Number of smelters in relation to conflict minerals



03

Environmental sustainability



Environmental sustainability

| 3.1 Environmental protection policy |

Upholding the spirit of ISO14001 Environmental Management Systems (EMS), ESMT is committed to complying with advanced international environmental protection standards; providing and maintaining a work environment that is in line with legal regulations and industrial practicals; and continuing improvement to prevent any risk which might cause environmental pollution. By optimizing the process, ESMT continues to reduce the discharge of electrical and water waste and pollutants. It also commits itself to eco-friendly design, striving to become a green enterprise of sustainable development. To achieve the effectiveness of environmental management, the Company started the establishment of ISO14001 Environmental Management System in 2007 and was certified in January 2008.

Environmental policy and improvement plan

(1) Quantitative management of energy conservation and carbon reduction in the future

After introducing the ISO-14001 Environmental Management System and continuously implementing various energy conservation and carbon reduction programs, the Company has achieved remarkable performance. Based on the management principle of continuous improvement, the Company still sets relevant quantitative management goals for further improvement in order to better protect the Earth. Details are given as follows:

A. Greenhouse gas reduction; water resources quantitative management goals:

1. Greenhouse gas reduction

The Company's quantitative management goal for greenhouse gas reduction is to reduce per capita greenhouse gas emissions by 4% in 2025 from 2019.

2. Water resource management

When planning the usage of water resources, the Company will consider government policy, company development and industry characteristics, in order to effectively manage and allocate water resources and reduce the consumption to cope with the climate change. Stable supply of water has become the problem faced by countries around the world.

To fulfill corporate social responsibility and cope with global water shortage, the Company has set the quantitative goal for managing water resources, such as: Reduce per capita water consumption by 2% from the 2019 level by 2025, in the hope that such concrete action, along with that of global enterprises, helps cope with the challenges brought by climate change in the world.

3. Waste reduction

The Company's quantitative management goal for waste reduction is to reduce per capita waste generation by 2% in 2025 from the 2019 level. Under the development of promoting Sustainable Development Goals (SDGs), we believe that in the future, resources can be used with limited supply but create unlimited value. To promote circular economy, we would make efforts to achieve it, by sorting the waste thoroughly and improving recycling and reuse rate with clear goal setting.

B. Achievement Measures:

1. Greenhouse Gas Reduction

- Evaluate and replace public area lighting systems with LED lights.
- Set the temperature of office areas' air conditioning to a range of 26-28 degrees Celsius.
- Turn off unnecessary lighting during meal and break times.
- Promote paperless policies and introduce electronic forms to reduce paper usage.
- Use environmentally friendly utensils for meals and encourage employees to bring their own utensils to reduce the use of

disposable utensils.

- 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.
- Conduct a review and update of major energy-consuming equipment.
- Assess and plan the use and implementation of green energy sources.

2. Water Resource Management

a. Establishment of management system

- Water resource risk management
- Rainwater harvesting, storage, reuse, and improve
- Water quality monitoring and spill and leakage prevention
- Water consumption reduction and recycling

b. Introduction of new equipment

- Introduction of water-saving equipment
- Monitor water resources data

3. Waste Management

- Implement a resource recycling and sorting mechanism.
- Evaluate and establishing resource recycling rates.
- Enhance the value of resource recycling.
- Encourage employees to reduce waste generation.
- Comply with relevant provisions of environmental laws and regulations and implement environmental policies.



| 3.2 Response to climate change |

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

According to the Intergovernmental Panel on Climate Change (IPCC), global temperature will rise by 1.5 °C in 2030 at the earliest, making climate change an issue that can't be ignored.

ESMT is well aware that the growing crisis of 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 campaign against climate by proper means and also the risk and opportunity brought by climate change for the Company's operations in accordance with the Task Force on Climate-related Financial Disclosures (TCFD). In addition, the Company focuses on the four aspects, namely governance, strategy, risk management and indicators and goals to strengthen its governance of climate change, and thus responds to external stakeholders' expectation on the company's management of climate change.

Governance

Climate change risk identification is incorporated into the operations of the Corporate Sustainability Committee, which integrates various working groups and resources from across the business entities. It collects relevant issues, formulates short, medium, and long-term strategic plans, conducts risk assessments, and tracks performance evaluations. Quarterly progress reports are presented to the Board of Directors. The Board of Directors plays a supervisory and guiding role, urging management and the Corporate Sustainability Committee to continue promoting climate change issues and implementing risk management measures to enhance the resilience of sustainable development.

Strategy

In response to identified climate change risks and opportunities, a process for planning climate adaptation strategies is established, incorporating quantitative assessment of substantial impacts and climate scenario analysis tools. Short-term (3-5 years), medium-term (within 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 prepare for the worst-case scenario while striving for the best possible readiness.

	Risk/ Opportunity Item	Description for the impact/challenge	Response measures
Transition risks	Energy price increase	To meet the GHG emissions reduction requirement, the Company faces a hike in energy price and a need to improve the performance of existing equipment, pushing up energy consumption cost.	Promote energy conservation and carbon reduction measures at workplace Set an annual electricity conservation goal Continuously monitor and identify the impact of regulatory trends
	Environmental regulations (Amendment to Climate Change Response Act) require stricter measures.	Increased operating and manufacturing costs; fines incurred; increased litigation; and asset impairment as a result of policy changes.	Exchange information among members of industry associations and participate in regulatory courses organized by the government Enhance legal awareness and education and training
Physical risk	Increased frequency of extreme weather	Extreme weather events, such as heavy rainfall and prolonged drought, can result in property and equipment damage, and may even lead to operational disruptions.	Shorten the time required for restoration of operational systems, as well as of operations. Implement the mechanism that deals with material anomalies Continue to supervise suppliers holding climate event contingency plans and drills Assess and set up backup equipment
Opportunity	Market transformation / technology development	Develop low-carbon products; encourage suppliers to deploy the low and zero carbon technology (LZC) to open up the opportunities for tapping into relevant markets.	Assess and develop low-carbon products and markets Encourage existing suppliers to deploy the low and zero carbon technology (LZC), and preferentially work with them if they do so

Risk management

The various working groups under the Corporate Sustainability Committee are 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. In 2023, 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.

| 3.3 Energy use and greenhouse gas inventory |

To respond to global climate change, reduce and manage greenhouse gas emissions, implement environmental justice, fulfill the joint

responsibility for protecting the Earth, the Company actively supports the Carbon Disclosure Project (CDP) and has voluntarily discloses its greenhouse gas inventory data, shown as follows, in accordance with the Greenhouse Gas Protocol (GHGProtocol) issued by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI):

Greenhouse gas emissions in 2022

Unit (CO2 e)

Year	Greenhouse gas emissions	Greenhouse gas emissions per capita	%
2019	3,191.78	7.69	-
2020	3,336.88	7.87	2.34
2021	3,370.24	7.49	-2.60
2022	3,636.05	6.87	-10.62

Statistics on greenhouse gas emissions in 2022

Unit (CO2 e)

Type of greenhouse gas	CO ₂	CH ₄	N ₂ O	HFC _s	PFC _s	SF ₆	NF ₃	Aggregate
Emissions (metric tons CO2e/year)	3,594.12	41.84	0.089	0	0	0	0	3,636.05
As a percentage of total emissions	98.85	1.15	0.002	0	0	0	0	100.00

2022 direct emissions (scope 1) inventory results

Unit (CO2 e)

Emissions type	Emission source	Type of greenhouse gas				Emissions (metric tons CO2e/year)
		CO ₂	CH ₄	N ₂ O	HFC _s	
Stationary combustion	Diesel	V	V	V		0.11
Mobile combustion	Gasoline	V	V	V		2.61
Fugitive emissions	Septic tank		V			41.82
Fugitive emissions	Fire extinguisher	V				0
Fugitive emissions	Refrigerant				V	0
Aggregate						44.53

2022 indirect emissions (scope 2) inventory results

Unit (CO2 e)

Emissions type	Emission source	Type of greenhouse gas			Emissions (metric tons CO2e/year)
		CO ₂	CH ₄	N ₂ O	
Indirect emissions from energy	Purchased electricity	V			3,591.52

Energy usage in 2022

Energy type	Source	Electricity-driven facilities	Consumption
Electricity	Taiwan Power Company	Plant-wide electricity-driven facilities	7,056,000 kWh (25,401,600 megajoules)
Gasoline	Taiwan CPC Corporation	Emergency generator	1.1 kilolitres (35,922 megajoules)
Diesel	Taiwan CPC Corporation	On-site company vehicles	0.04 kilolitres (1,410 megajoules)

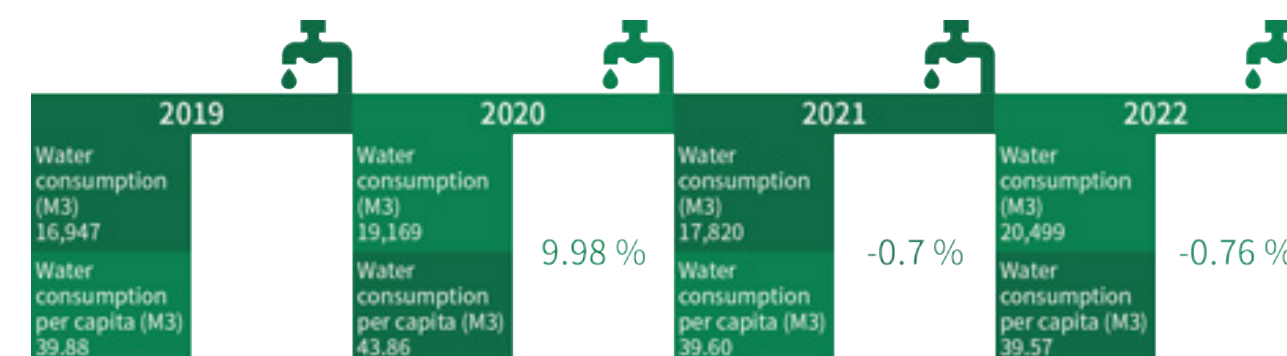
Note 1: Unit of conversion: 1 kWh of electricity = 3.6 megajoule

Note 2: Annual LPG conversion unit: 1 kg LPG = 27.8 megajoule

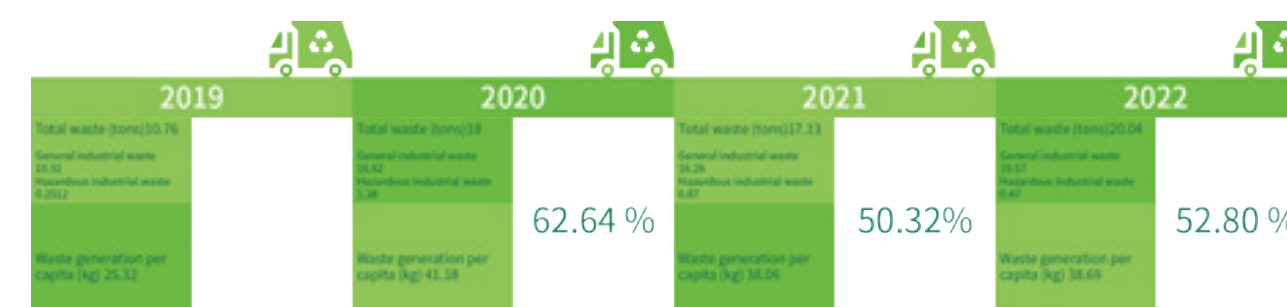
Note 3: The conversion data are based on the Energy Product Unit Heat Content Table published by the Bureau of Energy, MOEA.

| 3.4 Water consumption and waste |

Water consumption in 2022



Total waste in 2022



Impacted by COVID-19 pandemic over the two years, water consumption and total waste quantity increased instead due to personal sanitization activities and environment infection activities. The Company remains highly concerned and strives to solve the problem. In the post epidemic era, the Company actively faces challenges, solves problems, and pursues sustainable development.

04

Friendly workplace



Friendly workplace

Every employee is an important partner of ESMT on the road toward sustainable development. We value a friendly working environment and work-life balance of employees. As such, our systems and strategies aim to create a work-life balance, diversified communication channels and a friendly workplace, so as to build an excellent team, enhance cohesion of employees and their recognition for the Company and improve product competitiveness, thereby achieving the goal of sustainable development. ESMT abides by Labor Standards Act of our country and international human rights conventions and standards such as the International Labour Organization - Declaration of Fundamental Principles and Rights at Work, the United Nations Global Compact (UNGC) and Responsible Business Alliance Code of Conduct (RBA CoC) in order to ensure that employees are respected, have a safe workplace, implement environmental protection activities and follow ethics regulations. The Chairman has signed the ESMT Human Rights Policy and stipulated that ESMT and all suppliers abide by it.

The execution of the Human Rights Policy is as follows:

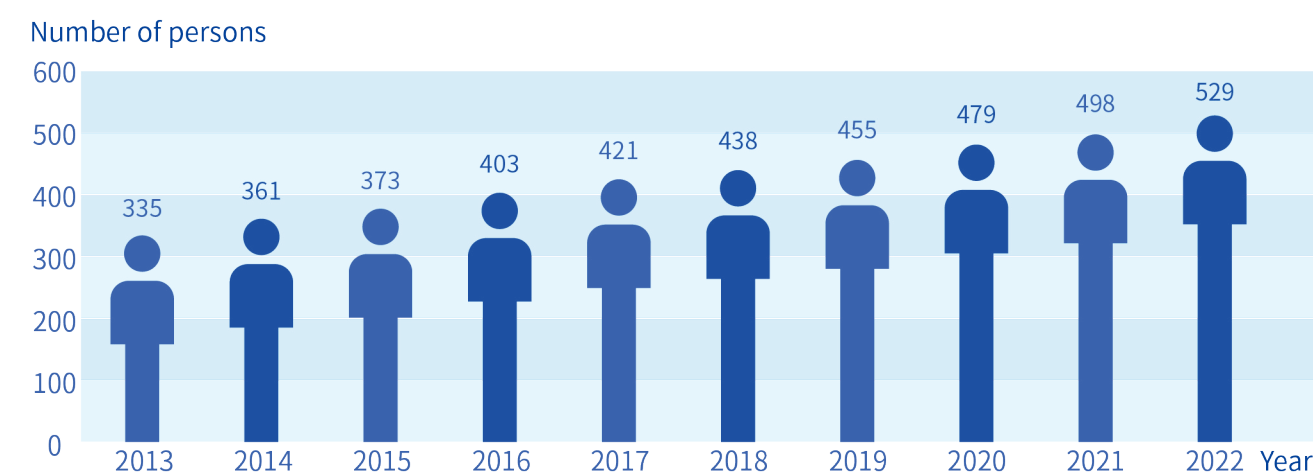
1. Value the human rights and interests of employees by eliminating discrimination and not coercing or forcing them into involuntary labor.
2. Continuously improve the health and safety of employees, create a friendly workplace and enable employees to achieve a work-life balance.
3. Eliminate adverse effects of production process on the environment and natural resources to protect public health and safety.
4. Demand that all employees and suppliers to uphold high integrity standards and abide by the code of business ethics.
5. Comply with maternity protection regulations; refrain from using child labors

4.1 Excellent team

The number of ESMT employees has been edging up year by year. As of 2022, there were 529 employees. Expatriate employees accounted for 0.9%, male employees accounted for 70.78%, and female

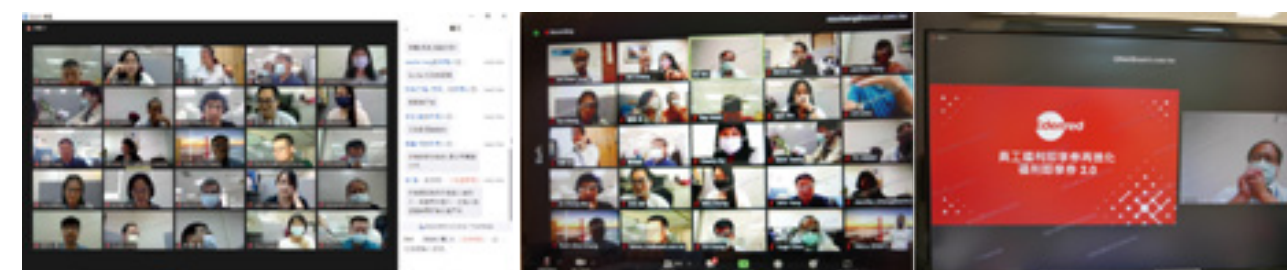
employees accounted for 29.22 %. The Company values diversity, equity, and inclusion. As for the age distribution, most employees are aged between 30 and 50, accounting for 69.69 % of total employees. As for the education of members in the excellent team, up to 59.4% of them have a master degree or above, and up to 77.42 % of them are graduated from engineering disciplines. 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



Since COVID-19 pandemic has raged from 2020 till the very recent days, the patterns of both work and study have changed and people have to adjust their living pattern to adapt. In response to such changes, ESMT acted early on by giving employees the equipment requisite for work, including distribution of a notebook computer to each employee so that they can work from home with peace in mind whenever necessary and by providing a safe, health and quality work environment.

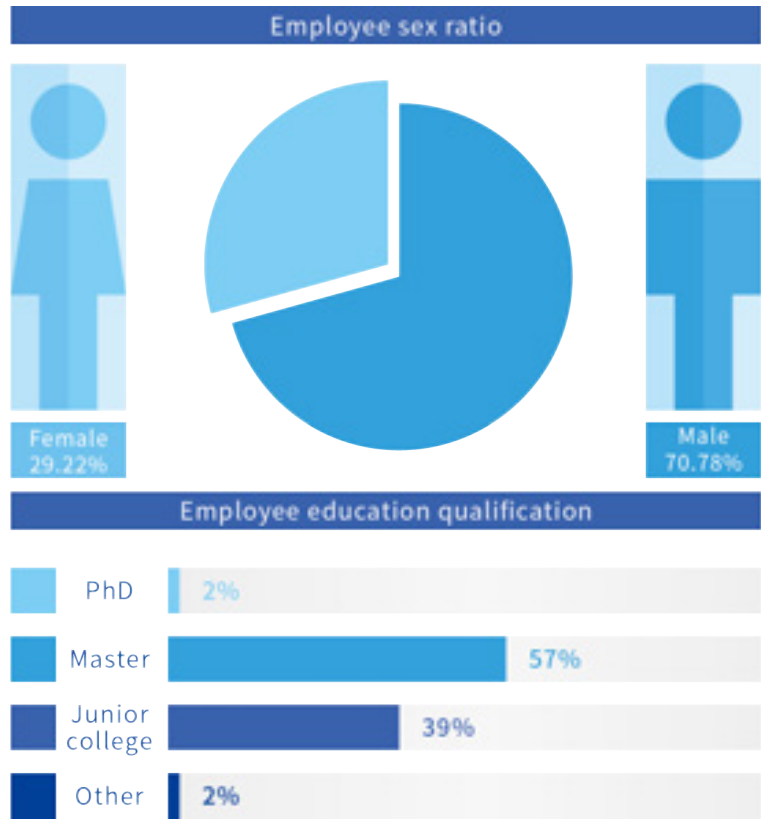
In 2022, employees who worked from home remained in contact with each other by video conferencing; to avoid gathering, the Company replaced the physical meetings at which to communicate to employees with video conference, which is an alternative work pattern during the pandemic.



Statistics on manpower composition in 2022

Age				Education qualification			
Group type	Male	Female	Total	Group type	Male	Female	Total
30 and under	55	18	73	PhD	9	0	9
31-40	118	52	170	Master	254	50	304
41-50	125	58	183	Junior college	108	97	205
51 and above	76	27	103	Others	3	8	11

Type of position				Seniority			
Group type	Male	Female	Total	Group type	Male	Female	Total
R&D/engineering	322	86	408	1 year and under	55	12	67
Administration/business/management	35	55	90	1-3 years	49	16	65
Production	17	14	31	3-10 years	92	47	139
Functional and technological supervisor	202	53	255	10-15 years	73	27	100
Functional supervisor	90	28	118	More than 15 years	105	53	158



Note: Calculated based on the number of employees who were still in service on December 31, 2022.

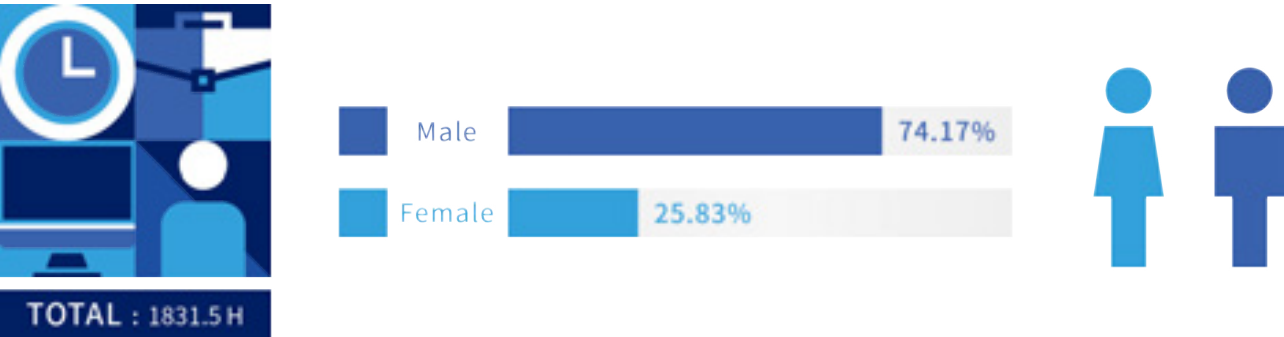
4.2Talent development

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 buildup 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	Party	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
Communication management	All employees	Internal training/external training
Professional skills	All employees	Internal training/external training/OJT
Trainings for supervisors	Rank-and-file/middle level/top level	Internal training/external training

Employee training hours in ESMT in 2022 totaled 1831.5 hours, of which men and women accounted for 74.17% and 25.83%, respectively. The percentage distribution on training hours is in line with the Company’ s sex ratio.



Continuing education courses



Circuit Design



Fundamental Operation



Debug experience

Continuing education courses



Long Range IoT Wireless SoC Design



EMI for CMOS

Theme courses



Communication across generations



Mentor instructions and experience pass-on



Work enthusiasm and energy

Theme courses



Consensus camp



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.

(1) 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. ESMT has been included in the “Taiwan High Compensation 100 Index,” jointly compiled by the Taiwan Stock Exchange and Rayliant Asset Management Ltd., for nine consecutive years.

(2) Employee welfare

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

In addition, ESMT offers employees travel insurances for all business trips, which is helpful for employees and relieve their stress from whatever the inconvenience they encounter during the business trip.

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.

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. 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 more paid leave hours than required by the Labor Standards Act. ESMT provides employees with the mandatory labor insurance, health insurance and labor pension; furthermore, ESMT also provides employees and their dependents with a mix of group insurance, life insurance, casualty insurance, hospitalization insurance and cancer insurance at the expense of ESMT, and invites professionals to offer consultation on-site. Travel insurance is also purchased for employees who are required to take a business trip, so as to provide a comprehensive coverage for them.

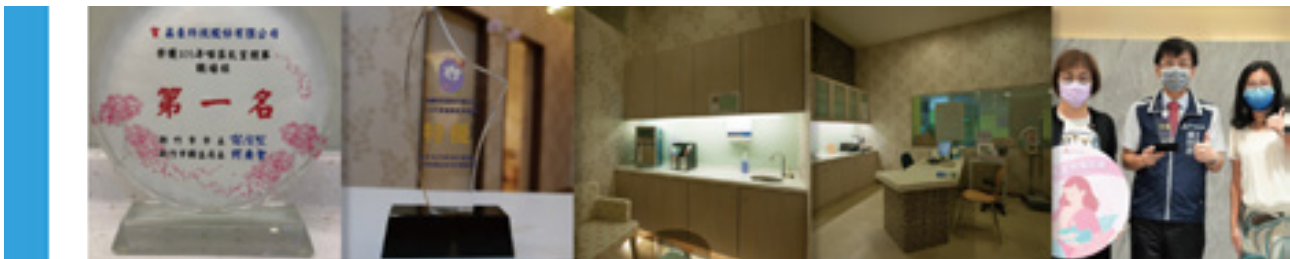
ESMT holds an year-end party every year, in which employees are rewarded for their year-long endeavor and senior employees are rewarded trophies or cash gift for the efforts they made for ESMT. In addition, gift vouchers or cash gift is distributed to employees at major holidays and on their birthday.



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, the lactation room was set up in the health center in 2011, which won the Company an excellence award from the Hsinchu city government several times. Moreover, the lactation room won a High Distinction Award in 2022. 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. ESMT also offers employees regular health examination beyond the legal requirement and satisfies the requirements for the safety and physical and mental health of employees, for example, Optical Coherence Tomography, Medical ultrasound and Electrocardiography. In 2022, the company even takes care of middle-aged and elderly employees, providing assistance in preventive medical examinations, and meeting the physical and mental needs of employees through the above various care and health promotion. ESMT hopes that the employees can take a deeper look into their own health.

Health center & Lactation room



The Company has set up the Employee Welfare Committee which regularly organizes domestic and foreign trips, birthday party and afternoon tea fair to relax employee’ s mind and body and enhance the communication, interaction and bond among them. Employees’ dependents are also allowed to participate in the domestic and foreign company trips which provide an opportunity for communication and interaction. 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, in that it welcomes employees’ creating clubs of various types, which irregularly organize club activities with the subsidy from the Employee Welfare Committee, so that the clubs operate smoothly and help relieve employees’ pressure.



Employee Welfare Committee-Club activities



Foreign travel	Employee tour		Domestic tour	Employee tour	
	2 - 3 routes for options 5-day to 10-day travel itinerary Employee may also organize their own travel group			2 - 3 routes for options Three-day tour, once a year One-day tours, one in the first half year and the other in the second half	
					
Turkey Travel Group		Netherlands, Germany, France, Belgium Travel Group		Sun Link Sea Travel Group	
				Elephant Trunk Rock, Heping Island Shifen Happiness Travel Group	



Regular afternoon tea & birthday tea party to refresh employees



Regular department group meal to enhance the bond among employees



ESMT has an employee restaurant where buffet, noodles, and light meals as well as calorie content information are available. The employee restaurant offers a cozy, safe, and hygienic dining environment; the meals are also subsidized by ESMT.

Employee restaurant

Tasty buffet&noodles with calorie content information



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. Besides, in order to take care of employees' families, childcare allowance is added on to subsidize employees' raising responsibility (children from 0 to 6), and 18.71% of the total employees benefit from this project. Also, ESMT regularly holds diverse activities for 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.

Library/Document Control Center

Professional periodicals (IEEE*EET)



Employee Welfare Committee leisure magazines and books



Work	Family	Health
Flexible working hour Festival / Birthday gift voucher; festive bonus Paid leave hours beyond the legal requirements Year end party Offer senior colleagues trophy and cash gift for encouragement Year end party Offer senior colleagues trophy and cash gift for encouragement	Set up a lactation room Allow un-limited breastfeeding hours Arrange for pregnant and postpartum employees to have a one-on-one consultation with on-site doctors Offer employees various subsidies for childbirth, child rearing, and education 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	Employee assistance projects and health promotion activities Periodic health check beyond the legal requirements 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. Subsidies for employees regarding marriage, funeral, illness, childbirth and child rearing, and education 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 has set up a Labor-management Meeting as required by law to periodically negotiate labor issues; the Company also communicates with employees through the functions of the Employee Welfare Committee to improve employee welfare. In addition, the Company values human-based management and is well aware of the interdependence of employees and employers. 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.

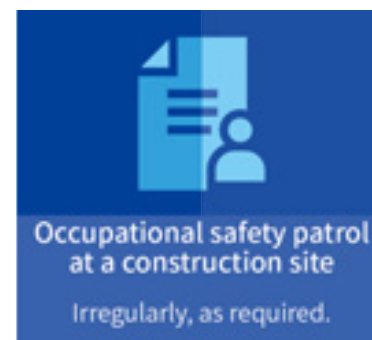
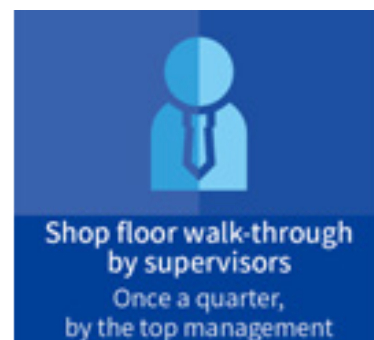
| 4.5 A safe workplace |

The Company spares no effort in creating a safe and health work environment and will keep on doing so in the future, hoping that employee safety incident at workplace can be minimized through such continuous improvement. Below is ESMT's occupational safety and health (OSH) achievement in 2022:

Labor work environment monitoring

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

Occupational safety performance



Labor work environment

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 prevent long-term sitting-related health risks.
2. Employees who engage in prolonged screen usage 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.

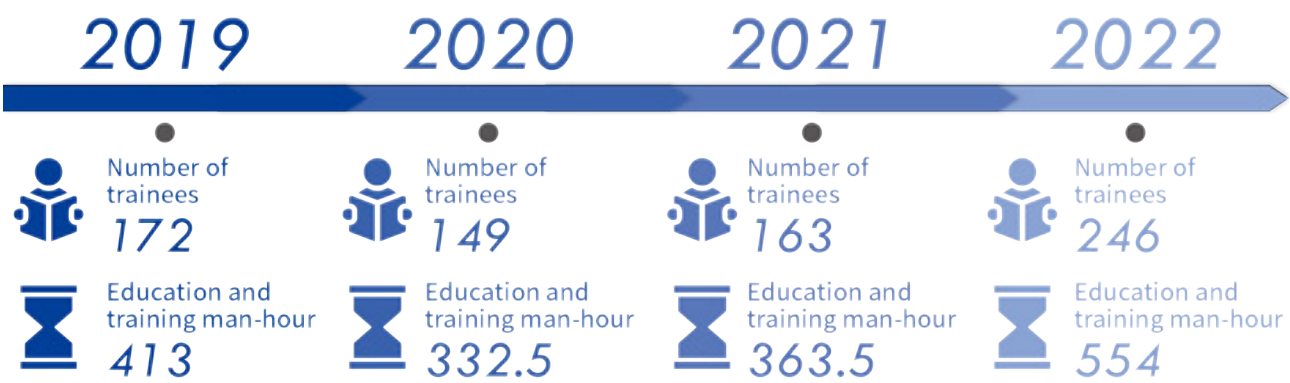
Labor Safety and Health Committee

To prevent occupational accident and ensure employee safety and health, ESMT has set up the Occupational Safety and Health Committee, which convenes a meeting each quarter to discuss labor safety and health issues and promotes labor safety and health.

Personnel safety and health training

By way of education and training ESMT enables employees and contractors to understand the laws and policy regarding environment, safety and health (ESH), ESMT's ESH commitment, ESMT's commitment to an emergency response plan and the safety and risk management for the construction or installation work within ESMT. This practice improves ESMT's environmental influence and raises the awareness of safety and health risks, thereby moving toward ESH goals and complying with ESH laws.

Occupational safety education and training and dissemination



Work safety personnel with professional license

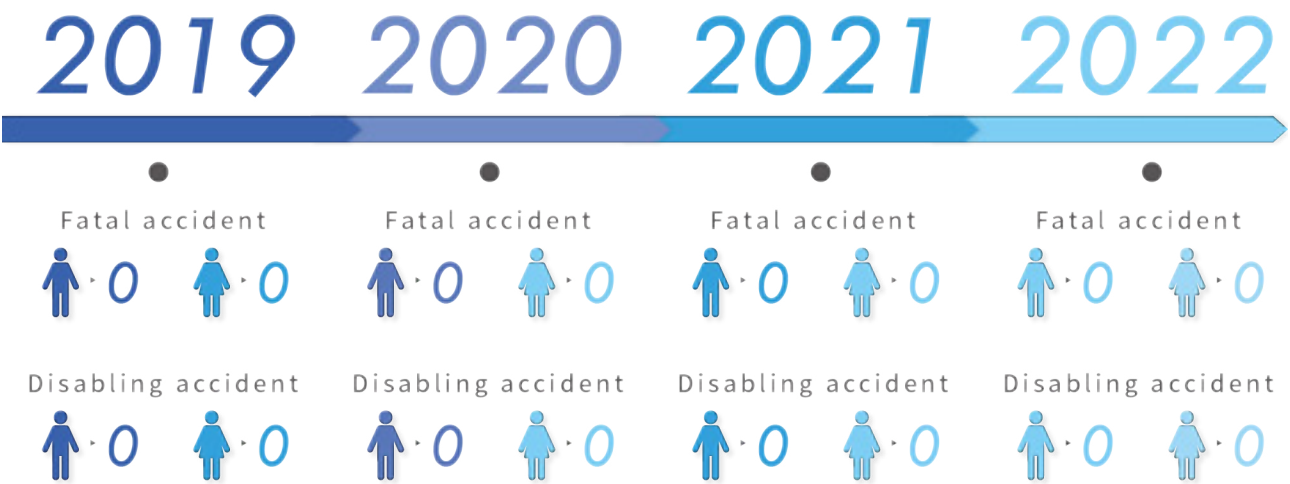
Work safety personnel with professional license	
Type A Occupational Safety and Health Manager	1
Occupational Safety Manager	3
Occupational Safety and Health Manager	3
Operators of Forklift Over 1 Ton	9
Oxygen-Deficient Operations Supervisor	1
High-pressure Gas-specific Equipment Operators	1
High-Pressure Gas Container Operator	1
First Aid Personnel	12
Healthcare Personnel for Labor Health Services	1
Radiation	3
Other	3

Work-related disability statistics

ESMT strives to offer employees a safe work environment; any accident will be reported by the party concerned or surrounding personnel to the supervisor, occupational safety personnel, or registered nurses who will assist in handling the accident.

According to the definition assigned to work-related disability by the Occupational Safety and Health Administration, MOL, the disability as a result of a traffic accident outside the Company is excluded. The Company disseminates information on OSH cases to new employees in the OSH courses to avoid recurrence of similar accidents.

Occupational safety performance in the past few years-Employee work-related disability statistics.



Overwork-related illness Prevention Procedures

Being a professional IC design house, ESMT has a simple work environment. According to Article 6 of the Occupational Safety and Health Act, an employer is obliged to ensure the work safety and the physical and mental health of employees by preventing them from suffering illness caused by overwork when 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 abnormal workload. The medical staff periodically carries out an assessment, has an interview with the medical specialist of the occupational medicine division for advice, proposes suggestions based on the specialist’ s advice, implements the suggestions and records the implementation.

05

Society engagement



Society engagement

As a member of the society, ESMT pursues operational performance and creates economic value while wishing to use its resources 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 cycle and fulfill corporate social responsibility.

5.1 Engaged in cultivation of memory talent

The acute shortage of semiconductor talent has indirectly impacted national competitiveness. The output value of Taiwan’s memory industry approximates NT\$300 billion, which might double in the future. In view of this, ESMT signed an industry-academia collaboration contract with Chang Gung University, pouring resources to cultivate talent of its own, thereby aiding industry development. Together with the university, ESMT encourages students to take part in the memory industry, extends their knowledge, enhances their professionalism, keeps them in pace with industry trend and helps them understand the industry requirements early on, so as to ensure Taiwan’s competitiveness in the memory industry on the international arena. Besides, 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.



The Company also launches its campus campaign by holding “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 to work, so as to enhance their competitiveness.



5.2 Charitable events

As a member of enterprises and the society, ESMT pursues operational performance and creates economic value while wishing to use its resources 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 in Hsinchu which aims to promote educational and artistic charitable events and encourage life-long learning and expression of life essence, ESMT has:

1. Set up or provide scholarship to encourage study or learning professional skills.
2. Promoted, subsidized and organized charitable events and clubs in relation to education, arts and promotion of aesthetics.
3. Promoted, subsidized and organized charitable events and clubs in relation to lifelong learning, skill training, occupational competence training, life education, correctional education and heuristic growth education.
4. Sponsored high-tech education and talent cultivation.

5. Promoted, subsidized and organized the various academic activities and interchange.
6. Sponsored the cultivation of outstanding talents and participation in various performances and competitions.
7. Donated books and equipment for charitable and educational purposes.
8. Engaged in other charitable and 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 2022 execution plan of ESMT Educational Foundation:

- I. Sponsorship of the Chengzhi Education Foundation.
- II. Donation of musical instruments to schools in remote areas.
- III. Sponsorship of the Taiwan Vox Nativa Association.
- IV. Sponsorship of Kid' s BookHouse Education Foundation.
- V. Sponsorship for improvement of equipment, clubs, and curriculum in remote schools.
- VI. Sponsorship of the Hsinchu City Department of Education' s sports and health science program and campus planning project.
- VII. Sponsorship of the Hsinchu City Wind Boxing Education Association.
- VIII. Sponsorship of the HsinChu Municipal Wind Orchestra' s operational funds and music residency program in schools.
- IX. Sponsorship of handicraft courses by the Hsinchu City Saint Joseph Social Welfare Foundation.
- X. Sponsorship of life education programs at JiowSheh Primary School in Hsinchu City.

- XI. Sponsorship of ESMT Learning and Growth Train program offers a series of emotional support and interpersonal growth courses with emotional support dogs for primary and junior high schools in Hsinchu City.
- XII. Sponsorship of the ESMT Learning and Growth Train program, promoting programming education courses in primary and middle schools in Xiangshan District, Hsinchu City.
- XIII. Sponsorship of scholarships for the Department of Physics and Institute of Astronomy at National Tsing Hua University.

For detailed information on each project, please refer to the accompanying descriptions and introductions.

1. Chengzhi Education Foundation' s → nationwide project for empowering interdisciplinary teachers in public and private schools in social and natural sciences.

Content :

In the first year of a three-year project, the goal is to “jointly develop the KIST x Sharestart lecture notes and digital teaching materials for use by teachers in rural areas.” The objective is to develop the KIST comprehensive support system for students and teachers in rural schools. This project will be implemented in 9 public and private schools nationwide, supported by the foundation.

Performance:

The project aims to develop self-learning materials for the social and natural science domains. The curriculum coordinators for these subjects assist the team members in developing the “Co-planning Project,” which includes workshops on instructional empowerment, collaborative preparation of teaching materials and assessments, and joint lesson observation. Through the operation and development of cross-school “co-planning” teams, the development of self-learning materials is completed, and the teaching capacity and effectiveness of teachers in each school are improved, optimizing the quality of teaching materials.

Participants/beneficiaries:

Targeted beneficiaries and the number of people: Pinglin Experimental Junior High School in New Taipei City, Emei Bilingual Junior High School in Hsinchu County, Jhanghu Junior High School and Jhanghu Elementary School in Yunlin County, Zhengmin Elementary School in Chiayi County, Siancao Experimental School in Tainan City, Sanmin Junior High School and Sanmin Elementary School in Hualien County, and Tao-yuan Elementary School in Taitung County, totaling 9 schools and approximately 654 students and teachers.



2. Donation of Musical Instruments to Remote Schools (Ministry of Education Instrument Bank Project)

Content :

In support of the Ministry of Education's efforts to promote music education in remote areas, ESMT Educational Foundation collaborates with the Ministry of Education Instrument Bank. The Instrument Bank conducts visits and surveys to determine the actual instrument needs of each school and provides a list. ESMT Educational Foundation purchases brand new instruments and directly donates them to schools at all levels.

Recipient schools and instruments include: JingPing Elementary School (cajon and others), Dawu Elementary School (cellos, violas, violins), MingLi Elementary School (52-key xylophone), Chu-Yuan Elementary School (violins), Sian Si Junior High School (36-tone reed pipe), Feng Shan Elementary School (violins), Ding Jhou Elementary School (cymbals and others), Chih Shang Junior High School (saxophone), Meilin Elementary School (recorders),

Sin Tsen Elementary School (bass drums), Shuhguei Elementary School (saxophone), Minghu Elementary School (recorders), Wulong Elementary School (ukulele), Sie Cheng Elementary School (harmonica), Jushing Elementary School (saxophone), Gongguan Elementary School (violas and others), Chuei Fen Primary School (French horn and flute), Huwei Junior High School (indoor snare drum, suspended cymbals, and clarinet), Chien Kuo Junior High School (52-key xylophone), Tianliao Elementary School (metallophones), totaling 20 primary and secondary schools.

Performance:

The project assists remote schools in developing music education, allowing students in rural areas to use updated instruments and increasing their learning opportunities. This project accelerates the development of their musical talents and enhances their music literacy.

Participants/beneficiaries:

Targeted beneficiaries and the number of people: 20 primary and secondary schools, totaling approximately 500 participants.



3. Vox Nativa Association (Taiwan) 2022 Indigenous Children/Youth Education Funding Subsidy

Content :

ESMT Educational Foundation has sponsored Vox Nativa and enrolled indigenous students from low-income, single-parent, and grandparent-raised dysfunctional families. We provide academic tutoring for them and offer music instruction such as choir and percussion band during their free time.

Performance:

1. Through academic support and extracurricular activities, students are able to maintain their progress in regular curriculum while pursuing music learning, fostering comprehensive development.
2. Through medium and small-scale concerts held throughout Taiwan and community performances/presentations, students not only share their beautiful voices with the public but also broaden their horizons, develop independent learning and communication skills, and enhance self-confidence.

Participants/beneficiaries:

Approximately 200 students; The tour will cover various locations nationwide, totaling approximately 1,000 participants.



4. Kid' s Bookhouse Educational Foundation' s 2022 BookHouse-Pang.

Content :

ESMT Educational Foundation sponsors the Kids' Bookhouse Educational Foundation, providing basic physical and psychological care for children in rural areas. The central kitchen provides daily meals to ensure the children' s nutrition, while the teachers at the book house take care of the children, provide basic academic instruction, and offer a diversified curriculum. In addition, vocational training programs are provided for young adults in the community, offering exploration and training in different professions.

Performance:

Through companionship and care, we ensure that children receive educational support and meal provisions, allowing them to grow healthily and continue their learning. Through vocational training, we cultivate the expertise of young adults and encourage them to give back to the children in the book house, filling the gap in breakfast provisions for the children.

Participants/beneficiaries:

A total of 28,459 individuals, including elementary school students, junior high school students, high school students, and young adults.



5. Subsidies for Equipment Improvement, Curriculum, and Club Activities in Remote Schools in 2022

Content :

ESMT Educational Foundation sponsors the improvement of campus environments, learning equipment, and provides subsidies for clubs and curriculum in remote schools, aiming to enhance a favorable learning environment for students. We sponsor the Yzu Yu Elementary School Baseball Club, Tungshih Elementary School Volleyball Club, Lanyu High School Dance Club, Bailen Elementary School After-School Tutoring Class, Ansu Primary School Violin Club, Yayo Elementary School After-School Care Class, Xiuluan Elementary School Firefighting and Musical Instrument Equipment Updates, Wufeng Elementary School Toilet and Fire Equipment Repairs and Updates, Fumin Elementary School Ukulele Club, and Siwei Elementary School Flute Club, totaling 10 schools.

Performance:

Through equipment improvement, we provide students and teachers with excellent learning environments. Through subsidies for clubs and curriculum, we offer students after-school tutoring, talent development, and sports support, fostering their all-around abilities.

Participants/beneficiaries:

A total of 10 primary and secondary schools, with an estimated count of 400 teachers and students.



6. Hsinchu City Department of Education, Physical Education Section - 2022 Hsinchu City New Campus Sports Overall Campus Planning Project

Content :

We sponsor the new campus sports planning project of the Hsinchu City Department of Education, Physical Education Section, integrating central government projects such as the "Safe Routes to School" by the Construction and Planning Agency, "Photovoltaic Stadium", "Sports Facility Reconstruction" by the Sports Administration, "Renovation of Old School Buildings," and "Design Movement on Campus" by the Ministry of Education, to incorporate design concepts into public construction of various schools, providing a more suitable learning environment.

Performance:

1. Effectively reorganizing fragmented campus spaces and surrounding environments to better align with school usage and incorporate design concepts, resulting in more efficient space utilization.
2. Providing teachers and students with high-quality teaching and learning environments, improving old school equipment to enhance the effectiveness of teaching and learning.

Participants/beneficiaries:

Approximately 1,500 teachers and students from primary and secondary schools under the jurisdiction of the Hsinchu City Government will benefit from this project.



7. Hsinchu City Wind Boxing Education Association - 2022 Operational Funding Sponsorship Program

Content :

We sponsor the Hsinchu City Wind Boxing Education Association, which primarily takes care of students from dysfunctional families, many of whom cannot afford tuition fees and living expenses. This program aims to assist the association's teachers in arranging boxing instruction, accommodations, education support, academic tutoring, and funding for participation in various competitions.

Performance:

1. Enabling underprivileged youth from dysfunctional families to continue their education and pursue academic opportunities.
2. Discovering talents in sports boxing, cultivating a new generation of national team athletes, and nurturing boxing coaches.

Participants/beneficiaries:

Approximately 30 underprivileged students from schools in Wufeng Township, Chengde senior High School, Chien Hua Junior High School, and other secondary schools will benefit from this program.



8. HsinChu Municipal Wind Orchestra - 2022 Music Residency Program

Content :

We sponsor the HsinChu Municipal Wind Orchestra to continue organizing medium and large-scale music performances. To address the gap in music education resources between urban and rural areas, the orchestra plans to implement the Music Residency Program in 2022. The program aims to introduce music and instrument playing courses, assist in establishing clubs, and provide performance opportunities for schools and underprivileged groups with limited access to music resources.

Performance:

Under the Music Residency Program on school campuses, approximately 100 students and youth from organizations with limited music resources, such as Miracle Home in Hsinchu City, Hsinchu Fuli Junior High School, HsinChu Municipal Gau Feng Elementary School, and Hu Lin Primary School, have benefited. Additionally, eight large-scale music performances have been organized.

Participants/beneficiaries:

Approximately 8,000 individuals who have a passion for music have attended the events.



9. Unimpeded Happiness Handcraft Project 2022 sponsored by the Hsinchu City Saint Joseph Social Welfare Foundation

Content :

This program provides simple handicraft, baking, and gardening courses for individuals with physical and mental disabilities, allowing them to acquire skills and a sense of accomplishment through learning.

Performance:

1. Trainees have seen their skills and concentration improved, muscle strength maintained, and teamwork spirit honed.
2. This enabled the teachers/educare givers who are experts in this trade to phase the courses and equipment in.

Participants/beneficiaries:

A total of 20 students from the Ren' aiXida location benefited from this program.



10. Hsinchu City JiowSheh Primary School - 2022 Life Education Experience Project

Content :

To cultivate the spiritual growth and philosophical thinking abilities of underprivileged students, parents, and teachers, our organization sponsors JiowSheh Primary School to provide specific life education courses for underprivileged students, parents, and teachers, allowing them to grow together.

Performance:

1. Students learned to think properly, perceiving their own body, emotion, and thoughts while fostering the attitude of collaboration and gratitude.
2. This life education course fostered the spiritual cultivation and philosophical thinking among parents for them to practice when dealing with their child.

Participants/beneficiaries:

A total of approximately 50 underprivileged students from grades 3 to 6 at JiowSheh Primary School, with 25 students per session, will benefit from the program. Additionally, approximately 25 parents of students will participate.



11. Hsinchu City Elementary and Junior High Schools - 2022 Emotional Support Dogs Program for Emotional Healing and Interpersonal Growth

Content :

Sponsored by ESMT Educational Foundation, this program provides emotional support dog therapy and interpersonal growth courses for special education/resource classes in five relatively remote elementary and junior high schools in Hsinchu City. A professional team with emotional support dogs collaborates with school teachers to facilitate positive interactions and foster

companionship and friendship among students with special education needs. This program aims to relieve negative emotions and stress, enhance self-awareness and understanding of others' needs, improve expression methods, and rebuild positive interpersonal relationships.

Performance:

1. 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.
2. 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.

Participants/beneficiaries:

1. Total of 237 participants from DaHu Elementary School.
2. Total of 359 participants from Guanghua Junior High School.
3. Total of 354 participants from Ximen Elementary School.
4. Total of 133 participants from Jiadong Primary School.
5. Total of 241 participants from Chien Hua Junior High School.



12. Hsinchu City Xiangshan District Elementary and Junior High Schools - 2022 Programming Education Promotion Program

Content :

Based on the positive results of ESMT Educational Foundation' s sponsorship of learning programs in rural schools in 2020 and 2021, which received recognition from school principals, they have requested continued support for students' participation in this foundational programming education course. Therefore, in 2022, we will continue this educational program by implementing programming learning courses in four elementary and junior high schools in Xiangshan District.

Performance:

1. Cultivating students' creative thinking and self-learning abilities.
2. Tapped the interest in program learning; spotted students with talent for programs and creativity.
3. Cultivated programming teachers for schools.

Participants/beneficiaries:

1. Total of 200 participants from Nei Hu Junior High School.
2. Total of 400 participants from Hu Lin Primary School.
3. Total of 150 participants from Gangnan Primary School.



13. National University Graduate and Postgraduate Program/Scholarship Subsidy

Content :

The subsidy supports outstanding doctoral students in the Physics Department and Astronomy Institute by covering their tuition and credit fees, alleviating their financial burden and allowing them to focus on their research work.

Performance:

Through the scholarship subsidy, the financial burden on students is reduced, encouraging them to pursue doctoral studies.

Participants/beneficiaries:

A total of 100 individuals have benefited from this program.



The Company' s employees also initiated multiple events in 2022:

1. ESMT employees participated in the purchase of “Chia-Yi Qizhi Love Farm” gift boxes of aromatic vinegar and donated them to various underprivileged groups.

ESMT Educational Foundation has previously assisted the Chia-Yi Qizhi Love Farm in building a love farm for these special individuals,

providing professional instructors to guide them in experiencing the natural resources of the land, water, wind, and fire within the farm. They have used organic farming methods to grow a variety of edible fruits, vegetables, and aromatic plants. Chairman Mr. Chen personally led the team to visit the love farm, providing warm encouragement to these special individuals. In 2022, during the Dragon Boat Festival, ESMT employees initiated the purchase of gift boxes of aromatic vinegar from the Chia-Yi Qizhi Love Farm and donated them to other charitable organizations, spreading warmth and love.



2. ESMT employees participated in the purchase of “Lan-chui Social Welfare Foundation” mooncake gift boxes and donated them to various underprivileged groups.

ESMT employees initiated the purchase of the mooncake gift boxes under charitable sale from Lan-chui Social Welfare Foundation before the Mid-Autumn Festival, helping the foundation raise funds for the establishment of Tian Xin Joyful Home, a nursery home which will offer long-term care to the physically challenged at their old age. Meanwhile, ESMT employees donated the purchased mooncake gift boxes to the shelter for dependent girls, underprivileged families, and living-alone elders, so that everyone can celebrate the joyful Mid-autumn festival.



3. ESMT employees participated in the purchase of “Saint Joseph Social Welfare Foundation” printed “2023 Blooming Annual Calendar Notebook” for charity and donated them to multiple underprivileged groups.

Saint Joseph Social Welfare Foundation published the “2023 Blooming Annual Calendar Notebook” to raise funds for the promotion of special education and the expenses of professional services for the physically challenged. ESMT employees enthusiastically supported the fund-raising through purchase, and at the same time donated the purchased charitable objects to the children and teenagers of underprivileged families, reproducing one serving of love into two servings of warmth to benefit more groups, so that the warmth of writing can be widely shared.



4. ESMT employees participated in the purchase of “Adolescents’ Home, Taoyuan” Flying Towards a New Ball - Family Spring Festival Gift Boxes and donated them to the elders of the Huashan Social Welfare Foundation.

Adolescents’ Home in Taoyuan accompanies a group of status offense juvenile who have temporarily lost their way on their life journey and helps them find their way back into society. Like lost boys drifting in the vast universe, they board a paper plane called “Adolescents’ Home” in order to return to the warmth of Earth. They work hard and learn baking skills. ESMT employees collaborated with Adolescents’ Home in Taoyuan to purchase their homemade baked goods in the “Flying Towards a New Ball - Family Spring Festival Gift Boxes” .

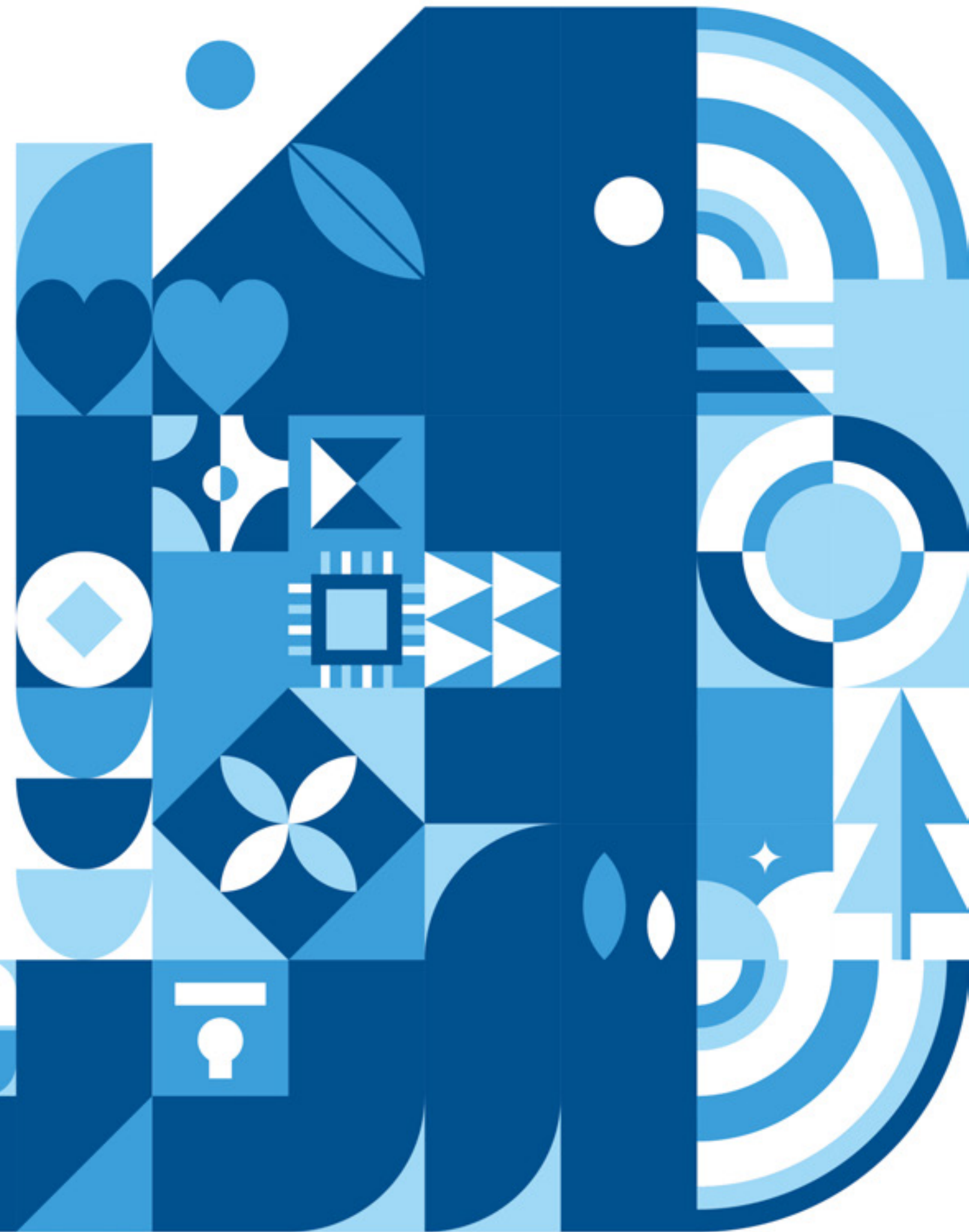
ESMT employees, together with the youth from Adolescents’ Home in Taoyuan, visited the elders of Huashan Social Welfare Foundation before the New Year, presenting them with Spring Festival gift boxes and preparing small performances to celebrate the Lunar New Year together.



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.

06

Appendix



Appendix I

ESMT has reported in accordance with the GRI Standards for the period [2023/01/01 and 2023/12/31].

GRI 1 used : GRI 1: Foundation 2021

Applicable GRI Sector Standard(s) : Not applicable

GRI Index	Disclosure Item	Corresponding Chapters/ Sections	Page
GRI 201: Economic Performance			
2-1	Organizational details	About this report	6
2-2	Entities included in the organization's sustainability reporting		
2-3	Reporting period, frequency and contact point		
2-4	Restatements of information		
2-5	External assurance		
Activities and workers			
2-6	Activities, value chain and other business relationships	2.2 Supplier management and evaluation	55
2-7	Employees	4.1 Excellent team	76
2-8	Workers who are not employees		
Governance			
2-9	Governance structure and composition	1.1 Management	24
2-10	Nomination and selection of the highest governance body		
2-11	Chair of the highest governance body		
2-12	Role of the highest governance body in overseeing the management of impacts	Please refer to the annual report for details on the operation of corporate governance (board of directors and committees).	24-44
2-13	Delegation of responsibility for managing impacts	About this report	6
2-14	Role of the highest governance body in sustainability reporting		
2-15	Conflicts of interest	Please refer to the annual report for details on the operation of corporate governance (board of directors and committees).	24-44
2-16	Communication of critical concerns	Materiality analysis and stakeholder engagement	17
2-17	Collective knowledge of the highest governance body	1.1 Management	24
2-18	Evaluation of the performance of the highest governance body	Please refer to the annual report for details on the performance evaluation and remuneration of directors and executives.	23
2-19	Remuneration policies	4.3 Salary and welfare	81
2-20	Process to determine remuneration	4.3 Salary and welfare	81
2-21	Annual total compensation ratio	Please refer to the annual report for details on the performance evaluation and remuneration of directors and executives.	23
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	1.4 Risk and management	35
2-23	Policy commitments	1.3 Ethics and legal compliance	33
2-24	Embedding policy commitments	Please refer to the appendix.	121-123
2-25	Processes to remediate negative impacts	Please refer to the company's website for the Whistleblowing Policy on Dishonest or Improper Conduct. https://www.esmt.com.tw/zh-tw/Investor/Corporate-Governance	33
2-26	Mechanisms for seeking advice and raising concerns		
2-27	Compliance with laws and regulations	1.3 Ethics and legal compliance	33
2-28	Membership associations	Association Membership	14

GRI Index	Disclosure Item	Corresponding Chapters/Sections	Page
Stakeholder engagement			
2-29	Approach to 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

GRI Index	Disclosure Item	Corresponding Chapters/Sections	Page
3-1	Process to determine material topics	Materiality analysis and stakeholder engagement	17
3-2	List of material topics/opportunities due to climate		
3-3	Management of material topics/retirement plans		

Material topics	GRI Index	Disclosure Item	Corresponding Chapters/Sections	Page
 Economic performance	201	201-1 Direct economic value generated and distributed	1.2 Operational performance (Dividend distribution in recent years)	26
		201-2 Financial implications and other risks and opportunities due to climate change	3.2 Response to climate change	69
		201-3 Defined benefit plan obligations and other retirement plans	4.3 Salary and welfare	81
 Procurement practices	204	204-1 Proportion of spending on local suppliers	2.1 Customer Feedback	54
 Anti-corruption	205	205-2 Communication and training about anti-corruption policies and procedures	1.3 Ethics and legal compliance	33
 Emissions	305	305-1 Direct (Scope 1) GHG emissions	3.3 Energy use and greenhouse gas inventory	71
		305-2 Energy indirect (Scope 2) GHG emissions	3.3 Energy use and greenhouse gas inventory	71
		305-4 GHG emissions intensity	3.3 Energy use and greenhouse gas inventory	71
		305-5 Reduction of GHG emissions	3.3 Energy use and greenhouse gas inventory	71

Disclosure of specific topic

Material topics	GRI Index	Disclosure Item	Corresponding Chapters/ Sections	Page
 Supplier Environmental Assessment	308	308-1 New suppliers that were screened using environmental criteria	2.1 Supplier management and evaluation	54
		308-2 Negative environmental impacts in the supply chain and actions taken		54
 Labor relation	401	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.3 Salary and welfare	81
 Occupational Safety and Health (OSH)	403	403-1 Occupational Safety and Health management system	4.5 A safe workplace	88
		403-2 Hazard identification, risk assessment, and incident investigation	4.5 A safe workplace	88
		403-3 Occupational health services	4.3 Salary and welfare	81
		403-4 Worker participation, consultation, and communication on occupational health and safety	4.5 A safe workplace	88
		403-5 Worker training on occupational health and safety	4.5 A safe workplace	88
		403-6 Promotion of worker health	4.3 Salary and welfare	81
 Human rights assessment	412	412-1 Organization's Commitment to Human Rights	4 Friendly workplace	76
		412-3 Human Rights Performance of Organizations	1.3 Ethics and legal compliance	33
 Supplier Social Assessment	414	414-1 New suppliers that were screened using social criteria	2.1 Supplier management and evaluation	54
		414-2 Negative social impacts in the supply chain and actions taken	2.1 Supplier management and evaluation	54

SASB Table

Greenhouse Gas Emissions				
Theme/Code	Disclosure Indicator	Nature/Unit	Summary of Content	Referenced Chapter/ Page Number
TC-SC-110a.1	-Scope 1 Greenhouse Gas Emissions -Perfluorinated Compounds (PFCs) Usage	Quantitative/ (t) CO2-e	- Total greenhouse gas emissions in 2022: 3636.05 metric tons CO2e - Scope 1 direct greenhouse gas emissions: 44.53 metric tons CO2e - Perfluorinated greenhouse gas emissions: 0 metric tons CO2e	3.3 Energy use and greenhouse gas inventory 071

SASB Table

Greenhouse Gas Emissions				
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 government vehicles. To reduce these emissions, regular maintenance of refrigerant equipment and government 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 government vehicles are implemented.	3.1 Environmental protection policy 066

Process Energy Management				
Theme/Code	Disclosure Indicator	Nature/Unit	Summary of Content	Referenced Chapter/ Page Number
TC-SC-130a.1	- Total Energy Consumption - Percentage of Purchased Electricity - Percentage of Renewable Energy - Water resource management	Quantitative/ (GJ, %)	- Total Energy Consumption: 25,439 GJ - Energy Consumption from Electricity: 25,402 GJ - Percentage of Purchased Electricity: 99.9% - Percentage of Renewable Energy: 0%	3.3 Energy use and greenhouse gas inventory 071

Water resource management				
Theme/Code	Disclosure Indicator	Nature/Unit	Summary of Content	Referenced Chapter/ Page Number
TC-SC-140a.1	- Total Water Intake - Total Water - Consumption - Percentage of - Water-Stressed/High Water Stress Areas	Quantitative/ (m3, %)	- Total Water Intake: 17,820 cubic meters, none of which are classified as areas of high water risk. - Total Water Consumption: 10,008 cubic meters, none of which are classified as areas of high water risk.	3.3 Water Usage and Waste Management 073

Waste management				
Theme/Code	Disclosure Indicator	Nature/Unit	Summary of Content	Referenced Chapter/ Page Number
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.	3.3 Water Usage and Waste Management 073

SASB Table

Employee Health and Safety				
Theme/Code	Disclosure Indicator	Nature/Unit	Summary of Content	Referenced Chapter/ Page Number
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 088
TC-SC-320a.2	Loss Amount from Violations of Employee Health and Safety Related Laws	Quantitative/ NTD (New Taiwan Dollars)	0	4.5 Safety Workplace 088 1.9 Litigation and Compensation 046
Talent Recruitment, Global, and Technical Workforce				
Theme/Code	Disclosure Indicator	Nature/Unit	Summary of Content	Referenced Chapter/ Page Number
TC-SC-330a.1	- Percentage of Foreign Employees - Percentage of Overseas Employees	Quantitative/(%)	- 0% - Percentage of Overseas Assigned Employees0.9%	4.1 Excellent Team 076
Product Lifecycle Management				
Theme/Code	Disclosure Indicator	Nature/Unit	Summary of Content	Referenced Chapter/ Page Number
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				
Theme/Code	Disclosure Indicator	Nature/Unit	Summary of Content	Referenced Chapter/ Page Number
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 061
Intellectual Property Protection and Competition Practices				
Theme/Code	Disclosure Indicator	Nature/Unit	Summary of Content	Referenced Chapter/ Page Number
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 046
Product Lifecycle Management				
Theme/Code	Disclosure Indicator	Nature/Unit	Summary of Content	Referenced Chapter/ Page Number
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. The specific value for this item is disclosed in ESMT's annual report	ESMT 2022 Annual Report
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.	

TCFD Disclosure Table

Aspect	TCFD Recommended Disclosure Item	Corresponding Sections in this Report	Page Numbers
 Governance	- How the Board of Directors oversees climate-related issues.	- The Corporate Sustainability Committee and organizational structure.	P14
	- How the management evaluates and manages climate-related issues.	- 1.4 Risk and Management - 3.2 Response to Climate Change	P35 P69
 Strategy	- Short, medium, and long-term risks and opportunities identified by the company.	- 1.4 Risk and Management	P35
	- 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.	- 3.2 Response to Climate Change	P69
 Risk Management	- The process of identifying and assessing climate-related risks.	- Sustainability Vision and Commitment	P16
	- The process of managing 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.	- 1.4 Risk and Management - 3.2 Response to Climate Change	P35 P69
 Indicators and Goals	- Assess whether the indicators are aligned with the company' s strategy and risk management.	- 3.1 Environmental protection policy	P66
	- Disclose greenhouse gas emissions and related risks in Scope 1, Scope 2, and Scope 3 (if applicable). - Management objectives and related performance.	- 3.3 Energy use and greenhouse gas inventory	P71

Information security policy

晶豪科技股份有限公司

資訊安全政策

- 晶豪科技持續強化資訊安全以保障客戶、股東、員工及供應商之權益。
- 晶豪科技為確保資訊安全之機密性、完整性及可用性，並持續加強防禦能力以降低資料外洩及不當使用之風險。
- 晶豪科技持續對同仁宣導及教育訓練資訊安全之相關知識，以期達到「資訊安全、人人有責」之概念。

董事長 陳興海

ESMT 晶豪科技

晶豪科技股份有限公司

人權政策

晶豪科技將遵循國家之《勞動基準法》及《國際勞工組織－工作基本原則與權利宣言》、《聯合國全球盟約十項原則》與《責任商業聯盟行為準則》等國際公認之人權公約標準，確保員工皆受到尊重、有安全的工作環境、落實環境保護與遵守道德規範。

晶豪科技制訂下列執行方針，並同時要求晶豪科技的供應商共同遵守以實踐晶豪科技的人權政策。

執行方針：

1. 重視員工權益及人權，包含不脅迫、不強制員工從事非自願性的勞動行為與杜絕任何歧視。
2. 持續提升員工之健康及安全的工作環境，營造友善職場，使員工達到工作與生活之平衡。
3. 排除生產過程中對環境和自然資源之不利影響，保護公眾健康與安全。
4. 要求所有員工及供應商以高規格之誠信標準，嚴守從業道德之規範。
5. 遵守母性保護規定與禁用童工。

董事長 陳興海

ESMT 晶豪科技

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.

陳興海

董事長

ESMT 晶豪科技

晶豪科技安全衛生政策

ESMT Safety and Health Policy

本公司關注安全衛生議題，遵循國內外安全衛生相關法規與標準，並執行安全衛生管控措施。

ESMT pays attention to safety and health topics, meets domestic and international safety and health regulations and standards and implements safety and health control measures.

建構一個安全衛生的工作環境，促進員工與承攬商的安全及身心健康，共同追求永續未來。

To establish a safe and healthy working environment, enhance the safety and health of employees and contractors, and pursue a sustainable future.

董事長/CEO: 陳興海

ESMT ESMT Confidential

Page 1

晶豪科技股份有限公司

衝突礦產政策

在剛果民主共和國及其周圍國家和地區境內的錳石、黑鎢、鈦鉭鐵礦和黃金等稀有金屬開採已造成嚴重的人權與環境問題。

為因應國際人權發展，善盡企業社會責任，晶豪科技承諾：

1. 參照責任商業聯盟行為準則 (Responsible Business Alliance Code of Conduct, RBA CoC)，承諾致力於支持負責任採購衝突礦產（金(Au)，錳(Sn)，鈦(Ta)，鎢(W)，鈷(Co)），不使用來自剛果民主共和國地區和其他受衝突影響或高風險地區的非法冶煉廠所提煉之上述金屬。
2. 依據責任商業聯盟(RBA)行為準則調查衝突金屬，要求外包商及供應商提供產品中所含金(Au)，錳(Sn)，鈦(Ta)，鎢(W)，鈷(Co)的來源，並揭露其冶煉廠資訊。同時須確認外包商及供應商資料的正確性。
3. 清楚傳達給外包商及供應商應遵循此負責任採購礦物之要求，以滿足負責礦產保證流程 (Responsible Minerals Assurance Process, RMAP)的目標。

董事長 陳興海

ESMT 晶豪科技