



# 2024 ENVIROMENT SOCIAL GOVERNANCE





***ESMT***

Elite Semiconductor Microelectronics Technology Inc.

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# 00 About this report



# About this report

This SUSTAINABILITY REPORT for 2024 is published by Elite Semiconductor Microelectronics Technology Inc., ESMT ("ESMT" hereinafter). This report makes transparent ESMT's efforts and achievements regarding the Environment, Social, and Governance (ESG) aspects, and presents it to the stakeholders who pay close attention to ESMT.

## Scope

This report discloses the data on 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 2024 (January 1, 2024 ~ December 31, 2021).

## Compilation principles

This report identifies the issues concerning stakeholders by performing a materiality analysis of the ESG issues (Environment, Social, Governance) related to ESMT. 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.

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

## Report verification

The content of this report was collected and compiled by each task force and the executive secretary of ESMT's Corporate Sustainability Committee, verified by the supervisor of each responsible unit, confirmed by the Corporate Sustainability Committee, submitted to the Audit Committee for discussion on July 30, 2025 and approved by the Board of Directors before publishing.

## Restatements of information

No restatements of information.

## Report publication

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

First issue: September 2021.

Previous issue: July 2024

This issue: July 2025.

Next issue: July 2026.

## Opinion feedback

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

Overseen by the Executive Secretary of ESMT Sustainable Development Committee

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Contact Number: 886-3-5781970 ext. 2120

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Corporate website: <https://www.esmt.com.tw/zh-tw/CSR> (Corporate Social Responsibility zone)

## Message from the executives

Due to geopolitical conflicts, the Russia-Ukraine war that began in early 2022 has not yet ceased. The Israel-Hamas conflict that erupted in 2023 and a Middle East crisis unfolded in 2025, combined with the United States' reciprocal tariff policy and significant exchange rate fluctuations, the international economic inflation crisis remains unresolved, further delaying the global economic recovery. Meanwhile, the pandemic, cereal shortages, and the impact of climate change, resulting in extreme weather events worldwide, pose significant threats to human life and property. Consequently, the United Nations' 17 Sustainable Development Goals (SDGs) have garnered increased attention, highlighting the importance of ESG (Environmental, Social, Governance) issues, which have become a key focus for governments and businesses.

In 2024, the niche memory industry continued to be sluggish due to the weak global economy, interest rate hikes, and geopolitical factors. Although the three major memory companies saw a brief price recovery alongside production cuts, they were unable to overcome weak demand. Operating revenue for various smaller memory companies declined in the fourth quarter, and 2025 is expected to be a challenging year.

At the beginning of 2023, Open AI debuted and sparked the enthusiasm for the AI technology around the world. It is believed that the development of AI will change life in the future, a lot of manpower and materials are invested to develop AI-related products and their applications; the R&D of the generative AI and large language model (LLM) becomes the most important R&D projects for major companies in the next few years. This R&D require extremely high algorithm power, requiring not only high-speed processors but also high-speed, high-capacity memory (HBM) for effective operation. AI processors are typically paired with HBM memory capacities starting at 64GB, with some exceeding 200GB. The current surge in generative AI is expected to drive substantial growth in memory demand in the years ahead. However, the emergence of DeepSeek at the end of 2024 may greatly change the rules of the game in AI. By using a relatively small workforce and resources, DeepSeek can produce results comparable to those of

OpenAI, significantly lowering the barrier to entry in the AI field. This is expected to usher in an era of diverse AI development, which will drive strong demand for memory.

In order to achieve environmental sustainability, electric vehicles will continue to experience high growth, and the proportion of automotive semiconductors is expected to increase accordingly. At the end of 2023, the Company obtained ISO 26262 system safety certification and continued to obtain product certifications throughout 2024, demonstrating its commitment to the automotive electronics sector. Over the next few years, revenue from automotive semiconductors is expected to grow year-on-year.

In the power IC and analog IC product lines, our years of effort and development have led to increasingly complete product lines, validated by major customers, especially with the growing market share of audio amplifiers in the TV sector. However, in 2024, global economic headwinds and sluggish consumer spending resulted in slowing demand and falling prices, leading to increased shipments but a 4.25% decrease in operating revenue. Looking forward to 2025, audio amplifiers are expected to deliver exceptional results in the Korean TV market. However, the TV market in China faces the severe challenge of domestic substitution, and operating results are forecast to see slight growth in both shipments and revenue in 2025.

As a professional IC design company, ESMT has been engaged in the design, production, and sale of niche memory for years. ESMT's products include DRAM, NOR Flash, SLC NAND Flash, and MCP, which are among the critical parts in the smart generation, making the Company an integral supplier of critical electronics products. In addition, the Company's tapping into the market for audio amplifiers and power ICs also yields fruitful 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 demonstrated systematic progress under the leadership of the Board of Directors and the promotion of the Corporate Sustainability Committee. In terms of governance, 2024 operations were affected by the overall economic environment, and consolidated revenue (NT\$13.48 billion) and profit (net profit of NT\$505 million) both saw significant improvement compared to the previous year. Regarding the operation of the system, the Company's corporate governance evaluation score remained in the second tier (6%–20%). In terms of the environment, besides maintaining R&D of low-energy solutions to provide customers with eco-friendly products, we also promote regular operation aligned with energy conservation and environmental protection approaches, and the TCFD analysis framework. Furthermore, we have completed the parent company's 2024 GHG inventory report and external verification. In terms of the social aspect, as employees are the Company's most important asset, ESMT not only continues to promote a friendly workplace plan, but also consistently ranks among the top in employee salary compared to other publicly listed companies, as announced by the competent authority. In addition, the Company has been promoting public welfare activities in cooperation with ESMT Educational Foundation, with the aim of contributing to the common good of society.

To strengthen sustainable governance, following a resolution

by the 10th Board of Directors in June 2025, a committee under the Board of Directors of the Company will be upgraded and reorganized as the "Sustainable Development Committee" in order to achieve the Company's sustainable development goals.

Moving forward, ESMT will uphold the management philosophy of corporate sustainability; always attend to stakeholders' rights and expectation; value the influence of ESG on company operations; pay close attention to the disasters resulting from the international situation, the pandemic and climate change; continue caring for the underprivileged and pursuing a common-good society; and fulfill the sustainability commitment and implement corporate social responsibility to give back to society in support of the Sustainability Development Roadmap disclosed by the competent authority. 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.



Chairman and President - Chang Ming-chien

(Convener of Corporate Sustainability Committee and Sustainable Development Committee)

A handwritten signature in black ink, which appears to read "張明欽" (Chang Ming-chien).

## About ESMT

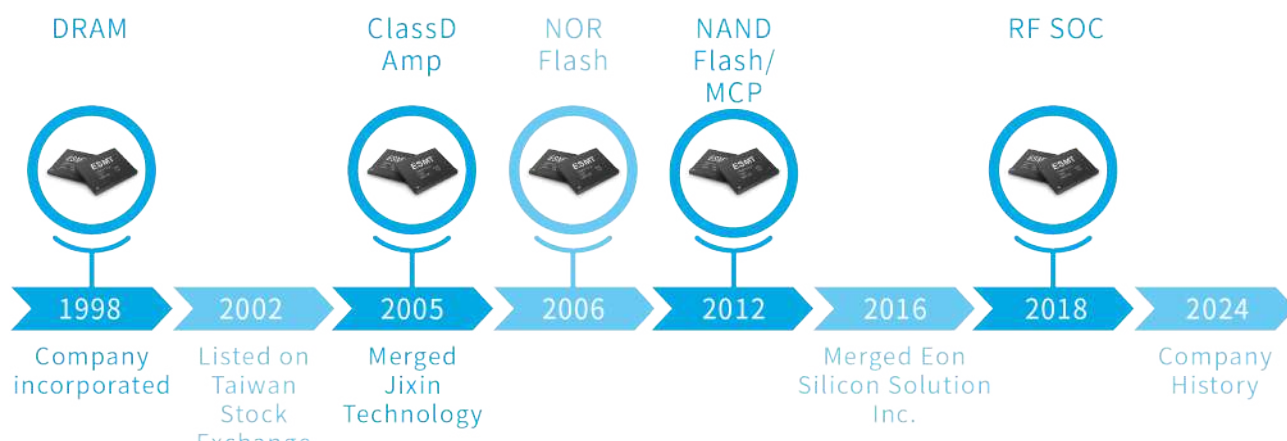
Elite Semiconductor Microelectronics Technology Inc. (ESMT) is a professional IC design company incorporated in Hsinchu Science Park in Taiwan in June 1998. The Company's main business activity includes the design, production, sale, and technical support of private-brand IC products. The Company was listed on Taiwan Stock Exchange (TWSE) in March 2002, with the stock code being 3006. As of December 31, 2024, the Company had 598 employees, among them 468 are R&D personnel.

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

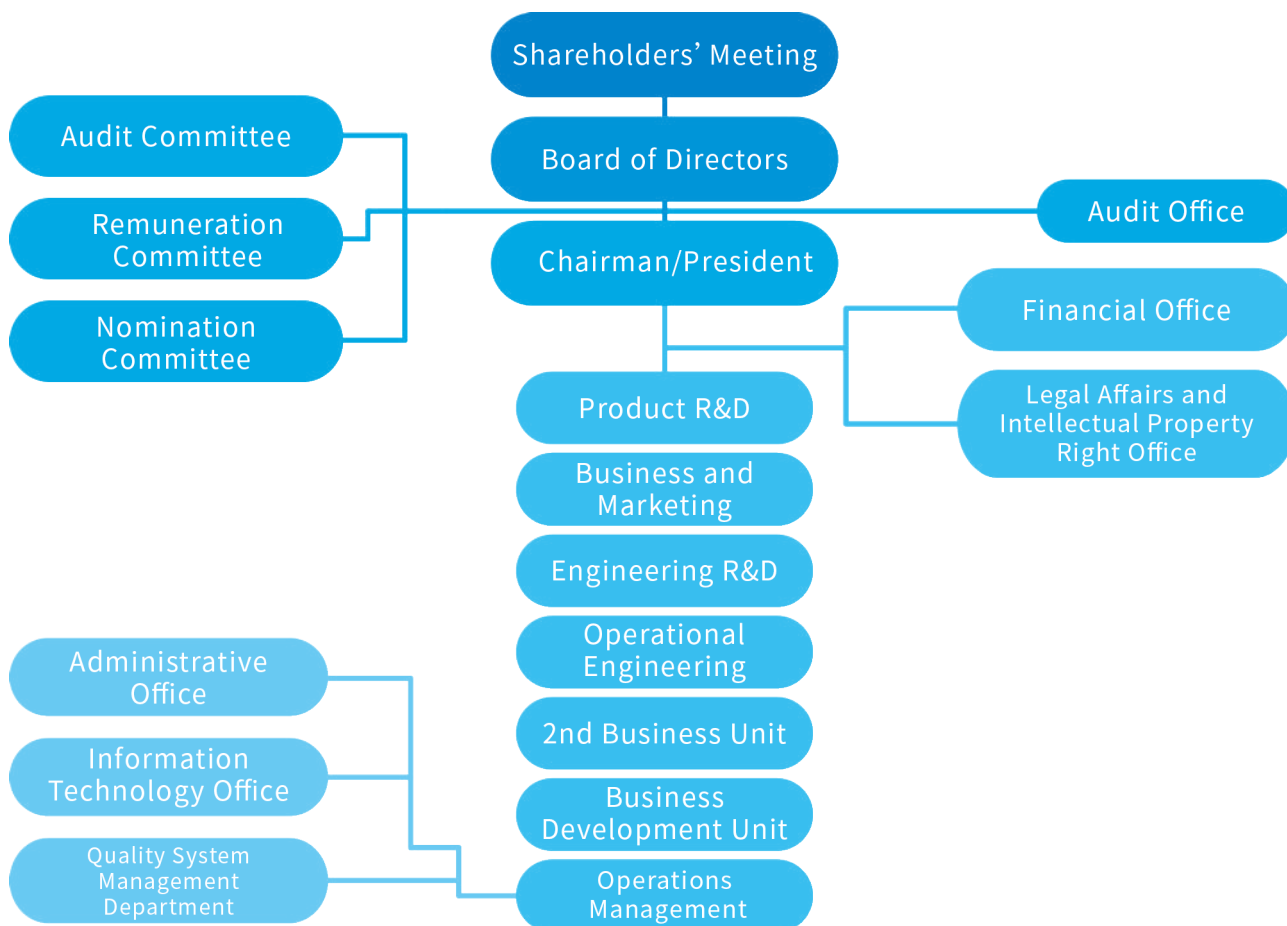
To meet the demands of a wider customer base, ESMT has branched out into fields having nothing to do with memory applications in recent years, e.g., analog/mixed signal applications and system IC. Currently available products include a range of power management devices, audio converters (ADC/DAC), Class D amplifiers, wireless system ICs, and motor and temperature/image sensing ICs.

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

## 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)  
Taiwan Advanced Automotive Technology Development Association (TADA)

## Corporate Sustainability Committee

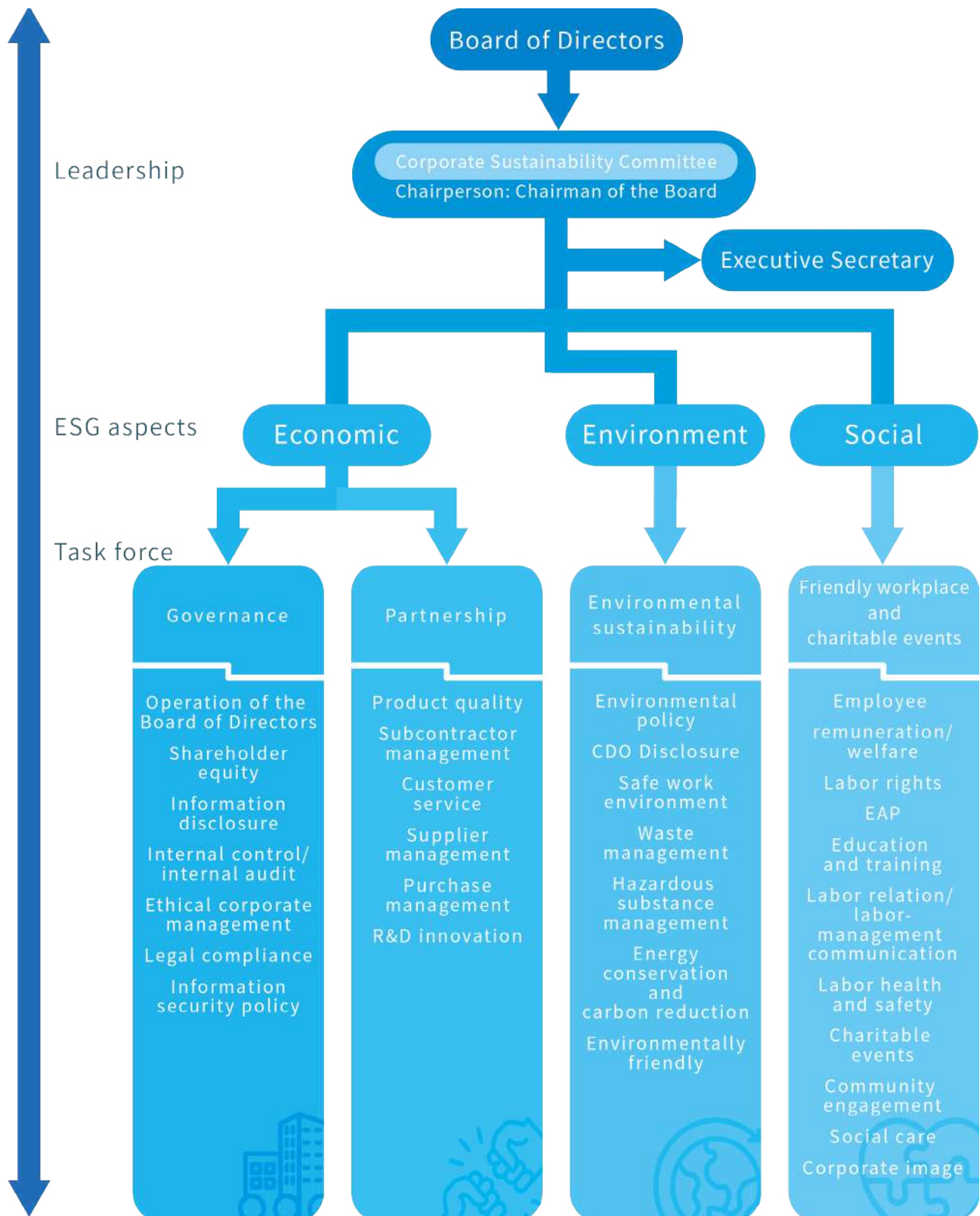
Adhering to the principle of corporate sustainable development, ESMT pursues business interest while attending to the issues concerning stakeholders and making improvement, so as to fulfill its corporate social responsibility on the ESG front, thereby improving the sustainable operations performance. ESMT established the Corporate Sustainability Committee in October 2020, which will take charge of assessing the risks

and rewards associated with sustainable operations and formulating the vision and strategy requisite for corporate sustainability, so as to enhance governance, partnership, environmental sustainability, friendly workplace, and charitable events. The chairperson of the committee is the Chairman of the Board; the deputy chairperson of the committee is the President. They review the effectiveness of promoting corporate sustainability in committee meetings, and report the annual execution results to the Board of Directors.

ESMT's Corporate Sustainability Committee comprises four task forces: Governance Task Force; Partnership Task Force; Environmental Sustainability Task Force; and Friendly Workplace and Charitable Events Task Force. Members come from each relevant functional unit; the Corporate Sustainability Committee assigns members to be the task force chief, who shall plan and supervise the task force's operation and regularly convenes a meeting. Additionally, ESMT's Corporate Sustainability Committee has set up the post of executive secretary, who is responsible for coordinating the promotion of corporate sustainability issues of concern among the task forces, convening the Corporate Sustainability Committee meetings, and compiling the Sustainability Report.

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

## ESMT Sustainability Committee Organizational Structure



The functions served by each task force is 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.Ensuring the 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 sustainable operations, ESMT works hard on the governance, environment, and social front. Through coordinating resource planning, ESMT has established a long-term partnership with customers, suppliers, and society groups. ESMT also offers good working conditions, cares for employees, and maintain a good safety/health/environment standard, thereby fulfilling its responsibility as a corporate citizen. Since the outbreak of COVID-19 in 2020, the raging pandemic worldwide has thrown the society and economy alike into turmoil, thereby sending global macro economy into uncertainty. Meanwhile, the increasing frequency of occurrence of extreme weather resulting from climate change has caused disasters around the world, posing a great threat to the existence and property of mankind. This draws great attention to the issues concerning corporate sustainable development.

As such, the importance of ESG has become the consensus among enterprises. ESMT commits to the vision of "upholding the ideal of corporate sustainability while developing new technologies and new products and becoming the world's top IC supplier and best partner". ESMT commits to paying close attention to stakeholders' rights and expectation, valuing the influence of ESG on corporate operations, and working with stakeholders to pursue the sustainable growth of an enterprise and the society.

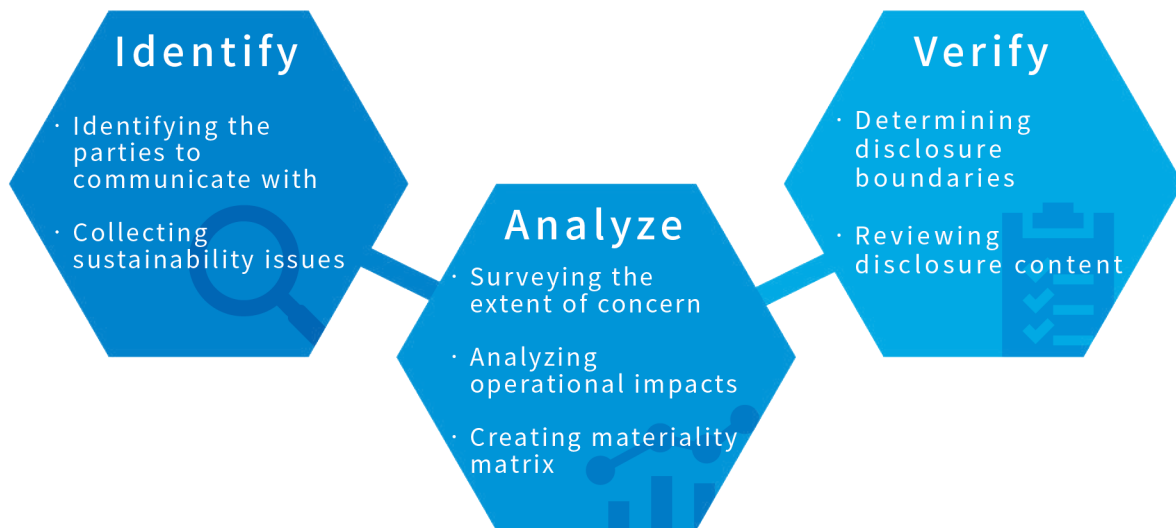
ESMT also formulates "Integrity, Accountability, Excellence, Innovation" as its corporate core values, and as the code of conduct for employees to follow when they pursue sustainable operations.

### Core Value



## Materiality analysis and stakeholder engagement

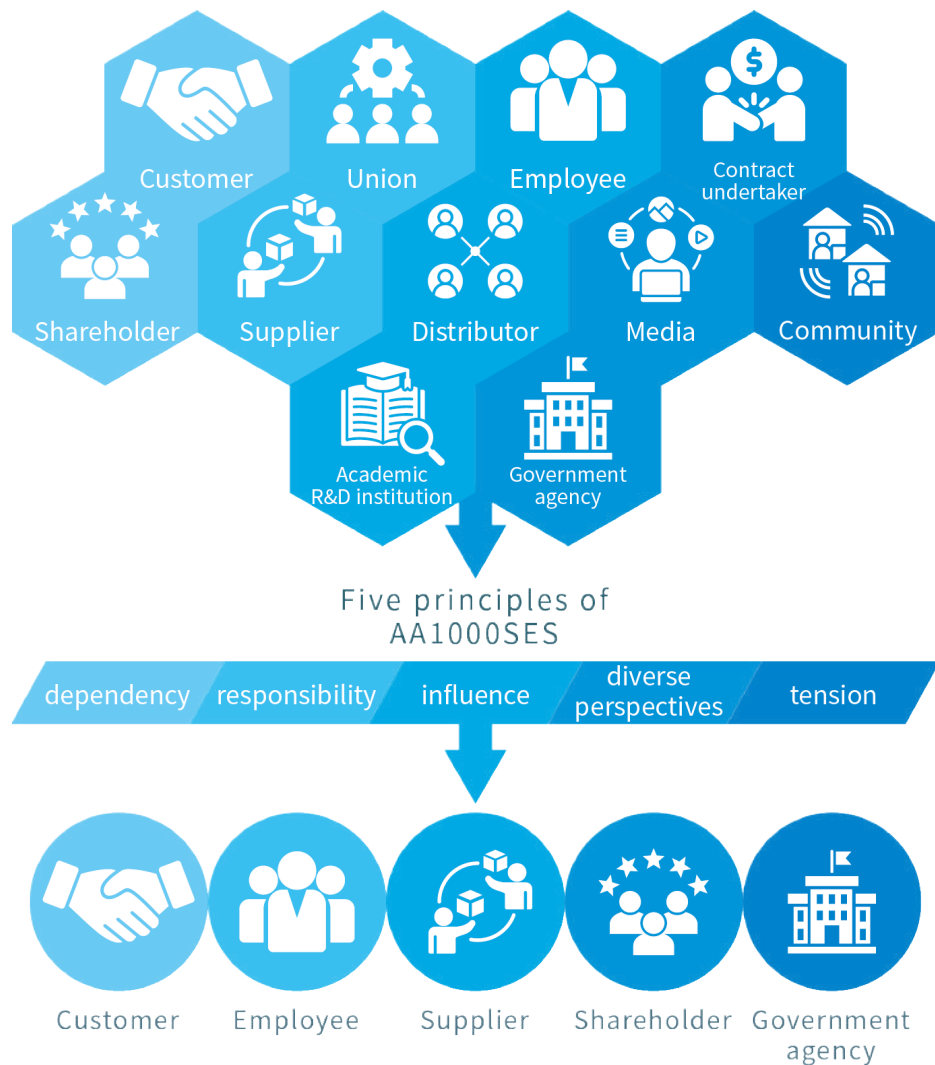
ESMT reviewed sustainability issues and executed materiality analysis by following the GRI Standards' four principles, namely, stakeholder inclusiveness, sustainability context, materiality, and completeness, and through the three steps, namely, identification, analysis, and verification.



### Identification

#### Identify the parties to be communicated with (i.e., identify stakeholders)

By adhering to the GRI standards, and through a detailed discussion in the 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 agency.



## Collect sustainability issues

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

## Analysis

### Survey the extent of concern (Issues of concern to stakeholders; communication methods)

ESMT incorporated the 29 collected sustainability issues into a questionnaire and distribute it to the five stakeholders to survey the issues of their concern. A total of 197 questionnaires were distributed

and 136 retrieved, with a recycling rate of 69%, and hence the issues of concern to stakeholders are as follows:

| Stakeholder                                                                                              | Association                                                                                                                                                                | Communication method                                                                                                                                                                                                                                                                                                                                                                                                                             | Issues of concern                                                                                                                                                                                                                                                                    |
|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br>Customer            | Clients/customers are long-term partners and the key to the Company's growth.                                                                                              | <ul style="list-style-type: none"> <li>Customer satisfaction survey (annually)</li> <li>Sustainability Report (annually)</li> <li>Dedicated window (irregularly)</li> <li>Customer audit (irregularly)</li> <li>Business meeting (irregularly)</li> <li>Company website (irregularly)</li> </ul>                                                                                                                                                 | <ol style="list-style-type: none"> <li>1. Quality management</li> <li>2. Information security/ personal data protection/ customer privacy</li> <li>3. Ethical governance</li> <li>4. Products and services innovation</li> <li>5. Anti-corruption</li> </ol>                         |
| <br>Employee            | Employees are importance assets of the Company. Sustainable development may be achieved by improving employee welfare and career development and enhancing their cohesion. | <ul style="list-style-type: none"> <li>Labor-management meeting; Employee Welfare Committee meeting (quarterly)</li> <li>Employee inbox/hotline</li> <li>Internal website, bulletin board</li> <li>Chairman / President speech; dinner party (periodically)</li> </ul>                                                                                                                                                                           | <ol style="list-style-type: none"> <li>1. Salary and benefit</li> <li>2. Employee competence management</li> <li>3. Talent development</li> <li>4. Products and services innovation</li> <li>5. Labor relation</li> </ol>                                                            |
| <br>Supplier           | Long-term partners with which the Company works to achieve stable development and sustainable operations.                                                                  | <ul style="list-style-type: none"> <li>Supplier evaluation (quarterly)</li> <li>Sustainability Report (annually)</li> <li>Dedicated contact window (irregularly)</li> <li>Supplier meeting (irregularly)</li> <li>Company website (irregularly)</li> </ul>                                                                                                                                                                                       | <ol style="list-style-type: none"> <li>1. Information security/ personal data protection/ customer privacy</li> <li>2. Occupational Safety and Health (OSH)</li> <li>3. Ethical governance</li> <li>4. Economic performance</li> <li>5. Environmentally friendly products</li> </ol> |
| <br>Shareholder       | Important source of fund for the Company; excellent operational performance may show the Company's value and facilitate the pursuit of sustainable operations.             | <ul style="list-style-type: none"> <li>Company financial statements (quarterly)</li> <li>Institutional shareholder conference (twice a year)</li> <li>Company annual report (annually)</li> <li>Annual Shareholders' Meeting (annually)</li> <li>Market Observation Post System (as prescribed)</li> <li>Sustainability Report (annually)</li> <li>Company website (irregularly)</li> <li>Shareholder inbox and hotline (irregularly)</li> </ul> | <ol style="list-style-type: none"> <li>1. Ethical governance</li> <li>2. Economic performance</li> <li>3. Products and services innovation</li> <li>4. Environmentally friendly products</li> <li>5. Salary and benefit</li> </ol>                                                   |
| <br>Government agency | Communication channel with the government to access the most up-to-date legal information                                                                                  | <ul style="list-style-type: none"> <li>Market Observation Post System (periodically)</li> <li>Pollution control filing (periodically)</li> <li>Sustainability Report (annually)</li> <li>Government agency inspection</li> <li>Official letter, e-mail, and meeting (intermittently)</li> <li>Company website (irregularly)</li> </ul>                                                                                                           | <ol style="list-style-type: none"> <li>1. Legal compliance</li> <li>2. Information security protection/personal data protection/ customer privacy</li> <li>3. Ethical governance</li> <li>4. Economic performance</li> <li>5. Intellectual property right</li> </ol>                 |

## Analyze operational impacts

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

## Draw materiality matrix

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



★ Material issue:

## Verification

### Decide disclosure boundary / review disclosure content (Material issues management approach)

After discussing the results, ESMT's Corporate Sustainability Committee deemed the nine issues which highly impacted company operations and concern stakeholders, in addition to the other two issues, namely, anti-corruption, environmentally friendly products and ESMT supplier management, to be material. Hence, a total of 12 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.

#### Changes in ESMT's material issues in 2024:

| 2023 Material Issues              | 2024 Material Issues              | Ranking Change    |
|-----------------------------------|-----------------------------------|-------------------|
| Ethical governance                | Ethical governance                | Same ranking      |
| Economic performance              | Economic performance              | Same ranking      |
| Products and services innovation  | Products and services innovation  | Ranking unchanged |
| Quality management                | Quality management                | Ranking unchanged |
| Information Security Protection   | Information Security Protection   | Lower ranking     |
| Legal compliance, anti-corruption | Legal compliance, anti-corruption | Lower ranking     |
| Talent development                | Talent development                | Higher ranking    |
| Environmentally friendly products | Environmentally friendly products |                   |
| Supplier management               | Supplier management               |                   |
|                                   | Intellectual property right       | New in 2024       |
|                                   | Risk management                   | New in 2024       |

## Management of Material Sustainability Issues

|                               |                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Material Sustainability Issue | <b>Ethical governance</b>                                                                                                                                                                                                                                                                                                            |
| GRI Corresponding Topic       | 205-1、205-2、205-3、206-1                                                                                                                                                                                                                                                                                                              |
| Positive/Negative Impact      | Positive: Ethical corporate governance effectively reduces investor concerns and government oversight, and improves company operations and the advancement of major decision-making.<br>Negative: Investors' concerns and increased government regulation have increased the potential and actual costs of the Company's operations. |
| Actual/Potential Impact       | Actual positive impact: The Company discloses its financial and material information openly and strengthens its internal audit and internal control mechanisms in compliance with the law to protect investor rights and meet stakeholder expectations.                                                                              |
| Achievement in 2024           | Ranked among those at the 6%~20% interval in the Corporate Governance Evaluation Included in the TWSE Corporate Governance 100 Index published by Taiwan Index Plus Corporation                                                                                                                                                      |
| Goals                         | Be among those at the 6%~20% interval or above in the Corporate Governance Evaluation                                                                                                                                                                                                                                                |

|                               |                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Material Sustainability Issue | <b>Economic performance</b>                                                                                                                                                                                                                                                                                                             |
| GRI Corresponding Topic       | 201-1、201-2、201-3                                                                                                                                                                                                                                                                                                                       |
| Positive/Negative Impact      | Positive: Maintain the Company's normal operations and financial performance, and promote its sustainable development.<br>Negative: Lack of investor confidence is creating operational difficulties for the Company, while production investment from upstream suppliers and purchasing power from downstream customers are declining. |
| Actual/Potential Impact       | Actual positive impact: The Company continues to promote R&D innovation and meet stakeholder expectations for sustainable development.<br>Potential positive impact: Investors expect to supervise the Company's operations, anticipating continued growth based on its business performance.                                           |
| Achievement in 2024           | As stated in the financial statements for 2024                                                                                                                                                                                                                                                                                          |
| Goals                         | Stable growth in operational performance                                                                                                                                                                                                                                                                                                |

|                               |                                                                                                                                                                                                                                                                                                 |
|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Material Sustainability Issue | <b>Legal compliance, Anti-corruption</b>                                                                                                                                                                                                                                                        |
| GRI Corresponding Topic       | 205-1、205-2、205-3、206-1                                                                                                                                                                                                                                                                         |
| Positive/Negative Impact      | Positive: Comply with government regulations and provide timely feedback on suggestions and opinions regarding government policy initiatives.<br>Negative: Failure to comply with government regulations and legal orders, resulting in regulatory avoidance or false and misleading responses. |
| Actual/Potential Impact       | Actual positive impact: Continue to monitor government policies and the implementation of various laws and regulations. Implement daily work progress through regular employee education and training.                                                                                          |
| Achievement in 2024           | No incident of violating laws and regulations concerning governance and ethical corporate management. The completion rate of education and training reached 93.95%.                                                                                                                             |
| Goals                         | Maintain the operation of laws and regulations concerning governance and ethical corporate management. Employee education and training completion rate >90%                                                                                                                                     |

# Management of Material Sustainability Issues

|                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Material Sustainability Issue | <b>Products and services R&amp;D innovation</b>                                                                                                                                                                                                                                                                                                                                                                                                                     |
| GRI Corresponding Topic       | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Positive/Negative Impact      | Positive: Diverse products efficiently address customer needs for new product development and product specification adjustments. In addition to meeting customer demands for product technology, eco-friendly product development can also add value to products and help achieve corporate sustainability goals.<br>Negative: Failure to meet customer demand for product innovation and eco-friendly products, and low production efficiency increases R&D costs. |
| Actual/Potential Impact       | Positive potential impact: Continue to develop eco-friendly products in addition to meeting customers' performance requirements. Continue to develop and innovate to meet uncertain market demands and ensure corporate sustainability.                                                                                                                                                                                                                             |
| Achievement in 2024           | Completed 21 product design plans and obtained 38 patents abroad in 2024                                                                                                                                                                                                                                                                                                                                                                                            |
| Goals                         | Continue new products design and technology development                                                                                                                                                                                                                                                                                                                                                                                                             |

|                               |                                                                                                                                                                                                                                                                     |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Material Sustainability Issue | <b>Quality management</b>                                                                                                                                                                                                                                           |
| GRI Corresponding Topic       | -                                                                                                                                                                                                                                                                   |
| Positive/Negative Impact      | Positive: Maintaining high-quality and stable products enhances customers' confidence in R&D and manufacturing capabilities.<br>Negative: Poor quality management not only results in a loss of product value, but also seriously impacts the Company's reputation. |
| Actual/Potential Impact       | Actual positive impact: Formulate quality management policies, guidelines, and goals, and continuously improve. In addition to providing customers with competitive products, ESMT also meets their requirements for diversity and stable quality.                  |
| Achievement in 2024           | Customer satisfaction score 4.19 points (out of 5 points)                                                                                                                                                                                                           |
| Goals                         | Maintain customer satisfaction score at 4.5 points or above                                                                                                                                                                                                         |

|                               |                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Material Sustainability Issue | <b>Information Security Protection</b>                                                                                                                                                                                                                                                                                                                                                                                |
| GRI Corresponding Topic       | -                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Positive/Negative Impact      | Positive: Information security protects the confidentiality of the Company, suppliers, and customers and prevents damage to operational and commercial confidential information, maintaining stakeholders' trust in ESMT.<br>Negative: Data security function failure not only creates a crisis for the Company but also leads to information leakage from upstream and downstream partners, disrupting market order. |
| Actual/Potential Impact       | Positive potential impact: In addition to maintaining the normal operation of data security functions, we also understand, evaluate, and strengthen the implementation of data security-related regulations to continuously improve functionality and effective protection.                                                                                                                                           |
| Achievement in 2024           | No material information security incident                                                                                                                                                                                                                                                                                                                                                                             |
| Goals                         | Maintain zero information security incident every year. Cope with the deteriorating information security attacks from external sources, enhance the establishment of protection mechanisms, including end point security, host backup, and recovery mechanism, and so on.                                                                                                                                             |

# Management of Material Sustainability Issues

|                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Material Sustainability Issue | <b>Supplier management</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| GRI Corresponding Topic       | 204-1、308-1、308-2、414-1、414-2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Positive/Negative Impact      | Positive: Establish good supplier management to effectively improve product quality and green competitiveness. Achieve corporate sustainability through evaluation and risk assessment mechanisms.<br>Negative: Failure to implement supplier management impacts product production and worsens the entire supplier system. Risks arising from overall operations may lead to substantial violations of laws and regulations concerning human rights and the environment. Innovative products are not effectively supported, leading to a decline in the Company's competitiveness. |
| Actual/Potential Impact       | Actual positive impact: In addition to past requirements for quality, technology, and cost, ESMT has established a supplier management system through regular supplier evaluations and risk assessments.                                                                                                                                                                                                                                                                                                                                                                            |
| Achievement in 2024           | As high as 95% suppliers had their ESG system certified<br>Local procurement accounted for 80.26% of total procurement                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Goals                         | No less than 96% of suppliers have their ESG system certified<br>Local procurement accounts for no less than 85% of total procurement                                                                                                                                                                                                                                                                                                                                                                                                                                               |

|                               |                                                                                                                                                                                                                                                                                                              |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Material Sustainability Issue | <b>Environmentally friendly products</b>                                                                                                                                                                                                                                                                     |
| GRI Corresponding Topic       | 308-1、308-2                                                                                                                                                                                                                                                                                                  |
| Positive/Negative Impact      | Positive: In addition to product quality, technology, and cost, whether eco-friendly products are adopted can be a key factor in increasing their added value.<br>Negative: Same products lacking eco-friendly added value or failing to meet customer demand for eco-friendly products will not be adopted. |
| Actual/Potential Impact       | Potential positive impact: Gather information about eco-friendly products to offer customers optimal product development and sourcing.<br>Potential negative impact: The product strategy may not meet the requirements for eco-friendly products and could be rejected by customers.                        |
| Achievement in 2024           | CO2e resulting from products sold reduced by about 53,279 tons                                                                                                                                                                                                                                               |
| Goals                         | Improve the performance of self-developed low-energy DDR2 and DDR3, and Low Power products                                                                                                                                                                                                                   |

|                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Material Sustainability Issue | <b>Talent development</b>                                                                                                                                                                                                                                                                                                                                                                                                                             |
| GRI Corresponding Topic       | 401-1、401-2、404                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Positive/Negative Impact      | Cultivation and recruitment of outstanding talent. Promote employee on-the-job education and training, and provide channels and resources for continuing education to sustain industry competitiveness.<br>Negative: Facing the ever-changing trends in industry development. The design of products and the operation of the Company require recruiting diverse talent and employee training to develop optimal strategies and governance direction. |
| Actual/Potential Impact       | Actual positive impact: The number of employees continues to grow every year, and we continue to promote on-the-job training to strengthen industry competitiveness.<br>Potential negative image: The competition in the IC design industry is fierce. Faced with Taiwan's declining birth rate and its continued development of the semiconductor industry, ESMT needs more diversified and flexible policies to attract more talented people.       |
| Achievement in 2024           | Included as a constituent of the TWSE RAFI® Taiwan High Compensation 100 Index for 9 years                                                                                                                                                                                                                                                                                                                                                            |
| Goals                         | <ul style="list-style-type: none"> <li>Offer diverse learning resources and channels</li> <li>Encourage employees to learn on their own initiative to improve their performance and develop their potential</li> <li>Offer competitive remuneration and welfare, and keep investing in talent recruitment and development mechanisms, so as to render the Company the competitiveness requisite for development.</li> </ul>                           |

## Management of Material Sustainability Issues

|                               |                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Material Sustainability Issue | <b>Intellectual property right</b>                                                                                                                                                                                                                                                                                                                    |
| GRI Corresponding Topic       | -                                                                                                                                                                                                                                                                                                                                                     |
| Positive/Negative Impact      | Positive: An effective weapon to consolidate product competitiveness and achieve a leading position through technological innovation and product R&D.<br>Negative: When new technologies lose intellectual property protection, they risk losing product competitiveness and may even become victims of their own innovation.                         |
| Actual/Potential Impact       | Actual positive impact: The Company is deeply engaged in the R&D of niche memory products, continuously accumulating relevant patent technologies to maintain its industry leadership.<br>Potential positive impact: Long-standing efforts in power IC and analog IC product R&D continue to pass customer verification, expanding market visibility. |
| Achievement in 2024           | The number of patents accumulated in 2024 reached 516.                                                                                                                                                                                                                                                                                                |
| Goals                         | 1. Enhance patent portfolio<br>2. Strengthen internal intellectual property training                                                                                                                                                                                                                                                                  |

|                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Material Sustainability Issue | <b>Risk management</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| GRI Corresponding Topic       | 201-2、308-2、414                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Positive/Negative Impact      | Positive: Building a key to the Company's sustainable operations involves identifying, assessing, and developing appropriate response strategies to address risks related to environmental sustainability, social responsibility, and corporate governance.<br>Negative: The risk management unit is ineffective and personnel lack sufficient understanding of the issues, potentially leading to misjudgment and exposing the Company to reputational damage and legal risks. |
| Actual/Potential Impact       | Substantive positive: The establishment of the Corporate Sustainability Committee provides the Company with risk control and assessment teams focusing on corporate governance, partnerships, environmental sustainability, a positive workplace, and social welfare.                                                                                                                                                                                                           |
| Achievement in 2024           | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Goals                         | 1. Establish risk management systems<br>2. Identify the type of major risk<br>3. Internal control system and audit                                                                                                                                                                                                                                                                                                                                                              |



# 01

## Governance



## 1.1 Management

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 supervision 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 to 11 directors; the Board of Directors is authorized to determine the number of directors (including at least 3 independent directors). A director shall be elected by the Shareholders' Meeting from among the personnel with disposing capacity for a term of 3 years. The Articles of Incorporation stipulates the candidates nomination system for the election of directors (including independent directors). Independent director candidates' professional qualifications, shareholding and concurrent-post restriction, nomination and election method are consistent with the what is prescribed in the Company Act and the Securities Exchange Act. The election of directors considers the composition of the Board of Directors. All Board of Directors members have the knowledge, skill, and competency required for execution of their duties.

### Member of the Board of Directors

To enhance the occupational competence of the Board of Directors, when electing directors (independent directors), the Company not only considers the professionalism of each director (including independent

director), but also formulate a Board Diversification Policy, so as to ensure the diversity and independence of Board members. Judging from the list of the 9 members of the 9th Board of Directors (including four independent directors), all of them are experts in either leadership, operational judgment, business administration, or crisis management, and possess industry knowledge and a cosmopolitan 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.

The list of the 9th Board of Directors (nine members) is as follows:

|                                                                                                                                                                                   |                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Chairman - Ming-Chien Chang</b></p> <p><b>Education and Experience</b><br/>Chairman, ESMT<br/>M.A., Institute of Electronics, National Chiao Tung University</p>            | <p><b>Director - Hsing-Hai Chen</b></p> <p><b>Education and Experience</b><br/>Chairman, ESMT<br/>Master of Applied Physics, National Tsing Hua University</p>                                                                                            | <p><b>Director - Chih-Hung Ho</b></p> <p><b>Education and Experience</b><br/>Senior Vice President, ESMT<br/>PhD in Mechanical Engineering, North Carolina State University</p>                                                                                  |
| <p><b>Director - Yeong-Wen Diah</b></p> <p><b>Education and Experience</b><br/>Senior Vice President, ESMT<br/>M.A., Institute of Electronics, National Chiao Tung University</p> | <p><b>Director - Chia-Neng Huang</b></p> <p><b>Education and Experience</b><br/>Chairman and CEO, Chang Wah Electromaterials Inc.<br/>Department of Mechanical Engineering, Chung Yuan Christian University</p>                                           | <p><b>Independent director - Willian W. Shen</b></p> <p><b>Education and Experience</b><br/>Professor, Department of Public Finance and Taxation, National Taichung University of Science and Technology<br/>PhD in Science in Accounting, Purdue University</p> |
| <p><b>Independent director - Cheng-Yang Chien</b></p> <p><b>Education and Experience</b><br/>Independent director, Eon Silicon Solution Inc.<br/>M.B.A., Emory University</p>     | <p><b>Independent director - Bing-Yue Tsui</b></p> <p><b>Education and Experience</b><br/>Professor, Institute of Electronics, National Yang Ming Chiao Tung University<br/>PhD in Institute of Electronics, National Yang Ming Chiao Tung University</p> | <p><b>Independent director - Tai-Haur Kuo</b></p> <p><b>Education and Experience</b><br/>Professor, Department of Electrical Engineering, National Cheng Kung University<br/>Ph.D. in Electrical Engineering, University of Maryland, USA</p>                    |

Note: Director, Huang Chia-neng resigned on July 2, 2024.

## Management team

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

|                                                                                                                                                                                         |                                                                                                                                                                             |                                                                                                                                                                                                                                    |                                                                                                                                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Ming-Chien Chang</b><br>President<br><br><b>Education</b><br>M.A., Institute of Electronics,<br>National Chiao Tung University                                                       | <b>Yeong-Wen Daih</b><br>Senior Vice President and Chief<br>Technology Officer<br><br><b>Education</b><br>M.A., Institute of Electronics,<br>National Chiao Tung University | <b>Kuan-Chun Chang</b><br>Senior Vice President and<br>Second Business Unit<br><br><b>Education</b><br>M.A., Institute of Electrical<br>Engineering, National Cheng<br>Kung University                                             | <b>Shu-Hui Feng</b><br>Vice President and Chief<br>Operating Officer<br><br><b>Education</b><br>M.A., Institute of Technology<br>Management, National Tsing Hua<br>University |
| <b>Chung-Hsien Hao</b><br>Vice President of Memory<br>Product Business<br>Marketing<br><b>Education</b><br>Department of Electronic<br>Engineering, Kun Shan<br>Institute of Technology | <b>Meng-Hung Tsai</b><br>Vice President of<br>Audio/Power Products<br><br><b>Education</b><br>MBA,<br>City University of New York                                           | <b>Hong-Gee Wu</b><br>Special Assistant, President's<br>Office and Corporate Gover-<br>nance Officer<br><b>Education</b><br>Department of Industrial<br>Engineering and Management,<br>National Yang Ming Chiao Tung<br>University | <b>Hui-Wen Cheng</b><br>Senior Director,<br>Finance Division<br><br><b>Education</b><br>Master of Accounting,<br>National<br>Chengchi University                              |

## Chief Governance Officer

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

The duties of the Chief Governance Officer include the following:

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

## 1.2 Operational performance

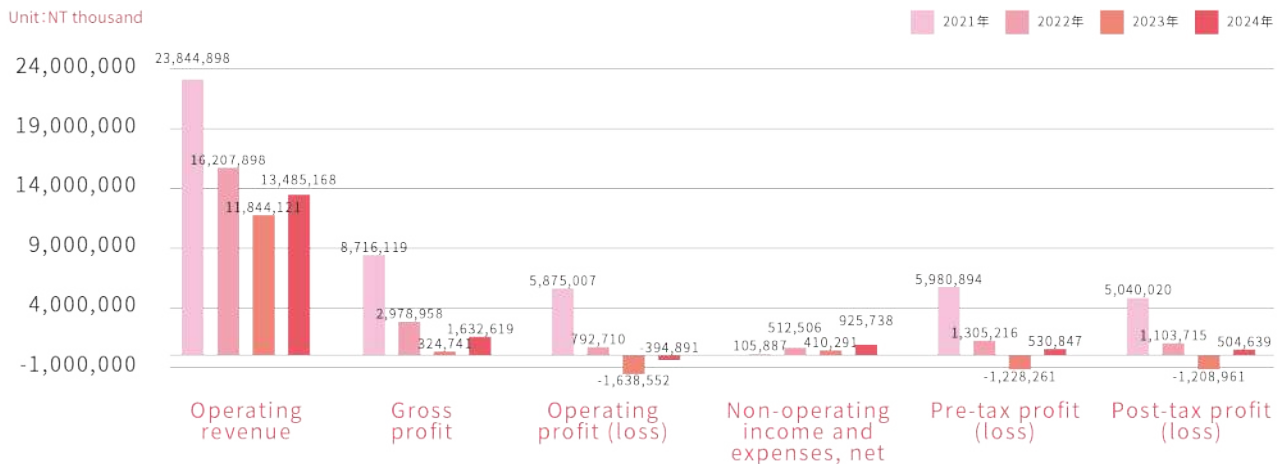
### 1.2.1 Operational results of 2024 (data taken from the consolidated financial statements)

The table below compares the operational status of 2024 with that of 2023: Unit: NT\$1,000

|                                        | 2022       | 2021        | Amount increased (decreased) | Percentage increased (decreased) |
|----------------------------------------|------------|-------------|------------------------------|----------------------------------|
| Operating revenue                      | 13,485,168 | 11,884,121  | 1,601,047                    | 13.47%                           |
| Gross profit                           | 1,632,619  | 324,741     | 1,307,878                    | 402.74%                          |
| Operating expenses                     | 2,027,510  | 1,963,293   | 64,217                       | 3.27%                            |
| Operating profit (loss)                | (394,891)  | (1,638,552) | 1,243,661                    | (75.90%)                         |
| Non-operating income and expenses, net | 925,738    | 410,291     | 515,447                      | 125.63%                          |
| Pre-tax profit (loss)                  | 530,847    | (1,228,261) | 1,759,108                    | (143.22%)                        |
| Post-tax profit (loss)                 | 504,639    | (1,208,961) | 1,713,600                    | (141.74%)                        |

### Operating status

Unit: NT\$1,000



### (ii) Analysis of income and expenses and profitability

#### (1) Income and expenses

Unit: NT\$1,000

| Item                                 | 2024      | 2023      | Amount increased (decreased) | Percentage increased (decreased) |
|--------------------------------------|-----------|-----------|------------------------------|----------------------------------|
| Cash flows from operating activities | 109,553   | 186,925   | (77,372)                     | (41.39%)                         |
| Cash flows from investing activities | 398,167   | (481,876) | 880,043                      | (182.63%)                        |
| Cash flows from financing activities | (552,393) | 50,584    | (602,977)                    | (1,192.03%)                      |

## (2) Profitability

| Item                               |                  | 2024    | 2023    |
|------------------------------------|------------------|---------|---------|
| Return on assets (%)               |                  | 3.20    | (5.96)  |
| Return on equity (%)               |                  | 4.99    | (11.32) |
| As a percentage of paid-in capital | Operating profit | (13.80) | (57.26) |
|                                    | Pre-tax profit   | 18.55   | (42.92) |
| Profit margin (%)                  |                  | 3.74    | (10.17) |
| EPS (NT\$)                         |                  | 1.80    | (4.36)  |

(3) R&D status: R&D expenses in 2024 reached NT\$1,450,799 thousand, accounting for 10.76% of operating revenue.

### 1.2.2 Summary of the 2025 Business Plan

#### 1. Operational policy

- (1) Expand the R&D personnel base to enhance R&D strength; increase R&D equipment expenses to improve R&D effectiveness.
- (2) Expand 25nm low-density niche DRAM memory product line such as DDR4, LPDDR4, DDR3, LP DDR3, DDR2, LP DDR2, etc.
- (3) Accelerate the R&D of 19nm DRAM products and introduce the mass production.
- (4) Completed the introduction mass production for 19nm/40nm NAND products.
- (5) Accelerate the expansion of MCP, eMCP and eMMC product lines.
- (6) Expand the 50nm NOR Flash product line and business without reservation.
- (7) Expansion of the niche memory product line for automotive applications.
- (8) Accelerate the R&D of audio amplifier IC and power IC product lines.
- (9) Expand non-memory product lines, such as IoT/AIoT wireless IC/ Solution, motor drive IC, sensor IC (Temperature/Photo).
- (10) Maintain a robust financial structure.

## 2. Sales forecast and forecast basis

In the past, the rapid development of industries such as smartphones, tablet computers, and data centers has led to a weakening of demand entering 2025. However, despite continued market demand, the overall supply and demand relationship is beginning to be adjusted. As technology advances and market demand changes, DDR4 is gradually being phased out by major memory manufacturers, who are expected to shift their focus to high-margin, high-end products. These major memory manufacturers may also reduce the production of DRAM and NAND flash memory, in particular traditional products. It is expected that the memory industry will enter the bottom of the business cycle in the next few quarters, with intensifying competition in both the high-bandwidth memory (HBM) and standard memory markets. Memory manufacturers will be affected by policy and economic conditions, and changes in monetary policy and the global economic recovery will be key factors affecting the storage chip market. Concerns regarding inventory, tariffs, and overinvestment also persist. Consequently, HBM manufacturers will continue to compete for market share in 2025, ultimately leading to a period of destocking and overcapacity. Due to the overcapacity in China, the oversupply of DRAM will become increasingly severe. The comprehensive decline in NAND Flash and DRAM prices in the first quarter of 2025 will undoubtedly put pressure on related companies and present new challenges to the Company. In this rapidly changing market environment, it is necessary to maintain a keen market insight and respond flexibly to market changes.

The EV market in 2025 remains in a stage of layout and adjustment. The car manufacturers are working hard to lay the foundation for the future. However, a market breakout may not occur until more factories come online, technology advances further, and the policy environment becomes more stable. The Company is actively deploying in the electric vehicle memory market, and we expect the growth of the electric vehicle market to drive our business performance.

The Company is also actively expanding its R&D into other IC design fields, such as Wireless SOC ICs, Motor Driver ICs, and Sensor ICs (including temperature and image sensing ICs). We expect to see results within the next two to three years.

### 3. Important production and sale policy

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

#### 1.2.3 Future development strategies and their impact from the external competitive environment, regulatory environment, and overall business environment.

After the semiconductor market experienced a boom driven by the stay-at-home economy and international harbor congestion caused by the COVID-19 pandemic, the memory market entered a downturn in the second half of 2022 due to oversupply in consumer electronics. While major manufacturers' production cuts led to a brief price recovery in 2024, demand remained weak. As of 2025, the rapid expansion of production capacity among Chinese companies will lead to increased inventory and supply. Without proper production capacity adjustments, overall industry inventory reduction will be slower, despite existing market demand. As the demand for consumer electronics continues to weaken, downward pressure on NAND Flash and DRAM prices is inevitable. 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 cultivated by ESMT, due to its even broader application and its role as a critical electronic component, the demand for it for technological products is expected to soar worldwide in 2025. 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/eMCP/eMMC, the Company will also accelerate the R&D of analogy IC and mixed signal IC product lines, including audio amplifiers, power management, IoT/AIoT wireless communications, and thermo/photo sensor ICs, to improve product competitiveness and meet customer requirements of all kind. In addition, the Company will enter the global supply chain for advanced automotive electronic safety systems as soon as possible, establishing a stronger foothold in future competition and maximizing benefits for the Company.

ESMT'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, ESMT pays close attention to the development of relevant laws and adjusts strategy whenever the operations require so. As such, the Company is able to grasp and cope with any important change in policy and laws at home and abroad.

## Dividend policy

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

## 2025 dividend policy and policy execution

### (1) Dividend policy stated in the Articles of Incorporation:

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

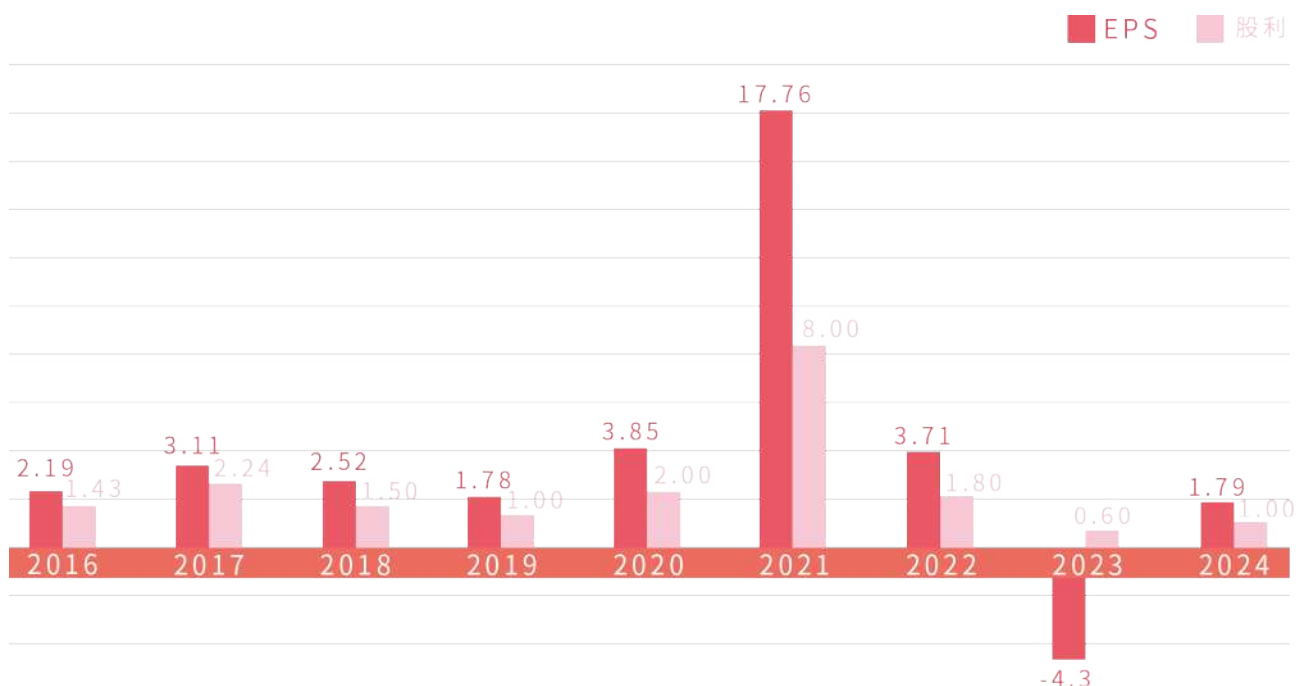
In the event that the company decides to distribute all or part of the earnings retained in the legal reserve or capital surplus in the form of cash, the Board of Directors is authorized, in accordance with Articles 240 and 241 of the Company Act, to proceed with the distribution upon the agreement of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

### (2) Dividend distribution for 2024:

On February 26, 2025, the Board of Directors resolved to distribute a cash dividend of NT\$1 for every share (to be calculated until a full NTD) after earnings distribution.

## Dividend distribution in recent years

Unit: NT\$



### 1.3 Ethics and legal compliance

#### Ethical and business strategy

As a member of enterprises and the society, ESMT pursues operational performance and creates economic value while wishing to using its power to "better the society", a corporate social responsibility goal it has set for itself. During our daily operations, we 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, respecting stakeholders' interests, and improving the transparency of information. ESMT wishes to fulfill the corporate sustainability operations responsibility and improve ESMT's business performance through a functioning governance framework.

ESMT has set up a reporting system for 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 according to 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 2024, 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. 559 employees have finished the training, accounting for 93.95% of total employees.

## Corporate social responsibility policy

As a member of enterprises and the society, ESMT pursues operational performance and creates economic value while wishing to using its power to "better the society", a corporate social responsibility goal it has set for itself. During our daily operations, we 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 between the interests of shareholders, employees, the society, and all stakeholders. With the vision of jointly creating sustainable development and promoting work-life balance, we offer quality work opportunities and environment and share the business development fruit with employees; in doing so, we also create jobs and make the society more friendly for work and living.

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

To care for the Earth and in response to climate change, ESMT values and maintain 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, to be submitted to the Audit Committee and Board of Directors for deliberation, including the following:

| Material issues                                                                                                          | Risk assessed                  | Risk management policy or strategy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Environmental sustainability</b><br> | Environmental protection       | <p>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.</p> |
| <b>Social responsibility</b><br>      | Workplace safety               | <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|                                                                                                                          | Social care                    | <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Governance</b><br>                 | Socioeconomic Legal compliance | <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

## 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,

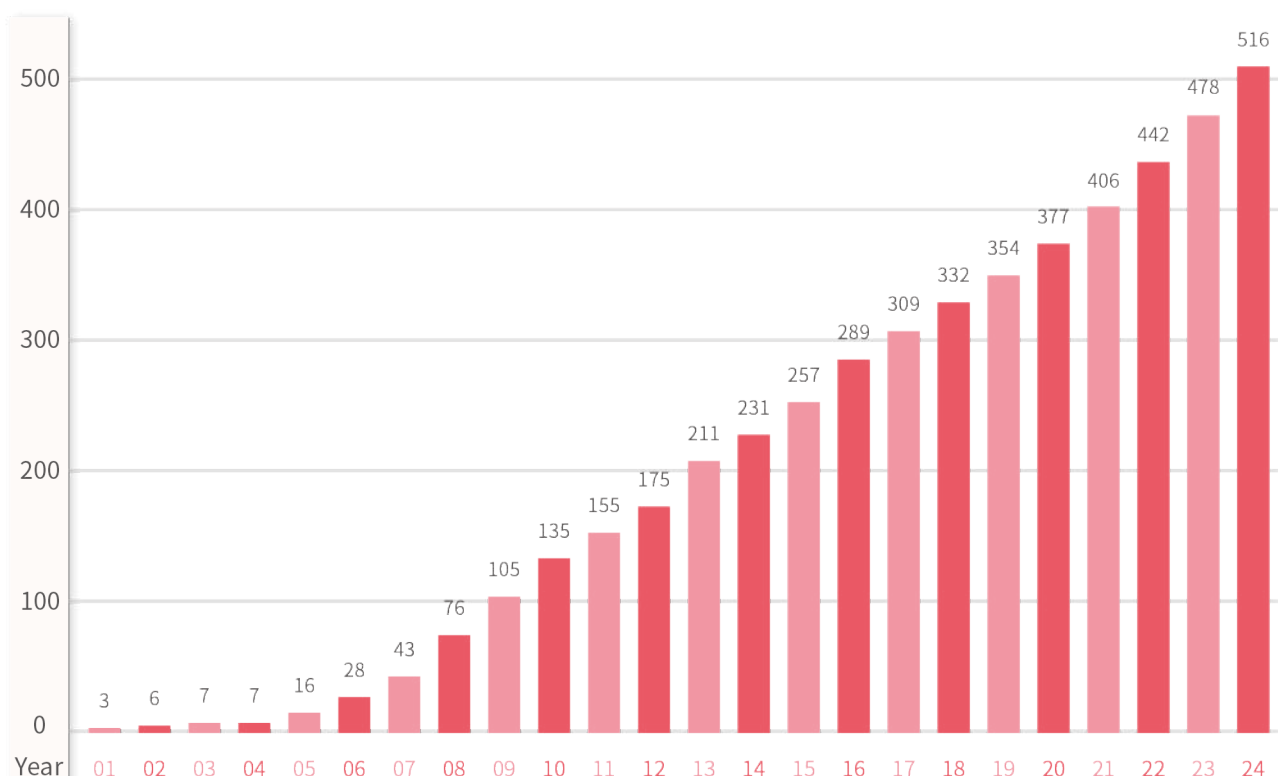
network communication, consumer electronics, IoT/AIoT, and automotive.

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 piling up the number of patents for leverage advanced technologies R&D and product design to launch cost-effective and high quality IC products from all production lines, aiming to become the long-term trust-worthy partner of customers.

### Total number of awarded patents over the years



## 1.6 Intellectual Properties

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 which uses 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, protecting the Company's operational autonomy and enhancing competitiveness, and making 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, to discussion about technologies, to formulation of a patent map for specific technologies, and to maintenance of patents, strictly controlling the quality of patented technologies. The personnel also monitor the patent application status of competitors in order to know what their product and technology development trend is and whether there is doubt about patent infringement.

The Company also pays attention to the technology transfer market and patent transaction market. The Company looks at the patent technology transfer or matching activities on each transaction platform (e.g., ITRI, NCSIST, and TWTM, etc.) and assesses whether a

technology is potential for transfer or matching, so as to fully leverage the Company's patent value. The Company has set up a Patent Review Committee, which is composed of top management, senior technological executives familiar with the technology, and recruited professionals and advisors, and adopts a graded review process to improve patent quality. The Company has also set up a proper patent reward system to encourage employees to propose a patent application. In addition, the Company also regularly organizes education and training on patented technologies to raise employees' awareness of the protection of patented technologies and patents.

## Trade secret protection

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

The Company has established internal regulations for trade secret. Periodically, an orientation on trade secret protection is provided 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 undertaking document; in doing so, they are obliged to keep confidential the Company's confidential information. The Company has established document control regulations, as well as the Document Control Center (DCC), which is responsible for managing and maintaining technological information critical to the Company. The Company also highly values information security in that it has set up information security management regulations and implementing applicable measures lest its information is leaked and interests infringed. By irregularly holding education and training 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 establishment the Company has seen seeking trade mark protection in countries where the main markets for its products are. The Company has dedicated personnel responsible for the retrieval prior to trade market application, management of trade mark cases and trade mark data, and maintenance of trade mark, so that the Company can do marketing worldwide under its private brand.

## Copyright management

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

The Company reported intellectual property matters to the 10th meeting of the 8th Board of Directors on December 23, 2020 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 irregularly 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 to employees,

as well as practical discussions.

- (3) In 2013, the Company updated the patent application procedures to implement a graded patent review system.
- (4) In 2014, the Company established the mechanism for applying for and reviewing company information to be publicized.
- (5) In 2015, the Company established and executed the strategy toward the analysis and arrangement of new product patent technologies, so as to govern the technology involved in new product development.
- (6) In 2017, the Company updated and established a comprehensive intellectual property right information management system to enhance the management of the various application information and patent protection information; it also updated the intellectual property protection strategy and patent review system to support the development and operations of new business.
- (7) In 2018, the Company invited the professor of the School of Law, Soochow University who is also the dean of the Intellectual Property Law Research Center to lecture on the protection and reasonable use of copyright; in addition, the supervisors of the Company's patent department held education and training on the analysis of patent technology for R&D personnel.
- (8) In 2019, the Company surveyed the 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 centrally maintain and manage legal documents under the approval process and relevant confidential information, the Company has established

the electronic approval management system; this ensures that only concerned personnel may access the confidential information and thus maintains the secrecy of confidential information. In response to the expansion of product lines, the Company once again adjusted the membership of the Patent Review Committee based on the technological attributes of products, so as to enhance the development of a portfolio of the patent technology of new products.

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

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

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

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

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

In light of the vigorous development of AI technology in recent

years, we have widely adopted AI technology in various databases. We have conducted tests and evaluations of the latest AI search functions offered by various patent databases on the market, aiming to introduce new patent databases and build more diverse AI search tools to enhance database functionality.

In response to the new direction of the Company's product market development and the addition of new product lines, and to support product promotion and trademark usage across business units, the Company will leverage resources to gather industry insights on trademark portfolios and conduct a comprehensive evaluation of its trademark deployment across countries, products, and services.

## 1.7 Prevent insider trading

1. The Company is a public company. As such, employees are heavily regulated by the laws and regulations governing insider trading and material information which might impact shareholder equity or securities price.
2. The so-called "material information" is handled in accordance with Article 4 of the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities.
3. Unless provided otherwise, the Company's material information shall be disclosed by the Company's spokesperson or acting spokesperson. Unless being authorized, no employee of the Company may disclose the material information they are informed of.
4. No employee informed of material information may trade the Company's securities under their own name or other person's name before the official disclosure of the material information or within 18 hours after the disclosure of the material information. The regulations also apply to the material information that an employee indirectly acquires due to reasons other than their duties.

5. No employee may inquire about or collect any non-public material information unrelated to their job duties.
6. All employees of the Company are obliged to keep confidential the Company's trade secret and non-public material information, shall exercise the due care and fiduciary duty typical of a good administrator when performing their duties, and may not leak any trade secret or non-public material information that they acquired in the course of performing their duties to anyone unrelated to their duties.
7. External institutions or personnel that participate in the Company's investment, merger, procurement, strategic alliance, or important collaboration plan, or that are a signatory to important legal documents, shall execute a confidentiality undertaking agreement as required by the Company; none of them may confide the Company's trade secret or non-public material information they are informed of.
8. No employee may discuss any topic related to the Company in internet chat rooms or 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.
10. The Company's directors are prohibited from trading their shares during the lockdown period that is 30 days prior to the publication date of the annual financial statements and 15 days prior to the publication date of the quarterly financial statements.

During the 14th meeting of the 9th Board of Directors held on February 27, 2025, the Company conducted a briefing on preventing insider trading and provided explanations regarding the prohibition for directors from trading their stocks during the 30-day period before the annual financial report announcement and the 15-day period before the announcement of each quarterly financial report. Prior to the closed periods before the announcement of the financial reports in 2025 (including

the 30-day period before the 2023 annual financial report and the 15-day period before each quarterly financial report), the directors were notified in advance of the financial report announcement dates to reinforce the awareness and remind them of the relevant regulations prohibiting stock trading during closed periods. During the 2024 fiscal year, there were no occurrences of directors trading their stocks during the closed periods before the financial report announcements, as stated above.

As required by the Regulations Governing Establishment of Internal Control Systems by Public Companies, the Company has established the "Insider Trading Prevention Management" regulations within its internal control system, and conducts information dissemination every year. The Company disseminated the information on "insider trading prevention" to employees by means of e-learning in December 2024. A total of 559 completed the e-learning courses, accounting for 93.95% of total employees. Those who have yet to complete the e-learning courses will be tracked during the 2025 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](mailto:audit@esmt.com.tw).

The reporter shall provide at least the following information:

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

The person 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:

- I. Reported matters involving an employee shall be reported to the departmental supervisor governing the employee; reported matters involving a director or top management shall be reported to the independent director.
- II. The Company's dedicated unit and the supervisor stated in the previous subparagraph shall immediately verify the reported matter, and may request assistance from the legal compliance department or other relevant department wherever necessary.
- III. If the person being reported is confirmed to be in violation of laws or regulations or the Company's ethical corporate management policy, the Company shall demand that the person immediately cease the conduct, and shall impose proper punishment, or, whenever appropriate, report the person to the competent authority, transfer the person to judicial authority for investigation, or demand compensation from the person through legal proceedings, so as to maintain the Company's reputation and interests.
- IV. Reporting acceptance, investigation process, and investigation results shall be kept in writing, and shall be preserved, either in hard copy or electronic file, for 5 years. If 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.
- V. If the matter reported is verified to be true, the Company will have the responsible units review internal control system and operating procedures, and propose corrective actions to avert the recurrence of the same matter.
- VI. The Company's dedicated unit shall report to the Board of Directors on the reported matter, handling methods, and subsequent review and corrective actions.



## 1.9 Litigation and Compensation

During the year 2024, the company did not encounter any litigation events nor incur any litigation-related damages or compensations.

## 1.10 Information security policy and management projects

### 1. Information security risk management framework

The Information Office is the unit in charge of information security within the Company; the Information Office shall formulate and implement 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.

### 2. Information security policy

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

I. Definition of information security

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

II. Targets of information security

1. Ensure the confidentiality of business-related information and protect the Company's secrets.

2. Ensure the integrity and availability of business-related information.

3. Enhance the capabilities of information security protection.

III. Scope of Information Security

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

3. Information security management measures

The Company has purchased 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.

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

#### 4. Information security management measures:

| Information security management measures |                                                                                                           |                                                                                                                                                                                                                                                                                             |
|------------------------------------------|-----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Type                                     | Description                                                                                               | Related operation                                                                                                                                                                                                                                                                           |
| Authority management                     | Measures for management of personnel accounts and permission and system operation behavior                | <ul style="list-style-type: none"> <li>• Personnel account and permission management and review</li> <li>• Periodical inventory of personnel account and permission</li> </ul>                                                                                                              |
| Access control                           | Measures for controlling personnel accessing internal and external systems and data transmission channels | <ul style="list-style-type: none"> <li>• Internal/external access control measures</li> <li>• Sensitive data leakage control</li> <li>• Operation behavior trace record</li> </ul>                                                                                                          |
| External threat                          | Internal potential vulnerabilities, virus contraction channels, and protective measures                   | <ul style="list-style-type: none"> <li>• Host/computer vulnerability protection and update measures</li> <li>• Virus protection and malware detection</li> <li>• Cyber threat monitoring</li> </ul>                                                                                         |
| System availability                      | System availability status and measures taken upon service interruption                                   | <ul style="list-style-type: none"> <li>• System/Network availability status monitoring and reporting mechanism</li> <li>• Measures taken upon service interruption</li> <li>• Information back-up mechanism; local/remote back-up mechanism</li> <li>• Periodical recovery drill</li> </ul> |

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



# 02 Prosper with partners





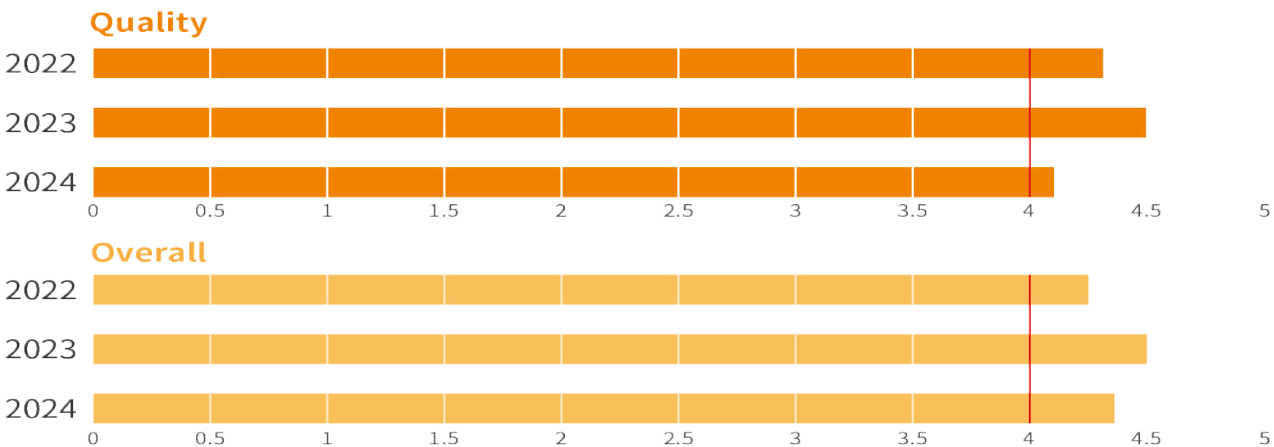
## 2.1 Opinion feedback

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

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

In 2024, customer satisfaction with ESMT's quality and overall experience decreased slightly compared to 2023. The main reason for the decline in customer satisfaction is that brand customers have high expectations of ESMT, leading to outlier low scores. ESMT will continue to analyze and improve abnormal customer feedback to enhance product quality. ESMT continues to communicate with customers through its business and operations teams regarding sales, service, delivery times, and quality issues, in order to achieve customer satisfaction.

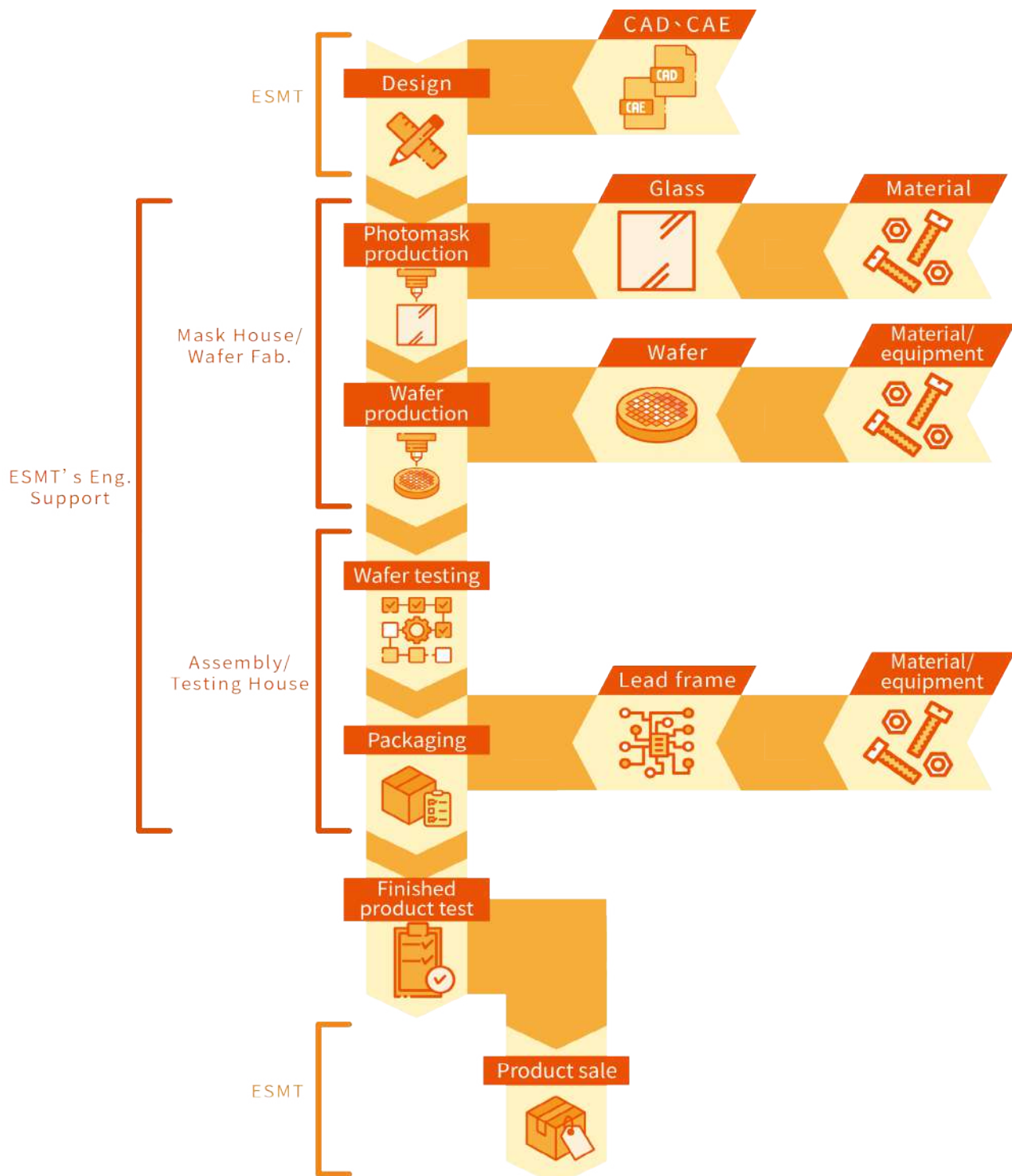
### Customer Satisfaction Trend



## 2.2 Supplier management and evaluation

### 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 subcontractors at every stage of production and processing to integrate and adjust the processes required for proper functioning of the supply chain.

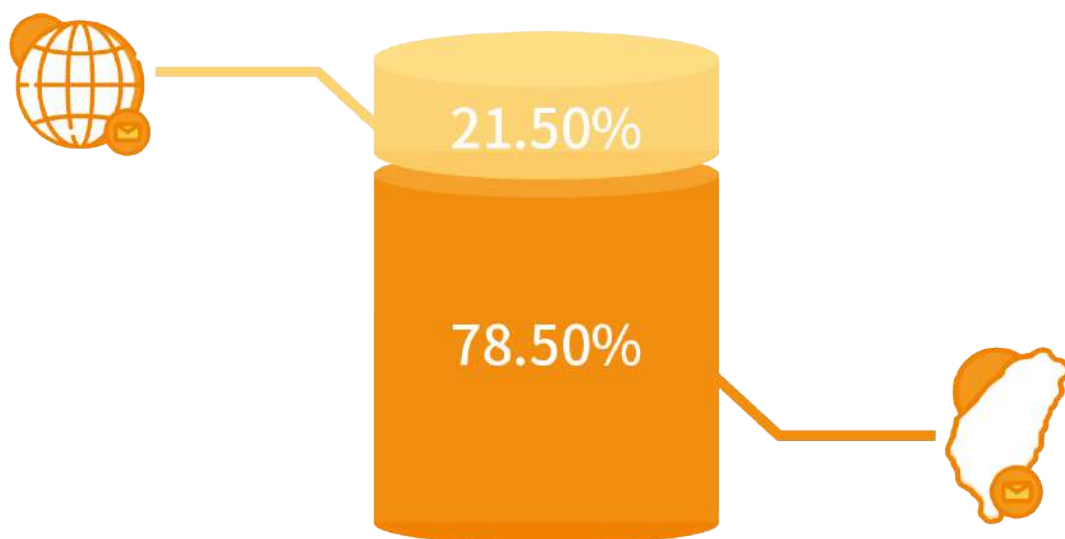


## Local procurement

ESMT approves procurement and implements procurement by following the standard procedures stated in the Procurement Management Regulations, and by type of procurement case and monetary amount. In order to reduce carbon emissions from transportation, the Company prioritizes sourcing from local suppliers. In 2024, localized procurement accounted for 78.5% of ESMT's purchases in Taiwan.

Due to the continuous rise in raw material and labor costs, as well as the impact of the US-China trade war and tariff adjustments, ESMT is gradually planning a local production and sales model to significantly reduce carbon emissions from transportation.

### Local procurement ratio in 2024

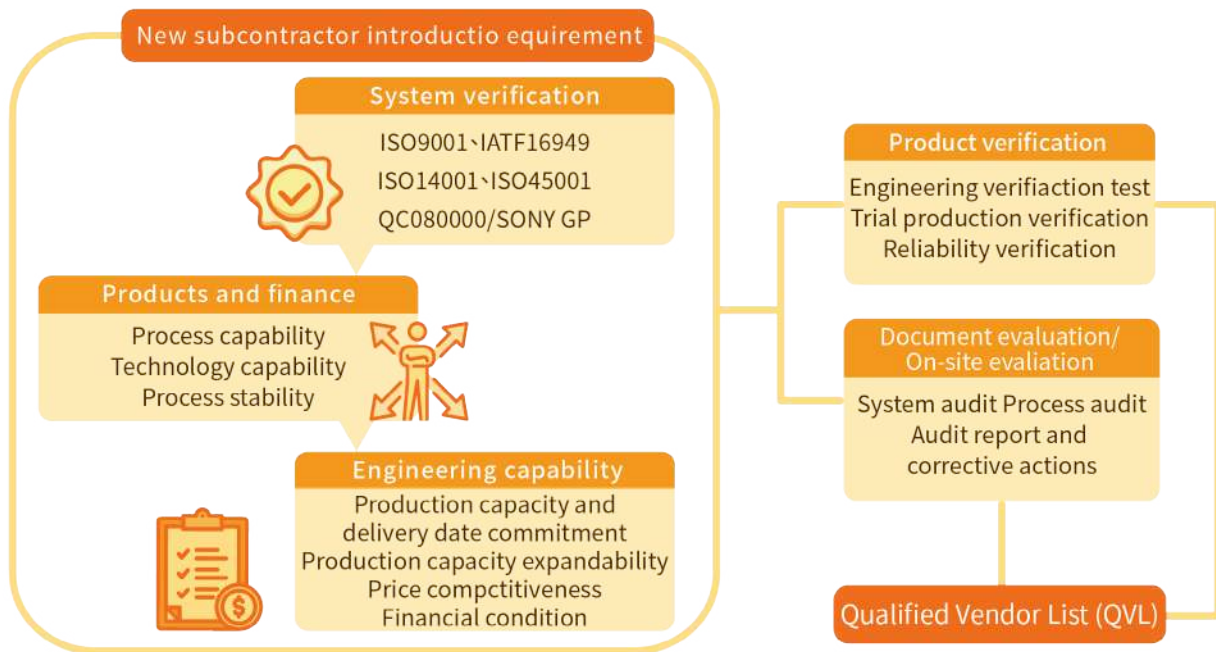


## New supplier evaluation

When choosing an subcontractor partner, ESMT will follow the "External Subcontractor Management Procedures", to require the key external vendors to obtain the certifications of ISO 9001 / IATF 16949 and ISO 14001, for assessing the supplier's engineering capability, system certification, capacity, and financial performance to see whether the supplier is competitive enough; ESMT will also conduct a systematic audit and product validation, to see whether a subcontractor's capabilities meet ESMT's requirements. Subcontractors that pass the appraisal will be listed as Qualified Outsourcers (QVL) of Sovereign

Technology. The audit and inspection items for key external suppliers includes 21 for environmental protection/conflict mineral items, 10 for labor human rights items, 6 for occupational safety and health items, 3 for ethics, and 3 for RBA management system, to check whether the key external suppliers meet the requirements of ESMT ESG policy requirements one by one.

### Subcontractor introduction procedures



### Subcontractor management

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

## Subcontractor coaching flow chart



In 2024, the ratio of ESG system certification for ESMT's key subcontractors reached 98%. In 2024, the annual regular audits of the subcontractors were all conducted in the form of physical audit, and all non-conformities found in the audit have been rectified to meet ESMT's or local regulatory requirements. The system certification, regular audits, and periodic evaluations of ESMT's key contractors are described as follows:

### Proportion of contractors' system certifications

| Aspect             | Governance |            | Environment |                      | Social    |
|--------------------|------------|------------|-------------|----------------------|-----------|
| Type               | ISO 9001   | IATF 16949 | ISO 14001   | QC0 80000 or SONY GP | ISO 45001 |
| Wafer plant        | 100%       | 94%        | 100%        | 94%                  | 100%      |
| Packaging plant    | 100%       | 100%       | 100%        | 100%                 | 94%       |
| Testing plant      | 100%       | 71%        | 100%        | NA                   | 100%      |
| RDL plant          | 100%       | 100%       | 100%        | 100%                 | 100%      |
| Overall percentage | 100%       | 93%        | 100%        | 98%                  | 98%       |

### Subcontractor evaluation and periodical audit

- Frequency: Annually
- Party: New contractors or subcontractors included in the annual audit plan
- Audit scope: Quality System Audit (QSA); Quality Process Audit (QPA); Corporate Social Responsibility (CSR) Audit; Environmental Management System (EMS)
- Audit and inspection: inspection items including 21 for environmental protection/conflict minerals, 10 for labor human rights, 6 for occupational safety and health, 3 for ethics, and 3 for RBA management system.
- Method: ✓ Document evaluation by the subcontractor per se  
✓ On-site audit  
✓ Non-conformity corrective actions

#### 2024 Contractor Periodical Rating Completion Rate

| Subcontractor      | QSA  | QPA  | CSR  | EMS  |
|--------------------|------|------|------|------|
| Packaging plant    | 100% | 100% | 100% | 100% |
| Testing 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

#### 2024 Contractor Periodical Rating Completion Rate

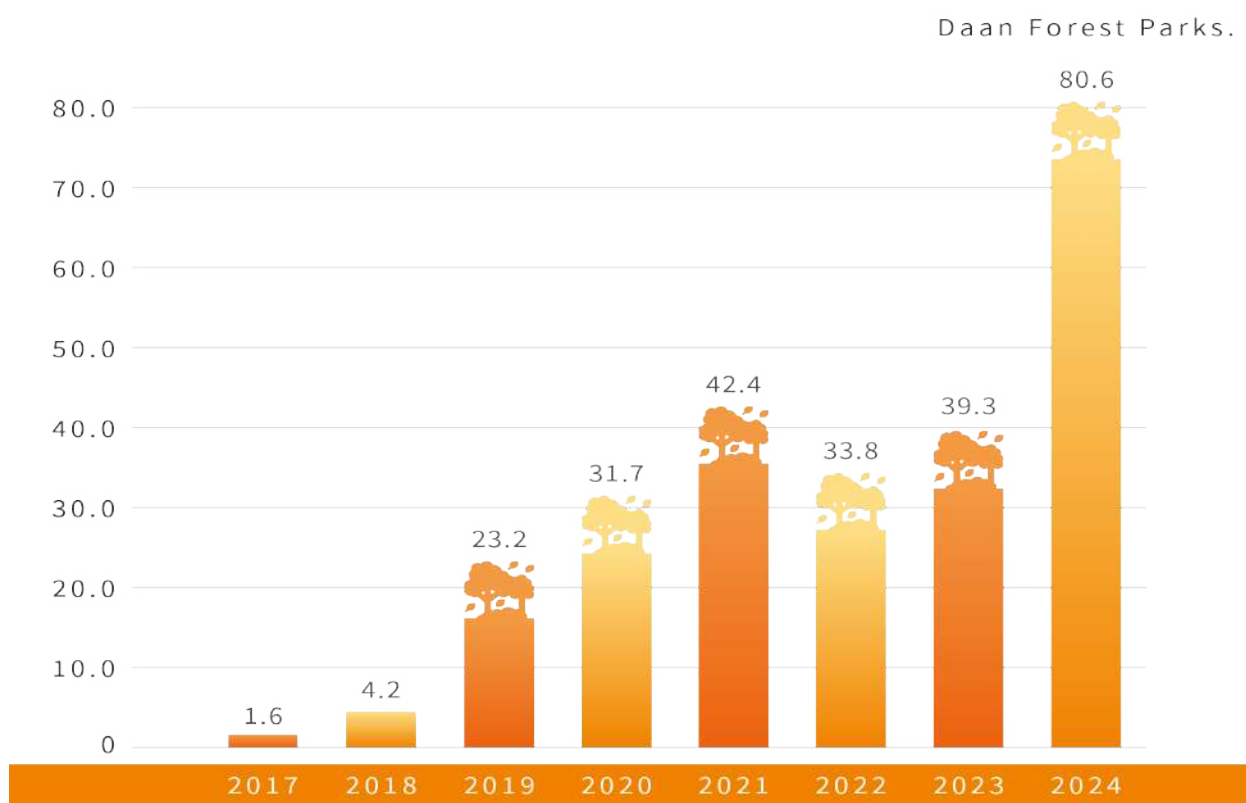
| Subcontractor   | Wafer plant | Packaging plant | Testing plant | Others | Overall percentage |
|-----------------|-------------|-----------------|---------------|--------|--------------------|
| Completion rate | 100%        | 100%            | 100%          | 100%   | 100%               |

## 2.3 Green products

### I. Green Design:

ESMT focuses on the development of niche products. To achieve the goal of improving product energy consumption, ESMT's product design is based on the DDR2 in 2016. We have transitioned our product design to low-energy DDR3 and DDR4 products, while replacing the 30nm process technology with 25nm low energy consumption process technology. The DDR4 products have been successfully introduced into cloud server applications to the hard drive customers in the US, and have been introduced into home appliances for brand customers; DDR3 products have been applied in home appliances for brand customers, and the home appliance products have obtained the U.S. Energy Star certification; since 2019, the audio IC products have been gradually replacing the 0.30 $\mu$ m process with the 0.18 $\mu$ m and 0.13 $\mu$ m process technology. From 2017 to 2024, the cumulative power savings achieved through the use of these low-energy products in end-product devices amounted to a reduction of 99,512 metric tons of carbon emissions, equivalent to the carbon sequestration capacity of 256 Daan Forest Parks.

### Carbon adsorption capacity in Daan Forest Park (piece)



## II. Green production (RoHS):

ESMT complies with the EU's Restriction of the use of certain Hazardous Substances in 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 contractors are required to commit to zero use of environmental management substance and monitor and manage the environmental management substance, so as to comply with the green product requirements and international laws and regulations.

All products of the Company comply with RoHS regulations and the regulations for restricted hazardous 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. Contractors must be informed of, and comply with, the requirements for managing environmental management substance and the maximum value of environmental management substance they are allowed to use; they must also provide supporting documents.
3. Contractors must be audited from time to time and coached to enhance green supply chain management.

### 2.4 Risk Management of Critical Raw Material Usage

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

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

## Green Partner

To meet customers' constantly updated environmental management substance requirements and maintain the ESMT's environmental management substance requirements and commitments, ESMT not only complies with EU RoHS regulations and SONY SS00259 standards, but also dedicates to promoting the certification of environmental management substance system. ESMT was awarded the SONY GP (Green Partner) certificate in July 2005. 98% of ESMT's key subcontractors have obtained the QC080000 certification or SONY GP certification; we ensure that ESMT and the subcontractors continuously comply with green product standards through annual regular audits and the subcontractors' fulfillment of responsible conflict mineral investigation.

## Conflict minerals

The rare metals such as coltan, cassiterite (tin), gold, and wolframite (tungsten) which are extracted in the Democratic Republic of the Congo or adjoining countries or regions have caused human rights to be severely infringed and environment exploited.

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

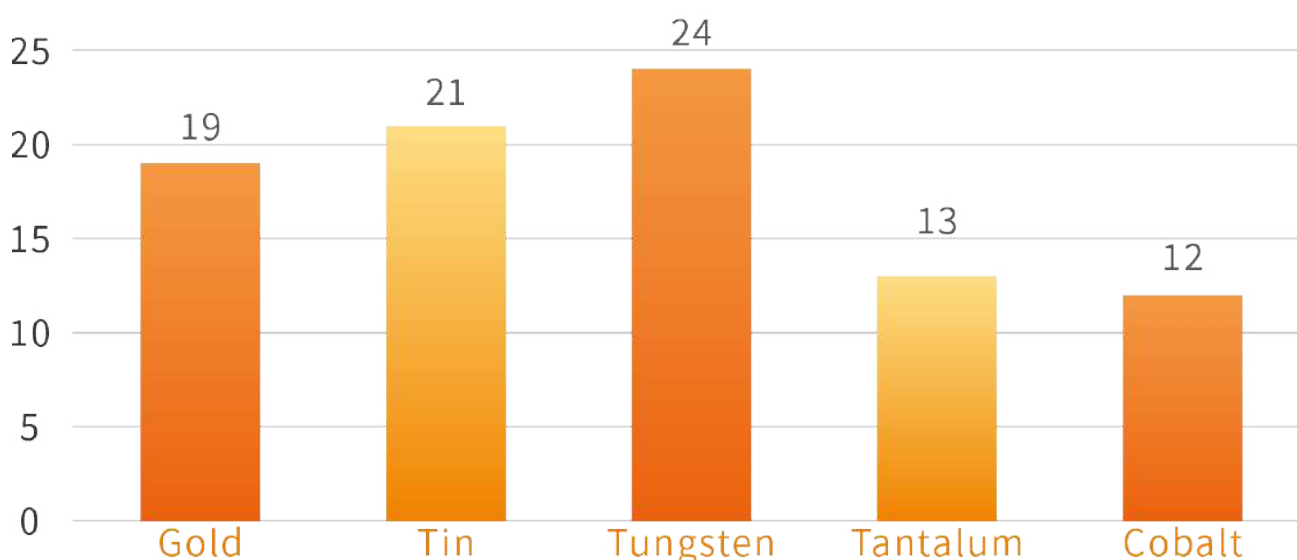
1. The Company complies with the RBA Code of Conduct (RBA CoC) and is committed to conducting due diligence in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (hereinafter referred to as

the "OECD Guidelines"). This ensures that the products provided by contractors and suppliers do not directly or indirectly benefit armed groups that violate human rights.

2. For the outsourced vendors and suppliers of products containing gold (Au), tin (Sn), tantalum (Ta), tungsten (W), and cobalt (Co), we require them to disclose smelter information and conduct supply chain due diligence in accordance with the OECD Guidelines.
3. We are committed to and require that the outsourcing contractor shall only purchase from smelters or refineries that have passed third-party verification.
4. No prohibition on conflict minerals sourced from the DRC or neighboring countries that are mined in compliance with human rights standards.

In 2024, the Company investigated raw materials suppliers in relation to conflict minerals for a glimpse of smelters; there were 19 gold smelters, 21 tin smelters, 13 tungsten smelters, 24 tantalum smelters, and 12 cobalt smelters. The metals contained in the materials are sourced from legal smelters or refineries audited by a third party.

#### Number of smelters in relation to conflict minerals





# 03

## Environmental sustainability



## 3.1 Environmental protection policy

Comply with all environmental regulations and take corporate social responsibility.

Devote to green product design to reduce the impact on environment.

Continue to minimize waste and conserve energy as well as make efforts to prevent pollution.

Review the performance on environmental protection regularly to ensure continuous improvement.

Practice environmental protection education to raise employees awareness.

Communicate with suppliers continuously to promote our concept of environmental protection.

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

### 1. Greenhouse gas/ energy management

- Continue to replace the lighting system with LED lights in the plant area.
- Set the air-conditioning temperature in the office area at 26~28 degree Celsius.

- Turn off unnecessary lighting during meal and break times.
- Promote paperless policies and introduce electronic forms to reduce paper usage.
- Provide colleagues with eco-friendly tableware and limit the use of disposable tableware.
- Use green products, or equipment and electrical appliances with an energy label.
- Encourage employees to take the stairs instead of the elevator and promote carpooling for official transportation.
- Promote the inventory and updating program for the major energy-consuming equipment.
- Evaluate and plan the green energy /use establishment, purchase and use green power (certificate)

## 2. Water Resource Management

### a. Establishment of management system

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

### b. Introduction of new equipment

Introduction to water-saving equipment

## 3. Waste Management

- Implement the resource recycling and classification mechanism and set the resource recycling rate
- Enhance the value of resource recycling.
- Encourage employees to reduce waste generation.

## 3.2 Response to climate change

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

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

### Governance

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

| Each task force                                                                                                                                                                                                                                                                                  | Corporate Sustainability Committee                                                                                                                                                                            | Board of Directors                                                                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>Regularly review the status of identification of internal and external risks/opportunities from climate change</li><li>Regularly assess new risks/opportunities from climate change, i.e. the responding status of existing risks/opportunities.</li></ul> | The achievement status of climate-related environmental goals, and the identification, assessment, and tracking of risks/opportunities; regular reports to the Audit Committee/Board of Directors every year. | <ul style="list-style-type: none"><li>Supervise the Company's response strategies to risks and opportunities from climate change</li><li>Outcome of urging the management to implement and performance tracking</li></ul> |

## Strategy

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

| Risk item                                     | Period              | Impact Description                                                                                                                                                             | Potential financial risks                                                                               | Response measures                                                                                                                                                                                                                                                                             |
|-----------------------------------------------|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Unstable power supply                         | Short-term          | The demand for power has increased significantly, and the stability of green energy supply and raw material transportation have been affected by political and climate issues. | Rising electricity prices                                                                               | 1.Promote energy conservation and carbon reduction measures at workplace<br>2.Set an annual electricity conservation goal<br>3.In-house power consumption survey                                                                                                                              |
| Stricter environmental regulations            | Mid-term            | Stricter emission regulations                                                                                                                                                  | Increased waste disposal costs<br>Additional or enhanced process equipment                              | 1.Exchange information among members of industry associations and participate in regulatory courses organized by the government<br>2.Enhance legal awareness and education and training                                                                                                       |
| Carbon fee/carbon tax                         | Short-and mid-terms | 1.Incorporation of the carbon fee into laws and regulations<br>2.Implementation of carbon tariffs (carbon border adjustment mechanism) by various countries                    | Increased operating and manufacturing costs, and related penalties generated                            | 1.Continuously monitor and identify the impact of regulatory trends<br>2.Evaluate the implementation of the internal carbon pricing mechanism, and grasp the tangible cost of carbon emissions.                                                                                               |
| Increased frequency of extreme weather        | Short-term          | Increased extreme events such as typhoons and heavy rainfall                                                                                                                   | Operations are affected or interrupted                                                                  | 1.Shorten the time required for restoration of operational systems, as well as of operations.<br>2.Implement the mechanism that deals with material anomalies<br>3.Continue to supervise suppliers holding climate event contingency plans and drills<br>4.Assess and set up backup equipment |
| Rising average temperature                    | Short-and mid-terms | Continuous high temperatures and prolonged summer hours                                                                                                                        | Elevated building energy consumption                                                                    | Continuously improve the energy efficiency through the energy management system assessments.                                                                                                                                                                                                  |
| Drought                                       | Long-term           | Increase in consecutive days without rainfall during the rain season                                                                                                           | Externally purchased water trucks or additional water tanks are required to maintain normal operations. | 1.Continuously monitor the water consumption in the plant area<br>2.Set up the emergency water-saving plan                                                                                                                                                                                    |
| Opportunity items                             | Period              | Challenge description                                                                                                                                                          | Potential financial impacts                                                                             | Response measures                                                                                                                                                                                                                                                                             |
| Market transformation/ technology development | Mid-and long-term   | Increased technical requirements for low-carbon product development (low-carbon production)                                                                                    | Increase the investment in R&D personnel and funds for low-carbon products.                             | 1.Encourage existing suppliers to deploy the low and zero carbon technology (LZC), and preferentially work with them if they do so<br>2.Assess and develop low-carbon products and markets                                                                                                    |

## Risk management

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



## Indicators and Targets

Continuously promote the greenhouse gas inventory and environment-related indicator statistics, set up the per capita targets for greenhouse gas, water consumption, and waste output, and promote the reduction activities.

- Target of GHG reduction per capita (reduction by 4% in 2025 from 2019)
- Target of water consumption reduction per capita (reduction by 2% in 2025 from 2019)
- Target of waste output reduction per capita (reduction by 2% in 2025 from 2019)
- The waste resource recycling rate is 60%, and continue to promote a circular economy to double the value of recycling.

### 3.3 Energy Management

ESMT is a professional IC design company. The main source of energy consumption for daily operations is the electricity (purchased power), followed by gasoline and diesel for self-owned company vehicles and emergency generators. The total energy consumption in 2024 was 30,711.19 GJ (an increase of 8.18% compared to 2023). Compared to the previous year (2023), the per capita energy consumption intensity of employees increased by 2.74%.

In order to effectively improve energy efficiency, ESMT has gradually replaced the chiller in regional offices with new LED lighting, and continues to evaluate options for installing solar power on the roof, while also working to diversify its electricity sources and reduce its own energy consumption.

#### Energy consumption in the past two years

| Type                             | Source                 | Usage                                    | 2022      | 2023      | 2024      | Difference |
|----------------------------------|------------------------|------------------------------------------|-----------|-----------|-----------|------------|
| Electricity                      | Taiwan Power Company   | Plant-wide electricity driven facilities | 25,401.60 | 28,338.90 | 30,642.89 | 8.13       |
| Gasoline                         | Taiwan CPC Corporation | Emergency generator                      | 35.92     | 46.37     | 53.70     | 15.8       |
| Diesel                           | Taiwan CPC Corporation | On-site company vehicles                 | 1.41      | 4.92      | 14.60     | 196.75     |
| Total Energy Consumption (GJ)    |                        |                                          | 25438.93  | 28390.18  | 30710.29  | 8.17       |
| Energy Intensity (GJ per Capita) |                        |                                          | 48.09     | 50.07     | 51.44     | 2.74       |

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

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

Note 2: Conversion units for gasoline and diesel are 7,609 kcal/L and 8,642 kcal/L, respectively.

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

## "Clean" energy and carbon reduction

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

In 2023, ESMT began to purchase T-RECs from the "National Renewable Energy Certification Center," and the certificates are all in the form of solar power generation. Familiarize with the trading mechanism, and take a step toward achieving net zero by 2050. We will continue to monitor the possibility of procurement of renewable energy (certificates) and the promotion of self-construction, to gradually expand the use of renewable energy (certificates).

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

### 3.4 GHG Inventory Management

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

The total GHG emissions in 2024 were 5,785.787 tCO<sub>2</sub>e, with direct emissions (Scope 1, Category 1) at 198.1539 tCO<sub>2</sub>e, representing 3.49%. Indirect energy emissions (Scope 2, Category 2) were 4,205.5581 tCO<sub>2</sub>e, accounting for 73.97%. Other indirect emissions (Scope 3, Categories 3-4) totaled 851.4320 tCO<sub>2</sub>e, accounting for 14.97%.

#### Scopes 1 to 3 (Categories 1-4) GHG emissions in 2024

| GHG Scope                    | ISO 1464-1 Category Description                                   | Emissions (t CO <sub>2</sub> e) | Emission percentage (%) |
|------------------------------|-------------------------------------------------------------------|---------------------------------|-------------------------|
| Scope 1<br>(Category 1)      | Direct GHG emissions                                              | 198.1539                        | 3.49                    |
| Scope 2<br>(Category 2)      | Indirect greenhouse gas emissions from input energy               | 4205.5581                       | 73.97                   |
| Scope 3<br>(Categories 3- 4) | Indirect GHG emissions from transportation                        | 430.6426                        | 7.57                    |
|                              | Indirect GHG emissions from the products used by the organization | 851.432                         | 14.97                   |
| Total emissions              |                                                                   | 5685.787                        | 100                     |

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

The Scope 1 and Scope 2 emissions of ESMT in 2024 were 4,403.712 tCO<sub>2</sub>e, an increase of approximately 450 tCO<sub>2</sub>e compared to 2023. The per capita emission was 7.36 tCO<sub>2</sub>e/person, achieving the quantitative GHG emission reduction target set in 2020 for three consecutive years since 2022: a 4% decrease (7.37 tCO<sub>2</sub>e/person) in GHG emissions per capita in 2025 compared to 2019.

In order to effectively review the GHG Emissions of the Company and its supply chain, ESMT conducted a company-wide GHG inventory in

August 2024 and completed third-party verification in the first quarter of 2025. In terms of Scope 3, within Categories 3 to 6 for other indirect GHG Emissions sources, we identified more emission hotspots and invited our suppliers, partners, and colleagues to promote this initiative jointly.

2019–2024 Annual GHG Emissions
(Unit: tCO2e)

| Year | Category 1 | Category 2 | Greenhouse gas emissions<br>Category 1 + 2 | Greenhouse gas<br>emissions per capita | %      |
|------|------------|------------|--------------------------------------------|----------------------------------------|--------|
| 2019 | 4.92       | 3,186.86   | 3,191.78                                   | 7.69                                   | -      |
| 2020 | 38.84      | 3,298.04   | 3,336.88                                   | 7.87                                   | 2.34   |
| 2021 | 124.30     | 3,245.94   | 3,370.24                                   | 7.49                                   | -2.60  |
| 2022 | 44.53      | 3,591.52   | 3,636.05                                   | 6.87                                   | -10.62 |
| 2023 | 55.81      | 3,896.60   | 3,952.41                                   | 6.97                                   | 8.70   |
| 2024 | 198.15     | 4,205.56   | 4,403.71                                   | 7.36                                   | 5.74   |

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

According to the results of GHG inventory in 2024, the main source of emissions still comes from Scope 2 (Category 2) - power consumption, accounting for 98.68% of the total. Under the impact of climate change, the average summer temperature of each operating site in Taiwan continues to hit new highs, making it even more challenging to curb overall energy use.

2024 GHG Statistics

| Type of greenhouse gas                   | CO <sub>2</sub> | CH <sub>4</sub> | N <sub>2</sub> O | HFCs    | PFCs     | SF <sub>6</sub> | NF <sub>3</sub> | Aggregate |
|------------------------------------------|-----------------|-----------------|------------------|---------|----------|-----------------|-----------------|-----------|
| Emissions<br>(metric tons CO2e/year)     | 5,492.4379      | 5.2861          | 0.1169           | 47.6257 | 140.3200 | 0.0000          | 0.0000          | 5,685.787 |
| As a percentage of<br>total emissions(%) | 96.60%          | 0.09%           | 0.00%            | 0.84%   | 2.47%    | 0.00%           | 0.00%           | 100.00%   |

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

3.5Water Resource Management

When planning the intake of water resources in all plant area o of upstream and downstream integration of the supply chain and fulfillment of social responsibility. The quantified targets of water management is determined as: reducing the overall water consumption per capita by 2% in 2025 comparing to 2019, with the aim of taking concrete actions alongside global enterprises to address the challenges of climate change. Achieved the 2025 per capita water consumption

target ahead of schedule in 2023. However, the total water intake figure has continued to rise. ESMT will continuously promote water-saving facilities and manage water resources.

## 2019-2024 Water Consumption

Unit(m<sup>3</sup>)

|  | 2019   | 2020   | 2021   | 2022   | 2023    | 2024   |
|-----------------------------------------------------------------------------------|--------|--------|--------|--------|---------|--------|
| Water consumption (M3)                                                            | 16,947 | 19,169 | 17,820 | 20,499 | 20,894  | 22,182 |
|  | -      | 9.98%  | -0.70% | -0.76% | -14.18% | 1.22%  |
| Water consumption per capita (M3)                                                 | 39.88  | 43.86  | 39.60  | 39.57  | 37.65   | 38.11  |

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

The statistics of water resource usage cover the Hsinchu Science Park HQ and the Taipei Nangang Office. The water resources are sourced from the Hsinchu Paoshan second reservoir and the Taipei Feitsui Reservoir, respectively. As for the risk management assessment of water use, based on the analysis results from the World Resources Institute (WRI)'s Water Risk Atlas, Taiwan, neither the Hsinchu Science Park HQ or the Taipei office is located in a water-stressed area. In addition, rainwater recycling equipment in the Hsinchu HQ has been installed to collect and store rainwater, to channel into secondary water systems such as the cooling tower of the main chiller.

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

## 2021-2024 Water Resource Usage

Unit: million liters (thousand m<sup>3</sup>)

| Type                                 | 2021   | 2022   | 2023   | 2024   |
|--------------------------------------|--------|--------|--------|--------|
| Total Water Intake                   | 17.954 | 20.687 | 21.063 | 22.361 |
| Surface water (rainwater)            | 0.134  | 0.188  | 0.169  | 0.179  |
| Groundwater                          | 0      | 0      | 0      | 0      |
| Seawater                             | 0      | 0      | 0      | 0      |
| Third-party water supply (tap water) | 17.820 | 20.499 | 20.894 | 22.182 |
| Water consumption                    | 9.578  | 11.312 | 10.091 | 11.926 |
| Water discharge                      | 8.376  | 9.375  | 10.972 | 10.435 |

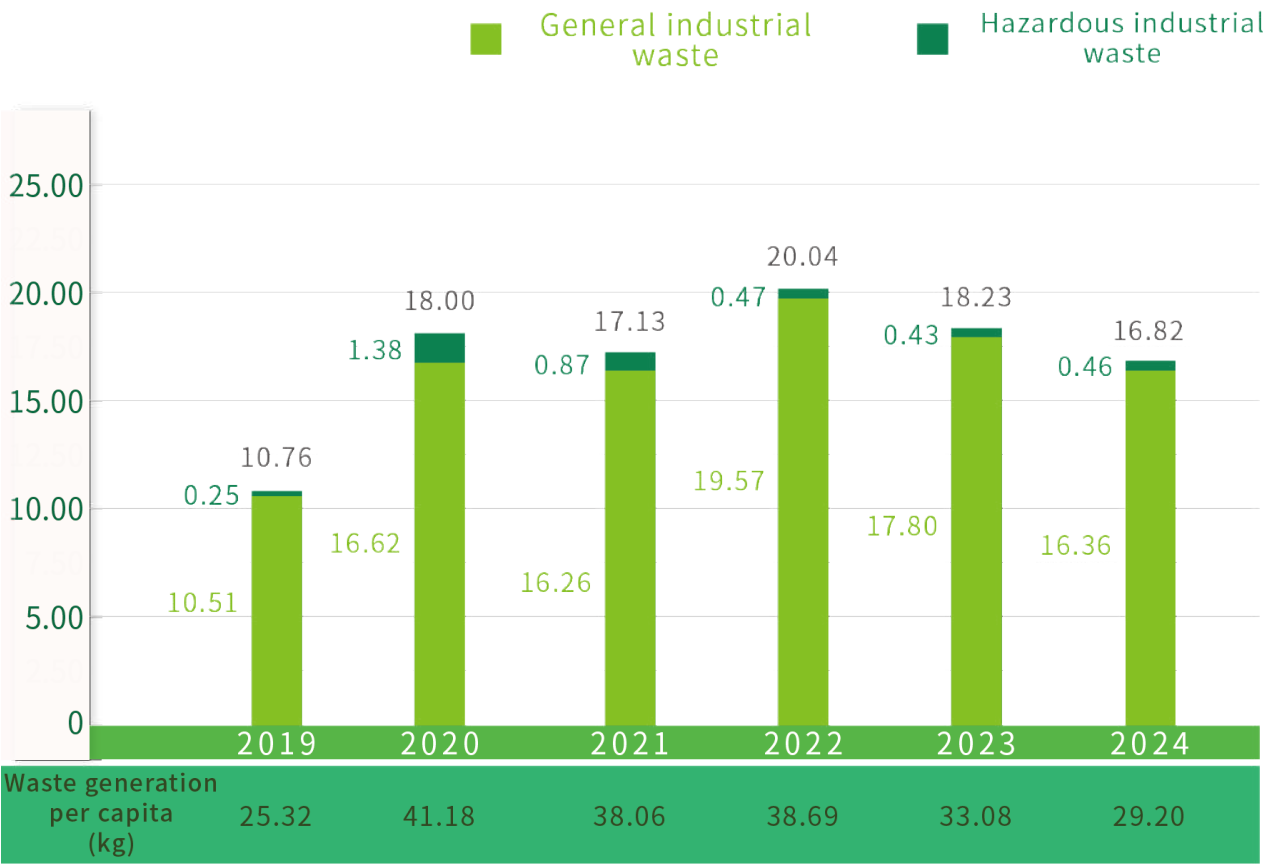
(Data Scope: Hsinchu Science Park HQ, Taipei Office)

### 3.6 Waste Management

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

# Statistic of waste disposal, 2019 - 2024

Unit: ton



(Data Scope: Hsinchu Science Park)

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

Under the concept of the Sustainable Development Goals (SDGs), the limited supply of resources in the future has unlimited value. Implement resource recycling and classification, increase recycled resource reuse rate, and increase the value of reuse the recycled resources. In terms of waste recycling, we aimed for a resource recycling rate of 60% in 2023, and 66.02% in 2024, primarily with packaging materials (waste paper), followed by waste plastics.

## 2023-2024 Resource Recycling Volume

(Unit: metric tons)



Note: Recycling rate = volume recycled / (volume of general industrial waste + volume of hazardous industrial waste + volume recycled) (Scope of information: Hsinchu Science Park)

### 3.7 Green Actions

ESMT actively promotes the reduction of disposable plastics, we provide the employees with a set of eco-friendly utensil and eco-friendly straws, so that the employees may use the eco-friendly utensil whether taking the meals in office or during the business trips, to lower the dependence on the disposable utensil (plastic spoons, forks, and bamboo chopsticks). The amount of disposable items reduced over the past three years (2022-2024) would stack up to over 4.38 times the height of Taipei 101.



## Joined the Green Office Initiative of the Ministry of Environment

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

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

### 3.8 Biodiversity

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

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

## 25th anniversary of ESMT

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



## Good Morni MIT – Video Viewing

Promoting the ecological sustainability from awareness. In 2023, ESMT invited the family members and friends brought by the employees to participate in the film-viewing event "Good Morni MIT". Through the event, we not only directly supported the who record the environmental ecology, but also allowed our employees to learn more about the activities of the native species in alpine regions of Taiwan. Hynobius is not a fish but an amphibian. It is one of the few creatures from the same period of the dinosaurs still on earth. In this era of intensified climate change, we can't help but think about whether Hynobius will survive and leave good things to future generations.





# 04

## Friendly workplace



# Friendly workplace

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

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

## Comply with local labor laws and protect the basic rights of employees

We comply with the United Nations Guiding Principles on Business and Human Rights (UNGPs), the United Nations Global Compact, the International Labor Conventions, the OECD Guidelines for Multinational Enterprises, the Responsible Business Alliance Code of Conduct, the Responsible Business Alliance Code of Conduct Due Diligence, Declaration on Fundamental Principles and Rights at Work of the International Labor Organization, and other international regulations and domestic labor laws and other applicable laws and regulations. In doing so, we ensure that employees, affiliated companies, suppliers, contractors, and partners are entitled to an equal and respectful working environment.

The chairman of ESMT has signed ESMT's Human Rights Policy, declaring and requiring all suppliers to comply with the following guidelines to implement its human rights policy.

1. Value the rights and interests of employees and human rights, including eliminating discrimination and not coercing or forcing them into involuntary labor.
2. Continuously improve the health and safety of our working environment, foster a friendly workplace, and promote work-life balance.

3. To protect the health and safety of the aforementioned stakeholders, negative impacts on the environment and natural resources must be avoided.
4. Demand that all employees and suppliers to adhere to high ethical standards and strictly comply with our code of business ethics.
5. Comply with maternity protection regulations; refrain from using child labors

### **Provide diverse benefits to enhance employees' well-being**

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

### **Create a safe and healthy working environment**

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

### **Respect for multicultural and promote inclusiveness in the workplace**

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

## Value employees' development and provide career training

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

## Work-life balance

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

## Diverse communication channels

The Company has established various communication channels, such as labor-management meetings and the opinion box, to allow employees to express their opinions and communicate with the colleagues or officers anytime, anywhere.

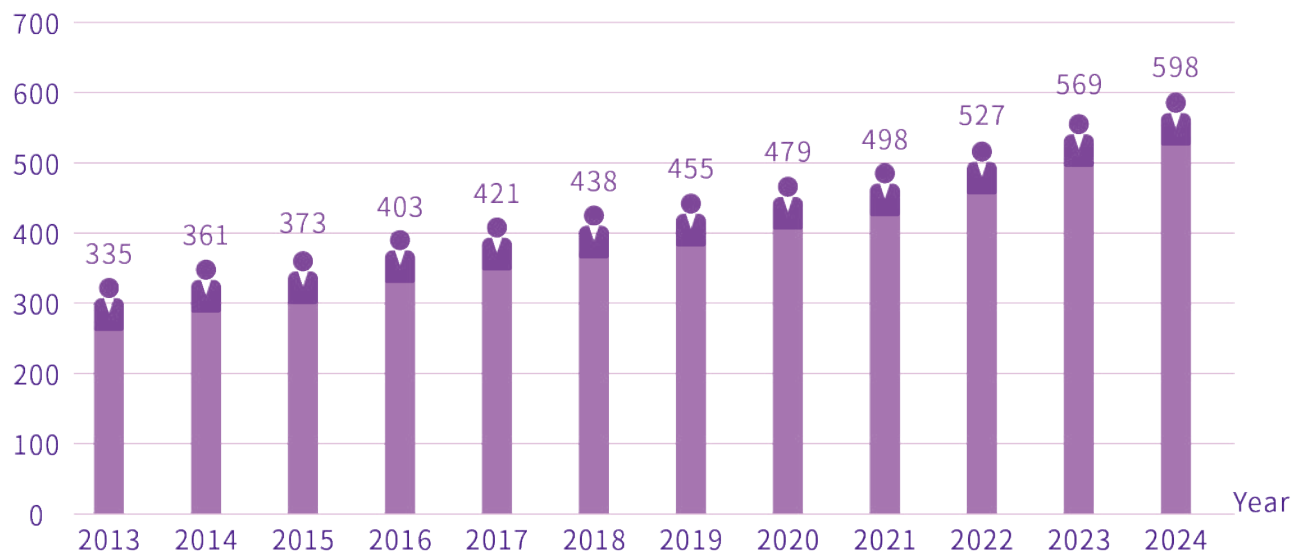
Through the above-mentioned measures, ESMT will continuously strive to create a friendly workplace, so that employees can gain a sense of accomplishment and happiness at work and create the common good for the sustainable development of the Company.

### 4.1 Excellent team

The number of employees at ESMT has been growing steadily each year. As of the end of 2024, the Company had a total of 598 employees, with 71.74% being male and 28.26% female. As for the age distribution, most employees are aged between 30 and 50, accounting for 64.72 % of total employees. Expatriate employees accounted for 0.67% among the total number of employees. As for the education of members in the excellent team, up to 62.54% of them have an master degree or above, and up to 77.75 % 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

Number of persons



## Statistics on manpower composition in 2024

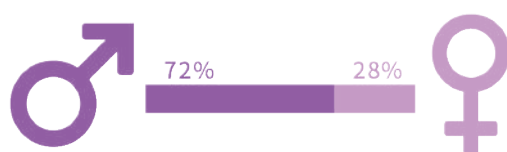
| Age          |      |        |       |
|--------------|------|--------|-------|
| Group type   | Male | Female | Total |
| 30 and under | 72   | 16     | 88    |
| 31-40        | 130  | 56     | 186   |
| 41-50        | 135  | 66     | 201   |
| 51 and above | 92   | 31     | 123   |

| Education qualification |      |        |       |
|-------------------------|------|--------|-------|
| Group type              | Male | Female | Total |
| PhD                     | 8    | 0      | 8     |
| Master                  | 305  | 61     | 366   |
| Junior college          | 112  | 100    | 212   |
| Others                  | 4    | 8      | 12    |

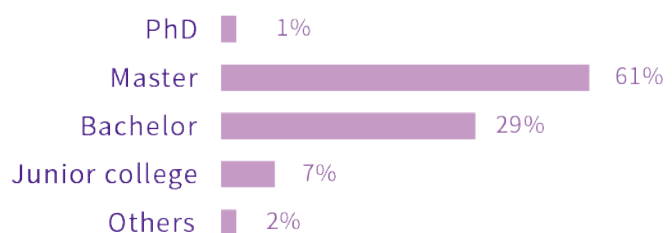
| Type of position                        |      |        |       |
|-----------------------------------------|------|--------|-------|
| Group type                              | Male | Female | Total |
| R&D/engineering                         | 372  | 96     | 468   |
| Administration/business/management      | 40   | 59     | 99    |
| Production                              | 17   | 14     | 31    |
| Functional and technological supervisor | 212  | 57     | 269   |
| Functional supervisor                   | 93   | 28     | 121   |

| Seniority                |      |        |       |
|--------------------------|------|--------|-------|
| Group type               | Male | Female | Total |
| 1 year and under         | 38   | 16     | 54    |
| 1-3 years                | 91   | 21     | 112   |
| 3-10 years               | 102  | 49     | 151   |
| 10-15 years              | 76   | 30     | 106   |
| More than 15 years       | 122  | 53     | 175   |
| Number of people leaving | 20   | 10     | 30    |

### Employee sex ratio



### Employee education qualification



Note: Calculated based on the number of employees who were still in service on December 31, 2024.

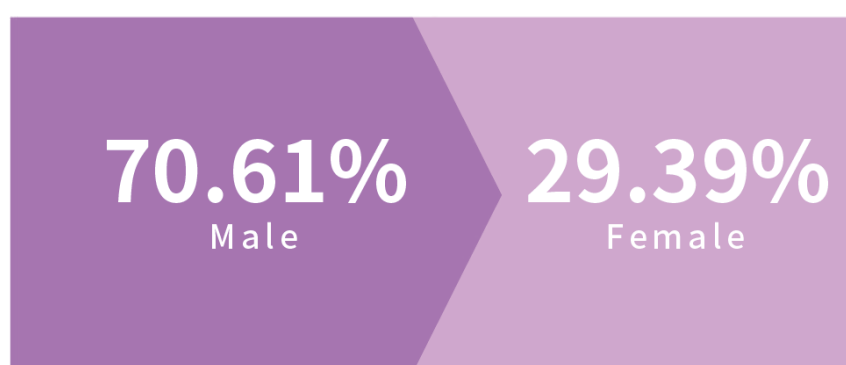
## 4.2 Talent development

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

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

| Type                            | Target audience                                      | 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 2024 totaled 6942 hours, of which men and women accounted for 70.61% and 29.39%, respectively.



## 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



## 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. In 2024 the average salary of ESMT's non-managerial employees was NT\$2,113 (thousand/person), and the median salary NT\$1,969 (thousand/person). ESMT has been included as a constituent of TWSE RAFI® Taiwan High Compensation 100 Index for 11 consecutive years.

### (2) Employee welfare measures

#### Group/travel insurance

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

ESMT has planned a complete business trip insurance for the employees required to take an overseas business trip, so that in any case of inconvenience or unexpected emergency during the trip, the insurance will help the employees to avoid and inconvenience during the overseas 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. In terms of the workplace, to create a flexible working environment, ESMT opened the Taipei Office in 2023 so that the colleagues living in Taipei may choose to work in the Taipei Office, significantly reducing the transportation time and costs for employees to commute to and from work. The carbon emissions reduced from the employees' commute further achieves the environmental sustainability, and the employees also reduce commuting time and thereby improve their quality of life. As for working hours, employees are allowed to work flexible time so if they need to take care of their families or themselves; aside from enjoying Sundays and Saturdays off, employees are also given the off-day hours more premium than those required by the Labor Standards Act. 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 / material disease insurance at the expense of ESMT, and invites professionals to station in the factory offering professional consultation. Travel insurance is also purchased for employees who are required to take an overseas business trip, so as to provide a comprehensive coverage for them.

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

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

## Health center & Lactation room



The Company has set up the Employee Welfare Committee at the time of foundation; until now, the Employee Welfare Committee regularly organizes domestic and foreign trips, birthday party, and afternoon tea fair every year, to relax employee's mind and body and enhance the communication, interaction, and bond among them. Employees' dependents are also allowed to participate in the domestic and foreign trips, which provide an opportunity for relatives and employees to know each other 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.



Work-life balance~Fitness center & Aerobics classroom



Relaxation after work~Basketball court and badminton court

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



## Employee restaurant



### A cozy light meal restaurant

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

information on child rearing. Starting from 2022, to take care of the employees' families, the Company has added the monthly childcare allowance for employees who have children aged between 0 to 6 years old. In 2024, a total of 13.55% of the employees benefited. There are other regularly held diverse activities to refresh employees, hoping that they take care of their physical and mental health in addition to their work and relax themselves in a timely manner. For instance, ESMT offers employees courses and seminars on parent-child communication, self-growth, and pressure relief and makes leisure magazines and books available for borrowing.

| Work                                                                                                                                                                                                                                                                                  | Family                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Health                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Flexible working hour</p> <p>Festival / Birthday gift voucher; festive bonus</p> <p>Off-day hours beyond the legal requirements</p> <p>Year end party</p> <p>Offer senior colleagues trophy and cash gift for encouragement</p> <p>Cover business trip with a travel insurance</p> | <p>Set up a lactation room<br/>Allow un-limited breastfeeding hours</p> <p>Arrange for pregnant and postpartum employees to have a one-on-one consultation with on-site doctors</p> <p>Subsidies for employees regarding marriage, funeral, illness, childbirth and child rearing, and education</p> <p>Providing childcare allowance for employees with children aged 0-6.</p> <p>Assess contracted day care center and kindergarten</p> <p>Offer health education information on child rearing</p> <p>Courses and seminars on parent-child communication</p> <p>Parent-child tour for employees and their dependents</p> <p>Group insurance for employees and their dependents</p> | <p>Employee assistance projects and health promotion activities</p> <p>Periodic health check beyond the legal requirements</p> <p>Providing the subsidies of preventive medical examinations for elderly employees</p> <p>The health center offers employees health management and health education and consultation on health check.</p> <p>Leisure and fitness space such as the basketball court, badminton court, and aerobics classroom</p> <p>The Employee Welfare Committee regularly organizes domestic and foreign tours, birthday party, and afternoon tea party.</p> <p>Hold self-growth and pressure relief courses</p> <p>Set up an employee restaurant which offers buffet, noodles, or light meal</p> |
|                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

## 4.4 Labor-management communication

The Company organizes labor-management meetings in accordance with relevant laws and regulations, and regularly holds them to discuss and negotiate labor-related issues. This provides a platform for effective communication between employees and the Company, allowing both parties to discuss issues such as remuneration, benefits, and the work

environment. At the same time, the Company also promotes employee cohesion through various activities, working in conjunction with the Employee Welfare Committee. Labor-management meetings and welfare committees play an important role in promoting labor-management communication. In addition, the Company values human-based management and is well aware of the interdependence of labors and management. As such, where labor issues are concerned, the Company always adopts a two-way communication method which facilitates mutual understanding, so that both parties can work together toward a common goal, ultimately enhancing the enterprise's overall competitiveness.

## 4.5 Safety Workplace

We are committed to creating a safe and healthy work environment and continue to invest in occupational safety and health management and prevention. In 2024, we launched the introduction of the ISO 45001 occupational safety and health management system to enhance the overall occupational safety level through systematic management and internal training. We expect to pass third-party certification in 2025.

Below is ESMT's occupational safety and health (OSH) achievement in 2024:

### Labor work environment monitoring

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



Daily patrol

Occupational safety patrol



Once a quarter,  
by the top management

Shop floor walk-through by supervisors



Irregularly, as required.

Occupational safety patrol at a construction site

## Work Environment for Employees

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

1. All employees are provided with ergonomic chairs, to ensure the comfort and safety of seats in office.
2. Employees who engage in prolonged screen 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.

## Organization of the Occupational Safety and Health Committee

We have established the Occupational Safety and Health Committee (referred to as the safety committee hereinafter) in accordance with the Regulations of Occupational Safety and Health Management and hold quarterly Occupational Safety and Health meetings. In 2024, a total of four meetings were held, with at least one-third of the participants being labor representatives (elected at the labor-management meeting). These meetings were convened to review the implementation of each goal and discuss the past and future quarterly dynamics, and to jointly resolve the matters raised. Any questions raised by labor representatives or on-site management personnel of contractors during the meeting were prioritized. The relevant records of this meeting were reported to the president. In addition to complying with the Occupational Safety and Health Act and relevant regulations, we have also established plans for safety and health education, drills, counseling, prevention, and risk monitoring.

## Implementation status of safety and health training

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

**New employee orientation:** New employees receive "occupational safety and health education and training" upon reporting to work. The training covers basic safety specifications, hazard identification, and emergency response measures (such as emergency evacuation drills and firefighting self-defense teams, etc.). This helps our employees quickly familiarize themselves with the work environment and the Company's safety and health policies, and reduce occupational risks stemming from unfamiliar operations.

**On-the-job training:** The Company organizes occupational safety and health training courses for employees from time to time. The training courses are designed to promote and strengthen the awareness of practical cases, legal requirements, and on-site risks. This ensures that employees are equipped with the tools to identify and respond to risks in a timely manner.

**Fire drills:** Fire evacuation and escape drills are conducted once every six months at the plant to simulate disaster scenarios and enhance employees' response capabilities and familiarity with escape routes.

**Internal audit training:** In response to the promotion of the ISO 45001 Occupational Safety and Health Management System, internal auditors are arranged to receive professional training, ensuring the operation of the management system meets the standards and continues to improve.

## Number of people and total training hours for work safety education and training

| Year                            | 2019 | 2020  | 2021  | 2022 | 2023 | 2024 |
|---------------------------------|------|-------|-------|------|------|------|
| Number of trainees              | 172  | 149   | 163   | 246  | 347  | 664  |
| Education and training man-hour | 413  | 332.5 | 363.5 | 554  | 688  | 2679 |



### Work safety personnel with professional license

- |                                                    |     |
|----------------------------------------------------|-----|
| 1. Type A Occupational Safety and Health Manager   | 1位  |
| 2. Occupational Safety Manager                     | 1位  |
| 3. Occupational Safety and Health Manager          | 1位  |
| 4. Operators of Forklift Over 1 Ton                | 9位  |
| 5. Oxygen-Deficient Operations Supervisor          | 1位  |
| 6. High-Pressure Gas Container Operator            | 1位  |
| 7. Organic solvent safety supervisor               | 2位  |
| 8. Radiation Safety Certificate for Operator       | 3位  |
| 9. First Aid Personnel                             | 12位 |
| 10. Healthcare Personnel for Labor Health Services | 1位  |

## Incident response procedures

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

### Accident Reporting Process

#### Report

Notify the supervisor and the Administration Division immediately by parties involved or the employees around.

#### Handle

Occupational safety personnel and nurses assist in handling.

#### Investigation Report

Prepare an accident investigation report after handling the accident to facilitate the follow-up improvement and tracking.

## Work-related disability statistics

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. In addition, for sporadic traffic accidents, the Occupational Safety and Health Committee meets every quarter to explain the incidents and publicize the cases in the occupational safety and health course of orientations, to prevent similar accidents from happening again.

| Short-term goals                                                                                 | Mid - and long-term goals                                                                                     | 2024 goal achievement rate                                |
|--------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|
| zero occupational disease                                                                        | Value the physical and mental health of all employees and create a working environment as "healthy workplace" | Zero occupational diseases at ESMT in 2024                |
| zero major occupational accidents                                                                | Work with contractors/suppliers to promote occupational health and safety jointly.                            | Zero major occupational accidents at ESMT in 2024         |
| There were zero major occupational accident in the whole company, and minor accidents $\leq 8$ . | There were zero major occupational accident in the whole company, and minor accidents $\leq 5$ .              | Total number of occupational accidents at ESMT in 2024: 0 |

|      | Number of occupational accidents | Type of hazard | Occupational fatality rate | Disabling frequency rate (FR) | Disabling severity rate (SR) |
|------|----------------------------------|----------------|----------------------------|-------------------------------|------------------------------|
| 2022 | 0                                | -              | 0                          | 0                             | 0                            |
| 2023 | 0                                | -              | 0                          | 0                             | 0                            |
| 2024 | 0                                | -              | 0                          | 0                             | 0                            |

\*Note 1. FR/SR are calculated based on million man-hours.

## Overwork-related illness prevention procedures

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



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# 05 Society engagement



# Society engagement

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

## 5.1 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\$30 billion, which might double in the future. The Company also launches its campus campaign each year, namely, "IC Design Industry Introduction and Career Development Planning Seminar", at the various campus, aiming to enable students to understand their personal strength and the industry before they start work, so as to enhance their competitiveness. ESMT actively promotes the memory industry to students, strengthening their knowledge and deepening their expertise to align with industry development trends. This proactive approach ensures early alignment with industry needs and maintains Taiwan's competitiveness in the international market. Furthermore, ESMT invests resources every year to provide internship and scholarship opportunities, cultivating its own talent and further supporting industry development. ESMT has joined the Electric Resource Industry-Academia Alliance of National Yang Ming Chiao Tung University to promote research and development collaborations between the company and the university.



## 5.2 Promoting a healthy society

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

## 5.3 Charitable events

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

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

- I. Set up or provide scholarship to encourage study or learning professional skills
- II. Promoted, subsidized, or organized charitable events and clubs in relation to education, arts, and promotion of aesthetics.
- III. Promoted, subsidized, or organized charitable events and clubs in relation to lifelong learning, skill training, occupational competence training, life education, correctional education, and heuristic growth education.
- IV. Sponsored high-tech education and talent cultivation. °
- V. Promoted, subsidized, or organized the various academic activities and interchange.
- VI. Sponsored the cultivation of outstanding talents and participation in various performances and competitions.
- VII. Donated books and equipment for charitable and educational purposes.
- VIII. Engaged in other charitable, educational affairs which align with the purpose of the establishment of the ESMT Educational Foundation.

In 2022, the ESMT Educational Foundation officially became a national legal entity under the Ministry of Education. The scope of sponsorship has expanded to various locations nationwide, focusing on diverse learning programs to assist remote schools, school dropouts, individuals with disabilities, and children in need of special care to participate in various learning activities.

Stated below is the 2024 execution plan of ESMT Educational Foundation:

- I. ESMT's train for learning and growth- subsidy for programming education promotion to junior high schools and elementary schools.
- II. ESMT's train for learning and growth- subsidy of special education by emotional support dogs to junior high schools and elementary schools.
- III. ESMT's train for learning and growth - (I). Badminton practice program for physically and mentally challenged; (II) life education for sports park of physically and mentally challenged:
- IV. ESMT's train for learning and growth - Ballet Arts Campus Promotion.
- V. ESMT's train for learning and growth - Rare Disease Elite Development Learning Program.
- VI. Learning/reading program grant - Sponsorship of the Chengzhi Education Foundation.
- VII. Learning/reading program grant - Sponsorship of Lan-chui Social Welfare Foundation.
- VIII. Public welfare sponsorship - Hsinchu Municipal Wind Orchestra - Music Residency Program.
- IX. Improvement of school facilities in remote areas, subsidies for clubs and courses.
- X. Subsidy of science education promotion and fellowships to college, graduate school and doctoral students:
- XI. Subsidy of science education promotion and fellowships to college, graduate school and doctoral students:
- XII. Public welfare sponsorship - Hsinchu Boxing Association.

## **Description of the 2024 execution plan of ESMT Educational Foundation**

- I. ESMT's train for learning and growth- subsidy for programming education promotion to junior high schools and elementary schools.

Expense: NT\$400,000

Location: Miaoli County

Implementation methods and descriptions:

ESMT Educational Foundation cooperated with the Coding for Taiwan Association to provide teachers to Wumei Elementary School, Fengshu Elementary School, Sanwan Elementary School, Jushing Elementary School, and Chenggong Elementary School, mainly the schools in Miaoli, to give education on programming. Allowed students to learn the operation of the latest version of the Scratch program, aligning with the world without charge.

Implementation benefits:

1. Cultivate students' innovative thinking and self-learning ability; discover students with programming and creative expression talents and an interest in learning programming; enrich and develop programming teachers in schools.
2. Number of beneficiaries: 360 students from Wumei Elementary School; 264 students from Wumei Elementary School at Fengshu Campus; 336 students from Chenggong Elementary School; 324 students from Sanwan Elementary School; and 384 students from Jushing Elementary School.



- II. ESMT's train for learning and growth- subsidy of special education by emotional support dogs to junior high schools and elementary schools.

Expense: NT\$300,000

Location: Yilan County

## Implementation methods and descriptions:

ESMT Educational Foundation worked with professional teams to provide animal-assisted therapy involving dogs and interpersonal growth courses for students of special education/resource classes in Gongjheng Elementary School and Ercheng Elementary School (Yilan County). 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.

## Implementation benefits:

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.
3. Number of beneficiaries: Approximately 120 people per school, for a total of approximately 360 people across the three schools.



III. ESMT's train for learning and growth - (I). Badminton practice program for physically and mentally challenged; (II) life education for sports park of physically and mentally challenged

Expense: NT\$500,000

Location: Across Taiwan

Implementation methods and descriptions:

ESMT Educational Foundation collaborated with a team of athletes with disabilities to promote life education through sports on campus. Various sports demonstrations were organized for people with disabilities on campus, allowing students to try wheelchairs and experience the diverse lifestyles of people with disabilities.

In 2024, ESMT Educational Foundation promoted life education for people with disabilities on campus. The participating schools included: Six schools, including Liugong Junior High School, LIFT (Taipei City), Xinzhuang Elementary School (Kaohsiung City), Zhongzheng Junior High School (New Taipei City), Donghu Elementary School (New Taipei City), and Changlong Elementary School (New Taipei City).

ESMT Educational Foundation continues to appoint teams to carry out the badminton practice program for persons with disabilities. In 2024, the wheelchair badminton training class added a disability category to include wheelchair badminton practice for persons with upper limb disabilities, such as missing or atrophied limbs. In addition, the Youth Badminton Experience Camp was held for the first time in 2024, allowing elementary and junior high school students to pair up with persons with disabilities for doubles and learn together.

Implementation benefits:

1. We have introduced adaptive sports into campus life education, allowing students to learn about various sports for people with disabilities. We also let students experience playing and competing in wheelchairs, so that they can understand the challenges faced by people with disabilities and develop empathy, as well as learn the courage to overcome difficulties. Six schools participated in campus life

education promotion activities this year, benefiting around 600 people.

2. The Youth Badminton Experience Camp was held, allowing students to partner with people with disabilities in competitions and learn about respect, acceptance, equality, and inclusion. Through practical interactions, we put empathy into practice. Approximately 40 people participated.
3. The wheelchair badminton training class (high-level and beginner classes) was offered three hours per week, benefiting a total of 4,446 participants.



#### IV. ESMT's train for learning and growth - Ballet Arts Campus Promotion

Expense: NT\$300,000

Even location: Hsinchu County and City

Implementation methods and descriptions:

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

In 2024, ESMT Educational Foundation promoted Ballet Arts Campus. The participating schools included: Nine

schools in Hsinchu County: Dongxing Elementary School, Wufeng Elementary School, Ruifeng Elementary School, Po-He Elementary School, Jaudung Elementary School, Fulong Elementary School, Hengshan Elementary School, Zhuzhong Elementary School, Fenggang Elementary School, and Fenggang Junior High School; and the elementary school affiliated with National Experimental High School at Hsinchu Science Park.

#### Implementation benefits:

1. We enable children in remote areas to experience ballet, bringing the art form back to their communities, bridging the urban-rural divide in resources, broadening their perspectives, and enhancing their aesthetic education.
2. Number of beneficiaries: Approximately 200 people per school, for a total of approximately 360 people.



#### V. ESMT's train for learning and growth - Rare Disease Elite Development Learning Program

Expense: NT\$600,000

Location: Across Taiwan

#### Implementation methods and descriptions:

In order to encourage lifelong learning, we have collaborated with the Foundation for Rare Disorders to select six learning and growth plans proposed by individuals with rare diseases through an application and evaluation process, including ukulele lessons, knitting classes, gardening, a positive daily journal with illustrations, and AI painting classes. All

those proposing and implementing projects have rare diseases. This program aimed to encourage teachers and students with expertise, regardless of their health conditions, to step forward and actively share their talents. Well-planned courses were also arranged and planned to help more individuals with rare diseases learn and grow.

#### Implementation benefits:

1. The application process was initiated by patients themselves, offering a platform for those eager to challenge themselves and utilize their abilities, ultimately boosting their confidence and self-worth. All projects were designed to help patients learn and grow, with the primary goal of empowering more fellow patients, encouraging acts of kindness, taking personal responsibility, and fostering a positive cycle.
2. Number of beneficiaries: Approximately 100 people per project, for a total of approximately 600 people.



#### VI. Learning/reading program grant - Sponsorship of Chengzhi Education Foundation (Program for interdisciplinary teachers in social and natural sciences)

Expense: NT\$800,000

Location: Across Taiwan

Implementation methods and descriptions:

This is a three-year program of Chengzhi Education Foundation (third year). This year, we completed the preparation of Sharestart lecture notes and supplementary videos for social and nature subjects, upload them to the teaching resource sharing platform, to be used for training workshops, and provide them for school teachers to download free-of-charge.

Implementation benefits:

1. This year, we continue to prepare and optimize teaching materials, upload them to the sharing platform for download and use by teachers from nine schools in the KIST Alliance and other schools free-of-charge. Besides increasing teaching expertise for teachers in remote areas and reducing their teaching burden, the Program also enhanced students' learning motivation and performance, and helped provide students with diversified, quality education.
2. Number of beneficiaries: More than 800 teachers and students benefited.

VII. Learning/reading program grant - Sponsorship of Lan-chui Social Welfare Foundation (Handicraft course lifelong learning program).

Expense: NT\$300,000

Location: Yilan County

Implementation methods and descriptions:

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

Implementation benefits:

1. Enhanced students' hand-made skills, focus, muscle maintenance, and friendly group relations, while learning mutual assistance and collaboration. The accumulated learning power also allowed teachers specializing in this

skill to progressively plan these courses and supplementary equipment.

2. Number of beneficiaries: Approximately seven students, with a total of approximately 3,500 participants per year.



#### VIII. Public welfare sponsorship - Sponsorship for Hsinchu Municipal Wind Orchestra - Music Residency Program

Expense: NT\$300,000

Location: Across Taiwan

Implementation methods and descriptions:

Supported the Hsinchu Municipal Wind Orchestra in continuing to organize music performances and competitions of various sizes; and provide teaching staff and instruments to schools with limited musical resources for community outreach, including saxophone lessons for high-risk youth at Cheng-Ching Middle School, wind instrument teaching at Hsinchu St. Teresa Children Center, and wind instrument teaching at Fuli Junior High School in Hsinchu City. Additionally, elements of traditional Hakka music was also incorporated into a summer camp hosted at Houzhuang Elementary School in Hsinchu County.

Implementation benefits:

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

and percussion instruments, allowing them to broaden their horizon and develop confidence through charitable performance.

2. Number of beneficiaries: Approximately 16,837 people attended the concert. Approximately 88 people participated in the public welfare education sessions.

#### IX. Public welfare sponsorship - Taiwan Vox Nativa Association.

Expense: NT\$300,000

Location: Across Taiwan

Implementation methods and descriptions:

Funds were provided for homework assistance, choir and percussion ensemble music education, and performance and homework assistance for Indigenous children and teenagers. In addition to focusing on school visits and exchanges, coordinating parent-child relationships, climbing Jade Mountain to build resilience, and fostering a legacy of tribal alumni mentors, the Company also organized various performances, including the Yuanshan Star Concert, the Wiener Sängerknaben Concert, and the Angel Concert, for a total of approximately 11 performances.

Implementation benefits:

1. The practice and performance of the choir will expand the students' vision and enhance their self-confidence. Through academic support and extracurricular teaching, students are able to maintain their progress in regular curriculum while pursuing chorus.
2. Number of beneficiaries: approximately 200 students; approximately 6,000 people participated in the tour.

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

Expense: NT\$1,040,500

Location: Across Taiwan

Implementation methods and descriptions:

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

Schools sponsored in the year: Sanmin Elementary School, Tucheng Elementary School, Wenshan Elementary School, Wenchang Elementary School, Beishan Elementary School, Chuxiaug Elementary School, Dongshi Elementary School, Xinxing Elementary School, and Guoxi Elementary School, totaling 10 schools in remote/non-urban areas.

Implementation benefits:

1. Enhance the learning environment and teaching quality through the improvement of teaching equipment and club courses. The diversified club learning courses bring resources to the rural schools, broaden the visions of students, and enhance their abilities, talents, and self-confidence.
2. Number of beneficiaries: 10 elementary and junior high schools in total, with a total of about 2260 beneficiaries.





XI. Subsidy of science education promotion and fellowships to college, graduate school and doctoral students:

Expense: NT\$400,000

Location: Across Taiwan

Implementation methods and descriptions:

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

Implementation benefits:

- Reduced the financial burden of students for them to focus on long-term study and research, and encouraged outstanding college / graduate school students to pursue doctoral degrees. Promoted cutting-edge technology, improved the quality of science education, and laid the foundation for future tech talent.
- Number of beneficiaries: Approximately 68 students from the Graduate Institute of Physics and Astronomy, National Tsing Hua University.

## XII. Public welfare sponsorship - Hsinchu Boxing Association

Expense: NT\$300,000

Location: Hsinchu County and City

Implementation methods and descriptions:

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

Implementation benefits:

2. The Association's teachers provided multifaceted guidance to students' physical and mental development, and strengthened their physical fitness, allowing students to leverage their studies to pursue further education opportunities.
3. Number of beneficiaries: Approximately 33 students and teachers.

## Proactive activities of ESMT and its employees

The Company's employees also initiated multiple events in 2024:

- I. "Saint Joseph Social Welfare Foundation" fair tickets purchased by ESMT employees

ESMT employees voluntarily purchased tickets for the "Saint Joseph Social Welfare Foundation" fair. ESMT employees then donated the tickets to the Hua Shan Social Welfare Foundation, benefiting elderly individuals living alone and the children at Dexin Girls' Home, allowing the seniors and children to jointly participate in the fair and enjoy the festivities with family and friends.



- II. ESMT employees participated in the purchase of "Saint Joseph Social Welfare Foundation" printed "2025 Prosperous Calendar Notebook" for charity and donated them to multiple underprivileged groups.

Saint Joseph Social Welfare Foundation published the "2025 Prosperous 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.



### III. Mid-Autumn gift sets from the "Hsinchu Taiwan Branch of Association of Victims Support purchased by ESMT employees

ESMT employees voluntarily purchased Mid-Autumn gift sets from the "Hsinchu Taiwan Branch of Association of Victims Support". The Association mainly assists the direct victims or their bereaved families from others' crimes (e.g. murder, abuse, sexual abuse), to solve their plight, heal their injuries and pain, and rebuild their lives. These victims and their families are known as the "Newborns." They have experienced great pain. When they are helpless, they learn skills and regain the courage to face the future with the association's company and assistance.

In addition to purchasing the Mid-Autumn Festival gift boxes made by "Newborns", directly supporting and encouraging them, we are also donating gift boxes to the Hua Shan Social Welfare Foundation. This allows elderly individuals to share mooncakes with loved ones during the festival, extending the warmth and care to more people and fostering a joyful celebration for all.



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.

# ESMT

ESMT

捷誠投資股份有限公司  
長風投資股份有限公司

# 06

## Appendix



# Appendix

## GRI Standards Comparison Table

### Use of GRI 1: Basics 2021

Applicable GRI Industry Standards: Not applicable

## GRI 2: General Disclosures 2021

| No. of Disclosure Item               | Title of Disclosure Item                                                    | Report content or description                                                                                                                        | Omit description |
|--------------------------------------|-----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| Organization and Reporting Practices |                                                                             |                                                                                                                                                      |                  |
| 2-1                                  | Organization Details                                                        | About this report                                                                                                                                    |                  |
| 2-2                                  | Entities included in the organization's sustainability reports              |                                                                                                                                                      |                  |
| 2-3                                  | Reporting period, frequency, and contacts                                   |                                                                                                                                                      |                  |
| 2-4                                  | Restatements of information                                                 |                                                                                                                                                      |                  |
| 2-5                                  | External assurance                                                          |                                                                                                                                                      |                  |
| Events and Workers                   |                                                                             |                                                                                                                                                      |                  |
| 2-6                                  | Activities, value chain, and other business relationships                   | 2.2 Supplier Management and Evaluation                                                                                                               |                  |
| 2-7                                  | Employee                                                                    | 4.1 Excellent team                                                                                                                                   |                  |
| 2-8                                  | Workers who are not employees                                               |                                                                                                                                                      |                  |
| Governance                           |                                                                             |                                                                                                                                                      |                  |
| 2-9                                  | Governance structure and composition                                        | 1.1 Management                                                                                                                                       |                  |
| 2-10                                 | Nomination and selection of the highest governance body                     |                                                                                                                                                      |                  |
| 2-11                                 | Chairperson of the highest governance body                                  |                                                                                                                                                      |                  |
| 2-12                                 | The role of the highest governance body in overseeing the impact management | Please refer to the Corporate Governance (Board of Directors and Committees) Operations in the Annual Report                                         |                  |
| 2-13                                 | Person in charge of impact management                                       |                                                                                                                                                      |                  |
| 2-14                                 | The role of the highest governance body in sustainability reporting         | About this report                                                                                                                                    |                  |
| 2-15                                 | Conflicts of interest                                                       | Please refer to the Corporate Governance (Board of Directors and Committees) Operations in the Annual Report                                         |                  |
| 2-16                                 | Communicating key material events                                           | Materiality analysis and stakeholder engagement                                                                                                      |                  |
| 2-17                                 | The group intelligence of the highest governance body                       | 1.1 Management                                                                                                                                       |                  |
| 2-18                                 | The performance evaluation of the highest governance body                   | Please refer to the information in the annual report (Performance Evaluation of Directors and Managerial Officers and Distribution of Remunerations) |                  |
| 2-19                                 | Remuneration policy                                                         | 4.3 Salary and welfare                                                                                                                               |                  |
| 2-20                                 | Remuneration decision process                                               | 4.3 Salary and welfare                                                                                                                               |                  |
| 2-21                                 | Ratio to the total annual remuneration                                      | Please refer to the information in the annual report (Performance Evaluation of Directors and Managerial Officers and Distribution of Remunerations) |                  |

| No. of Disclosure Item                    | Title of Disclosure Item                           | Report content or description                                                                                                                                                                                                                         | Omit description                  |
|-------------------------------------------|----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| <b>Strategies, policies and practices</b> |                                                    |                                                                                                                                                                                                                                                       |                                   |
| 2-22                                      | Statement of sustainable development strategy      | 1.4 Risk and management                                                                                                                                                                                                                               |                                   |
| 2-23                                      | Policy commitments                                 | 1.3 Ethics and legal compliance                                                                                                                                                                                                                       |                                   |
| 2-24                                      | Incorporation of policy commitments                | Please refer to the appendix                                                                                                                                                                                                                          |                                   |
| 2-25                                      | Procedures for remediating negative impacts        | Please refer to the Company's official website: Regulations for reporting of unethical conduct or misconduct<br><a href="https://www.esmt.com.tw/zh-tw/Investor/Corporate-Governance">https://www.esmt.com.tw/zh-tw/Investor/Corporate-Governance</a> |                                   |
| 2-26                                      | Mechanisms for seeking advice and raising concerns |                                                                                                                                                                                                                                                       |                                   |
| 2-27                                      | Legal Compliance                                   | 1.3 Ethics and legal compliance                                                                                                                                                                                                                       |                                   |
| 2-28                                      | Membership of associations                         | Association Membership                                                                                                                                                                                                                                |                                   |
| <b>Stakeholder engagement</b>             |                                                    |                                                                                                                                                                                                                                                       |                                   |
| 2-29                                      | Guidance of stakeholder engagement                 | Materiality analysis and stakeholder engagement                                                                                                                                                                                                       |                                   |
| 2-30                                      | Collective bargaining agreements                   |                                                                                                                                                                                                                                                       | The Company did not have a union. |

## GRI 3: Material Topics 2021

| No. of Disclosure Item | Title of Disclosure Item             | Report content or description                   | Omit description |
|------------------------|--------------------------------------|-------------------------------------------------|------------------|
| 3-1                    | Process to determine material topics | Materiality analysis and stakeholder engagement |                  |
| 3-2                    | List of material topics              |                                                 |                  |
| 3-3                    | Management of material topics        |                                                 |                  |

| No. of Disclosure Item               | Title of Disclosure Item                                                       | Report content or description                                          | Omit description |
|--------------------------------------|--------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------|
| <b>GRI 201 Economic Performance</b>  |                                                                                |                                                                        |                  |
| 201-1                                | Organization Details                                                           | 1.2 Operational performance<br>(Dividend distribution in recent years) |                  |
| 201-2                                | Financial implications and other risks and opportunities due to climate change | 3.2 Response to climate change                                         |                  |
| 201-3                                | Defined benefit plan obligations and other retirement plans                    | 4.3 Salary and welfare                                                 |                  |
| <b>GRI 204 Procurement Practices</b> |                                                                                |                                                                        |                  |
| 204-1                                | Proportion of spending on local suppliers                                      | 2.2 Supplier Management and Evaluation                                 |                  |
| <b>GRI 205 Anti-Corruption</b>       |                                                                                |                                                                        |                  |
| 205-1                                | Operations assessed for risks related to corruption                            | 1.3 Ethics and legal compliance                                        |                  |
| 205-2                                | Communication and training about anti-corruption policies and procedures       | 1.3 Ethics and legal compliance                                        |                  |
| 205-3                                | Confirmed incidents of corruption and actions taken                            | 1.3 Ethics and legal compliance                                        |                  |

| GRI 206 Anti-competitive Behavior         |                                                                                           |                                             |
|-------------------------------------------|-------------------------------------------------------------------------------------------|---------------------------------------------|
| 206-1                                     | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices           | No legal proceedings were involved in 2024. |
| GRI 305 Emissions                         |                                                                                           |                                             |
| 305-1                                     | Direct (Scope 1) GHG emissions                                                            | 3.4 GHG Inventory Management                |
| 305-2                                     | Energy indirect (Scope 2) GHG emissions                                                   | 3.4 GHG Inventory Management                |
| 305-4                                     | Intensity of GHG emissions                                                                | 3.4 GHG Inventory Management                |
| 305-5                                     | Reduction of GHG emissions                                                                | 3.4 GHG Inventory Management                |
| GRI 308 Supplier Environmental Assessment |                                                                                           |                                             |
| 308-1                                     | New suppliers that were screened using environmental criteria                             | 2.2 Supplier Management and Evaluation      |
| 308-2                                     | Negative impacts from the supply chain on the environment and actions taken               | 2.2 Supplier Management and Evaluation      |
| GRI 401 Employment Relation               |                                                                                           |                                             |
| 401-1                                     | New employee hires and employee turnover                                                  | 4.1 Excellent team                          |
| 401-2                                     | Benefits provided to full-time employees (excluding the temporary or part-time employees) | 4.3 Salary and welfare                      |
| GRI 403 Occupational Health and Safety    |                                                                                           |                                             |
| 403-1                                     | Occupational Safety and Health management system                                          | 4.5 Safety Workplace                        |
| 403-2                                     | Hazard identification, risk assessment, and incident investigation                        | 4.5 Safety Workplace                        |
| 403-3                                     | Occupational health services                                                              | 4.3 Salary and welfare                      |
| 403-4                                     | Worker participation, consultation, and communication on occupational health and safety   | 4.5 Safety Workplace                        |
| 403-5                                     | Worker training on occupational health and safety                                         | 4.5 Safety Workplace                        |
| 403-6                                     | Promotion of worker health                                                                | 4.3 Salary and welfare                      |
| GRI 404 Training and Education            |                                                                                           |                                             |
| 404-1                                     | Average hours of training per employee per year                                           | 4.2 Talent development                      |
| GRI 412 Human Rights Assessment           |                                                                                           |                                             |
| 412-1                                     | The organization's commitment to human rights                                             | 4. Friendly workplace                       |
| 412-3                                     | The organization's human rights performance                                               | 1.3 Ethics and legal compliance             |
| GRI 414 Supplier Social Assessment        |                                                                                           |                                             |
| 414-1                                     | New suppliers are screened by using social criteria                                       | 2.2 Supplier Management and Evaluation      |
| 414-2                                     | Negative social impacts in the supply chain and actions taken                             | 2.2 Supplier Management and Evaluation      |

## SASB (Sustainability Accounting Standards Board)

| Theme/Code                         | Disclosure Indicator                                                                                          | Nature/Unit                | Summary of Content                                                                                                                                                                                                                                                                                                                                                                                                                             | Referenced Chapter                                                  |
|------------------------------------|---------------------------------------------------------------------------------------------------------------|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| Greenhouse Gas Emissions           |                                                                                                               |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                     |
| TC-SC-110a.1                       | Scope 1 Greenhouse Gas Emissions                                                                              | Quantitative/<br>(t) CO-e  | Total greenhouse gas emissions in 2022: 3636.05 metric tons CO2e                                                                                                                                                                                                                                                                                                                                                                               | 3.4 GHG Inventory Management                                        |
|                                    | Perfluorinated Compounds (PFCs) Usage                                                                         |                            | Scope 1 direct greenhouse gas emissions: 44.53 metric tons CO2e                                                                                                                                                                                                                                                                                                                                                                                |                                                                     |
|                                    |                                                                                                               |                            | Perfluorinated greenhouse gas emissions: 0 metric tons CO2e                                                                                                                                                                                                                                                                                                                                                                                    |                                                                     |
| 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<br>3.4 GHG Inventory Management |
| Energy Management in Manufacturing |                                                                                                               |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                     |
| TC-SC-130a.1                       | Total Energy Consumption                                                                                      | Quantitative/<br>(GJ, %)   | Total Energy Consumption: 25,439 GJ                                                                                                                                                                                                                                                                                                                                                                                                            | 3.3 Energy Management                                               |
|                                    | Percentage of Purchased Electricity                                                                           |                            | Energy Consumption from Electricity: 25,402 GJ                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                     |
|                                    | Percentage of Renewable Energy                                                                                |                            | Percentage of Purchased Electricity: 99.9%                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                     |
|                                    |                                                                                                               |                            | Percentage of Renewable Energy: 0%                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                     |
| Water management                   |                                                                                                               |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                     |
| TC-SC-140a.1                       | Total Water Intake                                                                                            | Quantitative/<br>(m3, %)   | Total Water Intake: 17,820 cubic meters, none of which are classified as areas of high water risk.                                                                                                                                                                                                                                                                                                                                             | 3.5 Water Resource Management                                       |
|                                    | Total Water Consumption                                                                                       |                            | Percentage of Purchased Electricity: 99.9%                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                     |
|                                    | Stressed/High Water Stress Areas                                                                              |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                     |
| Waste management                   |                                                                                                               |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                     |
| TC-SC-150a.1                       | Total Quantity of Hazardous Process Waste and its Recycling Percentage                                        | Quantita-<br>tive/(%)      | 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.                                                                                                                                                              | 3.5 Water Resource Management<br>3.6 Waste Management               |

## SASB (Sustainability Accounting Standards Board)

| Theme/Code                                                 | Disclosure Indicator                                                                                                          | Nature/Unit                                | Summary of Content                                                                                                                                                                                                                              | Referenced Chapter                                      |
|------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| Workforce Health and Safety                                |                                                                                                                               |                                            |                                                                                                                                                                                                                                                 |                                                         |
| TC-SC-320a.1                                               | Description of Health Risk Assessment, Monitoring Plans, and Exposure Assessment Measures for Employees                       | Qualitative Explanation/-                  | Regular annual monitoring of the workplace environment                                                                                                                                                                                          | 4.5 Safety Work-<br>place                               |
|                                                            |                                                                                                                               |                                            | Periodic inspections for occupa-<br>tional health and safety                                                                                                                                                                                    |                                                         |
| TC-SC-320a.2                                               | Loss Amount from Violations of Employee Health and Safety Related Laws                                                        | Quantita-<br>tive/NTD (New Taiwan Dollars) | 0                                                                                                                                                                                                                                               | 4.5 Safety Workplace<br>1.9 Litigation and Compensation |
| Recruting & Managing a Global & Skilled Workforce          |                                                                                                                               |                                            |                                                                                                                                                                                                                                                 |                                                         |
| TC-SC-330a.1                                               | Percentage of Foreign Employees                                                                                               | Quantita-<br>tive/(%)                      | 0%                                                                                                                                                                                                                                              | 4.1 Excellent Team                                      |
|                                                            | Percentage of Overseas Employees                                                                                              |                                            | Percentage of Overseas Assigned Employees0.9%                                                                                                                                                                                                   |                                                         |
| Product Lifecycle Management                               |                                                                                                                               |                                            |                                                                                                                                                                                                                                                 |                                                         |
| TC-SC-410a.1                                               | Revenue Share of Entities Subject to IEC 62474 Standard Declaration                                                           | Quantita-<br>tive/(%)                      | Not applicable                                                                                                                                                                                                                                  |                                                         |
| TC-SC-410a.2                                               | Processor's Overall System Stage Energy Efficiency, including<br>(1) Servers<br>(2) Desktop Computers<br>(3) Laptop Computers | Quantita-<br>tive/(per category)           | Not applicable                                                                                                                                                                                                                                  |                                                         |
| Materials Sourcing                                         |                                                                                                                               |                                            |                                                                                                                                                                                                                                                 |                                                         |
| 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 Manage-<br>ment of Critical Raw Material Usage |
| Intellectual Property Protection and Competitive Behaviour |                                                                                                                               |                                            |                                                                                                                                                                                                                                                 |                                                         |
| TC-SC-520a.1                                               | Loss Amount from Lawsuits Related to Anticompetitive Practices                                                                | Quantita-<br>tive/NTD (New Taiwan Dollars) | In 2022, there were no litigation events and no situations that resulted in any litigation compensation.                                                                                                                                        | 1.9 Litigation and Compensation                         |

| Theme/Code                                                 | Disclosure Indicator                               | Nature/Unit                                | Summary of Content                                                                                                                                                                                                                                 | Referenced Chapter                                                           |
|------------------------------------------------------------|----------------------------------------------------|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| Intellectual Property Protection and Competition Practices |                                                    |                                            |                                                                                                                                                                                                                                                    |                                                                              |
| 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 2023 Annual Report – Production Volume and Value for the Past Two Years |
| 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.                                                               | 0                                                                            |

## TCFD Disclosure Comparison Table

| Aspect                                                                                                             | TCFD Recommended Disclosure Item                                                                                                                                                                                                                                                                                                                            | Corresponding Sections in this Report                                                                                                                                                                 |
|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br><b>Governance</b>             | <ul style="list-style-type: none"> <li>- How the Board of Directors oversees climate-related issues.</li> <li>- How the management evaluates and manages climate-related issues.</li> </ul>                                                                                                                                                                 | <ul style="list-style-type: none"> <li>- The Corporate Sustainability Committee and organizational structure.</li> <li>- 1.4 Risk and Management</li> <li>- 3.2 Response to Climate Change</li> </ul> |
| <br><b>Strategy</b>               | <ul style="list-style-type: none"> <li>- Short, medium, and long-term risks and opportunities identified by the company.</li> <li>- The impact of climate-related issues on the company's business model, strategy, and financial planning.</li> <li>- Scenario analysis, including scenarios based on a 2°C or more stringent climate scenario.</li> </ul> | <ul style="list-style-type: none"> <li>- 1.4 Risk and Management</li> <li>- 3.2 Response to Climate Change</li> </ul>                                                                                 |
| <br><b>Risk Management</b>        | <ul style="list-style-type: none"> <li>- The process of identifying and assessing climate-related risks.</li> <li>- The process of managing climate-related risks.</li> <li>- Explanation of how the above-mentioned processes for identifying and managing risks are integrated into the company's overall risk management system.</li> </ul>              | <ul style="list-style-type: none"> <li>- Sustainability Vision and Commitment</li> <li>- 1.4 Risk and Management</li> <li>- 3.2 Response to Climate Change</li> </ul>                                 |
| <br><b>Indicators and Goals</b> | <ul style="list-style-type: none"> <li>- Assess whether the indicators are aligned with the company's strategy and risk management.</li> <li>- Disclose greenhouse gas emissions and related risks in Scope 1, Scope 2, and Scope 3 (if applicable).</li> <li>- Management objectives and related performance.</li> </ul>                                   | <ul style="list-style-type: none"> <li>- 3.1 Environmental protection policy</li> <li>- 3.4 GHG Inventory Management</li> </ul>                                                                       |

## Sustainability Disclosure Indicators – Semiconductor Industry

| No   | Indicators                                                                                                                                              | Type of indicators      | Status of annual disclosure                               | Unit                            |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-----------------------------------------------------------|---------------------------------|
| I    | Total energy consumption, percentage of purchased power, and utilization rate of renewable energy                                                       | Quantification          | Referring to SASB Indicator Comparison Table TC-SC-130a.1 | Gigajoules (GJ), percentage (%) |
| II   | Total water intake and total water consumption                                                                                                          | Quantification          | Referring to SASB Indicator Comparison Table TC-SC-140a.1 | Thousand cubic meters (m3)      |
| III  | Weight of hazardous waste generated and percentage of the recycled                                                                                      | Quantification          | Referring to SASB Indicator Comparison Table TC-SC-150a.1 | Ton (t), percentage (%)         |
| IV   | Describe the type, number of people, and ratio of occupational accidents                                                                                | Quantification          | Referring to Section 4.5 Safe Workplace                   | Percentage (%), quantity        |
| V    | Disclosure of product life cycle management: including the weight of scrapped products and electronic waste, and the percentage of the recycled thereof | Quantification          | Referring to Section 3.6 Waste Management                 | Ton (t), percentage (%)         |
| VI   | Description of risk management related to the use of critical materials                                                                                 | Qualitative description | Referring to SASB Indicator Comparison Table TC-SC-440a.1 | Not applicable                  |
| VII  | Total monetary losses resulting from legal proceedings related to the anticompetitive practices ordinance                                               | Quantification          | Referring to SASB Indicator Comparison Table TC-SC-520a.1 | Reporting currency              |
| VIII | Description of production volume of major products by product category                                                                                  | Quantification          | Referring to SASB Indicator Comparison Table TC-SC-000.A  | Thousand pieces                 |

Note 1: For Item 8, the primary product by production volume under product categories is chips.

## 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」之觀念。

董事長 張明君

## Human Rights Policy

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

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

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

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

Chairman



**ESMT 晶豪科技**

## Environmental Policy

### Environment Policy

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

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

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

以上政策對全體員工及社會大眾公開，共同保護環境。

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

董事長 (Chairman)



**ESMT 晶豪科技**

## Occupational Safety and Health Policy

### ESMT Occupational Health and Safety Policy

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

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

Chairman: *Ming-Chien Chang*  
Confidential **ESMT** 晶豪科技

## Conflict Minerals Policy

Elite Semiconductor Microelectronics Technology Inc.

### Conflict Minerals Policy

The extraction of rare metals such as cassiterite, coltan, wolframite, and gold in the Democratic Republic of Congo and surrounding regions has caused severe human rights and environmental issues:

To respond to international human rights developments and fulfill corporate social responsibility, ESMT commits to:

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

**ESMT** 晶豪科技

Chairman : *Ming-Chien Chang*

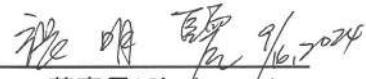
### Quality Policy

- ◆ To provide excellent semiconductor products and technical service that meet the quality requirements of our customers.

提供卓越的 IC 產品及技術服務，滿足顧客對品質的要求。

- ◆ To fulfill the quality commitment through continual improvement and the involvement of all corporate members in all activities.

透過持續改善及全員參與，實現公司對品質的承諾。

  
董事長(Chairman)

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**ESMT 晶豪科技**

### Functional Safety Policy

- ◆ ESMT 將盡最大努力來避免功能安全元件的系統性/隨機/共因故障風險，並確保為功能安全相關管理系統開發提供足夠的資源。

ESMT will do the best to avoid the risk caused systematic/random/common cause failure for functional safety component and ensure providing sufficient resource for functional safety related management system development.

- ◆ 被認為與功能安全相關的產品專案，功能安全委員會主席應任命功能安全經理負責功能安全管理過程。

The product project which is deemed to be functional safety related then the  
| Functional Safety Committee chairman shall appoint a functional safety manager  
to take responsibility of functional safety management process.

董事長(Chairman)  9/16, 2024

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**ESMT 晶豪科技**

# **ESMT** 晶豪科技

Elite Semiconductor Microelectronics Technology Inc.

晶豪科技股份有限公司

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