

EPISIL TECHNOLOGIES INC.

2024 ESG Report



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Contents

About This Report

This report is prepared by Episil Technology Co., Ltd. (stock code: 3707, hereinafter referred to as " Episil ", "the Company") in accordance with the GRI Sustainability Reporting Standards 2021 Edition issued by the Global Sustainability Reporting Institute (GRI) and the "Operating Regulations for the Preparation and Filing of Sustainability Reports by OTC Companies" issued by the Republic of China Securities OTC Trading Center. In the view of the sustainability responsibility and mission to shareholders, employees and related stakeholders are increasing day by day, Episil has always adhered to the principles of sincerity, transparency, openness, and sustainability, and explained the economic, environmental and social corporate sustainability development in 2024 to various stakeholders through this report.

This report will provide a detailed disclosure of our efforts to implement our commitment to sustainable development in terms of company profile, sustainability governance, environmental sustainability, product innovation and supply chain management, employee care and social welfare. For financial analysis and operational overview, please refer to the 2024 annual report, and all financial information is quoted from the financial report verified by the accountant, which can be found on the website "Investment Relations" of Episil.

Target Period

Information is disclosed primarily in fiscal 2024 (January 1, 2024 to December 31, 2024).

※Information on some efforts made before 31 December 2022 and earlier is also disclosed.

Scope of the report

The subject of this report is Episil Technology Co., Ltd., and the operating area is Taiwan innovation factory (DF1), research and development plant (DF6A) and R&D plant(DF6B), and the scope of disclosure does not include subsidiaries that reinvest in enterprises that issue sustainability reports on their own.

Episil Technology Co., Ltd (Plant: DF1 & DF6A &DF6B)

Does not include subsidiaries that reinvest in enterprises that issue sustainability reports on their own.

※If the scope of coverage is different, it is clearly indicated in the relevant section.

Basis of preparation Editorial Policy

This reports is reference to 2021 edition of the GRI Sustainability Reporting Standards issued by the Global Sustainability Reporting Institute (GRI) and the "Operating Regulations for the Preparation and Filing of Sustainability Reports by

OTC Listed Companies" issued by the Republic of China Securities OTC Trading Center, Episil's business strategy, investment and performance in sustainable development were disclosed to stakeholders.

Fundamentals of Information Computing

The information and statistics in this report are derived from the results of statistical surveys and compilations conducted by the relevant authorities, and some of the financial figures in the section on operating performance are quoted from the financial statements of certified accountants. All financial figures in the report are expressed in New Taiwan dollars, and the collection, measurement and calculation methods of data and information are mainly based on compliance with international regulations or local regulatory requirements.

How reports are managed

The contents of this report is reviewed by ESG Committee then get the approval of ESG Chairman and Board of Directors before publication.

Release information	Follow Standard	Certified/Assured Institution
Financial data	Financial statements report	PwC Taiwan
Greenhouse gas emission data	GHG protocol	SGS Taiwan Ltd.

Publication

Will publish the Sustainability Report annually and disclose it on the Company's website.

Current issuance date : May 2025

Next issuance date : Expected in May 2026

Contact for inquiries

If you have any questions about this report, please feel free to contact us through the following channels.

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Tel : 886-3-5779245 Mail : episil_mail@episil.com

Website : <https://www.episil.com/index/>

Message from the Management team

In 2024, the global economy has been affected by multiple factors such as geopolitical conflicts, economic uncertainty, technological competition and climate change. International cooperation and competition coexist, and countries are actively seeking new balances and development models. Global companies continue to face the challenges of highly changing markets, and with the continuous innovation of the AI industry, the world is changing faster and faster. In addition to the volatile economic environment, accelerated climate change is also a topic that the world should face, and it is our responsibility and obligation to do our best to uphold it.

Episil is focus on foundry business of power and analog semiconductor epitaxy and component integrated circuits. In addition to gradually adjusting product structure and continuously upgrading compound semiconductor technology development, it continues to expand the various applications of existing power product businesses. As the world pays more and more attention to energy conservation and carbon reduction, Episil's long-term investment in power and compound semiconductor foundry products is in line with the current market trend. However, due to the adjustment of global market supply and demand in recent years, the industry visibility is relatively low. We look forward to continuing to grasp the development trend of power semiconductors in the future and gradually developing and growing on the basis of existing technologies.

Climate change is related to the interaction between our lives, work and the environment, and requires long-term investment and change from the government, enterprises and individuals. Episil takes into account the company's operational performance, environmental protection and social responsibility, and sets the goals for each stage of sustainable development ESG. It implements policies through the ESG organization and compiles a sustainability report based on them. In addition to using the GRI standards, the report also refers to the "Climate Change Response Act" and SASB standards, and follows the TCTD Climate-Related Financial Disclosure Framework to express our actions in response to climate change.

Under the supervision of the ESG Project Steering Committee, the ESG Project Implementation Committee under Episil conducted an investigation and assessment of the major risk identification projects of the year, in order of greenhouse gas management, supply chain production environmental impact and resource consumption issues, information security risk management, etc. Short-, medium- and long-term goals are set according to each risk, while linking the company's internal performance indicators and regularly tracking and reviewing. The achievement of short-term goals in 2024 includes: actively launching various equipment energy-saving plans, which can reduce electricity consumption by about 1-2% each year; improving the local procurement goals of the supply chain, promoting reuse or remanufacturing to reduce waste generation; strengthening the company's information security control system, and conducting education and training for all colleagues to enhance information security awareness; and improving

the efficiency of annual financial report disclosure. The mid-term goal will be to strengthen the establishment of executable policies in accordance with various aspects and align with international standards. The long-term goal is to focus on the environment, society and governance, with the long-term excellent sustainable development enterprise as the indicator.

In summary, sustainable development has become a core issue of common concern for enterprises, governments and all sectors of society. As a company committed to creating long-term value, we are fully aware that sustainable development is not only a responsibility, but also the key to future competitiveness. In 2024, we will continue to respond to global sustainable development goals with practical actions, and integrate environmental, social and governance principles into corporate strategy and daily operations. In the future, we will continue to work with suppliers, customers, employees and community partners with innovative thinking and a spirit of cooperation to move towards a more sustainable future. We believe that through everyone's efforts, we can create a more equitable, prosperous and resilient environment for the next generation.

Episil Technology Inc. Management team

Chairman : JH Shyu

President : Can-Wun Liou

CH1 Sustainable Management

1.1 About Episil

Company Introduction

Company Name	Episil Technology Inc.
Chairman	JH Shyu
Number of employees	About 850
Capital	Paid-in capital of NTD 3,832,226,530
Established date	March 20, 1985
Location	Taiwan Hsinchu
Main business and services	Manufacture of products such as linear bipolar ICs, Power MOSFET, hybrid integrated circuits (logic components), high-voltage CMOS, FRED, TVS, SiC and GaN discrete components.

The original Episil Technology Co., Ltd. is one of the investment companies of Episil Holding Co., Ltd., in order to focus on industrial operation, on September 1, 2021, Episil Holding and Episil Technology Co., Ltd. merged, and the company name was changed to Episil Technology Co., Ltd. after the merger.

Episil focuses on the OEM production of niche power semiconductors, and at the same time expands the application of energy-saving, new energy vehicles and other related industries, from traditional silicon-based MOSFETs to IGBT and FRED separation power components and high-power and high-voltage CMOS processes, all of which provide diversified services. In addition to combining the advantages of Bipolar, CMOS and DMOS components in high voltage and high current, we will accelerate the development of compound semiconductor technology, niche silicon power semiconductors, gallium nitride (GaN) and silicon carbide (SiC) epitaxial and module foundry-based business models. We believe that continuous improvement of process technology and added value of our product portfolio can continue to create value and benefits for our customers, investors and employees.

Short-term plans:

In terms of business development, we actively explore new customers and provide diversified services for various power product processes. We continue to expand sales markets in Europe, America and Chinese mainland, increase the proportion of export sales, and move towards the expansion and application of high-margin products, smoothly cut into the market trend of emerging electronic products. We

also actively promote the expansion and development of 6-inch SiC customers in product applications. In terms of R&D process capabilities to increase product value and enhance market competitiveness, we actively promote strategic cooperation with other manufacturers to jointly develop 8-inch SiC production line expansion, which is also the primary goal of future development of Episil.

Long-term plans:

Maintain the development of niche products with high gross margins, and develop high-voltage, high-frequency or high-power products, SiC and GaN power components and strengthening the process technology and application of compound semiconductors. For Episil, with the increasing demand for automobiles, green energy and energy-saving products, the demand for compounds is also heating up. In line with the future market growth trend, the company will actively expand its production capacity and cooperate with other international companies to continue to deepen the next generation of process technology, and continue to develop related application products and customers as a long-term goal.

The R&D layout is as follows:

In the form of industry-academia cooperation and strategic alliances
Introduction of key technologies

In addition to independent development, the company also cooperates with the academic community to develop process technology in cooperation with customers and internationally renowned manufacturers of alliance companies, and cooperates with its own technical capabilities to upgrade the transferred technology, strive to reduce production costs, improve product yield, and increase industrial competitiveness. Over the years, a long-term cooperative relationship has been established with them. In addition, employees are rewarded to apply for domestic and foreign patents with research results, so that the company can obtain the protection of intellectual property rights.

Development of compound semiconductor power devices

The company invests in the development of various gallium nitride and silicon carbide materials with different voltages, and provides complete services for epitaxial (Episil-Precision Inc.) and module manufacturing process according to the needs of different customers. Schottky Diode, Mosfet, and HEMT can be used in future applications such as electric vehicles, solar power generation, smart grids, and wireless charging. It will bring new products and new sources of profit to the company.

It has excellent production technology and R&D capabilities, and has successively developed more advanced and competitive processes

In order to expand the field of new products and meet the diversified needs of the market, the company will actively develop special-purpose Discrete high-power IGBT, diode, Fast Recovery Diodes and Fast Recovery MOSFET components to expand future profit sources and growth space

Provide silicon intellectual property (IP) required for each process to shorten the time to market for customers' products

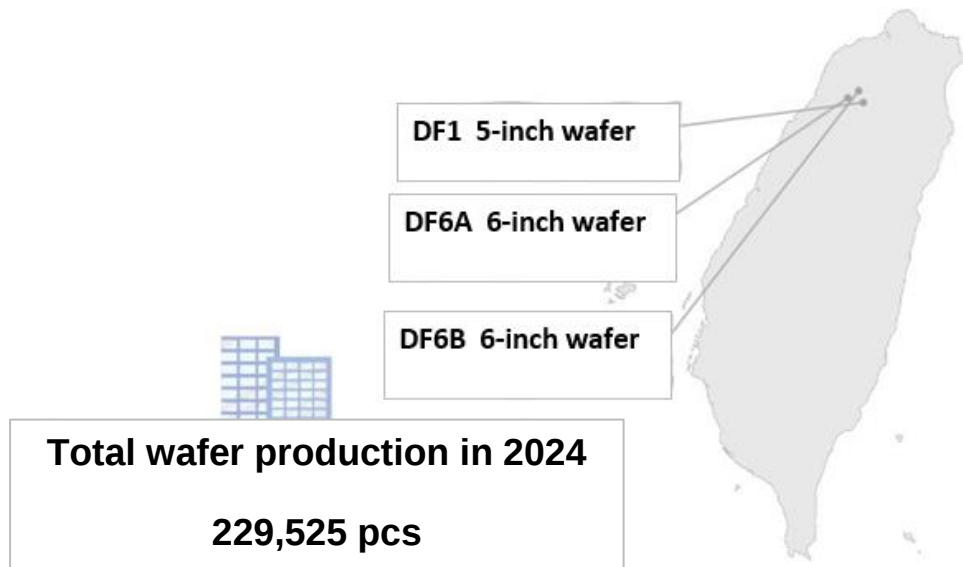
In addition to providing advanced manufacturing processes, the company also provides corresponding basic circuits along with each process, such as voltage references, bias current sources, and operational amplifiers. The optimized and proven basic circuit modules shorten the customer development time and bring products to market quickly.

Important milestones and future outlook

Founding the foundation	Invest in the new bureau of development/transformation
FY1985 The company was founded	FY 2014 Transformed into an investment holding company
FY 1986 Mass production of wafers	FY 2015 Episil Technology became a subsidiary of Holdings
FY 1992 Mass production of wafer foundries	FY 2015 The 4-inch compound semiconductor process was officially introduced into mass production
FY 1997 Stocks are listed on the OTC	FY 2019 The 6-inch compound semiconductor process was officially introduced into mass production
	FY 2020 Officially passed VDA6.3 certification and ISO 45001 transfer certification
	FY 2021 Holding merged its subsidiaries and changed its name to Episil Technology
	FY 2022 Significantly expand the production capacity of 6-inch compound semiconductors
	FY 2023 Improving SiC MOS mass production technology
	FY 2024 Developed next-generation SiC MOS mass production technology (reduced on-resistance by 20%)
	FY 2024 Signed a strategic cooperation agreement with Vanguard International Semiconductor Corporation to jointly promote the technology development and production of compound semiconductor SiC (silicon carbide) 8-inch wafers

Operating Location

Founded in Hsinchu Science Park in 1985, Episil Technology Co., Ltd. is the world's first professional foundry of Linear Bipolar ICs and the world's first professional foundry of compound semiconductors gallium nitride (GaN) and silicon carbide (SiC). At present, it has 3 operating factories in Taiwan, namely 1 5-inch and 2 6-inch foundries.



Products, services and patent applications

Products and services

Episil's main business is the manufacture of bipolar IC Service, Power MOSFET, hybrid integrated circuits (logic components), high-voltage CMOS, FRED, TVS, SiC and GaN discrete components. Products such as dual-carrier integrated circuits and power integrated circuits can be used to manufacture high-speed, high-precision analog circuits and high-voltage analog circuits. High-power FETs have the advantages of low power consumption and low heat dissipation, and are mainly used in notebook computers and mobile phones, while logic components are used in consumer electronics, communication products and industrial systems. In addition, Episil also continues to simplify and improve the quality of mature processes, and provides customers with process services for various analog and high-power products.

Episil's current products and services are component and integrated circuit foundry and power discrete component foundry manufacturing, and the new products (services) planned to be developed in the future include the following items:

1. 6" SiC G3/G4 Platform Development
2. 6" SiC Trench Development
3. SiC Schottky Diode 3300V process
4. SiC MOSFET 3300V manufacturing process
5. GaN power semiconductor components combined with IC process
6. 6" high voltage GaN on Silicon fabrication
7. Low Capacitor, Low Clamp New Generation Trench TVS

In the future, under the integration of resources, it will be able to have a good advantage in competitive advantages, and have enough energy to face market competition and challenges.

Patent application

Year	Type	Item	Country
2014	Invention	POWER LDMOS DEVICE	TW
2014	Invention	POWER LDMOS DEVICE AND HIGH VOLTAGE DEVICE	US
2014	Invention	RESURF STRUCTURE AND LDMOS DEVICE	US
2014	Invention	SUBMOUNT FOR LIGHT EMITTING DIODE AND METHOD FOR FABRICATING THE SAME	US
2015	Invention	RESURF STRUCTURE AND LDMOS DEVICE	TW
2016	Invention	LDMOS DEVICE AND RESURF STRUCTURE	TW
2016	Invention	SEMICONDUCTOR DEVICE AND METHOD OF OPERATING THE SAME AND STRUCTURE FOR SUPPRESSING CURRENT LEAKAGE	TW
2016	Invention	SEMICONDUCTOR DEVICE AND METHOD OF OPERATING THE SAME AND STRUCTURE FOR SUPPRESSING CURRENT LEAKAGE	US
2016	Invention	SEMICONDUCTOR DEVICE	TW
2016	Invention	ELECTROSTATIC DISCHARGE PROTECTION STRUCTURE	TW
2017	Invention	SEMICONDUCTOR DEVICE, TERMINATION STRUCTURE AND METHOD OF FORMING THE SAME	TW
2023	Invention	SEMICONDUCTOR DEVICES AND METHODS OF MANUFACTURING SEMICONDUCTOR DEVICE	TW
2023	Invention	STRUCTURES FOR BIOCHIP	TW
2024	New	SEMICONDUCTOR DEVICE	TPE
2024	Invention	SEMICONDUCTOR DEVICES AND METHODS OF MANUFACTURING SEMICONDUCTOR DEVICE	TPE
2024	Invention	STRUCTURES FOR BIOCHIP AND METHOD OF FORMING THE SAME	TPE
2024	New	SEMICONDUCTOR DEVICE	CHN
2024	New	SEMICONDUCTOR DEVICE	JPN

Participation of public associations and external organizations

Episil actively participates in relevant industry associations, participates as a member and fully communicates and learns with peers, in response to the changing trend of the international industry, exerts corporate influence, and establishes a relationship of mutual assistance and cooperation. In 2024, the associations in which Episil participated are as follows:

Name of the association	Location	Role
TAIWAN SEMICONDUCTOR INDUSTRY ASSOCIATION 	Taiwan	Member
SEMI 	Taiwan	Member
TAIWAN INDUSTRIAL HOLDING ASSOCIATION 	Taiwan	Member
THE ALLIED ASSOCIATION FOR SCIENCE PARK INDUSTRIES 	Taiwan	Member

Glory and affirmation

1998

- Developed Power MOSFET products and won the R&D Grant of the National Science Council

2001

- Commonwealth Magazine's "2000 Top 1,000 Manufacturing Industries": ranked 326th in the top 33% overall, ranked 32nd in turnover growth, 70th in profit margin, and 100th in return on shareholders' equity

2003

- Awarded the 'Innovative Technology Research and Development Scheme' by the Science Park Authority"

2004

- Awarded the 92nd annual 'Enterprise Learning Network Construction Model and Incentive Fund' by the Ministry of Economic Affairs

2005

- Chairman Huang Minqi was the first Chinese in the world to receive the Bob Graham Award

- Selected as "2005 Best Supplier" by Fuji Electric of Japan
- Awarded by the Industrial Safety and Health Association for a record of more than 10,000 hours of disaster-free working hours

2006

- Chairman Huang Minqi is the chairman of the International Semiconductor Equipment and Materials Association (SEMI).

2007

- Chairman Huang Minqi was awarded the 2007 ERSO Award by Pan Wen Yuan Cultural and Educational Foundation

2015

- The number of accident-free working hours exceeded 10 million man-hours, and it was awarded the Gold Award by the Industrial Safety and Health Association of the Republic of China
- Outstanding water-saving performance, won the Ministry of Economic Affairs Water Resources Department water-saving outstanding manufacturers commendation
- Successfully developed the core technology of SiC MOSFET and mass produced the first SiC MOSFET in China and Taiwan

2016

- The "1200V/30A Silicon Carbide MOSFET Component Development Project" received a subsidy of NT\$18 million from the Industrial Development Bureau of the Ministry of Economic Affairs
- Won the 105th annual Hsinchu County environmental protection performance manufacturer commendation

2017

- In 2017, 922 people were selected in the 2017 survey of the top 2,000 enterprises of CommonWealth magazine
- Exceeded 10 million accident-free working hours, and was commended by the Occupational Safety and Health Administration for its outstanding performance in accident-free working hours

2018

- Episil won the Ishikawa Award at the 204th National Quality Circle Conference

2019

- The company continues to obtain ISO 14001:2015 and OHSAS 18001:2007 certifications

2021

- obtained ISO 9001:2015 and IATF 16949:2016 certifications
- Passed Environmental Management Systems (ISO 14001:2015) and Occupational Health and Safety Management Systems (ISO 45001: 2018) Renewal verification

2022

- Commonwealth Magazine 2021 Top 2,000 Manufacturing Industries: Ranked 447th in the top 22% overall, ranked 519th in turnover growth, 712th in profit margin, and 931st in return on equity

2023

- Acquired 112-year Healthy Workplace certification from the National Health Administration (Expiration date: 113~115 years)
- Passed Quality Management System (ISO 9001:2015) and Automotive Quality Management Systems) (IATF 16949:2016) Renewal verification

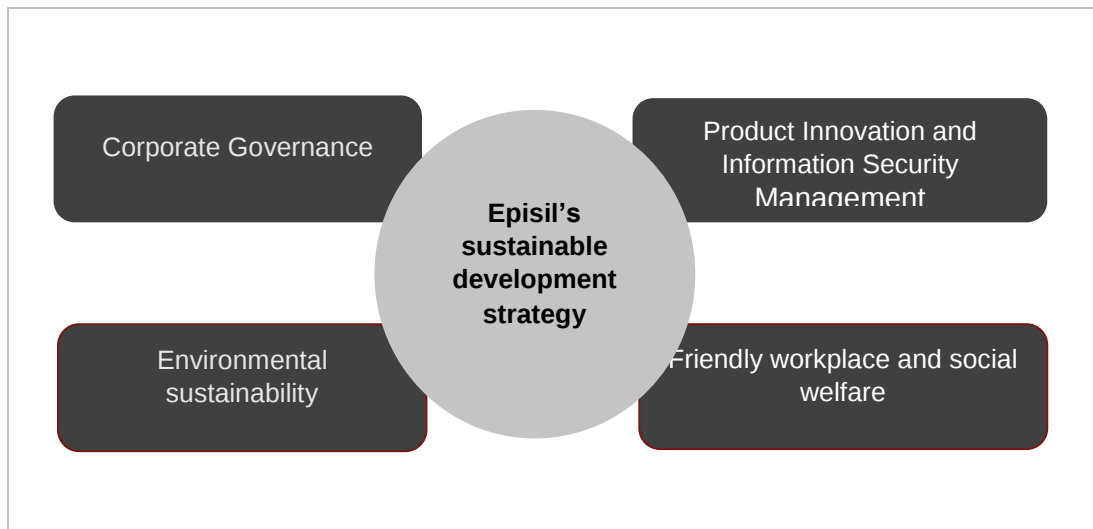
2024

- GaN products enter Nvidia's AI supply chain

1.2 Sustainable practices

1.2.1 Sustainable development strategy

As a member of the global semiconductor supply chain, while improving productivity and profitability, Episil also continues to implement and improve corporate governance, develop a sustainable environment, promote product innovation and information security management, and maintain a friendly workplace and social welfare through three aspects: economic, environmental and social.



Episil adheres to the following sustainable action guidelines, and is committed to establishing a good and mutually beneficial sustainable strategic partnership with customers and other cooperative manufacturers.

- ◆ **Emphasis on high-performance service quality**
We attach great importance to high-performance service quality in order to create profits and win-win results with our customers and partners, and regard this as one of the most important business philosophy and corporate development goals.
- ◆ **Emphasis on professional attitude and discipline**
Internally and externally, we adhere to a professional attitude and discipline to engage in business management, execute work performance, and shape management culture to achieve various goals and tasks.
- ◆ **Believe that innovation is the only rule of sustainable management**
We believe that only continuous innovation can create competitive value for Episil and its customers, and maintain the strength of sustainable operation of the enterprise for a long time.
- ◆ **Establish a sincere corporate culture**
We demand the highest level of professional ethics both internally and externally, and in doing so, we develop our organizational culture and build our corporate image.
- ◆ **Bring out the value of teamwork**

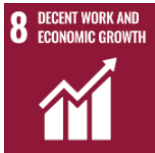
Externally, we are committed to establishing a teamwork partnership with customers and partners, and internally, we do not tolerate self-centeredness, and only by implementing teamwork can we create the greatest contribution and value.

◆ Lifelong learning and the courage to challenge

We encourage lifelong learning to store value for business and personal growth, and we also encourage the courage to take on challenges and take risks to build the strength to respond to change.

1.2.2 Practice of sustainable development goals

In 2016, Episil officially released the "Corporate Social Responsibility Code" as a guideline, echoing the world's current sustainable development trend - the United Nations Sustainable Development Goals (SDGs), and taking the ESG promotion team as the core unit of sustainable development, integrating all units within the company to implement sustainable management in a systematic way.

Aspect	UN Sustainable Development Goals in practice	The company acts with annual results
Corporate Governance	SDG8 DECENT WORK AND ECONOMIC GROWTH 	- Establish a reasonable salary system - The Remuneration Committee held 2 meetings, with 100% attendance rate 100% attendance rate for all functional committees
	SDG 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	- In 2021, the "ESG Steering Committee" and the "ESG Implementation Committee" of the sustainability organization were established - Education and training on professional ethics, with a 100% completion rate for supervisors
	SDG17 PARTNERSHIPS FOR THE GOALS 	- To reduce the waste by controlling the selection, package and shipment of raw materials - To launch paperless information on supplier by introducing the E-WEB for promoting the green-supply-chain.

Aspect	UN Sustainable Development Goals in practice	The company acts with annual results
		● To continue implementing corporate social responsibilities of suppliers' ESG and AEO, actual audit review work completed 100% in 2024. ● 100% use the standard of environmental and social criteria to select new suppliers ● To continue improving company and supply chain environmental safety, hygiene and damage prevention capabilities, by holding safety education and training courses for employees and contractors. ● In 2024, the top 5 raw materials (Wafer, Gas, Chemical, Photo, Target), the total net procurement amount of local suppliers was around NT\$300 million, which the ratio reaching 52%
environment	SDG3 GOOD HEALTH AND WELL-BEING  SDG6 CLEAN WATER AND SANITATION 	● Carbon emissions per unit of output value in 2024 will decrease by 3.71% compared with the previous year ● Electricity saving rate of 2.1% in FY2024 > target of 1% ● Total energy consumption in 2024 will increase by 1.17% compared to the previous year ● Energy intensity increased by 15.7% compared with the base year of 2021 ● Water withdrawal in 2024 will be reduced by 6.4% compared to the previous year ● Water withdrawal intensity increased by 23.2% compared to the 2021 base

Aspect	UN Sustainable Development Goals in practice	The company acts with annual results
	SDG7 AFFORDABLE AND CLEAN ENERGY  SDG12 RESPONSIBLE CONSUMPTION AND PRODUCTION  SDG13 CLIMATE ACTION 	year • In the past 3 years, the wastewater discharge of all operating plants has met the standards of the park and regulations • Waste recycling and reuse will account for 83% of total waste by 2024 • There were no major violations of environmental laws and regulations in 2024
product	SDG9 INDUSTRY, INNOVATION AND INFRASTRUCTURE  SDG12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	• In 2024, the total amount of R&D funds invested in innovation and R&D will reach NT\$160.17 million, a significant increase of 19.33% from the previous year • In 2024, 100% of Episil's products will comply with the EU Restriction of Hazardous Substances Directive (EU RoHS), EU REACH Restricted Substances and Substances of Very High Concern, and the product is halogen-free • In 2024, Episil was not penalized for violating health and safety regulations related to products and services

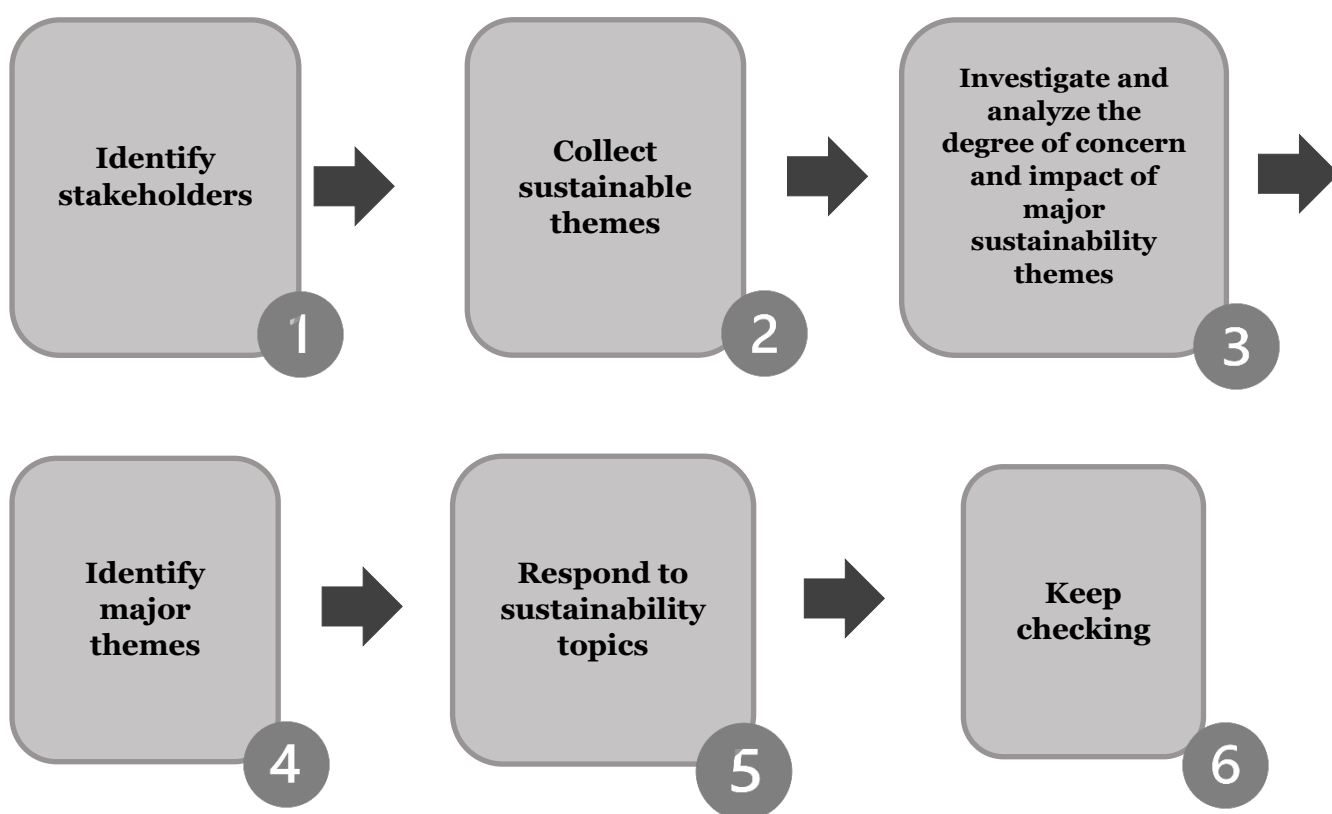
Aspect	UN Sustainable Development Goals in practice	The company acts with annual results
society	SDG3 GOOD HEALTH AND WELL-BEING  SDG4 QUALITY EDUCATION  SDG8 DECENT WORK AND ECONOMIC GROWTH  SDG17 PARTNERSHIPS FOR THE GOALS 	• Provide free annual health check-ups, low-dose lung computed tomography and bone densitometry • In 2024, the health inspection rate of personnel will be 100% for special health hazards. • Hold a health examination report consultation every year, and plan a one-on-one consultation on the health examination report • A total of 12,291 in-house training courses were held, with an overall course completion rate of 99% • In 2024, we will continue to carry out industry-university cooperation with the Department of Electrical Engineering and the Department of Mechanical Engineering of Mingxin University of Science and Technology through "Deepening Industry-University Cooperation". • In 2024, female employees will account for 46% of the total number of employees, Episil will not discriminate or treat unfairly in employment because of gender, and we will continue to encourage female colleagues to bravely strive for personal career opportunities and help employees create higher value • In accordance with the spirit and principles of international human rights conventions, promote the protection of human rights and implement human rights protection

Aspect	UN Sustainable Development Goals in practice	The company acts with annual results
		● Regularly review the safety of the working environment, and all operating plants have completed the ISO45001:2018 occupational safety and health system certification, and there will be no occupational disease incidents in 2024 ● We cooperate with the "Renai Foundation" & "Amazing Grace Deaf Bakery" to organize the Mid-Autumn Festival Thanksgiving Charity Sale, and colleagues will work together to do public welfare by subscribing to biscuits and gift boxes, plus company donations ● The Welfare Committee invites public welfare organizations to the factory from time to time to carry out charity sales, so that colleagues can show their love in the short time of the lunch break ● The company organizes activities from time to time to donate materials to the "Hsinchu Renai Children's Home" to show care and social participation with practical actions ● Love invoice boxes are set up in each operating plant, and receipts and change are donated to the "Social Welfare Foundation".

1.3 Materiality Analysis

Major topic identification process

In accordance with the content of the 2021 edition of the Chinese Sustainability Reporting Standards published by the Global Sustainability Reporting Institute (GRI), corporate sustainability trends and important domestic and foreign regulatory developments, Episil collects issues of concern to the same industry at home and abroad for identification, identifies common themes in the industry in an intersecting manner, adopts the materiality principle, identifies major stakeholders and major sustainability topics in a systematic way, manages and sets goals, and serves as the basis for compiling sustainability reports and responding to stakeholders. We first identify the major stakeholders, then conduct a survey of the major stakeholders, and then conduct an internal ESG team to assess the impact and probability of occurrence of the theme based on the results, so as to identify the material sustainability themes in 2024.



Step 1 Identify stakeholders

In accordance with the AA1000 SES Stakeholder Compliance Criteria, the Company sent a stakeholder identification questionnaire to the working group colleagues in accordance with the five aspects of the AA1000 SES Stakeholder Compliance Criteria: Degree of Dependence, Responsibility, Degree of Concern, Influence and Multiple Perspectives, which were classified into 7 types of stakeholder groups according to their importance: employees, investors, customers, suppliers, government authorities, community/non-profit organizations and others.

Step 2 Collect sustainability themes

In order to practice sustainability and respond to international development trends, we have identified a total of 19 common themes in the industry by taking into account the GRI Standards, Episil's strengths and business philosophy, and collecting information on benchmarking companies in the same industry, with the assistance of external experts and internal discussions.

Aspect	Issues
Environment	Energy management
	GHG management
	Water resources management
	Waste and resource recycling
Product	Product safety and quality management
	Innovative R&D and Intellectual Property Management
	Data security and privacy
Society	Employee Diversity and Equality
	Talent attraction and retention (including labor-employer relations, labor-management relations)
	Labor safety and health
	Human rights assessment
	Social participation
Governance/ Economy	Corporate Governance
	Integrity management
	Economic performance
	Tax
	Risk management
	Compliance
	Supply chain management

Step 3 Investigate and analyze the degree of attention and impact of major sustainability themes

Among the 7 types of stakeholders identified, we carefully selected representative targets and conducted questionnaires to identify the attention and impact of 15 sustainability themes. In addition to the feedback of stakeholders, we also refer to the overall trend of the industry and the situation of the industry, and consider the degree of impact of each issue on the economy, environment, society and operation, and the degree of impact based on the probability of positive and negative occurrence and the scale of the impact.

Step 4 Identify major themes

The working group summarizes the impact assessment and quantifies the results, considers the overall sustainable development promotion strategy through internal meeting discussions and adjustments of the ESG group, and defines the themes that have significant positive and negative impacts on the economy, environment, society and Episil as material themes. In the future, performance results and effectiveness reviews will be reviewed annually to evaluate the management objectives and

indicators of each material theme. The following are the selected material themes for 2024, which will continue from the previous year

Sort	Aspect	Topic
1	Product	Product safety and quality management
2	Governance	Integrity management
3	Environment	GHG management
4	Environment	Environmental compliance
5	Society	Labor health and safety
6	Product	Data security and privacy
7	Product	Innovative R&D and Intellectual Property Management
8	Governance	supply chain management

Step 5 Respond to sustainability topics

According to the definition of the Global Sustainability Reporting Institute (GRI) 2021 edition, Episil conducted 8 sustainability theme analysis from the perspective of positive and negative impacts, considering the external economy, environment, society and internal suggestions of Han Lei. The following is an illustration of the potential impacts we face under each of the material themes and strategies to address them.

Aspect	2024 Material Topics	Corresponding GRI Standards	to the company's materiality and Response Strategy	Impact boundary					Corresponding Chapter
				Episil	Supplier	Investor	client	Society	
Product	Product safety and quality management	GRI 416-1 GRI 416-2	Adhering to the concept of quality first, we strive to provide excellent semiconductor process foundry services and products to customers around the world, and establish long-term partnerships	✓	✓		✓		4.1 Product safety and quality management
Governance/ Economy	Integrity management	GRI 205-1 GRI 205-2 GRI 205-3 GRI 206-1	Integrity management is one of the foundations of Episil's founding, and only by maintaining an honest attitude towards suppliers, customers and other stakeholders in business operations can	✓	✓	✓	✓	✓	2.2 Integrity management

Aspect	2024 Material Topics	Corresponding GRI Standards	to the company's materiality and Response Strategy	Episil	Impact boundary				Corresponding Chapter
					direct			indirect	
					Supplier	Investor	client	Society	
			we achieve the goal of sustainable management						
Environment	GHG management	GRI 305-1 GRI 305-2 GRI 305-4 GRI 305-5 GRI 305-7	In order to mitigate the occurrence of extreme weather, managing greenhouse gas emissions is an important issue, and Episil ensures that the company's operations comply with various environmental protection trends or regulatory standards	✓				✓	3.1 GHG management
Environment	Environmental compliance	GRI 2-27	In addition to actively preventing climate-related risks, Episil is committed to promoting green environmental protection, energy conservation and carbon reduction actions, and at the same time complying with the environmental	✓		✓		✓	3.5 Environmental compliance

Aspect	2024 Material Topics	Corresp onding GRI Standar ds	to the company's materiality and Response Strategy	Impact boundary					Correspondi ng Chapter
				Episil	direct			indirect	
					Supplier	Investor	client	Society	
			protection, safety and health regulations and other requirements issued by the government, in response to the international trend of green environmental protection operations.						
Employee	Labor safety and health	GRI 403-1 GRI 403-2 GRI 403-3 GRI 403-4 GRI 403-5 GRI 403-6 GRI 403-7 GRI 403-8 GRI 403-9 GRI 403-10	Talent is the most important asset of Episil, through diversified talent recruitment, providing competitive and internally fair salaries, as well as diversified welfare measures, to unite the centripetal force of colleagues, to ensure the safety and health of colleagues in the workplace, so that talents become the source of	✓		✓		✓	5.4 Labor safety and health

Aspect	2024 Material Topics	Corresp onding GRI Standar ds	to the company's materiality and Response Strategy	Episil	Impact boundary				Correspon ding Chapter
					direct			indirect	
					Supplier	Investor	client	Society	
			power for sustainable operation						
Product	Data security and privacy	GRI418-1	Cyber-attacks and information leakage will affect the protection of the company's private information, cause major problems such as the company's operation being blocked, financial compensation or illegal breach of contract, and in the long run, it will cause significant damage to the relationship between goodwill and customer trust, and then affect the foundation of the company's sustainable development. Implement cyber security management and information security	✓		✓	✓		4.3 Data security and privacy

Aspect	2024 Material Topics	Corresponding GRI Standards	to the company's materiality and Response Strategy	Episil	Impact boundary				Corresponding Chapter
					direct			indirect	
					Supplier	Investor	client	Society	
			protection measures, and invest capital expenditure to continuously strengthen information equipment.						
Product	Innovative R&D and Intellectual Property Management	None	In the ever-changing semiconductor industry, Episil continues to develop innovative technologies and bring a better life to the public with innovative technology .In addition to R&D plans, Episil is also committed to protecting existing intellectual property rights and patents.	✓		✓	✓		4.2 Innovative R&D and Intellectual Property Management
Governance/ Economy	supply chain management	GRI2-6 GRI 204-1 GRI 308-1 GRI 308-2	EPISIL has established a stable and trusting partnership with suppliers and built a sustainable business	✓	✓		✓		2.7 supply chain management

Aspect	2024 Material Topics	Corresp onding GRI Standar ds	to the company's materiality and Response Strategy	Impact boundary					Correspon ding Chapter
				Episil	direct			indirect	
					Supplier	Investor	client	Society	
		GRI 414-1 GRI 414-2	model for preventing and reducing potential risks from society and the environment.						

Step 6 Keep reviewing

The ESG team needs to pay attention to the positive and negative impacts of major themes on Episil, implement and respond to the expectations of internal and external stakeholders for the company, regularly exchange opinions with stakeholders through annual materiality identification and stakeholder discussions, track results for management policies and goals, review the major themes of the previous reporting cycle, and provide information for the next reporting cycle as suggestions for improvement, and use innovative sustainability strategies to build a better company.

1.4 Stakeholders agree

Episil's products have a wide range of applications, and in the process of production and operation, they will have a significant impact on the upstream and downstream of the value chain. To this end, we combine the analysis of material sustainability themes to evaluate the impact of each material sustainability theme on stakeholders in the value chain in the process of providing products and services, and take responses. We have set up a stakeholder area (https://www.episil.com/zh-TW/esg/esg_stakeholder) on our official website as a channel for communication with stakeholders, and there is a dedicated person to respond to the opinions of all stakeholders, and we welcome suggestions from all parties. The topics of concern and communication channels of each category of stakeholders are summarized in detail.

Stakeholders	Important corporate social responsibility issues of concern	Communication Form and Frequency	The actual implementation status and communication results of each negotiation pipeline in 2024
Customer 	- Product safety and quality management - Innovative research and development and intellectual property management - Data security and privacy	- Customer visit meeting: including technology, product, price, after-sales service, etc.: QBR (quarterly), HBR (every half year), ABR (annual/irregular) - Customer audit meetings include technology, products, after-sales service, prohibited substances, conflict minerals, environment, etc.: QBR (quarterly), HBR (every six months), ABR (annual/irregular) - Customer satisfaction survey (annual) - The customer holds a supplier conference (annual/irregular)	- Telephone interview with customers to discuss technology, products, prices, after-sales service, etc. - Cooperate with 12 customers to conduct ESG requirements audits, and discuss prevention and improvement mechanisms together - Complete 15 questionnaires in the annual customer satisfaction survey

Stakeholders	Important corporate social responsibility issues of concern	Communication Form and Frequency	The actual implementation status and communication results of each negotiation pipeline in 2024
Investor 	• Integrity management • Economic benefits • Product research and development and intellectual property management	• Annual report (every year) • shareholders' meeting (annual) • Corporate briefing session • investment seminars (irregular) • face-to-face meetings, video conferences and telephone conferences(monthly) • External legal person project forum (irregular) • monthly revenue report • Information released on the company's official website, press releases, and public observation stations (real-time) • Set up telephone numbers and email addresses for spokespersons and acting spokespersons to respond to investor concerns (immediate)	• Hold one regular shareholder meeting in 2024 • One corporate briefing session to be held in 2024 • Regularly disclose company financial and business information on public information observatories and company websites • There are telephone numbers and emails of spokespersons and acting spokespersons to respond to investor concerns immediately

Stakeholders	Important corporate social responsibility issues of concern	Communication Form and Frequency	The actual implementation status and communication results of each negotiation pipeline in 2024
Supplier 	• Supply chain management • Integrity management • Compliance with Environmental regulations	• Supplier ESG questionnaire survey (annual/irregular) • Supplier audit and interview (annual/irregular) • Supplier conflict mineral survey (half a year/irregularly) • Hold supplier meetings (annual/irregular)	• 100% response rate for conflict mineral survey on specific suppliers according to the latest CMRT version 6.31 • The code of ethics and supply code of conduct for the first tier suppliers complies with the signing completion rate of 100% (*The annual transaction volume exceeds 10 million, excluding suppliers of one-time transactions, excluding machine and electronic spare parts manufacturers, there are a total of 17 manufacturers.) • First-level supplier BCM management, complete 100% risk avoidance • Continue to conduct evaluations of decentralized production bases and local suppliers, complete a diversified supply plan for raw materials, and complete 3 local raw material evaluations in 2024 • Advocate and require supplier confidentiality agreement, 100% supplier NDA completed and signed

Employees 	• Labor safety and health • Talent attraction and retention • Employee Diversity and Equality	• Labor-management meeting (quarterly) • Employee welfare committee meeting (quarterly) • Education and training courses (according to the plan) • Department work meeting and communication (weekly) • Internal information announcement (irregular) • Employee Complaint Hotline (Instant) • Occupational safety and health committee meetings (quarterly) • Education and training implementation effectiveness review meeting (quarterly) • Health lectures (irregular) • Quarterly kitchen meeting (quarterly) • Suitability function project (irregular)	• Held labor-management meetings, a total of three factories, a total of 12 sessions • Hold the Employee Welfare Committee, a total of 4 sessions • Conducted training for new recruits, a total of 41 sessions, to help new recruits understand the company's culture, system and improve environmental safety and health knowledge • Conducted business secret protection publicity seminars, with a total of 126 trainees, to improve the legal literacy of supervisors and colleagues in related positions, and to avoid the risks of leaking company business secrets. • A total of 70 executive meetings were held, and the supervisors of each unit conducted work reports, communication and coordination of important issues, and policy announcements. • A total of 6 bimonthly meetings for migrant workers were held. Promote company management policies, dormitory regulations and production line work rules, commend excellent exemplary deeds, and respond to migrant workers' questions and opinions. • Publish company information announcements, so that all colleagues can understand company-related information in real time.
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Stakeholders	Important corporate social responsibility issues of concern	Communication Form and Frequency	The actual implementation status and communication results of each negotiation pipeline in 2024
			• Handle employees' opinions and maintain labor-management harmony, 0 appeal calls; 23 gentle words • Hold occupational safety and health committee meetings, a total of 4 sessions • Held a review meeting on the effectiveness of education and training implementation, a total of 4 sessions, to assist and supervise various departments to achieve the training plan • Conduct employee health lectures, consultations or health checks • Hold quarterly kitchen meetings to maintain food safety and improve employee satisfaction

Stakeholders	Important corporate social responsibility issues of concern	Communication Form and Frequency	The actual implementation status and communication results of each negotiation pipeline in 2024
Government agencies and authorities 	• Integrity management • Compliance with environmental regulations • Greenhouse gas management • Labor safety and health • Waste management and resource recycling	• Cooperate with the government and competent authorities to reply to the request (irregularly) • Regularly cooperate with various financial information questionnaires (monthly/quarterly/yearly) • Regularly announce the website and public information observation station information (monthly/quarterly/yearly) • Guild communication platform (monthly) • Meetings such as: briefings, public hearings, symposiums, seminars (irregular)	• Cooperate with the requirements of the government and competent authorities to reply a total of 519 times within a limited time • Regularly cooperate with various financial information questionnaires for a total of 13 times • Regularly disclose financial and operating reports in the public information observation station for a total of 16 times • Participated in a total of 49 environmental protection and safety conferences of the association • Participate in public hearings, symposiums, seminars, etc. from time to time, actively communicate with the competent authorities, and provide a total of 49 pieces of industry operation experience and content suggestions (including conveyed through associations) • Irregularly communicated with the competent authority to respond to laws and regulations, and provided industry experience and suggestions for a total of 49 drafts

Stakeholders	Important corporate social responsibility issues of concern	Communication Form and Frequency	The actual implementation status and communication results of each negotiation pipeline in 2024
Nonprofits and Communities 	- Water resource management - Energy management - Greenhouse gas management - Waste management and resource recycling	- Comply with government requirements to save 1% electricity each year - Cooperate with the government and competent authorities in pollution prevention and control audits, and respond to various information (irregularly) - Cooperate with the competent authorities and customers to reduce carbon emissions and plan short-, medium- and long-term carbon reduction plans (irregularly)	- Promote various power-saving measures to reduce electricity consumption by 1.64 million kWh in 2024, accounting for about 2.1% of total electricity consumption - In 2024, the competent authorities conducted 89 environmental audits in total, and no major non-compliance issues were found - In 2024, the total greenhouse gas emissions of Episil's third plants were 60,233 tons CO₂e, and the overall carbon emissions decreased by 3.71% compared with the previous year
Other-School 	Social participation	Industry-university cooperation projects (every year)	Conduct industry-university cooperation with schools, admit 3 people, and provide corporate internship

Stakeholder Engagement



In order to strengthen communication with stakeholders, Episil not only marks the business contact windows and contact methods on the company's website, but also serves as a complaint and communication channel for stakeholders (such as employees, customers, suppliers, investors, etc.) when their rights are infringed; Regularly publish revenue press releases, and announce revenue and other relevant financial information on the public information observatory and the company's website for the reference of the investment public.

CH2 Corporate Governance

Sustainable Performance and relevant SDGs

SDGs			Sustainable Performance
SDG12		Responsible Consumption And production	● 100% attendance of functional committees ● In 2021, the "ESG Steering Committee" and the "ESG Implementation Committee" of the sustainability organization were established ● Education and training on professional ethics, with a 100% completion rate for supervisors ● To reduce the waste by controlling the selection, package and shipment of raw materials. ● Introducing the E-WEB for promoting the green-supply-chain. ● To continue implementing corporate social responsibilities of suppliers' ESG and AEO, actual audit review work completed 100% in 2024. ● 100% use the standard of environmental and social criteria to select new suppliers
SDG17		Partnerships for the goals	● To continue improving company and supply chain environmental safety, hygiene and damage prevention capabilities by holding safety education and training courses for

			employees and contractors ● In 2024, the top 5 raw materials (Wafer, Gas, Chemical, Photo, Target), the total net procurement amount of local suppliers was around NT\$300 million, which the ratio reaching 52%
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Material Topic management Principles

Material Topic	Integrity management
GRI Standards	GRI 205-1 、 GRI 205-2 、 GRI 205-3 、 GRI 206-1
Impact	Episil values the credibility of the organization as a whole and is committed to maintaining the highest ethical standards and professional competence, and strictly requires all employees of the company to comply with the applicable anti-corruption and anti-bribery laws and regulations in the countries in which they conduct business. In order to implement the above-mentioned relevant anti-corruption norms, Episil has adopted the three management methods of integrity management through "Formulation of Relevant Norms", "Popularization of Education and Training" and "Smooth Communication Channels", which are for all colleagues and business partners to follow, and expect them to have honest behavior and professional ethics, and jointly practice the sustainable development of corporate integrity management. Episil is committed to establishing a corporate culture of honest management and upholding the principle of integrity in business activities.
Policy/Commitment	Establish business conduct and ethics norms, such as the Code of Integrity Management and the Code of Ethics for Employees, to ensure that Episil operates with integrity and prohibits the transfer of illegal or improper benefits
Target	Employee ethics education and training, to achieve a 100% completion rate of supervisors in 2024
Responsibility	Directors and management team of the company
Resource	Strengthen education and training related to ethical management through the Human Resources Department
Feedback	TEL : (03) 5779245#5885 E-mail : 5885@episil.com
Action	Negative impact management 1. Smooth communication channels: When employees and third parties find any questions related to ethics and norms, or encounter unequal treatment in the workplace, they can seek assistance through consulting the Human Resources Department or employee care channels to obtain appropriate advice and then make a report

	2. Formulate relevant norms: promulgate the code of ethics for employees and related management measures Positive impact management 1. Popularization of education and training: The relevant standard "Employee Ethics Code" has been formulated, and the compliance rate of supervisors through online training and online self-test is 100%
Evaluation and Effect	Evaluation 1. The Internal Audit division regularly reports the results of the audit plan and the improvement status to the Audit Committee and the Board of Directors in accordance with the latest laws and regulations and the company's risk considerations 2. All division and departments are required to conduct internal control self-assessment operations, and self-assessment of business projects is required, including legal compliance and professional ethics cognition and possible risk assessment identification, and self-monitoring mechanism is implemented by adjusting the internal control system Effect 1. In 2024, we will achieve a 100% completion rate of employee ethics education and training, and achieve the annual target 2. In 2024, we will complete the revision of the "Board of Directors' Rules of Procedure" and "Audit Committee Organizational Rules" 3. In 2024, we will complete the formulation of the "Directors' Code of Ethical Conduct" 4. In 2024, we will complete the revision of the "Sustainable Information Management Operation Procedures"

Material Topic management Principles

Material Topic	Sustainable supply chain management
GRI Standards	GRI2-6 、 GRI 204-1 、 GRI 308-1 、 GRI 308-2 、 GRI 414-1 、 GRI 414-2
Impact	EPISIL's supplier management policy is to establish long-term partnerships, not only paying attention on the suppliers' products quality but also urges then fulfilling their responsibilities in reducing environmental impact. For sustainable development of the supply chain, we request suppliers follow the Code of Conduct, green product management, ethics and compliance. Also we enlarge local procurement ourselves and work for ESG which is in the corporate value chain.
Policy/Commitment	We has formulated the “Supplier Management Procedures”, “Supplier Evaluation and Audit Procedures” and “Supplier Evaluation Management Procedures” to establish procedures and management criteria for evaluating qualified suppliers, and conducts regular evaluations.

Target	Short-term 【2025】 1. To require tier 2 suppliers (Note 3) to comply with the “Ethics” with a 100% completion rate. 2. To ensure no using illegal conflict minerals, request 100% response rate of conflict minerals surveys to specific supplier (Note 2) 3. The proportion of purchased item from local suppliers increase 1% in specific raw materials (Gas, Chemical, Photoresist, Target) Medium-term 【2026-2027】 1. According to QE's annual audit plan, a greenhouse gas emission survey will be conducted on the year arranged suppliers by a quality questionnaire. 2. To ensure no using illegal conflict minerals, request 100% response rate of conflict minerals surveys to specific supplier (Note 2) 3. The proportion of purchased item from local suppliers increase 1% in specific raw materials (Gas, Chemical, Photoresist, Target) 4. To require tier 1 suppliers of the year (Note 1) to completed the annual supplier sustainability questionnaire with a 100% completion rate. 5. To require the new supplier and also meet tier 1 suppliers requirement (Note 3) to comply with the “Ethics” with a 100% completion rate. Long-term 【2028-2031】 1. The proportion of purchased item from local suppliers over 60% in specific raw materials (Gas, Chemical, Photoresist, Target) 2. To ensure no using illegal conflict minerals, request 100% response rate of conflict minerals surveys to specific supplier (Note 2) Note 1: Excluding one-time, machine and spare parts transactions, suppliers with annual transaction volume exceeding NTD 10 million. 2:Raw material manufacturers and suppliers for target materials and gases (WF6) 3: Excluding one-time, machine and spare parts transactions, suppliers with annual transaction volume between NTD 5 million to 10 million.
Responsibility	COP/PUR (Procurement department)
Resource	1. Human resources : •Storage & Transportation Management: COP/MIEM (Material, Import & Export Management department). •Supplier Management: COP/PUR (Procurement department) •Supplier Audit: QA (Quality Assurance department). •Supplier Occupational Safety and Health Management: ESH (Safety & Health department) 2. Material resources: Development or maintenance fees for using E-WEB for supplier management
Feedback	TEL : (03) 5779245#5885 E-mail : 5885@episil.com

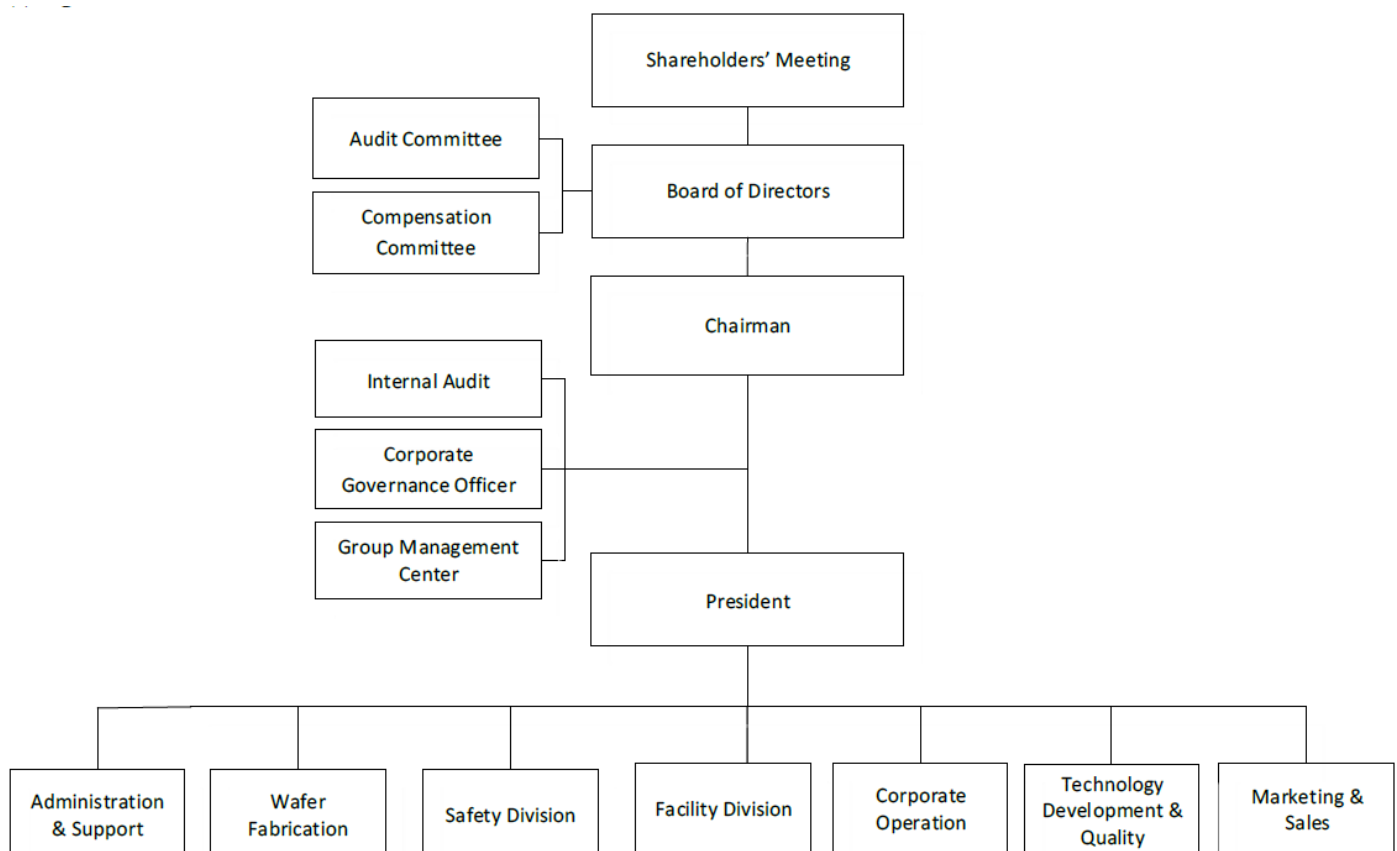
Action	Negative impact management 1. Requires suppliers to obtain international verification, such as ISO 9001, or requires to establish a schedule for obtaining verification when they can't obtain in time. 2. Supplier auditing and coaching: Develop an annual audit plan to conduct on-site audits first. Second, require suppliers to propose improvement plans for relevant deficiencies, and set clear goals and due date to ensure supplier supply quality. 3. Supplier Management and Supplier Evaluation: The supplier evaluation will be based on four items including quality, price, delivery and service. Suppliers with scores below 80 will be provided with relevant counseling and audits. For suppliers that are non-qualified and non-improved, will stop procurement or disqualify. 4. To conduct suppliers' quality questionnaire assessments every year, including quality, environmental safety and health, corporate social responsibility, and AEO checklists, to clearly reveal the behavioral norms with negative impact on the supply chain, and to request suppliers abiding by ethical principles and sign back the consent form. 5. 100% completion rate of tier 1 supplier code of ethics and supply code of conduct. Positive impact management e-supply chain management 1. In 2011, EPISIL used the E-WEB, which can not only reduce the cost of supplier management, but also expand into integrating ESG requirements, supplemented by real-time systematic reports and warnings to reduce supplier management risks. 2. At the bottom of each order, the relevant laws and regulations that suppliers need to follow are listed, such as Non-use Conflict Minerals, Ethics and other relevant regulations. When the suppliers respond to the order, they are also equivalent to agreeing to abide by these regulations. Localization of procurement: Continuously evaluate decentralized production bases and local suppliers, and complete the multi-source plan of raw materials 3. Localized procurement: Continue to disperse production bases and localize, and multi-sources for raw materials.
Evaluation and Effect	Evaluation mechanism : ● Supplier ESG questionnaire ● Supplier audits and interviews ● Supplier conflict minerals investigation ● Hold supplier meetings Execution performance : 1. 17 key suppliers (Notes 1) were conducted a greenhouse gas emission survey by using a quality questionnaire. 2. In 2024, 100% specific suppliers respond the conflict minerals survey based on the latest version 6.31 of CMRT, achieved the annual target. 3. The proportion of purchased item from local suppliers increase 2% in specific raw materials (Gas, Chemical, Photoresist, Target)

2.1 Corporate Governance

Episil adheres to integrity management and abides by laws and regulations. The Board of Directors supervises, appoints and directs the Company's management to strengthen the Company's overall operating conditions and management functions in terms of economy, society and environment. Regularly disclose material financial information and implement open and transparent information to protect the rights and interests of shareholders. At the same time, the code of ethics for employees is formulated as the code of conduct for personnel at all levels of the company to perform their duties, and the salary policy and salary system are evaluated from a professional and objective perspective. In addition, the Company's operating processes are reviewed through the internal audit mechanism to ensure the soundness and sustainability of the Company's management and operations.

2.1.1 Corporate governance framework

The Board of Directors is the highest governance unit of the Company, and has long given priority to the interests of the Company and all shareholders, and has exercised its functions and powers objectively and independently. The overall organization of the company includes administrative and support, wafer fabrication, safety division, facility division, corporate operation, technology development and quality, and marketing and sales departments.



Name of the governance unit	Compose	Operational status in 2024
Board of directors	9 directors, including 3 independent directors	Actual attendance rate 94%
Audit Committee	All (3 seats) of independent directors serve as committee members	Actual attendance rate 100%
Compensation Committee	All (3 seats) of independent directors serve as committee members	Actual attendance rate 100%

2.1.2 Board of Directors

Episil's board of directors is the highest governance unit and center for major business decisions. The fourth board of directors has a total of 9 directors, composed of 8 male and 1 female directors. Each has the diverse professional background, knowledge and literacy required to perform their duties. The board of directors is also responsible for supervising the results of the company's sustainable development plan, considering the overall operating conditions related to the economic, social and environmental aspects, providing policy direction guidance, and is committed to maximizing the interests of stakeholders.

Board diversity

The company's board of directors is composed of members in accordance with the provisions of the company law and the company's articles of association. According to the Corporate Governance Best Practice Principles" and the " Director Election Regulations", the diversity of board members and the candidate nomination system are considered from multiple aspects, and the shareholders select them from the candidate list. According to the quota specified in the company's articles of association, those with more electoral votes will be elected as directors. The company has a total of 9 directors, including 3 independent directors, of which 1 is a female director. The professional backgrounds of board members include management, science and engineering, and financial analysis, etc., and they are operators in the technology industry. They have the semiconductor and other industry knowledge, operational judgment, international market concepts, leadership and decision-making abilities required by the company, and can learn from different perspectives. Provide professional advice to improve the company's operating performance and management efficiency. The company attaches great importance to gender equality in the composition of the board of directors. The target ratio of each gender directors is set at more than one-third.

A total of 6 board meetings were held in 2024. The attendance rate of all directors was 94%. Board members actively participated in the meetings for discussions. The discussions included supervising corporate governance, assessing risks and opportunities, formulating company business strategies, and reviewing company operating performance, etc., in various aspects. Decisions are implemented after evaluation. There is no conflict of interest in the Board of Directors. Important resolutions of the board of directors are disclosed in MOPS in accordance with regulations to comply with information transparency requirements. °

Regulations Governing Procedure for Board of Directors Meetings 	The board's interest avoidance system has been clearly stipulated in the "Regulations Governing Procedure for Board of Directors Meetings". Directors who have an interest in meeting matters, themselves or the legal persons they represent, shall explain the important content of their interests at the current board meeting. If there is a risk of harm to the interests of the company, they shall not participate in the discussion and voting, and during the discussion and voting They should be recused and not be allowed to exercise their voting rights on behalf of other directors to avoid conflicts of interest and maintain a spirit of self-discipline.
Rules For Election of Directors 	The methods for accepting nominations and announcements of company director candidates and other related matters shall be in accordance with the relevant laws and regulations of the Company Law and the Securities and Exchange Law.

Members of the Board

Title	Name	Gender	Professional skills of directors
Chairman	Jian-Hua Syu	Male	He serves as the chairman and director of a number of electronic technology and semiconductor industry companies and has expertise in multiple industries as well as business management capabilities. Chairman of Episil corporation. Chairman of Wellknown Holdings Ltd. Charman and President of Taiwan Hi-Tech Corp. Senior Vice President of UMC Independent director of Ultra Chip, Inc. Independent director of Upi Semiconductor Charman and President of Hejian Technology (SuZhou) Co., Ltd.

Title	Name	Gender	Professional skills of directors
Director	Jin-Rong Xu	Male	He has served as a director in several electronic technology and semiconductor industries and has expertise in multiple industries as well as business management capabilities. Huntertex Corp. HERON NEUTRON MEDICAL CORP. SHINYU LIGHT CO., LTD. HonSean-JY Company Limited JadeYale-CY Company Limited Chairman of GeoThings Inc Chariman of Hermes Testing Solutions Inc. Chariman of Hermes Testing Solutions Inc. Director of Advance Ion Beam Technology, Inc. Director of HanShin Corp. Director of Herm investment Co. Ltd.
Director	Si-Sin Chen	Male	He has served as a director in several electronic technology and semiconductor industries and has expertise in multiple industries as well as business management capabilities. Director of Episil-Precision Inc. Director of High Power Opto, Inc. Director of Energictek Technologies Corporation. Director of Advanced Ion Beam Technology, Inc. SEZ Group Senior Deputy General Manager, Asia Pacific Region / General Manager, Taiwan Region
Director	Mark Wu	Male	He has served as a director of Vanguard International Semiconductor Corporation and has expertise in multiple industries as well as business management capabilities. Director of Vanguard International Semiconductor Corporation
Director	Jeff Chiu	Male	He has served as a director of Vanguard International Semiconductor Corporation and has expertise in multiple industries as well as business management capabilities. Director of Vanguard International Semiconductor Corporation
Director	Gui-Rong Fan	Female	Serves as a director of the semiconductor industry such as the legal representative director of Galvan Electronics, with the expertise of diversified industries and the ability of enterprise operation and management. Vice-president of Episil Technologie Inc. Director of Taiwan Hi-Tech Corporaion. Director of Episil-Precision Inc.

Title	Name	Gender	Professional skills of directors
Independent director	Zhi-Da Yan	Male	Currently, he is an associate professor in the Department of Finance and Taxation of Taichung University of Science and Technology and serves as an independent director in the electronic technology industry. He has professional abilities in financial accounting. Independent director of Sinopower Semiconductor, Inc. Independent director of Feature Integration Technology Inc. Independent director of Prolight Opto Technology Corporation.
Independent director	Zong-Xi Ke	Male	As a director of Electronic Technology, he has the expertise of diversified industries and the ability of enterprise operation and management. General Manager of EXOJET Technology Corporation.
Independent director	Mao-Song Deng	Male	He has served as a director in several electronic technology and semiconductor industries and has expertise in multiple industries as well as business management capabilities. Director and Presiden of Etron Technology, Inc. Legal Representative Chairman of Eever Technology, Inc. Legal Representative Chairman of Eys3d Microelectronics, Co. Director of Great Team Backend Foundry, Inc. Director of Etron Technology America, Inc. Director of eCapture Technologies, Inc. Director of eCapture Ltd. Co. Director of eCapture Co., Limited Director of S Square System Limited Director of Insignis Technology, Inc. Director of Insignis Technology Corporation Director of Anzon Technology, Inc. Director of eEver Technology Limited Director of eYs3D Microelectronics, Inc.

↓ Board diversity

Diversified core items eye	Basic conditions and values							Industry experience								Professional competence
	nationality	gender	Concurrently serve as an employee of the	age			The term of office for independent director is not less than 8 years	Electronics industry	Semiconductor industry	Operational and decision management capabilities	Marketing and business development	Crisis management and industry knowledge	financial management	Accounting and financial analysis skills	Semiconductor process technology	
				41 to 50years old	51 to 60years old	61 to 70years old										8 years
Names of directors																
JH Shyu	R.O.C	Male	V			V		V	V	V	V	V	V	V	V	
Shu,Chin-Yung		Male				V		V	V	V	V	V	V	V	V	
Chen,Hsi-Hsin		Male				V		V	V	V	V	V	V	V	V	
Jeff Chiu		Male		V				V	V	V	V	V	V	V	V	
Mark Wu		Male			V			V	V	V	V	V	V	V	V	
Fan,Gui Rong		Female	V			V		V	V	V	V	V	V	V		
Jhih-Da Yan		Male			V		V					V	V	V		
Zong-Si Ke		Male				V	V	V	V	V	V	V	V	V	V	
Mao-Song Deng		Male				V	V	V	V	V	V	V	V	V	V	

Performance evaluation of the Board

In order to implement corporate governance and enhance the functions of the company's board of directors, and establish performance targets to enhance the operating efficiency of the board of directors, the company has established "Regulations Governing the Board Performance Evaluation". The scope of evaluation includes performance evaluation of the entire board of directors, individual board members and functional committees. Evaluation methods include internal self-evaluation by the board of directors, self-evaluation by board members, peer evaluation or other appropriate methods for performance evaluation. The evaluation is conducted once a year, and the evaluation results are reported to the board of directors in the first quarter as a reference for continuing to enhance the operational effectiveness of the board of directors.

Regulations Governing the Board Performance Evaluation



The evaluation items are as follows:

Individual Director Performance Evaluation Project	Board Performance Evaluation Project	Functional Committee Performance Evaluation Project
● Mastery of the company's goals and tasks. ● Awareness of the duties of directors. ● The degree of participation in the company's operations. ● Internal relationship management and communication. ● Professional and continuous training of directors. ● Internal control	● The degree of participation in the company's operations. ● Improve the quality of decision-making of the board of directors. ● Composition and structure of the board of directors. ● Selection and continuous training of directors. ● Internal control.	● The degree of participation in the company's operations. ● Functional Committee Responsibilities Cognition. ● The quality of functional committee decision-making. ● Composition and selection of members of the functional committee. ● Internal control.

Board members and various functional committees are able to understand their responsibilities and are familiar with the company's operations and environment, effectively improving the overall decision-making quality of the board of directors, showing that the company continues to strengthen the operational performance of the board of directors.

The performance evaluation of the board of directors and functional committees in 2024 was rated as excellent or above. The performance evaluation results have been submitted to the board of directors for reference for the company's continuous improvement in the future.

Continuing education of directors

Episil focuses on the professionalism of its directors in order to strengthen corporate governance. Directors need to keep abreast of the latest trends in corporate governance and sustainable development, so the company provides directors with recent regulatory updates and professional knowledge training courses organized by relevant units from time to time. · Directors all undergo further training every year in accordance with the "Key Points for Training and Implementation of Directors and Supervisors of Listed Overseas Companies". Directors actively participate in external education training courses and seminars such as sustainable development trends, corporate governance and digital economic environment trends, with a total of 66 hours of training in 2024.

Episil plans board education and training courses, allowing directors to participate in various further training courses such as corporate governance summit forums and legal compliance briefings on insider equity transactions. It continues to arrange multiple external training courses to enhance their professionalism and ensure accurate business execution and supervision. Manage the company's obligations and give full play to its business decision-making and leadership supervision functions.

2.1.3 Audit Committee

The Audit Committee assists the Board in fulfilling its oversight of the quality and integrity of the accounting, auditing, reporting, and financial control practices of the Company. Strengthen the functions of the board of directors and the company's internal monitoring mechanism to assist the board of directors in supervising the company's effective implementation. All independent directors will serve as members of the audit committee to replace the powers of the original supervisor.

The Audit Committee is responsible to review the Company's: financial reports; auditing and accounting policies and procedures; internal control systems; material asset or derivatives transactions; material lending funds, endorsements or guarantees; offering or issuance of any equity-type securities, and appointment or discharge of financial, accounting, or internal auditing officers. Hold at least 1 meeting every quarter ° The company's certified accountants report to the independent directors at the quarterly audit committee meeting on the review or audit results of the company's financial statements for the current quarter, internal control audits, the impact of the revision and release of IFRSs bulletins on the company and other relevant legal requirements, and Communicate whether financial reporting adjusting entries or accounting methods are affected by legal revisions. Accountants and independent directors may also contact each other directly at any time as necessary to keep communication channels open to achieve adequate communication.

In 2024, the Audit Committee was held six times, with a 100% attendance rate.

2.1.4 Remuneration Committee

The remuneration committee is composed of independent directors and is designed to assist the board of directors in implementing and evaluating the company's overall remuneration and welfare policies. Meetings are held at least twice a year to regularly evaluate the remuneration of directors and managers to make the company's remuneration system more transparent and fair to protect shareholders' rights and ensure that remuneration policies and remuneration systems attract outstanding talents. In 2024, the Remuneration Committee convened two meetings, with the attendance of members reaching 100%.

Remuneration Policy

The main responsibility of the company's remuneration committee is to assist the board of directors in implementing and evaluating the company's overall remuneration and welfare policies, including the remuneration of directors and managers, and to conduct regular internal performance evaluations of the remuneration committee every year.

Articles of Incorporation: "The Company shall allocate no less than 5% as employee remuneration and no more than 2% as directors' remuneration based on the profits of the current year." Directors' remuneration is handled in accordance with the provisions of the Articles of Incorporation and is determined based on the director's participation and contribution to the company's operations and with reference to the results of the director's performance evaluation.

The remuneration received by the general manager and deputy general manager is based on Articles of Incorporation and the operating performance amount of the annual budget approved by the board of directors, and also takes into consideration the positions they hold, the responsibilities they assume, and their contributions to the company. In addition, with reference to industry standards, the process shall be handled in accordance with the procedures of the "Manager Remuneration Management Measures" and the "Manager Incentive and Performance Bonus Measures".

The correlation between compensation, operating performance, and future risks

The performance evaluation and remuneration payment of the company's directors and managers are based on their positions, participation in the company's operations (including directors' attendance, communication frequency, suggestions provided, etc.), personal performance contributions (including financial indicators such as operating Revenue and profit achievement rates, and non-financial indicators such as compliance with laws and internal controls, or special achievements, etc.) and taking into account the usual standards in the same industry, comprehensively consider the amount of remuneration, payment method and risks faced by the company in the future, and other matters, and the relevant Responsibility for company operations and overall performance are highly correlated.

Maximum salary to median annual salary ratio	The annual total salary increase rate of the highest paid individual and the median annual total salary increase rate
10.61	0.93

2.1.5 Internal Audit

The internal audit department of the Company is an independent unit directly under the Board of Directors, under the command and supervision of the Board of Directors, and the appointment and dismissal of the audit supervisor is resolved by the Board of Directors, and is responsible for the inspection and evaluation of the Company's internal control, the control of the Company's risks and the compliance of the competent authorities.

In addition to sending the audit report and the audit improvement report to the independent directors on a monthly basis, the internal audit supervisor of the Company regularly convenes an audit committee at least once a quarter to explain the audit results and their tracking status to the independent directors.

2.1.6 Corporate Governance Office

In order to improve corporate governance and avoid blind spots in decision-making, Episil has also set up a corporate governance supervisor to be responsible for corporate governance-related business.

Through the head of corporate governance, assist the board of directors or its committees in formulating annual work plans and meeting agendas, provide analysis opinions on the legality, fairness and feasibility of proposals for reference in the deliberations of the board of directors or its committees, and also supervise the relevant business of the shareholders' meeting.

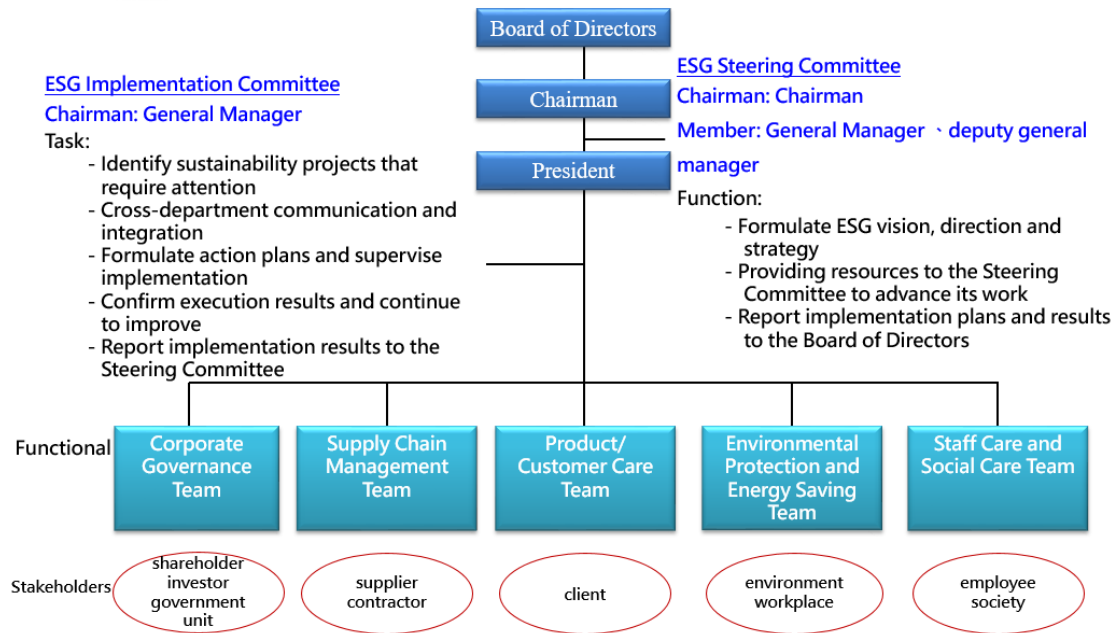
2.1.7 ESG Committee

In line with the company's ESG policy vision and mission, Episil established the ESG Steering Committee and ESG Implementation Committee in 2021. The ESG Steering Committee is the company's highest-level decision-making center for sustainable development, chaired by the chairman of the board of directors, and jointly reviews the company's core operational capabilities with the general manager and deputy general manager, and formulates medium- and long-term sustainable development plans. The ESG Steering Committee reports to the Board of Directors on the implementation plan and results of sustainability development from time to time, and the Board also plays a supervisory and guiding role, assessing the likelihood of the success of the strategy, and urging the management team to make adjustments when necessary.

The ESG Implementation Committee convenes task-based task forces, headed by the General Manager, to establish a cross-departmental communication platform that is integrated from top to bottom and horizontally connected. Through the meeting, we identified the sustainability issues that are relevant to the company's operations and stakeholders, integrated the corresponding strategies of the four aspects of corporate governance, social, product and environmental sustainability, prepared and implemented relevant budgets for each group, planned and implemented the annual plan, and tracked the implementation results to ensure that the sustainable development strategy is fully implemented in the company's daily operations.



Episil Technology ESG Committee Organization



2.2 Ethical management

Episil adheres to the attitude of ethical management, abides by local and relevant international laws and regulations, and formulates the code of ethical management, which is the standard that all employees should attach importance to and adhere to in their daily work and business operation, so as to establish a corporate culture of ethical management.

2.2.1 Deepen anti-corruption and ethical behavior

Episil believe that corruption will have a serious impact on the company's goodwill in the course of business operations, and we are committed to upholding the principle of integrity in all business activities. Through the Code of Ethical Management, the Board of Directors and management are clearly bound to conduct their business with integrity and due diligence.

In order to enhance the ethics and compliance concept of the company's internal personnel, the company has formulated a code of ethics for employees to comply with it. The "Code of Ethics for Employees" is advocated through the company's internal website, which requires that business development must take into account corporate ethics and ensure that the company operates with integrity. Every year, employees are trained in the "Anti-Insider Trading Course", and Episil's "Employee Code of Ethics" is advocated in the new employee training course, and the consent form of the Code of Ethical Management is required to be signed. In addition to general staff, each department head is also required to fill in the "Employee Code of Ethics" self-checklist every year to ensure that the supervisor understands the importance of ethical management and deepens the awareness of anti-corruption and business ethics.

In order to establish a long-term cooperative relationship with customers and suppliers, directors, supervisors, all employees and all cooperative suppliers must uphold the principles of law-abiding, integrity and fairness, and abide by various business ethics norms to protect corporate goodwill and core competitiveness.

Percentage of employee passed anti-corruption courses in 2024				
Employee Category	Number of people finishing training	total number of people	Total course hours	Training completion percentage
governance unit (note1)	2	2	0.5	100%
employee (note2)	849	849	424.5	100%

note1 : Governance units such as boards of directors, management committees, or unincorporated units.

note2 : It is a legal regulation for the relevant personnel.

2.2.2 Assessment of anti-corruption bases

Episil strictly prohibits any form of corruption, bribery and extortion, or the use of power to engage in situations that harm the rights and interests of others. Anti-corruption risk control is implemented through the following measures:

- Morality and ethics are included in the annual performance appraisal as an annual performance indicator item
- Senior supervisors review the internal control self-assessment operation every year to ensure that all employees perform their business in accordance with the "Staff Work Rules" and the "Employee Code of Ethics".
- Carry out education and training to strengthen the awareness of business ethics and social responsibility of employees

Under the Board of Directors, the company's highest governance unit, there is an audit office to investigate and audit possible ethical and illegal behaviors or issues related to operational integrity within and outside the company, and if there is a serious violation of the principles of ethical management, it will be reported directly to the board of directors after verification, and the cooperative relationship will be terminated and a self-monitoring mechanism will be implemented.

In 2024, Episil was not fined for anti-corruption matters or anti-competition-related acts.

2.2.3 Encourage the reporting of violations of the Code of Conduct

Internal and external personnel can report through the company's official website complaint hotline and email to protect the rights and interests of employees, the company and shareholders, for any violation of professional ethics, we have always adhered to a rigorous attitude to deal with, human resources units immediately after receiving the complaint to file a case, in accordance with the employee ethics standards, the process of handling absolutely protect whistleblowers and investigators, to avoid retaliation. Necessary disciplinary measures will be taken against those who violate ethics, such as termination of employment or business relationships and appropriate legal action.

Through the above-mentioned policies, the Company has promoted the prevention of corruption incidents and has not received any cases of non-compliance during the year.

2.3 Operational performance

The sustainable growth of the company's operation is the key to sustainable operation, and business performance is the item that investors pay the most attention to, and it is also a report card that reflects the company's operation management, so improving operational efficiency and revenue profit has always been the goal of Episil.

In order to meet customer needs, the company's 6-inch SiC production line will quickly enter mass production and expand production capacity, becoming the first wafer foundry in Taiwan to take the lead in expanding silicon carbide production capacity, and continue to develop automotive electronics related products and customers. We will focus on product optimization and the introduction of high value-added products, and strive to maximize production efficiency and create a higher return on equity for shareholders.

Item	Unit: in thousands of New Taiwan dollars		
	FY 2022	FY 2023	FY 2024
Generation of direct economic value A			
Revenue			
Operating Revenue (note1)	3,782,846	3,209,590	2,158,876
Distribution of direct economic value B			
Operating Cost (note 2)	2,163,473	2,219,155	1,978,510
Employee benefit expense (note 3)	1,203,827	1,004,771	867,559
Payments to contributors (note 4)	123,325	339,513	6,870
Payments to the government (note 5)	2,404	2,538	1,975
Community investment (note 6)	14	70	8
Retained economic value (A-B)	289,803	(356,457)	(696,046)

note 1 : Including the net operating income and non-operating income of Episil in each year.

note 2 : Including the operating costs, operating expenses and non-operating expenses of Episil in each year, and excludes employee welfare expenses, stamp duty, other taxes and community investment.

note 3 : Including bonuses, pensions, labor health insurance and other employment expenses.

note 4 : It includes cash dividends and finance costs distributed in the current year.

note 5 : Stamp duty and other taxes are included.

note 6 : It is a donation to government agencies, public welfare associations and other public welfare expenditures.

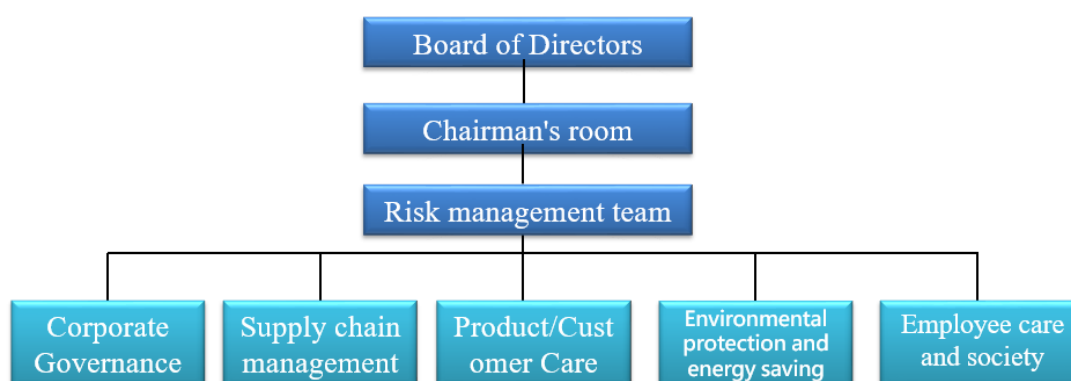
note7 : No government subsidies were obtained this year.

2.4 Risk management

In order to effectively reduce the risks of corporate operations, Episil identifies and controls various risks. In addition to incorporating risk management and control into a part of daily operations, it is also regarded as an important reference for business management. As various types of risks continue to rise around the world, the Company recognizes that the pursuit of sustainable corporate operation and the provision of diversified customers, perfect quality and uninterrupted wafer foundry manufacturing are the company's highest purpose of continuous risk management.

2.4.1 Organizational structure and management mechanism for risk management

The risk management team of the Company convenes representatives of each unit every year to assess and screen out important risks, compile the analysis and statistical results and report them to the operation and management meeting, and the risk authority and responsibility unit reports the corresponding measures, the operation and management meeting discusses and approves, and the final results are reported to the board of directors by the chairman's office. The scope of risk identification includes strategic layout, operation management, information technology, human resources, financial operations, information security, environmental sustainability, climate change risks and other issues, conducting risk assessments, and discussing response and optimization measures.



2.4.2 Risk issue management process

The company actively implements risk prevention and loss control, in order to respond to the company's business activities suffered a major impact event, the organization will resume operations in the shortest possible time, integrate risk management measures into daily internal control operations, each unit needs to regularly self-review and participate in education and training, and then the senior executives evaluate the effectiveness, so that the risk can be effectively controlled within an acceptable range, to ensure the rights and interests of customers and investors, and to lay a firm foundation for the sustainable operation of Episil.

Risk issue identification results

The risk team compiles various risk information through the establishment of risk indicators and risk event notification mechanism, integrates possible risks and identifies major risks, and regularly reports the risk monitoring situation to the risk management supervisor. After being weighed and evaluated by the risk management team, the main risks faced by the Company in 2024 include climate change risks, supply chain production environment attacks and resource consumption risks, and information security risks.

Risks identified by the company and how to respond to them

Significant Risks	Risk Statement	Corresponding management measures
Climate change	The United Nations, governments, society and the business community all regard climate change as one of the important environmental issues. In order to reduce carbon emissions and increase the use rate of green electricity, national policies and regulations have adopted various requirements, and strengthened supporting measures such as public participation, green finance, carbon pricing and education advocacy. • COP27 calls for more ambitious policies to reduce emissions to limit warming to 1.5 degrees. • Article 4 of the Climate Change Response Law clearly stipulates that the national long-term greenhouse gas reduction target is to achieve net-zero greenhouse gas emissions by 2050 (139 years of the Republic of China).	▪ In order to reduce carbon emissions, we will review the efficiency of existing facilities and the possibility of installing new reduction equipment. ▪ Evaluate source reduction options, seek alternative raw materials and improve manufacturing processes to reduce carbon emissions. ▪ Plan a power-saving plan to replace old power-consuming equipment and reduce overall electricity consumption to improve energy efficiency. ▪ Evaluate renewable energy and green power procurement projects to promote the company's development towards a green, low-carbon and environmentally sustainable enterprise. ▪ Continue to pay attention to changes in domestic and foreign policies and regulations, pay attention to the needs of stakeholders, and take actions to support the net-zero transition.

Supply chain production environment attacks and resource consumption risks	Due to the impact on the production environment of the supply chain and the consumption of resources, carbon emissions have increased.	1. Promote the increase of the proportion of local procurement, and set indirect raw materials, spare parts and back-end equipment procurement targets. 2. In addition to strictly checking whether raw materials contain banned substances, we also promote the reduction of waste through reuse or remanufacturing.
Information security risks	Taiwan many well-known enterprises have also suffered heavy losses due to ransomware incidents, in the face of ever-changing and diverse external threats, it is urgent to strengthen enterprise information security, and how to use limited resources to make correct responses to the changing environment is a long-term and continuous important task.	1. Strengthen endpoint protection, introduce behavior monitoring, and application control protection system. 2. Update the firmware regularly and introduce the Intrusion Prevention (IPS) system. 3. Set the Recovery Time Objective (RTO) and Data Recovery Point Objective (RPO) for your core business. 4. Replace equipment regularly. 5. Enhance malware behavior detection. 6. Strengthen network firewall and network control to prevent the spread of viruses across experimental areas and office areas. 7. Import the off-site backup system, copy the complete data to the off-site every day and automatically generate reports.

2.4.3 Climate change governance and response

Governance

In response to climate risks and opportunities, in 2022, Episil established the ESG Steering Committee, which is the highest organization for the Company's climate change management, chaired by the Chairman of the Board of Directors and composed of the General Manager and Deputy General Manager, responsible for ESG vision, direction and strategy, providing resources and supervising the promotion of work, and reporting to the Board of Directors on the implementation plan and results every year. The ESG Steering Committee has set up an ESG Implementation Committee, chaired by the General Manager, and is responsible for identifying climate risks and opportunities, communicating and integrating across departments, formulating action plans, supervising implementation and confirming effectiveness, and making continuous improvements, and reporting to the ESG Steering Committee on a regular basis. The ESG Implementation Committee has set up a Risk Management Committee to coordinate with relevant departments within the Company to review the internal and external risks faced by the Company, including climate change risks, formulate countermeasures to major risk issues, and report to the ESG Steering Committee.

Climate Change Adaptation Strategies

The ESG Implementation Committee convenes annually across departments to assess climate risks, identify short-term and long-term climate-related risks, and complete opportunity and financial impact assessments. This year, through interviews with factories and cross-departments, a total of 5 key risks and opportunities were identified, and response measures were specially formulated for the 5 key risk opportunities to reduce climate risks, and the possibility of climate opportunities to enhance the financial impact of Episil in the future was strengthened.

Type	Short-term climate change risks	
Topics	Greenhouse gas reduction	Water risk management

Description	The United Nations, governments, society and the business community all regard climate change as one of the important environmental issues. In order to reduce carbon emissions and increase the use of green electricity, national policies and regulations have adopted various requirements and strengthened public participation, green finance, carbon Supporting measures such as pricing and education promotion. (1) The 27th United Nations Climate Change Conference (COP27) hopes that countries will propose more ambitious emission reduction policies to control the temperature rise within 1.5 degrees. (2) Article 4 of the Climate Change Response Act clearly stipulates that the country's long-term greenhouse gas reduction goal is to achieve net-zero greenhouse gas emissions by 2050.	1. Climate change, uneven distribution of rainfall, increasing probability of drought, and the following situations: (1) The water storage capacity of tap reservoirs has decreased, and the government is required to cooperate with the water restriction policy. (2) When seeking alternative water sources, the water quality is unstable and increases water treatment costs. 2. The tap water pipeline outside the factory is abnormal, causing water outage.
Potential impact	(1) The carbon fee will be officially launched, and the carbon fee is planned to be collected in stages. The first phase will target "large carbon emitters" with annual emissions exceeding 25,000 metric tons of carbon dioxide equivalent (CO₂e), including the semiconductor industry.	(1) Depending on the water conditions and in compliance with the government's water restriction policy, production will be affected. (2) The quality of the alternative water source is poor, causing damage to the factory and production equipment.

	(2) If you cannot propose process improvements or invest in carbon reduction measures, and cannot achieve the specified reduction targets, you will miss the opportunity to apply preferential rates. (3) Electricity prices will increase twice in April and July 2024, with an average increase of about 32.7%, which will increase operating or investment costs. It will be imperative to implement reduction, emission reduction, power saving projects and renewable energy.	(3) The cost of obtaining water sources increases. (Purchasing fees for alternative water sources, levying water consumption fees, and increasing maintenance costs for water treatment equipment) (4) Serious water shortage, causing work to stop.
Potential opportunities	(1) In response to the governments' net zero transformation, we adopt energy conservation and carbon reduction plans to reduce the entire plant's power usage and carbon tax costs. (2) If you achieve the energy conservation and carbon reduction targets specified by government units, you will have the opportunity to obtain preferential rates. (3) Use environmentally friendly raw materials and energy-saving equipment to enhance the company's environmentally sustainable image.	(1) Water management (2) Improve water efficiency

Countermeasures	(1) In order to reduce carbon emissions, examine the performance of existing facilities and the possibility of installing new reduction equipment. (2) Evaluate source reduction plans, seek alternative raw materials and improve manufacturing processes to reduce carbon emissions. (3) Plan power-saving plans to replace old power-consuming equipment and reduce overall power consumption to improve energy efficiency. (4) Evaluate renewable energy and green power procurement projects to promote the company towards a green, low-carbon and environmentally sustainable enterprise. (5) Continue to pay attention to changes in domestic and foreign policies and regulations, care about the needs of stakeholders, and take actions to support the net-zero transformation.	(1) Water management strategies: A. Routine management: Daily tracking and management of water use reports and monthly water balance report management. B. Water restriction period management: Develop water shortage contingency plan process, hold cross-department coordination meetings, and sign water tanker supply contracts. (2) Improve water efficiency A. Water conservation: use water-saving equipment, use recycled water for toilet flushing, warning notices for manual water replenishment on production machines, water-saving publicity and education and training. B. Improve industrial water recovery rate: a. Series utilization – RO concentrated wastewater is reused and supplied to other equipment for use b. Water recycling--cooling water tower drainage is recycled and reused.
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		c. Process drainage recycling and reuse - the process flushing water is processed by the recycling system and then supplied to the pure water system for use. d. Rainwater is recycled for reuse in secondary systems. e. After the acidic wastewater is recovered, it will be supplied to the air pollution prevention and control equipment (alkali discharge) scrubber for reuse.
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Type	Long-term climate change risks	
Topics	Uncertainties in process technology for new energy conservation and carbon reduction	Conflicts in perceptions of new carbon reduction issues
Description	The introduction of compound semiconductor materials into the production and use of semiconductor processes can significantly reduce IC energy consumption, thereby achieving the benefits of energy conservation and carbon reduction; however, during its development process, products that combine the customer's design with the new process are prone to high initial development costs due to high initial development costs. Price factors affect	The implementation of ESG has derived various carbon reduction evaluation methods, such as carbon neutrality, carbon footprint and net zero emissions. There is no relevant work in the existing organization and operation process. Later, during customer visits and inquiries, There is a risk of insufficient competitiveness.

	the market's willingness to adopt, and there is a risk of uncertainty in future market substitution.	
Potential impact	(1) Because the cost is too high, the market is not willing to accept it, and the output is not enough to support the company's development. (2) The development of alternative technologies for compound semiconductors is booming. If the market fails to gain a dominant position in the early stage, it will become irreplaceable and will easily fall behind in subsequent competition.	(1) The industry has taken the lead in jumping into the carbon reduction plan, and through the implementation of the plan, it has differentiated itself from its peers and gained competitive advantages. (2) End customers require relevant carbon reduction plans and are unable to provide a complete plan, which affects customers' willingness to place orders and reduces competitiveness.
Potential opportunities	(1) In emerging markets, you can gain a seat in the market early before a large number of competitors join. (2) Through the supply and manufacturing model of mutual assistance and cooperation, a stable reciprocal model can be established to reduce costs and enhance the stability of supply.	(1) The concept of ESG has begun to sprout, and relevant peers have already prototyped carbon reduction assessment practices. They can follow relevant experience to establish their own carbon reduction assessment methods to shorten differences. (2) The public sector encourages ESG energy conservation and carbon reduction, and provides various incentives and cooperation. Companies can use opportunities to obtain resources to reduce risks. (3) Utilize its own new energy-saving and carbon-reducing production technology for compound

		semiconductors to provide existing and potential customers with choices and gain opportunities in new markets.
Countermeasures	(1) Strengthen the supply stability and quality of compound semiconductor materials, use information sharing and feedback to improve the quality of materials, reduce costs, and enhance product competitiveness. (2) Pay attention to the R&D technology needs of major customers, carry out process generation planning based on their common needs, develop process technology capabilities with competitors, and lead market demand.	(1) Arrange relevant personnel to participate in relevant carbon reduction courses and seminars, absorb relevant experience, develop strategies and implement them. (2) Invest sufficient R&D resources to accelerate the completion of new energy-saving and carbon-reducing technologies and production capacity improvements.

Type	The risks of long-term climate change
Topics	The issue of supply chain production environmental affect and resource consumption
Description	Carbon emissions have increased due to supply chain production environment impacts and resource consumption issues.
Potential impact	1. Failure to meet international 2050 carbon neutrality target 2. Cause unnecessary waste of resources
Potential opportunities	1. Reduce the impact of climate risks 2. Reduce deadweight losses generated by supply chain processes

	3. Enhance the company's sustainable image and expand business opportunities
Countermeasures	1. Increase the proportion of local procurement and set procurement targets for indirect raw materials, spare parts and back-end equipment. 2. In addition to strictly checking whether raw materials contain banned substances, and the delivery methods of packaging materials are also controlled to reduce waste and reuse resources.

Climate risk management process

In accordance with the TCFD framework, the ESG Implementation Committee completes the identification and assessment of climate-related risks, reports the evaluation results and corresponding plans to the ESG Steering Committee, and continues to track the climate risks and opportunities faced by Episil's peers every year, and focuses on key issues in the industry through cross-unit interviews, and formulates relevant indicators and targets after identifying key issues, and tracks the achievement of goals every year, and dynamically adjusts management measures and responses.

Metrics and Goals

In order to manage the climate risks and opportunities identified in the year, Episil sets indicators and reduction targets for the corresponding risks and opportunities, and discloses them in the table below, and reports the implementation results and target implementation progress to the ESG Steering Committee every year to strengthen Episil's climate governance.

Risk opportunity topics	Metrics and Goals		Performance achieved in 2024
The uncertainty of the process technology of	Short-term	According to the organizational goals set by the R&D center, the third generation has developed and completed the certification of advanced processes, special processes, packaging processes and reliability.	Completed the second-generation process platform, reduced the Ron_SP (resistance) by 50%, and completed the

Risk opportunity topics	Metrics and Goals		Performance achieved in 2024
new energy conservation and carbon reduction	Medium-term	According to the organizational goals set by the R&D center, the fourth generation has developed and completed the certification of advanced processes, special processes, packaging processes and reliability.	certification of the process, packaging and reliability of 175°C automotive products with a thin chip of 160 um.
	Long-term	According to the company's technology development blueprint, evaluate the development process of advanced processes, and successively complete the certification of special processes, packaging processes and reliability.	
Conflict of perceptions of new carbon reduction issues	Short-term	Arrange for personnel to obtain ISO14064-1 greenhouse gas inventory and carbon management practice license training to enhance their professional skills.	Arrange relevant personnel, absorb relevant experience, develop strategies and implement them.
	Medium-term	Create continuous improvement activities for carbon neutrality, and promote at least one excellent case to participate in the "Taiwan Continuous Improvement Competition".	
	Long-term	Create continuous improvement activities for carbon neutrality, and promote at least three excellent case to participate in the "Taiwan Continuous Improvement Competition".	
Greenhouse gas reduction	Short-term	Carbon emissions per unit of output value will be reduced by 2% per year from 2021	2021:0.044 kg/thousand dollar output value
	Medium-term	Carbon emissions per unit of output value will be reduced by 10% in 5 years from 2021 as the base year	2022:0.023 kg/ thousand dollar output value
	Long-term	Carbon emissions per unit of output value will be reduced by 20% in 10 years from 2021 as the base year	2023:0.026 kg/ thousand dollar output value 2024:0.033 kg/ thousand dollar output value

Risk opportunity topics	Metrics and Goals				Performance achieved in 2024		
					Reduce 0.011 kg/ thousand dollar output value Reduction performance achieved		
Water risk management	Short-term	In line with the approved amount of water consumption plan, the daily water consumption is 1550CMD (maximum 1860CMD).			1. In 2024, Episil's total water withdrawal decreased by 6.4% compared to the previous year. 2. Meet the approved amount of water use plan, and the daily water consumption is 1550CMD.		
	Medium-term	According to the requirements of the EIA: meet the recovery rate standards of the competent authority Process Recovery Rate (RP) = (>50%) Plant Recovery Rate (RT) = (>30%) Total Plant Emission Rate (DT) = (<80%)					
	Long-term	In accordance with the requirements of the competent authorities, it meets the previous water restriction control objectives. Benchmark: 1550CMD * 15% = 233CMD (water limit) The use of air conditioners is expected to increase by 200 CMD in the summer Water Restriction Gap = 233CMD + 200 (Summer) - Self-Saving Water 116CMD ÷ 320CMD (2024 Episil Possible Maximum Demand/Daily) Lowering (self-saving water): 1550CMD*7.5%=116CMD Precautions: Weather factors are uncontrollable transfer: <table><tr><td>Contract signed</td><td>supply</td><td>2024 Episil Maximum Demand (Daily)</td><td>cost</td></tr></table>				Contract signed	supply
Contract signed	supply	2024 Episil Maximum Demand (Daily)	cost				

Risk opportunity topics	Metrics and Goals						Performance achieved in 2024
		Tap water trucks carry contract	200 CMD	≒ 320CMD	320CMD*600 dollar *30 天=576 10,000/month		
		Sub-level water truck-mounted contract	200 CMD				
The issue of supply chain production environmental affect and resource consumption	Short-term	The proportion of purchased item from Taiwan suppliers increase 1% in specific raw materials (Gas, Chemical, Photoresist, Target)					1. In addition to strictly checking whether raw materials contain banned substances, and the delivery methods of packaging materials are also controlled to reduce waste and reuse resources. 2. The proportion of purchased item from Taiwan suppliers increase 2% in specific raw materials (Gas, Chemical, Photoresist, Target) 3. In 2024, there will be 0 audited suppliers with potential negative environmental impacts.
	Medium-term	The proportion of purchased item from Taiwan suppliers increase 1% in specific raw materials (Gas, Chemical, Photoresist, Target)					
	Long-term	The proportion of purchased item from Taiwan suppliers are over 60% in specific raw materials (Gas, Chemical, Photoresist, Target)					

2.5 Regulatory Compliance

In order to ensure that the company and its employees comply with the laws and regulations of each country in the execution of their business, we have formulated relevant policies and methods, and strictly complied with laws and regulations. All employees of the company need to comply with laws and regulations, and pay attention to the formulation, update and development of the company's laws and regulations at any time through inter-departmental cooperation. Internally, we require our employees to regularly participate in education and training related to laws and regulations. At the same time, we also actively reduce the negative environmental impact of our operations and comply with local environmental protection regulations.

↓Regulation-related education and training

Course name	total training hours	Total number of training sessions
Workplace Wrongdoing—Newcomer Advocacy	0.03	93
Personal Information Protection Advocacy – Newcomer Advocacy	0.08	93
Enterprise Information Security, Intellectual Property - Newcomer Advocacy	0.17	93
Defend against insider trading advocacy	0.25	850
The Code of Ethics advocates	0.25	850
The Information Security Code advocates	0.5	838
Employee Code of Ethics	0.5	847
Protecting you, me and him in the workplace	3	92
Workplace Violence and Sexual Harassment prevention and treatment	0.5	34

In FY2024, there were no violations of environmental laws and regulations.

2.6 Tax

The company complies with Taiwan's basic tax-related regulations, considers the optimization of corporate tax burden, and conducts overall tax governance based on tax risks arising from relevant regulations or operations, and improves tax planning and control of tax costs. Long-term and short-term tax burden changes are also included in the assessment of important decisions, various taxes are declared and paid correctly and on time, and tax information is disclosed in financial reports, annual reports and corporate sustainability reports to ensure that the information is transparent and open. We do not manipulate profits and affect taxes by transferring the transaction price, nor do we avoid taxes through non-commercial substance or illegal means, so as to fulfill our corporate social responsibility and fulfill our obligations as a corporate citizen.

Make good use of tax incentives in compliance with laws and regulations, pay attention to changes in government tax regulations, assess the impact and formulate countermeasures in case of changes, and seek professional advice from external agencies if it is a complex or uncertain tax issue. Through education and training, we will continue to strengthen the professional competence of internal tax personnel, and at the same time achieve the cultivation of tax talents.

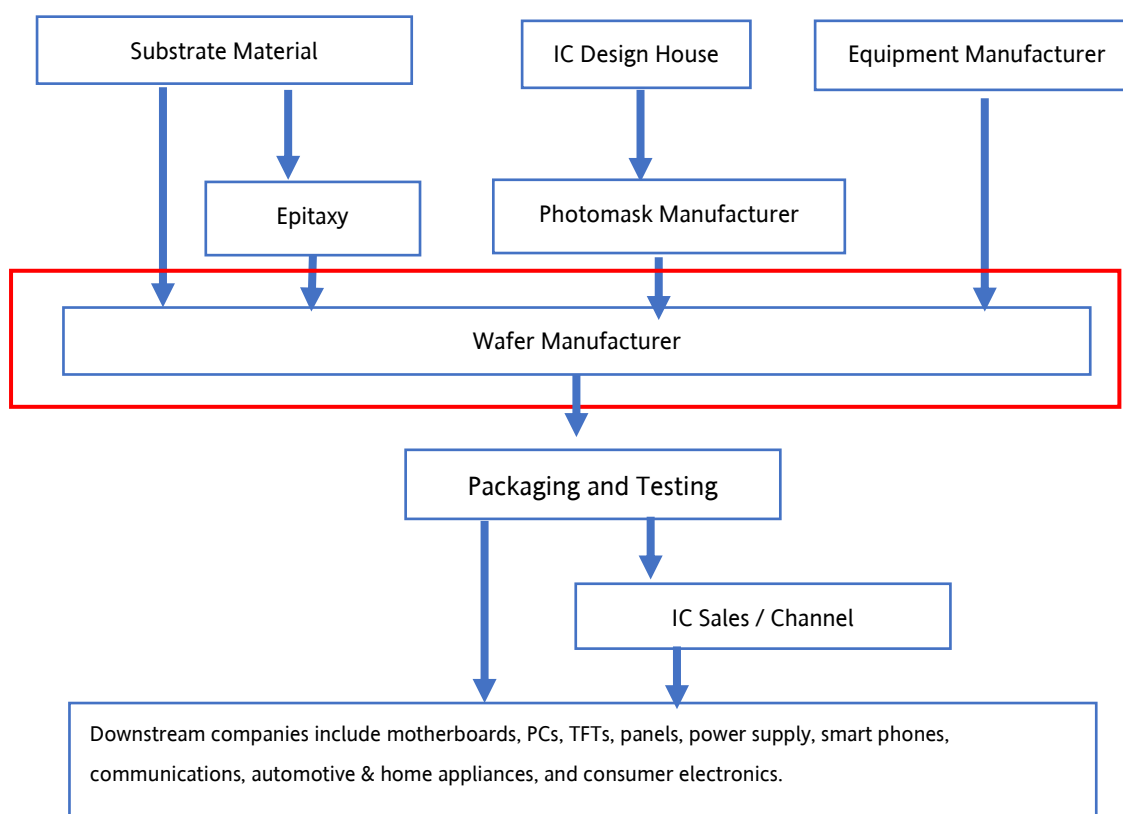
The Chief Financial Officer assumes the ultimate responsibility for tax management, while the day-to-day tax administration and management is entrusted to the accounting supervisor, with a clear division of internal powers and responsibilities, and professional services are also entrusted to external tax consulting agencies to strengthen professional knowledge and make tax planning more robust. The Board of Directors of the highest governance body entrusts the Audit Committee to supervise the quality and integrity of the Company's implementation of relevant accounting, auditing, financial reporting processes and financial controls, and regularly reviews major matters such as accounting policies and procedures, internal control systems, legal compliance, and enterprise risk management, among which tax compliance is also included in legal compliance.

2.7 Supply Chain Management

EPISIL regards suppliers as long-term partners. In addition to taking into account the supplier's product quality, service, delivery and price, also urging suppliers to pay attention to human rights actively, protect the environment, and improve safety and hygiene, so as to jointly contribute to corporate social responsibilities. And through the spirit of continuous improvement, we jointly build a sustainable green supply chain.

2.7.1 Supply chain characteristics

The upstream, midstream and downstream relationships of the semiconductor industry are shown in the figure below. Among them, the upstream industries include: wafer manufacturing or regeneration companies, IC design house, chemical manufacturer, equipment manufacturer, lead frame manufacturer and photomask manufacturer, and etc. Downstream industries include: packaging and testing factories, IC sales companies and system manufacturers. EPISIL's business scope belongs to the semiconductor midstream chip manufacturing related industries.



EPISIL focuses on components and integrated circuit foundry business, entering the market from traditional silicon-based MOSFETs, expanding to IGBT and FRED components, and actively introducing VDA6.3 into automotive product layout, and mainly operates and produces in Taiwan. Suppliers can be mainly divided into eight categories: raw materials, spare parts, equipment, facilities, engineering services, software, general services, and outsourcers. The cooperative suppliers in 2024 are about 700.

2.7.2 Localization Procurement

EPISIL values suppliers who produce locally and implements a localized procurement policies. It not only has the advantages of fast material supply and reduced transportation, but also can boost the local economy of Taiwan and indirectly create more employment opportunities. Since the one-time purchases of equipment and engineering belongs to non-normal procurement items, we will focus more on the localization strategy of the top 5 raw materials in the future.

This year's net purchases amount from local suppliers of top 5 raw materials accounted for 52%, which increased by 7% than 2023.

Item	2022	2023	2024
Percentage of net purchases amount from local suppliers	34%	58%	61%
Percentage of net purchases amount from domestic suppliers of top 5 raw materials	31%	45%	52%

2.7.3 Supplier management mechanism

EPISIL has established a complete supplier management mechanism through three processes: supplier selection procedure, sustainability management and audit management, to promote the development of upstream to downstream sustainable value chains.



Supplier selection and evaluation

For the selection of new suppliers, in addition to incorporating quality assurance and confidentiality clauses in the procurement contract, all suppliers are also required to obtain relevant certifications, such as ISO 14001 - Environmental Management System and ISO 45001 - 2018 Occupational Safety and Health Management System, etc. Relevant environmental and occupational safety and health international certification standards. And implement the "Responsible Business Alliance, RBA Code of Conduct", and sign "No-use Conflict Minerals", "RoHS(Restriction of Hazardous Substances)" and "REACH SVHC(Substances of Very High Concern)", "Environmental and Social Responsibility" and "Anti-Corruption".

The basic suppliers' threshold is that all raw material suppliers are required to pass ISO 9001 international certification or other similar quality systems. Therefore, we assist new suppliers to follow relevant operations through the supplier management operating methods to obtain ISO 9001 certification and comply with the requirements of environmentally managed substances, and continue to advocate for suppliers to practice corporate social responsibility.

In addition to confirming whether they have ISO 9001 or IATF16949 third-party international certification, suppliers are required to provide proof that raw materials

comply with the latest RoHS - environmental protection related laws and regulations, as well as production quality related assessments.

EPISIL continues to promote green procurement policies to suppliers and urges them to implement corporate social responsibilities. In 2024, document audit and on-site reviews were conducted based on RBA's outline.

After final review by the evaluation team, only those manufacturers that passed the selection procedure can become EPISIL's qualified suppliers and start cooperation.

Year	2022	2023	2024
Number of new suppliers	185	94	87
Number of companies screened by environmental/social criteria	185	94	87
Percentage of companies screened by environmental/social criteria	100 %	100 %	100 %

Sustainable supply chain management

EPISIL attaches great importance to supplier selection, evaluation and management. The short-term goal is to require suppliers to ensure uninterrupted supply of materials in order to reduce the risk of material shortages, while the long-term goal is to require them to have zero quality abnormalities in incoming materials to ensure that the final quality meets customer requirements.

In order to establish a sustainable Green-Supply-Chain, EPISIL serve the specific direction for managing suppliers by the three major aspects of "risk management, labor human rights and ethics, and green supply chain".

The key elements of the review are as follows:

Three aspects of risk management	
Risk management	▪ Selection Review: Operations & Costs, Finance, Off-site production line ▪ Evaluation system: quality indicators, delivery indicators, service indicators, price indicators, AEO
Labor human rights and ethics	▪ Comply with the EPISIL Supplier Code of Conduct ▪ Comply with the Conflict Minerals Sourcing Policy ▪ Obtained ISO 45001:2018 occupational safety and health system certification
Green supply chain	▪ Acquired ISO 14001 Environmental Management System certification ▪ Comply with RoHS laws and regulations ▪ Energy saving and carbon reduction

High-risk supplier management

The quality and service level of each supplier is reviewed through regular audit. It will make a score based on the supplier's monthly delivery quality and accuracy, price competitiveness, excess freight, service, capacity, etc. by the procurement and quality assurance unit and record it in the supplier rating table. The results notification form will also be communicated to the supplier.

The scores are divided into A, B, C, and D. Grade A table is the best. If the score is between 60 and 74, the supplier is rated as Grade C, a supplier that needs improvement, and will be required to improve, undergo on-site audits or reduce purchasing volume as appropriate. If the rating is C for two consecutive times, it will be evaluated whether to stop the purchase, and resumed after improvement within a time limit. If the score is below 60, it will be rated D and no cooperation will be carried out. If it is single source, immediate improvements are required to address the shortcomings in the rating and on-site audits will be given priority. If it is not a single source, the purchase will be stopped and disqualified. In 2024, EPISIL conducted a review of 68 important suppliers, all of them met the requirements. There is no C or D grade manufacturers in this year's rating.

Item	2022	2023	2024
Number of important suppliers	63	59	68
Number of suppliers identified that have significant actual or potential negative impact on the environment/society in the current year	0	0	0
Identified significant actual or potential negative environmental/social impacts	0	0	0
Number of suppliers identified with negative impacts on environment/social and have improved after assessment	0	0	0
The proportion of suppliers identified with negative impacts on environmental/social and terminated the cooperative	0	0	0
Reasons for terminating the partnership	None	None	None

Because EPISIL values the quality of suppliers, when the general contractor enters sites, it is necessary to obtain the consent of the trainee to carry out basic training. After the training, the lecturer of ESH will issue the “contractor staff industrial safety training certificate” to the trainees. ESH must keep the training paper record and log in the “contractor's construction application system” according to trainees’ wishes. Basic training includes job education and publicity, such as safety, health and environmental protection training, implementation of hazard warning, first aid measures for chemical injuries, and instructions for using fire extinguishers and indoor fire hydrants, etc.. Create a safer workplace environment for contractors.

◆ contractor management advocacy for 2022 annual maintenance



We care about quality, service, delivery and price, and actively care about human rights and protect the environment. We maintain a high level of respect for human rights and treat all employees in an ethical manner. We hope that this spirit will also extend to the EPISIL's supply chain so that will conduct supplier evaluations every six months. In 2024, about 82.4% of the suppliers have excellent performance and belong to the highest A grade and no C and D grades that need to be improved.

There are many manufacturers in EPISIL's supply chain, and the average return rate of raw materials in 2024 is less than 0.5%, with certain quality assurance. Finally, this year we completed the actual suppliers audit in "Corporate Social Responsibility" and "AEO Quality Enterprise", the audit completion rate was 100%. This reflects the high importance we attach to supplier-related behaviors.

In 2024, rating performance continued to be excellent, 82.4% in A Grade.
In 2024, quality performance continued to meet target, return rate is 0.021%.

In 2024, 100% completed the actual suppliers audit f 100% in "Corporate Social Responsibility" and "AEO Quality Enterprise"

2.7.4 Supplier integrity management

EPISIL looks forward to long-term cooperation with suppliers. The most important key is that all business partners we deal can abide by the principles of trustworthiness and integrity and work together to establish a solid and sustainable supply chain partnership. In addition to complying with applicable laws and regulations on labor rights and conflict minerals, our policies also expect to be managed and operated in a manner that transcends general social and ethical standards - human rights and ethics policies also extend to EPISIL's supply chain. EPISIL requires all suppliers provided targets and gases (WF6) to sign a “Declaration of Non-Use of Conflict Minerals”. Every year, we require our suppliers to comply with the principles of professional ethics and sign back a quality questionnaire that includes a checklist for human rights, environmental protection, and improvement of safety and health, as well as a quality company evaluation checklist, etc., and clearly identify behaviors that would negatively impact the supply chain. Jointly regulate and fulfill corporate social responsibilities.

Year	Number of suppliers agreed to the commitment letter	Signing percentage
2022	694	100%
2023	669	100%
2024	674	100%

2.7.5 Green- Supply- Chain

As the world pays more attention to environmental protection issues, EPISIL hardly promote the "Green- Supply- Chain". In 2011, introduced the E-WEB, supplier management e-platform, for fully launching the "paperless of incoming materials". Through our influence, we ask suppliers to follow up and significantly increase the proportion of Paperless. In addition to strictly reviewing the selection of raw materials, we also control packaging materials, transportation methods, etc. to reduce waste and increasing resource reusing.



CH3 Environmental Sustainability

Sustainable performance and corresponding SDGs

Implementing the United Nations Sustainable Development Goals			Sustainable Performance
SDG6		Water Purification & Sanitation	● All operating plants, according to the WRI (World Resources Institute, WRI) water resource assessment tool Aqueduct Water Risk Atlas, have no risk of water withdrawal from areas with medium and high water stress ● Wastewater discharge in the past 3 years is in line with park and regulatory standards ● Water withdrawal in 2024 will be reduced by 6.4% compared with the previous year ● Water withdrawal intensity will be increased by 23.2% compared with the base year of 2021
SDG7		Affordable and clean energy	● Electricity saving rate of 2.1% in FY2024 > target of 1% ● Total energy consumption in 2024 increased by 1.17% compared to the previous year ● Energy intensity increased by 15.7% compared to the base year of 2021
SDG12		Responsible Consumption and Production	● Waste recycling and reuse will account for 83% of total waste in 2024 ● There were no major violations of environmental regulations in 2024
SDG13		Climate action	● Carbon emissions in 2024 will decrease by 3.71% compared with the previous year

Material Topic management Principles

Material Topic	Greenhouse gas management
GRI Standards	GRI305-1、GRI 305-2、GRI 305-4、GRI 305-5
Impact	With the conclusion of the COP28 meeting, emphasizing the urgency of global enterprises to take active carbon reduction actions, and the carbon management norms and policies of various governments have also increased their management intensity year by year, greenhouse gas management has become an issue that enterprises cannot ignore, in addition to keeping up with the pace of international carbon reduction trends, EPISIL has developed strategies that meet the needs in line with Taiwan's 2050 net-zero carbon emissions policy, and also put forward reduction policies and targets, hoping to gradually achieve the reduction effect and do its part to slow down global warming.
Policies/ Commitments	1. Improve process technology and switch to raw materials with lower carbon emissions to reduce greenhouse gas emissions. 2. Establish an environmental sustainability policy and review it regularly through senior management meetings to achieve greenhouse gas reduction targets. 3. Improve energy efficiency and achieve energy saving performance 4. Install process waste gas treatment equipment to reduce greenhouse gas emissions in the production process. 5. Promote low-carbon manufacturing, adopt optimized technologies, and use low-carbon emissions raw materials. 6. Evaluate new energy-saving measures every year, improve the operation efficiency of equipment year by year, and achieve energy conservation and carbon reduction.
Target	1. The energy use intensity is decreasing year by year, and the annual power saving rate is better than 1%. 2. Carbon emissions intensity (Scope 1 & 2) decreased by 1% from the previous year (tonCO₂ e/revenue of NT\$1,000).
Responsibilities	Wafer Fabrication Center and Industrial Safety

	Department
Resources	1. ISO 14064-1 Greenhouse Gas Inventory Certification Fees 2. The cost of replacing energy-saving equipment and LED lights in the factory area 3. Optimization cost of plant equipment parameter setting system 4. Increase the purchase of carbon reduction equipment.
Feedback	TEL : (03) 5779245#5885 E-mail : 5885@episil.com
Action Plans	Negative Impact Management: C4F8 replaces C3F8 as the process gas, improving gas efficiency and reducing PFCs gas emissions. Frontal Impact Management: 1. The energy-saving pump of the whole plant equipment is continuously replaced. 2. Plan to purchase plasma heating exhaust gas scrubbing to reduce carbon emissions. 3. Complete the ISO 14064-1:2018 inventory and verification of each factory. 4. In 2024, the replacement and renewal of factory equipment will be 100% completed according to the plan.
Evaluation and Effect	Assessment Solution: 1. Assess the achievement of annual greenhouse gas reduction targets through ISO 14064-1 third-party audit certification. 2. Declare the greenhouse gas inventory information certified by the third party to the Taiwan Semiconductor Association and the Environmental Protection Administration of the Executive Yuan for data tracking every year. 3. Track the progress of carbon reduction in the internal management review meeting every year and report to the committee. Execution Results: 1. Carbon emissions per unit of output value in 2024 will decrease by 3.71% compared with the previous year. 2. Electricity saving rate of 2.1% in FY2024 > target of 1% 3. Achieve the annual goals set.

Material Topic management Principles

Material Topic	Environmental compliance
GRI Standards	GRI 2-27
Impact	Due to the use of a variety of chemicals in the semiconductor industry, if not properly treated, it may cause air and water pollution in the surrounding neighborhoods, so the operation of each plant of Episil attaches great importance to the impact on the surrounding environment, and is committed to not violating various environmental protection, safety and health norms as the goal, with stricter environmental protection laws and regulations in each factory.
Policies/ Commitments	Episil promises that all factories will strictly abide by the relevant environmental protection laws and regulations and environmental hazard prevention specifications of the places where they operate, and each plant will exceed the self-requirements of various environmental protection laws and regulations, and take not violating environmental laws and regulations as the long-term goal.
Target	There are zero violations of environmental laws and regulations in the operating plant every year.
Responsibility	Wafer Fabrication Center and Industrial Safety Department
Resources	Professionals are trained to participate in environmental laws and regulations education and training, regular wastewater inspection, air pollution prevention equipment, waste and toxic substances removal and treatment.
Feedback	TEL : (03) 5779245#5885 E-mail : 5885@episil.com
Action	Negative Impact Management: 1. Regularly review the compliance of environmental safety and health objectives, and train professionals to participate in education and training every year to improve environmental safety and health performance. 2. we will continue to adjust the factory specifications and operating procedures for the changes in laws and regulations

	every year, and at the same time revise the relevant regulatory documents, educate and train relevant personnel, and make in-plant announcements and publicity so that all relevant rights and responsibilities are aware of and comply with relevant laws. Frontal Impact Management: If any non-conformities are found in any internal and external audits and inspections, the company's environmental, safety and health department will issue a correction demand list to designate the responsible unit for improvement, and formulate an improvement and prevention plan for the non-conformities so that they do not occur again.
Evaluation and Effect	Evaluation mechanism 1. Disclose environmental safety and health-related performance to stakeholders in a timely manner 2. Quarterly review of environmental compliance in each factory, and review the causes and improvement measures. Execution effectiveness: 1. Carry out various environmental protection testing operations in accordance with the law, and the pollutant discharge meets the laws and regulations, and has not been punished by the competent authority or the interested parties, and the annual goals set were achieved. 2. Spot checks of relevant regulations and norms will be carried out every six months to ensure that EPISIL meets the requirements of current regulations.

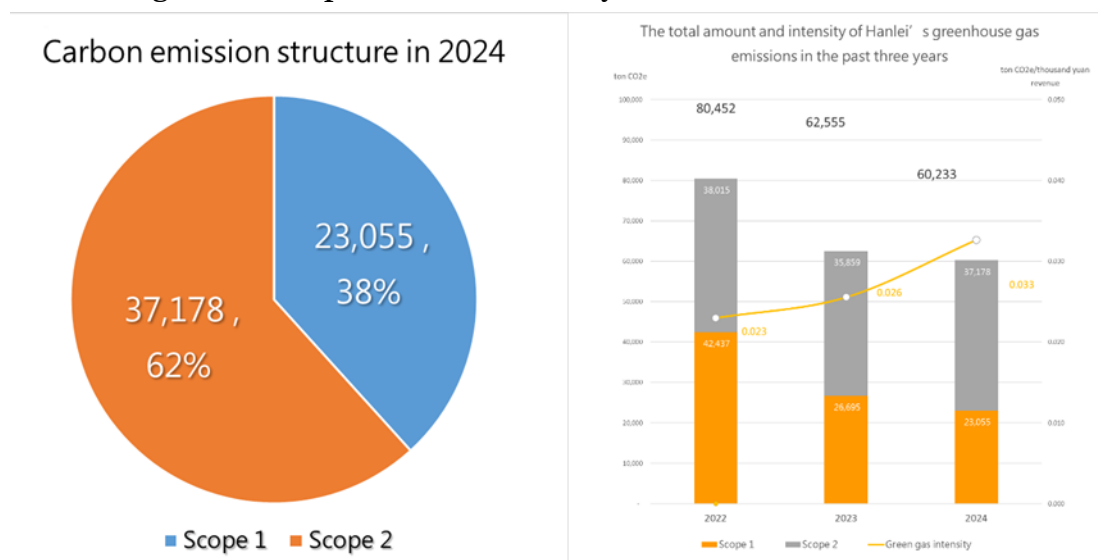
3.1 Greenhouse gas emissions

3.1.1 Greenhouse gas management

In recent years, international attention to greenhouse gas emissions and climate change has been increasing, under the current climate strategies and actions of global enterprises, in order to avoid irreversible climate disasters, global enterprises need to strive to achieve carbon emissions halved by 2030 compared with before the industrial revolution, and achieve global net zero carbon emissions by 2050, so greenhouse gas reduction and management is an important issue that every enterprise must face at present.

In order to implement greenhouse gas management and reduction, EPISIL has been responding to the plan of the Taiwan Semiconductor Association (TSIA) since 2000, following the recommendations of CNS 14064-1, the greenhouse gas inspection guidelines, greenhouse gas registration guidelines, and the WBCSD/WRI greenhouse gas inventory protocol of the Environmental Protection Administration of the Executive Yuan. The verified greenhouse gas data is also disclosed to the public to demonstrate the company's determination to greenhouse gas management.

In 2024, EPISIL's inspection scope covers innovation factories, research and development factories, R&D factories and other manufacturing plants. The total greenhouse gas emissions are 60,233 ton CO₂e. In 2023, a third-party external verification will be completed by Taiwan Inspection Technology Co., Ltd. (SGS Taiwan Ltd.) submitted a verification statement based on the reasonable assurance level agreed by both parties, and obtained a reasonable assurance verification statement. The overall carbon emissions decreased by 3.71% compared with the previous year, mainly due to the success of various energy-saving measures implemented by each factory, such as the energy-saving improvement of air-conditioning box fans, the replacement and update of ice water main units, and the replacement of high-efficiency radiators in cooling water towers. EPISIL's greenhouse gas emissions are accounted for approximately 38% by Category 1 and approximately 62% by Category 2. Scope 1 emissions sources mainly come from perfluorinated compounds (PFCs) used in the manufacturing process, which are mainly used in chemical vapor deposition reaction chambers in semiconductor manufacturing processes. In the cleaning and dry etching processes, Scope 2 indirect emissions originate from purchased electricity.



1. The greenhouse gas inventory boundary is EPISIL's 3 factory areas: innovation factory, new research factory, and R&D factory.
2. Scope 1 direct emissions: covering fuel combustion from stationary equipment, process emissions, fugitive emission sources, and mobile sources such as official vehicles. Scope 2 indirect energy emissions: the emissions source is purchased electricity.
3. Inventory methodology: Plan and design in accordance with the recommended requirements of CNS 14064-1, the Greenhouse Gas Inspection Guidelines of the Executive Yuan Environmental Protection Agency, the Greenhouse Gas Registration Guidelines, and the WBCSD/WRI Greenhouse Gas Inventory Protocol.
4. Source of greenhouse gas coefficient: The emissions coefficient value is quoted from the Greenhouse Gas Emissions Coefficient Management Table Version 6.0.4 announced by the Environmental Protection Agency in 2019. The GWP value is quoted from the IPCC Five Assessment Reports.
5. The carbon emissions coefficient of Category 2 purchased electricity has not yet been announced. It is calculated based on the 2022 electricity carbon emissions coefficient announced by the Energy Bureau of 0.495 kg CO₂e/kWh.
6. Greenhouse gas inventory scope: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), trifluorocarbons. There are 7 greenhouse gases including nitrogen (NF₃).
7. Greenhouse gas inventory shall be conducted using the operation control method.
8. Emissions intensity = (Scope 1 + Total carbon dioxide equivalent of Scope 2 emissions)/Total annual revenue.

3.1.2 Greenhouse gas and major gas reduction

In order to alleviate the impact of greenhouse gases on the greenhouse effect of its own operations, in addition to actively implementing various energy reduction and power saving measures through factory operations, each of Episil's factories has also reduced the amount of PFCs chemicals by replacing the chemical vapor deposition process since 2010, and each plant has developed the following greenhouse gas reduction strategies:

Plant	PFCs substitution measures for chemical vapor deposition process
DF1	Replace C ₂ F ₆ with C ₄ F ₈
6A	Replace CF ₄ with C ₄ F ₈
6B	Replacing C ₃ F ₈ with C ₄ F ₈

EPISIL process waste gas is divided into acid and alkaline gas exhaust and organic gas exhaust, covering Sox sulfur oxides, Nox nitrogen oxides, VOC volatile organic compounds, PM suspended particles and HAP harmful air pollutants, which are collected according to different categories. Afterwards, it is discharged after being treated by waste gas treatment equipment. The organic waste gas is treated by a zeolite concentration wheel or an activated carbon adsorption tower according to different factory areas, and then discharged into the atmosphere. In accordance with the "Semiconductor Industry Stationary Pollution Source Emissions Standards and Regulations" every year, each factory entrusts a laboratory recognized by the Environmental Protection Agency to conduct regular exhaust gas inspections and emissions pipeline inspections to confirm the efficiency of exhaust gas treatment facilities. The test results are all in compliance with regulatory requirements. In

order to avoid harmful effects on the environment and surroundings Neighbors are causing air pollution. EPISIL will continue to implement various waste gas reduction measures to reduce the impact on air pollution.

Significant Gas Emissions Statistics over the Years

Project	Unit	Year		
		2022	2023	2024
Sox	kg	27	37	43
Nox	kg	611	567	455
VOC	kg	33,903	29,618	18,101

Note: Sox 、Nox 、VOC Calculated based on the published emissions factor multiplied by the production weight, raw material consumption and other activity data.

3.2 Energy Management

3.2.1 Energy Usage

Episil attaches great importance to the impact of corporate operations on climate change and global warming, but the company's economic performance is closely related to energy demand, with the international phase-out trend of fossil fuels at COP27, how to reduce the proportion of fossil fuels in the operation process has become an important issue for enterprises.

In 2024, the total energy consumption of Episil 's three plants was 294,687 GJ, a slight increase of 1.17% from the previous year, showing a downward trend in recent years, indicating Episil 's continuous improvement in energy management. The overall energy structure is the bulk of purchased electricity, accounting for about 94.7% of the total, of which 0.84% renewable energy _ solar energy purchased 616,000 kWh, the electricity mainly comes from the energy consumption of plant processes, lighting and air conditioning equipment, followed by liquefied natural gas (4.45%), which is used for organic waste gas adsorption equipment, combustion treatment systems and restaurants. A small amount of diesel is used in 0.01%, which is used in emergency generators, and is only activated in the event of power outages, scheduled maintenance and emergencies, and is not the direct energy required for factory production.

In terms of energy intensity, the energy consumption in 2024 and 2023 will be 136.5 GJ/million yuan and 92.2 GJ/million yuan, respectively, mainly due to the change in product type, focusing on gallium nitride and silicon carbide products.

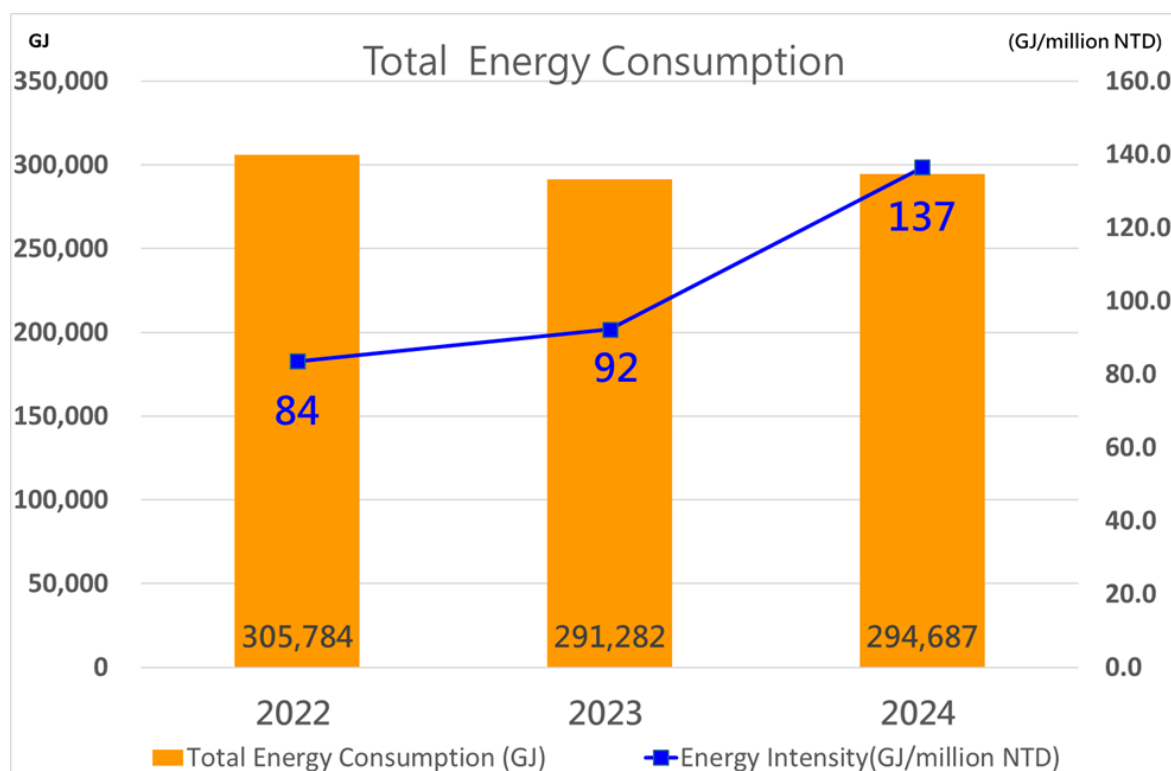
Energy consumption statistics over the years

Total Internal Energy Consumption		2022	2023	2024
Non Renewable Energy	Diesel(L)	6,050	4,000	3,460
	Natural Gas(m ³)	468,582	353,405	349,220
	Electricity Consumption (WH)	7,997	7,479	7,816
Renewable Energy	Solar (WH)	—	61.6	61.6
Total Energy Consumption (GJ)		305,784	291,282	294,687
Energy Intensity(GJ/ million NTD revenue)		84	92	137

Note1: The statistical scope of energy consumption data covers Episil Plant 3:DF1 、6A 、6B 。

Note2: Natural Gas Calorific Value=8,975 kcal/L, Coefficient Source: Monthly Average Calorific Value of 2024 China Oil Bill.

Note3: Diesel calorific value = 8400 kcal/L, electricity calorific value = 860 kcal/kWh, coefficient source: unit calorific value table of energy products of the Energy Bureau of the Ministry of Economic Affairs.



3.2.2 Energy saving measures

About 94.7% of Episil's energy structure comes from purchased electricity, so the energy saving of refrigeration equipment, machine efficiency and lighting is the key to reducing carbon emissions from its own operations. New installation and replacement and system operation are optimized to avoid energy waste, regular planned maintenance of used energy equipment to avoid efficiency reduction, new installation and replacement of equipment will be prioritized to replace with high-efficiency and low-energy-consuming models, and continuous annual energy-saving improvement projects will be formulated to implement and reduce energy consumption. The ice water pressure is adjusted for the plant area, and the lower temperature limit is set by the air conditioning switch to avoid energy waste caused by the air conditioning temperature setting is too low.

In 2024, 32 energy-saving actions will be completed, which can reduce about 1.64 million kilowatt-hours of electricity per year, accounting for about 2.1% of the total electricity consumption in 2024, which is equivalent to reducing about 814 metric tons of carbon dioxide emissions.

Energy users have set energy saving targets and implementation plans, implemented various power-saving plans, such as reviewing and improving measures to reduce electricity consumption per unit of production, planning the replacement of old equipment and optimizing plant systems, and set a target of 1% energy saving per year.

Air Conditioning and Chiller System Improvements
Total of 9 Initiatives, Saving 445,437 kWh

- ✓ Replacement of Chilled Water Pumps with IE3 Motors
- ✓ Installation of Inverters to Improve Energy Efficiency

30%

Lighting System Upgrade
Total 7 initiatives, saving 195,584 kWh

- ✓ Replace lighting with energy-efficient LEDs

12%

Air Compressor& Motor Replacement
Total 13 initiatives, saving 501,414 kWh

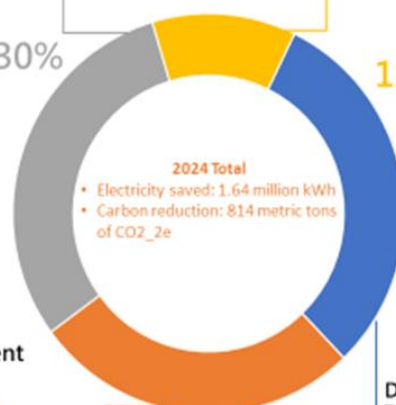
- ✓ Adoption of inverter-type units to enhance energy efficiency
- ✓ Replace FFUs (Fan Filter Units) with DC type
- ✓ Install Inverters in Motor

27%

31%

Dry Pump & Chiller Pump Replacement
Total of 3 initiatives, saving 504,631 kWh

- ✓ Replace Chiller pumps Dry pump with energy-saving models



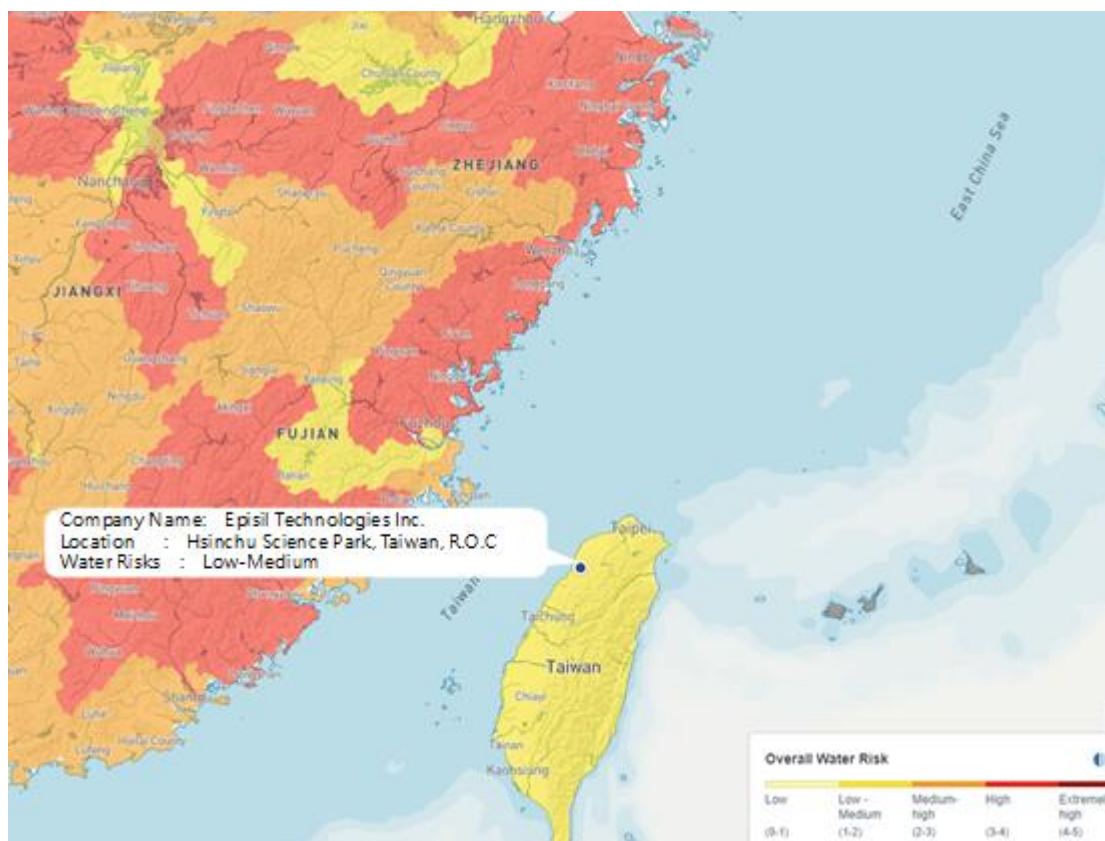
3.3 Water resources management

3.3.1 Water Risk Assessment

In recent years, due to the increasing frequency and severity of extreme weather, drought and water shortage, floods caused by typhoons have gradually become one of the climate risks affecting business operations, and therefore the issue of water resources risk has been highly valued by the international community.

To mitigate the risk of impacting local ecosystems and residential water supplies, particularly by sourcing water from high-stress areas, Episil utilizes the World Resources Institute's (WRI) Aqueduct Water Risk Atlas. This tool allows the company to conduct comprehensive water risk assessments for each of its operational sites. The assessment results indicate that all three of Episil's plants are located in areas with medium to low water risk, ensuring that none of the plants are at risk of sourcing water from high-stress areas.

If the total water supply is assessed by the amount of water withdrawn to the total water supply, the total tap water supply of Hsinchu Science Park in 2024 will be 60,073 thousand cubic meters (km³)/year, and the annual tap water withdrawal of Episil 3 plant will be 722.7 thousand cubic meters (km³), accounting for about 1.2% of the water withdrawal, which will not have a significant impact on water resources.



Note: The Aqueduct Water Risk Atlas tool is used to analyze the water risk force of Hanlei's innovation factory, R&D plant and R&D plant.

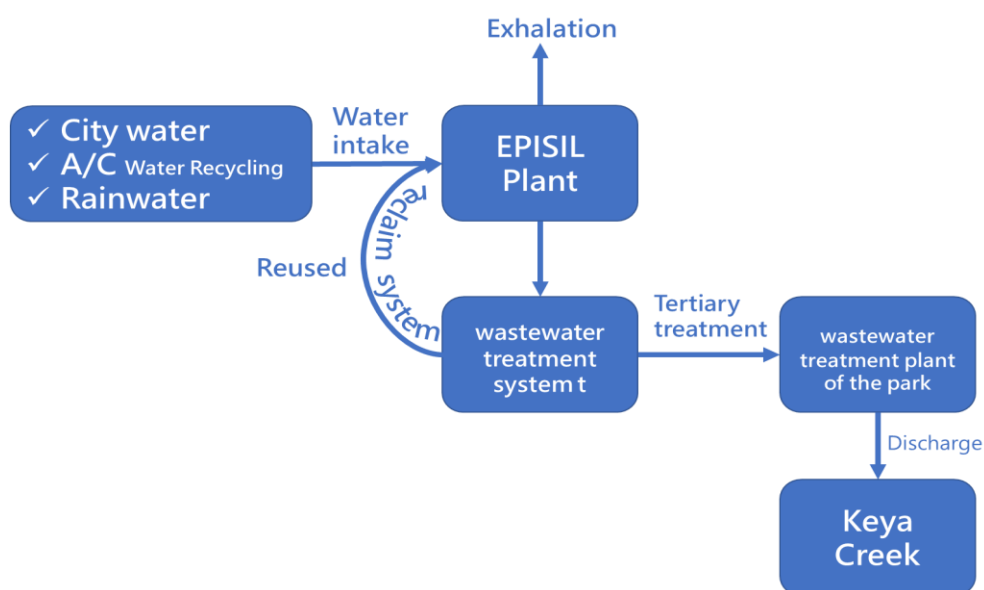
In response to the worst drought event in 56 years in western Taiwan in 2021, various regions cooperate with government policies to regulate water use, enter different degrees of reduced pressure water supply, water restriction, suspension of farming, business closure, etc., although the areas where Episil's factories are located are obviously less due to insufficient water sources or rainfall disasters caused by losses, but in order to avoid the risk of increasing extreme weather in the future, Episil still establishes contingency measures for water resource dispatch during drought periods, through the tracking of government public water signals. Actively implement the standardized management of water resources, and the emergency response water dispatch team will manage the water wheels, water tanks, water sources and other water resources dispatching related matters in a unified manner, so as to ensure that all plants of Episil can immediately take contingency measures in the event of various water resource emergencies, so as to minimize the impact of water shortage on the operation of the plant and avoid the occurrence of operational interruption.

Water signal contingency measures

Water signal	Government measures	Episil's response methods
Normal water conditions	Stable supply	Monitoring of water conditions in each region/management of water use in each plant
The water situation is slightly tighter	Agricultural fallow	Set up an emergency water dispatch team/cooperate with the government's 3% emergency water plan
Phase 1	Reduce pressure water supply during specific periods	Start production water saving response/Assess the demand for water trucks/Start a 5% emergency emergency water plan
Phase 2	Industrial water supply reduction	Operation of the emergency response water dispatch team/Implement water restriction contingency measures at various stages
Phase 3	Stop water supply at regular intervals in different phases	

3.3.2 Water intake, drainage and water consumption

Episil 3 plant is located in Hsinchu Science Industrial Park, all the water is from the tap water provided by Taiwan Water Corporation supplied by Hsinchu Science Park, the water source is Baoshan, Baoshan Second, Yongheshan Reservoir, the main water is the process, air conditioning and people's livelihood consumption, domestic wastewater and process wastewater are treated by sewage treatment equipment tertiary treatment, Fluoride-containing wastewater is treated in batches with calcium chloride and then combined with neutralized acidic and alkaline wastewater before being discharged into the Hsinchu Science Park wastewater treatment plant. The final effluent is discharged into the Kelay Creek.



In 2024, the total water intake of Episil will be 722.7 thousand cubic meters (Km³), a decrease of 6.4% compared with the previous year, mainly because in 2024, through water-saving measures such as concentrated water & mix bed recycled water, Episil can save about 132 cubic meters (m³) / day of water resources per day, resulting in lower water withdrawals than in previous years. In 2024, the water withdrawal intensity increased due to the reduction in production capacity, and the total water withdrawal decreased by 48.296 thousand cubic meters (Km³) compared to 2023.

In the past 3 years, Episil water data statistics

Units: M³

Water use projects		2022	2023	2024
Water intake	Air conditioning condensate recovery	6,400	9,643	9,966
	Surface water (rainwater recycling)	5,100	2,379	3,224
	Third-party water (tap water)	839,194	772,180	722,716
Water intake		842,394	784,202	734,738
Water Discharge		617,799	585,637	587,790
Water consumption		224,595	198,565	146,948
Water intake intensity (M ³ per million NTD)		230	248	340

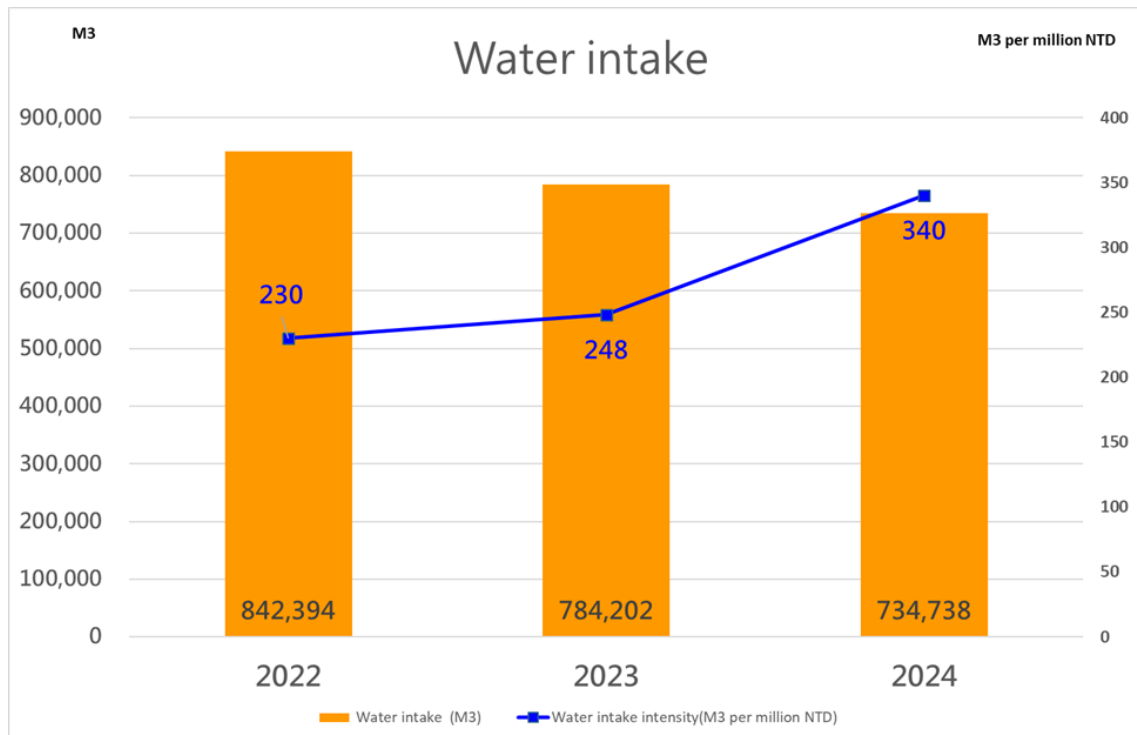
Note1: The water resources data statistics cover the 3 plants of Episil: : DF1 、6A 、6B

Note2: All of the plants of Episil do not have water sources from seawater and high water pressure areas.

Note3: The wastewater of Episil is treated by the sewage treatment equipment of the plant, and then discharged into the wastewater management plant of Hsinchu Science Park after retreatment, and finally discharged into Keya Creek (fresh water) after confirming that it meets the environmental protection regulations and standards.

Note4: Water intake = Water Discharge + water consumption.

Note5: Water intake intensity = total annual water intake / annual operating income (NT\$ million)



3.3.3 Water pollution prevention and management

Episil wastewater includes process wastewater, domestic sewage and cooling wastewater, the wastewater is unified by the bamboo administration, in accordance with the park water quality standards that are superior to the national discharge water standards, the wastewater treatment of each plant is treated by the front end of grinding wastewater and fluorine-containing wastewater, the plant is equipped with ammonia nitrogen analyzer and wastewater ammonia nitrogen reduction facilities, ammonia nitrogen analyzer can be used to determine the concentration of ammonia nitrogen in wastewater, and wastewater ammonia nitrogen reduction facilities use catalyst oxidation to reduce the concentration of ammonia nitrogen in wastewater and then enter the wastewater pool. The wastewater pond is treated by adjusting the pH value to neutral, and then being piped into the sewage treatment works of the Science Park Authority, where it is re-treated until it meets the EPD's discharge water standards before being discharged into Keya Creek by the dedicated pipe.

In order to avoid excessive pollution of streams by Episil process wastewater, the wastewater water quality of each plant is continuously monitored by pH meter and fluoride ion meter 24 hours a day to ensure that the wastewater water quality meets the management specifications, and the water quality inspection agency is entrusted to a qualified inspection agency every six months according to law, and the park management bureau regularly inspects the wastewater quality every month, and the wastewater testing in the past three years has met the wastewater standards of the Authority, and has not had a significant impact on the ecological environment and the local community.

In recent years, the water quality testing data and compliance of Episil 's factories are

Wastewater testing data	2022			2023			2024			Park specifications and standards
	DF1	6A	6B	DF1	6A	6B	DF1	6A	6B	
pH	6.7	6.7	7.3	6.6	6.8	7.6	6.9	6.8	7.5	5 ~ 9
COD(mg/L)	21.0	36.6	24.3	13.0	22.7	52.3	14.9	22.8	27.0	500
SS (mg/L)	31.5	22.0	22.0	16.3	19.5	19.3	12.5	20.5	21.4	300
Ammonia nitrogen(mg/L)	14.4	22.0	17.7	6.9	13.7	10.3	7.3	24.6	10.9	50
(°C)Water temperature	27.5	24.3	23.2	25.1	24.5	23.8	24.1	24.3	23.8	38
Nitrate nitrogen(mg/L)	2.6	1.9	11.9	2.3	2.5	3.1	1.6	7.0	7.7	50

Note1: The park specifications are taken from the revised water quality standard announcement of the Hsinchu Park Administration of the National Science and Technology Commission on November 3, 2022 for the sewage sewers in Hsinchu Park.

Note2: The water quality data comes from the average test data of third-party water quality testing operators outsourced by each factory in 2023.

3.3.4 Water Conservation and Wastewater Reduction Measures

The daily water-saving actions of Episil plant include the installation of water-saving facilities for domestic water and the optimal frequency of horticultural irrigation to reduce the amount of water, and the discharge water of each facility and process is collected separately according to its water quality, and the better water quality can be recycled to the process in the best way, and the poor ones are used as secondary water such as supplementary water for cooling water towers and exhaust gas scrubbers, and a small amount of rainwater and air conditioning condensate are recycled and reused as secondary water. In 2024, through various water-saving measures, Episil will increase by 9.54m³ per day, and reducing the impact on water resources through the 3R (Reduce, Resource, Recycle) strategy of water use reduction, water substitution, and wastewater reuse.

Reduction items	Implementation measures	(M ³ /D) Water saving
Reclaimed water recycling	Mix Bed Reclaimed water recycling	4.0
Rainwater recycling	North roof rainwater recovery	5.54
Total daily water saving		9.54

3.4 Waste and resource recycling

3.4.1 Waste production

Episil's waste is mainly waste solvents, waste sludge, waste sulfuric acid and other hazardous wastes, because many of them have high toxicity, if the environment is accidentally polluted, the toxic substances will accumulate and amplify in the ecological food chain for a long time, impacting local biodiversity and increasing the risk of pollution of nearby drinking water sources.

Episil abides by environmental protection laws and regulations and prudently manages waste, each factory has an exclusive waste storage site for centralized storage, and entrusts the environmental protection department approved by the third-party qualified cleaners, removal processors and reuse operators to carry out off-plant cleaning and recycling operations, in order to ensure that the waste removal and transportation providers do properly dispose of waste, 100% of the waste removal and transportation providers entrusted by Episil sign the terms of the supplier, and the environmental protection unit also arranges the waste removal and transportation company on-site audit plan every year to audit its environmental protection license, waste and reuse flow, and contingency mechanism.

In 2024, Episil audited 29 waste removal companies on the spot, and found no improper disposal, and EPISIL took practical actions to ensure that the waste treatment process met the requirements of laws and regulations. In addition to external audits of cleaners, each plant is also required to regularly declare the total amount of waste, check the waste storage area every month, and confirm the compliance of the entrusted manufacturers, so as to minimize the potential impact of waste on the environment and society.

In 2024, the total amount of waste generated by Episil will be 436.33 tons, of which hazardous business waste accounts for 65%, mainly from the waste liquid generated by the wafer manufacturing process, which is mostly treated in a physical way and reused as raw materials or cement ingredients, and the waste liquid empty bottles are handed over to qualified manufacturers for washing and reuse. Non-hazardous waste accounts for 83% of the total, mainly from the sludge generated by the wafer processing process and employee domestic waste, overall, the main waste treatment method is recycling and reuse, accounting for 83% of the total, Episil will increase the proportion of waste recycling and reuse as the goal, maximize the benefit of all resources to reduce the consumption of source resources.

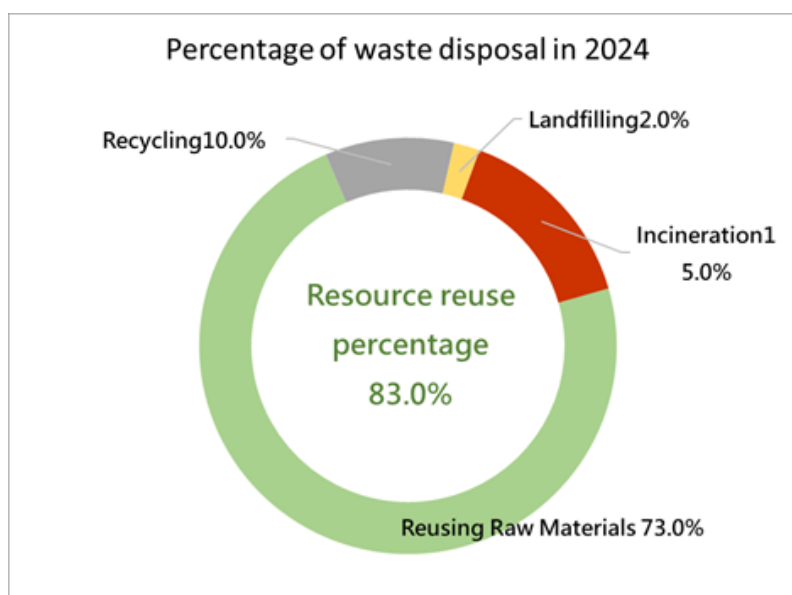
According to the direct / transfer of disposal of the total amount of waste

Waste category	Hazardous waste		Non-hazardous waste (tons)		Total treatment capacity	
	Treatment capacity (tons)	%	Treatment capacity (tons)	%	Treatment capacity (tons)	%
Disposal and transfer (reuse, recycling)	239.36	85%	122.44	80%	361.80	83%
Direct disposal (incineration, burial)	43.03	15%	31.50	20%	74.53	17%

Note: 1. Waste data statistics cover Episil 's 3 plants: DF1 、6A 、6B

2. 100% of the waste in Episil Plant 3 (DF1 、6A 、6B) is entrusted to a qualified third-party cleaner for off-site disposal.

3. Data source: According to the statistics of the waste removal and transportation triple-bills actually declared by each plant in 2024.



Divide the total amount of waste generated according to the waste item

Waste category	Treatment method	Subdivision item	Total waste weight (tons)		%
Non-hazardous waste	Incineration (non-energy recovery)	General business waste	22.11	153.94	35.3
		Dust-free cloth	2.90		
	Landfilling	Sludge	6.49		
	Reusing Raw Materials	General business waste	1.47		
		Filter	0.69		
		Sludge	42.57		

		Aluminum foil bags	1.71		
		Activated carbon	14.32		
		Waste ammiaonia sulfate	11.56		
		Waste Hardware	8.51		
	Recycling	Resource Recovery	41.62		
Hazardous waste	Incineration (non-energy recovery)	Waste Solvent	42.84	282.39	64.7
	Landfilling	Waste Sandblasting	0.10		
		Waste collection of dust and ash	0.09		
	Reusing Raw Materials	Waste Empty Bottles	18.50		
		Waste Solvent	51.86		
		Waste IPA	11.78		
		Waste BOE	24.30		
		Waste UHF	37.51		
		Waste Wafer	1.67		
		Waste Sulfuric Acid	93.74		
Total Waste Generation			436.33	100	

Note:

1. Waste data statistics cover Episil 's 3 plants: DF1 、6A 、6B
2. 100% of the waste in Episil 's Plant 3 (DF1 、6A 、6B) is entrusted to a qualified third-party cleaner to leave the factory for disposal.
3. Data source: According to the statistics of the waste removal and transportation triple-bills actually declared by each plant in 2023.
4. Since the high-concentration ammonia nitrogen wastewater treatment system will be updated in 2024, there is no need to outsource treatment, so the ammonia nitrogen wastewater project will be deleted.
5. From 2024 onwards, according to the application materials, scrap hardware will be divided into non-hazardous scrap hardware (Class D) and hazardous waste chips (Class E).

3.4.2 Waste reduction measures

Since 2022, Episil Innovation Factory has implemented empty container recycling measures, reducing the number of additional purchased new cartons by collecting waste cartons purchased from raw materials for recycling, and a total of 524 waste cartons will be recycled and reused in 2024. In the future, Episil will continue to plan waste reduction and recycling plans, hoping to reduce the consumption of resources and increase the proportion of waste recycling year by year.

Reduction Project	Implementation Measures
Waste Management	A total of 524 waste cartons were recycled and reused.
ammonia nitrogen wastewater treatment system	Ammonia nitrogen is combined into ammonium sulfate by using (on-site) waste sulfuric acid reuse combined with ammonia nitrogen system. The (new) ammonia nitrogen system will be officially operational in October 2024. It is estimated that the amount of waste sulfuric acid removal and transportation will be reduced by 25~50% in 2025.

3.5 Environmental Compliance

The semiconductor industry has long been regarded as the first potential environmental pollution industry due to the high toxicity of chemicals used in the production process, Episil, as a member of it, knows that abiding by environmental protection laws and regulations is the basic element to avoid the impact on the external environment and society, so Han Lei is committed to environmental management and compliance with environmental related laws and regulations, and arranges internal audits of various environmental management projects in November every year, and arranges third-party certification companies to conduct external audits in May-June. It will also accept inspections by local competent authorities and the Science and Technology Authority from time to time, and conduct performance reviews at the monthly meeting of industrial safety to identify the risk of violating environmental laws and regulations in the factory, and confirm that all deficiencies are properly reviewed and improved.

EPISIL clearly stipulates that a single fine of more than 350,000 NTD or more than 2 environmental violations caused by the same reason within 7 days shall be regarded as a major violation of laws and regulations, and the severity of the violation of environmental laws and regulations and the corresponding punishment measures shall be used for reference.

In 2024, there will be no major violations of environmental laws and regulations and fines in all factories of EPISIL, and in the future, all factories will continue to maintain the goal of zero violations with specifications that are better than the requirements of legal compliance.

compliance in response to the current situation

Name of environmental laws and regulations	In response to the current situation
Air Pollution Control Act	The process air pollutants include sulfur oxides, nitrogen oxides, volatile organic compounds and suspended particulates, and the company must properly dispose of the air pollutants in accordance with the air pollution control law formulated by the government to ensure that the air pollutants are properly treated and protect the environment.
Water Pollution Prevention and Control Law	Water Pollution Prevention and Control Law Process wastewater contains N-methylpyrrolidone, the company must properly treat the wastewater in accordance with the water pollution prevention and control law formulated by the government, fluorine wastewater is treated by fluidized bed, and discharged in confluence with acid-base neutralization wastewater to ensure that the wastewater is properly treated and the protection of the environment, if the

	relevant laws and regulations are violated, the company must bear legal responsibilities, such as penalties or fines.
Waste Disposal Act	The company must classify, store and dispose of the waste in accordance with the waste disposal law formulated by the government to ensure the proper disposal of the waste and the protection of the environment.
toxic and concerned chemical substances management law	When the raw materials used in the company's process contain toxic and concerned chemical substances announced by the Environmental Protection Department, relevant matters must be handled in accordance with the provisions of the Toxic and Concerned Chemical Substances Management Act formulated by the government to prevent the production of toxic chemical substances and chemical substances of concern from polluting the environment or endangering human health. In case of violation of relevant laws and regulations, the company shall be liable for legal liabilities, such as penalties or fines.

3.5.1 Response and review measures for major environmental incidents

In order to be ready to respond to environmental emergencies at any time, if there is an unfortunate violation of environmental laws and regulations in the factory, we will take immediate action to solve the problem in accordance with Hanlei's internal SOP procedures. Proceed with the findings of the investigation to develop remediation procedures to reduce the potential impact on the surrounding environment, including taking necessary corrective actions, and finally reporting to the authorities in accordance with the relevant laws and regulations, and adding new regulatory checkpoints in the business process as necessary depending on the severity and frequency of the violation, so as to avoid repeating the same mistakes.



3.5.2 Education and training on environmental protection regulations

In order to strengthen the emergency response ability of employees in each plant and the latest trend of environmental laws and regulations, EPISIL has a special unit to track the update of national environmental laws and regulations at any time, and after the central person in charge identifies the relevance of legal compliance and plant area, the supervisor of the industrial safety section of each factory will reconfirm the compliance of the updated regulations and plant operations, and correct the relevant internal operating methods and specifications in real time. Regularly train professional practitioners who should be educated and trained every year to reduce the risk of legal compliance in the factory area.

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Investment in education and training on environmental protection regulations

2024 Educational training dates	subject	Course Type	Number of participants	Educational Training Expenses (NT\$ _NTD)
06/24 07/21	Emergency Management	Emergency Responders of the Toxic and Concerned Chemical Substances	1	23,300
05/29 05/30	Emergency Management	Emergency Responders of the Toxic and Concerned Chemical Substances retraining	2	10,000
04/24	Air pollution management	Dedicated Air pollution Control Specialists retraining	1	4,300
05/29	Waste water management	Dedicated Wastewater And Sewage Treatment Specialists retraining	1	3,800
08/27	Emergency Management	Emergency Responders of the Toxic and Concerned Chemical Substances	1	2,350
03/14	Emergency Management	Emergency Responders of the Toxic and Concerned Chemical Substances retraining	1	5,000
04/24	Air pollution management	Dedicated Air pollution Control Specialists retraining	1	4,300
05/29	Emergency Management	Emergency Responders of the Toxic and Concerned Chemical Substances retraining	1	5,000
05/29	Waste water management	Dedicated Wastewater And Sewage Treatment Specialists retraining	1	3,800
05/30	Emergency Management	Emergency Responders of the Toxic and Concerned Chemical Substances retraining	1	5,000
06/19	Toxic Chemical management	Emergency Responders of the Toxic and Concerned Chemical Substances	1	2,350
07/03	Emergency Management	Emergency Responders of the Toxic and Concerned Chemical Substances retraining	8	5,000

07/04	Emergency Management	Emergency Responders of the Toxic and Concerned Chemical Substances	1	23,300
08/14	Emergency Management	Emergency Responders of the Toxic and Concerned Chemical Substances retraining	1	5,000
09/06	Emergency Management	Emergency Responders of the Toxic and Concerned Chemical Substances	1	3,900
10/09	Emergency Management	Emergency Responders of the Toxic and Concerned Chemical Substances retraining	1	5,000
12/16	Air pollution management	Dedicated Wastewater And Sewage Treatment Specialists retraining	1	3,800
07/03	Toxic Chemical management	Technician Level of Emergency Responders of the Toxic and Concerned Chemical Substances retraining	4	12,000
09/06	Toxic Chemical management	Awareness Level of Emergency Responders of the Toxic and Concerned Chemical Substances retraining	1	3,900
Total			30	131,100

CH4 Product Innovation and Information Security Management

Sustainability performance and corresponding SDGs

SDGs			Sustainability performance
SDG12	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Responsible consumption and production	• EPISIL's products are 100% compliant with the European Union Restriction of Hazardous Substances Directive (EU RoHS), EU REACH restricted substances and SVHC substances of high concern, and product halogen-free specifications • In 2024, EPISIL was not punished for violating safety regulations related to the health of products and services.
SDG9	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Industrial innovation and infrastructure	• In 2024, EPISIL's total investment in innovative research and development will reach NT\$16.017 million, a significant increase of 19.3% compared with the previous year.

Material Topic management Principles

Material Topic	Product safety and quality management
GRI Standards	GRI416-1 、 GRI416-2
Impact instructions	EPISIL is committed to providing high-performance products and services. Our colleagues adhere to the concept of quality first, invest in quality enthusiasm, and pursue an excellent quality culture. Through continuous improvement activities, we introduce various innovative methods to enhance quality capabilities. With zero defects as the ultimate goal, we work together with customers and suppliers to achieve high-quality products and promote industry sustainability and co-prosperity.
Policy/ Commitment	The products provided by EPISIL comply with international environmental protection standards, laws and regulations, as well as customer requirements and expectations for Hazardous Substance-Free Management.
Target	1. SiC inline yield target: 97% in 2025, and 98% in 2026 2. Return merchandise authorization (RMA) : ≤ 10 cases/year 3. Customer complaint rate (CCF): ≤ 24 cases/year 4. Wafers are randomly inspected and toxic substances are tested every year : the failure rate is 0% 5. Suppliers 100% do not use banned chemicals to continue to achieve the goal
Responsibility	Quality Engineering Division
Resource	Fees for regular wafer inspections, ISO 9001: 2015 and IATF 16949 certification fees, and regular external audit fees for supplier hazardous materials.
Feedback	TEL:(03)5779245#5885 E-mail: 5885@episil.com
Action	Negative impact management : 1. Establish a dedicated green product unit to continue product improvement projects and maintain quality goals. 2. Regularly inspect wafers and conduct toxic substance inspections every year. Postive impact management : 1. From raw material production, raw material transportation, product production, product transportation, product use to product disposal, the impact of the product life cycle on the

	environment is taken into consideration, and corresponding strategies are established. 2. Through the quality management system ISO 9001/ISO IATF16949/ISO 14001 and the non-toxic and hazardous substance management system, we ensure that the wafers and related packaging produced by Hanlei Technology Company comply with international regulations and customer quality requirements.
Evaluation and Effect	Evaluation mechanism 1. We continue to operate in accordance with the regulations of ISO 9001/ISO IATF16949/ISO 14001, and conduct regular audits through internal units and international third-party certification companies to ensure the effectiveness of the quality management system and hazardous substances management system. 2. Obtain international third-party certification through annual audits 3. Set KPIs annually and conduct regular reviews monthly/quarterly/yearly Implementation effectiveness 1. 2024 SiC line yield $98\% \geq 96\%$ 2. Return merchandise authorization (RMA) : 5 case/quarterly $\leq$ 10 case/quarterly 3. Customer complaint rate (CCF) : 9 cases/quarterly $\leq$ 24 cases/quarterly 4. Product toxic substance inspection failure rate 0% 5. Supplier guaranteed no use disabled no quality guaranteed rate 100% 6. All set annual goals were achieved °

Material Topic management Principles

Material Topic	Data security and privacy
GRI Standards	GRI418-1
Impact	Information security is becoming more and more important to the sustainable development of company. If proper information security risk management is not carried out, you may face information security hacker attacks, resulting in the leakage of business secrets of the company and customers. Therefore, EPISIL is committed to the protection of customer-related information and documents to ensure that customer privacy is fully protected. The approval and opening of internal personnel's operating permissions are handled in accordance with the relevant operating standards for the review of rights and responsibilities of each system.
Policy/Commitment	Formulate "Information Security Policy" and "Information Security Management Standards" and introduce a file encryption protection system to prevent data leakage. Internal information systems are all included in the scope of control, and customer-related information is strictly recorded and controlled through the internal system. Implement network security management and information security protection measures, and invest capital expenditures every year to continuously strengthen information equipment.
Target	Short-term (2025): 1. Perform unannounced email phishing simulations on an irregular basis. 2.Prevent and practice email social engineering 3. Improve website security with Security Penetration Testing. 4. Enhancing cybersecurity awareness among all company employees Medium-term (2026): 1. Ensure the confidentiality, integrity and availability of the company's important information assets 2. Conduct email social engineering 3. Achieving Zero major cybersecurity incidents Long-term : 1. Establishing a corporate cybersecurity risk management

	framework with continuous review and improvement 2. Leveraging external security assessments and certification risk analysis to guide enhancements in Corporate 3. Achieving Zero major cybersecurity incidents
Responsibility	Information Technology Division
Resource	1. "Information Security Policy Promotion " training course fees for all employees 2. Investment in the construction of Next-Generation firewalls, anti-virus firewalls, key system backups, host upgrades, computer and peripheral device management and control, and prevention of sensitive data leakage and other software/hardware deployment costs 3. Regularly audit data center security costs
Feedback	TEL:(03)5779245#5885 E-mail: 5885@episil.com
Action	Negative impact management: Strengthen access control and monitoring, information system access rights management and access record storage and review, strictly control personnel access and data access, and prevent company information from being leaked by improper access. Postive impact management: Colleagues in each unit must receive training courses on "Information Security Policy Promotion" every year to enhance internal staff's awareness of information security and ensure information security.
Evaluation and Effect	Evaluation echanism 1. Set cybersecurity KPIs every year and conduct regular reviews monthly/quarterly/yearly. 2. Conduct annual information security publicity tests and reviews. Implementation effectiveness In 2024, we have completed the setting of cybersecurity-related policies and achieved zero occurrence of major cybersecurity incidents, thus achieving the established annual goal.

Material Topic management Principles

Material Topic	Innovative research and development and intellectual property management
GRI Standards	Customized theme, so there are no indicators that GRI can correspond to
Impact	The company obtains rights protection such as exclusive right and monopoly right for a specific period through the patent system, thereby enhancing the value of products and technologies while strengthening its own competitive advantages; ensuring that the acquisition, protection, maintenance and use of intellectual property comply with relevant laws and regulations. If it is not properly management and layout of patents will affect the company's industrial competitiveness.
Policy/ Commitment	Assist the company to commit to technology development and patent layout, assist in patent management to maintain the company's existing patent protection technology, and assist R&D units in technology patent applications to enhance the company's market competitiveness.
Target	Short-term (2025-2026) : The number of global patents granted will accumulate to 19 Medium-term (2027) : The number of global patents granted will accumulate to 20 Long-term (2028) : The number of global patents granted will accumulate to 20
Responsibility	Quality Improvement System & DCC Section
Resource	Research and development investment expenses 、 Product patent application fee 、 Patent maintenance annual fee
Feedback	TEL:(03)5779245#5885 E-mail: 5885@episil.com
Action	Negative impact management: Cultivate colleagues' awareness of intellectual property rights to respect the intellectual property rights of the company or third parties; the company must make information accessible, but all information must be properly protected to avoid possible infringement (patents are classified as confidential information and document protection). Postive impact management: Patent and protect inventions and gain the trust of related parties. In addition, it is also extremely important to respect the intellectual property rights of others and have ethical standards. This will also affect social

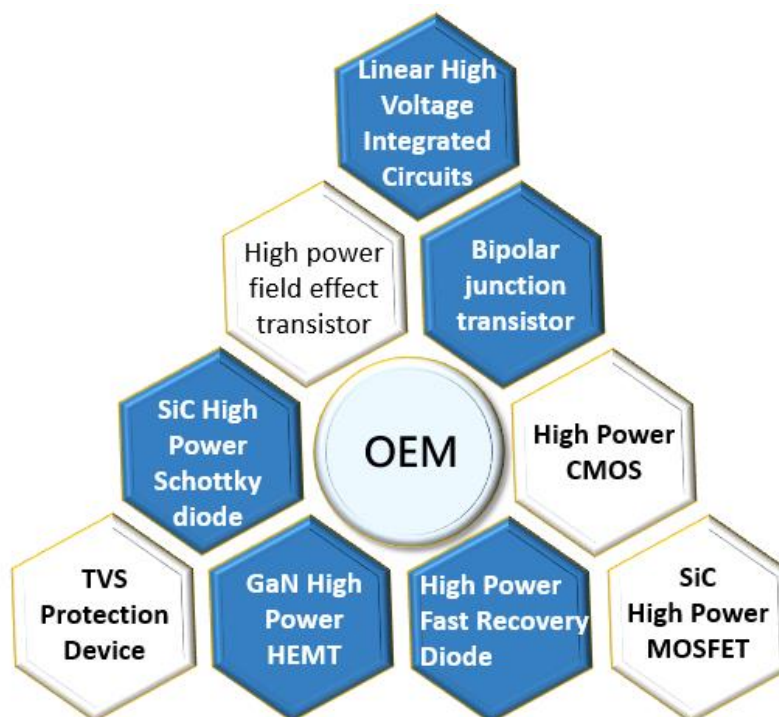
	perceptions and is a necessary condition for entering important supply chains or channels.
Evaluation and Effect	Evaluation mechanism 1. KPI Set patent management schedule KPIs annually 2. Points measurement and regular review are conducted quarterly/annually Implementation effectiveness In 2024, a total of 19 patents were granted globally, and the total investment in innovative research and development reached NT\$16.017 million, a significant increase of 19.3% from the previous year. Achieve set annual goals.

4.1 Product Safety and Quality Management

4.1.1 Product and Service

EPISIL's main business is the manufacturing of bipolar ICs (Bipolar ICs), high-power field effect transistors (Power MOSFETs), hybrid integrated circuit logic components, high-voltage CMOS, high-voltage BCD, SiC and GaN discrete components and other products. Products such as bicarrier integrated circuits and power integrated circuits can be used to manufacture high-speed, high-precision analog circuits and high-voltage analog circuits. ° High-power field effect transistors have the advantages of low power consumption and low heat dissipation. They are mainly used in notebook computers and mobile phones, while logic components are used in consumer electronics, communication products and industrial systems. In addition, EPISIL also continues to carry out simplification and quality improvement programs of mature processes, providing customers with process services for various analog and high-power products.

EPISIL's current product services include components and integrated circuit OEM and power discrete component OEM. The new product services planned to develop include 0.5um 700V high-voltage BCD process, 600V and 1200V high-power FRED Diode discrete component process, rapid FR POWER MOSFET process, first generation GaN power semiconductor component process, SiC Schottky Diode 1700V/3300V process, SiC MOSFET1700V/3300V process, Low Capacitor, Low Clamp new generation TrenchTVS. ° In the future, with the integration of resources, it will definitely help to achieve competitive advantages and have enough product energy to face market competition and challenges °



EPISIL's main products and services

4.1.2 Enhance Quality Management

EPISIL adheres to the concept of quality first and is committed to making every effort to provide excellent semiconductor process services to global customers and establish long-term partnerships. Therefore, superior quality management is the foundation of EPISIL, EPISIL's Device Foundry 6B, Device Foundry 6A and Device Foundry has obtained ISO 9001: 2015 quality management system certification and IATF 16949 automotive system certification. We have established quality management policies and PDCA rolling revision processes in accordance with the standards, and implemented internal audits in accordance with the certification every year to ensure the superior quality of products in each foundry. In 2024, EPISIL was not punished for violating health and safety regulations on products and services.

EPISIL's three foundries: ISO 9001: 2015 Quality Management Certificate

 CERTIFICATE dqs This is to certify that the site Episil Technologies Inc. No. 3, Innovation Rd., 1, Hsinchu Science Park Hsinchu 300 Taiwan, R.O.C. with the organizational units/sites as listed in the annex is part of the certified Management System of the organization Episil Technologies Inc. with the main certificate registration no. 5060042 QM15 according to ISO 9001 : 2015 Scope: The manufacture of wafer foundry. Certificate registration no. 5060042 QM15 Valid from 2023-12-15 Valid until 2026-12-24 Issuing date 2023-12-25 DQS Inc. David Tietze Managing Director An audit, conducted and documented in a report, has verified that this quality management system fulfills the requirements of the following International Standard: IATF 16949:2016 (without product design) Certificate registration no. 5060042 IATF16 Main certificate registration no. 5060042 IATF16 Issuing date 2023-12-25 This certificate is valid until 2026-12-24 IATF No. 0493639 For and on behalf of DQS Rupert L. Jendruschek Director/Corporate Automotive Program, DQS Holding GmbH Michael Jendruschek Managing Director, DQS Holding GmbH DQS Holding GmbH, DQS Holding GmbH, Karmel-Adenauer-Allee 9-10, 67110 Bad Wilsdorf, Germany The validity of this certificate can only be verified by the DQS units.	 CERTIFICATE dqs This is to certify that the site Episil Technologies Inc. No. 5, Creation Rd., 2, Hsinchu Science Park Hsinchu 300 Taiwan, R.O.C. with the organizational units/sites as listed in the annex is part of the certified Management System of the organization Episil Technologies Inc. with the main certificate registration no. 5060042 QM15 according to ISO 9001 : 2015 Scope: The manufacture of wafer foundry. Certificate registration no. 5060475 QM15 Valid from 2023-12-15 Valid until 2026-12-24 Issuing date 2023-12-25 DQS Inc. David Tietze Managing Director An audit, conducted and documented in a report, has verified that this quality management system fulfills the requirements of the following International Standard: IATF 16949:2016 (without product design) Certificate registration no. 5060475 IATF16 Main certificate registration no. 5060042 IATF16 Issuing date 2023-12-25 This certificate is valid until 2026-12-24 IATF No. 0493641 For and on behalf of DQS Rupert L. Jendruschek Director/Corporate Automotive Program, DQS Holding GmbH Michael Jendruschek Managing Director, DQS Holding GmbH DQS Holding GmbH, DQS Holding GmbH, Karmel-Adenauer-Allee 9-10, 67110 Bad Wilsdorf, Germany The validity of this certificate can only be verified by the DQS units.	 CERTIFICATE dqs This is to certify that Episil Technologies Inc. No. 18, Innovation Rd., 1, Hsinchu Science Park Hsinchu 300 Taiwan, R.O.C. with the organizational units/sites as listed in the annex has implemented and maintains a Quality Management System Scope: The manufacture of wafer foundry. Through an audit, documented in a report, it was verified that the management system fulfills the requirements of the following standard: ISO 9001 : 2015 Certificate registration no. 5060042 QM15 Date of certification 2023-12-15 Valid until 2026-12-24 DQS Inc. David Tietze Managing Director An audit, conducted and documented in a report, has verified that this quality management system fulfills the requirements of the following International Standard: IATF 16949:2016 (without product design) Certificate registration no. 5060042 IATF16 Main certificate registration no. 5060042 IATF16 Issuing date 2023-12-25 This certificate is valid until 2026-12-24 IATF No. 0493638 For and on behalf of DQS Rupert L. Jendruschek Director/Corporate Automotive Program, DQS Holding GmbH Michael Jendruschek Managing Director, DQS Holding GmbH DQS Holding GmbH, DQS Holding GmbH, Karmel-Adenauer-Allee 9-10, 67110 Bad Wilsdorf, Germany The validity of this certificate can only be verified by the DQS units.
Device Foundry	Device Foundry 6A	Device Foundry 6B

EPISIL's three foundries: IATF 16949 Automotive system Certificate

 CERTIFICATE dqs This is to certify that Episil Technologies Inc. No. 3, Innovation Rd., 1, Hsinchu Science Park Hsinchu 300 Taiwan, R.O.C. with the organizational units/sites as listed in the annex has implemented and maintains a Quality Management System Scope: The manufacture of wafer foundry. An audit, conducted and documented in a report, has verified that this quality management system fulfills the requirements of the following International Automotive Standard: IATF 16949:2016 (without product design) Certificate registration no. 5060042 IATF16 Main certificate registration no. 5060042 IATF16 Issuing date 2023-12-25 This certificate is valid until 2026-12-24 IATF No. 0493639 For and on behalf of DQS Rupert L. Jendruschek Director/Corporate Automotive Program, DQS Holding GmbH Michael Jendruschek Managing Director, DQS Holding GmbH DQS Holding GmbH, DQS Holding GmbH, Karmel-Adenauer-Allee 9-10, 67110 Bad Wilsdorf, Germany The validity of this certificate can only be verified by the DQS units.	 CERTIFICATE dqs This is to certify that Episil Technologies Inc. No. 5, Creation Rd., 2, Hsinchu Science Park Hsinchu 300 Taiwan, R.O.C. with the organizational units/sites as listed in the annex has implemented and maintains a Quality Management System Scope: The manufacture of wafer foundry. An audit, conducted and documented in a report, has verified that this quality management system fulfills the requirements of the following International Automotive Standard: IATF 16949:2016 (without product design) Certificate registration no. 5060475 IATF16 Main certificate registration no. 5060042 IATF16 Issuing date 2023-12-25 This certificate is valid until 2026-12-24 IATF No. 0493641 For and on behalf of DQS Rupert L. Jendruschek Director/Corporate Automotive Program, DQS Holding GmbH Michael Jendruschek Managing Director, DQS Holding GmbH DQS Holding GmbH, DQS Holding GmbH, Karmel-Adenauer-Allee 9-10, 67110 Bad Wilsdorf, Germany The validity of this certificate can only be verified by the DQS units.	 CERTIFICATE dqs This is to certify that Episil Technologies Inc. No. 18, Innovation Rd., 1, Hsinchu Science Park Hsinchu 300 Taiwan, R.O.C. with the organizational units/sites as listed in the annex has implemented and maintains a Quality Management System Scope: The manufacture of wafer foundry. An audit, conducted and documented in a report, has verified that this quality management system fulfills the requirements of the following International Automotive Standard: IATF 16949:2016 (without product design) Certificate registration no. 5060042 IATF16 Main certificate registration no. 5060042 IATF16 Issuing date 2023-12-25 This certificate is valid until 2026-12-24 IATF No. 0493638 For and on behalf of DQS Rupert L. Jendruschek Director/Corporate Automotive Program, DQS Holding GmbH Michael Jendruschek Managing Director, DQS Holding GmbH DQS Holding GmbH, DQS Holding GmbH, Karmel-Adenauer-Allee 9-10, 67110 Bad Wilsdorf, Germany The validity of this certificate can only be verified by the DQS units.
Device Foundry	Device Foundry 6A	Device Foundry 6B

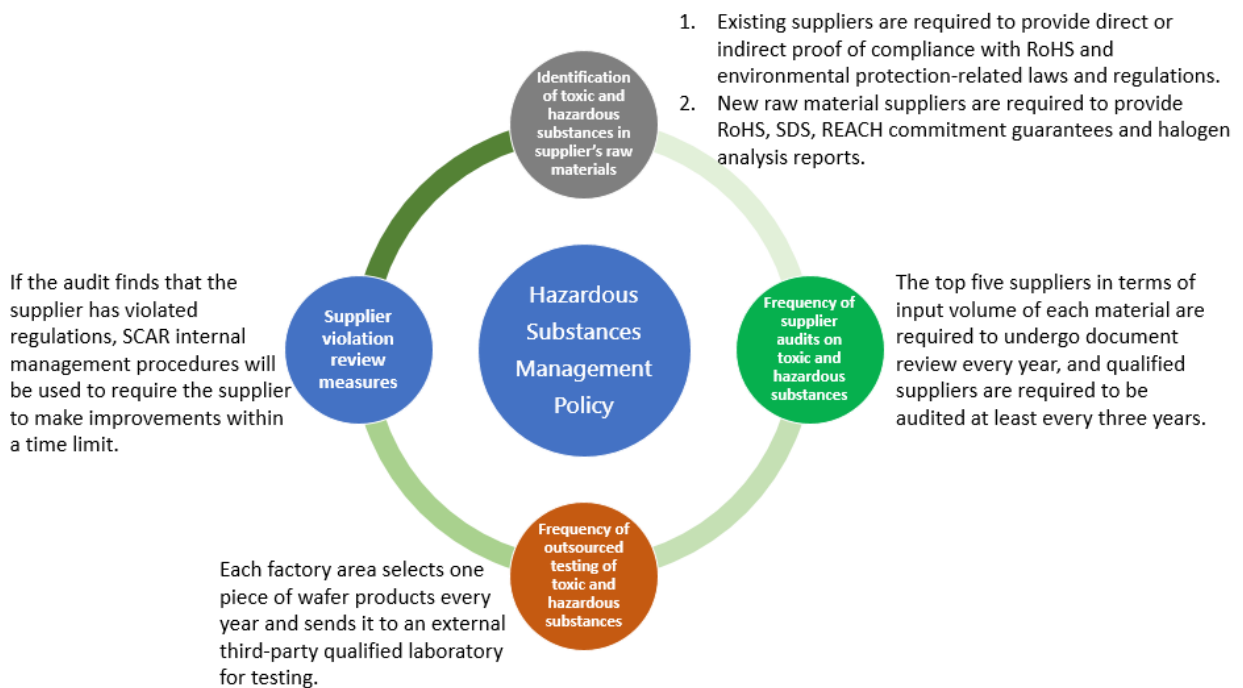
4.1.3 Hazardous Substance Management

As the international community attaches increasing importance to environmental protection issues and human health issues, in recent years, various countries' toxic and hazardous substance management regulations such as REACH, RoHS, PFOS & PFOA and halogen-free regulations have become increasingly stringent. In order to comply with international trends and In line with customer requirements and expectations, EPISIL regularly updates the international toxic and hazardous substances requirements items, and simultaneously requires existing suppliers to submit compliance certification documents for raw materials. New suppliers must present RoHS, SDS, REACH commitment letters and halogen analysis reports. For the top five raw material suppliers, document reviews are required every year, and qualified suppliers need to be audited at least every three years to ensure that EPISIL products do not contain banned or limited hazardous substances, and demonstrate EPISIL's commitment and emphasis on hazardous substances. °

EPISIL's current products are 100% compliant with the EU Restriction of Hazardous Substances Directive (EU RoHS), EU REACH restricted substances and substances of high concern, and product halogen-free specifications. In 2024, EPISIL has not violated any regulations related to products and services, health and safety incident occurred and EPISIL is committed to promoting environmental sustainability and protecting the health of the people. The compliance status of EPISIL's hazardous substances is as follows:

International and customer requirements specifications	EPISIL follows the current situation
EU Restriction of Hazardous Substances Directive (EU RoHS): Product content restrictions include lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls, polybrominated diphenyl ethers, di(2-ethylhexyl) phthalate (DEHP), There are 10 substances including butyl benzyl phthalate (BBP), dibutyl phthalate (DBP), diisobutyl phthalate (DIBP), etc. For relevant regulations, please refer to the EU website	All EPISIL products are 100% qualified
EU Registration, Evaluation, Authorization and Restriction of Chemicals Annex 17 - Restricted Substances (EU REACH Annex XVII)	All EPISIL products are 100% qualified
EU Registration, Evaluation, Authorization and Restriction of Chemicals	All EPISIL products are 100% qualified

Substances of Very High Concern (EU REACH SVHC)	
Product Halogen-Free Specification Cl : 900ppm Br : 900ppm 、 Cl+Br : 1500ppm	All EPISIL products are 100% qualified
The European Union restricts the ban on PFOA/PFOS substances	EPISIL does not use PFOA or PFOS raw materials, and all products do not contain these two chemical substances. All EPISIL products are 100% qualified
Environmental Management Substance Management Regulations in SONY Parts and Materials	EPISIL is SONY's Green Partner



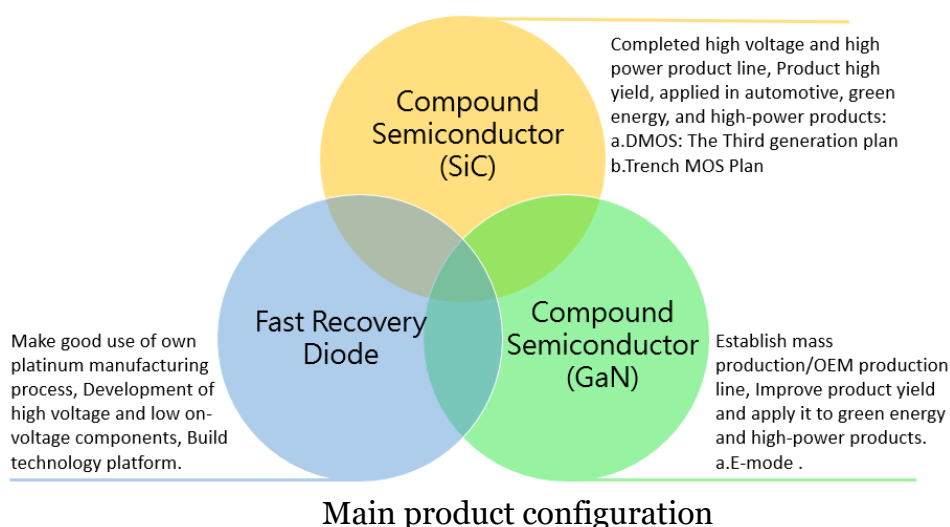
4.2 Innovative R&D and intellectual property management

Product innovation and research and development are key elements for enterprises to enhance their competitiveness in the market. Only by continuously stimulating innovation can we keep pace with the times and keep up with the current market development and meet the diverse needs of customers. Intellectual property management is a key protection mechanism for innovative achievements, which can prevent intellectual property rights from being stolen or infringed, and ensure EPISIL's market position and brand value.

4.2.1 Recent Research and Development achievements and future plans

In recent years, under the international trend of pursuing net-zero carbon emissions, application markets such as electric vehicles and renewable energy have emerged, and end consumer products have gradually moved towards the development trend of being light, thin, compact, efficient and energy-saving. Compound semiconductor materials have become a popular material to significantly improve product performance.

EPISIL is currently actively investing in the research and development of epitaxial materials, the two mainstream materials of compound semiconductors - silicon carbide (SiC) and gallium nitride (GaN) materials, to provide customers with more advanced and efficient material choices. Due to its characteristics of high temperature resistance, high voltage resistance, and low on-resistance, it can be widely used in high-power, high-frequency and high-temperature power electronic systems. It can lead the miniaturization of passive components, simplify the cooling system, and improve the switching efficiency of the power supply. And support the development of emerging technologies such as 5G and IoT. EPISIL is Taiwan's first wafer foundry with both GaN and SiC production capacity. It has a great advantage in developing global customer sources and will continue to expand its automotive and renewable energy configuration in the future.



EPISIL's research and development achievements in the past five years

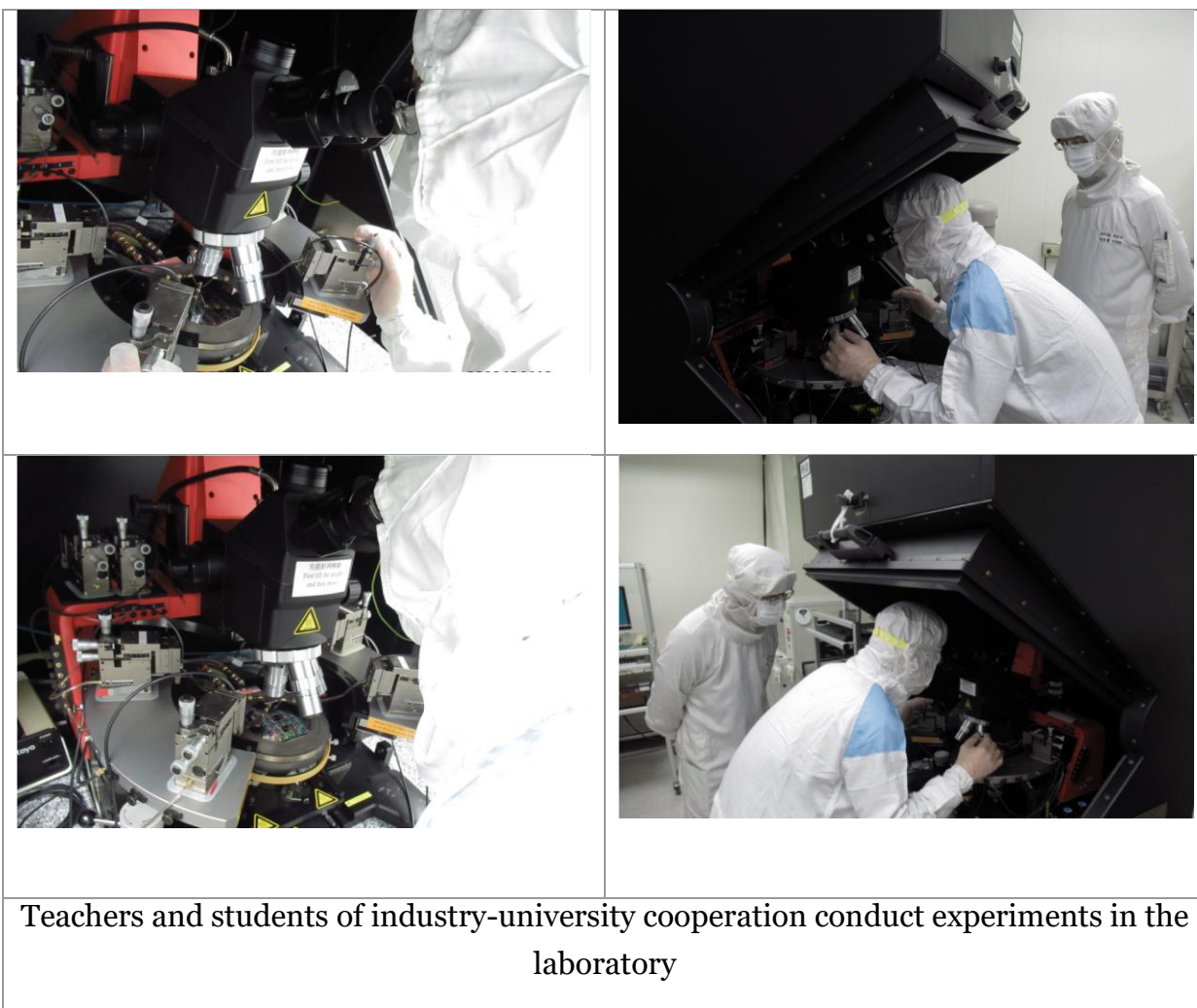
Year	Research and development results	Product application fields (ex: Mobile, Electric vehicle, Renewable energy)
2020	Second generation super junction element epitaxy technology	High power/high efficiency electromechanical modules
2021	Research and development technology : 4" SiC G2 650V/1200V/1700V SBD 4" SiC G2 650V/1200V/1700V MOS 6" SiC G2 650V/1200V/1700V SBD 6" SiC G2 650V/1200V/1700V MOS	Electric vehicles and charging piles / Green energy storage / High power electromechanical module
2022	Mass production technology : 4" SiC G2 650V/1200V/1700V SBD 4" SiC G2 650V/1200V/1700V MOS 6" SiC G2 650V/1200V/1700V SBD 6" SiC G2 650V/1200V/1700V MOS	Electric vehicles and charging piles / Green energy storage / smart grid/ Ultra-high power electromechanical module
2023	Mass production technology : 6"SiC G2+ 650V/1200V/1700V MOS(Reduce on-resistance) 6"SiC G2/G2+ 3300V MOS	Electric vehicles and charging piles / Green energy storage / smart grid/ Ultra-high power electromechanical module
2024	Mass production technology : 6"SiC G3 650V/1200V/1700V MOS (Reduce on-resistance by 20%)	Electric vehicles and charging piles / Green energy storage / smart grid/ Ultra-high power electromechanical module

4.2.2 Industry-university cooperation and Strategic alliance

In order to continuously stimulate the EPISIL's innovation, EPISIL not only rewards internal R&D personnel to apply for domestic and foreign patents for their research and development results, but also actively seeks external innovation cooperation opportunities. In addition to continuing to carry out industry-university cooperation projects with the academic community, EPISIL also through alliance companies, customers, and internationally renowned manufacturers have established long-term cooperative relationships to develop new process technologies, and aim to pursue high product yields and reduce production costs to maintain EPISIL's competitiveness.

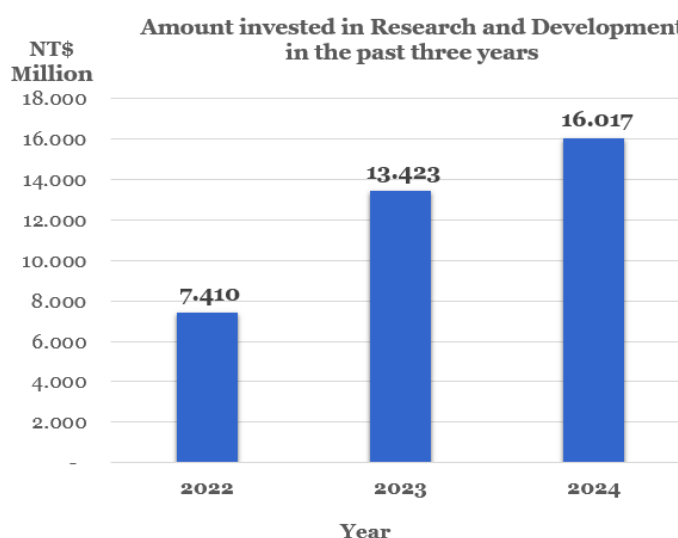
Since 2019, EPISIL has continued to cooperate with National Taiwan University, National Yang Ming Chiao Tung University, and National Tsing Hua University through the National Science and Technology Council's "Technology Development Program for Academia" and "Future Tech Pavilion" to conduct industry-university cooperation, with main research investments in automotive, energy conservation and technology and high-voltage technology. Since 2020, R&D funds for the Future Tech Pavilion have been invested year by year. In the past three years, the total investment in industry-university cooperative R&D funds is approximately NT\$5.35 million. In the future, R&D resources will continue to be invested, and through internal and external cooperative innovation approach puts EPISIL Technology's semiconductor technology at the forefront.

 國立清華大學 NATIONAL TSING HUA UNIVERSITY  NTHU WBG Lab UMOS Gen 2 Process flow Copyright 2020 WBG Lab NTHU WBG Lab Proprietary 2020/05/20 Industry-university cooperation project with National Tsing Hua University	 nanu CMOS004 國立交通大學電子研究所 C.P. Shih Nano Electronics Technology Lab Slide 7 Industry-university cooperation project with National Yang Ming Chiao Tung University
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4.2.3 Amount invested in Research and Development in the past three years

As the low-carbon and energy-saving requirements of global terminal electronic products lead the demand for compound semiconductors, EPISIL has actively invested in the research and development of compound semiconductors silicon carbide (SiC) and gallium nitride (GaN) in recent years to pursue higher efficiency and technological advancement. In 2024, The total amount of funds invested in innovation and research and development reached NT\$16.017 million, a significant increase of 19.3% from the previous year.



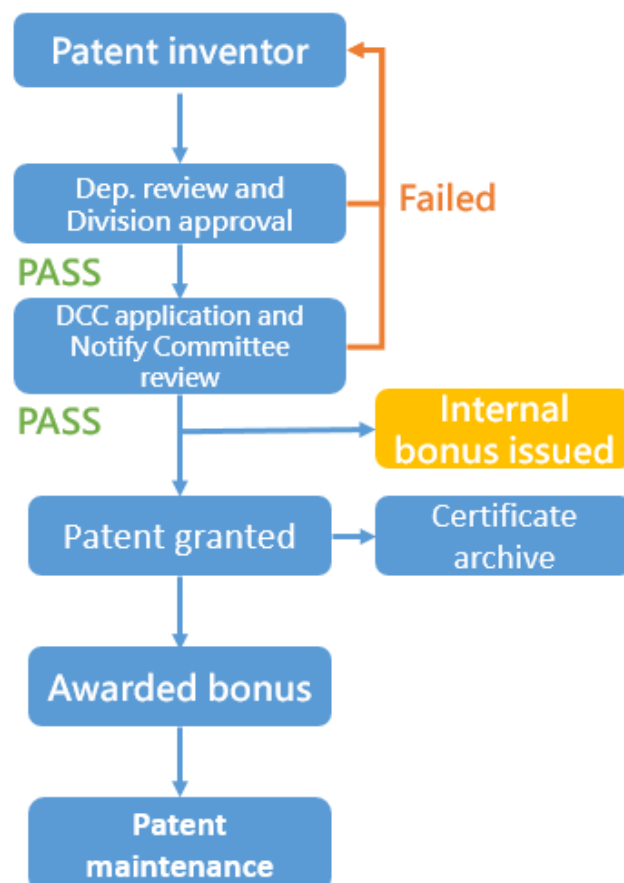
4.2.4 Intellectual property management

EPISIL is one of the leading wafer foundries in Taiwan. It is committed to the research and development and innovation of various types of epitaxial processes, and deeply cultivates the competitiveness of semiconductor wafer materials. Key technologies are one of EPISIL's most important assets. Only prudent wisdom can the layout and utilization of property rights can promote EPISIL's technological progress and innovation and maintain its competitiveness.

In order to protect the EPISIL's R&D and innovation results, new employees are required to sign an employment contract when they report. The contract includes trade secret-related items to ensure the ownership of EPISIL's R&D results, inventions and patents. In addition, EPISIL has internally developed the KMS knowledge sharing management system. Through this platform, EPISIL can effectively manage current innovative R&D technologies. R&D colleagues can also share valuable internal and external knowledge and promote the EPISIL's internal innovation momentum.

In order to encourage internal colleagues to actively invest in innovation and jointly lay out EPISIL's intellectual property rights through the power of colleagues, an internal patent review process has been established. After approval at the ministerial managers and department managers, and through the review committee, colleagues can receive internal patent bonuses. Until 2024, EPISIL accumulated 13 patent cases in Taiwan, 4 in the United States, 1 in the China and 1 in the Japan. In 2024, a total of 5 patents passed review and were awarded more than 1 million dollars in bonuses. The technical application fields focus on the structure of biological chips and semiconductor device technology.

R&D Patent Bonus Application Process

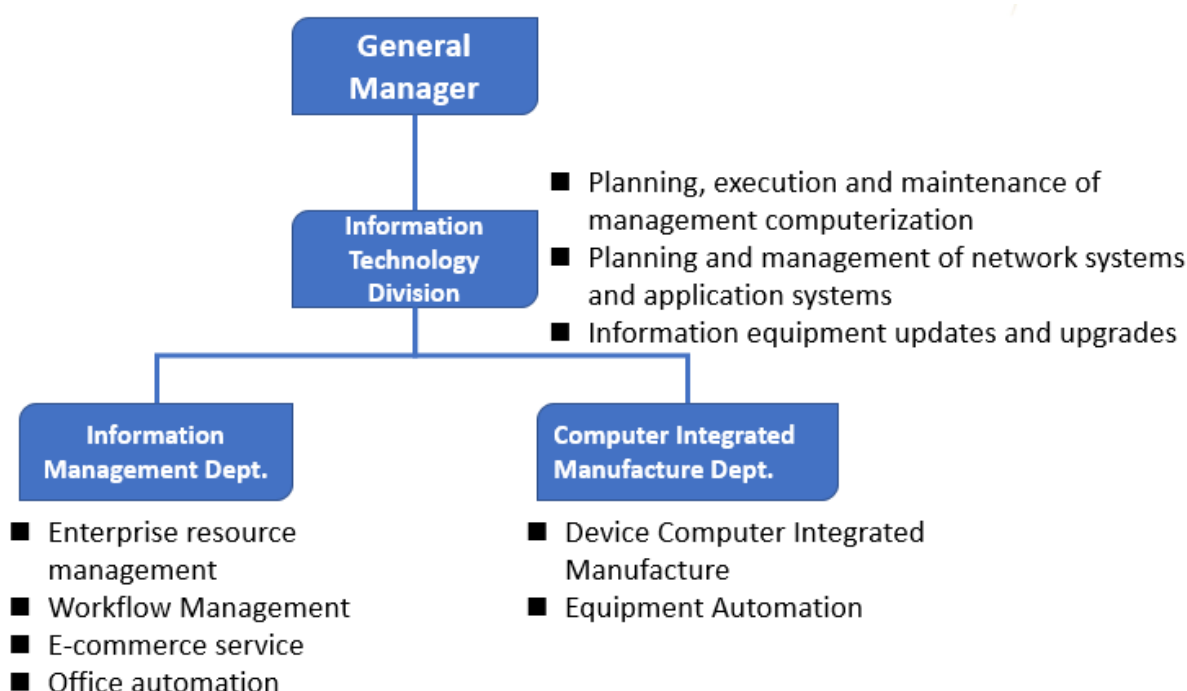


4.3 Information security and Privacy

EPISIL attaches great importance to the rights and interests of every customer and is well aware of the importance of customer privacy and information security. In order to ensure that all customer privacy and business confidential information are protected in the most rigorous manner, EPISIL is committed to promoting information security and document confidentiality to ensure when customer documents are entered into EPISIL, they can be quickly and accurately converted into official internal documents of EPISIL, and the confidentiality level required by customers will be managed to immediately respond to customer data security requirements. EPISIL also promises to customers that it will never disclose or use customer privacy arbitrarily, unless there is clarifying the authorization or legal requirements of customers, EPISIL did not have any complaints about infringement of customer privacy or loss of customer information in 2024.

4.3.1 Information security management structure

In order to avoid the occurrence of information security intrusion incidents from the outside in, EPISIL has internally established an information security management structure, information security management policies, and established and improved SOP procedures for reporting information security incidents. The Information Technology Division is responsible for information security-related management policies and information equipment updates and upgrades. There is an Information Management Department under the Information Technology Division, which receives information security incidents reported by various units. It is responsible for assessing the impact of information security incidents, providing emergency response measures and repair work according to different impact levels, and retaining relevant records after the incident is closed, and the information department also regularly reports information security issues such as anti-virus, hacker prevention, and data protection mechanisms to the General Manager to ensure the information security of EPISIL and customers.



4.3.2 Information Security Management Policy

In order to strengthen employees' awareness of preventing security incidents and improve customer and information security, EPISIL has formulated an internal information security management policy, which consists of four major aspects: information security education and training, data encryption, information security classification and network information management. EPISIL hope to improve information security protection network through the following policies and effectively prevent data leakage and external attacks.

Information Security Training Policy

New employees are must complete the information security and literacy course in the general onboarding process;

All employees are must complete 1hr annual publicity on the "Information Security Rule" every year.

Data Encryption Mechanism

Import file encryption protection system to prevent data leakage and improve automated warning functions; Place system output files in the safe zone and encrypt the safe zone files , cannot be used in non-secure areas and must be transferred to non-secure areas without approval from the supervisor approved.

Information Security Management Policy

Information Security Classification

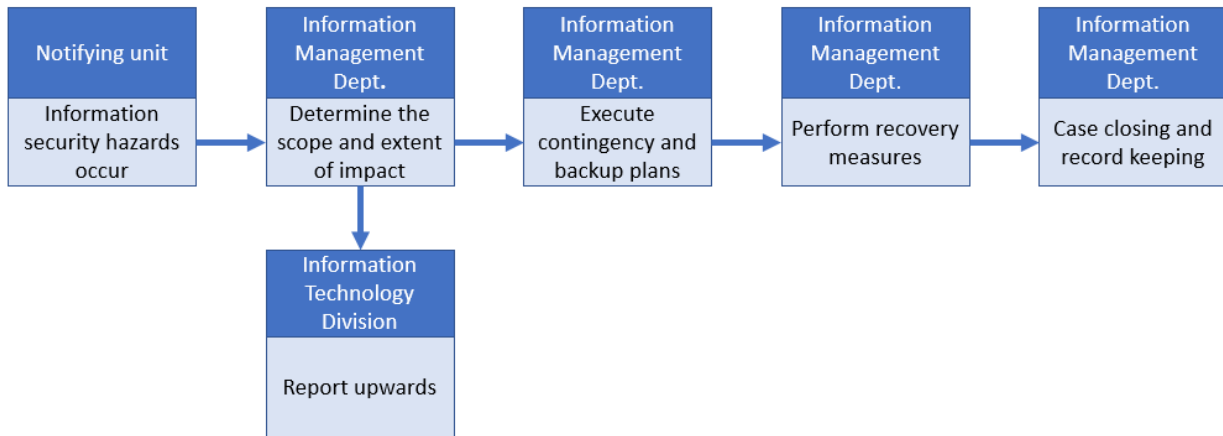
Conduct authority review and spec for data with different alert levels, and designated person for the alert personal information system. The information system is controlled by the supervisors of each Dep. The network security control system is controlled by the designated person and supervisors. The opening of external permissions must be approved by the VP or GM.

Network Information Security Management

Anti-virus software is installed on all internal endpoint computers and users do not have permission to uninstall it. Anti-virus software must be started on the endpoint computers regularly. Turn off endpoint USB usage permissions. If business needs require management procedures, verify the Internet browsing permissions.

4.3.3 Information security incident reporting process

The efficiency of handling information security incidents is related to the degree of impact in EPISIL. Failure to handle major information security incidents in a timely manner may affect customer delivery requirements and trust in EPISIL. In order to improve the efficiency of information security incident handling, Episil has set up an information security incident reporting process, so that colleagues can follow it when an information security incident occurs, and carry out notification, rescue and repair measures, improve processing efficiency and reduce the potential impact of event impacts.



4.3.4 Information security incident emergency response plan and recovery measures

In order to enable information security colleague to formulate correct contingency plans in a timely manner when encountering emergency information security incidents, the Information Department analyzes various information attack items and prioritizes the impact of internal operational interruptions. According to the highest priority, establish and implement emergency response plans and recovery measures guideline. When an information security incident occurs, the information security team could follow the operating guidelines to minimize the impact on the overall data security, and can complete recovery measures as quickly as possible to protect the data security of EPISIL and our customers, and avoid concerns about data leakage.

Information security incident response plan(SOP)

Information security incident type	Emergency response Plan		Recovery measures	
	Priority	Related Measures and Backup Plans	Priority	Related Measures
Cyberattack Information system damaged	7	System service suspended: 1. Immediately interrupt the affected system or computer and determine the scope of the impact 2. Assess losses and report 3. Limited system recovery	7	System service repair: 1. System rebuild and LAB Test 2. Daily Check execution 3. Conduct internal information security promotion every year

MES Production system host hardware failure	7	Single host operation: 1. Reduce non-essential users from using the system 2. Manufacturer's report for repair or replacement of spare parts	7	Device repair: 1. Daily Check execution 2. Host hardware equipment maintenance contract
Network equipment failure	6	Network equipment maintenance or replacement : 1. Determine the scope of impact and repair time 2. Assess losses and report 3. Manufacturer's report for repair or replacement of spare parts	5	Equipment repair or replacement: 1. Daily Check execution 2. Regularly review spare parts quantities 3. Network equipment maintenance contract
ERP system host hardware failure	3	Standby backup host operation: 1. Manufacturer's report for repair or replacement of spare parts	3	Equipment repair and recovery 1. Daily Check execution 2. Host hardware equipment maintenance contract

4.3.5 Information security corporate training

In order to improve the basic information security knowledge and emergency response capabilities of all employees, EPISIL requires all employees to participate in the "Information Security Rule" training every year. All new employees need to complete the information security and literacy course in the general onboarding process. A total of 837 people have completed information security education and training in 2024, including 94 new employees who have completed the information security and literacy courses in the general onboarding process. In the future, EPISIL will continue to maintain information security education and training for our colleagues, and aim to have 100% of all employees complete education and training every year °

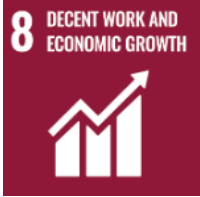
The number of participants in information security education training in recent years

Year	Education and training topics	Attendance
2024	Annual Promotion of "Information Security Rule"	837
2023	Annual Promotion of "Information Security Rule"	860
2022	Annual Promotion of "Information Security Rule"	516
2021	Annual Promotion of "Information Security Rule"	517

CH5 Friendly Workplace and Social Welfare

Sustainable performance and SDGs

SDGs			Sustainable Performance
SDG3		Health and well-being	● We provide free annual health checkups, free low-dose lung CT scans, and free bone density tests to all employees. ● In 2024, the health examination rate for occupations with special health hazards was 100%. ● Health checkup report consultation is held every year, and one-on-one consultation on health checkup reports is planned.
SDG4		Quality Education	● A total of 12,291 people were trained in internal training courses 2024, and the overall course completion rate reached 99%. ● We will continue to conduct industry-academic cooperation with Longhua University of Science and Technology, and Mingxin University of Science and Technology in 2024.
SDG5		Gender equality	● We does not engage in hiring discrimination or any unfair treatment based on gender. We continue to encourage female employees to bravely strive for personal career opportunities for promotion and help employees create higher value. In 2024, female

SDGs			Sustainable Performance
			employees accounted for 46% of the total number of employees.
SDG8		Dignified labor and economic growth	● Promote human rights protection and implement human rights protection in accordance with the spirit and principles of the International Human Rights Convention. ● Regularly review the work environment safety, and all operating sites have completed ISO45001 : 2018 occupational safety and health system certification, with no occupational disease incidents in 2024 .
SDG17		Sustainable Development Partnership	● During the Moon Festival, we held a Thanksgiving charity sale and invited the "Saint Joseph Social Welfare Foundation" and "Amazing Grace Deaf Bakery" to cooperate in setting up a charity sale booth. Through employees subscribing to biscuits and gift boxes, as well as company bulk orders, business gifts, etc. , we worked together to do charity. ● The Welfare Committee occasionally invites charity groups to the factory to hold charity sales, allowing employees to show their love during the short lunch break. ● Donated food and supplies to the Hsinchu Ren'ai Children's Home to

SDGs			Sustainable Performance
			show care and participate in society through practical actions. ● Each operating plant has a charity receipt box, and the receipts and change can be donated to the "Social Welfare Foundation". ● EPISIL and Holtek jointly organized the "Blood Donation for Love" charity blood donation activity to arouse more people's love and care through practical actions. A total of 78 employees participated in the blood donation activity, with a total of 21,500cc of blood (86 bags)/year.

Material Topic management Principles

Material Topic	Labor safety and health
GRI Standards	GRI 403-1 , GRI 403-2 , GRI 403-3 , GRI 403-4 , GRI 403-5 , GRI 403-6 , GRI 403-7 , GRI 403-8 , GRI 403-9 , GRI 403-10
Impact	Employees are the happy assets of the company. Taking employee health as the starting point, we plan health examinations that are better than regulations and arrange various health promotion activities, striving to prevent the occurrence of occupational disasters, so that all employees can receive proper health care and management, and improve company safety. The concepts of hygiene and self-health management shape workplace safety and health culture and create a win-win situation for work, family and life.
Policy/ Commitment	EPISIL promises to strictly abide by the relevant requirements of the Occupational Safety and Health Law and ISO 45001 management system, and formulate relevant measures in accordance with the company's occupational safety policy. Through occupational safety and health activities, full participation, continuous improvement and regular Review the control measures to strengthen the occupational safety and health awareness of employees within the company's control, reduce company accidents, and achieve zero major incidents. Follow the ISO 45001 management system specifications, build a prevention-oriented safety and health management working environment, and implement the occupational safety and health management system .

Target	Short-term goals (2025) : 1. 0 work suspensions/fines issued by the competent authority 2. 0 major accidents 3. Disabling injury frequency (FR) < 0.68 4. Disabling injury severity rate (SR) < 12 Medium-term goals (2026) : 1. 0 work suspensions/fines issued by the competent authority 2. 0 major accidents 3. Disabling Injury Frequency Rate (FR) < The total injury index standard for each industry published by the Occupational Safety and Health Administration of the Ministry of Labor in the past three years 4. Disability Injury Severity Rate (SR) < The overall injury index standard for each industry published by the Occupational Safety and Health Administration of the Ministry of Labor in the past three years Long-term goals (2030) : 1. 0 work suspensions / fines issued by the competent authority 2. 0 major accidents 3. Disabling Injury Frequency Rate (FR) < The Occupational Safety and Health Administration of the Ministry of Labor has published the overall injury index standards for various industries in the past three years 4. Disabling Injury Severity Rate (SR) < The overall injury index standards for various industries announced by the Occupational Safety and Health Administration of the Ministry of Labor in the past three years
Responsibility	Safety and Health Committee and Occupational Safety Department
Resource	1. Safety and Health Committee: The factory director serves as the chairman, and labor representatives participate together to review occupational safety and health-related issues and promotion matters. 2. Occupational Safety and Environmental Protection Meeting: Every month, the Occupational Safety Department reports performance indicators, regular audits, education training and health management to the chairman (general manager), and decides on occupational safety and health funds.

Feedback	Interested parties can contact the Occupational Safety Department through the switchboard on the EPISIL Company website to inquire about occupational safety and health-related issues. Email : 5885@episil.com Responsible unit extension : 5885
Action	Negative shock management : 1. Strengthen preventive management and implement audits to identify occupational safety and health issues as early as possible and make immediate improvements. 2. Conduct compliance checks against legal requirements every quarter and implement environmental safety and sanitation management systems . 3. Use various detection technologies to prevent safety hazards and accidents and improve the overall safety of the company. Frontal Impact Management : 1. Provide education and training related to occupational safety and health management. 2. Continue to promote the safety and health management system to achieve safety and health performance . 3. Promote the company's contractor management system and continuously implement contractor operation safety. 4. EPISIL promote various occupational safety and health themes every quarter and educate employees to enhance awareness of occupational safety and health prevention. 5. Active participation in environmental safety and health activities is encouraged through activities such as proposal improvement activities, emergency response competitions, environmental safety and health performance evaluations of each unit, and environmental safety and health program implementation effectiveness evaluations of the plant area.

Evaluation and Effect	Evaluation Mechanism: 1. Report execution performance to the general manager at monthly Occupational safety meetings. 2. The Occupational Safety and Health Committee convenes quarterly to review, coordinate and promote occupational safety and health related issues. 3. The Environmental Safety and Health Management Review Meeting is held every year to confirm the needs and expectations of stakeholders and the effectiveness of the management system. 4. Complete internal audits every year to ensure compliance with occupational safety and health system management. 5. Pass ISO45001 occupational safety and health management system audit and verification every year. 6. Obtained the 112th Healthy Workplace Certification from the National Health Administration (valid from 113 to 115). Implementation results: 1. All projects were completed on schedule, no major occupational accidents or disability incidents occurred, no fines / work suspensions were imposed by the competent authorities, and the company passed the ISO 45001 Occupational Safety and Health Management System annual audit. 2. Achieve established annual goals.
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staff

EPISIL values the people-oriented management philosophy, providing employees with equal working environment, sound communication channels, and comprehensive welfare system. It strives to create a friendly, inclusive and equal workplace to attract more outstanding and like-minded talents to join.

In terms of talent cultivation and development, we have established a complete training system and provided courses related to safety, hygiene and healthy living to assist employees in their physical and mental development and achieve work-life balance. At the same time, we also encourage employees to grow with EPISIL in personal and professional fields and create a common future. A win-win environment for growth.

5.1 Staff Structure

5.1.1 Human Resources Distribution

EPISIL has a total of 850 employees, 100% of whom are full-time employees. We are well aware that attracting talent is the only way to maintain competitive advantage. Through a complete talent training system, we are committed to creating a friendly and fair workplace. In 2024, female employees accounted for 46% of the total number of employees, and the proportion of male employees was 54%, showing that female workers have equal job security and growth space in our company.

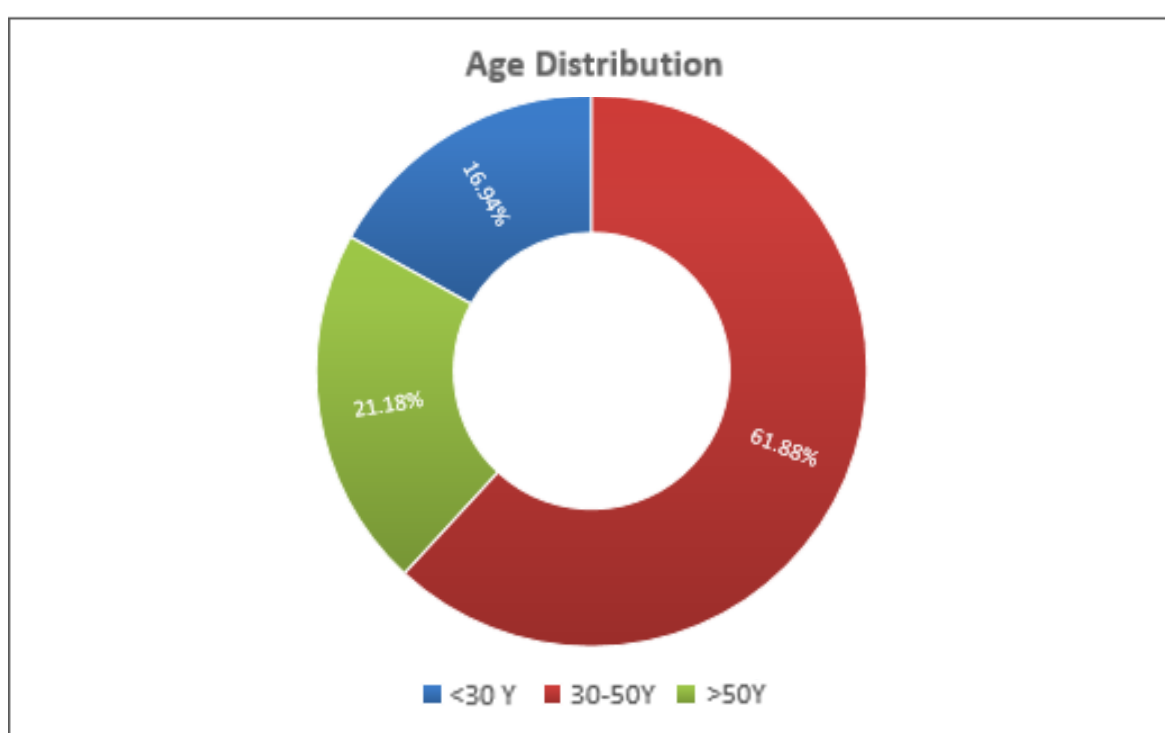
Among the 122 management personnel, women account for 26 %. Due to the characteristics of the industry, most of the supervisors are male. However, EPISIL does not discriminate in hiring or treat people unfairly based on gender. We continue to encourage female employees to bravely fight for their personal career opportunities and help employees create higher value.

↓Employee structure: distribution by age, gender and position

2024		Regular employees					
		age				Position	
		< 30 years old	30 - 50 years old	> 50 years old	total	manager	Non-supervisory
male	Number of people	82	276	97	455	90	365
	The proportion of this group	57 %	52%	54 %	54%	74 %	50 %
female	Number of people	62	250	83	395	32	363
	The proportion of this group	43 %	48%	46 %	46%	26 %	50 %
total		144	526	180	850	122	728

According to age distribution, employees under 30 years old account for 17 % are the young generation with great potential in EPISIL. They provide unconventional ideas and become the driving force for our continuous innovation. Employees aged 30 to 49 account for 62 % are the cornerstone of the company's development, contributing their rich practical experience, providing technical guidance to new employees, and are the driving force for stable progress; 21 % of employees are over 50 years old. In addition to contributing practical experience, their management capabilities lead us towards our goals.

EPISIL's full-time employees account for 100%. Full-time employees can be further divided into full-time and contract employees, with full-time employees accounting for 99.29 % and contract employees accounting for 0.71 %, indicating that the company's human resource structure is quite stable.



↓ Type of employment

2024		Employment Contract		
		Full time	Contract	Total
male	full time	451	4	455
female	full time	393	2	395
total		844	6	850
percentage		99.29%	0.71%	100%

5.1.2 Talent Recruitment

Talent is the most important part of the company. It not only promotes continuous innovation in the industry, but is also the key to the sustainable growth of the company. Based on the operation strategy and employee career development, EPISIL recruits outstanding talents from all parties through various channels, such as human resources banks, campus recruitment fairs, and industry-university cooperation. Through comprehensive assessment of personal characteristics and an open and transparent recruitment process, we help companies find candidates who fit the corporate culture.

Recruitment activities

Campus Talent Expo

This year, we participated in 5 campus recruitment activities, including Taipei University of Technology, Chung Yuan Christian University, and Yang Ming Chiao Tung University in the North District, and Feng Chia University and Formosa University of Science and Technology in the Central District.

By participating in campus recruitment activities, we share the work content and company benefits with students, and also provide career development suggestions to establish a good employer brand image.

◆ 2024 Campus Talent Expo



Industry-Academia Cooperation

EPISIL participated in three internship briefing sessions held by manufacturers this year. They were the internship briefing session held by Longhua University of Science and Technology on February 29, which was his first time attending the session; and the internship briefing sessions held by Ming-Hsin University of Science and Technology on March 27 and October 4.

The HR recruitment department will introduce the company profile, benefits, suitable career development and internship work content to the students as a reference for students' future career planning or career selection. After the company's recruitment work, 3 students were hired in 2024, namely students from

Longhua University of Science and Technology, Department of Electronics, and Mingxin's Department of Mechanical Engineering.

There are still two employees who have been employed as full-time employees after internships in the company in recent years. They are one student from the Department of Electrical Engineering of Mingxin University of Science and Technology in 2021 and one from the Department of Mechanical Engineering of Mingxin University of Science and Technology in 2022. Both have been working in the company for more than three years.

A student from the Department of Mechanical Engineering of Mingxin University of Science and Technology was hired in 2023.

◆ 2024 Manufacturer Internship Briefing



The third- generation semiconductor market remained sluggish in 2024, but EPISIL continued to recruit and train outstanding talents. We recruited a total of 123 new full-time employees, of which 61 were female, accounting for 49.6 % of the total number of new employees, and 62 were male, accounting for 50.4 %. In terms of age distribution, employees under 29 years old accounted for 43.9 %, employees between 30 and 49 years old accounted for 52.9 %, and employees over 50 years old accounted for 3.2 %. Maintaining a relatively young human resource structure, EPISIL continues to bring innovation and steady progress to the company.

↓Statistical analysis of new employees

year		2022		2023		2024	
category		Number of people	Proportion	Number of people	Proportion	Number of people	Proportion
male	<30 years old	61	7%	15	2%	26	3%
	30 – 50 years old	64	7%	twenty two	3%	33	4%
	>50 years old	10	1%	5	1%	3	1%
	total	135	15%	42	5%	62	8%
female	<30 years old	33	4%	4	1 %	28	3%
	30 – 50 years old	63	7%	13	2%	32	4%
	>50 years old	5	1%	0	0%	1	1%
	total	101	11%	17	2%	61	8%
Total		236	26%	59	7 %	123	14%

Note: Ratio of new employees = number of new employees / total number of employees

5.1.3 Diverse Recruitment

EPISIL adheres the spirit of fair employment and recruits new employees in accordance with the spirit of guaranteeing equal employment under the Labor Standards Act. It also attaches great importance to the employment and care of disadvantaged groups. As of fiscal 2024, there are 7 disabled employees in the total staff, exceeding the legal requirement (1 person with mild physical and mental disabilities and 2 people with severe physical and mental disabilities), 2 people with indigenous identity, and 170 non - local employees. The company recruits talents from multiple countries to form a diversified and professional team, allowing each colleague to create a warm and comfortable workplace environment through the integration of different cultures, helping each employee quickly familiarize themselves with the work environment.

category	Number of Employees		
Year	2022	2023	2024
Minority groups (Indigenous peoples, ethnic minorities)	2	2	2
People with disabilities	7	6	7
Foreign employees	183	158	170
Total	192	166	179

5.1.4 Employee Turnover

The career development plans of our employees, and provide appropriate rotation opportunities to ensure that employees are in the right positions.

When an employee proposes to resign, in addition to inquiring about the opportunity to stay or transfer, we also confirm the employee's willingness to return to work in the future. EPISIL respects the choice of employees and implements the people-oriented concept.

We understand the reasons for each employee's resignation as soon as possible to avoid employees being treated unfairly without being dealt with.

Looking at the changes in turnover rates in recent years, the average turnover rate of all EPISIL employees was 15% in 2024 , an increase of 2% compared to 13 % in 2023. Although it was slightly higher than the previous year, the turnover situation was still relatively stable compared to 2022.

↓Statistical analysis of resigned employees

year		2022		2023		2024	
category		Number of people	Proportion	Number of people	Proportion	Number of people	Proportion
male	< 30 years old	34	4%	13	2%	17	2%
	30 to 50 years old	59	7%	30	4%	39	5%
	> 50 years old	12	1%	11	1%	11	1%
	total	105	12%	54	7%	67	8%
female	< 30 years old	13	1%	7	1%	10	1%
	30 to 50 years old	68	8%	36	4%	41	5%
	> 50 years old	14	2%	4	1%	7	1%
	total	95	11%	47	6%	58	7%
Total		200	23%	101	13 %	125	15 %

Note: Resignation ratio = number of resigned employees / total number of employees

5.2 Employee Welfare and Care

5.2.1 Comprehensive Benefits

We believe the human resources is one of the critical factors to the excellent company. Therefore, EPISIL provides full-time employees with benefits that are superior to regulations, creates a workplace environment with work-life balance, and achieves a harmonious and happy organization.

Welfare subsidy measures

EPISIL's "Employee Welfare Committee" (hereinafter referred to as the Welfare Committee) was established in accordance with the "Employee Welfare Fund Act" with the approval of the competent authority. Through the operation and planning of the Welfare Committee, various welfare activities and subsidies are planned, such as regularly holding annual parties, irregular family days, cultural and artistic activities, employee travel, singing / sports competitions, and flexible holiday vouchers. Taking care of employees from work to life, from daily life to festivals, creating a happy workplace environment, the welfare subsidy in 2024 is NT\$9,810,212.

Welfare Projects			
Category	Name	Benefits	Object
Regular subsidy	Employee group insurance, employee dependents insurance	Employees enjoy group insurance paid by the company, which includes: life insurance, major disease insurance, accidental injury insurance, hospitalization medical insurance, cancer medical insurance, accidental injury medical insurance, etc. In addition, employees' dependents (spouse / children / parents) can add insurance at their own expense.	All Employees
	Wedding and funeral subsidies	Wedding and funeral benefits are distributed according to the payment method, divided into company subsidies and welfare committee subsidies	All Employees
Flexible Subsidy	Birthday Gift Certificate	According to the Welfare Committee's regulations, the Welfare Committee will distribute it on employees' birthdays.	All Employees
	Holiday Gift Certificates	Distributed by the Welfare Committee during festivals such as Spring Festival, May Day, Dragon Boat Festival, and Mid-Autumn Festival	All Employees
	Further study subsidy	The company subsidizes employees to undergo external training and certification assessments to encourage employees to continue their studies	Employees who need to obtain a license for work purposes

Welfare Projects			
Category	Name	Benefits	Object
	Discounts at authorized stores	According to the contract content, you can enjoy special discounts when shopping in stores	All Employees
Coordinate allocation of funds	Holiday bonus	Dragon Boat Festival, Moon Festival, year-end bonuses, and bonuses based on company operations and personal performance	All Employees

Retirement & Pension Plan

EPISIL strictly abides by the regulations and establishes employee retirement fund methods. At the beginning of each year, professional actuaries calculate the retirement reserve to ensure that it is sufficient to protect the rights and interests of employees. In 2024, 8 employees applied for retirement, all of which were approved, including 3 male employees and 5 female employees. In addition, in order to revitalize the efficiency of the company's human resources utilization, the "Employee Preferential Retirement Method" is specially formulated, and all eligible employees can participate. The "Labor Pension Regulations" (also known as the New Labor Retirement System) is a post-retirement welfare plan under the fixed contribution plan.

EPISIL has implemented monthly contributions in accordance with the law since July 1, 2005. Employees can also choose to continue to apply the relevant provisions of the Labor Standards Act pension (old system), or apply the pension system of the new labor retirement system and retain the years of service before the application of the regulations. The employee pension stipulated in the "Labor Standards Act" is calculated based on the base of service years and the average salary approved at the time of retirement. According to regulations, 2% of the total salary is allocated to the retirement fund on a monthly basis and stored in the Taiwan Bank Retirement Reserve Account.

The Company will recognize NT \$ 1,462,000 in retirement reserves in accordance with the Labor Standards Act in 2024. In addition, the Company will recognize NT\$ 36,645,000 in employee retirement funds in accordance with the Labor Pension Act, which is 6% of the employee's salary per month and is allocated to the individual retirement fund account of the Bureau of Labor Insurance.

Unit :NT\$ thousand

year	2022	2023	2024
Old system pension costs	1,217	1,708	1,462
New pension costs	34,161	34,626	34,645
Number of employees at the end of the year	901	853	850
Average pension cost per person	39.27	42.6	42.5
Pension expense growth rate	1.5%	8.5%	(0.3%)

Childcare measures and subsidies

In order to implement the government's regulations on maternal labor health protection, so that employees can relieve stress and achieve a balance between family and work when they have newborns at home, in addition to implementing the parental leave system, employees are provided with family care leave, maternity leave and menstrual leave. After the employees meet their staged needs, they can adjust their status and return to the workplace to improve the work flexibility and centripetal force of employees. In 2024, the number of applicants for parental leave at EPISIL was 3, including 0 male employees and 3 female employees. The return rate of female employees who returned to work after parental leave was 100%, while there were no male employees who applied for parental leave.

↓ Status of application for Parental leave

2024			
project	Male Number of people	Female Number of people	Total
A : Total number of employees enjoying parental leave in 2024	5	4	9
B : Total number of employees who actually used parental leave in 2024	0	3	3
C : Total number of employees applying to be reinstated in 2023	0	1	1
D : Total number of employees who should be reinstated in 2024 and have applied for an extension	0	1	1
E : Total number of employees actually reinstated in 2024	0	0	0
F : Total number of employees who have been suspended for childcare in 2023	0	1	1
G : Total number of employees who continued to work for one year after returning to work due to childcare leave in 2023	0	1	1
Parental leave application rate = B/A	0%	75%	33%
Reinstatement rate = E / (C – D)	NA	0%	0%
Retention rate = G / F	NA	100%	100%

Friendly-Working Environment

EPISIL has established an employee welfare committee to provide flexible holiday gift certificates, irregular family day activities, discounts at franchised stores, community subsidies, etc., to create a workplace environment with a balanced work and life.

EPISIL firmly believes that "the success of an organization is based on the happiness of its employees." Only workers with a sense of happiness can fully exert their talents and thus achieve a harmonious and happy organization.

◆ 2024 Year - end Party



◆ Family Day

0421 【Shoot! Run! EPISIL's Battle! 】



1109 【Visit Caoling and eat at Grand Hilai Hotel 】





◆ 2024 Engineers Day Event

o605, o606 【The Shooting King of EPISIL】



◆ 1220 Organizing festivals for foreign workers to relieve homesickness



◆ Club Activities

In order to create a workplace environment with a balance between work and life, we encourage employees to run clubs and promote emotional exchanges. The EPISIL Employee Welfare Committee has formulated club management regulations. More than 10 current employees in the company can apply to establish a club. If they meet the requirements, the Welfare Committee will provide financial subsidies.

The club evaluation mechanism is implemented every year to provide financial subsidies. In addition to gathering the centripetal force of employees, rich and diverse club activities can also promote cross-departmental interaction, allowing employees to expand interpersonal relationships and relax their body, mind and soul after work.



Comfortable working environment

EPISIL takes care of the livelihood needs of its employees by providing free employee cafeterias, Hsinchu and Miaoli transportation buses, factory shuttle buses, employee dormitories and accommodation subsidies. The factory also has a welfare club, breastfeeding room, library, relaxation classroom, etc. to create a comfortable and friendly working environment.

◆Staff Canteen



◆Factory shuttle bus



◆Staff dormitory



◆Library



◆Yoga Room



5.2.2 Encourage employees to develop work enthusiasm

Rewards for Outstanding and Senior Employees

EPISIL expresses its gratitude to high - performing and senior employees through awards and digital poster exhibitions, thanks employees for their hard work and dedication in the workplace, and encourages more employees to stay, actively demonstrate their professional abilities, and jointly realize the vision of common growth.

◆Merit and seniority awards



Employee Reward System

In order to recognize employees' outstanding performance and special contributions at work, EPISIL has set up a variety of reward measures to motivate all employees, such as performance rewards, seniority rewards, promotion rewards, patent rewards, proposal rewards, etc., to encourage employees to display their talents and do their best.

◆ Employee Proposal Review Board :

To encourage employees to discover problems, use creativity and ingenuity, and actively propose specific improvement plans to optimize work processes and promote internal and external customer satisfaction, so as to improve production efficiency, product quality, boost employee morale, and achieve the company's business goals and strategies. For proposals that have been reviewed and approved and improved, different amounts of bonuses will be given according to different contributions as an encouragement.

In 2024, 15 people participated throughout the year, 33 proposals were submitted, including group awards, and a total of \$46,800 in proposal bonuses were awarded.

Performance commission bonuses were calculated based on the benefits generated after improvements were made to proposals for specific benefits. A total of 3 proposals were completed, with 8 improvement personnel involved, and a total bonus of \$12,244 was awarded.

◆ ISO/IATF/VDA internal audit:

Implement the company's self-monitoring mechanism, select outstanding personnel to perform auditing work, and assist each unit to discover possible deficiencies through risk assessment, system review, on-site inspection, etc., provide improvement suggestions, and make improvements in order to comprehensively improve the overall operating performance and create greater benefits for the company.

There are 46 auditors participated in 2024, and a total of \$872,000 in bonuses were awarded.

◆ CIP (Continual Improvement Program) :

In order to encourage employees to develop innovative thinking and teamwork, develop strategies and methods that are beneficial to work innovation or company operations, or continuously improve the execution of ideas, so as to achieve the company's operating goals and create higher profits. All proposals that are selected and approved will be given different amounts of bonuses based on their contributions as an encouragement.

There are 13 proposals in 2024, 10 of which were shortlisted for review, and 7 were shortlisted for briefing finals. The total amount of proposal bonuses and briefing finals bonuses awarded was \$259,000.

◆ QCC (Quality Control Circle) :

Stimulate employees' potential, create a bright and pleasant workplace through team strength, promote cooperation and brainstorming, follow QCC's activities, use product management and IE techniques to solve problems in the workplace, management, culture, etc., and achieve full participation in quality management to improve product quality.

There are 3 groups of QCC proposals in 2024, preliminary and league results presentations, with a total bonus of \$120,000.

◆ Employee Proposal Rewards



◆ 0109 【CIP Reward】



◆ 1108 【QCC Proposal Reward】



5.2.3 Protection of Employee Rights

Remuneration

EPISIL provides reasonable and market-competitive salaries and implements various fair salary systems. At the same time, it strictly abides by relevant labor laws and regulations to ensure that the annual salary payment level is higher than the statutory minimum wage and protect the rights and interests of grassroots employees.

Implement equal pay for equal work between men and women

"Creating a friendly, inclusive and equal" workplace has always been one of EPISIL's business philosophies. In addition to basic salary, we also use personal annual learning and development plans to measure performance, incorporating other relevant factors, such as employees' academic background, professional knowledge and skills, years of experience, job category, etc., adopting fair and just operating procedures, giving corresponding remuneration, and implementing equal pay for equal work.

In 2024, male and female employees fixed salary will be evaluated based on the salary level of the position in the job market and the job scope of the position in the company. Remuneration will be paid based on the company's operational performance contribution and other behavioral performance.

The direct male and female salary ratio is approximately 1 : 1.04, and the indirect male and female salary ratio is approximately 1 : 0.83. The reason for the salary difference is due to differences in seniority and performance, not gender.

EPISIL Male / Female Salary Ratio			
year	Employee Category	Fixed salary	Salary
2021	Direct Personnel	1 : 1.08	1 : 1.10
	Indirect Personnel	1 : 0.88	1 : 0.87
2022	Direct Personnel	1 : 1.06	1 : 1.12
	Indirect Personnel	1 : 0.89	1 : 0.85
2023	Direct Personnel	1 : 1.06	1 : 1.08
	Indirect Personnel	1 : 0.87	1 : 0.84
2024	Direct Personnel	1 : 1.05	1 : 1.04
	Indirect Personnel	1 : 0.87	1 : 0.83

Note : Direct: personnel on the production line
Indirect: Indirectly related personnel of the production line

5.2.4 Promotion of employees' human rights

EPISIL abides by the standards of labor human rights laws and regulations, and supports and respects relevant international labor human rights standards. This includes guaranteeing freedom of employment, prohibiting unfair discrimination and sexual harassment, prohibiting the use of child labor, ensuring that no child labor under the legal minimum employment age is employed, and opposing all forms of discrimination, bullying and harassment. The company implements equality in employee appointment, assessment, remuneration, benefits, training and promotion.

If there are any violations of human rights or improper management, employees can make good use of the communication channels set up by the company to respond. The company also strictly protects the information of the parties involved, ensures the freedom and confidentiality of employees' complaints, and avoids retaliation. The company attaches great importance to any discrimination, forced labor, compulsory labor and human rights complaints.

All new employees are required to undergo human rights education and training when they take up their posts. They are required to regularly complete various human rights training and statements as required by department heads. The company's human rights policy is promoted on the company's homepage.

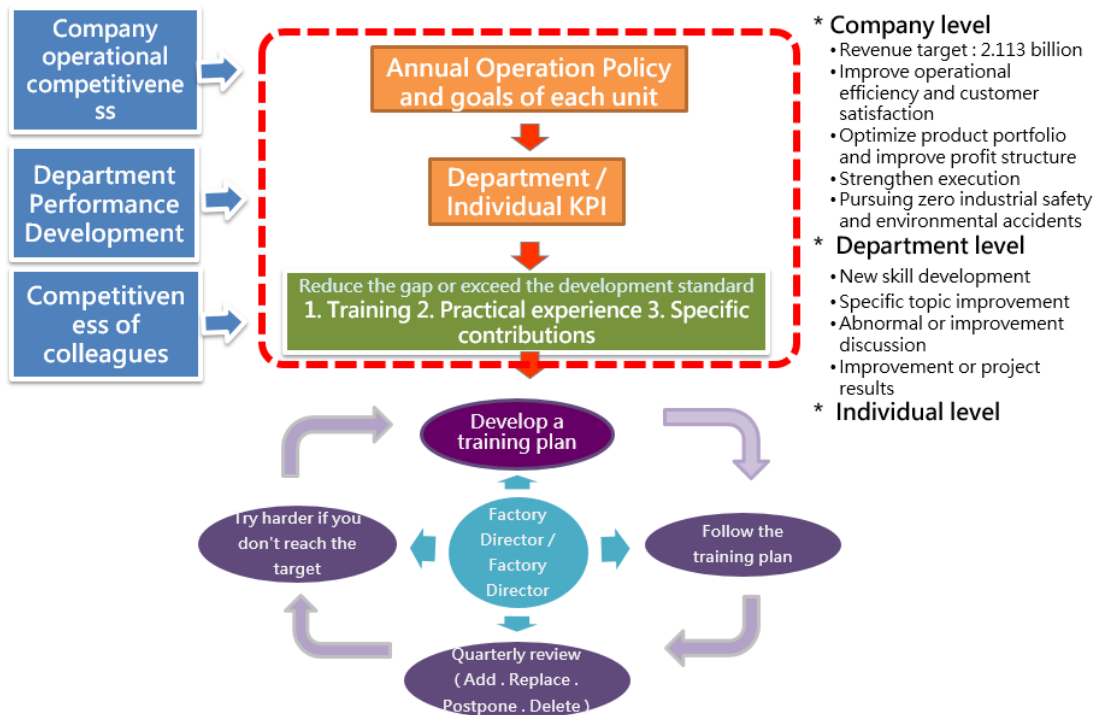
Harassment and discrimination in the workplace are prohibited. The company pays close attention to legislative revisions and reviews and adjusts company management methods and regulations to ensure the company's legality. The company also helps employees understand the importance of human rights. In 2024, human rights protection-related training will be implemented for supervisors.

Promotional topics	Communication form	Training Hours	Number of participants
【New employee training】 preventing illegal infringements in the workplace	Education and Training	0.03	93
【New employee training】 introduction to the management system of EPISIL		0.2	93
【New employee training】 occupational health and safety		6	93
【New employee training】 personal information protection promotion		0.08	93
Employee Code of Ethics		0.5	847

5.3 Talent cultivation and development

5.3.1 Comprehensive Talent Development

EPISIL Human Resources Department formulates annual policies and target plans for each unit based on operational strategies. Based on department performance development, individual training plans are formulated at the beginning of each year to enable talents to give full play to their strengths in their jobs, reduce the gap between departments, and achieve the vision of growing together with the company.



Not only provides employee education and training, but also conducts a learning satisfaction survey after each teaching as a corrective feedback. The Human Resources Department prepares feedback questionnaires based on the design and presentation of course materials or personal practicality, lecturer professional knowledge, etc. Feedback is not only provided to it is used as a reference by lecturers and first-level managers of the company, and also as a reference for the human resources department in planning the improvement direction of subsequent courses

This year, the internal feedback showed that the average instructor satisfaction score was 92.8, the average course content satisfaction score was 91.2, and the average overall course effectiveness satisfaction score was 91.4, which was a good response.

5.3.2 Four major training and self-inspiration courses

Professional knowledge training

We hope that our employees can find the right job for the right talent. We have designed a comprehensive training system for our employees based on the company's business strategy, the job requirements of employees, and their personal career planning. We provide new and old employees with training in four categories: "talent development, functional expertise, level management, and general training." We also provide a complete TQM series of courses in general training to realize EPISIL's belief in quality.

↓ Education and Training Roadmap

Core	Professional		Management	General					Self-development			
Required and elective course of every grades	Engineering	Administrative	Top level manager	T Q M ISO9001 IATF16949 VDA6.3	New Recruits	Industrial safety and health	Internal trainer	Language / IT	Internet exploring	Reading	On the job training	Career planning
			Middle level manager									
			First level manager (1)									
	production and manufacturing	First level manager (2)										
		Management Associate										

EPISIL had a total number of employees on duty of 850 at the end of this year.

The total training hours received slightly decreased from 13,884 hours in 2023 to 13,571 hours in 2024. The average training hours per employee per year decreased slightly from approximately 16.3 hours in 2023 to 16 hours in 2024.

↓ Total training hours for employees by age and gender

2024	Age						
	<30 years old		30 – 50 years old		>50 years old		total
	male	female	male	female	male	female	
Total hours of training	2,079	1,010	4,908	3,367	1,565	642	13,571
Total employees	82	62	276	250	97	83	850
Average hours of training per employee	25.4	16.3	17.8	13.5	16.1	7.7	16.0

Tailor-made learning and development plans

EPISIL values the learning and growth opportunities of employees, encourages employees to explore and develop themselves, and provides a variety of talent development methods and resources. We help employees to formulate personal annual learning and development plans, and cooperate with annual performance management to track learning outcomes together as a reference for measuring the performance development, management, and promotion rewards of employees. Employees can discuss with their supervisors to develop exclusive learning plans based on their own characteristics, abilities, and future career plans. In 2024, we opened internal training courses for a total of 12,291 people, with an overall course completion rate of 99%. We encourage employees to continue learning and aim to establish a long-term career development environment.

Employee internal training courses

Course Categories	Course Content	Types of Trainees	Training Total number of people
Management Training	Supervisor management/cadre training	Grassroots Supervisor	56
Management/ General Training	Trade secret protection	Supervisor/ Related Employees	511
Management/ General Training	Illegal infringement in the workplace	Supervisor/ Related Employees	126
Management/ General Training	Code of Ethics	Supervisor/ Related Employees	847
Professional training	Internal professional training	Internal employees	1,543
General Training	Personal Data Protection	Internal employees	764
General Training	Quality training	Internal employees	832
General Training	Environmental safety and health training	Internal employees	2,120
General Training	Mental Health Seminar	Internal employees	668
General Training	Prohibition of insider trading, integrity training	Internal employees	1,700
General Training	other	Internal employees	918
General training/ Rookie training	Information Security Training	Internal employees	1,085
Newcomer Training	General training for new employees	New employees	744
Newcomer Training	New staff safety training	New employees	279
Instructor Training	Internal instructor training	Internal employees	58
Self-inspiration education	Book Club	Internal employees	28
total			12,291

Multiple and flexible training methods

EPISIL adopts three training methods: we provide off-the-job training (Off the Job Training), assigning employees to specific places or training institutions to learn professional courses in various fields; on-the-job training (On the Job Training), supervisors or senior personnel provide work guidance based on employees' abilities ; online learning (e - learning), so that employees can have more flexible time for learning. We use diversified training methods to cultivate employees' professional abilities.

Employee external training courses in 2024

Course Categories	Course Content	Types of Trainees	Total number of people trained
External training courses	External professional training	employees	123

Further study subsidy

EPISIL encourages employees to continue learning, which is in line with the learning value of corporate culture. It has established relevant training subsidy measures. For example, it provides subsidies for employees to study for associate degrees, masters and doctoral degrees; it also establishes language training subsidy measures to encourage employees to participate in internal, external and online language courses to improve their language skills.

Learning environment & resources

We attach great importance to the learning environment and quality of our employees. To this end, we provide a high-quality learning environment and facilities, including We plan diversified "dedicated training classrooms" according to different courses, such as : step-by-step training classrooms, professional computer classrooms, rhythm classrooms, etc., in the hope of achieving the best training results; in order to improve the quality of digital courses made by employees, we have set up a "digital course studio" with complete recording and editing software and hardware equipment, which is open to employees 24 hours a day. We also set up relevant tool teaching courses to make employees more comfortable in operation.

In response to the advent of the digital age, we have established an online learning and training management system so that our employees can browse job-related information and complete various administrative work processes in a convenient and fast way without being restricted by time and space.

5.3.3 Performance management and assessment

We have established three performance appraisal systems based on the status of employees: new employees, indirect employees, and direct employees.

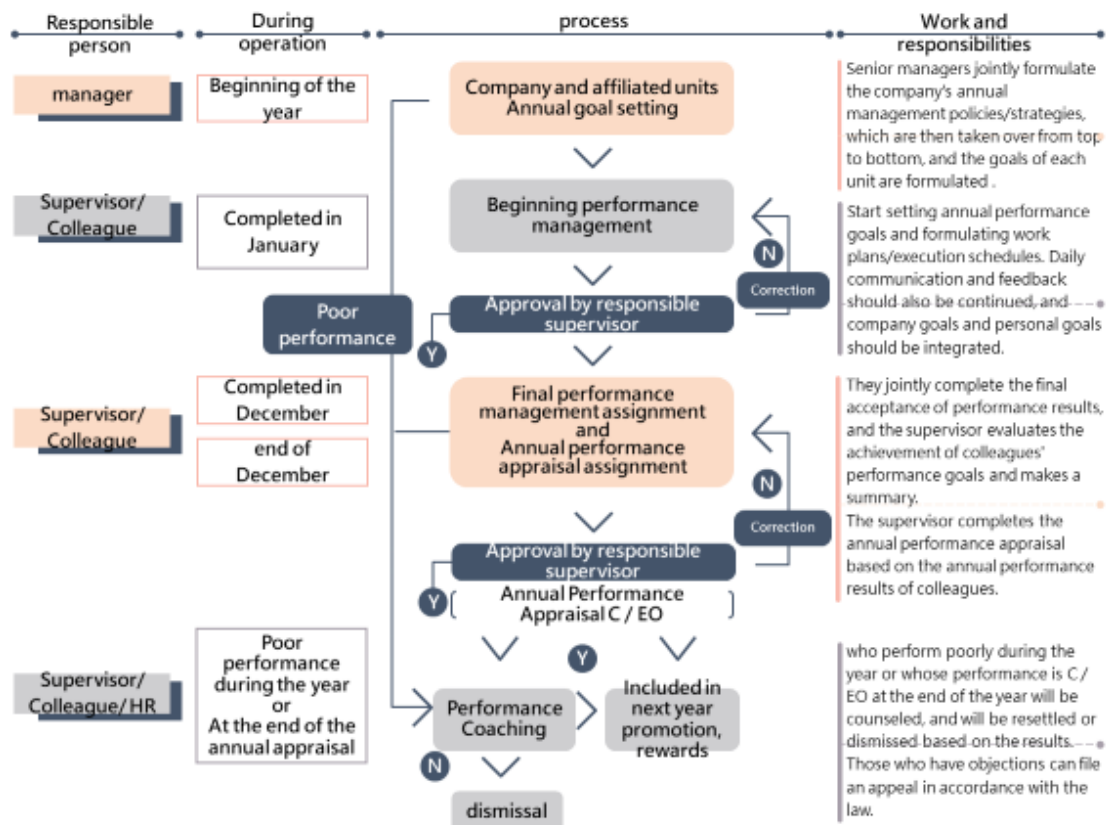
New staff assessment	Before the end of the probation period of new employees, supervisors will enter the "New Employee Counseling and Probation Period Assessment System" to complete the probation assessment/assessment of new employees, including: filling out the new employee training plan, interview records and assessment form, and sending them to the relevant responsible supervisor for approval. If they fail, the company may terminate the employment contract in accordance with relevant laws and regulations or extend the assessment period with the consent of both parties.
Indirect personnel assessment	We have established a performance management process and carried it out in a systematic way. At the beginning of the year, supervisors and employees should refer to the annual goals of the company and its affiliated units to set annual performance goals. At the end of the period, supervisors should evaluate the achievement of performance goals by employees and complete relevant operating procedures. For those who make major mistakes, fall behind seriously or have poor performance, the information and reasons will be submitted to the Human Resources Department for record, and the employees will be counseled, reassigned or laid off. Those who have objections can file a complaint in accordance with the law.
Direct Personnel	Because direct personnel are directly related to the company's production performance, the appraisal system conducts an annual performance evaluation of employees' work performance throughout the year at the end of the year. A monthly performance bonus system is established based on the product characteristics of each plant, and bonuses are given according to the work performance of employees.

There were 770 employees completed performance appraisals in 2024, and the percentage of employees completing performance appraisals was 100%.

Male			Female		
Number of people subject to performance appraisal	Total number of people	Ratio of people subject to performance appraisal	Number of people subject to performance appraisal	Total number of people	Ratio of people subject to performance appraisal
409	409	100%	361	361	100%

Note : According to the definition of management regulations, the subjects who should be assessed do not include migrant workers , senior managers and new employees who have not completed the probation period .

Performance management process:



5.3.4 Smooth communication channels

EPISIL has major operational changes, it will go through notification procedures in accordance with the law to ensure that employees have the protection of advance notice. There are also multiple and smooth communication channels, such as: labor-management meetings, employee symposiums, welfare committee meetings, grievance hotlines, gentle talk, etc., to serve as a communication bridge between labor and management to achieve full and effective communication. The purpose of solving problems. Labor-management meetings are held regularly every quarter to coordinate labor-management relations. Diversified communication meetings review whether relevant norms need to be revised at any time, in order to better meet the needs of colleagues, safeguard the well-being of employees, and establish a harmonious relationship of "two-way mutual benefit".

◆ Labor-Management Meeting

Labor-management meetings are held quarterly with representatives from both sides to make operational overview reports, discuss proposals, and vote on temporary motions. After the meeting, the minutes of the meeting will be announced to all employees to ensure that information is open and transparent.



◆ Staff Seminar

We set up seminars to conduct two-way communication with employees. The topics of discussion include the company's financial report analysis, operating overview, product sales portfolio analysis, future prospects and goals, and provide employees with time to appropriately reflect and discuss their opinions.



◆ Migrant Workers Bimonthly Meeting

Meetings are held every two months with unit supervisors and human resources department employees in attendance to announce government policies, promote company management matters, publicize activities, commend outstanding deeds, collect and feedback opinions, and provide care for daily life. Through two-way communication, we promote labor-management harmony and the establishment of a friendly workplace.



5.4 Occupational Health and Safety

EPISIL's goal is to minimize occupational injuries and take care of the health of our employees. In order to achieve our goals, we formulate and implement plans in accordance with environmental safety and health policies and target plans. Through the review, coordination and promotion of safety and health and other related issues in the Occupational Safety and Health Committee, we propose improvements or current status reviews based on the nature of each department's operations, improve the overall environmental safety and health management, and effectively convey the company's management policies and future plans to grassroots employees. In addition, we provide complaint channels for employees to reflect occupational safety and health issues, such as suggestion boxes and seminars, to protect the safety and health of employees in the workplace.

We are committed to creating a friendly workplace environment and have been recognized by the Ministry of Health and Welfare. After being evaluated by the National Health Administration's Healthy Workplace Certification System, we have obtained the National Health Administration's 112-year Healthy Workplace Certification (valid from 113 to 115). This is a verification of the company's continued commitment to employee well-being and recognition of our efforts to pursue a safe and healthy working environment.

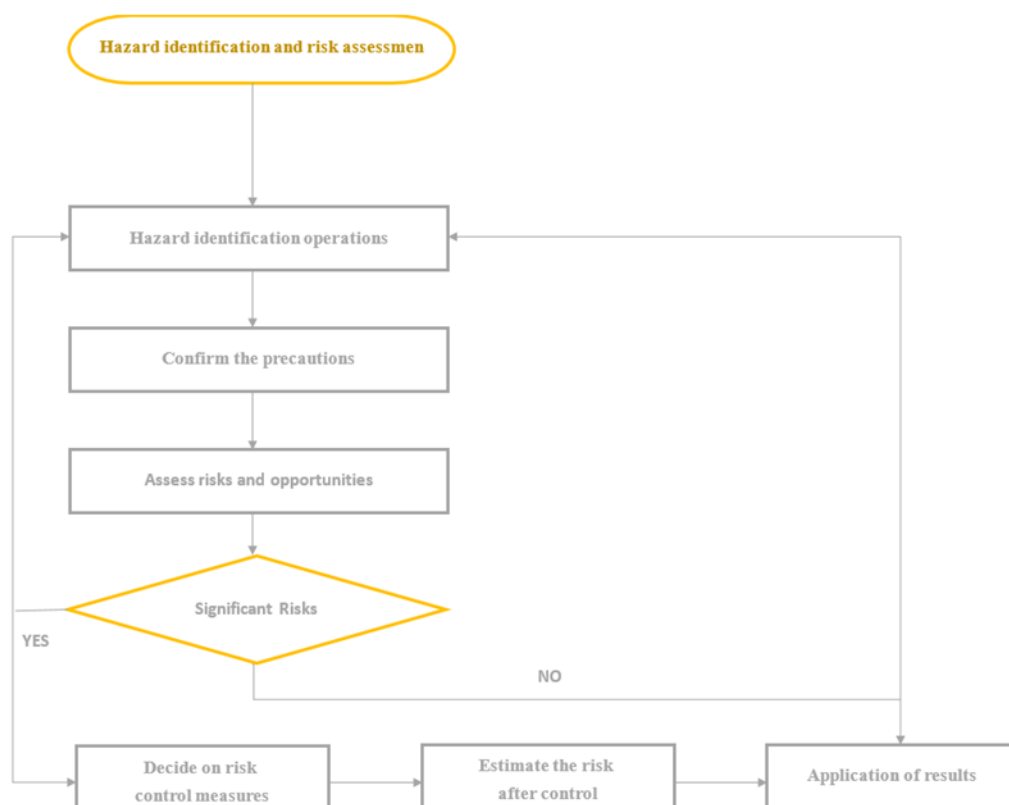
- ◆ Obtained the "Healthy Start" certification mark, certification category:
Healthy Startup Label — Innovation Factory, Research and Development Factory
Health Promotion Label — R&D Factory
- ◆ We conduct regular internal audits of the ISO45001 management system each year and also entrust external organizations to perform audits each year. In 2024, the occupational safety and health management system certification covers a total of 815 workers, including EPISIL has 761 employees and 54 contractors.

5.4.1 Participation, consultation and communication of occupational safety and health workers

In accordance with the "Occupational Health Management Regulations", EPISIL has established an Occupational Safety and Health Committee, which is held regularly every quarter. The factory director serves as the chairman, and the director of the Occupational Safety Department and the supervisors of each unit and labor representatives, a total of 47 people, participate in the whole process. According to the environmental safety and health policies and target plans, plans are formulated and implemented, including education and training plans, improvement measures for the working environment, hazard prevention management, internal and external audits, contractor management and health promotion and other related matters.

Among them, representatives elected by workers account for more than one-third of all committee members in accordance with the law. Through quarterly meetings, they review, coordinate and promote environmental protection and safety and health issues, and provide timely feedback to the chairman, which can effectively convey the company's management policies and future plans to the grassroots.

In 2024, EPISIL has no occupational hazards with serious occupational injury risks. The company has identified general occupational hazard risks including: chemical splashes (chemical) and personnel falls (physical), and has formulated relevant management methods to control them, such as the preparation, maintenance, and use management methods of protective equipment; overhead operation fall disaster prevention plans, etc. to respond to occupational hazard risks.



Accident Investigation and Post-processing Process

When an accident occurs, the responsible unit will report the accident according to the accident level, conduct a subsequent investigation report on the cause of the accident, and propose standard implementation operations for prevention and improvement. If the accident level is serious, an accident investigation meeting must be held, and the heads of relevant departments, commanders, emergency personnel, witnesses, on-site supervisors, medical staff, etc. will be invited to attend as needed. The actual situation will be recorded in the accident investigation form, and the meeting record will be established for reference.

Accident level	Incident meeting	Response measures
major	Need to be held	● Fire alarm: A fire breaks out in the factory, causing damage to equipment or facilities, which need to be scrapped or become unusable. ● Gas/Chemicals: Accident that cannot be controlled within 15 minutes resulting in production interruption. ● Personnel: Work-related injuries that are reported as a result of work.

Accident level	Incident meeting	Response measures
abnormal	Need to be held	● Fire alarm: A fire breaks out in the factory, causing loss of equipment or facility assets ● Gas and chemicals: Accidents can be controlled within 15 minutes and will not cause production interruption or asset loss. ● Personnel: Taking leave for more than one working day due to work-related injuries, and the accident is not reportable under the law.
false alarm	Held on demand	Safety and health accidents other than the above accidents that did not cause loss of life or assets.

Note : Asset loss : direct or indirect loss of more than RMB 500,000 due to a safety and health accident .

Incident Management

EPISIL is committed to reducing the number of Occupational safety accidents. In 2024 , there were 3 minor accidents. After investigation, one of them was caused by water seepage from the ceiling to the electric melting plate , which was improved by adding a water pan protection above the electric plate, and applying waterproof coating to the leaking parts, increasing the inspection and overall coating frequency. Another one was that the power terminal screws were not tightened during the maintenance of the equipment pump, resulting in poor contact and melting. The improvement method was to confirm that the terminal contact was locked and add temperature stickers to ensure normal operating temperature, and add standard operating procedures to make the operation employees aware of it. The last one was that during the maintenance of the equipment, the component residues reacted with the air to produce trace amounts of undesirable substances. The improvement method was to locally exhaust the original parts, remove the undesirable substances, and proceed to the next step, and add standard operating procedures to make the operation employees aware of it.

2024		
category	staff	Non-employee workers
Total working hours (Note 1)	1,643,240	26,352
Number of general occupational injuries (Note 2)	0	0
Number of serious occupational injuries (Note 3)	0	0
Death toll	0	0
Total number of recordable occupational injuries (person-times)	0	0
Lost work days (Note 4)	0	0
Death rate caused by occupational injuries	0	0
Severe occupational injury rate	0	0
Disabling Injury Frequency (Note 5)	0	0
Disabling Injury Severity Rate (Note 6)	0	0
Total injury index (Note 7)	0	0

Note : 1. Total working hours of all persons

2. Lost work days within 180 days

3. The number of lost work days exceeds 180 days and does not include deaths

4. Starting from the day after the injury or death

5. Disabling injury frequency rate = number of registered work-related injuries per million working hours, The calculation formula is: $\text{number of injuries to be registered} \times 1,000,000 \div \text{total working hours}$

6. Disability injury severity rate = number of days lost due to disability injuries per million working hours, The calculation formula is: $\text{number of days lost due to disability injury} \times 1,000,000 \div \text{total working hours}$

7. Total injury index = $\sqrt{(\text{occupational injury frequency} \times \text{occupational injury severity rate} \div 1,000)}$

Occupational safety and health training

EPISIL attaches great importance to employees' knowledge of occupational safety and health. In 2024, it held a series of courses on occupational safety and health laws and hazard identification risks, which are roughly divided into four categories, namely "general safety and health training, chemical training, emergency response training and other occupational safety training".

◆ General safety and health training

EPISIL provides basic safety and health training to new employees, including basic safety and health knowledge, fire safety, etc. , and conducts regular retraining according to the hazards of their work after joining the company to ensure that employees understand the company's safety and health policies and procedures, and can work safely and healthily.



◆Supervisor general safety and health training

Provide training to supervisors at all levels on their management responsibilities in safety and health, as well as their ability to assess risks and develop management plans, so that they understand how to deal with accidents and reduce the incidence of accidents.



◆Chemical Hazards Knowledge

EPISIL has planned a general education course on chemical hazards to help employees understand the basic knowledge of chemical hazards and the relevant chemical emergency response procedures, so that employees can use chemicals in a safe manner and have the ability to handle chemical disaster accidents.



◆Emergency Response Training

Regarding emergency response education, the entire company conducts evacuation drills regularly. The emergency response team is divided into the discoverer, notification team, control team, evacuation guidance team, rescue team, and commander. Each group has different field drill courses to ensure that employees at different job levels understand their emergency response responsibilities, increase the effectiveness of response plans, and reduce the severity of disasters.

In addition to emergency response training, we also strengthen fire extinguisher practical training for factory affairs and equipment units to ensure that our employees can use fire extinguishers quickly and effectively when a fire occurs.

Emergency Response Education and Training — Commander



Fire extinguishing practice



Emergency evacuation drill for the entire plant



Emergency Education and Training — Rescue Team



◆Other occupational safety training

Other occupational safety training includes training on dangerous goods, hypoxia, dust, radiation, traffic safety, high-pressure gas, etc. The purpose is to help employees understand in advance the crises that may occur at work and respond calmly when danger occurs.

Emergency Response Education and Training — Notification Group



Commander Training



Other measures to promote occupational safety awareness

To ensure the workplace safety of our employees, the workers in the Occupational safety and environmental protection department will conduct routine inspections of the factory every day, and senior managers will conduct inspections every quarter. Performance evaluation activities will be conducted for the inspections to encourage and reward all production-related units to actively participate in the zero-work-injury workplace activities. In order to effectively implement the policy objectives of the ISO14001 / ISO45001 environmental safety and health management system, encourage all units to improve the effectiveness of the implementation of the target and target plans, implement disaster prevention management, and reduce the probability of hazards, we have specially planned an environmental safety and health plan implementation effectiveness evaluation activity.

In addition to basic environmental safety and health assessments and inspections, the company's homepage has public announcements and different theme promotions every month to enhance employees' safety and health awareness and strive to create a safe and comfortable environment that is most suitable for work.



◆ Routine inspection of Occupational safety

Through regular walk-around inspections, we ensure that all projects in the factory are safe. If any incidents that do not comply with safety and health regulations are found, they will be recorded immediately and work will be stopped. Operations can only be

	resumed after improvements are made.
◆ Incentive competition activities Through various environmental, safety and health activities and performance management, we create a friendly working environment and establish an environmental, safety and health culture, and encourage and reward all production-related units to actively participate.	
	◆ Monthly prize-winning quiz Through monthly quiz events with prizes, we promote knowledge related to work safety.

5.4.3 Building healthy assets for employees

Employee Health Management

EPISIL provides routine health check subsidies to employees every year. In 2024, a total of 687 employees participated in routine health checks, accounting for 81.7% of the total number of employees. The company also provides special health checks for 31 special operation personnel, accounting for 3.7 % of the total number of employees. Taking employee health as the starting point, health check report consultation is held every year, and one-on-one health check report consultation is planned to enhance the concept of self-health management of employees.

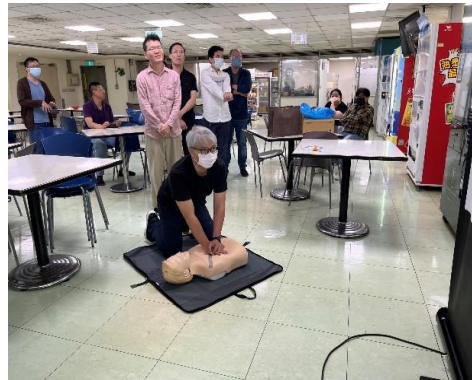
Every year, we hold CPR and AED training, free low-dose lung CT examinations, free bone density tests, free cancer screenings from the National Health Administration, and women's health activities to provide a safer and healthier workplace environment. We also hold health education lectures and health promotion activities from time to time, such as workplace stress relief, nutrition lectures, exercise lectures, cardiovascular prevention lectures, etc. We promote health management knowledge and related precautions through emails and bulletin boards to enhance employees' health awareness.

Physical and mental health management

With the goal of promoting the health of our employees, we organize diet, health care, exercise, health and stress management activities according to their needs, encourage employees to practice healthy living through participation in activities, and enhance their motivation to take care of their own health.

◆ First aid education and training

0509, 0522, 0529 【 Call CD~Have you learned it? 】



◆ Joint blood donation activity by EPISIL and Shengqun

0530 【 You are **not** cool without your **hot** blood 】

1225 【 Any type **is** fine 】



◆ **Free cancer screenings from the National Health Service**

0322 【Free screening for the four major cancers】



◆ **Women's Health Activities**

0315, 0329 【Early screening is more valuable than money. Pamper yourself and start with health】

The busy woman must protect her health no matter how busy she is



◆ **Health Seminars**

0327

【Simple nutritional tips to fight sleep disorders】

0619

【Eat the right nutrition to make muscle growth and fat loss more effective】



0503 , 0821 【Hear happiness , protect hearing together】



0614 【Happy bone protection and a strong life - prevention and treatment of osteoporosis】



0719 【Pain relief strategy】



0524 【 Create your own efficient fat burning exercise 】

Fat loss experts teach you how to exercise effectively and eliminate more calories



0920 【 Boxing aerobics exercise 】



0802 【 Introduction to Sarcopenia 】



o816 【 Healthy eating tips 】

Choose the right food, choose the right time, and you can eat anything! One dish to solve the weight loss diet



o816 【 Are you suffering from chronic inflammation? 】

Not sick? Not injured? 7 silent signs your body is calling for help



◆ 2024 EPISIL Health Master Competition - Award Ceremony

【 Target Challenge 】





【Team Competition】 Top 3



Occupational disease control

In accordance with the labor health protection rules, four major protection projects are established, including abnormal workload, maternal protection, human hazards, and workplace violence. Occupational disease specialists from the medical center will assist in reviewing the hazards of possible occupational disease risks, control related health hazards, and regularly pay attention to the health of employees in the work area in order to achieve the goal of zero occupational diseases. No cases of occupational diseases defined by regulations will occur in 2024.

COVID - 19 related protective measures

In response to the easing of the COVID-19 pandemic in 2023, the government gradually relaxed various control measures, and EPISIL adjusted its epidemic prevention policy. From April 17, 2023, all personnel will be exempted from mandatory wearing of masks in all places of the group company, and will be managed by individuals; confirmed employees still need to report to the medical office for health education and care. We also provide employees with epidemic prevention and vaccination information from time to time, and invite medical institutions to vaccinate (flu vaccine, new crown vaccine) in the factory, providing a professional and convenient vaccination environment to increase the overall vaccination rate, reduce the possibility of virus transmission in the factory, and strengthen the protection of the entire company. In 2024, 101 people will receive self-paid vaccinations, and 175 people will receive public vaccinations; the vaccine coverage rate is about 31.97%.

5.5 Common good

EPISIL has been established for more than 35 years. It has always adhered to the spirit of "taking from society and giving back to society" and actively organized social participation activities, such as donating materials to care for neighboring organizations, supporting disadvantaged groups in Hsinchu, protecting the environment, and deepening industry-university cooperation with colleges and universities. While contributing its own strength, it also brings positive influence to society. In the future, EPISIL will continue to maintain this strength and will continue to encourage employees to participate in social welfare and fulfill their social citizenship responsibilities.

In order to help alleviate the blood shortage and help more people in need, EPISIL and Holtek jointly organized the [Blood Donation] charity blood donation event to arouse more people's love and care through practical actions. A total of 78 people from EPISIL participated in the blood donation event, with a total of 21,500 cc of blood (86 bags) per year.

Social Care

EPISIL believes in "people-oriented, sharing the good with the society", gathers the love of many employees, cares for local community organizations and disadvantaged groups in Hsinchu, and implements this concept to give back to the society.

During the Mid-Autumn Festival in 2024, EPISIL invited the social welfare group "Ren Ai Social Welfare Foundation" and "Meng En Deaf Bakery" to jointly hold a Thanksgiving charity sale. Through employees purchasing biscuits and gift boxes from the charity sale machine, as well as company bulk orders, business gifts, etc., the social welfare group was assisted to increase the proceeds of the charity sale, and then take care of the disadvantaged groups served by the unit. The total sales of this event were \$60,695, and the company bulk orders and business gifts were \$ 105,170.

In addition, EPISIL donates charity materials to nearby community organizations from time to time every year. In 2024, we donated dozens of boxes of food and supplies to the Hsinchu Renai Children's Home to show our care with practical actions. In order to give employees the opportunity to use their personal strength to help the society, we set up charity invoice boxes in each operating plant, and regularly donate invoices and change to the social welfare foundation, so that social welfare organizations can promote public welfare services more smoothly.

The Welfare Committee also invites social welfare groups to set up stalls at the factory during lunch breaks from time to time, so that employees can show their love and do charity work during their lunch breaks.

◆ 0911 Moon Festival Pancakes with Gifts Thanksgiving Sale



◆ 0314 Charity Sale



◆ 0216 , 0819 Social Care Donation : Donated a batch of sacrificial materials and 100 kg of rice





Talent Development

Industry- academic cooperation

EPISIL is deeply involved in the campus with a forward-looking vision, is committed to managing inter-school relations, and upholds the spirit of corporate social responsibility and giving back to the society. It hopes to provide students with internship opportunities through internships, so that students can have a thorough understanding of the semiconductor industry career. Understand and achieve the purpose of integrating school theory and industrial practice and implementing the integration of learning and application.

We will continue to conduct industry-academic cooperation with Longhua University of Science and Technology, and Mingxin University of Science and Technology in 2024.



Appendix 1 GRI Content Index Table

Statement of use	Episil prepared 2023 ESG Report in accordance with GRI Standards, contents from 2024/1/1 to 2024/12/31.		
Applied GRI 1	GRI 1: Foundation 2021		
Applicable GRI Sector Standards	GRI 2021		
GRI Standards	GRI2 General Disclosures 2021	Page #	Note
	2-1 Organizational details	7	
	2-2 Entities included in the organization's sustainability reporting	3	
	2-3 Reporting period, frequency and contact point	3-4	
	2-4 Restatement of information	-	No restatement in 2024 Report.
	2-5 External assurance	4	
	2-6 Activities, value chain and other business relationships	22	
	2-7 Employees	134-135	
	2-8 Workers who are not employees	134-135	
	2-9 Governance structure and composition	47	
	2-10 Nomination and selection of the highest governance body	48-49	
	2-11 Chair of the highest governance body	47-48	
	2-12 Role of the highest governance body in overseeing the management of impacts	52,55-56	
	2-13 Delegation of responsibility for managing impacts	52,55-56	

2-14 Role of the highest governance body in sustainability reporting	55-56	
2-15 Conflict of interest	49	
2-16 Communication of critical concerns	55-56	
2-17 Collective knowledge of the highest governance body	51	
2-18 Evaluation of the performance of the highest governance body	52	
2-19 Remuneration policy	54	
2-20 Process to determine remuneration	54	
2-21 Annual total compensation rate	54	
2-22 Statement of sustainable development strategy	5-6	
2-23 Policy commitments	16-17	
2-24 Embedding policy commitment	47	
2-25 Processes to remediate negative impacts	-	Business planning & review process
2-26 Mechanisms for seeking advice and raising concerns	-	Business planning & review process
2-27 Regulatory Compliance	74	
2-28 Membership associations	12-13	
2-29 Approach to stakeholder engagement	32-39	
2-30 Collective bargaining agreements	-	No such agreement

GRI 3 Material Topics 2021

GRI 3 : Material Topics 2021	3-1 Analysis of materials topics	22-24	
	3-2 List of materials topics	24	
Integrity Management			
3-3 Management of material topics		42-43	
GRI 205 (2016) : Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	58	
	205-2 Communication and training about anti-corruption policy and procedures	58	
	205-3 Confirmed incidents of corruption and actions taken	58	No corruption incident.
GRI 206 (2016) : Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	58	No related incidents.
Supply Chain Management			
3-3 Management of material topics		44-46	
GRI 2 (2021) : General Disclosures	2-6 Activities, value chain and other business relationships	76	
GRI 204 (2016) : Procurement Practices	204-1 Proportion of spending on local suppliers	77	
GRI 308 (2016) : Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	77-78	
	308-2 Negative environmental impacts in the supply chain and actions taken	77-79	No related incident
	414-1 New suppliers that were screened using social criteria	77-79	

GRI 414 (2016) : Supplier Social Assessment	414-2 Negative social impacts in the supply chain and actions taken	77-79	No related incident
GHG Management			
3-3 Management of material topics		83-84	
GRI 305 (2016) : Emissions	305-1 Direct (Scope 1)GHG emissions	87-88	
	305-2 Energy indirect (Scope 2)GHG emissions	87-88	
	305-4 GHG emissions intensity	87	
	305-5 Reduction of GHG emissions	88	
	305-7 Nitrogen oxides (NOx) 、 sulfur oxides (SOx), and Volatile Organic Compounds (VOCs) air emissions	88	
Environment Compliance			
3-3 Management of material topics		85-86	
GRI 2 (2021) : General Disclosures	2-27 Regulatory Compliance	102-103	
Labor safety and health			
3-3 Management of material topics		130-133	
GRI 403 (2018) : Occupational Health and Safety	403-1 Occupational health and safety management system	161	
	403-2Hazard identification, risk assessment, and incident investigation	162-164	

	403-3 Occupational health services	170-176	
	403-4 Worker participation, consultation, and communication on occupational health and safety	161-162	
	403-5 Worker training on occupational health and safety	165-169	
	403-6 Promotion of worker health	170-176	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	170-176	
	403-8 Workers Covered by the Occupational Safety and Health Management System	161-162	
	403-9 Work-related injuries	164	
	403-10 Occupational disease	176	
Data security and privacy			
3-3 Management of material topics		110-111	
GRI 418 (2016) : Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	123	
Product safety and quality management			
3-3 Management of material topics		108-109	
	416-1 Assessment of the health and safety impacts of product and service categories	116	

GRI 416 (2016) : Customer Health and Safety	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	115	
Innovative research and development and intellectual property management			
3-3 Management of material topics		112-113	
GRI 200 : .Economic			
GRI 201 (2016) : Economic Performance	201-1 Direct economic value generated and distributed	59	
	201-3 Defined benefit plan obligations and other retirement plans	141	
	201-4 Financial assistance received from government	-	No government subsidies
GRI 207 (2019) : Tax	207-1 Approach to tax	75	
	207-2 Tax governance, control and risk management	75	
	207-3 Stakeholder engagement and management concerns related to tax	75	
GRI 300 : Environment			
GRI 302 (2016) : Energy	302-1 Energy consumption within the organization	90-92	
	302-3 Energy intensity	90-92	
	302-4 Reduction of energy consumption	91-93	
GRI 303 (2018) : Water and Effluents	303-1 Interactions with water as a shared resources	94-95	
	303-2 Management of water discharge-related impacts	97	

	303-3 Water withdrawal	95-97	
	303-4 Water discharge	95-97	
	303-5 Water consumption	95-97	
GRI 306 (2020) : Waste	306-1 Waste generated and waste-related impacts	99-101	
	306-2 Management of significant waste-related impacts	99-101	
	306-3 Waste generated	101	
	306-4 Waste disposal transfer	101	
	306-5 Direct waste disposal	101	
GRI 400 : Social			
GRI 401 (2016) : Employment	401-1 New employee hires and employee turnover	136-139	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	140-141	
	401-3 Parental leave	141-142	
GRI 402 (2016) : Labor/Management Relations	402-1 Minimum notice periods regarding operational changes	-	30 days before the changes
GRI 404 (2016) : Training and Education	404-1 Average hours of training per year per employees	154	
	404-2 Programs for upgrading employee skill and transition assistance programs	153-156	

	404-3 Percent of employees receiving regular performance and career development reviews	157-158	
GRI 405 (2016) : Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	48, 134-135	
	405-2 Ratio of basic salary and remuneration of women to me	151	
GRI 413 (2016) : Local Communities	413-1 Operations with local community engagement, impact assessments and development programs	177-180	

Appendix 2 TPEX Listed Company of Sustainability Disclosure Indicators – Semiconductor Industry

No	Indicator	Indicator Type	2024 Disclosure	Unit
1	Total energy consumption percentage of purchased electricity, utilization rate (renewable energy)	Quantitative	1. Total energy consumption: 294,687GJ 2. Percentage of purchased electricity: 94.7% 3. Utilization rate (renewable energy): 0.84%	Gigajoules (GJ) , percentage (%)
2	Total water withdrawn, total water consumption	Quantitative	1. Total water withdrawn: 722.7 m3 2. Total water consumption: 147.1 m3	Thousand cubic meters (m3)
3	Total hazardous waste generated and percentage recycled	Quantitative	1. Total hazardous waste generated: 282.39 t. 2. Percentage recycled: 85%	Metric tons (t), percentage (%)
4	Types of, number of employees in and rate of occupational accidents	Quantitative	0 occupational accidents	Percentage (%), quantity
5	Product Lifecycle Management Disclosure: including weights of scraps and electronic waste and percentage recycled (Note 1)	Quantitative	1. Weights of scraps and electronic waste 10.18t. 2. Percentage recycled: 100%	Metric tons (t), percentage (%)
6	Description of the management of risks associated with the use of critical materials	Qualitative description	1. Set up comprehensive Business Continuity Planning, Material Management and Supply Chain monitoring mechanism. 2. Establish 2nd sources for critical materials. Keep materials inventory at safety level. 3. Timely review and continuously improve the management system.	Not applicable
7	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	0 monetary losses	Reporting currency
8	Production by product category	Quantitative	Total wafer 229,525 pcs	Varies by product category

Note 1: Descriptions including the sale of scraps and the recycling and processing of waste shall be provided.