

Alchip

Sustainability Report 2024

Contents.

CEO's Statement
About the Report
Sustainability Key Performance

1 Sustainable Management

- 1.1 Stakeholder Communication
- 1.2 Materiality Assessment
- 1.3 Management of Material Topics

2 About Alchip

- 2.1 Company Introduction
- 2.2 Core Values and Brand Management
- 2.3 Industry and Market Development
- 2.4 Production and Sales Overview
- 2.5 Financial Performance
- 2.6 Innovative R&D
- 2.7 Participation in Organizations and Associations

3 Corporate Governance

- 3.1 Organizational Structure
- 3.2 Board of Directors
- 3.3 Functional Committees
- 3.4 Ethical Management
- 3.5 Information Security Management
- 3.6 Quality Management
- 3.7 Supplier Management

4 Sustainable Environment

- 4.1 Climate-Related Financial Disclosure (TCFD)
- 4.2 GHG Inventory
- 4.3 Energy Management
- 4.4 Water Resource Management
- 4.5 Waste Management
- 4.6 Sustainable Procurement

5 Happy Workplace

- 5.1 Employee Overview
- 5.2 Human Rights Protection, Diversity, and Inclusion
- 5.3 Employee Care and Welfare
- 5.4 Personnel Development
- 5.5 Occupational Safety
- 5.6 Social Engagement

Appendix

- GRI Content Index
- Climate-Related Information for TWSE/TPEX-Listed Companies
- SASB Standards Index – Semiconductor Industry
- Sustainability disclosure indicators – Semiconductors

CEO's Statement

The year 2024 was a pivotal period of transformation for the semiconductor industry. Fueled by the rapid proliferation of artificial intelligence (AI) and the increasing demand for high-performance computing (HPC), the industry embraced a new wave of development opportunities. Amidst this trend, Alchip achieved a record high in revenue by capitalizing on its technological advantages and industry position, further cementing its leadership in the advanced ASIC (Application-Specific Integrated Circuit) design field. As the leading ASIC design service provider in the world, our mission is to deliver state-of-the-art System-on-Chip (SoC) solutions and comprehensive, one-stop services that encompass everything from IC design to fabrication. Upholding our core values of innovation, integrity, quality, and teamwork & dedication, we strive to become the most trusted ASIC partner in the industry.

Alchip has always considered technological innovation a core strategy and continues to increase its investment in R&D to maintain its leadership in the field of advanced ASIC design. In 2024, the Company focused on the development of new generation process technologies, the 3DIC design platform, and customized IO chiplets to meet the rapidly changing market demands. Throughout this process, we are well aware of the importance of ESG (Environmental, Social, and Governance). We are committed to developing eco-friendly chip designs, fulfilling our social responsibilities, and upholding the highest standards of corporate governance.

In terms of environmental protection, as a fabless IC design service provider, Alchip primarily offers commissioned design services to customers, while the mass production processes, such as wafer fabrication, packaging, and testing, are all performed by contract manufacturers. We conduct annual supplier audits through a systematic management approach to ensure they provide green products that comply with environmental, safety, and health (ESH) regulations. In 2024, all of Alchip's suppliers successfully passed the green audit. Regarding energy management, Alchip's total electricity consumption in 2024 was 486,783 kWh, greenhouse gas (GHG) emissions were 344.8469 metric tons of CO₂e, and energy intensity was 9.367, a decrease of 25.379 kWh/NTD million revenue compared to 2022. The electricity consumption per unit of revenue decreased by 73.04% compared to

2022. We are dedicated to developing and providing low-power, small-size design solutions in response to the environmental trend of energy saving and carbon reduction. We believe that the company can achieve sustainable development only through technological innovation and environmental awareness.

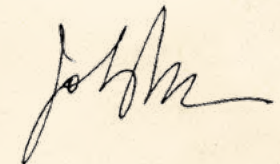
In terms of social responsibility, Alchip adheres to the principle of equity to provide fair and diverse employment opportunities, and we strive to provide a safe and healthy workplace for our employees. Besides complying with relevant occupational safety and health regulations, we have established policies such as employee safety guidelines and the measures for the Prevention and Handling of Sexual Harassment to ensure the effective implementation of corporate social responsibility.

Concerning corporate governance, Alchip consistently aims for excellence and continuous success, enabling us to maintain an indispensable position in the fiercely competitive market. In this era of rapid change and constant challenges, we recognize the importance of bolstering our leadership team and corporate governance. Consequently, we continue to promote and implement succession planning to ensure the Company's long-term stability and sustainability.

Looking ahead, Alchip firmly believes that sustainable development is not only essential to an enterprise's long-term success but also represents our responsibility to the Earth and society. In 2025, we will continue to enhance the integration of ESG into our core business and work closely with customers, partners, and employees to generate value and advance toward the vision of sustainable operations.

I want to extend my heartfelt gratitude to all partners who have stood by Alchip. Together, let's embrace challenges and envision a brighter future!

CEO Johnny Shen



About the Report

Welcome to Alchip Technologies, Limited (hereinafter referred to as Alchip)'s 2024 sustainability report. This is Alchip's third sustainability report. Each year, this report serves as a platform for us to disclose our achievements in environmental, social, and corporate governance, enabling stakeholders to gain deeper insights into Alchip's ESG performance and commitment to sustainable development.

Reporting Principle

This report is prepared in accordance with the 2021 Global Reporting Initiative Standards (GRI Standards) issued by the Global Reporting Initiative and the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE-listed Companies" promulgated by the Taiwan Stock Exchange (TWSE). It also references the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and the Semiconductor Industry Sustainability Accounting Standard indicators released by the Sustainability Accounting Standards Board (SASB) in 2023.

Scope and Boundaries of Reporting

This report discloses Alchip's performance in economic, environmental, and human aspects from January 1, 2024, to December 31, 2024. With the exception of the financial performance, which is based on the consolidated financial statements, the scope of disclosure for the remaining information focuses on important operational locations in Taiwan (including the Taipei and Hsinchu offices). If the scope of information includes regions outside Taiwan, it will be annotated in the report.

Report Review

The data and information disclosed in the report are jointly compiled by various departmental representatives to facilitate the writing of the report. The report is compiled through the identification of stakeholders and material sustainability topics, as well as the consolidation of various departmental information and sustainability performance indicators. After a preliminary review by various departmental supervisors to ensure the integrity and accuracy of different departmental information and sustainability performance indicators, the stock affairs coordinator will carry out a reexamination of the information and data, as well as content planning, editing, and revision. Reviewed through internal administrative processes and disclosed publicly after being approved by the Board of Directors.

External Assurance

- To enhance the accuracy and credibility of the information, the report is prepared according to the GRI guidelines specified by the TWSE and has been independently verified by a third-party verification provider, BSI Taiwan, based on the AA1000AS v3 assurance standard. Assuring that the content of this report complies with the GRI Standards and the AA1000AP (2018) Accountability Principles.

The Verification Includes :

Type 1 application/moderate assurance, confirming that the report content complies with GRI Standards: 2021. The assurance statement for the 2024 information was obtained in July.

Type 2 application/moderate assurance, verifying the indicator data of GRI 303 (Water and Effluents). The assurance statement for the 2024 data was obtained in July 2025.

- The greenhouse gas (GHG) data has been verified by BSI Taiwan in accordance with ISO 14064-1:2018 "Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals", the verification is conducted on direct emissions and energy indirect emissions at a reasonable assurance level, assuring that the content of this report complies with the requirements of ISO 14064-1: 2018 standards. The assurance statement for the 2024 emissions data was obtained in August 2025.
- The financial data has been audited and certified by Deloitte & Touche in accordance with the International Financial Reporting Standards (IFRS), and all calculations are presented in New Taiwan dollars (NTD).

Report Publication

The current version (2024 Sustainability Report), the third sustainability report issued by Alchip, was published in August 2025. Alchip publishes a sustainability report annually. If the report content contains any errors, revisions, or updated information, the electronic file published on the Company's website will take precedence.



Contact Person

If you have any suggestion or question about the report, please feel free to contact us via the following contact details.

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Sustainability Key Performance

- A leave system that is better than the statutory requirements including three days of additional flexible leave, three days of paid sick leave, and a Christmas holiday every year.
- In 2024, the total amount allocated by Welfare Committee was NTD 20,473,555, and all 134 employees were entitled to the benefits provided by the Committee.
- In 2024, 98.2% of all employees received the annual employee health examination.
- In 2024, every employee received an average of 5.84 hours of training.
- In 2024, a total of 19 employees participated in the “Taoyuan One-Day Water Area Patroller” activity, removing 30 kilograms of garbage.
- Sponsored the National Taiwan University Department of Computer Science and Information Engineering programming competition with a prize money of NTD 35,000.
- Sponsored the National Taiwan University of Science and Technology basketball team with a scholarship of NTD 280,000.

Environmental protection

- In 2024, the electricity energy intensity per unit of revenue (NTD million) decreased by 73.04% compared to 2022.
- In 2024, the water intensity decreased by 1.15% compared to the previous year.

Social

Governance

- The consolidated net profit after tax in 2024 increased by more than 94% compared to the previous year.
- In 2024, the R&D expenses amounted to NTD 2,141,874 thousand, representing a 38% increase compared to the previous year.
- In 2024, the performance appraisal results of the Board of Directors and all functional committees were above 4.5 points, demonstrating excellent overall performance.
- The Board of Directors and functional committees both achieved a 100% attendance rate in their meetings.





Sustainable Management

- 1.1 Stakeholder Communication
- 1.2 Materiality Assessment
- 1.3 Management of Material Topics



1.1 Stakeholder Communication

Alchip references the five principles (Dependency, Responsibility, Influence, Diverse Perspectives, and Tension) of the AA1000 Stakeholder Engagement Standard (AA1000 SES), 2015 edition, established by the global non-profit organization, AccountAbility, as well as stakeholder-related aspects of the GRI Standards. Through discussions across various departments, four key stakeholder groups were identified, including (1) shareholders, (2) employees, (3) customers, and (4) suppliers.

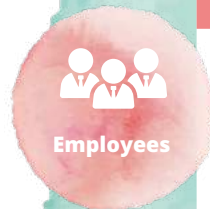
Alchip is committed to transparent information disclosure and continuous two-way communication with stakeholders. A dedicated Stakeholder Section has been established on the official website to provide channels for communication and contact with stakeholders. Content from stakeholder communications is regularly collected and compiled as a reference for major topic surveys and for determining material topics.

Alchip's Stakeholder Communication and Engagement Overview



Shareholders

Communication Channel/Form	Frequency	Prioritized Key Topics	Annual Communication Performance or Important Engagement Outcome
Shareholders meeting	Annually	<ul style="list-style-type: none"> Economic performance Talent attraction and retention Risk management Ethical management 	<ul style="list-style-type: none"> Alchip holds its annual shareholders' meeting by the end of May and conducts four online investor conferences each year, one per quarter. Filing bilingual material information, annual reports for shareholders' meetings, and relevant information in Chinese and English.
Investor conference	Quarterly		
Investors mailbox <IR@alchip.com>	From time to time		



Employees

Communication Channel/Form	Frequency	Prioritized Key Topics	Annual Communication Performance or Important Engagement Outcome
Employee meeting	From time to time	<ul style="list-style-type: none"> Ethical management Human rights, diversity, and equity Talent cultivation and development Talent attraction and retention 	<ul style="list-style-type: none"> 467 hours of training were conducted in 2024. Labor-management meetings, Welfare Committee meetings, and annual performance appraisal interviews were conducted as scheduled. In 2024, Alchip updated its Human Rights Policy and its Diversity, Equity, and Inclusion (DEI) statement, and published both on its official website.
Labor-management meeting	Quarterly		
Employee grievance mailbox	From time to time		



Customers

Communication Channel/Form	Frequency	Prioritized Key Topics	Annual Communication Performance or Important Engagement Outcome
Operations meeting	From time to time	<ul style="list-style-type: none"> Product quality Supply chain management Customer privacy and information security 	<ul style="list-style-type: none"> Participated in 22 customer exhibitions in 2024 Conduct annual customer satisfaction surveys and quarterly business review (QBR) meetings with customers.



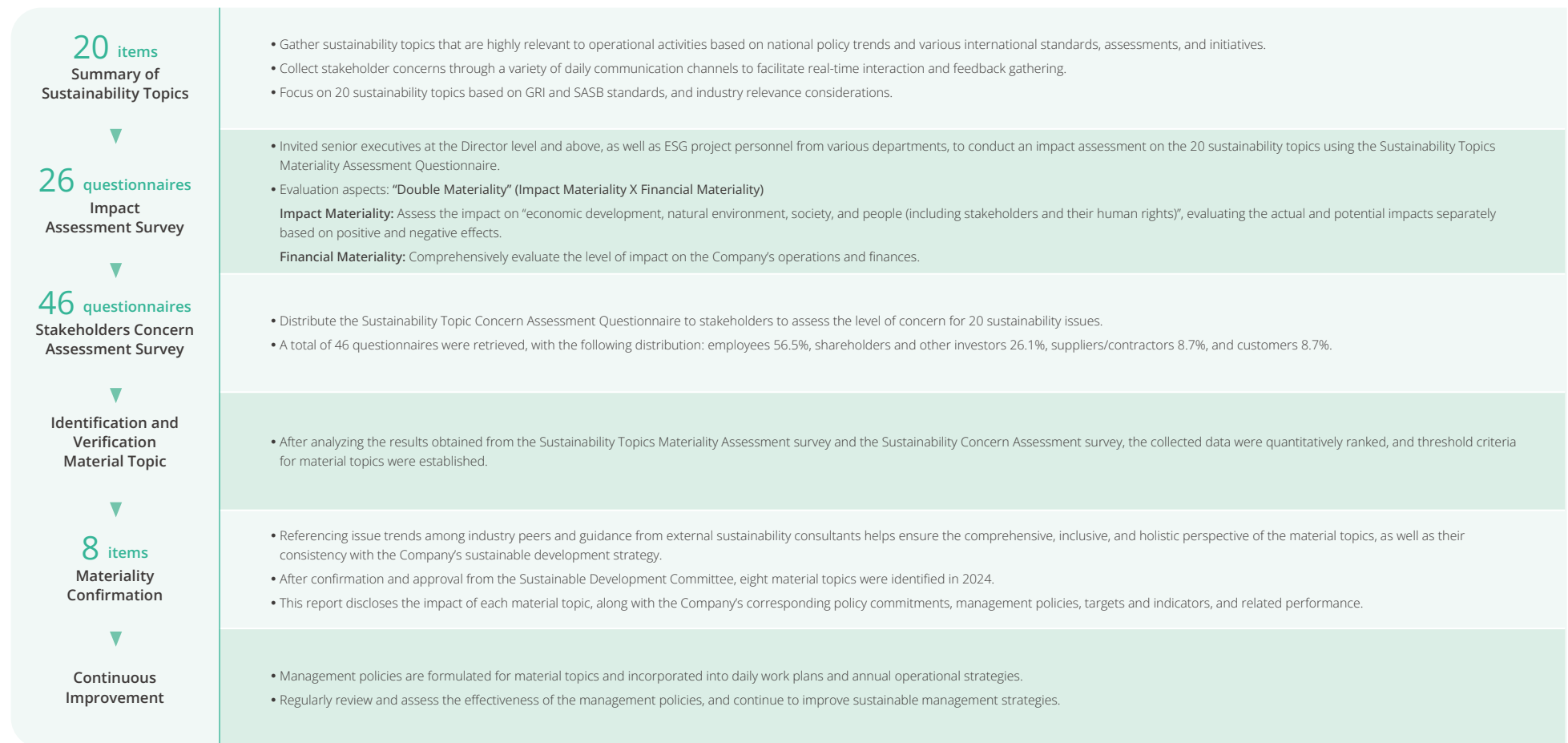
Suppliers

Communication Channel/Form	Frequency	Prioritized Key Topics	Annual Communication Performance or Important Engagement Outcome
Supplier/contractor questionnaire	From time to time	<ul style="list-style-type: none"> Economic performance Ethical management Product quality 	<ul style="list-style-type: none"> Supplier evaluations are conducted through QBR meetings. The evaluation scope includes quality, engineering, delivery, and price.
Supplier evaluation	Annually		

1.2 Materiality Assessment

Alchip considers content from regular stakeholder communications, national policy trends, the GRI Standards, and various international sustainability frameworks (including the SDGs, SASB, TCFD, and MSCI), along with benchmarking against industry peers, to identify sustainability topics, which are analyzed and prioritized using the GRI materiality assessment process. Alchip discloses the impact, management approach, and implementation progress of each material topic, using the results to refine its sustainable development goals (SDGs) and strategies, thereby reinforcing the effectiveness of external communication.

Alchip's Materiality Assessment Process



List of Sustainability Topics of Concern

In 2024, Alchip adjusted its list of topics of concern from 22 to 20, eliminating one topic (“compliance with laws and regulations”: classified as a regular business matter and included in the “ethical management” and “risk management” topics), merging four issues into two (innovation and R&D and green R&D were combined into “innovation and green R&D”; labor-management relations and employee relations were combined into “talent attraction and retention”). One new topic, “customer relationship management”, was added.

20 Sustainability Issues of Concern to Alchip

Economy/governance

- 1 Sustainability Strategy and Management
- 2 Risk Management
- 3 Supply Chain Management
- 4 Economic Performance
- 5 Innovation and Green R&D
- 6 Ethical Management
- 7 Product Quality
- 8 Customer Relationship Management
- 9 Customer Privacy and Information Security

Environment

- 10 Climate Change Response
- 11 Energy Management
- 12 GHG Management
- 13 Water Resource Management
- 14 Waste Management
- 15 Biodiversity

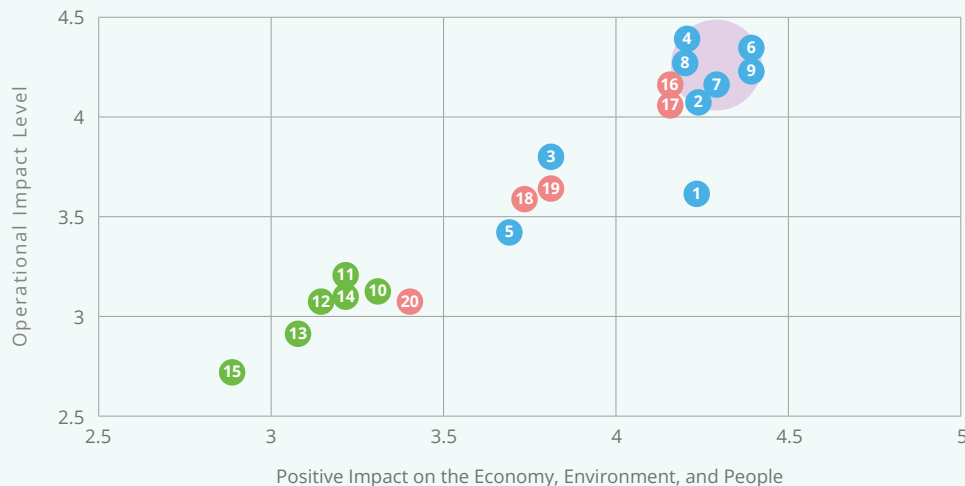
Society

- 16 Talent Attraction and Retention
- 17 Talent Cultivation and Development
- 18 Human Rights, Diversity, and Equity
- 19 Occupational Safety and Health
- 20 Social Engagement

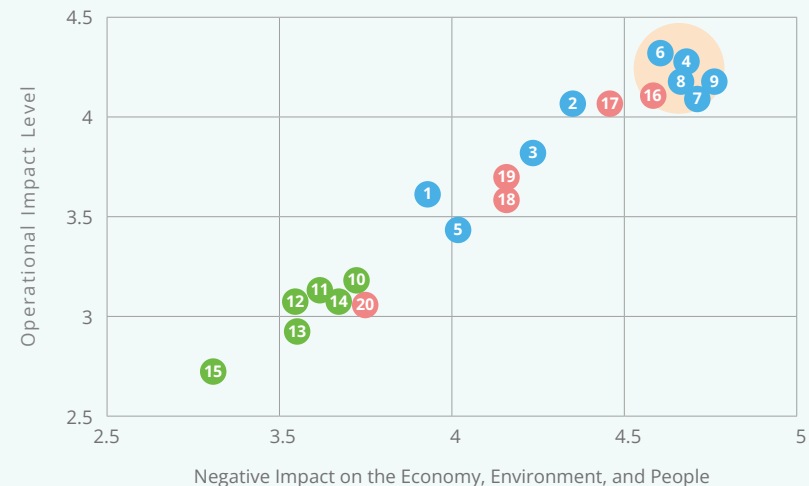
Sustainability Topic Double Materiality Assessment

Alchip conducted its impact assessment using the Sustainability Topics Materiality Assessment Questionnaire. The corresponding scores for positive impact, negative impact, and financial impact were converted according to the questionnaire results (Very High 5 points, High 4 points, Moderate 3 points, Low 2 points, Very Low 1 point). The final ranking of topics was determined by the double materiality score (External Impact X Financial Impact), with a significance threshold set at 17 points to identify significant positive and negative impact topics.

Alchip Sustainability Topic Positive Materiality Matrix



Alchip Sustainability Topic Negative Materiality Matrix



Sustainability Topic Materiality Analysis Outcome

Alchip identified seven positively significant topics and five negatively significant topics from its comprehensive list of sustainability topics. Based on inclusiveness, the top five topics of highest concern to stakeholders are included (based on the top five average concern scores). After cross-referencing, eight final material topics were identified.

Alchip 2024 Material Sustainability Topics Identification and Ranking Results				Alchip 2024 Material Topics and Description of Changes and Adjustments				
Sustainability Topics	Positive Materiality Ranking	Negative Materiality ranking	Stakeholders Concern Ranking	Item	Topic Aspect	2023 Material Topics	2024 Material Topics	Material Change Description
1 Sustainability Strategy and Management	9	12	10	1	Economy/ Governance	Risk Management	Risk Management	Same
2 Risk Management	6	8	12	2		Economic Performance	Economic Performance	Same
3 Supply Chain Management	10	9	6	3		-	Ethical Management	New
4 Economic Performance	3	2	3	4		-	Product Quality	New
5 Innovation and Green R&D	13	13	13	5		-	Customer Relationship Management	New
6 Ethical Management	1	4	1	-		Innovation and R&D	-	Deleted; failed to reach the significance threshold
7 Product Quality	5	5	2	6	Society	Customer Privacy and Information Security	Customer Privacy and Information Security	Same
8 Customer Relationship Management	4	3	5	7		-	Talent Attraction and Retention	New
9 Customer Privacy and Information Security	2	1	8	8	-	-	Human Rights, Diversity, and Equity	New
10 Climate Change Response	14	14	15					
11 Energy Management	16	16	17					
12 GHG Management	18	18	16					
13 Water Resource Management	19	19	19					
14 Waste Management	17	17	18					
15 Biodiversity	20	20	20					
16 Talent Attraction and Retention	7	6	6					
17 Talent Cultivation and Development	8	7	9					
18 Human Rights, Diversity, and Equity	12	11	3					
19 Occupational Safety and Health	11	10	10					
20 Social Engagement	15	15	14					

Note: While there were four material topics in 2022–2023, one previous topic, “Innovation and Green R&D” (formerly “Innovation and R&D”), failed to reach the significance threshold based on the 2024 assessment of sustainability topic significance and stakeholder concern.


1.3 Management of Material Topics

1.3.1 Alchip Material Topic Significance and Impact Description

Number	Material Topic	Topic Significance Description	Impact Assessment	Impact Scope		
				Economy	Environment	People
1	Risk Management	<p>Positive actual impact: Regularly conduct inventories and identifications of potential risks, establish risk management processes and inspection mechanisms to control risks, and formulate corresponding response strategies.</p>	<p>⊕ Positive: Effective management of various risks helps to lower the risk of operational disruptions, protect the supply chain, and ensure financial stability.</p> <p>⊖ Negative: Ignoring risk management can may result in losses from natural disasters or market fluctuations, which in turn can affect corporate reputation.</p>	✓	✓	✓
2	Economic Performance	<p>Positive actual impact: Management of operational financial performance, cost control, investment results, and profit distribution effectiveness.</p>	<p>⊕ Positive: Stimulating industrial and community economic development, while sharing profits with shareholders, employees, communities, and other stakeholders, and giving back to society.</p> <p>⊖ Negative: Investment failures or poor operating performance may result in financial losses and cash flow constraints, potentially causing reduced employee welfare, downsizing, business suspension, layoffs, and disruptions to daily operations.</p>	✓		✓
3	Ethical Management	<p>Positive actual impact: Management of unethical conduct such as corruption, antitrust, and unfair competition; compliance with laws and regulations; the whistleblowing mechanism; and the promotion of ethical/legal education.</p>	<p>⊕ Positive: Ethical management enhances corporate reputation, attracts investment, and increases customer loyalty.</p> <p>⊖ Negative: Engaging in unethical business practices can violate the rights of others, erode fair market competition, and lead to legal consequences and brand damage.</p>	✓		✓
4	Product Quality	<p>Positive actual impact: Ensure the quality and safety of products or services by establishing quality control procedures, inspection protocols, and assurance mechanisms to consistently meet customer expectations.</p>	<p>⊕ Positive: High-quality products/services help to strengthen market competitiveness and minimize the risk of returns and complaints.</p> <p>⊖ Negative: Inferior product or service quality may lead to decline in customer trust, increased product recall costs, and damage the Company's reputation. It may also pose risks to users' health and safety.</p>	✓	✓	✓

Number	Material Topic	Topic Significance Description	Impact Assessment	Impact Scope		
				Economy	Environment	People
5	Customer Relationship Management	<p>Positive actual impact: Deliver service quality that meets customer needs by establishing a robust customer service system, conducting satisfaction surveys, and implementing effective complaint-handling mechanisms to build trusted, long-term partnerships.</p>	<p>⊕ Positive: Good customer relations improve satisfaction, foster long-term collaboration, and stabilize economic performance.</p> <p>⊖ Negative: Poor customer relations may result in order attrition and market decline, ultimately undermining customer rights and trust.</p>	✓		✓
6	Customer Privacy and Information Security	<p>Positive actual impact: These include the Company's information security measures for safeguarding confidential business and customer information, protecting personal and sensitive data, and implementing crisis management processes to prevent critical information leaks.</p>	<p>⊕ Positive: Reinforce privacy protection and security measures to bolster trust and competitive edge.</p> <p>⊖ Negative: In the event of a data breach that triggers a trust crisis, the interests of data owners may be compromised, raising privacy concerns and potentially resulting in legal actions, fines, and financial and reputational losses for the Company.</p>	✓		✓
7	Talent Attraction and Retention	<p>Positive actual impact: The Company aims to attract and retain talent through employee recruitment methods, salary and benefits, welfare facilities/measures, and employee care systems.</p>	<p>⊕ Positive: Fostering local employment opportunities and improving working conditions help strengthen industry competitiveness and employee satisfaction. While a stable talent pool enhances corporate competitiveness and performance.</p> <p>⊖ Negative: Unfair or improper dismissal of employees may lead to talent loss, deteriorating labor relations that undermine the rights of both shareholders and employees, and increased recruitment and training costs resulting from high turnover.</p>	✓		✓
8	Human Rights, Diversity, and Equity	<p>Positive actual impact: By respecting human rights protection, equal opportunities, and a diverse workplace, the Company evaluates the internal situation regarding DEI and formulates relevant management measures.</p>	<p>⊕ Positive: Promote diversity and respect human rights to improve employee satisfaction and create a friendly, inclusive workplace.</p> <p>⊖ Negative: Inequality or discriminatory practices may constitute human rights violations, negatively impact employees' physical and mental well-being, and potentially result in legal actions and reputational risks for the Company.</p>	✓		✓

1.3.2 Alchip's Material Topic Management Policies

Material Topic: Risk Management	
SDGs	 <p>Corresponding Indicators: Customized Topics Relevant Chapters: 3.1.2 Risk Management</p>
Policy Commitment	To effectively lower the Company's operational risks, we require each responsible unit to strategize and implement improvement actions for relevant risks. This is to ensure that all levels and departments within the Company and its subsidiaries can efficiently identify, evaluate, and respond to diverse risks, thereby realizing the objectives of stable operation and sustainable development.
Tracking and Management Mechanism	<ul style="list-style-type: none"> The audit department formulates an annual audit plan based on the Internal Control and Auditing Procedures, performs various audit operations, and submits the audit outcome and improvement plans to the Board of Directors and management to ensure the effectiveness of the audit. Annual internal control self-evaluations are carried out, requiring various departments and subsidiaries to review the design and operational effectiveness of their internal control systems. Regularly review market, technology, and regulatory risks, and comply with local policies and international laws.
Targets and Metrics	<p>Short-Term Targets (within a year)</p> <ol style="list-style-type: none"> Enhance audit personnel capabilities: Provide professional training to enhance the expertise and skills of audit personnel. Enhance the audit report: Ensure that the audit reports are detailed, accurate, and include specific improvement recommendations. <p>Medium-Term Targets (one-three years)</p> <ol style="list-style-type: none"> Strengthen internal control: Improve and strengthen the internal control system based on the audit outcome to ensure its effectiveness. Increase audit coverage: Progressively expand the audit coverage to ensure that all business processes and departments are effectively monitored. Reinforce risk management: Identify and evaluate emerging risks through audit activities, and formulate relevant risk management strategies. <p>Long-Term Targets (more than three years)</p> <ol style="list-style-type: none"> Form a risk management culture: Form an internal risk management culture within the Company to ensure that all employees understand and engage in risk management. Promote corporate sustainable development: Ensure the Company's sustainable development in aspects such as the economy, environment, and society through audit activities.
2024 Achievements	<ul style="list-style-type: none"> ✓ The audit unit has executed the audit items according to the 2024 audit plan. During the audit of the Japanese subsidiary, three deficiencies were identified. Follow-up audits will be conducted quarterly as required by the competent authority until the deficiencies are rectified. ✓ The internal control mechanism of "sustainability information management" has been established accordance with legal requirements and is included in the 2025 audit plan.

Material Topic: Economic Performance

SDGs



Corresponding Indicators:

GRI 201-1 Direct economic value generated and distributed by an organization

Relevant Chapters: [2.5 Financial Performance](#)

Policy Commitment

The Company has a sound financial structure, holds a leading position in the industry, actively invests in new product R&D, and promotes mass production. At the same time, we are dedicated to enhancing existing customer relationships and acquiring new customers. With steady profit growth expected, we remain committed to increasing operational efficiency and rationalizing cost structures to meet the demands of future business expansion.

Tracking and Management Mechanism

- Disclosing financial information according to the law and maintaining financial information transparency.
- We continue to monitor the impact of interest rate, exchange rate, and inflation fluctuations on the Company's profits and losses, while closely observing market risks and evolving trends to develop appropriate response strategies.
- Understanding customers' needs and providing high-quality products and services to forge long-term customer relations.

Targets and Metrics

Key Effectiveness Indicators Monitored: Consolidated revenue, Consolidated net profit after tax, Earnings per share

Ongoing Targets:

Consolidate the Company's position as a reliable ASIC partner in the semiconductor industry, earn customer trust by providing high-quality customer service, and strive toward the goal of sustained growth and profitability.

2024 Achievements

- ✓ In 2024, Alchip reported consolidated annual revenue of NTD 51.969 billion, representing a 70.49% increase from NTD 30.482 billion in the previous year. Consolidated net profit after tax was NTD 6.45 billion, a 94.14% increase compared to NTD 3.32 billion in the previous year. Earnings per share (EPS) were NTD 81.34.

Material Topic: Ethical Management

SDGs



Corresponding Indicators:

GRI 205-2 Communication and training on anti-corruption policies and procedures

GRI 205-3 Confirmed incidents of corruption and actions taken

GRI 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices

Relevant Chapters:

[3.4.2 Ethics and Legal Affairs Education Campaign](#)

[3.4.3 Compliance with Laws and Regulations](#)

Policy Commitment

We have formulated the "Procedures for Ethical Management and Guidelines for Conduct" in accordance with the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies", and disclose our ethical management policy in internal regulations, annual reports, the company website, and other promotional materials.

Tracking and Management Mechanism

- Regularly conduct education and training courses to enhance colleagues' awareness of ethics and self-discipline.
- The Company provides whistleblowing channels, and in cases of serious ethical violations, individuals may be dismissed or terminated in accordance with applicable laws and internal personnel regulations.

Targets and Metrics

Key Effectiveness Indicators Monitored: Number of participants or sessions in ethical management training; number of incidents involving bribery, fraud, and conflicts of interest.

Ongoing Targets:

- Conduct annual ethical management-related education and training for managers and employees.
- Ensure that no violations of ethical management-related matters occur every year.

2024 Achievements

- ✓ In 2024, ethical management promotional courses and training totaled 60 man-hours.
- ✓ In 2024, the Company reported no legal violations, including zero incidents of corruption, bribery, fraud, anti-competitive behavior, antitrust violations, or monopolistic practices.

Material Topic: Product Quality

SDGs



Corresponding Indicators: Customized Topics

Relevant Chapters: [3.6 Quality Management](#), [3.7 Supplier Management](#)

Policy Commitment

Provide customers with products to satisfy their needs and implement continuous improvement. The company adheres to the ISO 9001:2015 quality management system and the SONY technical standard SS-00259. We also conduct annual supplier audits through systematic management to ensure they provide green products that comply with environmental, safety, and health regulations.

Tracking and Management Mechanism

- Plan and establish a process-driven quality management system (PDCA process).
- Establish a quality management system and its objectives, allocate the necessary resources to meet customer requirements and organizational policies, and implement the system accordingly.
- Monitor and measure processes, products, and services against according to objective and requirements, and report the results of the inspections.
- Implement measures based on the inspection results to improve process performance.

Targets and Metrics

Key Effectiveness Indicators Monitored: New supplier overall evaluation, existing supplier audit

Ongoing Targets:

- Implement annual audits, assessments, improvements, education, and training for new and existing suppliers.
- All existing suppliers achieve a 100% audit pass rate.

2024 Achievements

- ✓ Alchip's new suppliers achieved an overall evaluation score of A in 2024.
- ✓ All 16 suppliers completed the evaluation and achieved a 100% pass rate in 2024.
- ✓ We have established an internal conflict minerals control statement, committed to adhering to the RBA's policy of not using conflict minerals, and require suppliers to sign a "Conflict Minerals Declaration".
- ✓ We have developed specifications for hazardous substances that comply with the EU's Restriction of Hazardous Substances Directive (EU RoHS Compliance) and the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulation.

Material Topic: Customer Relationship Management

SDGs



Corresponding Indicators: Customized Topics

Relevant Chapters: [3.6.3 Customer Relationship Management](#)

Policy Commitment

Form key global customer service locations to develop long-term partnerships and core technologies with system customers.

Tracking and Management Mechanism

- The Company's quality assurance (QA) unit has formulated the "Customer Satisfaction and Customer Complaint Procedure Manual".
- A grievance channel has been created in the stakeholder section of the Company's website.

Targets and Metrics

Key Effectiveness Indicators Monitored: Customer satisfaction

Ongoing Targets:

- Bolstering strategic alliances and long-term partnerships with silicon intellectual property suppliers.
- The Company collaborates with customers to develop various application platform architectures and assist them in forming strategic partnerships to enhance their competitiveness in system integration, such as SoC or SiP.
- Continuing to strengthen partnerships between upstream and downstream manufacturers, and establish a broader market information reach.

2024 Achievements

- ✓ In 2024, a customer satisfaction survey of 26 customers resulted in a customer satisfaction score of 4.07.

Material Topic: Customer Privacy and Information Security

SDGs



Corresponding Indicators: GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

Relevant Chapters: [3.5 Information Security Management](#)

Policy Commitment

- Strengthen information security management and ensure the confidentiality, integrity, and availability of the Company's information assets (including personnel, equipment, data, and archives) to maintain the uninterrupted operation of information services, and comply with relevant regulatory requirements.
- We have formulated the Information Security Control Operating Instruction Manual. Through the information security management system, the manual regulates the prevention and handling of information security incidents to mitigate their associated risks and losses.
- In response to new information security risks, the Company continues to conduct information security drills and education and training for colleagues.
- Formulating personal data protection management measures to ensure the use of personal data is rigorously regulated.

Tracking and Management Mechanism

- The "Information Security Management Committee" is composed of the Information Security Team, the Audit Security Team, and the Emergency Response Team. It is responsible for handling the Company's information security incidents and oversees all related matters, including the formulation and implementation of policies, risk management, and compliance audits.
- The Information Security Team is responsible for work related to information security prevention and handling; the Audit Team is responsible for work related to information security audits; and the Emergency Response Team is responsible for work related to crisis management.
- Enforcing strict access rights management to ensure that only authorized employees may access confidential information.
- Stipulating a clear privacy policy to explain to customers how data is collected and used.

Targets and Metrics

Key Effectiveness Indicators Monitored: Number of information security incidents, and the results of information security inspection measures

Ongoing Targets:

- The Company has built multi-layered information security defenses and continuously introduces innovative information security defense technologies.
- Regularly conduct simulated information security attack drills to evaluate the maturity of the Company's information security capabilities.
- Regularly review and implement various information security measures, education and training, and improvement promotion initiatives.

2024 Achievements

- ✓ In 2024, Alchip continued to experience DDoS attacks and phishing email threats. In response, we conducted risk assessments and developed comprehensive countermeasures. The possibility of risks occurring has been effectively reduced through technologies such as Multi-Factor Authentication (MFA).
- ✓ In 2024, Alchip did not experience any major information security incidents, nor were there any complaints regarding the infringement of customer privacy or loss of customer data.
- ✓ In 2024, we introduced an information security management system and obtained the new ISO/IEC 27001:2022 standard certification on May 10, 2024.
- ✓ In 2024, Alchip completed vulnerability scanning and penetration testing and promptly carried out assessment and repairs based on the testing results.

Material Topic: Talent Attraction and Retention

SDGs



Corresponding Indicators:

- GRI 401-1 New employee hires and employee turnover
- GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees
- GRI 401-3 Parental leave

Relevant Chapters: [5.1.2 New Employee Hires and Employee Turnover](#), [5.3.2 Comprehensive Benefits](#), [5.2.2 Family-friendly Workplace](#)

Policy Commitment

We value every Alchip employee. Our salary and welfare system are not only formulated according to relevant local laws and regulations but also include various welfare measures that exceed legal requirements. We also actively cultivate professional technology talent so that employees can enhance their skills while achieving a work-life balance.

Tracking and Management Mechanism

- The HR Department is responsible for recruiting and retaining talent, establishing comprehensive employee welfare measures, and aligning employee compensation with the Company's operational performance and results.
- A Welfare Committee consisting of 10 representatives elected from various departments is responsible for formulating and executing annual activity plans, as well as collecting and discussing employee opinions.
- Every year, an annual employee training program is formulated according to the Company's development strategy, and education and training subsidies are provided.

Targets and Metrics

Key Effectiveness Indicators Monitored: New hire rate, turnover rate, parental leave application rate, reinstatement rate, retention rate

Ongoing Targets:

- To promote reasonable employee turnover and attract individuals with innovative technical capabilities, the annual turnover rate is targeted to remain below 16%.
- Continue to foster and maintain a diverse, equitable, and non-discriminatory work environment, with a target of maintaining a workforce that is at least 20 % female.
- Demonstrate commitment to employees through tangible actions by regularly adjusting salaries annually to continuously enhance compensation competitiveness and set a target of 80% retention rate for new hires within their first year.

2024 Achievements

- ✓ In 2024, the new hire rate was 17.9%, the turnover rate was 13.4% and female employees accounted for over 20% of the workforce.
- ✓ In 2024, the satisfaction rate for onboarding training reached 98%, and the pass rate for the human rights and corporate core values test was 100%.
- ✓ The retention rate of new employees within their first year of employment was 87.5%, and retention rate for employees who took parental leave in 2024 was 100%.
- ✓ In 2024, the Welfare Committee convened 14 meetings, with a total budget allocation of NTD 20,473,555, representing a 95.56% increase compared to the previous year. A total of 134 employees benefited from the welfare measures offered by the Committee.
- ✓ In 2024, the average compensation was 7.76 times the basic salary, and the average compensation for full-time non-managerial employees was 4.86 times the basic salary.
- ✓ In 2024, all employees received an average salary increase of 6%.

Material Topic: Human Rights, Diversity, and Equity

SDGs



Corresponding Indicators:

- GRI 405-1 Diversity of governance bodies and employees
- GRI 405-2 Ratio of basic salary and remuneration of women to men
- GRI 406-1 Incidents of discrimination and corrective actions taken

Relevant Chapters: [3.2.1 Board Composition and Selection Mechanism](#), [5.1.1 Employee Structure](#), [5.3.4 Fair Remuneration](#), [5.2.1 Alchip's Human Rights Policy](#)

Policy Commitment

Alchip respects human rights and strives to create a diverse and equal working environment. We support internationally recognized labor and human rights standards, comply with local laws and regulations in all our global operating locations, and treat all personnel, including employees, contractors, temporary staff, and interns, with fairness and respect.

Tracking and Management Mechanism

- The Company has formulated the Alchip DEI Statement and the Alchip Human Rights Policy.
- The Company has established the Corporate Governance Best-Practice Principles, which state that the composition of the Board of Directors should take diversity into account and must not be restricted by gender, age, nationality, or cultural background.
- Employee compensation is based on the principle of fairness and is assessed based on education, experience, position, and individual work performance.

Targets and Metrics

Key Effectiveness Indicators Monitored: Gender pay and compensation ratio, the number of female board members, the number of human rights-related complaints, and the number of sexual harassment complaints

Ongoing Targets:

- Increase the number of female directors to foster gender diversity among the Board of Directors.
- In terms of remuneration policies, we uphold the principle of fairness by determining employees' remuneration based on the Company's operating performance, as well as departmental and individual performance.
- Eliminate any form of discrimination in a bid to create a diverse and fair employment environment.

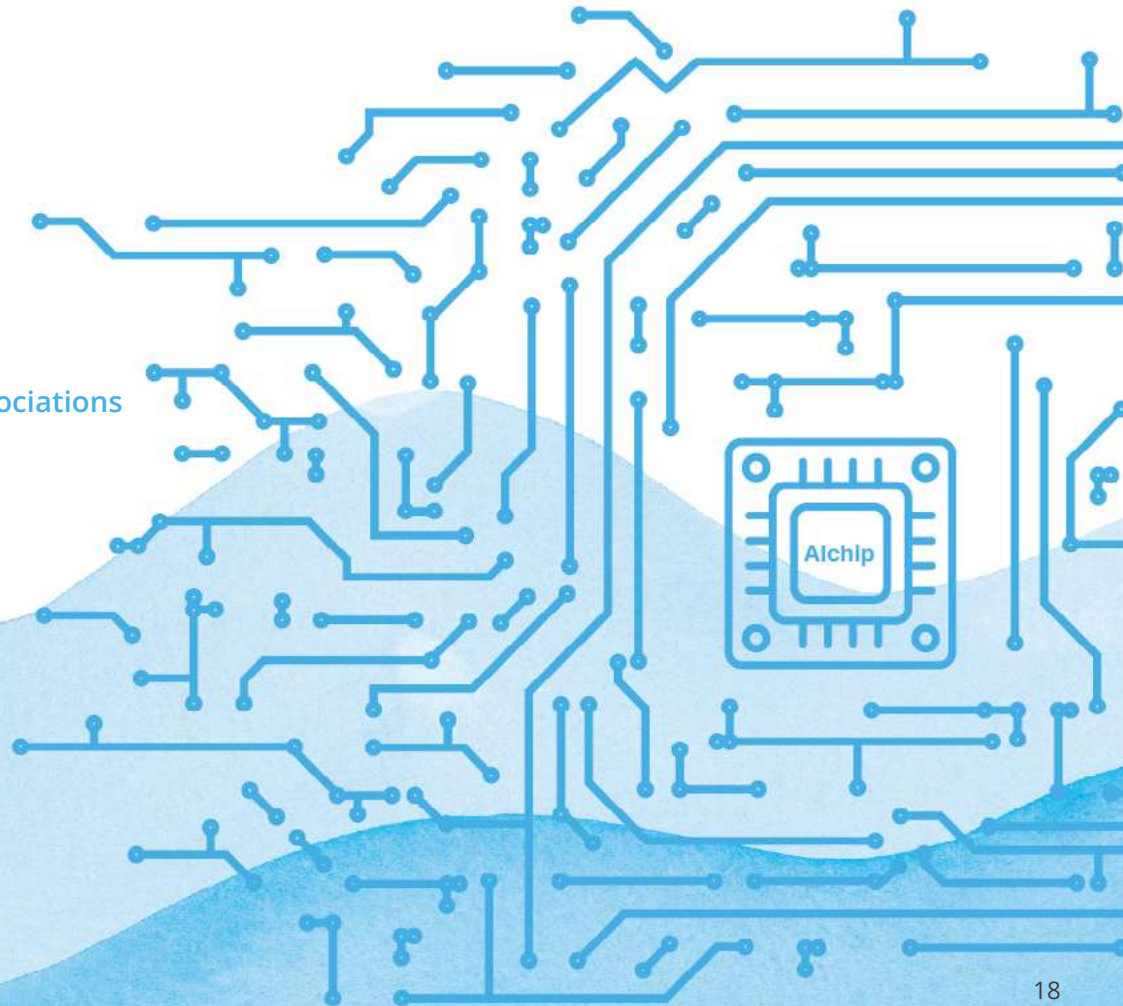
2024 Achievements

- ✓ All current board members are male. To strengthen the goal of board diversity, the number of female directors will be increased in future elections in a bid to increase board gender diversity.
- ✓ In 2024, the ratio of average annual compensation between male and female employees was 1:1.31.
- ✓ In 2024, there were no incidents of human rights violations and sexual harassment.



About Alchip

- 2.1 Company Introduction
- 2.2 Core Values and Brand Management
- 2.3 Industry and Market Development
- 2.4 Production and Sales Overview
- 2.5 Financial Performance
- 2.6 Innovative R&D
- 2.7 Participation in Organizations and Associations



2.1 Company Introduction

Alchip was founded in 2003, and its headquarters is located in Taipei. Alchip is a leading global Application-specific Integrated Circuit (ASIC) design service Company specializing in the field of High-Performance Computing (HPC) and Artificial Intelligence (AI). We provide customers with cutting-edge System-on-Chip (SoC) solutions, offering a one-stop service encompassing the entire value chain from chip design to manufacturing. Alchip is committed to providing customers with solutions that offer the highest performance-to-cost ratio, helping them shorten their time-to-market. Since our inception, we have completed numerous successful mainstream and high complexity SoC designs.

With advanced 2.5D/3DIC design, CoWoS/chiplet design, and manufacturing management expertise, Alchip has established its leadership as a pioneer in high-performance ASIC technology. Product application markets include: AI, HPC/ supercomputers, automotive electronics, mobile phones, entertainment equipment, communication equipment, and other consumer electronic products. The Company was listed on the Taiwan Stock Exchange (TWSE) in 2014 (Stock code: Alchip-KY: 3661).

Basic information of Alchip Technologies, Limited

Chairman	Kinying Kwan
President & CEO	Johnny Shyang-Lin Shen
Founded On	February 27, 2003
Capital	NTD 864.9 million
Listing Time	October 28, 2014
Stock Name (Code)	Alchip-KY (3661)
Business Operations	Application-specific integrated circuit (ASIC), System on a chip (SoC) design and manufacturing
Operational Headquarters	Taipei, Taiwan
Information of Headquarters	9F, No. 12, Wenhua St., Neihu Dist., Taipei City Tel: +886--2--27992318 Fax: +886--2--27997398
Other Locations	Hsinchu, Taiwan, Silicon Valley, USA, Shin-Yokohama, Japan, Mainland China, Malaysia, Vietnam

Introduction of Alchip's products and services

Products and Services	Item Content
ASIC and Wafer Products	The Company offers design services (non-recurring engineering, NRE) for application-specific integrated circuit (ASIC) and system on a chip (SoC), as well as comprehensive services including backend wafer manufacturing, packaging, and testing.
Non-Recurring Engineering (NRE)	Alchip mainly provides the circuit design component database and various silicon intellectual properties (SIP) required for product design, as well as circuit diagrams for manufacturing product mask sets. Furthermore, foundries are commissioned to produce masks, wafers, cutting, and packaging. Trial production samples that have been tested by Alchip's engineers are delivered to customers.
Other	Providing customers with backend wafer manufacturing, packaging, and testing services.

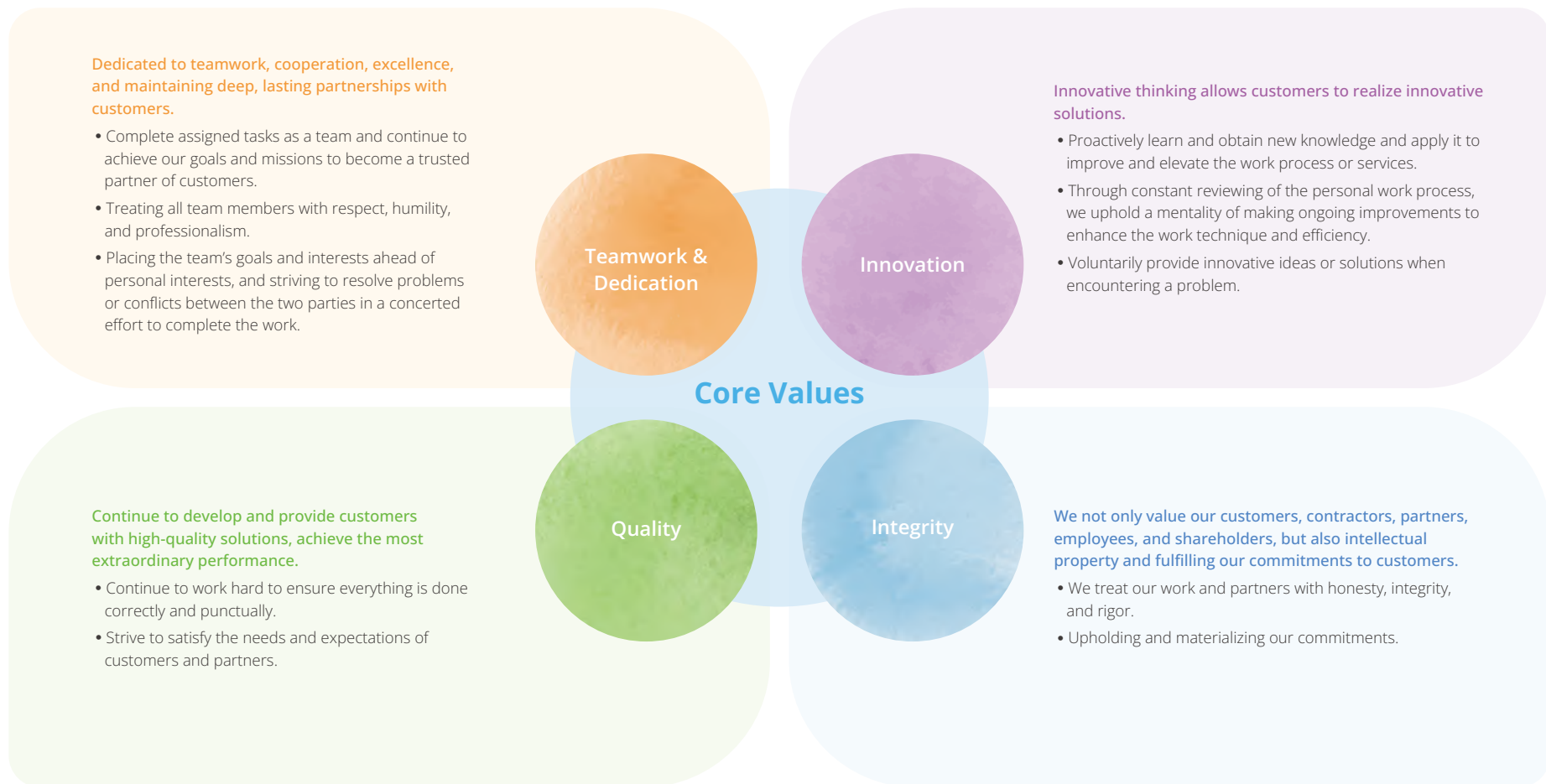
Successfully Developed Technologies in 2024

- ✓ Successfully completed the development and tape-out of the 2nm test chip.
- ✓ Completed the tape-out of a 5-nanometer Advanced Driver Assistance System (ADAS) chip with LPDDR5X-8533.
- ✓ Achieved technical validation of Advanced Package Link (AP Link) 5.0 on the N3P process node.
- ✓ Achieved technical validation of High Bandwidth Memory (HBM)3P on the N3P process node.
- ✓ Developed an ultra-low voltage N3P solution for communication network clients.
- ✓ Developed a CoWoS solution integrating SoC with a Dynamic Random Access Memory (DRAM) interposer.
- ✓ Developed a 5-nanometer CoWoS-S solution with a 3.3x reticle size for customers in the field of machine learning, which has already entered mass production.
- ✓ Achieved a Wafer-on-Wafer (WoW) solution for stacking DRAM on an SoC.
- ✓ Verified a CoWoS-R Multi-Chip Module (MCM) solution with substrate-embedded IPD for a complete Serialize/Deserializer (SERDES) 112G and Universal Chiplet Interconnect Express (UCIe) D2D (Die-to-Die) solution.
- ✓ Launched a 5-in-1 MCM solution suitable for ARVR applications integrating D2D (Die-to-Die) and high-bandwidth memory.
- ✓ Launched 4-in-1 Fan-Out Panel-Level Packaging (FOCoS)-S MCM packaging technology, integrating 2.5D Cap solution to enhance AI chip performance

2.2 Core Values and Brand Management

Core Values

“Teamwork and dedication, innovation, integrity, and quality” (TIIQ) is the core spirit of Alchip, which fosters concerted efforts throughout the Company via common values in a bid to achieve Alchip’s mission and goals.



Brand Management

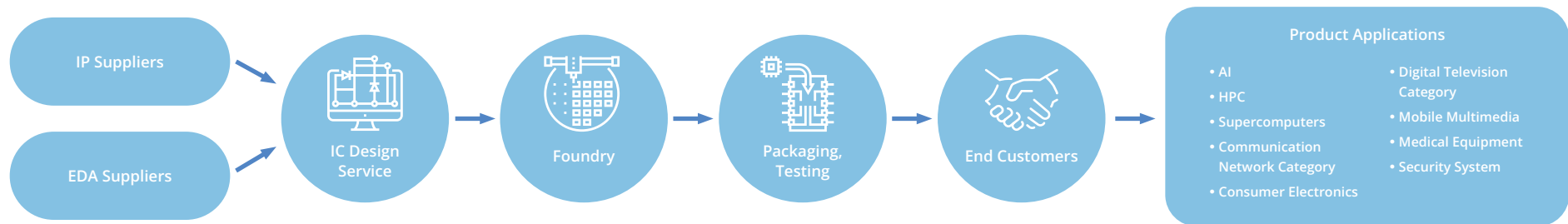
Alchip is a leading global Application-specific Integrated Circuit (ASIC) design service Company specializing in the field of High-Performance Computing (HPC) and Artificial Intelligence (AI). We provide customers with cutting-edge System-on-Chip (SoC) solutions, offering a one-stop service that encompasses the entire value chain, from chip design to manufacturing. Alchip upholds the core values of “Innovation-based, Ethical Management, Quality First, Teamwork” and is dedicated to becoming the industry’s most reliable ASIC partner. The Company adopts “First-Pass Silicon Success” as its quality benchmark. Through independent R&D and global resource integration, we assist customers in expediting time-to-market, maintaining a competitive edge in a fast-evolving technological landscape, and continuously delivering exceptional value to customers and shareholders.

Enhance Global Deployment	Increase Brand Awareness	Endorsement by Trusted Authorities Affirms Our Leadership Status
<p>Participated in 22 physical exhibitions throughout the year, including 12 in North America and 10 in other international markets, directly reaching 17,000 industry professionals. Through deep integration within the global industry ecosystem, we continue to reinforce our leadership in AI and high-performance computing markets.</p>	<p>Through 14 press releases and two interviews with leading media outlets, we systematically communicated our achievements in ASIC technology innovation, AI application implementation, and high-performance computing, further reinforcing our professional image and industry influence as “The AI & HPC ASIC Leader”.</p>	<p>Recognized on Forbes Asia’s “Best Under a Billion” list and ranked first in Commonwealth Magazine’s “AI Operational Performance Top 50” in Taiwan, we demonstrated outstanding performance in technological R&D, commercialization capabilities, and operational efficiency.</p>

2.3 Industry and Market Development

Current Industry Overview and Development Trend

The fabless ASIC industry drives the development of diverse system applications, silicon intellectual property (IP) components, manufacturing, packaging, testing, and other related sectors, forming an industry chain characterized by specialized divisions of labor.



Alchip Industry Chain Relationship Diagram

Application-Specific Integrated Xircuit (ASIC)

ASIC chips, known for their high performance and low power consumption, are widely applied across various fields, including electronics, computer science, healthcare, the automotive industry, and AI. They enhance the performance of electronic devices, accelerate cryptographic processing in computing, power advanced medical technologies, drive intelligent automotive systems, and optimize edge computing in AI applications. All of these examples demonstrate how the integration and specialization of ASIC chips make them key components for supporting technological innovation and industry progress.

In recent years, with the advancement of AI technology, particularly the emergence of generative AI and large language models, the demand for chip computing power and energy consumption control has increased tremendously, in turn driving the rapid development of ASIC chips in the AI field. ChatGPT and similar applications represent a new wave of breakthroughs in AI chip technology, further reinforcing ASICs as the core architecture for future AI chips. In the early stages, the downstream applications of ASIC were focused on various smart terminal devices. With the growing demand for cloud computing power, ASICs, capitalizing on their superior processing capabilities, have rapidly gained traction in the field of cloud inference. The rapid rise in compute demand for large models and the clearer roadmap for inference ASICs have made them a key growth driver in the AI chip market. Meanwhile, the growing demand for consumer electronics will also continue to drive the development of the ASIC market. At the technical level, the design and manufacturing of ASICs are constantly moving toward more advanced process nodes. The introduction of 7nm, 5nm, and even 3nm processes has significantly improved performance and energy efficiency. Furthermore, the application of 3D packaging technology further increases the level of integration and functional complexity. Advancements in Electronic Design Automation (EDA) tools have also shortened the design cycle and lowered development costs.

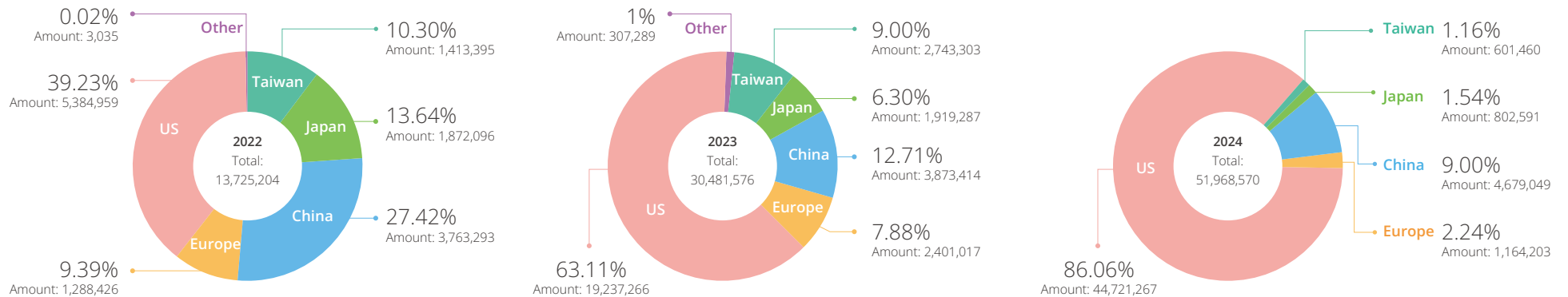
System on a Chip (SoC)

As semiconductor technology advances, traditional Microcontroller Units (MCUs) are no longer sufficient for the evolving needs of smart terminal devices. In response, SoCs have emerged, offering high performance, low power consumption, and flexibility, enabling the integration of an entire electronic system onto a single chip. SoCs have already become dominant in chip applications for smartphones and tablets, where high performance and low power consumption are essential. They have also been implemented in areas such as autonomous driving and Artificial Intelligence of Things (AIoT). With the continued development of AIoT and 5G technologies, SoCs are expected to expand into broader application fields in the future.

SoC development requires balancing multiple factors, including performance, computing power, power consumption, and process complexity. AI has become a key competitive arena for major SoC manufacturers, placing increasing demands on algorithm design. Achieving effective AI performance within power constraints has become critical, making computing efficiency – measured in terms of cost and power consumption per unit of computing power – a crucial consideration. SoCs are currently applied to chip fields such as smartphones, tablets, autonomous driving, and AIoT. With advances in AIoT and 5G technologies, the future application scope of SoC will be more extensive. Moreover, the era of information explosion places higher demands on edge computing power, and the demand for smart hardware will continue to increase.

2.4 Production and Sales Overview

The Company is a global leader in ASIC/SoC design services. In addition to scale and uniqueness, the Company has also demonstrated outstanding performance in the domestic design service industry. Looking at the growth of various regions, the enormous domestic demand market in North America has fueled its growth and it will become the center of development in the future.



Alchip Sales Market Share (Unit: NTD Thousand)

Sales Development Plan

Short-Term Sales Development Plan

Long-Term Sales Development Plan

Production

- Strengthening upstream-downstream collaboration.
- Providing customers with excellent supply chain management to generate added value for production.
- Forging long-term partnerships with foundries.

- Reinforcing the connection between design and production, lowering production costs, and increasing yield.
- Providing customers with better quality supply chain management and more professional backend consulting skills to generate added value in production.
- Forging close, long-term partnerships with foundries including the verification and R&D of silicon intellectual property.

Business

- Focusing on system customers and choosing products with market potential, particularly HPC/AI-related application products.
- Introducing advanced processes for system customers' existing products to reduce cost and power consumption.
- Increasing system integration such as SoC or SiP.
- Adopting a market-oriented customer development approach to search for potential customers, focusing on customers in the four major fields of the Company.

- Establishing service locations for major global customers, nurturing long-term partnerships with system customers, and developing core technologies to increase market visibility and market share.
- Bolstering strategic alliances and long-term partnerships with silicon intellectual property suppliers.
- Collaborating with customers to develop various application platform architectures, and help them build partnerships and alliances to enhance the competitiveness of system integration such as SoC or SiP.
- Continuing to strengthen partnerships between upstream and downstream manufacturers, and establish a broader market information reach.

2.5 Financial Performance

In 2024, Alchip reported consolidated annual revenue of NTD 51.969 billion, representing a 70.49% increase from NTD 30.482 billion in the previous year. Consolidated net profit after tax was NTD 6.45 billion, a 94.14% increase compared to NTD 3.32 billion in the previous year. Earnings per share (EPS) were NTD 81.34.

To ensure the Company's financial soundness, our investment policy upholds the principle of stable operation, without engaging in high-risk, high-leverage investments or derivative transactions. Additionally, transactions involving lending of funds and endorsement guarantees are executed according to the Company's relevant procedures and regulations, and no losses have occurred thus far. With ESG considerations playing a growing role in investment decisions, we invested USD 200,000 in 2024 in Shinhan Card Co., Ltd.'s social bonds, recognized as sustainable bonds by the Taipei Exchange.

In 2024, Alchip received a financial subsidy of NTD 58,333 from the government of the Republic of China for on-site health service support. It also received a total of NTD 98,869,433 in subsidies from China for "High-Tech Enterprise and Technological Innovation Support, Computing Power Subsidies, Industry Support, R&D Subsidies, and Enterprise Office Rental Subsidies".

Alchip's Financial Performance for the Last Three Years (Unit: NTD Thousand)

Item	2022	2023	2024
Operating Income	13,725,204	30,481,576	51,968,570
Gross Profit	4,429,571	6,794,351	10,201,003
Operating Profit	2,311,055	3,761,272	6,496,367
Non-Operating Income and Expenses	72,065	436,392	1,311,780
Net Profit Before Tax	2,383,120	4,197,664	7,808,147
Net Profit (Net Loss) for the Period	1,833,293	3,320,516	6,446,540
Total Comprehensive Income for the Period	2,926,820	3,301,378	8,266,586
Net Profit Attributable to Owners	1,834,414	3,325,170	6,445,719
Total Comprehensive Income Attributable to Owners of the Company	2,927,941	3,306,032	8,265,765
Earnings Per Share (NTD)	25.69	45.47	81.34
Dividends Per Share (NTD)	12.92	23.22	40.05

Direct Economic Value Generated and Distributed by the Organization (Unit: NTD thousand)

Item	2022	2023	2024	2024
Direct Economic Value Generated (A)	Operating income	13,725,204	30,481,576	51,968,570
	Non-operating income	140,131	433,261	1,371,619
Distributed Economic Value (B)	Operating cost	9,379,635	23,843,229	42,127,958
	Employee salaries and welfare	1,626,168	1,979,779	1,939,203
	Payments to capital providers	790,324	930,917	1,818,236
	Payments to the government	549,827	877,148	1,361,607
	Community investment	-	-	315
Retained Economic Value (A-B)	1,519,381	3,283,764	6,092,870	

2.6 Innovative R&D

Alchip is committed to the research and manufacturing of cutting-edge integrated circuits, including the development of customized design tools and methodologies required for SoC to ensure service quality, and provides the most effective solutions and corresponding designs based on market demands in AI/and HPC, leveraging chiplet technology platforms and a portfolio of high-performance computing IPs, such as Double Data Rate (DDR), High Bandwidth Memory (HBM), PCI Express (PCIe), and Serializer/Deserializer (SerDes), as well as the latest 2.5D/3D advanced packaging technologies.

To address future growth, Alchip will continue to invest R&D resources in the design and development of SoC and customized circuit silicon intellectual property (IP). The main R&D projects include: low-power design flow, automatic clock circuit optimization technology, signal integrity management technology, performance improvement of high-end microprocessors and their peripheral IP, and high-end multi-chip packaging design technologies. Alchip's R&D expenses have consistently exceeded NTD 100 million over the past three years. In 2024, R&D spending reached over NTD 2 billion, the highest in the past three years, representing a 38% increase from the previous year. Looking ahead, we will continue to invest in R&D resources in line with our product development plans.

Alchip R&D Expenses for the Last Three Years (Unit: NTD thousand)

Year	2022	2023	2024
Amount	1,170,945	1,546,585	2,141,874
Magnitude of Change	+18%	+32%	+38%
Percentage of Revenue	8%	5%	4%

R&D Plan

Short-Term

- Accelerate progress to offer customers 2nm process technologies.
- Invest more resources in 2nm test wafers for verification and design methods.
- Conduct the design and verification process of high-speed 3D D2D (die-to-die) interface IP to help customers integrate 2nm and 3nm chips within 3D SoC designs.
- Increase resources in 3D test wafers, cooperate with major foundries and OSAT suppliers to ensure that the 3D packaging solution is ready.
- Expand the product portfolio of low-power and low voltage customized digital units to facilitate customers in implementing 2nm and 3nm chip designs.

Long-Term

- Establish an AI-assisted SoC design platform to support leading semiconductor advanced process technologies.
- Implement SoC design using a 2.5D/3D chiplet technology platform.
- Develop next-generation SoW (System-on-Wafer) design technology to facilitate the integration of system-level designs onto a wafer for customers.
- Expand the silicon IP library by investing in the development of state-of-the-art customized digital integrated circuits (IC)/analog circuits.
- Introduce new SoC design techniques and customized circuits to increase performance and save energy.
- Achieve system-level design services by providing SI/PI/thermal and IP subsystem design/verification.

Technology Development

Alchip combines commercial design tools (EDA) with in-house developed design technologies, including circuit, physical design, and unique design software tools, to provide customers with services that enhance performance, decrease area, lower power consumption, and facilitate fast completion.

Technique and Technology	Benefits
Hierarchical Physical Design and Timing Distribution	The chip design process can be divided into several parts that can be executed concurrently. The timing of each part is monitored to meet the chip's timing requirements.
Physical Design	Apply various silicon intellectual properties (IP) to high-density chip design to reduce the chip's surface area and lower cost.
Timing and Electrical Design	Increase yield by adjusting various parameters.
Timing and Power Distribution	Can reduce power consumption and improve electrical performance.
Design for Testability	This can maximize the test coverage of the chip and optimize test vectors to reduce testing time and cost.
Technology in the Product Planning and Specification Stages	Alchip provides cost planning for customers, including the selection of System-on-Chip (SoC) or System-in-Package (SiP), system cost and Bill of Materials (BOM) planning, process maturity and Intellectual Property (IP) stability considerations, next-generation process feasibility (Half node), Static Random-Access Memory Repair evaluation (SRAM Repair) and selection of test products and solutions. We collaborate with silicon intellectual property vendors to develop testing solutions, establishing built-in test modules (DFT, BIST), and integrating them with test equipment suitable for mass production. During mass production, we utilize circuit boards that enable simultaneous testing in pairs, quads, or even octets, thereby reducing testing costs. Finally, we will collaborate with the packaging plant to determine the most suitable packaging method, form a robust relationship, and develop the best finished product quality and market benefits for our customers.
SoC and 2.5D/3D Advanced Packaging Technology	2.5D/3D advanced packaging technology plays a pivotal role in the design of AI SoCs. Alchip Technologies has completed multiple design projects from 3nm to 7nm utilizing 2.5D/3D chip-to-package integration. In particular, the on-chip clock tree structure of 3D-packaged chips supports clock transfer between the top and bottom chips. This novel and complex structure is configurable and controllable, and it can be applied to different demanding scenarios.
Technology for Prototyping and Production Stages	Concerning the production of prototypes and the mass production of chips, Alchip utilizes professional equipment and technology (such as built-in test machines and test jigs) and works closely with suppliers to assist customers in reducing the time it takes for products to enter mass production. Additionally, Alchip analyzes product characteristics and sensitivity while establishing mass production conditions and test specifications. Furthermore, Alchip also provides customers with several prototypes for system engineering. In the customer prototype acceptance process, Alchip will begin preparations for chip mass production by conducting reliability and quality analysis. Once in mass production, continue to lower production costs for customers by increasing yield and shortening test time.

R&D Capacity

In-house research and technological innovation are extremely important in the semiconductor industry. Alchip prides itself on being a competent assistant for customers to develop innovative products, vigorously investing in the R&D of emerging technologies. In 2024, the number of R&D personnel was 446, completing a total of 17 R&D projects in the same year. The cumulative number of valid IP rights (including patents, copyrights, and integrated circuit layout designs) reached 202.

R&D Performance of Alchip Over the Last Three Years

Year	2022	2023	2024
Number of Intellectual Property Applications	30	41	15
Number of R&D Projects Completed in the Year	15	36	17
The Average Number of R&D Employees in the Year	430	428	446

Note: Since Alchip's R&D employees are allocated throughout various global operational locations, the number of R&D employees is calculated based on statistics obtained from these locations.

Summary of IP Rights Acquired in 2024

Country	Number of New IP Rights	Number of Expired IP Rights	Accumulated Number of Valid IP Rights
Taiwan	2	0	8
US	0	0	9
China	15	0	185
Total	17	0	202

2.7 Participation in Organizations and Associations

Alchip proactively participates in external organizations, associations, and relevant activities to exchange information with other industry players and monitor market trends, as well as to understand stakeholders' views on various topics and help the Company strive towards sustainable development.

Industry Associations Alchip Participates In

Organization Name	Participation Status
Taiwan Semiconductor Industry Association (TSIA)	Member
Universal Chiplet Interconnect Express, UCIe	Contributor
TSMC Value Chain Alliance (VCA) program	VCA Member
TSMC 3DFabric™ Alliance	DCA/VCA Member
Chinese American Semiconductor Professional Association, CASPA	Platinum



Corporate Governance

3.1 Organizational Structure

3.2 Board of Directors

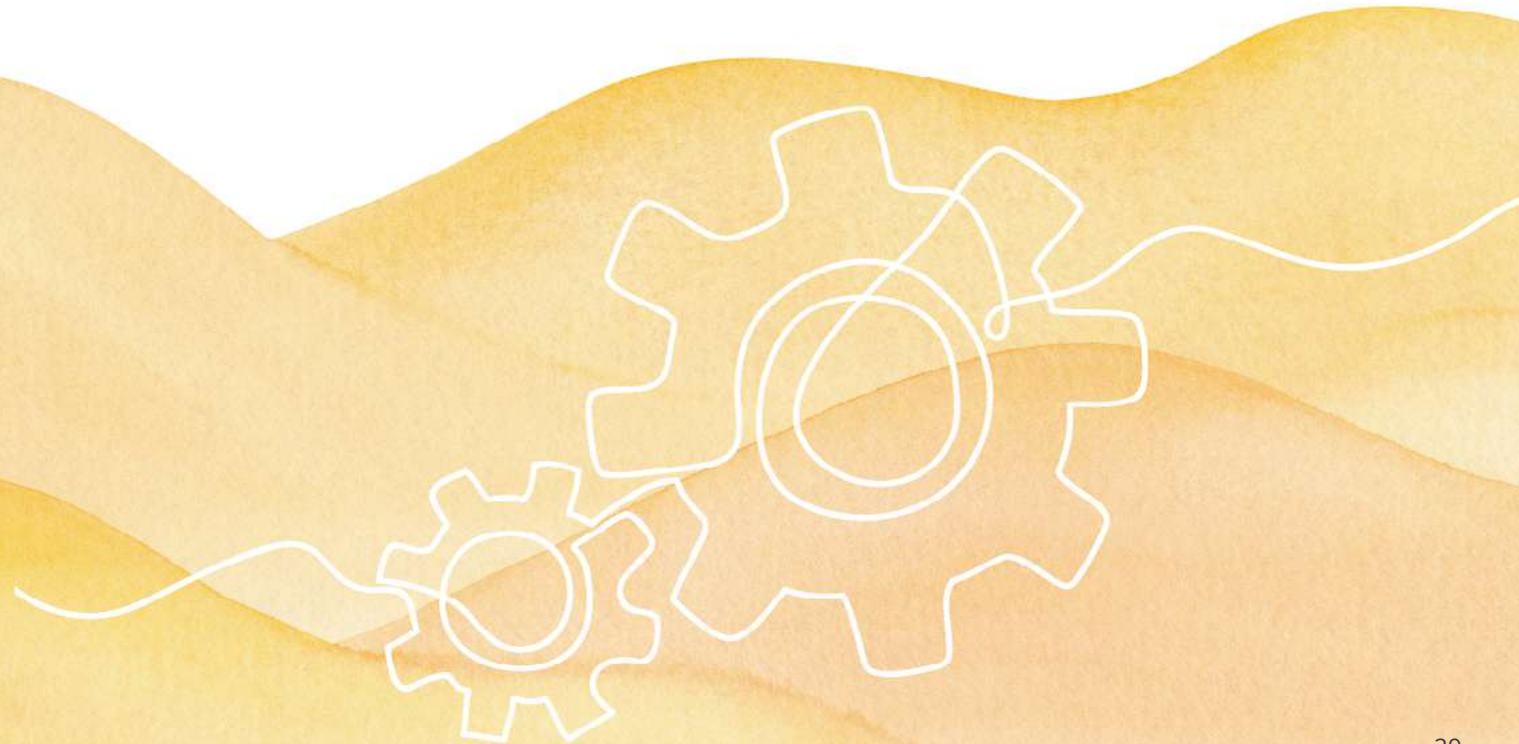
3.3 Functional Committees

3.4 Ethical Management

3.5 Information Security Management

3.6 Quality Management

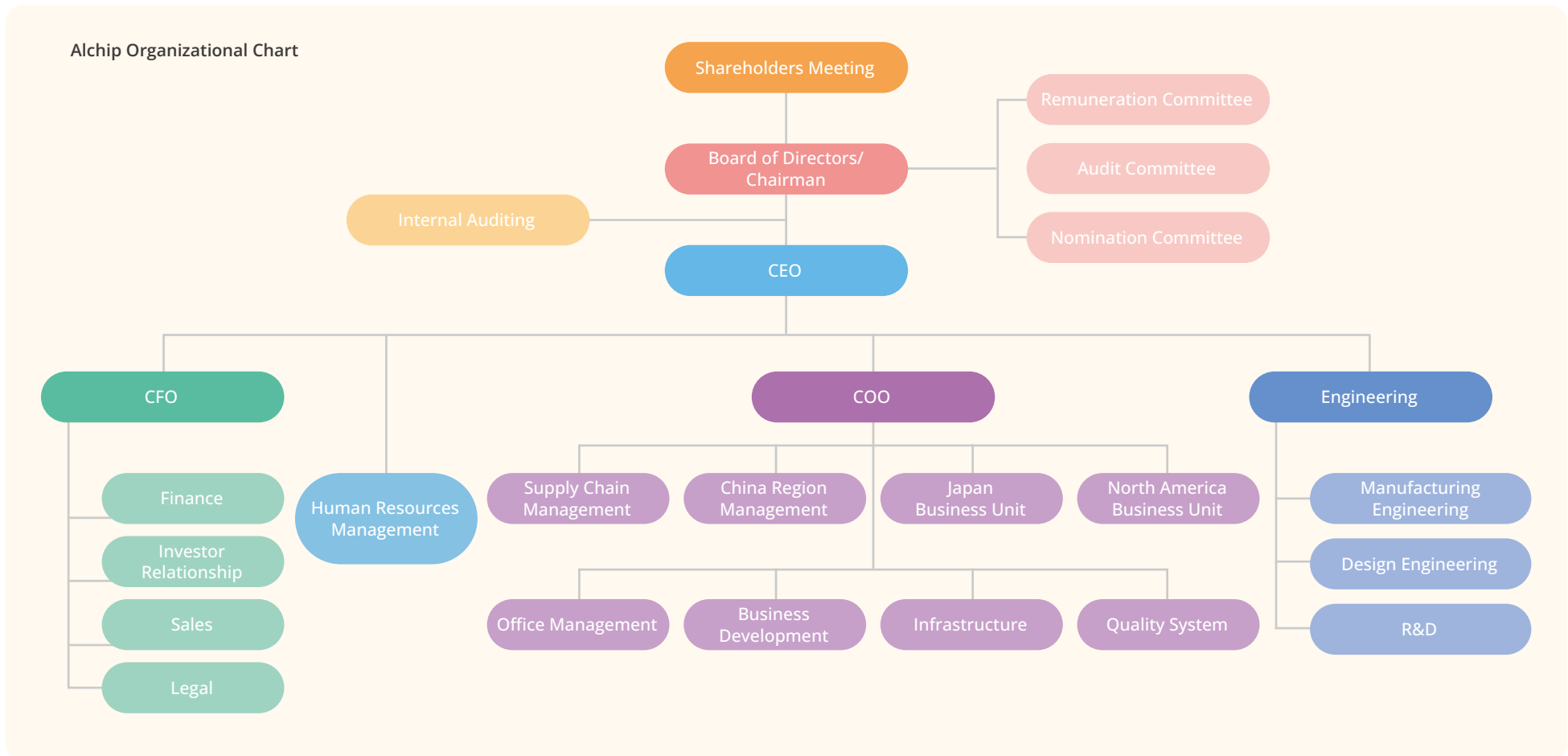
3.7 Supplier Management



3.1 Organizational Structure

Alchip strives to comply with corporate governance-related laws by formulating “Corporate Governance Best-Practice Principles”, “Ethical Corporate Management Best Practice Principles”, “Procedures for Ethical Management and Guidelines for Conduct”, and “Sustainable Development Best Practice Principles” as the corporate governance structure and basis for compliance. Alchip demands that its employees (including the Board of Directors and senior executives) abide by ethical regulations when performing their duties to uphold the interests of the Company, shareholders, and society.

The Company has established various functional committees under the Board of Directors, including the Audit Committee, Remuneration Committee, and Nomination Committee, hoping that their professional review and recommendations can assist the Board of Directors in making suitable decisions.



3.1.1 Sustainable Development Committee

In November 2024, Alchip established the Sustainability Committee, chaired by the CEO and convened by the Corporate Governance Officer. Senior executives from the R&D, Supply Chain Management, Sales, Legal, Finance, and Human Resources departments serve as committee members. Under the Committee's structure, five working groups have been formed: the Sustainable Environment Group, Innovation Management Group, Social well-being and Friendly Workplace Group, Partnership Co-prosperity Group, and Corporate Governance Group. These groups collectively oversee the implementation of sustainability initiatives and define key focus areas and goals, taking into account the Company's operations and the concerns of external stakeholders.

The five working groups assist the committee in implementing various plans according to the following main responsibilities and work goals. They also regularly report on the progress of these plans, which is reported by the Sustainable Development Committee to the Board of Directors at least semi-annually, including details such as the implementation results for the current year and future work plans.

Alchip Sustainable Development Committee Organizational Chart



3.1.2 Risk Management

Alchip's Risk Impact and Response Strategies and Actions

Risk Type	Risk Factor Description	Response Strategies and Actions	Responsible Unit
Strategies and Operational Risks	<ul style="list-style-type: none"> International political risks 	<ul style="list-style-type: none"> Continuously monitor relevant international political developments and related changes in import and export regulations, while consulting with the Legal Department and external law firms as necessary. 	Legal Department
Market Risks	<ul style="list-style-type: none"> Poor sales performance resulting from the launch of new products by competitors. Customer attrition risk arising from poor product design. 	<ul style="list-style-type: none"> Determine functions overlooked by competitors and accelerate new product development. Reinforce testing during the design phase to minimize any potential malfunctions. 	Sales Department
Tax Risks	<ul style="list-style-type: none"> Since the Company engages in global operations, it must comply with the tax laws of each country where it operates. Any unfavorable changes in tax laws and regulations will increase the Company's effective tax rate and negatively impact its operating performance. Transactions among affiliated entities within the group are monitored by tax authorities in respective jurisdictions, with potential scrutiny over the fairness of profit allocation. 	<ul style="list-style-type: none"> Regularly identify, assess, and manage tax risks arising from regulatory changes and operational activities, and make sure these risks are properly measured, monitored, and controlled. Transactions among affiliated entities are conducted based on the arm's-length principle and the internationally recognized transfer pricing guidelines issued by the Organisation for Economic Co-operation and Development (OECD). Moreover, external tax advisory firms are engaged to ensure compliance with the reporting requirements in each operating jurisdiction. 	Finance Department
Regulatory Risks	<ul style="list-style-type: none"> Risk of government-imposed regulations affecting relevant industries, such as those governing wastewater and waste discharge, or raw material content. 	<ul style="list-style-type: none"> Review personnel and environmental safety-related laws and regulations. If relevant disputes occur, we will engage external law firms to seek professional advice on industry-specific regulations. 	Legal Department
Supply Chain Management Risks	<ul style="list-style-type: none"> Supply chain management risks arising from increasing human rights and environmental awareness. Potential risks arising from supply chain violations of relevant government laws and regulations. 	<ul style="list-style-type: none"> If a supplier violates relevant laws or industry initiatives, the Company will dispatch personnel to conduct a risk investigation and assessment to determine whether to continue the partnership with the supplier. 	Supply Chain Management Division
Occupational Safety Risks	<ul style="list-style-type: none"> Safety risks arising from hardware equipment within the Company's buildings or plants. 	<ul style="list-style-type: none"> Incorporate occupational safety awareness promotion measures into the new hire orientation courses. Regularly inspect the integrity and functionality of the Company's hardware equipment (such as buildings and electrical appliances). 	Office Management Department
Information Security and Personal Data Risks	<ul style="list-style-type: none"> Hackers may attack external websites or internal systems to steal confidential information. Confidential document (including physical copies) leakage risks. 	<ul style="list-style-type: none"> Alchip has engaged professional consulting firms to provide recommendations and assist in improving the Company's information security system. The official website is not connected to the internal systems and does not contain confidential information. All company computers used by employees must be equipped with antivirus software, and the procurement of all computer equipment must be evaluated and managed by the IT Department. The content of confidential documents must not be disclosed internally or externally, and all such documents are subject to labeling and classification according to confidentiality levels. 	Infrastructure Division

3.2 Board of Directors

3.2.1 Board Composition and Selection Mechanism

The board of directors ensures the openness and transparency of the Company's operational information and compliance with relevant laws. It is also in charge of directing the corporate strategy, overseeing the management, making arrangements for corporate governance-related mechanisms, being responsible for the Company's shareholders, and exercising its powers according to the laws and the Company's articles of association. The members of Alchip's Board of Directors are selected according to the relevant regulations of "Procedures for Election of Directors", which adopts a candidate nomination system, where the candidates are elected at the shareholders' meeting through a single registration cumulative voting system.

Board Diversity

Alchip's "Corporate Governance Best Practice Principles" stipulate that the board composition should take into consideration diversity and not be limited by gender, age, nationality, and culture. In addition to the necessary qualities needed to carry out its duties, to achieve the ideal goal of corporate governance, the board of directors should also possess diverse professional backgrounds such as operational judgment ability, accounting and financial analysis ability, business management ability, crisis management ability, knowledge of the industry, international market perspective, leadership, and decision-making ability.

In 2024, the Company had a total of seven Board members (including three independent directors), of which two directors also held employee positions (representing 28.6% of all Board members). Mr. Kinying Kwan served as the Chairman. The age distribution of the Board members: one member (14.3%) aged 41–50; one member (14.3%) aged 51–60; four members (57.1%) aged 61–70; and one member (14.3%) aged 71–80, with an average age of 60. All current board members are male. To strengthen the goal of board diversity, the number of female directors will be increased in future elections in a bid to increase board gender diversity.

List of Alchip's Board Members

Job Position	Full Name	Gender	Age	Nationality	Business Management	Leadership and Decision-Making	Industry Experience	Financial Accounting
Chairman	Kinying Kwan	Male	61-70 years old	USA/ROC	★	★	★	-
Director	Herbert Chang	Male	61-70 years old	ROC	★	★	★	-
Director	Johnny Shyang-Lin Shen	Male	51-60 years old	USA/ROC	★	★	★	-
Director	Daniel Wang	Male	41-50 years old	ROC	★	★	★	★
Independent Director	Mao-Wei Hung	Male	61-70 years old	ROC	★	★	-	★
Independent Director	Brian Chiang	Male	61-70 years old	ROC	★	★	★	-
Independent Director	Binfu Chuang	Male	71-80 years old	USA/ROC	★	★	★	-

Note:

1. Director Johnny Shyang-Lin Shen also serves as the CEO, and Director Daniel Wang also serves as the CFO.
2. Please refer to [Annual report](#) for details regarding the directors' academic and professional experience, diversity, and independence.
3. The Company's Board of Directors was re-elected on May 29, 2025, with members serving a three-year term. The re-elected members are listed on the [Company's website](#) and will be disclosed in the 2025 annual report.

3.2.2 Discussion of Board Meeting Agenda

Six Board meetings were convened in 2024, and the directors' attendance is shown in the following table. The Board of Directors focuses on reviewing the Company's operating performance and discussing ESG topics and major operational developments. It also designates and confirms the responsible units for related matters, and continues to monitor and oversee the progress and handling status in subsequent meetings. In 2024, the Board of Directors engaged in discussions on a total of 39 major resolutions, including revisions to governance mechanisms, corporate investments, sustainability strategies, external audit systems, and routine resolutions. For the operating status of the Board of Directors in 2024, please refer to the Company's [Annual report](#).

Board Attendance in 2024

Job Title	Full Name	Number of Meetings Required to Attend	Number of Meetings Attended by Proxy	Number of Meetings Attended in Person	Actual Attendance
Chairman	Kinying Kwan	6	0	6	100%
Director	Johnny Shyang-Lin Shen	6	0	6	100%
Director	Daniel Wang	6	0	6	100%
Director	Herbert Chang	6	0	6	100%
Independent Director	Mao-Wei Hung	6	0	6	100%
Independent Director	Brian Chiang	6	0	6	100%
Independent Director	Binfu Chuang	6	0	6	100%

Prevention of Conflict of Interest

To prevent conflicts of interest, Alchip has established the Ethical Corporate Management Best Practice Principles, the Procedures for Ethical Management, and the Guidelines for Conduct. These documents stipulate that directors, their spouses, relatives within the second degree of kinship, and companies with a controlling or subordinate relationship to directors, as well as independent directors, managers, and other stakeholders attending Board meetings, must disclose any material interests they or their representatives may have in the matters under discussion. If such interests are likely to compromise the Company's best interests, the individuals involved must refrain from participating in the discussions and voting and must recuse themselves from the proceedings. They are also prohibited from acting on behalf of other directors. Directors are expected to exercise self-discipline and must not collude or cover for one another.

Directors' Conflict of Interest Recusal in 2024

- | **Date:** 2024/3/1
- | **Full Name:** Johnny Shyang-Lin Shen, Daniel Wang
- | **Motion Discussed:** Motion to discuss senior manager remuneration
- | **Reason for Recusal:**

Johnny Shyang-Lin Shen also serves as the CEO and Daniel Wang also serves as the CFO. As the motion concerning executives remuneration involved their vested interests, neither of them participated in the discussion or voting process.

3.2.3 Status of Continuing Education for Directors

To stay abreast of global business management trends and bolster the Company's corporate governance and risk management capabilities, Alchip's Board members are committed to continuously enhancing their industry expertise and strengthening their experience in corporate governance. This ongoing development aims to elevate and consolidate the collective wisdom of the Company's highest governing body in pursuit of sustainable development. In 2024, the Board of Directors received 45 hours of continuing education, averaging 6.4 hours per person; the Company also distributes information on topics such as insider equity from time to time, to improve the Board members' governance-related knowledge and skills, and trend insight.

Board Member Continuing Education Courses in 2024

Job Title	Full Name	Organizer	Course Name	Hours of Continuing Education	Total Hours
Chairman	Kinying Kwan	Taiwan Corporate Governance Association	<ul style="list-style-type: none"> How Does the Board of Directors Oversee ESG Risks and Create Sustainable Corporate Competitiveness? Investor Insights on ESG: Discussing Corporate Sustainability Transformation from the Perspective of ESG Investment and Financing 	6	45
Director	Johnny Shyang-Lin Shen			6	
	Daniel Wang			6	
	Herbert Chang			6	
Independent Director	Brian Chiang			6	
	Binfu Chuang			6	
	Mao-Wei Hung			6	
	Mao-Wei Hung	Taipei Foundation of Finance	Tax Money Laundering Risk Prevention – Eight Major National Money Laundering Risk Types	3	

3.2.4 Performance Evaluation of the Board of Directors and Functional Committees

Practice corporate governance and improve the board's functions, stipulate the "Rules for Performance Evaluation of Board of Directors" based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, establish performance goals to enhance the board's operating efficiency. Alchip conducts internal board performance evaluations annually, while an evaluation by an independent external professional institution or a team of external experts and scholars is carried out every three years. These evaluations are to be completed before the end of the first quarter of the following year.

Performance Evaluation Indicators and Outcome

The Company's internal performance evaluations are conducted using the "Board Performance Evaluation Self-Assessment Questionnaire", "Board Member Performance Evaluation Self-Assessment Questionnaire", "Remuneration Committee Performance Evaluation Self-Assessment Questionnaire", and "Audit Committee Performance Evaluation Self-Assessment Questionnaire". The full score is 5 points (5 points for strongly agree; 4 points for agree; 3 points for neutral; 2 points for disagree; 1 point for strongly disagree). The results of the 2024 Board of Directors and functional committee performance evaluations all exceeded 4.5 points, indicating excellent overall performance. The directors and functional committees mostly strongly agreed with the operation of various evaluation indicators, demonstrating good overall operation and compliance with corporate governance requirements. For the external evaluation, the Company commissioned the Taipei Foundation of Finance, an external institution, to conduct a review of written materials and on-site interviews covering the period from January 1, 2023, to October 9, 2024. The institution and its experts had no business relationship with the Company, maintained full independence, and submitted the evaluation report on October 21, 2024. The results of the 2024 Board performance evaluation were reported to and approved by the Board of Directors on November 1, 2024. The Company will optimize corporate governance based on the evaluation results.

Board Performance Evaluation Self-Assessment Results			
	Evaluation Item	Number of Questions	Average Score
1	Level of participation in the Company's operations	12	4.75
2	Improve the decision-making quality of the board	12	4.75
3	Board composition and structure	7	4.57
4	Selection, appointment, and continuing education of directors	7	4.29
5	Internal control	7	4.43
Average score of the five key dimensions of the Board performance evaluation			4.60

Board Member Performance Evaluation Self-Assessment Results			
	Evaluation Item	Number of Questions	Average Score
1	Monitoring of the Company's goals and tasks	3	5.00
2	Directors' awareness of their duties	2	4.93
3	Level of participation in the Company's operations	8	4.88
4	Internal relationship management and communication	3	4.90
5	Directors' expertise and continuing education	3	4.86
6	Internal control	3	4.90
Average score of the six key dimensions of the Board member performance evaluation			4.90

Remuneration Committee Performance Evaluation Self-Assessment Results			
	Evaluation Item	Number of Questions	Average Score
1	Level of participation in the Company's operations	4	4.92
2	Functional committees' awareness of their duties	5	5.00
3	Improvement of the decision-making quality of the functional committee	7	5.00
4	Composition and selection of members of the functional committee	3	5.00
Average score of the four key dimensions of the Remuneration Committee performance evaluation			4.98

Audit Committee Performance Evaluation Self-Assessment Results			
	Evaluation Item	Number of Questions	Average Score
1	Level of participation in the Company's operations	4	5.00
2	Functional committees' awareness of their duties	5	5.00
3	Improvement of the decision-making quality of the functional committee	7	4.90
4	Composition and selection of members of the functional committee	3	5.00
5	Internal control	3	5.89
Average score of the five key dimensions of the Audit Committee performance evaluation			4.98

3.3 Functional Committees

3.3.1 Audit Committee

To bolster the board's supervisory responsibilities and reinforce its management mechanism, the Audit Committee was established, operating under the "Audit Committee Charter". The Company's Audit Committee consists of three independent directors, with one of them being the convener and at least one of them must possess accounting or finance-related expertise. The Audit Committee's main responsibilities include supervising the Company in the fair presentation of financial statements, the appointment and dismissal of and independence and performance of certified public accountants, effective implementation of internal control, compliance with laws and regulations, and control of existing and potential risks. The Audit Committee convenes a meeting at least once every quarter. In 2024, six meetings were convened.

Audit Committee Attendance in 2024

Job Title	Full Name	Number of Meetings Required to Attend	Number of Meetings Attended by Proxy	Number of Meetings Attended in Person	Actual Attendance
Independent Director	Mao-Wei Hung	6	0	6	100%
Independent Director	Brian Chiang	6	0	6	100%
Independent Director	Binfu Chuang	6	0	6	100%

3.3.2 Remuneration Committee

To enhance the remuneration system of directors and senior executives, Alchip has formed the Remuneration Committee, which comprises three members appointed by the board of directors, with one of them being the convener. The purpose of the Company's Remuneration Committee is to help the Board of Directors execute and evaluate the Company's overall remuneration and welfare policy, and the management's remuneration. The Remuneration Committee convenes a meeting at least twice a year. In 2024, two meetings were convened.

Remuneration Committee Attendance in 2024

Job Title	Full Name	Number of Meetings Required to Attend	Number of Meetings Attended by Proxy	Number of Meetings Attended in Person	Actual Attendance
Independent Director	Mao-Wei Hung	2	0	2	100%
Independent Director	Brian Chiang	2	0	2	100%
Independent Director	Binfu Chuang	2	0	2	100%

3.3.3 Nomination Committee

The Company's Nomination Committee was established in November 2024, to seek, review, and nominate candidates for the Board of Directors and senior executives, as well as conducting performance evaluations of the Board, various committees, directors, and senior executives. Also, it formulates and regularly reviews directors' continuing education plans and succession plans for directors and senior executives. The committee consists of three members appointed by the Board of Directors. The committee members include independent directors Mao-Wei Hung and Brian Chiang, and director Johnny Shyang-Lin Shen.

Nomination Committee Attendance

Job Title	Full Name	Number of Meetings Required to Attend	Number of Meetings Attended by Proxy	Number of Meetings Attended in Person	Actual Attendance
Independent Director	Mao-Wei Hung	1	0	1	100%
Independent Director	Brian Chiang	1	0	1	100%
Director	Johnny Shyang -Lin Shen	1	0	1	100%

Regulations on the Determination of Directors' Remuneration

The remuneration of Alchip's directors is determined based on the education of various directors, positions held in the Company, average industry standards, level of participation in the Company's operations, contributions, and performance, while also considering the Company's potential risks, transaction risks, and financial risks in the future. The annual remuneration for board members includes "salary" and "retirement/severance benefits". The determination of remuneration takes into account six key factors:

- (1) Understanding of the company's goals and missions (including advancement of corporate sustainability objectives),
- (2) Awareness of directors' responsibilities,
- (3) Level of participation in company operations,
- (4) Management of and communication within internal relationships,
- (5) Directors' professional expertise and continued education, and
- (6) Internal control.

The Remuneration Committee convenes at least one meeting per year to discuss policies, systems, and standards on the performance evaluation and remuneration of directors and senior executives. The committee will propose suggestions for the evaluation outcome to the board of directors for discussion.

In addition, the Board aims to encourage senior executives to prioritize the company's long-term overall performance and achieve its sustainability goals, starting in 2024, the company's sustainable development strategy and goals will be linked to the incentive system for company's senior executives. The achievement of sustainable goals will be used as an adjustment factor (positive or negative) in the final performance evaluation results. By tying incentives to sustainability performance, the company aims to genuinely encourage senior executives to make continued contributions to the sustainable principles of Environmental (E), Social (S), and Governance (G), and to remain focused on creating long-term value.

Information regarding the compensation of directors and senior executives has been disclosed on the Company's [annual report](#). In 2024, the Board of Directors decided to allocate NTD 48.168 million for the directors' remuneration.

3.4 Ethical Management

To implement the ethical management policy and proactively prevent unethical conduct, Alchip has emphasized the principles of fairness, honesty, trustworthiness, and transparency in conducting business. Consequently, the Ethical Corporate Management Best-Practice Principles and Procedures for Ethical Management and Guidelines for Conduct were formulated according to the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies, the Company's regulations, and local laws in Taiwan to stipulate the matters that the Company's personnel should observe when conducting business.

The Company's Human Resources Department is the dedicated unit responsible for ethical corporate management, overseeing the revision and implementation of the "Ethical Corporate Management Best-Practice Principles", the "Procedures for Ethical Management and Guidelines for Conduct", and the "Regulation for Reporting and Handling Illegal, Unethical or Dishonest Conducts". It also reports the results of ethical management implementation to the Board of Directors at least annually.

When Alchip discovers or receives reports of unethical conduct by the Company's employees, it should immediately verify the claim's merit. If the conduct violates relevant laws or the Company's ethical management policy, the employees should be required to cease relevant conduct immediately. If a major violation occurs, the employees will be dismissed according to relevant laws or the Company's personnel regulations. If necessary, damages will be claimed through litigation to protect Alchip's reputation and rights.

In addition, to effectively implement our policy of ethical business practices, the Company evaluates the legality and ethical business policies of relevant product suppliers before establishing any business relationship. Contract terms also include clauses requiring compliance with the Company's ethical business policy. Going forward, we will continue to expand our requirements for suppliers and business partners in the area of ethical business practices, with the aim of fostering sound business relationships and jointly fulfilling our commitment to integrity in operations. The relevant ethical business guidelines have also been published on the Company's official website, allowing business partners to review them periodically and gain a clear understanding of the Company's ethical business principles.

3.4.1 Internal Audit

Alchip's audit department is a subsidiary of the board of directors but acts as an independent unit. The full-time internal auditor undergoes continuing education every year to maintain their professionalism and competency, as well as carry out the annual audit work in accordance with the audit plan approved by the board. The aim is to urge the Company's internal units to inspect the effectiveness of their internal control systems and let the audit unit review their self-inspection reports that can be used as the basis for reporting the internal control system statement to the board of directors. Moreover, the audit unit conducts random inspections annually to review if the transaction process complies with Alchip's internal regulations, as well as to compile the audit results and report them to the board of directors. In 2024, based on the audit plan approved by the Board of Directors, the audit scope included not only the Company (including its Taiwan branch) but also its subsidiaries (Taiwan subsidiary, Guangzhou subsidiary, Jinan subsidiary, Shanghai subsidiary, and Japan subsidiary). The audit items included 38 areas such as sales and collection, procurement and payment, production, payroll, fixed assets, computer information, and investment cycle, to achieve objectives related to operational effectiveness and efficiency, the reliability of financial reporting, as well as compliance with relevant laws and regulations. The audit revealed three deficiencies at the Japan subsidiary, primarily related to oversights in written operating procedures or incomplete documentation. None of the findings constituted material weaknesses that would affect the effectiveness of internal controls. All identified internal control deficiencies and abnormalities have been documented in an audit report, and regular follow-up reviews are conducted until the issues are improved.



3.4.2 Ethics and Legal Affairs Education Campaign

Alchip regularly conducts ethics-related education and training for managers and employees according to relevant laws, internal regulations, and our colleagues' respective job responsibilities. The training content includes: professional ethics and regulatory compliance, anti-corruption, conflict of interest, insider trading, information security management and trade secret protection, IP rights protection, and personal data and privacy protection. These are delivered through both in-person and digital courses. In 2024, ethical management promotional courses and training totaled 60 man-hours.

2024 Anti-Corruption Policy Education, Training, and Communication Status

Employee type (trainee)	Communication/Training Method	Actual Number of Trainees	Required Number of Trainees	Percentage
Department supervisor, project manager, Sales Department personnel	Trade secret and information disclosure/online course	60	60	100%

Note: Training and communication on anti-corruption matters for board members and the Company's business partners are also conducted on a regular basis. However, specific statistics on the number of such activities have not yet been compiled. We will strengthen the collection of relevant data to enhance the completeness of our reporting.

2024 Legal Affairs Personnel Education and Training Course

Course Name	Course Hours	Number of Participants	Total Training Hours
Export control regulation	3	3	9
Design and Production agreement	1	20	20

3.4.3 Compliance with Laws and Regulations

Alchip is committed to upholding ethical business practices and complying with all applicable legal regulations. To ensure that its operations comply with local laws and regulatory requirements, the Company has established a dedicated legal unit responsible for monitoring legislative developments and regulatory updates that may impact the business. This unit also provides relevant legal education and strengthens contract review processes to ensure all business activities are conducted in a lawful and compliant manner. In 2024, the Company reported no legal violations, including zero incidents of corruption, bribery, fraud, anti-competitive behavior, antitrust violations, or monopolistic practices.

Alchip's Violation Statistics Over the Last Two Years

Item	2023	2024
Incidents of corruption and fraud	0	0
Anti-competition, antitrust, and monopoly practices	0	0
Major regulatory violations (Note)	0	0
Other regulatory violations (total/amount fined)	0/NTD 0	0/NTD 0

Note: Major violations are defined according to Article 2 of the Regulations Governing the Public Disclosure of Major Disciplinary Measures by the Financial Supervisory Commission for Violations of Financial Laws.

3.4.4 Whistleblowing System

Alchip has established the Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct and has implemented independent whistleblowing channels, which are available on the Company's website provide whistleblowing channels accessible to both internal and external personnel. These measures are designed to prevent misconduct from compromising the rights and interests of stakeholders, ensure the effective implementation of Alchip's ethical policies, and protect the legal rights of whistleblowers and the individuals being reported.

If any Alchip employees or any individuals representing the Company are found to have violated relevant laws or professional ethics, reports can be submitted through the whistleblowing mailbox. In 2024, Alchip did not receive any reported cases.

Alchip's Whistleblowing Channels

Whistleblowing Channel: Spokesperson

Types of Reports Accepted: Accepting reports of misconduct from shareholders, investors, and stakeholders

Whistleblowing Mailbox: IR@alchip.com

Whistleblowing Channel: Audit supervisor

Types of Reports Accepted: Accepting reports of misconduct from directors, customers, and suppliers

Whistleblowing Mailbox: whistleblower@alchip.com

Whistleblowing Channel: Human Resources supervisor

Types of Reports Accepted: Accepting reports of misconduct from employees (Includes: grievance and consultation mechanisms for sexual harassment and unlawful infringement in the workplace)

Whistleblowing Mailbox: hr@alchip.com

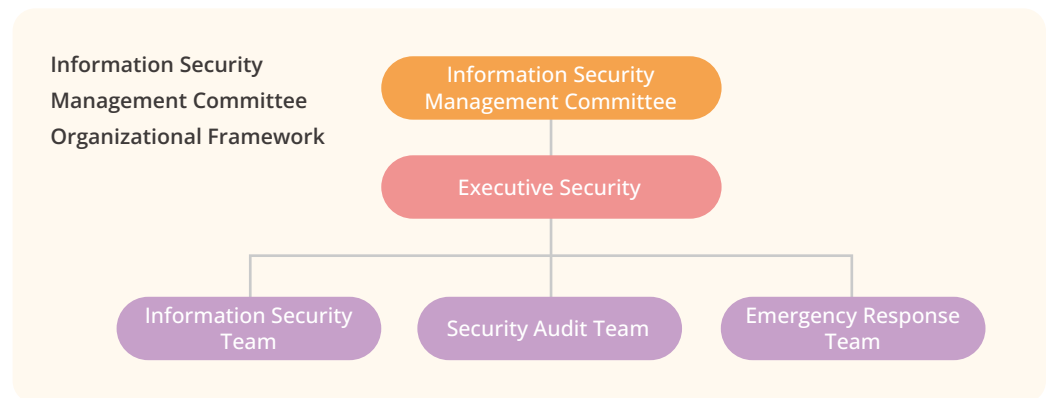
3.5 Information Security Management

To practice information security management and to ensure information confidentiality, integrity, and availability, Alchip has stipulated the Information Security Control Operating Instruction Manual. The Company regulates information security incident prevention and handling through the information security management system to lower the risks and losses associated with information security. The management items include data center access control, information user application, user authorization configuration, information security promotion, legitimate software installation, data backup and off-site storage, disaster recovery, emergency response measures, and IDC core data center inspection. In 2024, Alchip did not experience any major information security incidents, nor were there any complaints regarding the infringement of customer privacy or loss of customer data.

3.5.1 Information Security Risk Management Framework

The "Information Security Management Committee" is the decision-making body for the Company's information security incidents. It comprises the Information Security Team, the Audit Security Team, and the Emergency Response Team, and is responsible for overall information security and protection, the formulation and implementation of relevant policies, risk management, and compliance verification. Its information security and network security management mechanisms and direction are supervised and evaluated by the Vice President of Operations.

The Information Security Team is responsible for the prevention and management of information security issues, the Audit Team oversees information security audits, and the Emergency Response Team handles crisis response. This professional division of responsibilities forms a comprehensive information security management framework.



3.5.2 Cyber Security Policy

As technologies evolve, various information security risks will also emerge. Consequently, Alchip's Information Security Management Committee calls upon team members from various units of the Company's Taiwan headquarters or other overseas subsidiaries to convene routine meetings every year. The applicability of the information security policy and protection measures are reviewed according to the PDCA management cycle, and the execution results are reported to the Information Security Committee. Alchip implemented an information security management system in 2024 and obtained the ISO/IEC 27001:2022 new version standard certification.


Alchip Obtained the ISO 27001 New Version Standard Certification in 2024



Information Security Circular Mechanism


Stage	Content
Plan Stage	The emphasis is on information security risk management and establishing a comprehensive information security management system to lower the Company's information security threats from a system, technology, and program point of view, thereby creating confidential information protection services of the highest standards that can accommodate customers' needs.
Do Stage	Creating multi-layer information security protection and continuing to introduce innovative security defense technology to integrate the information security control mechanism into daily operations such as software/hardware maintenance and supplier security management. Systematically monitoring information security to maintain the confidentiality, integrity, and availability of the Company's important assets.
Check Stage	Proactively monitoring information security management performance, conducting information security indicator measurement and quantitative analysis based on audit results, as well as performing information security maturity evaluation through regular drills on cyber attacks.
Act Stage	With reviewing and continual improvement in mind, implement oversight and audit to ensure the ongoing effectiveness of information security regulations. When employees violate relevant regulations and programs, they will be disciplined according to information security violation handling protocols, and personnel sanctions will be employed (including employees' annual performance appraisals or necessary legal actions). Furthermore, regularly review and execute actions such as information security measures, education, and training, and promote improvement measures based on performance indicators and maturity evaluation results to ensure that the Company's vital confidential information is not leaked.

Specific Information Security Management Solutions




Multi-Layer Information Security Protection

- **Physical Security:** Control access to the data center and sensitive data storage facilities to prevent unauthorized access.
- **Network Security:** Introduce advanced technology, execute a computer scan as well as system and software updates. Reinforce network firewalls and network control to prevent computer viruses from spreading across networks.
- **Device Security:** Install real-time endpoint antivirus measures to strengthen the detection of malware. In addition, control device access and authorization to prevent the access of untested hardware and the installation of unauthorized software.
- **Application Security:** Formulate application security self-checklist, evaluation standards, and improvement targets.
- **Supply Chain Information Security:** Build a supplier information security protection mechanism to communicate the Company's latest information security-related regulations and precautions.
- **Bolstering Information Security Protection:** Encrypting the transmission of Company confidential files, controlling and effectively tracking outgoing emails and files, and refining data access authorization to prevent unauthorized data access.



Reviewing and Continual Improvement

- Increasing employees' vigilance against attacks on emails and instant messaging tools, and executing phishing email defense detection.
- Regularly executing firewall strategy and log inspection to detect and optimize vulnerabilities in time.
- Improving disaster backup measures for key service systems and enhancing recovery drills.



Information Security Performance Monitoring

- Commissioning third parties to regularly evaluate the Company's network and information security.
- Consolidating third parties' information security vulnerability assessment reports and performing a risk analysis.

3.5.3 Handling of Information Security Incidents

Alchip categorizes information security incidents according to the level of risk and takes corresponding response measures based on different types of information security risks. When the Information Security Management Committee receives a notification or identifies any behavior that violates information security policies, it will assess the nature of the violation and its potential impact. If the incident involves the Company's business partners, the Committee will notify them of the relevant details and recommend appropriate security improvement measures.

In 2024, Alchip continued to receive DDoS attacks and phishing emails. In response, we conducted risk assessments and developed comprehensive countermeasures and protective mechanisms. Technologies such as Multi-Factor Authentication (MFA) have effectively minimized the likelihood of risk occurrence. At the same time, we regularly conduct information security drills to enhance our employees' information security awareness.

3.5.4 Information Security Threat Countermeasures

To minimize information security risks and mitigate their impact, Alchip regularly conducts vulnerability scanning and penetration testing on its IT services, promptly evaluating and addressing any identified weaknesses. Alchip also continues to invest in resources, including firewall security subscriptions and updates, Microsoft M365 Defender for endpoints, PC antivirus software subscriptions and OS updates, server endpoint protection and vulnerability patching subscriptions, as well as information security awareness training and social engineering exercises.

To enhance employees' awareness of information security, Alchip's Information Office budgets for education and training expenses annually and utilizes internal network systems, emails, broadcasts, and posters to regularly inform employees about information security threats, information security-related news, the latest virus trends, and corresponding response measures. Furthermore, the Company offers information security training sessions for employees as needed, or sends personnel to attend training courses organized by external institutions to enhance the information security knowledge and skills of the Company's personnel. The aim is to help them understand the importance of information security and the associated risks, thereby improving overall information security awareness among employees.

2024 Alchip Information Security Testing Measures Implementation Outcome

Information Security Testing Measures	Vulnerability/ Risk Level	Initial Scan	Second Scan	Result Confirmation
Vulnerability Scan	High	63	0	✓
	Medium	228	0	✓
	Low	81	0	✓
Penetration Testing	High	1	0	✓
	Medium	15	0	✓
	Low	9	0	✓

Information Security Incident Risk Classification and Response Measures

Information Security Incident Category	Risk Level	Response Measures
Important and Urgent	High Risk	Evaluating the cause of the incident immediately, as well as formulating and implementing solutions to address the security risks right away to make sure the security risks are resolved.
Important	Higher Risk	Evaluating the cause of the incident immediately, as well as formulating and implementing solutions to address security risks in a certain amount of time to make sure the security risks are resolved.
Average	Average and Low Risk	Check, assess, and document security incidents regularly to determine if corresponding measures should be implemented for average risks.

2024 Alchip Information Security Threat Statistics

Threat Type	Ransomware	Ransom Behavior	Phishing	Attack Activities
Number of Incidents	118	0	84	358

2024 Alchip Information Security Education and Training Course Implementation Status

Course Time	Course Name	Trainees / Headcount
Full year	New Hire Information Security Education	New hires / 54
April	Phishing Email Security Awareness Training	All employees / 587
August	Information Security Case Study Workshop I	Information Department personnel / 20
October	Information Security Education and Training	All employees / 499
December	Information Security Case Study Workshop II	Information Department personnel / 19

Note: Since Alchip's employees are located in various operating locations worldwide, the numbers disclosed here are compiled based on statistics from global operating locations.

3.6 Quality Management

3.6.1 Product Quality Management

Alchip adopts "Provide customers with products to satisfy their needs and implement continuous improvement" as its quality policy. In addition to requiring department supervisors to communicate the quality policy to all employees through announcements, training, or other appropriate means, they are also responsible for ensuring its thorough implementation. The Company has complied with the ISO 9001: 2015 quality management system and SONY technical standards SS-00259 to plan and establish a process-based quality and environmental management system (PDCA cycle). The Company has also obtained relevant certificates. Furthermore, the Company intends to obtain the ISO 26262:2018 road vehicles functional safety certification in 2025 to provide the highest quality functional safety products, deliveries, and services, thereby fostering long-term, mutually beneficial relationships with customers. In addition, this effort aims to ensure compliance with both customer and regulatory requirements.

Alchip ISO 9001 Quality Management System Certificate



Alchip SONY SS-00259 Certificate



3.6.2 Quality Management Process



Note: The numbers in the figure represent chapters in the ISO 9001:2015 international standards

3.6.3 Customer Relationship Management

Customer Satisfaction Survey

Alchip conducts annual customer satisfaction surveys, designing questionnaires based on various aspects and business units. Customer feedback is reviewed through meetings where action plans are formulated to drive continuous improvement and enhancement. In 2024, a total of 26 Alchip customers responded to the customer satisfaction survey, achieving an average satisfaction score of 4.07, the highest in the last three years.



Customer Complaint Handling Procedure

When a customer complaint is received, relevant departments will issue a customer feedback request form or provide an abnormal sample to determine whether responsibility lies with Alchip through the judgment analysis unit. If the incident is confirmed to be Company-related, we will issue an analysis report or improvement and prevention report, and a confirmation will be made. It will ultimately be forwarded to the customer and close communication will be maintained with the customer. If the customer accepts it, the case will be closed. On the contrary, we will review and improve the solution, issue another analysis report or improvement and prevention report until the case is successfully closed. In 2024, there were seven customer complaints received by Alchip, primarily concerning "Project management" and "R&D and engineering" matters. For each complaint, the relevant departments addressed the issues raised by customers and provided analysis and improvement reports to ensure the effective implementation of follow-up handling and preventive mechanisms, thereby maintaining cooperative relationships with customers.

3.7 Supplier Management

As a leading global IC design service provider, Alchip has obtained the ISO 9001 and SONY green partner certification. To ensure that all products are green products that meet environmental, safety, and health regulations, the Company is dedicated to supply chain management and collaborates with suppliers to promote the environmental protection policy and concept to the entire supply chain, in a bid to minimize environmental impact on Earth.

3.7.1 New Supplier Evaluation

When seeking new suppliers, Alchip will always conduct a new supplier audit, evaluation, improvement, and education and training according to the ten indicators stipulated by the Company. Suppliers with scores that meet Alchip's standards will become qualified suppliers. In 2024, Alchip engaged three new suppliers, all of whom achieved a Grade A overall evaluation rating. Alchip demands that its suppliers comply with CSR to strengthen the focus on corporate social responsibility throughout the supply chain. IP suppliers and substrate suppliers are included in Alchip's supplier management system, enhancing the comprehensiveness and completeness of contractor management.



New Supplier Evaluation Score and Actions Taken

Rating	Actions Taken by Alchip
A	The new supplier has outstanding quality management and it can become a supplier of Alchip.
B	The new supplier has good quality management and it can become a supplier of Alchip.
C	The new supplier has acceptable quality management, but it must provide relevant documents or improvement plans within a month, and Alchip will conduct another evaluation after six months.
D	The new supplier has poor quality management and it will not become a supplier of Alchip.

3.7.2 Audit of All Existing Suppliers

Alchip conducts supplier audits, improvement, education, and training every year to ensure they provide high-quality products through systematic operation and management. In 2024, all 16 of Alchip's suppliers passed the audit, achieving an 100% pass rate.

Alchip's Supplier Audit Outcome Over the Last Two Years

Year	2023	2024
Total Number of Suppliers	13	16
Number of Suppliers Audited	12	16
Number of Suppliers Accepted	12	16
Pass Rate	100%	100%

3.7.3 Green Supplier Regulations

Conflict-Free Minerals Statement

Recently, the use of conflict minerals has impacted the social environment and international human rights, since mineral transactions in the Democratic Republic of the Congo and surrounding countries/regions are controlled by local interest groups. To fulfill its social responsibilities and practice international justice, as well as avoid using minerals from conflict regions in its product raw materials and processes, Alchip has stipulated an internal conflict minerals control statement:

Alchip fully supports the boycott of conflict minerals and commits to upholding RBA 's conflict-free minerals policy. The Company does not accept minerals from the Democratic Republic of the Congo and its surrounding countries that are used to directly or indirectly fund armed conflicts, such as gold (Au), tantalum (Ta), tin (Sn), tungsten (W), etc.

Alchip demands its suppliers to notify the Company if they become aware of the presence of conflict minerals in their products. The suppliers are required to sign the "Conflict Minerals Declaration".

Establishing a Green Information Platform

Alchip has established systematic IT database management to facilitate the exchange of green documents and files between upstream and downstream partners. The platform allows the tracking of ICP MSDS, and other data, and updates them before the expiry date. It also allows the viewing of the products' bill of materials.

Business Continuity Plan (BCP)

To prevent business interruptions, suppliers need protocols based on business rules to respond to emergencies quickly and ensure the continuity of their key business functions without causing business interruptions or changing their business processes.

Hazardous Substance Control

To build a green supply chain, Alchip requires its suppliers not only to pass the supplier evaluation process but also to manage the acquisition and use of hazardous substances. This ensures the safety and integrity of material sources used in Alchip's products, and compliance with the following Alchip regulations related to hazardous substances:

- ✓ Complying with Alchip's relevant regulations as well as domestic and international environmental regulations

- ✓ Alchip's new contractor evaluation procedure

- ✓ Alchip's contractor management procedure

- ✓ Alchip's environmental and substance management procedure

- ✓ EU Restriction of Hazardous Substances (RoHS) Directive

- ✓ Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH)

- ✓ Halogen-free material

4

Sustainable Environment

4.1 Climate-Related Financial Disclosure (TCFD)

4.2 GHG Inventory

4.3 Energy Management

4.4 Water Resource Management

4.5 Waste Management

4.6 Sustainable Procurement



4.1 Climate-Related Financial Disclosure (TCFD)

4.1.1 Four Core Elements of TCFD



Alchip perceives great importance in climate change's impact on operational changes. Currently, the CFO c& Spokesperson is leading the financial and operations departments to examine the impact of climate change on Alchip. Climate change topics are summarized through seminars, and the impact of emerging opportunities and risks on Alchip caused by various topics are examined. The Company will evaluate and plan climate change management organizations in the future, and continue to steadily monitor climate change-related risks and opportunities, as well as examining the Company's relevant actions.

In December 2023, Alchip established the GHG Inventory Promotion Committee, with the Chief Sustainability Officer serving as the senior executive and the Administrative Management Department acting as the executive secretary. The committee's inventory team is responsible for advancing company-wide initiatives related to environmental protection, occupational safety and health, energy and water conservation, and GHG management. The team regularly reports progress on implementation to the Sustainable Development Committee, which in turn presents the annual execution results and future work plans to the Board of Directors at least semi-annually.



In response to climate change-related topics, Alchip has identified various climate-related risks and opportunities, as well as devising different response measures to prevent operational interruptions, increase green operational performance, and decrease potential financial risks. Examples include the installation of relevant emergency response equipment in the office, energy-saving and carbon-reduction measures, water and energy conservation training, and continuing to reduce carbon by formulating diverse low-carbon strategies.



Alchip's Board of Directors passed the "Risk Management Policy" in 2024, which acts as the highest guiding principle for risk management. The Company evaluates climate-related risks annually, conducting risk identification, evaluation, and analysis, and proposing corresponding measures for high-risk items to contain the impact within an acceptable range. The Board of Directors and management regularly supervise and review the risk management policies to achieve the goals of stable company operations and sustainable development.



- Alchip has established management indicators for relevant climate risks and opportunities, including water resources, energy consumption, and GHG emissions.
- Formulate phased reduction targets for water resources, energy consumption, and GHG emissions.
- Please refer to 4.2 GHG Inventory for GHG inventory status. Based on carbon emission intensity from electricity consumption in 2022, Alchip aims to reduce carbon emission intensity by 1% per year.

4.1.2 Climate Risk and Opportunity Impact Assessment

Climate-Related Risks and Financial Impact

Risk Type	Impact Period	Risk Factor	Impact	Response Measures
Physical Risks	Short-term	Extreme weather disasters	Large-scale natural disasters can damage office equipment or prevent personnel from coming to work, in turn affecting the Company's normal operation.	<ul style="list-style-type: none"> ✓ Taking out fixed asset insurance to mitigate the Company's losses that may be caused by extreme weather events, also transferring risks, and covering losses by establishing multiple operational premises to spread the risk of operational interruptions. ✓ Implementing the video conferencing system to lower the impact of personnel being unable to go to work due to extreme weather events. ✓ Installing floodgates in the office building. ✓ Regularly conduct disaster education and training, as well as implementing emergency response backup office drills and disaster recovery exercises, to ensure business continuity in the event of a disaster.
Physical Risks	Short-term	Power rationing, power outages	If the power supply is interrupted or unstable, all business-related electronic equipment will not function normally.	<ul style="list-style-type: none"> ✓ The Company is equipped with a UPS to stabilize the voltage and cope with power outages.
Transition Risks	Medium-term, Long-term	Enhance the transparency of sustainability-related information	Increased cost of information disclosure	<ul style="list-style-type: none"> ✓ Relevant personnel in charge of sustainable information disclosure regularly receive continuing education on sustainable policy development and relevant management practices to stay abreast of the latest sustainable information disclosure requirements. This is used as the basis for formulating the Company's sustainable development-related plans and action plans.
Transition Risks	Long-term	Total GHG emissions control	The imposition of carbon fees and carbon taxes will result in increased operating costs and the cost of green power	<ul style="list-style-type: none"> ✓ Formulating a GHG reduction plan and setting the phased targets to achieve net zero. ✓ Proactively participating in low-carbon/sustainability-related certifications, initiatives, and industry promotion plans.

Climate-Related Opportunities and Financial Impact

Climate-Related Opportunities	Impact Period	Impact	Response Measures
Engage in the Renewable Energy Market	Long-term	Lower GHG emission risks and in turn lower sensitivity towards carbon trade price fluctuations	<ul style="list-style-type: none"> ✓ Promote carbon-reduction actions in the office in response to the government's carbon-reduction policies and improve production performance.
Energy Diversification	Long-term	Enhancing operational capabilities under different conditions	<ul style="list-style-type: none"> ✓ Planning to introduce high-performance energy measures to elevate energy efficiency.

4.2 GHG Inventory

Alchip's total GHG emissions in 2024 were 344.8469 tCO₂e (location-based) / 340.1069 tCO₂e (market-based). In particular, direct emissions (Scope 1) were 3.8211 tCO₂e, all from fugitive emission sources (refrigerant, septic tank), accounting for 1.11% of the total emissions. Since the Company has no production process, there are no process emission sources. As for energy indirect emission sources (Scope 2), the total emissions calculated based on the location-based method for 2024 were 230.7351 tCO₂e. However, as partial procurement of green electricity began in the same year, Scope 2 emissions were also calculated based on the market-based method as 225.9951 tCO₂e. The main source for Alchip is purchased electricity, accounting for 66.91% (location-based)/66.45% (market-based) of the total emissions.

Other indirect emission sources: Scope 3 emissions were 60.6282 tCO₂e, and Scope 4 emissions were 49.6625 tCO₂e. Together, these two categories accounted for 31.98% of total emissions, reflecting the Company's ongoing progress in understanding indirect carbon emissions associated with its supply chain and operations. Additionally, looking at the carbon emission intensity, Alchip's carbon emission intensity in 2024 was 0.0045 tCO₂e/NTD million, demonstrating a declining trend compared to 2022 and 2023. This shows Alchip's ability to effectively manage carbon emissions amid business growth, achieving a balanced progression of operational performance and carbon-reduction initiatives. Alchip's primary type of GHG emission is CO₂.

Overview of Alchip's GHG Emissions in the Last Three Years (Unit: tons of CO₂e)

Category	2022 (base year)	2023	2024
Scope 1: Emissions and removal of direct GHG	7.2432	7.8648	3.8211
Scope 2: Indirect GHG emissions from imported energy generation (location-based)	236.0606	242.0832	230.7351
Scope 2: Indirect GHG emissions from imported energy generation (market-based)	N/A	N/A	225.9951
Scope 3: Indirect GHG emissions from transportation	N/A	N/A	60.6282
Scope 4: Indirect GHG emissions from the use of products by the organization	N/A	N/A	49.6625
Total GHG Emissions (location-based)	243.3038	249.9480	344.8469
Total GHG Emissions (market-based)	N/A	N/A	340.1069
Annual Operating Income (NTD million)	13,725.20	30,481.58	51,968.57
GHG Emission Intensity (Scope 1 and 2)	0.0177	0.0082	0.0045

Note:

- The methodology adheres to the international standard ISO 14064-1: 2018, and the operational control approach is employed to establish the inventory boundary for GHG.
- The 2024 GHG inventory scope includes operational locations in Taipei and Hsinchu.
- In 2024, the main sources for the emission factor method were the "GHG Emission Factor" announced by the Mandatory Greenhouse Gas Reporting System, Climate Change Administration Ministry of Environment, and the 2024 Electricity Carbon Emission Factor (0.474 tCO₂e/1,000 kWh) announced by the Energy Administration, Ministry of Economic Affairs.
- The Global Warming Potential (GWP) values are mainly based on the IPCC Working Group III AR6 (2022) announcement. For items without applicable values, the IPCC Working Group I AR6 (2021) values are used. The GHG types considered include CO₂, CH₄, N₂O, and HFCs (R410a, R134a).
- GHG emission intensity = Total GHG emissions (location-based)/Annual operating revenue (NTD million).
- The GHG emissions calculations in the 2022 and 2023 reports were incorrect and have been rectified this year using verified data.
- In 2022, the Company conducted its GHG inventory for the first time, which was also designated as the base year. The annual GHG emissions for the year was 243.304 tCO₂e.

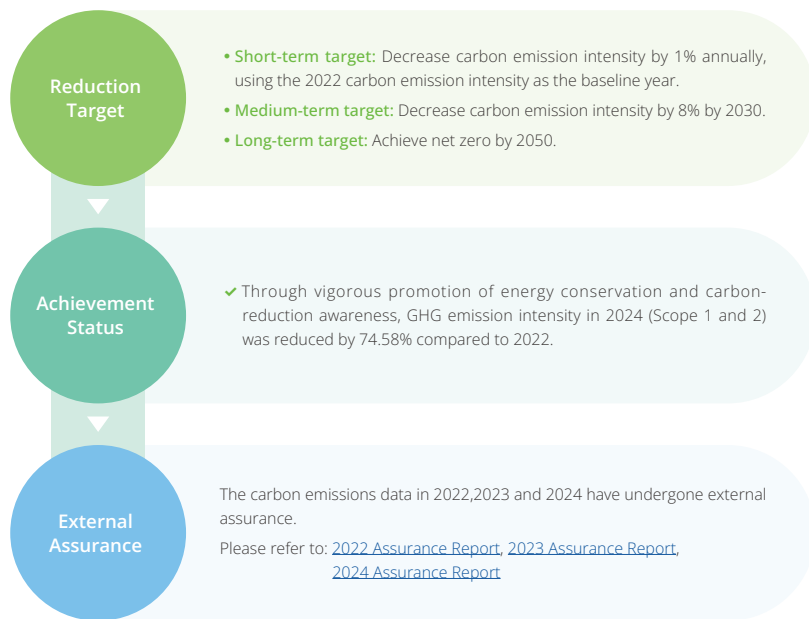
Alchip 2024 Annual GHG Emissions by Type (Unit: tons of CO₂e)

Type of GHG Gas	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃
Scope 1 Emissions	0	3.4261	0	0.3951	0	0	0
Scope 2 Emissions	230.7351	0	0	0	0	0	0
Scope 3 Emissions	60.6282	0	0	0	0	0	0
Scope 4 Emissions	49.6625	0	0	0	0	0	0
Total Emissions	341.0258	3.4261	0	0.3951	0	0	0
Ratio of Each Scope	98.89%	1.00%	0.00%	0.11%	0.00%	0.00%	0.00%

Energy Conservation and Carbon Reduction Goal

Global warming and the disasters caused by climate change are becoming increasingly severe and frequent, which not only impact the global ecological environment and climate but also indirectly affect businesses, making GHG an important global environmental topic. Alchip reviews its emission conditions by conducting a GHG inventory. GHG reduction strategies are formulated based on the results of the internal evaluation. GHG reduction goals are stipulated and the achievement rate is reviewed annually, and goals that have not been met will be reviewed and rectified.

Alchip GHG Management Status



Energy Conservation and Carbon-reduction Initiatives

Alchip continues to invest in diverse energy-saving initiatives. In terms of product development, the Company is committed to providing and developing low-power and small-sized chip designs to meet the current energy conservation and carbon-reduction trends. Additionally, in terms of internal energy management, the Company emphasizes the promotion of daily environmental protection and energy-saving practices, implementing the following measures to achieve its goals of environmental protection, energy conservation, and carbon reduction.

1. Air conditioning temperature is controlled between 24°C and 26°C.
2. Promote turning off lights and saving electricity and water, reminding employees to conserve energy.
3. Promote document digitization and double-sided printing to reduce the number of photocopies made and paper consumption.
4. Starting in 2024, conventional paper invoices have been replaced by electronic invoices.
5. Electronic dividend notifications.
6. We encourage employees to bring reusable tableware to minimize the use of disposable plastic products.
7. Promote and implement waste sorting and recycling.

Alchip has promoted paperless operations since 2022 to reduce paper consumption and lower carbon emissions from toner usage. Statistical results indicate that the initiative has achieved significant results, and paper consumption has declined every year, showing a 37.8% reduction in 2024 compared to 2022.

Alchip's Paper Consumption Statistics Over the Last Three Years

Year	2022	2023	2024
Paper Consumption (sheets)	98,218	96,841	61,152

4.3 Energy Management

Alchip mainly offers customers IC design services; therefore, the Company does not generate industrial pollution like waste gas, wastewater, or slag resulting from internal production processes. The Company's main energy needs consist of daily power consumption in the office. The main energy type is purchased electricity (Category 2). The electricity used by Alchip is provided by Taiwan Power Company, and accounts for 97.95% of the Company's total energy consumption. In 2024, Alchip's total electricity consumption was 486,783 kWh, the energy intensity was 9.367 (kWh/NTD million revenue), a decrease of 25.379 (kWh/NTD million revenue) compared to 2022. The electricity energy usage per unit of revenue decreased by 73.04% compared to 2022.

The Company will continue to invest in various energy-saving initiatives. In terms of product development, the Company is committed to providing and developing low-power and small-sized chip designs to meet the current energy conservation and carbon-reduction trend; in terms of internal energy management, the Company emphasizes the promotion of daily environmental protection and energy-saving practices to achieve its goals of environmental protection, energy conservation, and carbon reduction. The relevant measures are outlined below:

- Air conditioning temperature is controlled between 24°C and 26°C.
- Promote turning off lights.
- Promote document digitization and double-sided printing to reduce the number of photocopies made and paper consumption.
- Starting in 2024, conventional paper invoices have been replaced by electronic invoices.
- Electronic dividend notifications.
- Encourage employees to bring reusable tableware to minimize the use of disposable plastic products.
- Promote and implement waste sorting and recycling among employees.
- Continue to promote electricity-saving and water-saving measures, reminding employees to conserve energy.

Alchip's Energy Consumption Table Over the Last Three Years

Year	2022	2023	2024
Non-Renewable Electricity Consumption (kWh)	476,890	490,047	476,783
Renewable Electricity Consumption (kWh)	0	0	10,000
Total Electricity Consumption (kWh)	476,890	490,047	486,783
Total Energy Consumption (GJ)	1,717	1,764	1,752

Note:

- 1.The scope of statistics for 2022-2024 includes the Taipei and Hsinchu office.
- 2.The Hsinchu third-floor office was opened in April 2022, and the electricity consumption statistics cover the period from April to December of that year. As of 2023, the expenses for the entire year have been documented.
- 3.According to the "Per-unit calorific value table of energy products" announced by the Energy Administration, MOEA, the calorific value of electricity (consumption side) is 860 kilocalories per kWh. Based on the conversion rate of 1 calorie = 4.184 joules, this is approximately 3,598.24 kilojoules (kJ) per kWh, equivalent to 0.0036 gigajoules (GJ) per kWh.
- 4.The statistical calculations in the 2022 and 2023 reports were incorrect and have been rectified this year using verified data.

Alchip's Electricity Energy Intensity Statistics Table Over the Last Three Years

Year	2022	2023	2024
Annual Electricity Consumption (kWh)	476,890	490,047	486,783
Annual Operating Income (NTD million)	13,725.20	30,481.58	51,968.57
Electricity Energy Intensity (kWh/NTD million of operating income)	34.746	16.077	9.367

Note:

- 1.Energy intensity=annual electricity consumption/annual operating income (NTD million).
- 2.In the 2022 ESG Report, the revenue unit used for calculating the 2021-2022 electricity energy intensity data was NTD. The unit for the 2023 calculation data was changed to NTD thousand, and the unit for this year's calculation data was changed again to NTD million. Consequently, the data have been updated.
- 3.The statistical calculations in the 2022 and 2023 reports were incorrect and have been rectified this year using verified data.

4.4 Water Resource Management

Since the Company does not have a factory, its water usage is limited to domestic needs, with no industrial or large-scale consumption. Tap water is used in offices across various locations; therefore, it does not cause significant impacts on water resources or the ecosystems of water source areas. To reduce resource depletion, the Company continues to actively promote water conservation and has established the following water resource management policies.

Alchip's Water Resource Management Status

Management Principle

- **Cherish resources:** Understand the value of water resources and commit to taking action to lower consumption.
- **Ongoing improvement:** Regularly evaluate water consumption and seek continual improvement opportunities.
- **Employee engagement:** Encourage all employees to proactively engage in water resource management to enhance their awareness of efficient water use.

Specific Measures

- **Water-saving equipment:** Automatic faucets are installed in the restrooms.
- **Water resource recycling and reuse:** Recycled water from dehumidifiers is used for flower irrigation to realize water recycling and reuse.
- **Regular maintenance:** Ensure that water pipes and equipment are free of leaks through routine inspections and prompt repairs.
- **Water consumption monitoring:** Regularly check the water meter and analyze water consumption trends to discover and resolve irregularities in time.
- **Training and awareness campaign:** Display posters throughout the Company and organize water-saving awareness initiatives and water resource conservation activities.

Reduction Target

- **Short-term target:** Reduce water use intensity annually by 0.25% compared to the previous year.
- **Long-term target:** Reduce water use intensity by 10% by 2032, using 2022 as the baseline year.

External Assurance

Alchip's 2022,2023 and 2024 water consumption data have undergone external assurance. Please refer to: [2022 Assurance Report](#), [2023 Assurance Report](#), [2024 Assurance Report](#)

Alchip's Water Consumption Status Over the Last Three Years (unit: Megaliter (ml))

Year	2022	2023	2024
Total Water Withdrawal (A)	2.0173	2.0367	2.0432
Total Discharge(B)	2.0173	2.0367	2.0432
Total Water Consumption (A-B)	0	0	0

Note:

- 1.The statistical scope covers our Taipei and Hsinchu operating locations, with data sourced from the respective water bills.
- 2.Alchip's water supply is sourced entirely from Taiwan Water Corporation (a third-party provider) and consists solely of freshwater. The Company does not draw water from surface water, groundwater, or seawater sources. All wastewater discharge is directed to third-party sewage treatment plants and is freshwater-based; there is no discharge into surface water, groundwater, or seawater.
- 3.Taiwan is not classified as a water-stressed region; therefore, Alchip does not withdraw water from areas experiencing water stress.

In 2024, the Company's water use intensity was 15.02, a decrease of 4.15% from 2023, achieving the set target and demonstrating our commitment to water resource management.

Alchip's Water Use Intensity Statistical Table Over the Last Three Years

Year	2022	2023	2024
Annual Water Resource Consumption (m ³)	2,017.3	2,036.7	2,043.2
Number of Workers	118	130	136
Water Use Intensity	17.10	15.67	15.02

Note:

- 1.Water use intensity = Annual water resource consumption (m³) / Number of workers.
- 2.In the 2022 ESG Report, water use intensity for 2021–2022 was calculated based on revenue, with the unit expressed in NTD. In 2023, the calculation unit was changed to NTD thousands. This year, the formula was changed to Water Use Intensity = Annual Water Consumption (m³) / Number of Workers. As a result, the data have been updated.

4.5 Waste Management

Alchip has stipulated the “Scrap Working Instruction” to clearly regulate the asset disposal procedure. Furthermore, qualified waste disposal and recycling contractors are selected to carry out the scrapping of inventory and samples. Hazardous waste is disposed of directly by the contractor following regulatory requirements, without recycling. General industrial waste, such as wooden pallets and reusable gold and copper wires, is recycled by the contractor.

Alchip classifies waste into three main categories through its waste management procedures: reuse, recycling, and repurposing, to increase the waste conversion rate and minimize landfill disposal. In terms of reuse, Alchip prioritizes identifying opportunities for waste reutilization and actively collaborates with suppliers to promote the return of original packaging for its intended purpose, such as reusing in-plant pallets, plastic containers, and cardboard boxes. When original packaging cannot be reused, Alchip assesses its potential for repurposing by exploring alternative uses for waste packaging materials. If no reuse or repurposing opportunities are available, the Company collaborates with waste disposal service providers to enhance the recycling rates of materials such as plastics and cardboard waste.

Alchip’s Scrap Disposal Process



Alchip’s Industrial Waste Disposal Over the Last Three Years (Unit: output: metric tons, percentage: %)

Year		2022		2023		2024	
Category	Item	Output	Percentage	Output	Percentage	Output	Percentage
Hazardous Waste	Wafers	0.25	25.77%	0	-	0.068	7.47%
General Industrial Waste	IC	0.72	74.23%	0.17	100%	0.842	92.53%
Total		0.97	100%	0.17	100%	0.91	100%
Disposal Method		Outsourced disposal					

Note:
 1.All of Alchip’s waste is handled by contractors authorized by the competent authority and is disposed of off-site according to regulations.
 2.Due to adjustments in the classification of the Company’s industrial waste, the data for 2022–2023 has been revised. The original industrial waste disposal records included cardboard boxes and pallets. However, cardboard boxes and pallets are recyclable and reusable resources; therefore, they have been removed from the industrial waste records since 2024. As a result, the total quantity of industrial waste disclosed for 2022 and 2023 decreased by 0.38 and 0.02 metric tons, respectively.

4.6 Sustainable Procurement

To protect resources and lower environmental impact, Alchip started tracking the percentage of local and green procurement in 2024. This initiative aims to shorten supply chain distances, decrease carbon emissions during transportation, promote local production and consumption, create local employment opportunities, and strengthen the community economy. In 2024, Alchip’s local procurement exceeded NTD 15 billion, accounting for 68.3% of the total procurement amount.

Additionally, Alchip values the importance of green procurement. In 2024, its green procurement exceeded NTD 17 million, and it will continue to increase the percentage of green procurement in the future. By selecting products and services with minimal environmental impact throughout their entire life cycle, the Company aims to strike a balance between economic, social, and environmental benefits by enhancing energy efficiency and reducing resource waste, carbon emissions, and waste generation.

Alchip’s Local Procurement and Green Procurement Percentages in 2024 (unit: NTD thousand)

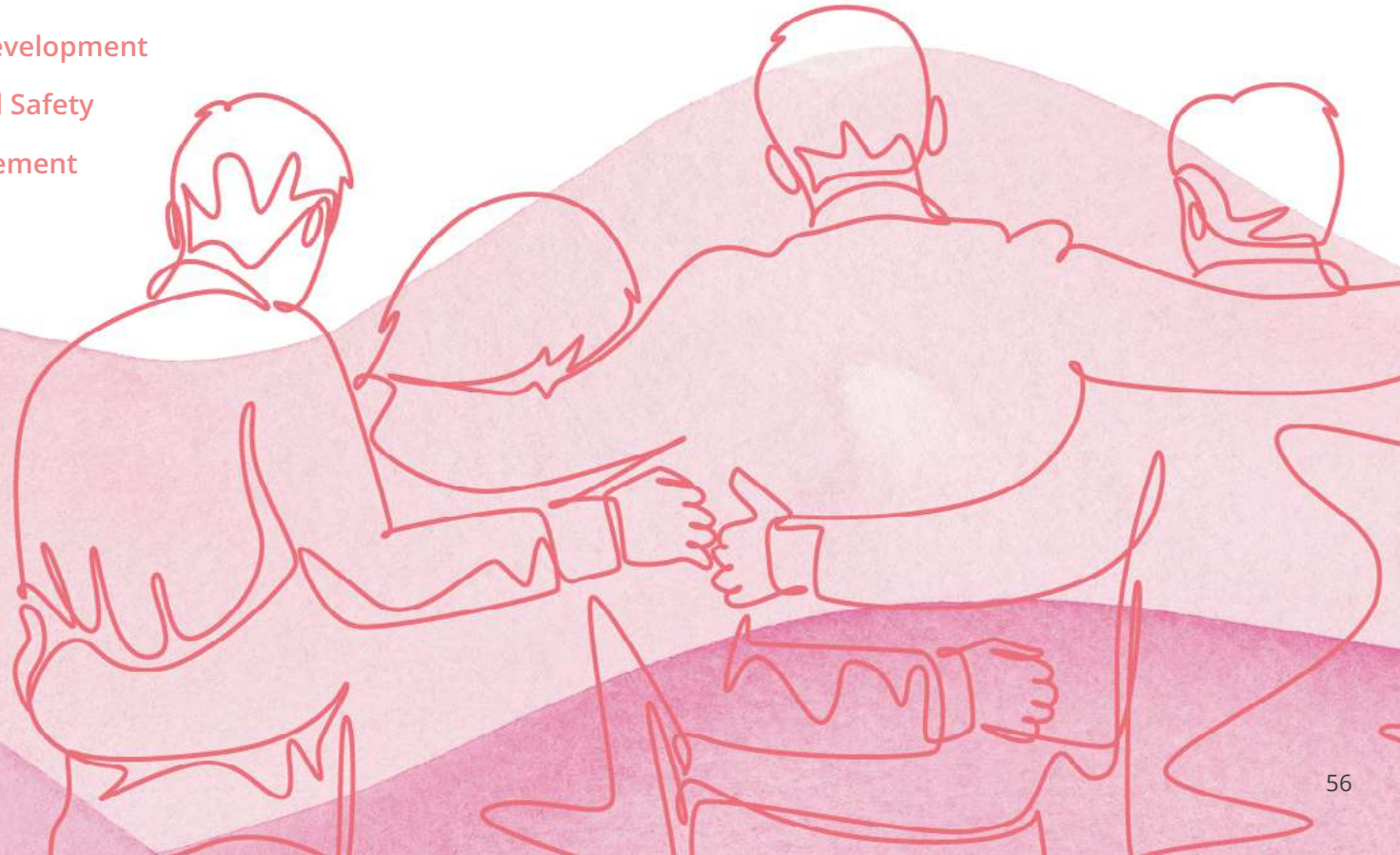
Item	Local Procurement	Green Procurement
Procurement Amount	15,294,750	17,880
Total Procurement Amount	22,408,680	
Percentage	68.3%	0.08%

Note:
 1.The scope of procurement statistics includes all production-related raw materials, tools and equipment, as well as office computers and computer peripherals.
 2.The scope of green procurement statistics includes office computers and computer peripherals.



Happy Workplace

- 5.1 Employee Overview
- 5.2 Human Rights Protection, Diversity, and Inclusion
- 5.3 Employee Care and Welfare
- 5.4 Personnel Development
- 5.5 Occupational Safety
- 5.6 Social Engagement



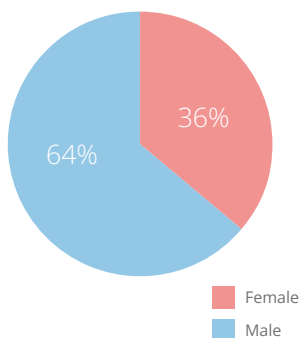
5.1 Employee Overview

As a technology company and a provider of professional ASIC design and manufacturing services, Alchip considers the recruitment and development of skilled talent a top priority. To protect the employees' rights at work, the Company provides protective measures, remuneration, and benefits that exceed regulatory requirements. Furthermore, Alchip is dedicated to maintaining a healthy and safe workplace. In addition, Alchip vigorously trains professional technology-related personnel, providing colleagues with external training opportunities and continuing education, all fully subsidized by the Company. Internal skill training workshops are also held to enhance employees' professional skills and transform Alchip into a competitive enterprise.

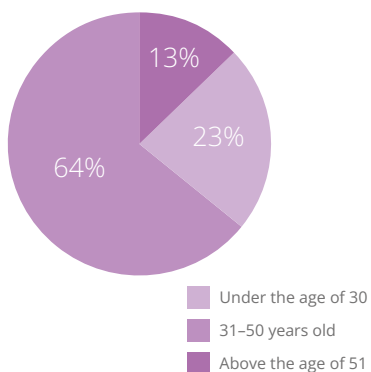
5.1.1 Employee Structure

In 2024, Alchip employed a total of 134 full-time employees (based in Taipei and Hsinchu only), including one employee with a disability. The total number of employees increased by six compared with 128 in 2023, with no significant changes in the employee structure or the proportions across various aspects.

Alchip Employee Gender Ratio



Alchip Employee Age Distribution Ratio



Fluctuations in Alchip's Employee Number Over the Last Three Years

Worker Category	2022	2023	2024
Employees	115	128	134
Non-employee	3	2	2
Total	118	130	136

Note:

1.The statistical period covers employees who were still employed as of December 31, 2024.

2.Non-employees: Cleaning staff hired by a third-party cleaning firm include one female worker each at the Taipei and Hsinchu offices.

Alchip's Employee Structure in 2024

Employee Category (unit: number of people)		Taipei		Hsinchu		Total		
		Male	Female	Male	Female	Male	Female	Total
Employment Contract	Permanent employees (open-ended contract)	34	19	52	29	86	48	134
	Contract employees (fixed-term contract)	0	0	0	0	0	0	0
Work Hours	Full-time employees	34	19	52	29	86	48	134
	Part-time employees	0	0	0	0	0	0	0
	Zero-hour contract workers (casual workers)	0	0	0	0	0	0	0
Age	Under the age of 30	13	5	4	9	17	14	31
	31 - 50 years old	18	13	37	18	55	31	86
	Above the age of 51	3	1	11	2	14	3	17
Nationality	Local national (Taiwan)	34	19	52	29	86	48	134
	Foreign national (requires work visa)	0	0	0	0	0	0	0
Job Band	General staff	22	10	32	24	54	34	88
	Middle management	8	8	16	5	24	13	37
	Senior management	4	1	4	0	8	1	9
Other	Employees with disabilities	1	0	0	0	1	0	1
Gender Statistics Across Various Regions		34	19	52	29	86	48	134

Note: The statistical period covers employees who were still employed as of December 31, 2024.

5.1.2 New Employee Hires and Employee Turnover

Alchip's employment policy is founded on the principle of equality, with no discrimination based on gender, race, social class, age, or marital and family status. The Company is committed to ensuring fairness in employment, compensation, working conditions, benefits, training, performance evaluations, and promotion opportunities. Alchip strives to create fair and diverse employment opportunities at its locations of operation. In 2024, the Company hired 24 new employees, equivalent to 17.9% of its total workforce. The Company has set a retention rate target of 80% for new hires within one year. In 2024, the retention rate for new employees reached 87.5%, exceeding the target.

Alchip respects employees' career aspirations. When informed of an employee's intention to resign, the Company first seeks to understand whether the reason arises from internal workplace conditions or external pressures and proactively provides support to retain the employee as much as possible, with the aim of fostering a stable work environment. In 2024, 18 employees resigned, representing 13.4% of the Company's total workforce.

Alchip's New Hires and Resigned Employee Distribution in 2024

	Category	Taipei				Hsinchu			
		Male	Percentage	Female	Percentage	Male	Percentage	Female	Percentage
New Hires	Under the age of 30	6	25.0%	2	8.3%	2	8.3%	5	20.8%
	31 – 50 years old	1	4.2%	1	4.2%	4	16.7%	3	12.5%
	Above the age of 51	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Resigned Employees	Under the age of 30	0	0.0%	1	5.6%	0	0.0%	2	11.0%
	31 – 50 years old	4	22.2%	3	16.7%	5	27.8%	3	16.7%
	Above the age of 51	0	0.0%	0	0.0%	0	0.0%	0	0.0%

Note:

1. Percentage of various categories of new hires = Number of new hires in each category ÷ total number of new hires

2. Percentage of various categories of resigned employees = Number of resigned employees in each category ÷ total number of resigned employees

Retirement System

For employees subject to the old pension system under the Labor Standards Act, the Company makes monthly contributions to a retirement reserve fund in accordance with the Act, which is deposited into a "Retirement Fund Special Account" established with the Central Trust of China and supervised by the Company's Labor Retirement Reserve Fund Supervisory Committee. As of 2024, the accumulated balance of the old-system retirement reserve amounted to NT\$1,801,985. For employees subject to the new pension system under the Labor Pension Act, the Company makes monthly contributions equal to 6% of employees' salaries to their individual labor pension accounts as required by law. In 2024, the total consolidated pension expense recognized by the Group amounted to NT\$79,379,000, of which the pension expense for the Taiwan region under the new system was NT\$10,090,000. In 2024, the total consolidated pension expense recognized by the Group amounted to NT\$79,379,000, of which the pension expense for the Taiwan region under the new system was NT\$10,090,000.

5.2 Human Rights Protection, Diversity, and Inclusion

5.2.1 Alchip's Human Rights Policy

Alchip respects every employee and complies with local Taiwanese regulations, such as the Labor Standards Act, the Gender Equality in Employment Act, and the Employment Service Act. It has also established the [Alchip Sustainable Development Best Practice Principles](#), committing to abide by international human rights conventions and the principles of basic labor rights, implementing gender equality, freedom of association, and care for disadvantaged groups. Alchip is also dedicated to eliminating all forms of discrimination, the use of child labor, and forced labor, aiming to create a comfortable and inclusive work environment that ensures gender equality in employment and promotes diverse hiring, so that fair employment opportunities are available regardless of gender, religious belief, race, nationality, age, or ethnicity.

The Company strives to create an equal and diverse workplace, hoping to provide female workers with more development opportunities in the future, thereby increasing the ratio of middle and senior management, and realizing the development objective of diverse workplace. Alchip believes in the value of diversity, equality, and inclusion. Creating a diverse and inclusive workplace enhances the Company's creativity and problem-solving capabilities, while fostering employee cohesion and loyalty, and a sense of belonging. This ensures every employee has equal and stable development opportunities and encourages them to grow with the Company.

Moreover, to provide employees with a sexual harassment-free workplace, the Company has stipulated workplace sexual harassment prevention measures, grievance, and discipline regulations according to Article 13-1 of the "Gender Equality in Employment Act". Employees experiencing sexual harassment can file a complaint through relevant sexual harassment grievance channels. In 2024, there were no incidents of human rights violations and sexual harassment. For more details on [Alchip's Diversity, Equity, and Inclusion Statement](#) and [Alchip's Human Rights Policy](#), please refer to the [official website](#). The Company publishes its established guidelines—such as the "Alchip Diversity, Equity, and Inclusion Declaration" and the "Alchip Human Rights Policy"—on its official website, allowing business partners and other stakeholders to review them periodically. Environmental and social clauses are also incorporated into contracts with product suppliers to ensure the Company's commitment to upholding human rights is implemented throughout business relationships.

5.2.2 Family-Friendly Workplace

To foster a family-friendly workplace, Alchip has established a breastfeeding room according to the Gender Equality in Employment Act and regularly enters into agreements with kindergartens to provide childcare services for employees. Alchip has stipulated in its work rules, in accordance with the Labor Standards Act, that employees' labor contracts may not be terminated during maternity leave. In addition to providing maternity and paternity leave as required by law, the Company also offers cash gift for wedding and new baby to congratulate employees on the addition of new family members.

For those with childcare needs, Alchip also offers a statutory parental leave system, and all qualified employees are entitled to the parental leave benefits.

In 2024, seven employees were eligible for parental leave, and an application was received from one employee. There were no employees scheduled to return from parental leave during the year. In 2023, 100% of employees who returned to work after parental leave remained with the Company for a full year. These statistics reflect Alchip's commitment to supporting employees in utilizing parental leave benefits while actively cultivating a family-friendly work environment that enables seamless reintegration into the workplace. Through a comprehensive return-to-work support system, including flexible work arrangements, nurse consultations, and other supportive measures, Alchip effectively assists employees in balancing family responsibilities with professional performance.

Overview of Parental Leave Applications at Alchip

Category	Male	Female	Total
Total number of employees eligible for parental leave in 2024 ^{Note(A)}	4	3	7
Total number of employees who used parental leave in 2024 (B)	0	0	0
Application rate for unpaid parental leave (B/A)	-	0%	0%
Total number of employees who should be reinstated after parental leave in 2024 (C)	0	0	0
Total number of employees who were reinstated after parental leave in 2024 (D)	0	0	0
Reinstatement rate (D/C)	-	-	-
Total number of employees who were reinstated after unpaid parental leave in 2023 (E)	0	1	1
Total number of employees who remained with the Company 12 months after returning from unpaid parental leave in 2023 (F)	0	1	1
Retention rate (F/E)	-	100%	100%

Note: Calculated based on the number of employees who applied for maternity leave/paternity leave and prenatal check-up leave in 2024.

5.3 Employee Care and Welfare

Alchip, to ensure its human resources stability, has established comprehensive employee welfare and adequately reflected its business performance or achievements in employee remuneration, sharing with colleagues the Company's operating results, thereby achieving the goal of sustainable operations.

5.3.1 Welfare Committee

Alchip's Welfare Committee consists of ten representatives from different departments. It is mainly responsible for:

- ✓ Formulating the Welfare Committee policy and annual activity plans
- ✓ Collecting employee suggestions and opinions, and submitting them to the Welfare Committee for discussion
- ✓ Conducting annual Welfare Committee activities

Compared to the previous year, the total allocation by the Welfare Committee in 2024 amounted to NT\$20,473,555, representing a 95.56% increase from last year, further demonstrating the Company's commitment to its employees.

Overview of the Welfare Committee's Operations in 2024

- | Number of Welfare Committee Meetings: 14 times
- | Contents of Welfare Committee Meeting:
 - Bonus distributed for the three major festivals
 - Event preparation
 - Welfare fund distribution
- | Number of Employees Enjoying Welfare Committee Benefits: 134 people
- | Total Amount Contributed: NTD 20,473,555

Note: The total amount contributed is the amount contributed by the Welfare Committee after deducting the amount withdrawn by employees.

5.3.2 Comprehensive Benefits

To attract and retain talent, Alchip offers comprehensive benefits in the hope of boosting employee morale and work performance. Alchip provides a leave system that exceeds regulatory requirements, including an additional three-day flexible leave every year, Christmas holiday, three days of paid sick leave, and unpaid sick leave based on seniority that goes beyond the provisions of the Labor Standards Act (those with eight years of service or more are eligible for paid sick leave). To continue recognizing employees' efforts through meaningful actions, the Company increased the amount of holiday bonuses distributed by the Welfare Committee in 2024. This reflects the Company's appreciation for employees' contributions and reinforces its care and support during festive occasions.

Also, to recruit more professional talent, Alchip not only posts job openings on its corporate website and job search platforms but also actively encourages employee referrals. Suppose a referred candidate successfully completes the probationary period and becomes a full-time engineer or manager. In that case, the referring employee receives a bonus of NTD 20,000 (or NTD 8,000 for non-engineering or non-management positions). Through this referral program and the Company's outstanding benefits, Alchip aims to attract top talent while enhancing its corporate reputation and competitiveness.

Alchip's Employee Welfare

Employee Welfare

Parental leave, retirement system, sick leave deduction method and leave policies that exceed regulatory requirements, transportation allowance or parking space, and regular departmental dinners.

Employee Insurance

Alchip offers labor and health insurance for employees in accordance with the law and fully covers the premiums for employees' group insurance, which includes life insurance, accident insurance, medical insurance, and cancer insurance.

Welfare Committee Benefits

Wedding and funeral subsidies, New Year's gift money, employee travel/travel subsidies, family days, birthday parties, club subsidies, and team building activities.

Health Promotion

Annual employee health examination, occasional health seminars, and health e-newsletters.

Employee Incentives

To encourage outstanding employee achievements, Alchip has established various awards to recognize individual accomplishments, embodying the Company's corporate culture and core values. At the year-end banquet, Alchip formally honors employees who have served for 8, 15, and 20 years by presenting them with the "Seniority Service Award" as a gesture of appreciation for their long-term contributions and to encourage continued retention. Moreover, an "Engineering Award" is established to recognize employees with significant breakthroughs in technical R&D, process optimization, or project execution, and to encourage employees to develop innovative engineering technologies.

To meet the needs of corporate development, Alchip optimized its employee recognition mechanism in 2023 by upgrading the original "Outstanding Employee Award" to the more meaningful "Rising Star Award". This transition reflects a new mindset within the Company, shifting from simply recognizing employees' past performance to placing greater emphasis on their future development potential, demonstrating the Company's commitment to cultivating a new generation of talent.

In terms of the evaluation mechanism, the Company has maintained and optimized its rigorous three-stage process. First, department heads nominate candidates based on their annual performance, and employees are also encouraged to self-nominate. The evaluation criteria extend beyond traditional measures such as professional skills, innovative thinking, and team contributions, incorporating an assessment of the candidate's future development potential. Second, a company-wide voting is conducted, where peer reviews help reflect each candidate's influence and leadership qualities. Lastly, the management team and senior executives conduct a final review to guarantee fair and representative evaluation results. Since the award was upgraded, it has successfully cultivated numerous key talents, which has not only boosted employee morale but also fostered a healthy competitive culture. Looking ahead, Alchip will continue to optimize its evaluation mechanism and expand the reward scope, aiming to inspire greater employee potential and collectively drive corporate innovation and development.



Number of Award Recipients at Alchip Over the Last Three Years

Award		2022	2023	2024
Seniority Service Award	At least 8 years of service	7	6	2
	At least 15 years of service	8	1	1
	At least 20 years of service	0 ^{Note 1}	1	3
	Total number of award recipients	15	8	6
Engineering Award	Number of award recipients	6	6	8
Rising Star Award ^{Note 2}	Number of award recipients	2	2 ^{Note 3}	2

Note:

1. Alchip was founded in 2003; therefore, in 2022, there are no employees with 20 years of service or more.

2. In 2023, the original "Outstanding Employee Award" was upgraded to the "Rising Star Award".

3. Correction of the number of recipients for the Outstanding Employee Award in 2023.

5.3.3 Employee Health Management

Alchip values its employees' health. Besides requesting new hires to complete a physical examination prior to commencement of employment, employees who have worked for the Company for more than six months are provided a yearly half-day official leave and health examination services. Employees may do so at a hospital or health examination center of their choosing. The health examination items exceed regulatory requirements, and they can also be upgraded to a paid package at a discounted price to include items such as gynecological ultrasound, OCT, and MRI. All of Alchip's new hires received a general health examination in 2024, and 98.2% of the Company's employees (including senior executives) received a health examination in the same year.

To improve employees' health awareness and self-care abilities, several health seminars were also conducted by nutritionists in 2024. Depending on their personal preferences and work conditions, employees may attend the seminars either in person or via video conferencing. The average satisfaction rating for instructors exceeded 94%, reflecting strong recognition from employees for their professionalism and teaching effectiveness. Similarly, the average satisfaction rating for the course content also reached 94%, indicating that the material was comprehensive, met participants' expectations, and received highly positive feedback.

5.3.4 Fair Remuneration

Alchip employees' remuneration policy takes into consideration factors such as education, experience, job position, and personal performance appraisal, and remuneration is not differentiated based on gender, race, religion, political affiliation, or marital status. Alchip also enables employees to share in its success through profit-sharing bonuses and employee stock options, which are awarded based on the Company's operational results, departmental achievements, and individual performance.

Employees are the key driving force for the Company's sustainable operation and innovative R&D. Alchip adjusts salaries annually for outstanding employees to continuously enhance salary competitiveness, in a bid to cope with the ever-changing and uncertain future. The average salary adjustment rate in 2024 was 6%. Taking the entire workforce as an example, the average compensation in 2024 was 4.31 times the basic salary, and for full-time, non-management employees, the average compensation was 3.74 times the basic salary. This demonstrates the Company's commitment to strengthening human capital and retaining talent through competitive compensation and benefits.

To promote local prosperity, we actively employ local residents (Taiwan) at our two significant locations of operation in Taipei and Hsinchu. Alchip has a total of nine senior executives, eight of whom are local residents, accounting for 89% of senior management.

Alchip's Annual Total Compa-Ratio over the Last Two Years

Year	2023	2024
Female: Male	1 : 1.37	1 : 1.32
Senior management : Median of other employees	2.78 : 1	3.43 : 1
Percentage increase in total annual compensation (Senior management: Median of other employees)	2.03 : 1	1.71 : 1

- Note:
1. Calculated based on annual average compensation, including fixed monthly salary, year-end bonus, profit-sharing bonus, meal, and transportation allowances.
 2. The calculation method for the percentage increase in total annual compensation is: (Current year's compensation - Previous year's compensation) / Previous year's compensation * 100%
 3. The calculation for the annual total compa-ratio: "Senior management: median of other employees" = (Annual total compensation of the highest-paid individual in the organization) / (Median annual total compensation of all other employees, excluding the highest-paid individual).
 4. Annual total compensation change ratio: (Percentage increase in total annual compensation of the highest-paid individual in the organization) / (Percentage increase in median annual total compensation of all other employees, excluding the highest-paid individual).

Alchip's Basic Salary to Average Compa-Ratio for Various Employee Categories Over the Last Two Years

Year	2023	2024
Basic salary: Male general employees	1 : 3.70	1 : 4.24
Basic salary: Female general employees	1 : 2.97	1 : 2.93
Basic salary: Male middle management	1 : 6.03	1 : 5.68
Basic salary: Female middle management	1 : 4.54	1 : 4.42
Basic salary: Male senior management	1 : 6.37	1 : 6.21
Basic salary: Female senior management	1 : 4.17	1 : 5.28

- Note:
1. General employees are employees below (not including) the manager level; middle management refers to employees between the manager level (including) and Vice President (not including); senior management refers to employees above Vice President (including).
 2. The basic salaries for 2023 and 2024 were NTD 26,400 and NTD 27,470, respectively.
 3. Average compensation includes fixed monthly salary and meal allowance.

5.4 Personnel Development

5.4.1 Employee Cultivation

To continue enhancing employees' professional skills and achieve the Company's talent development goals, Alchip plans training content based on its corporate development strategy and employees' career needs. The courses include annual training plans, ISO training management procedures, and pre-approved paid external training. In addition to offering professional internal education and training (such as engineering skill development workshops), the Company also encourages employees to participate in external training programs, with all associated costs fully covered. It is hoped that by providing ongoing learning opportunities for employees, we can develop their diverse skills and enable them to continually reinforce their professional capabilities, thereby enhancing the Company's competitiveness. In 2024, every employee received an average of 5.84 hours of training.

Additionally, Alchip provides appropriate training for newly hired employees to ensure they understand the Company's key regulations and workplace guidelines from the start. The training covers topics such as "Company Policies and Regulations", "Human Rights Policy", "Ethical Business Conduct", "Sexual Harassment Prevention", "Occupational Safety and Health", and "Confidential Information". In 2024, the training satisfaction rate among new employees reached 98%, with a 100% pass rate on the human rights and core company values assessment.

Alchip's Employee Training Status in 2024

Employee Category	Calculation Method	Male	Female	Subtotal
General Employees	Number of trainees during the reporting period (A1)	13	15	28
	Total training hours during the reporting period (B1)	275	76	351
	Average training hours during the reporting period (B1/A1)	21.15	5.07	12.54
Middle Management	Number of trainees during the reporting period (A2)	22	25	47
	Total training hours during the reporting period (B2)	23	77	100
	Average training hours during the reporting period (B2/A2)	1.05	3.08	2.13
Senior Management	Number of trainees during the reporting period (A3)	4	1	5
	Total training hours during the reporting period (B3)	4	12	16
	Average training hours during the reporting period (B3/A3)	1	12	3.2
Total	Total number of trainees during the reporting period (R)	39	41	80
	Total training hours during the reporting period (Q)	302	165	467
	Average training hours per employee (Q/R)	7.74	4.02	5.84

Note: In 2024, three general employees received a total of 246 hours of training in overseas subsidiaries.

Introduction of Training Categories at Alchip

Category	Course Content
New Employee Training	Enabling new employees to quickly understand Alchip (including human rights related policies)
Work Instructions and Training	The training is provided by the department supervisor or senior employees
Internal Training	Management course, professional skills
External Training	Training professional skills and providing training subsidies
Seminars/Briefings	Organizing or participating in relevant industrial seminars/briefings

5.4.2 Performance Appraisal

Alchip has established a comprehensive performance appraisal system, conducting annual evaluations to serve as the basis for salary adjustments, promotions, and bonuses. The Company also uses the appraisal results to plan training programs and career development paths for employees. In addition, Alchip conducts annual professional knowledge and skills assessments for engineers with less than three years of service to monitor their learning progress and identify high-potential talent. Employees who achieve outstanding results in these assessments are offered special training opportunities and are given early access to participate in high-complexity design projects. The percentage of employees who regularly received performance and career development reviews in 2024 was 86%. In particular, the annual performance of senior executives was evaluated by the CEO and directors.

5.4.3 Industry-Government-Academia Collaboration

Alchip vigorously engages in industry-government-academia collaboration to cultivate talent in the semiconductor industry. Alchip introduced the R&D substitute military service program in 2025, offering outstanding master's and doctoral students the opportunity to intern in the Company's R&D Department. This program integrates academic knowledge with industry practices, cultivates high-tech talent for the nation, and accelerates professional development. Furthermore, Alchip also sponsored the National Taiwan University Department of Computer Science & Information Engineering programming competition, providing NTD 35,000 in prize money to encourage students to unleash their creativity and potential in programming; and sponsored the National Taiwan University of Science and Technology basketball team with NTD 280,000 to support sports development on campus. Through these measures, Alchip not only introduces fresh talent into the semiconductor industry but also actively engages in academic exchanges, promotes industry-academia collaboration, and enhances corporate social responsibility.

Alchip's Annual Performance Appraisal Status in 2024

Performance Appraisal Category	Number of People Who Should Receive the Performance Appraisal	Number Of People Who Received the Performance Appraisal	Participation Rate
Annual performance	115	115	100%
New employee probational period	24	23	96%
Engineer professional knowledge and skill test	4	4	100%

Note: Employees eligible for the annual performance evaluation are those who have joined the company on or before September 1 of the current year.

Alchip's Employee Performance Review Status in 2024

Employee Category	Calculation Method	Male	Female	Subtotal
General Employees	Total employee number at the end of the reporting period (A1)	54	34	88
	Number of employees who regularly receive performance and career development reviews (B1)	51	30	81
	Percentage (B1/A1)	94%	88%	92%
Middle Management	Total employee number at the end of the reporting period (A2)	24	13	37
	Number of employees who regularly receive performance and career development reviews (B2)	22	12	34
	Percentage (B2/A2)	92%	92%	92%
Senior Management	Total employee number at the end of the reporting period (A3)	8	1	9
	Number of employees who regularly receive performance and career development reviews (B3)	0	0	0
	Percentage (B3/A3)	0%	0%	0%
Total	Total employee number at the end of the reporting period (R)	86	48	134
	Total number of employees who regularly receive performance and career development reviews (R)	73	42	115
	Percentage of employees who regularly receive performance and career development reviews (Q/R)	85%	88%	86%

5.5 Occupational Safety

5.5.1 Occupational Safety Management

Alchip provides and maintains a work environment that meets practical needs and complies with legal requirements. The Company adheres to applicable occupational safety and health regulations and is committed to eliminating potential hazards that could result in property damage, employee injuries, or illnesses. Accordingly, all employees are required to follow the Labor Safety Rules and carry out their daily duties in accordance with occupational safety and health standards and procedures.



- Safe Office Environment**

 - To ensure workplace safety for employees, they are required to use their keycards to access the office, elevators, and parking lots.
 - Visitors must sign in and be led into the conference room by an employee.
 - The main entrances and exits of the office area are guarded by security and surveillance cameras.
- Regular Fire Safety Inspections**

 - Annual fire safety inspections are carried out to ensure that fire safety-related equipment and sensors are maintained in good working order.
 - A fire drill is conducted annually.
- Maintaining Environmental Health**

 - Air conditioners and blowers are cleaned and maintained regularly every year.
 - CO₂ concentration levels are checked annually

Comprehensive Health Management

Alchip does not engage in tasks involving special hazardous operations. In accordance with the Occupational Safety and Health Act and the work guidelines released by the Occupational Safety and Health Administration, the Company assesses the risk of unlawful harm to employees performing their duties across departments and publicly discloses related information. A consultation and complaint channel for workplace unlawful harm is also established. Additionally, in line with the "Human Factor Hazard Prevention Plan" and the "Abnormal Workload-Induced Disease Prevention Plan", the Company implements workplace stress assessments, monitors overtime hours, and makes necessary work adjustments to reduce health risks caused by overwork or mental strain. For female employees, risk identification and operational adjustment recommendations are carried out following the "Maternal Health Protection Plan", providing appropriate protection and support measures for pregnant and breastfeeding employees, thereby fostering a safe and friendly working environment.

Moreover, if an employee requires emergency assistance due to a car accident on the way to or from work, in addition to injury leave and group insurance, Alchip also offers comprehensive assistance measures, including work-from-home (WFH).

5.5.2 Emergency Response

In the event of a major emergency, Alchip's emergency response team will immediately notify the relevant personnel by phone, providing details such as the time, location, and general situation. They will also access the notification system. Upon receiving the alert, the team should shut off the power supply, remove flammable and explosive materials, salvage important documents and property, and, if necessary, deploy Alchip's fire safety equipment for disaster response. The team should remain vigilant for any suspicious activities or items, preserve the scene, and await further instructions. When important or confidential data is lost or leaked, the response team is responsible for remediating and salvaging the situation and discussing with various departments to make improvements. In 2024, two fire drills were conducted in Taipei and Hsinchu, respectively.

Self-Defense Fire Protection Group

To respond to disasters, Alchip has established a self-defense fire protection group consisting of a notification team, a firefighting team, a command team, a safety protection team, an emergency rescue team, and an evacuation guidance team. The group allows for the systematic handling of fire emergencies to minimize casualties and losses.

Team	Mission
Self-Defense Fire Protection Group Leader	Commanding, ordering, and supervising the self-defense fire protection group.
Deputy Self-Defense Fire Protection Group Leader	Assist the self-defense fire protection group leader and be in charge in the absence of the group leader.
Command Team	<ul style="list-style-type: none"> Establish the self-defense fire protection headquarters. Assist the group leader and the deputy group leader. (Be in charge in the absence of the group leader and deputy group leader) Communicate orders and intelligence to other regional teams. Provide the fire brigade with relevant intelligence and guide them to the disaster scene. The key points are: <ul style="list-style-type: none"> Direct them to the passageway, entrance/exit, or emergency elevator nearest to the fire scene. Where the fire started, objects that are on fire, and the areas that are on fire, and whether people are trapped or injured. Other necessary command-related matters.
Notification Team	<ul style="list-style-type: none"> Report the incident to the fire authorities and confirm that it has been reported. Perform an emergency broadcast and notification to personnel inside the venue. Contact relevant personnel (based on the emergency contact list) Perform a broadcast inside the venue as needed to prevent panic.
Firefighting Team	<ul style="list-style-type: none"> Commanding team members to fight fire. Using fire extinguishers or fire hydrants to fight fire. Contact and assist the fire brigade.
Evacuation Guidance Team	<ul style="list-style-type: none"> Communicate evacuation instructions on the fire floor and floors above. Open all emergency exits and confirm that they are all open. Remove objects that may obstruct the evacuation process. Confirm and report people who are unable to evacuate in time or in need of emergency assistance. Use ropes to demarcate warning zones. Operate the evacuation equipment and serve as the evacuation guide.
Safety Protection Team	<ul style="list-style-type: none"> Head to the fire scene immediately to close the rolling fire doors and the fire doors. Ensure emergency power is operating and turn off facilities that involve the use of fire or electricity, such as boilers. Emergency control of elevators and escalators.
Emergency Rescue Team	<ul style="list-style-type: none"> Establishment of an emergency shelter. Emergency treatment of injured personnel. Contact the firefighters and provide them with information.

5.5.3 Worker Participation in Occupational Safety and Health

To mitigate occupational safety and health risks, the Company and management at all levels are responsible for providing a safe working environment and for formulating, planning, and overseeing safety and health management matters. All employees actively participate in or cooperate with the implementation of occupational safety and health policies. In the event of an accident, all personnel should perform their duties in accordance with their safety and health responsibilities to minimize the impact of the incident.

Safety and Health Responsibilities of Various Job Positions

Safety and Health Responsibilities of Chairman and Vice Presidents

1. Supervising the occupational disaster prevention plan.
2. Supervising safety and health management.
3. Regular inspections, key inspections, inspections, and other inspection and supervision-related matters.
4. Conducting regular or random inspections.
5. Teaching and supervising subordinates to practice safe work standards and methods.
6. Assigning other safety and health management-related matters.

Safety and Health Responsibilities of Managers of All Levels

1. Occupational disaster prevention plan-related matters.
2. Safety and health management implementation-related matters.
3. Regular inspections, key inspections, inspections, and other inspection and supervision-related matters.
4. Conducting regular or random inspections.
5. Providing work improvement solutions.
6. Formulating safety operation standards.
7. Teaching and supervising subordinates to practice safe work standards and methods.
8. Other safety and health management matters.

Safety and Health Responsibilities of Labor Safety and Health Business Supervisor

1. Formulating the occupational disaster prevention plan and guiding relevant departments to implement it.
2. Planning and supervising various departments' labor safety and health management.
3. Planning and supervising the inspection of safety and health facilities.
4. Planning and supervising relevant personnel to perform inspections, regular inspections, key inspections, and operating environment measurements.
5. Planning and supervising labor safety and health education and training.
6. Planning labor health inspections and implementing health management.
7. Supervising occupational disaster investigation and handling, and compiling occupational disaster statistics.
8. Offering employers labor safety and health management-related information and advice.
9. Other labor safety and health management matters.

Safety and Health Responsibilities of All Employees

1. Reporting safety concerns to the supervisor or safety and health supervisor at any time.
2. Understanding and applying safety and health management regulations and knowledge, as well as developing good safety and health conduct.

3. If there is any work-related problem, do not hesitate to ask the relevant personnel and supervisor.
4. When an accident occurs, remain calm and handle the situation effectively. Do not panic and run away to avoid causing chaos and escalating the disaster. Report it to the supervisor immediately, and if anyone is injured, provide emergency rescue or assistance right away.
5. Memorizing the instructions and locations of fire safety equipment, and assuming the responsibility for firefighting and rescuing.
6. Do not stay or loiter in other people's work areas unless it is necessary for work. Do not disturb other people's work or distract others from their work.
7. Always maintain the cleanliness and hygiene of the workplace.
8. Encourage each other, comply with all SOPs and safety regulations.
9. Proactively participating in the Company's safety and health-related activities.
10. Always concentrate on work and do not be careless.
11. When injured at work, always report it to the supervisor and work safety unit regardless of the seriousness of the injury.
12. Smoking is prohibited in the office.
13. Regularly receiving safety and health education and training.
14. Regularly receiving health examinations.

5.5.4 Occupational Safety and Health Education and Training

To ensure that employees are familiar with relevant occupational safety and health laws, as well as Alchip's occupational safety and health management policies, the Company regularly conducts occupational safety and health courses as part of new hire orientation. Employees are required to comply with the Company's safety and health work rules and to develop basic awareness of fire safety and emergency response, enabling them to handle emergencies calmly and in accordance with established procedures.

Overview of Alchip's Occupational Safety and Health Education and Training in 2024

Item	Hours	Number of Participants	Total Hours
Introduction to Occupational Safety and Health Act			
Occupational Safety and Health Concepts and Safety and Health Work Rules			
SOP	3 hours	24 people	72 hours
Emergency Response			
Other Labor Safety and Health-Related Knowledge			
Firefighting Training (TP)	3.44 hours	25 people	86 hours
Firefighting Training (HC)	4 hours	4 people	16 hours

5.5.5 Occupational Injuries and Diseases

Alchip conducts annual health examinations, implements a prevention program for diseases caused by abnormal workloads, and carries out legally mandated biannual workplace measurements. Through contracted medical institutions and healthcare professionals, the Company also provides regular health guidance and consultations to employees to assess potential risks of occupational diseases and offer advice on diet, exercise, and medical care. In 2024, Alchip did not have any incidents of occupational injuries or diseases, and no fines were incurred due to violations of employee safety-related regulations.

Alchip's Employee Absenteeism Rate Over the Last Three Years

Year	2022	2023	2024
Total Company-Wide Work Hours	228,535	254,341	269,181
Total Company-Wide Sick Leave Hours	2,944	3,461	3,646
Total Company-Wide Menstrual Leave Hours	35	132	197
Total Company-Wide Injury Leave Hours	0	0	0
Absenteeism Rate (AR)	1.3%	1.4%	1.4%

Note:

- Total company-wide work hours refers to the total work hours of all employees (including overtime).
- Total company-wide sick leave hours do not include accidents that occur on the way to and from work, but only include work-related injuries caused during the work process.
- Absenteeism rate (AR): Total absent days (number of days lost) / total number of work days (including injury leave, sick leave, menstrual leave, etc.) × 100%

5.6 Social Engagement

Water-Friendly Initiatives

Upholding its commitment to corporate sustainability, Alchip proactively supports Article 27 of the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies by continuously investing in community development and environmental protection initiatives. In 2024, a total of 19 Alchip employees participated in the “Taoyuan One-Day Water Area Patroller” activity. 30 kilograms of waste were collected, which contributed to preserving Taoyuan’s pond water sources, promoting environmental education, demonstrating the Company’s commitment to environmental sustainability through concrete actions.

The purpose of this event was to promote water-friendly initiatives and raise awareness of biodiversity. Alchip’s volunteer team participated in hands-on activities such as exploring Xiaoli Pond, maintaining the ponds, taking a guided tour of the Shui-mu Niang-niang Washing Pond, removing environmental pollution, and enhancing knowledge of water resource management. Through this activity, the volunteers not only understood the vulnerability of the aquatic ecosystem but also appreciated the importance of environmental protection. In addition, the volunteers also experienced low-carbon hydroponic smart agriculture, participated in vegetable guided tours and on-site picking, and learned how to realize sustainable agricultural development through technology and innovation.

Through this activity, Alchip not only hopes to step up the practice of corporate social responsibility but also has established deep connections with local residents, demonstrating the Company’s diverse responsibilities across economic, social, and environmental dimensions. The Company also hopes to convey the philosophy of sustainability through these activities, encouraging more stakeholders to contribute to the promotion of environmental sustainability. Alchip believes that environmental protection is not only a corporate responsibility but also a civic duty. It is only through collective action that we can create a better living environment for future generations.

In the future, Alchip will continue to promote diverse sustainability initiatives, including the expansion of the environmental education plan, supporting community development projects, and strengthening partnerships with academic institutions to explore innovative solutions.



Alchip participated in the “Taoyuan One-Day Water Area Patroller” activity in 2024

Player Scholarship Program

Committed to cultural and educational development, Alchip actively invests in school sports and talent cultivation. In 2024, the Company sponsored the National Taiwan University of Science and Technology basketball team by establishing a player scholarship program worth NTD 280,000, providing each of the 14 players with an annual scholarship of NTD 20,000. This program aims to encourage student-athletes to strike a balance between their academic and athletic pursuits, inspire them to strive for excellence, and support their advancement in both fields through practical initiatives, thereby cultivating the diverse talents needed by future society.

Alchip believes that sports and education are integral components of cultural development. By sponsoring the basketball scholarship, Alchip strives to offer young talents a better platform for development, encourage them to lead a healthy lifestyle, and foster a spirit of teamwork. The Company recognizes that sports not only bolster physical strength but also foster resilience and leadership skills in students, qualities that have a lasting impact as they transition into the workplace or society.



Alchip sponsored the National Taiwan University of Science and Technology basketball team in 2024 by establishing a player scholarship program

Support Talent Cultivation

In a bid to promote technological innovation and talent cultivation, Alchip vigorously supports academic activities and youth development. In 2024, the Company sponsored "TTCPC" with a contribution of NTD 35,000 to encourage students' participation in programming and algorithm competitions, fostering innovative thinking and problem-solving skills.

This sponsorship not only offers tangible support to participating students but also reflects Alchip's commitment to technology education and talent cultivation, enabling students to learn and grow together through competition. Meanwhile, through sponsoring the competition, Alchip hopes to enhance its brand recognition among students, establish a strong brand image, and expand its influence.



Appendix



GRI Content Index

Climate-Related Information for TWSE / TPEX-Listed Companies

SASB Standards Index – Semiconductor Industry

Sustainability Disclosure Indicators – Semiconductors



GRI Content Index

Terms of Use	Alchip published its 2024 Sustainability Report according to the GRI Standards. The disclosure period is from January 1 to December 31, 2024.
GRI Version Used	GRI 1: Foundation 2021
GRI Sector Standards	None

GRI 2 General Disclosures 2021

CRI Code	Disclosure Items	Report Chapter/Description	Page Number
2-1	Organization details	2.1 Company Introduction	19
2-2	Entities included in the organization's sustainability reporting	About the Report	2
2-3	Reporting period, frequency, and contact point	About the Report	2
2-4	Restatement of information	4.2 GHG Inventory	51
		4.3 Energy Management	53
		4.5 Waste Management	55
		5.3.2 Comprehensive Benefits (Employee Incentives)	60
2-5	External assurance	About the Report	2
2-6	Activities, value chain, and other business relationships	2.1 Company Introduction	19
		2.3 Industry and Market Development	22
		2.4 Production and Sales Overview	24
2-7	Employees	5.1.1 Employee Structure	57
2-8	Workers who are not employees	5.1.1 Employee Structure	57

CRI Code	Disclosure Items	Report Chapter/Description	Page Number
2-9	Governance structure and composition	3.2.1 Board Composition and Selection Mechanism	33
		3.3 Functional Committees	37
2-10	Nomination and selection of the highest governance body	3.2.1 Board Composition and Selection Mechanism	33
2-11	Chair of the highest governance body	3.2.1 Board Composition and Selection Mechanism	33
		3.2.2 Discussion of Board Meeting Agenda	34
2-12	Role of the highest governance body in overseeing the management of impacts	3.1 Organizational Structure	30
2-13	Delegation of responsibility for managing impacts	3.1.1 Sustainable Development Committee	31
2-14	Role of the highest governance body in sustainability reporting	About the Report	2
2-15	Conflicts of interest	3.2.2 Discussion of Board Meeting Agenda Please refer to the 2024 Annual Report	34
2-16	Communication of critical concerns	3.2.2 Discussion of Board Meeting Agenda Please refer to the 2024 Annual Report	34

CRI Code	Disclosure Items	Report Chapter/Description	Page Number
2-17	Collective knowledge of the highest governance body	3.2.3 Status of Continuing Education for Directors	35
2-18	Evaluation of the performance of the highest governance body	3.2.4 Performance Evaluation of the Board of Directors and Functional Committees	35
2-19	Remuneration policies	3.3.2 Remuneration Committee	37
		3.3.3 Nomination Committee	38
2-20	Process to determine remuneration	3.3.2 Remuneration Committee	37
		3.3.3 Nomination Committee	38
2-21	Annual total compensation ratio	5.3.4 Fair Remuneration	62
2-22	Statement on sustainable development strategy	CEO's Statement	1
2-23	Policy commitments	3.4 Ethical Management	39
		5.2.1 Alchip's Human Rights Policy	59
2-24	Embedding policy commitments	3.4 Ethical Management	39
		5.2.1 Alchip's Human Rights Policy	59
2-25	Processes to remediate negative impacts	1.1 Stakeholder Communication	6
		3.4.4 Whistleblowing System	41
2-26	Mechanisms for seeking advice and raising concerns	1.1 Stakeholder Communication	6
		3.4.4 Whistleblowing System	41
2-27	Compliance with laws and regulations	3.4.3 Compliance with Laws and Regulations *There were zero incidents of violation in 2024	40
2-28	Membership associations	2.7 Participation in Organizations and Associations	28
2-29	Approach to stakeholder engagement	1.1 Stakeholder Communication	6
2-30	Collective bargaining agreements	Reason for omission: Not applicable *Alchip does not have a union, and no collective bargaining agreements were signed. Labor-management agreements are discussed and negotiated through labor-management meetings according to the law.	-

GRI 3 Material Topics 2021

CRI Code	Disclosure Items	Report Chapter/Description	Page Number
3-1	Process to determine material topics	1.2 Materiality Assessment	7
3-2	List of material topics	1.2 Materiality Assessment	7
3-3	Management of material topics	1.3 Management of Material Topics	10
Material Topic: Risk Management			
3-3	Management of material topics	1.3 Management of Material Topics	10
Customized Topics	-	3.1.2 Risk Management	32
Material Topic: Economic Performance			
3-3	Management of material topics	1.3 Management of Material Topics	10
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed by an organization	2.5 Financial Performance	25
Material Topic: Ethical Management			
3-3	Management of material topics	1.3 Management of Material Topics	10
Customized Topics	-	3.4 Ethical Management	39
GRI 205: Anti-Corruption 2016			
205-2	Communication and training on anti-corruption policies and procedures	3.4.2 Ethics and Legal Affairs Education Campaign	40
205-3	Confirmed incidents of corruption and actions taken	3.4.3 Compliance with Laws and Regulations *There were zero incidents of violation in 2024	40
GRI 206: Anti-Competitive Behavior 2016			

CRI Code	Disclosure Items	Report Chapter/Description	Page Number
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	3.4.3 Compliance with Laws and Regulations *There were zero incidents of violation in 2024	40
Material Topic: Product Quality			
3-3	Management of material topics	1.3 Management of Material Topics	10
Customized Topics	-	3.6 Quality Management	44
		3.7 Supplier Management	46
Material Topic: Customer Relationship Management			
3-3	Management of material topics	1.3 Management of Material Topics	10
Customized Topics	-	3.6.3 Customer Relationship Management	45
Material Topic: Customer Privacy and Information Security			
3-3	Management of material topics	1.3 Management of Material Topics	10
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.5 Information Security Management *No related incidents occurred in 2024	41
Material Topic: Talent Attraction and Retention			
3-3	Management of material topics	1.3 Management of Material Topics	10
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	5.1.2 New Employee Hires and Employee Turnover	58

CRI Code	Disclosure Items	Report Chapter/Description	Page Number
401-2	Benefits provided to full-time employees (not provided to temporary or part-time employees)	5.3.2 Comprehensive Benefits	60
401-3	Parental leave	5.2.2 Family-friendly Workplace	59
Material Topic: Human Rights, Diversity, and Equity			
3-3	Management of material topics	1.3 Management of Material Topics	10
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	3.2.1 Board Composition and Selection Mechanism	33
		5.1.1 Employee Structure	57
405-2	Ratio of basic salary and remuneration of women to men	5.3.4 Fair Remuneration	62
GRI 406: Non-Discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	5.2.1 Alchip's Human Rights Policy *No related incidents occurred in 2024	59

Climate-Related Information for Twse / Tpex-Listed Companies

Content disclosure is conducted in accordance with Appendix 2 of the “Rules Governing the Preparation and Filing of Sustainability Reports by TWSE-listed Companies”.

Item	Item	Report Chapter and Description	Page number
1	Describe the board of directors and the management's oversight and governance of climate-related risks and opportunities		
2	Describe the impact of climate risks and opportunities on the organization's businesses, strategy, and finances (short, medium, and long term).	4.1 Climate-related Financial Disclosure (TCFD)	49
3	Describe the financial impact of extreme climate events and transition actions		
4	Describe how the risk identification, evaluation, and management process is integrated into the overall risk management mechanism		
5	Where scenario analysis is applied to assess resilience to climate change risks, the context applied, parameters, assumptions, analysis factors and key financial implications should be explained	Currently no relevant plans are available	-
6	For transition plans designed to manage climate risks, describe the content of the plan along with the indicators and targets used to identify and manage physical and transition risks.	4.1 Climate-related Financial Disclosure (TCFD)	49
7	If carbon pricing is used as an internal planning tool, the pricing structure should be explained.	Currently no relevant plans are available	-
8	If climate-related targets are set, information on the activities involved, the scope of GHG emissions, planning schedule, and annual progress should be explained; if carbon offsets or renewable energy certificates (RECs) are applied to attain relevant targets, the source and quantity of carbon credits obtained through carbon offset or the quantity of RECs should be explained.	Currently no relevant plans are available	-
9	GHG inventory and assurance status, reduction target, strategy, and specific action plans.	4.2 GHG Inventory	51

SASB Standards Index – Semiconductor Industry

1.Sustainable Development Disclosure Topics and Indicators

Coding	Accounting Indicators	Category	Disclosure Item	Corresponding Chapter
Topic: GHG Emissions				
TC-SC-110a.1	(1) Total global Scope 1 emissions and (2) Per Fluorinated Compound (PFC) emissions	Quantitative	(1) Total Scope 1 GHG emissions: 4.0734 tCO ₂ e (2) Total PFC emissions: 0 tCO ₂ e	4.2 GHG Inventory
TC-SC-110a.2	Discuss long-term and short-term strategies or plans for managing Scope 1 emissions, emission reduction targets, and performance analysis against these targets.	Discussion and analysis	Please refer to the corresponding chapters for more details	4.2 GHG Inventory
Topic: Energy Management During The Manufacturing Process				
TC-SC-130a.1	(1) Total energy consumption, (2) Grid electricity percentage, (3) Renewable energy percentage	Quantitative	(1) 1,767 GJ (2) 98% (3) 2%	4.3 Energy Management
Topic: Water Resource Management				
TC-SC-140a.1	For each region with high baseline water stress or extremely high baseline water stress: (1) Total water withdrawal, percentage; (2) Total water consumption, percentage.	Quantitative	(1) Total water withdrawal: 2.0432 Thousand cubic meters (m ³) (2) Total water consumption: 0 Thousand cubic meters (m ³)	4.4 Water Resource Management
Topic: Waste Management				
TC-SC-150a.1	Hazardous waste generated during the manufacturing process and its recycling rate	Quantitative	Hazardous waste 0.068 metric tons Hazardous waste recycling rate 0%	4.5 Waste Management
Topic: Employee Health and Safety				
TC-SC-320a.1	Describe efforts to evaluate, monitor, and lower workforce exposure to human health hazards.	Discussion and analysis	Please refer to the corresponding chapters for more details	5.5 Occupational Safety 5.3.3 Employee Health Management
TC-SC-320a.2	Monetary losses from litigations related to employee health and safety violations	Quantitative	In 2024, Alchip did not have any incidents of occupational injuries or diseases, and no fines were incurred due to violations of employee safety-related regulations.	5.5.5 Occupational Injuries and Diseases

Coding	Accounting Indicators	Category	Disclosure Item	Corresponding Chapter
Topic: Recruitment and Management of Global & Outstanding Talent				
TC-SC-330a.1	Percentage of employees requiring work visas	Quantitative	0%	5.1.1 Employee Structure
Topic: Product Life Cycle Management				
TC-SC-410a.1	Percentage of revenue from products containing IEC 62474 declarable substances	Quantitative	Alchip is a professional ASIC design service company that specializes in chip design services. Product manufacturing is entirely outsourced to professional wafer foundries, as well as packaging and testing plants. Consequently, Alchip does not directly manufacture products that require the declaration of substances under IEC 62474 (Material Declaration Standard).	3.7.3 Green Supplier Regulations
TC-SC-410a.2	Energy efficiency of system-level processors used in (1) Servers, (2) Desktops, (3) Laptops	Quantitative	The software or standards mentioned in this indicator are all for power consumption testing or benchmarking of system products, not for testing components or IP. Therefore, it is not applicable.	-
Topic: Material Procurement				
TC-SC-440a.1	Description of risk management related to the use of key materials	Discussion and analysis	Alchip outsources its manufacturing to TSMC; therefore, risks related to the procurement of raw materials for main production and manufacturing are managed based on TSMC's response strategies.	3.7.3 Green Supplier Regulations
Topic: Intellectual Property Management and Competitive Behavior				
TC-SC-520a.1	Total monetary losses from litigations related to anti-competitive behavior.	Quantitative	NTD 0 (no related incidents occurred)	3.4.3 Compliance with Laws and Regulations

2. Activity Indicator

Coding	Accounting Indicators	Category	Disclosure Item	Corresponding Chapter
TC-SC-000.A	Total production	Quantitative	Total of 3,405 thousand units of ASIC products	-
TC-SC-000.B	Percentage of production from own facilities	Quantitative	As an IC customization design service provider, Alchip does not produce products itself	-

Sustainability Disclosure Indicators – Semiconductors

Content disclosure is conducted in accordance with Appendix 1-8 of the “Rules Governing the Preparation and Filing of Sustainability Reports by TWSE-listed Companies”.

Number	Indicator	Indicator Type	Annual Disclosure status	Unit	Corresponding Chapter
I	Total energy consumption, percentage of purchased electricity, and percentage of renewable energy	Quantitative	Total energy consumption: 1,767 GJ Grid electricity percentage: 98% Renewable energy percentage: 2%	Gigajoules (GJ), percentage (%)	4.3 Energy Management
II	Total water withdrawal and total water consumption	Quantitative	Total water withdrawal: 2.0432 Thousand cubic meters (m ³) Total water consumption: 0 Thousand cubic meters (m ³)	Thousand cubic meters (m ³)	4.4 Water Resource Management
III	Weight of hazardous waste produced and its recycling rate	Quantitative	Hazardous waste 0.068 metric tons Hazardous waste recycling rate 0%	Metric tons (t), percentage (%)	4.5 Waste Management
IV	Describe the types, number, and rate of occupational injuries	Quantitative	No occupational injuries or diseases occurred at Alchip in 2024.	Percentage (%), number	5.5.5 Occupational Injuries and Diseases
V	Disclosure of product lifecycle management: including the weight of discarded products and electronic waste, and the percentage of recycling. ^{Note}	Quantitative	As the Company is not involved in actual product manufacturing, disclosure of this indicator is not applicable.	Metric tons (t), percentage (%)	3.7.3 Green Supplier Regulations
VI	Description of risk management related to the use of key materials.	Qualitative	Alchip outsources its manufacturing to TSMC; therefore, risks related to the procurement of raw materials for main production and manufacturing are managed based on TSMC's response strategies.	Not applicable	3.7.3 Green Supplier Regulations
VII	Total monetary losses from litigations related to anti-competitive behavior.	Quantitative	NTD 0 (no related incidents occurred)	Reporting currency	3.4.3 Compliance with Laws and Regulations
VIII	Main product output by product category	Quantitative	Total of 3,405 thousand units of ASIC products	Varies by product category	2.5 Financial Performance 2.6 Innovative R&D

Note: Include sales of scraps or other recycling processes, relevant description should be provided.

Independent Verification Statement




獨立保證意見聲明書

世芯電子 2024 年永續報告書

英國標準協會與英屬開曼群島世芯電子股份有限公司(簡稱世芯電子)為相互獨立的公司。英國標準協會除了針對世芯電子 2024 年永續報告書進行評估和查證外，與世芯電子並無任何財務上的關係。

本獨立保證意見聲明書之目的，僅作為對世芯電子 2024 年永續報告書所界定範圍內的相關事項進行查證之結論，而不作為其他之用途。除對查證事實提出獨立保證意見聲明書外，對於其他目的之使用，或閱讀此獨立保證意見聲明書的任何人，英國標準協會並不負有或承擔任何有關法律或其他之責任。

本獨立保證意見聲明書係英國標準協會審查世芯電子提供之相關資訊所作成之結論，因此審查範圍乃基於並限在這些提供的資訊內容之內，英國標準協會認為這些資訊內容都是完整且準確的。

對於這份獨立保證意見聲明書所載內容或相關事項之任何疑問，將由世芯電子一併回覆。

查證範圍

世芯電子與英國標準協會協議的查證範圍包括：

- 查證作業範疇與世芯電子 2024 年永續報告書揭露之報告範疇一致。
- 依照 AA1000 保證標準 v3 之第 1 應用類型/第 2 應用類型評估組織遵循 AA1000 當責性原則的本質和程度及部分特定永續性績效資訊的可信賴度，除了水與放流水主題之具體管理方針及績效指標外，不包括對於報告書揭露的資訊/數據之可信賴度的查證。

本聲明書以英文作成並已翻譯為中文以供參考。

意見聲明

我們總結世芯電子 2024 年永續報告書內容，對於世芯電子之相關運作與績效則提供了一個公平的觀點。基於保證範圍限制事項，世芯電子所提供資訊與數據以及抽樣之測試，此報告書並無重大之不實陳述；而報告書中有關水與放流水主題之具體管理方針及績效指標內容則為實質正確之呈現。報告書所揭露之永續績效資訊展現了世芯電子對識別利害關係人的努力。

我們的工作是由一組具有依據 AA1000 保證標準 v3 查證能力之團隊執行，以及策劃和執行這部分的工作，以獲得必要之訊息資料及說明。我們認為就世芯電子所提供之足夠證據，表明其符合 AA1000 保證標準 v3 的報告方法與自我聲明依據 GRI 永續性報導準則係屬公允的。

查證方法

為了收集與作成結論有關的證據，我們執行了以下工作：

- 一對來自外部團體的議題相關於世芯電子政策進行高階管理層訪談，以確認本報告書中聲明書的合適性；
- 與管理者討論有關利害關係人參與的方式，然而，我們並無直接接觸外部利害關係人；
- 訪談 10 位與永續性管理、報告書編製及資訊提供有關的員工；
- 審查重大性評估流程；
- 審查有關組織的關鍵性發展；
- 審查內部稽核的發現；
- 藉由與負責收集資料管理者的會議，查證報告書中有關水與放流水主題的績效數據與空告；
- 審查有關水與放流水主題資料收集的流程與確保數據的準確性，數據追溯至最初來源並進行深度抽樣；
- 審查報告書中有關水與放流水主題所作空告的支持性證據；
- 針對公司報告書及其相關 AA1000 當責性原則(2018)中有關包容性、重大性、回應性及衝擊性原則之流程管理進行審查。

結論

針對 AA1000 當責性原則(2018)之包容性、重大性、回應性及衝擊性、永續性績效資訊與 GRI 永續性報導準則的詳細審查結果如下：

包容性

2024 年報告書反映出世芯電子已尋求利害關係人的參與，並建立重大永續主題，以發展及達成對永續具有責任且策略性的回應。報告書中已公正地報告與揭露環境、社會及治理的訊息，足以支持適當的計畫與目標設定。以我們的專業意見而言，這份報告書涵蓋了世芯電子之包容性議題，除持續展現由最高管理階層支持之永續作為，亦於組織階層落實展開。

重大性

世芯電子公布對組織及其利害關係人之評估、決策、行動和績效會產生實質性影響與衝擊之重大主題。永續性資訊揭露使利害關係人得以對公司之管理與績效進行判斷。以我們的專業意見而言，這份報告書適切地涵蓋了世芯電子之重大性評估流程與重大性議題。

回應性

世芯電子執行來自利害關係人之期待與看法之回應。世芯電子已發展相關道德政策，作為提供進一步回應利害關係人的機會，並能對利害關係人所關切之議題作出及時性回應。以我們的專業意見而言，這份報告書適切地涵蓋了世芯電子之回應性議題。

衝擊性

世芯電子已識別，並以平衡和有效之量測及揭露方式公正展現其衝擊。世芯電子已經建立監督、量測、評估和管理衝擊之流程，從而在組織內實現更有效之決策和結果管理。以我們的專業意見而言，這份報告書涵蓋了世芯電子之衝擊性議題。

績效資訊

基於本聲明書描述之我們的查證方法，特定績效資訊係在世芯電子與英國標準協會協議之查證範圍內，報告書揭露的重大主題之永續揭露，以我們的觀點，世芯電子 2024 年永續報告書揭露有關水與放流水主題之數據與資訊是可信賴的。

GRI 永續性報導準則

世芯電子提供依據 GRI 永續性報導準則 2021 之自我空告，並對每個涵蓋其行業準則和具相關性的 GRI 主題準則(包含適用的經濟、環境與社會資訊的揭露項目)之重大主題，其揭露項目依據全部報導要求的相關資料。基於審查的結果，我們確認報告書中依照 GRI 永續性報導準則之永續發展相關揭露項目已被報告、部分報告或省略，以我們的專業意見而言，此自我空告涵蓋了世芯電子的永續性主題。

保證等級

依據 AA1000 保證標準 v3 我們審查本聲明書為中度保證等級，如同本聲明書中所描述之範圍與方法。

責任

這份永續報告書所屬責任，如同責任信中所宣稱，為世芯電子負責人所有。我們的責任為基於所描述之範圍與方法，提供專業意見並提供利害關係人一個獨立的保證意見聲明書。

能力與獨立性

英國標準協會於 1901 年成立，為全球標準與驗證的領導者。本查證團隊係由具專業背景，且接受過 AA1000AS、ISO 14001、ISO 45001、ISO 14064 及 ISO 9001 之一系列永續性、環境及社會等管理標準的訓練，具有稽核員資格之成員組成。本保證係依據 BSI 公平交易準則執行。



For and on behalf of BSI:
Peter Pu, Managing Director BSI Taiwan



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