

Alchip

Sustainability Report

2025

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Chairman's Statement

2025 was a pivotal year for global industries as artificial intelligence (AI) became increasingly integrated into business operations and everyday life. The growing adoption of AI not only transformed business models, but also created new growth opportunities for the semiconductor industry. At the same time, rising demand for higher performance, lower power consumption, and greater design integration accelerated technology development and product innovation, driving the industry toward higher efficiency and more advanced process technologies.

In recent years, the global business landscape has evolved rapidly, driven by geopolitical shifts and the accelerated advancement of artificial intelligence (AI). These developments continue to influence the direction of the semiconductor industry. As AI applications fuel unprecedented demand for high-performance computing, challenges related to energy efficiency and information security have become increasingly important priorities for businesses worldwide. As a 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 2025, 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. In addition, we have expanded our collaboration model and integrated industry resources to accelerate the development and optimization of next-generation technologies.

We believe that technological innovation is not only about pursuing higher performance, but also about creating long-term value through sustainable development. Therefore, we continue to enhance our design capabilities to help customers develop more competitive products, while strengthening information security management, deepening collaboration with supply chain partners, and improving overall operational resilience to address the challenges of a rapidly changing market environment.

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 2025, all of Alchip's suppliers successfully passed the green audit. Regarding energy management, through annual greenhouse gas inventories, we track our carbon emissions, establish reduction strategies and targets based on internal assessments, and regularly review our progress. Alchip has adopted phased climate goals, including a short-term target of reducing GHG emission intensity by 1% annually, a medium-term target of achieving a cumulative reduction of 8% by 2030, and a long-term commitment to achieving net-zero emissions by 2050. In 2025, Alchip's total electricity consumption was 493,379 kWh, greenhouse gas (GHG) emissions were 359.1667 tCO_2e, and energy intensity was 15.953 kWh per NT$ million of revenue. 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.

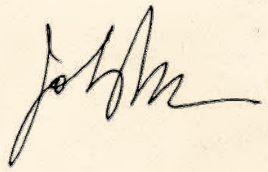
In terms of social responsibility, Alchip adheres to the principle of equality to provide fair and diverse employment opportunities, and we strive to provide a safe and healthy workplace for our employees. Besides complying with relevant occupational safety and health regulations, we have established 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 a strong competitive position in the 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. We will continue to uphold our commitment to prudent management and innovation. While pursuing business growth, we remain dedicated to addressing stakeholder expectations and creating long-term value for both the industry and society. In 2026, 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!

Chairman Johnny Shen



About the Report

Welcome to Alchip Technologies, Limited (hereinafter referred to as Alchip)'s 2025 sustainability report. This is Alchip's fourth 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 GRI Standard 2021 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, 2025, to December 31, 2025. The scope of this report primarily focuses on the Company's core operational base in Taiwan, covering the Taipei and Hsinchu offices among its global operations. Financial data disclosed herein is based on Alchip's consolidated financial statements for 2025, which encompass all global operating locations. Environmental and social information is primarily limited to operations in Taiwan (including the Taipei and Hsinchu offices). Where certain disclosures extend beyond Taiwan, such scope will be specifically indicated and explained in the relevant sections.

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 2025 information was obtained in July, 2026.

  Type 2 application/moderate assurance, verifying the indicator data of GRI 303 (Water and Effluents). The assurance statement for the 2025 data was obtained in July, 2026.
- 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 2025 emissions data was obtained in May 2026.
- 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 (NT$).

Report Publication

The previous edition, the 2024 Sustainability Report, was published in August 2025. The current version (2025 Sustainability Report), the fourth sustainability report issued by Alchip, was published in August 2026. Alchip publishes a sustainability report annually. The next report is expected to be published in August 2027. If the report 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

Environmental protection

- In 2025, electricity energy intensity per NT$ million of revenue decreased by 34.46% compared to 2022.
- In 2025, the water intensity decreased by 8.5% compared to the previous year.

Social

- A leave system that is better than the statutory requirements including three days of additional flexible leave, three days of paid sick leave every year.
- In 2025, the total amount allocated by Welfare Committee was NT$ 22,360,201, and all 160 employees were entitled to the benefits provided by the Committee.
- In 2025, 97.4% of all employees received the annual employee health examination.
- The Company successfully obtained the ISO 26262:2018 Road Vehicles Functional Safety certification in 2025.
- In 2025, a total of 62 employees participated in the "Ocean and environment education and beach cleaning" activity, enhancing their awareness of marine conservation and resource cycling.
- Sponsored the National Taiwan University of Science and Technology basketball team with a scholarship and the third CBL university competition of NT$ 340,000 in total.



Governance

- The operating revenue in 2025 achieved NT$ 30.9 billion.
- In 2025, the consolidated operating profit margin was 16%, representing over 23% increase compared to the previous year.
- With ESG considerations playing a growing role in investment decisions, we invested USD 200,000 in 2025 in Republic of Chile's social bonds, recognized as sustainable bonds by the Taipei Exchange.
- In 2025, 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 achieved over 97% while functional committees achieved 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	• Economic performance • Talent attraction and retention • Risk management • Ethical management	• Alchip holds its annual shareholders' meeting by the end of May and conducts four online investor conferences each year, one per quarter. • Material information, Annual Report and other relevant information are disclosed in both 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	• Ethical management • Human rights, diversity, and equality • Talent cultivation and development • Talent attraction and retention	• A total of 521.5 hours of training were conducted in 2025. • Four labor-management meetings were held in 2025 to establish smooth two-way communication channels and ensure that employees' needs were promptly addressed and appropriately responded to. • In 2025, a total of 13 Welfare Committee meetings were convened. The total welfare fund contribution amounted to NT$22,360,201, representing an increase of 9.22% compared to the previous year. • At the end of 2025, the Company initiated its annual performance evaluation process. Through one-on-one interviews to align performance goals, a total of 117 employees participated, achieving a completion rate of 98.3%, thereby strengthening the foundation of talent development.
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	• Product quality • Supply chain management • Customer privacy and information security	• Participated in 14 customer exhibitions in 2025. • 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	• Economic performance • Ethical management • Product quality	• 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 conducts a material sustainability issue analysis at least once every three years to ensure the effectiveness of its sustainability strategies and to address the sustainability topics of concern to stakeholders. The most recent assessment was conducted in 2024 using an impact-based questionnaire approach to identify material topics. The next analysis is scheduled for 2027. During the intervening period, the Company also periodically monitors and evaluates domestic and international industry trends, sustainability topics adopted by benchmark companies, changes in stakeholder priorities, and the relevance of various sustainability topics to Alchip's sustainable development. This approach helps strengthen the identification of sustainability topics and enhance the effectiveness of stakeholder communication, thereby facilitating the appropriate inclusion of emerging sustainability topics or adjustments to topic titles.

In addition, if stakeholders have any suggestions regarding the Company's management of material topics or identify any actual or potential negative impacts, the Company provides publicly accessible channels through which stakeholders may communicate their concerns. For further information, please refer to Section 3.4.4 "Whistleblowing System".

Alchip's materiality assessment process

20 items — Summary of Sustainability Topics

- Gather sustainability topics that are highly relevant to operational activities based on national policy trends and various international standards, assessments, and initiatives.
- Collect stakeholder concerns through a variety of daily communication channels to facilitate real-time interaction and feedback gathering.
- Focus on 20 sustainability topics based on GRI and SASB standards, and industry relevance considerations.

26 questionnaires — Impact Assessment Survey

- Invited senior executives at the Director level and above, as well as ESG project personnel from various departments, to conduct an impact assessment on the 20 sustainability topics using the Sustainability Topics Materiality Assessment Questionnaire.
- Evaluation aspects: **"Double Materiality" (Impact Materiality Financial Materiality)**

  Impact Materiality:
  Assess the impact on "economic development, natural environment, society, and people (including stakeholders and their human rights)," evaluating the actual and potential impacts separately based on positive and negative effects.

  Financial Materiality:
  Comprehensively evaluate the level of impact on the Company's operations and finances.

46 questionnaires — Stakeholders Concern Assessment Survey

- Distribute the Sustainability Topic Concern Assessment Questionnaire to stakeholders to assess the level of concern for 20 sustainability issues.
- A total of 46 questionnaires were retrieved, with the following distribution: employees 56.5%, shareholders and other investors 26.1%, suppliers/ contractors 8.7%, and customers 8.7%.

2024 — Material Topic Identification and Verification

- After analyzing the results obtained from the Sustainability Topics Materiality Assessment survey and the Sustainability Concern Assessment survey, the collected data were quantitatively ranked, and threshold criteria for material topics were established.

2025 — Review of Material Topic Applicability

- In 2025, as there were no significant changes in the Company's operations, the material topics were reviewed with reference to industry topic trends, recommendations from external sustainability consultants, and internal evaluation discussions. As a result, it was determined that no adjustments to the material topic identification results were necessary.
- The eight material topics identified in 2025 remained unchanged from the results of the previous assessment.

8 items — Materiality Confirmation

- Referencing issue trends among industry peers and guidance from external sustainability consultants helps ensure the comprehensive, inclusive, and holistic perspective of the material topics, as well as their consistency with the Company's sustainable development strategy.
- After confirmation and approval from the Sustainable Development Committee, eight material topics were identified in 2024.
- This report discloses the impact of each material topic, along with the Company's corresponding policy commitments, management policies, targets and indicators, and related performance.

Continuous Improvement

- Management policies are formulated for material topics and incorporated into daily work plans and annual operational strategies.
- Regularly review and assess the effectiveness of the management policies, and continue to improve sustainable management strategies.

List of Sustainability Topics of Concern

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

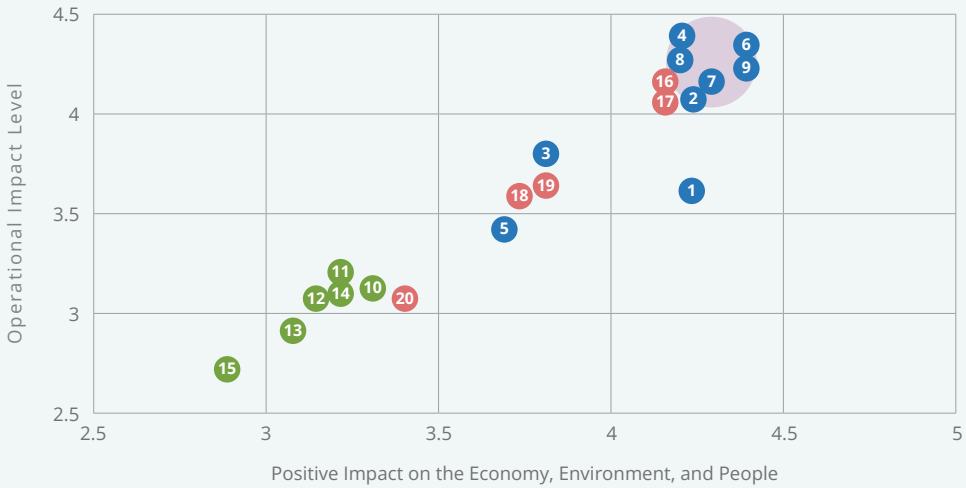
Society

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

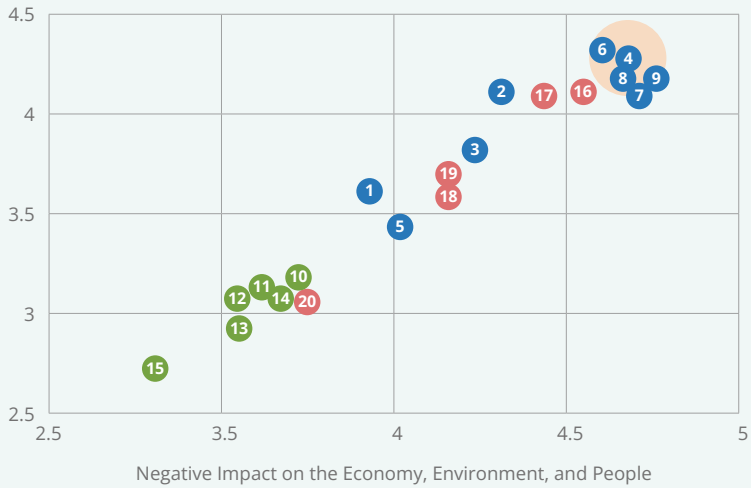
Sustainability Topic Double Materiality Assessment

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 using the double materiality approach (Impact Materiality × Financial Materiality). Positive and negative impacts were evaluated and ranked separately to identify materiality from different perspectives. Based on the distribution of assessment scores and materiality principles, topics falling within the top three-fourths of the assessment results and scoring 17 points or above were classified as significant topics. This process resulted in the identification of topics with significant positive and negative impacts.

Alchip Sustainability Topic Positive Materiality Matrix



Alchip Sustainability Topic Negative Materiality Matrix



Sustainability Topic Materiality Analysis Outcome

Alchip identified seven topics with significant positive impacts and five topics with significant negative impacts from its comprehensive list of sustainability topics. In accordance with the principle of inclusiveness, an overall analysis was conducted based on the five sustainability topics of greatest concern to stakeholders, as determined by the five highest average concern scores. Following cross-referencing and careful evaluation, eight material topics were ultimately identified: Risk Management, Economic Performance, Ethical Management, Product Quality, Customer Relationship Management, Customer Privacy and Information Security, Talent Attraction and Retention, and Human Rights and Diversity.

Alchip 2025 Material Sustainability Topics Identification and Ranking Results

Sustainability Topics	Positive Materiality Ranking	Negative Materiality ranking	Stakeholders Concern Ranking
❶ Sustainability Strategy and Management	9	12	10
❷ Risk Management	**6**	**8**	**12**
❸ Supply Chain Management	10	9	6
❹ Economic Performance	**3**	**2**	**3**
❺ Innovation and Green R&D	13	13	13
❻ Ethical Management	**1**	**4**	**1**
❼ Product Quality	**5**	**5**	**2**
❽ Customer Relationship Management	**4**	**3**	**5**
❾ Customer Privacy and Information Security	**2**	**1**	**8**
❿ Climate Change Response	14	14	15
⓫ Energy Management	16	16	17
⓬ GHG Management	18	18	16
⓭ Water Resource Management	19	19	19
⓮ Waste Management	17	17	18
⓯ Biodiversity	20	20	20
⓰ Talent Attraction and Retention	**7**	**6**	**6**
⓱ Talent Cultivation and Development	8	7	9
⓲ Human Rights, Diversity, and Equity	**12**	**11**	**3**
⓳ Occupational Safety and Health	11	10	10
⓴ Social Engagement	15	15	14

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	**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.	⊕ **Positive:** Effective management of various risks helps to lower the risk of operational disruptions, protect the supply chain, and ensure financial stability. ⊖ **Negative:** Ignoring risk management may result in losses from natural disasters or market fluctuations, which in turn can affect corporate reputation.	✓	✓	✓
2	Economic Performance	**Positive actual impact:** Management of operational financial performance, cost control, investment results, and profit distribution effectiveness.	⊕ **Positive:** Stimulating industrial and community economic development, while sharing profits with shareholders, employees, communities, and other stakeholders, and giving back to society. ⊖ **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.	✓		✓
3	Ethical Management	**Positive actual impact:** Management of unethical conduct such as corruption, anti-trust, and unfair competition; compliance with laws and regulations; the whistleblowing mechanism; and the promotion of ethical/legal education.	⊕ **Positive:** Ethical management enhances corporate reputation, attracts investment, and increases customer loyalty. ⊖ **Negative:** Engaging in unethical business practices can violate the rights of others, erode fair market competition, and lead to legal consequences and brand damage.	✓		✓
4	Product Quality	**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.	⊕ **Positive:** High-quality products/services help to strengthen market competitiveness and minimize the risk of returns and complaints. ⊖ **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.	✓	✓	✓

Number	Material Topic	Topic Significance Description	Impact Assessment	Impact Scope		
				Economy	Environment	People
5	Customer Relationship Management	**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.	⊕ **Positive:** Good customer relations improve satisfaction, foster long-term collaboration, and stabilize economic performance. ⊖ **Negative:** Poor customer relations may result in order attrition and market decline, ultimately undermining customer rights and trust.	✓		✓
6	Customer Privacy and Information Security	**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.	⊕ **Positive:** Reinforce privacy protection and security measures to bolster trust and competitive edge. ⊖ **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.	✓		✓
7	Talent Attraction and Retention	**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.	⊕ **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. ⊖ **Negative:** Unfair or improper dismissal of employees may lead to loss of talent, deteriorating labor relations that undermine the rights of both shareholders and employees, and increased recruitment and training costs resulting from high turnover.	✓		✓
8	Human Rights, Diversity, and Equity	**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.	⊕ **Positive:** Promote diversity and respect for human rights to improve employee satisfaction and create a friendly, inclusive workplace. ⊖ **Negative:** Inequality or discriminatory practices may constitute human rights violations, negatively impact on employees' physical and mental well-being and potentially result in legal actions and reputational risks for the Company.	✓		✓

Note: The impacts of the material topics on the Company's operations and its upstream and downstream value chain are described in Section 1.1 "Stakeholder Communication".

1.3.2 Alchip's Material Topic Management Policies

Material Topic: Risk Management

SDGs



Corresponding Indicators: Customized topics

Relevant Chapters: 3.1.2 Risk Management , 3.4.1 Internal Auditing

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	• 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. • Each responsible department regularly identifies and assesses key risks related to the market, technology, and regulations, and implements corresponding management and control measures in accordance with local laws and international standards.
Targets and Metrics	**Key Effectiveness Indicators Monitored:** corrective action completion rate and audit personnel training completion rate. **Short-Term Targets (within a year)** 1.Enhance audit personnel capabilities: Provide professional training to enhance the expertise and skills of audit personnel. 2.Enhance the audit report: Ensure that the audit reports are detailed, accurate, and include specific improvement recommendations. 3.Internal Audit Team Growth Plan: We'll gradually expand our audit coverage, making it both broader and more in-depth. **Medium-Term Targets (one-three years)** 1.Strengthen internal control: Improve and strengthen the internal control system based on the audit outcome to ensure its effectiveness. 2.Increase audit coverage: By raising the internal audit team, we will further broaden and deepen audit coverage, ensure that all business processes and departments are effectively monitored. 3.Strengthen risk management: We'll leverage internal audits and external auditing to keep identifying, assessing, and monitoring new risks, and adjust our risk strategies as we go to improve overall risk management effectiveness. **Long-Term Targets (more than three years)** 1.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. 2.Promote corporate sustainable development: By carrying out internal and external auditing, we help drive the company's sustainable growth economically, environmentally, and socially.
2025 Achievements	✔ Internal Auditor has executed the audit items according to the 2025 audit plan, and no material deficiencies were identified during the audits. ✔ The Company has established an internal control system for the management of sustainability information in compliance with regulations and included it in the 2025 Audit Plan to ensure effective implementation.

Material Topic: Economic Performance

SDGs



Corresponding Indicators:

GRI 201-1 Direct economic value generated and distributed

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 rates, exchange rates, 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.
2025 Achievements	✓ In 2025, Alchip reported consolidated annual revenue of NT$ 30.926 billion, representing a 40% decrease from NT$ 51.969 billion in the previous year. The decline was primarily attributable to higher wafer mass-production revenue in 2024. Consolidated net profit after tax was NT$ 5.598 billion, a 13% decrease compared to NT$ 6.446 billion in the previous year. The Company continued to optimize its product portfolio, and its operating profit margin for 2025 was 16%, representing a 23% increase compared to the previous year. Earnings per share (EPS) were NT$ 69.18.

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 Ethical Management

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.
2025 Achievements	✓ In 2025, ethical management promotional courses and training totaled 23 man-hours. ✓ In 2025, the Company reported no legal violations, including zero incidents of corruption, bribery, fraud, anti-competitive behavior, anti-trust 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 established 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.
2025 Achievements	✓ Alchip had a total of one new suppliers in 2025, and the overall evaluation rating was A. ✓ All 14 suppliers completed the evaluation and achieved a 100% pass rate in 2025. ✓ 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) regulations. ✓ All Alchip chip designs incorporate low-power considerations, enabling double-digit percentage reductions in power consumption compared with conventional design approaches.

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.
2025 Achievements	✓ In 2025, 21 customers participated in the customer satisfaction survey, achieving an average satisfaction score of 3.98.

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 Security Audit 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 Security 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, Including education and training programs, as well as continuous improvement initiatives for security awareness and promotion initiatives.

2025 Achievements

- ✓ In 2025, 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 Web Application Firewall (WAF), Multi-Factor Authentication (MFA).
- ✓ In 2025, 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 2025, Alchip successfully renewed its ISO/IEC 27001:2022 certification, reaffirming its ongoing commitment to robust information security governance and continuous improvement.
- ✓ In 2025, 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.

2025 Achievements

- ✓ In 2025, the new hire rate was 28.8%, the turnover rate was 13.1%.
- ✓ The female employees accounted for over 20% of the workforce.
- ✓ In 2025, the satisfaction rate for onboarding training reached 98.9%, 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%. A satisfaction survey conducted in the second half of 2025, covering the three dimensions of "Work Environment, Career Development, and Corporate Culture," showed a high overall approval rating of 80%.
- ✓ A 50% application rate for parental leave highlights the effectiveness of our family-friendly workplace initiatives.
- ✓ In 2025, the Welfare Committee convened 13 meetings, with a total budget allocation of NT$ 22,360,201, representing a 9.22% increase compared to the previous year. A total of 160 employees benefited from the welfare measures offered by the Committee.
- ✓ In 2025, the average compensation was 4.03 times the basic salary, and the average compensation for full-time non-managerial employees was 3.34 times the basic salary.
- ✓ In 2025, all employees received an average salary increase of 5.6%.

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

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:

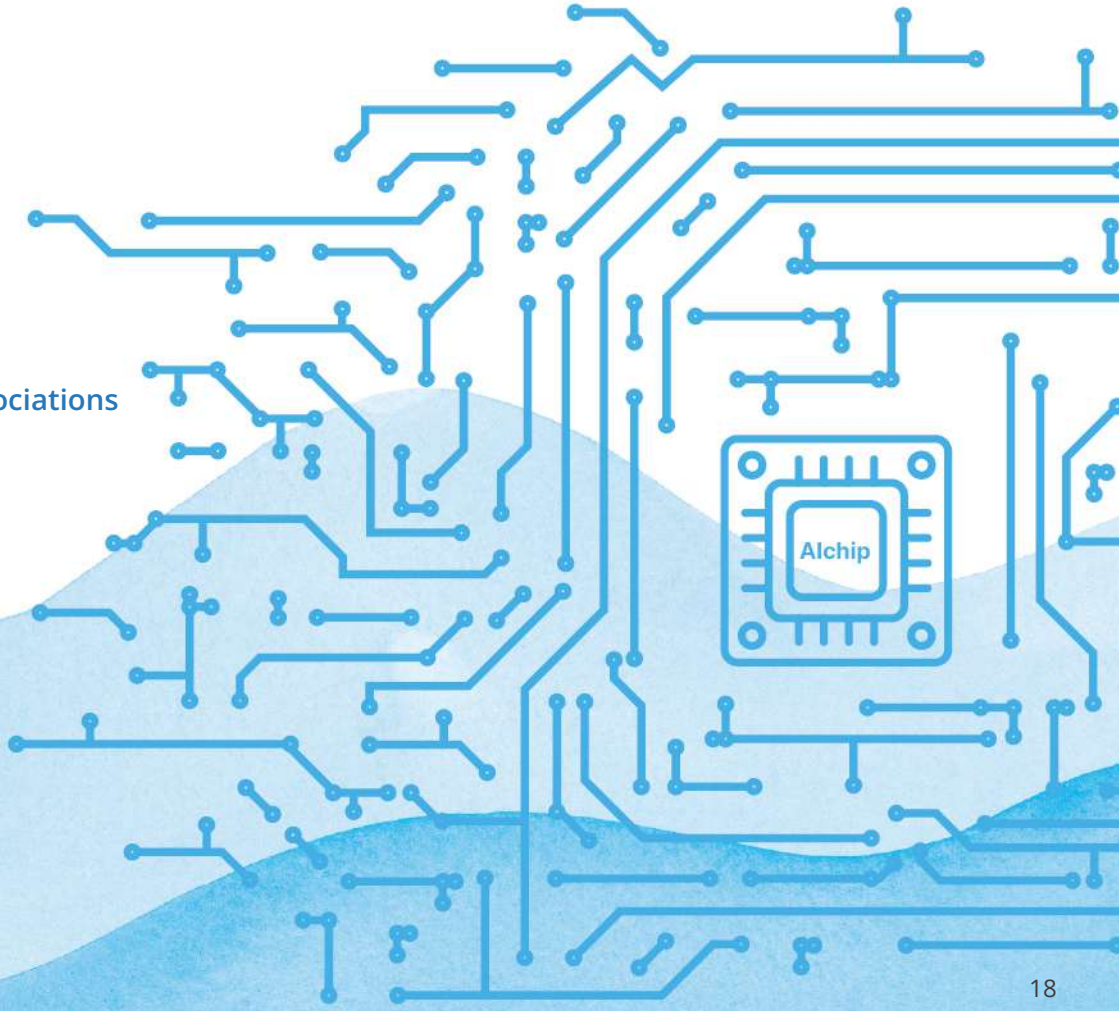
- Increase the number of female directors to foster gender diversity among the Board of Directors.
- In terms of remuneration policies, we uphold the principle of fairness by determining employees' remuneration based on the Company's operating performance, as well as departmental and individual performance.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

2025 Achievements

- ✓ To strengthen the goal of board diversity, a female independent director was appointed after the re-election, the number of female directors will be increased in future elections in a bid to increase board gender diversity.
- ✓ In 2025, the ratio of average annual compensation between male and female employees was 1:1.31.
- ✓ In 2025, there were no reported incidents of discrimination, sexual harassment, or human rights violations.

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 fields 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	Johnny Shyang-Lin Shen
President & CEO	Johnny Shyang-Lin Shen
Founded On	February 27, 2003
Capital	NT$ 812.84 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, Wenhu 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, dicing, 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 2025

Achieved N2 test chip silicon proven

Completed N3 and N5 3DIC tape-out, with customized UCIe/PCIe PHY and 3D LiteIO implemented

N3 CoWoS-R MCM product entered mass production

Successfully completed tape-out for N2 projects of five customers

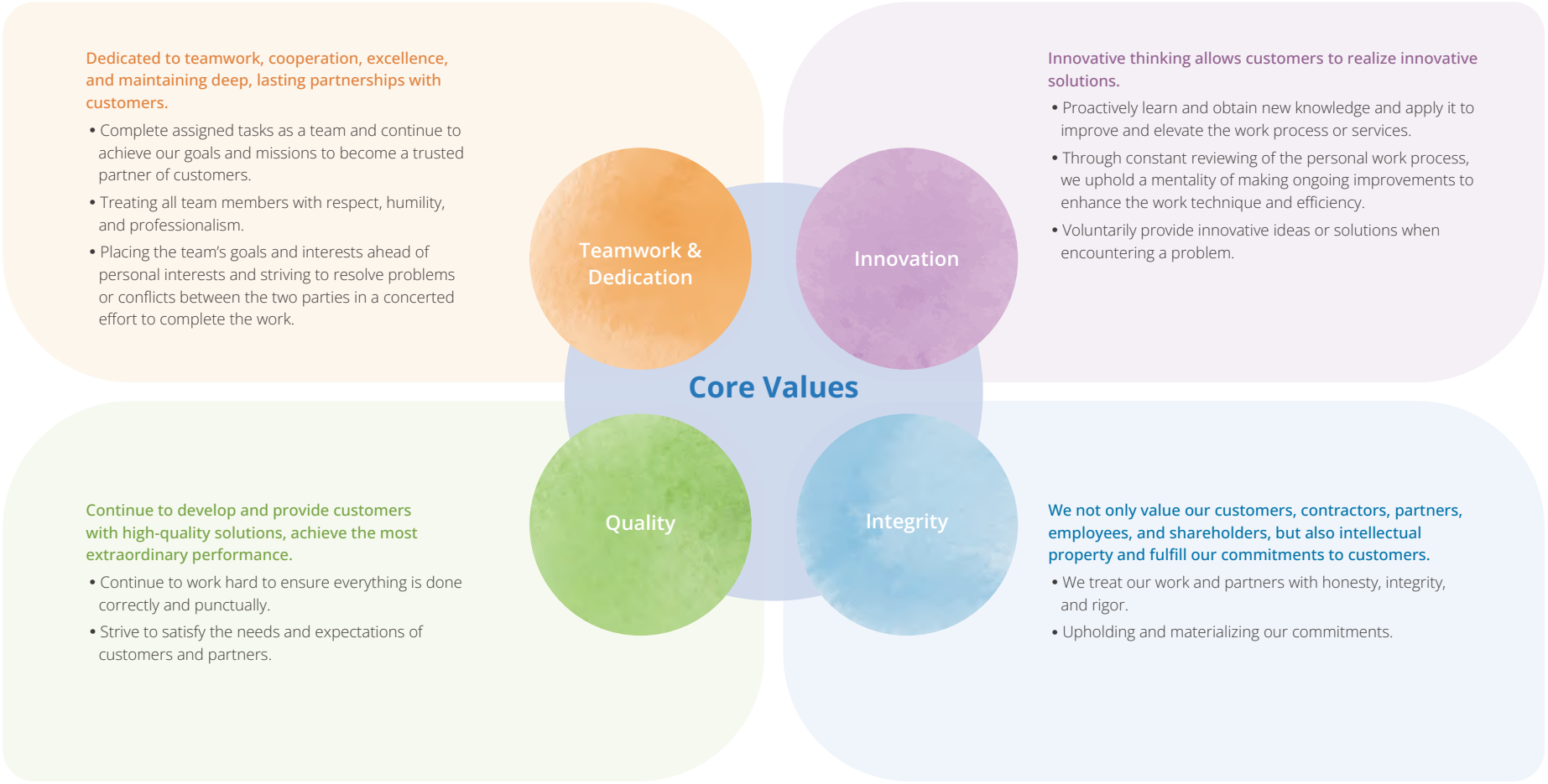
N5A ADAS automotive product entered mass production

N5 product entered mass production for space applications

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 fields 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

Participated in 14 physical exhibitions throughout the year, including 6 in North America and 8 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.

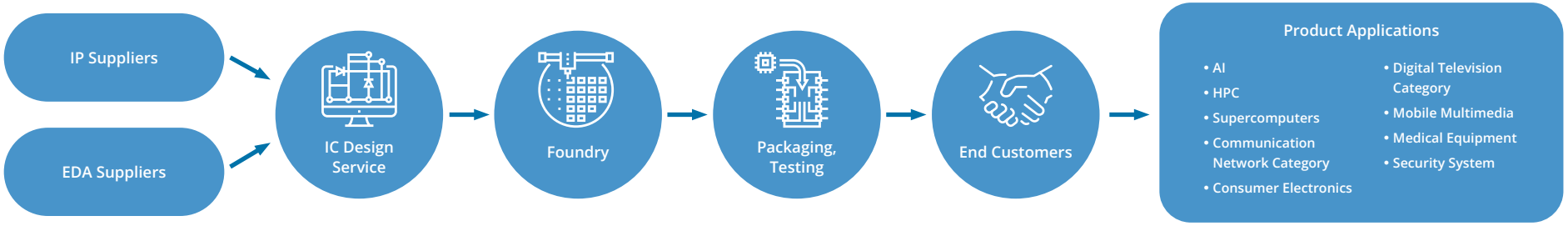
Increase Brand Awareness

Through 15 press releases and one interview 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".

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 value chain characterized by specialized divisions of labor.



Alchip Industry Value Chain Relationship Diagram

Application-Specific Integrated Circuit (ASIC)

ASIC chips, known for their high performance and low power consumption, are widely applied across various fields, including electronics, information technology, healthcare, the automotive industry, and AI. For example, they enhance the performance of electronic devices, accelerate encryption and decryption processes in information technology, support advanced medical equipment, 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 development.

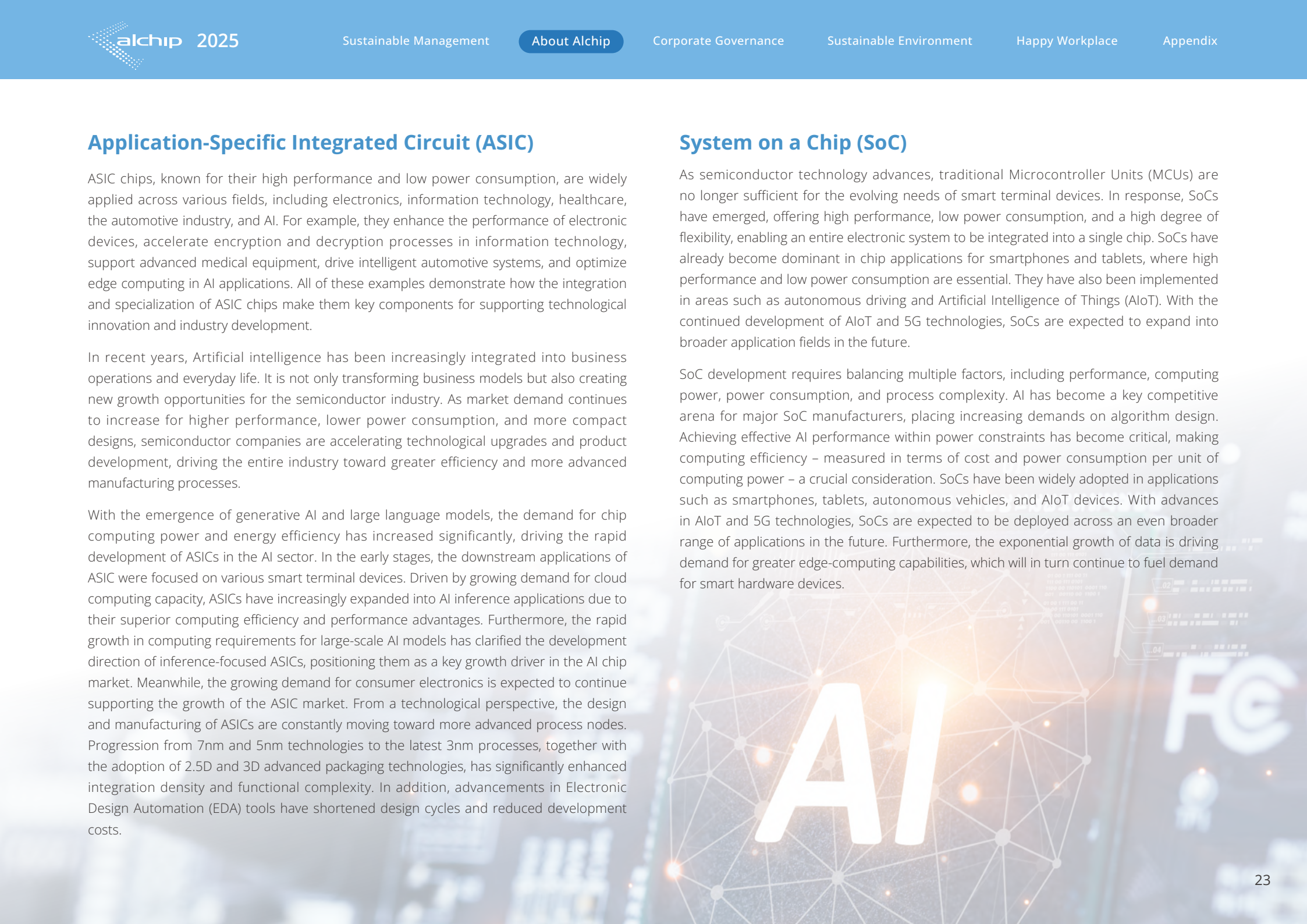
In recent years, Artificial intelligence has been increasingly integrated into business operations and everyday life. It is not only transforming business models but also creating new growth opportunities for the semiconductor industry. As market demand continues to increase for higher performance, lower power consumption, and more compact designs, semiconductor companies are accelerating technological upgrades and product development, driving the entire industry toward greater efficiency and more advanced manufacturing processes.

With the emergence of generative AI and large language models, the demand for chip computing power and energy efficiency has increased significantly, driving the rapid development of ASICs in the AI sector. In the early stages, the downstream applications of ASIC were focused on various smart terminal devices. Driven by growing demand for cloud computing capacity, ASICs have increasingly expanded into AI inference applications due to their superior computing efficiency and performance advantages. Furthermore, the rapid growth in computing requirements for large-scale AI models has clarified the development direction of inference-focused ASICs, positioning them as a key growth driver in the AI chip market. Meanwhile, the growing demand for consumer electronics is expected to continue supporting the growth of the ASIC market. From a technological perspective, the design and manufacturing of ASICs are constantly moving toward more advanced process nodes. Progression from 7nm and 5nm technologies to the latest 3nm processes, together with the adoption of 2.5D and 3D advanced packaging technologies, has significantly enhanced integration density and functional complexity. In addition, advancements in Electronic Design Automation (EDA) tools have shortened design cycles and reduced development costs.

System on a Chip (SoC)

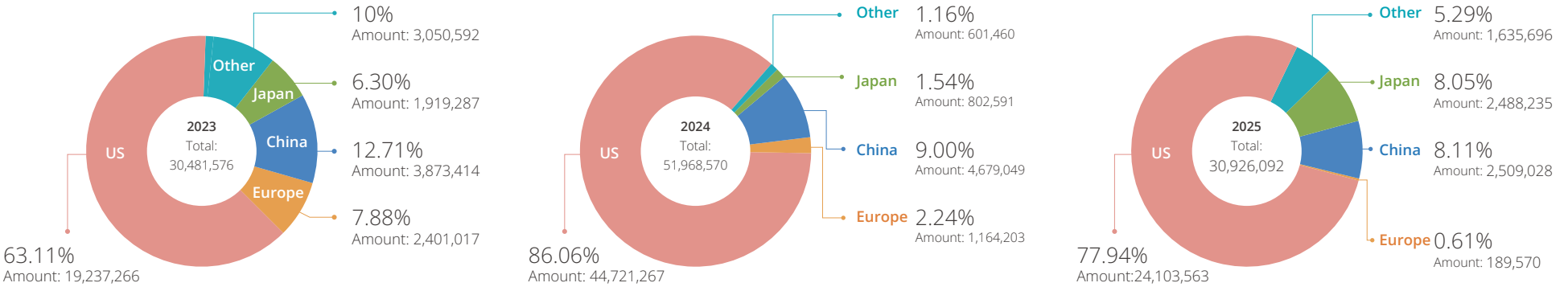
As semiconductor technology advances, traditional Microcontroller Units (MCUs) are no longer sufficient for the evolving needs of smart terminal devices. In response, SoCs have emerged, offering high performance, low power consumption, and a high degree of flexibility, enabling an entire electronic system to be integrated into 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 have been widely adopted in applications such as smartphones, tablets, autonomous vehicles, and AIoT devices. With advances in AIoT and 5G technologies, SoCs are expected to be deployed across an even broader range of applications in the future. Furthermore, the exponential growth of data is driving demand for greater edge-computing capabilities, which will in turn continue to fuel demand for smart hardware devices.



2.4 Production and Sales Overview

During the year, applications related to artificial intelligence and high-performance computing (HPC) accounted for approximately 83% of total revenue, while advanced process (7nm and below) design services contributed about 87% of revenue, demonstrating Alchip's leading capabilities in key technological fields. With multiple projects approaching mass production, the Company continues to create value in a rapidly evolving and highly competitive market while maintaining steady growth.



Alchip Sales Market Share (Unit: NT$ Thousand)

Business Development Plan

	Short-Term Business Development Plan	Long-Term Business 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 three 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 2025, Alchip reported consolidated annual revenue of NT$ 30.926 billion, representing a 40% decrease from NT$ 51.969 billion in the previous year. Consolidated net profit after tax was NT$ 5.598 billion, a 13% decrease compared to NT$ 6.446 billion in the previous year. The Company continued to optimize its product portfolio, resulting in an operating profit margin of 16% in 2025, representing a 23% increase compared to the previous year. Earnings per share (EPS) were NT$ 69.18.

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 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 2025 in Republic of Chile's social bonds, recognized as sustainable bonds by the Taipei Exchange.

In 2025, Alchip received a financial subsidy of NT$ 51,934 from the government of the Republic of China for on-site health service support. It also received a total of NT$ 26,101,139 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: NT$ Thousand)

Item	2023	2024	2025
Operating Income	30,481,576	51,968,570	30,926,092
Gross Profit	6,794,351	10,201,003	8,154,375
Operating Profit	3,761,272	6,496,367	5,016,848
Non-Operating Income and Expenses	436,392	1,311,780	1,703,170
Net Profit Before Tax	4,197,664	7,808,147	6,720,018
Net Profit (Net Loss) for the Period	3,320,516	6,446,540	5,596,309
Total Comprehensive Income for the Period	3,301,378	8,266,586	3,882,662
Net Profit Attributable to Owners	3,325,170	6,445,719	5,598,340
Total Comprehensive Income Attributable to Owners of the Company	3,306,032	8,265,765	3,884,693
Earnings Per Share (NT$)	45.47	81.34	69.18
Dividends Per Share (NT$)	23.22	36.5	34.17

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

Item		2023	2024	2025
Direct Economic Value Generated (A)	Operating income	30,481,576	51,968,570	30,926,092
	Non-operating income	433,261	1,371,619	1,760,414
Economic Value Distributed (B)	Operating cost	23,843,229	42,127,958	22,998,632
	Employee wages and benefits	1,979,779	1,939,203	1,584,673
	Payments to providers of capital	930,917	1,818,236	2,945,750
	Payments to the government	877,148	1,361,607	1,123,709
	Community investment	-	315	340
Economic Value Retained (A-B)		3,283,764	6,092,870	4,033,402

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 High Bandwidth Memory (HBM), UCIe, PCI Express (PCIe), and Serializer/Deserializer (SerDes), as well as the latest 3.5D advanced packaging technologies.

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

Year	2023	2024	2025
Amount	1,546,585	2,141,874	1,831,066
Magnitude of Change	+32%	+38%	-14%
Percentage of Revenue	5%	4%	6%

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. Building on its extensive experience in 3nm artificial intelligence and high-performance computing (HPC) projects, Alchip is further advancing the application of 3.5D advanced packaging technologies. At the same time, the Company is actively promoting 2nm process chip design projects and continues to expand its advanced process portfolio to the latest 1.4nm technology.

Through cross-departmental resource integration and strategic collaboration, Alchip has established a solid foundation in both technology and services. This enables the Company to help clients seize market opportunities, deliver cutting-edge innovative products, and further strengthen its leadership in advanced technology and process design services.

Alchip's R&D expenses have consistently exceeded NT$ 100 million over the past three years. In 2025, R&D spending reached 6% of revenue, the highest in the past three years. Looking ahead, we will continue to invest in R&D resources in line with our product development plans.

R&D Plan

Short-Term R&D Plan

- Accelerate progress to offer customers 2nm, 1.4nm process technologies.
- Invest more resources in 2nm, 1.4nm test wafers for verification and design methods.
- Conduct the design and verification process of high-speed 3.5D D2D (die-to-die) interface IP to help customers integrate 2nm and 1.4nm (in the future) chips within 3D SoC designs.
- Increase resources in 3.5D test chips, 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 below 2nm chip designs.

Long-Term R&D Plan

- Establish an AI-assisted SoC design platform to support leading semiconductor advanced process technologies.
- Implement SoC design using a 3.5D chiplet technology platform.
- Develop next-generation SoIC, CPO, System-on-Wafer (SoW) design technologies to enable clients to integrate system-level designs using diverse packaging technologies.
- 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 services 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 (SRAM) Repair evaluation and selection of test products and solutions. We collaborate with silicon intellectual property vendors to develop testing solutions, establish built-in test modules (DFT, BIST), and integrate 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 partners to determine the most suitable packaging solution, form a robust relationship, and develop the best finished product quality and market benefits for our customers.
SoC and 3.5D Advanced Packaging Technology	Advanced packaging technology goes from 2.5D to 3D and 3.5D, plays a pivotal role in the design of AI SoCs. Alchip has completed multiple design projects from 2nm to 5nm utilizing 2.5D/3D package technology of wafer design and has begun introducing 3.5D technologies that integrate multiple 3D vertically stacked chips within a single package. Alchips' proprietary 3D clock tree architecture enables full clock synchronization between the top and bottom dies and supports high-speed data transmission across layers, helping customers efficiently achieve 3D chip integration.
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 critical success factors in the semiconductor industry. Alchip prides itself on being a trusted partner for customers to develop innovative products, and actively invests in the research and development of emerging technologies while establishing relevant intellectual property policies. In 2025, the number of R&D personnel was 420, acquired a total of 34 intellectual property within the same year. The cumulative number of valid IP rights (including patents, copyrights, and integrated circuit layout designs) reached 236.

R&D Performance of Alchip Over the Last Three Years

Year	2023	2024	2025
Number of IP Rights Applications	41	15	37
Number of IP Rights Acquired	36	17	34
The Average Number of R&D Employees in the year	428	446	420

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 2025

Country	Number of New IP Rights	Number of Expired IP Rights	Accumulated Number of Valid IP Rights
Taiwan	0	0	8
US	0	0	9
China	34	0	219
Total	34	0	236

2.7 Participation in Organizations and Associations

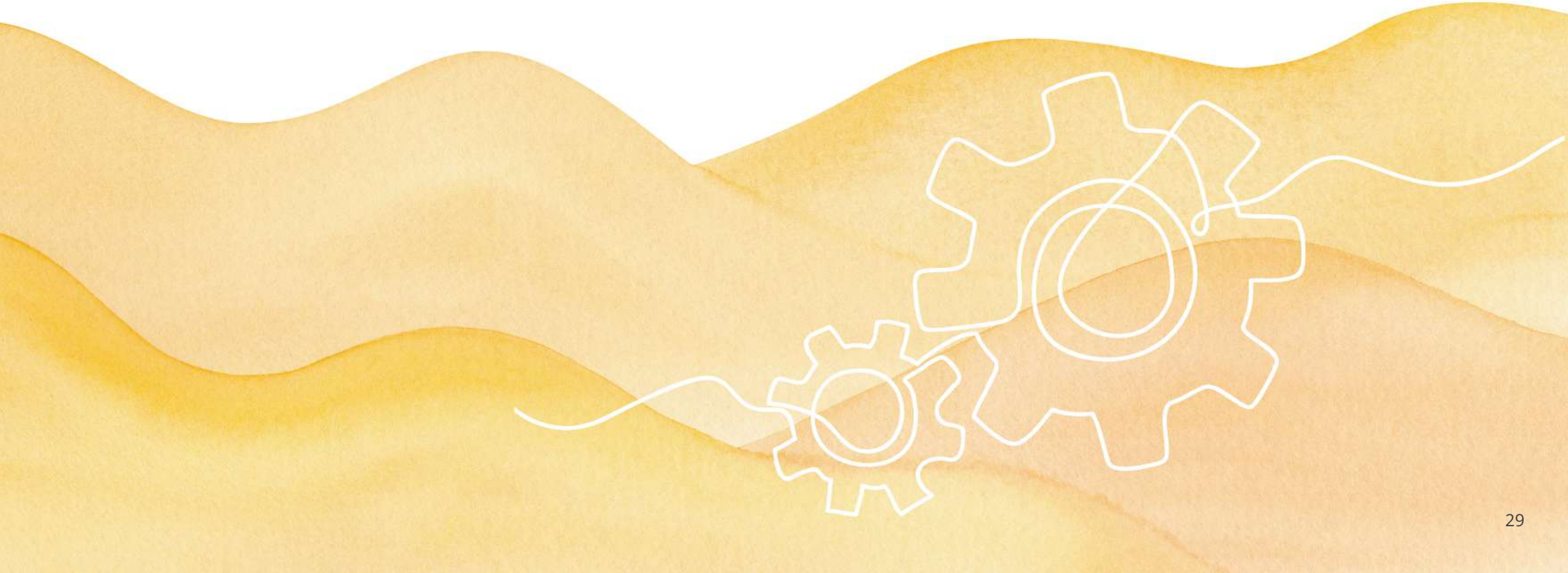
Alchip actively participates in external organizations, associations, and relevant activities to exchange information with other industry peers and monitor market trends, as well as to gain insights into stakeholders' perspectives on various topics and help the Company strive towards sustainable development.

Industry Associations Alchip Participates In

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

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

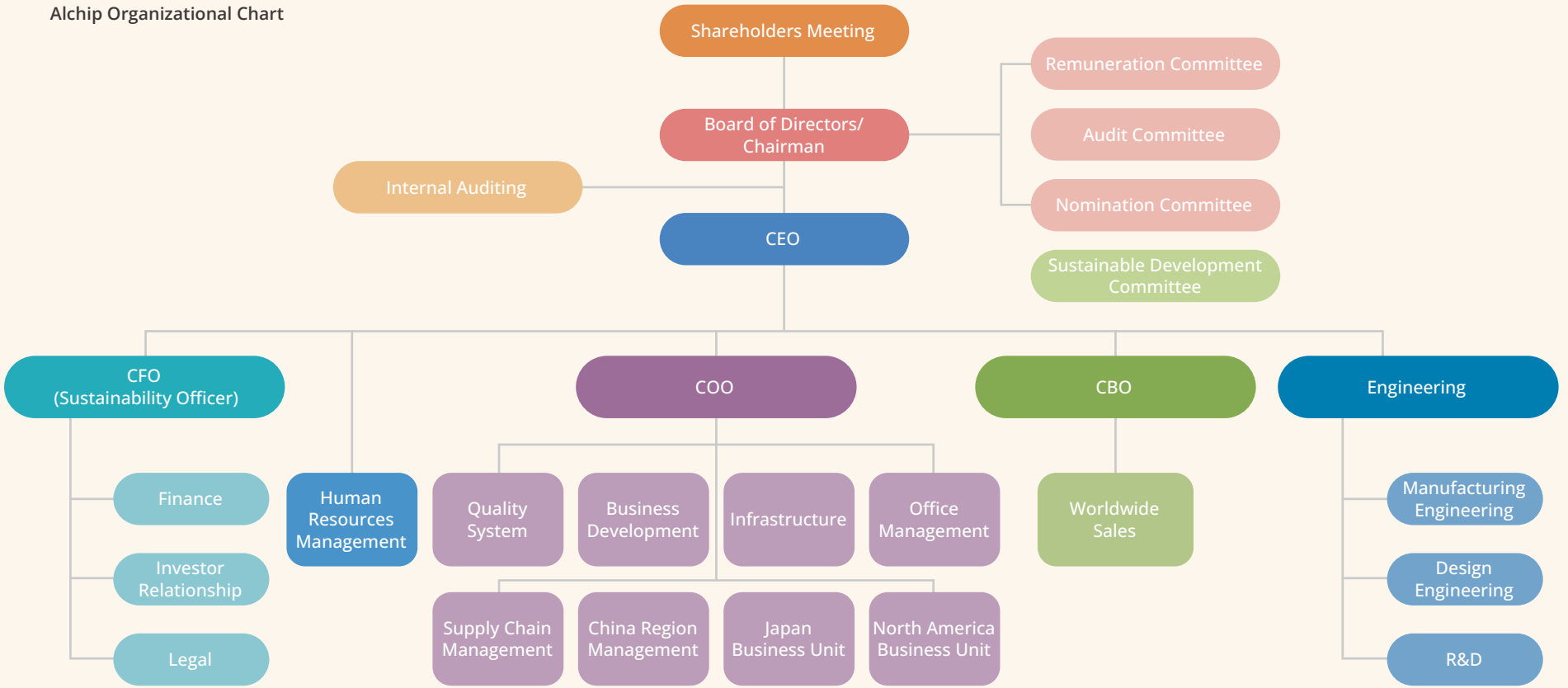


3.1 Organizational Structure

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.

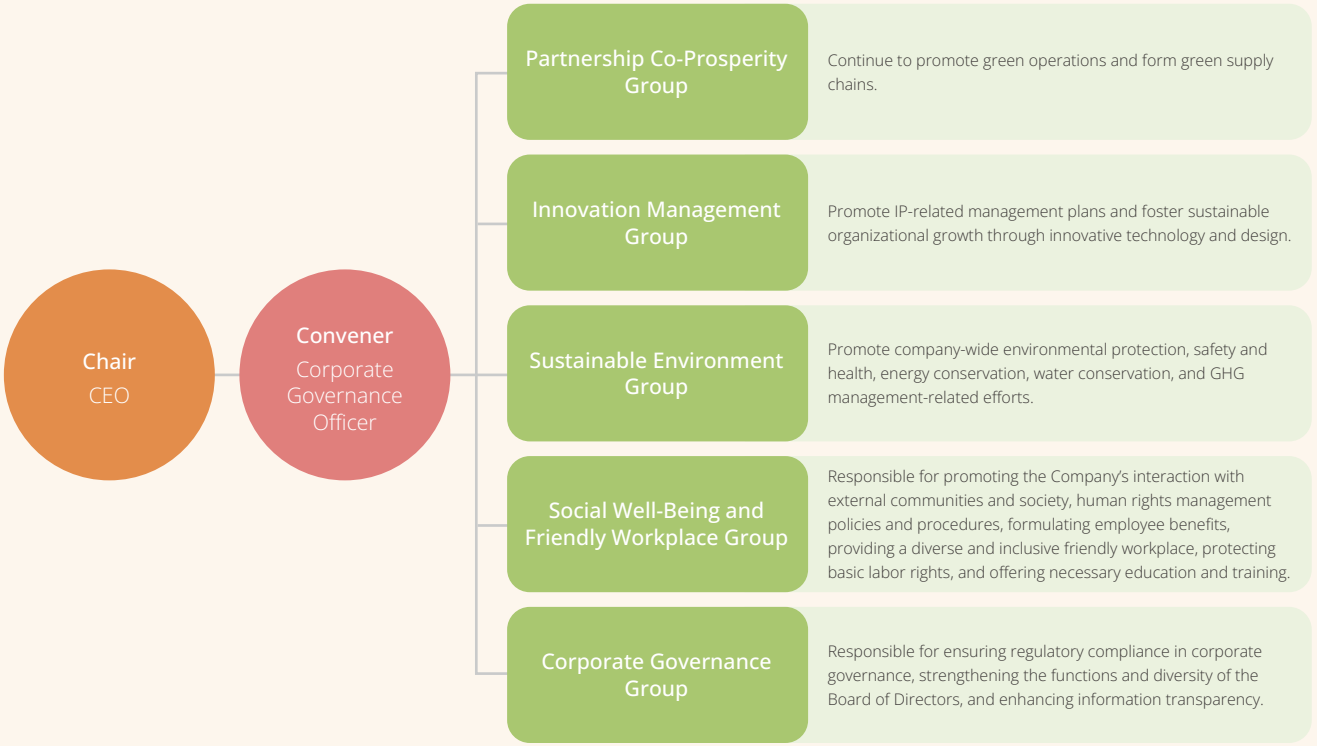
Alchip Organizational Chart



3.1.1 Sustainable Development Committee

Alchip established the Sustainability Committee in November 2024, 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. Each task force focuses on key sustainability issues according to its expertise and advances the implementation and enhancement of related measures through cross-functional collaboration. Their responsibilities are as follows:

Alchip Sustainable Development Committee Organizational Chart



The Company's Sustainability Development Committee implemented various sustainability initiatives in 2025 and regularly reported its implementation status and achievements to the Board of Directors. In 2025, the Committee reported to the Board twice, as summarized below:

- **Conducted environmental protection education programs.**
- **Completed the "Recycled Computers – Hope Project" charitable donation initiative.**
- **Completed the procurement of green electricity.**
- **Completed the 2024 greenhouse gas inventory and verification, as well as the assurance of the Sustainability Report.**
- **Completed the customer satisfaction survey.**
- **Completed the renewal of Directors and Officers Liability Insurance.**
- **Completed Directors' continuing education and training.**

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	• International political risks	✓ 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	• Poor sales performance resulting from the launch of new products by competitors. • Loss of customers resulting from inadequate product design.	✓ Identify unmet customer needs and product features overlooked by competitors and accelerate new product development. ✓ Reinforce testing during the design phase to minimize the risk of product defects.	Sales Department
Tax Risks	• Since the Company engages in global operations, it must comply with the tax laws of each country where it operates. Any adverse changes in tax laws and regulations may increase the Company's effective tax rate and negatively affect 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.	✓ 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 Organization for Economic Co-operation and Development (OECD). In addition, the Company engages external tax advisors to ensure compliance with applicable tax regulations and reporting requirements in each jurisdiction where it operates.	Finance Department
Regulatory Risks	• Risk of government-imposed regulations affecting relevant industries, such as those governing wastewater and waste discharge, or raw material content.	✓ Review laws and regulations related to labor, personnel management, and environmental health and safety. ✓ If relevant disputes occur, we will engage external law firms to seek professional advice on industry-specific regulations.	Legal Department
Supply Chain Management Risks	• Supply chain management risks arising from heightened awareness of human rights and environmental issues. • Potential risks arising from supply chain violations of relevant government laws and regulations.	✓ If a supplier violates relevant laws or industry initiatives, the Company will conduct a risk assessment and determine whether to continue its business relationship with the supplier.	Supply Chain Management Division
Occupational Safety Risks	• Safety risks arising from facilities and equipment within the Company's buildings and office site.	✓ Incorporate occupational safety awareness training into the new hire orientation courses. ✓ Regularly inspect and maintain facilities and equipment (such as buildings and electrical systems) to ensure their safety and proper operation.	Office Management Department
Information Security and Personal Data Risks	• Cyberattacks on external websites or internal systems may result in the unauthorized access to or theft of confidential information. • Confidential document (including physical copies) leakage risks.	✓ Alchip has engaged professional consulting firms to provide recommendations and assist in improving the Company's information security system. The official website is segregated from internal systems and does not contain confidential information. ✓ All company computers are required to be equipped with antivirus software, and all computer equipment purchases are subject to evaluation and management by the IT Department. ✓ Confidential information may not be disclosed without authorization, and all confidential documents are classified and labeled according to their designated confidentiality levels.	Infrastructure Division

3.2 Board of Directors

3.2.1 Board Composition and Selection Mechanism

The Board of Directors ensures the transparency of the Company's operational information and compliance with applicable laws and regulations. It is responsible for guiding corporate strategy, supervising management, establishing and maintaining corporate governance mechanisms, being accountable to shareholders, and exercising its powers in accordance with applicable 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.

List of Alchip's Board Members

Job Position	Name	Gender	Age	Nationality	Business Management	Leadership and Decision-Making	Industry Experience	Financial Accounting
Chairman	Johnny Shyang-Lin Shen	Male	51-60 years old	USA/ROC	★	★	★	-
Director	Herbert Chang	Male	61-70 years old	ROC	★	★	★	-
Director	Daniel Wang	Male	41–50 years old	ROC	★	★	★	★
Independent Director	Andrew Kuo	Male	61-70 years old	ROC	★	★	-	★
Independent Director	Jerry Tzou	Male	61-70 years old	USA/ROC	★	★	★	-
Independent Director	Derek C.Y. Tien	Male	61-70 years old	USA/ROC	★	★	★	★
Independent Director	Saria Tseng	Female	51-60 years old	USA/ROC	★	★	★	-

Note:
1.Chairman 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.

In 2025, the Company completed the re-election of its Board of Directors. The Board comprises seven directors, including four independent directors. Among the seven directors, two directors have employee status, representing 28.6% of the Board. All directors serve a three-year term, commencing in May 2025 and ending in May 2028. The Chairman of the Board, Mr. Johnny Shyang-Lin Shen concurrently served as the Chief Executive Officer. Mr. Johnny Shyang-Lin Shen has extensive industry experience and expertise in corporate management and has been actively involved in the Company's operations and development for many years. This leadership structure supports alignment between strategic decision-making at the Board level and operational execution, thereby enhancing the Company's responsiveness to market dynamics. In consideration of the Chairman concurrently serving as CEO, the Company has appointed four independent directors. Through their professional judgment and oversight provided by the Independent Directors, the Company ensures the objectivity of Board operations and the effective functioning of checks and balances mechanisms. In terms of board diversity, the age distribution of directors is as follows: no directors are under the age of 30, one director is between 30 and 50 years old (14.3%), and six directors are over the age of 50 (85.7%), with an average age of 60. This composition reflects a balance of industry experience and prudent decision-making capabilities. The Company is committed to enhancing gender diversity on the Board. In the 2025 re-election, one female director was appointed, reflecting the Company's ongoing efforts to enhance female participation in decision-making and corporate governance. Currently, the Board consists of six male directors (85.7%) and one female director (14.3%). The Company will continue to work toward its target of achieving one-third female representation on the Board, thereby strengthening diverse perspectives and reinforcing its commitment to sustainable corporate governance.

3.2.2 Discussion of Board Meeting Agenda

Six Board meetings were convened in 2025, 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, continues to monitor and oversee the progress and handling status in subsequent meetings. In 2025, the Board of Directors engaged in discussions on a total of 38 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 2025, please refer to the Company's Annual report.

Board Attendance in 2025

Job Title	Name	Number of Meetings Required to Attend	Number of Meetings Attended by Proxy	Number of Meetings Attended in Person	Actual Attendance
Chairman	Johnny Shyang-Lin Shen	6	0	6	100%
Director	Daniel Wang	6	0	6	100%
Director	Herbert Chang	6	0	6	100%
Independent Director	Andrew Kuo	3	0	3	100%
Independent Director	Jerry Tzou	3	1	2	67%
Independent Director	Derek C.Y. Tien	3	0	3	100%
Independent Director	Saria Tseng	3	0	3	100%
Chairman	Kinying Kwan[Note 1]	3	0	3	100%
Independent Director	Mao-Wei Hung[Note 2]	3	0	3	100%
Independent Director	Brian Chiang[Note 2]	3	0	3	100%
Independent Director	Binfu Chuang[Note 2]	3	0	3	100%

Note:
1.Mr. Kinying Kwan stepped down from chairman on May 20, 2025.
2.Mr. Mao-Wei Hung, Mr. Brian Chiang, Mr. Binfu Chuang ceased to serve as directors on May 29, 2025.

Prevention of Conflict of Interest

To prevent conflicts of interest, Alchip has established the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and the Guidelines for Conduct", which set out conflict-of-interest disclosure and recusal requirements for directors. The primary conflict-of-interest risk currently identified by the Company arises from directors serving on other boards. In accordance with these policies, directors, their spouses, relatives within the second degree of kinship, companies having a controlling or subordinate relationship with directors, independent directors, managers, and other interested parties attending or participating in Board meetings who have an interest in a matter under discussion, whether personally or through the corporate entity they represent, must explain the material details of such interest at the relevant Board meeting. Where a conflict of interest may prejudice the interests of the Company, the relevant person shall refrain from participating in the discussion and voting, recuse himself or herself from the proceedings, and may not exercise voting rights on behalf of another director. Directors are also required to maintain independent judgment and refrain from providing inappropriate support to one another in the exercise of their duties.

Directors' Conflict of Interest Recusal in 2025

- **Date:** 2025/2/27
- **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 2025, the Board of Directors received 66 hours of continuing education, averaging 9.4 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 2025

Job Title	Name	Organizer	Course Name	Hours of Continuing Education	Total Hours
Chairman	Johnny Shyang-Lin Shen	Taiwan Corporate Governance Association (TCGA)	• Corporate Performance Management and Compensation Mechanism Practices • Cryptocurrency and Blockchain: Regulatory Trends and New Business Opportunities	6	66
Director	Herbert Chang	Taiwan Corporate Governance Association (TCGA)	• Corporate Performance Management and Compensation Mechanism Practices • Cryptocurrency and Blockchain: Regulatory Trends and New Business Opportunities	6	
Director	Daniel Wang	Taiwan Corporate Governance Association (TCGA)	• Corporate Performance Management and Compensation Mechanism Practices • Cryptocurrency and Blockchain: Regulatory Trends and New Business Opportunities	6	
		Financial Supervisory Commission (FSC)	• The 15th Taipei Corporate Governance Forum	6	
Independent Director	Andrew Kuo	Taiwan Stock Exchange (TWSE)	• Cathay 2025 Sustainable Finance and Climate Change Summit	6	
Independent Director	Jerry Tzou	Taiwan Corporate Governance Association (TCGA)	• Corporate Performance Management and Compensation Mechanism Practices • Cryptocurrency and Blockchain: Regulatory Trends and New Business Opportunities	6	
		Chinese Financial Development Association	• Financial Decision-Making Matters for Directors and Supervisors	3	
		Taiwan Project Management Association (TPMA)	• Succession Team Building and Talent Development	3	
Independent Director	Derek C.Y. Tien	Taiwan Corporate Governance Association (TCGA)	• How to Conduct Board Meetings? Practical Insights into Common Deficiencies in Board Meeting Practices of Listed Companies	3	
		Securities and Futures Institute (SFI)	• The Great Wafer War: The Impact of TSMC's Key Technologies and Global Strategy on the Semiconductor Industry	3	
		Securities and Futures Institute (SFI)	• 2025 Insider Equity Trading Legal Compliance Briefing Seminar	3	
		Securities and Futures Institute (SFI)	• Director, Supervisor, and Corporate Governance Officer Series: Illegal Insider Trading and Anti–Money Laundering Regulations and Case Analysis for Corporate Insiders	3	
Independent Director	Saria Tseng	Taiwan Corporate Governance Association (TCGA)	• Corporate Performance Management and Compensation Mechanism Practices • Cryptocurrency and Blockchain: Regulatory Trends and New Business Opportunities	6	
		Taiwan Project Management Association (TPMA)	• Artificial Intelligence Trends Analysis and Corporate Risk Management Strategies	3	
		Chinese Financial Development Association	• 2026 Global and Taiwan Economic, Financial, and Investment Outlook	3	

3.2.4 Performance Evaluation of the Board of Directors and Functional Committees

To strengthen corporate governance and enhance the effectiveness of the Board, the Company has established the "Rules for Performance Evaluation of Board of Directors" in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and has set 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 required 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", "Audit Committee Performance Evaluation Self-Assessment Questionnaire" and "Nomination 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 2025 Board of Directors and functional committee performance evaluations all exceeded 4.5 points, indicating excellent overall performance. 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 an on-site assessment covering the period from January 1, 2023, to October 9, 2024. Neither the institution nor the experts involved in the engagement had any business relationship with the Company, and they maintained both professional competence and independence. The results of the 2025 Board performance evaluation were reported to and approved by the Board of Directors on March 6, 2026. The Company will continue to strengthen and optimize its 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	4.67
2	Improve the decision-making quality of the board	12	4.83
3	Board composition and structure	7	4.71
4	Selection, appointment, and continuing education of directors	7	4.57
5	Internal control	7	4.43
	Average score of the five key dimensions of the Board performance evaluation		4.64

Note: The evaluation dimensions of "Level of participation in Company's operations" and "Improve the decision-making quality of the board" encompass the assessment of the Board's performance with respect to sustainability, risk management, and ethical corporate management.

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	4.84
4	Internal relationship management and communication	3	4.95
5	Directors' expertise and continuing education	3	5.00
6	Internal control	3	5.00
	Average score of the six key dimensions of the Board member performance evaluation		4.95

Remuneration 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	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		5.00

Audit Committee Performance Evaluation Self-Assessment Results

	Evaluation Item	Number of Questions	Average Score
1	Level of participation in the Company's operations	4	4.94
2	Functional committees' awareness of their duties	5	4.95
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	4.92
5	Internal control	3	4.92
	Average score of the five key dimensions of the Audit Committee performance evaluation		4.95

Nomination 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	4.73
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 Nomination Committee performance evaluation		4.93

3.3 Functional Committees

3.3.1 Audit Committee

To strengthen the board's supervisory responsibilities and its management mechanism, the Audit Committee was established and operates in accordance with the "Audit Committee Charter". The Company's Audit Committee consists of four independent directors, one of whom serves as the convener. All members possess professional knowledge and extensive experience, and two members have expertise in accounting or finance. The primary function of the Audit Committee is oversight, including supervision of the fair presentation of the Company's financial statements, the appointment and dismissal of certified public accountants and the evaluation of their independence and performance, the effective implementation of internal controls, compliance with applicable laws and regulations, and the management of existing and potential risks. The Audit Committee convenes at least one meeting each quarter and held six meetings in 2025.

Audit Committee Attendance in 2025

Job Title	Name	Number of Meetings Required to Attend	Number of Meetings Attended by Proxy	Number of Meetings Attended in Person	Actual Attendance
Independent Director	Andrew Kuo	3	0	3	100%
Independent Director	Jerry Tzou	3	0	3	100%
Independent Director	Derek C.Y. Tien	3	0	3	100%
Independent Director	Saria Tseng	3	0	3	100%
Independent Director	Mao-Wei Hung[Note]	3	0	3	100%
Independent Director	Brian Chiang[Note]	3	0	3	100%
Independent Director	Binfu Chuang[Note]	3	0	3	100%

Note: Mr. Mao-Wei Hung, Mr. Brian Chiang, Mr. Binfu Chuang ceased to serve as directors on May 29,2025.

3.3.2 Remuneration Committee

To establish a well-structured remuneration system for directors and senior executives, Alchip has established the Remuneration Committee. The Committee consists of four members appointed by the Board of Directors, one of whom serves as the convener. The Remuneration Committee assists the Board of Directors in reviewing and evaluating the Company's overall remuneration and welfare policies, as well as the remuneration of managerial officers. The Remuneration Committee convenes at least two meetings each year and held two meetings in 2025.

Remuneration Committee Attendance in 2025

Job Title	Name	Number of Meetings Required to Attend	Number of Meetings Attended by Proxy	Number of Meetings Attended in Person	Actual Attendance
Independent Director	Andrew Kuo	1	0	1	100%
Independent Director	Jerry Tzou	1	0	1	100%
Independent Director	Derek C.Y. Tien	1	0	1	100%
Independent Director	Saria Tseng	1	0	1	100%
Independent Director	Mao-Wei Hung[Note]	1	0	1	100%
Independent Director	Brian Chiang[Note]	1	0	1	100%
Independent Director	Binfu Chuang[Note]	1	0	1	100%

Note: Mr. Mao-Wei Hung, Mr. Brian Chiang, Mr. Binfu Chuang ceased to serve as directors on May 29, 2025.

3.3.3 Nomination Committee

The Company's Nomination Committee was established in November 2024, to identify, review, and nominate candidates for the Board of Directors and senior executives, as well as conduct performance evaluations of the Board, various committees, directors, and senior executives. Also, it establishes 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 Andrew Kuo and Derek C.Y. Tien, and Johnny Shyang-Lin Shen serving as Chairman.

Nomination Committee Attendance in 2025

Job Title	Name	Number of Meetings Required to Attend	Number of Meetings Attended by Proxy	Number of Meetings Attended in Person	Actual Attendance
Independent director	Andrew Kuo	3	0	3	100%
Independent director	Derek C.Y. Tien	3	0	3	100%
Chairman	Johnny Shyang - Lin Shen	4	0	4	100%
Independent director	Mao-Wei Hung[Note]	1	0	1	100%
Independent director	Brian Chiang[Note]	1	0	1	100%

Note: Mr. Mao-Wei Hung and Mr. Brian Chiang ceased to serve as directors on May 29, 2025.

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. In addition, the determination of directors' remuneration takes into account the results of director performance evaluations. The evaluation framework covers six key dimensions. (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) Internal Relationship Management and Communication, (5) Directors' professional expertise and continued education, and (6) Internal control.

The Remuneration Committee convenes at least one meeting per year to review the policies, systems, and standards, structures and performance evaluation framework for the remuneration of directors and senior executives. The Committee formulates recommendations based on the evaluation results and submits them to the Board of Directors for discussion and approval.

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. ESG KPIs for senior executives include:

Sustainable development goals	ESG KPIs
Environmental	• Reduction of greenhouse gas emissions • Diversification of energy sources and increased use of renewable energy
Social	• Talent development and cultivation • Workplace diversity and human rights protection • Occupational health and safety
Governance	• Ethical business conduct and transparent governance • Green supply chain management • Board diversity

By linking 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 Company's long-term value creation.

Information regarding the compensation of directors and senior executives has been disclosed in the Company's annual report. In 2025, the Board of Directors decided to allocate NT$ 43.652 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 Conduct". 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. Where the violation is deemed serious, the offender may be removed from office or dismissed in accordance with applicable laws and regulations or the Company's personnel policies. 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 at any time and gain a clear understanding of the Company's ethical business principles.

3.4.1 Internal Audit

Alchip's audit department is under the supervision 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 facilitate the self-assessment of the effectiveness of internal control systems by each operating unit, and review the self-assessment reports prepared by those units. The results of such reviews serve 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 2025, 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. The audit items included 41 areas such as sales and collection, procurement and payment, production, payroll, fixed assets, computer information, investment cycle and sustainability information management, to achieve objectives related to operational effectiveness and efficiency, the reliability of financial reporting, as well as compliance with relevant laws and regulations. No material deficiencies were identified during the audits. Overall, the design and implementation of the Company's internal control system were considered adequate to provide reasonable assurance regarding the achievement of objectives related to operational effectiveness and efficiency, the reliability of financial reporting, and compliance with relevant laws and regulations.



3.4.2 Ethics and Legal Affairs Education Campaign

Alchip regularly conducts ethics-related education and training for managers and employees based on relevant laws, internal regulations, and their 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. The Company also provides ethics and integrity related information to all Directors from time to time via email and regularly reports the implementation status of ethical corporate management to the Board of Directors. In 2025, the company's corporate integrity training primarily focused on newly hired employees; specifically, the Non-Compete and Confidential Information Protection training for these new hires totaled 23 participant-hours.

2025 Legal Affairs Personnel Education and Training Course

Course Name	Course Hours	Number of Participants	Total Training Hours
New member training: Non-Compete and Confidential Information Protection Training	0.5	46	23

3.4.3 Compliance with Laws and Regulations

Alchip is committed to upholding ethical corporate management and compliance with 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 2025, the Company reported no legal violations, including zero incidents of corruption, fraud, anti-competitive behavior, anti-trust violations, or monopolistic practices.

Alchip's Violation Statistics Over the Last Three Years

Item	2023	2024	2025
Incidents of corruption and fraud	0	0	0
Anti-competition, anti-trust, and monopoly practices	0	0	0
Major regulatory violations[Note]	0	0	0
Other regulatory violations (total/amount fined)	0/NT$ 0	0/NT$ 0	0/NT$ 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 and accessible to both internal and external stakeholders. 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 2025, 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

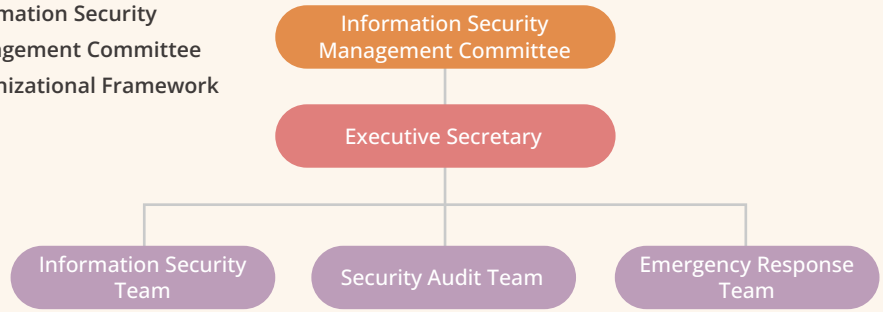
To practice information security management and to ensure information confidentiality, integrity, and availability, Alchip has stipulated the "Information Security Control Operating Instruction Manual". The Company regulates information security incident prevention and handling through the information 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 2025, 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 Security Audit 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 Security 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.

Information Security Management Committee Organizational Framework



3.5.2 Cyber Security Policy

As technology evolves, various information security risks 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 Management Committee. Alchip implemented an information security management system in 2024 and obtained the ISO/IEC 27001:2022 new version standard certification. In 2025, Alchip successfully renewed its ISO/IEC 27001certification, reaffirming its ongoing commitment to robust information security governance and continuous improvement.

ISO 27001:2022 certification


Certificate TW24/00000607

SGS

Alchip Technologies, Limited.

ISO/IEC 27001:2022

IAF

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 system, technical, and application perspectives, thereby providing confidential information protection services that meet customer requirements and the highest security standards.
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 cyber-attacks incident response drills.
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 violations 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 prevent the unauthorized disclosure of the Company's confidential information.

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 objectives.
- **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

- Enhancing employees' awareness of attacks targeting email and instant messaging tools, and conduct phishing simulation and detection exercises.
- Regularly review firewall policies and conduct log inspections to promptly identify and remediate security vulnerabilities.
- 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 conducting risk analyses.

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 violation and its consequences. 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 2025, Alchip experienced two DDoS attacks and multiple phishing email attempts, as shown in the table on the right. In response, we conducted risk assessments and developed comprehensive countermeasures and protective mechanisms. Technologies such as Web Application Firewall (WAF), Multi-Factor Authentication (MFA) have enhanced the security of the Company's website and effectively reduced the likelihood of risk occurring. At the same time, we regularly conduct information security drills to enhance our employees' information security awareness. No data breach incidents occurred in 2025, and no material information security impacts on the Company were identified.

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.

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 within a specified timeframe to make sure the security risks are resolved.
Average	Average and Low Risk	Regularly review, assess, and document security incidents and evaluate whether appropriate measures should be implemented for general and low-level risks.

2025 Alchip Information Security Threat Statistics

Threat Type	Ransomware	Ransom Behavior	Phishing	Attack Activities
Number of Incidents	121	0	90	378

2025 Alchip Information Security Testing Measures Implementation Outcome

Information Security Testing Measures	Vulnerability/ Risk Level	Initial Scan	Second Scan	Result Confirmation
Vulnerability Scan	High	106	11	✔
	Medium	101	9	✔
	Low	474	68	✔
Penetration Testing	High	0	0	✔
	Medium	0	0	✔
	Low	4	0	✔

2025 Alchip Information Security Education and Training Course Implementation Status

Course Time	Course Name	Trainees / Headcount
Full year	New hire information security education	New hires / 61
January	Phishing email security awareness training	All employees / 599
June	Information security case study workshop I	Information Department personnel / 20
October	Information security education and training	All employees / 648
December	Information security case study workshop II	Information Department personnel / 20

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 Standard SS-00259 to plan and establish a process-based quality and environmental management system (PDCA cycle) and has obtained the relevant certifications.

The Company successfully obtained the ISO 26262:2018 Road Vehicles - Functional Safety certification on January 21, 2025. This achievement reflects the Company’s commitment to delivering the highest standards of functional safety products and services, fostering long-term mutually beneficial customer relationships, and ensuring compliance with customer requirements and applicable laws and regulations.

The Company is committed to delivering high-quality and safe semiconductor products by integrating the principles of the ISO 9001:2015 Quality Management System and the ISO 26262:2018 Functional Safety Standard. We ensure that product quality, reliability, and functional safety are maintained throughout the entire product lifecycle, from design and development to manufacturing and customer support. In all safety-related decisions, safety always takes precedence over cost and schedule. We are dedicated to preventing defects, reducing risks, and enhancing customer satisfaction through systematic processes and continuous improvement.

Alchip ISO 9001:2015 Quality Management System Certificate





Alchip ISO 26262:2018 Road Vehicles Functional Safety Certificate

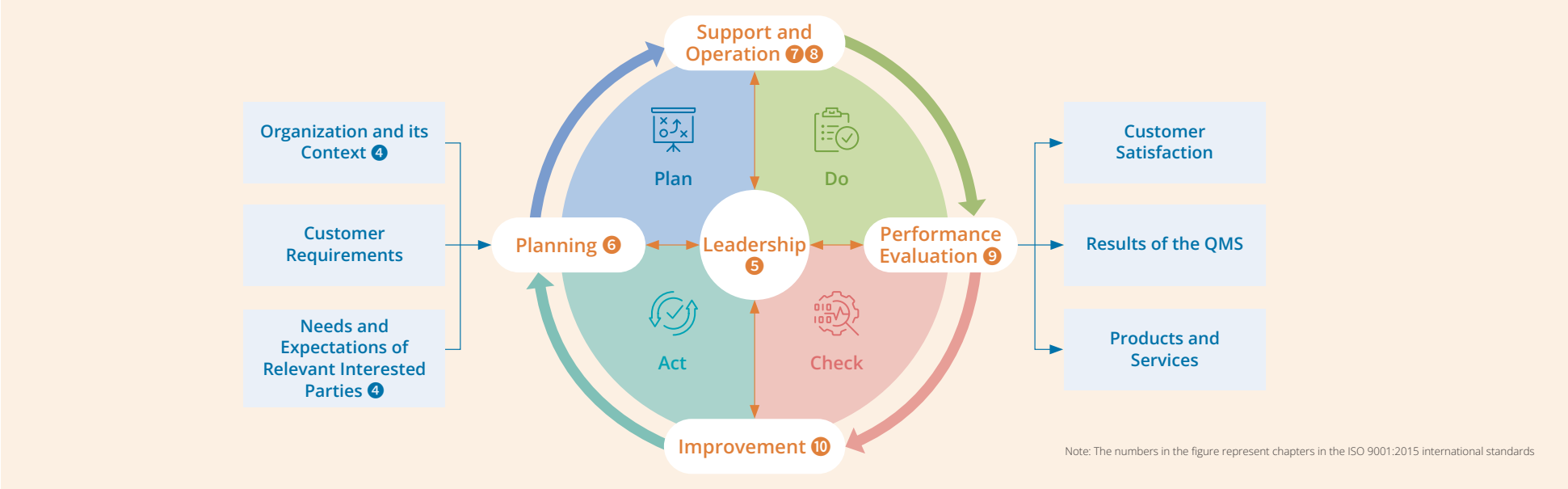


Alchip SONY SS-00259 certificate



3.6.2 Quality Management Process

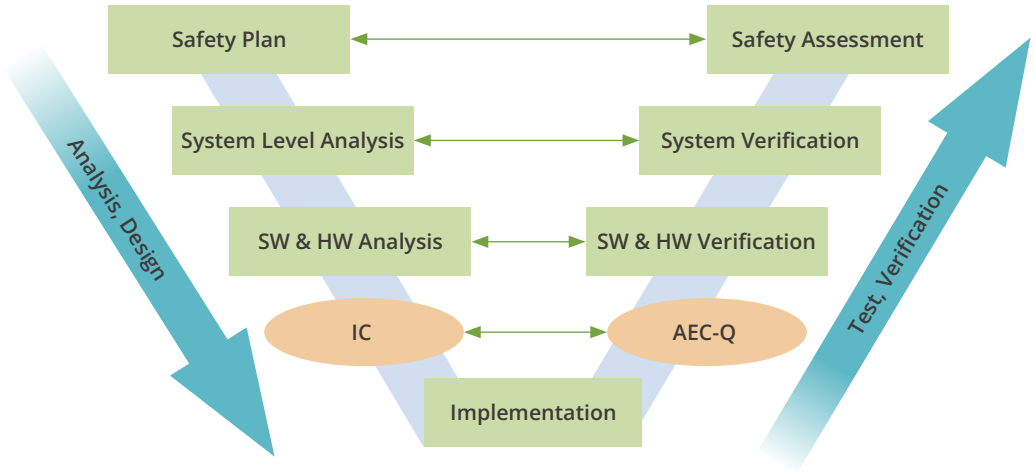
3.6.2.1 Quality Management System



3.6.2.2 ISO 26262:2018 V model

The V-Model illustrates the full process from design to verification.

- On the left side, requirements are progressively defined, followed by system, software, and hardware design and analysis to ensure the right direction is established from the beginning.
- At the bottom, the product is implemented and integrated, such as IC development and reliability compliance like AEC-Q (Automotive Electronics Council – Qualification).
- On the right side, corresponding testing and verification activities are performed to ensure each stage meets the original requirements.
- Overall, the key concept is that every design step must have a corresponding verification to ensure quality and functional safety.

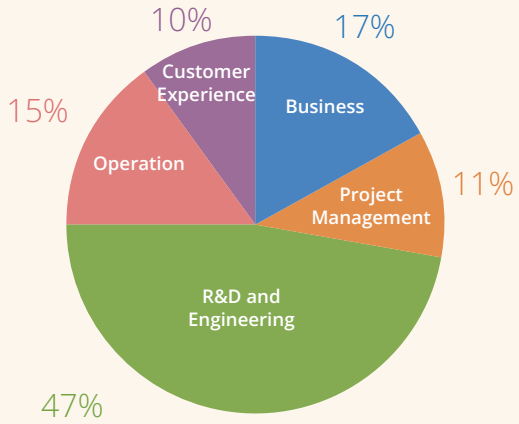


3.6.3 Customer Relationship Management

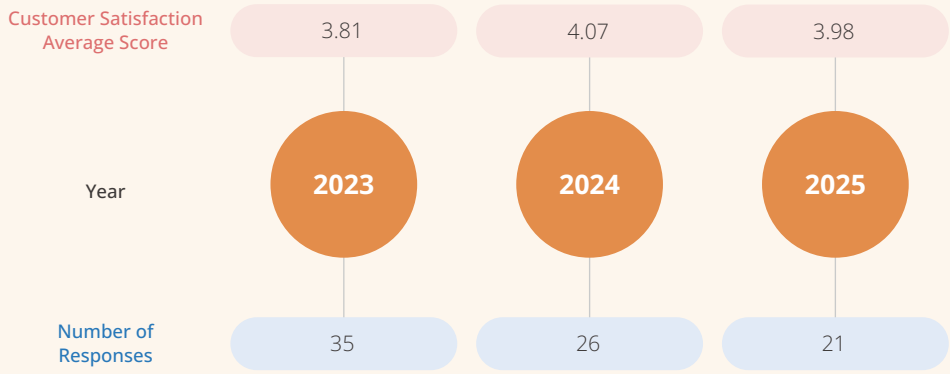
Customer Satisfaction Survey

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 2025, a total of 21 Alchip customers responded to the customer satisfaction survey, achieving an average satisfaction score of 3.98.

Alchip Customer Satisfaction Questionnaire - Weighting of Issues for Each Aspect



Alchip's Customer Satisfaction Survey Results Over 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 2025, there were ten customer complaints received by Alchip, primarily concerning "manufacture control" 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 global leader in IC design services, Alchip has obtained ISO 9001:2015 certification and the SONY Green Partner certification related to supply chain management. To ensure that all products comply with environmental, safety, and occupational health regulations, Alchip places strong emphasis on supplier management and continues to invest resources to work closely with suppliers in promoting green environmental policies and corporate social responsibility. By integrating sustainability, compliance, and accountability throughout the entire supply chain, Alchip collaborates with its suppliers to reduce impacts on the environment and society.

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 2025, the Company engaged one new suppliers, all of whom achieved a Grade A overall evaluation rating. Alchip demands that its suppliers comply with CSR (Corporate Social Responsibility) 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 2025, all 14 of Alchip's suppliers passed the audit, achieving a 100% pass rate.

Alchip's Supplier Audit Outcome Over the Last Three Years

Year	2023	2024	2025
Total Number of Suppliers	13	16	14
Number of Suppliers Audited	12	16	14
Number of Suppliers Accepted	12	16	14
Pass Rate	100%	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 ensure that Alchip can maintain the continuity of its critical operations and services in the event of various disasters or major emergencies affecting its manufacturing and design sites, the Company has established a Business Continuity Plan (BCP). This plan clearly defines the response actions to be taken during such events, the required allocation of resources, and recovery objectives, in order to ensure that operations and services can be effectively restored in the shortest possible time and to minimize the impact on the Company's business operations. In addition, the Company has established a comprehensive Business Continuity Plan (BCP) to address management risks associated with the use of critical materials, ensuring stable production capacity of critical materials, compliance with green and environmental requirements, and continuous supply of raw materials from suppliers, thereby reducing related manufacturing risks and ensuring a stable supply of critical materials.

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 all qualified suppliers are required to comply 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 & 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 climate-related 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	✓ 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	✓ 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	✓ 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	✓ 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	✓ 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	✓ Planning to introduce high-performance energy measures to elevate energy efficiency.

4.2 GHG Inventory

Alchip's total GHG emissions in 2025 were 359.1667 tCO_2e (location-based) / 351.1931 tCO_2e (market-based). In particular, direct emissions (Scope 1) were 4.3292 tCO_2e, all from fugitive emission sources (refrigerant, septic tank), accounting for 1.21% 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 2025 were 233.8618 tCO_2e. 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 225.8881 tCO_2e. Purchased electricity was the major source of Alchip's greenhouse gas emissions, accounting for 65.11% and 64.32% of total emissions under the location-based and market-based methods, respectively.

Other indirect emission sources: Scope 3 emissions were 63.6310 tCO_2e, and Scope 4 emissions were 57.3447 tCO_2e. Together, these two categories accounted for 33.69% of total emissions. Additionally, looking at the carbon emission intensity, Alchip's carbon emission intensity in 2025 was 0.0116 tCO_2e/NT$ million. Compared with 2024, the increase in emission intensity was primarily due to lower annual revenue in 2025. Alchip's primary type of GHG emission is CO_2.

Overview of Alchip's GHG Emissions Over the Last Three Years (Unit: tCO_2e)

Category	2022 (base year)	2023	2024	2025
Scope 1: Emissions and removal of direct GHG	7.2432	7.8648	3.8211	4.3292
Scope 2: Indirect GHG emissions from imported energy generation (location-based)	236.0606	242.0832	230.7351	233.8618
Scope 2: Indirect GHG emissions from imported energy generation (market-based)	N/A	N/A	225.9951	225.8881
Scope 3: Indirect GHG emissions from transportation	N/A	N/A	60.6282	63.6310
Scope 4: Indirect GHG emissions from the use of products by the organization	N/A	N/A	49.6625	57.3447
Total GHG Emissions (location-based)	243.3038	249.948	344.8469	359.1667
Total GHG Emissions (market-based)	N/A	N/A	340.1069	351.1931
Annual Operating Income (NT$ million)	13,725.20	30,481.58	51,968.57	30,926.09
GHG Emission Intensity	0.0177	0.0082	0.0066	0.0116

Note:
1. 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.
2. The 2025 GHG inventory scope includes operational locations in Taipei and Hsinchu.
3. In 2025, 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 tCO_2e/1,000 kWh) announced by the Energy Administration, Ministry of Economic Affairs.
4. 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 CO_2, CH_4, N_2O, and HFCs (R410a, R134a).
5. GHG emission intensity = Total GHG emissions (location-based)/Annual operating revenue (NT$ million).
6. 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 tCO_2e.
7. The GHG emission intensity for 2024 was previously miscalculated and has been corrected to 0.0066 this year. Compared with the previously reported emission intensity, the greenhouse gas emission intensity increased by 0.0021.

Alchip 2025 Annual GHG Emissions by Type (Unit: tCO_2e)

Type of GHG Gas	CO_2	CH_4	N_2O	HFCs	PFCs	SF_6	NF_3
Scope 1 Emissions	4.3292	3.6820	0	0.6472	0	0	0
Scope 2 Emissions	233.8618	0	0	0	0	0	0
Scope 3 Emissions	63.6310	0	0	0	0	0	0
Scope 4 Emissions	57.3447	0	0	0	0	0	0
Total Emissions	359.1667	3.6820	0	0.6472	0	0	0
Ratio of Each Scope	98.79%	1.03%	0.00%	0.18%	0.00%	0.00%	0.00%

4.2.1 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 a key global environmental issue. Alchip reviews its emissions by conducting a GHG inventory. Based on internal evaluations, the Company formulates reduction strategies for both GHG emissions and energy consumption, establishes reduction targets, and reviews achievement rates annually. Where targets are not met, the Company undertakes reviews and implements improvement measures to continuously enhance environmental performance.

Alchip GHG Management Status

Reduction Target	Achievement Status	External Assurance
• Short-term target: Decrease carbon emission intensity by 1% annually, using the 2022 carbon emission intensity as the baseline year. • Medium-term target: Decrease carbon emission intensity by 8% by 2030. • Long-term target: Achieve net zero by 2050.	✓ Through vigorous promotion of energy conservation and carbon-reduction awareness, GHG emission intensity in 2025 (Scope 1 and 2) was reduced by 34.46% compared to 2022.	The carbon emissions data for 2022 through 2025 have been externally assured. The corresponding assurance reports are available on the Company's official website.

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 100% of the Company's total energy consumption. In 2025, Alchip's total electricity consumption was 493,379 kWh, the energy intensity was 15.95 (kWh/NT$ million revenue), a decrease of 18.793 (kWh/NT$ million revenue) compared to 2022. The electricity consumption per unit of revenue decreased by 54.09% compared to 2022.

4.3.1 Energy and Carbon Reduction Initiatives

Alchip continues to invest in various energy-saving initiatives. In product development, the Company is committed to providing and advancing low-power and compact chip designs to align with current environmental trends in energy conservation and carbon reduction. In terms of internal energy management, the Company emphasizes daily environmental awareness and implements the following measures to achieve environmental protection and energy-saving objectives:

- Air conditioning temperature is maintained between 24°C and 26°C.
- Employees are encouraged to turn off lights when not in use and to conserve electricity and water.
- Promotion of paperless documentation and double-sided printing to reduce paper consumption.
- Full adoption of electronic invoices since 2024 to replace traditional paper invoices.
- Digitalization of dividend notifications.
- Encouragement of reusable tableware to reduce single-use plastic consumption.
- Promotion and implementation of waste sorting and recycling.

Alchip's Energy Consumption Table Over the Last Three Years

Year	2022 (base year)	%	2023	%	2024	%	2025	%
Non-Renewable Electricity Consumption (kWh)	476,890	100%	490,047	100%	476,783	98%	476,557	97%
Renewable Electricity Consumption (kWh)	0	0%	0	0%	10,000	2%	16,822	3%
Total Electricity Consumption (kWh)	476,890	100%	490,047	100%	486,783	100%	493,379	100%
Total Energy Consumption (GJ)	1,716		1,764		1,752		1,776	

Note:
1. The scope of statistics for 2023-2025 includes the Taipei and Hsinchu offices.
2. 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.
3. In 2025, the total renewable electricity consumption was 16,822 kWh, with a total of 16 T-RECs.

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

Year	2022 (base year)	2023	2024	2025
Annual Electricity Consumption (kWh)	476,890	490,047	486,783	493,379
Annual Operating Income (NT$ million)	13,725.20	30,481.58	51,968.57	30,926.09
Electricity Energy Intensity [Note](kWh/NT$ million of operating income)	34.746	16.077	9.367	15.953

Note: Energy intensity=annual electricity consumption/annual operating income (NT$ million).

Since 2022, Alchip has actively promoted a paperless policy to reduce paper usage and carbon emissions from toner consumption. Statistical results show significant effectiveness, with paper usage decreasing year by year. In 2025, paper consumption was reduced by 28.6% compared to 2022.

Paper Usage Statistics for Alchip's Base Year and the Last Three Years

Year	2022 (base year)	2023	2024	2025
Paper Uage	98,218	96,841	61,152	70,163

4.4 Water Resource Management

To further understand the water stress and water risks at our operational sites, the company utilizes the Aqueduct Water Risk Atlas developed by the World Resources Institute (WRI), while also considering local water distribution factors such as water supply stability and regional supply-demand ratios. This allows us to identify the proportion of Alchip's operational sites in Taiwan located in water-scarce areas, facilitating the formulation of water risk management strategies. According to WRI's 'Aqueduct Water Risk Atlas', the Taipei and Hsinchu regions are classified as Low to Medium (10%-20%) risk.[Note]

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. Furthermore, as the company operates primarily in an office-based environment, no water is consumed in products or air conditioning systems. Consequently, water consumption is calculated as zero, and the water discharge volume is equal to the total water withdrawal.

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

The Company's water consumption data for 2022 through 2025 have been independently assured by a third-party assurance provider. The related assurance reports are available on the Company's website.

Effluent Discharge Standards at Operating Locations

Taipei

Wastewater treatment and discharge at the Neihu Technology Park are primarily regulated in accordance with the Science Park Sewerage System Effluent Standards administered by the Ministry of Environment. The principal regulatory limits are as follows:

Biochemical Oxygen Demand (BOD): ≤ 30 mg/L

Suspended Solids (SS): ≤ 30 mg/L

Chemical Oxygen Demand (COD): ≤ 100 mg/L

Based on these standards, the Company's Taipei office is in compliance with all applicable regulatory requirements.

Hsinchu

Tai Yuan Hi-Tech Industrial Park is located in Zhubei City, Hsinchu County are governed by the Hsinchu County Standards for Wastewater Quality Acceptable for Discharge into Sewerage Systems and the Industrial Park Dedicated Sewerage System Effluent Standards promulgated by the Ministry of Environment.

The principal regulatory limits are as follows:

Biochemical Oxygen Demand (BOD): ≤ 30 mg/L

Suspended Solids (SS): ≤ 30 mg/L

Chemical Oxygen Demand (COD): ≤ 100 mg/L

Based on these standards, the Company's Hsinchu office is in compliance with all applicable regulatory requirements.

Note: According to the analysis results from the Aqueduct Water Risk Atlas, Taiwan is not designated as a water-stressed region; therefore, Alchip does not withdraw water from any water-stressed areas.

Alchip's Water Consumption Status Over the Last Three Years (Unit: Megaliter (ML))

Year	2023	2024	2025
Total Water Withdrawal (A)	2.0367	2.0432	2.2002
Total Discharge(B)	2.0367	2.0432	2.2002
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.
   Please refer to the following websites for supporting information:
   - Taipei Water Department – Water Quality Sampling and Testing at Water Purification Plants
   - Xinpu Water Purification Plant – Average Water Quality
3. The increase in water withdrawal in 2025 was due to the expansion of a new office in Hsinchu in October of that year, which led to a slight rise in total water withdrawal.

In 2025, the Company's water use intensity was 13.75, a decrease of 19.6% from 2022, 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 (base year)	2023	2024	2025
Annual Water Resource Consumption (m^3)	2,017.3	2,036.7	2,043.2	2200.2
Number of Workers	118	130	136	160
Water Use Intensity[Note]	17.10	15.67	15.02	13.75

Note: Water use intensity = Annual water resource consumption (m^3) / Number of workers.

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.

Management Principles	Through Alchip's waste management procedures, waste reduction and classification initiatives are organized around three key approaches—reuse, recycling, and recovery—in order to improve waste conversion rates and reduce landfill disposal.
Specific Measures	**Reuse:** Identify opportunities for waste reuse and proactively collaborate with suppliers to promote the reuse of original packaging materials. **Examples:** Reuse of on-site pallets, and reuse of plastic containers or cardboard packaging boxes. **Recycling:** Actively negotiate with waste disposal contractors to increase recycling rates. Examples: Plastics and waste paperboard. **Recovery:** Repurpose waste packaging materials for reuse.
Reduction Targets	**Short-term Target:** Reduce waste intensity[Note 1] by 0.1% year-on-year[Note 2] each year compared to the previous year. **Long-term Target:** Using 2022 as the base year, reduce waste intensity by 2% by 2032. Note 1: Waste intensity = Total industrial waste generated (metric tons) / Annual operating revenue (NT$ million). Note 2: Year-on-year change in waste intensity is calculated as: ((Current year data – Previous year data) / Previous year data) × 100%
External Assurance	**Waste Disposal Contractors:** All waste removal and disposal contractors used by Alchip hold valid Waste Removal and Treatment Permits. In addition, the current contractor obtained external assurance in 2025 and has joined the RE100 × 10 international environmental initiative. Its 2025 sustainability report and greenhouse gas inventory report were independently assured by KPMG. Alchip's waste data is provided by licensed waste removal and treatment contractors. The 2025 waste data is also monitored and verified on-site by Alchip employees.

Alchip's Scrap Disposal Process

Fill out the scrapping application form → Review and verify the accuracy of the information → Count and do sampling inspect scrapped waste → Notify the waste disposal contractor to dispose of waste → Collect scrapped waste residual value summary report → Apply for invoice and account entry

Alchip's Industrial Waste Disposal Over the Last Three Years

(Unit: output: metric tons, percentage: %)

Year		2023		2024		2025	
Category	Item	Output	Percentage	Output	Percentage	Output	Percentage
Hazardous Waste	Wafers	0	-	0.068	7.47%	0.01	0.87%
General Industrial Waste	IC	0.17	100%	0.842	92.53%	1.14	99.13%
Total		0.17	100%	0.91	100%	1.15	100%
Disposal Method		Outsourced disposal[Note]					

Note: All waste generated by Alchip is entrusted to waste collection and disposal contractors approved by the competent authorities for off-site transportation and treatment.

In 2025, the Company's waste intensity was 0.004%, representing an increase of 0.002% compared to 2024, and a year-on-year growth of 12.4%. The short-term target was not achieved primarily because no scrapping activities were conducted by customers in 2024. In 2025, as product life cycles came to an end, customers agreed to initiate scrapping activities, resulting in an increase in waste intensity. The Company will continue to encourage customers to regularly approve waste disposal activities and further reduce overall waste generation.

Alchip's Waste Reduction Performance

Year	2022 (base year)	2023	2024	2025
Industrial Waste Generated (tons)	0.97	0.17	0.91	1.15
Annual Operating Revenue (NT$ million)	13,725.2	30,482	51,969	30,926
Waste Intensity	0.007%	0.001%	0.002%	0.004%

4.6 Sustainable Procurement

To protect resources and lower environmental impact, Alchip started tracking the percentage of local and green procurement in 2023. 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 2025, Alchip's local procurement exceeded NT$ 12.7 billion, accounting for 35.0% of the total procurement amount.

Additionally, Alchip values the importance of green procurement. In 2025, Alchip's green procurement amount exceeded NT$ 4 million, representing a decrease of NT$ 13.85 million compared to 2024. The primary reason for this variance is that the Company made significant equipment purchases for R&D purposes in 2024, which resulted in a substantial increase in the green procurement amount for that year. 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 Over the Last Three Years

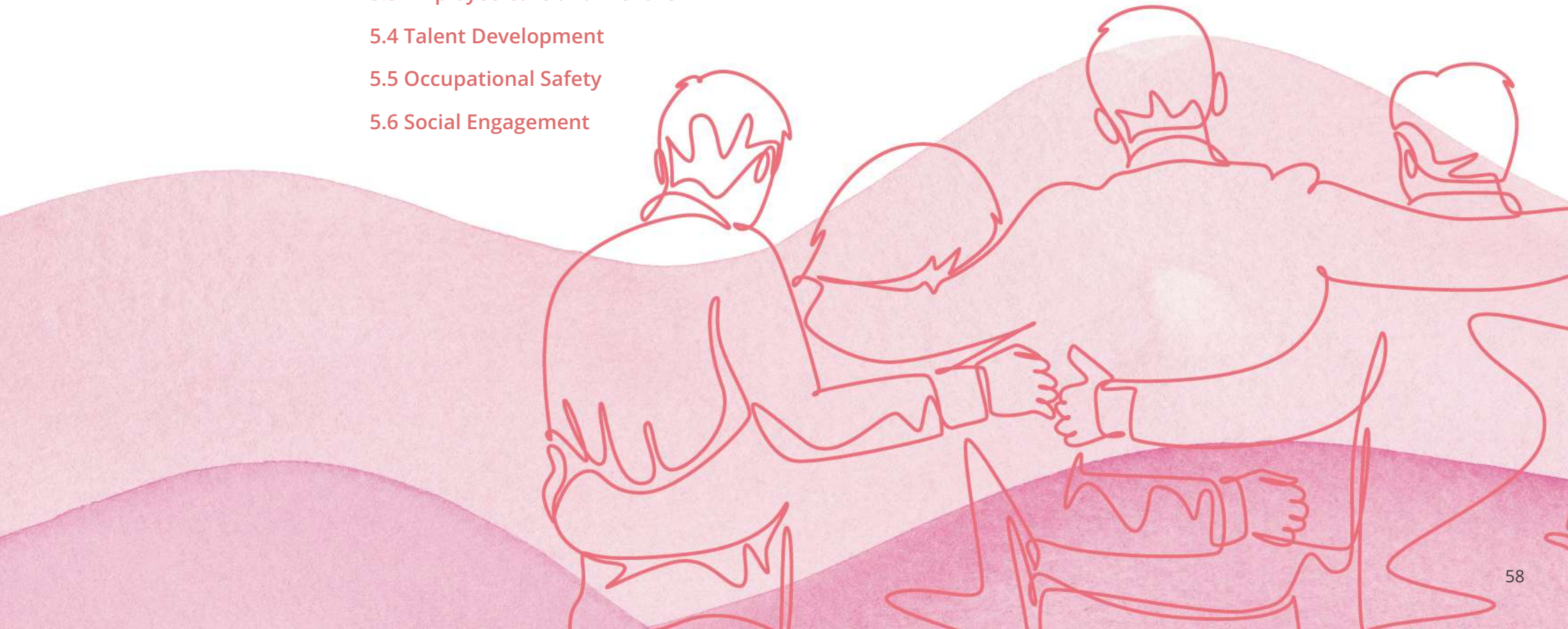
(Unit: NT$ thousand)

Year	2023		2024		2025	
Item	Local procurement	Green procurement	Local procurement	Green procurement	Local	Green procurement
Procurement Amount	29,059,637	3,758	15,294,750	17,880	12,791,110	4,030
Total Procurement Amount	51,467,239		22,408,680		36,558,193	
Percentage	56.5%	0.007%	68.3%	0.08%	35.0%	0.011%

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.

5 Happy Workplace

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



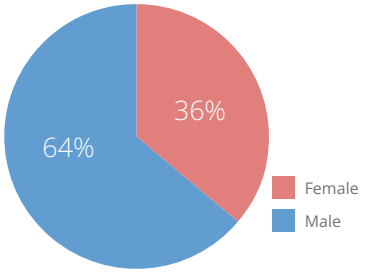
5.1 Employee Overview

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 safeguard the rights and interests of our employees during their tenure, we offer compensation packages, benefits, and protective systems that exceed regulatory requirements, while remaining dedicated to maintaining a healthy, safe, and hygienic workplace. Furthermore, we actively develop professional technology talent by establishing comprehensive internal and external training mechanisms. We provide fully subsidized external training opportunities for continuous employee development and host internal skill-building workshops to enhance our team's professional capabilities, reinforcing Alchip's position as a highly competitive enterprise.

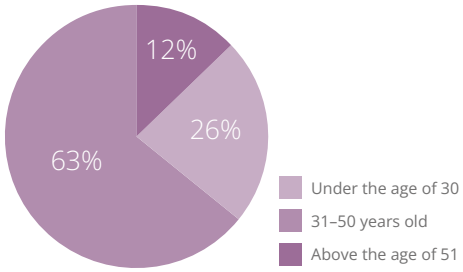
5.1.1 Employee Structure

In 2025, Alchip employed a total of 160 full-time employees (based in Taipei and Hsinchu only), comprising 159 permanent employees, including one employee with a disability, and one contract employee. Compared with the total workforce of 134 employees in 2024, the headcount increased by 26 employees. This growth was primarily driven by strong market demand for IC design services. Consequently, the company actively expanded its core R&D and technical support teams to accelerate project delivery and reinforce competitiveness. Other employee structures remained unchanged.

Alchip Employee Gender Ratio



Alchip Employee Age Distribution Ratio



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

Worker Category	2023	2024	2025
Employees	128	134	160
Non-employee	2	2	2
Total	130	136	162

Note:
The statistical period covers employees who were still employed as of December 31, 2025.
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 2025

Employee Category (Unit: number of people)		Taipei		Hsinchu		Total		
		Male	Female	Male	Female	Male	Female	Total
Employment Contract	Permanent employees (open-ended contract)	39	23	64	33	103	56	159
	Contract employees (fixed-term contract)	0	0	0	1	0	1	1
Work Hours	Full-time employees	39	23	64	34	103	57	160
	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	18	6	7	10	25	16	41
	31 – 50 years old	18	15	44	23	62	38	100
	Above the age of 51	3	2	13	1	16	3	19
Nationality	Local national (Taiwan)	39	23	64	34	103	57	160
	Foreign national (requires work visa)	0	0	0	0	0	0	0
Job Band	General staff	26	14	43	28	69	42	111
	Middle management	13	9	21	6	34	15	49
Other	Employees with disabilities	1	0	0	0	1	0	1
Gender Statistics Across Various Regions		39	23	64	34	103	57	160

Note: The statistical period covers employees who were still employed as of December 31, 2025.

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 2025, the Company hired 46 new employees, equivalent to 28.8% of its total workforce. The Company has set a retention rate target of 80% for new hires within one year. In 2025, the retention rate for new employees reached 87%, 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 encourage the employee, with the aim of fostering a stable work environment. In 2025, 21 employees resigned, representing 13.1% of the Company's total workforce. Compared to 2024, the overall turnover rate declined and remained within a reasonable range. Employee turnover was primarily driven by external factors, notably the intense competition for high-tech talent within the semiconductor industry and robust market-wide recruitment demands.

Retirement System

For those subject to the old pension scheme regulations under the Labor Standards Act, retirement reserve funds are appropriated monthly according to the Labor Standards Act and deposited into a "Dedicated Retirement Fund Account" opened by the Central Trust of China. This is supervised by the Company's Labor Pension Fund Oversight Committee. In 2025, the accumulated balance of the old pension fund was NT$ 1,960,446. For those applicable to the new pension fund plan under the Labor Pension Act, the Company contributes 6% of the employee's salary to their personal pension account every month. In 2025, the pension expense for the Taiwan region under the new system was NT$10,691,000.

Alchip's New Hires and Employee Turnover Distribution Over the Last Three Years

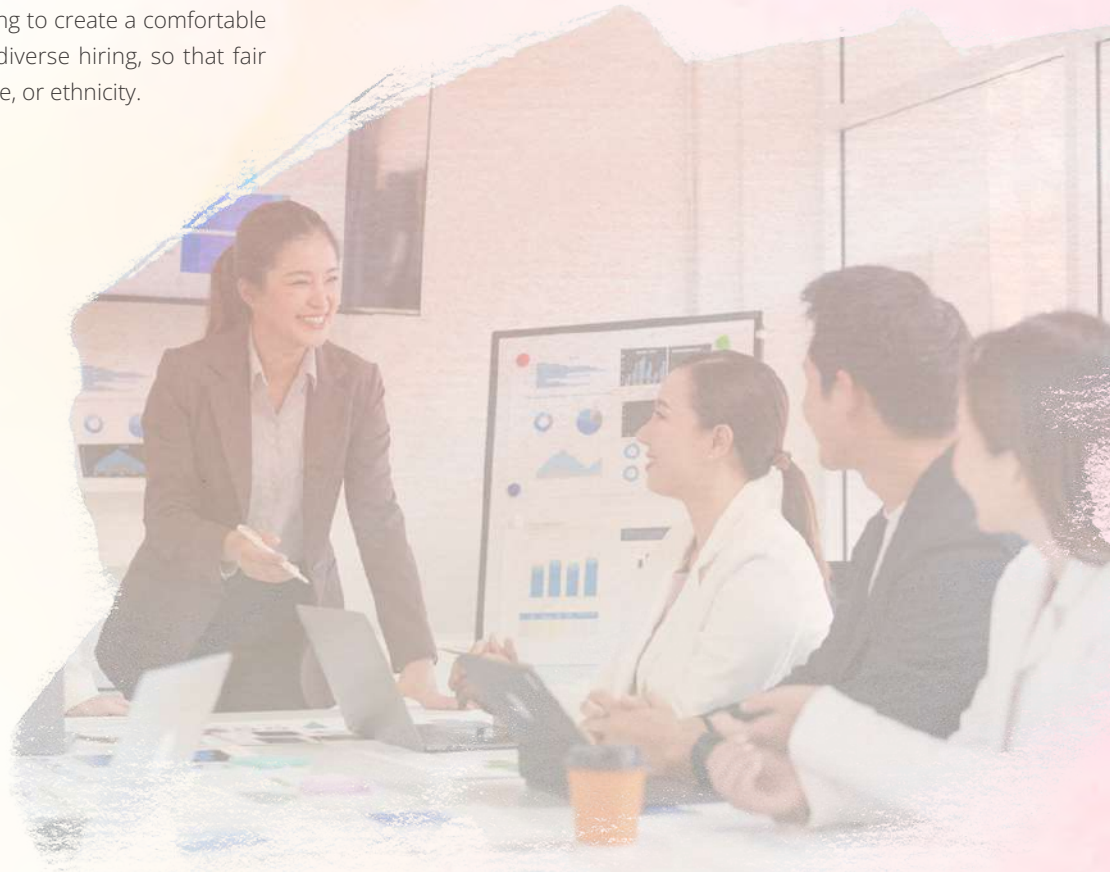
	Year	Category	Taipei				Hsinchu			
			Male	Percentage	Female	Percentage	Male	Percentage	Female	Percentage
New Hires	2023	Under the age of 30	3	14.3%	3	14.3%	2	9.5%	4	19.0%
		31 –50 years old	2	9.5%	0	0%	5	23.8%	1	4.8%
		Above the age of 51	0	0%	0	0%	0	0%	1	4.8%
	2024	Under the age of 30	6	25.0%	2	8.3%	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%
	2025	Under the age of 30	7	15.2%	2	4.3%	4	8.7%	5	10.9%
		31 –50 years old	1	2.2%	7	15.2%	13	28.3%	7	15.2%
		Above the age of 51	0	0%	0	0%	0	0%	0	0%
Resigned Employees	2023	Under the age of 30	0	0%	2	18.2%	0	0%	2	18.2%
		31~50 years old	2	18.2%	0	0%	1	9.1%	2	18.2%
		Above the age of 51	1	9.1%	0	0%	0	0%	1	9.1%
	2024	Under the age of 30	0	0%	1	5.6%	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%
	2025	Under the age of 30	1	4.8%	1	4.8%	0	0%	2	9.5%
		31~50 years old	3	14.3%	4	19.0%	5	23.8%	4	19.0%
		Above the age of 51	0	0%	0	0%	0	0%	1	4.8%

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

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 proportion of women in middle and senior positions, 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 in accordance with 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 2025, there were no incidents of human rights violations and sexual harassment. The Company discloses the "Alchip Diversity, Equity, and Inclusion Declaration", the "Alchip Human Rights Policy", and other relevant policies on its website, enabling business partners and other stakeholders to review them as needed. Furthermore, environmental and social clauses are incorporated into contracts with product collaboration partners and suppliers to reinforce the Company's commitment to respecting and protecting human rights throughout its business relationships.

5.2.2 Family-Friendly Workplace

To foster a family-friendly workplace, Alchip provides lactation rooms in accordance with the Act of Gender Equality in Employment and partners with childcare providers through corporate discount programs to support employees' childcare needs. Recognizing the importance of employees' personal well-being and family caregiving responsibilities, the Company proactively offers benefits that exceed statutory requirements, including three days of fully paid sick leave and flexible leave arrangements, enabling employees to balance work and personal life without worries. Furthermore, Alchip explicitly stipulates in its employment regulations, pursuant to the Labor Standards Act, that the Company may not terminate an employment during an employee's maternity leave. In addition to granting statutory maternity leave, prenatal check-up leave, parental leave, and paternity check-up leave, the Company allocates a budget to provide a wedding subsidy of NT$3,600 and a childbirth subsidy of NT$1,200 per child to congratulate employees on tying the knot and welcoming new family members. In 2025, a total of 2 applications were submitted across these two subsidy categories and were fully disbursed.

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

In 2025, four employees were eligible for parental leave, and two eligible employees applied for parental leave. There were no employees scheduled to return from parental leave during the year. These statistics reflect Alchip's commitment to support 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 program, 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 2025[Note1] (A)	2	2	4
Total number of employees who used parental leave in 2025 (B)	0	2	2
Application rate for unpaid parental leave (B/A)	0%	100%	50%
Total number of employees expected to return to work after parental leave in 2025[Note 2] (C)	0	0	0
Total number of employees who returned to work after parental leave in 2025 (D)	0	0	0
Return to work rate (D/C)	-	-	-
Total number of employees eligible for parental leave in 2024 (E)	4	3	7
Total number of employees who used parental leave in 2024 (F)	0	0	0
Application rate for unpaid parental leave (F/E)	0%	0%	0%
Total number of employees who returned to work after unpaid parental leave[Note 3] (G)	0	0	0
Total number of employees remaining employed 12 months after returning from unpaid parental leave in 2024 (H)	0	0	0
Retention Rate (H/G)	-	-	-
Total number of employees eligible for parental leave in 2023 (I)	1	2	3
Total number of employees who used parental leave in 2023 (J)	0	2	2
Application rate for parental leave (J/I)	0%	100%	67%
Total number of employees who returned to work after parental leave in 2023 (K)	0	1	1
Total number of employees remaining employed 12 months after returning from parental leave in 2023 (L)	0	1	1
Retention Rate (L/K)	0%	100%	100%

Note
1.Calculated based on the number of employees who applied for maternity leave, paternity leave and prenatal check-up leave in 2025.
2.No employees' parental leave periods ended in 2025. They were expected to return to work in 2026; therefore, the number of employees returning in 2025 was zero.
3.In 2024, no employees returned from parental leave; therefore, the number is zero.

5.3 Employee Care and Welfare

Alchip, to ensure its human resourses stability, has established comprehensive employee welfare programs and adequately reflected its business performance in employee remuneration, enabling employees to share in the Company's business achievements. Through this approach, the Company aims to achieve 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 2025 amounted to NT$22,360,201, representing a 9.22% increase from last year, further demonstrating the Company's commitment to its employees.

Overview of the Welfare Committee's Operations in 2025

- Number of Welfare Committee Meetings: 13 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: 160 people
- Total Amount Contributed: NT$ 22,360,201

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 employees' morale and work performance. Alchip provides a leave system that exceeds regulatory requirements, including an additional three-day flexible leave every year, three days of paid sick leave, and enhanced sick leave benefits that exceed the requirements of the Labor Standards Act, with employees who have completed eight years of service or more receiving fully paid sick leave. To continuously embody a "people-oriented" corporate culture, the Company increased the amount of festival bonuses in 2025, transforming its sincere appreciation for employees' contributions into tangible rewards. The Company hopes that employees can feel its care and warmth while spending festive moments with their families, thereby strengthening mutual trust between labor and management and enhancing organizational cohesion.

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. From 2025, 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 referral bonus ranging from NT$ 20,000-50,000 (or NT$ 8,000 for non-engineering or non-management positions). The Company aims to leverage employees' career endorsements and a robust reward system to attract top talent who align with its corporate culture. By strengthening organizational competitiveness, it also seeks to further enhance its employer brand reputation in the talent market.

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, festival bonuses, employee travel/travel subsidies, family days, birthday parties, club subsidies, ESG and team building activities.
Health Promotion	Annual employee health examination, occasional health seminars, physician and nurse consultations, 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 "Years of 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. In addition, Alchip has established the Rising Star Award program to identify and recognize employees with strong potential for future development.

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. In the final stage, the management team and senior executives conduct a final review to ensure the fairness and representativeness of the selection results. Since its implementation, this incentive program has helped strengthen a performance-driven culture and foster a positive competitive environment, while enhancing employees' engagement and retention.

Looking ahead, Alchip will continue to refine its recognition and award programs as well as the related evaluation mechanisms, aligning them with its talent development strategies to promote sustainable growth and drive innovation across the organization.

Number of Award Recipients at Alchip Over the Last Three Years

Award		2023	2024	2025
Years of Service Award	At least 8 years of service	6	2	6
	At least 15 years of service	1	1	3
	At least 20 years of service	1	3	2
	Total number of award recipients	8	6	11
Engineering Award	Number of award recipients	6	8	6
Rising Star Award	Number of award recipients	2	2	2







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 with 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. The general health examination participation rate for newly hired employees was 100% in 2025. Among employees at the Taipei and Hsinchu sites, 97.4% (including senior executives) received health examinations in the same year. Furthermore, for employees in both Taipei and Hsinchu, on-site doctors or nurses provide monthly health consultation services; following the 2025 annual health examinations, a total of 52 employees utilized this service for individual health consultations.

To enhance employees' health literacy and strengthen their self-care capabilities, Alchip launched a series of professional nutritionist-led seminars in 2025. The topics covered key areas such as "strategies for preventing the three highs (hypertension, hyperglycemia, and hyperlipidemia)", "nutrition and healthy lifestyle practices", and "in-depth analysis of physiological indicators". 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 96.7%, reflecting strong recognition from employees for their professionalism and teaching effectiveness. Similarly, the average satisfaction rating for the course content also reached 97%, indicating that the material was comprehensive, met participants' expectations, and received highly positive feedback.

5.3.4 Fair Remuneration

Alchip's remuneration policy is based on the principle of fairness and takes into consideration factors such as education, experience, job position, and individual performance. Compensation practices do not differ based on gender, race, religion, political affiliation, or marital status. In addition, profit-sharing bonuses and employee stock option programs are awarded based on the Company's operating performance, departmental achievements, and individual performance, enabling employees to share in the results of the Company's operations.

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 2025 was 5.6%. Taking the entire workforce as an example, the average compensation in 2025 was 4.03 times the basic salary, and for full-time, non-managerial employees, the average compensation was 3.34 times the basic salary. This demonstrates the Company's commitment to strengthening human capital and retaining talent through competitive compensation and benefits.

To foster shared growth with local communities, we actively employ local residents (Taiwan) at our two major operating locations 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 Three Years

Year	2023	2024	2025
Female: Male	1:1.37	1:1.32	1:1.31
Senior management : Median of other employees	2.78:1	3.43:1	4.21:1
Percentage increase in total annual compensation (Senior management: Median of other employees)	2.03:1	1.71:1	25.1:1

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 compensation 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).
5. In 2025, the number of new employees increased by more than 91% compared with the previous year. Despite this rapid expansion, the median employee compensation remained stable between 2024 and 2025, demonstrating that the company's baseline salary competitiveness was not diluted by organizational expansion. The change in the pay ratio is primarily attributed to structural differences, including the statistical cutoff date and incentive instruments.

Alchip's Basic Salary to Average Compensation Ratio for Various Employee Categories Over the Last Three Years

Year	2023	2024	2025
Basic salary: Male general employees	1:3.70	1:4.24	1:3.58
Basic salary: Female general employees	1:2.97	1:2.93	1:2.95
Basic salary: Male management	1:8.22	1:5.81	1:6.05
Basic salary: Female management	1:6.45	1:4.48	1:4.56

Note:
1. General employees are employees below (not including) the manager level. Management refers to employees at or above the manager level and up to and including the Vice President level.
2. The basic salaries for 2023, 2024 and 2025 were NT$ 26,400, NT$ 27,470 and NT$ 28,590, respectively.
3. Average compensation includes fixed monthly salary and meal allowance.

5.4 Talent Development

5.4.1 Employee Cultivation

To continuously enhance employees' professional capabilities and support the Company's talent development objectives, Alchip plans various training and learning activities based on its corporate development strategy and employees' career development needs. Training activities are implemented in accordance with the annual training plan, ISO training management procedures, and external training requests approved in advance by supervisors. 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. Through continuous learning and development opportunities, Alchip aims to strengthen employees' professional expertise and broaden their skill sets, thereby enhancing the Company's overall competitiveness. In 2025, employees received an average of 2.7 hours of training per person.

Additionally, Alchip provides appropriate training for newly hired employees to ensure they are familiar with the Company's key policies and workplace requirements from the outset of their employment. 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 2025, out of a total workforce of 160 employees, 46 new hires fully participated in this onboarding training. The training achieved an overall satisfaction rate of 98.9% among new employees, with a 100% pass rate on both human rights and core corporate value assessments.

Alchip's Employee Training Status in 2025

Employee Category	Calculation Method	Male	Female	Subtotal
General Employees	Number of trainees during the reporting period (A1)	67	57	124
	Total training hours during the reporting period (B1)	115	112.5	227.5
	Average training hours during the reporting period (B1/A1)	1.7	2	1.8
Managerial Employees	Number of trainees during the reporting period (A2)	37	35	72
	Total training hours during the reporting period (B2)	134.5	159.5	294
	Average training hours during the reporting period (B2/A2)	3.6	4.6	4.1
Total	Total number of trainees during the reporting period (R)	104	92	196
	Total training hours during the reporting period (Q)	249.5	272	521.5
	Average training hours per employee (Q/R)	2.4	3	2.7

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 appraisal results are also used to plan employee training programs and career development pathways. In addition, Alchip conducts annual professional knowledge and skills assessments for engineers with less than three years of service to assess the learning progress of newly hired engineers and identify high-potential talent. Employees who achieve outstanding results in these assessments are provided with specialized training opportunities and are given opportunities for early participation in highly complex design projects. The percentage of employees who regularly received performance and career development reviews in 2025 was 73.1%. In particular, the annual performance evaluations for senior executives were conducted by the CEO and the Board of Directors.

Alchip's Annual Performance Appraisal Status in 2025

Performance Appraisal Category	Number of People Who Should Receive the Performance Appraisal	Number Of People Who Received the Performance Appraisal	Participation Rate
Annual performance	119	117	98.3%
New employee probationary period	46	41	89.1%
Engineer professional knowledge and skill test	3	3	100%

Note: Employees eligible for the annual performance evaluation were those who have joined the company on or before September 1 of the reporting year, totaling 119 employees.

5.4.3 Industry–Government–Academia Collaboration

Alchip actively 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, helps develop future high-tech talent for the nation, and accelerates professional development. Furthermore, Alchip also sponsored the National Taiwan University of Science and Technology basketball team with NT$ 240,000 to support sports development on campus. The Company further contributed an additional NT$100,000 to support the "CBL University Basketball Home-and-Away Invitational Tournament" hosted by NTUST, bringing its total sponsorship to NT$340,000.

Through dual investments in R&D internship programs and sports support, Alchip has successfully promoted academic exchange and expanded the benefits of industry–academia collaboration. The Company is not only committed to technological innovation but also actively supports diverse talent development through concrete actions, thereby advancing talent sustainability, strengthening industry–academia collaboration, and fulfilling its corporate social responsibility.

Alchip's Employee Performance Review Status in 2025

Employee Category	Calculation Method	Male	Female	Subtotal
General Employees	Total employee number at the end of the reporting period (A1)	69	42	111
	Number of employees who regularly receive performance and career development reviews (B1)	51	31	82
	Percentage (B1/A1)	73.9%	73.8%	73.9%
Management	Total employee number at the end of the reporting period (A2)	34	15	49
	Number of employees who regularly receive performance and career development reviews (B2)	24	11	35
	Percentage (B2/A2)	70.6%	73.3%	71.4%
Total	Total employee number at the end of the reporting period (R)	103	57	160
	Total number of employees who regularly receive performance and career development reviews (Q)	75	42	117
	Percentage of employees who regularly receive performance and career development reviews (Q/R)	72.8%	73.7%	73.1%

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 employee injuries, illnesses, or property damage. 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 are required to register and be accompanied to 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.

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 infringement arising from the performance of duties across departments and announces relevant preventive measures and procedures. 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 work 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 traffic accident on the way to or from work, in addition to injury leave and group insurance, Alchip provides comprehensive support measures, such as work-from-home (WFH) arrangements, to assist employees during their recovery.

5.5.2 Emergency Response

In the event of a major emergency, Alchip's emergency response team shall immediately notify the relevant personnel by telephone, providing information such as the time, location, and general circumstances of the incident, and activate the emergency notification and response procedures. Upon receiving the alert, the team should, as appropriate, shut off the power supply, remove flammable and explosive materials, salvage important documents and property, and, if necessary, utilize Alchip's fire protection equipment for emergency response efforts. The team should remain vigilant for any suspicious conditions or activities in the surrounding area and, whenever safe and practicable, remain at the scene pending further instructions. In the event of the loss or disclosure of important or confidential data is lost or leaked, the response team shall be responsible for undertaking remedial and follow-up actions and shall work with relevant departments to review the incident and implement improvement measures. In 2025, two fire drills were conducted at each of the Taipei and Hsinchu offices.

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	• 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: ‣ 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	• 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	• Commanding team members to fight fire. • Using fire extinguishers or fire hydrants to fight fire. • Contact and assist the fire brigade.
Evacuation Guidance Team	• 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	• 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 electricity. • Emergency control of elevators and escalators.
Emergency Rescue Team	• 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 managers at all levels are responsible for providing a safe working environment and for formulating, planning, and overseeing safety and health management activities. 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.

Occupational Safety and Health Responsibilities by 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. Periodic inspection, Special inspection, operational checks, and other inspection and supervision-related matters.
4. Routine and ad hoc workplace walkthroughs.
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 2025

Item	Hours	Number of Participants	Total Hours
Introduction to Occupational Safety and Health Act	3 hours	46 people	138 hours
Occupational Safety and Health Concepts and Safety and Health Work Rules			
SOP			
Emergency Response			
Other Labor Safety and Health-Related Knowledge			
Firefighting Training (TP)	3.7 hours	36 people	133.2 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 assess potential risks of latent occupational diseases and to offer advice on diet, exercise, and healthcare. Based on the evaluation results of the 2025 health examination questionnaire, it was specifically recommended that employees pay attention to their working postures regarding repetitive motions to prevent ergonomic injuries. Furthermore, in 2025, the completion rate for general physical examinations among newly hired employees reached 100%. The Company also grants employees who have completed six months of service a half-day paid leave each year to attend their annual health examination. Employees may also choose their preferred medical institution or health examination center based on their individual needs. The examination items and frequency exceeded statutory requirements and the participation rate for the annual employee health examination (including senior executives) reached 97.4%. All workplace environmental monitoring results complied with applicable regulatory standards, and all exposure assessment results were well below one-half of the legally permissible exposure limits, indicating that the workplace environment posed no significant occupational health risks. Consequently, no occupational injuries or occupational diseases were reported in 2025, and no fines were imposed for violations of occupational safety regulations.

Alchip's Employee Absenteeism Rate Over the Last Three Years

Year	2023	2024	2025
Total company-wide work hours	254,341	269,181	317,560
Total company-wide sick leave hours	3,461	3,646	4,095
Total company-wide menstrual leave hours	132	197	134
Total company-wide occupational injury leave hours	0	0	8
Absenteeism rate (AR)	1.4%	1.4%	1.3%

Note:
1. Total company-wide work hours refer to the total work hours of all employees (including overtime).
2. Total company-wide occupational injury 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.
3. Absenteeism rate (AR): Total absent days (number of days lost) / total number of workdays (including occupational injury leave, sick leave, menstrual leave, etc.) × 100%

Alchip's Occupational Injury Statistics Over the Last Three Years

Year	2023		2024		2025	
Worker Category	Employees	Non-employees	Employees	Non-employees	Employees	Non-employees
Total Hours Worked	254,341	-	269,181	-	317,560	-
Number of Fatalities	0	-	0	-	0	-
Rate of Fatalities	0	-	0	-	0	-
Number of High-consequence Work-related Injuries	0	-	0	-	0	-
Rate of High-consequence Work-related Injuries	0	-	0	-	0	-
Number of Recordable Work-related Injuries	0	-	0	-	1	-
Rate of Recordable Work-related Injuries	0	-	0	-	0.63	-
Type of Injury	-	-	-	-	Insect sting	-

Notes:
1. Work-related injuries refer to accidental injuries that occur while workers are performing their duties or within the workplace. Commuting accidents occurring during travel to and from work are excluded from these statistics. Total Hours Worked: Calculated as the sum of annual working hours for all workers. For employees, this is based on the actual sum of regular and overtime hours. For non-employees (contract workers and dispatched workers), annual working hours are estimated using the following formula: 8 hours per day × (monthly number of on-site personnel× monthly working days).
2. High-consequence work-related injuries: Refer to work-related injuries that result in disability or an injury from which the worker cannot recover to pre-injury health status within 6 months.
3. Rate of Fatalities = Number of fatalities resulting from work-related injuries / Total hours worked ×200,000
4. Rate of High-consequence Work-related Injuries = Number of high-consequence work-related injuries / Total hours worked ×200,000
5. Total Recordable Injury Frequency Rate (TRIFR) = (Number of recordable work-related injuries (including high-consequence injuries, fatalities, and other recordable injuries) ×200,000) / Total hours worked
6. The rate based on 200,000 hours worked indicates the number of work-related injuries per 100 full-time workers within one year, based on the assumption that a full-time worker works 2,000 hours per year (suitable for organizations with fewer than 500 employees).

5.6 Social Engagement

Marine Environmental Education and Beach Cleanup Initiatives



In support of World Environment Day 2025, Alchip successfully carried out the "Marine Environmental Education and Beach Cleanup Initiative" at Zhuwai Fishing Port in Taoyuan. A total of 62 employees participated in the event, turning sustainability values into tangible actions. Through professional guided tours and interactive hands-on activities, participants deepened their understanding of marine ecosystem conservation and resource recycling, encouraging employees to embrace green lifestyles in their daily lives and reinforcing the Company's long-term commitment to ecological sustainability.

Centered on the theme of "Awakening Global Environmental Awareness", the event explored the types and sources of marine debris as well as its long-term impacts on ecosystems, helping participants understand the severity of marine pollution and the importance of taking action. Through engaging and educational program design, employees gained new environmental knowledge in a relaxed learning environment while strengthening their commitment to environmental action. Additionally, the event incorporated sustainable seafood education and interactive competitions on sustainable dietary choices, enhancing employees' understanding of sustainable fisheries and environmentally responsible food consumption, and making environmental concepts more relevant to everyday life.



Through this initiative, Alchip aims to unite employees and society in positive action, demonstrating the Company's commitment to its economic, social, and environmental responsibilities through concrete actions. The Company will continue advocating for environmental protection while fulfilling its vision of corporate sustainability and shared prosperity with society.

Alchip Participated in the Marine Environmental Education and Beach Cleanup Initiative Activity in 2025.





Player Scholarship Program

Upholding its corporate philosophy of "Promoting cultural and educational development," Alchip continues to support the holistic development of young students. In 2025, the Company once again partnered with National Taiwan University of Science and Technology (NTUST) to extend its support for sports and education by sponsoring a player scholarship program for the NTUST basketball team. The program provided total funding of NT$240,000, granting 12 players with NT$20,000 each per academic year, encouraging students to balance academic and athletic performance while pursuing excellence and personal growth.

In addition to continuing its scholarship support, the Company also provided an additional NT$100,000 to co-sponsor and support the organization of the "Third CBL University Basketball Home-and-Away Invitational Tournament," offering collegiate athletes a platform to showcase their skills and engage in intercollegiate exchange. This initiative further promotes a culture of sportsmanship, teamwork, and physical development among university students.

Alchip believes that both the spirit of sports and the value of education form the foundation of cultural progress. Through sponsoring school sports events and talent development programs, the Company aims to create broader opportunities for young people to develop their potential, while fostering a healthy, proactive, and mutually beneficial social culture. Moving forward, the Company will continue to collaborate with academic institutions and invest resources through diverse initiatives to advance corporate sustainability and contribute to shared social prosperity.

Alchip Sponsored the National Taiwan University of Science and Technology Basketball Team in 2025 by Establishing a Player Scholarship Program.







Appendix

GRI Content Index

Climate-Related Information of TWSE / TPEx-Listed Companies

SASB Standards Index – Semiconductor Industry

Sustainability Disclosure Indicators – Semiconductors

Independent Verification Statement



GRI Content Index

Statement of use	Alchip has reported in accordance with the GRI Standards for the period January 1, 2025 to December 31, 2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	None

GRI 2 General Disclosures 2021

GRI Code	Disclosure Items	Report Chapter/Description	Page Number
2-1	Organizational 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	52
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	59
2-8	Workers who are not employees	5.1.1 Employee Structure	59
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

GRI Code	Disclosure Items	Report Chapter/Description	Page Number
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
		3.1.2 Risk Management	32
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 Annual Report	34
2-16	Communication of critical concerns	3.2.2 Discussion of Board Meeting Agenda	34
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	36
2-19	Remuneration policies	3.3.2 Remuneration Committee	37
		3.3.3 Nomination Committee	38

GRI Code	Disclosure Items	Report Chapter/Description	Page Number
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	65
2-22	Statement on sustainable development strategy	Chairman's Statement	1
2-23	Policy commitments	3.4 Ethical Management	39
		5.2.1 Alchip's Human Rights Policy	61
2-24	Embedding policy commitments	3.4 Ethical Management	39
		5.2.1 Alchip's Human Rights Policy	61
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 2025	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

GRI 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	1.3 Management of Material Topics	10
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
201-1	Direct economic value generated and distributed	2.5 Financial Performance	25
Material Topic: Ethical Management			
3-3	Management of material topics	1.3 Management of Material Topics	10
205-2	Communication and training about 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 2025	40
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 2025	40

GRI Code	Disclosure Items	Report Chapter/Description	Page Number
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	47
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	46
Material Topic: Customer Privacy and Information Security			
3-3	Management of material topics	1.3 Management of Material Topics	10
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.5 Information Security Management *No related incidents occurred in 2025	41
Material Topic: Talent Attraction and Retention			
3-3	Management of material topics	1.3 Management of Material Topics	10
401-1	New employee hires and employee turnover	5.1.2 New Employee Hires and Employee Turnover	60
401-2	Benefits provided to full-time employees (that are not provided to temporary or part-time employees)	5.3.2 Comprehensive Benefits	63
401-3	Parental leave	5.2.2 Family-friendly Workplace	62

GRI Code	Disclosure Items	Report Chapter/Description	Page Number
Material Topic: Human Rights, Diversity, and Equity			
3-3	Management of material topics	1.3 Management of Material Topics	10
405-1	Diversity of governance bodies and employees	3.2.1 Board Composition and Selection Mechanism	33
		5.1.1 Employee Structure	59
405-2	Ratio of basic salary and remuneration of women to men	5.3.4 Fair Remuneration	65
406-1	Incidents of discrimination and corrective actions taken	5.2.1 Alchip's Human Rights Policy *No related incidents occurred in 2025	61

Type 2 Assurance Items

GRI 303 Water and Effluents 2018			
303-3	Water withdrawal	4.4 Water Resource Management	55
303-4	Water discharge	4.4 Water Resource Management	55
303-5	Water consumption	4.4 Water Resource Management	55

Climate-Related Information of 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”.

NO.	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.	4.1 Climate-related Financial Disclosure (TCFD)	50
2	Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).		
3	Describe the financial impact of extreme weather events and transformative actions.		
4	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.		
5	If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	Currently no relevant plans are available	-
6	If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	4.1 Climate-related Financial Disclosure (TCFD)	50
7	If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Currently no relevant plans are available	-
8	If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	4.3 Energy Management	54
9	Greenhouse gas inventory and assurance status.	4.2 GHG Inventory	52

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) Amount of total emissions from perfluorinated compounds	Quantitative	(1) Total Scope 1 GHG emissions: 4.3292 tCO_2e (2) Total PFC emissions: 0 tCO_2e	4.2 GHG Inventory
TC-SC-110a.2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets.	Discussion and analysis	Please refer to the corresponding chapters for more details	4.2 GHG Inventory
Topic: Energy Management in Manufacturing				
TC-SC-130a.1	(1) Total energy consumed (2) Grid electricity percentage (3) Renewable energy percentage	Quantitative	(1) 1,776 GJ (2) 97% (3) 3%	4.3 Energy Management
Topic: Water Management				
TC-SC-140a.1	(1) Total water withdrawn (2) Total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	(1) Total water withdrawal: 0 Thousand cubic meters (1000 m^3) (2) Total water consumption: 0 Thousand cubic meters (1000 m^3)	4.4 Water Resource Management
Topic: Waste Management				
TC-SC-150a.1	(1) Amount of hazardous waste from manufacturing (2) Percentage recycled	Quantitative	Hazardous waste: 0.01 metric tons Hazardous waste recycling rate: 0%	4.5 Waste Management
Topic: Workforce Health and Safety				
TC-SC-320a.1	Description of efforts to assess, monitor, and reduce exposure of workforce 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 2025, 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
Topic: Recruiting & Managing a Global & Skilled Workforce				
TC-SC-330a.1	Percentage of employees that require a work visa	Quantitative	0%	5.1.1 Employee Structure

Coding	Accounting Indicators	Category	Disclosure Item	Corresponding Chapter
Topic: Product Lifecycle Management				
TC-SC-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	Alchip strictly adheres to the Responsible Business Alliance (RBA) standards, and commits that its products do not use conflict minerals (3TG) sourced from conflict-affected regions. In addition, all suppliers are required to fully comply with environmental regulations such as RoHS, REACH, and halogen-free requirements, to ensure the safety and compliance of the green supply chain.	3.7.3 Green Supplier Regulations
TC-SC-410a.2	Processor energy efficiency at a systemlevel for: (1) servers, (2) desktops and (3) laptops	Quantitative	In 2025, the Company completed a total of 11 product designs, of which 9 were applied to energy-saving applications, accounting for 81% of all designs.	-
Topic: Material Sourcing				
TC-SC-440a.1	Description of the management of risks associated with the use of critical materials.	Discussion and analysis	To manage the risks associated with the use of key materials, the Company has implemented comprehensive business continuity plans to maintain stable production capacity, ensure compliance with environmental requirements, and secure the continuous supply of supplier-sourced raw materials. Through these measures, the Company effectively reduces manufacturing-related risks and safeguards the stable supply of key materials.	3.7.3 Green Supplier Regulations
Topic: Intellectual Property Protection & Competitive Behaviour				
TC-SC-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations.	Quantitative	NT$ 0 (no related incidents occurred)	3.4.3 Compliance with Laws and Regulations 3.5 Information Security Management

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 owned 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, utilization rate(renewable energy).	Quantitative	Total energy consumption: 1,776 GJ Grid electricity percentage: 97% Renewable energy percentage: 3%	Gigajoules (GJ), percentage (%)	4.3 Energy Management
II	Total water withdrawal and total water consumption.	Quantitative	Total water withdrawal: 2.2002 thousand cubic meters (1000 m^3) Total water consumption: 0 thousand cubic meters (1000 m^3)	Thousand cubic meters (1000 m^3)	4.4 Water Resource Management
III	Total hazardous waste generated and percentage recycled.	Quantitative	Hazardous waste: 0.01 metric tons Hazardous waste recycling rate: 0%	Metric tons (t), percentage (%)	4.5 Waste Management
IV	Types of, number of employees in and rate of occupational accidents.	Quantitative	No occupational injuries or diseases occurred at Alchip in 2025.	Percentage (%), quantity	5.5.5 Occupational Injuries and Diseases
V	Product Lifecycle Management Disclosure: including weights of scraps and electronic waste and percentage recycled.	Quantitative	As the Company is not involved in actual product manufacturing, disclosure of this indicator is not applicable.	Metric tons (t), percentage (%)	-
VI	Description of the management of risks associated with the use of critical materials.	Qualitative description	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	-
VII	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations.	Quantitative	NT$ 0 (no related incidents occurred)	Reporting currency	3.4.3 Compliance with Laws and Regulations
VIII	Production by product category.	Quantitative	Total of 3,405 thousand units of ASIC products	Varies by product category	-

Independent Verification Statement

INDEPENDENT ASSURANCE OPINION STATEMENT

Alchip 2025 Sustainability Report

The British Standards Institution is independent to Alchip Technologies, Limited (hereafter referred to as Alchip in this statement) and has no financial interest in the operation of Alchip other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of Alchip only for the purposes of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by Alchip. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to Alchip only.

Scope

The scope of engagement agreed upon with Alchip includes the followings:

1. The assurance scope is consistent with the description of Alchip 2025 Sustainability Report.
2. The evaluation of the nature and extent of the Alchip's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 and partial Type 2 of AA1000AS v3 sustainability assurance engagement and therefore, the information and data disclosed in the report are not verified through the verification process, except for data related to the Water and Effluents topics.
3. The assessment of disclosure to be in conformance with the applicable SASB industry standard(s) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the Alchip 2025 Sustainability Report provides a fair view of the Alchip sustainability programmes and performances during 2025. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the Alchip and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate Alchip's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurors in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that Alchip's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards and SASB Standard(s) were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a top level review of issues raised by external parties that could be relevant to Alchip's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 12 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of the supporting evidence for claims made in the report through meeting with managers responsible for gathering data related the Water and Effluents topics.
- review of the processes for gathering and ensuring the accuracy of data, followed data trails to initial aggregated source and checked sample data related the Water and Effluents topics to greater depth during site visits.
- review of the supporting evidence related the Water and Effluents topics for claims made in the report.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness, and Impact as described in the AA1000AP (2018).
- an assessment of the organization's use of metrics or targets of SASB Standard(s) to assess and manage topic-related risks and opportunities.

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness, and Impact of AA1000AP (2018), GRI Standards and SASB Standard(s) is set out below:

Inclusivity

This report has reflected a fact that Alchip has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the Alchip's inclusivity issues.

Materiality

Alchip publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of Alchip and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the Alchip's management and performance. In our professional opinion the report covers the Alchip's material issues.

Responsiveness

Alchip has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for Alchip is developed and continually provides the opportunity to further enhance Alchip's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the Alchip's responsiveness issues.

Impact

Alchip has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. Alchip has established processes to monitor, measure, evaluate, and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the Alchip's impact issues.

Performance information

Based on our work described in this statement, specified sustainability performance information such as GRI Standards material topics disclosed in this report, Alchip and BSI have agreed upon to include in the scope. In our view, the data and information related the Water and Effluents topics contained within the Alchip 2025 Sustainability Report are reliable.

GRI Sustainability Reporting Standards (GRI Standards)

Alchip provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported, or omitted. In our professional opinion the self-declaration covers the Alchip's sustainability topics.

SASB Standards

Alchip provided us with their self-declaration of in accordance with SASB Standard(s) (Semiconductor Sustainability Accounting Standard, version 2023-12). Based on our review, we confirm that the sustainability disclosure topics & accounting metrics of SASB Standard(s) are reported, partially reported, or omitted. In our professional opinion the self-declaration covers disclosure topics, associated accounting metrics and activity metrics for applicable SASB industry standard(s).

Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

The moderate level assurance provided is in accordance with AA1000AS v3 in our review of SASB Standard(s).

Responsibility

The sustainability report is the responsibility of the Alchip's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064, and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:

Joe Hsieh, Managing Director Northeast Asia, APAC Assurance

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Statement No: SRA-TW-823514

2026-07-01

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