



ELAN Microelectronics Corp.

2024 SUSTAINABILITY REPORT

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About this report

Reporting period 2-3

The report discloses the data covering business operations related to the environmental, social, and governance aspects and highlights the progress made in meeting our management, environmental, and social participation objectives for fiscal year 2024 (January 1 to December 31). This annual report, published in English, traditional, and simplified Chinese (last release: June 2024).

ELAN Group 2-2

In this report, ELAN Microelectronics Corp. and its affiliated companies including Avisonic Technology Corp., PiXORD Corp., and ELAN H.K. Microelectronics Corp. are collectively referred as the Group.

Reporting standards and verification 2-5

The content of this report is prepared with reference to the GRI Universal Standards 2021 published by the Global Reporting Initiative (GRI), in compliance with the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies, the Corporate Sustainability Roadmap for Listed Companies, the standards of the Sustainability Accounting Standards Board (SASB), and the framework of the Task Force on Climate-related Financial Disclosures (TCFD). The disclosure of the information is also aligned with various international standards such as the United Nations Sustainable Development Goals (SDGs), the Responsible Business Alliance (RBA) Code of Conduct, and the United Nations Global Compact.

Reliability of publicly disclosed information 2-5

The report is verified by an independent third-party, the British Standards Institution Group (BSI Group) Singapore Private Limited Taiwan Branch, in accordance with both Type 1 & Type 2 of AA1000AS v3 Moderate Assurance.

Major changes in 2024 2-6

ELAN

No major changes in organization scale, ownership or supply chain.

Avisonic

No major changes in organization scale, ownership or supply chain.

PiXORD

No major changes in organization scale, ownership or supply chain.

ELAN H.K.

No major changes in organization scale, ownership or supply chain.

Contact information 2-3

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The stakeholder webpage:
www.emc.com.tw/twn/Social_Responsibility06.asp
ESG Report:
<https://www.emc.com.tw/emc/tw/csr/report>
<https://www.emc.com.tw/emc/en/csr/report>
<https://www.emc.com.tw/emc/cn/csr/report>



Letter from the Chairman

2-22

In 2024, the overall consumer spending was impacted by the global economic slowdown, resulting in moderate performance across the consumer electronics industry. Nevertheless, the notebook market experienced slight growth, with annual shipments increasing by approximately 2.5%, reaching 183 million units. A majority of the Company's revenue is derived from notebook-related chips and module products. Although shipment volumes showed only modest growth due to economic pressures, demand driven by AI applications and high-performance computing has accelerated the development of edge computing. The Company's AI chips and features have been widely adopted by global notebook brands. In 2024, the Company achieved consolidated revenue of NT\$12.696 billion, with a gross margin of 48.9% and an operating profit margin of 24.1%, representing a revenue growth of 5.29%.

Over the past year, we have made meaningful progress across the areas of corporate governance, environment, and social responsibility. In terms of corporate governance, the Company has once again ranked in the top 6–20% in the Corporate Governance Evaluation for three consecutive terms. ELAN also successfully renewed its Responsible Business Alliance (RBA) VAP certification and was included for the first time in the TWSE Taiwan High Compensation 100 Index constituent list. In product innovation, the Company also achieved notable recognition. Our large-size AI touch solution for foldable laptops received both the Best Choice Award at COMPUTEX Taipei and the Innovative Product Award from the

Hsinchu Science Park. Additionally, our nanophotonic multispectral sensing chip was selected for funding under the Hsinchu Science Park Emerging Technology Application Project. In terms of social responsibility, ELAN was once again awarded the Sports Enterprise Certification, obtained the Healthy 99 Enterprise Award for the first time, and continued to maintain its Healthy Workplace Promotion certification. Environmentally, ELAN successfully implemented the ISO 50001 Energy Management System, began the use of renewable energy, and achieved its 2024 target of sourcing 5% of electricity from renewables. In 2025, the Company aims to submit its short-term targets to SBTi, obtain SBTi approval by 2026, and ultimately achieve net-zero carbon emissions and 100% renewable energy usage by 2050 through active emissions reduction efforts.

Looking ahead, the Company will continue to focus on enhancing its core technologies, delivering high-efficiency and innovative products and services to customers. ELAN will actively develop a diversified range of products and applications to create multiple revenue streams, strengthen operational resilience, and fulfill its corporate social responsibility, thereby advancing its commitment to sustainable development. The Company is dedicated to expanding its impact across the economic, environmental, and social dimensions, while formulating long-term, stable business strategies. Through these efforts, ELAN aims to continuously improve its operational and profitability performance, generating greater value and well-being for all stakeholders.

I-Hau Yeh,
Chairman and President




Photo source: National Industrial Innovation Award Winning Album, Ministry of Economic Affairs

1

Company Overview

- 1.1 Organizational profile
- 1.2 Milestones
- 1.3 Operational performance
- 1.4 Financial assistance received from government



	Operating revenue (thousand NTD)	EPS (NTD)	R&D expenditures (thousand NTD)	R&D expenditures accounted in operating revenue
2022	13,030,484	7.56	2,165,151	17%
2023	12,058,515	7.53	2,148,773	18%
2024	12,695,862	9.57	2,284,823	18%

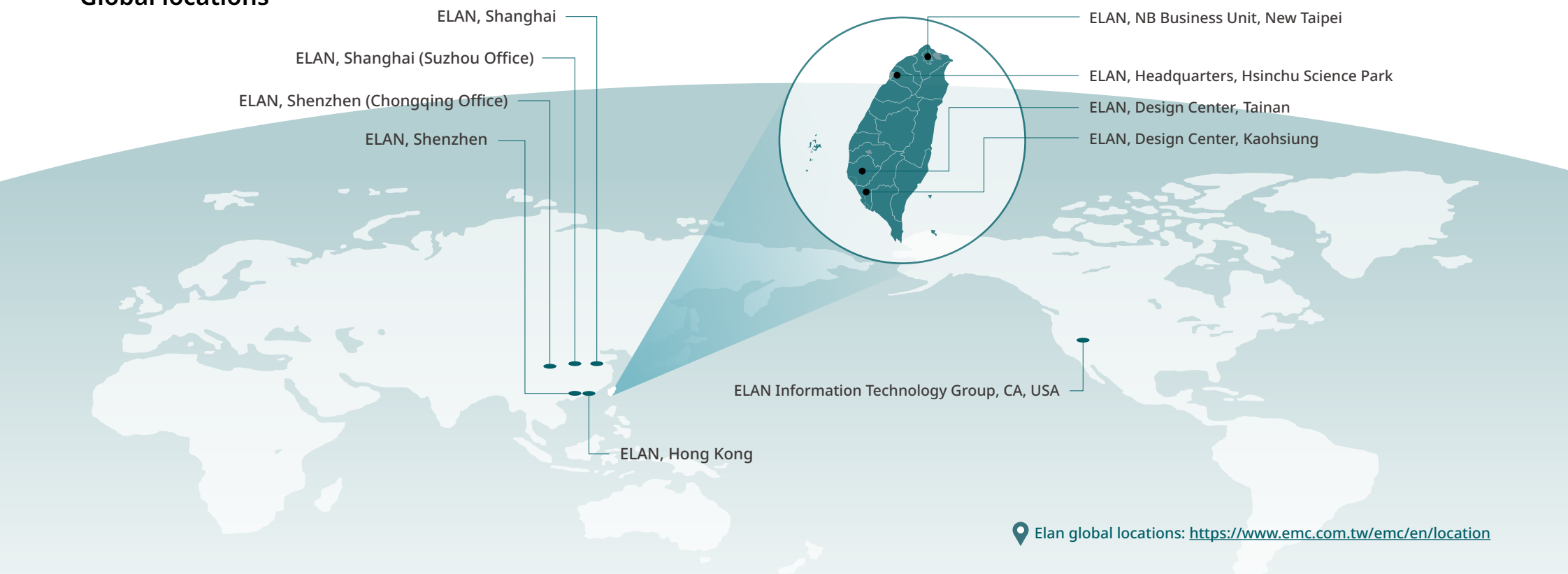
1.1 Organizational profile

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Date founded	May 1994	Industry	Semiconductor
Capital	NT\$ 3.039 billion		
Main products	The Group is engaged in the development, production, manufacture and sale of touchscreen controller integrated circuits, stylus-compatible touchscreen controller ICs, touchpad modules, pointing devices, and biometric identification ICs, including fingerprint and facial recognition solutions, etc.		
Company address	12 Innovation 1st Road, Hsinchu Science Park		

ELAN Microelectronics was listed in March 2001, with headquarters located in Hsinchu Science Park, Taiwan. In response to the competitive global electronics industry and to strengthen global layout, ELAN has currently set up a module manufacturing factory in Zhonghe, New Taipei City, dedicated in the design, development and production of NB products; R&D bases in Kaohsiung Software Park and Tainan; business and after-sales service centers in Shenzhen, Shanghai, Suzhou, and Chongqing in China; a shipping and customer service center in Hong Kong; and a business strategy planning center in the United States. Founded in Taiwan, ELAN creates new job opportunities each year and the number continues to grow with Company's rapid growth in sales performance. By the end of 2024, the number of full-time employees has reached 1,136. ELAN sales markets include Taiwan, China, Hong Kong, the United States and Japan.

Global locations



📍 Elan global locations: <https://www.emc.com.tw/emc/en/location>

1.2 Milestones

2022

- Ranked in the top 6-20% in the 2022 Corporate Governance Evaluation.
- Won the Top 5000 Taiwanese Large Enterprise Ranking in 2022-10th in IC Design Industry by CRIF (China Credit Information Service Ltd).
- Honored with the Gold Award of the Disaster-Free Working Hour Event in 2022 by the Industrial Safety & Healthy Association (ISHA) of the ROC.
- ELAN AI Surrounding-Sensing ADAS and Smart Cockpit System Development Plan has been granted with the A+ Industrial Innovative R&D Program subsidy by the Ministry of Economic Affairs (MOEA).
- Included in the TWSE Corporate Governance 100 Index.

2023

- Won the Outstanding Enterprise Innovation Award in the 8th National Industrial Innovation Award held by the Ministry of Economic Affairs.
- E-Bus AI Lane Keeping and Collision Avoidance Assist System won the Best Choice Award in the Vehicle Technology and Smart Cockpit Category at 2023 COMPUTEX Taipei.
- Ranked in the top 6-20% in the 2023 Corporate Governance Evaluation.
- Obtained ISO 14064-1 certification for organizational greenhouse gas inventory (2022).
- Received the Work Life and Balance Program Grant from the Ministry of Labor.
- The construction of the new headquarters in Zhubei AI Park won the Eco-Friendly Construction Site Award.

2024

- Ranked in the top 6-20% in the 2024 Corporate Governance Evaluation.
- Included in the TWSE RAFI Taiwan High Compensation 100 Index.
- Received the 2024 Hsinchu Science Park R&D Performance Awards.
- ELAN AI Enabled Touch Screen Solution for Large-Size Foldable NB won the Best Choice Award in the Computer Peripherals & Accessories category at COMPUTEX Taipei 2024.
- The same solution also received the 2024 Hsinchu Science Park Innovative Product Award.
- ELAN Nanophotonic Multispectral Sensing Chip was given the Emerging Technology Application Project Grant by Hsinchu Science Park.
- ELAN Zhonghe facility achieved the RBA VAP Silver Status.
- The Zhonghe facility obtained the Badge of Accredited Healthy Workplace – Smokefree & Health Promotion awarded by the Ministry of Health and Welfare.
- Won the 2024 CHR Health 99 Enterprise Award.
- Awarded Taiwan iSports Certification for the second time.
- Completed ISO 14064-1 organizational-level greenhouse gas inventory for the year 2023.
- Obtained ISO 50001 Energy Management System certification.
- The construction of the new headquarters in Zhubei AI Park won the Eco-Friendly Construction Site Award.

1.3 Operational performance

Management of material topics - Financial performance

2-23 3-3 201 Custom 2

Explanation

- Continuous innovation in products and technology serves as the driving force of the company's sustainable revenue growth.
- By actively engaging with leading brand manufacturers, incorporating specifications into new products ahead of time, and ensuring ongoing technological leadership, we can secure a competitive edge over our rivals.

Policies or commitments

- ELAN Board of Directors and management team are committed to achieving operational goals and integrating the Group's core technologies. Focusing on the convenient, safe and healthy Smart Life industry, we hope to create product advantages with competitive technology thresholds while committing to sustainability.
- Adhering to corporate governance procedures and principles, operate with integrity while complying with laws.
- As a pioneer in smart life, the Group remains steadfast as innovators in the field of human-machine interaction.

Impacts

- Organizational operations generate economic value that contributes to shareholder returns and broader economic development, creating value for all stakeholders.
- Continue to deepen core technology and develop innovative applications provide customers with more market-competitive products.
- By forming competitive barriers with differentiated functional specifications, the company's three major product lines continue to dominate the market share.
- Focusing on ADAS and smart cockpit technologies, the Company— together with its affiliates, including Chimei Vehicle Electronics and Avisonic Technology Corp.— is developing algorithms, automotive camera modules, and image signal processors (ISP) to deliver comprehensive automotive solutions and drive new revenue growth for the Group.

Management approach

- The board of directors oversees operational strategies, plans, and performance through internal audits and external verification mechanisms to strengthen corporate governance.
- At the end of each year, the Group will set operational objectives for the upcoming year and keep track of the progress in monthly performance meetings. If performance falls short of expectations, improvement measures are to be taken to ensure all objectives can be achieved, and that the market share can be secured or increased. These improvement measures will also be put into considerations when amending the annual operating plan.
- In addition to monthly senior executives' management meetings, monthly and quarterly technical meetings are also held to discuss future market and technology layout.
- By reinforcing strategic collaborations with brand clients and actively engaging with ODMs and supply chain partners across all levels, the Company adopts a diversified development strategy to drive operational efficiency and business growth.
- The Company collaborates with professors from universities and academic research institutions through industry-academia partnership programs to build and enhance its research and development capabilities.

1.3 Operational performance

Management of material topics - Financial performance

2-23 3-3 201 Custom 2

Evaluation mechanism

Ranking in the Corporate Governance Evaluation, annual revenue/profit, number of new products, market share, number of patents, industry-academia collaborations, etc.

Medium and long-term plan

- Forge strategic alliances with upstream and downstream partners sharing common goals, fostering mutual support, coexistence, and shared prosperity.
- Continue to collaborate with renowned platform and standard-setting companies from the US, China, Japan, and other regions to launch products that align with the latest market standards, effectively driving improvements in both volume and pricing.
- Actively integrate resources from affiliated investee companies and IoT-related technology firms to jointly develop AI technology application platforms and trending products such as Mini LED and Micro LED. These efforts will be directed toward diversified fields including automotive electronics, smart homes, smart transportation, and wearable devices.
- Focus on competitive products while widening their applications through differentiated competitive strategies. Leverage in-house developed microcontrollers and digital signal processors of various bit levels, combined with external advanced development technologies—either through licensing or collaboration—to launch highly integrated and modular products and platforms with strong price-performance advantages. Strategic partnerships with leading companies across sectors aim to create win-win outcomes and scale up operations.
- Continue to innovate in products and technology and broaden the application of existing technology to sustain the momentum of company's revenue growth.

Implementation in 2024

- Ranked in the top 6-20% in the 2023 Corporate Governance Evaluation.
- Consolidated revenue reached NT\$12.696 billion, with after-tax profit of NT\$2.593 billion and earnings per share (EPS) of NT\$9.57.
- Ranked No. 1 globally in three product categories: touchscreen ICs for laptops, touchpad modules, and pointing devices.
- Patents granted: 22 for ELAN and 1 for PiXORD. From 2000 to 2024, the Group has been granted a total of 1,086 patents.
- A total of 278 new product solutions developed.
- 12 industry-academia collaboration projects initiated.

Goals and targets for 2025

- Targeting a ranking within the top 6–20% in the 2024 Corporate Governance Evaluation.
- Maintain market share of existing products.
- Continue collaboration with universities and research institutions through industry-academia programs.

Direct economic value generated and distributed (consolidated basis)

2-6 201-1

Unit: Thousand NTD

	2022	2023	2024
Operating Revenue	13,030,484	12,058,515	12,695,862
Income Tax Expense	669,559	487,771	680,196
Earnings Per Share (dollar)	7.56	7.53	9.57

Note 1: The data is based on the consolidated financial reports of ELAN Microelectronics and its subsidiaries, including entities not covered within the scope of this report. (For details, refer to Entities Included in the Consolidated Financial Statements in this report).

Main Product Sales/Production Volume

2-6 TC-SC-000.A Sustainability 8

Unit: 1,000 pieces

2024	Sales volume	Production volume
Total	208,253	388,335

Note 1: The data presented are derived from the 2024 standalone sales records and the individual production and sales volume tables of ELAN, PIXORD, and Avisonic.

Note 2: ELAN Hong Kong reports sales volume only; no production volume is recorded for this entity.

2024 Distribution of Profits (individual)

201-1

Unit: Thousand NTD

	Total
Company revenue	12,941,324
Operating cost	6,943,471
Employee compensation and benefits	2,425,941
Interest payment and dividends	2,128,300
Payments to government	638,121
Donation	2,620
Economic value retained	802,871

Note 1: The data is derived from the individual financial report of ELAN Microelectronics and its organizational entities.

Note 2: Operating cost include operating costs and expenses, but exclude employee compensation and benefits, donations, depreciation, and amortization.

Note 3: Employee compensation and benefits include salaries, bonuses, insurances, and pensions, but compensation for temporary labors (such as consultants, physicians, etc.) is excluded.

Note 4: Interest payments and dividends refer to cash dividends paid for the second half of 2023 and the first half of 2024.

Note 5: Payments to the government refer to current income tax expenses.

Note 6: Donations refer to contributions made to charitable organizations, non-governmental organizations, and research institutes (exclude commercial R&D or campus recruitment-related activities).

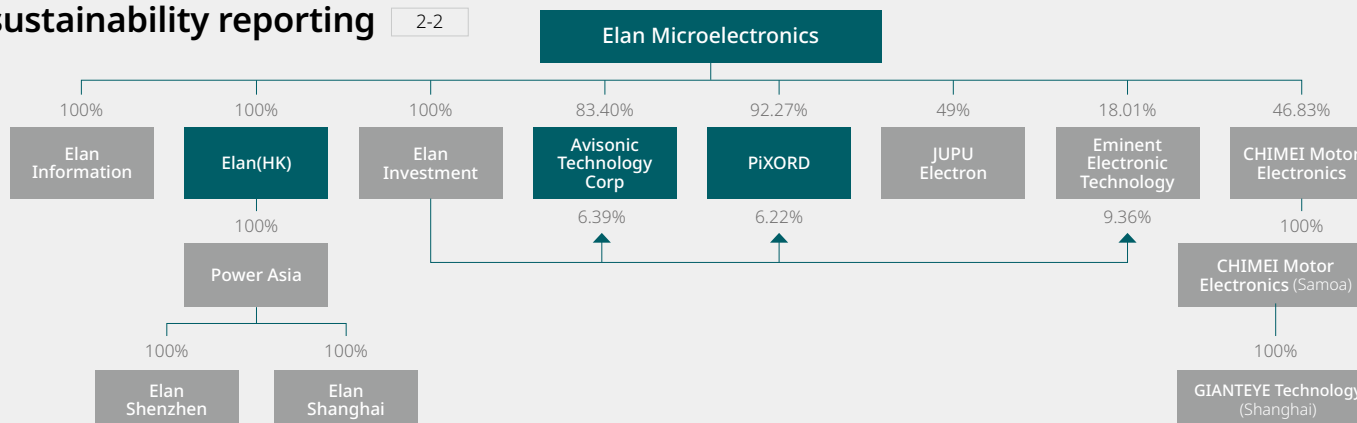
Note 7: ELAN Microelectronics, Avisonic Technology Corp., PIXORD Corporation, and ELAN (HK) are included.

Entities included in the organization's sustainability reporting

2-2

In addition to ELAN, the parent company, this report also includes entities listed in the Company's consolidated financial statements. The entities were selected based on criteria such as shareholding percentage, contribution to consolidated revenue, number of employees, and whether the entity is located at the Hsinchu headquarters. The selection results are as follows:

- Included: ELAN Microelectronics, ELAN H.K., Avisonic Technology Corp., PIXORD
- Excluded: ELAN Information, Power Asia, ELAN Shenzhen, ELAN Shanghai, ELAN Investment, JUPU Electron, Eminent Electronic Technology, CHIMEI Motor Electronics, CHIMEI Motor Electronics (Samoa), GIANTEYE Technology (Shanghai)



1.4 Financial assistance received from government 201-4

Financial assistance received from government in 2024

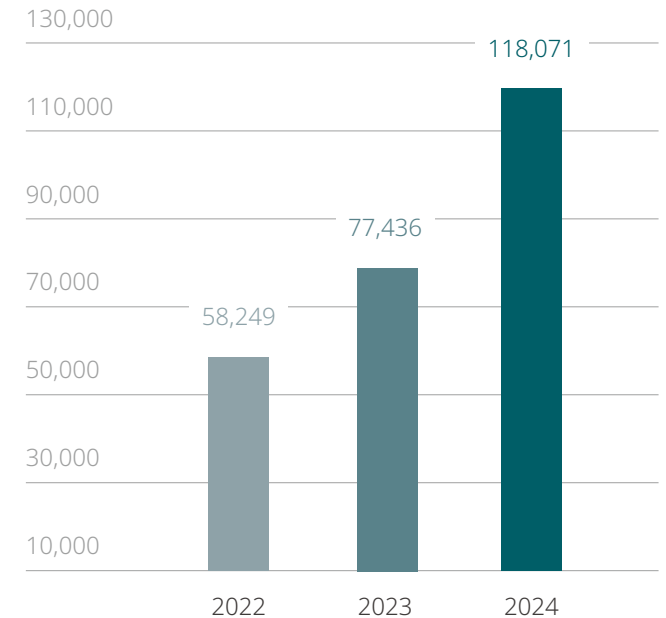
Unit: Thousand NTD

Company	Type	Government agencies	Item	Amount	Remark
ELAN	Subsidies	Administration for Digital Industries, Ministry of Digital Affairs	High-Fidelity 3D Rail Transportation Digital Twin Cross-Domain Pilot and International Promotion Project	3,900	Verified by accountant
	Subsidies	Economic Development Bureau, Kaohsiung City Government	Subsidy program for office space entry into the Asia Bay 5G AIoT Innovation Park	1,254	
	Investment grants	Ministry of Economic Affairs	Project for the Development of Panoramic View Sensing-Based Advanced AI Driver Assistance System (ADAS) and Smart Cockpit System	41,144	
	Tax relief	National Taxation Bureau, Ministry of Finance	Tax relief and tax credits	71,773	
Avionics	NA	NA	NA	0	
PIXORD	NA	NA	NA	0	
Total				118,071	

Note: ELAN (H.K.) did not receive financial assistance from government.

Financial assistance received from government

Unit: Thousand NTD



2

Corporate Governance

- 2.1 Highest governance body
- 2.2 Ethics and integrity
- 2.3 Risk management and opportunity
- 2.4 Task force on climate-related financial disclosures (TCFD)
- 2.5 Information security and personal data protection



相片來源：經濟部國家產業創新獎得獎專輯

	Percentage of independent directors	Number of corruption incidents	Commitment to achieve Net Zero and RE100 by 2050	Obtained ISO 14064-1 Greenhouse Gas Inventory Verification	Obtained third-party certification for ISO 50001 Energy Management System
2022	44%	0	NA	Y	NA
2023	44%	0	Commitment and Planning	Y	NA
2024	44%	0	5.53%	Verifying	Y

2.1 Highest governance body

Board Operations

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[405-1](#)

On 8 November 2018, the 9th-term board of director established the Corporate Governance Best-Practice Principles, which includes a board diversity policy in Chapter 3 Enhancing the Functions of the Board of Directors. The nomination and selection of board members in the company follow the candidate nomination system stipulated in the Articles of Incorporation. The Principles also specify that the composition of the board members should be diversified, taking the Company's operation, business model, and development needs into consideration. This diversification policy includes standards based on fundamental qualifications and values, as well as professional knowledge and skills, among other criteria, to ensure the diversity and independence of board members. To further enhance diversity, 1 director and 1 independent director were added to the board in July 2021. Article 20 of the Principles outlines the policy for board member diversity, emphasizing that directors should possess the knowledge, skills, and competencies necessary to perform their duties. To achieve ideal corporate governance, the board as a whole should possess capabilities and skills include: operational judgment, accounting and financial analysis, management capability, crisis management, industry knowledge, global market insight, leadership, and decision-making. In the most recent board election held in May 2024, one female director was elected, marking progress toward gender diversity on the Board.

In May 2024, the Company re-elected its Board which is now composed of 5 directors and 4 independent directors. Among the directors, I-Hau Yeh, Kuo-Lung Yen, Te-Chen Chiu and Chi-Lin Wei possess strengths in leadership, operational judgment, business management, crisis management, industry expertise, and global market insight. Te-Chen Chiu brings extensive experience in venture capital fund management and has rich knowledge of the industry. Chi-Lin Wei previously served in government agencies and as a university professor, and is currently Chairman of a bills finance company, bringing comprehensive experience across the public, private, and academic sectors. Tsung-Ying Yeh has long engaged with major international electronics companies and maintains strong relationships with foreign enterprises, supporting the Company's overseas business expansion. Among the independent directors, Hsien-Ming Lin is Chairman of a well-known domestic electronics company and frequently offers valuable practical advice. Chenn-Ru Tsai holds a bachelor's degree in business from the prestigious Wharton School in the United States and has held various management roles within a leading domestic financial holding group. He is currently Vice Chairman of a life insurance subsidiary, with extensive expertise in business and finance. Chuang-Chuang Tsai has served as a university professor and as the General Manager of an e-paper company. She currently serves as a board member of a leading panel manufacturer, bringing both academic and industry experience. Fang-Cheng Lu holds a Ph.D. in computer science and also possesses corporate management experience.

As of now, Directors who are also employees account for 22% of the Board. Independent directors make up 44% of the Board. Two independent directors have served less than one year, one for three

years, and one for nine years. The ages of independent directors range from 37 to 74 years old. Among all directors, one is aged above 70, two are aged 60–69, one is aged 50–59, and one is aged under 40.

The Board of Directors convenes at least once every quarter to review the company's operational performance, discuss key ESG strategic issues and critical material events, including economic, environmental, and social impacts, as well as related risks and opportunities. The board identifies the responsible units for follow-up actions during these meetings and tracks the progress in subsequent sessions. In 2024, the Board held a total of 8 meetings, with an attendance rate of 98.6%. For the Board of Directors' Rules of Procedure, please refer to the company website: <https://www.emc.com.tw/emc/en/csr/policy>. For detailed meeting records, please refer to pages 53-54 of the 2024 Annual Report.

Governance structure and composition

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[2-10](#)
[2-11](#)

The Board of Directors is the highest governing body of ELAN Microelectronics. The 11th Board consists of 9 members—8 male and 1 female—including 5 regular directors and 4 independent directors. They were elected by the shareholders in May 2024, with a term of office from May 30, 2024, to May 29, 2027. In 2024, the Board convened a total of 8 meetings, with a member attendance rate exceeding 98.6%. Among the board members, two are part of the executive team: Chairman I-Hau Yeh and Director Kuo-Lung Yen. The Board delegates authority to the Chairman, who determines the company's future strategic direction based on Board resolutions. These directives are communicated to senior executives during management meetings and subsequently executed and conveyed to employees by the management team.

The Chairman serves as the head of the highest governance body, while the General Manager represents the company's senior management. At ELAN, the roles of Chairman and General Manager are held by the same individual to enhance operational efficiency and streamline management levels. To prevent and mitigate conflicts of interest, more than half of the Board members do not hold concurrent positions as employees or managers. This exceeds the minimum legal requirement of three independent directors as stipulated by the Securities and Exchange Act.

Note 1: For a list of ELAN Board of Directors and members' backgrounds, please refer to the company website at <https://www.emc.com.tw/emc/en/csr/directors>

Note 2: Avionic and PiXORD are private companies. Information regarding their boards of directors can be inquired through the website of the Department of Commerce, MOEA. Independent directors are not appointed for these companies.

Functional committees

[2-9](#)
[2-16](#)

In accordance with regulatory requirements, ELAN Microelectronics has established functional committees under the Board of Directors, including the Audit Committee, Remuneration Committee, and ESG Committee. These committees share responsibility for decision-making on issues related to economic, environmental, and social impacts. All major proposals presented to the Board are subject to prior review and verification by the respective committees, assisting the Board in fulfilling its supervisory duties and strengthening corporate governance.

ELAN Audit Committee

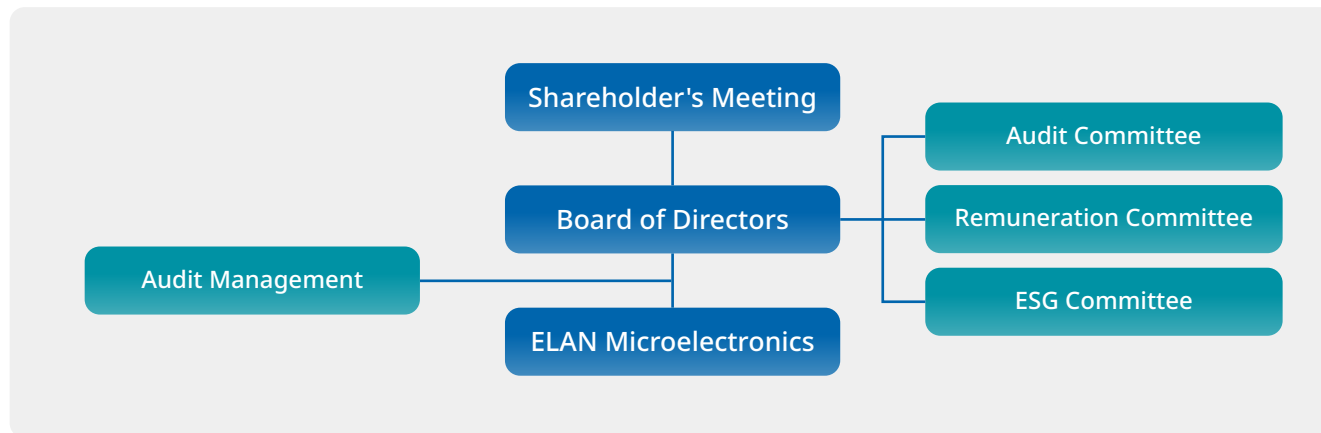
ELAN Microelectronics established its Audit Committee in June 2015. The 4th Audit Committee was elected on May 30, 2024, with a term from May 30, 2024, to May 29, 2027. It is composed of four independent directors. In 2024, the Committee held a total of 7 meetings, with a member attendance rate of 96.4%. For the Board of Directors' meeting records, please refer to page 53 of the 2024 Annual Report. For Audit Committee meeting records, please visit the company website at <https://www.emc.com.tw/emc/en/csr/committee>.

Note: Avisonic and PiXORD are private companies; therefore, audit committees have not been established.

ELAN Remuneration Committee

The Remuneration Committee was set up in December 2011. In May 2024, ELAN re-elected the 4th Remuneration Committee with a term from May 30, 2024, to May 29, 2027. A total of 6 meetings were held in 2024, with a member attendance rate of 100%. Refer to page 28 of the 2024 Annual Report for the actual operation.

Note: Avisonic and PiXORD are private companies; therefore, remuneration committees have not been established.



ELAN ESG Committee

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[2-14](#)
[2-22](#)
[2-23](#)
[2-24](#)

ELAN Microelectronics established its ESG Committee in March 2021 as the company's highest-level decision-making body for sustainability matters. In May 2024, the 3rd ESG Committee was reappointed, consisting of five members: General Manager/Chairman I-Hau Yeh, Vice General Manager Kuo-Lung Yen, and Independent Directors Hsien-Ming Lin, Chuang-Chuang Tsai, and Cherng-Ru Tsai. All five members possess expertise in finance or relevant areas of the company's operations. Together, they assess the company's core operational capabilities, formulate medium- and long-term sustainability plans, and strengthen overall performance in environmental sustainability, social responsibility, and corporate governance. The committee is supported by a secretariat team led by the Industry Performance Management Department, which serves as a cross-departmental platform facilitating vertical integration and horizontal communication for promoting sustainability initiatives. Through unscheduled meetings and issue-based task forces, the committee identifies material sustainability topics relevant to the company and its stakeholders, develops corresponding strategies and action plans, allocates budgets across departments for sustainability initiatives, plans and implements annual programs, and monitors progress to ensure that sustainability strategies are fully embedded into daily operations.

In 2024, the Committee held three meetings, addressing a total of eight proposals. These included annual key initiatives and outcomes, the sustainability report, and the greenhouse gas (GHG) inventory plan, all of which were regularly reported to the Board of Directors. The Board receives semi-annual briefings from the committee on key matters such as quarterly GHG inventory planning, green electricity procurement strategies, the annual corporate governance report, and progress on the sustainability report. This regular review by the Board ensures continuous oversight and timely adjustments to sustainability efforts. The sustainability report is issued upon approval by the Board and can be found in the 2024 Annual Report or on the Company's website at <https://www.emc.com.tw/emc/en/csr/management>. Additionally, each year the secretariat compiles stakeholder engagement information for inclusion in the Corporate Governance Report, which is submitted to the year-end Board meeting.

Director independence and conflicts of interest 2-15

ELAN Rules of Procedure for the Board of Directors clearly stipulate that all board members shall uphold a high level of self-discipline and avoid conflicts of interest. When convening a board meeting, if a director has a personal interest that may potentially harm the interests of the company, the director must recuse themselves from voting and may not act as a proxy for other directors during the voting process. If a director or manager engages in activities within the company's line of business for themselves or others, they must obtain prior approval from the shareholders' meeting in accordance with legal requirements. Details regarding other board positions held by directors and independent directors are disclosed in page 15 of the 2024 Annual Report. Information on recusals by directors and independent directors from voting on matters involving conflicts of interest is explained in page 13.

Collective knowledge of the highest governance body 2-17

In 2024, each director at ELAN completed an average of 7.2 hours of training in corporate governance and sustainability - exceeding the regulatory recommendation of 6 hours. Detailed information can be found on pages 24-25 of the 2024 Annual Report. The company's Board of Directors also receives semi-annual briefings from the ESG Committee on key topics such as quarterly greenhouse gas inventory planning, the TCFD framework, and the annual Corporate Governance Report. These briefings help enhance the collective knowledge of board members regarding sustainability. For more details, please refer to pages 53-55 of the 2024 Annual Report.

Evaluation of the performance of the highest governance body and each functional Committee 2-18

The company established the Board Performance Evaluation Method, Regulations Governing the Exercise of Powers by Audit Committee, Organizational Procedures of Remuneration Committee, and Measures for the Establishment of the ESG Committee. Board members conduct regular annual self-assessments covering the performance of the Board as a whole, individual directors, and functional committees. In 2024, all performance evaluation results were rated as satisfactory and were reported to the Board in early 2025. To further evaluate the performance of the Board, in March 2024, ELAN engaged an independent assessment organization, the Chinese Corporate Governance Association. The assessment report was issued on April 10, 2024, and subsequently presented to the Board on December 24, 2024. Recommendations from the evaluation are being progressively implemented into the company's operational practices. More details are disclosed in page 14 of the 2024 Annual Report, and on the Company's website at <https://www.emc.com.tw/emc/tw/csr/directorsOperating>.

Remuneration policies 2-19 2-20

Remuneration for members of the highest governance body

1. In accordance with the Guidelines on Executive and Director Remuneration of the company, independent directors receive a fixed pay of NT\$50,000 per month, regardless of the company's profits or losses. However, independent directors do not partake in the director remuneration allocated from annual profit distribution. For directors who leave office due to reasons such as reelection or resignation within their term, remuneration is calculated based on the proportion of their actual tenure to the full year.
2. Except for the fixed pay and attendance pays, the company's independent directors receive no other compensation. The remuneration for directors and executives is governed by the company's Articles of Incorporation, whose Article 29 stipulates that if the company earns a profit during the year, no less than 10% should be allocated for employees' remuneration and less than 2% for directors' remuneration. The remuneration for directors and executives is reviewed by the Remuneration Committee based on their level of involvement in company operations, contribution, and achievement of financial indicators (revenue and after-tax net profit). It is then presented to the Board of Directors for approval, taking into consideration of industry pay standards.

Remuneration for senior executives

Compensation for senior executives is determined annually based on the company's profitability, industry standards, individual performance, and other factors. It is established through evaluations and decision-making by the Remuneration Committee and approval by the Board of Directors. The individual performance evaluation for executives goes beyond the assessment of long, medium, and short-term operational achievements. Corporate governance and environmental factors are also included, contributing to the cultivation of a sustainable culture.

Policy on including ESG performance to executives' compensation: ELAN has established a Managerial Compensation Management Policy that governs the remuneration of senior executives. ESG (Environmental, Social, and Governance) performance has been integrated into the company's performance management framework. The ESG performance of senior executives is directly tied to the total amount of employee bonuses and compensation through an annual performance-based coefficient, which is progressively increased each year to strengthen the link between ESG outcomes and variable compensation.

Senior executive ESG performance indicators:

Type	ESG Indicators	Weight in Variable Compensation		
		2024	2025	2026
Annual Performance Indicators	(1) Carbon emission reduction	15%	25%	30%
	(2) Green product development			
	(3) Regulatory compliance			
	(4) Health and well-being			

Note 1: The median average compensation for senior executives is classified and not disclosed due to confidentiality requirements.

2.2 Ethics and integrity

Management of material topics - Anti-corruption and ethical management

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Explanation

Based on the principles of integrity and responsible management, ELAN has established integrity-based policies that all employees are required to follow, ensuring the company's long-term and sustainable operations.

Policies or commitments

Following the ELAN Code of Ethical Conduct, we are shaping a culture of ethical management that integrates integrity governance into various aspects of the company's operations.

Impacts

- Business integrity is the key to sustainable development. Strong corporate governance instills confidence in stakeholders, encourages investment and potential positive impacts on the economy.
- A sound system ensures that internal management and business activities adhere to principles of integrity, positively influencing various economic business activities.
- Creating a culture of high-quality ethical business conduct and compliance with laws, we aim to safeguard the long-term interests of all stakeholders.

Management approach

- Adhering to Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies - Ethical Corporate Management Best Practice Principles, as well as the Responsible Business Alliance (RBA) Code of Conduct, establish effective governance frameworks and related ethical standards to strengthen corporate governance.

- The General Manager's Office is the dedicated management unit, with Human Performance Management as the executing unit. We have established mechanisms such as the "Whistleblower Hotline", "Employee Complaint Procedures" and a "Whistleblowing System" to facilitate reporting by employees and external parties and to provide relevant responses.
- The online orientation program for new employees includes various legal compliance modules and promotes the organization's core values of integrity. Through these courses, ELAN aims to instill a strong ethical foundation and foster a culture of integrity throughout the organization.

Evaluation mechanism

- The Audit Department submits regular reports to the Board of Directors at the end of each year on the implementation status of ethical business practices.
- Results of compliance assessments adhere to legal requirements.

Medium and long-term plan

Promoting the concept of ethical business conduct is an international trend. As part of this effort, it is essential to extend anti-corruption training to both directors and employees of affiliated companies. This approach strengthens the anti-corruption mindset among employees, customers, and suppliers, effectively implementing the company's anti-corruption policies, and eradicating any occurrence of illicit business practices.

Implementation in 2024

- 62% of ELAN board members and 91% of the employees completed the anti-corruption online training (including assessments) and related communication programs.
- No incidents of corruption, violations of business ethics, or breaches of integrity were reported within the Group.
- On December 24, 2024, proposed amendments to the Procedures for Ethical Management and Guidelines for Conduct were submitted and approved by the Board of Directors.

Goals and targets for 2025

- Respect the rights of other companies' brands, designs, software, articles, and other assets protected by law, and prohibit colleagues from using, copying, stealing, or reselling unauthorized intellectual property.
- No incidents of corruption, violations of business ethics, or breaches of integrity within the Group.
- In alignment with regulatory updates, conduct relevant training sessions regularly for board members and all employees.

Ethics and integrity

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In 2014, ELAN Board of Directors approved the implementation of the Procedures for Ethical Management and Guidelines for Conduct, Code of Ethical Conduct, Code of Ethical Behavior, and Personal Data Protection Management Guidelines. On December 24, 2024, a proposed amendment to the Procedures for Ethical Management and Guidelines for Conduct was submitted and approved by the Board. Additionally, a communication mailbox has been set up on the company's external website to facilitate reporting and inquiries. The company also incorporates various legal compliance topics, business ethics, and anti-corruption content into its online orientation courses for new employees. The digitalization of these training programs will continue, with the aim of proactively preventing unethical behavior. If any misconduct or unethical activity is identified during routine audits, the Audit Office will report such findings directly to the Board of Directors. Guided by principles of honesty, trustworthiness, and transparency, ELAN has set up a Whistleblowing System. Whistleblowers can report through the following channels:

1. Mailing address: 12 Innovation 1st Rd. Hsinchu Science Park
2. Communication inbox: csr@emc.com.tw
3. Whistleblower hotline: Call 03-5639977 and ask for the Human Performance Management supervisor.

Personnel responsible for handling whistleblower reports are required to sign a written declaration to maintain the confidentiality of the whistleblower's identity and the content of the report. The company is also committed to protecting whistleblowers from any improper treatment or retaliation as a result of their disclosures.

As for 2024, no cases of corruption, violations of business ethics, or breaches of integrity were found. This was reported to the Board of Directors on December 24, 2023, as indicated in page 54 of the 2024 Annual Report.

Communication and training about anti-corruption policies and procedures

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Board of Directors	Taiwan	Hong Kong	Total
Headcount	19	2	21
Trained	11	2	13
Percentage trained	58%	100%	62%

Employee categories		Taiwan	Hong Kong	Total
Senior executives	Headcount	28	1	29
	Trained	25	0	25
	Percentage trained	89%	0%	86%
Indirect labor	Headcount	859	4	863
	Trained	788	0	788
	Percentage trained	92%	0%	91%
Direct labor	Headcount	244	0	244
	Trained	218	0	218
	Percentage trained	89%	NA	89%
Total number of employees				1,136
Total number of employees trained				1,031
Percentage trained				91%

Membership associations 2-28

Company	Name of the organization	Membership	Participation in projects or committees
ELAN	Fast IDentity Online		
	MIPI Alliance		
	SEMI		
	USB Implementers Forum		
	Friends of the Police Association		
	Taipei Computer Association		
	Taiwan Advanced Automotive Technology Development Association (TADA)		
	The Allied Association for Science Park Industries		
	Taiwan Electrical and Electronic Manufacturers' Association (TEEMA)		
	Taiwan Advanced Automotive Technology Development Association (TADA)		
	Taiwan Panel & Solution Association (TPSA)		
	Taipei Tech Elite Union		
	SINOCON Industrial Standards Foundation		
	Society for Information Display		
	USI, Universal Stylus Initiative		
	Video Electronics Standards Association		
	NYCU Consortium of ESD Protection Technology for Circuits and Systems		
	Chinese Professional Management Association of Hsinchu		
	International Industry-Academia Alliance of Taipei Tech		
	NTU System-on-Chip Center (SOC)		
Avionic	Responsible Business Alliance on-line		
	AUO GPARS		
Avionic	The Allied Association for Science Park Industries		
	Taiwan Telematics Industry Association (TTIA)		
PIXORD	The Allied Association for Science Park Industries		

Note: ELAN Hong Kong serves as a shipping and customer service center; therefore, it is not subject to the same applicability.

The Group's response to external initiatives

ELAN Microelectronics provides customers with professional IC design service and has no direct contact with the end-product consumers. The economic scale of ELAN might not be significant enough to participate in a dominant position; however, in response to customers' requests, ELAN has aligned with customer requirements by signing and supporting externally formulated economic, environmental, and social regulations, principles, initiatives, and relevant management standards verified by accredited third-party verification organizations. This commitment includes adherence to frameworks such as RBA (Responsible Business Alliance), ISO 14001 (Environmental Management System), ISO 45001 (Occupational Health and Safety Management System), ISO 14064-1 (Greenhouse Gas Inventory Standard), ISO 50001 (Energy Management System), the United Nations Sustainable Development Goals, the Universal Declaration of Human Rights, the United Nations Global Compact, and internationally recognized fundamental human rights as outlined by the United Nations International Labour Organization conventions.

Alignment with UN Sustainable Development Goals (SDGs)

SDGs	Performance in 2024	Corresponding Section(s)
SDG1 No Poverty 1.3, 1.4	Caring for disadvantaged groups - For 12 consecutive years, ELAN has organized charity sales and fundraising activities dedicated to supporting elderly individuals living alone, underprivileged seniors, and other vulnerable groups. - Hosted a private movie screening event, inviting families receiving financial assistance from the Taiwan Fund for Children and Families (TFCF) to celebrate a joyful Children's Day together.	7.4 Participation in social welfare activities
SDG3 Good Health and Well-being 3.9	Set up Occupational Safety and Health Committee to promote various labor safety and health-related matters 4 occupational safety and health meetings 123 physician consultation services used 99% employee participation rate in health checkups 5 mental health and wellness seminars, with a total of 393 participants. - Conducted a Health Risk Assessment Questionnaire on 963 employees, focusing on preventing excessive workload and protecting against ergonomic hazards.	6.4 Occupational health and safety policy 6.5 Health management
SDG4 Quality Education 4.1, 4.3, 4.4, 4.5, 4.6, 4.7, 4.b	Value the quality of education - Donated 1 million NTD to primary schools in remote areas. - Implemented 12 industry-academia collaboration projects, providing research funding to at least 36 PhD researchers, master's, and undergraduate students. - Partnered with universities to support students and cultivate talent in the semiconductor field, offering 18 internship opportunities for either a semester or full academic year. - Sponsored the "2023 e-Read for the Future" charity event to enhance students' digital reading competitiveness. - Collaborated with 26 suppliers to launch a large-scale public welfare initiative, collectively sponsoring 30 elementary and junior high schools in Hsinchu County and City.	7.4 Participation in social welfare activities
SDG5 Gender Equality 5.1, 5.4, 5.5, 5.c	Value gender equality - Female employees account for 41% of the total workforce. - The retention rate is 100% for both male and female employees who returned from parental leave and continued working for more than one year. - Salary benchmarks, performance review criteria, and adjustment standards are consistent and applied equally to all employees, regardless of gender.	6.2 A diverse and inclusive talent structure 6.3 Talent attraction and retention
SDG6 Clean Water and Sanitation 6.1, 6.5	Water resource management exceeding national standards - None of ELAN's factories discharge industrial wastewater; therefore, there are no concerns about sewage leakage affecting the surrounding environment. Domestic sewage is collected through sewers and directed to sewage treatment plants for processing. - Set a water-saving goal of reducing per capita water usage by 1% each year compared to the previous year. The actual reduction achieved was 3.34%, meeting the target. - All water sources are supplied by the national tap water system.	7.2 Water and waste
SDG7 Affordable and Clean Energy 7.a	Increasing renewable energy usage In 2024, ELAN utilized 277,476 kWh of solar photovoltaic energy.	7.1 Environmental policy and carbon reduction
SDG8 Decent Work and Economic Growth 8.8	Promote a safe working environment - No major occupational accidents have occurred in the 30 years since the company's establishment. - Implemented a maternal protection program within the workplace. - All workplace environmental assessment result are below national regulatory limits. - Consolidated revenue reached NT\$12.696 billion, with a gross margin of 48.9%, operating margin of 24.1%, and earnings per share (EPS) of NT\$9.57.	1.3 Operational performance 6.6 Emphasize on workplace safety, zero significant occupational accidents for 30 years

SDGs	Performance in 2024	Corresponding Section(s)
SDG9 Industry, Innovation and Infrastructure 9.5, 9.b	Encourage innovation and continue to increase R&D funding - Invest more than 12% of the revenue each year in R&D expenditures. Actively expanding patent and intellectual property portfolio - Obtained a total of 1,086 patents from 2000 to 2024.	1.3 Operational performance 4.2 Robust intellectual property system that encourages innovation
SDG10 Reduced Inequalities 10.2	- Employed 10 individuals with disabilities in accordance with legal requirements. - Implemented a zero-fee policy for the recruitment of foreign migrant workers, fully complying with the RBA (Responsible Business Alliance) Code of Conduct.	6.2 A diverse and inclusive talent structure
SDG12 Responsible Consumption and Production 12.4, 12.5, 12.6	Green product management system - Obtained green raw materials and product certification, comply with lead-free, halogen-free, and hazardous substances requirements in the electronics industry set up by the European Union and Japan, and comply with the Restriction of Hazardous Substances Directive (RoHS). - Obtained ISO 14001 environmental system certification, ensuring all production process and the selection of raw materials are harmless to the environment and humans. Conduct conflict mineral investigations 100% of suppliers across all product lines submitted CMRT and EMRT (Responsible Minerals Reporting Templates). - Collaborated with customers to investigate the presence of key and high-risk minerals in products. - Keep track of ELAN products with mineral usage including CMRT, EMRT, and AMRT.	4.4 Product and service information and labeling 5.1 Sustainable supply chain
SDG13 Climate Action 13.2, 13.3	Greenhouse gas emission inventory and management - ELAN set 2022 as the base year and has reduced its greenhouse gas (GHG) emissions (Scope 1 + Scope 2) by 1% annually, achieving a 13.22% reduction by 2024. - Obtained third-party verification of its ISO 14064-1 GHG inventory for the year 2024. - In 2024, the company used 277,496 kWh of solar energy, with renewable energy accounting for 5.53% of total electricity consumption - successfully meeting its 2024 goal of 5%. - The new Zhubei facility, expected to be completed in 2026, is designed as a green building. ELAN continues to promote decarbonization initiatives and is committed to achieving net-zero carbon emissions by 2050, using 100% renewable energy.	7.1 Environmental policy and carbon reduction
SDG14 Life Below Water 14.1, 14.2, 14.5	Beach cleanup to protect the ocean For two consecutive years, ELAN employees and their families have participated in coastal cleanup activities as volunteers. Through hands-on efforts, they help reduce the amount of waste entering the ocean and contribute to protecting marine ecosystems. The initiative began in Nanliao, Hsinchu City, and has since expanded to other locations including Jinshan in New Taipei City, Anping in Tainan, and Qijin in Kaohsiung.	7.4 Participation in social welfare activities
SDG16 Peace, Justice, and Strong Institutions 16.5, 16.6, 16.7, 16.10	Defend peace and justice - No cases of complaints/violations of ethics and integrity or engagements in illegal activities were reported. - Established Human Rights Policy, Employee Complaint Procedures, Whistleblowing System, CSR mailbox, and the Whistleblower Hotline. So far, no complaints or cases regarding human rights were filed. Details on the implementation can be found on the Company's website: https://www.emc.com.tw/emc/en/csr/policy	2.2 Ethics and integrity 6.8 Human rights and employee communication
SDG17 Partnerships for the Goals 17.16, 17.17	Promote industrial sustainability 100% of our key suppliers signed the ELAN Supplier Social Responsibility Code of Conduct. 40 key suppliers completed the quality/RBA audits.	5.1 Sustainable supply chain

Compliance with laws and regulations

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ELAN upholds integrity as its core value and is committed to fulfilling the legal and regulatory requirements established by external organizations (such as government agencies and customers), including economic, environmental, and social regulations, principles, or other initiatives. Through regular internal reviews of legal applicability, the company aims to reduce operational risks. In accordance with the Code of Integrity and Code of Ethical Conduct, ELAN operates with a strong sense of accountability and complies with the laws of the countries where it conducts business. The company adopts a zero-tolerance policy against unfair competition, corruption and bribery, as well as confidentiality breaches and intellectual property infringement.

- Risk assessments, controls, and improvements are conducted every year on areas including information security, finance, operations, quality, environment, occupational health and safety, and climate change.
- The company uses risk assessments, social responsibility and environmental health and safety regulatory, and other systems to periodically ensure ongoing compliance with governance, environmental, social, and product-related laws and regulations, and carries out the necessary reporting procedures.
- Labor-management meetings are held quarterly to facilitate communication and coordination between labor and management, and to promote mutual understanding of applicable laws, regulations, and company policies.
- Annual green product training is conducted to stay current with international green product regulations and effectively respond to customer requirements.
- During the new product (or service) proposal process, the Quality Assurance unit reviews each case to ensure compliance with customer green product requirements.
- The Internal Audit Office conducts annual audits and reports on legal compliance to the Board of Directors at the end of each year.
- In the case of significant operational changes, the Group should provide advance notice to employees and their representatives in accordance with local regulations in Taiwan and Hong Kong.
 - Quarterly investor conferences are held to inform investors, employees, and the public about the company's operational performance.
 - In accordance with the law, labor-management meetings are conducted quarterly, with additional ad-hoc meetings convened when necessary for timely communication.
 - In the event of significant operational changes that require termination of employment for certain staff, advance notice shall be given in accordance with local regulations at each operational site.
 - For major operational disruptions such as work stoppages, internal communication channels are in place to promptly notify employees.

In 2024, the Group did not experience any major violations, breaches of ethical business conduct or significant deficiencies with material impact. There were also no incidents involving anti-competitive behavior or other regulatory violations, and no related legal actions or penalties were incurred. The total amount of fines and penalties remained at zero. The company will continue to regularly monitor and assess the applicability of relevant regulations to ensure ongoing compliance with governance, environmental, social, and product-related laws, thereby minimizing the risk of future violations.

Note: Major violations are defined as penalties of NT\$100,000 or more, including non-monetary penalties.

2.3 Risk management and opportunity

Management of material topics - Risk Management

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Explanation

Effective risk management is essential to fostering a secure and stable operational environment, thereby ensuring the sustainable development of the enterprise. In order to mitigate the potential adverse impacts and losses arising from major risk events, safeguard the rights and interests of stakeholders, and uphold the corporate reputation, ELAN has established a comprehensive Risk Management Policy. This policy emphasizes proactive prevention measures and regular crisis response drills to facilitate timely and appropriate actions in the face of potential crises, thereby reinforcing the foundation for long-term corporate sustainability.

Policies and commitments

The Risk Management Organization operates under the sustainability development committee (i.e., the ESG Committee), with the Board of Directors serving as the highest governing body for risk management at ELAN. The Board is responsible for identifying, integrating, and overseeing various strategic, operational, and financial risks that may impact the company's operations and profitability. Furthermore, the Board actively communicates with stakeholders involved in risk events to mitigate the operational impact should such events occur.

Impacts

- Effective risk management can reduce the probability of various operational risks and ensure a prompt and accurate response when incidents occur, safeguarding both employees and stakeholders.

- A sound risk management mechanism allows ELAN to have a more comprehensive and quantifiable assessment basis when facing emerging risks (such as climate-related risks).

Management approach

- Risk Assessment Management System: Evaluate the frequency of occurrence and severity of risk events using a risk matrix. Define the priority and risk levels for risk control, and implement corresponding risk management strategies based on the risk levels.
- Responsible investigation of conflict minerals.
- Stakeholder Questionnaire

Evaluation mechanism

- Annual Risk Assessment results
- Annual Corporate Governance Report
- Internal audits and third-party verifications of Quality System, Environmental System, and Occupational Health and Safety System.
- The Audit Department conducts regular assessments of the effectiveness and implementation of the internal control - production cycle system, including Quality System, Environmental System, and Occupational Health and Safety System.

Medium and long-term plan

Each department continues to anticipate, assess, and respond to risks related to the medium and long-term internal and external operational changes, ensuring adequate preparation and effective responses before future risks emerge.

Implementation in 2024

- ELAN's annual risk assessment identified only medium to low-risk items, which will continue to be monitored. A total of 25 opportunity items were evaluated. Avisonic's annual risk assessment also resulted in medium to low-risk items, with ongoing monitoring in place. A total of 2 opportunity items were evaluated.
- PiXORD's annual risk assessment indicated medium to low-risk items as well, with continued monitoring. A total of 6 opportunity items were evaluated.
- ELAN Hong Kong's annual risk assessment identified only low-risk items, which will continue to be monitored.

Goals and targets for 2025

- Conduct yearly risk assessments for its quality, environmental, occupational health and safety, and RBA systems. In the future, new risk items will be added into the assessment framework to address evolving risks arising from global operations.
- Implement and promote the IECQ QC080000 Hazardous Substance Process Management (HSPM) System.

ELAN 403-7

ELAN Microelectronics, upholding its corporate vision and long-term commitment to industry and social sustainability, established a comprehensive risk management framework which is designed to identify, integrate, and manage a wide range of potential sustainability-related risks that could impact operations and profitability - including strategic, operational, information security, financial risks, as well as risks related to key stakeholders such as climate change, earthquakes, fires, chemical spills, infectious diseases, and conflict minerals. ELAN Risk Management Team utilizes a management framework that includes risk identification, assessment, control, response, monitoring, and reporting. Each year, this framework defines the priority and risk level for risk control in management, environmental health and safety systems, and climate change issues. Corresponding risk management measures are implemented accordingly, and the results are reported regularly to the Board of Directors.

The ESG Committee is the head of ELAN Risk Management Team. It evaluates various corporate operational risks, formulates corresponding measures to ensure business continuity. Implementation results are sent to the Board of Directors every year. In December 2020, the Board of Directors approved ELAN Risk Management Policy, which identifies operational risks in environment, society, and corporate governance. The ESG Committee follows the Risk Management Procedures, Hazard Identification, Risk Assessment and Control Procedure,

Information Security Management Procedures, and Risk Evaluation to evaluate risks. For high-risk items, improvement measures are proposed. On the other hand, opportunities are evaluated mainly through stakeholders' suggestions such as customers' needs, employee satisfaction surveys, and advice proposed by labor representatives in occupational safety and health meetings, etc. Although these are not high-risk items, we will seize every opportunity to improve corporate image and optimize the working environment for employees.

Each year, the Company implements key internal control measures in accordance with its certified management systems (ISO 9001/14001/45001). This includes departmental risk assessments, audits of external suppliers, customer audits, internal audits, and management reviews. The company also undergoes annual third-party external verification to ensure the continuity, effectiveness, and verifiability of its certification systems, which work in tandem with the company's overall risk assessment framework.

Risk assessment results for 2024 indicated that all identified risks were categorized as medium to low, and will continue to be monitored.
A total of 25 opportunity items were also evaluated.

Risk Management Framework



Avisonic

Each year, Avisonic conducts departmental risk assessments, external supplier audits, customer audits, internal audits, and management reviews in accordance with its ISO 9001/14001 management systems. The company also undergoes third-party external verification annually to ensure the continuity, effectiveness, and verifiability of its certification systems. In parallel, Avisonic strictly complies with local laws and regulations throughout its operations, covering key areas such as labor rights, financial compliance, occupational safety and health, and environmental protection. Annual assessments are conducted to review compliance focus areas and implementation frameworks in environmental, labor, occupational health and safety, and financial domains, ensuring lawful operations and reducing legal risk. Risk assessment results for 2024 indicated that all identified risks were classified as medium to low, and will continue to be monitored. A total of 2 opportunity items were evaluated.

PiXORD

Each year, risk assessments for departmental operations, external supplier audits, customer audits, internal audits, and management reviews are conducted in accordance with the ISO 9001 management system. The company also undergoes third-party external verification annually to ensure the continuity, effectiveness, and verifiability of its certification system. In parallel, the company enforces strict compliance with local laws and regulations throughout its operations, covering key areas such as labor rights, financial compliance, occupational safety and health, and environmental protection. Regular assessments are conducted annually to evaluate compliance priorities and implementation frameworks in the areas of environmental regulations, labor laws, occupational health and safety, and finance, thereby ensuring legal operations and reducing regulatory risk. Risk assessment results for 2024 indicated that all identified risks were categorized as medium to low, and will continue to be monitored. A total of 6 opportunity items were evaluated.

ELAN Hong Kong

The company strictly complies with local laws and regulations throughout its operations, covering key areas such as labor rights, financial compliance, occupational safety and health, and environmental protection. Annual assessments are conducted to review compliance priorities and implementation frameworks in these areas - ensuring lawful operations and reducing legal risk. Risk assessment results for 2024 indicated that a total of 16 risk items were identified, all categorized as "low risk", and will continue to be monitored.

2024 Risk Assessment Item Summary

Risk level	Environmental				Social				Governance			
	ELAN	Avisonic	PiXORD	ELAN H. K.	ELAN	Avisonic	PiXORD	ELAN H. K.	ELAN	Avisonic	PiXORD	ELAN H. K.
High	0	0	0	0	0	0	0	0	0	0	0	0
Medium	23	1	0	0	639	20	21	0	0	0	0	0
Low	222	33	0	4	268	16	12	7	142	2	0	5

Note: For more information, please refer to pages 30–31 of the 2024 Annual Report.

2.4 Task force on climate-related financial disclosures (TCFD)

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Governance

The organization's governance around climate-related risks and opportunities

Recommended disclosures	Specific approach
Board oversight of climate-related risks and opportunities	The ESG Committee reports the identification and management of climate change-related risks and opportunities to the Board of Directors on a regular basis, and the Board monitors and reviews the process.
Management's role in assessing and managing climate-related risks and opportunities	The Environmental Management Team under the ESG Committee is responsible for coordinating/assessing climate change-related risks and opportunities across the company (including goals and execution plans), and disclosing them in the annual sustainability report.
2024 Board-proposed resolution on climate issues	Completed the GHG Inventory ▶ 1. Completed the ISO 14064-1:2023 GHG Inventory (Organizational Level) 2. Submitted implementation progress reports in February, May, August, and December 2024, covering Q1 2023 and Q1-Q3 2024.
	Achieved 2024 goal of using 5% renewable energy ▶ Reported to the Sustainability Committee in December 2024.
	Obtained ISO 50001 Energy Management System Certification with third-party verification ▶ Reported to the Sustainability Committee in December 2024.

Strategy

Actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning

Recommended disclosures	Specific approach
The short, medium, and long-term climate-related risks and opportunities that have been identified	- ELAN sets short (1-3 years), medium (3-5 years) and long-term (5-10 years) management goals for climate-related risks and opportunities. At the same time, evaluate the potential impacts of climate risk factors on the company's strategic, operational and financial planning. - Complete the ISO 14064-1 greenhouse gas inventory and pass external verification annually, and complete the ISO 50001 energy management system certification in 2024. Start purchasing renewable energy and continue promoting carbon reduction initiatives, with the ultimate goal of achieving net-zero carbon emissions and 100% renewable energy use by 2050.
The impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Through the climate related risk identification process, material risks and opportunities were identified as follows. 1. Two significant climate-related risks Strengthening emission reporting obligations: Starting from 2023, ELAN is required to prepare a sustainability report for companies with a revenue of over NT\$2 billion, in compliance with the TCFD/SASB frameworks and obtaining third-party certification. In accordance with the Sustainable Development Roadmap for Listed Companies issued by the Financial Supervisory Commission in March 2022, ELAN, as a company with a paid-in capital of NT\$3 billion, is required to complete the inventory by 2026 and verification by 2028. The Company completed the greenhouse gas verification for 2023 in 2024 Q2 and will continue to commission third-party assurance annually, regularly disclosing operational carbon emissions in the annual report, sustainability report, and public information observatory. Carbon pricing mechanism: A carbon fee will be imposed starting in 2026, with an estimated fee of NT\$300 per ton of CO₂ equivalent. The Ministry of the Environment will implement the carbon fee in phases, initially targeting "major emitters" with annual emissions exceeding 25,000 tons. This is expected to affect industries such as steel, electricity, photovoltaic semiconductors, cement, refining, and petrochemicals, impacting approximately 281 companies and 500 factories. The scope of the carbon fee may expand further in the future.

Strategy

Actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning

Recommended disclosures	Specific approach
The impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	2. Three significant climate-related opportunities • Construction of green buildings: The new facility in Zhubei is expected to be completed by the end of 2026. The facility will be built using more efficient building materials and is expected to obtain green building and smart building certifications. This will effectively reduce electricity consumption, lower carbon emissions, and cut down operational costs. • Use of low-carbon energy: In 2024, approximately 277,496 kWh of renewable energy has been purchased, achieving the phased goal of using 5% renewable energy for the year. Going forward, renewable energy will continue to be purchased based on actual conditions, with annual targets for increasing the use of renewable energy. The ultimate goal is to achieve net-zero electricity emissions by 2050. • Developing low-emission products and services for the market: We are dedicated to researching and developing energy-efficient, high-performance key components, offering optimal solutions, and fulfilling our responsibility of environmental protection, sustainable green industry, and carbon reduction.
The potential impacts of different scenarios on the organization's business, strategy, and financial planning.	• ELAN conducted simulations by applying the 1.5 °C Scenario (1.5 DS) developed by the Nationally Determined Contributions (NDCs) and the International Energy Agency (IEA). Using the results of 2022 as a baseline year to estimate the percentage of carbon reduction. • In order to achieve the NDCs greenhouse gas reduction target by 2050, ELAN has implemented power-saving management for Scope 2.

Risk Management

The processes used by the company to identify, assess, and manage climate-related risks

Recommended disclosures	Specific approach
Identification and assessment of climate-related risks	The Environmental Management Team under the ESG Committee follows the framework disclosed by TCFD to identify climate-related risks through the following 4 steps: 1. Identify risk category: Members of the Team assess the likelihood (levels of probability, from 1-5) and impact (levels of severity, from 1-5) of potential risks or opportunities (divided into 5 levels) within their respective business areas based on the factors outlined by TCFD in relation to the organization's current status. 2. Determine material risks: (level of likelihood * level of impact) ≥ 9 3. Determine material opportunities: (level of likelihood * level of impact) ≥ 9 4. Develop mitigation or adaptation plans: Provide relevant strategies for identified risks/opportunities. Designated units are responsible for the follow-ups.
Climate-related risk management	• In accordance with the ISO 14001 framework, the PDCA management cycle is used to ensure the consistency of the company's environmental protection goals and implementation strategies. The ESG committee regularly reviews and makes necessary adjustments to achieve management goals. • For annual key RBA suppliers, on-site/written audits are conducted to monitor the current progress in greenhouse gas inventories.
Integration into overall risk management framework	The Environmental Management Team conducts meetings in accordance with the TCFD framework, identifies key topics with the ISO 14001, includes climate-related items as part of risk management, and comes up with management strategies and execution plans accordingly.

Material climate-related risks

Type	Climate-Related Risk	Climate-Related Scenarios	Time Frames	Likelihood	Degree of Impact	Potential Financial Impacts	Strategic Planning / Risk Management
Policies and Regulations	Enhanced emissions-reporting obligations	- The Financial Supervisory Commission (FSC) requires that consolidated financial report subsidiaries of listed and over-the-counter (OTC) companies with paid-in capital below NT\$5 billion must complete the inventory information disclosure by 2027, and the assurance information disclosure by 2029. - The Taiwan Stock Exchange (TWSE) mandates that starting from 2023, listed companies must prepare their sustainability reports for the preceding year, referencing the GRI and SASB Standards. The report must clearly state whether the disclosed items are third-party verified. For the semiconductor industry, climate-related information must be disclosed in a separate section. - ELAN prepares its annual report in accordance with the FSC requirements every year. - In April 2024, the FSC issued the Regulations Governing Establishment of Internal Control Systems by Public Companies, requiring listed and OTC companies to incorporate sustainability information management into their internal control systems, and to include it as part of their annual audit. These regulations will take effect in 2025. - The TWSE and the Taipei Exchange (TPEX) will expand the scope and depth of the sustainability report review starting in 2024. Listed and OTC companies will be selected for review at least once every five years. If significant disclosure deficiencies are found in sustainability information, both units will impose penalties and require the company to make corrections. Such deficiencies may also result in deductions in the corporate governance evaluation	Short-term	Very likely	Moderate	The annual verification cost is approximately NT\$6 million.	- Conduct the ISO 14064-1 greenhouse gas inventory annually and obtain third-party verification. - Prepare the sustainability report in accordance with regulations and obtain third-party verification. - The Audit Department has established corporate governance and audit procedures, which were presented to the board for approval on February 22, 2024, and will be executed on a regular basis every year.
Policies and Regulations	Carbon Pricing	The government will officially begin imposing a carbon fee starting in 2026. According to the Ministry of the Environment, the general carbon fee rate will be set at NT\$300 per metric ton, with plans for gradual increases in the future. The first wave of carbon fee collection will target industries such as power generation, gas supply, and manufacturing with annual emissions exceeding 25,000 metric tons. This is expected to affect approximately 281 companies and 500 factories.	Medium-term	Possible	Moderate	- The carbon emissions for 2024 are estimated at approximately 2,666.1203 tCO₂e, with an estimated carbon fee of NT\$800,000. - Carbon fee: Estimated at NT\$300 per ton of CO₂ equivalent.	ELAN is not among the initial group that is required to comply, but it is still essential to monitor the overall policy development and formulate appropriate response measure.

Material climate-related opportunities

Type	Climate-Related Opportunity	Climate-Related Scenarios	Time Frames	Likelihood	Degree of Impact	Potential Financial Impacts	Strategic Planning
Resource Efficiency	Transition to higher energy-efficient building	To be completed in 2026, the new facility in Zhubei will incorporate features of green building, smart building, elevators with electricity recycling system, and solar energy. These initiatives will contribute to the reduction of the organization's GHG emissions, and may increase the value of fixed assets.	Medium-term	Probable	Catastrophic	The cost for green and smart building is 6.5 billion NTD.	The new facility is expected to obtain green building and smart building certifications, contributing to an environmentally friendly operation, reducing carbon emissions, and enhancing corporate image.
Sources of Energy	Utilize low-carbon energy	- Actively promote energy-saving and carbon-reduction programs to improve energy use efficiency. - Strengthen energy management measures to enhance energy resource performance and achieve RE100 by 2050.	Long-term	Very likely	Significant	Completed a 10-year green electricity procurement contract (a total of 11.78 million kWh).	- Initiate green electricity procurement in 2024 Q1. - Set the 2050 RE100 goal: 5% renewable energy usage by 2024 20% renewable energy usage by 2030 30% renewable energy usage by 2035
Products and Services	Development and/or expansion of low emission goods and services	Customer's demands on products with low power consumption, high interference resistance, waterproof, high/low-temperature durability, and industry standards compliance drives ELAN to audit and reduce carbon footprint of its products. By incorporating green design, the Company can then reduce energy consumption during the manufacturing stage. This approach, driven by the demand for low-carbon products and services, will ultimately boost revenue.	Long-term	Possible	Catastrophic	- Increased in research and development (R&D) expenditures. - Evaluate/develop the adoption of advanced processes, requiring R&D investment in material characteristics research.	- The Marketing Planning and Sales units hold regular meetings with customers to understand their new demands. - New customer requirements are relayed to the R&D unit, initiating evaluations to find solutions that align with market trends and meet customer needs.

Non-material risks

Physical risks

Type	Climate-Related Risk	Climate-Related Scenarios	Time Frame	Potential Financial Impacts	Strategic Planning / Risk Management
Acute	The increasing severity and frequency of extreme weather events	- Taiwan is frequently affected by typhoons and heavy rainfall, which can lead to floods. - During heatwaves in China, production lines may be off, causing disruptions in product development and delivery schedules on the customer-end. In this case, production units coordinate with alternate suppliers to fulfill orders.	Short-term	- Disruption of operations at various locations and suppliers affects product quality and shipments, leading to a decrease in revenue. - Disruptions in supplier production and shipments affect customer orders, resulting in reduced revenue. - Employee commuting difficulties and business travel disruptions.	- Activate the emergency event handling mechanism: Preemptively notify colleagues about the contingency plans for various daily operations. - Initiate the backup supplier plan. - Insure commercial fire comprehensive insurance. - Utilize online meetings for business visits and interactions. - When the production unit receives advance notice from the subcontractor, shift the day's production requirements to subcontractors in other regions immediately.

Type	Climate-Related Risk	Climate-Related Scenarios	Time Frame	Potential Financial Impacts	Strategic Planning / Risk Management
Chronic	Changes in rainfall patterns	Long-term changes in rainfall patterns may lead to disparities between concentrated rainfall and water shortages. Droughts are less likely, but prolonged periods without rain can lead to water shortages.	Long-term	In the case of a 2-month water shortage, the cost of a 20-ton water truck per trip is NT\$20,000, resulting in a total cost of approximately NT\$3.8 million over 2 months, increasing operational costs.	- Clean water tanks regularly and promote water-saving measures. - Continue to monitor climate change and review response measures periodically.
Chronic	The rise in average temperatures	According to the Climate Change in Taiwan: National Scientific Report 2024, long-term temperature trends at various monitoring stations across Taiwan show a consistent pattern of gradual warming, accompanied by low-frequency interdecadal oscillations. The warming trend becomes more pronounced in recent decades. At century-long observation stations, the average temperature increase has accelerated from approximately 0.15 °C per decade to 0.27 °C . During the warm season, it has increased from 0.15°C to 0.32°C per decade, while in the cold season, it has risen from 0.15°C to 0.29°C over the past 50 years. However, the warming trend during the cold season has shown signs of slowing over the most recent 30-year period.	Long-term	For each degree increase in air conditioning temperature, electricity savings amount to 6%; conversely, a decrease of one degree increases electricity consumption by 6%. ELAN's estimated electricity consumption for 2024 was 5,013,747 kWh, with air conditioning accounting for 60%, equaling 3,008,248 kWh. Lowering the air conditioning temperature by one degree can increase electricity consumption by approximately 180,495 kWh, raising costs by NT \$792,400 (Taiwan Power Company electricity rate at NT\$4.39/kWh), thereby increasing operational costs.	- Adjust air conditioning operating hours - Replace outdoor lighting fixtures with solar-powered ones - Install timers on water dispensers - Implement motion-sensor lighting - Review electricity usage in each area and adjust lighting accordingly - Continue to monitor energy-efficient products - Adjust the cooling tower fan motor program for heat dissipation. - Manage computer shutdown time.
Chronic	The rise in sea levels	According to the Climate Change in Taiwan: National Scientific Report 2024, under a global warming scenario of 2.0 °C , Taiwan will experience more extensive coastal flooding due to sea level rise compared to a 1.5 °C scenario, with the flood areas reaching further inland and the flood depth increasing. Under the 1.5 °C scenario, the percentage of flooded area in each county ranges from 0.08% to 2.71%. However, under the 2.0 °C scenario, the flooded area percentage increases to 0.30% to 4.30%, with Yunlin County having the highest percentage in both scenarios. In the 1.5 °C scenario, coastal counties with flood depths exceeding 1.5 meters include New Taipei City, Changhua County, Yunlin County, Chiayi County, and Taitung County. Under the 2.0°C scenario, Taoyuan City, Hsinchu City/County, Tainan City, Kaohsiung City, and Hualien County will also experience coastal flooding with depths exceeding 1.5 meters.	Long-term	Financial losses for the company and suppliers.	- For locations potentially at risk from rising sea levels, assess the level of risk and adjust the storage location of inventory accordingly. Additionally, during construction, consider raising the facility's elevation to mitigate the possibility of flooding. - In the event of extreme heavy rainfall, it might be necessary to further enhance flood protection measures, such as adding flood gates or additional drainage equipment. - Initiate the backup supplier plan

Transition risks

Type	Climate-Related Risk	Climate-Related Scenarios	Time frames	Potential Financial Impacts	Strategic Planning / Risk Management
Policies and Regulations	Product and service requirements and specifications	ELAN Complied to all existing product and service requirements and regulations (RoHS, REACH, etc.).	Medium/long-term	Non-compliance with regulations may result in inability to ship and increased costs.	- Engage in international and customer regulatory communication to make regulatory projects reasonable and feasible. - Stay updated on regulatory changes.

Type	Climate-Related Risk	Climate-Related Scenarios	Time frames	Potential Financial Impacts	Strategic Planning / Risk Management
Technology	Substitution of existing products and services with lower emissions options	Holding the top market share in 3 product categories, ELAN closely monitors the demand for low-power consumption solutions and engages in early-stage technical development to avoid the challenges of failing to successfully develop low-carbon services.	Short/medium-term	- Increase in the cost of transitioning to low-carbon technologies may lead to lower demand for products and services, which results in decreased revenue. - Products and services: Developing key components with low power consumption requires collaborative design with system manufacturers/customers.	In response to market trends and demand, conduct research and development on key components with even lower power consumption.
Market	Changes in customer behavior	Customers request participation in the CDP questionnaire, completion of the product carbon footprint questionnaire, obtaining GHG inventory certification/energy management system, and commitment to a net-zero target year and proportion of green electricity use. Failure to comply may affect customer perception and potentially impact future orders.	Medium-term	- Costs for implementing systems and consulting fees. - Customer loss, leading to reduced revenue.	- Planning, Sales, Quality Assurance, and other departments participate in regular and ad-hoc customer meetings to understand customer demands, communicate internally, and meet customer timelines. - In 2024, ELAN completed the ISO 50001 Energy Management System certification. - In 2025, ELAN plans to implement the GHG Protocol inventory for the Group to facilitate the submission of SBTi targets.
Market	Increase in raw material costs	- Electricity prices increase annually, leading to higher energy costs. - In 2024, the outsourcing costs for wafer manufacturing, testing, and packaging decreased. - In the second half of 2024, the raw material market reduced production, leading to a significant decline in overall market demand. After negotiations with suppliers, the costs did not increase.	Short-term	Increase in indirect operational costs due to electricity and purchases of renewable energy.	- Enhance energy usage efficiency. - Seek multiple sources for renewable energy providers. - Initiate the evaluation for purchasing green electricity. - Explore alternative solutions in design. - Suppliers process alternative materials. - Continue to monitor market and supplier price fluctuation.
Policies and Regulations	Mandatory requirement to use renewable energy	Large electricity consumers (5000KW and above) are required to have 10% renewable energy installed by 2025. ELAN is currently not subject to mandatory requirements.	Medium-term	Increase costs and reputational damage	Starting from 2024, purchase green electricity and gradually increase the proportion of renewable energy usage each year.
Reputation	Poor performance in international initiative evaluations	ELAN ESG evaluation has not encountered any poor ratings. However, if such a situation were to occur, it could negatively impact customer perception and lead to long-term effects on orders.	Medium-term	- Affect investment institutions' willingness to invest, making fundraising and capital raising more difficult. - Impact on revenue.	- Assign dedicated personnel to be responsible for the related evaluation tasks. - Disclose execution results to stakeholders through the company website, annual reports, and the sustainability report.

Non-material opportunities

Type	Climate-Related Opportunity	Climate-Related Scenarios	Time frames	Potential Financial Impacts	Strategic Planning
Resource Efficiency	Reducing water consumption	Most of the wastewater in the plant is domestic sewage, with no process water usage, so no new equipment will be brought in.	Long-term	Reduction in water costs	- Set a goal to reduce water usage by 1% per person per year. - Install sensor-activated faucets in restrooms.
Market	Make good use of public sector incentive programs	Participate in brand customers' supply-chain program and complete the carbon footprint assessment for designated products.	Short-term	Working with consultants to complete the carbon footprint inventory during projects, reducing the need to hire external consultants at additional cost.	Provide data evidence to support the claim, and collaborate with the advisory team to discuss, ultimately achieving the carbon footprint of specific products.
Energy Source	Use of low-carbon energy	- Actively promote energy-saving and carbon reduction initiatives to enhance energy efficiency. - Strengthen energy management measures to improve resource performance and achieve the 2050 RE100 goal.	Long-term	In 2024, there will be two rounds of electricity price increases for industrial use. With electricity prices expected to rise annually, energy costs will increase. However, there may be an opportunity to secure electricity at rates lower than the purchasing cost.	- In 2024, approximately 280,000 kWh of renewable energy has been purchased. - Set the RE100 target for 2050. - Achieved 5% renewable energy usage in 2024 (target met). - Aim for 20% renewable energy usage by 2030. - Aim for 30% renewable energy usage by 2035
Market	Entering new markets	Apply new technologies (e.g., third-generation semiconductors) to develop new products and successfully enter high-efficiency, low-power consumption markets (e.g., the gaming laptop power supply market).	Medium-term	- Increase in R&D investments - Increase in revenues through entering new and emerging markets	- The Planning and Sales units continue to gather market trends, customer demands, and competitors' roadmaps. - Regularly hold technical development meetings to communicate the development sequence of new products with senior management and the R&D team. - Actively seek suitable suppliers (chips/packaging).
Energy Source	Participation in carbon credits markets	The international carbon trading platform launched its first batch of international carbon credits by the end of 2023. On the first day of listing, 27 companies, including TSMC, China Steel, Foxconn, and various financial holding companies, participated in the purchase. The domestic carbon trading platform will be launched in October 2024. ELAN plans to purchase credits at the maximum reduction (10%).	Long-term	- Reduce indirect operational costs. - Enhance corporate image.	Continuously monitor the trading information of the international carbon trading platform, and reassess the need for carbon credit purchases based on future demand.

Scenario Analysis

Scenario 1: RE100(100% renewable energy)

Results of scenario analysis and their impact on business goals and strategies

The company has developed strategies in line with Taiwan National Determined Contributions (NDCs) aiming for "Net Zero Emissions by 2050." These strategies include:

1. Complete ISO 14064-1 verification annually to enhance credibility.
2. ELAN renewable energy purchasing targets:
 - 5% renewable energy use by 2024 (met)
 - 20% renewable energy use by 2030
 - 30% renewable energy use by 2035
 - 100% renewable energy use by 2050

Based on the total electricity consumption of ELAN in 2022, the evaluation of purchasing green energy starting from 2024 towards achieving RE100 by 2050 predicts that the increase in green energy costs will amount to NT\$103.87 million.
3. Obtained ISO 50001 certification in November 2024. The system's effectiveness will be maintained with an estimated cost of NT\$90,000 annually.
4. In 2024, energy indirect greenhouse gas emissions accounted for 87% of ELAN's total emissions (Scope 1 + Scope 2). The primary emission source is electricity. Therefore, the initial plan is to continue energy-saving measures and purchase green electricity to reduce greenhouse gas emissions. In the future, new technologies will be implemented for carbon reduction, and once reduction reaches its limit, carbon credits will be purchased for offsetting, in order to achieve the net-zero target by 2050.

Scenario 2: Flooding

1. Short-term
Based on the daily precipitation data from the Central Weather Bureau for various regions in 2024, the annual 24-hour maximum rainfall, and the NCDR (National Science and Technology Center for Disaster Reduction) Disaster Potential Assessment to assess the risk of flooding in the New Taipei, Hsinchu, Tainan, and Kaohsiung.
2. Long-term
Simulations are conducted based on the "RCP8.5" scenario in the NCDR's Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP). This scenario assumes a time range from 2021 to 2040, with an environmental condition of an average annual temperature increase of 1.5°C .

Results of scenario analysis and their impact on business goals and strategies

1. Short-term
Evaluate the risk of flooding (350mm or more of accumulated precipitation within 24 hours) in the Hsinchu facility. No significant impacts were shown. Facilities in Hsinchu, Tainan, and Kaohsiung were also evaluated (200mm of rain within 24 hours). Only Kaohsiung facility experienced minor flooding in certain nearby road sections, with water depth not exceeding 1m, not affecting operation. Other facilities showed no significant impacts.
2. Long-term
Based on TCCIP, simulation results for "RCP8.5" indicate that if the average temperature increases 1.5°C , except for the Hsinchu facility, all other facilities are identified as high risk of flooding.

Metrics and targets

Disclosure of key metrics and targets used to assess and manage relevant climate-related risks and opportunities

Recommended disclosures	Specific approach
Metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	ELAN employs climate-related risk indicators for assessment, including metrics such as electricity consumption, greenhouse gas emissions, and operational downtime duration.
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Obtained ISO 14064-1:2018 Greenhouse Gas Inventory Statement for 2023. The current inventory includes Scope 1, Scope 2, and part of Scope 3 (upstream fuel energy and waste).
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	- The goal is to achieve net-zero carbon emissions and 100% use of renewable energy by 2050. - Starting from 2024, renewable energy purchases have begun, and 5.53% of renewable energy has been procured in 2024. - The ISO 50001 Energy Management System certification was completed in 2024. - The accumulated energy-saving rate and indirect greenhouse gas reduction have been incorporated as the annual sustainability goals for the Environmental Management Team. - ELAN's greenhouse gas reduction target, based on the 2022 baseline year, aims for a 1% annual reduction in greenhouse gas emissions (Scope 1 + Scope 2). In 2024, greenhouse gas emissions were reduced by 13.22% compared to the baseline year. - The Company's energy-saving targets, with 2019 as the baseline year, include a short-term goal of an 8.5% cumulative energy savings by 2024 and a mid-term goal of a 10% cumulative energy savings by 2025. As of 2024, the cumulative energy savings reached 9.09%, meeting the target.

Note 1: Disclosure Scope: Include ELAN Microelectronics, exclude PIXORD, Avisonic and ELAN H.K.

Note 2: For the calculation of energy conservation rate, refer to 7.1 Environmental Policy and Carbon Reduction.

2.5 Information security and personal data protection

Management of material topics - Information Security & Personal Data Protection

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Explanation

- Information security and personal data protection are key to corporate sustainability. Cybersecurity strategies aligned with ESG goals ensure the sustainable operation and foster a culture of trust among customers and stakeholders.
- Prioritizing customer privacy and data protection ensures financial stability.

Policies or commitments

- Information security policies, including personnel management, document management, information security management, access control management, supplier management, and physical security management, are implemented to ensure the sustainable operation and legal compliance.
- Comply with the Personal Data Protection Act by establishing internal data protection guidelines and operational procedures in accordance with the Act.

Impacts

- The company will place greater emphasis on information security and personal data protection issues, integrating them into corporate planning and daily operations.
- ELAN not only complies with legal regulations but also continuously improves internal management with high standards, strengthens employees' awareness of customer rights, and implements personal data protection.

Management approach

- Under the directive of the General Manager, employees are required to sign non-disclosure agreements in accordance with the Code of Conduct for Integrity Management, establishing management and access control mechanisms.
- A satisfaction survey is conducted every six months for key customers or agents. The feedback is categorized, reviewed, and followed up with improvement plans.
- Regular information security drills.

Evaluation mechanism

- Internal personal data audit
- Internal/external information security audit
- Employee training program

Implementation in 2024

- No major information security incidents have occurred that caused operational losses or reputational damage.
- Successfully passed 3 external audits.
- Completed information security training for 809 employees and issued 1 information security awareness announcement.
- Conducted 1 disaster recovery test and 7 social engineering exercises.
- Completed 12 network vulnerability scans (VA) and implemented patching for identified vulnerabilities.
- Completed 1 personal data risk assessment response form.
- Joined the Mitre program and became a member of the Common Vulnerabilities and Exposures (CVE).
- Established a Product Security Incident Response Team (PSIRT) along with a notification and response process.

- Regular network vulnerability scanning and remediation.
- Regular employee information security training, and a digital learning platform (e-Learning).
- Annual report on the status of information security governance is presented to the Board of Directors.
- Annual management review meeting for the quality system

Medium and long-term plan

- Obtain international information security certifications, such as ISO 27001:2022 certification.

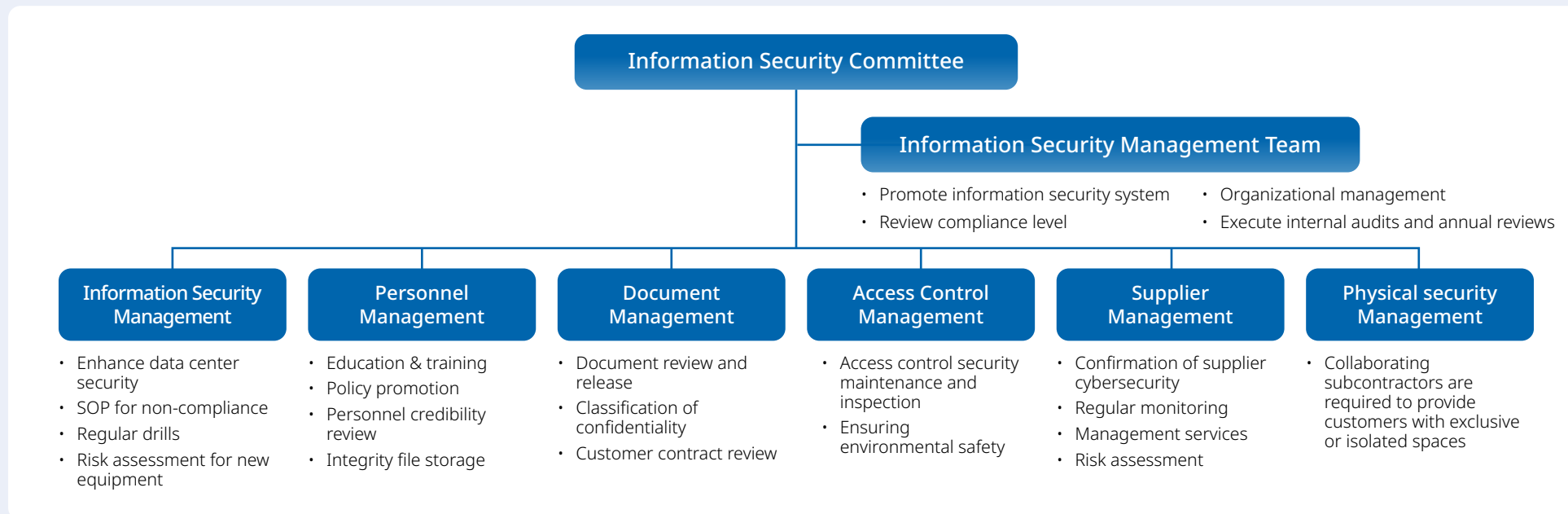
Goals and targets for 2025

- Pass both internal and external information security audits.
- Organize employee information security training courses.
- Implement the Security Information and Event Management (SIEM) system.
- Implement the Privileged Account Management (PAM) system.
- Purchase information security insurance.

ELAN

Information Security Management Framework

Custom 3



Information Security Management Strategy

To ensure the effective and continuous operation of information security management, the Information Security Committee has been established, with the General Manager serving as the Chairperson. The committee regularly reviews the implementation of information security and data security measures. It holds annual meetings and may convene additional meetings as needed based on information security risk management requirements. Additionally, the committee provides an annual report to the Board of Directors on the status of information security governance, covering topics such as information security, personnel, documentation, access control, suppliers, and physical security.

Implementation of Management Systems and Effectiveness

To strengthen employee awareness and responsibilities regarding information security, 809 employees have completed information security training, along with 7 social engineering drills and awareness campaigns. A digital learning platform (e-Learning) has also been provided. In terms of ongoing information security testing, 12 vulnerability scans (VA) have been conducted on servers, along with monitoring mechanisms such as Web Application Firewalls (WAF). Additionally, the company passed 1 internal audit and 3 external information security audits.

Nonetheless, ELAN actively participates in external organizations and information sharing, in addition to joining the Science Park Information Security Information Sharing and Analysis Center (SP-ISAC), the company has also become a member of the Common Vulnerabilities and Exposures (CVE). Furthermore, a Product Security Incident Response Team (PSIRT) has been established, along with a notification and response process. These efforts aim to enhance overall information security resilience and the synergistic effect of unified information security and communications defense.

Avisonic

ELAN Information Security Committee assisting Avisonic in maintaining matters related to information security.

PIXORD

The company has established an information security policy and management guidelines for employee computer, e-mail, and network resource usage, and manages these in accordance with the Information Security Management Manual. In addition to complying with the Personal Data Protection Act (PDPA) requirements and staying updated with changes, regular reviews and adjustments are made regarding the necessity of collecting customer and vendor data to mitigate the risk of personal data leakage by minimizing data and securely destroying data based on system-specific retention periods. The distinction between "information security protection" and "trade secret protection" is emphasized, with a strong focus on safeguarding corporate trade secrets and business contracts, which are crucial for legal outcomes.

1. The company participates in external information security training provided by the SP-ISAC at least twice a year and attends the annual CYBERSEC and InfoSec Taiwan conferences.
2. The company stays informed about hacking techniques and new defensive strategies, incorporating product security concepts during the product design and development stages and ensuring products meet information security certification requirements.
3. Internal e-mail communications are periodically sent to raise employee awareness of information security risks and prevent phishing email clicks and ransomware infections.
4. For employee desktop and laptop devices, real-time updates and notifications on Zero-Day attack information are provided to ensure timely system security measures.
5. Regular internal network vulnerability scans and patching are conducted, ensuring data backups and disaster recovery capabilities are maintained and operational.

ELAN H.K.

As an international business hub, Hong Kong places critical importance on information security and personal data protection. These are not only matters of regulatory compliance but also vital to maintaining customer trust and brand reputation. The Company has therefore established the following policies and practical measures:

1. Compliance with the Hong Kong Personal Data (Privacy) Ordinance
 - Regulates the collection, use, storage, and cross-border transfer of personal data.
 - Purpose specification: Data subjects must be informed of the intended use of their personal data and provide consent.
 - Data minimization: Only necessary personal data is collected to avoid excessive data acquisition.
 - Retention limitation: Personal data must be destroyed or anonymized after use, in accordance with the retention period defined by each system.
2. Information Security Risk Assessment and Practical Measures
 - Identification of critical data (e.g., customer data, financial information, intellectual property).
 - Analysis of threats including ransomware, phishing attacks, insider leaks, and supply chain vulnerabilities.
 - Integration of privacy-by-design principles during system development.
 - Regular internal network vulnerability scans and timely remediation of identified issues; ensure data backup and disaster recovery availability.
 - Access control policies: Role-based access, principle of least privilege.
 - Conduct annual company-wide cybersecurity awareness and training programs.
 - For data transfers to Mainland China, ensure the recipient complies with the Personal Information Protection Law (PIPL).
 - For data transfers to the EU, comply with the requirements of the General Data Protection Regulation (GDPR).

ELAN

Personal Data Protection Measures

The company adheres to the Personal Information Protection Act and relevant regulations to formulate the Personal Data Protection Management Measures to ensure effective monitoring and defense of various tangible and intangible confidential data generated or transmitted in the company's operations. This protects the rights and interests of all stakeholders and prevents internal and external threats.

Personal Data Management Measures

ELAN Personal Data Protection Management Measures apply to employees, customers, suppliers, applicants, and visitors of the company. Each department conducts an annual personal data risk assessment (via Personal Data Risk Assessment Response Form) to inventory personal data categories, storage forms, measures to protect the interested parties and the company. It also ensures proper storage and application of personal data that comply with legal regulations. In addition, confidential information about customers is properly safeguarded, with both parties signing Non-Disclosure Agreements (NDAs) to constrain and uphold mutual interests; therefore, there have not been incidents of confidential information leakage.

Besides establishing relevant regulations in the system, all ELAN employees must understand the protection regulations, storage, management, and usage procedures related to personal data. Therefore, upon joining the company, new employees must first sign the Employee Personal Data Protection Notice and Consent Form. Additionally, the company's human rights policy emphasizes personal data protection as an important content. These measures allow internal employees and external stakeholders to understand our high regard for personal data protection through various documentation.

3

Stakeholder Management and Engagement

3.1 Key stakeholders and material topic identification

3.2 Stakeholder engagement

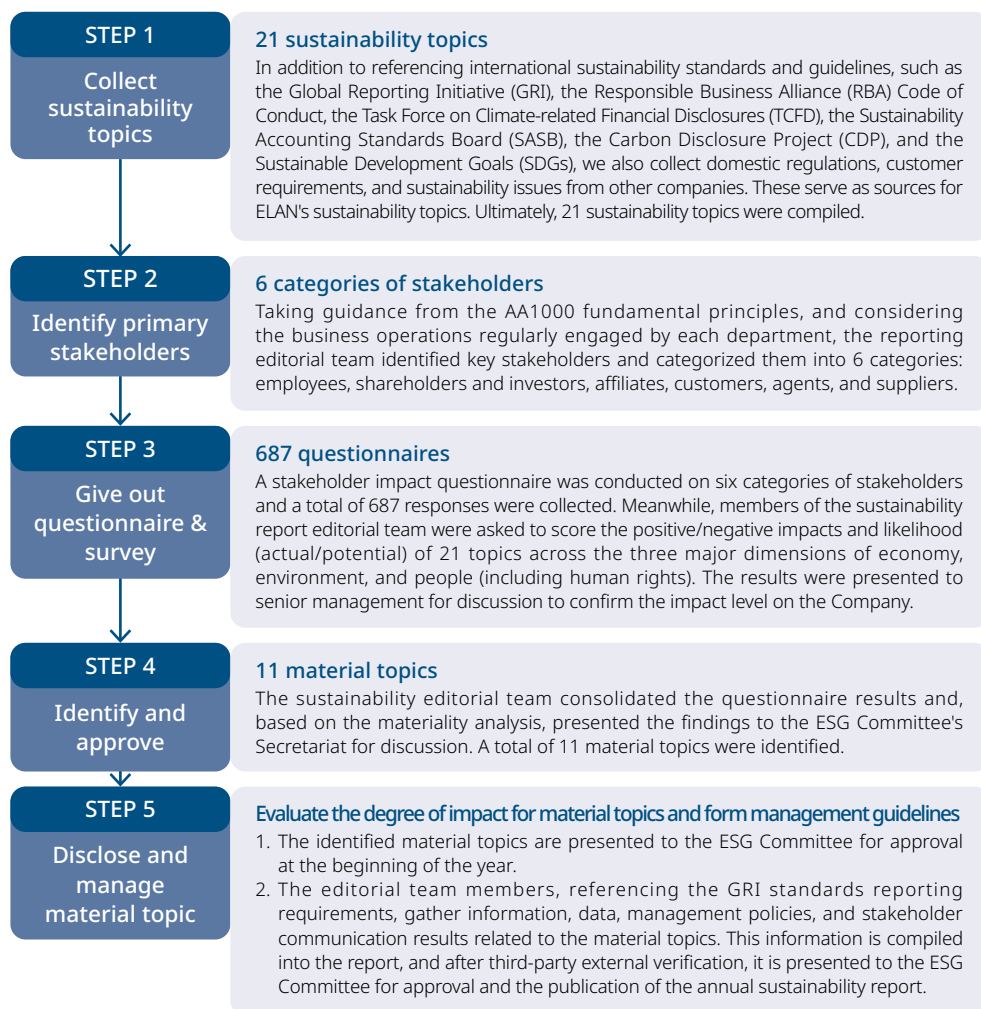


3.1 Key stakeholders and material topic identification

Process to identify material topics

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[3-1](#)
[3-2](#)
[3-3](#)

ELAN closely monitors global trends and collects sustainability topics of interest from stakeholders. Based on sustainability context, materiality, integrity, and stakeholder inclusiveness, the Company conducts theme identification, prioritization, verification, and review.



List of material topics

[3-2](#)

Category	Topic	Corresponding GRI Standards/Custom Topic
Material	01 Economic Performance	GRI201-1/GRI201-4
	02 Business Ethics and Regulatory Compliance	GRI205-2
	03 Risk Management	Custom 1-Risk Management
	04 Information Security and Personal Data Protection	GRI418-1
	05 Sustainable Supply Chain Management	GRI204-1/GRI308-1/GRI414-1
	06 Innovation and Application	Custom 2-Innovation and Application
	07 Customer Relationship Management	Custom 3-Customer Relationship Management
	08 Intellectual Property Protection	Custom 4-Intellectual Property Protection
	16 Occupational Health and Safety	GRI403-8/403-9
General	17 Training and Education	GRI404-1/404-3
	18 Management Relations	GRI202-1/202-2/GRI401-1/401-2/401-3/GRI402-1/GRI405-1
	09 Climate Change Response	GRI201-2
	10 Greenhouse Gas Emissions	GRI305-1/305-2/305-3/305-4
	11 Energy Management	GRI302-1/302-2/302-4/302-5
	12 Waste Management and Recycling	GRI301-3/GRI306-3
	13 Water and Effluents Management	GRI303-3/303-4
	14 Product Safety and Responsibility (Raw Material Management)	GRI416-2/GRI417-1/417-2
	15 Biodiversity	Custom 7-Biodiversity
	19 Human Rights, Diversity, and Inclusion	GRI406-1/GRI407-1/GRI408-1/GRI409-1
	20 Social Participation	Custom 5- Social Participation
	21 Talent Attraction, Retention, and Development	Custom 6-Talent Attraction, Retention, and Development

Note 1: The material topics were presented and approved during the third meeting by the 3rd ESG Committee on February 27, 2025.

Note 2: In response to government regulations and public concern over climate change, although environmental issues were not identified as a material topic according to the materiality assessment, the Committee decided to proactively disclose information related to the environment, including climate change within the TCFD framework and greenhouse gas emissions, to demonstrate the company's commitment to sustainability and corporate responsibility.

List of differences in material topics

2023		2024		Differences
Category	Topic	Category	Topic	
Material	01 Economic Performance	Material	01 Economic Performance	-
Material	02 Business Ethics and Regulatory Compliance	Material	02 Business Ethics and Regulatory Compliance	-
Material	03 Risk Management	Material	03 Risk Management	-
Material	04 Information Security and Personal Data Protection	Material	04 Information Security and Personal Data Protection	-
Material	05 Sustainable Supply Chain Management	Material	05 Sustainable Supply Chain Management	-
Material	06 Innovation and Application	Material	06 Innovation and Application	-
Material	07 Customer Relations	Material	07 Customer Relationship Management	Renamed
		Material	08 Intellectual Property Protection	New topic
General	08 Climate Change Response	General	09 Climate Change Response	-
General	09 Greenhouse Gas Emissions	General	10 Greenhouse Gas Emissions	-
General	10 Energy Management	General	11 Energy Management	-
General	11 Waste Management and Recycling	General	12 Waste Management and Recycling	-
General	12 Water and Effluents Management	General	13 Water and Effluents Management	-
Material	13 Product Safety and Responsibility (Raw Material Management)	General	14 Product Safety and Responsibility (Raw Material Management)	-
		General	15 Biodiversity	New topic
General	14 Occupational Health and Safety	Material	16 Occupational Health and Safety	-
Material	15 Training and Education	Material	17 Training and Education	-
Material	16 Management Relations	Material	18 Management Relations	-
General	17 Human Rights, Diversity, and Inclusion	General	19 Human Rights, Diversity, and Inclusion	-
General	18 Social Participation	General	20 Social Participation	-
		General	21 Talent Attraction, Retention, and Development	New topic

Disclosure of material topics

3-3

✓ Disclosed ● To be disclosed

Material topics / Stakeholders		ELAN	Affiliates		
			Avisonic	PiXORD	ELAN H.K.
Economic Corporate Governance	Economic Performance	✓	✓	✓	✓
	Business Ethics and Regulatory Compliance	✓	✓	✓	✓
	Risk Management	✓	✓	✓	✓
	Information Security and Personal Data Protection	✓	✓	✓	✓
	Sustainable Supply Chain Management	✓	✓	✓	
	Innovation and Application	✓	●	●	
	Customer Relationship Management	✓	✓	✓	
	Intellectual Property Protection	✓	✓	✓	
Social	Occupational Health and Safety	✓	✓	✓	✓
	Training and Education	✓	✓	✓	✓
	Management Relations	✓	✓	✓	✓

Material Topics and ELAN Value Chain

3-1

As a provider of IC/module solutions in the semiconductor industry, ELAN values its relationships with upstream raw material suppliers, downstream manufacturers, and end-product users, striving to create added value in product services and assume related responsibilities. Based on the value creation process of semiconductor products, ELAN outlines its upstream and downstream value chain across five key stages: raw materials, IC design, wafer fabrication/testing & packaging, production & assembly, and end use.

● Actual positive impact ▲ Potential positive impact ● Actual negative impact ▲ Potential negative impact

Material topic	Upstream	Operation	Downstream		
	Raw Materials	IC /Module Design	Wafer Manufacturing/ Testing and Packaging	Production Assembly	End Use
Economic Performance	▲	●	▲	▲	▲
Business Ethics and Regulatory Compliance		●			▲
Risk Management	▲	●	▲	▲	▲
Information Security and Personal Data Protection	▲	●	▲	▲	●
Sustainable Supply Chain Management	●	▲	●	●	▲
Innovation and Application	▲	●	▲	▲	▲
Customer Relationship Management		●			●
Intellectual Property Protection	●	●	●	●	▲
Occupational Health and Safety		●			
Training and Education		●			
Management Relations		●			

Assess the significance of the impacts

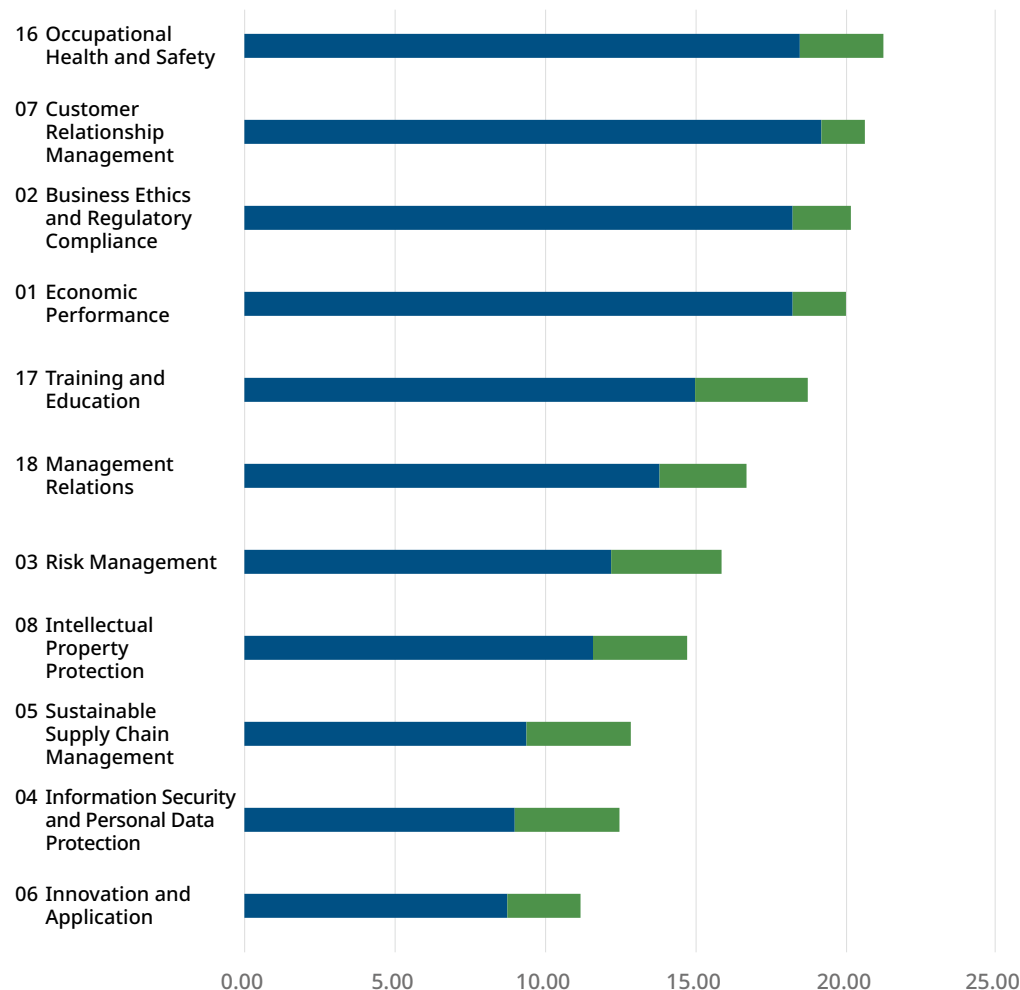
3-1

The sustainability report editorial team consolidated the results of stakeholder questionnaires, identifying a total of 11 material topics. Relevant departments were then engaged to conduct a comprehensive assessment of the likelihood and magnitude of both positive and negative impacts across economic, environmental, and social (including human rights) dimensions. The outcomes were subsequently reviewed and validated by senior management to determine the significance of each material topic's impact.

Material Topic	Positive Impact Score	Negative Impact Score	Total
01 Economic Performance	18.2	1.8	20.0
02 Business Ethics and Regulatory Compliance	18.2	1.9	20.2
03 Risk Management	12.2	3.7	15.9
04 Information Security and Personal Data Protection	9.0	3.5	12.5
05 Sustainable Supply Chain Management	9.4	3.5	12.9
06 Innovation and Application	8.8	2.4	11.2
07 Customer Relationship Management	19.2	1.4	20.6
08 Intellectual Property Protection	11.6	3.1	14.7
16 Occupational Health and Safety	18.5	2.8	21.3
17 Training and Education	15.0	3.8	18.8
18 Management Relations	13.8	2.9	16.7

Impact Assessment Results of Material Topics

■ Positive Impact Score
■ Negative Impact Score



3.2 Stakeholder engagement

2-26

2-29

The Group is committed to sustainable development and recognizes the importance of understanding stakeholder perspectives. This not only ensures transparent communication but also serves as a critical reference for the Company's sustainability strategies. In addition to maintaining regular interaction with stakeholders through various communication channels embedded in daily operations, ELAN has also established external communication mailboxes and stakeholder questionnaires on its official website to facilitate ongoing dialogue. The Company actively engages with stakeholders, formulates corresponding strategies and actions, and responds to their needs in a timely manner. A summary of stakeholder engagement activities is reported to the Board of Directors annually at the end of each year.

Stakeholder	Concerned topics	Communication channels & frequency	Responsible unit(s)	Communication achievements
Government agencies	Occupational Health and Safety Talent Attraction, Retention, and Development Economic Performance Training and Education Management Relations Innovation and Application	- Phone/e-mail (Anytime) - Announcements on the Market Observation Post System (Non-scheduled) - Official document exchanges (Non-scheduled) - Labor inspections (Non-scheduled) - Stakeholder questionnaire (Annually) - External mailbox (Anytime) Director Li, Human Performance Management (Email: pmlms@emc.com.tw)	Accounting Public Resources Human Performance Management Industrial Performance Management	- Ranked in the top 6-20% in the 2024 Corporate Governance Evaluation. - Obtained third-party verification for ISO 14064-1 greenhouse gas inventory. - Received the 2024 Hsinchu Science Park R&D Achievement Award. - Received the 2024 Hsinchu Science Park Innovative Product Award. - The Nanophotonic Multispectral Sensing Chip was awarded funding under the Science Park's Emerging Technology Application Program. - Once again certified with the "Sports Enterprise Certification" mark. - For the first time, awarded the "Health 99" corporate label under the Healthy Enterprise Citizenship Program - Continued maintenance of the Healthy Workplace Promotion certifications. - No significant violations of local laws and regulations were recorded.
Employees	Occupational Health and Safety Talent Attraction, Retention, and Development Training and Education Management Relations Economic Performance	- Employee Satisfaction Survey (Annually) - Labor/Management Meeting (Quarterly) - Employee suggestion box (Anytime) - Stakeholder questionnaire (Annually) - Annual training needs survey/Cross-departmental training survey (Annually/Non-scheduled) - Performance review (Semiannually) - Occupational safety and health meeting (quarterly) - Department meeting (Non-scheduled) Director Li, Human Performance Management (Email: pmlms@emc.com.tw)	Human Performance Management Public Resources	802 employee satisfaction surveys distributed, 631 returned, achieving a 79% response rate. Of the responses, 91% were very satisfied/satisfied, with an average score of 83.6. About 10% of employees provided suggestions for improvement, which were individually addressed by the Human Performance Management Department. 2 complaints was filed via the employee suggestion box. The Human Performance Management Department investigated the specifics via phone and e-mails and provided a detailed response. 1,581 performance interviews were conducted (789 in the first half of the year and 792 in the second half). - Labor-management meetings are held quarterly. - Occupational safety and health meetings are held quarterly. 3,008 technical staff passed skill certification 285 participated in the online management training courses by Tianxia Innovation Academy 203 rticipated in the new employee orientation 503 stakeholder questionnaires collected.
Media	Economic Performance Innovation and Application Intellectual Property Protection Talent Attraction, Retention, and Development Human Rights, Diversity, and Inclusion	- Company website (Anytime) - Phone/e-mail (Anytime) - Stakeholder questionnaire (Annually) - External mailbox (Anytime) Vice Director Tsai, Investor Relations (Email: elsa@emc.com.tw)	Investor Relations	17 related news articles (including revenue reports and operational reports) published on the Company's website. - Released 46 significant announcements on the Public Information Observatory. 4 media interviews/press conferences.

Stakeholder	Concerned topics	Communication channels & frequency	Responsible unit(s)	Communication achievements
Shareholders/ Investors	Occupational Health and Safety Talent Attraction, Retention, and Development Economic Performance Training and Education Management Relations Innovation and Application	- Annual Shareholders Meeting (Annually) - Investor Conference (Quarterly) - Domestic/International Institutional Investor Conference (Non-scheduled) - Face-to-face meeting, video conferencing, phone call (Non-scheduled) - Annual Report, Annual Sustainability Report - Income Statement (Monthly) - Operational Report (Quarterly) - Major announcement/press release (Non-scheduled) - Company website (Non-scheduled) - Stakeholder questionnaire (Annually) - Spokesperson (Non-scheduled)	Investor Relations	- The Annual General Shareholders' Meeting was held on May 30, 2024. 4 investor conferences were independently organized by the Company, and corresponding video recordings were uploaded to the Market Observation Post System (MOPS) and the Company's official website. 88 investor meetings Conducted a total of with domestic and international institutional investors and analysts, including in-person meetings, virtual conferences, and industry forums. - Key recurring topics discussed with investors included: - Business direction and strategic focus - Short-term priorities: With Microsoft announcing the end of support for Windows 10, a wave of device replacement is anticipated, potentially injecting new momentum into the personal computer market. Furthermore, the AI PC supply chain is fully prepared, expected to generate positive outcomes for the Company, including enhanced product value and differentiation. These trends not only align with product transformation but also increase market share of existing offerings, thereby strengthening overall business performance. - Mid- to long-term strategic deployment and market outlook - Expansion beyond the notebook segment - Outlook for the notebook market - The Company's competitive advantages - ELAN position and representation in the industry value chain - The Company's management philosophy of balancing profitability with sustainable growth - Supply chain dynamics and collaborative relationships - Adoption of a high dividend payout policy to return profits to shareholders
Customers /Agent	Customer Relationship Management Economic Performance Business Ethics and Regulatory Compliance Innovation and Application Intellectual Property Protection Sustainable Supply Chain Management	- Company website (Anytime) - Phone/e-mail (Anytime) - Satisfaction Survey (Semiannually) - Stakeholder questionnaire (Annually) - External mailbox (Anytime) - Questionnaire (Non-scheduled) - Participation in large domestic/international exhibitions (Non-scheduled)	Marketing Planning Sales Quality Reliability Assurance	192 satisfaction survey questionnaires, with a 91% response rate and an overall satisfactory feedback. - Participated in 1 domestic exhibition and 1 international exhibition. 49 stakeholder questionnaires collected.
Suppliers	Economic Performance Occupational Health and Safety Innovation and Application Business Ethics and Regulatory Compliance Information Security and Personal Data Protection Customer Relationship Management	- Company website (Anytime) - Phone/e-mail (Anytime) - Outsourcing meeting (Non-scheduled) - Supplier audit (Non-scheduled) - Supplier conference (Annually) - Stakeholder questionnaire (Annually) - External mailbox (Anytime)	Quality Reliability Assurance Production Planning Control	353 Supplier meetings 93 suppliers attended the Annual Supplier Conference. - Completed quality audits on 40 key suppliers. - Completed RBA audits on 40 key suppliers. 51 stakeholder questionnaires collected.

4

Product Design and Consumer Rights

- 4.1 Customer relations and collaboration with leading platforms
- 4.2 Robust intellectual property system that encourages innovation
- 4.3 Product contribution to world trends
- 4.4 Product and service information and labeling
- 4.5 Customer service and satisfaction



Number of Microsoft Windows certificates obtained	(63 were Pen Digitizer Certifications) 309
Number of patents obtained	22
Fines imposed for violations of health and safety regulations regarding products and services	0
Incidents of non-compliance with product and service information and labeling regulations	0
Complaints related to privacy infringement or customer data loss	0
Market leader in three products: touchpad modules, touchscreen chips, and pointing devices, dominating market share	Global leader
Percentage of ELAN products that comply with RoHS, REACH, and halogen-free requirements	100%

4.1 Customer relations and collaboration with leading platforms

[2-6](#)
[Custom 3](#)

With solid R&D energy, ELAN has been able to lead and participate in the building of specifications for laptops, tablets, computer peripherals, and human-machine interface products. We actively participate in the certification of Microsoft's and Google's leading platforms. In 2024, 278 pieces of new product solutions were mass-produced.

Prior to the release of certification standards for various generations of Microsoft Windows operating systems, ELAN collaborates with Microsoft to review and provide suggestions on test specifications. Once the certification criteria are finalized, ELAN supports its clients in obtaining touch-related certifications. For instance, the Company has developed Smart-Touchscreen and Active Pen solutions compatible with Windows 10 and Windows 11. Notably, ELAN was the first in the industry to receive both Windows and Microsoft Pen certifications for its solutions. In 2024, ELAN obtained a total of 309 Touch Logo Certifications, including 63 certifications specifically for products categorized under active and passive pen digitizers. Smart-Touchscreen solution holds the No. 1 global market share in notebook (NB) applications.

ELAN Touch Pad Solution can simultaneously support self-sensing and mutual-sensing functions. Unlike other competitors, facing the stringent requirements of Google Chrome OS, some of ELAN's test items have even exceeded Google Chrome's standards. In addition, though ELAN Touch Pad Solution has been listed on Chrome Authorized Vendor List (AVL), we still pay regularly visits to the Google team in United States and Taipei, to make sure our Track Pad Solution is keeping up with the evolution of Google Chrome. With strong R&D team, good supply chain management and service, ELAN has gained customer trust.

Building on prior collaboration with Google, ELAN was involved in the specification discussions for the new generation of Chromebooks from the early design phase. Working in close partnership with leading global notebook manufacturers, ELAN moved beyond the traditional role of Taiwanese IC design companies as followers of specifications, transforming into a co-developer and co-definer of industry standards. Through synchronized R&D efforts and leveraging its extensive mass production expertise, ELAN enabled simultaneous product launches, thereby gaining a first-mover advantage in the market. As a result, ELAN Chromebook Solution has successfully positioned the Company as a strategic partner to Google.

4.2 Robust intellectual property system that encourages innovation

Management of material topics - Intellectual Property Protection

Custom 4

Explanation

Protect ELAN's intellectual property rights to enhance the Company's competitiveness.

Policies or commitments

To strengthen its industry leadership and safeguard R&D achievements, ELAN has established an intellectual property (IP) policy based on its business strategy and R&D resources. This policy is designed to protect the Company's operational freedom and reinforce its competitive advantage.

Impacts

- Newly developed technologies may not be patented in a timely manner.
- Patent maintenance costs are increasing year by year.
- Potential risks of intellectual property disputes with market competitors.

Management approach

- The Intellectual Property Right & Legal Affairs Office serves as the dedicated unit responsible for formulating and implementing policies related to patents, trademarks, integrated circuit layout registrations, and trade secret management.
- Patent review meetings are held regularly, during which senior management evaluates proposed patents. Approved cases are supported through the subsequent patent application process.
- Periodic reviews of patent-related expenses are conducted in collaboration with R&D or marketing personnel to assess whether granted patents still hold maintenance value.
- In compliance with regulatory requirements, the Company regularly carries out patent marking for applicable products.

Evaluation mechanism

- New Product Feasibility Evaluation Form (Intellectual Property Right & Legal)
- Meeting Minutes of the Patent Review Committee
- Annual Maintenance Fee Evaluation Notice (Patent-Associated Product Models)

Medium and long-term plan

The Company adjusts its patent portfolio strategy and monitoring targets based on R&D planning and market dynamics.

Implementation in 2024

- The Group completed a total of 28 patent applications and was granted 23 patents.
- ELAN maintained 37 trademark registrations.
- Received the 2024 Hsinchu Science Park R&D Achievement Award and the Innovative Product Award for Outstanding Companies.
- Completed patent model number updates for all products.
- Reported the Company's annual intellectual property management performance to the Board of Directors in December 2024.

Goals and targets for 2025

- Continued to pursue patent applications.
- Newly identified competitors in the touchpad market have been added to the patent monitoring list.
- The status of annual intellectual property management is regularly reported to the Board of Directors.

ELAN

[Custom 4](#)
[TC-SC-520a.1](#)
[Sustainability 7](#)

To encourage innovation, ELAN set up Intellectual Property Right & Legal Affairs Office, a unit dedicated to set generous bonus system for employees who invent a new product. By putting forth a new innovation that has a market value and meets the eligibility requirements prescribed in the Domestic and International Patent Law, an employee can apply for patent awards according to ELAN Intellectual Property Management Policy and Implementation, and submit a patent application to protect R&D achievement. The Intellectual Property Right & Legal Department currently holds regular meetings and gives bonuses to those that pass the initial review. If an application has been approved and a patent is granted, another bonus will be given as an appreciation to the developers. ELAN's robust intellectual property system effectively provides employees with a sense of achievement, making this energy of creativity flows endlessly. In 2024, ELAN obtained 22 patent certificates, totaling 1,086 patents from 2000 to 2024.

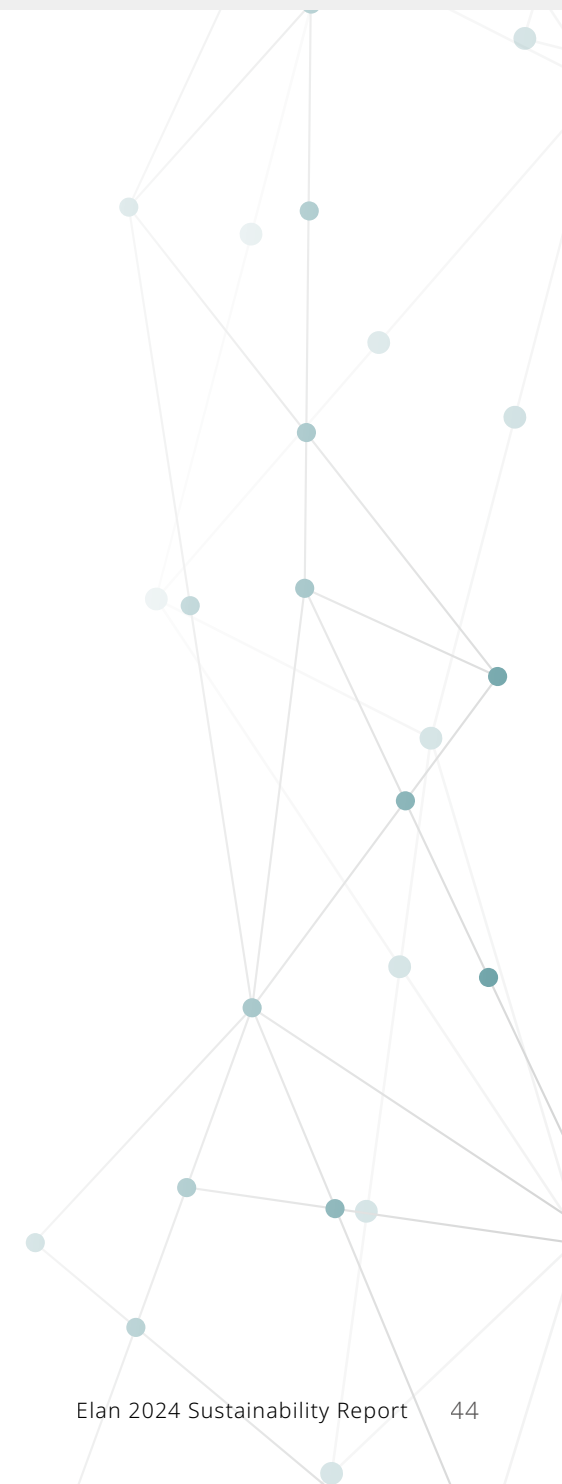
To safeguard the Company's operational freedom, strengthen its industry leadership, and protect advanced technological achievements, ELAN has enhanced its intellectual property (IP) protection and expanded its patent portfolio. The dedicated office regularly monitors relevant technology markets to defend the Company's global operations and competitive advantages. This enables the Company to swiftly gather evidence in the event of infringement and to protect its patent assets effectively. In 2024, as part of its IP protection efforts, ELAN filed a patent infringement lawsuit against a competitor, which remains under judicial review.

Avisonic

To encourage employees to engage in innovative inventions, Avisonic has established a patent review mechanism and an incentive program. Employees whose inventions demonstrate market value and meet the requirements of domestic and international patent regulations are eligible to apply for rewards under the Patent Proposal/Disclosure/Incentive Management Guidelines. This initiative aims to protect R&D achievements through patent applications and enhance corporate value. Patent proposals submitted by employees are reviewed and approved by the General Manager. Depending on the stage of the patent process, Avisonic provides corresponding monetary rewards, including disclosure, proposal, reporting, and grant-stage bonuses. A sound patent system not only strengthens employees' sense of achievement in R&D but also ensures a continuous stream of innovation. All granted patents are subject to annual maintenance reviews to ensure their validity. In 2024, Avisonic did not receive any new patent grants. Subsequent patent application and maintenance matters are now managed by the ELAN's Legal Affairs Office in coordination with patent attorneys.

PiXORD

To encourage employees to engage in innovative inventions, the Company allows all employees whose innovations possess market value and meet the requirements of domestic and international patent regulations to submit patent applications in accordance with the Patent Management Guidelines. This enables R&D results to be protected through patents and enhances corporate value. A robust patent system fosters employees' sense of achievement in research and development, thereby sustaining a continuous flow of innovation. All granted patents undergo annual maintenance reviews to ensure their validity. In 2024, PiXORD was granted one new patent. Subsequent patent applications and maintenance efforts are managed by ELAN's Legal Affairs Office in coordination with external patent firms.



4.3 Product contribution to world trends Custom 2

ELAN is a comprehensive IC design company that offers integrated solutions. With a strong research and development team, the company allocates over 12% of the annual revenue to research and development. The quality of our products is recognized, with more than half of our revenue coming from top-tier global manufacturers. Product-wise, ELAN's touch panel module, touch screen chip, and pointing device are leading the global industry. In terms of revenue, fingerprint recognition products have become our next focus. In view of the relatively low penetration rate of fingerprint recognition in the NB market, especially MOC (Match On Chip, which verifies fingerprints before unlocking) which has higher average unit price, we are optimistic about the continued growth in this segment and aim to capture the majority of the market within the next two to three years. According to data from the Industrial Technology Research Institute's Industrial Economics and Knowledge Center (IEK), the output value of Taiwan IC design industry in 2024 was approximately NT\$1.2769 trillion (US\$40.9 billion), for which ELAN accounts approximately 0.99%.

ELAN World-Leading Smart Input Solution in NB Application

Integrate AI into existing human-machine interface products



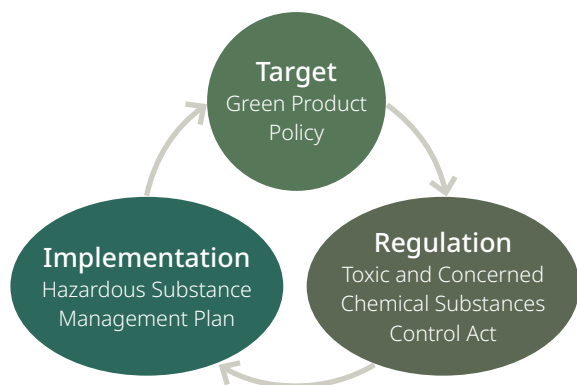
4.4 Product and service information and labeling

[416](#)
[417](#)

Green Product Policy

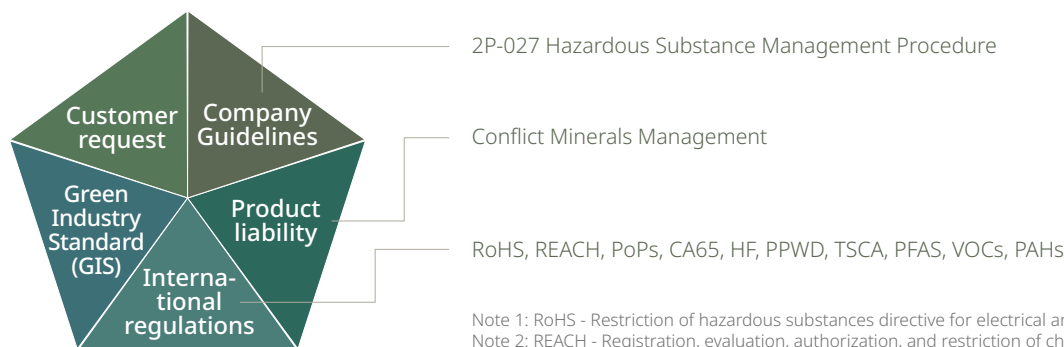
[417-1](#)

- Comply with relevant international regulations and directives on hazardous substances.
- Meet ELAN's and customers' requirements for hazardous substances.



Green Product System

ELAN has established a green product system based on international, industry, and customer-specific hazardous substance restriction and prohibition requirements. The Company has implemented a Hazardous Substance Management Procedure to effectively carry out hazardous substance control, which also serves as a standard for chemical substance management by suppliers. Through regular reviews and updates, ELAN ensures the effective operation of its hazardous substance management system. Furthermore, aligned with the principles of environmental friendliness and ecological impact mitigation, green materials are incorporated into product development at the design stage.



Green Product Management Results

"Green products" represent the most fundamental requirement at ELAN. All product lines comply with RoHS, REACH, and halogen-free standards, and the Company provides customers with declarations of non-use of hazardous substances.

- No incidents of non-compliance with regulations concerning the health and safety impacts of products and services occurred in 2024. [2-27](#) [416-2](#)
- No incidents of non-compliance with regulations concerning the labeling and information of products and services occurred in 2024. [2-27](#) [417-2](#)


[TC-SC-410a.1](#)

ELAN: The proportion of products containing substances listed in the IEC 62474 material declaration list is 0%, indicating full compliance with the relevant international regulatory requirements.

Avisonic and PiXORD: As customers have not requested the submission of IEC 62474 material declaration documents, no related surveys have been conducted with suppliers. Therefore, disclosure is currently not available.

4.5 Customer service and satisfaction

Management of material topics - Customer Satisfaction

[3-3](#)
[2-23](#)
[418](#)
[Custom 3](#)

Explanation

The core of corporate competitiveness lies in building long-term and close partnerships with customers. By prioritizing customer-centric values, implementing robust information security management, and cultivating strong customer relationships, the Company ensures sustainable business operations.

Policies or commitments

Ensuring customer satisfaction and meeting customer expectations are integral to the Group's sustainable business strategy. Through annual or biennial satisfaction surveys, the Company gains insights into customer needs, enhances service quality, and earns customer trust.

Impacts

- ELAN not only complies with legal regulations but also strives to continuously improve internal management with high standards. Meanwhile, enhance employees' awareness of customer human rights and implement personal data protection.
- Through our customer service system, ELAN deepens customer trust. We actively communicate and properly handle customer feedback, creating a positive cycle that promotes economic growth.

Management approach

- Under the General Manager's policy directives, the Company enforces confidentiality agreements, establishes a Code of Ethical Conduct, implements demo unit management mechanisms, and exercises access control.
- Annual customer satisfaction surveys are conducted for key clients or agents across all product lines, and customer feedback is regularly reviewed and evaluated.
- The Sales, Quality Reliability Assurance, and Customer Service departments jointly handle customer service and complaints.
- A dedicated section for customer service and satisfaction surveys is available on the Company's official website.
- Annual management review meetings are held as part of the Company's quality management system.

Evaluation mechanism

Customer Satisfaction Survey

Medium and long-term plan

- Continue to improve customer satisfaction and create a win-win situation with leading manufacturers, customers, suppliers, and agents.
- Incorporate customer feedback into improvement plans.
- Monitor customer trends to ensure the best quality and service are provided.

Implementation in 2024

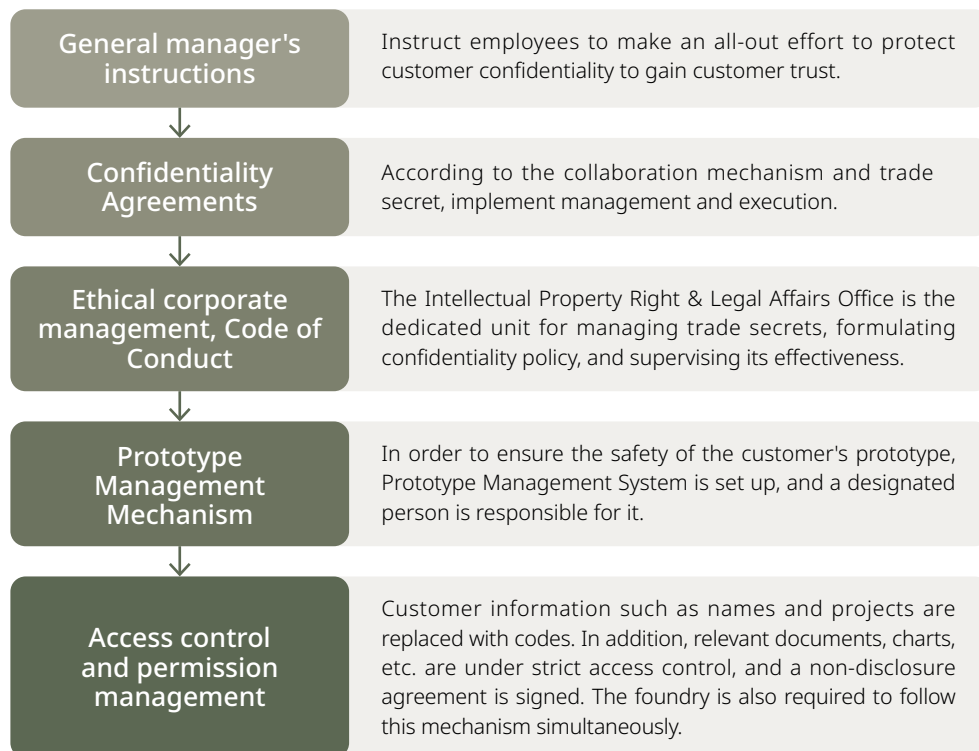
- No complaints relating to customer privacy infringement or loss of customer information.
- Customer satisfaction responses and ratings are consistently positive.
- Followed up on the implementation status in the ISO9001 management review meeting.

Goals and targets for 2025

- Ensure that no complaints related to customer privacy breaches or loss of customer data occur.
- Continuously track customer feedback and enhance the effectiveness of improvement measures.

Value customer service and protect customer privacy 2-27 418-1

From 2014 to 2024, there have been no reported complaints regarding customer privacy breaches or loss of customer data. This achievement is primarily attributed to the Company's established operational procedures and the consistent implementation by all employees.



Note: Prototype Management Mechanism and Rigorous System Control are practices of ELAN and do not apply to Avisonic or PiXORD.

Customer Satisfaction Survey

The Group has always regarded customer feedback and opinions as a fundamental basis for strengthening customer relationship development. Accordingly, the Company conducts one to two customer satisfaction surveys annually, covering various stages such as product development, design support, product marketing and sales, and mass production assistance.

ELAN

Hsinchu

In 2024, ELAN (Hsinchu) distributed a total of 132 customer satisfaction surveys to all active clients, with 121 valid responses collected, a response rate of 93%. The feedback on both sales and technical services was overwhelmingly positive. Overall, the statistical scores for all survey categories exceeded 90 points in 2024. Furthermore, from 2021 to the present, no negative feedback has been received regarding technical support or sales services.

Zhonghe

In 2024, ELAN (Zhonghe) distributed 31 customer satisfaction survey questionnaires to all active clients and received 31 valid responses, achieving a 100% response rate. With the coordinated efforts of the Sales, Quality, and related departments, the Company received an overall average satisfaction score of 90.72. Notably, the sales services received particularly high remarks from customers. The Company remains committed to attentive customer service and will continue to pursue excellence and innovation in its products and services, while proactively responding to customer suggestions and feedback.

Avisonic

In 2024, Avisonic conducted a digital customer satisfaction survey for its active clients. The survey covered a range of areas, including sales, R&D, technical support, production and quality management, complaint handling, product quality, and overall service quality. All survey responses were collected within two weeks, achieving a 100% response rate. The results showed that the average score for each evaluation item exceeded 8.2 out of 10, reflecting an overall positive customer evaluation. These outcomes indicate that Avisonic has made notable improvements in technical support and complaint resolution, effectively meeting customer needs and providing satisfactory solutions to product-related technical issues.

PiXORD

PiXORD conducted a digital customer satisfaction survey targeting its top five revenue-contributing clients. The survey covered key areas such as sales, design, technical support, quality, and overall service. The results were submitted to the relevant departments for internal review and improvement. In 2024, the survey achieved a 100% response rate, with average customer satisfaction scores exceeding 4.2 out of 5. Overall, PiXORD remains committed to accumulating system integration experience and providing customers with comprehensive site planning and solutions.

5

Supplier Management

5.1 Sustainable supply chain

5.2 Responsible minerals management

62%
of the Group's
suppliers are
based in Taiwan.

Conducted quality
audits on
40
key suppliers.

Conducted RBA
audits on
40
key suppliers.

100%
of ELAN's suppliers
signed the Supplier
Corporate Social
Responsibility
Commitment Letter.

5.1 Sustainable supply chain

Management of material topics - Sustainable supply chain

[2-23](#)
[2-24](#)
[3-3](#)
[204](#)
[308](#)
[414](#)

Explanation

- Suppliers are crucial partners. Establishing effective communication in supply chain management can create win-win.
- Besides meeting customer demands, continuously assessing compliance with social and environmental requirements is not only a vital aspect of management but also the foundation for a company's sustainable development.

Policies or commitments

Suppliers are key partners in operations. ELAN adheres to the Responsible Business Alliance Code of Conduct as a policy for environmental and human rights management. We are committed to promoting corporate social responsibility and, in addition to considering overall quality and delivery, we have been progressively emphasizing human rights, environmental protection, and health and safety. This strengthens sustainable supplier management and contributes to the formation of a sustainable supply chain in line with our commitment to sustainable development.

Impacts

- Leveraging the company's procurement influence, the Company assists suppliers in enhancing five key areas - labor, health and safety, environment, ethics, and management, progressively meeting customer expectations each year.
- ELAN conducts annual quality and RBA audits on key suppliers. During these audits, non-compliances were found in health and safety, environment, and labor aspects. The Company has requested the suppliers to implement continuous improvement measures to address these issues.

Management approach

- Annual quality/RBA audits on key suppliers
- Supplier Conference
- Monthly outsourcing meetings

Evaluation mechanism

- 100% completion rate for quality audits of key suppliers.
- 100% completion rate for RBA audits of key suppliers.

Medium and long-term plan

In supplier management, ELAN not only emphasizes product quality, delivery, and pricing, but also adheres to the Responsible Business Alliance (RBA) Code of Conduct by establishing a Corporate Social Responsibility Management System and Promotion Plan. Suppliers are required to uphold corporate social responsibility across multiple dimensions including ethics, labor and human rights, environmental protection, occupational health and safety, and management systems, in a joint effort to build a sustainable supply chain.

- Questionnaire for identified stakeholders (employees, shareholders/investors, customers/agents, suppliers, government agencies, media)

- 100% of key suppliers have signed the Corporate Social Responsibility (CSR) Commitment Letter.

Implementation in 2024

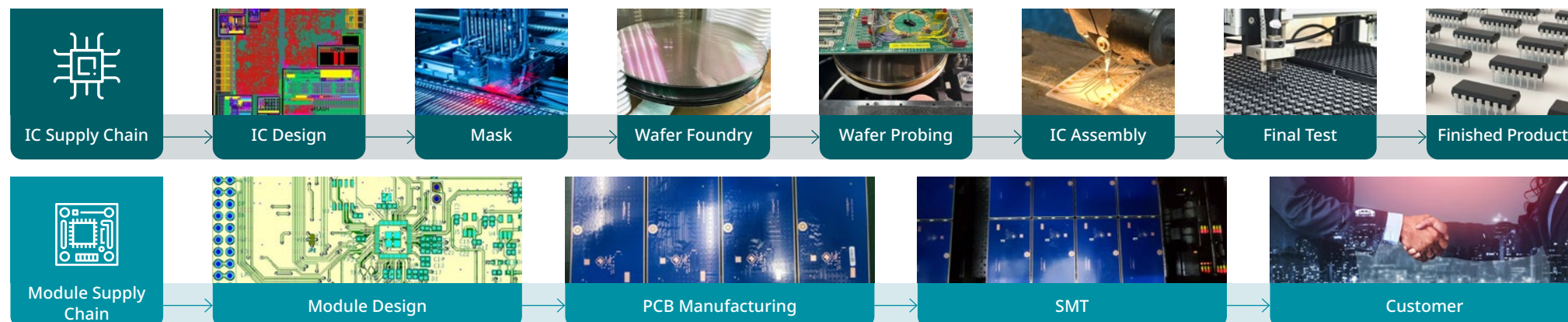
- The Group conducts annual quality audits on key suppliers each year. All audits were complete for 2024.
- ELAN RBA Team completed RBA audits on a total of 40 key suppliers.

Goals and targets for 2025

- Continuously monitor and review stakeholder concerns related to the internal and external context of the organization, in accordance with ISO 9001.
- Comply with key customers' requirements for hazardous substance control.
- Enhance the effectiveness of green product system management.
- Actively respond to customer ESG requirements - not only by meeting them internally, but also by engaging key suppliers to comply and participate in customer-driven initiatives (e.g., supplier conferences, training programs).
- Continue to promote quality audits and RBA (Responsible Business Alliance) audits for key suppliers (target: 40 suppliers).

Supply chain 2-6

ELAN is a professional IC and module design company, with all wafer fabrication and back-end manufacturing processes outsourced. In response to ongoing capacity constraints, the Company continues to maintain strong partnerships with domestic and international foundries and assembly/testing service providers. Additionally, ELAN collaborates closely with suppliers across the value chain, including touch panel, LCD display, and notebook assembly manufacturers, to ensure smooth product delivery. In 2024, the Group achieved a local procurement rate of 62%.



Proportion of spending on local suppliers 204-1

Type	Region	ELAN		Avisonic		PiXORD		ELAN H.K.	
		Number of suppliers	Proportion of spending	Number of suppliers	Proportion of spending	Number of suppliers	Proportion of spending	Number of suppliers	Proportion of spending
IC-related raw materials	Local	32	39.8%	10	98.6%	0	0.0%	NA	NA
	Imported	21	3.8%	0	0.0%	0	0.0%	NA	NA
Module-related raw materials	Local	88	22.2%	1	1.4%	50	99.2%	NA	NA
	Imported	45	34.2%	0	0.0%	1	0.8%	NA	NA
Other services		570		59		73		32	

Note 1: "IC-related raw materials" include cutting, mask, packaging, wafer and testing suppliers.

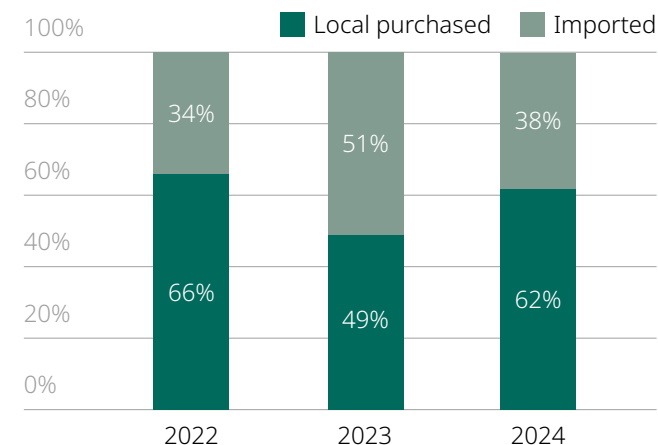
Note 2: "Module-related raw materials" include PCB, SMT and commodity suppliers.

Note 3: Other services such as transportation, labor costs, development costs, security, insurance, contract maintenance, food allowances, etc.

Note 4: "Local" here refers to the location of the Group. ELAN, Avisonic, PiXORD are located in Taiwan, and ELAN H.K. is in Hong Kong.

Note 5: ELAN H.K. is a shipping and customer service center; therefore, most data were NA.

Percentage of IC/module raw materials purchased locally

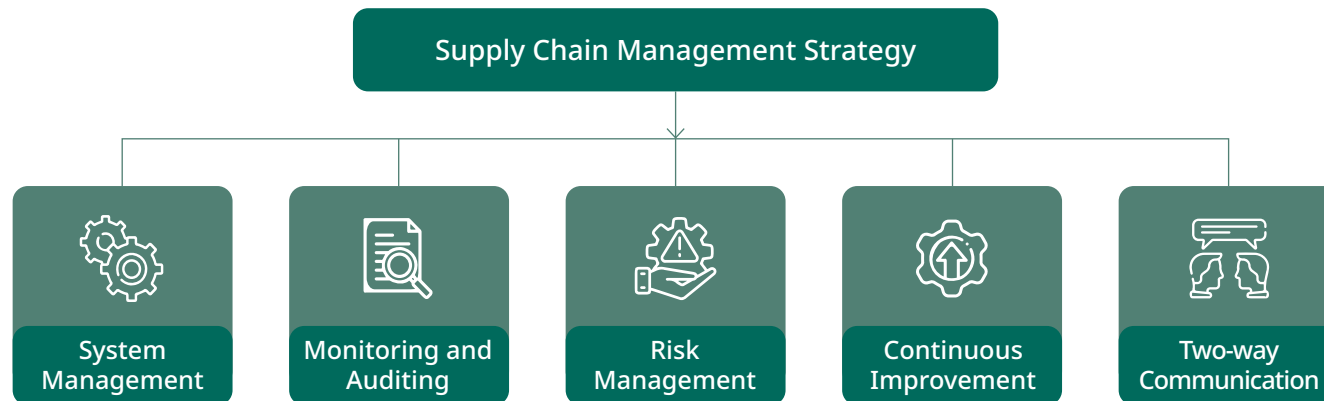


Supplier strategy

ELAN is committed to fostering a mutually beneficial development cycle between IC design and supply chain manufacturing by establishing long-term, collaborative relationships with suppliers based on co-existence and shared prosperity. In addition to ensuring delivery timelines and competitive pricing, ELAN works closely with its suppliers to produce high-quality products while also promoting sustainable supply chain development and environmental stewardship. The Company adopts a five-pronged strategy to advance supply chain responsibility and sustainable practices:

1. System Management – Implementation of ISO 9001, ISO 14001, and ISO 45001 standards.
2. Audit and Monitoring – Annual supplier audits to ensure ongoing compliance and quality.
3. Risk Management – Identification and mitigation of supply chain risks.
4. Continuous Improvement – Regular monthly outsourcing meetings to review supplier performance, address audit findings, and support supplier development and improvement.
5. Two-Way Communication – Through supplier conferences and stakeholder questionnaires.

Through these practical and actionable approaches, ELAN actively promotes the implementation of social responsibility across its supply chain and remains firmly committed to sustainable development.



Supplier quality audit

ELAN

A total of 26 suppliers were audited at the Hsinchu facility, and the overall results of the audit items met the standards for both qualified supplier audits' quality and Green system scores (above 80 points). In addition to conducting on-site audits to ensure the stability of the supply chain's products, the qualified supplier management in Hsinchu also encompasses the management and evaluation of environmentally-friendly products, with the primary goal of complying with international regulations and meeting ELAN customer requirements.

At the Zhonghe facility, a total of 14 key suppliers were audited, and all of them met the supplier standards. Through regular audits and quality improvement meetings, we continuously monitor and guide suppliers for ongoing improvements to ensure the stability of both supplier and product quality.

Note: Key suppliers refer to those that account for a significant portion of procurement spending and are critical to quality aspects such as appearance and functionality (including outsourced manufacturers).

Avionic

All Avionic suppliers had no return records and fully met the Company's supplier standards. According to audit results, all 7 suppliers were rated as Grade A (scoring above 90 points), and no suppliers were classified as non-compliant.

PiXORD

PiXORD audited a total of 52 suppliers, and all of them met the supplier standards. The evaluation results indicated that no suppliers were classified as non-compliant.

Note: ELAN H.K. is a shipping and customer service center therefore, no supplier-related audits were conducted.

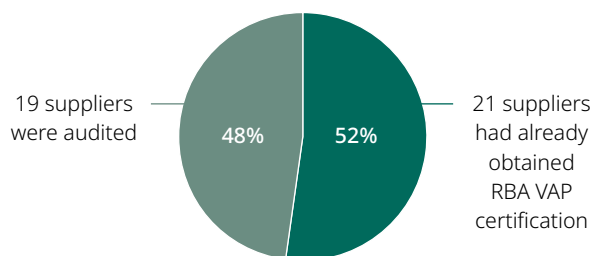
Supplier RBA audit

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[408-1](#)
[409-1](#)

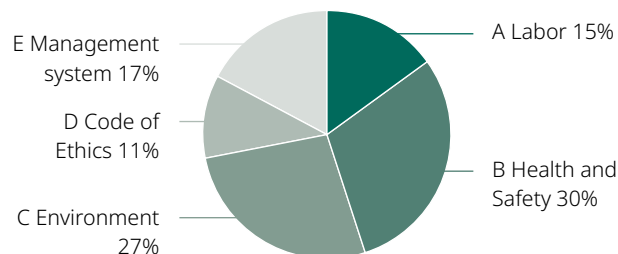
ELAN

Since 2018, ELAN has begun to conduct RBA audits on key suppliers to enhance the social and environmental responsibilities of the supply chain. In 2024, 40 suppliers were audited on-site and online based on the latest RBA 8.0. For non-conformities identified, suppliers were required to implement corrective actions within a specified timeframe. ELAN continues to urge suppliers to uphold their social responsibility. A summary of the relevant audit findings is as follows:

Key Supplier RBA Audit



Non-Conformity Distribution



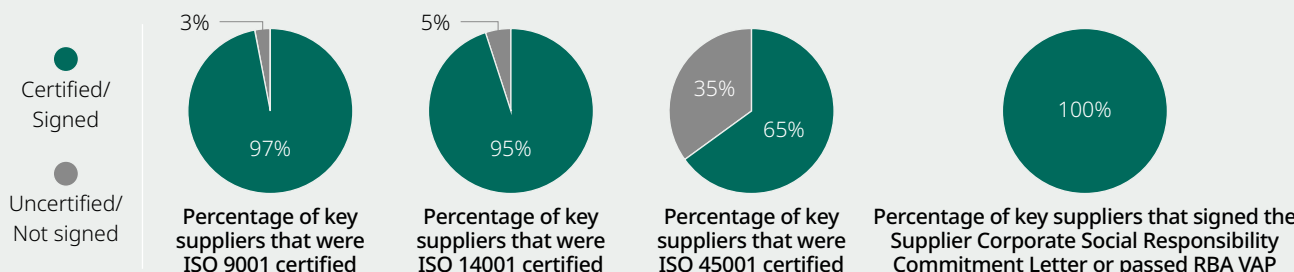
Note 1: Through audits, it was confirmed that key suppliers (1) do not employ child labor, as verified by checking identification documents upon hiring, and (2) have established labor unions or hold labor-management meetings to conduct collective bargaining.

Note 2: "Key suppliers" refer to those whose cumulative transaction amounts rank within the top 80% of all production suppliers based on procurement value, as well as on-site service providers for cleaning and security at the Zhonghe facility. A total of 40 suppliers fall under this definition.

Key supplier RBA assessment

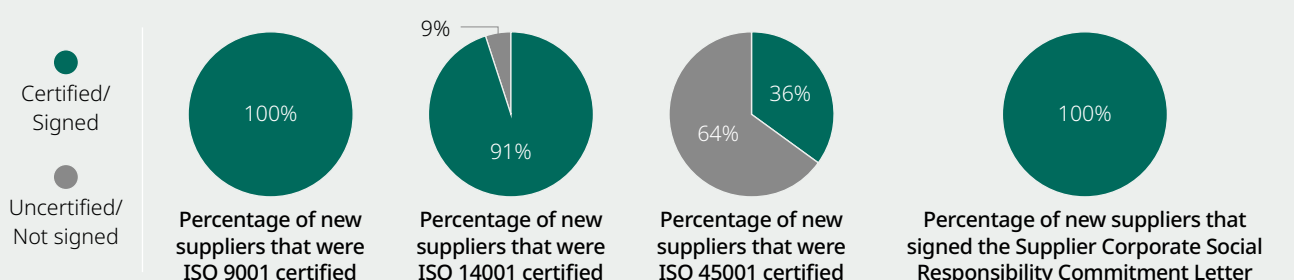
[308-1](#)
[409-1](#)
[414-1](#)

In 2024, 100% of ELAN key suppliers signed the Corporate Social Responsibility Commitment Letter. Within them, 97% had obtained the ISO 9001 (Quality Management System) certification, 95% had obtained the ISO 14001 (Environmental Management System) certification, and 65% had obtained the ISO 45001 (Occupational Health and Safety Management System) certification.



New supplier RBA assessment

In 2024, 100% of new suppliers signed the Corporate Social Responsibility Commitment Letter and obtained ISO 9001 (Quality Management System) certification. 91% of them had also obtained ISO 14001 (Environmental Management System) certification, and 36% had obtained ISO 45001 (Occupational Health and Safety Management System) certification.



Avisonic and PiXORD

RBA-related procedures were not implemented as there are no manufacturing facilities.

5.2 Responsible minerals management

TC-SC-440a.1

Sustainability 6

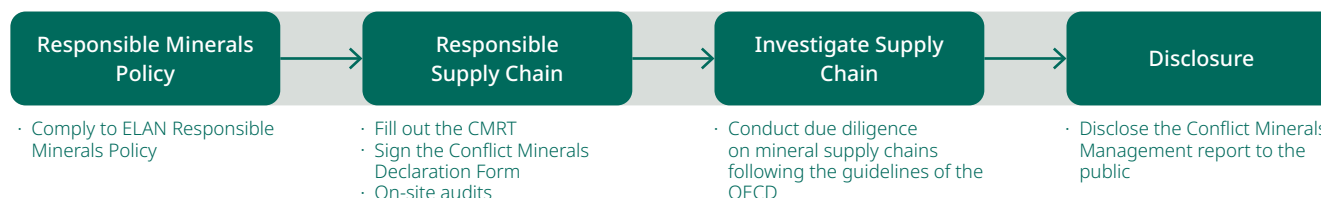
ELAN

According to the Responsible Minerals Initiative (RMI), the Democratic Republic of the Congo and the insurgent organizations in its neighboring countries have been extracting Conflict Minerals, i.e. tantalum (Ta), tin (Sn), tungsten (W), and gold (Au), through forced and child labors in order to trade for weapons and unsettle the region. Not to use conflict minerals is ELAN's social responsibility and commitment to protect human rights and the environment. To avoid labor oppression, coercion, child labor, and ecological damage caused by illegal operations, we formulated the Responsible Minerals Policy and require all of our suppliers to source the minerals only from qualified smelters. In the future, the management of critical raw material risk will extend beyond internationally regulations. This will encompass supplier diversification, material reserves, development or procurement of selective or alternative materials, investment in recycling technologies for critical materials to mitigate risks arising from critical raw material shortages or insufficiencies.

Responsible Minerals Policy

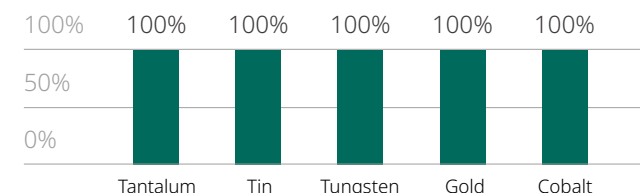
- Suppliers shall commit to not using conflict metals (Ta, Sn, W, Au) extracted from the Democratic Republic of Congo and its neighboring countries. Evaluate supply chain and risks to build a responsible supply chain.
- Suppliers shall examine all metals used in the production process and investigate their sources to ensure no conflict minerals are used.
- Direct suppliers shall purchase conflict-free minerals only from smelters that were verified by independent third-parties.
- Direct suppliers shall be in accordance with IPC1755 - CMRT when examining the usage of conflict minerals.
- Audit suppliers based on Company's expectations and Smelter Reference Lists provided by the Responsible Minerals Initiative. Take corrective measures if there are non-compliance items. ELAN is committing to eliminating conflict minerals in all products and supply chains.

Responsible Minerals Management Process



According to the EU Critical Raw Materials, one-third of the world's cobalt mines are located in the Democratic Republic of the Congo and neighboring countries, which also face risks of illegal operations. To address the management of critical raw materials in the supply chain, ELAN has increased investigations into cobalt mining and included cobalt in its responsible mineral procurement management. ELAN conducts periodic due diligence on responsible minerals and independently requires suppliers to disclose the sources of their cobalt. For critical raw materials such as tantalum, tungsten, cobalt, and germanium, suppliers are required to periodically fill out reports on the status of their responsible mineral disclosures and undertake related risk management activities.

100% of ELAN's suppliers across all product lines submitted RMI due diligence reports



Visit the RMI official site at <https://www.responsiblemineralsinitiative.org/> for more information on responsible minerals.

Avisonic

Responsible Minerals Policy

In alignment with its commitment to human rights and environmental protection, Avisonic pledges not to use conflict minerals sourced from the Democratic Republic of the Congo (DRC) and its neighboring countries. This policy is intended to avoid issues such as forced labor, armed coercion, child labor exploitation, and ecological damage associated with illegal mining activities. In compliance with customer requirements, direct suppliers are required to assess their use of conflict minerals using the CMRT, referencing the list of conformant smelters published on the official RMI website. If any discrepancies are identified, corrective action plans must be initiated. Avisonic is dedicated to actively eliminating conflict minerals from its products and supply chains. Looking forward, the Company will expand its risk management efforts related to critical raw materials—beyond those currently regulated by international frameworks. Strategies will include supplier diversification, material stockpiling, the use or development of alternative or substitutable materials, and investment in technologies for recycling critical materials. These efforts aim to reduce the risks associated with material shortages or supply disruptions.

PiXORD

As customers have not requested responsible minerals reports, relevant due diligence with suppliers has not yet been conducted.

6

Friendly Workplace

- 6.1 Commitment to corporate social responsibility
- 6.2 A diverse and inclusive talent structure
- 6.3 Talent attraction and retention
- 6.4 Occupational health and safety policy
- 6.5 Health management
- 6.6 Emphasize on workplace safety, zero significant occupational accidents for 30 years
- 6.7 Talent training and development
- 6.8 Human rights and employee communication



	Female employee ratio	Number of employees participated in annual health check	Employee health check participation rate	Number of occupational accidents
2022	38%	1,015	99%	0
2023	39%	936	99.6%	1
2024	41%	988	99%	0

6.1 Commitment to corporate social responsibility

[2-23](#)
[308-1](#)
[409-1](#)
[414-1](#)

In accordance with internationally recognized standards, the Company is committed to upholding the human rights of its own employees as well as those of its suppliers, contractors, and agents. This includes the prohibition of child labor and forced or compulsory labor, and the establishment of effective grievance mechanisms. The Company actively promotes the development of a friendly, diverse, and inclusive working environment.

1. Continuously putting in care and educating employees are essential in identifying and solving workplace safety.
2. Environmental responsibility is necessary while producing world-class products. We need to minimize the adverse impact on the environment and natural resources, and protect public's health and safety at the same time.
3. To comply with the social responsibility requirements and continue to achieve an increase in the market share, we and our suppliers, outsource manufacturers, and agents must adhere to the highest ethical standards of requirements.
4. Committed to upholding the fundamental rights of employees and fostering an environment of comprehensive human rights protection. We recognize and support internationally recognized fundamental human rights such as the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, and the International Labour Organization conventions. We also demand that our partner suppliers eliminate any actions that infringe upon or violate human rights in their operational activities.

As a responsible corporate citizen, we declare our support for the Responsible Business Alliance (RBA) Code of Conduct and proactively implement the management system requirements outlined in the Code to ensure compliance with its standards.

6.2 A diverse and inclusive talent structure

[202-2](#)

ELAN and Avisonic are both IC design companies, and PiXORD is a system integrator. They are all based in Hsinchu, where the core R&D personnel are located. On the other hand, ELAN H. K. is an import-export trading company located in Hong Kong. 100% of our senior managers were hired locally.

	ELAN	Avisonic	PiXORD	ELAN H.K.
Senior Management	Director level and above	Assistant Manager level and above	Vice President level and above	Manager level and above

Note: Local residents refer to individuals residing in the locations where the Group operates. ELAN, Avisonic, PiXORD are in Taiwan; ELAN H.K. is in Hong Kong.



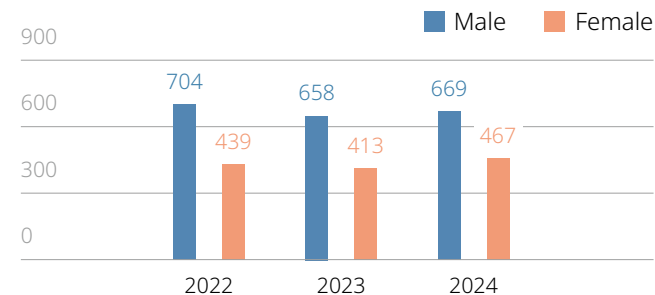
ELAN Group employee breakdown 2-7

Company	Employment contract	Permanent employees		Temporary employees		Region		Subtotal
	Employment type	Full-time	Part-time	Full-time	Part-time	Taiwan	Hong Kong	
ELAN	▼	622	0	12	0	634	0	1,079
	▲	440	0	5	0	445	0	
Avisonic	▼	20	0	0	0	20	0	28
	▲	8	0	0	0	8	0	
PiXORD	▼	12	0	0	0	12	0	24
	▲	12	0	0	0	12	0	
ELAN H.K.	▼	3	0	0	0	0	3	5
	▲	2	0	0	0	0	2	
Total		1,119	0	17	0	1,131	5	1,136

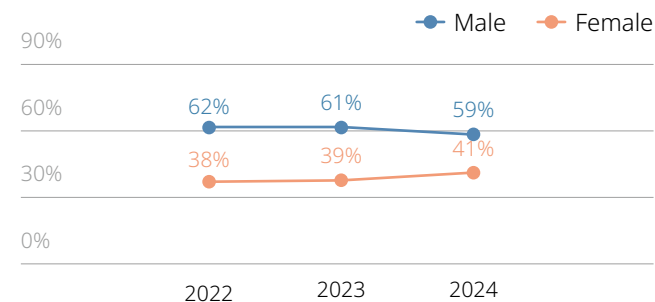
Note 1: The reference date for headcount calculation is December 31.

Note 2: There are no non-guaranteed hours employees within the Group.

Number of full-time employees by gender



Percentage of full-time employees by gender



Diversity of governance bodies and employees 405-1

Gender	Category	Age group	ELAN	Avisonic	PiXORD	ELAN H.K.
	Senior management	Under 30	0	0	0	0
		30-50	0	1	0	0
		Over 50	20	2	0	0
	Indirect labor	Under 30	97	1	1	0
		30-50	413	14	5	3
		Over 50	97	2	6	0
	Direct labor	Under 30	0	0	0	0
		30-50	5	0	0	0
		Over 50	2	0	0	0
	Senior management	Under 30	0	0	0	0
		30-50	0	0	0	0
		Over 50	5	0	0	1
	Indirect labor	Under 30	25	2	3	0
		30-50	141	5	5	1
		Over 50	37	1	4	0
	Direct labor	Under 30	130	0	0	0
		30-50	93	0	0	0
		Over 50	14	0	0	0
Total number of full-time employees			1,079	28	24	5

Note 1: Indirect labor: Below director level, including middle management and those indirectly involved in production process, such as procurement, sales, quality control, R&D, production management, and administrative staff.

Note 2: Direct labor: Those directly involved in product production, operating machinery, and assembling products, such as technicians.

In 2024, ELAN fulfilled its legal obligation by employing 10 individuals with disabilities in full compliance with regulatory requirements. As the number of employees at Avisonic and PIXORD did not meet the threshold required for mandatory hiring, none were employed. ELAN H.K. is not subject to labor regulations in Taiwan.

In alignment with the Responsible Business Alliance (RBA) Code of Conduct, ELAN supports international migrant workers and implements a zero-fee recruitment policy. The Company treats all current employees, temporary personnel, and interns with dignity and respect. Upholding the principles of merit-based recruitment and job-matching according to individual capabilities, all applicants—regardless of gender, race, age, religion, nationality, or political affiliation—are treated equally through a fair and transparent selection process. In accordance with relevant government regulations, the Company protects applicants' personal data and prevents employment discrimination. To mitigate risks associated with the employment of foreign nationals, ELAN conducts thorough assessments and complies with all legal requirements concerning work permits, visas, and related documentation. A comprehensive management platform has been established to ensure that all procedures adhere to applicable labor laws and regulations for both the Company and its employees.

Nevertheless, in order to allow migrant workers to work with peace of mind and adapt to the working environment as soon as possible, we provide comfortable dormitories with dorm supervisors who are proficient in English, Indonesian and Vietnamese to care for and assist them in daily lives. Activities are also organized from time to time to make them feel a sense of belonging. As for the expatriates, in addition to arranging safe and comfortable accommodations and local life coaching programs, we also take the initiative to care for employees' adaptation to the environment every week and provide timely assistance. Furthermore, both local and migrant workers are required to comply with regulations on information security, trade secrets, intellectual property rights, etc. Awareness campaigns are conducted regularly to remind all employees to pay attention to and comply with relevant regulations to avoid risks.

Last but not least, for employees requiring work visas, ELAN recognizes the potential risks associated with expired documents such as passports, residency permits, periodic health checks, or legally required filings (e.g., employment or renewal permits), which may lead to the loss of employment quotas or fines for the Company. To mitigate these risks, the Company requires relevant personal information and document expiration dates to be entered into the migrant worker management system before the employee's start date. The system proactively tracks and categorizes deadlines using green, yellow, and red status indicators and sends timely reminders to initiate required procedures before expiration.

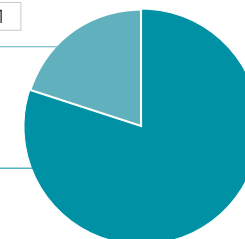
Percentage of employees requiring work visa

TC-SC-330a.1

Total
1079 employees

Work visa required: 212 employees, 20%

No work visa required: 867 employees, 80%



Note: There were no employees requiring work visa in Avisonic, PIXORD, and ELAN H.K.

6.3 Talent attraction and retention Custom 6

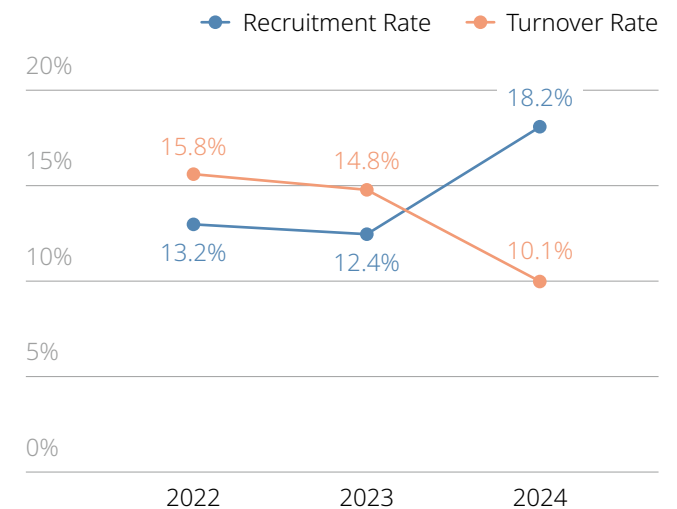
Understanding that employees are the Group's greatest assets, ELAN actively attracts top talent through diverse recruitment channels, including its official career website, online job platforms, campus recruitment events, and academic-industry collaboration programs designed to cultivate and recruit high-potential individuals. The Company also strongly encourages employee referrals as a means of identifying outstanding candidates. The Company also places great emphasis on new hire onboarding and retention. To improve retention rates, ELAN has implemented a three-month check-in interview mechanism for new employees, along with structured exit interviews for departing staff. These efforts help foster a supportive work environment while continuing to attract and retain exceptional talent.

6.3.1 New employee hires and employee turnover 401-1

	Gender	Age group	Taiwan			Hong Kong	Total
			ELAN	Avionic	PIXORD	ELAN H.K.	
New employee	▼	Under 30	39	1	1	0	41
		30 - 50	27	1	1	0	29
		Over 50	0	0	0	0	0
	▲	Under 30	83	0	0	0	83
		30 - 50	54	0	0	0	54
		Over 50	0	0	0	0	0
	Recruitment rate (Male)		10.4%	10.0%	16.7%	0.0%	10.5%
	Recruitment rate (Female)		30.8%	0.0%	0.0%	0.0%	29.3%
	Recruitment rate (Under 30)		48.4%	33.3%	25.0%	0.0%	47.9%
	Recruitment rate (30-50)		12.4%	5.0%	10.0%	0.0%	12.1%
Employee turnover	Recruitment rate (Over 50)		0.0%	0.0%	0.0%	0.0%	0.0%
	Total recruitment rate		18.8%	7.1%	8.3%	0.0%	18.2%
	▼	Under 30	31	2	0	0	33
		30 - 50	20	1	2	0	23
		Over 50	5	0	1	0	6
	▲	Under 30	47	0	0	0	47
		30 - 50	3	0	0	0	3
		Over 50	3	0	0	0	3
	Turnover rate (Male)		8.8%	15.0%	25.0%	0.0%	9.3%
	Turnover rate (Female)		11.9%	0.0%	0.0%	0.0%	11.3%
	Turnover rate (Under 30)		31.0%	66.7%	0.0%	0.0%	30.9%
	Turnover rate (30 - 50)		3.5%	5.0%	20.0%	0.0%	3.8%
	Turnover rate (Over 50)		4.6%	0.0%	10.0%	0.0%	4.7%
	Total turnover rate		10.1%	10.7%	12.5%	0.0%	10.1%

The majority of positions within the Group are R&D, with 100% of such personnel directly employed by each respective company. R&D employees account for 54% of the total workforce at ELAN, 64% at Avionic, and 50% at PIXORD. During periods of increased R&D projects at ELAN and Avionic, additional contract workers may be hired to assist with tasks such as testing, soldering, experimental simulation, and product inspection. On average, the proportion of such workers remains around 1% annually. As for ELAN Hong Kong, there were no staffing changes during the reporting year.

The Group's Employee Recruitment & Turnover Rate



Note 1: Recruitment rate and turnover rate are calculated as a percentage of the respective employee category (denominator: total number of employees in that category).

Note 2: All employees hired by the Group are above the age of 16. Identification documents are verified during the onboarding process to prevent the risk of child labor. 408-1

6.3.2 Employee compensation and benefits Custom 6

ELAN is committed to offering competitive compensation and benefits to attract and retain top talent. Salaries are determined based on factors such as educational background, work experience, job responsibilities, and industry benchmarks. Annual adjustments are made in consideration of market conditions, individual performance evaluations, and job classifications. Additional bonuses are granted based on a combination of factors, including the Company's operational performance, individual performance evaluations, and employee contributions. All compensation practices are free from discrimination based on gender, race, age, or other personal characteristics. The Company has also established a comprehensive system for salary adjustments and promotions to continually attract, retain, and motivate talent, maximizing the effectiveness of its total rewards strategy.

The average and median salaries of full-time employees not holding managerial positions, as well as the year-over-year changes in these figures, were reported by ELAN by the end of April. The relevant information was publicly disclosed on the Market Observation Post System (MOPS) at <https://mopsov.twse.com.tw/mops/web/t100sb15>

Ratio of standard entry-level wage by gender compared to local minimum wage at key operational sites 202-1

Company	Job Category	Male	Female
ELAN	The ratio of standard entry-level worker (i.e., operator) wage to local minimum wage	1.04	1.00
Avionic	The ratio of standard entry-level worker wage to local minimum wage	NA	1.58
PIXORD		1.25	1.11
ELAN H.K.		1.75	1.75

Note 1: Standard wage = basic pay + meal allowance + work allowance. No gender differences.

Note 2: Local refers to where the Group operates (i.e., Taiwan).

Note 3: The standard monthly minimum wage for 2024 is NT\$27,470, and 40HKD/hour in Hong Kong.

Note 4: Entry-level employee wage is based on data as of the end of December of the reporting year.

Note 5: There are no male entry-level employees at Avionic.

Note 6: Ratios are rounded to the nearest decimal place using standard rounding rules.

Compensation and benefits provided to full-time employees

The Group set up the Employee Welfare Committee in accordance with the law, composed of representatives designated by each department. The committee is responsible for coordinating, planning, and implementing the company's welfare measures. The Committee's website is also set up, providing updates on the latest activities, discounts from partner vendors, and information about employee group travel. ELAN is a big family which the company cares about the working environment and health of its employees and takes good care of them as a group in every possible way.

ELAN 401-2 403-3 403-6

- Labor insurance, health insurance, group insurance
- Year-end bonus, holiday bonuses, performance bonus
- Annual bonus, stock ownership
- Wedding gifts, condolence money
- R&D Patent Incentive Bonus
- Annual employee health checkups (family members are welcome to participate at their own expense)
- Flexible working hours
- Paid leave is granted in accordance with the Labor Standards Act. Employees may also request for advanced annual leave
- Provide flexible leaves that surpass the requirements of the Labor Standards Act
- Encourage colleagues to participate in social welfare activities and offer public service leave
- Employee Assistance Program (EAP)
- Emergency or disaster relief program for employees and their family members
- Employee internal/external training compensation
- Domestic/international travel allowance
- Annual Christmas party, Family Day, year-end banquet, and many other company-wide activities
- Discounts for gift certificates, clubs, etc.

Avionic 401-2

- Labor insurance, health insurance, group insurance
- Year-end bonus, holiday bonuses
- Stock ownership
- Wedding gifts, condolence money
- Patent bonus
- Biennial employee health checkups (family members are welcome to participate at their own expense)
- Flexible working hours
- Paid leave is granted in accordance with the Labor Standards Act. Employees may also request for advanced annual leave.
- Provide flexible leaves that surpass the requirements of the Labor Standards Act
- Employee internal/external training compensation

PIXORD 401-2

- Labor insurance, health insurance, group insurance
- Year-end bonus, holiday bonuses
- Wedding gifts, condolence money
- Biennial employee health checkups (family members are welcome to participate at their own expense)
- Flexible working hours
- Paid leave is granted in accordance with the Labor Standards Act
- Year-end banquet, birthday parties

ELAN Hong Kong 401-2

- Labor insurance, health insurance, group insurance
- Year-end bonus
- Wedding gifts
- Flexible working hours
- Paid leave is granted in accordance with the Labor Standards Act. Employees may also request for advanced annual leave.
- Domestic/international travel grants
- Year-end banquet, regular gatherings

6.3.3 Friendly and inclusive workplace

Maternal and Childcare

ELAN provides a comfortable and relaxing environment for breastfeeding mothers, offers designated parking spaces for pregnant female employees to ensure more convenient parking as well as gender-equal maternity leave, paternity leave, and prenatal check-up leave.

Parental leave 401-3

ELAN is committed to creating a work environment that fosters friendly relationships, high productivity, while protecting employees' work rights. This commitment also serves as a testament to the company's proactive efforts to retain talent. In order for employees to achieve work-life balance, the Company formulated the Regulation for Unpaid Parental Leave for Raising Children in accordance with the laws. Over the years, numbers of employees applied for unpaid parental leave. The number of reinstated employees after parental leaves by gender is as follows.

Item	ELAN		Avisonic		PiXORD	
A. Total number of employees that were entitled to parental leave in 2024	43	11	0	1	1	2
B. Total number of employees that took parental leave in 2024	0	5	0	0	0	2
C. Total number of employees expected to return to work after parental leave ended in 2024	0	4	0	0	0	2
D. Total number of employees that did returned to work after parental leave ended in 2024	0	3	0	0	0	2
E. Total number of employees that did returned to work after parental leave ended in 2023	1	1	0	0	0	0
F. Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work in 2023	1	1	0	0	0	0
Return to work rate (D/C)	NA	75%	NA	NA	NA	100%
Retention rate (F/E)	100%	100%	NA	NA	NA	NA

Remarks:

A. Employees that were entitled to parental leave in the period of 1 January 2024 to 31 December 2024 were those with a dependent child under 3 years old. (Sources: Group insurance registration of ELAN, Metanoia, and Avisonic; and the maternity benefit applications at PiXORD in the past three years.)

B. Total number of employees that took parental leave in the period of 1 January 2024 to 31 December 2024.

C. Total number of employees expected to return to work after parental leave ended in the period of 1 January 2024 to 31 December 2024.

D. Total number of employees that did returned to work after parental leave ended in the period of 1 January 2024 to 31 December 2024.

E. Total number of employees that did returned to work after parental leave ended in the period of 1 January 2023 to 31 December 2023.

F. Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work in the period of 1 January 2023 to 31 December 2023.

Note 1: The Employment Ordinance of Hong Kong stated that an employee is eligible for 14 weeks' paid maternity leaves if she has been employed under a continuous contract for no less than 40 weeks and has given a notice of pregnancy. No employees were eligible to apply for the past 2 years.

Travel allowance

ELAN encourages employees to build camaraderie and enjoy time with their families outside of work. The company offers fixed-amount subsidies for employee travel organized by the Welfare Committee or self-organized groups, providing travel subsidies for employees. In 2024, the participation in travel subsidies was very high, with 87.6% of employees taking advantage of this benefit.

Diverse club activities

ELAN values both physical and mental health of its employees, encouraging them to participate in recreational activities. The company has established a subsidy program for employee clubs, and in 2024, there were 10 active clubs. Besides regular gatherings, club members often represent the company in external competitions, frequently achieving excellent results.

Diverse meal choices

Hsinchu headquarters offers employees with diverse meal choices. The company cafeteria offers breakfast, lunch (vegetarian, none-vegetarian, noodles), organic meals, fruit, salad, etc. Specials are served on Fridays to provide more choices.

- Checking of food ingredients: Chefs are responsible for the safety checks of all food ingredients, make market purchases in person, purchase the freshest fruit and vegetables daily, and make delicious buffet meal for the employee.
- In order for employees to eat safe, all melamine utensils were replaced by corning glass ones.
- To take employees' opinions into account, the Public Resources Department conducts a Meal Satisfaction Survey each year. The survey results are used as references to replace or discuss improvement plans with the meal providers.
- Provide free snacks and drinks to the employees after 9 p.m. on weekdays, as company's compassion towards hardworking staff.
- The company hired a professional nurse to provide on-site health counseling and medical assistance to employees.

6.4 Occupational health and safety policy

Management of material topics - Inclusive workplace

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TC-SC-320a.1

TC-SC-320a.2

Explanation

Employees are the Company's most valuable asset, and their well-being is essential to sustainable business development. True well-being begins with physical and mental health. By extending benefits to employees' family members, the Company ensures that employees can work with peace of mind and without concern for their loved ones.

Policies or commitments

Comply with laws and regulations | Continue to improve | Reduce risk | Implement Consultation | Employee participation

Impacts

- Workplace hazard incidents can undermine the trust of employees and the general public in the Company.
- Employee injuries or illnesses may affect attendance and lead to increased personnel-related costs.

Management approach

- Hold occupational health and safety (OHS) committee meetings quarterly.
- Conduct annual risk assessments, with corresponding improvement plans formulated, implement internal audits and management review meetings, and seek for third-party verification.
- Established an internal audit mechanism aligned with the Responsible Business Alliance (RBA) Code of Conduct, along with the formation of an audit team to ensure ELAN's ongoing compliance.

- Conduct annual employee satisfaction survey and address identified issues accordingly.
- Carry out regular inspections and maintenance for workplace environmental conditions, fire safety equipment, hazardous machinery, drinking water quality, and facility sanitation.
- One annual health checkup is provided for all employees.
- A staff recreation center is available to provide employees with a space to relax and relieve stress after work.
- A nursing room is provided, along with comfortable seating, relevant information, and designated parking spaces for pregnant employees.

Medium and long-term plan

ELAN leads by example in fully complying with all aspects of the RBA Code of Conduct, including ethical standards, labor and

human rights, environmental protection, occupational health and safety, and management systems. The Company is committed to fulfilling its corporate social responsibility, strengthening risk management, and ensuring the continuity of its operations.

Evaluation mechanism

- No major occupational safety incidents occurred.
- No fines were imposed due to violations of occupational health and safety regulations.
- 99% of the employees participated in the annual health checkup.
- The rate of abnormal Body Mass Index (BMI) among employees decreased to 45%.
- Health promotion programs were organized, with an employee participation rate of 92%.
- Obtained ISO 45001 certification.

Implementation in 2024

- No major occupational safety incidents occurred.
- No fines were imposed due to violations of occupational health and safety regulations.
- 99% of the employees participated in the annual health checkup.
- The rate of abnormal Body Mass Index (BMI) among employees decreased to 46.7%.
- Health promotion programs were organized, with an employee participation rate of 92%.
- Obtained ISO 45001 certification.

Goals and targets for 2025

- No major occupational safety incidents occurs.
- No fines imposed due to violations of occupational health and safety regulations.
- Employee participation rate in the annual health checkup: $\geq 99\%$
- The rate of abnormal Body Mass Index (BMI) among employees decreases to 45%.
- Organize health promotion programs, with an employee participation rate of $\geq 93\%$.
- Complete the ISO 45001 internal/external audits.
- Improvement plans are developed based on the results of risk assessments.

Policies **Comply with laws and regulations | Continue to improve | Reduce risk | Implement Consultation | Employee participation**

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Under the oversight of senior management, ELAN was ISO 45001 (Occupational health and safety management system) certified in May 2019. The company regularly reviews and manages regulations related to occupational health and safety. To ensure the quality of employee work and safeguard their physical and mental well-being while effectively implementing the five major policies, the company updates regulations and safety-related information annually. Risk assessments and environmental measurements are conducted for various operational areas, establishing safety and health objectives. Progressive improvements are implemented, covering 100% of company employees and contractor personnel (contractor personnel refer to non-employees providing catering, security, and cleaning services within the Group's Hsinchu/Zhonghe facilities; 25 personnel in total - 7 males, 18 females). Even though ELAN has been categorized in the electronic component manufacturing industry, it is more of an IC design house, with various laboratories used as product testing. In June 2016, the company passed the Type II business review, and was deemed as a business with medium hazards. Product design and production lines are set up at ELAN Zhonghe. The production equipment is provided with all kinds of safety measures and emergency stop buttons. Regular patrols, inspections, and tests are carried out to ensure the functionalities of all equipment are normal. The rest of the facility is office space. Annual internal and external audits cover 100% of company employees and contractor personnel. In addition, the Company has established a whistleblower mechanism to ensure that employees can report violations of occupational safety regulations without fear of retaliation or disciplinary action.

Employee occupational risk assessment and occupational health care [403-2](#) [403-3](#)

To effectively manage employee health and safety, the company conducts annual health check-ups for all employees. At the Zhonghe facility, 19 employees operated with the XRF ionizing radiation equipment. Although their exposure dose was not significant, special health checkups were still arranged, and the results showed no abnormalities. The rest of the employees mainly work in office environments. A more notable health issue has been problems related to BMI exceeding the standard. The company organized regular weight loss activities as motivation for employees to lose weight. In 2024, 963 employees participated in health risk assessments, focusing on preventing abnormal work load and evaluating protection from ergonomic hazards. For those identified for follow-up interviews based on the assessment results, on-site physician evaluations will be completed by the end of 2025. Adjustments to work tasks will be made based on the physician's evaluation results.

ELAN has started planning the Maternal Health Protection Policy since the end of 2016. The policy includes conducting risk assessment of the working environment for maternal labor, arranging medical consultations with on-site doctors, and providing information on maternal health protection and benefits such as authorized parking spaces for pregnant women, comfortable seats, books on parenting, and information on confinement meals, etc. In 2024, 1 employee applied for the benefits. For the storage of employee personal health checkup data, the company has designated the on-site nurse to collect and store these records in the medical office, ensuring that the files are securely locked to prevent data leakage. When the doctor visits the site, one-on-one consultations are conducted to avoid any issues of personal privacy breaches.

Avisonic and PiXORD

In accordance with Occupational Safety and Health Act, indoor workplace inspections are conducted every six months. The Company also provides regular occupational safety and health training for current employees, as well as onboarding safety training for new hires. In addition, periodic environmental disinfection is carried out. To prevent employee exposure to health hazards, comprehensive health checkups are provided every two years. Employees are also given self-assessment questionnaires to evaluate their physical condition, and follow-up consultations with physicians are arranged as needed.

Operational environment	Sickness	Prevention measure
Office area	Overwork	1. Conduct the annual health checkup 2. Keep track on employees with three "highs" (hypertension, high blood sugar level, high cholesterol level) 3. Provide sports and fitness equipment for stress relief
	Eyestrain, neck and shoulder pain	1. Stretch, take rest 2. Proper sitting posture
Factory facility	Electric shock, falls	1. Take professional trainings 2. Wear protective gears
Warehouse, manufacturing department	Physical hazards (handling process) Repetitive tasks (testing process)	1. Operate all machines correctly 2. Reduce working time
Laboratory	General Inhalation hazards (lead-free soldering)	1. Evaluate the operating environments regularly 2. Set up partial exhaust equipment 3. Wear masks
	Chemical Contacting hazards	1. Conduct staff trainings from time to time 2. Conduct operating environment tests regularly 3. Wear laboratory coats and surgical masks

6.5 Health management

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TC-SC-320a.1

	Item	2022	2023	2024
Health checkup	Annual health checkup	1,015 participants 99% participation rate	936 participants 99.6% participation rate	988 participants 99% participation rate
Health Consultation	Monthly on-site doctor consulting service	103 participants	129 participants	123 participants
Health Education	Mental health, weight control seminars	4 sessions 179 participants	4 sessions 306 participants	5 sessions 393 participants
	Setup of a health station	24 new topics added	24 new topics added	24 new topics added
Health Promotion	Blood drive events	220 participants 346 bags	124 participants 129 bags	82 participants 130 bags
	Gynecologic cancer screening	Temporarily suspended due to COVID-19 pandemic	Due to scheduling conflicts with the local health clinic, the program has been temporarily suspended	Pap smear tests: 22 participants Colorectal cancer screenings: 18 participants
	Weight loss competition	331 people signed-up 229 participated Total weight loss: 845.3 kg	332 people signed-up 278 participated Total weight loss: 654.1 kg	321 people signed-up 257 participated Total weight loss: 490.4 kg
Good Pregnancy Thoughtful Project	Parking space reserved for pregnant women	2 applied	0 applied	1 applied
	High-back chair	1 applied	0 applied	1 applied
Group insurance	Extend to include family members and children	Spouses: 445 Children: 639 A total of 1,084 family dependents	Spouses: 437 Children: 624 A total of 1,061 family dependents	437 spouses 624 children A total of 1,068 family dependents



Weight loss competition

Participating facilities

ELAN Hsinchu, Zhonghe, Tainan, and Kaohsiung

Target

Group-wide BMI abnormality rate < 47%

Achievement status

In 2024, the abnormal Body Mass Index (BMI) rate from health checkups was 46.7%. Although the overall target was not met, the proportion of employees classified as moderately and severely obese each decreased by 1%, indicating partial improvement. On average, employees lost 1.9 kg, with a participation rate of 32% and a completion rate of 80%. To further promote regular physical activity, a weekly slow jogging program was introduced in 2024 to encourage the development of consistent exercise habits.

Future directions

- Based on the analysis of abnormal health indicators from the 2024 health checkups, weight management remains the primary focus. In 2025, the Company will continue to implement health promotion initiatives such as weight control programs, ergonomics prevention seminars, immunity-boosting nutrition workshops, essential oil wellness sessions, cervical cancer screenings for women, and vaccination services.
- In response to the current rate of abnormal BMI, for 2025, the Company has set a target to reduce the overall abnormal BMI rate across all facilities to below 45%.

6.6 Emphasize on workplace safety, zero significant occupational accidents for 30 years

Prioritizing workplace safety

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[TC-SC-320a.2](#)
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According to the Occupational Safety and Health Administration (OSHA) of the Ministry of Labor, and excluding commuting traffic accidents, only one occupational incident occurred at the Hsinchu facility in 2023. Over the past three years, there have been no occupational injuries, serious injuries, recordable injuries, occupational diseases, or work-related fatalities reported at other sites, subsidiaries, or among on-site contractors. In 2024, the Group recorded a total of 2,143,168 cumulative work hours, with on-site contractors accounting for 60,303.5 hours. There were no recognized occupational diseases, occupational safety fines, or litigation cases related to violations of employee health and safety regulations. Additionally, the Hsinchu facility has accumulated a total of 16,574,375 no-loss-time hours since applying for the "No Occupational Accident Work Hour Certification" in May 2009, as of the end of 2024.

	Number of Occupational Injuries	Type of Incident	Occupational Injury Fatality Rate	Disabling Injury Frequency Rate (FR)	Disabling Injury Severity Rate (SR)
2022	0	-	0	0	0
2023	1	Fall	0	0.9	11.12
2024	0	-	0	0	0

Note: Both FR and SR are calculated per million working hours.

In the event of a workplace incident, the on-site nurse will first assess the condition of the injured employee and arrange medical treatment if necessary. The incident will then be handled in accordance with the internal Accident Investigation Procedure. Meanwhile, personnel from the Occupational Safety Office, together with on-site staff, will conduct an investigation on the environmental conditions and sequence of events. A follow-up meeting involving labor representatives will be held to analyze the root cause and determine appropriate corrective and preventive measures before communicating to relevant personnel. Additionally, the on-site nurse will continue to monitor and care for the injured employee's recovery. Moving forward, such incidents will also be included in the Company's annual risk assessment process.

Workplace environment safety management

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ELAN views its employees as the company's most valuable asset. We attach importance to the employee health and safety, and develop a systematic and standardized health and safety management system and mechanism that creates a people-oriented sustainable operating model. The Industrial Safety Office is set up as the main responsible unit. Every year, we conduct the environmental safety and health risk identification, implement risk management and control, continue to improve the safety and health facilities in the working environment, prevent all possibilities that may endanger the safety and health of our employees, contractors, and related third parties.

In accordance with the Occupational Safety and Health Management Regulations, employee representatives must account for at least one-third of the total number of committee members. In 2024, ELAN held 4 Occupational Safety and Health (OSH) meetings. Among the attendees, at least one-third are employee representatives nominated through the labor-management meetings. These meetings review the execution status of OSH objectives and discuss developments from the previous and upcoming quarters. All meeting decisions are made jointly, and any issues raised by employee representatives or on-site contractor managers are prioritized for resolution. Records of these meetings are reported to the General Manager for review. In addition to complying with the Occupational Safety and Health Act and related regulations, the Company has also developed safety and health plans covering training, drills, guidance, prevention, and risk monitoring.



Public area management

1. Personnel access control and regular security patrol to keep internal and external situations under control.
2. Every six months, a carbon dioxide concentration testing is conducted in the office area to ensure CO2 concentration does not exceed 1,000ppm.
3. Random checks on each office floor every month to ensure public equipment are not damaged.
4. Carry out vector control methods in the pantry every month to prevent vector breeding.
5. Random checks on drinking water every quarter to ensure that Escherichia coli in the water do not exceed the statutory standards.
6. Staircases (freight elevator side) on each floor were installed with safety net to prevent falling.
7. Health-related slogans are pasted at the elevator doors on each floor.

Laboratory management

1. Every day, laboratory administrators are to patrol each lab and make sure all soldering irons and instruments are turned off.
2. Implement operating environment tests (e.g. organic solvent, noise, wind speed of the partial air exhaust equipment, etc.) every half year to ensure a safe and healthy working environment.
3. Random laboratory inspections by the Occupational Safety Office.
4. Educational trainings and assessments for new employees to help understand equipment and follow operating precautions.
5. Continue to improve the safety of workplace environment and equipment, and standardize machine operating procedures.

Training and communication

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1. Arranged safety and health education and training for 203 new employees in 2024.
2. Hold employee safety and health education and training and online courses from time to time.
3. Hold fire drills regularly and educate employees on the exist routes in case of an emergency (including accommodations for foreign employees).
4. The Hsinchu headquarters participates in the Innovation Road Civil Defense Training and joint exercises with other companies once a year.
5. Once a year, Zhonghe facility participates in a fire drill organized by the Management Committee and a typhoon, flood, and earthquake disaster prevention and rescue drill in Zhonghe District, New Taipei City.
6. 28 employees participated in an outsourced special occupational safety and health trainings for specific operators in 2024.
7. In 2024, a total of 28 employees participated in the emergency response drill for fainting incidents with the assistance of first-aid personnel.
8. Declare hazards to all workers entering the factory, meet with the on-site contractors from time to time to make improvements to operation process and environment.
9. Build a health-related book borrowing system.

Achievements

- Participated in the "Disaster-free working hour" cumulative certification event promoted by the Ministry of Labor.
- Hsinchu facility was honored with the 2024 iSports Certification by the Sports Administration, Ministry of Education. (Validity 2024~2027)
- Hsinchu facility was certified with Healthy Workplace Promotion by the National Health Administration in 2024. (Validity 2024~2027)
- Zhonghe facility was certified with Healthy Workplace Promotion by the National Health Administration in 2023. (Validity 2023~2026)
- Promoted the No Smoking campaign, given that smoking not only does harms to the smokers, but also affects the physical health of the people nearby, the indoor areas of the entire company is strictly smoke-free.
- Brought in large domestic medical institutions to conduct annual health checkups for all employees.
- Provided a nursing room for female employees after pregnancy.
- Provided a fitness center with sports equipment as employees' leisure activities after work.
- Encourage employees to engage in team sports and participate in open competitions.
- Cooperating with the Hsinchu City Lifeline Association, an excellent Employee Assistance Program (EAP) is established.
- In compliance with the Labor Standards Act, every employee is covered by labor insurance and health insurance. In addition, the employee, his/her spouse and children are free to join the group insurance, and enjoy term life insurance, accident insurance, hospitalization medical insurance, surgery and cancer medical insurance, and many other comprehensive insurances.
- Zhonghe facility signed a Memorandum of Cooperation on Corporate Disaster Prevention with the Zhonghe District Office of New Taipei City.
- Won the 2024 CHR Health 99 Enterprise Award.
- The construction of the new headquarters in Zhubei AI Park won the 2024 Eco-Friendly Construction Site Award.



6.7 Talent training and development

Management of material topics - Talent training and development

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Explanation

Comprehensive diversity and inclusion training, along with career development programs, contribute to talent retention, support employees' professional growth in alignment with corporate goals, and strengthen the company's capacity for continuous innovation.

Policies or commitments

The company's greatest asset and core competitiveness has always stemmed from its pool of high-caliber talent. The Human Performance Management (HPM) Department formulates clear training policies and objectives based on the company's mission, vision, strategies, and goals, and communicates them to employees through various platforms and opportunities. By aligning with the strategic map, the training policies are closely integrated with the company's business vision, strategic planning, and operational objectives to ensure the achievement of organizational goals.

Impacts

- Talent is the cornerstone of corporate competitiveness. A sound talent development system enhances employees' professional capabilities and strengthens their sense of belonging to ELAN, positively impacting organizational performance.
- Effective talent cultivation improves employees' knowledge and competencies, enabling them to fulfill organizational responsibilities and contribute to society.

Management approach

- The HPM Dept. continues to promote the Talent Development Quality Management System (TTQS), strengthening the quality manual and relevant procedural documentation.
- Establish a diversified e-learning integration platform and common core competencies to enhance the training and development system.
- Engage in industry-academia collaboration to cultivate forward-looking R&D personnel.
- Build an organizational talent pool to develop future management talent and launch a systematic management training program.

Implementation in 2024

- 100% of technical personnel passed skill certification, totaling 3,008 training instances.
- Implemented online management training programs via CommonWealth Institute of Innovation, enhancing managerial competence and shared communication frameworks; a total of 285 managers and key talents were trained.
- Conducted in-service information security training programs, with 780 participants.
- Continued to strengthen anti-corruption education and conducted in-service training on the Personal Data Protection Act, reaching 1,035 participants.
- Promoted digital transformation and upskilling by providing Microsoft 365 functional training to 1,542 employees.

Evaluation mechanism

- Average training hours per employee
- Number of professional personnel trained

Medium and long-term plan

- Align talent development activities with organizational development goals to ensure effectiveness.
- Encourage diverse and inclusive self-directed learning and foster a culture of open knowledge sharing to cultivate versatile, cross-functional talents.
- Establish a reserve management talent pool and implement training programs for high-potential employees.

Goals and targets for 2025

- Continue the implementation of management talent development programs to enhance knowledge in management practices and emerging industry trends.
- Ongoing in-service training programs to strengthen understanding of labor laws, occupational safety and health (OSH), international green product regulations, and risk management awareness.

Training and Development System

To implement sustainable development goals, ELAN has established a Training and Development System. The company aligns its training strategies with short-, medium-, and long-term business development goals, as well as trends in core competencies and key technological advancements.

ELAN training system comprises New Employee Orientation, General Knowledge Training, Technical Training, Management Training, and Key Talent and Succession Training Program. Through annual performance evaluations and individual development plans, we encourage colleagues to harness their professional capabilities in the workplace. We provide suitable developmental directions for project or managerial roles, along with corresponding learning resources, aligning with the talent requirements for sustainable corporate growth.



Diverse and inclusive training resources

New employee orientation

To help new employees quickly adapt to ELAN, staff from the HPM Dept. will introduce the company environment and explain rules and regulations. The newcomer should participate in on-site safety and health drills arranged by the Public Recourses Dept. and continue to learn through various training resources provided by the company. When the three-month probationary period is up, the new employee will be evaluated by his/her performance which also reflects the effectiveness of the training.

Diverse and inclusive learning environment

ELAN possesses advanced facilities and comfortable classrooms, fostering an environment where employees can focus on learning and enjoy the process. The company embraces a variety of teaching methods, including practical training, digital courses, in-person lectures, seminars, etc. In response to the COVID-19 pandemic, the company not only offers in-person courses but also promotes digital mobile learning. By introducing Leader Campus's online courses, employees are empowered with the flexibility to engage in self-directed learning. This approach aligns with the company's commitment to continuous learning and its dedication to an infinite pursuit of knowledge.

Knowledge inheritance and sharing

Upholding the spirit of sustainable talent development, the company has consistently focused on technological advancement and accumulated extensive project experience, which has laid a solid foundation for its outstanding performance in the industry. Following the cross-departmental knowledge-sharing series launched in 2023—featuring both external lecturers and internal subject matter experts—the company further enhanced the capabilities of its internal trainers in 2024. To enrich the learning experience and elevate the overall training quality, external professionals were invited to conduct practical train-the-trainer programs, empowering internal instructors to lead more effective and engaging future courses.

Building an organizational talent pool and strengthening management functions

The company continue to cultivate a high-quality organizational talent pool and knowledge management to ensure sufficient management talent capacity. In 2024, the company launched the Leader Campus online learning platform, offering open and real-time management courses and cultivated 285 management positions and key talents. For senior executives, a series of management report courses were implemented, continuously providing new insights on financial and production-related system reports. A total of 48 senior executives participated in the series of courses. °

Avisonic and PiXORD

Each department proposes training requests from time to time to the General Manager for approval.

In 2024, Avisonic conducted 6 occupational safety and health general education courses, 6 technical courses, and 2 administrative courses; while PiXORD conducted 1 administrative course.



The Group's training and development achievements 404-1

The average training hours per employee in the ELAN Group was 14.2 hours. The average training hours for male and female employees were 14.7 and 13.6 hours, respectively.

Category	Item	ELAN		Avisonic		PiXORD		ELAN H.K.		Total		Average training hours
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Senior management	Total number of employees	20	5	3	0	0	0	0	1	23	6	16.1
	Total hours of training	201.6	84.7	37.5	0.0	0.0	0.0	0.0	142.0	239.1	226.7	
	Average training hours per employee	10.1	16.9	12.5	NA	NA	NA	NA	142.0	10.4	37.8	
Indirect labor	Total number of employees	607	203	17	8	12	12	3	1	639	224	14.7
	Total hours of training	9,120.2	2,864.7	146.5	103.0	35.5	84.0	157.5	132.5	9,459.7	3,184.2	
	Average training hours per employee	15.0	14.1	8.6	12.9	3.0	7.0	52.5	132.5	14.8	14.2	
Direct labor	Total number of employees	7	237	NA	NA	NA	NA	NA	NA	7	237	12.6
	Total hours of training	109.4	2,959.2	NA	NA	NA	NA	NA	NA	109.4	2,959.2	
	Average training hours per employee	15.6	12.5	NA	NA	NA	NA	NA	NA	15.6	12.5	

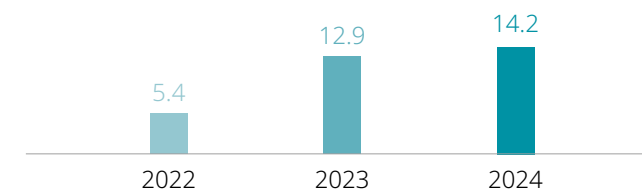
Note 1: For the definitions of senior management, indirect labor, and direct labor, refer to Chapter 6.2

Note 2: Avisonic, PiXORD and ELAN H.K. have no direct labor; therefore, training hours are N/A.

Note 3: Source of training hours data: Course hours recorded in ELAN internal training system, training hours of employees still employed as of the end of the reporting year in Avisonic, PiXORD, and ELAN H. K.

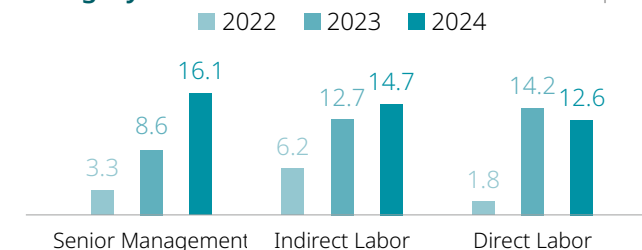
The Group's average training hours per full-time employee

Unit: hour/person



The Group's average training hours by employee category

Unit: hour/person



Performance review for permanent employees 404-3

The Company has established a comprehensive evaluation system, conducting regular annual assessments of employee competencies and performance. Competency evaluations focus on employees' skills, abilities, and knowledge, serving as the basis for skills-based compensation, personnel adjustments, and development planning to enhance workforce quality and overall organizational performance. Performance evaluations assess the achievement of individual goals aligned with the Company's short- and long-term operational objectives. The results serve as a basis for rewards, training, and business improvements, motivating employees, boosting morale, and supporting the attainment of the Company's strategic goals for sustainable development. At ELAN Group, 100% of full-time employees undergo performance reviews. The Group's performance review policy applies to all employees who have completed three months of service. New hires are subject to a separate review process. Performance evaluations are conducted 1-2 times per year.

	ELAN		Avisonic		PiXORD		ELAN H.K.	
	Male	Female	Male	Female	Male	Female	Male	Female
Senior management	100%	100%	100%	NA	100%	NA	NA	100%
Indirect labor	100%	100%	100%	100%	100%	100%	100%	100%
Direct labor	100%	100%	NA	NA	NA	NA	NA	NA
Evaluation measures	- Competency and Individual KPI Assessment - Performance Review		- Competency Assessment - Performance Review		Performance Review		- Competency and Individual KPI Assessment - Performance Review	
Frequency	Semiannual		Semiannual		Semiannual		Semiannual	

6.8 Human rights and employee communication

Management of material topics - Harmonious labor/management relations

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Explanation

- Employees are the company's most valuable assets, and a harmonious labor/management relationship is the foundation of business development.
- Appointing local personnel to high-level management positions contributes to better understanding local needs and enhancing economic efficiency.

Policies or commitments

- ELAN is committed to building a win-win employment partnership and providing freedom of occupation as well as humane and fair treatment, with no gender, race discrimination, etc. Also, providing compensations and benefits that comply with local laws and regulations. Setting up various labor-management communication mechanisms to provide a complete communication channel between the enterprise and employees, maintaining smooth interaction and communication on both sides.
- Adapting to international trends and promoting gender equality, we are gradually implementing diverse development within the company's management hierarchy and among employees, enhancing the company's overall corporate image and ensuring diversity and flexibility.

Impacts

A good labor/management relationship can enhance employee morale and increase productivity.

Management approach

- HPM Dept. formulates Work Rules Handbook based on labor laws and regulations. The handbook, available on the Company's website, includes information on employees' selection, employment, education, advancement, and retention, welfare measures, labor-management relations, etc.
- Hold labor-management meetings quarterly to inform relevant information and coordinate labor-management issues.
- The Employee Welfare Committee holds monthly meetings to plan annual company events to foster employee interactions.
- Conduct an employee satisfaction survey once a year, review suggestions and make improvement plans.
- Review turnover rate every year, understand the reasons for employee replacement, and conduct analysis and discussion.
- Set up various channels such as employee suggestion boxes,

department meetings, performance interviews, etc. that allow employees to communicate with the management at a close distance.

- To maintain operational stability, senior managements of the ELAN Group are all from Taiwan.

Evaluation mechanism

- Proportion of female employees.
- Employee satisfaction rate.
- Number of complaints and labor disputes

Medium and long-term plan

- Maintain positive labor-management relations, adhering to labor-related regulations.
- Continuously improve, providing fair employment opportunities and fostering harmonious labor-management relations.

Implementation in 2024

- Conducted employee satisfaction surveys, and the head of the HPM Dept. reviewed the results and discussed the feasibility of improvement.
- No labor disputes, violations of local human rights, or complaints related to human rights occurred.
- ELAN overall employee satisfaction score is 83.6 points.
- No complaints or labor-management disputes occurred.

Goals and targets for 2025

- No labor-management disputes within the Group, nor violations of labor-related laws and regulations.
- Continue to conduct an annual employeesatisfaction survey.

Zero-distance communication with the employee

[2-26](#)
[2-27](#)
[2-30](#)
[406-1](#)
[407-1](#)

The Group develops the Employee Grievance Handling Procedure and Anti-discrimination & Sexual Harassment Policy, assigns a unit to help employees solve problems at work as well as in their daily life so as to effectively address and prevent sexual harassment. In handling employees' grievances, the company always processes the complaint cautiously and with strict confidentiality including the information provided therein. No matter which actions are taken, the company makes sure that employees' human rights are fully respected and protected at all time.

In 2024, no labor-management disputes occurred, and there were no violations of laws and regulations. No internal discrimination incidents related to grievances were reported. ELAN's human rights policies and implementation results are publicly disclosed on its website. In 2024, the Company completed onboarding training for 203 new employees, totaling 609 hours of human rights-related courses.

Furthermore, the Group holds labor-management meetings quarterly, a monthly employee welfare meeting, and staff meetings from time to time. Employee suggestion box, department meetings were also set up to allow employees to bring up problems, improving work efficiency.

Percentage of employees covered by collective bargaining agreements

The Group fully complies with the labor laws of Taiwan and Hong Kong and has never prohibited the freedom of assembly and association of its employees. However, there is currently no union within the Group and therefore no employees are covered by collective bargaining agreements.

The Group's major operational changes are handled in accordance with local laws and regulations

[402-1](#)

ELAN Avisonic PiXORD

Where an employer terminates a labor contract pursuant to the Labor Standards Law of Taiwan, the provisions set forth below shall govern the minimum period of advance notice:

1. Where a worker has worked continuously for more than three months but less than one year, the notice shall be given ten days in advance.
2. Where a worker has worked continuously for more than one year but less than three years, the notice shall be given twenty days in advance.
3. Where a worker has worked continuously for more than three years, the notice shall be given thirty days in advance.

ELAN H.K.

Where an employer terminates a labor contract pursuant to the Labor Standards Law of Hong Kong, the provisions set forth below shall govern the minimum period of advance notice:

1. No notice period and payment in lieu of notice is required within the first month of the trial period.
2. During the second and third months of the trial period, the notice period is 7 days or payment in lieu of notice of 7 days' salary.
3. Where a worker has worked continuously for three months, the notice shall be given thirty days in advance or payment in lieu of notice of 30 days' salary.



7

Environmental Protection and Social Welfare

- 7.1 Environmental policy and carbon reduction
- 7.2 Water and waste
- 7.3 Product and service-related environmental protection
- 7.4 Participation in social welfare activities



Energy Saving Target:
ELAN has set short- to mid-term goals to achieve a cumulative electricity savings rate of 8.5% from the base year (2019) to 2024, and to reach 10% by 2025. As of 2024, the cumulative savings rate reached 9.09%, meeting the target.

Carbon Reduction Target:
Using 2022 as the base year, ELAN aims to reduce greenhouse gas (GHG) emissions (Scope 1 + Scope 2) by 1% annually. In 2024, GHG emissions decreased by 13.22% compared to the base year, exceeding the target.

In 2024, ELAN used 5.53% renewable energy, surpassing its 5% goal.

A total of 89 public welfare activities were carried out between 2023 and 2024.

7.1 Environmental policy and carbon reduction

Policy Pollution prevention | Company-wide participation | Environmental protection commitment | Continuous improvement

[2-23](#)
[2-27](#)

The ELAN Group complies with all applicable environmental laws and regulations. In 2024, the Company underwent both scheduled and unscheduled inspections by environmental authorities, with no fines imposed and no cases raised through formal grievance mechanisms.

ELAN has been certified under ISO 14001:2015 since 2016. Its environmental policy emphasizes pollution prevention, full employee participation, commitment to environmental protection, and continuous improvement. The system is implemented in accordance with the Company's Environmental Management Manual and overseen by senior management. Risk assessments are conducted regularly, environmental objectives are established, and annual review meetings are held to evaluate progress and ensure ongoing improvements in pollution prevention. All employees are considered organizational participants and are actively involved in the implementation of the environmental policy. ELAN also ensures compliance with all government and international environmental laws and requirements.

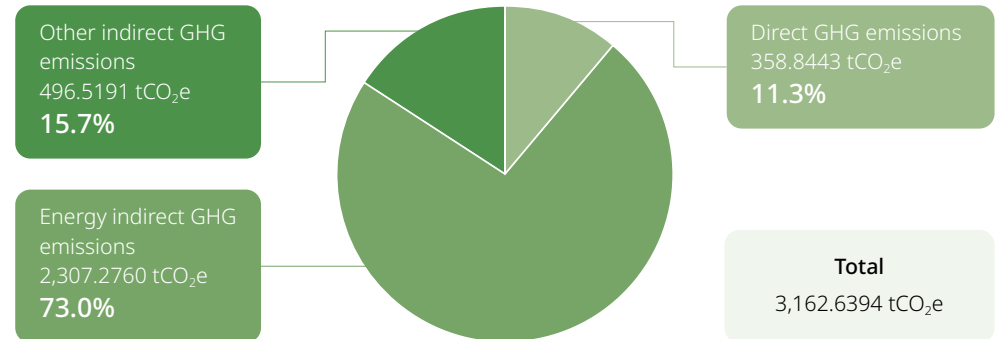
With the exception of the Zhonghe facility, which has production lines, all other sites are primarily office buildings focused on R&D activities. The facility includes departments such as business, R&D, manufacturing, and operations management. Its operations are largely manual and do not generate process-related wastewater, air pollution, or noise. The primary environmental concern at the site is electronic waste.

Greenhouse gas inventory [TC-SC-110a.1](#)

In this chapter, the scope of the greenhouse gas (GHG) inventory for direct (Scope 1) and energy indirect (Scope 2) emissions includes ELAN, Avisonic, PiXORD, and ELAN Hong Kong. Other indirect emissions (Scope 3) are disclosed for ELAN only.

In 2024, the total GHG emissions of the Group amounted to 3,162.6394 tCO₂e. Among Scope 1 and Scope 2 emissions, energy indirect emissions accounted for 87%. Therefore, the Company's primary emission reduction target focuses on reducing Scope 2 emissions. Starting in 2025, a target of reducing total GHG emissions by 1% annually will be set, using 2022 as the base year. Due to a planned relocation of the Headquarters, the medium-term strategy focuses on the construction of green and smart buildings, with future targets subject to dynamic adjustments. The long-term goal is to achieve net-zero carbon emissions by 2050.

Moreover, ELAN obtained ISO 50001 Energy Management System certification in 2024 to review on-site energy consumption and has begun purchasing renewable energy to support GHG reduction. As of 2024, the Company's Scope 1 and Scope 2 emissions have decreased by 13.22% compared to the 2022 baseline.



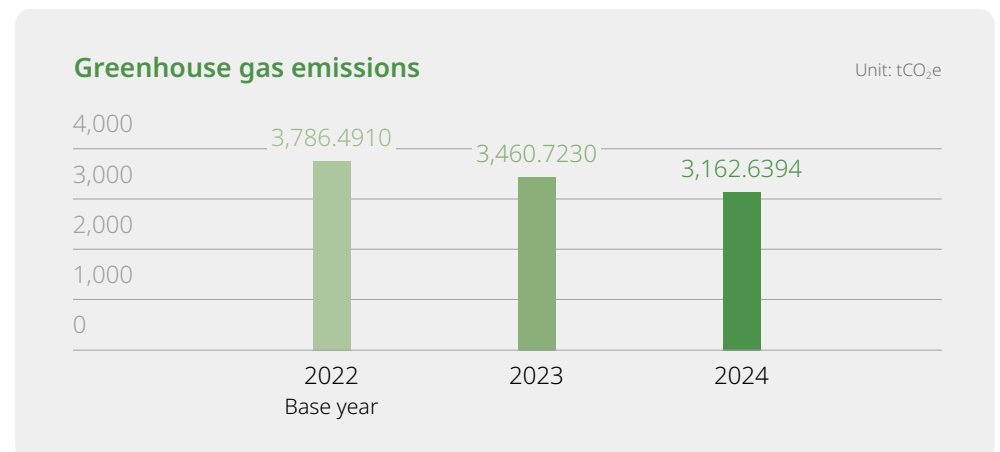
Note 1: The greenhouse gas inventory data for the ELAN Group in this report is based on internal self-assessment. For exact data, please refer to the Annual Greenhouse Gas Inventory Statement at <https://www.emc.com.tw/emc/en/csr/surroundings>

Note 2: The emission factors used for direct GHG emissions were based on the GHG Emission Factors announced by the Ministry of Environment on February 5, 2024 (Document No. 1139101231).

Note 3: The Global Warming Potential (GWP) values were based on IPCC (2021): CO₂ : CH₄ : N₂O = 1 : 27.9 : 273.

Note 4: The electricity emission factor for Taiwan was based on the 2024 data published by the Energy Bureau, Ministry of Economic Affairs. For the Hong Kong region, the factor was based on the 2024 Sustainability Report of CLP Holdings Limited.

Note 5: The emission factors used for other indirect GHG emissions (Scope 3) were sourced from the Carbon Footprint Information Platform.



Direct greenhouse gas emissions

[302-1](#)
[305-1](#)
[TC-SC-110a.1](#)

The energy sources contributing to direct greenhouse gas emissions within the Group are primarily gasoline and diesel used by company vehicles, diesel for forklifts and emergency generators, liquefied petroleum gas for kitchens, refrigerants, and emissions from septic systems. In 2024, the total direct GHG emissions amounted to 358.8443 tCO₂e. (As the company is a fabless IC design house with outsourced manufacturing, there are no PFCs emissions.) In terms of company vehicle selection, low fuel consumption models are prioritized for cars, while electric motorcycles are adopted to reduce emissions. Regular maintenance is conducted based on monthly mileage statistics to further minimize GHG emissions.

The Group's direct GHG emissions in 2024

	Gasoline for company vehicles	Diesel for company vehicles and forklifts	Diesel used for emergency generators	CO ₂ fire extinguisher	liquefied petroleum gas used in the kitchen	Septic tank	Refrigerant	Total (tCO ₂ e)
ELAN	24.8670	2.8866	1.1821	0.0405	20.8047	27.8181	275.0614	352.6604
Avisonic			NA		1.0282	1.2598	0.1614	2.4494
PIXORD			NA		0.9079	1.0850	1.5217	3.5146
ELAN H.K.			NA		NA	0.2197	0.0002	0.2199
Total								358.8443

Energy indirect greenhouse gas emissions

[302-1](#)
[305-2](#)
[TC-SC-130a.1](#)
[Sustainability 1](#)

The Group's indirect greenhouse gas emissions (Scope 2) result entirely from purchased electricity, with a total electricity consumption of 18,532.5542 GJ. Relevant data are shown in the table below. In 2024, the Group's total energy-related indirect GHG emissions amounted to 2,307.2760 tCO₂e, representing a 9.98% reduction compared to 2023. Beginning in 2024, ELAN commenced the use of renewable energy (solar photovoltaic). During the year, a total of 277,496 kWh of solar electricity was utilized, with renewable energy accounting for 5.53% of the total electricity consumption. This achievement successfully met the 2024 target of sourcing 5% of electricity from renewable energy.

	ELAN	Avisonic	PIXORD	ELAN H.K.	Total
Electricity consumption (GJ)	18,049.4888	197.2359	235.6383	50.1912	18,532.5542
Electricity consumption (kWh)	5,013,746.8989	54,787.7442	65,455.0963	13,942.0000	5,147,931.7394
Location-based CO ₂ emission (tCO ₂ e)	2,376.5160	25.9694	31.0257	5.2980	2,438.8091
Market-based CO ₂ emission (tCO ₂ e)	2,244.9829	25.9694	31.0257	5.2980	2,307.2760

Note 1: The percentage of electricity from the grid is 100%.

Other indirect greenhouse gas emissions

[305-3](#)

For the management of other indirect greenhouse gas emissions (Scope 3), ELAN conducted an inventory limited to raw materials and waste treatment activities in Taiwan. The total Scope 3 GHG emissions amounted to 496.5191 tCO₂e. Relevant data are presented in the following table.

Up-stream	Raw materials	Electricity - Taiwan Power Company	460.8372
		Electricity - solar PV system	2.6667
		Gasoline	6.5317
		Liquefied petroleum gas (LPG)	5.9823
		Diesel fuel	1.0090
		Water	4.2922
Down-stream	Waste	General industrial waste	13.3781
		Hazardous industrial waste	0.7295
		Transportation (excluding reuse transportation)	1.0924
Total			496.5191

Note 1: The shortest transport distance is selected for waste transport (source: Google Maps)

Note 2: Waste transport emission factor: 1.31 Kg CO₂e/tKm (source: Carbon Footprint Information Platform)

Note 3: Waste incineration treatment emission factor: 340 Kg CO₂e/ton (source: Carbon Footprint Information Platform)

Note 4: Raw material emission factors are sourced from the Carbon Footprint Information Platform.

Energy intensity 302-3

ELAN Energy Policy

1

Comply with energy laws and regulations, purchase energy-saving equipment.

2

Improve energy efficiency, save energy and reduce carbon with company-wide participation.

3

Implement energy management for sustainable business operation.

In 2024, the total energy consumption of ELAN Group was 18,532.5542GJ, with an annual per capita energy usage of 16.314GJ. Since the primary source of energy is electricity, subsequent energy reduction efforts will focus mainly on electricity.

	Electricity consumption	Gasoline for official vehicles	Diesel for official vehicles and forklifts	Diesel used for emergency generators	Liquefied petroleum gas used in the kitchen	Total
Energy Consumption (GJ)	18,532.5542	2.02E-05	1.98E-06	8.82E-07	2.29E-05	18,532.5542
Energy Consumption (kL)	-	10.8140	1.0599	0.4394	14.435	26.7483

ELAN Group Annual electricity consumption per m²

Unit: kWh/m²-Year



Note: 1 ping (Taiwan) = 3.30579 m²

Based on the 2024 electricity consumption data, the Group recorded an annual energy usage intensity of 135.437 kWh/m², representing a 0.52% decrease compared to 2023. Given that the primary sources of electricity consumption and operational control are concentrated in the Hsinchu facility (including Avisonic and PiXORD) and the Zhonghe facility, subsequent electricity usage analysis focuses on these two locations.

In 2024, Hsinchu facility (including Avisonic and PiXORD) recorded an annual electricity consumption of approximately 113.407 kWh/m², representing a 4.14% reduction compared to 2023. Energy-saving measures implemented during the year included optimizing the control program for cooling tower fan motors and enhancing computer shutdown time management. In 2025, the Company plans to replace T5 fluorescent lighting with LED lighting on selected floors to further improve energy efficiency and reduce electricity consumption.

In 2024, Zhonghe facility recorded an annual electricity consumption of approximately 288.190 kWh/m², representing a 7.02% increase compared to the previous year. The rise in energy consumption was primarily due to extended production line operating hours. Although energy-saving measures such as reducing lighting in certain areas and consolidating high-energy-consuming systems (e.g., compressed air) were implemented, these efforts were insufficient to offset the overall increase. In 2025, the Company will continue to improve the energy efficiency of its compressed air systems, adjust the number of lighting fixtures in both office and production areas, and progressively replace split-type air conditioning units with Grade 1 energy-efficient inverter systems to achieve energy conservation goals.

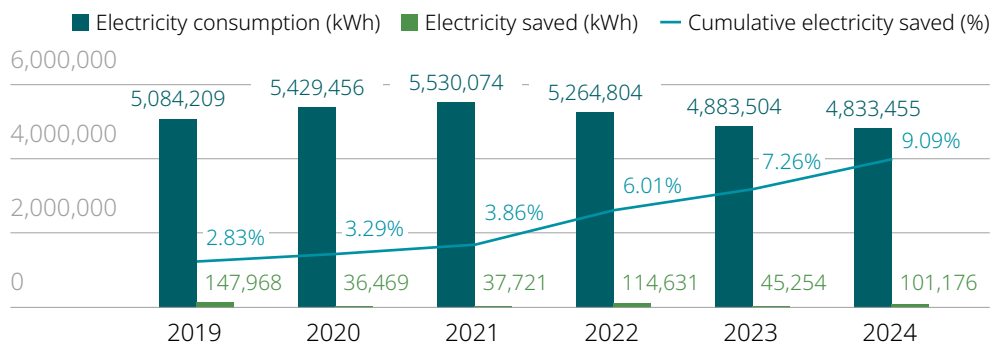
Reduction of energy consumption 302-4

ELAN has set short- and medium-term energy-saving targets using 2019 as the base year. The short-term target aimed for a cumulative energy savings rate of 8.5% by 2024, while the medium-term target sets a goal of 10% by 2025. As of 2024, the cumulative energy savings rate has reached 9.09%, successfully achieving the short-term target.

Energy Savings Rate =

$$\text{Energy Saved through Improvement Measures} / (\text{Annual Total Consumption} + \text{Energy Saved}) \times 100\%$$

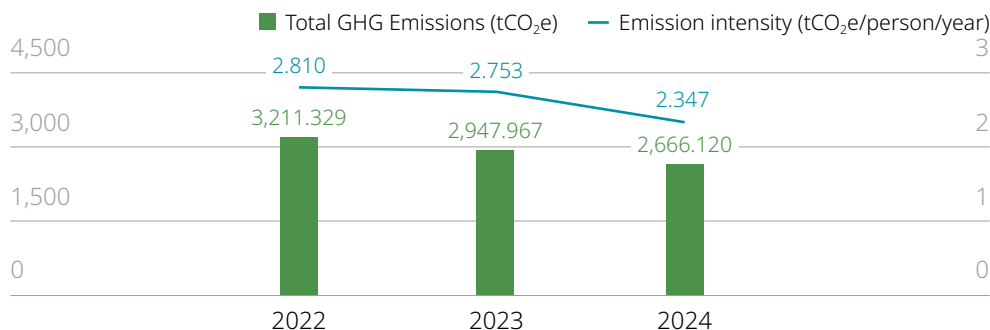
Electricity consumption over the years and cumulative energy saving rate



Greenhouse gas emissions intensity 305-4

The greenhouse gas emission intensity of ELAN Group, measured by the ratio of the total direct and energy indirect GHG emissions to the total number of employees, calculates the annual GHG emissions per employee.

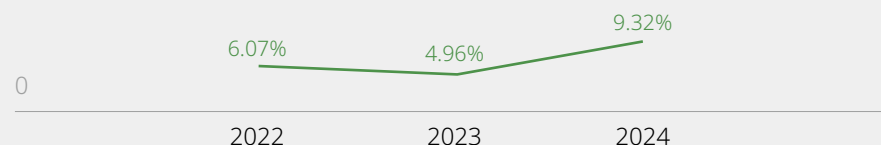
Greenhouse gas emission intensity



Energy Conservation and Greenhouse Gas Reduction Measures 301-3 TC-SC-110a.2

- In 2024, Hsinchu and Zhonghe facilities responded to the World Wildlife Fund (WWF) global voluntary energy-saving and carbon-reduction campaign, "Earth Hour."
- Guard patrolling: During nighttime hours, a guard will patrol offices on each floor every hour and turn off the lights if no one is seen in the areas.
- Paperless operations have been implemented since 2001. In 2004, warehouse reports and documents were electronically stored and controlled. In 2017, visitor's online reservation system was set up. In 2018, The Withholding Tax Statement is no longer given out to individuals. To further save paper, a card-swiping function is added onto each printing machine. The change is expected to be completed by February 2022. As for the amount of photocopying paper used in the company, the usage dropped from 1449 bags of paper in 2011 to 1062 bags in 2024, a 26.71% reduction in total.
- To align with global decarbonization trends and support the RE100 initiative (100% renewable energy usage), the Company acquired 277 renewable energy certificates (RECs) in 2024, achieving an estimated emissions reduction of 131.298 tCO₂e, based on the 2024 electricity emission factor. For 2025, the Company plans to increase its REC purchases to at least 450 certificates.
- Packaging material recycling: Materials such as trays, tubes, wafer cassette, cartons, buffer, etc. are all recycled in one way or another. For example, during the quarterly destruction of waste, scrapped trays will be retained and recycled periodically. In 2024, tray accounted for 9.32% of the total recycled materials being reused. The rest such as tubes, wafer cassette, cartons, buffer, etc. are kept in the warehouse area for recycling and reuse.

Percentage of scrapped tray recycled (2022-2024)



- Scrapped product recycling: Defective semi-finished and finished products are categorized according to types such as Wafer, Dice, Package, and PCBA. During the quarterly destruction of waste, scrapped products are handed to recycling vendor. Metals such as gold thread and copper will be refined and reused.

7.2 Water and waste

Water resource TC-SC-140a.1

The Group sources its water exclusively from municipal supply systems. As a professional IC and module design company, with all wafer fabrication and backend manufacturing outsourced, the Group uses water solely for domestic (non-industrial) purposes. There is no production-related water consumption or industrial wastewater generated. According to the World Resources Institute (WRI) Water Risk Atlas and the distribution of water resources in Taiwan, the ELAN current operating sites are located in regions identified as low water-stress risk areas.

The Company is committed to complying with national water-related regulations, prioritizing the use of water-saving equipment, utilizing water resources responsibly, and monitoring water consumption on a monthly basis to ensure effective water management. At the Hsinchu facility (including Avisonic and PiXORD), a target has been set to reduce annual water consumption by 1% per capita compared to the previous year. For areas with higher water usage, such as restrooms, two-stage flushing systems and reduced flow fixtures have been implemented. Landscaping incorporates drought-tolerant plants to minimize water usage. Monthly reviews are conducted to ensure efficient water control.

In 2024, the Group recorded a total water withdrawal of 22.462 megaliters and a total discharge of 17.970 megaliters, resulting in an estimated net water consumption of 4.492 megaliters.

Water withdrawal 303-3 Sustainability 2

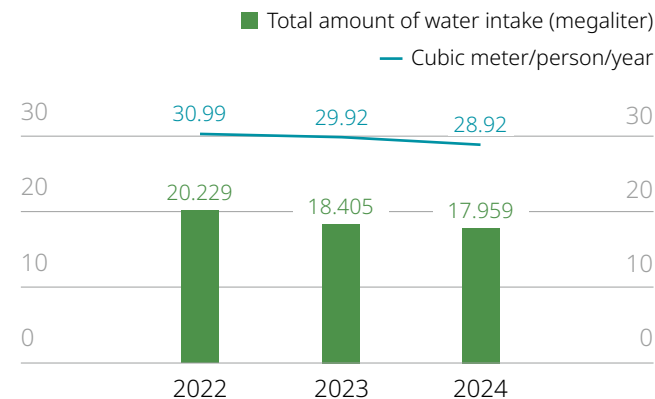
ELAN operational sites include Hsinchu facility, Zhonghe facility, and offices in Tainan and Kaohsiung. Except for the Hsinchu facility, all other locations are situated in leased office buildings. Water consumption at the Zhonghe facility is apportioned based on the leased floor area, while the Kaohsiung office's water usage is included in the building management fee and is not itemized separately. For Avisonic and PiXORD, water consumption is allocated proportionally based on headcount and included under the Hsinchu facility. (Source: Monthly water utility bills)

	ELAN	Avisonic	PIXORD	ELAN H.K.	Total
Water withdrawal (Megaliters)	20.946	0.803	0.712	0.001	22.462

Note 1: Water Sources: Hsinchu facility (including Avisonic and PiXORD) – Baoshan Reservoir, Zhonghe facility – Feitsui Reservoir, Tainan Office – Nanhua Reservoir, Kaohsiung Office – Fengshan Reservoir, ELAN Hong Kong – Kowloon Reservoir

As the Hsinchu facility is the only self-owned building within the Group, water conservation targets are primarily set for this location. Since Avisonic and PiXORD are located in the same building, their water usage is calculated on a consolidated basis. Water consumption in the building originates from restrooms, water dispensers, kitchens, landscaping irrigation, and other domestic uses. In 2024, the total water withdrawal was 17.959 megaliters, representing a 2.42% reduction compared to 18.405 megaliters in 2023. In terms of water intensity, the annual per capita water consumption in 2024 was 28.92 cubic meters, a 3.34% decrease from 29.92 cubic meters in 2023. This improvement was primarily attributed to the adjustment of irrigation schedules for outdoor landscaping.

Amount of water intake in Hsinchu facility



Water discharge 303-4 TC-SC-140a.1

At Hsinchu facility (including Avisonic and PiXORD), wastewater undergoes primary treatment before being discharged into the park's sewage system, which directs the effluent to a centralized wastewater treatment plant. The treated water is ultimately discharged into the Ke-ya River. The Company conducts annual water quality testing at the discharge outlets to ensure the effectiveness of its primary wastewater treatment process.

At Zhonghe facility, Tainan office, Kaohsiung office, and ELAN Hong Kong, all wastewater is discharged into the local municipal sewage systems and subsequently treated at respective public wastewater treatment facilities.

As only the Hsinchu headquarters is subject to wastewater treatment fees, the Group's total water discharge volume for 2024 was estimated based on the Hsinchu site's billing standards. Accordingly, the total water discharge for the Group in 2024 is estimated at 17.970 megaliters, assuming that 80% of the metered water consumption is attributed to wastewater discharge (based on utility billing data).

Waste

[306-2](#)
[306-3](#)
[TC-SC-150a.1](#)
[Sustainability 3](#)
[Sustainability 5](#)

In 2024, the Group generated a total of 38.132 metric tons of general industrial waste, 9.968 metric tons of recyclable waste, and 5.620 metric tons of hazardous industrial waste. A portion of the hazardous waste was recycled to recover trace amounts of metals, totaling 1.030 metric tons in 2024, resulting in a hazardous waste recycling rate of 18.33%.

The Group classifies its waste into three main categories: general waste (Category D), recyclable waste (Category R), and a small amount of hazardous waste (coded E-0222 and E-0217). Confidential documents are handled through an additional annual destruction process. General waste and confidential documents are disposed of via incineration. Electronic components classified under hazardous codes E-0222 and E-0217 are physically shredded and sent abroad for metal recovery at smelting facilities.

In addition to strict compliance with the regulations and reporting requirements set by Taiwan Environmental Protection Administration (EPA), the Group ensures effective in-house waste recycling. Waste disposal contractors are required to comply with environmental regulations, occupational safety and health laws, and fire safety regulations. All waste must be properly sorted, stored sequentially, and placed in designated areas with anti-leakage and rain protection measures. Environmental education and training are continuously implemented to reinforce waste management practices. All waste is subsequently handed over to qualified and certified treatment vendors in accordance with legal requirements. As of now, no major leakage incidents have occurred.

The Group's waste generation in 2024

Company	General industrial waste output (ton)	Recycled resource (Class R) (ton)	Hazardous industrial waste output (ton)			Destruction of confidential documents (ton)
			E-0222 PCB with components attached	E-0217 Waste components	Subtotal	
ELAN - Hsinchu	23.743	9.968	0	1.071	1.071	2.15
ELAN - Zhonghe	14.389	0	1.951	2.590	4.541	2.29
Avisonic	0	0	0	0.008	0.008	0
PIXORD	0	0	0	0	0	0
Total	38.132	9.968	-	-	5.620	4.44

Note 1: Since ELAN Tainan, Kaohsiung and Hong Kong rented their offices and industrial waste is handled by each building's management committee, there's no actual data. However, due to the large number of employees in the Zhonghe, the general waste output is still estimated. The calculation is based on the average annual production per person of the Hsinchu Headquarters * the annual average number of Zhonghe employees.

Note 2: Avisonic and PIXORD rent facilities from ELAN headquarters in Hsinchu, hence all general industrial waste and recycling outputs are integrated and calculated altogether.

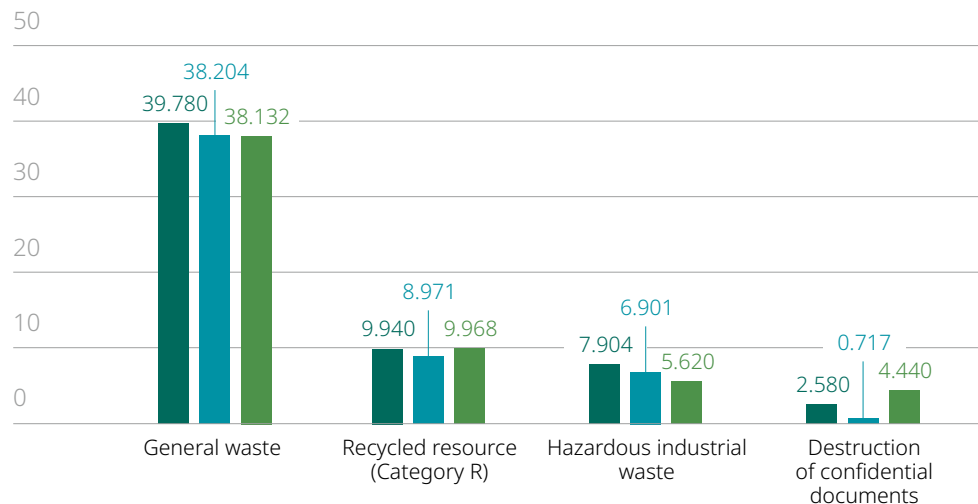
Note 3: General waste refers to domestic waste. Recycling does not include Styrofoam recycling. According to the law, Styrofoam, regardless of the weight, is to be picked up by a qualified transporter.

Note 4: The recycles in ELAN Zhonghe are handled by the building's management committee, so there is no actual data.

ELAN Group waste output

2022 2023 2024

Unit: ton



Biodiversity

[Custom 7](#)

All ELAN facilities are located within science parks or leased commercial office buildings. According to assessments based on the Key Biodiversity Areas (KBA) and the World Database on Protected Areas (WDPA), none of the company's locations are situated within national parks, nature reserves, forest reserves, wildlife refuges, or critical wildlife habitats. Therefore, all sites are considered to be in areas with low biodiversity impact.

In recent years, the dispersal of human-generated waste into the oceans has severely impacted marine ecosystems, with increasing incidents of marine animals ingesting plastic or being injured—threatening even endangered species. Since 2023, ELAN has adopted and taken stewardship of a coastal section near the Nanliao Fishing Harbor, where regular annual coastal cleanups are conducted. Additionally, all company sites participate in beach cleanups organized either by local environmental protection bureaus or in collaboration with clients. Through these modest but meaningful actions, the Company aims to reduce the impact of human waste on marine ecosystems while significantly raising employees' awareness of environmental conservation.

7.3 Product and service-related environmental protection 302-5

"Green products" are the most fundamental requirement of ELAN. All series of ELAN's products comply with RoHS, REACH, and halogen-free regulations, and the company provides customers with a Non-Inclusion of Hazardous Substances Warranty. From product design and material sourcing to manufacturing and final output, ELAN adheres to a consistent approach emphasizing green design, sustainable procurement, resource conservation and recycling, and waste management and recycling. Through continuous improvement, the company strives to minimize unnecessary waste starting from the design stage.

Product design

In terms of product design, ELAN not only complies with international standards to meet customer requirements, but also aims to develop energy-saving and high-efficiency products to reduce the demand for energy or additional components.

Touch Panel Solutions

In response to customers' demand for low power consumption and high performance, ELAN Touch Panel Solutions is now equipped with AI hardware accelerator, reducing CPU execution time for firmware computing and effectively reducing power consumption. In addition, with ELAN Smart UX Algorithm, users can use and operate the touchpad more precisely and quickly, increasing the processing efficiency by more than 25% compared to the previous generation while maintaining the same power consumption.

Smart-Touchscreen Single Chip Solution

ELAN Smart-Touchscreen Single Chip Solution uses small packaging and simple external components with a circuit board width as small as 6mm, efficiently reduces component usage and metallic (battery) and other material pollution. The new generation chip gives high stability and reduces 30% of power consumption, gradually achieving the design goals of high stability and low power consumption to meet customer needs.

Point stick/Trackpoint Module

For the new generation of ELAN Point Stick/Trackpoint Module, we adopt a new production process, adding various power saving modes in the circuit design, effectively reducing power consumption by 50%. At the same time, minimized external components required for module applications by about 70%, making it very competitive for customer applications.

Note: The reduction in electricity consumption is calculated based on energy (in joules).

Procurement practices

In response to the post-pandemic surge in raw material costs, ELAN has implemented stringent controls across all stages—from product planning, procurement, and manufacturing to final output—immediately following product design completion. To optimize resource utilization, the company has taken measures such as minimizing inventory turnover cycles, improving procurement efficiency, and enhancing production technologies. As a result, the usage of raw materials has been progressively reduced year by year during the manufacturing process, aiming to maximize output with the most streamlined use of materials.

7.4 Participation in social welfare activities Custom 5

ELAN cares for underprivileged groups by organizing and sponsoring activities, making direct donations, and providing supplies to fulfill its social responsibilities. Each year, a budget is allocated for social welfare activities, and suitable charitable organizations are sought. The company initiates charity sales, creates promotional posters, and recruits volunteers to involve more employees. Additionally, ELAN focuses on nurturing talent in schools through industry-academia collaborations and internships, sponsoring students to become professionals. Starting in 2023, the company has expanded its focus to include the surrounding environment, adopting beaches to protect our planet. As of 2023, ELAN has participated in 89 public welfare activities.



Collaborating with suppliers to launch a major public welfare initiative - lighting up 30 schools in Hsinchu County and City

In 2024, ELAN partnered with 26 supplier partners to jointly donate educational supplies to 30 schools across Hsinchu County and City, benefiting approximately 1,500 students from elementary and junior high schools. The total value of the donated materials and monetary contributions amounted to NT\$3 million. This initiative aims to bring joy to students on their journey of learning and growth, by providing them with more educational resources and opportunities to broaden their horizons. The primary objective of this charitable campaign was to support schools with relatively limited resources, helping to address basic teaching needs.

In addition to delivering tangible assistance to children in remote areas, this effort reflects the shared commitment of ELAN and its suppliers to corporate social responsibility, while actively contributing to the United Nations Sustainable Development Goal 4 - Quality Education.

Industry-academia collaboration and talent cultivation - College students

ELAN evaluates its technical needs and strategically partners with leading universities and academic research institutions to carry out specialized R&D projects. In 2024, the Company collaborated with institutions including Academia Sinica, National Taiwan University, National Yang Ming Chiao Tung University, and National Taipei University of Technology to implement 12 industry-academia cooperation projects. These projects provided research funding to support at least 36 doctoral researchers, master's students, and undergraduate students. By integrating academic and research expertise, ELAN not only strengthens its technological capabilities but also cultivates future talents. Moving forward, the Company will continue to commercialize R&D outcomes, creating a win-win-win synergy among industry, academia, and research sectors. As for Avisonic, PiXORD, and ELAN H.K, no such collaboration projects were conducted in 2024.

ELAN remains committed to nurturing talent in the semiconductor and technology sectors as part of its corporate social responsibility. The Company offers semester-long and full-year internship programs, open to university and college students. For two consecutive years, ELAN has participated in the Digital Innovation Youth Employment Program organized by the Zhubei County Government, aiming to promote digital transformation through cooperation between youth and industry. This initiative not only injects fresh creativity into the organization and helps identify high-potential candidates but also provides interns with valuable early exposure to the workplace and ELAN's cutting-edge R&D efforts. By the end of 2024, the Company had provided 174 internship positions for university and graduate students.

Implementing ecological conservation, introducing flipped classroom to elementary school students in remote area

ELAN shares the vision of the Lovely Taiwan Foundation, which emphasizes organic food, land-based education, and local identity. Since 2020, the Company has supported the foundation's "Shennong Project" for four consecutive years. In 2024, ELAN donated NT\$1 million to assist Zhongxing Elementary School and Zhonghe Elementary School in Miaoli County in developing distinctive, interdisciplinary curricula. These programs promote eco-friendly farming in school gardens, transforming farmland into an extension of the classroom. Through this initiative, students are encouraged to connect more closely with the land and develop a deeper appreciation for environmental stewardship.



"e-Read for the Future" charity donation - Elementary school students

Since 2023, ELAN has participated for two consecutive years in E Ink's "e-Read for the Future" public welfare initiative. Over this period, ELAN, together with other corporate partners, jointly donated a total of 2,117 color eReaders, benefiting more than 30,000 students across 79 elementary schools in Keelung City and Yunlin County. Each donated eReader contains a built-in library of nearly 110,000 eBooks, effectively creating a mobile digital library valued at approximately NT\$30 million annually. These devices provide equitable and accessible reading resources, enabling students to explore a rich and diverse world of reading through technology designed specifically for education. This initiative not only enhances students' interest in reading but also strengthens their digital reading skills and competitiveness. The donated eBooks include sustainability-themed titles aligned with the United Nations Sustainable Development Goals (SDGs), aiming to instill environmental awareness at an early age and foster a sense of responsibility for protecting the planet.



Spreading Warmth at Christmas - Donations to Visually Impaired Students

At the end of 2024, ELAN employees joined together in a Christmas donation campaign, extending warmth and care to the students of Huei-Ming School for Blind Children. The fundraising event successfully collected nearly NT\$280,000, which was specifically used to provide custom-made winter jackets for the visually impaired students, helping them stay warm and feel the love and support of the broader community during the cold season. Through this heartfelt initiative, ELAN hopes to offer not only physical warmth but also courage and hope to the children.



Caring for disadvantaged groups

As the impact of the COVID-19 pandemic subsided, ELAN renewed its long-standing partnership with the Catholic Social Service Center (renamed as Fr. Louis Dowd Social Welfare Foundation), a collaboration that has lasted for over 12 years. Together, the two organizations once again co-hosted the Mid-Autumn Charity Fair ahead of the holiday season. In support of the event, ELAN set up internal charity sales booths, launched a corporate charity platform where employees could purchase gifts and local specialties, and encouraged participation through the purchase of charity fair coupons. On the day of the event, employees also volunteered to help operate the booths. All proceeds from the charity sales, after deducting costs, were fully donated to support services for underprivileged elderly individuals and the procurement of transportation vehicles for medical and daily care use. Through sustained participation in such fundraising activities, ELAN aims to assist low-income, homebound, and disabled elderly individuals, enabling them to enjoy a warm and joyful Mid-Autumn Festival. As of the end of 2024, the Company had donated nearly NT\$1.67 million, with nearly 1,000 participants joining the initiative.

On the other hand, ELAN organized the "Joyful Cinema Day with ELAN" event, reserving an entire screening at Broadway Cinemas in Zhubei for children from the TFCF - Hsinchu, giving them a joyful Children's Day. In addition, employees actively supported other charity events in 2024, including a charity fair organized by the Saint Joseph Social Welfare Foundation, and a charity Walk hosted by the TFSWF. Employees also initiated a New Year's meal donation campaign for the Catholic Chang-An Home for the Elderly, delivering warmth and festive joy to disadvantaged seniors through hearty, traditional meals.



Public Service Leave Policy – Encouraging employees to engage in voluntary community service

Since 2022, ELAN has implemented the Public Service Leave Policy to encourage employees to participate in external volunteer and charitable activities during their personal time. Employees who submit supporting documentation issued by qualified organizations and pass internal verification are eligible to convert their volunteer hours into public service leave at a double-hour rate, up to a maximum of 8 hours per year. As of the end of 2024, a total of 408 employees have participated in various forms of volunteer work, including community cleanups, environmental protection groups, animal welfare organizations, public libraries, blood drives, and so on.



Protecting the environment and cherishing the Earth

Since 2023, ELAN has adopted the Nanhai Guanyin Temple area in Nanliao, Hsinchu as part of its ongoing coastal stewardship efforts. In 2024, the Company organized a total of six coastal cleanup events across various locations, including Jinshan (New Taipei City), Nanliao (Hsinchu City), Anping (Tainan), and Cijin (Kaohsiung). Employee volunteers, along with 403 family members and friends, joined forces to carry out these activities - from registration, group assignments, and cleanup, to waste sorting and delivery to designated collection points for proper disposal by local environmental authorities. Altogether, participants collected 189.0 kg of recyclable waste, 1,503.7 kg of non-recyclable waste, and 56.42 kg of glass debris, totaling 1,749.12 kg of waste. Through these efforts, ELAN actively reduces the amount of waste entering the ocean, taking concrete action to support the United Nations Sustainable Development Goal 14 - Life Below Water. In August 2024, ELAN also organized a mountain cleanup and hiking event at Eighteen Peaks Mountain in Hsinchu City, led by General Manager Yeh and senior management, with a total of 128 employees and family members participating. This initiative served as a hands-on demonstration of the Company's commitment to environmental sustainability, forest conservation, and ecological preservation.





INDEPENDENT ASSURANCE OPINION STATEMENT

ELAN Microelectronics Corporation 2024 Sustainability Report

The British Standards Institution is independent to ELAN Microelectronics Corporation (hereafter referred to as ELAN in this statement) and has no financial interest in the operation of ELAN 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 ELAN 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 ELAN. 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 ELAN only.

Scope

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

1. The assurance scope is consistent with the description of ELAN Microelectronics Corporation 2024 Sustainability Report.
2. The evaluation of the nature and extent of the ELAN's adherence to AA1000 AccountAbility Principles (2018) and the reliability of specified sustainability performance information in this report as conducted in accordance with type 2 of AA1000 AS v3 sustainability assurance engagement.
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 ELAN Microelectronics Corporation 2024 Sustainability Report provides a fair view of the ELAN sustainability programmes and performances during 2024. The sustainability report subject to assurance is materially correct without voluntary omissions based upon testing within the limitations of the scope of the assurance, the information and data provided by the ELAN and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are correctly represented. The sustainability performance information disclosed in the report demonstrate ELAN's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers 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 ELAN'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 ELAN's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on ELAN's approach to stakeholder engagement. Moreover, we had sampled 1 external stakeholder to conduct interview.
- interview with 33 staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of materiality assessment process.
- review of key organizational developments.
- review of the extent and maturity of the relevant accounting systems for financial and non-financial reports.
- review of the findings of internal audits.
- the verification of performance data and claims made in the report through meeting with managers responsible for gathering data.
- review of the processes for gathering and ensuring the accuracy of data, followed data trails to initial aggregated source and checked sample data to greater depth during site visits.
- the consolidated financial data are based on audited financial data, we checked that this data was consistently reproduced.
- review of supporting evidence for claims made in the reports.
- 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) and sustainability performance information as well as GRI Standards and SASB Standard(s) is set out below:

Inclusivity

In this report, it reflects that ELAN 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 ELAN's inclusivity issues and has demonstrated sustainable conduct supported by top management and implemented in all levels among organization.

Materiality

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

Responsiveness

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

Impact

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

Performance information

Based on our work described in this statement and with no conflict of interest with the ELAN in relation to providing the assurance of ESG performance information, which has been assured, specified sustainability performance information such as GRI Standards disclosures disclosed in this report, ELAN and BSI have agreed upon to include in the scope. In our view, nothing has come to our attention that the data and information contained within ELAN Microelectronics Corporation 2024 Sustainability Report were no significant errors, omissions, or misstatements based on procedures undertaken by means of vouching, re-tracking, re-computing and confirmation.

GRI Sustainability Reporting Standards (GRI Standards)

ELAN 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, including the disclosures of applicable economic, environmental, and social information, 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 ELAN's sustainability topics. However, the future report will be improved by the following areas:

- ELAN has not yet disclosed the GRI 2-21 indicator. It is recommended that such data be made publicly available in future reports to enhance the accuracy and transparency of the disclosed information.

SASB Standards

ELAN provided us with their self-declaration of in accordance with SASB Standard(s) (Semiconductors Sustainability Accounting Standard, version 2023-12). Based on our review, we confirm that the sustainability disclosure topics & accounting metrics of SASB Standard(s) (Semiconductors Sustainability Accounting Standard, version 2023-12) 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

This sustainability report is the responsibility of the ELAN'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.



Statement No: SRA-TW-818725

2025-06-09

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A Member of the BSI Group of Companies.

For and on behalf of BSI:

Peter Pu, Managing Director BSI Taiwan
...making excellence a habit™

GRI Index

Statement of Use	ELAN Microelectronics has reported the information for the period from January 1, 2024 to December 31, 2024 in accordance with the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021
Applicable Sector Standard	None

General disclosures (GRI 2)

GRI 2 General Disclosures	Section(s)	Page(s)
GRI 2-1 Organizational details	1.1 Organizational profile	4
GRI 2-2 Entities included in the organization's sustainability reporting	About this report	1
	1.3 Operational performance	8
GRI 2-3 Reporting period, frequency and contact point	About this report	1
GRI 2-4 Restatements of information	No restatements of information from previous reporting periods were made in this report.	-
GRI 2-5 External assurance	About this report	1
	2.1 Highest governance body	12
	External assurance	85
GRI 2-6 Activities, value chain and other business relationships	About this report	1
	1.1 Organizational profile	4
	1.3 Operational performance	8
	4.1 Customer relations and collaboration with leading platforms	42
	5.1 Sustainable supply chain	51
GRI 2-7 Employees	6.2 A diverse and inclusive talent structure	57-58
GRI 2-8 Workers who are not employees	6.4 Occupational health and safety policy	63
GRI 2-9 Governance structure and composition	2.1 Highest governance body	11-12
GRI 2-10 Nomination and selection of the highest governance body	2.1 Highest governance body	11

GRI 2 General Disclosures	Section(s)	Page(s)
GRI 2-11 Chair of the highest governance body	2.1 Highest governance body	11
GRI 2-12 Role of the highest governance body in overseeing the management of impacts	2.1 Highest governance body	12
GRI 2-13 Delegation of responsibility for managing impacts	2.1 Highest governance body	12
GRI 2-14 Role of the highest governance body in sustainability reporting	2.1 Highest governance body	12
GRI 2-15 Conflicts of interest	2.1 Highest governance body	13
GRI 2-16 Communication of critical concerns	2.1 Highest governance body	12-13
GRI 2-17 Collective knowledge of the highest governance body	2.1 Highest governance body	13
GRI 2-18 Evaluation of the performance of the highest governance body	2.1 Highest governance body	13
GRI 2-19 Remuneration policies	2.1 Highest governance body	13
GRI 2-20 Process to determine remuneration	2.1 Highest governance body	13
GRI 2-21 Annual total compensation ratio	Confidentiality constraints (The highest annual total compensation is considered confidential and is not disclosed due to organizational confidentiality policies.)	-
GRI 2-22 Statement on sustainable development	Letter from the Chairman	2
	2.1 Highest governance body	12
GRI 2-23 Policy commitments	1.3 Operational performance	6
	2.1 Highest governance body	12
	2.2 Ethics and integrity	15
	2.3 Risk management and opportunity	20
	2.4 Task force on climate-related financial disclosures (TCFD)	23
	4.5 Customer service and satisfaction	47
	5.1 Sustainable supply chain	50
	6.1 Commitment to corporate social responsibility	56
	6.4 Occupational health and safety policy	63
	7.1 Environmental policy and carbon reduction	74

GRI 2 General Disclosures	Section(s)	Page(s)
GRI 2-24 Embedding policy commitments	2.1 Highest governance body	12
	2.2 Ethics and integrity	15
	2.3 Risk management and opportunity	20
	2.4 Task force on climate-related financial disclosures (TCFD)	23
GRI 2-25 Processes to remediate negative impacts	2.2 Ethics and integrity	15
	2.4 Task force on climate-related financial disclosures (TCFD)	23
	6.8 Human rights and employee communication	71
GRI 2-26 Mechanisms for seeking advice and raising concerns	2.2 Ethics and integrity	15
	3.2 Stakeholder engagement	39-40
	6.8 Human rights and employee communication	72
GRI 2-27 Compliance with laws and regulations	2.2 Ethics and integrity	19
	4.4 Product and service information and labeling	46
	4.5 Customer service and satisfaction	48
	6.8 Human rights and employee communication	72
	7.1 Environmental policy and carbon reduction	74
GRI 2-28 Membership associations	2.2 Ethics and integrity	16
GRI 2-29 Approach to stakeholder engagement	3.1 Key stakeholders and material topic identification	36
	3.2 Stakeholder engagement	39-40
GRI 2-30 Collective bargaining agreements	6.8 Human rights and employee communication	72
	ELAN Group has no labor union nor collective bargaining agreements. Employee communication is maintained through regular labor-management meetings and other channels.	

Topic-specific disclosures: Material topics

(GRI 200: Economic, GRI 300: Environmental, GRI 400: Social)

GRI Standard	Specific topic(s)		Section(s)	Page(s)
Material Topics GRI 3:2021	3-1	Process to determine material topics	3.1 Key stakeholders and material topic identification	36-38
	3-2	List of material topics	3.1 Key stakeholders and material topic identification	36
	3-3	Management of material topics	3.1 Key stakeholders and material topic identification Management of material topics: Refer to the corresponding sections for details.	

GRI Standard	Specific topic(s)		Section(s)	Page(s)
Economic Performance GRI201:2016	3-3	Management of material topics	1.3 Operational performance	6-7
	201-1	Direct economic value generated and distributed	1.3 Operational performance	8
	201-2	Financial implications and other risks and opportunities due to climate change	2.4 Task force on climate-related financial disclosures (TCFD)	23-31
	201-4	Financial assistance received from government	1.4 Financial assistance received from government	9
Market Presence GRI202:2016	3-3	Management of material topics	6.8 Human rights and employee communication	71
	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	6.3 Talent attraction and retention	60
	202-2	Proportion of senior management hired from the local community	6.2 A diverse and inclusive talent structure	56
Procurement Practices GRI204:2016	3-3	Management of material topics	5.1 Sustainable supply chain	50
	204-1	Proportion of spending on local suppliers	5.1 Sustainable supply chain	51
Anti-corruption GRI205:2016	3-3	Management of material topics	2.2 Ethics and integrity	14
	205-2	Communication and training about anti-corruption policies and procedures	2.2 Ethics and integrity	15

GRI Standard		Specific topic(s)	Section(s)	Page(s)
Supplier Environmental Assessment GRI308:2016	3-3	Management of material topics	5.1 Sustainable supply chain	50
	308-1	New suppliers that were screened using environmental criteria	5.1 Sustainable supply chain 6.1 Commitment to corporate social responsibility	53 56
Employment GRI401:2016	3-3	Management of material topics	6.8 Human rights and employee communication	71
	401-1	New employee hires and employee turnover	6.3 Talent attraction and retention	59
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.3 Talent attraction and retention	60
	401-3	Parental leave	6.3 Talent attraction and retention	61
Labor/ Management Relations GRI402:2016	3-3	Management of material topics	6.8 Human rights and employee communication	71
	402-1	Minimum notice periods regarding operational changes	6.8 Human rights and employee communication	72
Occupational health and safety GRI403:2018	3-3	Management of material topics	6.4 Occupational health and safety policy	62
	403-1	Occupational health and safety management system	6.4 Occupational health and safety policy	63
			6.6 Emphasize on workplace safety, zero significant occupational accidents for 30 years	65
	403-2	Hazard identification, risk assessment, and incident investigation	2.3 Risk management and opportunity	20-22
			6.4 Occupational health and safety policy	63
			6.6 Emphasize on workplace safety, zero significant occupational accidents for 30 years	65
	403-3	Occupational health services	6.3 Talent attraction and retention	60
			6.4 Occupational health and safety policy	63
			6.6 Emphasize on workplace safety, zero significant occupational accidents for 30 years	65
	403-4	Worker participation, consultation, and communication on occupational health and safety	6.4 Occupational health and safety policy	63
			6.6 Emphasize on workplace safety, zero significant occupational accidents for 30 years	65-66

GRI Standard		Specific topic(s)	Section(s)	Page(s)
Occupational health and safety GRI403:2018	403-5	Worker training on occupational health and safety	6.4 Occupational health and safety policy	63
			6.6 Emphasize on workplace safety, zero significant occupational accidents for 30 years	66
	403-6	Promotion of worker health	6.3 Talent attraction and retention	60
			6.5 Health management	64
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2.3 Risk management and opportunity	21
	403-8	Workers covered by an occupational health and safety management system	6.4 Occupational health and safety policy	63
Training and Education GRI404:2016	403-9	Work-related injuries	6.6 Emphasize on workplace safety, zero significant occupational accidents for 30 years	65
	3-3	Management of material topics	6.7 Talent training and development	67
	404-1	Average hours of training per year per employee	6.7 Talent training and development	70
Diversity and Equal Opportunity GRI405:2016	404-3	Percentage of employees receiving regular performance and career development reviews	6.7 Talent training and development	70
	3-3	Management of material topics	6.8 Human rights and employee communication	71
	405-1	Diversity of governance bodies and employees	2.1 Highest governance body 6.2 A diverse and inclusive talent structure	11 58
Supplier Social Assessment GRI414:2016	3-3	Management of material topics	5.1 Sustainable supply chain	50
	414-1	New suppliers that were screened using social criteria	5.1 Sustainable supply chain 6.1 Commitment to corporate social responsibility	53 56
Customer Privacy GRI418:2016	3-3	Management of material topics	2.5 Information Security and Personal Data Protection	32
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.5 Customer service and satisfaction	48

GRI Standard	Specific topic(s)		Section(s)	Page(s)
Custom Topic	3-3	Management of material topics	2.3 Risk management and opportunity	20
	Custom 1	Risk Management	2.3 Risk management and opportunity	21-22
Custom Topic	3-3	Management of material topics	1.3 Operational performance	6-7
	Custom 2	Innovation and Application	4.3 Product contribution to world trends	45
Custom Topic	3-3	Management of material topics	4.5 Customer service and satisfaction	47
	Custom 3	Customer Relationship Management	4.1 Customer relations and collaboration with leading platforms	42
Custom Topic	3-3	Management of material topics	4.2 Robust intellectual property system that encourages innovation	43
	Custom 4	Intellectual Property Protection	4.2 Robust intellectual property system that encourages innovation	43-44

Topic-specific disclosures: General topics

(GRI 200: Economic, GRI 300: Environmental, GRI 400: Social)

GRI Standard	Specific topic(s)		Section(s)	Page(s)
Materials GRI301:2016	301-3	Reclaimed products and their packaging materials	7.1 Environmental policy and carbon reduction	77
Energy GRI302:2016	302-1	Energy consumption within the organization	7.1 Environmental policy and carbon reduction	75
	302-3	Energy intensity	7.1 Environmental policy and carbon reduction	76
	302-4	Reduction of energy consumption	7.1 Environmental policy and carbon reduction	77
	302-5	Reductions in energy requirements of products and services	7.3 Product and service-related environmental protection	80
Water and Effluents GRI303:2018	303-3	Water withdrawal	7.2 Water and waste	78
	303-4	Water discharge	7.2 Water and waste	78

GRI Standard	Specific topic(s)		Section(s)	Page(s)
Emissions GRI305:2016	305-1	Direct (Scope 1) GHG emissions	7.1 Environmental policy and carbon reduction	75
	305-2	Energy indirect (Scope 2) GHG emissions	7.1 Environmental policy and carbon reduction	75
	305-3	Other indirect (Scope 3) GHG emissions	7.1 Environmental policy and carbon reduction	75
	305-4	GHG emissions intensity	7.1 Environmental policy and carbon reduction	77
Waste GRI306:2020	306-2	Management of significant waste-related impacts	7.2 Water and waste	79
	306-3	Waste generated	7.2 Water and waste	79
Non-discrimination GRI406:2016	406-1	Incidents of discrimination and corrective actions taken	6.8 Human rights and employee communication	72
Freedom of Association and Collective Bargaining GRI407:2016	407-1	Operational sites or suppliers that may face risks of freedom of association and collective bargaining	5.1 Sustainable supply chain	53
			6.1 Commitment to corporate social responsibility	56
			6.8 Human rights and employee communication	72
Child Labor GRI408:2016	408-1	Operational sites or suppliers that may face risks of freedom of association and collective bargaining	5.1 Sustainable supply chain	53
			6.1 Commitment to corporate social responsibility	56
			6.3 Talent attraction and retention	59
Forced or Compulsory Labor GRI409:2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	5.1 Sustainable supply chain	53
			6.1 Commitment to corporate social responsibility	56
Customer Health and Safety GRI416:2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	4.4 Product and service information and labeling	46
Marketing and Labeling GRI417:2016	417-1	Requirements for product and service information and labeling	4.4 Product and service information and labeling	46
	417-2	Incidents of non-compliance concerning product and service information and labeling	4.4 Product and service information and labeling	46
Custom Topic	Custom 5	Social Participation	7.4 Participation in social welfare activities	81-84
Custom Topic	Custom 6	Talent retention and development	6.3 Talent attraction and retention	59-61
Custom Topic	Custom 7	Biodiversity	7.2 Water and waste	79

SASB Sustainability disclosure topics & metrics

Version 2023-12

Sustainability disclosure topics and indicators

Topic	Metric	Type	Remarks/References	Unit(s)
Greenhouse Gas Emissions TC-SC-110a.1	(1) Scope 1 Greenhouse Gas (GHG) Emissions (2) Total emissions from from perfluorinated compounds	Quantitative	(1) 358,8443 tCO ₂ e (2) 0%	tCO ₂ e
Greenhouse Gas Emissions TC-SC-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Qualitative	7.1 Environmental policy and carbon reduction (P77)	NA
Energy Management in Manufacturing TC-SC-130a.1	(1) Total energy consumed (2) Percentage of grid electricity (3) Percentage of renewable energy	Quantitative	(1) 18,352.553 GJ (2) 100% (3) 5.53%	GJ percentage (%)
Water Management TC-SC-140a.1	(1) Total water withdrawal (2) Total water consumption (3) Percentage of regions with high or extremely high baseline water stress	Quantitative	(1) Total water withdrawal: 22,462 m ³ (2) Total water consumption: 492 m ³ (3) 0%	m ³ percentage (%)
Waste Management TC-SC-150a.1	(1) Amount of hazardous waste from manufacturing (2) percentage recycled	Quantitative	(1) 5.620 metric tons (2) 18.33%	metric tons (t) percentage (%)
Employee Health & Safety TC-SC-320a.1	Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards	Qualitative	6.4 Occupational health and safety policy (P63) 6.5 Health management (P64) 6.6 Emphasize on workplace safety, zero significant occupational accidents for 30 years (P65)	NA
Employee Health & Safety TC-SC-320a.2	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations	Quantitative	NT\$0	Currency
Recruiting & Managing a Global & Skilled Workforce TC-SC-330a.1	Percentage of employees that require work visas	Quantitative	20%	Percentage (%)
Product Lifecycle Management TC-SC-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	0%	Percentage (%)
Product Lifecycle Management TC-SC-410a.2	Processor energy efficiency at a system-level for: (1) servers, (2) desktops, and (3) laptops	Quantitative	ELAN & Avisonic: The products sold are components, not end products, and thus are not applicable. PiXORD: Does not produce, manufacture, or sell these three types of products, and thus is not appl	Vary by product type
Materials Sourcing TC-SC-440a.1	Description of the management of risks associated with the use of critical materials	Qualitative	In response to China's announcement of export controls on gallium and germanium, ELAN initiated a supply chain investigation to assess the current usage of these rare metals in traded products. The Company is actively verifying whether these materials are present and continues to monitor and track the content levels of gallium and germanium in its products on an ongoing basis.	NA
Intellectual Property Protection TC-SC-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti- competitive behavior regulations	Quantitative	NT\$0	Currency

Activity Indicators

Metric	Topic	Type	Summary	Unit(s)
Activity Indicators TC-SC-000.A	Total production output	Quantitative	Total production volume: approximately 388,335 (thousand unit).	
Activity Indicators TC-SC-001.B	Percentage of production from owned facilities	Quantitative	3.48%	Percentage (%)

Sustainability disclosure indicators - semiconductor industry

No.	Indicator	Type	Annual disclosure overview	Unit(s)
Sustainability 1	Total energy consumption, percentage of purchased electricity, and renewable energy usage rate	Quantitative	18,352.553 GJ. Renewable energy accounted for 5.53% of the total purchased electricity.	GJ, percentage (%)
Sustainability 2	Total water withdrawal and total water consumption	Quantitative	Total Water Withdrawal: 22.462 (thousand m ³) Water Consumption: 4.492 (thousand m ³)	1,000m ³
Sustainability 3	Weight of hazardous waste generated and recycling rate	Quantitative	Total hazardous industrial waste: 5.6196 metric tons Recycled: 1.0302 metric tons Hazardous waste recycling rate: 18.33%	metric tons (t), percentage (%)
Sustainability 4	Description of occupational injury types, number of cases, and incident rate	Quantitative	The number of cases was zero, and the incident rate was 0%.	Number, rate (%)
Sustainability 5	Disclosure of product lifecycle management: including weight of discarded products and e-waste, and recycling rate (Note 1)	Quantitative	Total hazardous industrial waste: 5.6196 metric tons Recycled: 1.0302 metric tons Hazardous waste recycling rate: 18.33%	metric tons (t), percentage (%)
Sustainability 6	Description of risk management related to the use of critical materials	Qualitative description	ELAN Avisonic periodically conduct due diligence investigations on responsible minerals, proactively requesting suppliers to disclose the sourcing origins of cobalt. For key raw materials such as tantalum, tungsten, cobalt, and germanium, the companies implement irregular surveys to assess the current status of responsible mineral sourcing and conduct corresponding risk management measures. PiXORD has not yet initiated such investigations, as it is not currently required by its customers.	NA
Sustainability 7	Total monetary losses from legal proceedings related to anti-competitive behavior	Quantitative	NT\$0	Reporting currency
Sustainability 8	Major product output by product category	Quantitative	388,335 (thousand units)	Vary by product type

Note 1: Relevant explanations should be provided If the sale of scrap materials or other recycling processes are included.



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