



2024

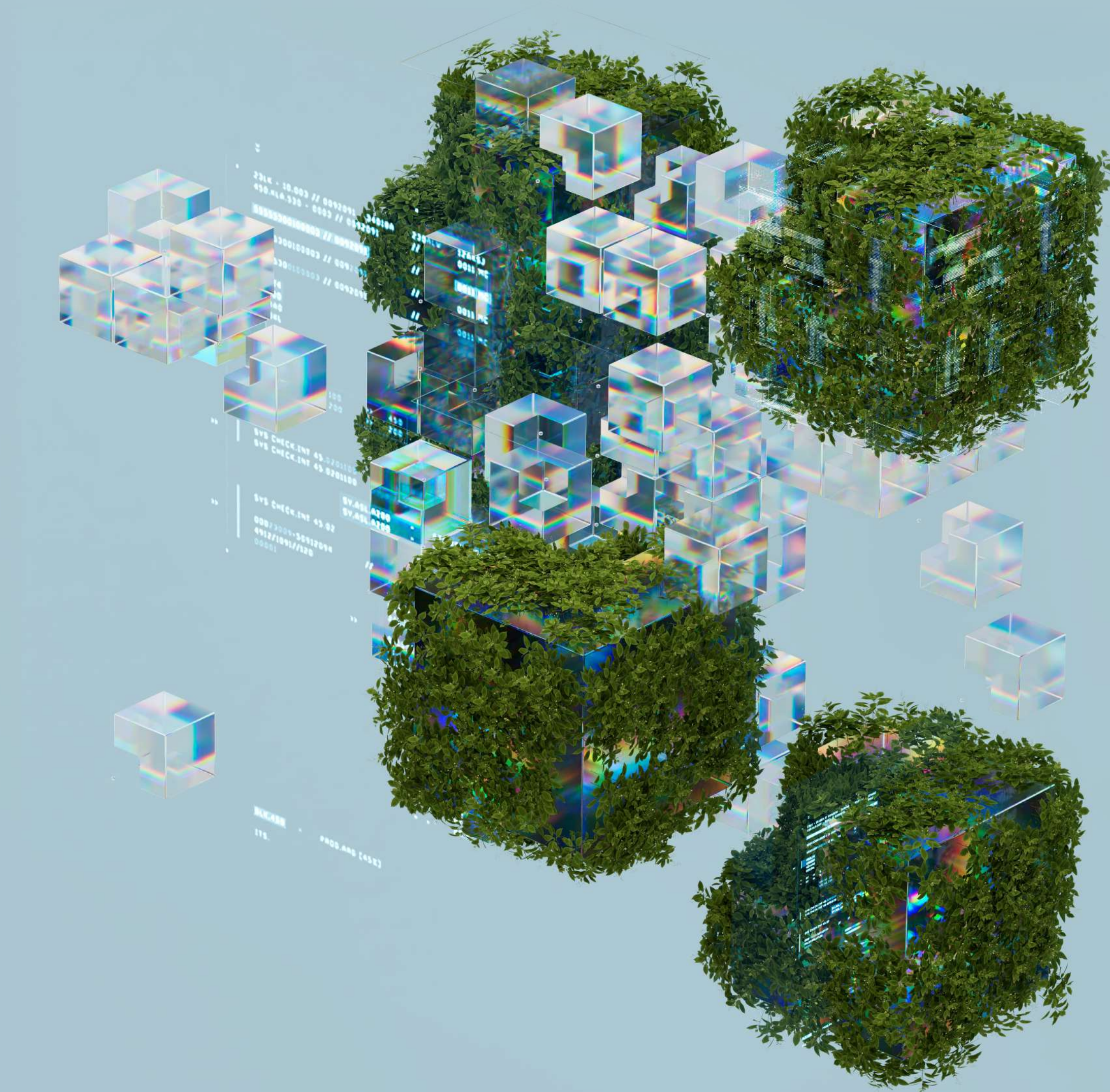
Holtek
Semiconductor Inc.

Sustainability Report

ESG REPORT

PASSION FOR INNOVATION

Holtek is a sincere and trustworthy partner that you can rely upon for your long term investment.



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About This Report

This report is voluntarily published by Holtek Semiconductor Inc. (hereinafter referred to as "Holtek") as its Sustainability Report (formerly Corporate Social Responsibility Report) since 2015. The content of this report adheres to the principles of integrity, pragmatism, and transparency, and provides a comprehensive overview of Holtek's practices and actions in advancing sustainable development. The 2024 Sustainability Report of Holtek focuses on the investment and achievements in environmental protection, social responsibility and corporate governance. The Company will take the opportunity to continue self-review, respond to the issues of stakeholder concern, and respond in good faith to the needs of stakeholders from all fields, and continue to be committed to practicing corporate sustainable development to create shared value.

Reporting Principle

Internal and external issues as well as issued related to corporate governance, economy, environment, and human rights of Holtek are collected in this report. The structure of this report and the focus of information disclosure is formulated based on materiality analysis to understand the issues of concern to stakeholders. At the same time, the content of the report is prepared and disclosed according to the GRI Standards 2021 released by the Global Sustainability Standards Board (GSSB).

The statistical data disclosed in the report were compiled and provided by various responsible units of Holtek. The financial performance data is publicly available information certified by CPAs, and consistent with the data and dates (January 1 to December 31, 2024) of the Company's annual report (https://www.holtek.com/page/investor_relations/Financial_Statement/annual_report). The calculation and estimation basis for environmental performance is based on publicly available government information and our own calculations.

Reporting Scope

The scope of this report covers only Holtek Semiconductor's Hsinchu headquarters (excluding its Hong Kong branch and subsidiaries).

The financial information includes all entities covered in Holtek Semiconductor's consolidated financial statements, while the social and environmental information is limited to the Hsinchu headquarters.

Report Audit and Verification

Internal audit: The content of this report is provided by each responsible group after inspection by the unit head. After the report is compiled by the Enterprise Sustainability Committee, the correctness of the content is reviewed by the head of each responsible unit, and then confirmed by the chair of the Enterprise Sustainability Committee and submitted to the board of directors.

External verification: In order to enhance accuracy and credibility of this report, the independent and credible British Standards Association Taiwan Branch (BSI Taiwan) is entrusted to conduct investigation based on AA1000 AS V3 Type 1 Moderate Assurance Level and GRI Standards 2021. Please refer to the appendix of this report for the assurance statement. Holtek and BSI are independent companies; except for conducting verification, BSI has no financial relationship with Holtek. At present, the organization's corporate social responsibility operations have been included in the regular communication with the management, and the president also participates in the initial meeting for investigation, which is worth affirming. In the future, it will continue to be implemented in accordance with the corporate social responsibility policy.

▶ Report Issurance First issue date: December 2015 | Date of this issuance : Aug 2024 (issued every year)

Please download the reports issued in the past years from the "Sustainability Report" Section.
https://www.holtek.com/page/about_holtek/responsibility/sustainability

▶ Feedback

Holtek sincerely welcomes stakeholders from all fields to continue communicating with us and provide valuable opinions and guidance through the following methods.

Resource Management Center/ Holtek Semiconductor Inc.

Contact: Bonnie Wang
Address: No.3, Creation Rd. II, Hsinchu Science Park
Telephone: +886-3-563-1999 ext. 1619
EMAIL : ir@holtek.com.tw

Offical website : Stakeholder Engagement
https://www.holtek.com/page/about_holtek/StakeholdersConcerns/stakeholders_concerns

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Company Development

In 2024, global demand for microcontrollers remained weak, with elevated channel inventories and intensified competition across the industry. Geopolitical tensions and tighter consumer spending further impacted end markets. Foundry utilization for mature processes declined, and increased price competition drove down microcontroller prices. Despite a 15% increase in unit shipments, Holtek's revenue and profit declined due to falling prices.

In 2024, Holtek's consolidated revenue was NT\$2.502 billion, a decrease of 3.6% compared to NT\$2.596 billion in the previous year. The gross margin dropped to 40.3%, and net income attributable to the parent company was NT\$150 million, or NT\$0.66 per share.

To address market challenges, Holtek expanded its product portfolio, supported key clients, and grew its presence in India and Southeast Asia. The company also reduced inventory by NT\$450 million, streamlined R&D and workforce, and implemented cost controls. While 2024 results were below expectations, Holtek will continue making strategic adjustments in 2025.

Environmental Sustainability

Holtek is committed to ESG and environmental sustainability by developing energy-efficient, low-carbon solutions such as BLDC motor MCUs, IH heating controllers, solar MPPT, energy storage inverters, and EV systems. These highly integrated SoC designs reduce external components and accelerate product development.

To support global net-zero goals, Holtek focuses on efficient power management and renewable energy applications. By combining smart MCU control with advanced power solutions, we enhance energy efficiency, safety, and product competitiveness.

Social Engagement

Holtek upholds the philosophy of "giving back to society" by actively fulfilling its corporate social responsibility through public welfare and education. In 2023, the company established the "Taiwan Best Modules STEAM Education Development Association" to promote engineering literacy and support higher education innovation in Taiwan.

Through the "University Program," Holtek collaborates with universities to establish joint labs, enhancing practical skills and industry alignment. The annual "Holtek MCU Innovation Competition" also inspires student creativity and cultivates interdisciplinary talent in electronics and ICT fields.



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Inclusive Workplace

Holtek provides internal and external training programs to support employees in developing both professional and cross-disciplinary skills, complemented by a structured promotion system to enhance competencies.

The company is committed to creating a healthy, safe, and harassment-free workplace. A dedicated grievance channel is in place to uphold a zero-tolerance policy, along with comprehensive employee health services, including maternity protection, regular health checkups, and follow-up care. Holtek also promotes well-being through sports clubs such as Tai Chi, dance, yoga, and diving, encouraging stress relief and cross-team bonding.

Upholding values of integrity, communication, and respect for diversity, Holtek fosters a transparent, inclusive, and harmonious work environment. Regular labor-management meetings and occupational safety committees ensure open dialogue on employee welfare and workplace safety, strengthening mutual trust and collaboration.

Future Outlook

The global economic outlook for 2025 remains uncertain, with rising risks and challenges. The Trump administration's reciprocal tariffs have triggered global economic anxiety, dampening consumer confidence. Ongoing and escalating U.S.-China tensions further heighten geopolitical risks, posing systemic uncertainties that test corporate adaptability.

In response, Holtek is strengthening its core technologies and expanding modular solutions to better serve customers. The company is actively developing markets in India, Southeast Asia, and the Middle East to drive the next wave of growth. Holtek also emphasizes balanced progress between operations and ESG, linking executive performance to ESG goals and advancing initiatives in product development, governance, environmental sustainability, and social engagement to maximize corporate value and fulfill its social responsibility.

Chi-Yung Wu -Chairman- **Armstrong Tsai** -President-





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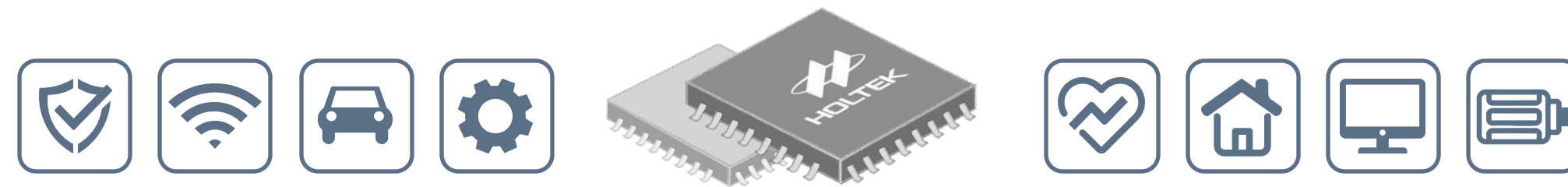
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About Holtek

Holtek has long been committed to the design, R&D and sale of 8-bit and 32-bit MCU ICs and their peripheral components. Since its establishment in 1998, the Company has been committed to the R&D of new products and technological innovations. Combined with its mastery of market trends, the Company expects to provide the most competitive MCUs, peripheral ICs and solutions in the vast electronic market. The Company was approved to be listed on the Taiwan Stock Exchange in 2004, with stock code 6202. In the period that this report covers, Holtek did not undergo significant changes in organizational scale, structure, ownership and supply chain.

At present, the business scope mainly includes the R&D and sale of 8-bit and 32-bit MCUs and MCU peripherals. The core technology is the design of the chips of MCUs and MCU peripherals. The products include general and specialized (ASSP) MCUs, peripheral components, and integrated digital modules, which are gradually expanded to various product application solutions, as well as algorithms and development platforms. The application scope covers different fields such as smart homes, safety protection, health care, Internet of Things, computer peripherals, brushless DC (BLDC) motor control, and industrial control. Matched with advanced manufacturing processes and the special packaging of foundries to meet the application needs of different customers and products. The Company offers a full range of standard and special application product (ASSP) MCUs and various types of digital modules (input sensing modules, output driver modules, output display modules, wireless communication modules, etc.), while continuously improving product quality and efficiency. Our product development goal is to provide customers with complete solutions with more functions. We hope that the Company can create stable revenue and profit returns in the future



Enterprise Management and Outlook

Due to the increasing emphasis on sustainable operation of global ESG enterprises, in addition to continuing to focus on the R&D of 32-bit and 8-bit MCU and RF wireless radio frequency technology, Holtek is focusing on the development of green energy-saving products: brushless DC (BLDC) motor controller MCUs adopt highly integrated SoC MCUs to effectively minimize the PCB size and optimize driver-level switch efficiency to reduce switch losses, and they use algorithms to achieve stable rotation speed and quietness. Facing the global net zero carbon emissions target and green and low-carbon life requirements, the Company has developed NFC tag power receiving ICs, which can receive energy from mobile phones or NFC readers and convert it into usable electrical energy; with lower power consumption MCUs, battery pollution to the environment can be reduced to help with circuit simplification and product miniaturization.

Looking ahead to the future, as a member of the global community, Holtek will closely follow global trends, achieve the carbon neutrality goal, and continue to uphold the principles of green innovation and intelligence to play a positive role in corporate social responsibility and sustainable development issues.





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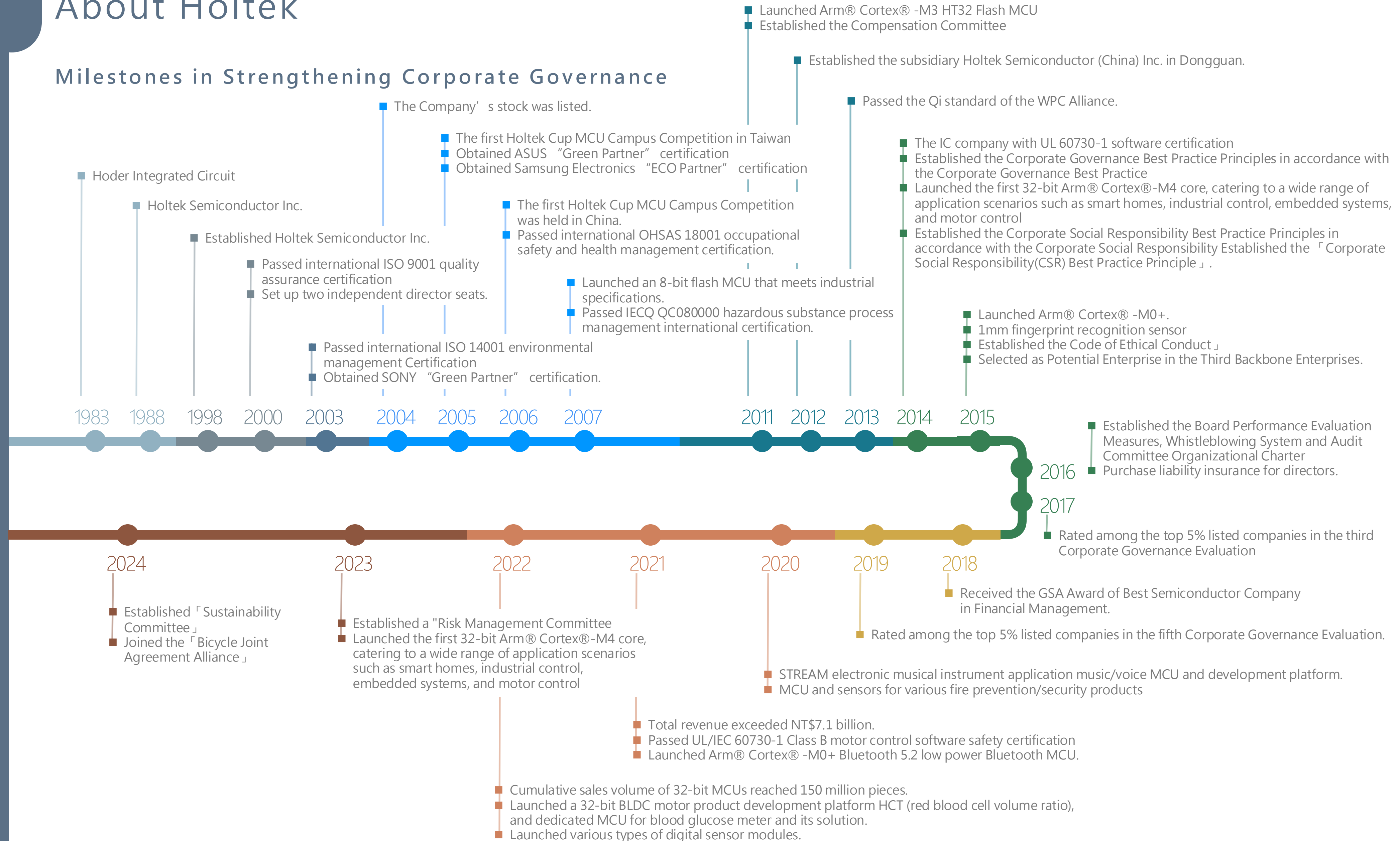
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Milestones in Strengthening Corporate Governance



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Global Layout

Holtek's operational headquarters are located in Hsinchu Science Park, Taiwan. At present, there are 343 employees in Taiwan (646 employees in total, including those in China, Hong Kong and the United States). Over 64% of the employees are responsible for product R&D. In addition to the headquarters in Hsinchu, the Company also has a Hong Kong branch and an Indian subsidiary. The subsidiary Holtek Semiconductor (China) Co., Ltd. was set up in Dongguan, China to provide application development, production, sales, and after-sales services for the products of Holtek in China.

The Company has about 40 agents or distribution networks around the world, including in Taiwan, Hong Kong, Shenzhen, Dongguan, Xiamen, Shanghai, Suzhou, Hangzhou, Beijing, Chengdu, Qingdao, Shunde District, the United States, Northeast Asia, Southeast Asia, South America, Europe, and the Middle East. This allows the Company to quickly collect market information, seize opportunities, and achieve rapid sales and after-sales services and technical support through domestic and international sales offices. In addition, the Company reinvests in downstream solution application companies to jointly develop new markets and expand MCU outlets.

- Operational and R&D Headquarters
Hsinchu
- Business and Application Service Headquarters
Dongguan
- Agents
Beijing / Suzhou / Xiamen / Shenzhen
- Technical Service Center / Solution Company
Qingdao / Shanghai / Shenzhen / Chengdu / Guangdong / Hong Kong



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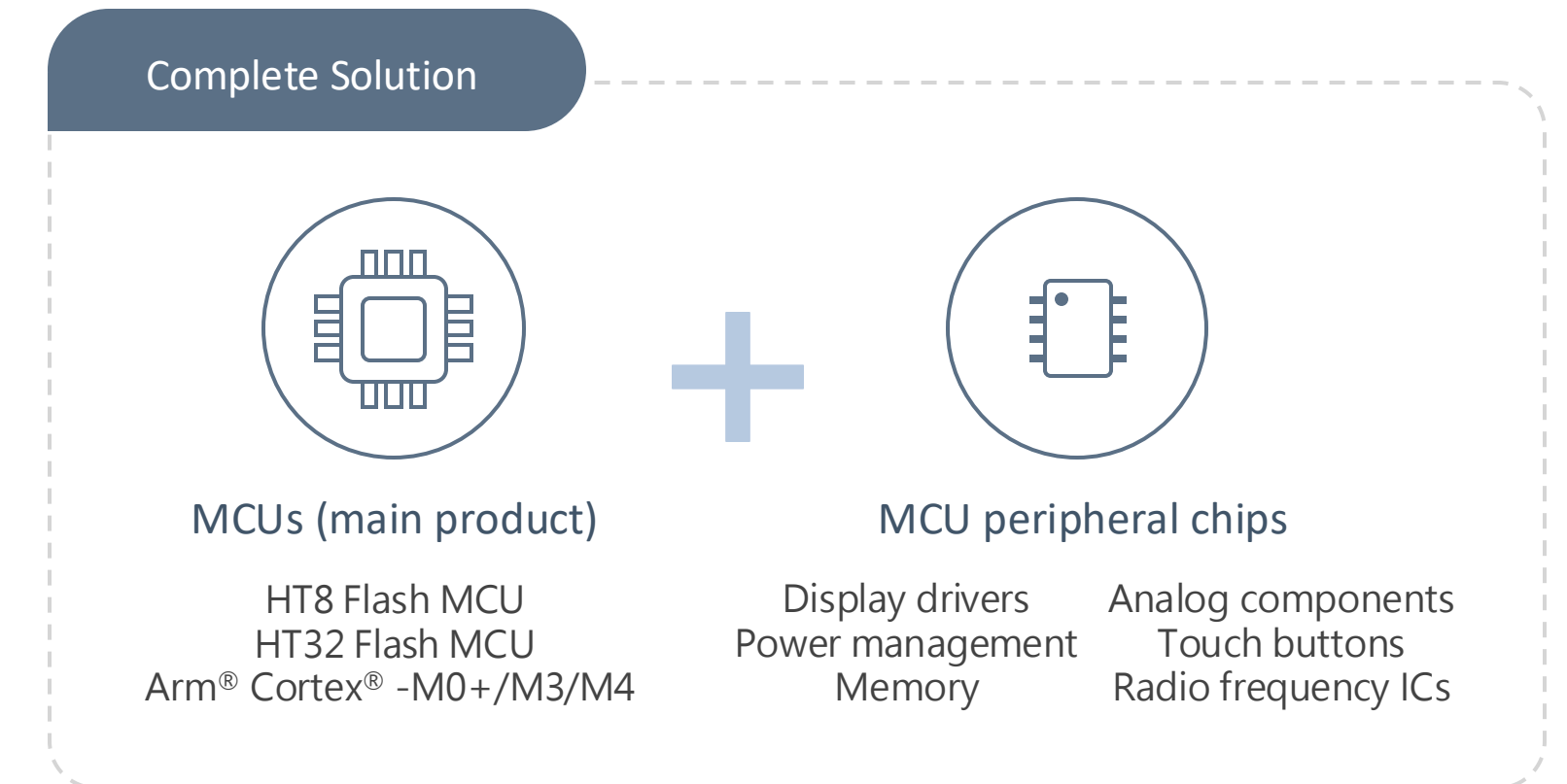
Core Competitiveness

Holtek has formed a team in the field of semiconductor IC design since 1983 and has accumulated a wealth of intellectual property rights and patents for many years. We are familiar with customer and market needs and have the full support of several front-end wafer factories and back-end packaging and testing factories. At the same time, we have established local sales and technical service bases in Taiwan, China, the United States and India. Therefore, the Company is able to provide customers with:

<p>1</p>	<p>2</p>	<p>3</p>	<p>4</p>	<p>5</p>	<p>6</p>	<p>7</p>
Best product quality	Product delivery time	Product value of money	Flash MCU	Technology services	Product application solutions	MCU development board
Low power, high electrostatic damage protection and anti-noise ability	Shortest product delivery time	Best value for money product	Providing OTP and flash MCU products.	Fastest local technology services	Elastic ASSP & ASIC MCU development services	Professional development tools and highly efficient C language compilers

Holtek' s Products

Holtek' s products focus on the core technology of MCU and its peripheral ICs. The main application scope includes all kinds of standard and embedded MCUs, screen display IC products, power management IC products, computer peripheral IC products, communication IC products, memory IC products, analog IC products, touch control switch IC products, financial products, health care products, security products, motor control products and Internet of Things products. The Company requires its products to meet global application requirements and attaches great importance to meeting special regional needs. For individual customers, the Company also provides commissioned design services specifically for ASIC MCUs and develops ASSP MCUs for specific application areas to fully meet the needs of various markets.



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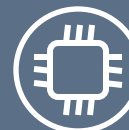

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About Holtek

The Company has a complete series of IC products, covering a wide range of application fields, including computer, communication, consumer, smart home appliance, industrial equipment, medical measurement and IoT products:

Main Products	Applications
 MCU Products	<ul style="list-style-type: none"> • A series of 32-bit flash MCU with Arm ® Cortex ® - M as the core. • A series of 8-bit flash MCU with HT8 as the core. • BS series 8-bit touch controlled flash MCU.
 RF SoC MCU Products	<ul style="list-style-type: none"> • Electric motorcycle alarms, electric bicycle anti-theft products, smart-home wireless remote controls, wireless doorbells and security anti-theft products. • Bluetooth Low Energy transmission control products for health measurement, home appliances, and intelligent equipment information inquiry applications. • IoT products and applications such as sub-1 GHz expanded frequency wireless communication products and intelligent four meters.
 Home Appliances	All kinds of MCUs for small home appliances, display control MCU for home appliance panels and touch button MCUs for home appliances.
 Computer Products	Keyboards, mouses, e-sports keyboards, USB bridges, PDF data loggers, etc.
 Display Products	Digital meter displays, audio-visual and home appliance displays, automotive displays, electronic shelf label displays, wearable product displays, and constant current LED displays
 Power Management Products	Home appliance power supply boards, chargers, smoke detectors, power banks, wireless chargers, smart electricity meters, lithium-battery personal care products (shavers, nasal hair knives, facial cleaners and electric hair clippers), flashlights and other ASSP MCUs.
 Financial Products	Dynamic password generators, challenge response dynamic password generators, credit card dynamic verification codes (DCV), NFC value storage cards, smart card readers, financial machines and tools related to needs for scanning and identification based on currency, credit cards, and ID cards such as note counting and verifying machines, point clearance machines, ATMs, EPD flash MCUs, ultra-low power flash MCUs, ID card identifiers, etc.

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Main Products	Applications
 IoT Products	Internet of Things technology based on Wi-Fi and Bluetooth Low Energy using 32-bit flash MCUs to provide complete solutions for small home appliances, health monitoring, medical care, smart bracelets and other IoT related products. Accompanied by an AI image recognition processors, we provide identification solutions for banknotes, fingerprint, objects and hand gestures.
 Security Products	Smoke/temperature sensing fire detection alarms, PM2.5 sensors, CO/GAS detection alarms, PIR/uWave sensors, etc.
 Health Measurement Products	Sphygmomanometers, glucose meters, blood oxygen meters, thermometers, electronic scales, price-computing instruments, body fat scales, infrared temperature measurement instruments, atomizers and proximity sensors.
 BLDC Motors	Electric tools, gardening tools, air purifiers, vacuum cleaners, DC fans, ceiling fans, computer fans, electric bicycles and electric scooters.
 Voice Products	Electronic keyboards, percussion instruments, music synthesizers, early education toys, and offline voice recognition product areas.

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ESG Sustainable Development Committee

Starting from July 29, 2024, Holtek has established a Sustainability Committee as one of its functional committees under the Board of Directors, serving as the company's highest decision-making body for promoting sustainable development. The committee consists of two independent directors and one director and is tasked with assisting the Board in reviewing the company's core operational capabilities and formulating medium- to long-term sustainability strategies to strengthen overall performance in environmental sustainability, social responsibility, and corporate governance.

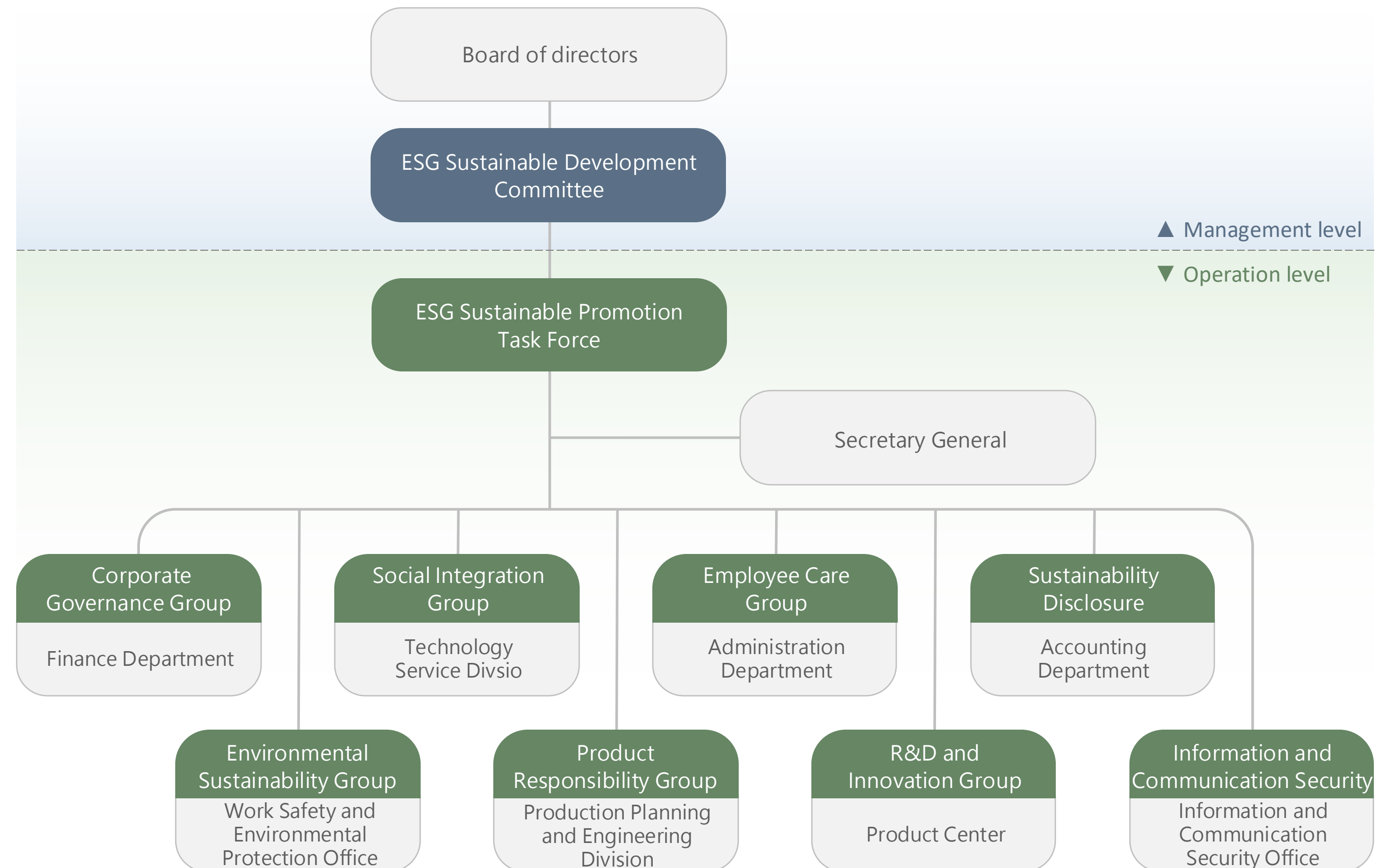
To enhance execution efficiency, the committee has established a Sustainability Promotion Task Force and appointed a Secretary General to build a cross-departmental communication platform that facilitates both vertical integration and horizontal coordination. Additionally, eight specialized working groups have been formed based on key sustainability topics. Through regular and ad hoc meetings, these groups identify sustainability issues of material significance to the company's operations and stakeholders, formulate corresponding strategies and action plans, and continuously monitor and evaluate implementation results to ensure that sustainability goals are embedded in day-to-day operations.

The eight working groups established by the Committee cover areas including corporate governance, environmental sustainability, social inclusion, product responsibility, employee care, R&D innovation, sustainability disclosure, and information and cybersecurity. Each group is composed of relevant departments and led by appointed mid- to senior-level managers responsible for coordinating the implementation of sustainability policies and action plans.

To further advance corporate sustainability and promote balanced development across economic, governance, environmental, and social dimensions, the company has formulated a Sustainability Best Practice Principles, which has been approved by the Board of Directors and serves as the highest guiding framework for the company's sustainability efforts.

In accordance with regulations, the Sustainability Committee convenes at least twice a year and is responsible for formulating corporate sustainability management policies and promotion plans, setting short-, medium-, and long-term sustainability strategies and goals, and regularly reporting implementation outcomes to the Board of Directors to ensure effective execution of sustainability initiatives. The 2024 sustainability implementation results were reported to the Board on October 29, 2024. The agenda included quarterly greenhouse gas inventory planning, updates on risk management execution, material topic reporting for the 2024 Sustainability Report, 2024 performance summaries and 2025 plans from each working group, the annual Corporate Governance Report, and stakeholder engagement outcomes. No major incidents occurred in 2024.

Note: At Holtek, a "major incident" is defined as any transaction or event involving an amount exceeding 20% of the company's paid-in capital, 10% of its total assets, or NT\$300 million. In the event of a major incident that may affect stakeholders, the responsible unit is required to report the cause and corresponding response measures to the Sustainability Committee.



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Stakeholder Engagement

"Stakeholders" generally refer to groups or individuals that influence or are influenced by the goals of an organization. As a publicly listed company, Holtek's business development involves multiple stakeholders. To ensure that the report can be more accurately focused and achieve effective communication, it is necessary to identify the company's key stakeholders. Through input from various departments within the company, a list of stakeholders is created, which is then consolidated, summarized, and discussed by the ESG Sustainability Committee members. This process establishes mechanisms for stakeholder communication and identification, serving as a reference for the company's corporate social responsibility (CSR) and future operational development plans, with the goal of realizing the value and positive impact of corporate social responsibility.

Identify Stakeholders

Holtek refers to the global non-profit organization AccountAbility and uses the five key principles of the AA1000 SES (AA1000 Stakeholder Engagement Standard 2015) — Dependency, Responsibility, Tension, Influence, and Diverse Perspectives — to identify stakeholders. After assessment, six key stakeholder groups for focused communication were identified: employees, shareholders/investors, customers, suppliers, government agencies, and the general public.



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Major Issues of Stakeholder Concern, Communication Channels and Frequency

Holtek continuously communicates and negotiates important issues with various stakeholders through diverse communication channels in an open and transparent manner, in order to ensure that the concerns and expectations of various stakeholders are included in Holtek’s operational strategies and goals, and to respond to stakeholders with substantive operational results. The communication channels with various important stakeholders are summarized as follows:



Employees

Contact point: Director Li of the Administrative Management Department e-mail : liman1103@holtek.com.tw

Meaning to Holtek and communication purpose	Issue of concern	Communication method and frequency	2024 communication achievement
<p>Employees are the most important assets of Holtek and the most important foundation for the Company’s sustainable operation.</p> <p>Purpose: To improve work efficiency and talent retention rate</p>	<ul style="list-style-type: none"> ▪ Workplace health and safety ▪ Human rights of workers ▪ Employee career development ▪ Talent attraction and retention 	<ul style="list-style-type: none"> ▪ Labor-management meeting (quarterly) ▪ Occupational Safety and Health Committee (quarterly) ▪ Training (irregularly) ▪ Employee Welfare Committee meeting (quarterly) ▪ Medical staff (irregularly) 	<ul style="list-style-type: none"> ▪ Physical labor-management meetings were held quarterly, totaling 4 sessions in 2024. Internal communication channels such as an internal mailbox and departmental meetings were also established to facilitate two-way communication between employees and all levels of management. No whistleblowing cases occurred in 2024. ▪ Occupational Safety and Health Committee meetings were held quarterly, with a total of 4 meetings conducted throughout the year. ▪ A total of 6,799 hours of internal and external training were provided to 4,214 participants. ▪ In 2024, the Employee Welfare Committee held 14 communication meetings to promote various welfare programs and employee club activities. ▪ Annual health checkups and health promotion activities are regularly organized for all employees.



Shareholders / investors

Contact point: Ms. Wang, Investor Relations and News Contact e-mail : ir@holtek.com.tw

Meaning to Holtek and communication purpose	Issue of concern	Communication method and frequency	2024 communication achievement
<p>The support of shareholders and investors is the sustainable support of Holtek.</p> <p>Purpose: Create continuous and stable profits to maximize the returns to shareholders</p>	<ul style="list-style-type: none"> ▪ Operational performance ▪ Ethical corporate management ▪ Risk management ▪ Corporate Governance ▪ Information Security 	<ul style="list-style-type: none"> ▪ General shareholders’ meetings (May each year) ▪ Corporate briefings (quarterly) ▪ Monthly Revenue Announcements (once per month) ▪ Domestic and International Meetings (irregular) 	<ul style="list-style-type: none"> ▪ Hold quarterly in-person/online investor conferences, with a total of 4 events throughout the year. ▪ Hold an annual general meeting in the second quarter to present financial and operational information. ▪ Organize more than 10 in-person and online investor meetings throughout the year. ▪ Report significant information in English, disclose quarterly financial reports, shareholder meeting annual reports, and related materials in English. Major announcements and information are disclosed in both Chinese and English.

If these issues are linked to material issues, please refer to the Material Management Principles.

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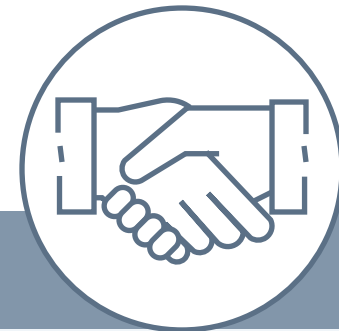
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Major Issues of Stakeholder Concern, Communication Channels and Frequency



Customers

Contact point: The Company' s website has a dedicated section for stakeholders to establish communication channels between business units and various regions, as well as dedicated responsible persons, phone numbers and emails.

Meaning to Holtek and communication purpose

Holtek is committed to providing high-quality products and services, hoping to meet customers needs and expectations.

Purpose: To provide products that better meet customer needs.

Issue of concern

- Product quality and delivery time
- Supply chain management
- Engineering technology and application capabilities

Communication method and frequency

- Senior executive customer visit (irregularly)
- Customer satisfaction survey (regularly)
- Agent business meeting (regularly)

2024 communication achievement

- Conduct annual customer satisfaction surveys, with an overall average satisfaction score of 4.37 out of 5.
- Hold monthly business meetings and technical seminars with major distributors
- 100% submission of green products complying with RoHS, REACH, and lead-free standards to customers
- In 2024, no complaints were received regarding the infringement of customer privacy



Suppliers

Contact point: Deputy Manager Zeng of the Quality Assurance Department e-mail : jadis@holtek.com.tw

Meaning to Holtek and communication purpose

Suppliers are important partners in the operation of the Company, and through close cooperation, we strive for enterprise sustainability together

Purpose: To ensure the quality of supplier services and maintain good supplier relations.

Issue of concern

- Implementation of green products
- Supplier services and privacy
- Payment ability and financial risks

Communication method and frequency

- Supplier business meeting (irregularly)
- Supplier evaluation (quarterly)
- Supplier audit and quality inspection (regularly)
- Supplier ISO certification (regularly)

2024 communication achievement

- Hold monthly meetings with key suppliers to review quality issues.
- Conduct quarterly supplier evaluations to ensure compliance with supplier standards.
- Complete supplier audits for 81% of suppliers.
- 100% of major Taiwanese partner suppliers have obtained ISO 14001 Environmental Management System certification.

If these issues are linked to material issues, please refer to the Material Management Principles.

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Stakeholder Engagement

Major Issues of Stakeholder Concern, Communication Channels and Frequency



Government agencies

Contact point: Ms. Wang, Investor Relations and News Contact e-mail : ir@holtek.com.tw

Meaning to Holtek and communication purpose	Issue of concern	Communication method and frequency	2024 communication achievement
<p>Follow the laws and regulations of government agencies, and comply in carrying out inspections and supervision.</p> <p>Purpose: To comply with laws and regulations to ensure that the Company implements corporate governance practices.</p>	<ul style="list-style-type: none"> ▪ Corporate Governance and ▪ Operational Performance Risk ▪ Management Integrity and ▪ Compliance Climate Change 	<ul style="list-style-type: none"> ▪ Public Information Observation Post ▪ Announcements (irregular) ▪ Government Agency Websites ▪ Public Government Policies/Regulations Official Correspondence 	<ul style="list-style-type: none"> ▪ Corporate governance evaluation ranked in the 21% to 35% range among listed companies. ▪ Implemented regulatory compliance by attending promotional meetings and promptly communicating with regulatory authorities to execute required tasks. ▪ Irregularly confirm financial report audits and other major accounting and audit issues with accountants. ▪ No significant legal violations occurred in 2024.



General public

Contact point: Ms. Wang, Investor Relations and News Contact e-mail : ir@holtek.com.tw

Meaning to Holtek and communication purpose	Issue of concern	Communication method and frequency	2024 communication achievement
<p>Actively interact with community neighbors and groups to fulfill corporate social responsibility</p> <p>Purpose: Sustainable operation and appropriately giving back to the society.</p>	<ul style="list-style-type: none"> ▪ Community participation and industry-academia cooperation. ▪ Social welfare and charitable donations. 	<ul style="list-style-type: none"> ▪ Industry-academia cooperation (irregularly). ▪ Providing vocational training and practical training opportunities in the enterprise for students (irregularly). ▪ Annual Holtek Cup (regularly) ▪ Donating to and purchasing products from disadvantaged groups (irregularly) 	<ul style="list-style-type: none"> ▪ The Holtek Cup Creative Competition has been held for 19 consecutive years, with NT\$2.61 million invested in 2024, involving 124 teams from 24 universities. ▪ Promoted the Holtek University Program, donating equipment and providing teaching support to six national universities. ▪ Collaborated with the Chinese Be-Chuang Association for STEAM Education Development to conduct three teacher training workshops for senior high and vocational schools. ▪ Purchased holiday gift boxes primarily from disadvantaged groups and promoted locally produced Taiwanese agricultural products, while actively seeking suitable social welfare groups that align with Holtek' s donation philosophy.

If these issues are linked to material issues, please refer to the Material Management Principles.

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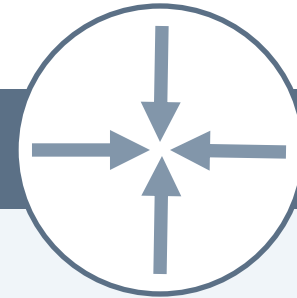
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Materiality Identification Process

Holtek places great importance on the issues relevant to various stakeholders. To ensure that the contents of the sustainability report align with stakeholder expectations, Holtek follows the 2021 version of the GRI Standards for sustainability reporting. Through discussions within the ESG Sustainability Task Force, Holtek identifies sustainability issues of concern to internal and external stakeholders. These issues are then analyzed and ranked based on both internal and external relevance, leading to the identification of Holtek's material topics for 2024. This information is used to create a materiality matrix, clearly illustrating the distribution of topics valued by stakeholders. This approach helps Holtek effectively understand the relationships and intensity between material topics and continuously monitor trends and develop strategies to address important issues.



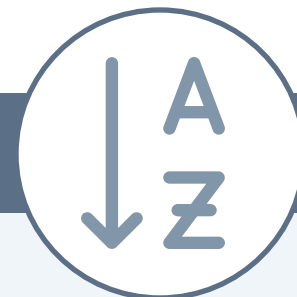
Step 1: Summarize Sustainability Issues

The collection of sustainability issues considers the Taiwan Stock Exchange's regulations for the preparation and submission of sustainability reports by listed companies, the GRI Standards, and international mainstream sustainability indicators (such as the United Nations Sustainable Development Goals (SDGs), the Sustainability Accounting Standards Board (SASB), the Task Force on Climate-related Financial Disclosures (TCFD), the MSCI Sustainability Index, the Responsible Business Alliance (RBA) Code of Conduct, etc.). It also takes into account relevant topics in the domestic and international semiconductor industries, as well as the company's medium and long-term vision and daily operations. Through comprehensive evaluation, 24 sustainability issues were identified, covering aspects such as corporate governance, economics, environment, climate change, human rights, and employee care, which serve as the topics for exploring material issues.



Step 2: Analyze the Impact of Issues on Company Operations

According to the latest definition of materiality in the GRI Standards (2021), the Company conducted a survey to assess the level of concern regarding 24 sustainability issues among six categories of stakeholders. In addition, supervisors at the division level and above were invited to complete the questionnaire. A total of 55 valid responses were collected.



Step 3: Prioritization of Material Issues

After compiling the survey results, Holtek's Sustainability Development Committee conducted discussions based on a materiality matrix analysis to evaluate the impact of each topic on the company's operations. As a result, ten material topics were identified. Following this, the Sustainability Task Force further assessed the severity and likelihood of impact for each topic across three key dimensions—economic, environmental, and social (including human rights). The results were evaluated, prioritized, and submitted to the Sustainability Development Committee for approval.



Step 4: Define the Scope Boundaries of Material Issues

Define the impact boundaries of each material topic across the value chain to ensure a clear correlation between Holtek's strategic layout and areas of influence in the three key dimensions—economic, environmental, and social. This approach ensures that the intensity of potential impacts is adequately considered and reflected. For details, please refer to the summary section of Holtek's 2024 Material Topic Management Guidelines.

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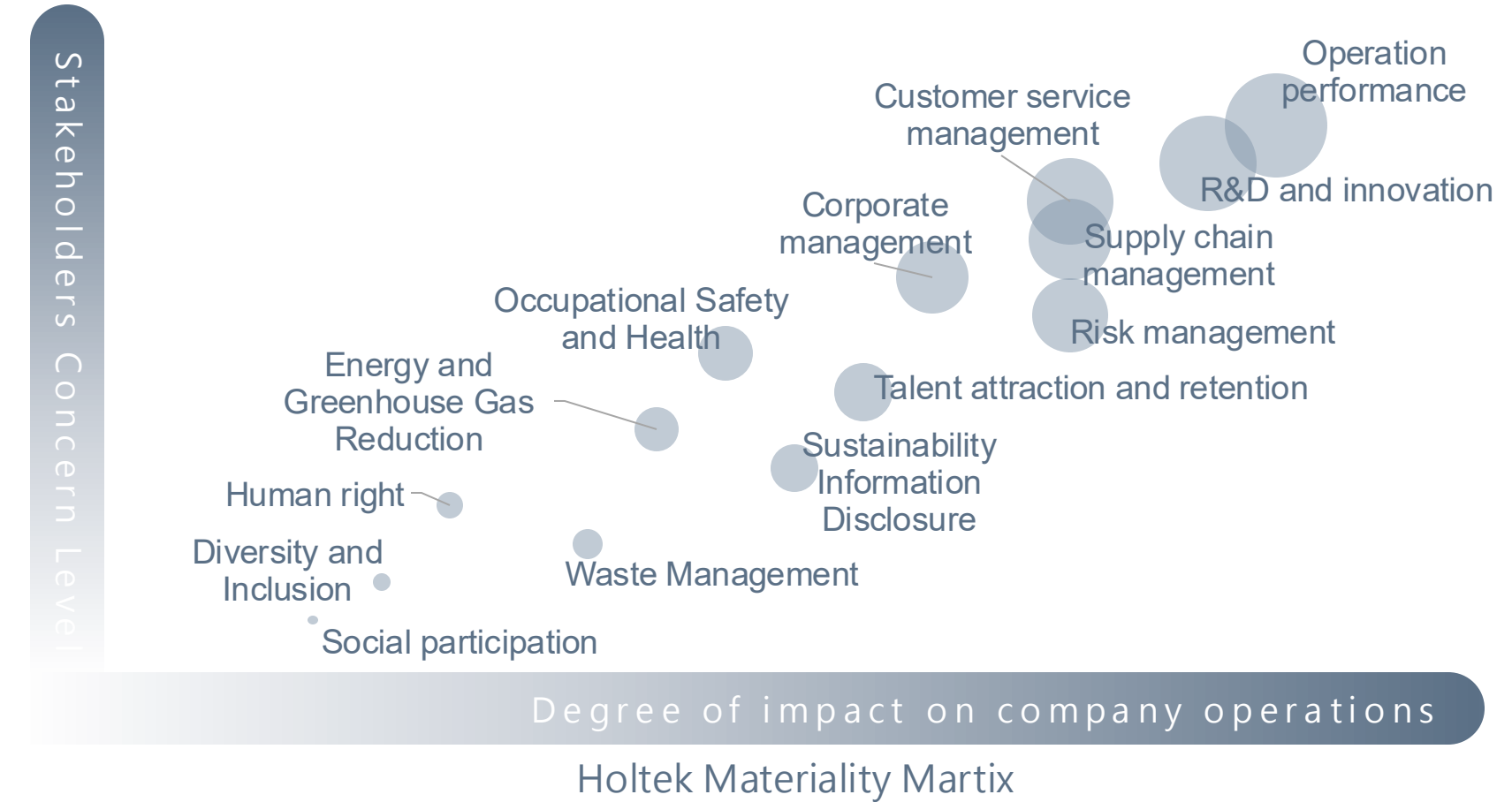
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Step 5: Review and Discussion

Holtek 's material topics are identified through internal impact assessments and the integration of stakeholder perspectives. The final decision is confirmed by the highest responsible person of the Sustainability Development Committee. Moving forward, we will continue to engage with stakeholders regularly and on an ad-hoc basis to understand the positive and negative impacts Holtek faces, as well as external stakeholder expectations. Through the annual materiality identification process, we will consolidate internal and external perspectives to define key sustainability topics. For each material topic, Holtek establishes management guidelines and action plans, setting goals and indicators based on data-driven strategies. Progress is tracked regularly to ensure effective outcomes.



List of Major Thematic Differences

Ten Material Topics Identified in 2023	Ten Material Topics Identified in 2024	Explanation of Differences
1. Economic Performance	1. Operational Performance	Renaming
2. Corporate Governance	2. Corporate Governance	No Material Differences
3. Risk Management	3. Risk Management	No Material Differences
4. R&D and Innovation	4. R&D and Innovation	No Material Differences
5. Sustainable Supply Chain Management	5. Sustainable Supply Chain Management	No Material Differences
6. Customer Service Management	6. Customer Service Management	No Material Differences
7. Talent Attraction and Retention Strategy	7. Talent Development and Remuneration	Renaming
8. Energy and Greenhouse Gas Emissions Reduction	8. Energy and Greenhouse Gas Emissions Reduction	No Material Differences
9. Occupational Health and Safety	9. Occupational Health and Safety	No Material Differences
10. Talent Cultivation and Development	NA	Merged into Section 7: Talent Development and Remuneration
NA	10. Sustainability Disclosure	New Topic Introduced

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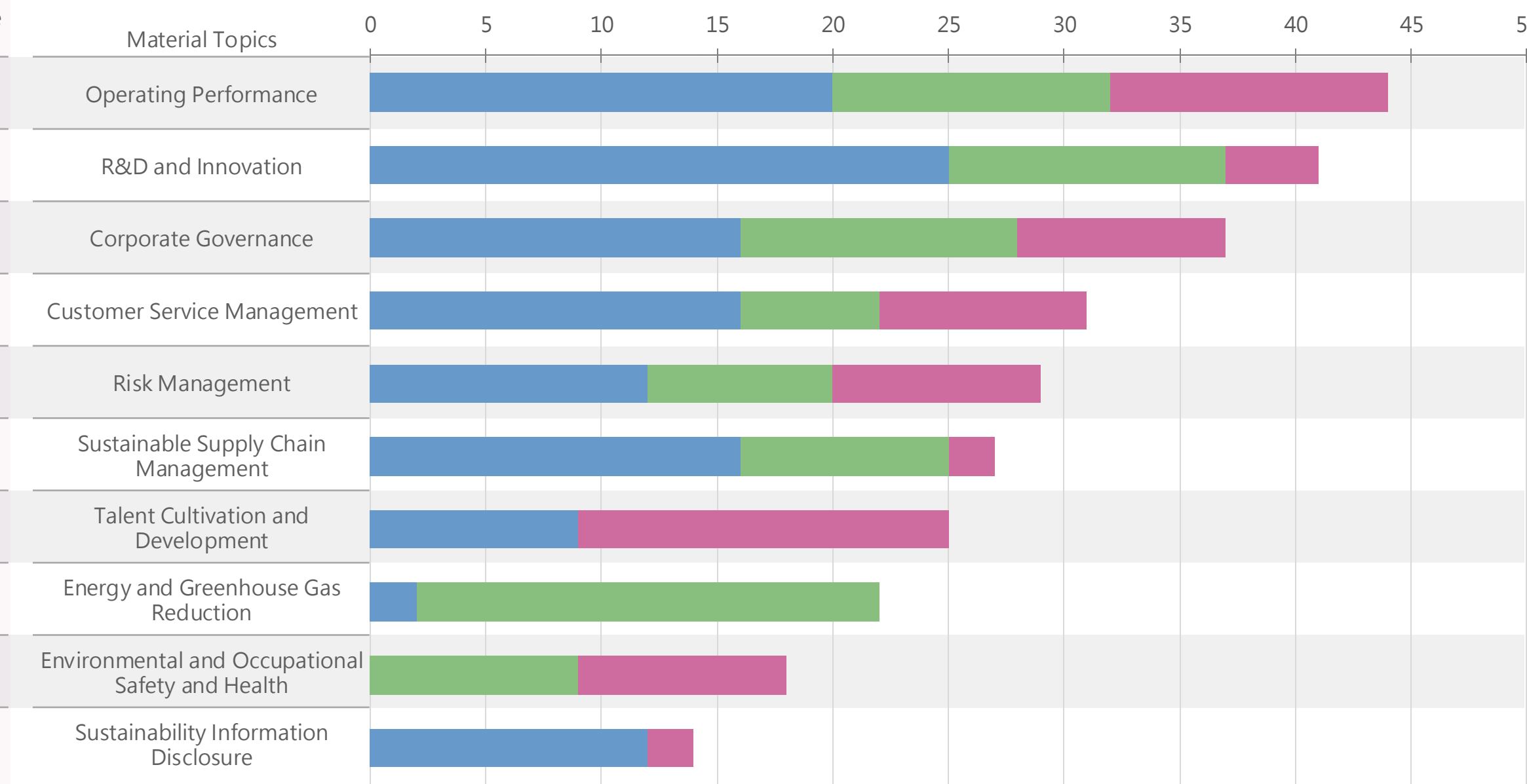
Materiality Impact Significance Assessment

Quantitative Impact Assessment: The positive and negative impacts of material issues on the economy, environment, and people (including human rights), as well as the likelihood of occurrence, are each scored on a scale of 1 to 5. Internal discussions and scoring are conducted by relevant departments, and the Sustainability Development Committee working group consolidates the results. An example is as follows:

Materiality Impact Assessment Results: The Sustainability Development Committee working group calculated the quantitative impact results of the 10 material issues. After considering recommendations from the management team, the following assessment results were obtained:

Actual and potential impact

Economy		Environment		People (including human rights)	
Degree of impact	Probability	Degree of impact	Probability	Degree of impact	Probability
Positive	Negative	Positive	Negative	Positive	Negative
5	4	4	3	4	3
4	5	4	3	2	2
4	4	4	3	3	3
4	4	3	2	3	3
4	3	4	2	3	3
4	4	3	3	2	1
3	3			4	4
2	1	5	4		
		3	3	3	3
4	3			2	1



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Each important sustainability issue identified by Holtek covers the impact boundary in the value chain, in order to ensure that it fully reflects the three major aspects of environment, people and corporate governance, and to define the disclosure status of entities within and outside the organization:

● Direct impact ○ Indirect impact

Material topic	Corresponding topic-specific GRI Standards	Importance to Holtek	Within the organization		Outside the organization				
			Holtek	Employees	Customer	Stakeholders/ investors	Suppliers	Government agencies	Social groups
Operating Performance	201-1	In order to meet the key economic development requirements of the current market, Holtek provides customers with the most complete system design support and services based on the principle of customer orientation. We are committed to pursuing sustainable operation and stable profits, contributing to the growth of global partners, and working together to create diverse values.	●	●	●	●	●		
R&D and Innovation	-	Focus on increasing chip integration, reducing product development complexity, enhancing customer loyalty, and improving industry competitiveness to achieve the goals of innovation and sustainable development.	●	●	●	●	●		○
Corporate Governance	205-2, 205-3, 206-1	Continuously strengthen the functions of the board of directors, refine the corporate governance system in accordance with the requirements of laws and corporate governance evaluation, while safeguarding the rights and interests of stakeholders.	●	●		●		●	
Customer Service Management	416-2, 418-1	Fully understand customer feedback on Holtek, identify customer concerns, and solve customer problems.	●		●		●	●	
Risk Management	-	Establishing a comprehensive corporate risk management mechanism and enhancing the company's crisis response capabilities have become essential foundations for sustainable business operations and maintaining corporate competitiveness.	●	●	●	○	●		

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● Direct impact ○ Indirect impact

Material topic	Corresponding topic-specific GRI Standards	Importance to Holtek	Within the organization		Outside the organization				
			Holtek	Employees	Customer	Stakeholders/investors	Suppliers	Government agencies	Social groups
Sustainable supply chain management	308-1, 414-1	Holtek has established a stable and sound supplier system through supplier evaluation and supplier certification, in hopes of maintaining long-term and good cooperative relations with supply chain partners, and to strive for a sustainable supply chain.	●		●		●	●	
Talent attraction and retention	401, 402, 404-01, 404-03, 405-1, 405-2	Actively recruit outstanding talent, emphasize talent retention and development, and build a diverse and balanced human resources structure. In line with business strategies, diverse training programs are planned to support employee growth. The company offers fair and competitive compensation and benefits to enhance employee engagement and loyalty, fostering a high-quality workplace environment.	●	●					
Energy and greenhouse gas emission reduction	302-1, 302-4, 302-5, 305-4, 305-5	In order to reduce and manage greenhouse gas emissions, and to address the development of the global climate change issue, goals and plans are formulated based on the requirements of company operations and stakeholders, and various electricity and raw material conservation plans are implemented to reduce greenhouse gas emissions	●	●			●	●	
Workplace safety and health	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9, 403-10	Build a sound occupational safety and health management system based on the core goal of adhering to the occupational safety and health policy, and regularly review and improve it with the PDCA cycle to ensure work safety and health.	●	●				●	
Sustainability Information Disclosure	-	Continuously strengthen the assessment of the company's sustainable operations by identifying sustainability-related risks and opportunities, and promptly adapting to changes in relevant standards, enabling stakeholders to gain a clear understanding of the company's status.	●	●	○	●	○	●	

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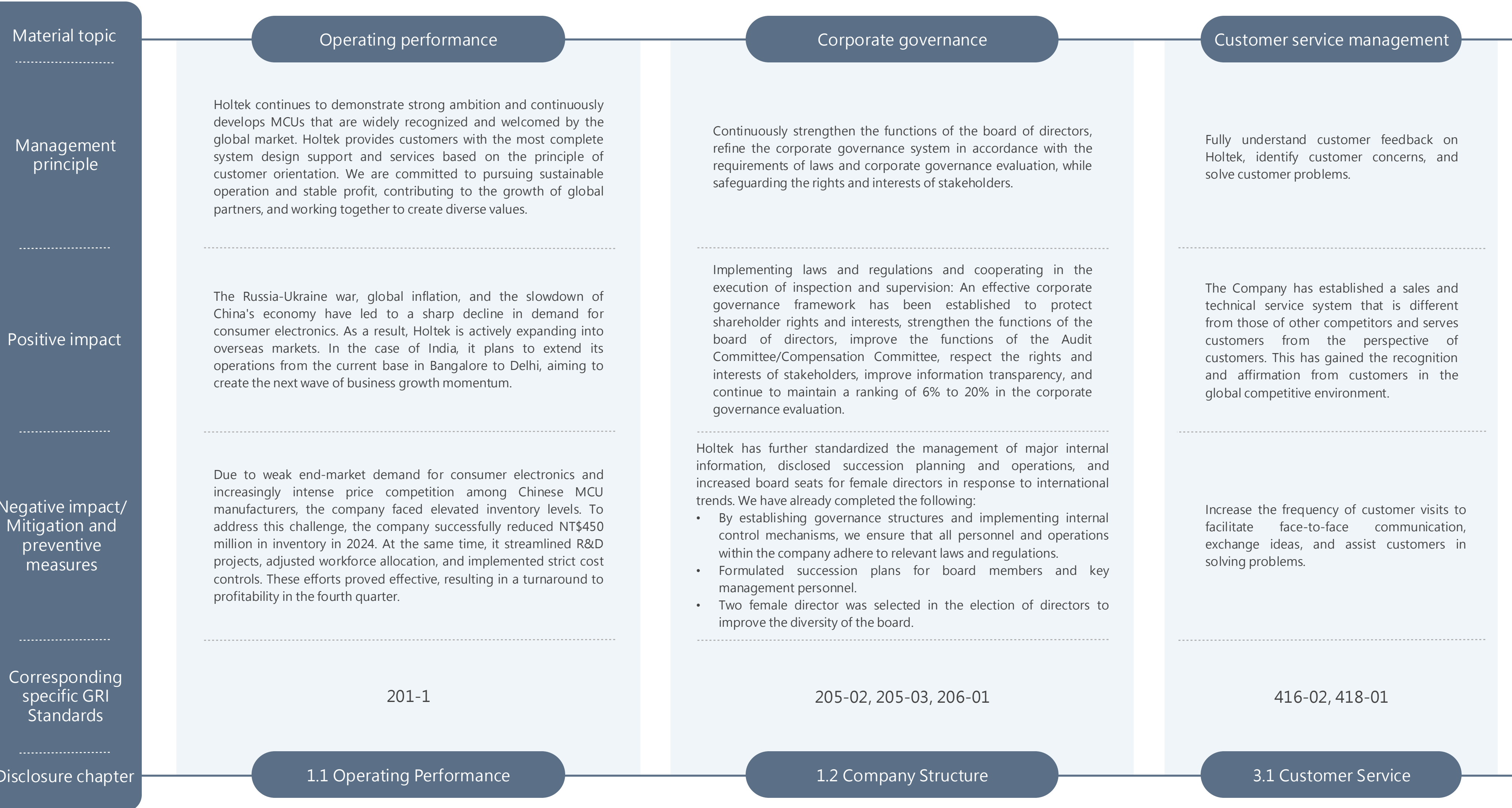
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Material Topic Management Principles

We correspond the material issues obtained from the evaluation to the material topics of the GRI Standards and establish management policies and evaluation mechanisms and manage related issues in an institutionalized and systematic manner, in order to implement the commitment to corporate sustainable development. We disclose relevant sustainable performance according to the needs of stakeholders to achieve the purpose of communication.



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Material topic

R&D and Innovation

Management principle

Emphasize technical evaluation in the early stages of product development.

Continually improve product features.

Expand the application areas of the product line.

Positive impact

1. **Increase the success rate of R&D projects:**
By conducting early-stage technical risk assessments, design bottlenecks and implementation feasibility can be clearly identified, helping to avoid wasting resources on technically unfeasible projects.
2. **Enhance the company' s technical planning and execution capabilities:**
A comprehensive technical evaluation system contributes to the development of a robust technology roadmap, strengthening both internal communication and external collaboration.

1. **Technological Leadership Advantage :**
Continuous innovation and research & development enable us to maintain a leading position in technology and secure a competitive edge in the market.
2. **Enhanced Product Feature Advantages :**
By improving the performance, power consumption, and functionality of existing products, we deliver higher-quality and more advanced solutions that meet market demands.

1. **Deepening Market Presence and Building Brand Awareness :**
By establishing strong brand recognition within the industry, we enhance customer confidence, thereby expanding market share and revenue streams, fostering positive growth.
2. **Increasing Customer Loyalty and Expanding Sales Opportunities :**
Offering a comprehensive range of product models demonstrates our in-depth understanding of the market and applications, delivering products that meet customer needs with excellent cost-performance.

Negative impact/
Mitigation and preventive measures

1. **Extended Lead Time in Early Stages :**
Implemented a standardized assessment strategy to enhance cross-departmental understanding and improve evaluation efficiency.
2. **Reduced Number of Projects Due to High Technical Barriers :**
Included key technology projects in the evaluation, assessing the reusability of technologies to maintain short product development cycles while building long-term technological accumulation.

1. **Technological Transformation :**
Regular customer interviews and market monitoring enable us to gain insights into technological changes and ensure technological leadership.
2. **Increasing Design Complexity :**
We strengthen modular design and enhance simulation test coverage to shorten development cycles and improve R&D success rates.

1. **Challenges in Early-Stage Promotion :**
Through collaborative development with customers, we reduce development difficulties, accelerate market introduction, and gradually build brand awareness.
2. **Insufficient Application Understanding :**
By partnering with existing customers, we expand surrounding product lines and avoid entering markets or technologies without adequate knowledge.

Corresponding specific GRI Standards

Disclosure chapter

CH2 R&D and Innovation

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Material topic	Sustainable Supply Chain Management	Talent Development and Compensation & Benefits	Risk management
Management principle	Enhance the sustainability quality of the supply chain by collaborating with suppliers to prioritize quality, green products, safety, health, and environmental protection.	Through a comprehensive training system, we ensure employees have access to diverse learning resources to unleash their potential and strengthen core skills. Holtek actively attracts and retains outstanding talent by offering fair and competitive compensation and benefits, enhancing employee engagement and loyalty.	Improve the enterprise risk management mechanism, regularly evaluate and review it to reduce the negative impact of unexpected events on the enterprise, respond to potential crises, and pursue corporate sustainable operation.
Positive impact	<p>Strive for optimal cooperation in quality, delivery, service, and price:</p> <ul style="list-style-type: none"> • Establish a competitive supply environment. • Select suppliers by eliminating the weak and retaining the strong. • Achieve cost reduction and risk diversification. 	The company values people as its core and emphasizes talent development by fostering industry-academia collaboration and campus recruitment to cultivate the next generation of skilled professionals. Through mechanisms such as year-end bonuses and employee profit sharing, the company shares operational achievements, while creating a work environment that supports both physical and mental well-being, promoting work-life balance.	In July 2023, the "Risk Management Committee" was established under the supervision of the Audit Committee. The committee is responsible for formulating risk management policies, planning significant risk management matters, driving and coordinating risk management activities, and overseeing improvements in risk monitoring.
Negative impact/ Mitigation and preventive measures	Holtek's requirements for social responsibility in the supply chain have been relatively weak. Therefore, Holtek has added an assessment item regarding whether suppliers have implemented the SA8000 social responsibility standard in the evaluation form for new outsourcing vendors.	Our talent development has focused on professional and management courses. Recently, to support work-life balance promoted by the Ministry of Labor, we added lifestyle and general education courses for more variety. Due to job nature, few applicants with disabilities apply, and our employment ratio is below 1%. We have paid required subsidies and partnered with the Hsinchu Employment Service Center to post accessible job openings, striving to meet hiring requirements.	Without a risk management mechanism, Holtek may suffer from goodwill impairment and financial losses; cybersecurity breaches could lead to safety issues and financial damages.
Corresponding specific GRI Standards	308-01, 414-01	401, 402, 404-01, 404-02, 405-02	-
Disclosure chapter	3.3 Sustainable Supply Chain Management	5.3 Employee Development and Training 5.4 Compensation and Benefits	1.4 Risk Management

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Material topic	Workplace safety and health	Energy and greenhouse gas reduction	Sustainability information disclosure
Management principle	Following the occupational safety and health policy as the core objective, we establish a comprehensive occupational safety and health management system, regularly reviewing and improving it through the PDCA cycle to ensure the safety and health of workers.	In order to reduce and manage greenhouse gas emissions, and to address the development of the global climate change issue, goals and plans are formulated based on the requirements of company operations and stakeholders, and various electricity and raw material conservation plans are implemented to reduce greenhouse gas emissions.	Continuously improve the company' s sustainability performance by identifying related risks and opportunities and promptly adapting to changes in standards.
Positive impact	Good occupational health and safety are key to sustainable business operations. By complying with regulatory requirements and effectively managing risks through risk assessments, training, and equipment maintenance, hazards can be mitigated. Safety and health management is conducted based on ISO 45001 standards to build a healthy and safe workplace environment and foster a positive corporate social image.	In 2024, following the guidance of the Environmental Protection Agency, the Company conducted its own inventory of Scope I and Scope II. With total carbon emissions of less than 25,000 tons, the Company is not a controlled public institution under the Agency. The Greenhouse Gas Inventory Promotion Group also reduced and managed greenhouse gas emissions by upgrading to energy-saving equipment and implementing energy-saving production management.	Ensure compliance with laws and regulations, cooperate with government requirements, and implement the collection and disclosure of sustainability information. Relevant disclosures are planned to be progressively completed according to the schedule set by the competent authorities.
Negative impact/Mitigation and preventive measures	Although our company has had no occupational injuries within the workplace, traffic accidents involving employees commuting to and from work still occur frequently. Believing that "employees are the company' s most valuable asset," we regularly promote traffic safety awareness and invite external experts to share road safety tips. This initiative aims to enhance employees' awareness of safe driving and reduce the incidence of traffic accidents.	Greenhouse gases are currently inventoried by the Company and have not been verified by a third-party company, making them less credible. In order to improve the quality and effectiveness of the data, third-party certification will be evaluated in 2023. It is expected that a credible third party will conduct the certification according to ISO 14064-1 in 2026	Holtek has established functional committees under the Board of Directors to assist in promoting the company' s sustainable development and achieving the goals of sustainable management. A dedicated sustainability information disclosure task force has also been set up to stay updated on regulatory compliance and to plan the collection of sustainability data related to financial impacts, enabling the company to respond and adjust proactively.
Corresponding specific GRI Standards	403-01, 403-02, 403-03, 403-04, 403-05, 403-06, 403-07, 403-09, 403-10	302-01, 302-04, 302-05, 305-04, 305-05	-
Disclosure chapter	4.1 Environmental and Occupational Safety and Health	4.3 Energy and Greenhouse Gas Reduction	Appendix: Sustainability Indicator Index

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United Nations Sustainable Development Goals(SDGs)

Holtek has the responsibility and obligation to participate in the tasks of SDGs and looks forward to helping more people in the future. Through the implementation of the SDGs, the Company is committed to eradicating poverty, creating economic growth, protecting the ecological environment, and reducing inequality.

SDGs Target	Material issues	Promotion measures	Corresponding chapter or section
	<ul style="list-style-type: none"> Corporate Governance 	<ul style="list-style-type: none"> Holtek refers to the guidance of the competent authority to formulate practical rules for corporate governance, upholds legal compliance awareness when engaging in all business activities, fulfills corporate governance responsibility, establishes a good corporate governance system, and maintains smooth communication channels with stakeholders to safeguard their legitimate rights and interests. 	CH1 Corporation Governance
	<ul style="list-style-type: none"> Operating Performance Risk Management 	<ul style="list-style-type: none"> In the face of rapid changes in the overall economy, we will continue to research and innovate, pursue stable profits, and achieve the goal of sustainable operation. Improve the enterprise risk management mechanism, regularly evaluate and review it to reduce the negative impact of unexpected events on the enterprise, respond to potential crises, and pursue corporate sustainable operation. 	1.1 Operating Performance 1.4 Risk Management
	<ul style="list-style-type: none"> Health Workplace 	<ul style="list-style-type: none"> Provide a safe, healthy and friendly work environment. Commit to promoting a healthy workplace, enhancing employees' independent health management, and reducing disease risks. Implement employee health checks to track major abnormalities and promote physical and mental health through prevention and treatment. Promote consultation on the protection of maternal health. Strengthen the ability to manage health risks. Conduct physician on-site consultation services to take care of the physical and mental health of employees. 	5.5 Health Workplace
	<ul style="list-style-type: none"> Employee Development and Training 	<ul style="list-style-type: none"> Strengthen the functional capability training of basic, intermediate, and high level supervisors. Provide a diverse learning environment and systematic training resources, as well as an internal/external training management system. 	5.3 Employee Development and Targeting
	<ul style="list-style-type: none"> Sustainable Supply Chain Management 	<ul style="list-style-type: none"> Regularly conduct annual supply chain vendor audits, continuously track and review deficiencies for high-risk vendors, and request them to make improvements. 	3.3 Sustainable Supply Chain Management

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SDGs Target	Material issues	Promotion measures	Corresponding chapter or section
<p>9 Industry, Innovation and Infrastructure</p>	<ul style="list-style-type: none"> ▪ R&D and Innovation 	<ul style="list-style-type: none"> ▪ Expand the applications of edge computing ▪ Design product security features ▪ Reduce product power consumption ▪ Design domain-specific ASSP MCUs 	CH2 R&D and Innovation
<p>10 Reducing inequality</p>	<ul style="list-style-type: none"> ▪ Global layout to attract outstanding talent 	<ul style="list-style-type: none"> ▪ In response to global market deployment and innovation-driven R&D, we actively recruit outstanding talent. The core values of our recruitment are cultural alignment and merit-based employment. ▪ Holtek is committed to respecting human rights and treating talent of different genders, religions, races, nationalities and political parties equally. We also respect international human rights norms in related activities and implement the Responsible Business Alliance (RBA) Code of Conduct. ▪ We prohibit forced labor, the use of child labor, and discrimination to ensure humane treatment and freedom of association. In 2024, employees participated in training courses related to human rights protection 1,748 times, totaling 2,717 hours. 	5.2 Talent Attraction and Retention
<p>5 Gender equality</p>			
<p>12 Responsible consumption and production</p>	<ul style="list-style-type: none"> ▪ Implement green operations 	<ul style="list-style-type: none"> ▪ Implement environmental protection and continuously reduce greenhouse gas emissions ▪ 100% of the materials are compliant with RoHS and REACH without halogen. ▪ Increase disclosure of water and waste information. ▪ Continuously release sustainability reports to increase the quality of information disclosure. ▪ Conflict mineral management: Due diligence and effective avoidance of conflict mineral sources is carried out to meet customer demands and increase product prices. 	CH4 Environmental Sustainability
<p>8 Decent work and economic growth</p>	<ul style="list-style-type: none"> ▪ Employee benefits 	<ul style="list-style-type: none"> ▪ Improve employee literacy, proactively care for employees, and establish a plan for employee health and well-being, with the goal of optimizing their welfare. 	5.4 Salary and Benefits



2024 ESG REPORT

About This Report

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CH2 R&D and Innovation

CH3 Product Responsibility

CH4 Environmental Sustainability

CH5 Employee Care

CH6 Social Inclusion

Appendices



CH1 Corporate Governance

In addition to complying with the Company Act of the Republic of China, the Securities and Exchange Act, and other relevant regulations, the company has also established the "Corporate Governance Best Practice Principles," the "Ethical Corporate Management Best Practice Principles," the "Procedures for Internal Material Information Processing," the "Insider Trading Prevention Measures," and the "Risk Management Policy" as guidelines for building an effective corporate governance framework.. These are intended to protect shareholders' rights, strengthen the functions of the Board of Directors, respect the rights of stakeholders, and enhance information transparency. The company aims to achieve sustainable business operations and improve performance through effective corporate governance practices.

Material topics	Goals for 2024	Actual performance in 2024	Goals for 2025	Mid-term goals	Long-term goals
<ul style="list-style-type: none"> Operating performance 	<ul style="list-style-type: none"> Revenue and Profit Growth Increase Overseas Revenue Contribution Maintain R&D Expenses at a Double-Digit Percentage of Revenue 	<ul style="list-style-type: none"> 2024 revenue was NT\$2.502 billion, with a gross margin of 40.3%. R&D expenses in 2024 amounted to NT\$820 million, representing 33% of operating revenue. 	<ul style="list-style-type: none"> Maintain positive profitability Pursue steady revenue and profit growth Expand overseas revenue contribution Strengthen presence in diverse consumer and commercial applications, providing solutions to brand customers and driving business growth 	<ul style="list-style-type: none"> Enhance revenue and gross margin over the long term Continuously innovate to reduce chip costs, ensure competitive pricing, and improve profitability 	<ul style="list-style-type: none"> Monitor industry developments and market trends, analyze competitive threats, and strengthen Holtek's R&D and innovation advantages to meet shareholder expectations and enhance investor confidence.
<ul style="list-style-type: none"> Corporate Governance 	<ul style="list-style-type: none"> Ranked in the 21%–35% tier in the Corporate Governance Evaluation. Board attendance rate maintained above 90%. 	<ul style="list-style-type: none"> Ranked in the 21%–35% tier of the Corporate Governance Evaluation. Board meeting attendance rate of 98%. Established a Sustainability Development Committee in July 2024 to enhance governance, advance environmental initiatives, and uphold social responsibility. 	<ul style="list-style-type: none"> Ranked in the 21%–35% tier of the Corporate Governance Evaluation. Board attendance rate maintained above 90%. 	<ul style="list-style-type: none"> Continue to enhance the management mechanisms of functional committees and strengthen the Board's corporate governance. No major violations of laws or regulations. 	
<ul style="list-style-type: none"> Risk management 	<ul style="list-style-type: none"> Enhanced risk awareness among employees Strengthened management and control of material risks 	<ul style="list-style-type: none"> Approved the "Risk Management Policy" and reported on its implementation to the Board on October 29, 2024. Conducted 872 hours of risk management training in 2024, engaging 353 participants. 	<ul style="list-style-type: none"> Enhanced risk awareness among employees Strengthened control measures for material risks 	<ul style="list-style-type: none"> Each department conducts medium- and long-term internal and external risk identification, assessment, and response, thereby reducing corporate risks and achieving business objectives. 	

1.1 Operating Performance

In 2024, the global microcontroller industry remained in a recovery phase. Suppliers continued to face challenges including weak end-market demand, intensified channel inventory digestion pressures, and heightened industry competition, resulting in overall market performance falling short of expectations. Geopolitical tensions between the U.S. and China further accelerated the relocation of parts of the supply chain out of China. In addition, China’s sluggish real estate market led to more conservative consumer spending, further weakening end-market demand. Meanwhile, mature-process wafer utilization declined, and supply chain inventory levels remained elevated, putting additional pressure on product pricing and intensifying industry competition.

Holtek’s operations also encountered challenges amid these market conditions. Although microcontroller sales volume grew by 15% compared with last year, revenue and profitability declined due to price erosion. In 2024, Holtek posted consolidated revenue of NT\$2.502 billion, down 3.6% from NT\$2.596 billion in 2023. Gross margin fell to 40.3%, and net loss attributable to the parent company was NT\$150 million, representing a loss per share of NT\$0.66.

In response to market shifts, Holtek actively adjusted its business strategies. The company continued to expand in overseas markets to increase the share of international revenue, with a particular focus on strengthening its presence in India and Southeast Asia to mitigate potential geopolitical risks.

On the product development front, Holtek not only continued to innovate and enhance its existing product lines but also launched a range of new technologies and products in line with the global AIoT (Artificial Intelligence of Things) trend. These include the Arm® Cortex®-M4 32-bit MCU, Bmduino development boards, modular solutions, digital sensors, and related algorithms. These innovations aim to meet customer needs across diverse applications, enhance product differentiation, and improve production efficiency.

Looking ahead, Holtek plans to further expand the application scope of 32-bit MCUs and collaborate with professional technology partners to build a comprehensive industry ecosystem. By adopting innovative design solutions and accelerating the development of end-market products, the company seeks to strengthen its competitive edge and create greater value for customers.

Dividend policy

Holtek’s policy for dividend distribution depends on factors such as the Company’s current and future investment environment, funding needs, domestic and international competition, and capital budget, while paying attention to shareholder interests, balancing dividends, and the Company’s long-term financial planning. Every year the board of directors formulates the dividend distribution scheme in accordance with the law and submits it to the shareholders’ meeting.

Taking into account the financial situation, business condition and operational factors, the Company drafts the dividend distribution scheme based on the distributable earnings of the year and the earnings in past years, and proposes to the shareholders’ meeting to distribute no less than 50% of the net profit after tax. Among the shareholder dividends, the cash dividend shall not be less than 50% of the total cash and stock dividends distributed to shareholders in the year.

Cash Dividends and Payout Ratio

The Company upholds prudent financial management principles and is committed to long-term sustainable operations to safeguard shareholder interests and ensure corporate sustainability. In 2024, Holtek recorded a net loss attributable to the parent company of NT\$150 million. Considering financial performance and future development needs, the Board of Directors resolved not to distribute dividends for the year.

In the face of current challenges, the Company will continue to strengthen financial soundness, exercise prudent resource allocation, and actively advance ESG initiatives. We will focus on improving operating performance and enhancing corporate governance to ensure steady corporate growth. At the same time, we remain dedicated to implementing sustainable development strategies to create long-term value and meet the expectations of shareholders and stakeholders regarding corporate responsibility.

Item / year	2021	2022	2023	2024
Cash dividend	8.12	4.00	0.45	-
Payout ratio (%)	90%	82%	92%	-

1.1 Operating Performance

Consolidated Revenue and Profit for the Past Three Years

Unit: NT\$ thousand

Item	2022	2023	2024
Revenue	6,015,968	2,596,067	2,501,630
Gross Profit	3,044,369	1,100,598	1,008,009
Income tax	258,653	-36,464	-42,565
Net Income	1,106,374	114,741	-149,555
EPS(NTD)	4.89	0.49	-0.66

Distribution of Economic Value in 2024

Unit: NT\$ thousand

Item	Key Elements	2024
Direct Economic Value Generated	Revenue (including net sales and financial investment income)	2,542,972
Economic Value Distributed	Operating Costs	1,842,462
	Employee Salaries and Benefits	941,120
	Payments to Providers of Capital (Cash dividends distributed in the year)	101,776
	Payments to Government (Taxes)	-42,565
Economic Value Retained	Community Investments	5,100
		-304,921

Notes

- Operating costs include operating costs and operating expenses (but exclude employee salaries and benefits, donations, depreciation, and amortization).
- Employee salaries and benefits include wages, labor insurance, health insurance, retirement funds, and other employee benefits.
- Payments to government refer to taxes incurred during the reporting period.
- All data presented are based on consolidated financial statements.

Proportion of revenue from major products in the past three years

Main Products	2022		2023		2024	
	Revenue	Proportion	Revenue	Proportion	Revenue	Proportion
MCU ICs	4,842,981	81%	2,050,893	79%	1,876,223	75%
Peripheral ICs	1,128,253	19%	519,213	20%	600,391	24%
Income from tool development and design	44,734	-	25,961	1%	25,016	1%
Total	6,015,968	100.00%	2,596,067	100.00%	2,501,630	100%

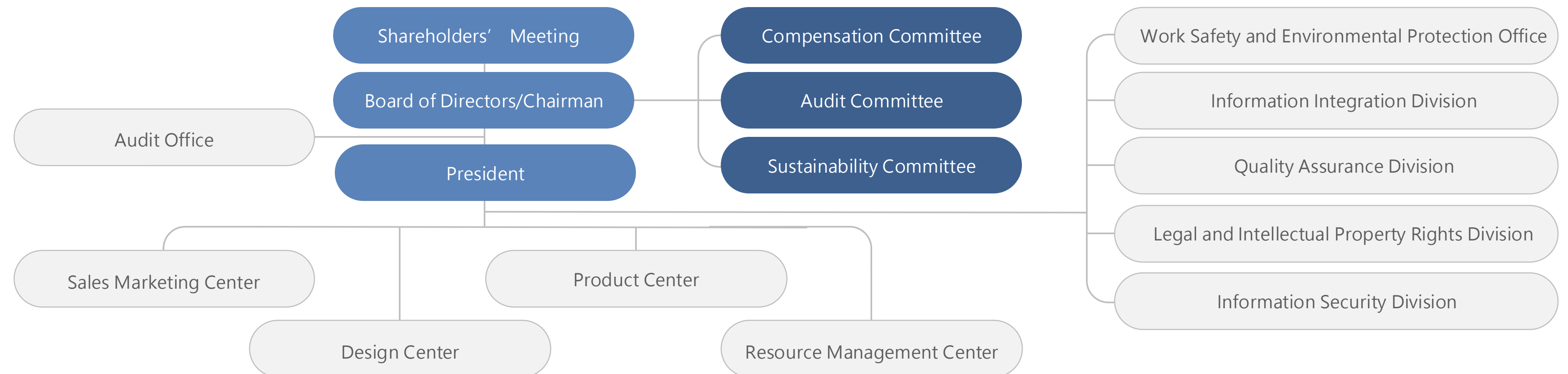
1.2 Governance Framework

Company structure

- Holtek adopts a hierarchical authorization system whereby the Chairman authorizes the President to act as the management representative, who then delegates responsibilities to each department for business operations. For further details regarding the Company's corporate governance structure and departmental responsibilities, please refer to our 2024 Annual Report.
- Chairman **Mr. Chi-Yung Wu**, who also serves as the Company's Chief Executive Officer, is dedicated to advancing Holtek's development and growth in the microcontroller (MCU) field, while continuously strengthening its global market share. With more than 40 years of experience in the semiconductor industry, Mr. Wu possesses extensive management expertise, outstanding leadership, sharp business judgment, and profound industry knowledge. The Company leverages his professionalism and leadership to drive Holtek's continued growth. To avoid conflicts of interest, in accordance with corporate regulations, Mr. Wu abstains from discussion and voting on any agenda items involving his personal interests.

Execution Status of Chairman's Recusal from Proposals Involving Conflicts of Interest in 2024				
Date	Board Meeting	Proposal	Reason for Recusal	Participation in Voting
2024.01.29	9th Term, 10th Meeting	<ul style="list-style-type: none"> • Performance evaluation and remuneration proposal for the Company's directors and managers 	Conflict of interest with the director himself	Did not participate in voting
2024.04.29	9th Term, 12th Meeting	<ul style="list-style-type: none"> • Kingtek Semiconductor Holding (BVI) Ltd. divestment proposal • Related-party transaction proposal between the Company's subsidiaries • Divestment of securities by Sheng Hao Investment Co., Ltd. • Divestment of securities by Holtek Semiconductor Holding (BVI) Ltd. • Performance evaluation and remuneration proposal for the Company's managers 		
2024.07.29	9th Term, 13th Meeting	<ul style="list-style-type: none"> • Divestment proposal of Sheng Hao Investment Co., Ltd. • Performance evaluation and remuneration proposal for the Company's managers 		
2024.10.29	9th Term, 14th Meeting	<ul style="list-style-type: none"> • Performance evaluation and remuneration proposal for the Company's managers 		

In compliance with regulatory requirements, the Company has established functional committees under the Board of Directors, including the Audit Committee, the Remuneration Committee, and the Sustainability Development Committee. These committees share decision-making responsibilities on matters related to economic, environmental, and social impacts. Major proposals submitted to the Board are subject to prior review and examination by these committees, thereby assisting the Board in fulfilling its supervisory duties and strengthening corporate governance.



1.2 Governance Framework

Operation status of the board of directors and functional committees

	Board of Directors	Compensation Committee	Audit Committee	Sustainability Committee
Organization	Set up in October 1998	Set up in October 2011	Set up in May 2016	Set up in July 2024
Committee members	9 directors, including 3 independent directors	3 independent directors	3 independent directors	2 independent directors, 1 directors
Responsibility	<ol style="list-style-type: none"> Actively perform the responsibility of supervision and hold regular meetings every quarter. Assist the management in formulating policies that align with the Company's objectives. Simultaneously meet the short, medium and long-term strategic planning expected by shareholders and stakeholders. 	<ol style="list-style-type: none"> Establish and regularly review the policies, systems, standards and structures for evaluating the performance and compensation of directors and managers. Regularly evaluate and determine the compensation of directors and managers. The remuneration decision-making process adopts a collegial system, with resolutions made through joint discussions by the three independent directors. 	<ol style="list-style-type: none"> Supervise the proper presentation of the company's financial statements. Ensure the effectiveness of internal control operations. Adherence to laws, regulations, and potential risks. 	<ol style="list-style-type: none"> Establish the direction, strategies, and objectives for corporate sustainability, along with corresponding action plans. Formulate short-, medium-, and long-term sustainability strategies and targets. Monitor, evaluate, and revise the implementation and outcomes of sustainability practices.
Operation status	In 2024, 5 meetings were held, and the members' attendance was 98%.	In 2024, 4 meetings were held, and the members' attendance was 92%.	In 2024, 5 meetings were held, and the members' attendance was 100%.	In 2024, 1 meeting was held, and the members' attendance was 100%.

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1.2 Governance Framework

Board Operations

Holtek has long been committed to strengthening corporate governance, encompassing the protection of shareholder rights, optimization of board structure and operations, enhancement of information transparency, and the promotion of sustainable development. The Board of Directors is composed of professionals with extensive management experience in the technology industry and continues to advance governance improvements. In 2024, the Company further implemented its board diversity policy by electing an additional female independent director in May, thereby enhancing the independence and diversity of the Board. At present, the Board consists of nine members, including seven men and two women, three independent directors (34%), one external director (11%), and five directors who are also employees of the Company (55%).

All directors are of Taiwanese nationality, with the following age distribution: three directors aged 51–60, four directors aged 61–70, one director aged 71–75, and one director aged 76–80. Furthermore, all independent directors comply with the independence requirements set forth by the Financial Supervisory Commission (FSC) and do not fall under the circumstances stipulated in Paragraphs 3 and 4, Article 26-3 of the Securities and Exchange Act. In addition, there are no spousal or second-degree family relationships among directors, ensuring the professionalism and independence of the Board.

For details regarding other positions held by directors in external companies, please refer to pages 3–4 of the Annual Report. For information on cross-shareholdings between Holtek and its suppliers, please refer to pages 46–48 of the 2024 Consolidated Financial Statements. Shareholders holding more than 10% of shares are considered controlling shareholders; Holtek has no such controlling shareholders.



The Board of Directors of Holtek fulfills its corporate governance responsibilities by overseeing management’s business strategies and operational performance, covering areas such as corporate governance, environmental and social impacts, risk management, and opportunity assessment. The Board also reviews management’s business strategies, incorporates stakeholder perspectives, and provides professional and objective advice to ensure the Company’s sound development and sustainable operations.

To enhance information transparency, all significant Board resolutions are promptly disclosed on the Taiwan Stock Exchange Market Observation Post System (MOPS) and the Company’s official website. The Company also makes available its Articles of Incorporation, Rules of Procedure for Board Meetings, Director Remuneration Policy, Board operations, and the recusal execution of conflict-of-interest matters, ensuring that both domestic and international stakeholders have timely access to relevant information.

The Board of Directors meets at least once every quarter and convened five times in 2024, with an average attendance rate of 98%. In compliance with the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies,” newly appointed directors are required to complete at least 12 hours of training in the year of their appointment, while incumbent directors are expected to complete at least 6 hours of training per year during their term.

In 2024, the Company arranged two on-site training programs for directors, including “IFRS S1 & S2 Disclosure – Integrating Sustainability Reporting Trends” and “Executive Compensation and ESG Performance System Design,” totaling six hours. These programs enhanced directors’ expertise and reinforced their supervisory functions. All directors completed at least six hours of training in 2024.

Responsibilities of the Board of Directors

- Review of business policies and strategies
- Budget review
- Review of financial statements
- Review of amendments to the Articles of Incorporation
- Recruitment and dismissal of important employees.
- Implementation of the resolutions of the shareholders’ meeting.
- Review of capital increase or reduction proposals.
- Review of proposals for earnings distribution or compensation for losses.
- Review of important external contracts
- Other responsibilities by law or by resolutions of shareholders’ meetings.

1.2 Governance Framework

Implementation of Board Diversity Policy

Board Independence and Diversity:

In accordance with Article 20 of the Company's "Corporate Governance Best Practice Principles," the composition of the Board of Directors shall take diversity into consideration. Appropriate diversity policies are to be formulated in line with the Board's operation, business model, and development needs. The Company's specific management objectives under its diversity policy are as follows:

- ✓ To optimize the overall board composition, ensure at least one female director.
- ✓ To strengthen the supervisory function of the Board, ensure that more than half of the independent directors do not serve more than three consecutive terms.

The members of the Board of Directors are all elected in accordance with the company's Articles of Incorporation through a candidate nomination system. The "Board of Directors Election Method" is used to select board members who are responsible for the company's operations and supervision, aiming to achieve the ideal goals of corporate governance. The overall capabilities that the Board of Directors should possess are as follows:

- ✓ Operational Judgment Capability
- ✓ Crisis Management Capability
- ✓ Leadership Capability
- ✓ Accounting and Financial Analysis Capability
- ✓ Industry Knowledge
- ✓ Decision-Making Capability
- ✓ Management Capability
- ✓ International Market Perspective

Name	Gender	Age	an employee of the company	Term of Independent Director (Less than 3 years)	Professional Background			Professional Knowledge and Skills					
					Technology	Finance	Law	Industry Experience	Operational judgment ability	Business management ability	Crisis handling ability	International market perspective	Decision ability
Chairman Chi-Yung Wu	Male	71-75	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Director Jung-Tsung Tsai	Male	51-60	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Director Kuo-Tung Kao	Male	61-70			✓	✓	✓	✓	✓	✓	✓	✓	✓
Director Chi Chang	Male	61-70	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Director Yuan-Ho Liu	Male	61-70	✓	✓	✓			✓	✓	✓	✓	✓	✓
Director Min-Kun Wang	Male	61-70	✓	✓	✓			✓	✓	✓	✓	✓	✓
Independent director Chi-Tian Hsing	Male	75-80			✓	✓	✓	✓	✓	✓	✓	✓	✓
Independent director Rui-Ting Hsu	Female	51-60		✓		✓	✓	✓	✓	✓	✓	✓	✓
Independent director Pei-Ying Li	Female	51-60		✓		✓	✓	✓	✓	✓	✓	✓	✓

Note: This is the ninth term of the board of directors, with a term of office from May 24, 2022, to May 23, 2025.

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1.2 Governance Framework

Directors' Remuneration Policy

In accordance with Article 19 of the Company's Articles of Incorporation, directors may receive remuneration for performing their duties regardless of whether the Company records a profit or a loss. The remuneration is determined by the Board of Directors based on the directors' level of participation in Company operations and the value of their contributions, and shall not exceed the maximum pay grade specified in the Company's compensation guidelines. If the Company reports a profit in a given year, up to 1.5% of net income shall be allocated as directors' compensation in accordance with Article 24 of the Articles of Incorporation.

Furthermore, considering that independent directors concurrently serve as members of functional committees such as the Audit Committee and the Remuneration Committee—bearing greater responsibilities, risks, and time commitments than regular directors—they may receive reimbursements for travel expenses and allowances for attending committee meetings in the course of performing their duties.

In addition, in accordance with the Company's Board Performance Evaluation Measures and with reference to industry standards, the performance and compensation of directors are evaluated on a regular basis. The Remuneration Committee reviews and discusses the allocation of directors' compensation—based on the extent of each director's duties performed—within the aforementioned limits, and submits the proposal to the Board of Directors for resolution.

Senior Executive Remuneration

Senior executive compensation includes monthly salary, quarterly bonuses, and annual performance bonuses. The Company has established the "Personnel Compensation System," the "Initial Salary and Salary Adjustment Guidelines," and the "Employee Quarterly Bonus Distribution Standards." In accordance with Article 24 of the Company's Articles of Incorporation, 5% to 15% of annual profits shall be allocated as employee compensation.

The remuneration granted to each senior executive is determined with reference to prevailing industry standards and by taking into account the Company's operating performance for the year, the individual's position, and personal contributions. Compensation is approved at the General Manager's Office meeting, reviewed by the Remuneration Committee, and subsequently submitted to the Board of Directors for final approval.

Linkage Between Compensation, Business Performance, and Future Risks

The Company reviews its compensation policies, standards, and systems annually by conducting industry salary surveys, exit interviews, and assessments of operational performance, as well as by evaluating individual performance. Salary policies are discussed at senior management meetings, and appropriate adjustments are made to ensure that employee compensation remains competitive with market standards and maintains fairness.

The performance evaluation and remuneration of directors and senior executives are assessed and reviewed annually by the Remuneration Committee and the Board of Directors. In evaluating operating performance, consideration is given to the likelihood and relevance of future risks in order to minimize their impact. The Company also reviews its remuneration system in a timely manner based on actual operating conditions and relevant regulations to ensure a proper balance between risk and reward.

As for ESG-related performance management, it has not yet been incorporated into the remuneration policies of the highest governance body and senior management, but the Company continues to monitor and prepare for its integration.

Independent Directors' Communication with Auditors and Internal Audit

At the end of each month, the Company's Chief Auditor submits the previous month's audit reports and follow-up reports to all independent directors for their review. The Chief Auditor also attends the quarterly Audit Committee meetings to present audit activities and follow-up results, and reports on internal audit operations at Board meetings.

During the annual financial statement review, the external auditors attend the Audit Committee and Board meetings to explain the audit results of the financial reports, the impact of recent revisions to auditing standards, and updates to key securities and taxation regulations. The auditors also discuss and communicate with directors regarding questions raised.

1.2 Governance Framework

Implementation status of board performance evaluation

To review directors' performance, Holtek adopted the "Board Performance Evaluation Regulations," approved by the Board in 2016. At the end of each year, evaluations are conducted on the performance of the Board of Directors, individual directors, and each functional committee. These evaluations are carried out through internal self-assessments by the Board and self-assessments by its members.

The procedures for determining directors' remuneration are based not only on the Company's Articles of Incorporation but also on the aforementioned regulations and the relevant rules of each functional committee. Performance evaluations and the reasonableness of remuneration are reviewed by the functional committees and the Board of Directors. Furthermore, the directors' remuneration system is reviewed and adjusted as necessary in light of the Company's actual operating conditions and applicable legal requirements.

On February 10, 2025, the results of the 2024 performance evaluations of the Board of Directors, individual directors, the Audit Committee, and the Remuneration Committee were reported to the Board, with all ratings assessed as "Excellent." The evaluation process was carried out by the Remuneration Committee as the executing unit, which compiled relevant information and administered the evaluation questionnaires. The final results were consolidated and reported to the Board of Directors together with detailed explanations, thereby enhancing corporate governance and supporting the Company's goal of sustainable operations.



Evaluation cycle

Performed once a year.

Evaluation scope

Board of directors · Individual board members · Audit Committee · Compensation Committee

Evaluation period

From January 1, 2024 to December 31, 2024.

Evaluation method

Self-evaluation of the board of directors · Self-evaluation of board members · Self-evaluation of the Audit Committee · Self-evaluation of the Compensation Committee

Evaluation content

Evaluation of the performance of the board of directors

Level of participation in the Company's operations, improvement in the quality of board decisions, composition and structure of the board, selection and further education of directors, and internal control.

Evaluation of the performance of board members

Mastery of company goals and tasks, understanding of directors' responsibilities, level of participation in the Company's operations, internal relationship management and communication, expertise and further education of directors, and internal control

Evaluation of the performance of the Audit Committee

Level of participation in the Company's operations, understanding of the responsibilities of the Audit Committee, improvement in the decision-making quality of the Audit Committee, composition and selection of Audit Committee members, and internal control.

Evaluation of the performance of the Compensation Committee

Level of participation in the Company's operations, understanding of the responsibilities of the Compensation Committee, improvement in the decision-making quality of the Compensation Committee, composition and selection of Compensation Committee members, and internal control.

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1.2 Governance Framework

Investor relations

The Company attaches great importance to the maintenance of shareholders' rights and interests. In addition to holding the general shareholders' meeting every year and implementing matters resolved by the shareholders' meeting in accordance with relevant laws and regulations, the Company also holds quarterly corporate briefings to regularly disclose financial data and the operational status to global investors, and posts information related to corporate briefings simultaneously on the Company' s website in Chinese and English (<https://www.holtek.com>) to provide accurate, timely and transparent business strategies, operating conditions and financial figures.

In addition, the Company has established a spokesperson system (Spokesperson: Jung-Tsung Tsai, President; Acting Spokesperson: Ming-Tung Liao, Division Director), and designated dedicated personnel to be responsible for collecting and disclosing company information (contact person: Shan-Yu Wang; contact:+886-3-563-1999 extension 1619/email: ir@holtek.com.tw). Material events, corporate governance, and regulatory announcements are also uploaded to the Company' s website to facilitate investors and stakeholders to immediately receive the latest information.

Spokesperson system

Spokesperson: **Jung-Tsung Tsai**, President

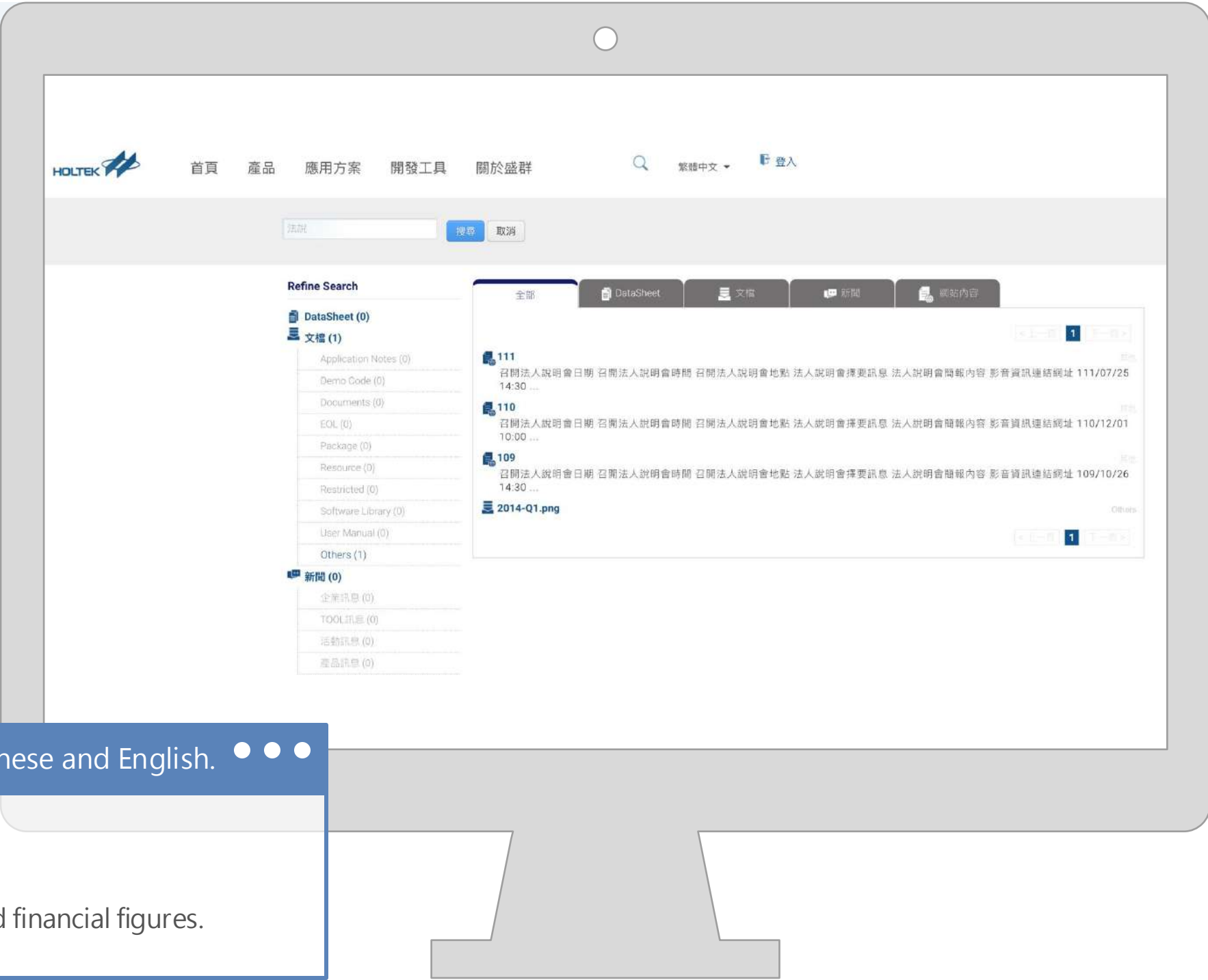
Acting Spokesperson: **Ming-Tung Liao**, Division Director

Responsible for collection and disclosure of Information of the Company

Contact person: **Bonnie Wang**

Telephone : +886-3-563-1999 ext 1619

Email: : ir@holtek.com.tw



Information related to corporate briefings is simultaneously posted on the Company' s website in Chinese and English.

www.holtek.com |

Providing global investors with correct, timely and transparent business strategies, operating conditions and financial figures.

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1.3 Ethics and Integrity

Appeal and whistleblowing channels

Holtek engages in all business activities based on "ethics", complies with government decrees and business ethics, and never allows corruption and any form of fraud. Through a clear and effective disciplinary system, the Company also ensures that employees will never accept any form of requests and forward agreements, nor accept any bribes or other improper interests. Holtek has set up and announced a whistleblowing channel on its official website, and both internal and external personnel can access the public whistleblowing mailbox (liman1103@holtek.com.tw) to report directly to the Company. In accordance with the Occupational Safety and Health Act and its implementation rules, the Sexual Harassment Prevention Act and the Personal Data Protection Act, the Company keeps confidential information such as the whistleblower's personal data and other information sufficient to prove the identity of the whistleblower, and will not provide it to any third party unless it is necessary for the investigation, so as to avoid unfairness and harm to the whistleblower. The whistleblower can also request preventive measures for any potential damage.

✓ All directors and managers have signed the Declaration of the Ethical Corporate Management Best Practice Principles.

Zero tolerance policy for corrupt behavior

The Company adopts a zero tolerance policy for corruption, strictly forbids bribery and taking bribes, making illegal political contributions, improper charity donations, giving or accepting unreasonable gifts, hospitality or other illegitimate interests, and requires employees to understand the legitimacy and ethical corporate management policies of agents, suppliers, customers and other business contacts before establishing business relations with them.

Avoid business dealings with unethical business partners for commercial transactions

In order to avoid engaging in business dealings with unethical agents, suppliers, customers or other business partners, if a counterparty is found to have engaged in unethical behavior in business dealings or cooperation, the Company should immediately stop business dealings and refuse it for future dealings, in order to implement the Company's ethical corporate management policy.

Established the Ethical Corporate Management Best Practice Principles and the Whistleblowing System.

The Company has established the Ethical Corporate Management Best Practice Principles and the Whistleblowing System, formulated policies to prevent conflicts of interest, and has appropriate channels for expressing opinions. If anyone is reported for unethical or illegal behavior, the case will be handled by dedicated personnel.

The whistleblowing system established by the Company is disclosed on the Company's website (https://www.holtek.com/page/about_holtek/CorporateGovernance/corporate_governance) to facilitate the whistleblower's reporting.

Stakeholder/employee complaint (whistleblowing) process:

Whistleblowing channels

Correspondence address	Special Committee for Reporting, No.3, Yanxin 2nd Road, Hsinchu Science Park
Email	liman1103@holtek.com.tw
Whistleblower hotline	Extension of the Administrative Department Head

Complaint statistics

Year	Number of cases
2022	0
2023	0
2024	0

Investigation process

- 1 Complainant (whistleblower)
- 2 The responsible unit is responsible for case acceptance and confidentiality.
- 3 Start collecting and processing
- 4 Report to relevant units (copy to be submitted to the vice president in charge/president)
- 5 Notify the complainant (whistleblower) of the handling and improvement results

1.3 Ethics and Integrity

Ethical norms

Policies or commitments	Public link	Approving level	Stakeholder	How to implement policies or commitments
Ethical Corporate Management Best Practice Principles	Policy link	Board of directors	Shareholders/investors	Training courses related to ethical corporate management held in 2024: 350 hours and 138 times in total



To guide the conduct of the Company’ s directors and managers in line with ethical standards, and to enhance stakeholders’ understanding of the Company’ s ethical principles, Holtek has established a “Code of Ethical Conduct” to prevent conflicts of interest and avoid opportunities for personal gain.

Information related to ethical business practices is disclosed on Holtek’ s official website to provide directors, employees, and stakeholders with access. This ensures the implementation of the Company’ s integrity management philosophy, prevents conflicts of interest, avoids undue benefits and breaches of confidentiality, and safeguards fairness in competition and transactions. All directors have signed the Statement of Compliance with the Code of Ethical Conduct and recuse themselves from agenda items involving conflicts of interest. Furthermore, directors engaging in business activities within the Company’ s scope of operations, whether for themselves or others, must obtain prior approval from the shareholders’ meeting in accordance with applicable laws.

The Company also conducts regular training programs on ethical business practices. In 2024, training topics included executive compensation and ESG performance system design, patent-related courses, corporate sustainability transformation, and issues such as tax evasion, false financial reporting, and anti-money laundering. A total of 138 participants attended, with cumulative training hours reaching 350. Holtek continues to promote the importance of integrity and ethical standards, with every employee responsible for upholding the Company’ s reputation to the highest ethical standards. Compliance matters are also incorporated into the audit department’ s inspection scope to ensure adherence to regulations. Since its establishment, the Company has not experienced any incidents of corruption, violations of business ethics, or breaches of integrity.

Legal Compliance

Operating in strict compliance with laws and regulations is both a practice of corporate social responsibility and a key element of sustainable operations. With products and services offered worldwide, Holtek has established a dedicated legal department to closely monitor regulatory developments that may impact the Company. A compliance assessment system for laws, policies, and regulations has also been implemented to support each department in adhering to applicable requirements. Holtek identifies and manages legal compliance across operations, environmental protection, and services, and enforces regulatory monitoring. Events involving criminal liability, violations of regulations as determined by competent authorities, or incidents subject to fines exceeding NT\$1 million are classified as “material incidents.” In accordance with disclosure principles in the Sustainability Report, such incidents must be reported to ensure balanced reporting and information transparency. In 2024, no material violations occurred.

Personal Data Protection: The Company has published a “Privacy Protection Policy” on its official website, serving as the basis and guiding principles for the collection, processing, and use of personal data in the course of operations. This ensures compliance with applicable regulations and safeguards the rights of individuals.

1.3 Ethics and Integrity

Trade Secrets

To safeguard the Company’s intellectual property, trade secrets, and internal information security, measures are jointly implemented by the Technical Data Management Department, the Information Security Department, the Production Design Department, and the Legal & Intellectual Property Department.

1. Establish and execute standards for managing documents and confidential information

To ensure the proper management of confidential information, the Company has established clear guidelines to help employees safeguard and appropriately utilize data, thereby preventing information leakage. Specifically, Holtek has adopted the “**Document Usage Management Regulations**” and the “**Document and Data Control Procedures**” as standards for managing documents and data. According to the document classification table, documents are categorized by confidentiality levels and defined into specific types, clearly distinguishing between internal and external documents and specifying the applicable security and confidentiality requirements. These measures ensure that document users are fully aware of and comply with the established rules, enabling employees to follow consistent practices and safeguarding the security of confidential information.

2. Information Security Management

For information involving company confidential data and trade secrets, the Company implements multi-level protection measures to prevent leakage and misuse. Specific measures include:

- (1) Confidential data access and modifications are strictly restricted through access permission management and approval procedures. Document encryption technology is applied to control actions such as reading, storing, printing, modifying, and setting expiration dates for confidential files.
- (2) Real-time network monitoring is conducted using a combined firewall and Endpoint Detection & Response (EDR) mechanism. When suspicious behavior is detected on an endpoint device, the system automatically blocks its network connection.
- (3) All information systems and applications are centrally managed and monitored through the asset management system. Regular reviews and usage statistics are conducted to reduce the risk of confidential information misuse.

3. Product Development Project Management Procedures

Through the PM system, the Company manages the entire product development process by establishing comprehensive project management procedures. These procedures provide detailed records of project planning, design, production, verification, and mass production, ensuring accurate responses to customer needs while preserving schedules, risks, resources, change management, and communication experience.

All product development documents are ultimately uploaded to the Technical Data Department, where documents are classified by confidentiality level. Access to confidential documents is strictly controlled through authorization and verification processes to ensure that information recipients have signed non-disclosure agreements (NDAs), thereby jointly protecting valuable trade secrets throughout the product development process.

4. Trade Secrets Education and Training

The Legal & Intellectual Property Department conducts orientation training courses for all new employees to promote awareness of trade secrets and strengthen employees’ understanding of the importance of protecting the Company’s trade secrets.

1.3 Ethics and Integrity

Personal Data Protection

To ensure that the collection, processing, and use of personal data are conducted in compliance with the law and safeguarded by appropriate security measures to prevent data leakage, the Information Security Department and the Administration Department jointly implement personal data management and protection.

1. Information Security Management

To ensure the security and privacy of personal data, the Company has established a comprehensive information security mechanism. Specific measures include:

- (1) Implementing a permission management system that assigns the minimum necessary access rights based on job roles and business needs. Access activities are recorded and monitored, with all access subject to managerial review.
- (2) Utilizing next-generation firewalls to control inbound and outbound network traffic and prevent unauthorized access, while enforcing strong password policies and two-factor authentication to enhance account and data security.
- (3) Enabling automatic updates for systems and applications to promptly patch known security vulnerabilities.
- (4) Conducting regular multi-site data backups and recovery tests to prevent data loss caused by unexpected events.
- (5) Installing antivirus and Endpoint Detection & Response (EDR) systems on all devices to detect malware, block abnormal activities, and ensure that personal data remains in a secure environment.

2. Management of Employee and Job Applicant Personal Data

- (1) For job applicants and new hires, the Company requires them to carefully review and sign personal data protection documents. This ensures that applicants and new employees are fully informed of the scope and methods of collection, processing, and use of their personal data, and enables them to have clear control over their information.
- (2) For personal data already collected by the Company, management and maintenance are carried out by the designated unit of the Administration Department. Access is restricted to authorized personnel only, and regular inspections are conducted. In the event of personnel changes, the Information Security Department is immediately requested to adjust access rights accordingly. As for physical (paper-based) personal data, it is also managed and maintained by designated personnel. Locked storage is implemented to prevent leakage, and access is limited to authorized individuals with relevant responsibilities.



1.4 Risk Management

Policies or commitments	Public link	Approving level	Stakeholder	How to implement policies or commitments
Risk Management Methods and Procedures	Policy link	Board of directors	Shareholders/Investors, Employees, Customers, Suppliers	Training related to risk management held in 2024: 353 employees and 872 hours in total.

In light of the growing global emphasis on corporate risk management, companies often face unpredictable risks during their operations. Holtek proactively identifies, assesses, and analyzes the potential impact of risks, and for high-impact risks, formulates and implements appropriate crisis response measures. The Board of Directors and management regularly oversee and review the Company’s risk management policies, continuously enhancing the risk management framework to effectively keep risks within acceptable levels.

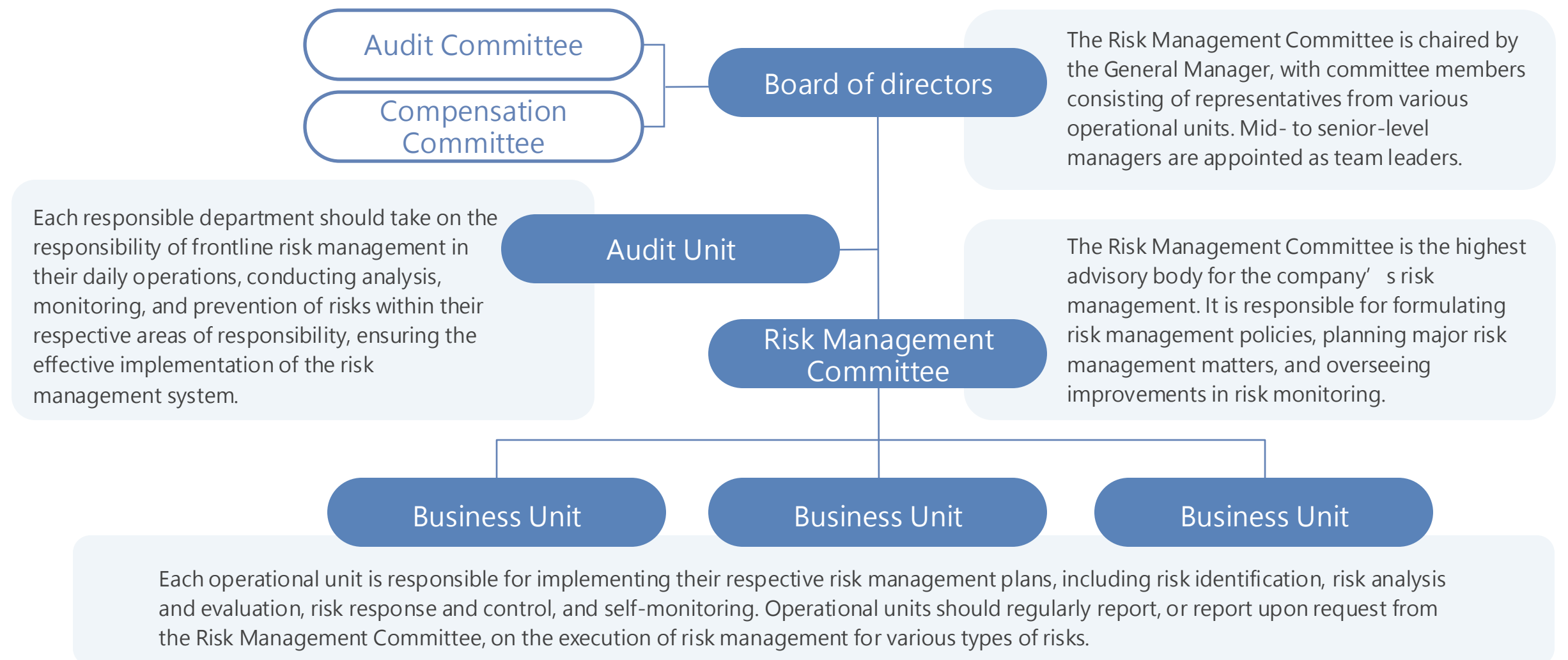
In accordance with Article 44 of the “Regulations Governing the Establishment of Internal Control Systems by Public Companies,” the Company has established an effective risk management mechanism to evaluate and monitor its risk-bearing capacity, current risk exposure, response strategies, and compliance with risk management procedures. Holtek has adopted a “Risk Management Policy” as the highest guiding principle for its risk management practices.

Risk management organization and mechanism

The Board of Directors is the highest supervisory and decision-making body for the Company’s risk management. To facilitate the Board’s oversight of risk management, Holtek established a Risk Management Committee in July 2023, under the supervision of the Audit Committee. The Risk Management Committee is responsible for formulating risk management policies, planning major risk management matters, promoting and coordinating the execution of risk management activities, and overseeing improvements to risk monitoring.

The Risk Management Committee convenes meetings on a regular basis each year, during which operating units report on their respective risk management mechanisms to ensure the effectiveness of risk management programs and related control measures. In addition, the President reports at least once annually to the Audit Committee on the Company’s major risk management areas and corresponding response measures. After incorporating the Audit Committee’s recommendations, the President provides an annual report to the Board of Directors. The most recent report was presented to the Board on October 29, 2024.

Risk Management Organization Chart



- 1.1 Operating Performance
- 1.2 Governance Framework
- 1.3 Ethics and Integrity
- 1.4 Risk Management
- 1.5 Information Security Management
- 1.6 Participation in Associations and Organizations

1.4 Risk Management

Analysis and evaluation of key risk matters

Holtek's risk management includes strategic risk, operational risk, financial risk, and hazard risk, as well as incorporating risks related to climate change. Through risk identification, risk analysis and evaluation, risk response and control, risk monitoring, and risk reporting procedures, crisis response strategies are formulated and implemented to ensure the company's continuous operations and to mitigate the impact of potential risks, achieving the goal of sustainable corporate development. The General Manager or relevant operational supervisors are responsible for risk assessments and responses for various operational plans and oversee the coordinated execution of overall risk management. Risk management operations and their effectiveness are reported to the Board of Directors at least once a year to ensure the effectiveness of the risk management mechanism.

Risk Issues	Management Mechanism / Response Measures	Opportunity Benefits
Technology Development and Competitive Landscape	<ul style="list-style-type: none"> • Technology Research and Evaluation: Focus on industry and technological changes, regularly analyze industry trends, product development, and competitive conditions, and develop short-, medium-, and long-term development plans. • Enhancing R&D Capabilities: Innovation in research and development allows the company to improve the performance, power consumption, and functionality of existing products, meeting market demands. • Expanding Application Fields: Provide customized solutions based on the needs of different markets and industries, expanding the range of product applications and further enhancing market competitiveness. 	The products have a wide range of applications, and the comprehensive product line offers significant development potential. By actively responding to customer needs and establishing global marketing, we work together to create diverse value
Information Security	<ul style="list-style-type: none"> • Regularly assess the appropriateness and effectiveness of information security operations to reduce information security risks • External websites are equipped with a Web Application Firewall (WAF) to enhance system functionality; two-factor authentication is implemented to strengthen personal identification; databases are secured through off-site backups and cloud-based application system backups to establish protective measures. • Education and Training: Regularly provide employees with information security announcements and training; conduct regular social engineering drills to raise employees' awareness of information security. 	Ensure the security of the company's intellectual property, trade secrets, and internal information.
Financial Risk	<ul style="list-style-type: none"> • The impact of interest rate fluctuations on the company primarily relates to fixed-term deposits and short-term loans, and there is no significant risk • Exchange rate fluctuations: Managed through natural hedging and forward foreign exchange contracts to reduce the impact of exchange rate fluctuations • Strategic Investment: The company's investments are primarily aligned with operational development needs, aimed at establishing a comprehensive sales and technical service system to enhance operational performance and reduce financial risk • Liquidity and Credit Risk: The company's primary customers are reputable domestic and international companies, and credit is controlled according to the credit management procedures, with no significant credit risk. The company continuously monitors the minimum operating working capital to ensure liquidity. 	Manage exchange rates, interest rates, strategic investments, liquidity, and credit to ensure sound financial operations. This will safeguard the interests of customers, suppliers, shareholders, and employees, while also increasing their trust in the company
Climate Change Risk	<ul style="list-style-type: none"> • To reduce and manage greenhouse gas emissions and address global climate change issues, the company has set goals and plans based on operational needs and stakeholder requirements. Various power and raw material conservation measures are being implemented to reduce greenhouse gas emissions. • A greenhouse gas inventory plan has been initiated, and a greenhouse gas promotion team has been established. The company aims to achieve ISO 14064-1 certification by the year 2026. • Continuously strengthen supply chain risk management to reduce the operational impact of potential disasters. 	In response to the potential impacts of climate change, management mechanisms and preventive measures are implemented in advance. The company continuously strengthens its environmental management systems, green product development, and green supply chain management to ensure sustainable development.
Regulatory Compliance	<ul style="list-style-type: none"> • Assign dedicated personnel to regularly monitor legal changes and ensure they are implemented in the company's operations, updating relevant policies and regulations in a timely manner according to the law. • If the evaluation of legal changes indicates a risk of litigation or penalties, the responsible departments, along with the Legal and Intellectual Property Office, will jointly adopt appropriate response measures. 	Ensure compliance with regulations to guarantee the legality of the company's operations.

2024 Operational Status

- The Board of Directors has approved the adoption of the Risk Management Policy, and on October 29, 2024, a report on its implementation was presented to the Board.
- In accordance with the Fire Safety Plan, the Company conducted annual emergency evacuation drills in May and October 2024 to familiarize employees with response measures and minimize the impact of potential disasters within the shortest possible time.
- To enhance employees' risk awareness, strengthen the risk management culture, and embed risk awareness into daily work practices, the Company provides annual occupational safety and health training for all new hires and relevant existing employees.
- In 2024, a total of 2,450 participants completed training programs. In addition, professional instructors were invited to deliver specialized first aid and emergency response training to strengthen employees' ability to respond to emergencies.
- The Occupational Safety and Environmental Protection Office conducts periodic awareness campaigns on workplace safety precautions within the Company.

1.5 Information Security Management

Policies or commitments	Public link	Approving level	Stakeholder	How to implement policies or commitments
Information security policies	Policy link	Board of directors	Employees, Customers, Suppliers	Information Security Training Held in 2024: A total of 59 hours and 24 participants.

The company 's Information Security Committee is chaired by the General Manager, with the Director of the Information Security Office serving as the Information Security Officer. The committee consists of members from the audit, information security, IT, CAD (IC design process development), HR, and legal and intellectual property departments. They are responsible for the establishment, implementation, and continuous improvement of the Information Security Policy, ensuring the security of the company' s intellectual property, trade secrets, and internal information. The General Manager reports annually to the Board of Directors on the effectiveness of the Information Security implementation, reviewing the appropriateness and effectiveness of the policy, and continuously enhancing security measures to reduce information security risks.

2024 Information Security Committee Execution Report:

An Information and Communication Security Committee meeting is convened annually to review the appropriateness and effectiveness of the Company' s information security policies, with the aim of continuously strengthening protection measures and reducing information security risks.

Information and Communication Security Training:

- ✓ Information Security Awareness Promotion: Regular announcements and communications on information security are provided to employees to enhance their awareness of information security.
- ✓ Information Security Training: All new employees receive information security training upon onboarding to familiarize themselves with the Company' s information security policies and requirements.

In 2024, a total of 22 new employees completed information security training, with an aggregate of 29 training hours.

In 2024, 2 IT staff members received specialized information security training, with an aggregate of 30 training hours.

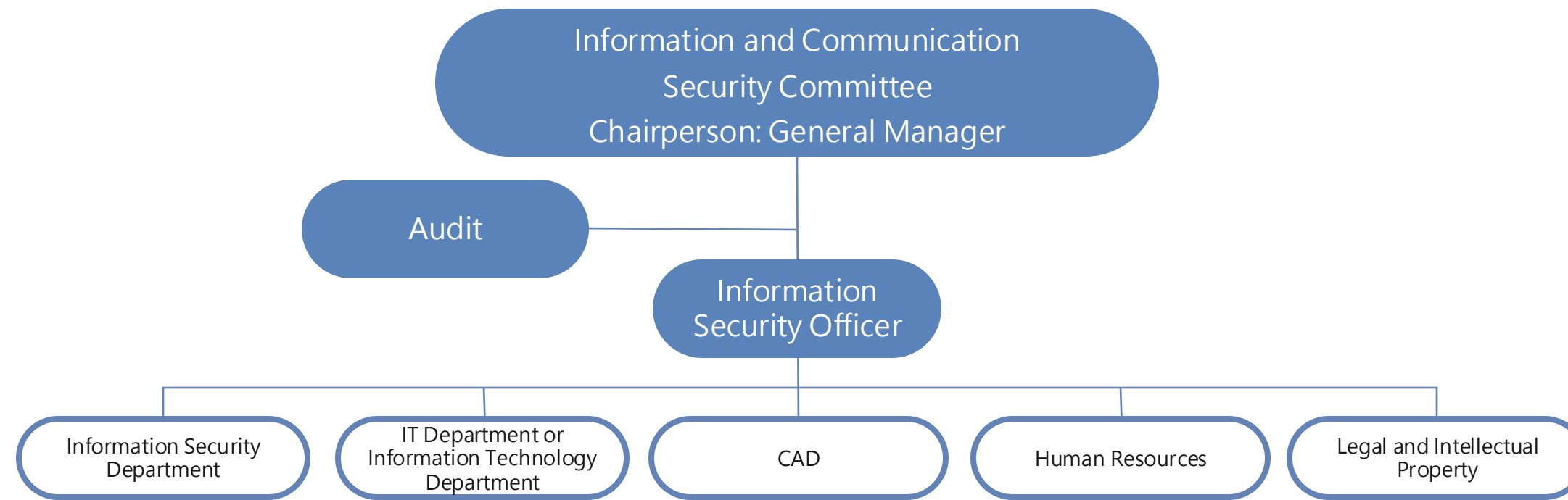
Audit: The Audit Office regularly reviews the implementation of information security management practices and takes corrective measures based on audit findings to ensure the continuous and effective operation of information security management. External auditors also conduct regular reviews of IT operations, including privileged accounts and password change practices. If deficiencies are identified, corrective actions are required and follow-up is conducted to ensure improvements are completed.

Social Engineering Drills: Phishing email simulation exercises are conducted on a regular basis. Test emails are sent to employees, and the rates of opening or clicking the content are recorded and analyzed. Additional training is provided to employees who opened or clicked the simulated phishing emails.

In December 2024, the Holtek Cup website was subjected to a cyberattack in which the attacker exploited a SQL injection vulnerability to obtain the administrator account and password. Following this incident, the Company recognized the critical importance of information security and has since dedicated efforts to enhancing overall cybersecurity. Measures include strengthening secure coding practices in accordance with the OWASP Top 10, implementing a web application firewall, conducting regular external threat and risk assessments, and carrying out phishing simulation exercises to help employees identify and respond to common security threats. These measures ensure that the Company can respond swiftly and effectively to security incidents, thereby safeguarding both corporate and customer data.

1.5 Information Security Management

The organizational chart of the Information and Communication Security Committee is as follows:



Holtek places great importance on information security and the protection of confidential information. Through the three aspects of information risk management, information security management, and information security auditing, along with the spirit of PDCA (Plan-Do-Check-Act), Holtek implements comprehensive information security protection.

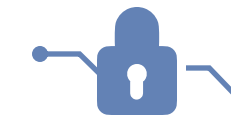
Our company's information security policy covers both the company and its subsidiaries, addressing three key areas: information security risk management, information security management, and information security auditing. Following the Plan-Do-Check-Act (PDCA) model, we continually review the applicability of our information security policy and the effectiveness of protective measures to ensure continuous improvement.

Holtek Information Security Protection Execution Status



Information Risk Management

- Formulation of Information Security Policies and Regulations
- Assessment of Information Security Risks and Establishment of Monitoring Mechanisms
- Investigation and Identification of Information Security Incidents



Information Security Management

- Planning of Information Security Architecture and Project Execution
- Evaluation and Implementation of Information Security Solutions
- Information Security Audits

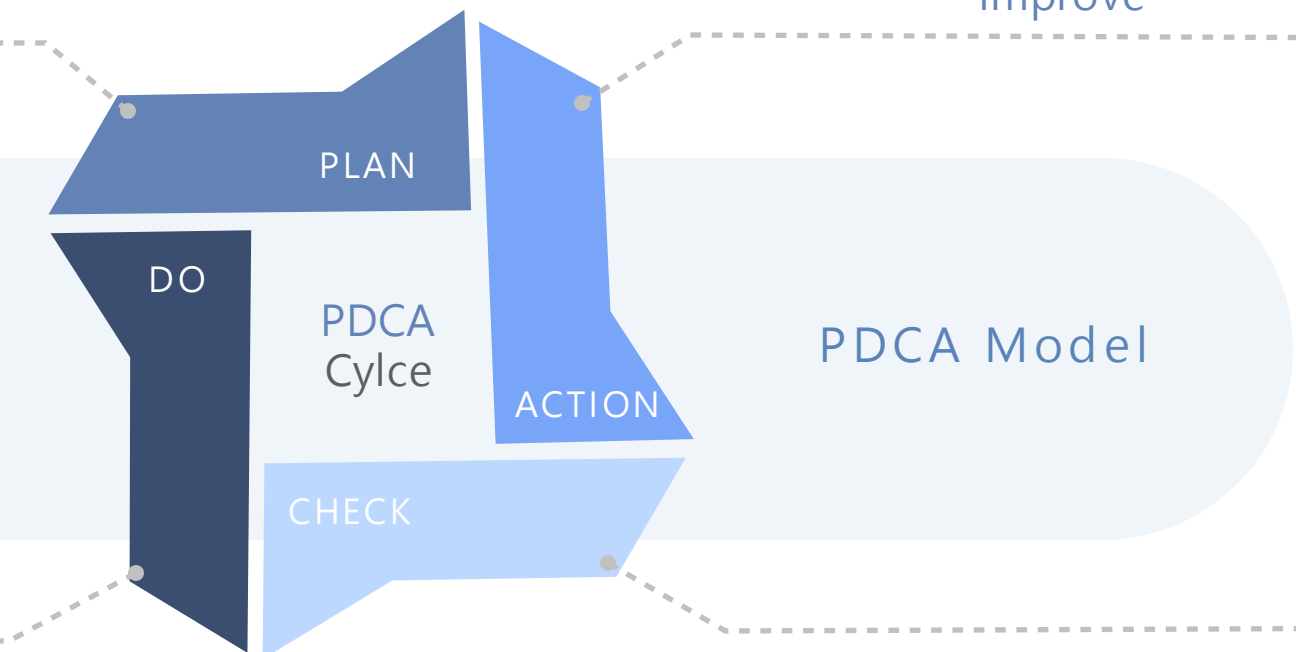


Information Security Audits

- Formulation and Implementation of Information Security Audit and Disposal Procedures
- Information Security Education and Awareness, Regulatory Compliance, and Case Analysis
- Evaluation, Implementation, and Management of Information Security Log Audit Equipment

Information Security Management Planning
What to do? How to do it?

Maintain and improve the information security management system
Improve



Practice and operation of the information security management system
Execution according to the plan

Monitoring and review of the information security management system
Evaluation of execution results

1.5 Information Security Management

Risk management organization

Identify

Identify: Establish organizational rules to manage network security risks for systems, personnel, assets, data and functions.

Protect

Protect: Establish and implement appropriate security measures to ensure the operation of important services.

Detect

Develop and implement appropriate actions to identify the occurrence of network security incidents.

Respond

Plan and implement appropriate actions for detected network security incidents.

Recover

Formulate and implement appropriate measures to repair functions and services damaged due to network security incidents.

Risk management organization

In CSF, there are 7 clear steps to assist organizations in conducting information security risk assessment, and judging information security maturity according to the framework. Firstly, screen out information security control measures that meet the needs of the organization, then rank the information security risks of the organization, prioritize the handling of more serious information security vulnerabilities, and establish a complete management cycle to gradually improve the overall maturity of information security.



Determine the priorities and scope.



Describe the information security status of the target



Confirm organizational goals and directions.



Identify and analyze the gap and prioritize.



Describe the current information security status.



Implement the action plan.



Conduct risk assessment.



1.5 Information Security Management

Information security management mechanism

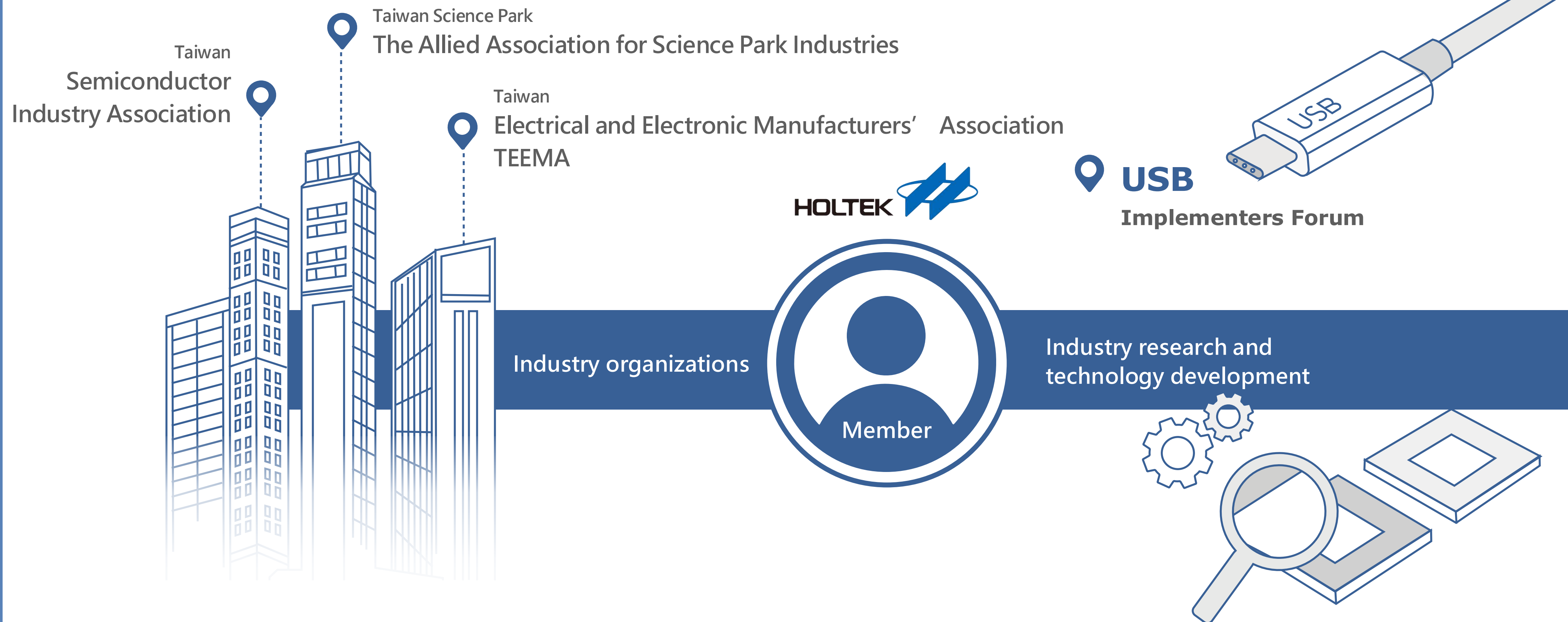
Information Security Control Measures	Risk Description	Response Measures	Expected Benefits
Equipment/Endpoint Hardware	Unknown devices connecting to the network may cause security vulnerabilities.	<ul style="list-style-type: none"> Only authorized devices are allowed to connect to the company's network. 	Enhance endpoint security
Equipment/Endpoint Hardware	Failure to update the operating system in a timely manner results in unpatched security vulnerabilities.	<ul style="list-style-type: none"> Distribute and monitor update status Use tools to perform server vulnerability scans and fix the issues 	Strengthen endpoint security
Applications/Certification	Application passwords may be leaked or compromised.	<ul style="list-style-type: none"> Multi-factor authentication: Implement WAF (Web Application Firewall) to protect web applications by monitoring HTTP traffic, comparing it with virus and malware databases, filtering suspicious traffic, and blocking malicious traffic from entering. 	Reduce the chances of unauthorized system logins
Network/Certification	Domain passwords may be leaked or compromised.	<ul style="list-style-type: none"> Multi-factor authentication: Implement two-factor authentication for external websites, using mobile authentication to enhance personal identification. 	Reduce the risk of unauthorized system logins.
Network/Connection Control	Unnecessary connection services may lead to server attacks.	<ul style="list-style-type: none"> Adopt next-generation firewalls to control connections. 	Ensure that only necessary connection services are provided.
Data/Confidential Data	Possibility of data leakage	<ul style="list-style-type: none"> Adopt an encryption management system to restrict specific users to accessing confidential data only within the company. 	Confidential data can only be accessed within the company.
Data / Loss	Data loss caused by storage device failure	<ul style="list-style-type: none"> Local backup and off-site backup Establish cloud backup systems for databases and application systems 	If data is lost, it can be immediately restored from the backup system.
Personnel /Employees	Lack of security awareness becomes a vulnerability.	<ul style="list-style-type: none"> Strengthen internal employee training and regularly provide information security announcements to employees. 	Increase security awareness, making employees the best line of defense.
Personnel/IT Staff	Inability to keep up with the latest security technologies.	<ul style="list-style-type: none"> Participate in external training programs Join SP-ISAC (Science Park Information Sharing and Analysis Center) to receive the latest security updates via email periodically 	Stay up-to-date with the latest security intelligence and technologies.

- 1.1 Operating Performance
- 1.2 Governance Framework
- 1.3 Ethics and Integrity
- 1.4 Risk Management
- 1.5 Information Security Management
- 1.6 Participation in Associations and Organizations

1.6 Participation in Associations and Organizations

To enhance its professional competitiveness and increase product visibility, Holtek actively participates in domestic and international professional organizations, thereby strengthening both the Company's capabilities and the overall competitiveness of the industry.

Through mutual exchanges, sharing of expertise, and discussions on market environments, Holtek collaborates to guide industry trends at home and abroad, further expanding its contributions. The Company participates in the following external associations and organizations as a member.





2024 ESG REPORT

About This Report

CH1 Corporate Governance

CH2 R&D and Innovation

- 2.1 Innovative Technologies
- 2.2 Green Products
- 2.3 Intellectual Property Management

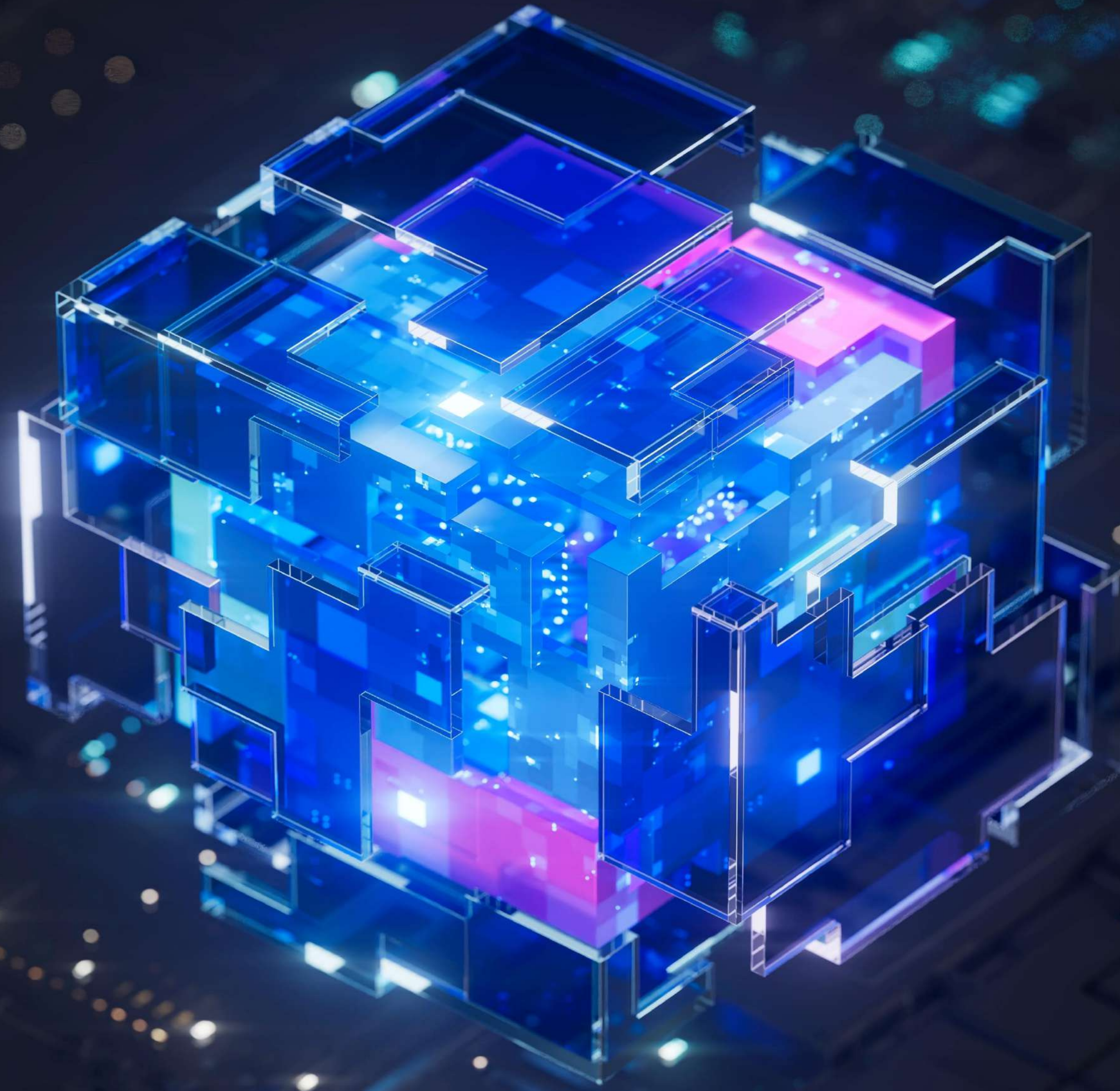
CH3 Product Responsibility

CH4 Environmental Sustainability

CH5 Employee Care

CH6 Social Inclusion

Appendices



CH2 R&D and Innovation

Goals and Achievements

Material Topics	Goals for 2024	Actual performance in 2024	Goals for 2025	Mid-term goals	Long-term goals
R&D and Innovation	Target for new IC product development projects: 103 projects completed, with an expected achievement rate of 70%.	Completed a Total of 60 New IC Product Development Projects Completed, with an Achievement Rate of 83%.	Target for new IC product development projects: 62 projects completed, with an expected achievement rate of 85%.	The new IC output increasing at an annual achievement rate of 85%.	The new IC output increasing at an annual achievement rate of 90%.
	Set the photomask revision rate to less than 12% and the design revision rate to less than 20%.	Annual photomask Revision Rate: 11.2%, a design revision change rate of 11.52%, achieving the target.	Set the photomask revision rate to less than 12% and the design revision rate to less than 20%.	A photomask change rate less than 12%, and the design revision change rate less than 20%.	A photomask change rate less than 10%, and the design revision change rate less than 20%.
	Target for product application solutions: 27 solutions completed, with an expected achievement rate of 80%.	Complete a total of 25 product application solutions, with an expected achievement rate of 92%.	Target for product application solutions: 35 solutions completed, with an expected achievement rate of 90%.	The target annual completion rate for the number of product application solutions is set at 90%.	The target annual completion rate for the number of product application solutions is set at 90%.
	Target for professional technical training courses: 30 hours per course, with an expected 330 participants.	Completed a total of 27 specialized training courses were scheduled, with a total of 25 hours of instruction. The training was attended by 552 participants, achieving the target.	Target for professional technical training courses: 21.5 hours per course, with an expected 490 participants.	Target for professional technical training courses: 25 hours per course, with an expected 500 participants.	Target for professional technical training courses: 30 hours per course, with an expected 550 participants.
	Holtek has a total of 21 patents pending globally. The target for 2024 is to obtain 12 patent certificates worldwide.	Holtek obtained a total of 13 patents globally in 2024.	Holtek has a total of 15 patents pending globally. The target for 2025 is to obtain 7 patent certificates worldwide.	Target for achieving 7 patent certificates globally each year.	Target for achieving 7 patent certificates globally each year.

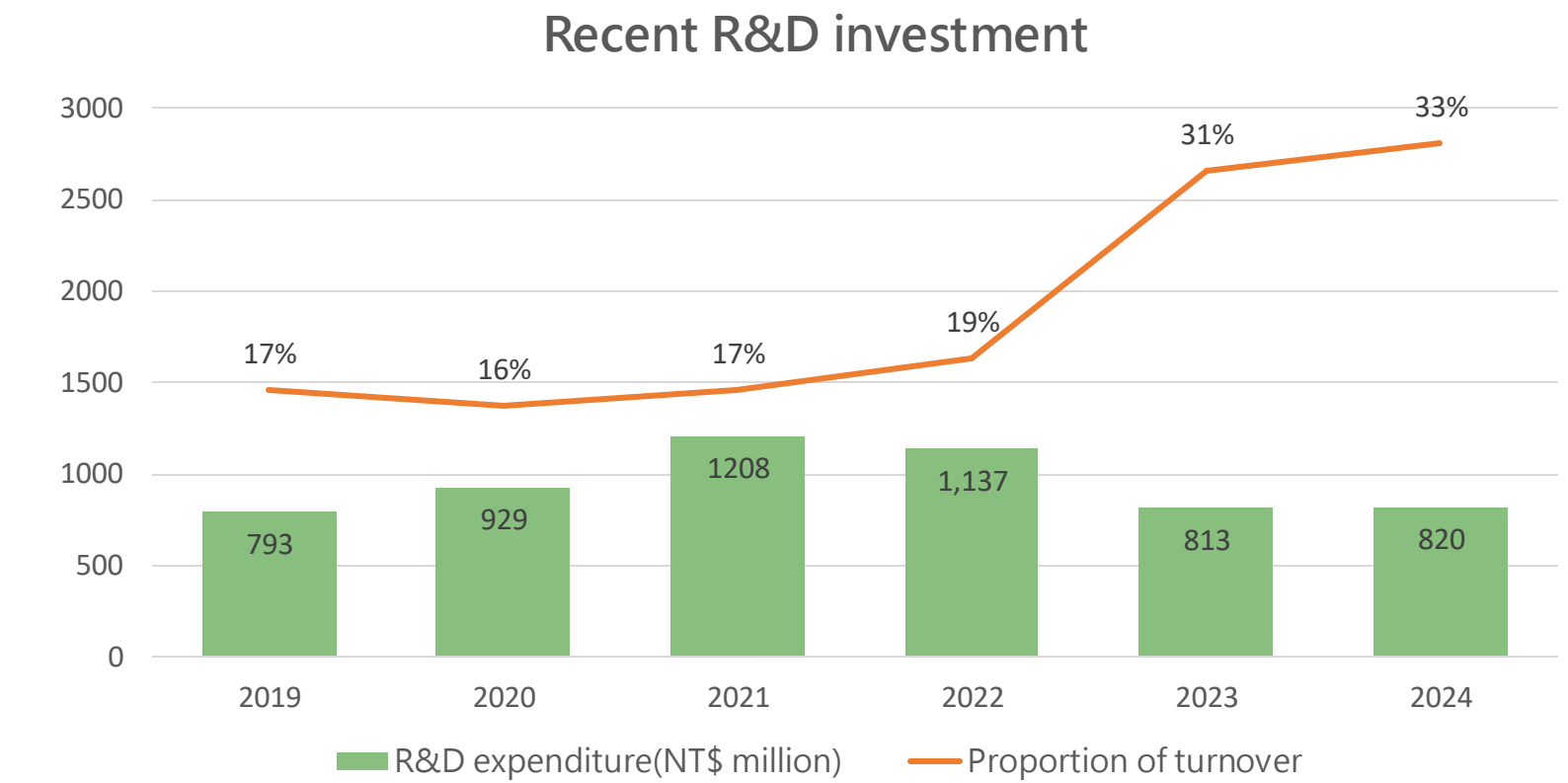
- > In response to the economic downturn, inventory pressures, and low-price competition in 2024, the company adopted a prudent market assessment strategy, analyzing product competitiveness and market potential while optimizing resource allocation. Following evaluation, the company moderately reduced development projects to focus on products with high investment returns and market potential. Although this strategy affected the achievement rate of new IC product development projects, it also demonstrates the company' s dynamic investment portfolio adjustments and competitive-strengthening strategies, aimed at enhancing market adaptability and capital efficiency.
- > Key technology IP developments involve high design complexity and require rigorous testing, resulting in longer development timelines. The key technology IP targets set in 2023 are expected to achieve results by Q3 2025.

2.1 Innovative Technologies

- Since its establishment in 1998, Holtek has continuously focused on the R&D of new products and technological innovation, investing about 15-20% of its annual turnover in these areas. In 2024, R&D expenses accounted for 33% of the turnover. Due to a market downturn resulting in decreased revenue, the proportion of R&D expenses has been higher than in previous years.
- Holtek Semiconductor possesses excellent innovative technologies in the field of microcontroller units (MCUs). An MCU is a single chip that integrates electronic components such as microprocessors, memory, input/output controllers, and clocks, enabling various control and processing functions. In addition to offering general-purpose MCUs that broadly meet various product applications, Holtek focuses on Application-Specific Standard Products (ASSP) MCUs. These ASSP MCUs provide higher chip integration, typically reducing discrete components by 30% to 50% and also minimizing PCB size. This not only enhances production efficiency and reduces carbon emissions but also decreases product waste components, promoting green design for products.

Main characteristics of the innovative technology of Holtek' s MCUs:

- **1. High performance:** Holtek' s MCU products are designed specifically for high performance and high efficiency. They integrate advanced processing technologies such as ARM Cortex-M0+/M3/M4 to provide high-speed processing capabilities. This allows for rapid data processing and real-time control of various applications.
 - **2. Low power consumption:** Holtek' s MCU products are designed for low power consumption. Their power saving mode and energy-saving design can extend the battery life of portable devices, making them an ideal choice for IoT applications.
 - **3. Security:** Holtek' s MCU products have advanced security functions, which can defend against various threats such as tampering, hacker attacks and data leakage. These include secure startup, encryption and other security mechanisms to ensure data integrity and confidentiality.
 - **4. Rich Functionality:** Integrates dedicated IPs for specific application areas within a single package, reducing the PCB size and discrete components of the end product, and improving production efficiency. The integrated IP circuits can independently control power supply, making energy-efficient product design easier.
- › Holtek improves its technology research and development capability by participating in various associations and organizations. At present, we have participated in the USB Implementers Forum (USB-IF), Wireless Charging Consortium (WPC), Institute of Electrical and Electronic Engineers (IEEE), Taiwan Semiconductor Industry Association (TSIA), SEMI Auto IC Master' s Automotive Chip Guide, IEK Industrial Information Network, DigiTimes, and more. Through the various technical seminars, forums and research projects held by such associations, Holtek can understand the latest technological trends and future development directions, thereby guiding and accelerating the R&D of new technologies and improving the Company' s technical level.



2.1 Innovative Technologies

Holtek MCU technology Impact on environment, society, and corporate governance



Environment

- Energy Efficiency: MCUs enhance computational power, reduce operation time, and lower average power consumption.
- Carbon emission reduction: MCUs are mainly used in various fields such as smart home appliances, home automation, industrial control, healthcare and safety monitoring, which can effectively reduce carbon emissions.
- Green Manufacturing: Highly integrated designs can significantly simplify the number of active/passive components in products, reducing waste generation and thereby decreasing environmental pollution.



Society

- Improving production efficiency: MCUs can realize automated and intelligent production, improve production efficiency, create more business models, and increase employment opportunities.
- Improving quality of life: MCUs can be applied in various fields such as smart homes, smart healthcare and security monitoring to improve people's quality of life.
- Promoting educational development: Holtek has established an MCU laboratory with industry-academia cooperation with many domestic universities, and hosts the Holtek Cup Microcontroller Competition every year to enable students to take the lead in obtaining the skills needed for success in the rapidly developing technological environment.



Corporate governance

- Protection of intellectual property rights: Innovative technology requires the collection of R&D data that requires manpower and material resources. Holtek not only established a systematic intellectual property right protection system, but also established innovation incentive measures to encourage employees to submit applications.
- Security risk management and control: Holtek's MCU products have a complete set of security risk management and control mechanisms from design to shipment, with the aim of ensuring the security of terminal product use.
- Automation: Automation improves the efficiency and production capacity of the development process, which enables Holtek to bring products to the market faster and more economically. In addition, automation improves the accuracy and consistency of the design process, resulting in higher quality MCU products.

> Overall, Holtek's innovative technology is a powerful tool for developers looking to create efficient, secure and multifunctional MCU solutions. With the continuous growth of demand for IoT devices, Holtek's MCU products will become more important in the development of innovative IoT applications.

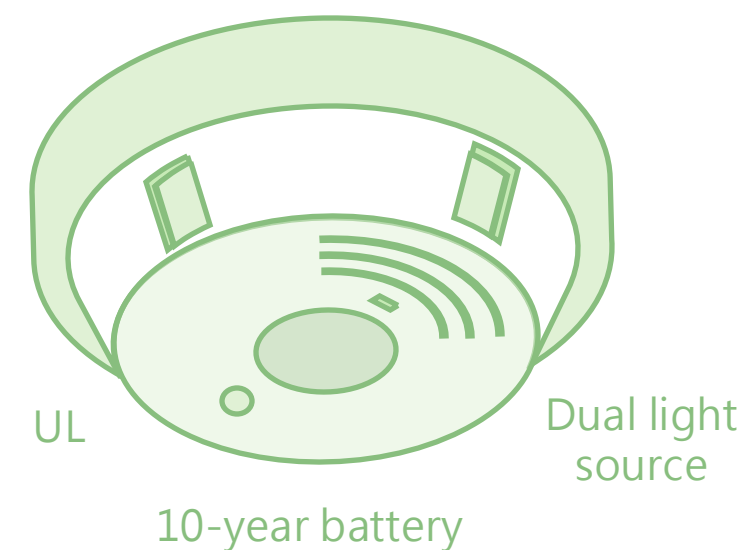
2.2 Green Products

One-Key Touch Desk Lamp



- The touch desk lamp, as a green product, typically adopts energy-saving LED light sources that effectively reduce energy consumption and carbon emissions, aligning with environmental protection principles. In addition, its touch-control mechanism eliminates the wear and failure risks associated with traditional mechanical switches, thereby enhancing durability, extending product lifespan, and reducing electronic waste generation.
- By incorporating specialized integrated circuits with a high power supply rejection ratio, the lamp minimizes key-detection errors. This feature ensures high reliability of the chip even under adverse environmental conditions. It also provides advantages such as low power consumption, strong resistance to interference, and instant usability upon power-up.
- From the perspective of health and safety, touch desk lamps are designed with features such as blue-light-free or low-frequency flicker operation, helping to protect visual health and reduce discomfort caused by prolonged use. Furthermore, these products provide a more stable and softer lighting environment, enhancing user comfort and safety.

Smoke Alarm



- Smoke detectors play a critical role in home safety. Modern smoke detectors adopt optical sensing technology, avoiding the recycling pollution issues caused by radioactive materials in traditional ionization detectors.
- Holtek has developed its first smoke detection MCU based on the Arm® Cortex®-M0+ 32-bit architecture. Featuring ultra-low power consumption, it enables the entire device to operate with a current of less than 10uA, meeting the requirement for a 10-year battery life. It supports dual-wavelength detection technology, and with the powerful computational capability of the M0+, it performs gas data analysis to accurately distinguish between vapor, dust, and fire smoke. This effectively reduces false alarms and enhances the user experience.
- Typically installed on ceilings, smoke detectors may not be easily noticed but remain essential for household safety. This product integrates a fault alarm function to immediately alert users in case of abnormal operation, providing an additional layer of protection and further enhancing safety and reliability.

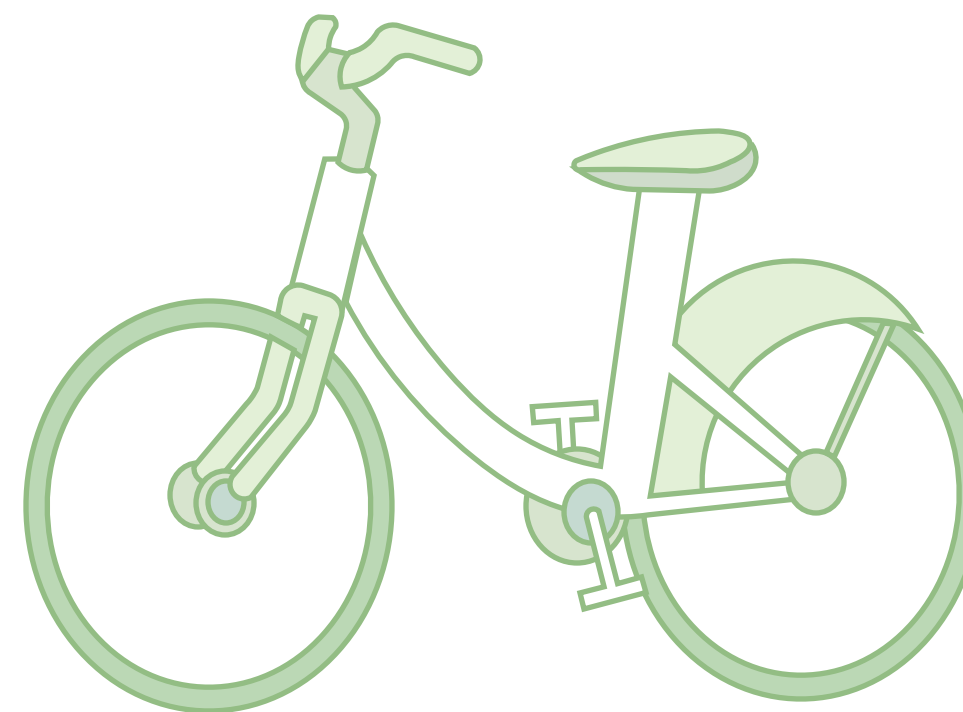
2.2 Green Products

3–8 Series Li-ion Battery Protection ASSP MCU



- 3–8 series lithium battery protection boards are widely used in power tools, garden tools, and cordless vacuum cleaners. Because lithium batteries have extremely strict requirements for voltage, current, and temperature, precise design is essential to ensure long product life and high safety.
- The new generation of lithium battery management products improves voltage detection accuracy from $\pm 0.5\%$ to $\pm 0.28\%$ and introduces a differential OPA to enhance the accuracy of charge and discharge current detection. Additionally, it integrates both low-side and high-side high-voltage gate drivers and features a built-in hardware short-circuit protection mechanism that can quickly shut down the MOSFETs in a short time, further improving battery safety and reliability.
- The product includes two sets of high-voltage wake-up circuits, a passive balancing circuit, and over-temperature protection, effectively reducing the number of external components, enhancing production efficiency, minimizing PCB layout area, lowering material consumption, and reducing electronic waste—delivering an eco-friendly, efficient, and safe battery management solution.

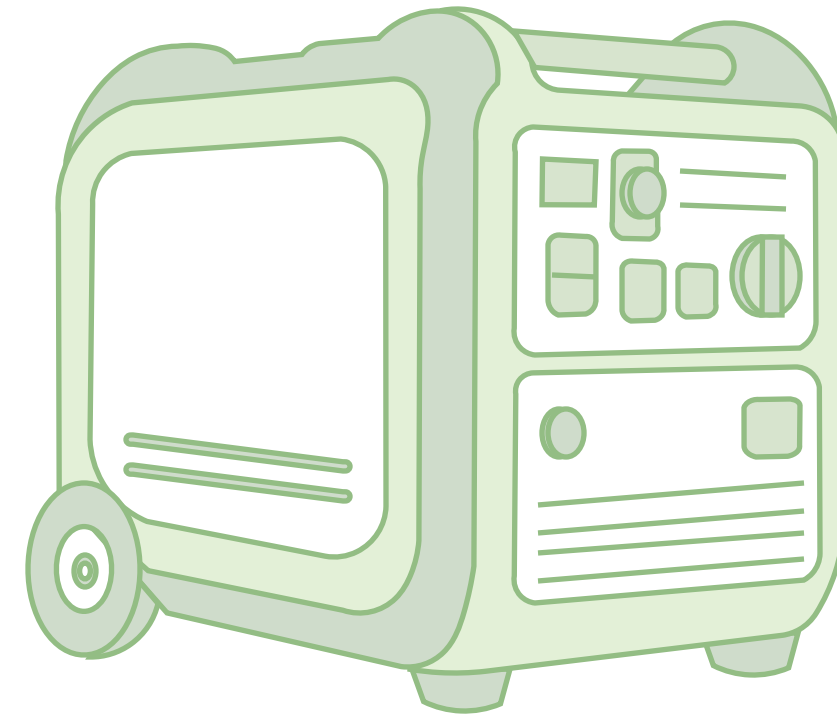
CAN Bus Application in E-bike



- Electric bicycles bring convenience for daily commuting and recreational riding, allowing people to move more easily in urban environments. They combine the flexibility of traditional bicycles with the advantages of an electric assist system, providing a more effortless and comfortable riding experience.
- Electric bicycles are equipped with multiple electronic components, such as battery management systems (BMS), motor controllers, displays, braking systems, and other sensors. These components need to communicate with each other to work collaboratively. CAN Bus provides efficient and stable data transmission, establishing reliable connections between all devices and enabling real-time data exchange.
- Using CAN Bus communication technology helps simplify the wiring design of electric bicycles. The system becomes more streamlined, reducing the use of cables, which in turn lowers manufacturing and maintenance costs.
- Holtek offers a variety of 8-bit and 32-bit MCUs and Bridge ICs with CAN Bus communication interfaces, suitable for various components of electric bicycles, such as BLDC motor control boards, Li-ion battery protection boards, battery chargers, and displays.

2.2 Green Products

Digital Carbon Monoxide Sensor Application in Generators



- Portable generators are a common source of carbon monoxide (CO) poisoning, especially during power outages when they are used indoors or in enclosed spaces such as garages, basements, or near windows. The engines in generators produce significant amounts of CO, and without proper ventilation, the accumulation of CO can be life-threatening. Therefore, U.S. legislation mandates that portable generators sold in the United States must include an integrated CO detection system, which automatically shuts down the generator when CO levels reach dangerous thresholds, enhancing product safety.
- Common CO sensors are electrochemical, producing a small current when CO is present in the air. This signal must be amplified and filtered before being read by an MCU, presenting a technical challenge in development. Holtek has designed a digital CO sensor with factory calibration and preset alarm thresholds. It provides CO data through a UART communication interface, simplifying application implementation. Additionally, the sensor includes a self-diagnostic function to ensure product reliability.

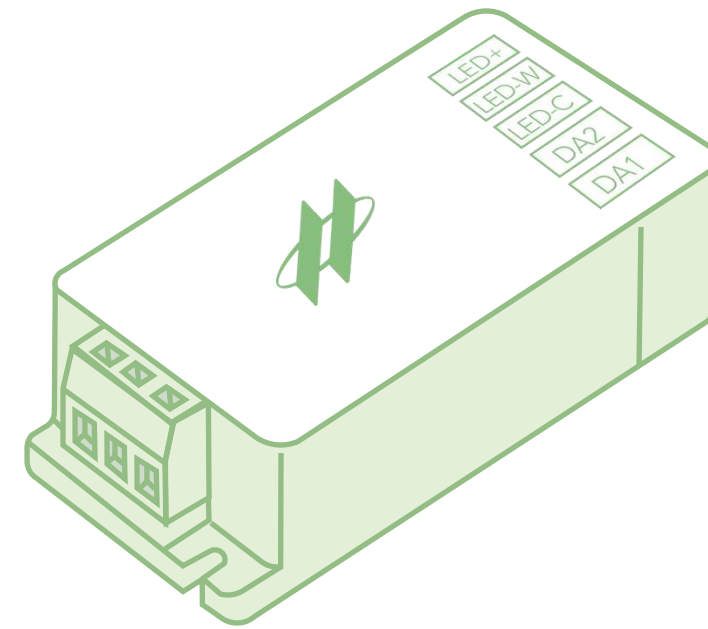
CGM Glucose Monitor



- According to the International Diabetes Federation, approximately 530 million people worldwide were diagnosed with diabetes in 2022. Diabetes can lead to serious complications such as retinopathy, nephropathy, and cardiovascular diseases, affecting patients' quality of life and lifespan. Continuous glucose monitoring and dietary adjustments help maintain stable blood sugar levels and reduce the risk of complications. Effective glucose control not only improves health outcomes but also reduces medical expenses, enhancing patients' daily quality of life and longevity. Compared to traditional glucose meters, continuous glucose monitors (CGM) reduce the discomfort of blood sampling, provide real-time data, and improve the accuracy and efficiency of glucose management.
- Holtek's CGM glucose monitoring solution uses Bluetooth Low Energy communication to upload data to mobile devices, enabling real-time monitoring of blood glucose through an app. The next-generation design reduces power consumption by 37%, extending battery life to 21 days. The glucose monitoring module integrates an analog front-end circuit and employs a 24-bit ADC in WLCSP packaging, achieving a smaller form factor suitable for wearable devices.

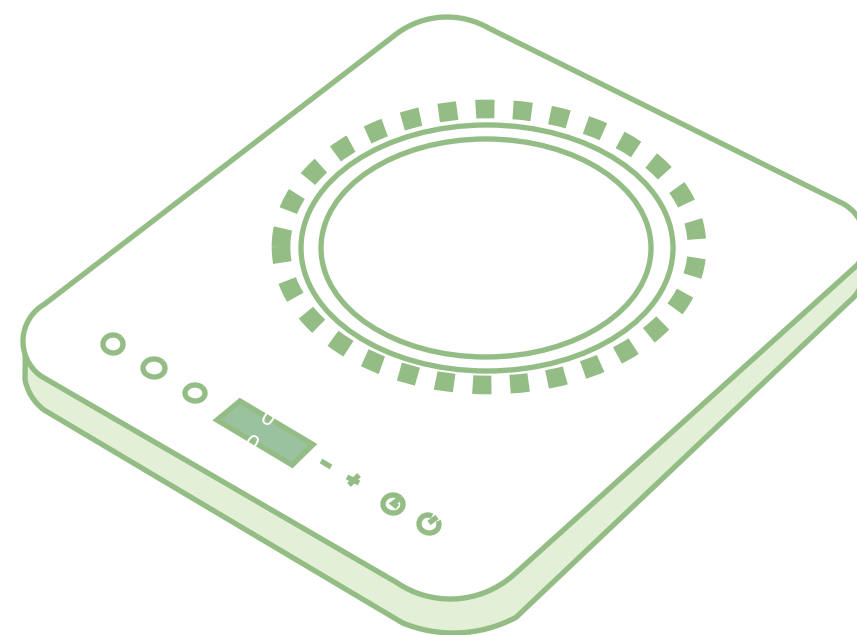
2.2 Green Products

DAI Addressable Lighting Control Interface



- The DALI (Digital Addressable Lighting Interface) lighting control system features human-centric lighting capabilities, automatically adjusting brightness and color temperature according to the environment and user needs, enhancing comfort and focus. Its efficient driver conversion mechanism ensures effective energy use, reducing power consumption and extending lamp lifespan. Through intelligent control, DALI supports individual and group light adjustments and can integrate with sensors and automation systems, allowing lighting to respond automatically to human activity and daylight changes, further saving energy and reducing carbon emissions. The bidirectional communication mechanism enables real-time monitoring of lamp status, improving maintenance efficiency. As an international standard protocol, DALI offers high compatibility, suitable for various LED drivers and control devices, and is widely used in commercial buildings, industrial facilities, and smart lighting systems.
- Holtek has developed three DALI dimming modules specifically designed to receive DALI control commands and output lighting control signals. The modular design allows manufacturers to flexibly interchange modules between drivers of different power ratings and architectures, simplifying the design process. By choosing whether to install a DALI module, manufacturers can quickly configure product functionalities, improving production efficiency and reducing development costs, providing a more flexible solution for smart lighting applications.

Induction Cooker ASSP MCU



- IH induction cookers are inherently high-efficiency energy-saving products, with thermal efficiency reaching 85% to 90%, significantly higher than traditional gas heating solutions (40% to 55%), allowing for more effective energy utilization and reduced waste. In New York State, legislation has been passed banning the installation of gas appliances such as gas stoves and gas heaters. Starting in 2026, new buildings under seven stories will be prohibited from installing gas appliances, while buildings over seven stories will be subject to the ban from 2029. This measure aims to reduce dependence on fossil fuels and promote the use of emission-free electric devices such as induction cookers and heat pumps, thereby lowering carbon emissions and addressing climate change.
- Holtek has developed a next-generation induction cooker ASSP MCU, offering larger program space while reducing chip area by 30%, improving wafer utilization and thereby lowering carbon emissions during production. The product integrates multiple hardware circuits, including surge voltage and current protection, synchronous signal detection, IGBT overvoltage protection, zero-cross detection, step voltage detection, over-temperature protection, and pulse-width modulation jitter protection, ensuring product safety. On the software side, it can be certified under the UL 60730 safety standard to ensure product stability and reliability, making it a highly safe and environmentally friendly product.

2.2 Green Products

Holtek MCU products are applied in various fields including home appliances, energy management, motor drives, healthcare, security, and industrial sectors.

To enhance product competitiveness and ensure sustainable corporate development, the long-term planning blueprint is as follows:

01

Define Goals and Requirements: Clearly define the objectives and requirements of the product. This includes goals such as energy savings, improved energy efficiency, reduced carbon emissions, enhanced energy monitoring, and support for renewable energy.

02

Market Research: Conduct market surveys to understand the needs and trends of the target market. Assess the competitive landscape, key players, and potential collaboration opportunities in the field. Additionally, evaluate the product's potential value and competitive advantages in the market.

03

Technical Development: Set short-term and long-term development goals, with phased design to facilitate rapid market entry. Enhance customer interaction and continuously improve functionality.

04

Partnerships: Provide development platforms, deepen customer support, and establish long-term, mutually trusted partnerships for shared growth and benefits.

05

Testing and Validation: Conduct tests and validation to ensure the product meets the expected performance and functional requirements. Perform field tests and verify the product in actual application scenarios.

06

Application Promotion: Implement agent training programs, organize seminars and new product launches, and contribute to industry forums to enhance industry visibility. Additionally, provide application solutions, development platforms, and professional technical teams to accelerate customer adoption of solutions.

07

Continuous Improvement and Investment: Continuously enhance and optimize products while investing in the research and development of new technologies.

2.3 Intellectual Property Management

Improve intellectual property management and effectively utilize the achievements of intellectual property.

- The Company has a Legal and Intellectual Property Rights Division responsible for handling intellectual property related affairs to establish a systematic management system for patents, trademarks, and integrated circuit layout and design and effectively manage various intellectual property rights.
- More than 900 global patent applications and more than 700 global patent certifications.

Patent application statistics in the past three years

Year	Number of cases
2022	18
2023	21
2024	15

Patent certification statistics in the past three years

Year	Number of cases
2022	22
2023	22
2024	13

Trademark application and extension statistics in the past three years

Year	Number of applications	Number of extensions
2022	8	3
2023	8	2
2024	5	0

Copyright registration statistics in the past two years

Year	Number of cases
2023	7
2024	18

Circuit layout design exclusive right application statistics in the past three years

Year	Number of cases
2022	16
2023	16
2024	18

2.3 Intellectual Property Management

Encourage innovative research and innovation, and establish independent intellectual property.

- Different companies within the Group have formulated different patent management measures tailored to local conditions, clearly defined incentive measures, and continuously incentivize employees to submit patent applications.
- Hold patent proposal reviews and evaluations to ensure the quality of patent applications.
- Over the years, the cumulative number of patent inventors has exceeded 600. From 2022 to 2024, there were 22 patent inventors.

Refine the intellectual property system to enhance the Company's competitive strength.

- Provide lectures on intellectual property management for new employees to introduce and promote the Company's intellectual property management policies. In 2024, three sessions were held, with a total of 22 participants and a total of 4.5 course hours.
- Provide intellectual property related training for in-service employees, with lecture topics covering legal concepts and applications such as business secrets, patents and copyrights, in order to strengthen employees' awareness and cognition of intellectual property protection. In 2024, two sessions were held, with a total of 141 participants and a total of 5 course hours.
- Conduct face-to-face interviews with resigned employees before leaving and strengthen guidance on the relevant regulations on intellectual property that should be followed after leaving. The advocacy reached 38.5 hours in 2024.
- Strategically obtain necessary technical authorizations from specific semiconductor and other technology companies, so that the Company can immediately receive intellectual property protection and minimize shareholder equity losses and operational risks caused by claims and lawsuits related to intellectual property rights.

Respect intellectual property rights; do not infringe or be infringed upon.

- Maintain close contact with external patent consultants and regulatory authorities to improve review efficiency and obtain high-quality patent protection.
- Defend the rights of the Company's intellectual property rights against those who infringe upon them to ensure our rights and interests. In the past three years, we have sent one warning letter and filed one lawsuit.
- Conduct patent technology search and analysis based on R&D and development needs, in order to reduce the risk of infringement by the Company, and avoid the losses of shareholders and our customers. In the past three years, over six patent technologies required for R&D have been searched and analyzed.
- Monitor the status of competitors' patents, effectively grasp the layout and technological trends of the intellectual property of industry peers. As of 2024, we have regularly monitored 48 competitors and over 3,000 related patents, and produced patent monitoring reports and regularly provided them to our R&D units for reference.



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CH3 Product Responsibility

Policy or Commitment	Public Link	Approval Level	Stakeholders	How to Implement Policies or Commitments
Quality Policy and Hazardous Substance-Free Process Management Policy	Policy Link	General Manager	Employees, Customers, Suppliers	In 2024, a total of 107 hours of training were conducted on Quality and Hazardous Substance-Free Process Management, involving 75 participants
<ul style="list-style-type: none"> > Holtek values product quality, and both our operations and product quality adhere to the ISO 9001 international standards. We have established procedures such as the 'Customer Satisfaction Operating Procedures,' 'Customer Complaint Handling Procedures,' and 'Customer Return Handling Procedures.' Additionally, we have set up a customer service section on our website to promptly address and resolve customer complaints. > To comply with international standards, our company strictly adheres to relevant safety, environmental, and labor protection regulations in our research and development, procurement, and production processes. This ensures that the products we ship meet these standards and protect the interests of our customers > Our products comply with international environmental regulations, meeting the requirements of EU RoHS and REACH. Clear labeling is applied on product packaging to ensure that products do not contain harmful substances that could pose risks to human health 				

● Achievement ○ Not Achieved

Material Topics	2024 Objectives	2024 Achievements	2025 Objectives	Medium-term Goals	Long-term Goals
Customer Service Management	Customer satisfaction survey response rate: 100%	● Response Rate Target Achieved	100% Response Rate to Customer Satisfaction Surveys	Customer Satisfaction Survey Response Rate Target Achieved	Customer satisfaction survey response rate has achieved the target
Sustainable Supply Chain Management	70% of Supplier On-site Audits or Document Reviews Completed	● 81% Completed, of which 68% are On-site Audits and 13% are Document Reviews	80% of Supplier On-site Audits Completed	Increase the Supplier On-site audit ratio	Thoroughly understand customer expectations and work with all suppliers to emphasize the importance of international environmental protection requirements
	100% Submission of RoHS, REACH, and Halogen-Free Compliant Green Products to Customers	● 100% Submission of RoHS, REACH, and Halogen-Free Compliant Green Products to Customers	100% Submission of RoHS, REACH, and Halogen-Free Compliant Green Products to Customers	Continuously Meet the Requirements for RoHS, REACH, and Halogen-Free Green Products	Continuously monitor environmental protection issues and requirements both domestically and internationally, respond to and comply with international standards, and collaborate with suppliers to emphasize the importance of international environmental protection requirements
	100% of Key Suppliers * Obtained ISO 14001 Environmental Management System Certification	● 100% of Key Suppliers Obtained ISO 14001 Environmental Management System Certification	100% of Key Suppliers Obtained ISO 14001 Environmental Management System Certification	In addition to ISO 14001 Environmental Management System Certification, newly added key suppliers are also required to obtain it	Continuously monitor environmental protection issues and requirements both domestically and internationally, respond to and comply with international standards, and collaborate with suppliers to emphasize the importance of international environmental protection requirements
	100% of Key Suppliers *Obtained ISO 45001 Occupational Health and Safety Management System Certification	● 100% of Key Suppliers Obtained ISO 45001 Occupational Health and Safety Management System Certification	100% of Key Suppliers Obtained ISO 45001 Occupational Health and Safety Management System Certification	In addition to the ISO 45001 Occupational Health and Safety Management System certification, it is now required for key suppliers to also obtain certification	Continuously monitor safety and health issues and requirements both domestically and internationally, respond to and comply with international standards, and collaborate with suppliers to emphasize the importance of international safety and health requirements

Key Suppliers: Wafer Foundries, Packaging Plants

3.1 Customer Service

Promoting Goals and Achievements

- Holtek adheres to the customer-first service spirit and conducts a customer satisfaction survey annually in January. The overall average satisfaction score for 2024 is 4.37 (highest 5 points) A total of 47 questionnaires were sent out, and all 47 were returned, with an effective response rate of 100%.
- Holtek regularly analyzes and reviews customer satisfaction, and formulates action strategies based on the analysis. In 2024, customers or agents raised 47 suggestions, mainly focusing on service, delivery time, and new product development. Holtek will continue to work on improvements to provide higher quality services and earn customer recognition.

	Number of Questionnaires Sent	Number of Questionnaires Returned	Response Rate
Customer/Agent	47	47	100%



Protect Customer Privacy

- Directors or managers have a confidentiality obligation regarding the company's own or its buying (selling) customers' information, unless authorized or legally required to be disclosed. Confidential information includes any unpublished information that could potentially be exploited or leaked by competitors, causing harm to the company or its customers.
- The company collaborates with customers to develop plans, signs confidentiality agreements, respects the cooperative spirit agreed upon by both parties, fully complies with the customer's requirements, keeps the cooperation mechanisms and business secrets confidential, and implements management and execution.
- The company has established a code of integrity, with a legal and intellectual property office responsible for managing, safeguarding, and ensuring the confidentiality of business secrets. It is required that all employees strictly adhere to these confidentiality regulations and not disclose any sensitive company information.
- Establish a strict access control and monitoring system to continuously monitor and control the entry and exit of personnel and vehicles.
- No complaints were received by the end of 2024 regarding violations of customer privacy rights.



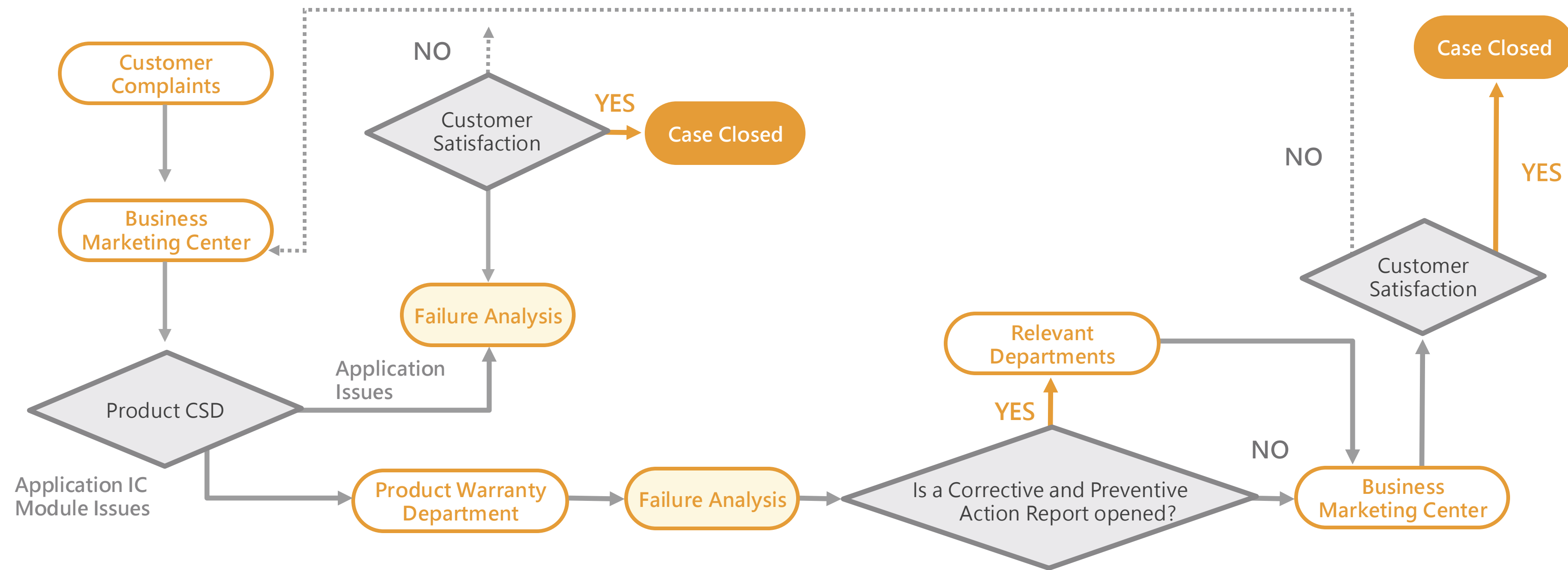
3.1 Customer Service

Customer Return (FAE) Analysis and Statistics

Year	2022	2023	2024
Number of cases	123	181	157

Note : 2024 FAE analysis statistics, among which 102 cases are non-Holtek IC issues.

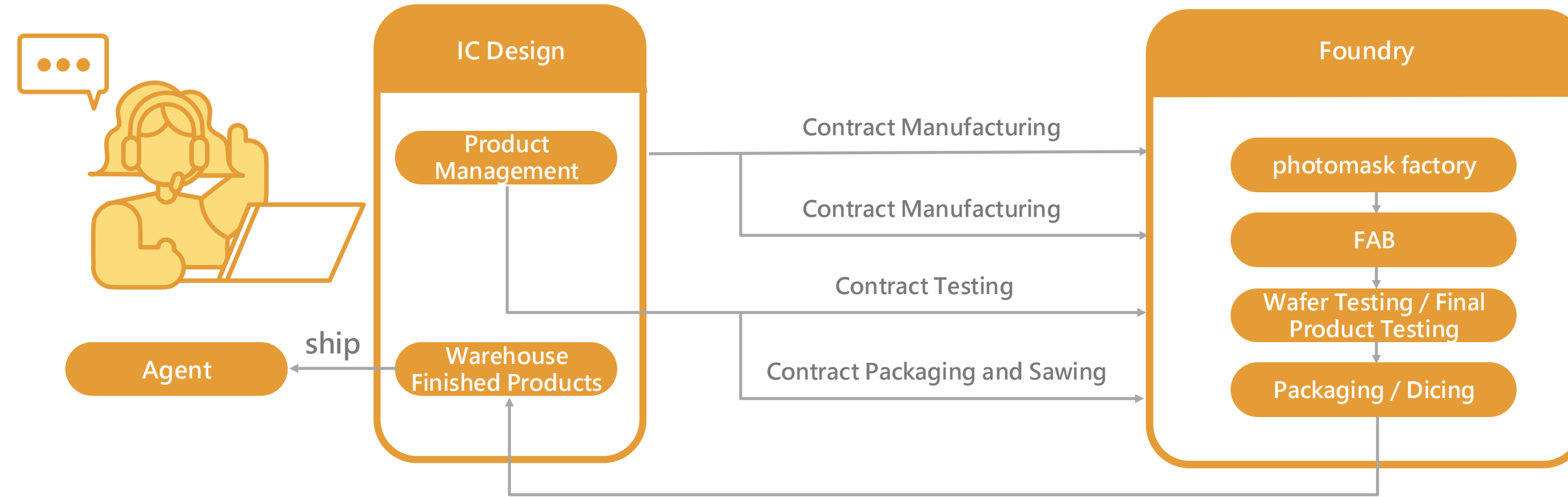
Customer Complaint Handling



▲ Customer Complaint Handling Flowchart

3.2 Supply Chain Overview

- To meet customer needs, enhance competitiveness, and achieve operational goals, Holtek integrates agents, suppliers, and customers through design, planning, execution, and monitoring, minimizing supply chain costs. Before establishing business relationships, Holtek ensures the legitimacy, integrity policies, and absence of dishonesty records in its partners to maintain fair, transparent practices and prevent bribery.

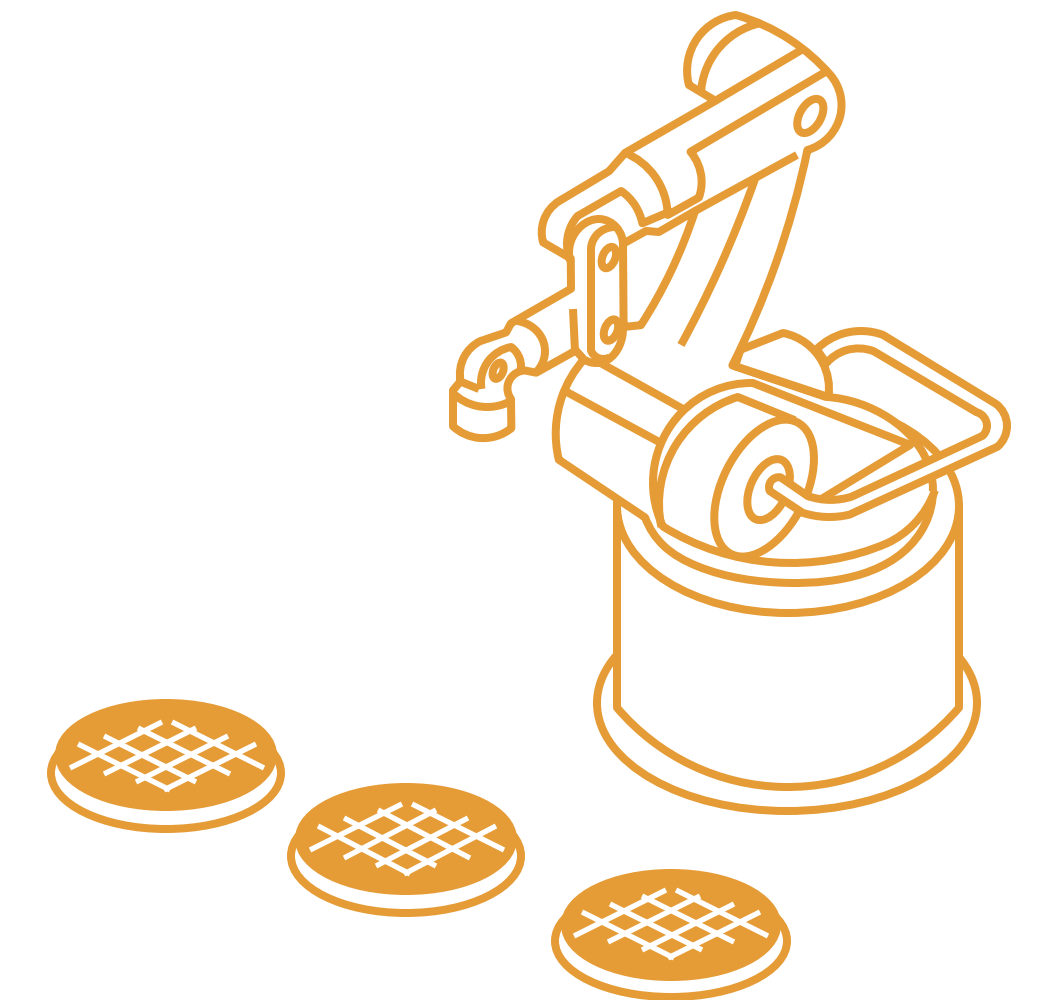


▲ Supply Chain Flowchart

Supplier Relationships

- The Company's primary suppliers are well-known and reputable manufacturers both domestically and internationally. We maintain strong credit relationships and place great importance on building long-term, collaborative partnerships with our suppliers.
 - The Company places strong emphasis on whether its suppliers comply with international environmental regulations and occupational health and safety standards. We are committed to building a sustainable and green supply chain.
 - The Company collaborates with key suppliers to undergo social responsibility audits conducted by third-party organizations such as SGS or INTERTEK. Regular meetings are held with suppliers to review and ensure the use of environmentally compliant materials and the implementation of occupational health and safety management in their facilities.

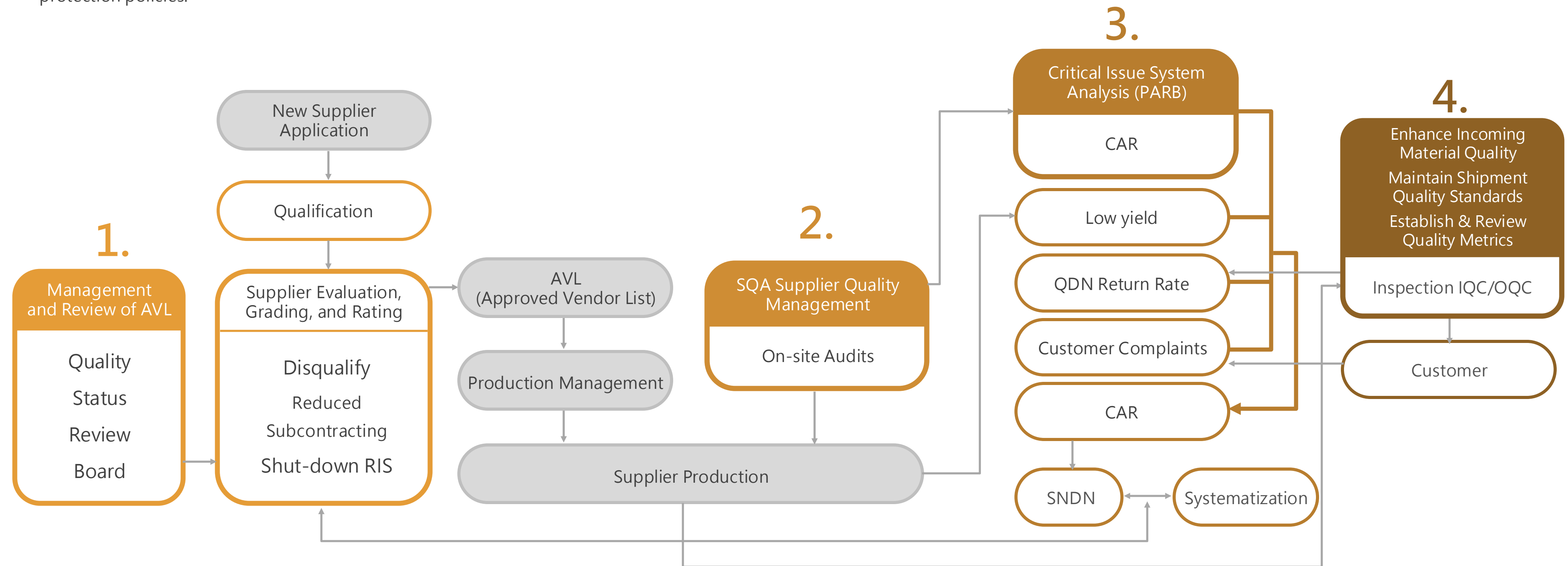
Key Suppliers Wafer Foundries, Packaging Plants



3.3 Sustainable Supply Chain Management

New Supplier Evaluation and Management Policy

- To ensure that Holtek and its suppliers jointly commit to enhancing corporate social responsibility, the Company conducts new supplier evaluations and management according to internal regulations. Green environmental policies and requirements are promoted throughout the entire supply chain. Suppliers must comply with the Company's supplier management policies to qualify as approved suppliers. Additionally, the Company continuously requires suppliers to adhere to green environmental regulations and encourages the adoption of various environmental protection policies.



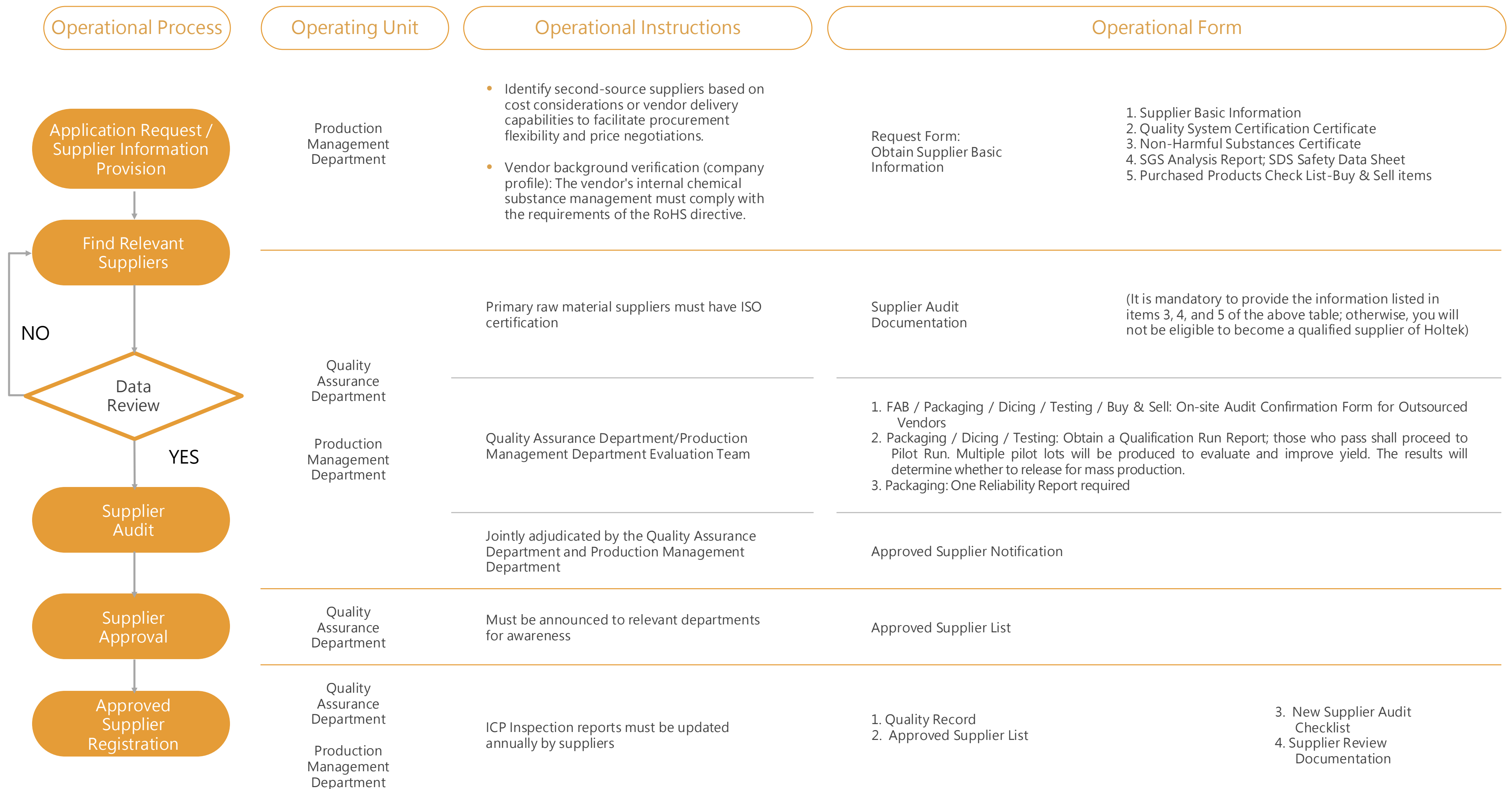
▲ The new supplier management flowchart of Holtek. In this context, 'new supplier' refers 100% to 'Tier 1 subcontractors,' and does not include suppliers for general administrative procurement.

3.3 Sustainable Supply Chain Management

Action Items	Execution Details	Communication Methods
New Supplier Assessment	Environmental Management System	Assessment of suppliers 'establishment of environmental management systems; no new suppliers were on boarded in 2024.
	Meet Holtek's Green Environmental Protection Standards	Meet Holtek's environmental management substance standards; no new suppliers were introduced in 2024.
	Adherence to Social Standards	Assessment of suppliers' adoption of the SA8000 social responsibility standard or compliance with relevant social responsibility requirements; no new suppliers on boarded in 2024.
Current Supplier Management	Dedicated Team and Personnel	Establish a dedicated team to ensure effective green environmental management of products.
	Prohibition of Harmful Substances	In accordance with RoHS and REACH regulations, the use of environmentally harmful substances is prohibited.
	Raw Materials Meet Hazardous Substance Standards	Suppliers must also provide reports certifying that components or materials are free of harmful substances, in accordance with Holtek's requirements.
	Hazardous Substance Agreement	There must be a written agreement between the supplier and at least the primary supplier to prohibit the use of environmentally hazardous substances.
	Regular Hazardous Substance Reports	Suppliers must regularly submit third-party hazardous substance test reports for packaging materials.
	Regularly Provide CSR Certificates	Suppliers must regularly provide ISO 9001, ISO 14001, QC 080000, ISO 45001, or other relevant certificates related to environmental standards and corporate social responsibility (GRI Report).
	Provide a Conflict Minerals Certificate	Suppliers must submit a Conflict-Free Minerals Certificate proving that the metals used in their products do not come from regions controlled by rebel groups or illegal militias.

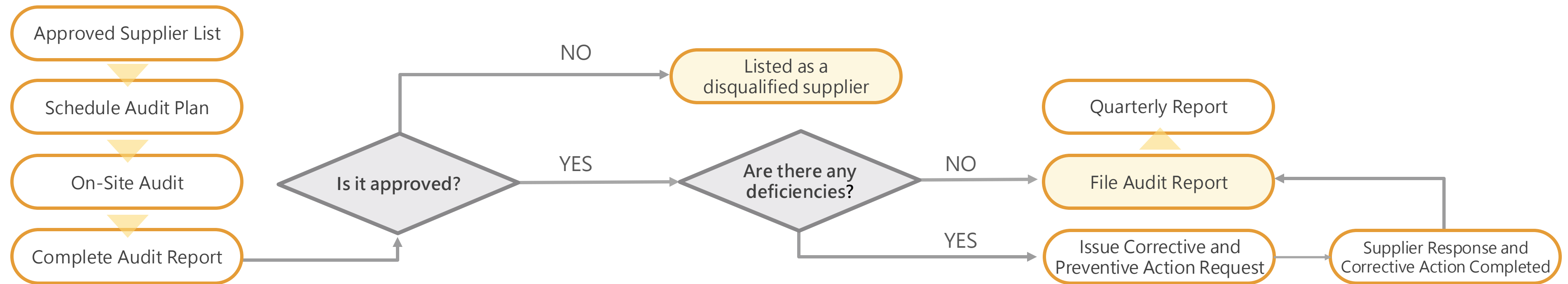
3.3 Sustainable Supply Chain Management

New supplier audit process



3.3 Sustainable Supply Chain Management

Approved supplier audit process



Supplier risk assessment

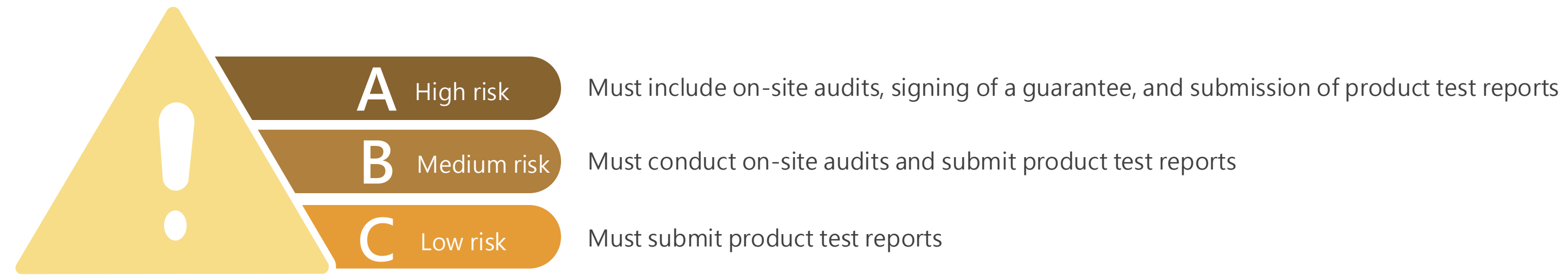
- Holtek evaluates supplier risks across three key dimensions: quality, environmental management, and control of hazardous substances
 - Quality Aspect : Quality management is prioritized. All suppliers must have ISO 9001 certification, and those in the automotive supply chain must have IATF 16949 certification to ensure they meet customer quality requirements.
 - Environmental Aspect : Suppliers and their primary raw material suppliers must obtain ISO 14001 certification to implement environmentally friendly policies.
 - Safety and Health Aspect : Suppliers are required to assess and independently implement a safety and health management system.
 - Hazardous Substances Aspect : Suppliers must meet our hazardous substances requirements. We classify them into high, medium, and low-risk categories, with stricter controls for high-risk suppliers to ensure compliance with customer and international standard.

Implementation of Holtek Semiconductor's Supplier Management Policies and Standards

- Establish supplier rules for compliance with quality, environmental, and safety standards
 - Quality: Suppliers must meet all quality indicators and audit requirements.
 - Environmental Aspect: : In addition to requiring suppliers to meet international environmental standards, Holtek also mandates that the primary raw material providers of its suppliers comply with the same international environmental requirements.
 - Occupational Safety and Health : Suppliers are required to meet international standards, and there will be an additional review of any sanctions from regulatory authorities over the past three years due to violations of local occupational safety and health regulations to ensure effective management.

3.3 Sustainable Supply Chain Management

2. Suppliers are required to conduct regular self-assessments, and Holtek will perform audits based on these results. Suppliers will be classified into three risk levels: A, B, and C :



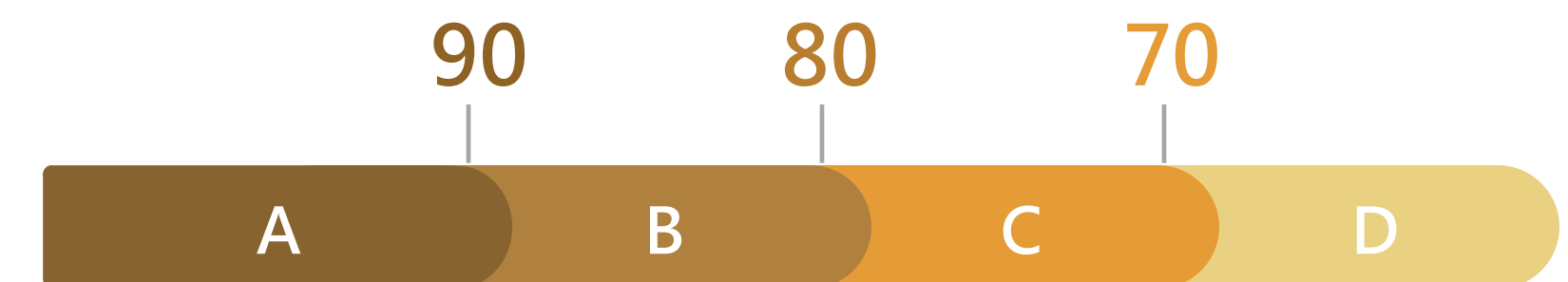
3. Based on a win-win strategy, view suppliers as close partners, fostering positive interaction and communication to address their weaknesses, enhance their strengths, and apply these improvements across all suppliers.

4. Through systems or on-site methods, provide irregular training, communication, and outreach to suppliers, informing them of Holtek's new requirements due to international regulations changes. When necessary, offer guidance to help them meet Holtek's standards.

- (1) Major requirement: Hold a supplier conference, inviting suppliers to for education and training to achieve optimal interaction between both parties.
- (2) Regular requirement: Issue Holtek's new requirements through the system and ask suppliers to conduct internal training based on these new requirements.
- (3) In the event of a major deficiency identified in a supplier, Holtek will assign dedicated personnel to conduct on-site project-based guidance and support.

5. Quarterly, assess suppliers' performance on quality, delivery, service, and management systems as a reference for sustainable cooperation between both parties.

- (1) Quality performance indicators: production yield and inspection pass rate.
- (2) Delivery performance indicator: on-time delivery accuracy .
- (3) Service performance indicators: responsiveness to demands, complaint handling, and processing unit price.
- (4) Implement SA8000 social responsibility standards.
- (5) Renewable Energy and Environmental Sustainability Initiatives.
- (6) Management System Performance Indicators : ISO 9001, ISO 14001, ISO 45001, QC 080000 and IATF 16949.
- (7) Evaluation levels : A (90+), B (80-89), C (70-79), D (below 70).



< Evaluate suppliers' performance across various indicators >

3.3 Sustainable Supply Chain Management

Supply chain audit

- Holtek emphasis on quality, we actively conduct on-site supplier audits. However, due to the global COVID-19 pandemic, on-site audits cannot be fully implemented. Currently, we are using a combination of on-site and document audits, with 11 suppliers audited on-site and 2 through document reviews. We will continue to strive to increase the proportion of on-site audits to ensure suppliers meet quality standards.
- Holtek's audit team conducts on-site inspections focusing on both quality documentation and production processes to ensure product quality. Identified issues are followed by strict verification of corrective actions to eliminate potential quality risks.
- In addition to on-site quality audits, Holtek also conducts audits of suppliers' Hazardous Substance Free (HSF) management systems. For high-risk downstream packaging suppliers, the same rigorous approach is applied, using detailed audit checklists and verification of execution records to ensure compliance with Holtek's green product standards.

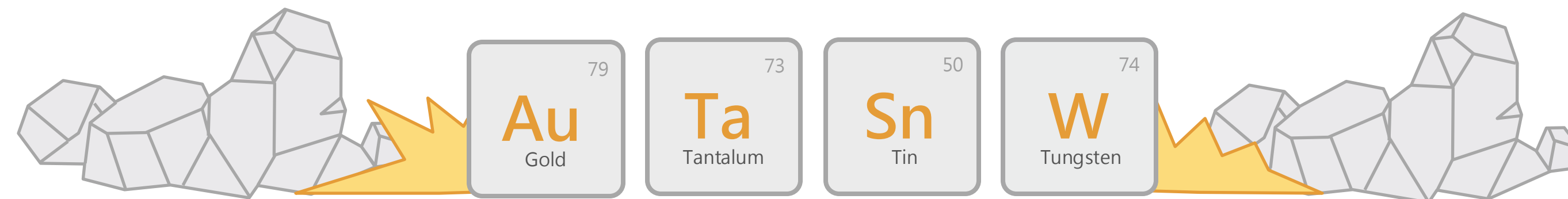
Statistical interval	Number of audited suppliers	Main locations	Evaluation methods	Number of audits	Audit Outcomes
2024/1/1 ~ 2024/12/31	13	Taiwan / China	Supplier evaluation scores and deficiencies	11 suppliers (On-site audit) 2 suppliers (Document review)	All identified deficiencies were confirmed to be effectively corrected and have fully passed Holtek's quality audits.

Risk Management for the Use of Critical Materials

- Holtek has established a management mechanism for alternative suppliers to mitigate the risk of critical material shortages in the production process. In the event of special circumstances causing a supply disruption of key materials, this mechanism minimizes supply chain risks to ensure timely order fulfillment.

Conflict minerals policy

- Holtek is committed to corporate social responsibility and respecting international human rights. To avoid the use of conflict minerals—metals sourced from armed conflict, illegal mining, or poor labor conditions—Holtek requires suppliers to investigate whether gold (Au), tantalum (Ta), tin (Sn), and tungsten (W) in their products originate from the Democratic Republic of the Congo. Suppliers must provide relevant information when necessary. Holtek will continue monitoring this issue to minimize its impact.



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Appendices

CH4 Environmental sustainability

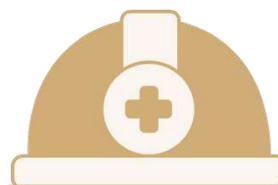
Drive goals and performance

● Achievement ◆ Partially achieved ○ Not achieved

Material topics	Goals for 2024	Actual performance in 2024	Goals for 2025	Mid-term goals	Long-term goals
<ul style="list-style-type: none"> ■ occupational safety and health 	No occupational disaster disabilities determined - "Zero occupational disasters" .	● No occupational disaster disability occurred.	No occupational disaster disabilities determined - "Zero occupational disasters" .	Implement environmental and safety and health training to enhance employee safety awareness.	Enhance the overall safety culture and environmental protection awareness of the Company.
	80% achievement rate of the annual environment and safety and health training plan.	● 97% achievement rate of annual environment and safety and health training plan.	80% achievement rate of the annual environment and safety and health training plan.		
<ul style="list-style-type: none"> ■ Energy and greenhouse gas reduction 	Machinery/equipment situation of the company, quasi-determined reduction plan	◆ Review of major consumable equipment usage period and condition, pseudo-determined 4 piece reduction plan.	Criticism reduction plan effectiveness and research implementation ranking	External ISO 14064-1 certification.	Continuously monitoring changes in domestic and international regulations, understanding trends in regulatory changes, and being prepared to respond accordingly.
<ul style="list-style-type: none"> ■ Non-material topics 	Analysis of exported goods packaging, packaging reduction and environmental protection packaging plans	● Inspection and progress analysis of exported goods, enactment of 4-section package reduction plan, and implementation in October 2024.	Inspection of packaging weight loss methods, effectiveness and collection of environmental protection packaging materials	More than 80% recycled paper used in packaging boxes for shipping and delivery Ratio of environmental protection filling material to plastic regeneration material: 30% or more	Decrease in surface area of paper box by 40% New design standard, simplification of packaging and maintenance

4.1 Environmental and Occupational Safety and Health

Policies or commitments	Public link	Approving level	Stakeholder	How to implement policies or commitments
Safety and health policies and environmental policies	Policy link	President	Employees, customers, suppliers	Safety and health training in 2024: 55 hours and 44 people in total



Safety and health policy

Comply with safety and health laws and regulations and implement safety and health operation guidelines.

Reduce occupational safety and health risks, and eliminate occupational safety and health hazards.

Implement communication and promotion of safety and health training and establish a safety and health audit and review system.

Encourage workers to consult and participate, and commit to implementing continuous improvement activities.



Environmental policy

Comply with regulatory requirements, and fulfill corporate responsibilities.

Continuously improve the environment and enhance environmental performance.

Commit to pollution prevention and sustainable business development.

4.1 Environmental and Occupational Safety and Health

Environmental and Occupational Safety and Health Management System

The Company obtained the international OHSAS 18001 occupational safety and health management system certification in 2006, and completed the ISO 45001:2018 conversion certification in 2019 (valid until November 26, 2027). The ISO 14001: 2015 environmental management system (valid until November 23, 2027) has been certified by a third-party independent certification agency and continues to be valid. The Company's management system covers relevant employees in the Hsinchu headquarters who carry out related work and activities, including employees and contractors for IC design, development, sales, quality inspection and contracting.

Holtek encourages employees to consult and participate in environmental, safety, and health issues, and regularly promotes continuous improvement activities for various employee related environmental, safety, and health tasks, including environmental, safety and health related training, work environment monitoring, and contractor management. Through the PDCA cycle, continuous improvement is carried out, and environmental, safety, and health performance indicators are regularly reviewed at the Occupational Safety and Health Committee meeting and the ISO 14001 and ISO 45001 Advanced Management Review Meeting to create a good work environment and protect the physical and mental health and safety of employees.

Certification

ISO 45001 occupational safety and health management system



ISO 14001 environmental management system



4.1 Environmental and Occupational Safety and Health

In accordance with laws and regulations, a safety and health consultation unit called the Occupational Safety and Health Committee has been established to study and strengthen occupational safety and health issues and to propose suggestions and regularly review safety and health implementation matters. A first level safety and health management unit, the Work Safety and Environmental Protection Office, has been established and professional personnel was hired (a Class A occupational safety and health business supervisor and an occupational safety and health administrator), responsible for promoting occupational safety and health and environmental protection related businesses. According to the regulations on labor health protection, nurses and physicians are appointed to provide labor health services.

The member structure of the Occupational Safety and Health Committee is as follows:

In addition to the president as the chair, the Committee has one executive secretary and nine members, four of whom are labor representatives, accounting for 40% of the Committee's 10 members (labor representatives are jointly elected by the employees) to assist in supervising and recommending occupational health and safety related plans. Other workers, such as outsourced cleaning personnel and security guards, do not have representative seats in the Committee.

Occupational Safety and Health Committee First level safety and health management unit Work Safety and Environmental Protection Office



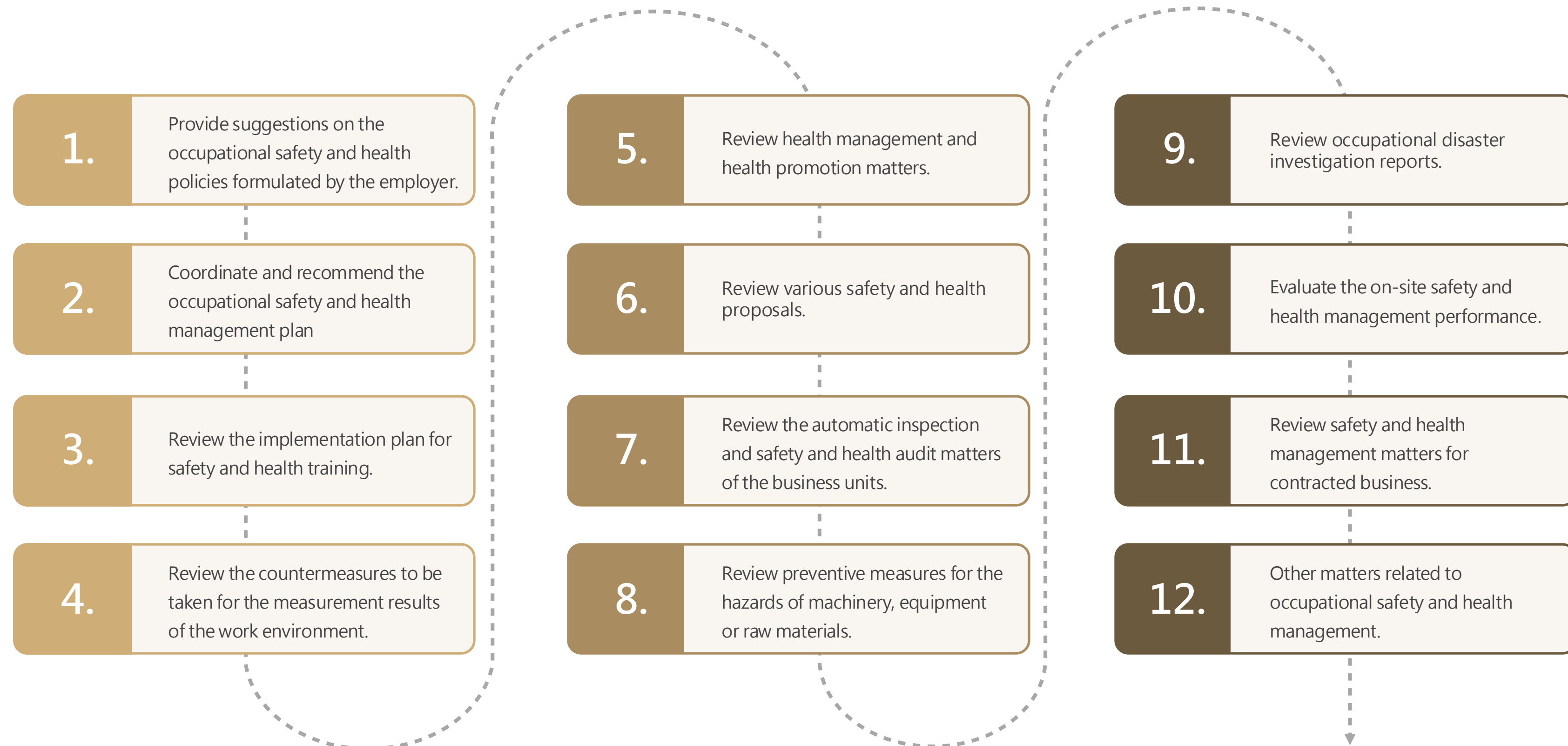
4.1 Environmental and Occupational Safety and Health

An annual ISO 14001 and ISO 45001 High Level Management Review Meeting and a quarterly Occupational Safety and Health Committee meeting is held, and the progress of environmental and safety and health matters is reported to the Committee on a weekly basis. In accordance with the Occupational Safety and Health Act and its sub-laws, the occupational safety and health management plan, the prevention plan for human hazards, the prevention plan for illegal infringement during the performance of duties, the prevention and management plan for diseases caused by abnormal workload, the maternal health protection plan, and the hazard communication plan have been established with the Occupational Safety and Health Committee consulted for opinions, and they are regularly reviewed and revised. In 2024, a total of two proposals were implemented, continuation in progress.

The Company has an online Communication Processing Form system that provides employees with direct feedback on relevant environmental and occupational safety and health issues. In addition, a dedicated mailbox for accusation of illegal infringement has been set up, and the mail is jointly received by the President's Office, the Director of the Administration and Management Department, and the Director of the Legal Affairs and Intellectual Property Rights Department. The accusation method is publicly announced, and a "zero tolerance" policy for illegal infringements in the workplace has been implemented.

In addition to the channels above, employees can directly reflect relevant occupational safety and health issues at the Occupational Safety and Health Committee meeting through labor representatives.

The Occupational Safety and Health Committee holds regular meetings, with relevant responsibilities as follows:



4.1 Environmental and Occupational Safety and Health

Hazard Identification, Risk Assessment and Accident Investigation

Below is a description of the prevention measures for software and hardware related hazards in the Company's work environment:

Work environment

- Access control management: The company's entrances and exits, warehouses are equipped with access control systems, employee identification cards, visitor/contractor renewal registration, 24-hour security guards and other measures to prevent unauthorized people from entering and leaving the company without authorization
- Safety control system: fire alarm system, 24-hour closed-circuit monitor device, high-voltage motor room installation i.e. early smoke detection alarm system, fire fighting facilities, oxygen detector, etc., the above regular maintenance/correction.
- Laboratories and computer rooms: Regularly inspect the noise in the area to ensure compliance with regulatory requirements. (The company does not have the required noise working environment and personnel).
- Public areas: Lighting equipment in the parking lot is installed in accordance with the requirements of laws and regulations, and security personnel patrol regularly to ensure the safety of colleagues; The elevator is entrusted to qualified elevator manufacturers for maintenance every month and quarter according to laws and regulations, and inspected every six months according to laws and regulations; The cleaning staff of the restaurant regularly cleans to ensure the safety and hygiene of the dining environment for colleagues.
- Automatic warehousing: The area is equipped with a fence to control the entry and exit of personnel, and the warehouse management staff turns on and off the power when they go to and from work, and locks the management during maintenance to ensure the safety of the operation.

Regular monitoring

- Drinking water: In order to maintain the hygienic quality and health of drinking water for employees, the manufacturer is commissioned to conduct sampling tests for the E. coli bacteria in drinking water dispensers every quarter (all meet the standards), and regularly implement office cleaning and disinfection operations to ensure a safe and comfortable working environment.
- Operating Environment Monitoring:
 1. The company's chemicals are mainly used for soft soldering operations of IC design, and the amount of chemicals used is very small, and the operation is a situation where the operation time is short. However, in order to ensure that employees are protected from the hazards of chemicals in the workplace, grasp the actual situation of the workplace working environment and assess the exposure of the working environment, formulate a working environment monitoring plan, include relevant chemicals in the self-assessment project, and invite labor representatives to jointly confirm and implement the work after the completion of the formulation.
 2. The testing entrusts a professional monitoring agency to regularly collect, monitor and analyze samples twice a year.
 3. In the past five years, the results of operating environment monitoring have been in line with laws and regulations.



4.1 Environmental and Occupational Safety and Health

To prevent occupational disasters and diseases, relevant prevention plans are implemented and regularly reviewed in accordance with the Occupational Safety and Health Act and its sub-laws to reduce occupational safety and health risks and eliminate occupational safety and health hazards.

Abnormal workload induced disease prevention and management plan

- In accordance with Article 6 of the Occupational Safety and Health Act, the Abnormal Work Load Induced Disease Prevention Plan has been established to prevent employees from experiencing sudden illnesses caused by abnormal work loads and to prevent, plan, and take necessary safety and health measures for diseases caused by abnormal work loads. The identification and evaluation of high-risk groups can be divided into two stages.
- The first phase of the assessment in 2024 is 2.44%.The Administration and Management Office refers to the content of the "Overload Scale" and screens out high-risk groups based on employees' working hours and health examination data, and asks high-risk personnel to fill in the "Overload Assessment Questionnaire" for the second stage of assessment, arranges on-site doctor interviews, provides medical advice and health guidance, and continues to pay attention to the health of employees. The second-stage assessment results showed that 0% of the high-risk individuals were high-risk.

Human-induced hazard prevention plan

- In accordance with Article 6 of the Occupational Safety and Health Act and Article 324 of the Occupational Safety and Health Facility Rules, a Human-Induced Hazard Prevention Plan has been established to prevent the occurrence of work-related musculoskeletal injuries and diseases of the Company' s workers in situations where the design of an unsatisfactory work environment, repetitive work, poor work posture, or improper work time management may occur.
- The Company has an automatic warehousing system, which has been in continuous use since its completion in December 1998. Conveyor belts, automatic guided transport vehicles and machines are used to reduce manpower and labor loads and improve warehouse management efficiency through electronic systems. An electronic system, the automatic warehousing system (AS/RS) is used to call out the goods of the required item number from the designated storage location. The goods stored on shelves are transported to the workbench using an automatic guided transport vehicle, and there is no need for manual taking goods in/out. The Company has a total of three workstations, which are distributed to the work areas of warehouse management personnel according to system instructions to reduce the musculoskeletal load on warehouse management personnel.
- In 2024, employees with a pain index greater than 3 (accounting for 0.98% of all employees, a decrease of 0.22% compared with 2023) received on-site physician consultation and health guidance (regardless of whether it was caused by work or not). Relevant health and education information was also posted on the bulletin board.

4.1 Environmental and Occupational Safety and Health

To prevent occupational disasters and diseases, relevant prevention plans are implemented and regularly reviewed in accordance with the Occupational Safety and Health Act and its sub-laws to reduce occupational safety and health risks and eliminate occupational safety and health hazards.

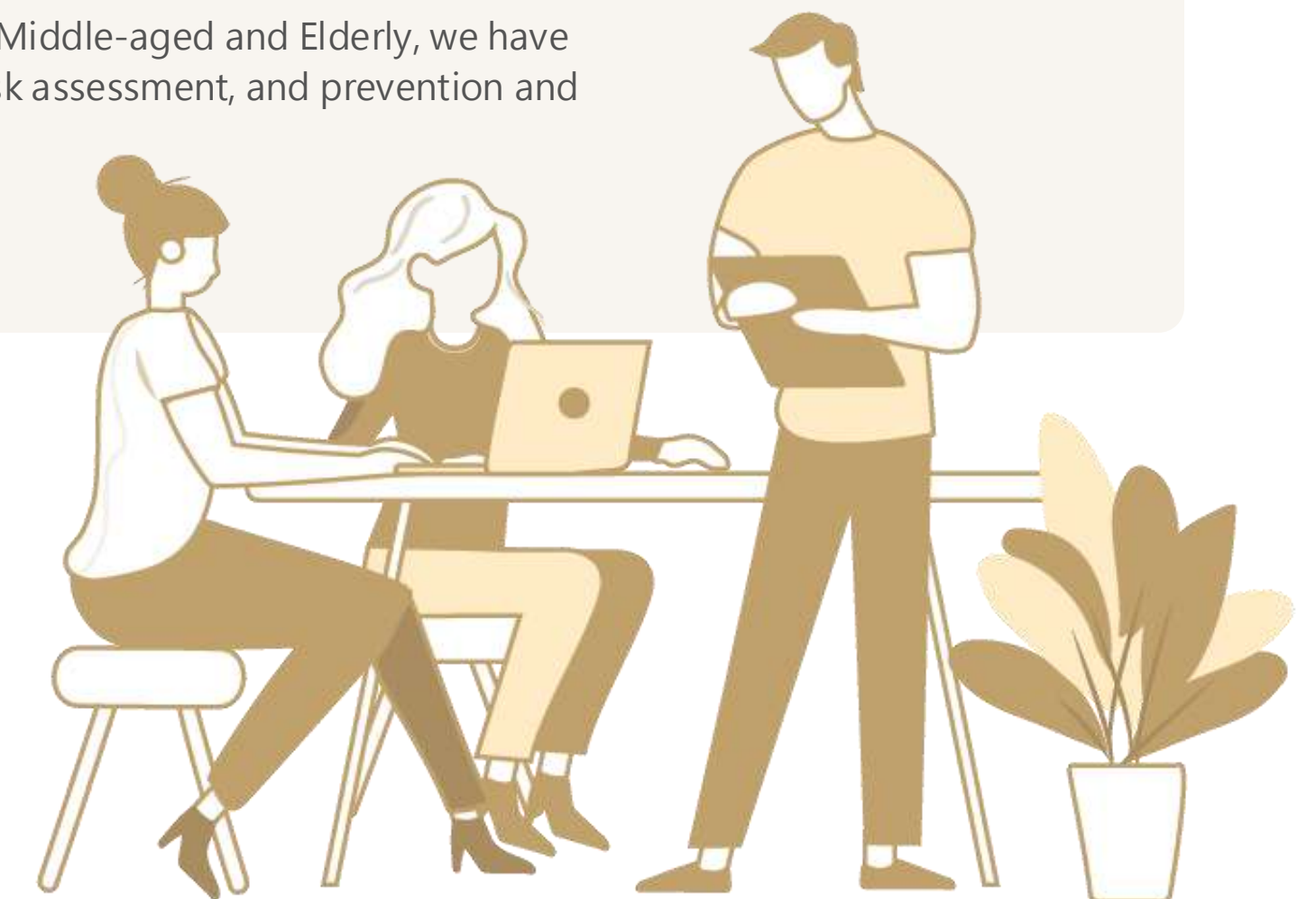
Prevention plan for illegal infringements during the performance of duties

- In accordance with Article 6 of the Occupational Safety and Health Act and the Company’s Measures for Handling Illegal Infringements in the Workplace, we have established a Prevention Plan For Illegal Infringements During The Performance Of Duties, which includes behavior construction, written statements to prevent workplace violence, hazard identification, questionnaire survey, and a dedicated 885 (“Help Me” in Chinese) complaint box. We also offer training courses on hazard prevention and communication skills to prevent illegal infringements in the workplace.
- In 2024, there was one complaint case. After receiving the complaint, the handling procedure was immediately initiated and reported to the highest-level management. Based on the investigation content and coordination results, subsequent work adjustments and company penalties were made. Health service personnel followed up and cared for the colleague. The company covered the cost of external professional psychological counseling to help the colleague recover as soon as possible.
- A quarterly workplace illegal infringement questionnaire survey is conducted at the supervisory level to provide case studies, regulatory information, and promotion of the Company’s regulations through the questionnaire. The supervisors’ responses are summarized and reported to the President’s Office. Through the questionnaire and content design, each supervisor’s awareness level of infringement prevention is understood, and relevant advocacy is incorporated to remind relevant details about avoiding the occurrence of infringements.

Work Adaptability Programme for the Middle-aged and Elderly

- In accordance with Article 6 of the Occupational Safety and Health Act and Article 5 of the Employment Promotion Act for the Middle-aged and Elderly, we have established a work plan for the middle-aged and elderly, including health management processes, hazard identification and risk assessment, and prevention and improvement measures to reduce work risks.
- In 2024, 1.2% of all employees who are 45 years old or older have risk factors, and we will provide physician consultation and preventive health care and health education according to individual conditions.

Note: For maternal health protection plans, please refer to 5.5 Healthy Workplace.



4.1 Environmental and Occupational Safety and Health

To prevent occupational disasters and diseases, relevant prevention plans are implemented and regularly reviewed in accordance with the Occupational Safety and Health Act and its sub-laws to reduce occupational safety and health risks and eliminate occupational safety and health hazards.

General Hazard Knowledge Plan

- The Company's chemicals are mainly used in laboratories. In order for employees to really know the information of hazardous chemicals and prevent the occurrence of occupational disasters, the Company has formulated the General Hazard Knowledge Plan in conjunction with relevant control measures for implementation, including establishing a list of chemicals to manage and understand the applicable sites, as well as the use, storage and safety stock of the Company's hazardous substances, hazard labeling and disclosure of safety data sheets, in order to reduce the occurrence of hazards.
- If the chemicals disposed of or used within the Company meet the national standard CNS15030 chemical classification and pose health hazards, their hazards and exposure levels shall be evaluated regularly or irregularly (before chemical changes), the risk levels shall be classified and corresponding hierarchical management measures shall be taken.
- The company only uses chemicals necessary for soldering operations. All chemical hazard risk assessment results are low risk, and hazard labels, preparation lists, and disclosure safety data sheets have been completed.
- The use of chemicals by contractors shall be managed in accordance with the Contractors' Safety, Health and Environmental Protection Management Guidelines.

Contractor management

- Pre-operation: including construction order application, hazard notification, and agreement organization meeting, each contractor who enters the company must complete the safety and health training and obtain the industrial safety training certificate.
- Contractor Training: Every contractor who joins the company must complete the safety and health training and obtain the industrial safety training certificate. In response to the epidemic situation and environmental disinfection, we set up cleaning supplies to promote precautions for cleaning personnel, and conduct lectures and tests on the classification of cleaning personnel's waste once a year to ensure operational safety and enhance awareness.
- Construction management: If there is a high-risk operation, a permit should be applied for in accordance with the hazardous work permit specifications before it can be carried out. The entrusted contractor shall conduct regular inspections to avoid hazards.
- Others: Require the main contractor to sign an occupational safety and health commitment letter to ensure that the contractor complies with the relevant safety and health laws and regulations.

Note: For suppliers, please refer to 3. Product Responsibilities.

4.1 Environmental and Occupational Safety and Health

To prevent occupational disasters and diseases, relevant prevention plans are implemented and regularly reviewed in accordance with the Occupational Safety and Health Act and its sub-laws to reduce occupational safety and health risks and eliminate occupational safety and health hazards.

Hazard identification, risk assessment

- Holtek is a pure IC design company, and the production and manufacturing processes of products are all carried out by professional factories without any factories set up by Holtek. The majority of employees work in the office, while some work in laboratories, warehouses and computer rooms. Safety, health and environmental related risks are elevated through the Hazard Identification and Risk Assessment Management Procedure and the Environmental Aspect Inspection and Identification and Control Procedures. For the health aspect, the Labor Health Service Plan is implemented, and chemicals are evaluated based on the Hazardous Chemical Assessment and Grading and the results of work environment testing. The abovementioned evaluation is carried out by ISO 45001 or ISO 14001 trained personnel of each department, the nursing personnel, and occupational safety and health management personnel based on business content and professional abilities.
- A comprehensive analysis reveals that the top three risks for 2024 are, in order, commuting road traffic accidents, physical damage from rotating blades in motor testing, and high voltage in testing equipment. The only difference between the risks in 2024 and 2023 is the order of occurrence. For the latter two, engineering controls are being implemented to prevent direct contact between personnel by erecting barriers/boards, strengthening operator training, and posting warning signs to mitigate hazards/risks. Regarding commuting road traffic accidents, due to the volatile environmental hazards, regular defensive driving promotions and a statistical analysis of the main causes of accidents among colleagues are being conducted to strengthen safety awareness programs, hoping to reduce the accident rate.



4.1 Environmental and Occupational Safety and Health

In 2024, there were no occupational disability accidents (including employees and contractors), and no occupational diseases were diagnosed by occupational medicine specialists. Please refer to the table below for the number of injured persons and information in the past three years.

Type	Number of injuries due to occupational disasters in the Company			Number of fatalities due to occupational disasters	Lost working days	Disabling injury frequency rate	Disabling injury severity rate	Total injury index
	2022	2023	2024					
Year	2022	2023	2024			2024		
Workplace	0	0	0	0	—	—	—	—
Traffic accident	5	0	5	0	—	—	—	—

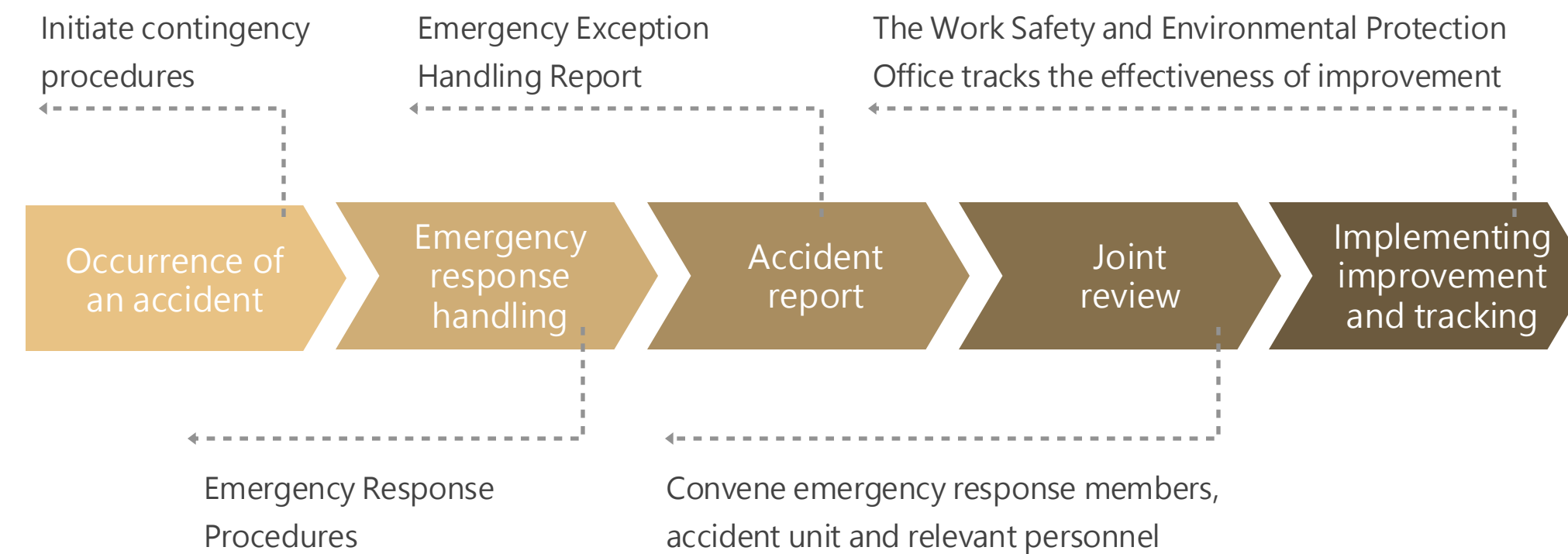
Note 1. Disabling injury frequency rate = (total number of times of injury loss per person × 10⁶) ÷ total work hours
 Note 2. Disabling injury severity rate = (total number of days of injury loss × 10⁶) ÷ total work hours
 Note 3. Total injury index = √ (disabling injury frequency rate × disabling injury severity rate) ÷ 1000
 Note 4. Only Holtek employees are counted in traffic accidents.

In response to the Company's emergency or unexpected events, the "Emergency Response Operating Procedures" have been formulated to take appropriate contingency measures. When the emergency accident is handled, the unit where the accident occurred fills in the "Emergency Abnormal Handling Report", and if an occupational accident occurs, the colleagues of the unit will fill in the "Occupational Disaster Notification Form", and the Industrial Safety and Environmental Protection Office will track and review and analyze the investigation of the occupational disaster, convene the emergency treatment members, the accident unit and related personnel to prevent the accident from happening again and minimize the loss, if there is a modification of the relevant procedures or documents, it will be in accordance with the "Education and Training Implementation Specification" Perform advocacy education.

In addition to the above, the company's occupational safety and health management regulations clearly stipulate that when there is an immediate danger in the workplace, the worker can stop the operation and retreat to a safe place without endangering the safety of other workers, and immediately report to the on-site supervisor, and the company will not take adverse punishment.

In fiscal 2024, there was one near-miss (a cut injury). Following the report, a hazard review was conducted, protective measures were implemented on-site, and awareness campaigns were strengthened to prevent further injuries.

< Process for Investigating Occupational Accidents >



4.1 Environmental and Occupational Safety and Health

Environmental safety and health training

Policies or commitments	Public link	Approving level	Stakeholder
Quality policy, no harmful substance process management policy, environmental policy, and safety and health policy	Policy link	President	Employees, customers, suppliers

In order to improve employees' knowledge of work safety and health, more than 2,450 people participated in environmental safety and health education and training , emergency response, fire training and other courses for new and in-service employees, and professional licensed personnel participated in qualified training institutions in 2024 The total number of training hours participated exceeded 2,587.5 hours.

	object	Brief description	Frequency and number of participants
General safety and hygiene	New recruits	<ul style="list-style-type: none"> Complete the reading and quiz of the "Safety and Health Code" and "Handling of Workplace Illegal Infringement Incidents" within 2 weeks of employment. Introduction to occupational safety and health-related laws and regulations, occupational safety and health policies, company regulations, and precautions. 	<ul style="list-style-type: none"> Training Hours/Number of Participants : 66 / 44 Participation rate : 100%
	Incumbents	<ul style="list-style-type: none"> The course includes occupational safety and health information, hazard identification, risk assessment, and occupational accident occurrence and prevention. 	<ul style="list-style-type: none"> Training Hours/Number of Participants : 406 / 406 Participation rate : 100%
Handling or using hazardous chemicals	New recruits	<ul style="list-style-type: none"> Laws and regulations related to chemical management, hazard awareness, GHS, personal protective equipment, emergency response measures, etc. 	<ul style="list-style-type: none"> Training Hours/Number of Participants : 66 / 22 Participation rate : 100%
	Incumbents	<ul style="list-style-type: none"> Laws and regulations related to chemical management, hazard knowledge, GHS, accident case sharing, accident handling and prevention, etc. 	<ul style="list-style-type: none"> Training Hours/Number of Participants : 209 / 209 Participation rate : 100%
Emergency response	Fire self-defense crew	<ul style="list-style-type: none"> Professional instructors will be invited to conduct training on first aid and rescue. Training/drills will be conducted on fire regulations, fire protection, and practical firefighting operations. 	<ul style="list-style-type: none"> Training Hours/Number of Participants : 160 / 160 Participation rate : 100%
	All colleagues	<ul style="list-style-type: none"> Evacuation drills, setting evacuation times for drills and reviewing and improving them. 	<ul style="list-style-type: none"> Training Hours/Number of Participants : 637 / 637 Participation rate : 92.6%

4.1 Environmental and Occupational Safety and Health

	object	Brief description	Frequency and number of participants
environmental protection	New recruits	<ul style="list-style-type: none"> Including environmental protection regulations, the company's related environmental protection facilities, and the inclusion of environmental sustainability issues and climate change, etc., so that new colleagues have a basic understanding. 	<ul style="list-style-type: none"> Training Hours/Number of Participants : 22 / 22 Participation rate : 100%
	Classes are taught according to the target audience	<ul style="list-style-type: none"> Occupational Safety and Health Committee, Health Promotion Courses, Civil Protection Corps, Illegal Infringement, Greenhouse Gas Inventory, Carbon Footprint, etc. 	<ul style="list-style-type: none"> Training Hours/Number of Participants : 1009.5 / 949 Participation rate : 100%
Professional License	Fire prevention managers	<ul style="list-style-type: none"> In accordance with the rules of occupational safety and health education and training, regular retraining is carried out at professional training institutions. 	<ul style="list-style-type: none"> Training Hours/Number of Participants : 12 / 1 License return training rate : 100%



First aid training



Evacuate and evacuate

4.1 Environmental and Occupational Safety and Health

Environmental, Safety and Health Performance Indicators

The implementation and promotion of environment and safety and health can reduce environmental hazards and prevent personnel injuries; energy conservation is planned and implemented to reduce the environmental impact of company-related activities, and safety and health matters are ensured to comply with relevant laws and regulations to achieve the goal of sustainable operation. Holtek regularly reviews its environmental safety and health performance to ensure achieving the goals, targets and related requirements. The achievement of relevant indicators and execution status are detailed in the table below:

Item	Performance indicator	2023	2024	Unit
Active performance	Degree of achievement of environmental safety and health goals	100	100	%
	Number of environmental and occupational safety and health related training sessions	60	33	Sessions
	Number of environmental and occupational safety and health related training participants	1681	2450	People
	Number of environmental and occupational safety and health related training hours	2197.5	2587.5	Hours
	Compliance rate of safety and health certificate setting	100	100	%
	Automatic check deficiency rate	99.7	99.3	%
	Number of environmental safety and health regulation promotions	19	28	Sessions
Passive performance	Disabling injury frequency rate (FR)	—	—	—
	Disabling injury severity rate (SR)	—	—	—
	Total injury index (FSI)	—	—	—
	Disabling injury frequency rate (FR) of contractors	—	—	—
	Disabling injury severity rate (SR) of contractors	—	—	—
	Total injury index (FSI) of contractors within the factory	—	—	—
	Non-compliance rate of environmental safety and health testing	0	0	%
Number of traffic accidents outside the factory	2	5	Sessions	

Note 1: The statistical period for the achievement of environmental, safety and health goals and targets is September 2023 to August 2024. The statistical period for September 2024 to August 2025 was completed before the deadline, and the statistical period for the remaining targets was January 2024 to December 2024.

Note 2: The number of off-site traffic accidents includes those who do not meet the definition of occupational accident statistics declaration of the Occupational Safety Administration.

4.2 Response to Climate Change

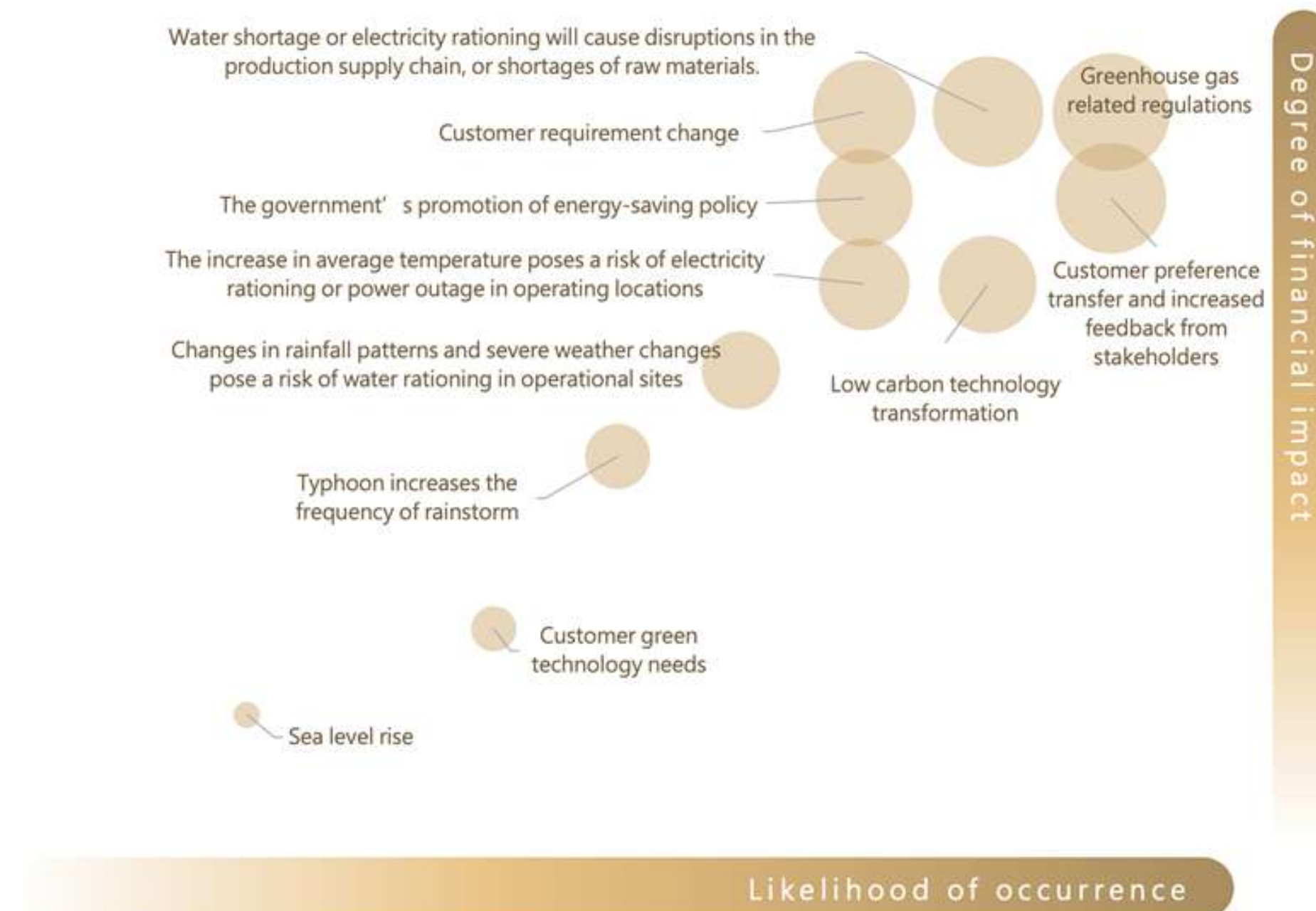
Holtek follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) through the four core elements: "Governance," "Strategy," "Risk Management," and "Metrics and Targets." By establishing a risk framework, Holtek identifies significant risks and opportunities that may impact operations and proposes related management actions and response strategies.



4.2 Response to Climate Change

Please refer to the following figure for the climate change risk and opportunity matrix:

Scoring criteria: If the likelihood of occurrence and the degree of financial impact are greater than 4 points each, they are selected as significant risks and opportunities.



Holtek Climate Change "Risk" Matrix



Holtek Climate Change "Opportunity" Matrix

4.2 Response to Climate Change

The company's climate change risks and corresponding measures are explained in the following table:

Risk	Description				
	Climate Change Risk Identification	Potential Operational and Financial Impacts		Management measures for climate change risks	
Policy and Legal Risks	Greenhouse gas-related regulations	Short-term impact:	The imposition of carbon taxes has led to a rise in operational expenses, which in turn has exerted downward pressure on the company's gross profit margin.	Short-term impact:	<ul style="list-style-type: none"> The company is actively engaged in the development of low-carbon products. An ultra-low power consumption MCU has been launched to support energy-efficient applications.
		Medium-to long-term impact:	In response to Taiwan's greenhouse gas regulations, Holtek must improve energy efficiency and may face increased operating costs due to potential carbon taxes and carbon trading systems.	Medium-to long-term impact:	<ul style="list-style-type: none"> Establish carbon reduction targets and action plans to reduce carbon emissions and address the challenges of climate change. Holtek has applied for ISO 14064 certification for carbon inventory, initiated a comprehensive greenhouse gas inventory plan, and commenced disclosure of the company's greenhouse gas emissions.
Technology Risk	Low-carbon technology transition	Short-term impact:	It may be necessary to adjust product or service strategies to address the impacts of climate change.	Short-term impact:	<ul style="list-style-type: none"> Continue developing lower power consumption chips.
		Medium- to long-term impact:	A transition to a low-carbon economy may be necessary to address the challenges of climate change. With increasing demand for energy-saving and carbon-reducing products, Holtek may need to adjust its operational model to develop new products or services and expand its market.	Medium- to long-term impact:	<ul style="list-style-type: none"> Develop green products to meet market demand and enhance competitiveness. Provide solutions that comply with all market product efficiency regulations and standards.
Market Risk	Changes in customer requirement	Short-term impact:	Extreme weather events may cause operational disruptions and damage to the supply chain, affecting revenue and profitability.	Short-term impact:	<ul style="list-style-type: none"> Continue developing lower power consumption chips.
		Medium- to long-term impact:	In compliance with RE100 green energy commitments, the company is required to increase its use of renewable energy sources, leading to a rise in green electricity procurement costs.	Medium- to long-term impact:	<ul style="list-style-type: none"> The company is evaluating investment in rooftop solar energy systems on factory buildings to partially cover electricity usage. Purchase of green energy certificates.
Reputation Risk	Customer preference shift Increased stakeholder feedback	Short-term impact:	Extreme weather events may cause Holtek to suffer property damage, reduced revenue, increased insurance costs, and other impacts.	Implement the TCFD framework to enhance climate-related financial disclosures and communication with customers and stakeholders, thereby maintaining their trust in the company.	
		Medium- to long-term impact:	Holtek may need to bear the costs of carbon emissions and climate change-related legal liabilities. High carbon emissions and low climate resilience could affect customer trust in the company, damaging its reputation and further impacting its revenue.		

Transformation risks

4.2 Response to Climate Change

The company's climate change risks and corresponding measures are explained in the following table:

Risk	Description		
	Climate Change Risk Identification	Potential Operational and Financial Impacts	Management measures for climate change risks
Physical risks	Government promotes energy-saving policies	Governments around the world are implementing carbon emission control measures, prompting industries to transition to a low-carbon economy. The Bureau of Energy of the Ministry of Economic Affairs requires an average energy savings of at least 1% between 2015 and 2024.	In response to carbon emission regulations, possible transformation actions include developing green products and joining the carbon neutrality initiative. Holtek follows regulatory policies by submitting and implementing energy-saving plans annually, with an expected annual energy savings rate of 1% in the future to reduce electricity consumption and carbon emissions.
	Water shortages or power outages cause disruptions in the production supply chain or raw material shortages	In the absence of contingency plans, disruptions in the supply chain may lead to significant revenue losses. Emergency dispatches may lead to increased operational costs, such as air freight charges and order transfer fees.	Enhancing supply chain resilience: Seek dual-source outsourcing partners for packaging and testing services; establish safety stock to ensure operational continuity. Collaboration with contract manufacturers: Prioritize mature manufacturing processes and require suppliers to implement effective water resource management practices.
	Rising average temperatures increase the risk of power outages at operational sites	Rising average temperatures increase air conditioning costs for server rooms, and if power supply is interrupted, it will cause facility equipment to stop functioning, leading to operational disruptions for the company.	When power is interrupted, the server room is equipped with an Uninterruptible Power Supply (UPS); emergency power generation devices are in place to supply electricity for several days or more.
	Chronic Risk	Changes in rainfall patterns and extreme weather increase the risk of water shortages at operational sites	If the water supply is interrupted and storage levels are insufficient, key facility equipment will be unable to operate, causing the server rooms that support research and design to stop functioning.
Typhoons increase the frequency of heavy rainfall		If a typhoon or flood is severe and the impact lasts too long, it may cause damage to facility equipment, affecting Holtek's normal operations.	For facility operations, ensure that underground water pumps are functioning properly and implement protective measures in advance.

4.2 Response to Climate Change

Please refer to the table below for explanations on opportunities from climate change:

Opportunities	Description		
	Climate change risk identification	Potential operational and financial impact	Management measures for climate change risks
Resource Efficiency	Water resource recycling and reuse	Reduce water usage and consumption.	<ul style="list-style-type: none"> All water supply devices are equipped with frequency converters to stabilize water pressure. Sensor-operated faucets are installed in all public restrooms, and water-saving certified products are purchased to effectively control water usage and reduce unnecessary water waste. A system is designed to collect rainwater for reuse in applications where it does not come into direct contact with humans.
Energy Source	Policy incentives	Reduce operating costs.	When replacing equipment, apply for relevant energy-saving subsidies in line with government subsidy policies.
Products and Services	Development of innovative products and services	Develop innovative green technologies and low-carbon products to meet customers' needs for low-carbon products through product differentiation.	<ul style="list-style-type: none"> Continue developing white goods (household appliances). Collaborate with customers to reduce product energy consumption through innovative design.
Markets	Seeking new business opportunities	Comply with the green energy policies of every country to seek new business opportunities and increase business revenue.	The new product operation focuses on energy, including chargers for two-wheel/three-wheel electric vehicles, energy storage systems, lithium battery chargers, and BLDC motor applications. Holtek aims to continuously develop more green products as its development goal.
Resilience	Product diversification	Increase revenue through new products and services that ensure resilience.	Serve customers from the perspective of their needs and actively develop specialized 32-bit MCUs to meet the demands of high-end and more complex products.



4.3 Energy and Greenhouse Gas Reduction

The Company is committed to improving the utilization rate of various resources, with pollution prevention and continuous improvement as the basic framework for development to research and develop energy-saving and carbon-reducing green products, improve technology and reduce environmental impact, and introduce the green supply chain to implement environmental protection education, cherish water resources, and maintain a beautiful world.



1. Strategies for response to climate change or greenhouse gas management

Adhering to the business philosophy of corporate sustainable development, deeply recognizing the importance of environmental protection, and continuously moving towards strengthening environmental management systems, enhancing green product development, and strengthening green supply chain management to ensure the competitiveness of the industry.



2. Greenhouse gas emission reduction goal

Based on operational goals and plans, we implement various greenhouse gas, energy, and raw material conservation programs to reduce greenhouse gas emissions.



3. Carbon reduction effects of products or services on customers or consumers

With the attention to environmental protection and energy-saving issues, energy-saving technology has become a global focus. The Company's electronic products from product development to production management are mainly focused on energy conservation and carbon reduction, such as actively investing in AC/DC energy-saving applications, improving traditional power consumption, and directly developing stable power management chips with low energy and low power consumption. We are committed to reducing product carbon footprints in accordance with international standards, providing customers with better environment friendly products, and maintaining a better planet. Please refer to Chapter 2 R&D and Innovation for details.

4.3 Energy and Greenhouse Gas Reduction

The Company is committed to improving the utilization rate of various resources, with pollution prevention and continuous improvement as the basic framework for development to research and develop energy-saving and carbon-reducing green products, improve technology and reduce environmental impact, and introduce the green supply chain to implement environmental protection education, cherish water resources, and maintain a beautiful world.



4. Strategies for response to climate change or greenhouse gas management

HOLTEK measures to promote energy conservation and carbon reduction are as follows:

Office energy-saving measures

- A. Central air conditioning: Air conditioning is turned on and off according to the season, and the constant temperature is set at 26 degrees Celsius to reduce electricity bills.
- B. Lighting control: Lighting zoning management is implemented to strengthen energy utilization efficiency.
- C. Computer control: Computers are shut down after work, the results are regularly reported to unit supervisors, and information security, energy conservation and carbon reduction are ensured.

Equipment management

- A. Energy saving measures for computer rooms: Server virtualization is implemented to save electricity and related equipment.
- B. Equipment maintenance: Equipment maintenance contracts are signed to maintain the best efficiency of equipment operation and reduce energy consumption.
- C. Turn on the power-saving mode of water dispensers and office machines to reduce standby energy consumption.
- D. The experimental machines are regularly maintained/inspected and managed by dedicated personnel to ensure normal machine functions and avoid refrigerant leakage.

Strengthening employees' concept of environmental sustainability

- A. Employees are encouraged to exercise more, take stairs more, and take elevators less.
- B. Company staff turn off the computer, air conditioning and lighting power after work.
- C. The environmental protection course for new employees includes climate change issues to enhance their awareness of environmental sustainability.
- D. Energy conservation habits are continuously promoted among the staff, such as posting promotional slogans and electronic announcements.

Procurement management

- A. Electrical equipment related to office and laboratory use with environmental protection and energy-saving marks will be prioritized for procurement.
- B. The host, monitor, and computer (including laptop) of the information room are in line with the international energy saving standards.

Product shipment management

The Company has set up an automatic warehousing system (AS/RS), which can improve the efficiency of the entry and exit of goods, reduce error rates, and reduce personnel deployment. In addition, the goods are consolidated for shipment, the packaging is streamlined, and the shipment volume is reduced to minimize transportation trips and achieve energy-saving and carbon reduction effects.

4.3 Energy and Greenhouse Gas Reduction

Annual greenhouse gas inventories are conducted in accordance with ISO 14064-1 and the Ministry of Environment's Greenhouse Gas Inventory and Registration Guidelines. These inventories cover seven gases: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃). This provides a comprehensive understanding of greenhouse gas usage and serves as a verification of greenhouse gas reduction efforts. Currently, the company is not listed under the Ministry of Environment's "Emission Sources Subject to Inventory, Registration, and Verification of Greenhouse Gas Emissions" or "Emission Sources Subject to Inventory and Registration of Greenhouse Gas Emissions."

In 2022, the greenhouse gas inventory plan has been launched and a greenhouse gas inventory promotion team has been established, and the results of the independent inventory in 2024 are as follows:

Item	Emission type	Emission source	Greenhouse gas type				Emission volume (tCO ₂ e/year)		
			CO ₂	CH ₄	N ₂ O	HFCs	2022	2023	2024
Scope I	Fugitive emission source	Septic tank		v			34.4658	35.8115	30.9171
	Fugitive emission source	Extinguisher	v				0.0000	0.0900	0.0090
	Fugitive emission source	Coolant				v	53.1125	0.7846	0.0000
Scope II	Indirect energy emissions	Purchased electricity	v				1395.4987	1218.3060	1138.6960

Greenhouse gas type	2022	2023	2024
Scope I	87.5783	36.6861	30.9261
Scope II	1395.4987	1218.3060	1138.6960
CO ₂ Total emission volume (tCO ₂ e/year)	1483.0770	1254.9922	1169.6221
Annual revenue (NT\$ thousand)	6,015,968	2,596,067	2,501,630
Greenhouse gas emission intensity (t CO ₂ e/ NT\$ thousand)	0.00025	0.00048	0.00047

Note 1. CO₂ emissions are calculated using the coefficients announced by the Ministry of Environment. Prior to 2023, calculations were based on "Greenhouse Gas Emission Coefficient Management Table 6.0.4 (Revised)" and in 2024, the "Greenhouse Gas Emission Coefficients Announced on February 5, 2024."

Note 2. The Company initiated its own audit in 2022, so 2022 is used as the base year. If changes in operating boundaries, the transfer of ownership and control of greenhouse gas sources or sinks within or outside organizational boundaries, or changes in greenhouse gas quantification methods result in significant changes in greenhouse gas emissions or removals, the base year will be revised accordingly.

Note 3. Purchased electricity for 2022-2023 includes all of the Company's locations in Taiwan. Prior to 2021, only data from Holtek headquarters is included.

Note 4. Greenhouse gas emission intensity: Total CO₂ emissions / annual revenue.

Note 5. This report uses the electricity emission coefficients published by the Agency of Energy, Ministry of Economic Affairs, for Scope 2 of purchased electricity. The 2022 electricity emission coefficient is 0.495 kg CO₂e/kWh; the 2023 electricity emission coefficient is 0.494 kg CO₂e/kWh; and the 2024 electricity emission coefficient is 0.474 kg CO₂e/kWh.

Note 6. Our company does not emit any greenhouse gases such as N₂O, PFCs, SF₆, or NF₃.

The emission sources owned or controlled within the boundaries of the company 's organization, including septic tanks, fire extinguishers, refrigerators, air conditioners and experimental machines, etc., have no fixed sources or mobile sources, among which the emergency generator (without the diesel storage tank belonging to HOLTEK) is entrusted to EPISIL Maintenance. In addition, our processes are outsourced to professional manufacturers, so there are no process emission sources.

Most of the energy needs are general livelihood needs such as air conditioning, lighting and server equipment, and 100% of the input energy is purchased electricity, and no renewable energy or fuel is used. HOLTEK shares the meter with EPISIL, and the apportionment ratio is calculated based on the type of equipment, the size of the office area and the number of employees, and the apportionment ratio is 13.2% in 2022~2024. The remaining locations are calculated based on meter reading records and Taiwan power electricity bills, including utility electricity charges.

The Company has not yet obtained ISO 14064-1 certification and plans to complete the 2025 third-party verification in 2026.

4.3 Energy and Greenhouse Gas Reduction

2024 Energy Structure:

Energy type	Source	Applications	Volume used (kWh)	Conversion result (million joules)	Energy intensity (million joules/NT\$ thousand)
Power	Taiwan Power	Electricity facilities of the entire company	2,402,295	8,648,264	3.4571

Note 1 The electricity conversion unit is 1 kWh of electricity = 3.6 million joules.

Greenhouse gas reduction achievements

Greenhouse gas inventory results show that Scope 1 accounts for less than 3% of the total of Scopes 1 and 2, with Scope 2 accounting for the majority. Therefore, reduction measures are primarily focused on Scope 2, with no Scope 1 reduction measures planned for 2024. Furthermore, our company's energy consumption primarily comes from office electricity, with air conditioning, lighting, and office equipment as the three main energy-consuming devices. Energy-saving measures are targeted at key energy-consuming equipment, including replacement (LED lighting), efficiency improvements (replacing inverters and motors), energy usage reduction (zoned switches, standby power saving), and environmental awareness enhancement (regular promotion and training) to achieve energy conservation goals.

The LED Lighting Retrofit Project Schedule runs from its inception to 2024. All office areas have been retrofitted, leaving only difficult-to-replace areas like computer rooms and stairwells. For greenhouse gas reductions from 2022 to 2024, please refer to the table below.

Reduction plan	Year	Annual electricity savings (kWh)	Greenhouse gas reduction(kg CO ₂ e)	Conversion result (million joules)	Cost (NT\$ thousand)
LED lighting replacement project	2022	20,135.2886	9.9670	72,487.0390	102.45
	2023	2,514.7465	1.2423	9,053.0875	9.72
	2024	3,560.4480	1.6877	12,817.6128	13.52
Total		26,210.4832	12.8969	94,357.7394	125.69

Note 1. To align with the greenhouse gas benchmark year, the Company has set the energy reduction benchmark year as 2022.

4.3 Energy and Greenhouse Gas Reduction

Water resources and water intensity

In order to grasp the company's water risk level, the water risk tool (Aqueduct) developed with reference to the public database of the World Resources Institute (WRI) confirms that the overall risk in Taiwan is low to medium risk, and the company mainly uses general domestic water and air conditioning water, and no process water. HOLTEK water use is managed in accordance with the water use plan, and relevant water-saving measures are implemented in accordance with the relevant regulations of Hsinchu Science Park and EPISIL.

The source of water consumption is Taiwan Water Supply Company and shares the water number with EPISIL, and the proportion is apportioned according to the water consumption of the water project and the number of employees. The apportionment ratio in 2022~2024 is 8.4%, and the statistics of HOLTEK's water use in the past three years are shown in the table below.

Item	2022	2023	2024
Total water intake	15,638	11,851	11,420
CO ₂ /ton generated by water use	2.44	1.85	1.78
Total water consumption	13,448	9,661	9,230
Annual revenue (NT\$ thousand)	6,015,968	2,596,067	2,501,630
Water usage intensity	0.0026	0.0046	0.0046

Note 1. Because Taiwan Water Corporation has not yet announced its 2024 water use emission coefficient, the 2024 data in this table uses the 2023 water use emission coefficient, which is 0.156 kg CO₂ equivalent per kWh of water produced. The remaining years use the 2022 water use emission coefficient. The 2022 water use emission coefficient is 0.156 kg CO₂ equivalent.

Note 2 In tCO₂e according to GRI Standards.

Note 3 Water use intensity: annual water use/annual revenue.

Note 4 Total water intake and total water consumption unit: thousand cubic meters (m³).

Note 5 Scope of information: HOLTEK Headquarters and EPISIL Office.

- ✓ Water for people's livelihood shall be included in the sewage sewers of Hsinchu Science Park, and shall be handled and used in accordance with the relevant regulations on the use and management of sewers in the Science Park. The Company has been reviewed and approved by the competent environmental protection authority and is not a designated institution that shall be inspected and approved by the designated announcement of the water pollution prevention and control measures.
- ✓ All water supply devices are equipped with frequency converters to stabilize water pressure, public toilets are fully equipped with sensor faucets, and products with water-saving labels are purchased to effectively control water consumption and reduce unnecessary water waste.
- ✓ Design rainwater non-landing facilities, concentrate rainwater and then use it to water that does not come into direct contact with the human body.
- ✓ The planting part is made of chrysanthemum, which is not only suitable for Taiwan's climate and drought resistance, humidity resistance, and can adapt to various soils. There is no need for watering after planting, and there is no need to apply fertilizer for barren tolerance, reducing water consumption and soil load.



4.4 Waste Management

To ensure the flow and proper disposal of waste, qualified waste cleaning and reuse vendors are carefully selected. An annual audit is conducted on hazardous waste vendors to review their certification documents and on-site operations. We ensure that waste is properly disposed of or reused in accordance with regulatory requirements, in order to assume the responsibility of waste management supervision. Due to the Company' s lack of actual production and manufacturing activities, the waste mainly consists of household waste from business employees, followed by hazardous business waste mixed with hardware waste.

As of the end of 2024, there have been no incidents causing environmental impact or complaints from internal and external stakeholders of Holtek.

The specific goal of Holtek' s waste management is to reduce and reclaim waste, in order to pay attention to environmental protection issues of the Earth while maintaining stable revenue growth.

Waste reduction measures

1. Continuously promote the electronic document management system, such as online archiving of contracts where relevant contracts of the unit can be queried according to the level of authority, in order to reduce paper consumption. Additionally, encourage the use of effective and executable methods such as double-sided printing and multi sheet printing to achieve the energy and carbon saving goal.
2. Implement the recycling management and resource classification of waste such as kitchen waste, empty toner cartridges, iron and aluminum and glass cans, waste paper and PET bottles, and assign professional personnel to dispose of and classify the waste.
3. In line with government policies, electronic invoices have been used for operations since 2018 to be in compliance with the environmental protection spirit of energy conservation and carbon reduction.

Waste type	Disposal method	Disposal volume (ton or unit)			Description
		2022	2023	2024	
Daily life waste	Incineration	9.3092	8.9503	8.8168	Including employees' daily life waste and general business waste.
Resource recycling items	Recycling	1.7854	1.3213	1.7802	Including iron cans, aluminum cans, PET bottles, plastic containers, aluminum foil packs, paper containers and other resource recycling items.
Mixed metal scrap	Outsourcing	0.3535	0.1500	0.3703	The total of E-0217 waste electronic components, leftover products and defective products, as well as E-0222 waste printed circuit boards with attached components.
Total		11.0946	10.4216	10.9673	
Information products	Donation / Recycling	81	129	15	Computer and other information products are donated to ASUS Foundation' s Project Hope for recycled computers.

Note 1. Hazardous industrial waste (mixed metal scrap) is handled through physical treatment. The recyclable metal content of mixed metal scrap will be 27% for E-0217 and 21.9% for E-0222 in 2022, 25.5% for E-0217 and 16.9% for E-0222 in 2023, and 27.0% for E-0217 and 21.9% for E-0222 in 2024.

Note 2. Cumulatively (February 2025), computer donations have reduced carbon dioxide emissions by 7,207 metric tons, equivalent to saving approximately 600,532 trees. (Source: ASUS Educational Foundation)

Note 3. Scope of information: HOLTEK Headquarters and EPISIL Office.

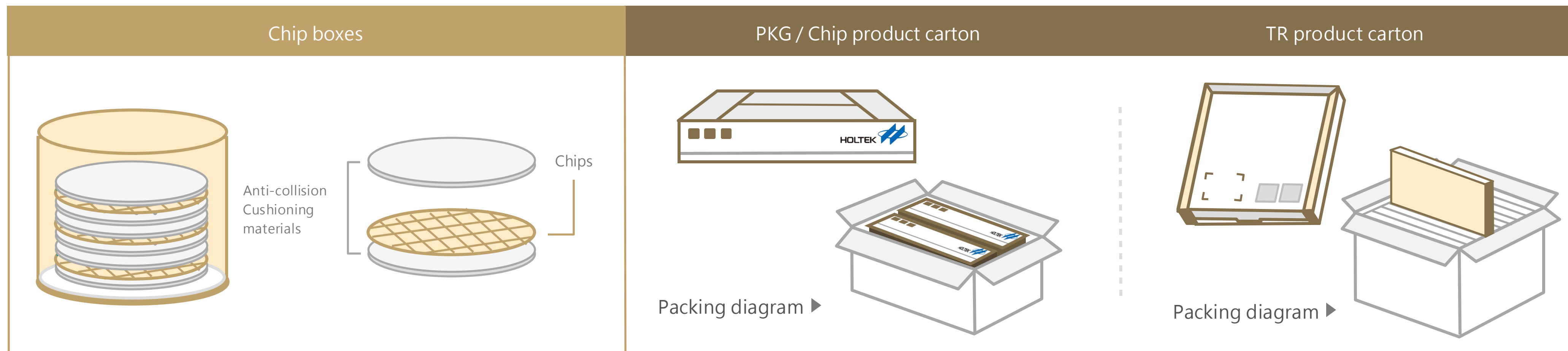
4.4 Waste Management

Packaging materials

The company's products are entrusted to professional manufacturers to manufacture, so the company actually only for product shipment packaging and inspection. According to the product category, shipping area, product quantity and customer requirements, the minimum packaging limit is planned to effectively reduce the waste of packaging materials and resources.

- Recyclable materials (such as cartons, wafer boxes, wafer cartons, and some impact-resistant materials) are the majority of packaging materials. In 2024, the percentage of recycled packaging materials by weight reached 95.5%.
- In 2024, a total of 615 cartons were reused. The wafer boxes were reused, and if unusable, they were handed over to a recycling company to minimize environmental impact.
- The carton manufacturer sources FSC-certified pulp, and over 75% of the packaging cartons are made from recycled pulp.
- Effectively control the amount of packaging used, and save about 10~30% according to the product category.

Through the above measures, we will reduce the amount of waste generated and contribute to environmental sustainability and resource reuse.





2024 ESG REPORT

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Appendices

Material topics	Goals for 2024	Actual performance in 2024	Goals for 2025	Mid-term goals	Long-term goals
Talent cultivation & Compensation & benefits	<ul style="list-style-type: none"> Enhance employees' soft skills through course types of "Management" and "General Knowledge". Provide a competitive compensation and welfare system. Maintain healthy employee recruitment and turnover rates. Increase the number of recruitment posts for industry-university collaboration. Provide a comfortable work environment. Provide diverse and smooth communication channels. Continuously encourage employees to make good use of the Company's tour subsidies and participate in tour activities, either individually or with their families, under the premise of safe pandemic prevention; the participation rate should reach $\geq 93\%$. Regularly provide health education information to enhance employees' correct health concepts. Implement workplace maternity care measures. Promote health promotion activities once a quarter. 	<ul style="list-style-type: none"> The number of Management courses internally increased by 39% year-over-year, while General Knowledge courses increased by 38% compared to the previous year. The leave system superior to the requirements of the Labor Standards Act, and an additional seven days of flexible leave are offered. Successfully recruited 2 students through industry-academia collaboration. Four labor-management meetings were held. The number of employees who used the Company's tour subsidies and participated in tour activities, either individually or with their families, exceeded 100% of the Company's total headcount, surpassing the established target. Raising awareness of health information via email 23 times on a regular basis throughout the year. In 2024, completed four maternity health protection hazard assessments, graded management; and achieved a 100% health protection rate; renewed breast pumping/lactation room facilities and provided necessary items for breast pumping free of charge. Organized seven health promotion activities with a total participation of 203 man-times. 	<ul style="list-style-type: none"> In addition to the annual training courses, management books are provided for circulation among supervisors. Launched online recorded courses by renowned instructors with the course types of "Management" and "General Knowledge". Sharing Holtek's training resources with subsidiaries, agents, and partner companies. Conducted an annual salary adjustment analysis benchmarked against industry peers. Maintain healthy employee recruitment and turnover rates. Established diverse recruitment channels to attract talent effectively. Promoted the Employee Assistance Program (EAP), which includes legal consultation services. Provided various open communication channels to facilitate dialogue within the organization. Performed periodic employee satisfaction surveys. Regularly provide health education information to enhance employees' correct health concepts. Implement workplace maternity care measures. Promote health promotion activities once a quarter. 	<ul style="list-style-type: none"> Launched online courses led by renowned experts across diverse fields, enabling employees to broaden their expertise and maximize their multifaceted potential. Actively promoting generational transition and knowledge transfer, nurturing the next generation of talent to ensure sustainable organizational growth. Collaborated with agents, and partner companies to enhance professional skills. Offer a competitive compensation and benefits system aligned with the Company's evolving needs. Maintain transparent communication channels to strengthen employee cohesion across all levels. Integrate public welfare initiatives and environmental sustainability concepts into corporate events. Encourage employees actively participate in health promotion activities. Implement workplace maternity health care measures, achieving 100% completion of risk assessments during the maternity protection period. 	<ul style="list-style-type: none"> Aiming to develop employees into versatile professionals across various fields through structured training programs. Ensure a gender-equal and friendly workplace environment. Retain talent through competitive salary and benefits systems. Establish harmonious labor-management relations and sound communication channels to prevent disputes and workplace misconduct. Plan and implement annual health promotion programs

5.1 Work Team

At the end of 2024, excluding employees of reinvested companies, Holtek had a total of 333 employees. A total of 13 employees were stationed overseas (10 in China, 1 in the United States and 2 in India), with the proportion of dispatched personnel accounting for 3.9% of the overall employee population. We are continually striving to strengthen sound human resources structure and talent cultivation, and the talent layout of each product line is seen as the driving force of R&D momentum. The proportion of employees requiring a work visa is 1.5% (1 Taiwanese employee assigned to the U.S., 2 Taiwanese employees assigned to India, 1 foreign employee from Indonesia, and 1 foreign employee from Pakistan). The main working location of our teams is Hsinchu, accounting for 87% of the manpower, while the rest of the workforce is located in Taipei and overseas. A good work environment allows the outstanding talent of the Company to cooperate and grow with each other, and this is a win-win situation for the Company and the employees. The product layout accelerates development and makes demand closer to the market, providing users with innovative technological experiences.

Holtek employee information for 2024

Employees

Holtek has 333 permanent employees and no temporary employees; there are a total of 333 full-time employees (including 1 with mild physical disabilities), and no part-time employees. The statistics below are of permanent employees. Due to the fact that the semiconductor technology industry is still dominated by men, the proportion of male employees reached 73% and female employees 27% in 2024. In recent years, we have actively cultivated female employees as supervisors; the proportion of female supervisors is 19%, up 2% from the previous year, while the proportion of male supervisors is 81%.

Type	Male		Female	
	Number of people	Ratio	Number of people	Ratio
General staff	65	58%	47	42%
Supervisors	179	81%	42	19%
Total	244	73%	89	27%

Note: The statistics of employee numbers are as of December 31, 2024; supervisory positions are at or above the level of section head.

Non-employee workers

Holtek's non-employee workers include 2 security personnel and 4 cleaning personnel.

Type	Category	Male		Female	
		Number of people	Ratio	Number of people	Ratio
Job Category	R&D engineering	189	57%	23	7%
	General engineering	36	11%	9	2%
	Management	19	6%	57	17%
Education	PhD	3	1%	0	0%
	Master's degree	158	48%	18	5%
	University or college	82	25%	70	21%
	Others	1	0%	1	0%
Years of service	Less than 3 years	33	10%	8	3%
	3 to 6 years	41	11%	19	6%
	6 to 10 years	54	16%	10	3%
	Above 10 years	116	35%	52	16%
Age	Less than 30 years old	22	7%	5	2%
	30 to 50 years old	134	41%	60	18%
	51 years old and older	88	24%	24	8%
Work location	Taiwan	232	70%	88	26%
	China	9	3%	1	0%
	USA	1	0%	0	0%
	India	2	1%	0	0%

Note: The date of the statistics for the number of employees is as of December 31, 2024, and the male/female ratio is calculated based on the number of employees of different types within the same category.

5.2 Talent Attraction and Retention

Holtek actively recruits talent through both external and internal channels. In addition to leveraging human resource databases, we encourage employees to provide internal referrals for potential candidates. At the organizational level, mentors are assigned to support employees in resolving work-related challenges, and a variety of training programs are offered to enhance management skills, professional expertise, and the overall versatility of the workforce.

Diversified recruitment channels and talent cultivation

Holtek cooperates with specific universities through the annual Holtek Innovation Competition, aiming to promote a dual-industry-and-academia model. Through this approach, students are encouraged to focus on practical MCU applications, while more importantly, they develop teamwork skills, gain workplace experience, and clarify their future career plans.

Holtek Innovation Competition

Holtek's products and corporate culture are conveyed through the annual Holtek Innovation Competition, and special talent is explored through evaluations by teachers.

Internship plan

Internship opportunities are provided that integrate industry and education and connect with the workplace early through a dual-track internship model.

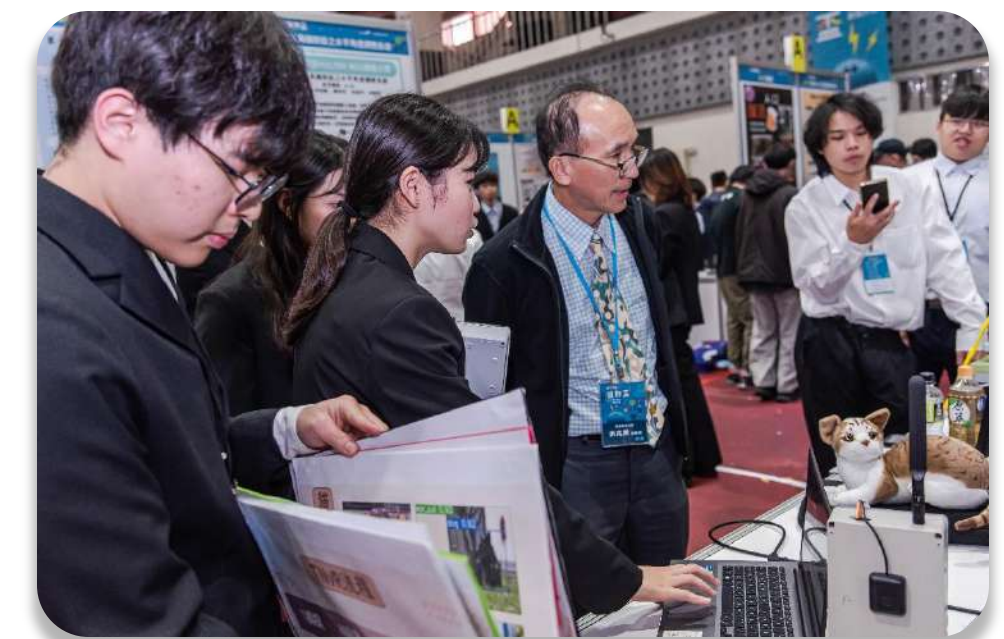
Industry-academia cooperation

An innovative research collaboration model has been developed between high-tech industries and universities to enhance hands-on experience in MCU applications.

「 Holtek Innovation Competition 」

The Holtek Innovation Competition is a national campus competition held regularly to build a creativity platform for students to apply what they have learned. In addition to the engineering departments, the disciplines participating in the competition have gradually come to include students from the creative design department in recent years to develop Innovation products and a complete product appearance design, in order to promote the goal of product technology transformation and commercialization.

In 2024, a total of 124 teams from 24 universities participated in the Holtek Innovation Competition. This year's competition continued to involve STEAM in cross-disciplinary creative design to expand the cooperation between industrial design and electrical/electronic engineering departments.



5.2 Talent Attraction and Retention

Situation of new hires from 2022 to 2024

To assist new hires in quickly adapting to the workplace and culture, Holtek focuses on the two aspects of "recruitment and appointment procedures" and "new talent development training", including designing solutions such as "candidate resume platform" and "new talent training courses", enabling employees to learn about the company culture, industry concepts, and relevant occupational safety knowledge through the interview and training process.

The Full-time hiring rate of Holtek in 2024 was 6.1%. The total number and proportion of new hires are shown in the table:

Note :

1. The statistics are of permanent employees, and the period of the statistics is from January 1 to December 31 of each year.
2. Distribution ratio of new hires: Number of new hires in the category / total number of employees in the group.
3. Full-time hiring rate: Total number of new hires for the year / ((number of employees at year start + number of employees at year end) / 2).

Distribution of new hires		2022		2023		2024	
		Number of individuals	Proportion of employees in category	Number of individuals	Proportion of employees in category	Number of individuals	Proportion of employees in category
Gender	Male	29	9%	20	6%	22	9%
	Female	10	10%	5	5%	1	1%
Age	Less than 30 years old	27	33%	13	22%	11	41%
	30 to 50 years old	12	5%	11	5%	9	5%
	51 years old and older	0	0%	1	1%	3	3%
Region	Taiwan	39	9%	25	6%	23	7%
	China	0	0%	0	0%	0	0%
Total Count		39		25		23	
Full-time employee turnover rate		9.6%		5.9%		6.1%	

Retention and care systems

Statistics and distribution of resigned employees from 2022 to 2024

The employee turnover rate amounted to 28.3% in 2024, with an average employee turnover rate of approximately 16.7% over the past three years. The increase in 2024 was primarily due to product adjustments, which temporarily affected the workforce structure. In addition, the company continues to implement retention measures, including adjustments to the compensation structure, as well as employee bonuses and profit-sharing programs.

Distribution of resigned employees		2022		2023		2024	
		Number of individuals	Proportion of employees in category	Number of individuals	Proportion of employees in category	Number of individuals	Proportion of employees in category
Gender	Male	38	11%	39	12%	95	39%
	Female	11	11%	6	6%	11	12%
Age	Less than 30 years old	11	13%	18	31%	26	96%
	30 to 50 years old	31	13%	20	9%	51	26%
	51 years old and older	7	6%	7	6%	29	26%
Region	Taiwan	48	11%	44	11%	106	33%
	China	1	8%	1	9%	0	0%
Total Count		49		45		106	
Full-time employee turnover rate		11.1%		10.6%		28.3%	

Note: 1. The statistics are of permanent employees, and the period of the statistics is from January 1 to December 31 of each year. 2. Distribution ratio of resigned employees: Number of resigned employees in the category / total number of employees in the group. 3. Full-time employee turnover rate: Total number of resigned employees for the year / ((number of employees at year start + number of employees at year end) / 2).

Retention rate of new hires

To assist new hires in adapting to the work environment and overcome initial doubts and challenges, Holtek has implemented a mentorship system from the very first day of employment. Department managers assign mentors to provide guidance and care, while onboarding training programs are also arranged to familiarize new hires with the company's culture and core values.

According to 2024 statistics, uncertainties in the overall economy and industry environment posed greater challenges for retaining new recruitment. The data shows that the one-year retention rate for new hires was approximately 61%, while the three-year retention rate declined to around 49%. Overall, the retention rate of new hires in 2024 showed a downward trend compared with previous years.

Various types of new hires	2022	2023	2024
One-year retention rates for new hires	87%	72%	61%
three-year retention rate for new hires	76%	70%	49%

Note: The statistics are of permanent employees.

5.3 Employee Development and Training

- To cultivate talents, Holtek makes the budget for employees to attend external class; furthermore, Administration Div. would collect the annual training plan from the department heads who would plan courses based on the Company's development goals and the needs of each department with Training Committee, then design internal training programs for each employees' career growth within a comprehensive career training system.
- By new hires' , professional, and managerial training programs, we flexibly design career development and competency enhancement plans for employees.

Development blueprint

New talent training courses are organized by the HR Department, covering company culture, administrative affairs, financial reimbursements, ICP overview, quality policies, intellectual property rights, information security, and occupational safety and health. In addition, new hires are assigned a senior engineer as a mentor to provide guidance related to their roles and to support the training plans set by supervisors. This process strengthens professional skills and accelerates familiarity with job responsibilities. Holtek conducts performance assessments for employees in alignment with internal "Performance Evaluation Regulations" . It makes employees to gain clarity on promotion opportunities and career pathways, identify their own strengths and areas for improvement, and take action to enhance their capabilities, fostering mutual growth for both the Company and its workforce.

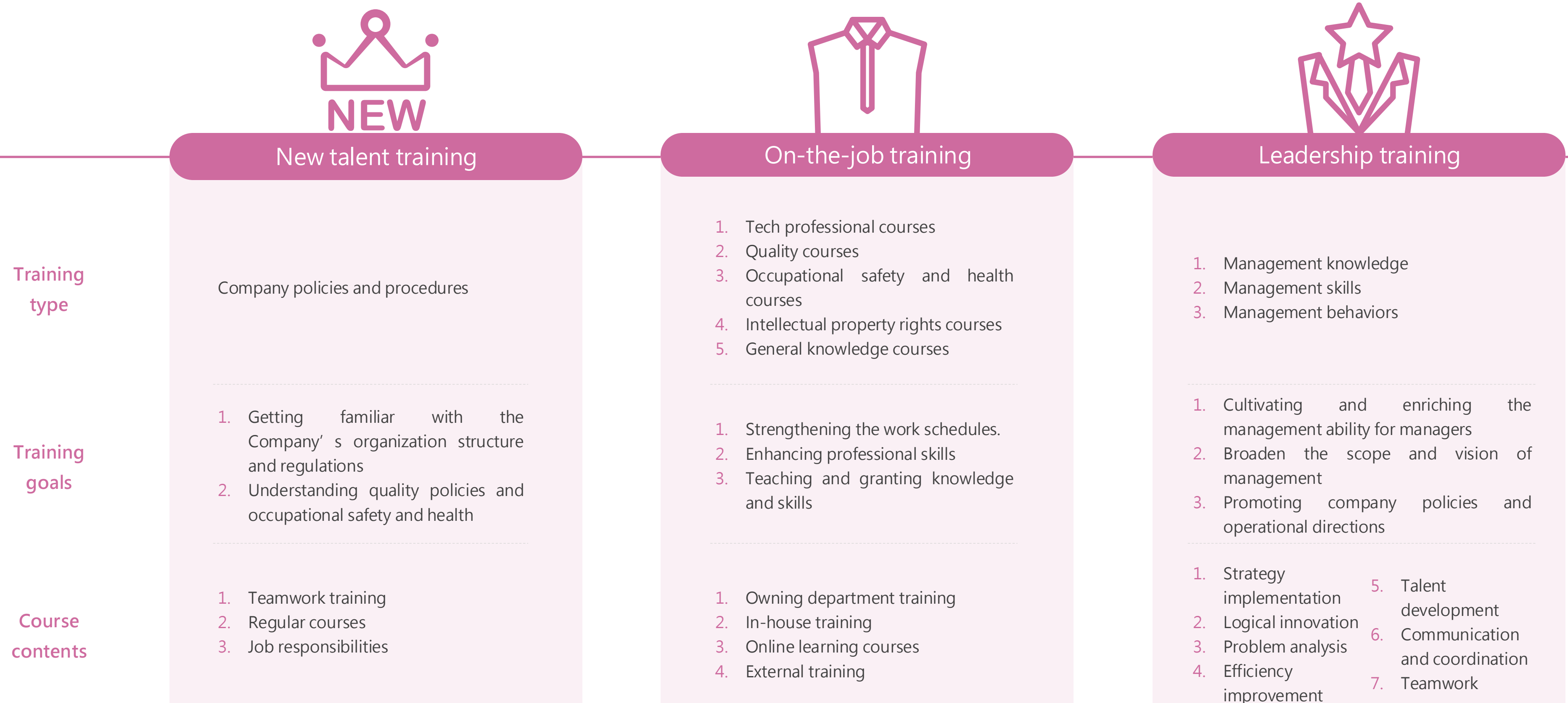
Training plans

Outstanding employees have always been the main source of a company' s competitive advantages. Holtek evaluates the internal and external environmental conditions based on the Company' s development goals and conducts a comprehensive assessment of internal human resource demand and supply. To pursue Holtek' s goals, we flexibly offer consulting jobs to retired employees based on their individual skill and assistance plans for being laid off employees those various human resource planning processes can be determined what kind of talents are needed. Since IC design requires continuous adaptation to new environments and the launch of competitive products, Holtek provides a suitable platform for potential talents, while also offering diverse learning and training opportunities to enhance employee skills and unleash their potential.



5.3 Employee Development and Training

- Diversified learning resources and channels: Offering a training platform, integrating all course information, training systems, and data queries, developing e-learning and knowledge management systems, and establishing an online teaching satisfaction survey.
- On-the-job training: In alignment with the Ministry of Labor's continuing education initiatives, we encourages colleagues to participate in programs such as "On-the-Job Training Organized by Regional Branches" , "Industry Talent Development Investment Program" , and "Regional Industry Workforce Training Program" .
- Self development: Cultivating employees' professional abilities could build their confidence and experiencing teamwork may enhance their communication management skills. In addition, cultivating senior employees as core leaders and classifying management courses by different levels of positions, including entry-level, mid-level and senior executives to enhance management skills and performance.
- To advance environmental sustainability as part of our ESG initiatives, we have progressively adopted digital course materials to replace printed handouts in recent years. As of 2024, the proportion of printed materials has significantly decreased to 21%.



5.3 Employee Development and Training

Implementation of training courses

- Holtek places great emphasis on the implementation of employee training that Administration Div. would collect the annual training plans from the department heads with Training Committee. In 2024, we arranged 133 internal and external courses with a total of 6,799 training hours and 4,214 participants. The average training hours of each employee were 20.4 hours, and the average training hours for both genders were about 19.1 hours. The largest proportion of training hour is "Occupational safety and health courses" at 34.7%, followed by "Management skill courses" at 24.6%. The annual course initiation rate reached 123%, exceeding initial expectations and reflecting a steady and positive trajectory in overall training development.
- Holtek actively promotes human rights education and provides relevant trainings such as employee information security, business secrets, personal data protection, ethical corporate management, and occupational safety and health. In 2024, we've arranged courses with a total of 2,884 training hours and 2,514 participants.

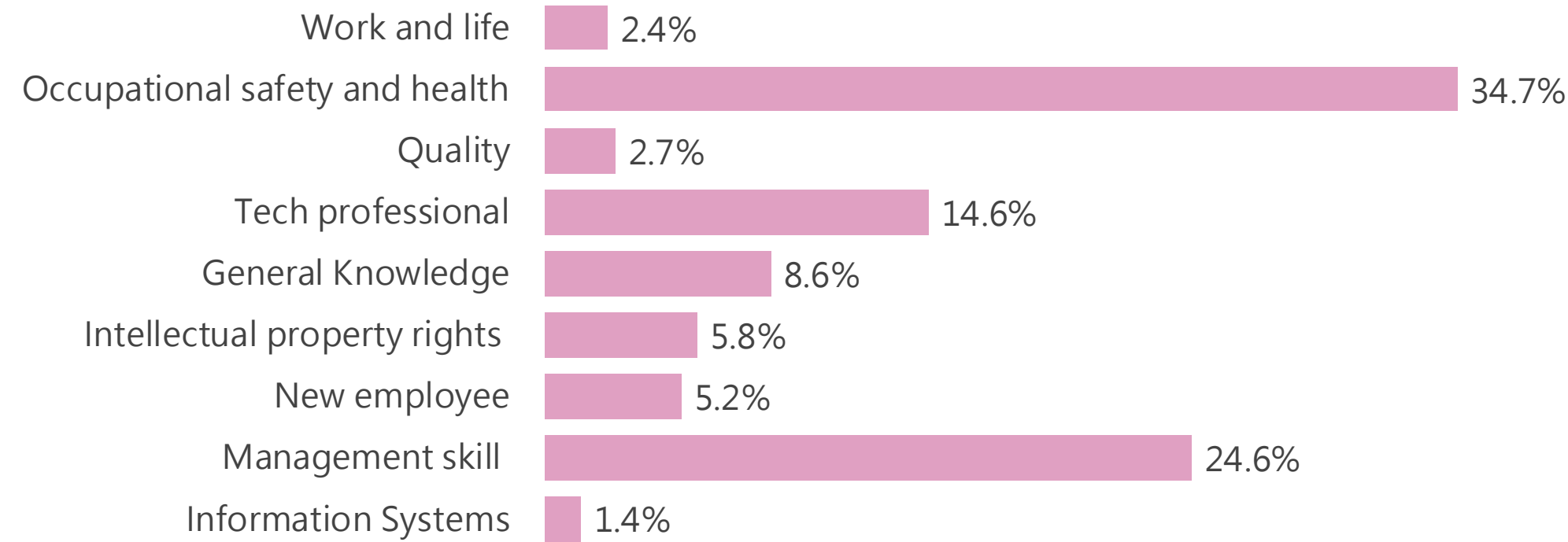
Overview of training execution in 2024

External training							Course type	Internal training						
Total training hours			Total number of trainees			Number of Course		Number of Course	Total number of trainees			Total training hours		
Total	Male	Female	Total	Male	Female				Total	Male	Female	Total	Male	Female
6	0	6	2	0	2	2	Work and life	4	160	122	38	160	122	38
71	30	41	14	5	9	14	Occupational safety and health	20	2,291	1,699	592	2,285	1,697	588
12	12	0	1	1	0	1	Quality	3	96	68	28	170	122	48
8	8	0	1	1	0	1	Tech professional	12	552	498	54	988	898	90
0	0	0	0	0	0	0	General Knowledge	13	271	232	39	582	506	76
0	0	0	0	0	0	0	Intellectual property rights	2	141	114	27	391	312	79
0	0	0	0	0	0	0	New employee	3	22	20	2	352	320	32
147	35	112	29	6	23	29	Management skill	28	633	501	132	1,529	1,206	323
98	98	0	1	1	0	1	Information Systems	0	0	0	0	0	0	0

5.3 Employee Development and Training

Implementation of training courses

Total training hours Ratio from all course types



Total

Number of course		133	
Number of trainees	3,268	946	4,214
	Male	Female	Total
Hours of training	5,366	1,433	6,799

Employee training hours in 2024

	All employees	Total training hours	Number of employees	Average training hours per employee
Gender	Male	5,366	244	22.0
	Female	1,433	89	16.1
Job Category	Management	1,377	76	18.1
	General engineering	977	47	20.8
	R&D engineering	4,445	210	21.2
	Total	6,799	333	20.4

Proportion of total trainee-time

♂ 73.3% ♀ 26.7%

Male 22 Hours

General engineering 20.8 Hours

Female 16.1 Hours

R&D engineering 21.2 Hours

Management 18.1 Hours

Average training hours per employee 20.4 Hours

5.4 Salary and Benefits

Holtek aims to be continuously included as a constituent stock of the Taiwan High Compensation 100 Index of the Taiwan Stock Exchange. The constituent stocks are screened based on employee compensation, and their weight is determined by fundamental factors such as "total employee compensation", "average employee compensation growth rate", and "net profit", making the index cover both corporate social responsibility and investment efficiency. The number of full-time employees over the years who have not held supervisory positions as well as their average and median salaries can be queried on the Market Observation Post System (mops.twse.com.tw). In 2024, the ratio of the total annual compensation of the highest-paid individual to the median total annual compensation of all other employees in the organization (excluding the highest-paid individual) was 3.73. The ratio of the percentage increase in total annual compensation for the highest-paid individual to the median percentage increase in total annual compensation for all other employees (excluding the highest-paid individual) was 2.1.

Unit: NT\$ thousand

Item	2022	2023	2024
Employee benefit expenses (including salary, labor and health insurance, pension)	873,183	530,686	567,020
Number of full-time employees not holding supervisory positions	423	409	377
Total compensation of full-time employees not holding supervisory positions	571,573	484,641	468,688
Average compensation of full-time employees not holding supervisory positions	1,348	1,185	1,243
Median compensation of full-time employees not holding supervisory positions	1,642	1,100	1,149

Fair compensation and employee benefits

Holtek's employee compensation system is based on academic background and professional seniority, without discrimination on the grounds of gender, region, race, religion, political affiliation, or marital status. The same standards are applied to both male and female employees across all job categories to ensure gender equality. At present, the Company's primary operating site is its Hsinchu headquarters in Taiwan, where all employee salaries exceed the minimum wage stipulated by the Labor Standards Act.

\$ Compensation Policy:

1. Directors' and managers' compensation: Compensation includes fixed salary, allowances, bonuses, salary adjustments, and severance payments. These are reviewed and approved by the Compensation Committee before implementation.
2. Employee compensation: Holtek reviews compensation policies annually through industry salary surveys, exit interviews, business performance assessments, and individual performance evaluations. After discussion in senior management meetings, appropriate adjustments are made to ensure that compensation remains competitive with market standards and equitable.

\$ Compensation distribution: 12 months of fixed salary and annual bonus based on performance.

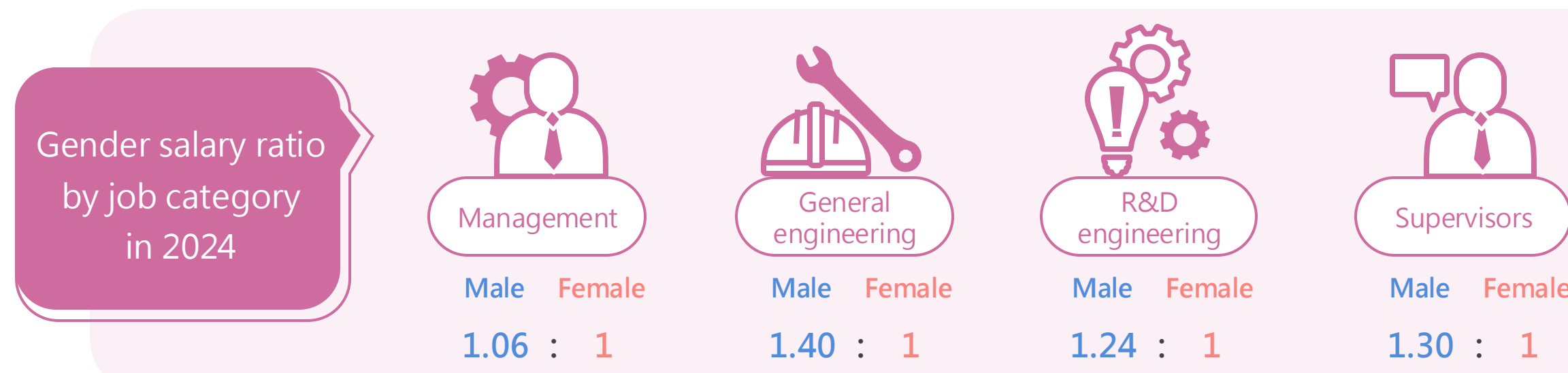
\$ Performance-based salary adjustments: Salary adjustments are made annually in accordance with company policies and based on the individual performance of employees.

\$ Employee bonuses: Bonuses are directly related to the Company's operational performance, team performance and individual performance. These are primarily paid in cash. Currently, an employee stock ownership trust plan has not yet been implemented.

\$ Awards: Includes patent awards and referral bonuses.

\$ Employee Welfare Committee Allowances: Includes birthday vouchers, holiday gift vouchers, and subsidies for weddings, funerals, and other significant life events.

\$ Insurance/pension: In compliance with regulations, Holtek provides labor and health insurance and contributes 6% of employee wages to the Labor Pension Fund. In addition, a comprehensive group insurance program has been established.



Note:

1. The statistics are of permanent employees.
2. Supervisor are defined as supervisors at or above the level of section head.
3. R&D engineering is defined as engagement in R&D work such as product design and development.
4. General engineering is defined as maintaining or handling engineering related work.
5. Management is defined as non-engineering positions.

5.4 Salary and Benefits

Pension system

In accordance with the 'Labor Standards Act' and the Regulations for the Allocation and Management of the Workers' Retirement Reserve Funds of the old system, for those who meet the retirement seniority requirement of the old system, the Company allocates retirement reserve of 4% of the total salary to a special account at the Bank of Taiwan every month, and allocate the full amount of the retirement reserve through the actuary's calculation every year, thereby protecting the rights and interests of employees to apply for retirement pension in the future. For employees who are subject to the 'Labor Pension Act', the Company will deposit 6% of their personal salary into the personal labor pension account every month. Employees can also voluntarily contribute 0-6% to the pension account jointly.



Activity type

> Public Welfare Activities

Employees and their families are encouraged to participate in charity initiatives such as material donations and blood drives, spreading love and care across society while fostering a spirit of collective engagement.

> Club activities

Subsidies are provided for the establishment of diverse recreational clubs, including badminton, dance, yoga, tai chi, diving, and photography, encouraging employees to cultivate sports and cultural interests outside work, helping relieve stress and strengthen bonds with colleagues.

> Festival activities

Year-end parties, regular departmental gatherings, corporate discounts, and partner vendor offers.



Award/subsidy type

> Awards

Year-end bonuses and profit-sharing schemes that allow employees to share in the Company's success.

> Travel subsidies

Support for both domestic and international travel.

> Festival subsidies

Year-end and festival gift vouchers as well as birthday vouchers.

> Subsidies for ceremonies and customs

Monetary support for weddings, bereavement, childbirth, and hospitalization.

> Training subsidies

Annual allowances for external training programs.

> Meal subsidies

Lunch and dinner support.



Health type

> Regularly onsite medical consultations

Free annual health checkups to monitor overall well-being and support employees' personal health management.

> Workplace nurses

Professional nursing staff are employed to provide health management, arrange health checkups, and plan health promotion activities.

> Group insurance

Comprehensive coverage including life, accident, medical, and cancer insurance to ensure high-quality medical protection.

> Leisure activity areas

Fitness equipment, aerobics studio, and medical rest rooms.

> Employee cafeteria

Nutritious and balanced meal provided.



Work hour/holiday type

> Two-Day Weekend

Sufficient rest days for personal activities.

> Flexible leave

Seven additional flexible leave days above the Labor Standards Act requirement, enabling better holiday planning.

> No Mandatory Saturday Work

When government agencies have compensatory work shifts on Saturdays, the Company grants a unified day off, maintaining a consistent weekly rest schedule.

> Flexible Working Hours

Employees may adjust their start and end times by up to one hour to accommodate family care needs.

> Adjusted Working Hours During Childcare

Employees with children under three may reduce their daily working hours by one hour or adjust working schedules.



Arts and literature type

> Lifestyle Seminars

Workshops on stress relief, culture, and other topics to broaden employees' knowledge and perspectives.

> Book Vouchers

Annual book vouchers are provided to encourage continuous learning and personal growth.

> Library and Reading Area

A reading space with books, newspapers, and magazines available free of charge.

> Leisure activities

Each month, the Employee Welfare Committee invites various food vendors to set up stalls, allowing employees to enjoy diverse cuisines while enhancing interdepartmental interaction and enriching daily life experiences.

Welfare planning and execution

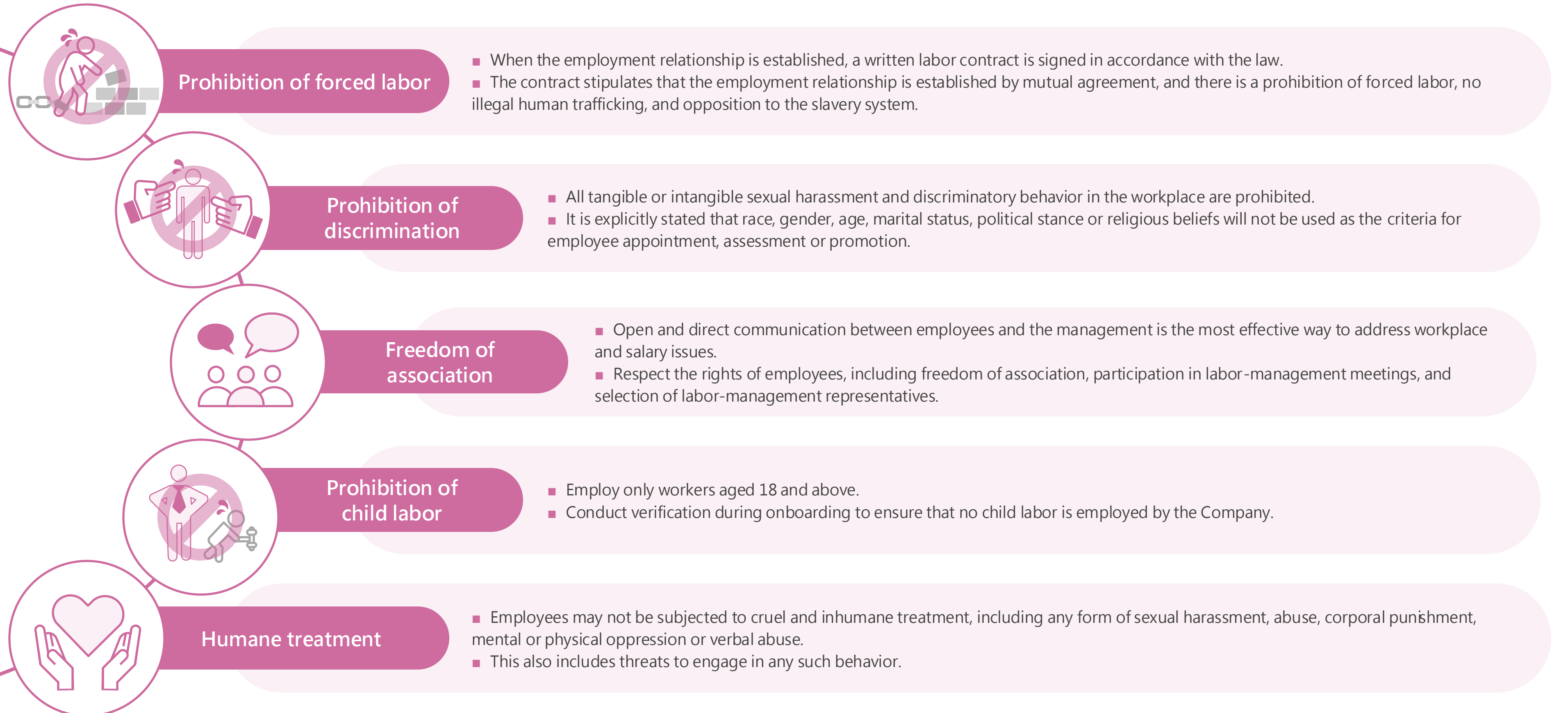
Holtek provides a diverse welfare system and care for its employees as well as a good work environment and conditions, while taking into account their physical and mental health to make their work and life equally important. The Company also established an Employee Welfare Committee to enrich employees' lives beyond work through varied activities.

5.5 Healthy Workplace

In line with the Company's occupational safety and health policy, Holtek develops health management service plans and implements related health promotion initiatives, with the goal of enhancing employees' physical and mental well-being and fostering a healthy workplace environment.

Human rights protection

Policies or commitments	Public link	Approval level	Stakeholder	How to implement policies or commitments
Human rights policy	Policy link	President	Employees	Training related to human rights protection held in 2024: 2,514 employees and 2,884 hours in total.



5.5 Healthy Workplace

Health management

<p>Regular on-site consultations with occupational health physician 21 Man-times</p> <p>An occupational health physician is regularly assigned on-site to provide assessments, guidance, and health consultations for employees in high-risk roles.</p>	<p>Health education 23 times</p> <p>Employees are provided with health information and knowledge to promote healthy lifestyles and behaviors through educational initiatives.</p>	<p>Holding health lectures 151 participants</p> <p>聘僱專業講師，透過線上或實體課程中，提供職場上豐富和專業的經驗資訊，分享同仁參考，並促進身心靈健康。</p>
<p>Employee health checkups 264 participants</p> <p>Regularly commission medical institutions to the Company every year to arrange employee health check-ups that exceed statutory requirements, enabling employees to better understand their personal health status and needs.</p>	<p>Employee Health Report Inquiry Platform</p> <p>To effectively utilize health check-ups data, the IT department has developed an "Employee Health Report Inquiry Platform", allowing tracking of historical health data and identification of abnormal results. Health management personnel and the on-site physician provide follow-up care and personalized health promotion recommendations for employees with significant findings.</p>	<p>Friendly and healthy workplace 3 contractors</p> <ul style="list-style-type: none"> ■ Key contractors are required to sign an occupational safety and health commitment letter, ensuring that contractor personnel assigned on-site receive regular health check-ups and insurance coverage. ■ Contractors are also welcome to participate in the Company's health promotion activities and consultations.
<p>Health promotion activities 52 Man-times</p> <p>Using precision instruments, the Company provides health assessments and vaccination programs to prevent infectious diseases and promote employee wellness and self-care.</p>	<p>Maternal health protection plan</p> <ul style="list-style-type: none"> ■ In accordance with the Occupational Safety and Health Act, implement maternal health protection measures for female workers engaged in jobs that may pose risks to maternal health. ■ Set up lactation room and designated parking spaces for pregnant women. Regularly track the Company's maternal health protection list and arrange for occupational health service doctors to conduct interviews, ensuring the physical and mental well-being of pregnant, postpartum, and breast-pumping female employees. ■ In 2024, a total of 4 maternal health hazard assessments and level management were completed, with a 100% health protection rate. 	<p>Lactation room usage frequency 47 Man-times</p> <p>Encourage employees to continue breastfeeding their newborns after childbirth by setting up lactation room for female staff. Additionally, provide necessary pumping items and a separate refrigerator free of charge, ensuring that employees can continue breast pumping with peace of mind after returning to work after maternity leave.</p>

5.5 Healthy Workplace

Friendly workplace parenting policy

Encouragement of childbirth

- 01

The Company attaches great importance to employees' childbirths. During pregnancy and childbirth, in addition to providing maternity leave, paternity check up and paternity leave, miscarriage prevention leave and maternity leave in accordance with the law, maternity allowances are provided to reward childbirth.
- 02

The Company has set up a lactation room internally and provides a reasonable amount of break time for breast pumping.
- 03

The Company has signed contracts with daycare providers for providing childcare benefits for employees.
- 04

Employees may reduce or adjust their working hours to spent time on primary childcare for children under three years old.
- 05

The Company has set up reserved parking spaces to provide friendly parking spaces for pregnant women.
- 06

The friendly workplace childcare policy has led to a retention rate of 100% among female employees after giving birth in the past two years.

Job retention and salary suspension system for childcare

In order to achieve family and work balance for employees, Holtek explicitly stipulates in the work rules that after serving for six months and before each child reaches the age of three, an employee may apply for unpaid leave for childcare, without affecting the performance evaluation or being subject to other adverse penalties, so as to protect employees' work rights and establish a friendly family and workplace environment. Statistics by gender on job resumption and retention after parental leave:

Statistical table of the number of applicants for parental leave in 2024

	2024	
	Male	Female
Number of employees eligible for unpaid childcare leave application in 2024	14	3
Number of applicants for parental leave in 2024	1	1
Expected number of reinstatements in 2024 (a)	0	0
Actual number of reinstatements in 2024 (b)	0	0
Reinstatement rate in 2024: (b) / (a)	N/A	N/A
Actual number of reinstatements from parental leave in 2023 (c)	0	3
Number of employees continuing working for one year after reinstatement from parental leave in 2023 (d)	0	2
Retention rate in 2024: (d) / (c)	N/A	67%

Note:

1. Number of employees eligible for unpaid leave application for childcare in 2024: The number of employees having children under three years old after serving for six months during the period from January 1, 2024, to December 31, 2024.
2. Number of applicants for parental leave in 2024: Employees applying for parental leave during the period from January 1, 2024, to December 31, 2024.
3. Expected number of employees to be reinstated in 2024: Employees with unpaid childcare leave during the period from January 1, 2024, to December 31, 2024.

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- 6.1 Holtek Cup
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CH6 Social Inclusion

Goals and Achievements

● Achievement ○ Not Achieved

	2024 Goals	2024 Results	2025 Goals	Mid-term objectives	Long-term objectives
	Holtek University Project: support universities and training institutes to organize microcontroller (MCU) teaching courses, with a target of 4 institutions.	<ul style="list-style-type: none"> ● In collaboration with the Best Modules STEAM Education Development Association, we have donated MCU/BMduino teaching equipment to six universities and colleges, with the total value of the equipment reaching NT\$1.58 million. 	Support microcontroller (MCU) teaching programs at universities and colleges, targeting five institutions.	Establishing the Holtek MCU Joint Laboratory in collaboration with the university, we are establishing a presence on campus and offering students priority employment opportunities.	
	Organize Holtek Cup Creative Competition: Encourage students to use Holtek microcontrollers (MCUs) to participate in the competition and project development, with a target participation size of 100 teams and a target expenditure of NTD\$2.6 million.	<ul style="list-style-type: none"> ● The 19th Holtek Cup Competition was held, with a total of 124 teams from 24 schools registering to participate. The total prize money and related operational expenses amounted to NT\$2.61 million. 	Encourage students to use Holtek microcontrollers (MCUs) for competition participation and project development, with a target of 100 participating teams.	Support maker activities at domestic universities and colleges, promote collaborative competition initiatives, and foster cross-disciplinary innovation and practical applications.	Promote social participation and industry-academia cooperation to foster professional talents, introduce talents and create business opportunities, strengthen students' MCU application and innovation ability through training programs, and connect with the industry's latest technology to promote industrial upgrading and strengthen the overall competitiveness of the industry.
	Combined with the Best Modules STEAM Education Development Association · Collaborate on educational partnerships across all levels of campus development.	<ul style="list-style-type: none"> ● In collaboration with the Best Modules STEAM Education Development Association Supported three teacher training sessions for senior high schools and vocational. ● Supported the organization of two university campus maker activity competitions. ● Total funding allocated: NT\$270,000. 	Promote cross-disciplinary teaching by leveraging resources from the Best Modules STEAM Education Development Association to jointly expand educational collaborations across all levels of schools.	Promote industry-academia collaboration by leveraging the research and development capabilities of universities and colleges to enhance industrial R&D efficiency and talent cultivation.	
	Support cross-disciplinary innovation, expand industry-academia collaboration on campus, and promote industrial upgrading.	<ul style="list-style-type: none"> ● Supported one industry-academia collaboration project at National Formosa University, developing STEAM education materials. ● Supported Chiao Kuang University of Science and Technology in organizing the "Big Hands Hold Little Hands Innovation and Practice Competition" . ● Total expenditures amounting to NT\$640,000. 	Support cross-disciplinary innovation, expand industry-academia collaboration on campus, and promote industrial upgrading.	Uncover outstanding product concepts and technological innovations within the academic community to accelerate their commercialization.	

6.1 Holtek Cup

6.2 Industry-Academia Cooperation

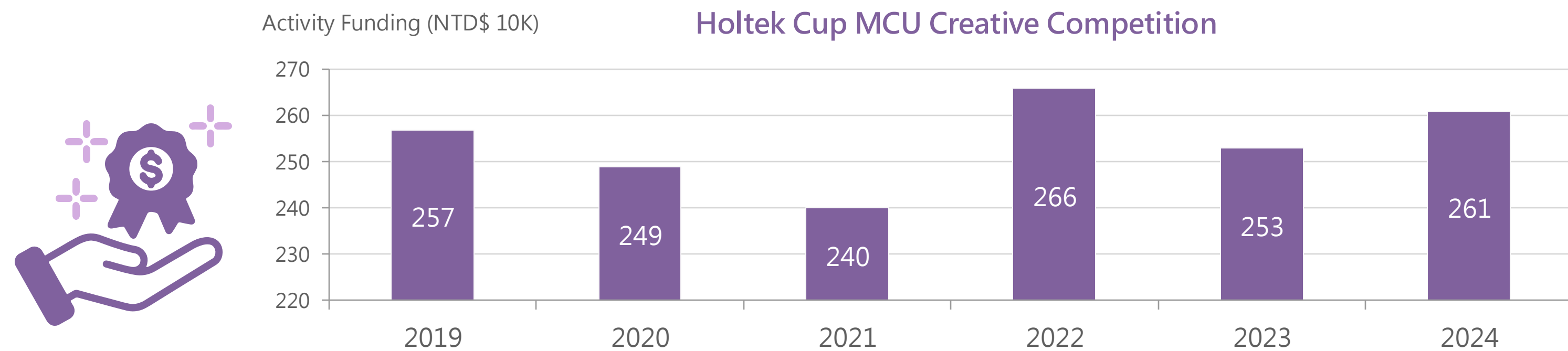
Combining Resources to Promote STEAM Engineering Literacy Education

Holtek Semiconductor has integrated ESG sustainable development into its corporate strategy, taking practical actions to promote social inclusion and industrial talent cultivation. In order to further cultivate talents for higher education, Holtek Semiconductor has combined its resources to establish the “Best Modules STEAM Education Development Association” in 2023. This project will allocate resources to develop and promote software, hardware and teaching materials for STEAM engineering literacy education, and establish the Holtek University program for joint labs and faculty collaboration. Holtek Semiconductor also continues to organize the Holtek Cup MCU Creative Competition, which promotes the cultivation of talent and cross-disciplinary innovation in the information and communications industry and the electronics industry, and facilitates a mechanism for the continuous cultivation of outstanding talent.



STEAM Education

Funds invested in the Holtek Cup in the past five years:



- 6.1 Holtek Cup
- 6.2 Industry-Academia Cooperation
- 6.3 Public Service Activities
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6.1 Holtek Cup

6.2 Industry-Academia Cooperation



Industry-academia Cooperation promotes professional talent cultivation and applied innovation

Holtek prioritizes the development trends of MCU and STEAM education. Leveraging our extensive experience in MCU design and application development, we have established a professional digital sensor development team and built our own production line. By integrating product innovation, we launched the BMduino-UNO development kit, enabling STEAM education to keep pace with the times. We continue to invest resources to strengthen industry-academia collaboration and promote cross-disciplinary maker innovation.

In industry-academia collaboration, we assist universities by donating laboratory teaching equipment, providing microcontrollers and specialized modules for faculty research and instruction. We also regularly host the Holtek Cup National Campus Microcontroller Innovation Competition, creating an exchange platform for universities. Since its inception in 2005 through 2024, the competition has been held 19 times, establishing itself as one of Taiwan's largest and highest-quality microcontroller competitions. Through these annual competitions and collaborative campus teaching initiatives, we continuously drive talent cultivation and cross-disciplinary innovation practices within the information and communications technology (ICT) and electronics industries.

For cross-disciplinary maker innovation, we partner with the "Best Modules STEAM Education Development Association" to promote creative application competitions aligned with our vision. This collaboration provides interdisciplinary faculty to mentor students in applying their knowledge practically. We also foster ongoing cooperation with domestic science and technology education institutions, startup incubators, and schools at all levels to foster professionals skilled in both theory and practice for innovative microcontroller applications. This approach bridges the gap between academic learning and real-world application while strengthening hands-on operational capabilities.



▲ The 19th Holtek Cup MCU Creative Competition was grandly held at Southern Taiwan University of Science and Technology in 2024.

6.1 Holtek Cup

6.2 Industry-Academia Cooperation

Supporting cross-disciplinary innovation

STEAM education emphasizes the cultivation of creative talents, the promotion of hands-on work and innovative applications, problem solving, and cross-disciplinary collaboration. The Company continues to combine the innovative design energy of its subsidiary, Best Modules Corp., with the goal of promoting cross-disciplinary collaboration to achieve human self-development, and develops newer modules and development boards that are easy to use for product development, which is conducive to the practice of innovative design and lowers the threshold for product development. In addition to the existing engineering departments, students from the creative design department will continue to participate in the competition. They will conduct research and development of creative products with a complete product design to promote the technological transfer and commercialization of their works.



▲ Support Taichung Science and Technology Senior High School in developing IoT practical course teacher training.



▲ Supporting Chung Yuan Christian University in establishing a joint laboratory to advance teaching in microcontrollers and smart sensors.



▲ Support National Yunlin University of Science and Technology in establishing joint laboratories to promote interdisciplinary innovation in teaching collaboration.



▲ Support National Formosa University in establishing a joint laboratory to advance microcontroller and smart sensor education and industry-academia R&D collaboration.



▲ Support National Kaohsiung University of Science and Technology in establishing a joint laboratory to advance teaching in microcontrollers and smart sensors.



▲ Supporting Tatung University in establishing joint laboratories to promote cross-disciplinary innovative teaching collaboration partnership.

6.3 Public Service Activities

6.4 Support for Disadvantaged People

Holtek prioritizes purchasing gift boxes from disadvantaged groups for the three major holidays. We actively seek suitable social welfare organizations aligned with Holtek's donation philosophy to contribute to the global environment and society. We encourage employees to voluntarily participate in public welfare activities and donations. Material donations were provided to: Hsinchu City Spinal Cord Injury Association, Taipei City Foundation for Orphaned Children, and World Peace Foundation to support underprivileged children. We assist vulnerable groups in receiving proper care, fulfilling our corporate citizenship responsibilities through concrete actions. We aim to improve social issues such as employment for the disadvantaged, environmental protection, education and culture, and agricultural management, thereby creating a better development environment for social enterprises.



Public Service Activities / Vulnerable Groups Goals and Achievements

● Achievement ○ Not Achieved

2024 Goals	2024 Results	2025 Goals	Mid-term objectives	Long-term objectives
<p>Purchased Mid-Autumn and Spring Festival gift boxes from disadvantaged groups 2 times.</p> <p>Donated materials 2 times and funds 1 time.</p> <p>Organized 2 blood donation activities in a year</p> <p>Organized second-hand goods donation activities 1 time.</p>	<ul style="list-style-type: none"> ● Spring Wine Gift Boxes were purchased from the Foundation for Down Syndrome of the Republic of China; Mid-Autumn Festival Gift Boxes were purchased from the Hsinchu City Catholic Charity Social Welfare Foundation ● Donated supplies to the following organizations: - Hsinchu City Private Aiheng Enabling Center Slow Flyer Sheltered Workshop - Hsinchu City Spinal Cord Injury Association Total: 2 times. ● The Welfare Committee organized two blood donation drives. ● The Welfare Committee donated to the "Taipei City Orphaned Children Welfare Foundation" three times and to the "World Peace Foundation" five times. 	<p>Mid-Autumn Festival and Spring Festival gift boxes were procured from disadvantaged groups on two occasions.</p> <p>Two donations of supplies and one monetary donation.</p> <p>Blood donation drives are held twice a year.</p> <p>Organize one used goods donation drive.</p>	<p>Encourage employees to participate in at least one social welfare activity annually.</p> <p>Donations to disadvantaged groups are projected to increase by 20% annually.</p>	<p>Social welfare activities are organized by Holtek.</p> <p>The participation rate of our colleagues in social welfare activities is 90%.</p>



2024 ESG REPORT

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GRI 2-13	Delegation of responsibility for managing impacts	ESG Sustainable Development Committee	12
GRI 2-14	Role of the highest governance body in sustainability reporting	ESG Sustainable Development Committee	12
GRI 2-15	Conflicts of interest	1.2 Governance Framework	34
GRI 2-16	Communication of critical concerns	ESG Sustainable Development Committee	12

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GRI 2: General Disclosures 2021

GRI Standards number	Disclosure item	Disclosure chapter or section/reason for omission	Page Number
3. Governance			
GRI 2-17	Collective knowledge of the highest governance body	1.2 Governance Framework	34
GRI 2-18	Evaluation of the performance of the highest governance body	1.2 Governance Framework	37
GRI 2-19	Remuneration policies	1.2 Governance Framework	36
GRI 2-20	Process to determine remuneration	1.2 Governance Framework	36
GRI 2-21	Annual total compensation ratio	5.4 Salary and Benefits	108
4. Strategy, policies and practices			
GRI 2-22	Statement on sustainable development strategy	Message from the Management	04, 05
GRI 2-23	Policy commitments	1.3 Ethics and Integrity, 4.1 Environmental and Occupational Safety and Health, 5.5 Healthy Workplace	40, 74, 80, 110
GRI 2-24	Embedding policy commitments	1.3 Ethics and Integrity, 1.4 Risk Management, 1.5 Information Security Management, CH3Product Responsibility, 4.1 Environmental and Occupational Safety and Health, Environmental safety and health training, 5.5 Healthy Workplace	40, 43, 45, 62, 74, 84, 110
GRI 2-25	Processes to remediate negative impacts	1.3 Ethics and Integrity, CH3 Product Responsibility	39, 64
GRI 2-26	Mechanisms for seeking advice and raising concerns	1.3 Ethics and Integrity	39
GRI 2-27	Compliance with laws and regulations	1.3 Ethics and Integrity	40
GRI 2-28	Membership associations	1.6 Participation in Associations and Organizations	49
5. Stakeholder engagement			
GRI 2-29	Approach to stakeholder engagement	Stakeholder Engagement	13
GRI 2-30	Collective bargaining agreements	No trade unions or collective bargaining agreements have been established; regular communication with employees takes place through labor-management meetings and diverse means.	-

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Topic-Specific GRI Standards

GRI Standards number	Disclosure item	Description	Corresponding chapter or section	Page Number
GRI 3-1	Process for Determining Material Topics	Identification of Materiality Topic	About This Report	17, 18
GRI 3-2	List of Material Topics	Identification of Materiality Topic	About This Report	22, 23, 24, 25
Materiality Topic : Operating Performance				
GRI 3-3	Materiality Topic Management	Explanation of Materiality Topics and Their Boundaries	Materiality Topic Management Principles	20
GRI 201: Economic Performance 2016	201-01	Direct economic value generated and distributed	1.1 Operating Performance	31
Materiality Topic : Corporate Governance				
GRI 3-3	Materiality Topic Management	Explanation of Materiality Topics and Their Boundaries	Materiality Topic Management Principles	20
GRI 205: Anti-corruption 2016	205-03	Confirmed incidents of corruption and actions taken	1.3 Ethics and Integrity	39
GRI 206: Anti-competitive Behavior 2016	206-01	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No such incidents in 2024	-
Materiality Topic : Customer Service Management				
GRI 3-3	Materiality Topic Management	Explanation of Materiality Topics and Their Boundaries	Materiality Topic Management Principles	20
GRI 416: Customer Health and Safety 2016	416-02	Incidents of non-compliance concerning the health and safety impacts of products and services	No violations in 2024	-
GRI 418: Customer Privacy 2016	418-01	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No violations in 2024	63
Materiality Topic : Sustainable Supply Chain Management				
GRI 3-3	Materiality Topic Management	Explanation of Materiality Topics and Their Boundaries	Materiality Topic Management Principles	21
GRI 308: Supplier Environmental Assessment 2016	308-01	New suppliers that were screened using environmental criteria	3.3 Sustainable Supply Chain Management	66, 67
GRI 414: Supplier Social Assessment 2016	414-01	New suppliers that were screened using social criteria	3.3 Sustainable Supply Chain Management	66, 67
Materiality Topic : Sustainable Supply Chain Management				
GRI 3-3	Materiality Topic Management	Explanation of Materiality Topics and Their Boundaries	Materiality Topic Management Principles	20

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Topic-Specific GRI Standards

GRI Standards number	Disclosure item	Description	Corresponding chapter or section	Page Number
Materiality Topic : Talent Development and Compensation & Benefits				
GRI 3-3	Materiality Topic Management	Explanation of Materiality Topics and Their Boundaries	Materiality Topic Management Principles	21
	401-01	New employee hires and employee turnover	5.2 Talent Attraction and Retention	103
G112RI 401: Employment 2016	401-02	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.4 Salary and Benefits 5.5 Healthy Workplace	108, 109, 112
	401-03	Parental leave	5.5 Healthy Workplace	112
GRI 402: Labor/Management Relations 2016	402-01	Minimum Notice Periods Regarding Operational Changes	In the event of significant operational changes, the Group adheres to and implements the stipulations of Article 16 of the Labor Standards Act	-
GRI 404: Training and Education 2016	404-01	Average hours of training per year per employee	5.3 Employee Development and Training	104
	404-02	Programs for upgrading employee skills and transition assistance programs	5.3 Employee Development and Training	107
GRI 405: Diversity and Equal Opportunity 2016	405-02	Ratio of basic salary and remuneration of women to men	5.4 Salary and Benefits	108
Materiality Topic : Risk Management				
GRI 3-3	Materiality Topic Management	Explanation of Materiality Topics and Their Boundaries	Materiality Topic Management Principles	20
Materiality Topic: Energy and Greenhouse Gas Reduction				
GRI 3-3	Materiality Topic Management	Explanation of Materiality Topics and Their Boundaries	Materiality Topic Management Principles	21
	302-01	Energy consumption within the organization	4.3 Energy and Greenhouse Gas Reduction	94, 95, 96
GRI 302: Energy 2016	302-04	Reduction of energy consumption	4.3 Energy and Greenhouse Gas Reduction	95, 97
	302-05	Reductions in energy requirements of products and services	2.1 Innovative Technologies	52
GRI 305: Emissions 2016	305-04	GHG emissions intensity	4.3 Energy and Greenhouse Gas Reduction	94
	305-05	Reduction of GHG emissions	4.3 Energy and Greenhouse Gas Reduction	95

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Topic-Specific GRI Standards

GRI Standards number	Disclosure item	Description	Corresponding chapter or section	Page Number
Materiality Topic: Workplace Safety and Health				
GRI 3-3	Materiality Topic Management	Explanation of Materiality Topics and Their Boundaries	Materiality Topic Management Principles	21
	403-01	Occupational health and safety management system	4.1 Environmental and Occupational Safety and Health	75
	403-02	Hazard Identification, Risk Assessment and Accident Investigation	4.1 Environmental and Occupational Safety and Health	82, 83
	403-03	Occupational health services	5.5 Healthy Workplace	111
	403-04	Worker participation, consultation, and communication on occupational health and safety	4.1 Environmental and Occupational Safety and Health	75
GRI 403: Occupational Health and Safety 2018	403-05	Worker training on occupational health and safety	4.1 Environmental and Occupational Safety and Health	84, 85
	403-06	Promotion of worker health	5.5 Healthy Workplace	111
	403-07	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.1 Environmental and Occupational Safety and Health	79, 80
	403-09	Work-related injuries	4.1 Environmental and Occupational Safety and Health	83
	403-10	Work-related ill health	4.1 Environmental and Occupational Safety and Health	83
Materiality Topic : Sustainability Disclosure				
GRI 3-3	Materiality Topic Management	Explanation of Materiality Topics and Their Boundaries	Materiality Topic Management Principles	21



2024 ESG REPORT

About This Report

CH1 Corporate Governance

CH2 R&D and Innovation

CH3 Product Responsibility

CH4 Environmental Sustainability

CH5 Employee Care

CH6 Social Inclusion

Appendices

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Independent Third Party Verification Opinion

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SASB – SEMICONDUCTORS INDICATOR INDEX

Materiality Topic	CODE	Category	Accounting metrics	Corresponding chapter or section	Page Number
Greenhouse Gas Emissions	TC-SC-110a.1	Quantitative	Gross global Scope 1 emissions	4.3 Energy and Greenhouse Gas Reduction	94
			Amount of total emissions from perfluorinated compounds	4.3 Energy and Greenhouse Gas Reduction	94
	TC-SC-110a.2	Discussion and Analysis	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	4.3 Energy and Greenhouse Gas Reduction	93
Energy Management in Manufacturing	TC-SC-130a.1	Quantitative	Total energy consumed	4.3 Energy and Greenhouse Gas Reduction	95
			Percentage grid electricity	4.3 Energy and Greenhouse Gas Reduction	94
			Percentage renewable	4.3 Energy and Greenhouse Gas Reduction	94
Water Management	TC-SC-140a.1	Quantitative	Total water withdrawn, percentage of each in regions with High or Extremely High Baseline Water Stress	4.3 Energy and Greenhouse Gas Reduction	96
			Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	4.3 Energy and Greenhouse Gas Reduction	96
Waste Management	TC-SC-150a.1	Quantitative	Amount of hazardous waste from manufacturing, percentage recycled	4.4 Waste Management	97
Employee Health & Safety	TC-SC-320a.1	Discussion and Analysis	Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards	4.1 Environmental and Occupational Safety and Health	78, 79, 80, 81, 82
			TC-SC-320a.2	Quantitative	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations
Recruiting & Managing a Global & Skilled Workforce	TC-SC-330a.1	Percentage	Percentage of employees that are (1) foreign nationals and (2) located offshore	5.1 Work Team	101
Product Lifecycle Management	TC-SC-410a.1	Quantitative	Percentage of products by revenue that contain IEC 62474 declarable substances	Holtek does not directly produce products that require declaration of IEC 62474 substances	-
			TC-SC-410a.2	Quantitative	Processor energy efficiency at a system-level for: (1) servers, (2) desktops, and (3) laptops
Materials Sourcing	TC-SC-440a.1	Discussion and Analysis	Description of the management of risks associated with the use of critical materials	3.3 Sustainable Supply Chain Management	71
Intellectual Property Protection & Competitive Behavior	TC-SC-520a.1	Quantitative	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	No violations of the law in 2024	-
Total production	TC-SC-000.A	Quantitative	Varying by product category	CH2. R&D and Innovation	51
Percentage of production from owned facilities	TC-SC-000.B	Quantitative	Total production from its own manufacturing facilities	Not applicable. Holtek is a fabless chip designer without any large-scale production lines or other facilities. It is mainly responsible for chip R&D, design and sales.	-

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Sustainability Disclosure Indicator - Semiconductor Industry

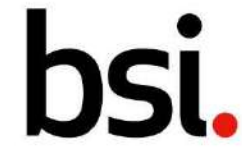
No.	Indicator	Indicator Type	Unit	Corresponding chapter or section	Page Number
I	Total energy consumption, percentage of purchased electricity and utilization rate of renewable energy	Quantification	billion GJ, %	4.3 Energy and Greenhouse Gas Reduction	94, 95
II	Total water intake and total water consumption	Quantification	1000 m ³	4.3 Energy and Greenhouse Gas Reduction	96
III	Weight and recovery percentage of hazardous waste generated	Quantification	metric ton (t), percentage (%)	4.4 Waste Management	97
IV	Describe the type, number of people and ratio of occupational hazards	Quantification	Percentage (%), quantity	4.1 Environmental and Occupational Safety and Health	83
V	Disclosure of product lifecycle management: including the weight of scrapped products and electronic waste and the percentage of recycling (Note 1).	Quantification	metric ton (t), percentage (%)	4.4 Waste Management	97
VI	Description of risk management related to the use of key materials	Qualitative description	Not applicable	3.3 3.3 Sustainable Supply Chain Management	71
VII	Total monetary loss caused by legal proceedings related to anti-competitive practice regulations	Quantification	Currency for reporting	1.3 Ethical Corporate Management	40
VIII	Production volume of main products by category	Quantification	Varies by product type	1.1 Operating Performance	31

Note 1: If it includes the sale of leftover materials or other recycling treatments, relevant explanations should be provided.

Climate Related Information of TWSE and TPEX Listed Companies

No.	Item	Corresponding chapter or section	Page Number
1	Explain the board' s and the management' s oversight and governance of climate related risks and opportunities.		
2	Explain how the identified climate risks and opportunities affect the Company' s business, strategy and finance (short-term, medium-term and long-term).		
3	Explain the financial impact of extreme climate events and transformation actions.		
4	Describe how the identification, assessment and management processes of climate risks are integrated into the overall risk management system.		
5	If a scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions and analysis factors used and main financial impacts should be explained.		
6	If there is a transformation plan for managing climate related risks, explain the content of the plan and the indicators used to identify and manage physical and transformation risks and objectives.		
7	If internal carbon pricing is used as a planning tool, the basis for pricing should be explained.		
8	If climate related goals have been set, information should be provided on the activities covered, greenhouse gas emission scopes, planning period, and annual progress achieved. If carbon offsetting or renewable energy certificates (RECs) are used to achieve relevant goals, the sources and quantities of carbon credits or the number of RECs for the offsetting should be stated.		
9	Greenhouse Gas (GHG) Inventory, Verification Status, Reduction Targets, Strategy, and Concrete Action Plan.	4.2 Response to Climate Change	87
		There is no related planning at the moment	-

Independent Third Party Verification Opinion



INDEPENDENT ASSURANCE OPINION STATEMENT

HOLTEK 2024 ESG REPORT

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

Scope

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

1. The assurance scope is consistent with the description of HOLTEK 2024 ESG REPORT.
2. The evaluation of the nature and extent of the Holtek's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.
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 HOLTEK 2024 ESG REPORT provides a fair view of the Holtek sustainability programmes and performances during 2024. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the Holtek and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate Holtek'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 Holtek'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 review of issues raised by external parties that could be relevant to Holtek's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 14 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of 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), GRI Standards and SASB Standard(s) is set out below:

Inclusivity

This report has reflected a fact that Holtek 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 Holtek's inclusivity issues.

Materiality

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

Responsiveness

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

Impact

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

GRI Sustainability Reporting Standards (GRI Standards)

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

SASB Standards

Holtek 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

The ESG REPORT is the responsibility of the Holtek'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.



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Statement No: SRA-TW-783256
2025-06-30

For and on behalf of BSI:

Peter Pu, Managing Director BSI Taiwan

Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.

A Member of the BSI Group of Companies.