



DAVICOM Semiconductor, Inc.
2024 Sustainability Report



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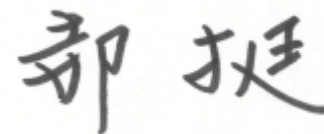
Chairman's Words

Since founded in 1996, DAVICOM Semiconductor Inc. (hereinafter referred to as Davicom) has steadfastly upheld its founding philosophy of “Integrity as the cornerstone, Value in Co-Creation,” pursuing a balanced path between customer satisfaction and reasonable return. Guided by the vision of “Connectivity Beyond Limits,” Davicom has charted its own course of sustainable growth. In an era marked by rapid technological transformation and intense industry competition, the Company has chosen to adopt a long-term perspective, focusing on niche markets and advancing high value-added communication chip applications to help customers seize emerging opportunities with agility.

Placing people at the heart of our operations, Davicom firmly believes that enduring growth must be rooted in trust and shared value. Its corporate culture—shaped by the principles of diligence, agility, value, integrity, cooperation, opportunity, and modesty—not only permeates daily operations but also serves as the driving force behind the Company’s steady presence in the global marketplace. Over the years, Davicom has provided a wide range of IC design products and services spanning computers, mobile devices, automotive applications, and the Internet of Things. With a commitment to innovation, energy efficiency, and reliability, the Company continues to deliver cutting-edge solutions that generate lasting value in partnership with its customers.

In the realm of corporate governance, Davicom has consistently upheld integrity as its foundation, establishing a transparent and accountable governance framework. Through rigorous internal controls and comprehensive risk management mechanisms, the Company safeguards the rights and interests of both shareholders and employees. These efforts earned Davicom the distinction of ranking within the top 5% in corporate governance evaluations, setting a benchmark for listed companies in that year. Even when confronted with global challenges such as the COVID-19 pandemic, the Company demonstrated resilience and agility, sustaining profitability and receiving recognition with the Asia-Pacific Enterprise Award in 2023. As the U.S.–China semiconductor conflict intensified in 2024, Davicom proactively expanded into European markets to mitigate

geopolitical risks. With the collective dedication of its employees, the Company achieved the milestone of 76 consecutive profitable quarters, ensuring that the honor of the Asia-Pacific Enterprise Award continues to shine brightly.

A handwritten signature in black ink, consisting of two large, stylized Chinese characters: "郝挺" (Hao Ting).

Dr. Ting Hao

Chairman of DAVICOM Semiconductor, Inc.

Confronted with the defining challenge of climate change, Davicom leverages technology as a bridge to actively advance the green transition. Anchoring its research and development on low-power and energy-efficient innovations, the Company launched in 2024 a product solution capable of reducing power consumption by 62.5%. In partnership with its customers, Davicom is building a low-carbon supply chain to collectively progress toward the goal of net-zero emissions. At the same time, the Company embraces the responsibility of fostering an inclusive and diverse workplace, cultivating employees’ sense of pride and creativity, and embedding resilience as a core corporate value.

Looking to the future, Davicom will chart its corporate blueprint with a global perspective, honoring its long-term commitments to customers, employees, investors, and society with integrity as its guiding principle. Beyond continuously strengthening its core technological competitiveness, the Company seeks to extend its social influence as a technology enterprise by engaging in education, culture, and the arts. In doing so, Davicom strives to realize the contemporary value of harmony between technology and humanity, advancing toward a more resilient and responsible future.

Regarding the 2024 Sustainability Report

Basis of Preparation

This Report has been prepared in accordance with the GRI Sustainability Reporting Standards 2021 (GRI Standards 2021), with additional disclosures made with reference to the Sustainability Accounting Standards Board (SASB) standards. Furthermore, it has been compiled in compliance with the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, providing a transparent account of the Company's corporate social responsibility practices and performance for disclosure to stakeholders. Corresponding cross-reference tables are provided in the Appendix.

Reporting Cycle, Scope and Period

Davicom Semiconductor Inc. (hereinafter referred to as "Davicom") publishes its Sustainability Report on an annual basis. This Report covers the period from January 1, 2024 to December 31, 2024. Data presented include greenhouse gas inventory results and financial information, encompassing all entities consolidated under Davicom's financial statements, with financial data reported in New Taiwan Dollars (NTD). Environmental and social performance indicators primarily reflect operations at Davicom's headquarters in Hsinchu, Taiwan.

Previous year's report: : July 2024

Current report issuance : July 2025

Information Restatement

There were no restatements in the 2024 report.

Report Review

All data and information contained herein were collected and consolidated by the Sustainability Committee, reviewed by relevant department heads, and subsequently verified by the Committee before submission to the Board of Directors for approval. Financial information disclosed in this Report is derived from the financial statements audited by PricewaterhouseCoopers Taiwan. In terms of quality management, the Company's ISO 9001 certification has been validated by an accredited third-party assurance body.

External Assurance

This Report has not been subject to independent third-party assurance

Contact Information

If you have any suggestions regarding the Davicom Sustainability Report, please feel free to contact us using the following methods. For your convenience, this report is also available on our official website.

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1. Identification of Stakeholders and Material Topics

1.1 Sustainability Committee

1.2 Stakeholders Engagement

1.3 Materiality Assessment

1.4 Policies and Commitments

1.5 Sustainable Development Goals

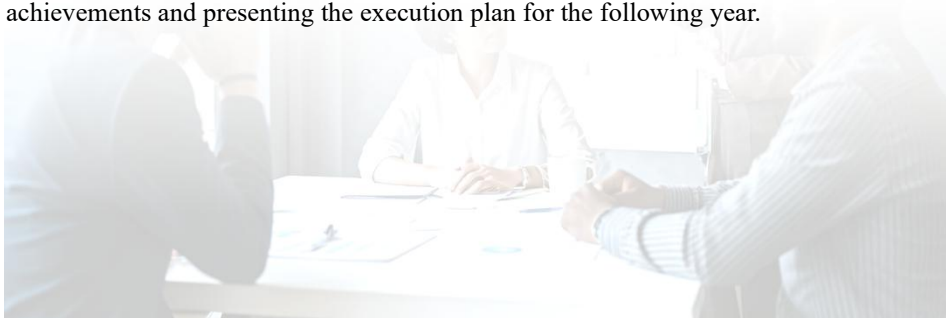
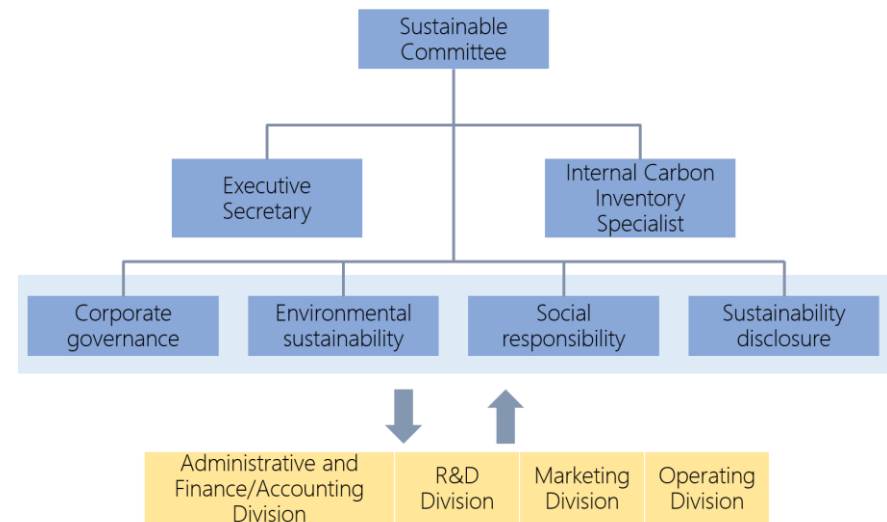
1.1 Sustainability Committee

Purpose: Implementation of Davicom's Sustainable Development Strategy

To fulfill its corporate social responsibility and advance economic, environmental, and social progress toward the goal of sustainable development, Davicom established its Practice Principles for Corporate Social Responsibility on November 10, 2014, and further enacted the Sustainable Development Best Practice Principles on January 25, 2023, as the guiding framework for executing its sustainability strategy.

Governance Structure

In alignment with the UN Sustainable Development Goals (SDGs), Davicom has established the Sustainable Committee to oversee the management of sustainability-related impacts. The Chairman of the Board serves as the Committee Chair, responsible for the overall supervision and coordination of corporate sustainability strategies. The Committee is supported by an Executive Secretary and an Internal Carbon Inventory Specialist, who work in collaboration with the company's Administrative and Finance/Accounting Division, R&D Division, Marketing Division, and Operating Division. Together, they implement sustainability strategies across four key dimensions: corporate governance, environmental sustainability, social responsibility, and sustainability disclosure. The Executive Secretary reports to the Committee every six months on the progress and outcomes of sustainability initiatives. The Committee then evaluates the results and provides recommendations to ensure that the company achieves its sustainability objectives. At the end of each year, the Committee submits a comprehensive report to the Board of Directors, outlining the year's sustainability achievements and presenting the execution plan for the following year.



1.2 Stakeholders Engagement

Stakeholders are defined as groups that influence, or are influenced by, Davicom. In identifying stakeholders, the Company refers to the AA1000 Stakeholder Engagement Standards (AA1000 SES 2015) and its five core principles: Dependency, Responsibility, Tension, Influence, and Diverse Perspectives. Based on these principles, the Company assesses the groups or organizations that are both impacted by and hold significance to Davicom.

Each department conducts a preliminary screening of stakeholders encountered through routine business interactions. Further evaluations consider the frequency of engagement and the degree of mutual influence, supported by internal discussions and industry benchmarking. From this process, Davicom identifies five categories of stakeholders with direct relevance: shareholders/investors, clients, suppliers, employees, and regulatory authorities(include Financial Supervisory Commission, Ministry of Environment, Ministry of Labor, and Science Park Bureau etc.)

Davicom's Sustainability Committee gathers key stakeholder concerns raised during daily business interactions, as well as insights from research institutions on international semiconductor companies. In addition, the Committee refers to the GRI Sustainability Reporting Standards (2021 edition) and peer ESG reports to identify 22 sustainability issues for Davicom, ensuring both the completeness and diversity required under the GRI Standards.

In defining these issues, Davicom also considers critical aspects of corporate operations, essential resources, continuity of business activities, and the broader supply and value chains. The process further integrates global sustainability trends and key topics emphasized by international investment rating agencies. Ultimately, this assessment results in 22 sustainability issues, encompassing nine under governance, six under environment, and seven under society.

No.	Corporate Governance	Environmental sustainability	Social Prosperity
1	Risk management	Carbon Management	Labor-management relations
2	Corporate Resilience	Waste	Employees' health
3	Innovation R&D	Water resource	Compensation and welfare
4	Client privacy	Energy Management	Safety and Comfort
5	Information security	Environmental Product Declaration	Career development
6	Supply chain management	Carbon footprint	Diversity, Equity, and Inclusion
7	Internal auditing		Social concern
8	Regulatory Compliance		
9	Competitive behavior		

To better understand and respond to stakeholder concerns, the Company provides a variety of communication channels to facilitate effective dialogue and engagement. These mechanisms enable stakeholders to share feedback at any time, allowing the Company to identify material sustainability topics from different perspectives and respond in a timely manner.

Stakeholders	Importance to us	Communication Channels	Communication Frequency	Concerned Issues	Responsible Units	Outcomes
Shareholders/ investors	Shareholders are the investors of the company. It is essential to protect their rights, treat all shareholders fairly, and ensure they are well-informed, able to participate in, and make decisions on significant company matters.	• Shareholder's meetings • Market Observation Post System • Company's website • Phone calls • E-mails	• Shareholder's meetings /annually • Company's website、Phone calls/ongoing	•Risk management •Innovation R&D •Internal auditing •Corporate Resilience •Competitive behavior	Administrative and Finance/Accounting Division	• Communication through Annual Shareholders' Meetings • Real-time engagement via digital media
Clients	Clients are the primary source of the company's profits. Ensuring high product quality and maintaining excellent interactions with client are the company's most steadfast commitments.	• Customer satisfaction survey • Corresponding department hotline	• Customer satisfaction survey/annually • Corresponding department hotline / ongoing	•Client privacy •Competitive behavior •Carbon Footprint •Environmental Product Declaration	Marketing Division	Telephone interviews and customer satisfaction surveys
Suppliers	The company's products rely on long-term supply partners who provide stable services, technology, and components.	• Regular supplier evaluations • Confidentiality agreements	Regular supplier evaluations / periodically	•Risk management •Business ethics •Competitive behavior •Supply chain management	Operating Division	• Regular performance evaluations • Execution of confidentiality agreements
Employees	Employees are the company's most valuable asset. The company offers competitive compensation and benefits to ensure talent retention, and is dedicated to creating a healthy, diverse workplace environment for employee development.	• Labor-management meetings • Communication with department heads • Employee feedback mailbox, hotline	• Labor-management meetings/quarterly • Communication with department heads and Employee feedback, mailbox, hotline / ongoing	•Labor-management relations •Employees' health •Compensation and welfare •Safety and Comfort •Information security •Career development •Diversity in the workplace	Administrative and Finance/Accounting Division	• Labor-management meetings/quarterly - Employee feedback mailbox
Regulatory authorities	Regulatory authorities play a crucial role in overseeing and evaluating the company's governance and sustainable development. The company must adhere to the policies and regulations of these authorities, ensuring compliance with legal and national policy requirements.	• Company website • Financial reports • Annual reports • Sustainability reports	• Company website / irregularly • Financial reports / quarterly • ESG / irregularly	•Emissions of greenhouse gases •Waste •Resources management •Water resource •Safety and Comfort •Compensation and welfare •Diversity, Equity, and Inclusion •Labor-management relations •Biodiversity	Administrative and Finance/Accounting Division	Continuously updated information on the Company website

1.3 Materiality Assessment

The Company adopts the four Accountability Principles of the AA1000 Standard—Materiality, Inclusivity, Responsiveness, and Impact—and follows GRI 3: Material Topics (2021) to further evaluate the significance of material topics in terms of economic, environmental, and human rights impacts. The assessment process is carried out as follows:

Identification of Impacts and Evaluation of Significance

Based on the sustainability issues identified in the previous step, Davicom evaluates both actual and potential positive and negative impacts associated with each topic.

Positive Impacts : These may arise when the Company has established relevant management policies and effectively implemented them, thereby generating favorable or significant performance outcomes. Such impacts represent positive contributions to economic, environmental, and social sustainability.

Negative Impacts: : These may occur when the Company fails to implement, or inadequately manages, relevant sustainability issues. In such cases, overall corporate operations may exert adverse effects on external economic, environmental, and social systems.



Prioritization of Impacts

For the 22 identified sustainability issues, the responsible departments of the Company invited key stakeholders to complete questionnaires for evaluation. All distributed questionnaires were returned, achieving a 100% response rate. Based on the valid responses, 21 issues were identified as materialities.

Subsequently, these 21 materialities were submitted to departmental heads, who assessed and scored their respective levels of internal and external impact on the Company. The results were consolidated and presented to the Sustainable Committee for discussion. Through this process, the Committee confirmed the top 10 material topics as the Company's key priorities for the year. These topics are disclosed in the Sustainability Report, along with corresponding management approaches and disclosure items.

To ensure balance and comprehensiveness in information disclosure, the Company has also reported on the implementation outcomes of the remaining topics ranked 11th to 21st, thereby providing stakeholders with a complete account of Davicom's contributions to sustainability and social responsibility.

Dimension	Materiality	Positive	Negative
Corporate Governance	Risk management	68	87
	Corporate Resilience	74	84
	Innovation R&D	90	107
	Client privacy	62	80
	Information security	60	94
	Supply chain management	84	101
	Internal auditing	86	82
	Regulatory Compliance	80	88
	Competitive behavior	72	93
Environment	Greenhouse gas	77	87
	Waste	68	79
	Water resource	58	74
	Energy Management	64	82
	Environmental Product Declaration	87	96
	Carbon Footprint	73	98
Social	Labor-management relations	83	82
	Employees' health	79	81
	Compensation and welfare	88	84
	Safety and comfort	64	61
	Career development	69	63
	Diversity, Equity, and Inclusion	70	66

▲ List of Materiality

No.	Material Topics	No.	Sustainability issues
1	Innovation R&D	11	Employees' health
2	Supply chain management	12	Corporate Resilience
3	Environmental Product Declaration	13	Risk Management
4	Compensation and welfare	14	Information security
5	Carbon Footprint	15	Waste
6	Regulatory Compliance	16	Resources management
7	Internal auditing	17	Client privacy
8	Competitive behavior	18	Diversity, Equity, and Inclusion
9	Labor-Management Relations	19	Water resource
10	Emissions of greenhouse gases	20	Career development
		21	Safety and Comfort

▲ Prioritization of Material Topics

List of Material Topics

Compared with the previous year, Davicom has expanded its list of material topics to include environmental product declaration, carbon footprint, regulatory compliance, internal auditing, and competitive behavior, thereby covering corporate governance, environment, and social dimensions in alignment with the Company's sustainability objectives. In addition to heightened attention from external stakeholders, both industry peers and employees have shown increasing concern for these issues, with the impact assessment results clearly reflecting their growing importance at both domestic and international levels.

Following the Company's established disclosure practices, the top ten material topics with the greatest impact on operations have been designated as Davicom's primary ESG topics for 2024, while those ranked 11 through 21 are identified as secondary ESG topics. Accordingly, issues such as employee health, corporate resilience, risk management, information security, waste management, energy management, client privacy, diversity, equity and inclusion, water resources, career development, and safety and comfort are each addressed in the relevant chapters of this Report.

The Disclosure of Top 10 Material Topics in Davicom's 2024 Sustainability Report

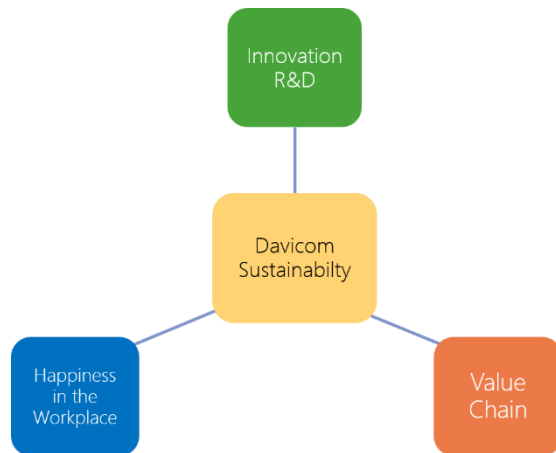
Dimension	Material Topics	Significance and Positive/Negative Impacts on Davicom	Internal Boundaries	External Boundaries				GRI Index	Report Disclosure
			Davicom	Shareholders/ investors	Suppliers	Clients	Regulatory Authorities		
Corporate Governance	Innovation R&D	Davicom leverages its stable foundation and the agile responsiveness of its management team to actively expand the industry's blue ocean, persistently developing products that contribute meaningfully to the advancement of human civilization. In 2024, the continuous launch of new products resulted in a substantial positive impact.	•	•		•		Davicom's self defined material topics	4.1 Innovation R&D and management
Corporate Governance	Supply chain management	Davicom is IC design company. While advancing our own ESG efforts, we leverage our influence on the supply chain, demanding that partners comply with local regulations and its ESG policies to collectively promote sustainable practices. This resulted in significant positive progress in environmental protection and employee care in 2024.	•		•	•		GRI 204-1	4.2 Supply Chain Management
Environment	Environmental Product Declaration	The disclosure of environmental product declaration enhances Davicom's corporate image, attracts sustainability-minded investors and customers, and strengthens competitiveness in the international marketplace. However, preparing such declarations requires significant resources, creating short-term operational pressures.	•	•		•	•	Davicom's self defined material topics	4.3 Environmental Product Declaration

Dimension	Material Topics	Significance and Positive/Negative Impacts on Davicom	Internal Boundaries	External Boundaries				GRI Index	Report Disclosure
			Davicom	Shareholders/ investors	Suppliers	Clients	Regulatory Authorities		
Social	Compensation and welfare	Taking care of employees is our foremost responsibility. The company provides a comfortable and safe working environment, necessary equipment and resources, and a comprehensive compensation and benefits system, enabling employees to grow and achieve their personal goals. This had a positive impact in 2024.	•	•			•	GRI 401-2 GRI 401-3 GRI 405-2	6.1 Talent Development and Corporate Culture
Environment	Carbon Footprint	Disclosing carbon footprints helps to elevate Davicom's corporate image, attract sustainability-conscious customers and investors, and strengthen collaboration across the green supply chain. Nevertheless, it may also incur higher disclosure costs, challenges in acquiring carbon emissions data, and intensified external scrutiny of environmental responsibilities, which could constrain operational flexibility and affect corporate reputation.	•	•	•	•	•	Davicom's self defined material topics	5.6 Carbon Footprint
Corporate Governance	Regulatory Compliance	For IC design companies, regulatory compliance yields positive outcomes such as reinforcing corporate image, strengthening investor confidence, and ensuring access to international markets. Conversely, it may also result in rising compliance costs, heavier demands on human resources, and reduced operational agility due to frequent regulatory changes. Overall, effective regulatory compliance supports long-term resilience and sustainable development.	•	•			•	Davicom's self defined material topics	3.5 Regulatory Compliance
Corporate Governance	Internal auditing	Internal audit serves as a valuable mechanism for strengthening internal controls, enhancing operational efficiency, and mitigating regulatory risks, thereby reinforcing investor confidence. Nonetheless, it may also increase employee stress and affect morale; overly rigid auditing processes could constrain departmental flexibility and innovation, diminishing research and development efficiency and influencing corporate culture.	•	•			•	Davicom's self defined material topics	3.4 Risk Management

Dimension	Material Topics	Significance and Positive/Negative Impacts on Davicom	Internal Boundaries	External Boundaries				GRI Index	Report Disclosure
			Davicom	Shareholders / investors	Suppliers	Clients	Regulatory Authorities		
Corporate Governance	Competitive behavior	Competitive behavior drives IC design companies to advance technological innovation and improve product quality, thereby boosting market competitiveness and customer satisfaction. Yet, fierce competition may compress profit margins, intensify price wars, heighten operational pressures, accelerate workforce turnover, and risk technology leakage or reduced opportunities for collaboration, all of which could pose challenges to long-term development.	•	•		•	•	GRI 206-1	3.3 Integrity Management
Social	Labor-Management Relations	Stable labor relations are the cornerstone of sustainable talent development. We guarantee this through a comprehensive compensation and benefits system. The 2024 compensation and benefits met the expectations of both the company and its employees, representing a positive impact.	•	•		•	•	GRI 402-1	6.3 Labor-Management Relations
Environment	Emissions of greenhouse gases	In response to rising electricity demand caused by higher temperatures linked to climate change, and to mitigate greenhouse gas emissions, Davicom has equipped its chiller systems with variable frequency drives and adjusted air-conditioning settings to higher temperatures, thereby reducing carbon emissions. This measure represents a tangible negative impact experienced in 2024.	•			•	•	GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4	5.2 Greenhouse Gas (GHG) Inventory

1.4 Policies and Commitments

Based on its top 10 material topics for 2024, Davicom has identified three strategic pillars for the year: sustained investment in engineering services and electronic product R&D to drive greater profitability; enhanced information security to safeguard trade secrets and client privacy; and the creation of a healthy, safe, and fulfilling workplace for employees, while externally fostering long-term, stable trust with clients and collaborating with suppliers to implement energy conservation and carbon reduction initiatives, thereby minimizing environmental impacts.



The Company adheres to the Global Reporting Initiative (GRI) Standards in defining the quality of disclosures, encompassing the following eight principles: **Accuracy**—ensuring information is sufficiently precise and comprehensive for stakeholders to assess ESG performance; **Balance**—presenting both positive and negative outcomes for an impartial evaluation of overall performance; **Clarity**—communicating information in a manner that is accessible and understandable to stakeholders; **Comparability**—employing internationally recognized standards to collect and disclose information, enabling long-term performance analysis; **Completeness**—providing adequate

information to assess organizational impacts within the reporting period; **Sustainability Context**—reporting impacts within the broader framework of sustainable development; **Timeliness**—disclosing information on a regular basis to support stakeholder decision-making; and **Verifiability**—ensuring data collection, recording, compilation, and analysis are conducted in a manner that allows independent assurance of quality.

Davicom remains steadfast in its commitment to sustainable development

The Company pursues a prudent management approach, firmly grounded in regulatory compliance across corporate governance, environmental stewardship, and employee care. By rigorously adhering to commercial, environmental, and labor laws in its daily operations, the Company has effectively avoided adverse impacts, safeguarding both business continuity and corporate reputation.



1.5 Sustainable Development Goals

The Sustainable Development Goals (SDGs) were introduced by the United Nations in 2015, outlining 17 goals and 169 targets to guide member states and global enterprises towards sustainable development by 2030. In the rapidly evolving technological landscape, we face numerous challenges and opportunities. To achieve these goals, we have implemented various strategies and measures: emphasizing technological innovation and R&D investment to enhance product competitiveness and technical content. By continuously improving existing products and developing new technical solutions, we aim to meet the needs of clients and markets. We place a high value on talent cultivation and team management, offering professional training, a favorable working environment, and development opportunities to attract and retain outstanding talent. Additionally, we emphasize social responsibility and environmental protection by actively developing energy-saving products, supporting public welfare, and striving to reduce energy consumption and greenhouse gas emissions to achieve environmental sustainability goals. We also build close partnerships with collaborators to drive industry development and innovation together. In summary, Davicom's sustainable development goals focus on continuous innovation, valuing talent, fulfilling social responsibilities, and achieving mutual success through collaboration, ensuring long-term and stable development.

SDGs	Targets	Our response
 4 優質教育	4.5 Eliminate education disparities, ensuring that disadvantaged groups, including individuals with disabilities, indigenous peoples, and vulnerable children, have access to education and vocational training.	【Social Participation】 →Through industry-academia cooperation, achieve mutual learning and understanding across generations, promoting corporate sustainability.
	4.7 Promote education for sustainable development, sustainable lifestyles, human rights, gender equality, and a culture of peace and non-violence.	
 7 可負擔的 潔淨能源	7.1 Ensure access to affordable, reliable, and modern energy services for all by 2030. 7.3 Double the global rate of improvement in energy efficiency by 2030.	【Innovation and R&D, Risk Management】 → Actively develop and launch products that enhance energy efficiency.

SDGs	Targets	Our response
 8 尊嚴就業與經濟發展	8.2 Achieve higher economic productivity through diversification, technological upgrading, innovation, focusing on high value-added sectors. 8.5 Achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities, and equal pay for work of equal value by 2030. 8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, particularly women and those in precarious employment.	【Innovation R&D、Business Performance、Corporate Governance、HR Policy、Talent Recruitment、Healthy Workplace、Employee Development、Customer satisfaction、Reasonable return、Compensation and welfare、Regulatory Compliance】 →Treat all employees equally regarding compensation, advancement opportunities. →Respect for labor rights, including the prohibition of child labor and discrimination. →Implement occupational health and safety management systems to significantly improve workplace safety
 9 產業創新與基礎設施	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, in accordance with respective capabilities. 9.b Support domestic technology development, research, and innovation in developing countries, including creating a conducive policy environment for, inter alia, industrial diversification and value addition to commodities.	【Customer satisfaction and reasonable return】 →Innovation originates from a system where each specific innovation stems from one or more system components, interconnected. →Through close cooperation along the value chain, we research and innovate to enhance product value.
 11 永續城市與社區	11.2 By 2030, provide access to safe, affordable, accessible, and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of vulnerable groups, including women, children, persons with disabilities, and older persons. 11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.	【Innovation and R&D, Risk Management】 →Continuously participate in the development of future electric vehicle technologies through industry-academia collaboration (Smart Mobility, Great Future), creating value in green transportation topics with value chain partners.
 12 負責任的消費與生產	12.2 Achieve sustainable management and efficient use of natural resources by 2030. 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse. 12.6 Encourage companies, especially large and transnational ones, to adopt sustainable practices and integrate sustainability information into their operation plan.	【Responsible Production and Sales, Supply Chain, Compliance with Environmental Regulations, Risk Management】 →Implement green products and continuously improve production processes to reduce waste.

SDGs	Targets	Our response
 13 氣候行動	13.2 Integrate climate change measures into national policies, strategies, and planning. 13.3 Improve education, awareness, and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.	【Customer Satisfaction, Reasonable Return, Risk Management, Climate Change, Supply Chain, Energy Use, Greenhouse Gas Emissions】 →Adhere to the TCFD framework for climate-related financial disclosures, ensuring effective governance of climate risks and opportunities.
 17 夥伴關係	17.6 Enhance South-North, South-South, and triangular regional and international cooperation on and access to science, technology, and innovation, and enhance knowledge sharing on mutually agreed terms, including through improved coordination among existing mechanisms, particularly at the UN level, and through a global technology facilitation mechanism. 17.8 Fully operationalize the technology bank and science, technology, and innovation capacity-building mechanism for least developed countries by 2017, and enhance the use of enabling technology, in particular information and communications technology.	【Global Partnerships】 →Promote the development of the communication technology industry by integrating core technologies into product applications through industry-academia cooperation projects.



2. About DAVICOM Semiconductor

2.1 Company Profile

**2.2 Material Information and Product
Development**

2.3 Core Value and Operational Strategies

**2.4 Corporate Resilience: Building a Resilient
Foundation for Future Challenges**

2.5 Operational Performance

2.1 Company Profile

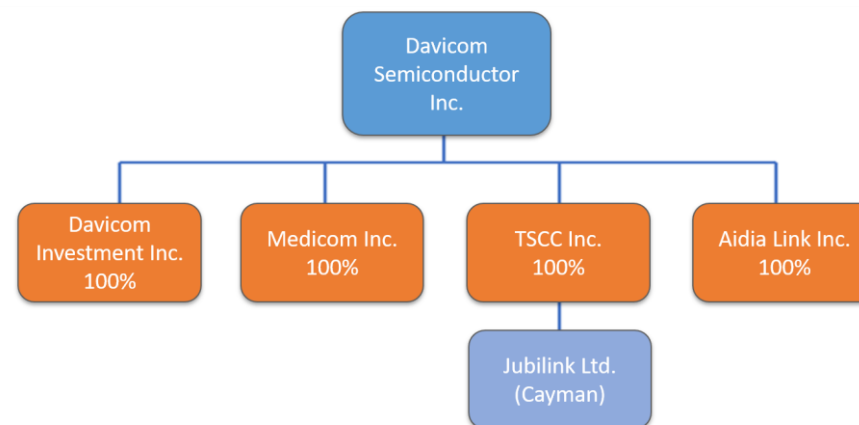
DAVICOM Semiconductor Inc. was founded in 1996 by a networking/communication team under United Microelectronics (UMC) and US-based networking/communication experts. Since being founded in 1996, with the foundation of Ethernet along with the industry trend, we developed Ethernet controller ICs firstly and then, in line with industrial development trends, has developed and produced networking ICs used in embedded systems and engaged in innovation and R&D of software technology, with products widely used in broadcasting equipment for Internet connection and telecom set-top boxes. We began R&D of ICs used in smart medical care in 2013, development of EPD (E-Paper Display) driver ICs for innovative application to electronic shelf labels in 2014. Furthermore, we have focused on integration of AI with our Ethernet technology and development of innovative products since 2018. In 2020, we stepped into UHF RFID and then began to provide most competitive ICs and chip solutions to help clients keep abreast of the latest trend of AIoT development and thereby shorten time to market.

“Connectivity Beyond Limits” is our sustainability-related vision, “development and promotion of environmentally friendly technologies” is our mission, “forward looking, steadiness” is our gene, and “customer satisfaction and reasonable return” is our insistence. Based on the belief of “walk steadily for long-distance destinations”, we are moving toward corporate sustainability goals. With spiritual cohesion of all employees, we keep creating sustainability value that is balanced among social harmony, economic sustainability and environmental sustainability.

Organizational profile

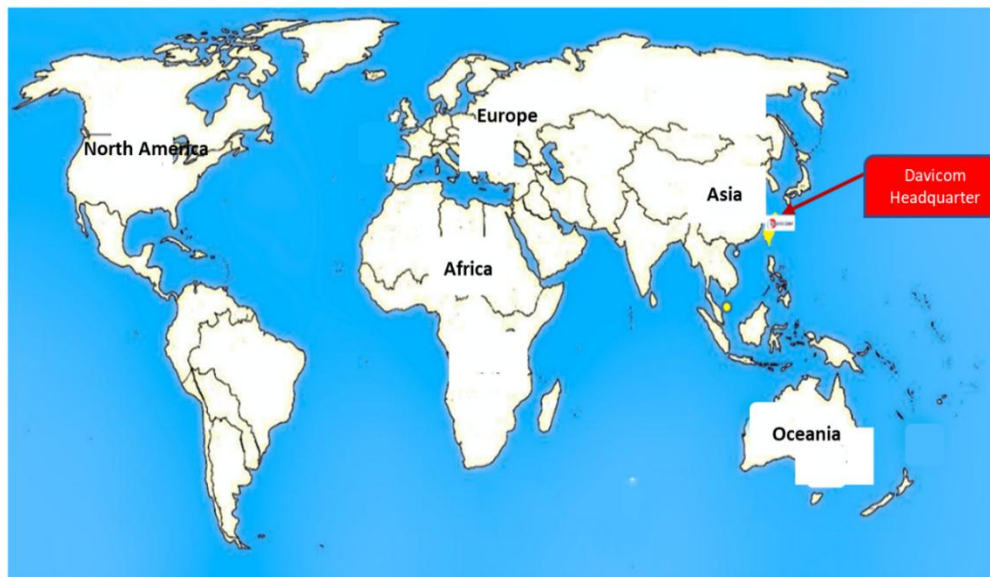
Full corporate name	DAVICOM Semiconductor, Inc.
Capital amount	NT\$831 million
Total number of employees	66
Date of establishment	August 16, 1996
Stock listed	Our stock shares were initially listed on the Taiwan Stock Exchange on August 6, 2007 (stock code: 3094)
Chairman	Ting Hao
President	Eric Lin
Operational headquarter	No. 6, Li-Hsin VI Road, Hsinchu Science Park, Hsinchu City 30078, Taiwan,
Location of operation	Taiwan, China, Europe, and the U.S.

Organizational chart of affiliates



Name of enterprise	Time of being established/invested	Address	Paid-in capital	Main items of business operation
DAVICOM Investment Inc	April 2006	2nd Floor, No. 1, Lane 53, Xinzhuang Street, Hsinchu City	NT\$212 million	General investment business
Medicom Corp.	July 2010	2nd Floor, No. 1, Lane 53, Xinzhuang Street, Hsinchu City	NT\$ 1 million	IC design and manufacturing industry
Aidia Link Inc.	October 2016	Unit 3, 15th Floor, No. 60-3, Chien-Hsin Road, Hsinchu City	NT\$80.0 million	Manufacturing of mechanical equipment used in wireless communication
TSCC Inc.	January 2002	TrustNet Chambers, Poteau P.O. Box 1225, Apia, Samoa.	US\$4.4 million	General investment business
Jubilink Ltd.	January 2002	P.O. Box 219, Grand Cayman	US\$2.5 million	General investment business

Sales agents around the world (for information on sales agents, please refer to



Europe

France
 The Netherlands/Belgium/Italy/Spain
 Israel/Ukraine
 Germany/Switzerland/Austria
 Norway/Finland/Poland/Denmark/Sweden
 UK/Ireland/Turkey

Africa

South Africa

Asia

Japan
 South Korea
 India
 Southeast Asia
 China

Oceania

New Zealand
 Australia

2.2 Material Information and Product Development

Year	Material Information and Product Development
1996	Founded in Hsinchu Science Park with NT\$130,000,000 capital.
1997	1. Additional Cash Capital NT\$60,000,000, Paid-up Capital increased to NT\$190,000,000. 2. Launched 2 in 1 Internet Chip (DM9101F), 10/100M Base-TX PHY+MLT3 single chip Transceiver. 3. Additional Cash Capital NT\$50,000,000, Paid-up Capital increased to NT\$240,000,000. 4. Davicom was authorized by ISO 9001.
1998	Launched 3 in 1 Internet Chip (DM9102F), Bus MAC Controller and PHY/Transceiver.
1999	1. Additional Cash Capital NT\$160,000,000, Paid-up Capital increased to NT\$400,000,000. 2. Launched 56K Modem Chip (DM560P). 3. Launched DM9801, 0.35μm 1 Mbps Home Networking PHY/Transceiver. 4. Securities and Futures Institute authorized public offering.
2000	1. Replenished earnings and employee bonuses NT\$109,500,000 into Capital, Paid-up Capital increased to NT\$509,500,000. 2. Launched DM9102A, Bus MAC Controller and PHY/Transceiver.
2001	1. Replenished earnings and employee bonuses NT\$21,880,000 into Capital, Paid-up Capital increased to NT\$531,380,000. 2. Launched DM9000, NON-PCI Bus MAC Controller and PHY/Transceiver.
2002	1. Launched DM9331A, Fiber Ethernet media converter chip. 2. Fulfilled the requirements of Emerging listing.

Year	Material Information and Product Development
2003	1. Launched the world's smallest IrDA MODEM Module. 2. Developed 802.11b WLAN MAC Control Chip. 3. Developed 802.11b WLAN MAC Control Chip. 4. DM9700, 1.8/3.3V 0.18μm 10/100/1000M Base-TX Single chip Gigabit MAC and PHY transceiver. 5. DM9102C, 2.5/3.3V 0.25μm 10/100M Base-TX Integrated PCI, Single chip Bus Embedded System. 6. Davicom was authorized by ISO 9001: version 2000. (Issued by Lloyd's Register Inspection Limited Taiwan Branch for and on behalf of Lloyd's Quality Assurance Limited) 7. Launched DM562AP, Support MFP G3 33.6K color fax with T.31 command.
2004	1. Launched DM562AP, Support MFP G3 33.6K color fax with T.31 command. 2. Additional Cash Capital NT\$108,620,000, Paid-up Capital increased to NT\$640,000,000. 3. Obtained Technology Company Listed Recommendation from Industrial Development Bureau of Economic Affairs. 4. Launched DM3003, USB 2.0 Card Reader Controller 5. Developed DM8603, Gigabit Switch.
2005	1. Developed DM8603, Gigabit Switch. 2. Launched DM6588A-E5 2.5/3.3V 0.25μm. 3. Launched DM9000A-E7.
2006	1. Launched an integrated program of DM9218 and IP-CAM 2. Launched an integrated program of DM9218 and IP-CAM 3. Launched DM9013. 4. Launched DM9013. 5. Launched DM6588A-E6 2.5/3.3V 0.25μm and multi-function fax modem chip.

Year	Material Information and Product Development
2007	1. Launched DM9000B 0.18 μm 2. Launched DM9161B 0.18 μm 3. Obtained Technology Company Listed Recommendation from Industrial Development Bureau of Economic Affairs. 4. Distributed stock dividends from retained earnings and employee bonus NT\$10,542,000 transferred into Capital, Paid-up Capital increased to NT\$700,700,000. 5. Mass production of DM9003/ DM9103 and hit the market. 6. Additional Cash Capital NT\$93,430,000, Paid-up Capital increased to NT\$794,131,000. 7. Listed on Taiwan Stock Exchange (Code-3094) on August 6th. 8. Launched the DM9102H, a 0.18μm high-speed Ethernet single-chip with a PCI interface dedicated for embedded systems.
2008	1. Launched the solution of IP2001 MPEG4 IP Camera. 2. Launched DM9016, Embedded Ethernet Switch Controller.
2009	1. Launched DM9620, USB2.0 to Ethernet MAC Controller. 2. Launched DM9302 3. Davicom was authorized by ISO 9001: version 2008. (Issued by Lloyd's Register Inspection Limited Taiwan Branch for and on behalf of Lloyd's Quality Assurance Limited) 4. Launched DM9621, Ethernet MAC Controller for USB Dongle
2010	1. Developed 802.3az Energy-saving technology. 2. Launched DM9161C 3. DM9620 & DM9621 certified by USB IF (ITD40001021). 4. Launched DM8606C. 5. Launched DM8603/DM8203. 6. Davicom won Gold Medal of 2010 Standard Chartered SMEs. 7. DM9620 & DM9621 certified by Microsoft drivers. 8. Developed IEEE1588 Precise time synchronization technology.

Year	Material Information and Product Development
2011	1. Developed DM8806. 2. Developed DM8603A. 3. Developed DM9633 USB3.0, to Ethernet MAC Controller. 4. Launched DM9162 (162um).
2012	1. Launched DM9620A/ DM9621A, USB to Ethernet MAC Controller. 2. Launched DM8806/ DM8806I 3. Launched hearing aid software “HearingAmp” and was available on iTunes. 4. Launched Medical Care return pass system hardware, firmware and server platform.
2013	1. Launched new IC product line: Video Decoder 1-Channel: DM5900/ DM5960/ DM5150/DM5160. 2. Launched hearing aid software “HearingAmp V1.2” and was available on iTunes.' 3. Launched new IC product line: Video Decoder 4-Channel: DM5865/ DM5866/DM5885/DM5886. 4. Launched hearing aid software “HearingAmp V1.3” and was available on iTunes. 5. Launched Medical Care return pass system Apps.
2014	1. Launched DM9051 IoT SPI Mac Controller 2. Purchased Teamtech Technology Corp EPD Driver and SoC IC product line 3. Launched DM9051. 4. Launched DM9163 Smart Grid Data Collector and Concentrator 5. Launched DM9162A 24-pin 10/100M PHY 6. Launched DM120C16EP and DM130036GP EPD Driver ICs (SoC & Driver) 7. Launched hearing aid software “HearingAmp V1.4” and was available on iTunes. 8. Launched hearing aid software “HearingAmp V1.5” and was available on iTunes. 9. Launched DM171F08D and DM118P08D microcontrollers for medical and consumer electronics

Year	Material Information and Product Development
2015	1. Launched DM5900N Video Decoder (QFN package) 2. Developed embedded portable hearing aid software “HearingPod V1.0” 3. Developed voltage mode low-power high speed Ethernet transceiver chipsets.
2016	1. Launched hearing aid software “HearingAmp V1.6” and was available on iTunes. 2. Developed a digital circuit with flexible operation capability to precisely control an analog circuit and can be applied to medical products. 3. Completed the foresighted hearing aid platform of HearingPod V1.1 smart device. 4. Launched hearing aid software “HearingAmp V1.7” and is available on iTunes.
2017	1. Completion of smart hearing aid device, HearingPod V1.3, with advanced internet-driven application platform. 2. Development of massive node topology of Electronic Shelf Label (ESL) with internet-capable system for smart retail applications. 3. Completion of in-audio IoT hearing aid platform, HearingPod V1.3, to support a Cloud-based smart hearing aid system. 4. Development of EPD IC with temperature-adaptive waveform generation and RF energy harvesting.
2018	1. Collaborated with a leading Korean SoC brand to develop an in-vehicle surround-view system solution using DM5886 2. Awarded Top 5% “Outstanding Performer” in the 4th Corporate Governance Evaluation
2019	1. Launched DM8111XP Artificial Intelligence Chip, expanding into the AIoT domain 2. Launched DM9119INP Ethernet Gigabit (10/100/1000) Physical Layer (PHY) Chip 3. Launched DM130126 EPD 3-Color Segment Driver IC (126 segments), designed for battery-powered low-power applications
2020	1. Development of Trajectory Algorithm by RFID Data. 2. Development of Heterogeneous Data Fusion by AI-Based CMOS Sensor and RFID.

Year	Material Information and Product Development
2021	1. Developed the algorithm and weighting model system application of Edge AI chip. 2. Developed the human and objects precision locating system with RFID and AI operation. 3. Developed the real-time Ethernet network application protocol and algorithm.
2022	1. Launched DM9625I USB-to-UART Product 2. Developed 36-Segment EPD Driver IC
2023	1. Developed the One Pair Ethernet Network (OPEN) compliance SPI interface Ethernet controller IC 2. Developed the RFID system with edge AI smart factory production traceability.
2024	1. Developed High-Precision Time Synchronization Network Controller Chip 2. Developed Edge Computing Machine Learning Model Optimization and Production Traceability System

Note: The financial information of Davicom is publicly available on the company's website. Please refer to the Investor Relations - Financial Information & Annual Reports section of Davicom's official website.

Website: https://www.Davicom.com.tw/investor-annualreport.php?lang_id=tw



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2.3 Core Value and Operational Strategies

Since our foundation, we have stuck to the core value of “people-oriented, insistence on integrity, steady operation”. Based on the core value, we have developed the corporate culture of “diligence, agility, value, integrity, cooperation, opportunity, and modesty”. We have always been committed to IC design to keep creating values in terms of global green supply chain. We have also been in good interactions with employees, shareholders, clients, suppliers as well as other stakeholders such as educational and research organizations to fulfill our corporate citizenship responsibilities.

Ethernet MAC & PHY	Mixed Signal	RFID Omni-Solution
Networking Protocol Stacks	AIoT & Algorithms	Video Decoder
USB and Interfaces	Audio Signal Processing	DSP & Algorithms

▲ Core Technologies



2.4 Corporate Resilience: Building a Resilient Foundation for Future Challenges

Davicom designates “Corporate Resilience” as one of its secondary material ESG topics, underscoring the Company’s forward-looking vision and capacity to proactively address environmental changes, supply chain volatility, and global economic challenges. Stakeholder surveys and impact assessments indicate that corporate resilience consistently ranks high in both positive impacts and negative risks, affirming Davicom’s robust competitive edge in sustainable management, stable operations, and crisis response.

項目	內容
Innovation-Driven R&D: Building a Competitive Moat	In 2024, the Company invested NT\$55,791 thousand in R&D, representing 33.6% of operating revenue, and introduced solutions capable of reducing power consumption by 62.5%. Core products include Ethernet communication ICs, EPDs, video decoders, and AI SoCs. With energy efficiency and smart applications as its R&D focus, Davicom also launched a UHF RFID-based intelligent logistics system, demonstrating technological strength and market adaptability through a dual-track development strategy.
Strengthening Value Chain Collaboration for Supply Chain Agility	In response to global supply chain disruption risks, the Company fosters stable partnerships with upstream foundries (e.g., UMC), packaging and testing providers (e.g., SPIL), and distribution channels. Guided by green supply chain principles and ESG standards, Davicom enhances the resilience and sustainability of the entire value chain.
Fostering a People-Centric and Resilient Workplace	Employees are the foundation of a resilient enterprise. The Company is committed to creating a diverse, healthy, and safe workplace. In 2024, 100% of employees received health examinations, and the proportion of female managers exceeded the industry average. Through employee suggestion channels and regular labor-management meetings, the Company continuously monitors organizational dynamics and internal risks, thereby reinforcing its internal resilience.
Strengthening Risk Governance with Proactive Management	Davicom has implemented a comprehensive risk management framework that categorizes risks into operational, information security, geopolitical, and climate-related risks. Oversight is provided by the Sustainability Development Committee, which ensures dynamic adjustments in response to emerging challenges. In practice, the Company swiftly revised inventory policies and supplier agreements during the COVID-19 pandemic and adapted marketing strategies to mitigate geopolitical risks, exemplifying exceptional agility and responsiveness.

2.5 Operational Performance

In 2024, as the U.S.–China semiconductor conflict escalated to an even more intense stage, Davicom proactively expanded into European and Southeast Asian markets to mitigate the adverse effects of geopolitical risks. Guided by a resilient corporate culture, employees demonstrated unwavering dedication, enabling the Company to achieve the remarkable milestone of 76 consecutive profitable quarters.

Business Performance Evaluation

Despite the challenges posed by the U.S.–China trade war, Davicom distributed a cash dividend of NT\$0.17 per share in 2024, continuing its unbroken record of annual dividend payouts since 2016. For detailed financial information, including the 2024 balance sheet, income statement, and cash flow statement, please refer to Davicom’s official website or the Taiwan Stock Exchange Market Observation Post System (MOPS) under stock code **3094**.

Davicom Website:

https://www.Davicom.com.tw/investor-finance01.php?lang_id=tw

Taiwan Stock Exchange Market Observation Post System:

<https://mopsov.twse.com.tw/mops/web/index>

I. ROA : 1.31%

II. ROC : 2.91%



3. Strengthen Corporate Governance

**3.1 Board of Directors and
Functional Committees**

**3.2 The Board's Role and Achievements in
Sustainability Governance**

3.3 Integrity Management

3.4 Risk Management

3.5 Regulatory Compliance

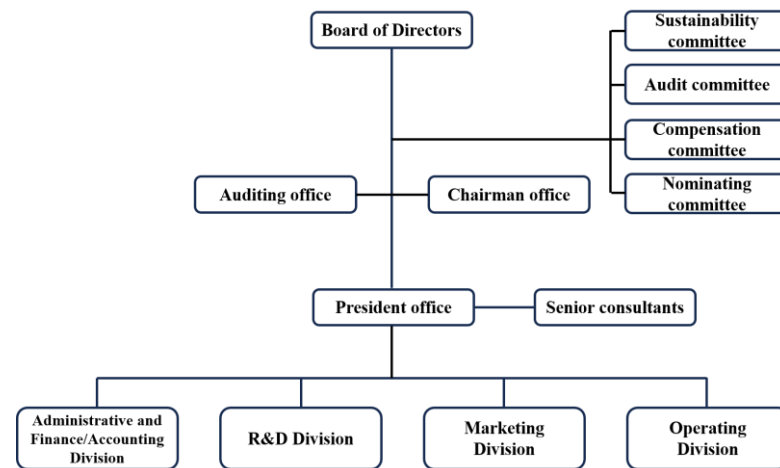
**3.6 Management for Information and Communication
Security**

3.1 Board of Directors and Functional Committees

3.1.1 Board Structure

On May 13, 2019, Davicom appointed Mr. Chun-Chun Yang, the Company’s Chief Financial Officer, as Chief Corporate Governance Officer to safeguard shareholders’ rights and strengthen the functions of the Board of Directors. The primary responsibilities of the corporate governance personnel include handling matters related to Board and shareholders’ meetings in accordance with the law, preparing minutes of meetings, assisting directors with onboarding and continuous education, providing directors with business-related information and updates on regulatory developments, and ensuring compliance with all relevant legal requirements.

The Board of Directors serves as the Company’s highest governance body and is supported by four functional committees—the Auditing Committee, the Compensation Committee, the Nominating Committee, and the Sustainability Committee. These committees assist the Board in overseeing governance matters in line with the Company’s Corporate Governance Best Practice Principles. Each committee is convened by an independent director with relevant professional expertise, and the chairs of the committees report regularly to the Board on discussions and resolutions to optimize governance performance, safeguard sound business operations, and protect the interests of investors and other stakeholders.



Governance framework

Corporate Governance Performance in 2024

No.	Content
1	All independent directors have completed the required continuing education hours, achieving a 100% compliance rate.
2	In accordance with legal requirements, the Company registers the date of the shareholders’ meeting in advance, prepares and delivers meeting notices, handbooks, and minutes within the statutory deadlines, and manages registration procedures for amendments to the Articles of Incorporation or the re-election of directors.
3	Board meeting agendas are prepared and distributed to directors at least seven days prior to the meeting, accompanied by all relevant materials, and meeting minutes are finalized within 20 days after each meeting.
4	The Company provides English versions of meeting notices, handbooks, minutes, annual reports, and sustainability reports.
5	The Company is responsible for disclosing material information related to significant resolutions of the Board of Directors and shareholders’ meetings, ensuring the legality and accuracy of such disclosures to safeguard equal access to trading information for all investors.
6	The Company provides both independent and general directors with information on continuing education programs and supports them in completing their training plans.
7	Independent directors hold regular closed-door meetings with the external auditors and the Chief Internal Auditor to gain an in-depth understanding of the Company’s financial and operational status.
8	The Company evaluates and maintains appropriate directors’ and officers’ liability insurance

3.1.2 Board Functions

Davicom places great emphasis on the diversification of its Board composition. To enhance corporate governance and foster the sound development of the Board's structure, Article 20 of the Corporate Governance Best Practice Principles stipulates that, in order to achieve the ideal objectives of corporate governance, the Board as a whole shall possess the following competencies:

(1) operational judgment, (2) accounting and financial analysis, (3) business management, (4) crisis management, (5) industry expertise, (6) international market perspective, (7) leadership, and (8) decision-making ability.

The current Board of Directors of Davicom is composed of seven members, including four directors and three independent directors, serving a three-year term (the 10th Board: June 29, 2022 to June 28, 2025). One out of seven directors also serves as an employee representative. The members bring extensive experience and expertise across accounting, finance, technology, industry, and management. Some directors concurrently hold significant external positions, such as board members or executives of other companies. Details regarding the Board's diversity are provided in the Company's 2024 Annual Report. Furthermore, the Company values gender equality within its Board composition. Among the seven directors, one is female, representing a ratio of 1/7.

The Company's Board diversity objectives encompass, but are not limited to, the following two principal dimensions:

1. Fundamental attributes and values: gender, age, nationality, and cultural background.
2. Professional knowledge and skills: professional background (e.g., law, accounting, industry, finance, marketing, or technology), expertise, and industry experience.

The Company's current Board of Directors is composed of seven members. The specific management objectives and the status of achievement under the Board diversity policy are as follows:

Management objectives	Status of Achievement
Independent directors account for more than one-third of all Board seats.	Achieved
The number of directors concurrently serving as Company executives does not exceed one-third of all Board seats.	Achieved
Independent directors have not served more than three consecutive terms.	Achieved
The Board collectively possesses sufficiently diverse professional knowledge and expertise.	Achieved

3.1.3 Functional Committees and Their Operations

Functional Committee

Sustainability committee

To realize the Company's sustainability objectives and strengthen governance in this domain, Davicom has established the Sustainability committee in accordance with Article 27, Paragraph 3 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Article 9, Paragraph 1 of the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies.

Appointed by the Board of Directors, the Committee is composed of Directors and Independent Directors. Its responsibilities include formulating and overseeing the Company's strategies and initiatives across economic, environmental, and social dimensions; advancing and reinforcing sustainability policies, annual plans, and strategies; monitoring and reviewing the effectiveness of sustainability performance; supervising sustainability disclosures; reviewing the Company's Sustainability Report and related practices; and handling other sustainability matters as resolved by the Board of Directors. Under the Committee, a dedicated ESG Task Force has been established to support implementation and report progress on ESG initiatives on a regular basis. In 2024, the Committee convened twice. The annual work plan was reported to the Board of Directors on January 25, 2024, and the execution results were presented to the Board on February 27, 2025.

Audit committee

To enhance corporate governance and strengthen the professional functions of the Board of Directors, the Company has established the Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act and Article 3 of the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.

The Audit Committee, composed entirely of Independent Directors, convenes at least once every quarter. Its primary purpose is to oversee the integrity of financial statements, the effectiveness of internal controls, compliance with laws and regulations, management of existing and potential risks, and the selection, dismissal, independence, and performance of the external auditor. In 2024, the Audit Committee held four meetings.

Compensation committee

To ensure a sound compensation system for Directors and managerial officers, and to assess the fairness and reasonableness of their compensation in relation to business performance, Davicom has established the Compensation Committee pursuant to its Compensation Committee Charter, approved by the Board of Directors.

The Committee's key duties include regularly reviewing and proposing amendments to its Charter; periodically reviewing performance evaluation standards, annual and long-term performance objectives, and policies, systems, standards, and structures related to compensation; and assessing the achievement of performance objectives by Directors and managerial officers. The Compensation Committee is composed of three Independent Directors, providing diverse external perspectives and insights. In 2024, the Committee convened four times to review and ensure the fairness and appropriateness of remuneration practices.

Nominating committee

The Nominating Committee was established to assist the Board of Directors in the identification, review, and nomination of director candidates, thereby enhancing the Board's organizational planning and operational efficiency while ensuring diversity and appropriateness in its composition.

The current Nominating Committee, comprising the Chairman and two Independent Directors, serves a term from June 29, 2022, to June 28, 2025. At its inaugural meeting on June 29, 2022, Independent Director Mr. Niang- Shou Wei was elected as the Convener and Chair of the Committee.

In accordance with the Company's scale and business nature, the Committee determines the number and qualifications of directors and senior executives, selecting candidates accordingly. In accordance with the Company's scale and business nature, the Committee determines the number and qualifications of directors and senior executives, selecting candidates accordingly. For director candidates, including Independent Directors, the Committee conducts evaluations based on professional expertise, integrity, and suitability

in compliance with relevant regulations. Upon Board approval, the nominated candidates are submitted to the Shareholders' Meeting for election. The current Board of Directors consists of seven members, including three Independent Directors. All three Independent Directors meet the independence requirements, with no spousal or second-degree kinship relationships as prescribed under Paragraphs 3 and 4, Article 26-3 of the Securities and Exchange Act.

The Nominating Committee convenes at least twice annually and held two meetings in 2024, achieving a 100% attendance rate. At the meeting on November 8, 2024, the Committee completed the qualification review of the newly appointed President, Mr. Eric Lin. The review was unanimously approved by all members and subsequently endorsed by the Board of Directors on the same date.

Operations

Conflict of Interest Avoidance

The Company has established the Code of Ethical Conduct for Directors and Managerial Officers, which strictly adheres to the principles of conflict-of-interest avoidance and anti-corruption. To prevent conflicts of interest, Directors and executives are required to refrain from securing improper benefits for themselves or their relatives. In cases involving loans, guarantees, or material transactions, such matters must be handled in accordance with internal regulations and supervisory authority requirements, with full disclosure of relevant conflicts of interest to the Board of Directors. Directors and executives must not exploit their positions, company resources, or proprietary information for personal gain, nor may they engage in activities that compete with the Company. They are expected to actively pursue legitimate opportunities that enhance the overall corporate interest. To ensure transparency and protect the rights of the Company and its stakeholders, information regarding Directors' concurrent positions on the boards of other companies, as well as the existence of controlling shareholders, is disclosed regularly in the Company's annual report.

Compensation Policy

Compensation of Directors

Given the significant responsibilities borne by Independent Directors in overseeing company operations and corporate sustainability, each Independent Director receives a monthly stipend of NT\$25,000, while other Directors do not receive monthly compensation. In years when the Company records profits, no more than 2% of pre-tax earnings, as stipulated in the Articles of Incorporation, is allocated as remuneration to all Directors, including Independent Directors.

Directors who are not concurrently employees do not participate in the Company's employee stock ownership trust or other equity incentive programs. Upon leaving office, no additional severance or compensation is provided beyond what is required by law. The Company does not maintain clawback mechanisms or retirement benefit schemes for Directors.

Director remuneration is determined in accordance with the Board Performance Evaluation Guidelines, which assess participation in operations, fulfillment of duties, oversight of internal controls, and professional development. Evaluation criteria combine three key indicators: 60% based on business performance, 20% on individual contribution, and 20% on industry benchmarks.

The Compensation Committee reviews the appropriateness of remuneration, ensuring alignment with operating results and future risks, and submits recommendations to the Board of Directors for approval.

The Company remains committed to refining its remuneration governance framework, strengthening its performance orientation and reinforcing its connection to the sustainable value chain, thereby upholding the core spirit of corporate governance.

Compensation of Senior Management

Compensation for the President and senior executives comprises fixed salaries, variable bonuses, and employee profit-sharing. These are determined based on role responsibilities, individual performance, and overall contribution, with reference to the Company's Compensation Guidelines for Directors and Executives and prevailing industry standards. To strengthen the focus on sustainable operations and align with the Financial Supervisory Commission's Sustainable Development Action Plan, sustainability outcomes are incorporated into executive incentive metrics. These include the execution of sustainability strategies, green product innovation, climate risk management in line with TCFD recommendations, low-carbon operational transformation, and occupational health and safety management. Metrics are tied to both departmental and corporate objectives, ensuring sustainability is integrated with overall business performance. Sustainability performance indicators and outcomes for senior executives are reviewed and evaluated regularly, with transparent, forward-looking incentive mechanisms guiding management toward long-term competitiveness and social responsibility.

Equity-based incentives, including stock options, restricted stock units, and employee stock ownership trusts, are also in place to encourage a sustained. For retirement benefits, senior executives participate under the same pension contribution scheme as all employees, ensuring equitable retirement security. At present, no clawback mechanisms are applied to executive remuneration. Sustainability Performance Indicators for Senior Executives are as follows :

Sustainability Performance Indicators for Senior Executives

No.	Indicator Category	Weight	Description
1	Financial	50%	Assessment of the Company's financial performance relative to industry peers, including metrics such as budget attainment rate and revenue performance.
2	Strategic	20%	Evaluation of objectives derived from mid- to long-term strategic plans, including progress on sustainability commitments, low-carbon transition strategies, and responses to material issues.
3	Sustainability and Internal Control	25%	Commitment to sustainability, emphasizing integrity, legal compliance, and risk management, while implementing key ESG initiatives such as green product innovation and climate risk management in alignment with TCFD.
4	Management	5%	Incorporation of human resource metrics, including talent development and the promotion of occupational health and safety (EHS) policies.

3.2 The Board's Role and Achievements in Sustainability Governance

3.2.1 Role of Sustainable Governance and Supervisory Practices

Board Oversight of Sustainability Initiatives

The Board of Directors is responsible for guiding long-term business strategy and exercising supervisory authority. Each year, the Sustainability Committee, in alignment with material issues and the Company's strategic vision, formulates sustainability guidelines and reports them to the Board. Upon approval, relevant policies are formally issued.

Annually, the Committee conducts a materiality assessment of sustainability issues by distributing surveys to stakeholders, evaluating the impact of ESG topics on the economy, environment, and society. The findings are analyzed and submitted to the Board, serving as a critical basis for decision-making and ensuring that the Company's sustainability strategy addresses stakeholder expectations. Specialized task forces established under the Committee are responsible for formulating project guidelines, conducting risk assessments, developing mitigation measures, and monitoring changes in risk and management status. Their reports on sustainability initiatives are consolidated by sustainability officers and presented to the Board. The Board assumes a supervisory and advisory role, assessing the feasibility of strategy execution. The Committee convenes at least once annually to review corporate sustainability progress and, where necessary, directs management to make adjustments. The Board of Directors, chaired by the Chairman, is the Company's highest governance body, leading the formulation and oversight of all business activities. The President serves as the highest-ranking executive responsible for implementing policies and managing business operations. The roles of Chairman and President are held by different individuals, and the President does not serve as a Board member.

3.2.2 Performance Evaluation of Sustainability Governance Oversight

To enhance governance effectiveness, ensure transparency, and foster long-term organizational resilience, the Company has established a Board Performance Evaluation System. On August 10, 2016, the Board approved the Board Performance Evaluation Guidelines to encourage self-discipline among members and strengthen overall Board functionality. The evaluation encompasses the performance of the entire Board, individual Directors, and functional committees. Assessment methods include Board self-evaluation, individual Director self-assessments, peer reviews, and evaluations conducted by external professional institutions, experts, or other appropriate means.

Internal Board performance evaluations are carried out at least once per year. At the beginning of each year, evaluations of the overall Board and individual Directors are conducted, with results submitted to the Nomination Committee and confirmed by the Board no later than the end of March. ;

On February 27, 2025, at the 16th meeting of its 10th term, the Board approved the 2024 annual performance evaluation, which included self-assessments by the Board, Directors, and the Nominating, Compensation, and Audit Committees. The evaluation results were rated as "Outstanding," confirming the Board's sound operations with no major improvement projects required. Nevertheless, the Company remains committed to continually enhancing Board performance to further strengthen governance capabilities.

In addition to conducting regular self-assessments, Davicom engages an external professional institution to evaluate the performance of the Board of Directors every three years. The most recent external evaluation was commissioned to the Taiwan Corporate Governance Association on October 3, 2023, covering the period from November 1, 2022, to October 31, 2023. The evaluation framework encompassed five key dimensions: participation in corporate operations, enhancement of decision-making quality, Board composition and structure, Director selection and ongoing development, and internal control mechanisms.

Summary of the Evaluation Results:

1. Board Composition and Diversity: The Company's Directors possess the professional expertise and extensive experience necessary to support corporate development. Independent Directors bring specialized knowledge in finance and accounting, human resources, and industry practices, ensuring effective division of responsibilities and diversity. This structure not only strengthens the objectivity and rigor of decision-making but also facilitates steady business advancement and sustainable growth.

2. Board Operations and Leadership Style: The Board fosters an open and inclusive meeting environment. The Chairman adopts a participatory leadership approach, proactively engaging with Directors on significant matters and collaborating with Independent Directors to maintain constructive dialogue with management. This has fostered a strong governance culture, effectively enhancing both Board efficiency and overall operational performance.

3. Advancement of Sustainability: The Company established a dedicated Sustainability Committee, chaired by the Chairman and comprising both Directors and Independent Directors, supported by a full-time secretary to coordinate sustainability-related affairs. The Committee focuses on greenhouse gas inventory management and the preparation of

the Sustainability Report, underscoring the Company's steadfast commitment to sustainable operations.

4. Board Performance Evaluation: Since 2021, the Company has consistently commissioned external professional evaluations of Board performance, leveraging the findings to further refine its governance framework. This reflects the Board's pursuit of excellence and progressive spirit. The Company has also implemented improvement measures based on recommendations from the external review. For further details, please refer to the publicly disclosed "Board Performance Evaluation Results" available on the Company's website.

3.2.3 Continuous Education on Sustainable Development

The Company arranges annual training programs for its directors to enhance their knowledge of corporate governance, economic, environmental, and social issues, thereby strengthening the Board's capacity to manage risks. In 2024, the Board of Directors of Davicom collectively accumulated 51 hours of training, with each director averaging more than 7 hours, surpassing the regulatory requirement of 6 hours. Notably, 76% of the training hours were devoted to sustainability-related topics, fully aligning with corporate governance evaluation standards.

The training records of all directors, including independent directors, are disclosed annually in the Shareholders' Meeting Report and published on both the Company's website and the Market Observation Post System for investor reference.

3.3 Integrity Management

3.3.1 Ethical Business Practices and Professional Conduct

To foster sound business operations, instill a culture of integrity, and ensure robust corporate governance, Davicom adopted its Code of Ethical Business Practices on June 29, 2012, in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.” The Board of Directors and senior management attach great importance to ethical conduct, upholding the principles of integrity, transparency, and accountability in business operations, thereby cultivating an environment conducive to sustainable growth.

The Administrative and Finance/Accounting Division has been designated as the dedicated unit responsible for formulating, implementing, and supervising integrity policies and preventive measures. Supporting functions such as the Business and Procurement Departments assist in this effort. Through mechanisms including internal controls and internal audits, the Company strengthens risk management and oversight of business activities deemed to have higher risks of unethical conduct. Regular reports are submitted to the Board, ensuring timely review, evaluation, and continuous improvement of policy implementation.

In business interactions, the Company’s Code of Ethical Business Practices clearly stipulates that employees shall not directly or indirectly offer, promise, solicit, or accept any improper benefits, nor engage in conduct that contravenes integrity, violates the law, or breaches fiduciary duties. Prior to establishing business relationships, the Company evaluates the legality, ethical practices, and historical conduct of agents, suppliers, customers, and other business partners to ensure fairness, transparency, and the avoidance of bribery in all commercial dealings.

To embed the concept of ethics and integrity into daily operations, the Company provides periodic training and awareness programs for directors, managers, and employees. On November 8, 2024, Davicom conducted a comprehensive training session on the Code of Ethical Business Practices for all managers and employees. The session covered the code’s provisions, reporting channels for unlawful, unethical, or dishonest behavior, and the Company’s procedures for handling such reports. Training materials were uploaded to the internal employee system for those unable to attend. In total, the program reached 105 participants/hours in 2024. Furthermore, Davicom has established multiple reporting channels. Stakeholders who suspect violations of the Code may immediately report concerns to the Administration Division via email at esther_lin@Davicom.com.tw

3.3.2 Anti-competitive practices.

Material Topic	Significance to the Company	Policy/Commitment	Short-term Goal	Mid- to Long-term Goals	1. Resources Invested / 2. Achievements	Responsible Department / Grievance Mechanism	Evaluation Mechanism / Outcomes
Competitive behavior	A sound and orderly competitive environment forms the cornerstone of the Company's long-term growth. Preventing monopolistic practices, price manipulation, and other anti-competitive behaviors not only ensures compliance with regulatory requirements but also safeguards the Company's reputation and strengthens market trust.	The Company is committed to conducting business activities in a fair and transparent manner, in strict adherence to the Company Act and the Company's Code of Ethical Business Practices.	Zero violations of anti-competitive practices.		1. Completion of internal process audits for the two risk-prone departments—Sales and Procurement. 2. Zero violations of anti-competitive practices.	Administration Department : esther_lin@Davicom.com.tw	1. Annual internal audits with reports submitted to the Board of Directors. 2. Continuous monitoring of fair competition practices across the supply chain through stakeholder surveys and supplier questionnaires.

In terms of corporate governance, Davicom strictly abides by its integrity management policies and complies with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, as well as relevant TWSE/TPEX regulations and other applicable commercial laws. The Company is committed to fostering a fair and competitive marketplace, rigorously observing all relevant competition laws and policies. In 2024, the Company recorded no involvement in anti-competitive behavior, anti-trust violations, or monopolistic practices.



3.4 Risk Management

3.4.1 Risk Management Policy

Davicom adopts a preventive approach to risk management, not only establishing a robust internal control system in compliance with applicable laws and regulations, but also conducting regular and ad hoc audits by the Internal Audit Department to ensure execution aligns with both legal requirements and internal policies. In addition, the Company has established multiple functional committees and crisis management task forces dedicated to overseeing various aspects of risk control.

In 2016, following approval by the Board of Directors, the Company enacted the Risk Management Procedures and established the Risk Management Committee to integrate relevant operating units in the identification of risk factors, with priority given to addressing high-risk items. Based on these findings, the Committee formulates improvement measures, identifies opportunities, and fosters a resilient and adaptive risk management framework.

3.4.2 Risk Management Organizational Structure

Risk management responsibilities are allocated according to the nature of each business function. Relevant management units are charged with overseeing their respective risks, while the Internal Audit Department reviews existing and potential risks and formulates a risk-based annual audit plan. The key risk management responsibilities are as follows:

Responsible Unit	Areas of Risk Management
Office of the President	Oversees strategic decision-making and evaluates the benefits of medium- to long-term investments to mitigate strategic risks.
Internal Audit	Establishes and promotes internal control systems, enhancing their effectiveness and ensuring their ongoing, reliable operation.
Finance Department	Manages financial planning and utilization, establishes hedging mechanisms to reduce financial risk, and ensures compliance with regulatory requirements to safeguard the reliability of financial reporting and mitigate accounting risks.
Information Technology Services Department	Maintains and manages systems, networks, servers, and related infrastructure, while developing and maintaining automated systems and software applications to reduce cybersecurity and information security risks.
Quality and Reliability Engineering Department	Enhances product quality and service efficiency through engineering reliability checks and continuous improvements to reduce operational risks.
Marketing Department	Formulates product and market promotion strategies, monitors market trends, and reduces exposure to market risks.
Sales Department	Oversees the Company's annual business objectives and execution plans, including pricing, contracting, shipping, collections, customer complaints, and credit limits, thereby mitigating business risks.
Operations	Responsible for product testing, packaging, quality engineering, production planning, and cost control, aimed at minimizing operational risks.
Design Services and R&D	Leads product development, design, maintenance, customer service, chip integration technology, software applications, and IP planning, to mitigate technology-related risks.

3.4.3 Risk Management Process

Risk Assessment

Davicom's risk assessment is conducted by the Risk Management Committee, which, based on the characteristics of the semiconductor IC design industry, evaluates risks across eight operational cycles, electronic data processing, and associated control activities.

Operational Cycle	Internal Control Activities	Priority Ranking
Sales and Collection	Credit management, order processing, shipment operations, delivery scheduling, shipment verification, shipping documentation, packaging, invoice issuance, voided invoice applications, accounts receivable, export financing and documentation, collection operations, customer complaint handling, complaint case review and analysis, communication of return-handling decisions, re-shipment/return processing, complaint resolution, sales returns and allowances	1. Credit management 2. Order processing 3. Shipment operations, delivery scheduling, shipment verification, shipping documentation, packaging
R&D	New product planning, design and layout, pilot production, design verification, product development documentation, mass production validation, new product release	1. New product planning 2. Design verification and new product release 3. Design and layout
Production	Production planning, subcontracting, warehouse management, outsourced quality control, production cost calculation and variance analysis, inventory aging and obsolescence review	1. Production planning 2. Inventory aging and obsolescence review 3. Warehouse management
Procurement and Payment	General procurement, production-related procurement, engineering project management, import operations, goods acceptance, handling of non-conformities, payment processing	1. Production-related procurement 2. Payment processing 3. Goods acceptance
Payroll and HR	Human resources planning, manpower demand assessment, recruitment, selection, hiring, training, attendance, performance evaluation, promotions, transfers, disciplinary actions, payroll, employee benefits, resignations, dismissals, unpaid leave, and retirement processing	1. Human resources planning 2. Training and development 3. Performance evaluation

Risk Control and Oversight

Based on the results of its risk assessment, Davicom formulates and executes internal audit plans to strengthen risk control:

Material Topic	Significance to the Company	Policy/Commitment	Short-term Goal	Mid- to Long-term Goals	1. Resources Invested / 2. Achievements	Responsible Department / Grievance Mechanism	Evaluation Mechanism / Outcomes
Internal auditing	Internal audit serves as a core mechanism of corporate risk management, internal control, and operational efficiency. Through independent and objective review and recommendations, it assists in identifying deficiencies, strengthening governance, preventing fraud, ensuring effective use of corporate resources, and reinforcing legal compliance and sustainable development.	The Company is committed to complying with the Regulations Governing Establishment of Internal Control Systems by Public Companies, the Corporate Governance Best Practice Principles, and other applicable laws. An independent internal audit unit is established to report directly to the Board of Directors and the Audit Committee, ensuring the effective operation of internal controls, enhancing operational transparency, and reinforcing accountability.	Integration of sustainability information into the internal audit scope		1. Annual training hours for internal audit personnel: 24 hours 2. 100% execution rate of the annual internal audit plan	Administrative Department : esther_lin@Davicom.com.tw	1. Audit Committee reviews and approves audit plans and reports annually. 2. Findings and follow-up improvements are reported to the Board of Directors.

The mission of the internal audit function includes reviewing and revising the Company's internal control systems, executing and coordinating audit operations, and consolidating the results of the Company's self-assessment of internal controls. In compliance with the Regulations Governing Establishment of Internal Control Systems by Public Companies, Davicom has established effective internal controls covering both the Company and its subsidiaries. These controls are subject to ongoing review and enhancement in response to internal and external environmental changes, thereby ensuring their sustained effectiveness. To preserve impartiality and independence, the Company's internal audit unit reports directly to the Board of Directors. The unit currently consists of one full-time internal auditor and one alternate auditor. In accordance with regulatory requirements, internal auditors are required to participate in annual professional training programs provided by competent authorities, thereby strengthening expertise, maintaining audit quality, and improving overall effectiveness. The appointment or dismissal of the Chief Internal Auditor must be approved by the Audit Committee and resolved by the Board of Directors. The Company's audit operations are conducted by the Audit Office, which formulates the annual audit plan based on risk assessment results and audit items required by laws and regulations. The plan is submitted to the Board of Directors for approval prior to implementation. In addition, special audits are carried out in response to the Company's operational and management conditions. Audit reports and improvement recommendations are presented to ensure the effectiveness of the design and implementation of the internal control system, enhance operational management

efficiency, and reduce operational risks.

Furthermore, the Audit Office reviews and consolidates the results of self-assessments conducted by each department (including subsidiaries), together with the remediation status of internal control deficiencies and irregularities identified by the Audit Office. These serve as the primary basis for the Board of Directors and the President in evaluating the overall effectiveness of the internal control system and in issuing the Internal Control System Statement.

Through continuous monitoring of the implementation of various operational procedures by audit personnel, Davicom strengthens its corporate governance and risk management mechanisms, striving to build a sound and sustainable operating structure. In 2024, the Audit Office completed the annual audit work as planned and found no material non-compliance issues.

Risk Communication

The Risk Management Committee convenes meetings on a regular basis to review key risk management issues and require responsible departments to present reports. Such reports shall, at a minimum, include: current status, problem analysis, corrective measures, and expected outcomes. Where appropriate, the Committee may provide recommendations for improvement to the reporting departments. Upon conclusion of each meeting, minutes are prepared, and the Internal Audit Unit submits a consolidated report to the Audit Committee.

3.5 Regulatory Compliance

Material Topic	Significance to the Company	Policy/Commitment	Short-term Goal	Mid- to Long-term Goals	1. Resources Invested / 2. Achievements	Responsible Department / Grievance Mechanism	Evaluation Mechanism / Outcomes
Regulatory Compliance	Adherence to laws and regulations forms the foundation for stable operations and sustainable growth. It reduces legal risks, prevents penalties and litigation, safeguards the Company's reputation, and reinforces stakeholder trust.	The Company is committed to complying with all applicable laws and regulations, including the Company Act, the Labor Standards Act, and other relevant statutes. Internal control and audit mechanisms are in place, along with regular training and awareness programs on ethical business conduct, ensuring integrity and compliance in corporate operations.		Zero violations of corporate governance, environmental, and labor-related laws and regulations	1. Conduct periodic internal audits 2. Total fines incurred due to regulatory violations: NT\$0	Administrative Department: : james_yang@Davicom.com.tw	1. A dedicated Corporate Governance Officer oversees regulatory compliance 2. Annual internal audits are conducted, and findings are submitted to the Audit Committee

To ensure that business operations remain compliant with laws and regulations, reduce compliance risks, and reinforce the foundation of sustainable operations, the Company continuously strengthens its regulatory compliance framework. Given the diversity and evolving nature of regulations, departments remain up to date with legislative amendments through communication with competent authorities and monitoring of public information, ensuring all employees adhere to the latest requirements and preserving the legality and compliance of the Company's operations. In 2024, the Company recorded no incidents of major fines or sanctions for violations of economic laws and regulations. In the environmental domain, no formal complaints regarding environmental impacts were filed, processed, or substantiated through grievance mechanisms, and no fines or sanctions were imposed for breaches of environmental laws or regulations.

Overall, in recent years, the Company has not been involved in any major violations relating to corporate governance, securities trading, environmental protection, labor rights, occupational safety, customer privacy, marketing practices, or product liability. This reflects the Company's unwavering commitment to regulatory compliance and corporate social responsibility, safeguarding the interests of shareholders and stakeholders, and advancing the goals of sound corporate governance and sustainable development.

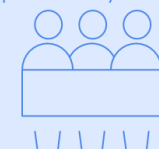
Economic Legal Compliance
No violations of economic laws and regulations.



Environmental Legal Compliance
No violations of environmental laws and regulations.



No major violations reported
No records of major legal non-compliance involving corporate governance, securities trading, labor and human rights, occupational safety, customer privacy breaches, marketing practices, or product liability.



3.6 Management for Information and Communication Security

3.6.1 Information and Communication Security Risk Management Framework and Policy

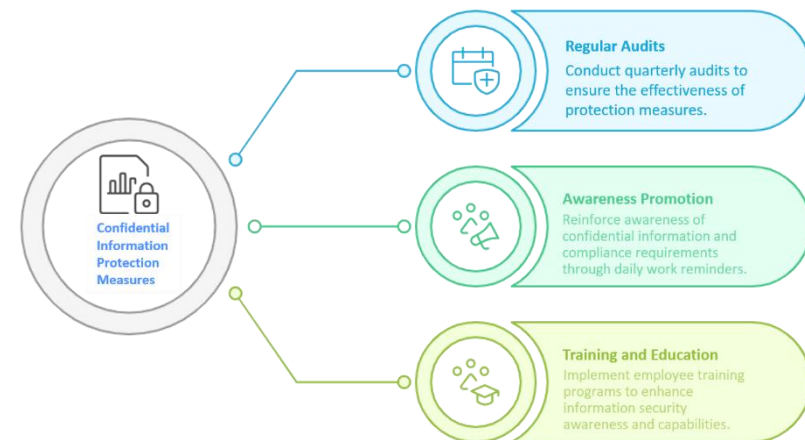
Davicom envisions the establishment of a rigorous and effective cybersecurity defense network as the cornerstone of its information security governance. The Company has designated the Information Management Department as the dedicated unit responsible for cybersecurity and, on November 9, 2023, formally appointed Mr. Alan Ma, Head of the Information Management Department, as Chief Information Security Officer (CISO). Grounded in the principle of consistent governance, the Company is progressively enhancing its comprehensive defense capabilities with the goal of becoming a leader in cybersecurity governance maturity.

The Information Technology Services Department oversees the formulation of information security systems in alignment with applicable regulations and ensures their effective implementation. The Department continuously strengthens cybersecurity awareness and professional competence, leveraging technological applications to identify risks and vulnerabilities, reinforce defense measures, and establish robust security policies and all-encompassing protective capabilities. Cybersecurity policies are periodically reviewed, and annual reports on the Company's information security status are submitted to the Board of Directors.

Information and Communication Security Committee

The Information and Communication Security Committee is composed of five department heads and is tasked with the planning, establishment, and maintenance of the Company's information security management system. Chaired by the CISO, the Committee supervises the execution of cybersecurity operations and the effectiveness of the Company's risk management mechanisms. The Committee submits an annual report to the Board of Directors detailing the functioning of the cybersecurity management structure and the performance of related policies and systems.

Davicom safeguards its confidential information through the Plan-Do-Check-Act (PDCA) management cycle, thereby continuously reinforcing protective capabilities, enhancing employees' awareness and vigilance regarding the safeguarding of sensitive information, and effectively mitigating the risk of data leakage.



3.6.2 Information Security Management Countermeasures

Item	Response Strategy
Information Security Risk Assessment	The Company conducts annual risk assessments to identify potential threats and vulnerabilities, consolidating them into key risk categories, including: (1) Fraudulent groups exploiting counterfeit emails to deceive employees into transferring funds or executing unauthorized transactions. (2) Corporate espionage or competitors infiltrating internal servers through hacking techniques to steal proprietary data. (3) Criminal syndicates collaborating with hackers to disseminate malicious links via email, text messages, social media, or communication platforms, resulting in ransomware-encrypted data. (4) Large-scale cyberattacks launched by hackers, disrupting the Company's network services. (5) Employees using unauthorized software or duplicating confidential information onto portable storage devices, leading to data leaks caused by loss, theft, or illicit sale. (6) Natural disasters or human-induced incidents damaging IT infrastructure, causing service interruptions or data loss.
Cybersecurity Education and Training	In accordance with the risk assessment outcomes, the Company implements information security management standards, introduces technological solutions, and strengthens cybersecurity training. From January to December 2024, two dedicated cybersecurity training sessions were held, with a total of 115 participants.
Information Security Risk Management – Key Implementation Measures	The Company adopts a multifaceted approach to establish a robust information security management framework, encompassing the following measures: (1) Conducting regular internal and external audits to continuously refine the cybersecurity management system. The most recent external audit was conducted by PwC Taiwan from November 9 to 10, 2024. (2) Deploying endpoint antivirus protection systems offering real-time anomaly detection, alerts, forensic analysis, and remediation capabilities, while restricting USB storage connections and unauthorized software installations. In addition, critical data is backed up on dedicated servers and securely stored offsite in a bank safe deposit box. (3) Enforcing network traffic and application control through firewalls. (4) Establishing intranet defense mechanisms and database access security monitoring systems. (5) Safeguarding document confidentiality through Digital Rights Management (DRM) and disk encryption technologies. (6) Implementing email filtering, audit systems, and Anti-APT solutions to mitigate email-related risks. (7) Introducing access control card systems to ensure the physical security of the information center. (8) Centralizing server management, instituting environmental monitoring and alert mechanisms, performing regular data backups and archiving, maintaining offsite storage (bank safe deposit box), and conducting annual disaster recovery drills.



4. Enhance Cooperation among Value Chains

- 4.1 Innovation R&D and management**
- 4.2 Supply Chain Management**
- 4.3 Environmental Product Declaration**
- 4.4 Customer Relationship Management**

4.1 Innovation R&D and management

Material Topic	Significance to the Company	Policy/Commitment	Short-term Goal	Mid- to Long-term Goals	1. Resources Invested / 2. Achievements	Responsible Department / Grievance Mechanism	Evaluation Mechanism / Outcomes
Innovation R&D	Innovation and research are the driving forces of the Company's sustainable growth, enhancing product competitiveness, increasing added value, and responding to rapid market and technological changes to secure industry leadership and long-term profitability.	The Company is committed to allocating a stable proportion of annual revenue to R&D expenditures, encouraging cross-departmental collaboration and knowledge sharing, and establishing institutionalized innovation incentives and protection mechanisms (such as patent applications and innovation proposal reward systems).	Promote innovation incentive programs to effectively stimulate and unleash employee potential.	Implement continuous training and knowledge transfer programs while expanding recruitment of outstanding professionals.	1. Resources invested during the year: NT\$55,791 thousand. 2. Key achievements: New product development delivered significant energy-saving and carbon-reduction results: SPI to Ethernet MAC Controller DM9051A-E2/DM9051-E2, Operating current ratio 60mA /160mA =37.5%. DM9051A-E2/DM9051-E2, Chip Size ratio 42.4%.	Administration Department : esther_lin@Davicom.com.tw	New product development results.

4.1.1 Innovation R&D

Since its establishment in 1996, Davicom has been dedicated to embedded network communication IC technologies. Leveraging its excellence in mixed-signal design, rapid IC integration, and system application software, the Company provides customers with highly integrated, efficient, and cost-competitive solutions. Ethernet, with its ease of use, low cost, and high bandwidth, has emerged as the dominant networking technology, widely adopted in enterprises, consumer electronics, and the Industrial Internet of Things (IIoT). With the rising demand driven by electric vehicles and artificial intelligence (AI), Davicom has long cultivated Ethernet IC development and continues to play a leading role in advancing technology.

In response to the rapid global expansion of the Internet of Things (IoT), Davicom has

concentrated its R&D efforts on Artificial Intelligence of Things (AIoT) and IIoT, integrating high-speed Ethernet with AI computing capabilities to deliver high-performance, low-power intelligent chip solutions. The Company has developed a three-in-one chip incorporating a CMOS Image Sensor (CIS), Neural Processing Unit (NPU), and Microcontroller (MCU), enabling real-time edge decision-making through deep learning. These innovations serve both consumer markets—such as home appliances and toys—and professional sectors such as epidemic prevention and education. Looking ahead, Davicom aims to extend its applications to pet detection, smart factory monitoring, intelligent driving assistance, and AI-enabled cloud logistics management systems, thereby deepening its presence in AI-driven solutions.



Within the IIoT domain, Davicom has developed Ethernet chips supporting smart manufacturing, with applications in smart grids, industrial control, and AI-based image recognition. The Company has also introduced RFID systems integrated with AI analytics for smart medical cabinet management, enhancing pharmaceutical inventory control while reducing risks of error. In alignment with ESG sustainability objectives, Davicom incorporates low-power architecture into product design, developing embedded Ethernet controllers that meet low-carbon goals, helping customers reduce energy consumption and contributing to global energy conservation and carbon reduction. Backed by a professional R&D team, Davicom swiftly responds to evolving market and client needs, continuously developing 10/100/1000M Ethernet controllers for applications such as smart buildings, digital homes, and cloud computing. With the advent of edge AI and hybrid cloud architectures, the Company has launched highly integrated network communication products that strengthen data transmission and analytics in AIoT and IIoT applications. Moving forward, Davicom will continue investing in intelligent detection and recognition technologies, expanding into diverse market applications, driving innovation, and advancing sustainability—pioneering new frontiers in AI and Ethernet technologies.

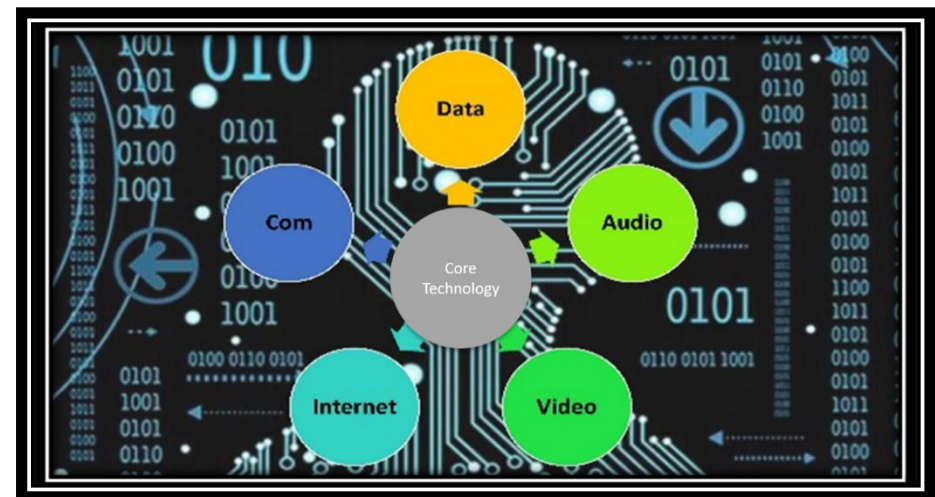
Year	R&D expense	Proportions
2023	NT\$66,024 thousand	27%
2024	NT\$55,791 thousand	33.6%

▲ Annual R&D expense

4.1.2 Innovation and R&D Management Framework

In terms of technology management, Davicom introduces new technologies through mergers and acquisitions, technology transfers, and industry–academia collaborations, applying them to new product design and development. By integrating core technologies into the creation of subsequent products, the Company fosters an innovative and forward-looking R&D team. Technology introduction is a critical undertaking, enabling continuous product line expansion and, through the application of advanced innovations, the ongoing enhancement of product quality and production efficiency to meet evolving customer needs.

In human resource management, Davicom strengthens organizational innovation by encouraging employees to embed creativity in their work through internal performance evaluations and reward mechanisms. Particular emphasis is placed on engineers’ development potential and collaborative capabilities, especially when adopting external technologies, to ensure smooth execution of technology transfers and cooperative projects. Employee development and effective management form the cornerstone of the Company’s success. In a rapidly evolving environment, sustaining a high level of innovation and competitiveness remains an essential strategy for achieving long-term growth.

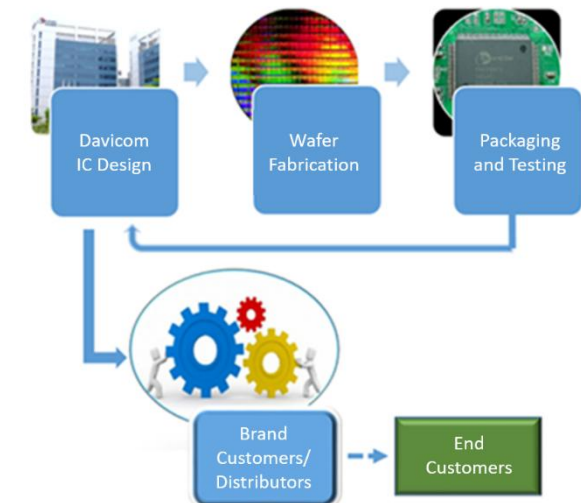


4.2 Supply Chain Management

Material Topic	Significance to the Company	Policy/Commitment	Short-term Goal	Mid- to Long-term Goals	1. Resources Invested / 2. Achievements	Responsible Department / Grievance Mechanism	Evaluation Mechanism / Outcomes
Supply Chain Management	The stability and compliance of the supply chain directly affect product quality, delivery reliability, and the Company's sustainability reputation. As global ESG expectations intensify, supply chain transparency and risk management have become vital indicators of competitiveness and responsible governance. Establishing a resilient, ethically responsible, and environmentally conscious supply network is key to ensuring long-term business sustainability.	Davicom's quality management system is ISO 9001:2015 certified and is built around the core objective of "meeting customer needs and enhancing customer satisfaction." The system encompasses a comprehensive quality management process, covering new product development, design verification, production planning, and customer relationship management.	Continuously assess the feasibility of local sourcing to reduce greenhouse gas emissions from transportation.	Incorporate ISO 14001 into supplier selection criteria.	1. Conducted supply chain mapping to identify supplier locations and assess the proportion and potential of local suppliers. 2. Achieved a local procurement ratio of 87.91% in 2024.	Administration Department : esther_lin@Davicom.com.tw	Annual quality management review meetings.

4.2.1 Value Chain

As a small to medium-sized IC design company, Davicom specializes in Ethernet communication ICs, electronic paper drivers (EPD), video decoders (VD), and AI processors (AI SoC). Its supply chain spans wafer fabrication, packaging, and testing, with all production outsourced to carefully selected partners who share the Company's commitment to protecting environmental interests. Davicom's products and services are primarily applied in communication fields, including network interface cards, hubs, and switches, as well as CCTV surveillance systems, DVR/NVR digital recording systems, and electronic paper driver applications. Products are distributed through agents or brand clients. Compared with 2023, the Company's value chain, products and services, and business relationships have remained largely unchanged.



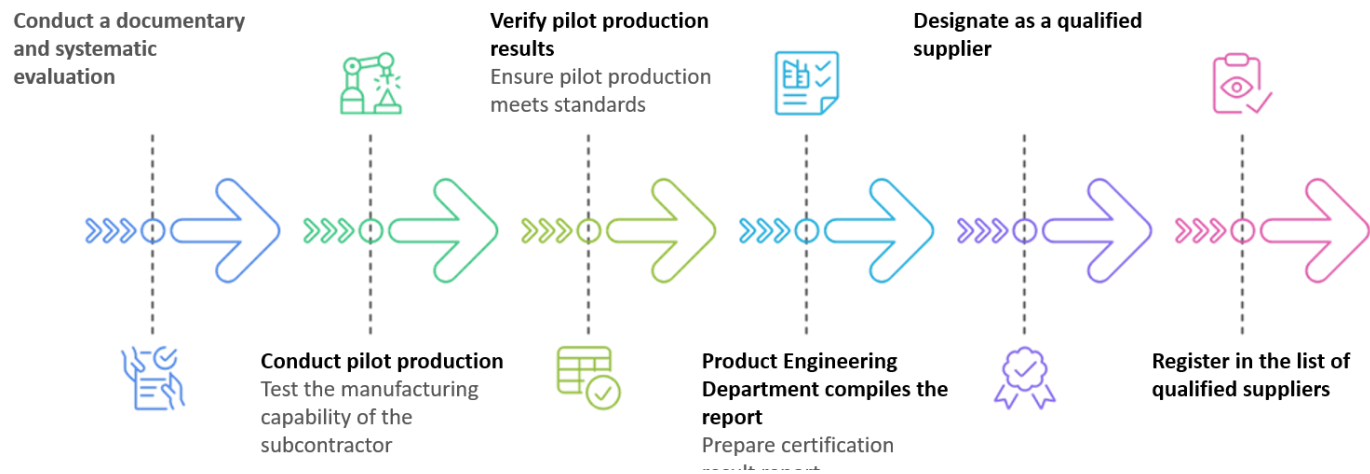
4.2.2 Supplier Selection

Suppliers are key partners in Davicom’s sustainable growth, ensuring that products comply with international standards on human rights and green quality. The primary raw material for the Company’s products is wafers, with UMC (United Microelectronics Corporation) as the main supplier. During the supplier selection process, Davicom collaborates with reputable and well-established companies, with evaluation criteria focused on product quality, technical capability, and delivery reliability.

Selection Process

For wafer foundry suppliers, the qualification process begins with document and system evaluations. Upon completing the preliminary assessment, the supplier undergoes a trial production run, followed by product verification. The Product Engineering Department consolidates the trial production results into a qualification report. Foundry suppliers that successfully pass verification are formally registered in Davicom’s Approved Vendor List (AVL), ensuring quality stability and transparent management for future collaborations.

Wafer Foundry Certification Process



4.2.3 Supplier Audits and Management

In the semiconductor IC design industry, supply chain management is critical to ensuring product quality and supply stability. Davicom works closely with suppliers to align with international quality standards and enhance supply chain resilience. Through regular and ad hoc audits, the Company continuously monitors suppliers' quality management practices, promptly requesting corrective actions to mitigate risks and strengthen supply chain competitiveness.

Audit Frequency & Audit Criteria

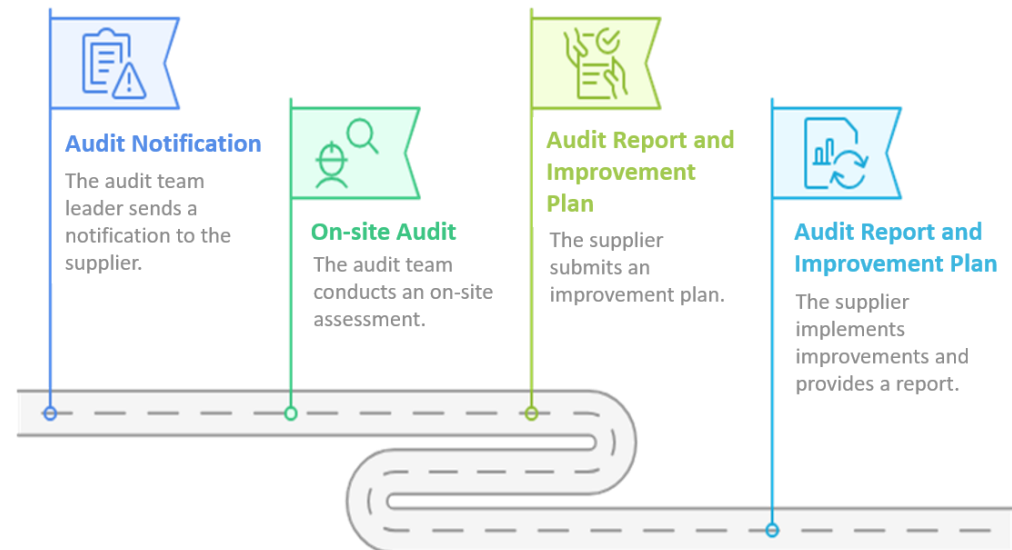
The principle of audit frequency is to conduct one supplier quality audit each year, and a supplier audit review meeting is held every January to review the quality performance and improvement results of suppliers in the previous year, serving as the basis for formulating the new year's audit plan.

Audit Procedures and Implementation Methods

To ensure that audit work is systematic and impartial, the Company has established a standardized audit process as follows:

1. **Audit Notification:** The audit team must notify the supplier at least two weeks prior to the audit date. The Lead Assessor shall issue a formal letter explaining the audit content and arrangements.
2. **On-Site Audit:** The audit team, according to the plan, visits the supplier's site to carry out the audit, conducting a comprehensive assessment focusing on the quality management system, process control, product inspection, and abnormality handling mechanisms.
3. **Audit Report and Improvement Plan:**
 - If non-conformities are found during the audit, the audit team will complete a Quality Audit Defect Report and require the supplier to make improvements within a specified period.
 - All audit results will be compiled into a Supplier Quality Audit Report for subsequent tracking and effectiveness confirmation.
4. **Follow-up and Continuous Improvement:**
 - The supplier must propose specific corrective measures for the audit deficiencies, including the responsible person and the scheduled completion date, and reply to the Company's Quality Management Department within the designated timeframe.

Standardized Audit Process



4.2.4 Supply Status of Key Raw Materials

Item	Content
Supplier	United Microelectronics Corporation (UMC)
Market Status	UMC is a globally renowned semiconductor manufacturer with a well-established reputation for quality. The Company has maintained a long-term partnership with UMC, ensuring reliable access to the production capacity required to meet our business needs.
Davicom's Procurement Strategy	Stable manufacturing processes and high yield rates effectively reduce costs, making the selection of high-quality suppliers highly beneficial to our products. Davicom has enjoyed a longstanding collaboration with UMC, which continuously develops new process technologies aligned with global industry trends and provides access to advanced nodes for our use. The Company reviews pricing based on market supply and demand conditions and conducts regular evaluations of product quality and service performance.

4.2.5 Green Supply Chain Management

The Company is committed to building an environmentally responsible supply chain, ensuring that our products comply with international environmental regulations and customer requirements throughout the design, manufacturing, packaging, and testing processes. Our suppliers and manufacturing partners have obtained SONY Green Partner certification. As of the reporting year, Davicom and its key suppliers, including multiple UMC fabs and Siliconware Precision Industries Co., Ltd. (SPIL), have all achieved SONY GP certification. The certifications remain valid through 2025–2026, subject to regular audits to ensure continued compliance with the latest environmental standards.

Through rigorous supplier management and certification, the Company guarantees that materials, manufacturing, and packaging processes meet environmental requirements, while working hand in hand with supply chain partners to promote green manufacturing and fulfill our corporate social responsibility. Looking ahead, we will continue to monitor suppliers' environmental performance and strengthen green supply chain management in alignment with international standards, thereby reducing environmental impact and advancing our sustainability objectives.

Localization of Procurement

The Company continues to promote local sourcing by collaborating with domestic suppliers to support local economic development and reduce energy consumption from transportation. In 2024, 87.91% of procurement expenditures at major operating sites were sourced from local suppliers.

Davicom Provides Customers with a Self-Declaration on Product Compliance with Environmental Regulations and Management Procedures

No.	Davicom Product Management Procedure Declaration
1	Sony SS00259 (management rules under substance environmental management for components and materials)
2	EU RoHS (2011/65/EU, Restriction of Hazardous Substances in Electrical and Electronic Equipment, RoHS Directive)
3	EU REACH (EC 1907/2006) SVHC (Substance of Very High Concern)
4	PFOS (2006/122/EC, directive to restrict use of PFOS)
5	DMF (2009/251/EC, directive to restrict use of DMF)
6	Halogen (IEC 61249-2-21, directive to restrict use of halogen, only chlorine and bromine)

4.2.6 Quality Management

Quality Management and System Framework

Upholding a strong commitment to product excellence and customer trust, Davicom leverages decades of industry expertise, an enduring reputation for integrity, and robust market experience to continuously refine its quality management system. This effort enhances product reliability, deepens client confidence, and advances the company's vision of sustainable growth.

Our quality policy is articulated along the following principles:

1. Effective governance and reinforcement of operational risk management ;
2. Continuous development of cost-efficient, high-performance products to secure market competitiveness ;
3. Sustainable business growth and profitability, underpinned by corporate social responsibility.

To systematically advance quality management, Davicom has adopted the ISO 9001:2015 Quality Management System, built upon the core objective of “meeting customer needs and enhancing customer satisfaction.” This framework spans the entire value chain—from new product development and design verification to production planning and customer relationship management. Each department aligns its operations

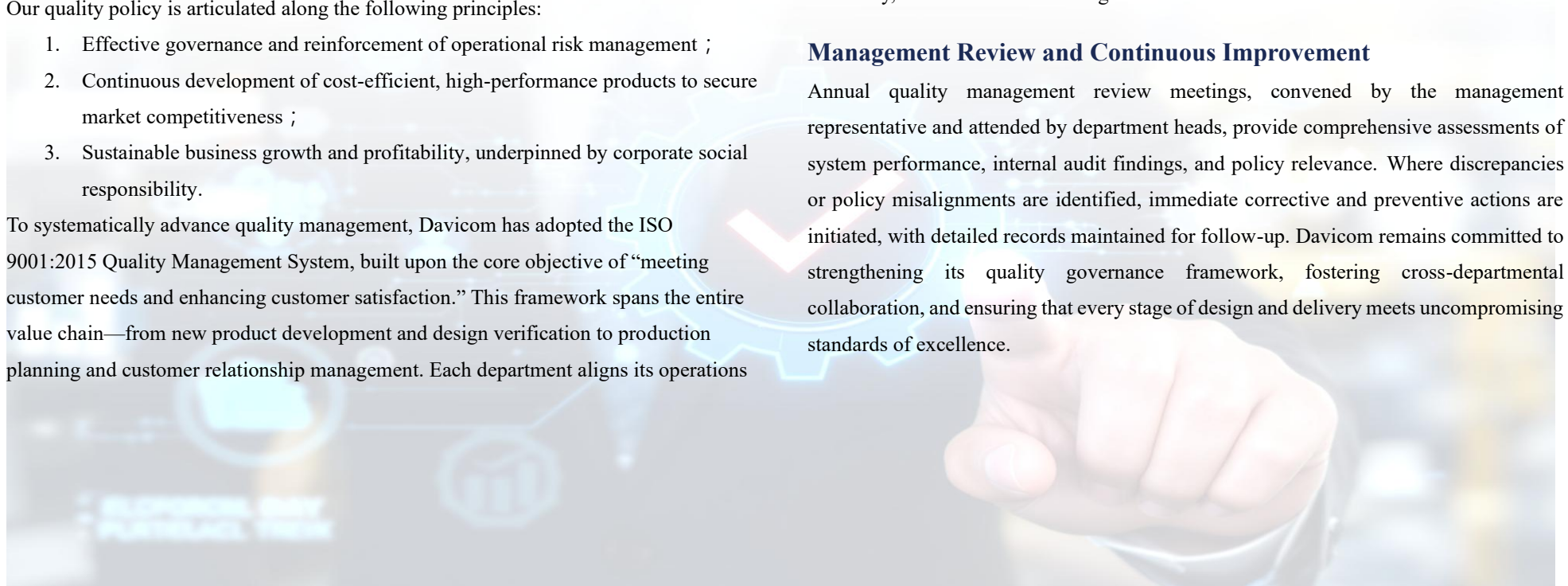
with quality policy directives to ensure stringent standards are upheld across every stage of the product lifecycle.

Quality Objectives and Annual Planning

In the fourth quarter of each year, all relevant departments establish quality objectives and annual plans targeting key performance factors. Upon review and approval, these measures are rigorously implemented to reduce quality losses, improve management efficiency, and achieve defined targets.

Management Review and Continuous Improvement

Annual quality management review meetings, convened by the management representative and attended by department heads, provide comprehensive assessments of system performance, internal audit findings, and policy relevance. Where discrepancies or policy misalignments are identified, immediate corrective and preventive actions are initiated, with detailed records maintained for follow-up. Davicom remains committed to strengthening its quality governance framework, fostering cross-departmental collaboration, and ensuring that every stage of design and delivery meets uncompromising standards of excellence.



4.3 Environmental Product Declaration

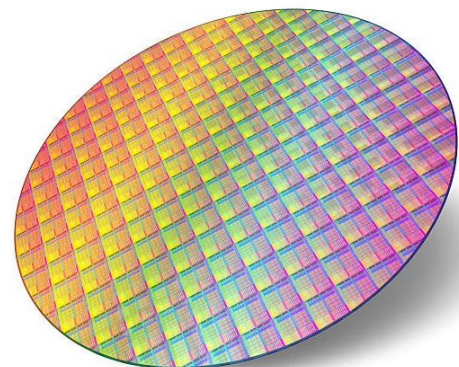
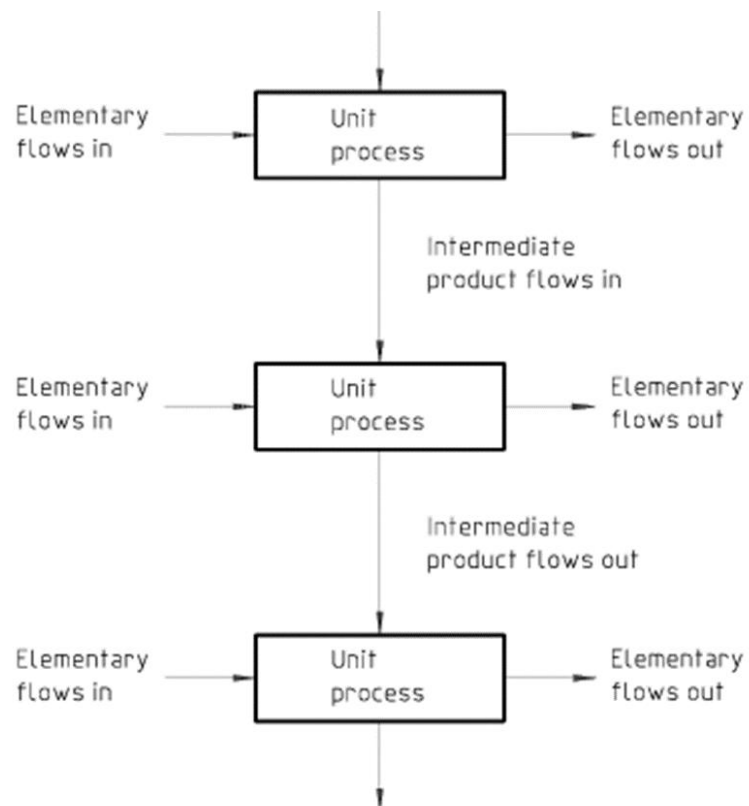
Material Topic	Significance to the Company	Policy/Commitment	Short-term Goal	Mid- to Long-term Goals	1. Resources Invested / 2. Achievements	Responsible Department / Grievance Mechanism	Evaluation Mechanism / Outcomes
Environmental Product Declaration	Davicom seeks to elevate its corporate reputation, attract sustainability-minded investors and clients, and strengthen competitiveness in the global marketplace.	By providing accurate and reliable environmental information, the Company fosters environmental awareness, ultimately advancing the protection and improvement of the natural environment.	Standardized processes are employed to evaluate product life cycle assessments (LCA) and their environmental impacts, supporting the long-term goal of ecological sustainability.		1. Wafer manufacturing, packing, and testing 2. Annual resources allocated: NT\$55,791 thousand	Sustainability Task Force contact: aurora_lo@Davicom.com.tw	Suppliers are required to provide impartial third-party testing reports demonstrating compliance with EU RoHS Directive (2011/65/EU).



As an IC design company, Davicom completes circuit design in-house and entrusts wafer fabrication, assembly, and testing processes to qualified suppliers.

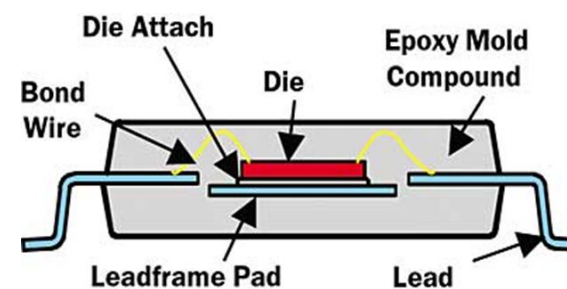
Category	Controller	Phy	Switch	USB	SPI	Serial port	EPD、VD AI Soc
Item	9000	9161、9162、 9119	8203、8603、 8606C、8806	9621、9620	9051	9625	

Product Process



Wafer Manufacturing

IC Packaging



Homogeneous Material Analysis for Green Products

Section	Restricted-using Substance Content (PPM) of EU RoHS directives									
	Cr ⁺⁶	Cd	Hg	Pb	PBB	PBDE	DEHP	BBP	DBP	DIBP
Die	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.
Lead & Leadframe pad	N.D.	N.D.	N.D.	○	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.
Epoxy Mold Compound	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.
Die Attach Material	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.
Bond Wire	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.
Plating on Lead	N.D.	N.D.	N.D.	○	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.

No.	Content
1	Sony SS00259 (management rules under substance environmental management for components and materials)
2	EU RoHS (2011/65/EU, Restriction of Hazardous Substances in Electrical and Electronic Equipment, RoHS Directive)
3	EU REACH (EC 1907/2006) SVHC (Substance of Very High Concern)
4	PFOS (2006/122/EC, directive to restrict use of PFOS)
5	DMF (2009/251/EC, directive to restrict use of DMF)
6	Halogen (IEC 61249-2-21, directive to restrict use of halogen, only chlorine and bromine)

"N.D." indicates "Not Detected"

"O" indicates "Below the maximum concentration specified in the EU RoHS Directive"

4.4 Customer Relationship Management

4.4.1 Commitment and Core Values in Customer Relations

Davicom is dedicated to delivering high-quality products and professional services, placing great importance on cultivating long-term trust and collaboration with clients. To help accelerate customer product development, we actively listen to their technical and application needs and provide tailored solutions that enhance supply chain efficiency. Supporting customer success is regarded as a cornerstone of Davicom's sustainable growth, and we remain committed to continuous improvement to secure enduring and stable business results.

4.4.2 Customer Communication and Response Mechanisms

Davicom values ongoing interaction with clients and has established robust mechanisms for product information disclosure and technical service delivery to ensure rapid responses to customer needs. To strengthen customer relationship management, the Company has implemented a comprehensive response and resolution framework encompassing product information sharing, technical support, feedback analysis, and grievance handling.

Product Information and Customer Communication

To ensure timely and complete information delivery, our sales teams conduct regular client visits, building solid communication channels. Face-to-face engagement and technical exchanges allow us to gain deeper insights into customer design requirements and application contexts, providing targeted recommendations and valuable feedback to our R&D teams for continuous product enhancement.

Technical Service and Support Principles

Serving as the primary communication channel, our sales teams coordinate technical support requests during both the design-in stage and subsequent production or application processes. Customers may also directly engage with system application engineers.

Relevant departments collaborate closely to analyze and resolve issues, ensuring effective problem resolution.

Customer Feedback and Continuous Improvement

To enhance satisfaction, Davicom consistently gathers and analyzes client feedback, including survey results and practical application insights. The quality management team consolidates findings for review at quality management meetings, where concrete improvement actions and plans are developed. Through cross-departmental collaboration and resource integration, Davicom drives a cycle of continuous improvement, enhancing both service quality and product competitiveness.

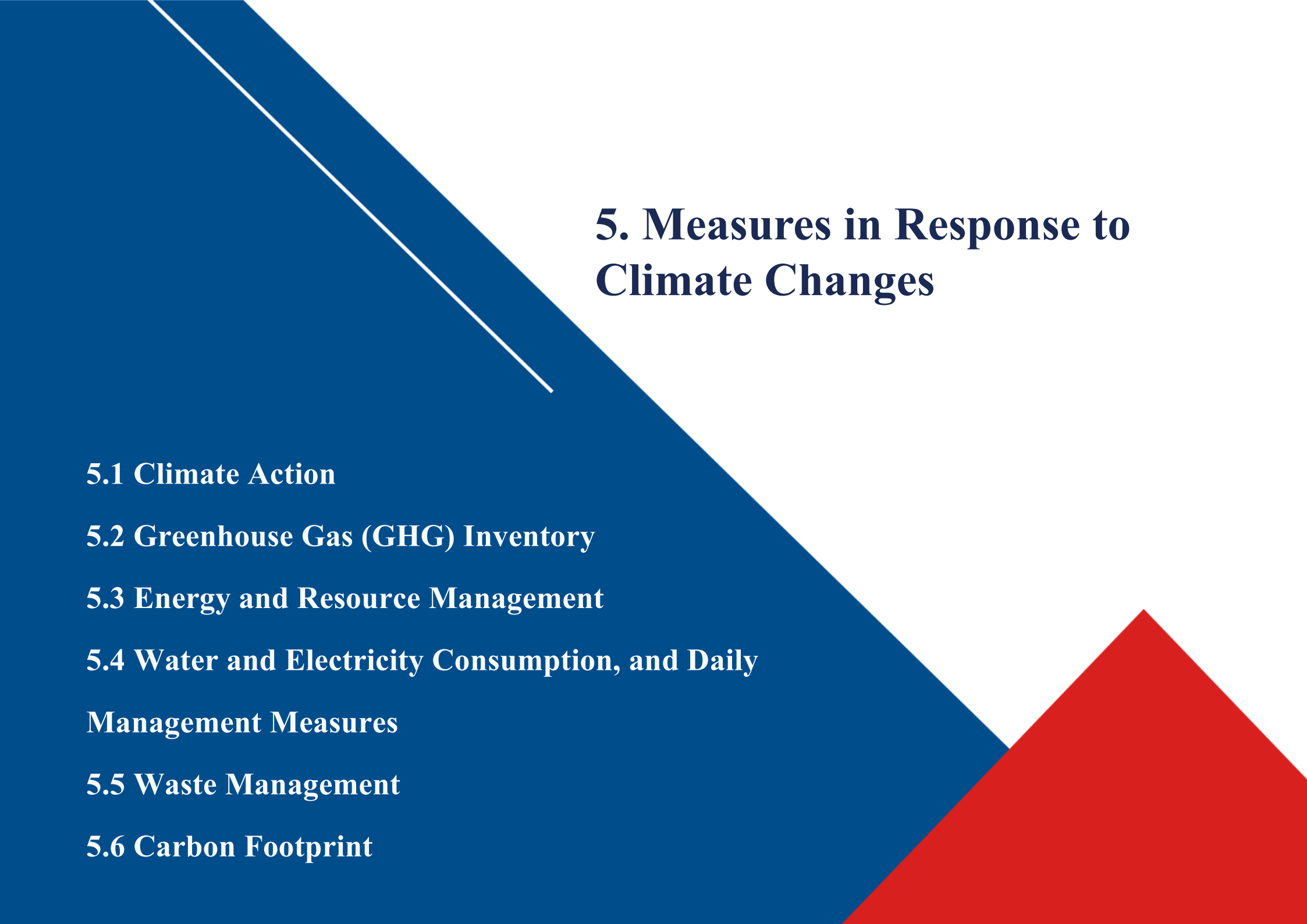
Davicom will continue optimizing its customer service framework, building more systematic and professional response mechanisms to address every inquiry and technical concern with diligence, with the goal of becoming a trusted long-term partner for our clients.

4.4.3 Customer Privacy Protection

Operating under a B2B model, Davicom prioritizes the safeguarding of client trade secrets to uphold industry ethics and ensure fair competition. Effective management is achieved through two key dimensions:

For human resource management, employees are required to uphold professional ethics and are strictly prohibited from disclosing client methods, technologies, processes, formulas, programs, designs, or other proprietary information related to production, sales, or operations.

In terms of technology management, a reliable and secure information management system has been established to ensure the integrity and protection of client service records. During the reporting period, Davicom received no substantiated complaints regarding privacy breaches, nor were there any related complaints from regulatory authorities. Furthermore, no incidents of data leakage, theft, or loss occurred. The Company continues to invest in information security to ensure robust protection of client data.



5. Measures in Response to Climate Changes

5.1 Climate Action

5.2 Greenhouse Gas (GHG) Inventory

5.3 Energy and Resource Management

**5.4 Water and Electricity Consumption, and Daily
Management Measures**

5.5 Waste Management

5.6 Carbon Footprint

Davicom recognizes the potential impacts of climate change on its operating environment and has progressively advanced relevant management practices, with a particular focus on greenhouse gas (GHG) emissions inventories, energy conservation initiatives, and regulatory compliance. Through cross-departmental collaboration and resource integration, the Company strengthens its capacity to address climate-related risks while embedding climate considerations into its broader sustainability framework. These efforts are supported by continuous optimization of internal management processes and enhanced information transparency, thereby bolstering organizational resilience and adaptability.

5.1 Climate Action

In response to the challenges of global climate change, Davicom continues to advance climate action and is committed to reducing its environmental impact through concrete measures. Carbon inventory serves as one of the key management practices, enabling the Company to quantify and assess greenhouse gas emissions from various activities, evaluate reduction performance, and use the results as a basis for management. In addition, the Company promotes multiple sustainability strategies to reduce greenhouse gas emissions and fulfill its corporate environmental responsibilities. In 2017, the Company declared its R&D objective of improving energy efficiency in new products by 20%. Using 2021 as the baseline year, Davicom established reduction targets for 2022–2025: maintaining Scope 1 emissions at current levels, reducing Scope 2 emissions by 2% annually, cutting electricity consumption by 2% per year, lowering daily waste generation by 1 kilogram, and increasing packaging recycling and reuse rates by 3% annually. These initiatives are designed to drive comprehensive resource efficiency and enhance climate governance.

5.2 Greenhouse Gas (GHG) Inventory

Material Topic	Significance to the Company	Policy/Commitment	Short-term Goal	Mid- to Long-term Goals	1. Resources Invested / 2. Achievements	Responsible Department / Grievance Mechanism	Evaluation Mechanism / Outcomes
Emissions of greenhouse gases	GHG emissions are a principal driver of climate change and pose significant risks to corporate operations and supply chain stability. Effective carbon management not only supports regulatory compliance but also strengthens the Company's sustainability reputation.	Davicom is committed to conducting greenhouse gas (GHG) inventories in accordance with ISO 14064-1 standards and to progressively advancing carbon reduction initiatives. Through systematic emissions management, the Company seeks to mitigate the environmental impacts arising from its operations.	1. Completion of GHG inventory reports. 2. Establishment of a GHG emissions data management mechanism.	Verification of emissions results.	1. Execution of internal inventories. 2. Completion of the 2024 GHG inventory covering organizational boundaries (Scope 1 and Scope 2).	The Sustainability Task Force : aurora_lo@Davicom.com.tw	Reports inventory progress to the Board of Directors on a quarterly basis.

To proactively respond to global climate risks and increasingly stringent carbon management challenges, Davicom established a GHG Inventory Task Force in 2022. This task force promotes a systematic approach to GHG inventory and management in accordance with ISO 14064-1:2018 standards. Using the Company's geographic boundaries and adopting the principle of operational control to define its organizational scope, Davicom accounts for emissions generated by its Hsinchu headquarters as well as all entities included in its consolidated financial statements, thereby ensuring comprehensive oversight of GHG emissions across operations.

5.2.1 Greenhouse Gas Emissions – Scope 1 and Scope 2

In 2024, Davicom's direct greenhouse gas (GHG) emissions (Scope 1) totaled 93.7000 tCO₂e, representing 19% of total emissions. The primary sources include refrigerators, water dispensers, and chillers—equipment essential for daily operations and employee needs. While the Company is committed to reducing energy consumption and related emissions, current technological maturity and operational considerations limit the availability of viable alternatives. Davicom will continue to monitor advances in energy-saving technologies and low-carbon applications, evaluating feasibility for future implementation to progressively reduce Scope 1 emissions. Scope 2 emissions, primarily from purchased electricity, amounted to 390.4479 tCO₂e.

GHG Emissions and Emission Intensity – Past Two Years

Category	Unit : tCO ₂ e	
	2023	2024
Scope 1 Emissions	87.7770	93.7000
Scope 2 Emissions	399.8872	390.4479
Total GHG Emissions	487.6642	484.1479
Annual Revenue (NT\$ million)	231.98	145.87
GHG Emission Intensity (Scopes 1 & 2)	2.1022	3.3190

Notes 1 : Conversion factors for direct GHG emissions are based on Version 6.0.4 of the GHG Emission Coefficient Management Table published by the Ministry of Environment.

Notes 2 : Global Warming Potentials (GWP) of various gases are adopted from the IPCC Sixth Assessment Report (AR6).

Notes 3 : Scope 2 emissions for 2024 were calculated using the 2022 electricity emission factor of 0.495 kgCO₂e for January–June and the 2023 factor of 0.494 kgCO₂e for July–December.

Notes 4 : Calculation formula for GHG emission intensity: Total GHG emissions (tCO₂e)/NT\$ million in revenue.

Notes 5 : Scope 1 and Scope 2 include the following gases: CO₂, N₂O, CH₄, HFCs, PFCs, SF₆, and NF₃.

5.2.2 Scope 3 Greenhouse Gas Emissions

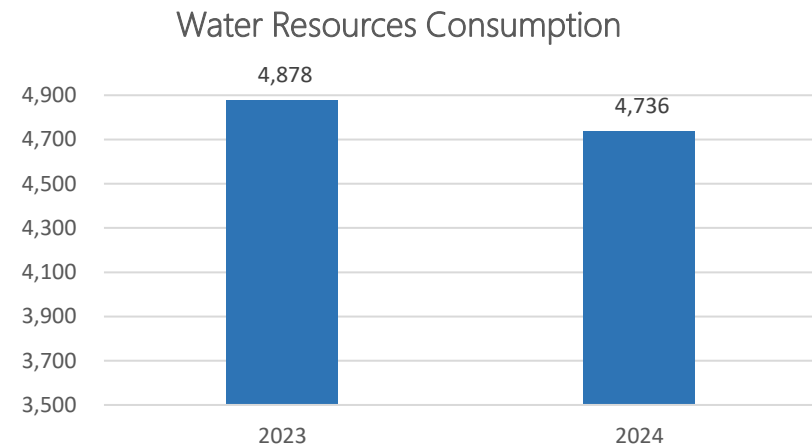
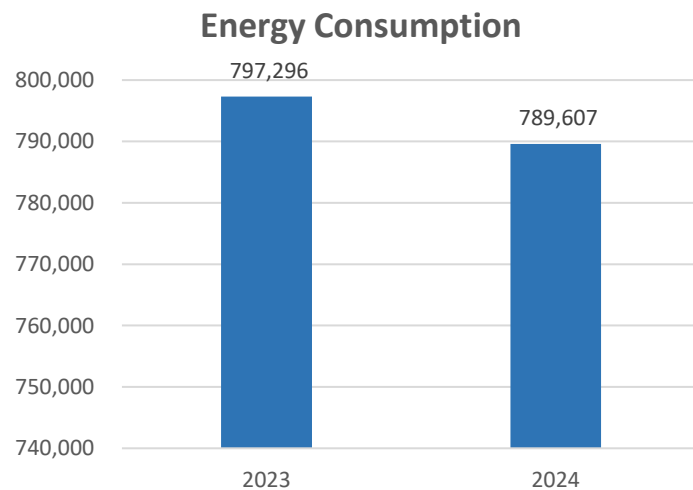
Scope 3 emissions are calculated across five categories: employee commuting, business travel, downstream goods transportation, waste treatment (general and industrial), and downstream leased assets. The GHGs considered include CO₂, N₂O, CH₄, HFCs, PFCs, SF₆, and NF₃.

In 2024, Scope 3 GHG emissions totaled 1,571.1060 tCO₂e.

5.3 Energy and Resource Management

As an IC design services company, Davicom’s energy use is mainly associated with office equipment. All energy consumed is derived from purchased electricity supplied by Taiwan Power Company (Scope 2), accounting for 100% of total energy consumption. Monthly consumption is monitored via independent electricity meters and recorded by the General Affairs Office. The total electricity consumption for 2024 was 789,607 kWh, representing a decrease of 7,689 kWh compared to 797,296 kWh in 2023.

Water usage at Davicom is primarily for employee daily needs—drinking, washing, and sanitation—with no process wastewater generated. The sole water source is the Taiwan Water Corporation, accounting for 100% of consumption. The Company does not operate in water-stressed regions and has no significant impact on water resources. All wastewater is classified as domestic sewage and is legally discharged through the public sewerage system in compliance with Hsinchu Science Park regulatory standards. The total water consumption for 2024 was 4,736 cubic meters, a decrease of 142 cubic meters compared to 4,878 cubic meters in 2023.



Note: Since all water usage is for domestic purposes, water withdrawal equals water discharge, and net water consumption is zero.

5.4 Water and Electricity Consumption, and Daily Management Measures

Energy Conservation and Carbon Reduction Measures

1. Adoption of variable frequency control in the air-conditioning system to improve energy efficiency and operational performance.
2. Optimization of corridor lighting by reducing the number of fixtures to lower energy consumption.
3. Adjustment of indoor air-conditioning temperature upward by one degree Celsius to enhance energy savings.
4. Turning off lights during lunch breaks or when leaving the office to conserve electricity.
5. Implementation of sun-shading and heat-insulation improvements (e.g., insulation films and curtains) in office spaces to reduce solar heat radiation, enhance cooling efficiency, and improve overall energy utilization.
6. Encouragement of employees to use stairs instead of elevators, promoting health while reducing energy consumption.
7. Advocacy for carpooling and eco-friendly transportation (e.g., bicycles) during labor-management meetings, birthday gatherings, and other events.
8. GHG Reduction Planning: Davicom has conducted a feasibility assessment of small-scale solar panel installation. In addition to ensuring elevator operation during power outages, the initiative aims to position the Company as an enterprise with self-owned small-scale renewable power generation capacity.

Water Resource Management

Although the Company's domestic water consumption at each operational site is limited, Davicom continuously promotes water-saving awareness and eco-friendly practices among employees to reduce waste and enhance resource efficiency. Measures include:

Rainwater harvesting and RO (reverse osmosis) treatment for reuse.

Application of treated water for landscape irrigation, thereby improving water resource utilization and contributing to energy efficiency.

5.5 Waste Management

As an IC design company, Davicom is responsible for chip design and sales only, with no manufacturing, packaging, or testing operations. The hazardous waste disclosed in this report does not originate from manufacturing processes but primarily consists of chip samples and defective IC products.

In compliance with environmental regulations, the Company submits monthly reports on waste generation and temporary storage to regulatory authorities, fulfilling its environmental management responsibilities.

For disposal, waste is managed according to generation and accumulation levels. All waste is processed through qualified waste management contractors under formal scrap disposal procedures.

2024 Waste Statistics Table

Unit: Metric Tons

Year/ Item	Hazardous Industrial Waste
2024	0.396

5.6 Carbon Footprint

Material Topic	Significance to the Company	Policy/Commitment	Short-term Goal	Mid- to Long-term Goals	1. Resources Invested / 2. Achievements	Responsible Department / Grievance Mechanism	Evaluation Mechanism / Outcomes
Carbon Footprint	Disclosing the environmental footprint of products helps enhance Davicom's reputation, attract sustainability-minded customers and investors, and foster cooperation within the green supply chain.	Demonstrates the Company's environmental responsibility and strengthens its social image.	In 2024, Davicom focused its resources on evaluating controllable scope carbon emissions, which serves as the foundation for comprehensive disclosure.	Davicom is committed to achieving comprehensive disclosure of the carbon footprint of all products.	1. Resources were primarily focused on inventorying Davicom's controllable scope of carbon emissions. 2. Specific achievements include data collection, analytical reporting, improved transparency, and policy recommendations.	Sustainability Task Force : aurora_lo@Davicom.com.tw	1.. Establish clear carbon emission standards and guidelines. 2. Encourage adoption of green technologies. 3. Promote transparency in disclosure. 4. Strengthen monitoring and regulatory mechanisms.

The product environmental footprint refers to the total environmental impact of a product throughout its life cycle—from production and use to disposal and recycling—including energy and resource consumption, greenhouse gas emissions, water and air pollution, and land use.

As an IC design company, Davicom develops chips that serve as key components in networking devices and digital infrastructure. Since all manufacturing processes (fabrication, packaging, and testing) are outsourced, the environmental footprint of Davicom's products primarily arises from outsourced activities, including raw material extraction, manufacturing, packaging, and transportation.

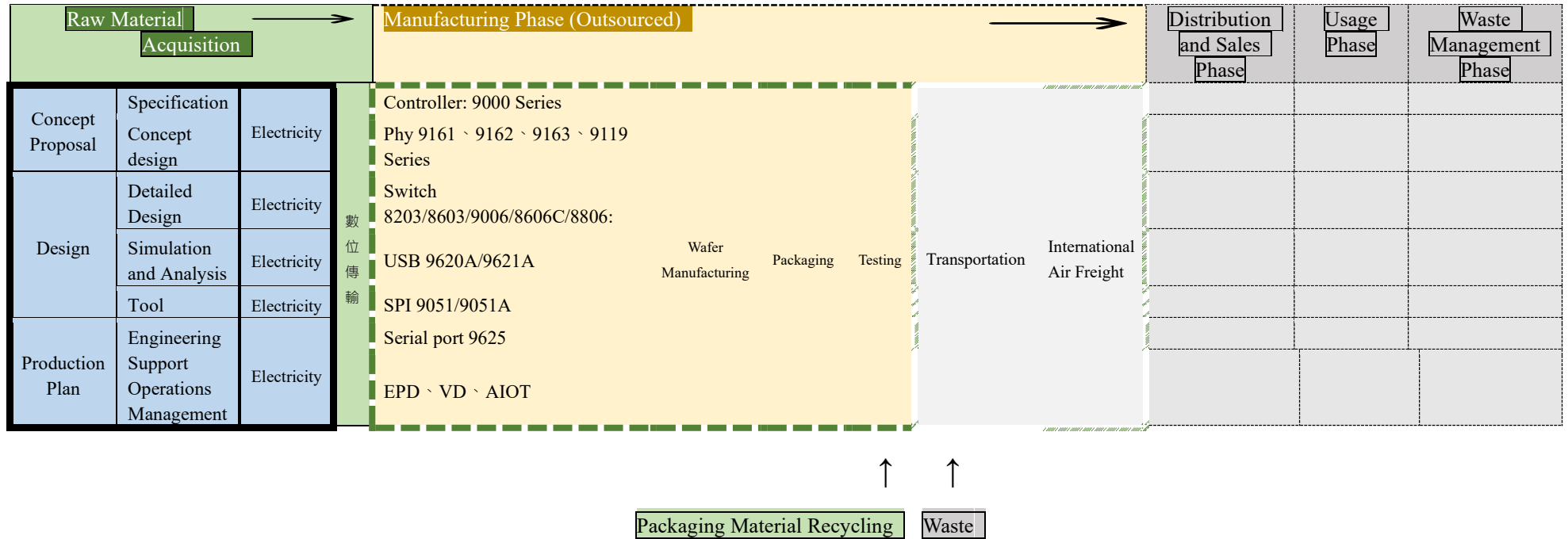
Currently, suppliers (foundries, packaging, and testing providers) have not provided specific and transparent carbon footprint data. Therefore, the Company's disclosure of product carbon footprint is limited to short-term targets, which will serve as the foundation for future comprehensive product-level carbon footprint reporting. Reducing natural resource consumption and actively developing energy-saving products are central to Davicom's sustainability goals. In 2024, Davicom introduced the new SPI to Ethernet MAC Controller DM9051ANX-E2, which demonstrated significant improvements in energy efficiency compared to the previous model DM9051NP-E2. The operating current was reduced from 160mA to 60mA, representing a 62.5% decrease in power consumption, achieved through a design transition from 0.18μm current mode to 0.11μm voltage mode. In addition, the chip die area was reduced by 57.6%, further contributing to resource efficiency.

SPI to Ethernet MAC Controller DM9051ANX-E, compared with the DM9051NP-E2, has an operating current of 60mA vs. 160mA, reducing power consumption by 62.5% (design mode changed from 0.18μm current mode to 0.11μm voltage mode).



Product Carbon Footprint: B2B (Cradle to Gate)

Process Map



Raw Material Acquisition Phase - Utilization of energy and resources

Category	Data on activities	Emission Factor	Carbon emissions (tCO ₂ e)
Power Consumption	789,607 kWh	9.73E-2 kgCO ₂ e	768.29
Water Consumption	4,736 cubic metre	2.33E-1 kgCO ₂ e	1.10
Total			769.29

Cargo distribution

Category	Data on activities	Emission Factor	Carbon emissions (tCO ₂ e)
International air freight	201,420 t/Km	1.16E+0kgCO ₂ e	233.65
Category	Data on activities	Emission Factor	Carbon emissions (tCO ₂ e)
The Transportation of Domestic Processing	7,120.5 t/Km	1.16E+0kgCO ₂ e	8.30

Disposal of wastes

Category	Data on activities	Emission Factor	Carbon emissions (tCO ₂ e)
General waste incineration	23.310Kg	3.40E+2 kgCO ₂ e	7.93
Industrial waste disposal	396Kg	2.90E-1 kgCO ₂ e	0.11
Total			8.04

Recycling and reuse

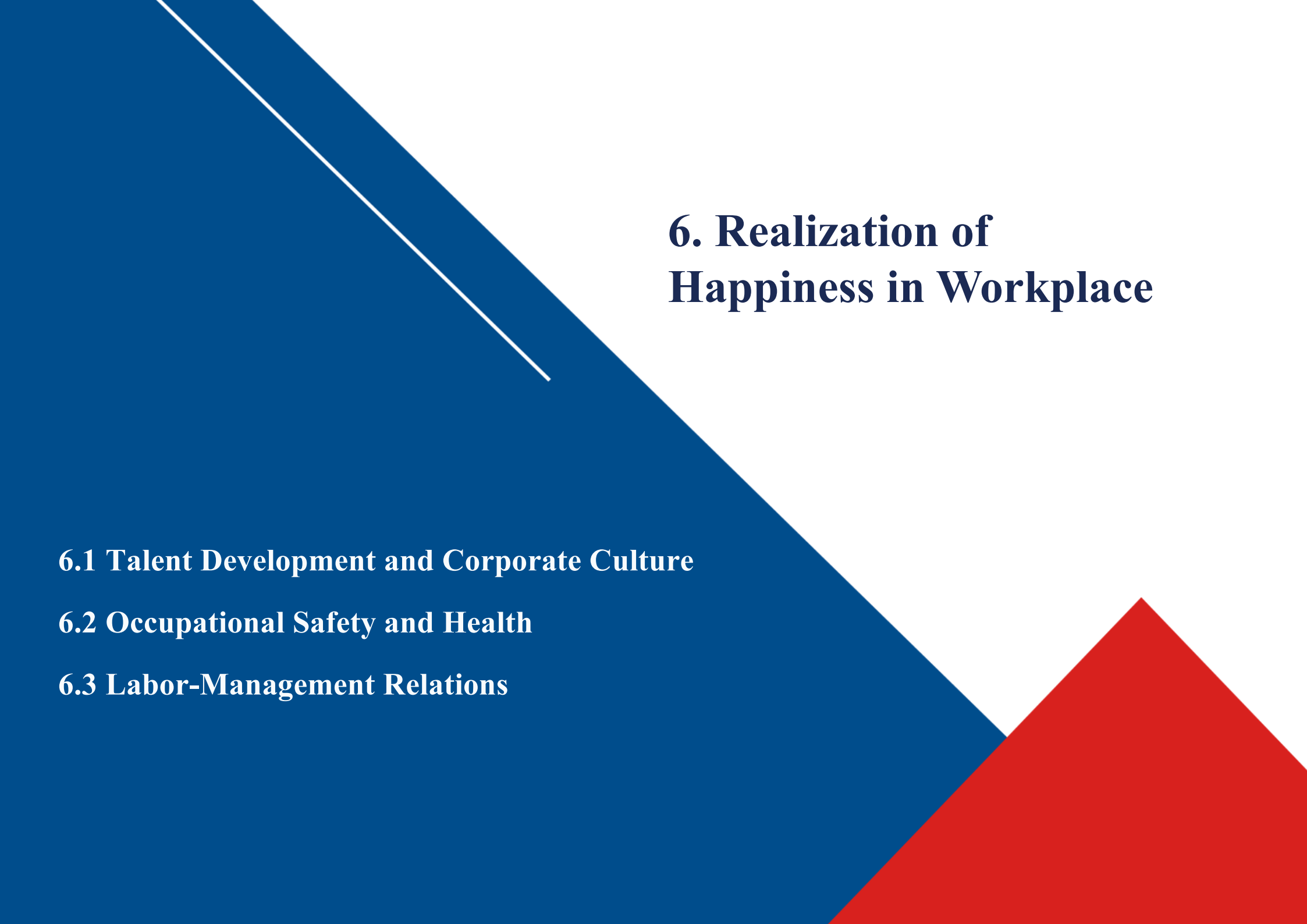
Category	Data on activities	Emission Factor	Emission reduction (tCO ₂ e)
PPE Recycle (4,061pcs)	271Kg	1.95E+0 kgCO ₂ e	0.53
Cardboard recycling (1,460pcs)	373Kg	1.69E+0 kgCO ₂ e	0.63
Total			1.16

Distribution

Carbon Footprint (tCO ₂ e)		Controller	Phy	Switch	USB	SPI	Serial	EPD、VD、AI SoC
Energy and resources acquisition phase	769.29	153.63	332.70	48.10	69.16	120.70	2.15	42.85
Manufacturing Phase - Waste	8.04	1.61	3.48	0.50	0.72	1.26	0.02	0.45
Distribution and Sales Phase	16.40	3.28	7.09	1.02	1.48	2.57	0.05	0.91
Recycling and reuse	(1.16)	(0.23)	(0.50)	(0.07)	(0.10)	(0.18)	(0.01)	(0.07)
Product Environmental Footprint	792.57	158.29	342.77	49.55	71.26	124.35	2.21	44.14

Note: The product environmental footprint allocation ratio is based on the production quantity of each product type as shown in the table below.

Product	Proportion (%)
Controller 9000	19.97
Phy 9161、9162、9119	43.26
Switch 8203、8603、8606	6.24
USB 9621、9620	8.99
SPI 9051	15.69
Serial port 9625	0.28
EPD、VD、AI SoC	5.57



6. Realization of Happiness in Workplace

6.1 Talent Development and Corporate Culture

6.2 Occupational Safety and Health

6.3 Labor-Management Relations

6.1 Talent Development and Corporate Culture

6.1.1 Human Rights Policy and Commitment

Davicom is dedicated to fostering a professional and innovative R&D environment that attracts top talent. Guided by the principles of people-oriented values, integrity, and sustainable management, the Company upholds a corporate culture of Diligence, Professional, Prudence, Integrity, Innovation, and Sharing. We provide a supportive workplace and career development opportunities, encourage cross-department collaboration and knowledge sharing, and ensure that every employee can maximize their potential within the team.

The Company strictly complies with the laws and regulations of all jurisdictions where it operates and is committed to safeguarding employees' fundamental human rights. In accordance with relevant domestic regulations, we implement labor rights protection measures and strive to build a diverse, equitable, and inclusive workplace. Davicom has established the Sustainable Development Best Practice Principles and the Regulations for Establishing Measures on Prevention of Sexual Harassment in the Workplace, which explicitly safeguard gender equality, labor rights, and the prohibition of discrimination.

In terms of human resources policies, the Company adheres to the Labor Standards Act

and the Employment Service Act, ensuring no differential treatment based on gender, race, socioeconomic status, age, marital status, or family background. We are committed to equal opportunities and fair treatment in recruitment, employment conditions, compensation, benefits, training, performance evaluation, and promotion. In strict compliance with the Labor Standards Act, Davicom prohibits the use of child labor and any form of forced or compulsory labor, while also actively supporting the employment rights of disadvantaged groups.

To protect employees' rights and ensure their voices are heard, the Company has established a fair, transparent, and confidential grievance mechanism. This simple and accessible process ensures that employees can raise concerns with confidence and receive appropriate responses and resolutions. Through this mechanism, Davicom strengthens mutual communication and trust between the Company and its employees, working together to create a more inclusive and sustainable future.



6.1.2 Workforce Composition

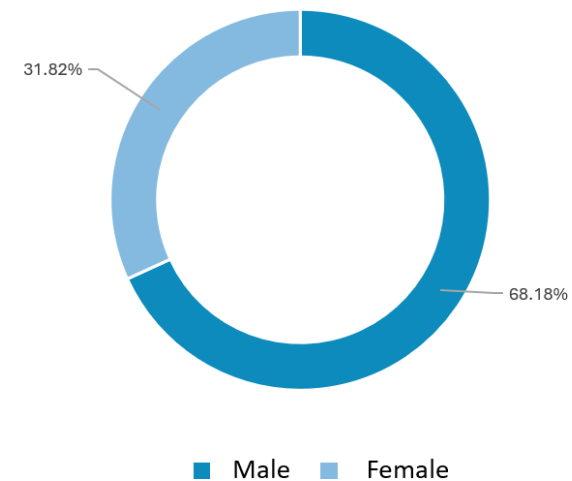
Employee and Non-Employee Structure

Davicom is an IC design company focused on R&D services. We recognize that employees are our most valuable asset in driving technological innovation and business growth. To this end, we have established a transparent and competitive compensation and benefits system, provide multiple communication channels, and care for employee well-being by creating a positive working environment. The Company is committed to attracting and retaining outstanding R&D talent, enhancing technological capability and market competitiveness, and achieving sustainable operations.

As of the end of 2024, the Company had a total of 66 employees, including 45 male employees (68.2% of the total workforce) and 21 female employees (31.8%). All employees are employed on a full-time basis. Due to the characteristics of the industry, the majority of the Company's employees are male. The Company has no overseas or foreign employees.

Davicom does not employ part-time staff or employees without guaranteed working hours. The total number of employees in 2024 decreased by 8 compared to 2023, primarily due to resignations and retirements. As of the end of 2024, other non-employee workers included personnel dispatched by vendors providing cleaning and security services (3 cleaners and 4 security staff, including 1 receptionist). The number of such contracted personnel has remained stable over the past three years.

Employee Gender Ratio for the Year



Employee Employment Type

Category	Employment Type	Male		Female		Subtotal	Proportion
		Number of Employees	Proportion	Number of Employees	Proportion		
Gender		45	68.2%	21	31.8%	66	100.0%
Nationality	Domestic	45	68.2%	21	31.8%	66	100.0%
	Foreign	0	0.0%	0	0.0%	0	0.0%
Job Category	R&D	15	22.7%	1	1.5%	16	24.2%
	Engineering & Technical	17	25.8%	4	6.1%	21	31.8%
	Sales & Marketing	4	6.1%	3	4.5%	7	10.6%
	Administrative & Support	9	13.6%	13	19.7%	22	33.3%
Employment Conditions	Permanent employee	45	68.2%	21	31.8%	66	100.0%
	Temporary employee	0	0.0%	0	0.0%	0	0.0%
Age	Under 29 years old	0	0.0%	1	1.5%	1	1.5%
	30–39 years old	1	1.5%	2	3.0%	3	4.5%
	40–49 years old	11	16.7%	6	9.1%	17	25.8%
	50–59 years old	21	31.8%	11	16.7%	32	48.5%
Education	High school or below	8	12.1%	5	7.6%	13	19.7%
	Bachelor’s degree	19	28.8%	10	15.2%	29	43.9%
	Master’s degree	17	25.8%	6	9.1%	23	34.8%
	Doctoral degree	1	1.5%	0	0.0%	1	1.5%

Note 1: Employees under indefinite contracts correspond to “permanent employees” under the GRI Standards; employees under fixed-term contracts correspond to “temporary employees.”

Note 2: Full-time employees are those whose weekly working hours meet the definition of full-time under local regulations.

Note 3: Part-time employees are those whose weekly working hours fall below the statutory threshold for full-time employment.

Note 4: Employees without guaranteed working hours are those with irregular schedules, such as on-call employees.

Note 5: In 2024, the Company was required by law to employ 0 persons with disabilities, while 1 person with disabilities was actually employed, in compliance with regulations.

註 6：Scope of statistics covers Davicom Hsinchu Headquarters.

Employee Recruitment and Turnover Analysis

Davicom values talent retention and conducts exit interviews to analyze reasons for employee departures. The results are reported to management as references for optimizing HR policies and adjusting workloads. The Company strives to provide a supportive workplace environment, enabling employees to reach their full potential, thereby enhancing job satisfaction and retention rates. In addition, Davicom regularly reviews its talent development strategy, strengthens employee competitiveness through training and career planning, and retains key skills and knowledge to ensure operational stability and overall competitiveness.

Employee Recruitment and Turnover Analysis		2022		2023		2024	
		Total	Proportion	Total	Proportion	Total	Proportion
New Hires		1	1.3%	1	1.4%	2	3.0%
Age	Under 30	0	0.0%	0	0.0%	0	0.0%
	30–49	1	1.3%	1	1.4%	1	1.5%
	50 and above	0	0.0%	0	0.0%	1	1.5%
Gender	Male	1	1.3%	0	0.0%	2	3.0%
	Female	0	0.0%	1	1.4%	0	0.0%
Region	Taiwan	1	1.3%	1	1.4%	2	3.0%
	Overseas	0	0.0%	0	0.0%	0	0.0%
Turnover		2	2.7%	3	4.1%	10	15.2%
Age	Under 30	0	0.0%	0	0.0%	0	0.0%
	30–49	0	0.0%	0	0.0%	4	6.1%
	50 and above	2	2.7%	3	4.1%	6	9.1%
Gender	Male	2	2.7%	2	2.7%	8	12.1%
	Female	0	0.0%	1	1.4%	2	3.0%
Region	Taiwan	2	2.7%	3	4.1%	10	15.2%
	Overseas	0	0.0%	0	0.0%	0	0.0%

Note 1: New hire rate = (Number of new hires in the category ÷ Total number of employees at year-end) × 100%

Note 2: Turnover rate = (Number of employees leaving in the category ÷ Total number of employees at year-end) × 100%

6.1.3 Diversity, Equity, and Inclusion

Davicom places great importance on labor rights, complies with labor laws, and refers to international human rights conventions. Through internal policies and workplace regulations, we promote awareness of gender diversity and the principle of equal employment. The Company has established the “Workplace Sexual Harassment Prevention, Complaint, and Disciplinary Measures”, providing clear complaint channels to safeguard employee rights. In accordance with legal requirements, Davicom also provides maternity (and prenatal examination) leave, paternity leave, and parental leave.

The Company strictly adheres to human rights principles, including the prohibition of child labor, anti-discrimination, and the prevention of forced labor, while ensuring the health and safety of both employees and business partners. Suppliers are also required to implement workplace safety management to ensure the entire supply chain aligns with corporate social responsibility standards. Furthermore, Davicom maintains transparent operations by setting up stakeholder communication channels on its official website and disclosing relevant information in the Sustainability Report. In 2024, the Company did not receive any complaints regarding human rights violations or related non-compliance. Moving forward, Davicom will continue to foster a fair, open, and safe workplace environment.

Category	Diversity, Equity, and Inclusion – Implementation and Effectiveness	
Board of Directors	Davicom values gender equality in the composition of its Board of Directors.	The current Board consists of 7 members, including 1 female director, representing a gender ratio of 1:7.
Management	Davicom emphasizes gender equality in management positions and is committed to promoting outstanding employees to managerial roles.	- In accordance with employees’ knowledge, expertise, character, contributions, and potential for advancement, Davicom promotes outstanding female employees to managerial positions. - The Accounting Manager and Internal Audit Manager positions are currently held by female.
General Employees	Davicom adheres to a professional and merit-based hiring principle, ensuring no discrimination based on religion, nationality, personal characteristics, gender, or age.	- As of 2024, there are 45 male employees and 21 female employees. - Male employees primarily hold engineering and technical positions, while female employees are mainly engaged in management and administrative functions.
Labor-Management Meetings	Labor-management meetings are composed of equal representation from employees and the Company (1:1 ratio).	- Labor representatives: 5 persons (3 female, 2 male). - Management representatives: 5 persons (5 male, 0 female).

Parental Leave

To support employees in balancing family responsibilities and career development, Davicom has established a comprehensive parental leave policy in compliance with the Labor Standards Act and the Gender Equality in Employment Act. The Company provides parental leave, breastfeeding (or milk collection) time, and flexible work-hour arrangements, supported by a clear application and assistance mechanism, enabling employees to manage their work more flexibly during childcare.

Furthermore, Davicom encourages male employees to share family caregiving responsibilities, thereby fostering gender equality in parenting. During parental leave, the Company continues to monitor employees' well-being and career progression, facilitating communication with departments and implementing flexible adjustments to support a smooth return to the workplace. Upon reinstatement, employees are offered tailored reintegration and training programs to ensure a swift transition back to their roles.

In 2024, two male employees and one female employee were eligible for parental leave; however, no applications were made.

Davicom firmly believes that fostering a family-friendly workplace is essential to advancing both sustainable development and long-term talent retention. Looking forward, the Company will continue to review related policies and employee needs, adopting more flexible and inclusive measures to cultivate a supportive workplace culture and fulfill its dual commitment to employees and society.

■ Non-Discrimination

Under no circumstances shall discrimination be tolerated on the basis of race, gender, religion, sexual orientation, age, disability, nationality, or any other personal characteristic. Davicom is committed to treating all directors and employees with fairness and equality, respecting each individual's uniqueness, and ensuring that no person is subject to unjust treatment or evaluation due to personal attributes. The Company's operations are founded upon the core values of diversity, equality, and inclusion, thereby fostering social pluralism and integration.

■ Prohibition of Child Labor

Item	Specific Content and Implementation Outcomes	
Child Labor	Article 44 of the Labor Standards Act: "Workers aged 15 and above but under 16 shall be deemed child laborers." Child labor adversely impacts education, health, and personal development, depriving children of learning opportunities and exposing them to risks affecting both physical and psychological well-being.	1. Davicom strictly complies with all applicable laws and unequivocally prohibits the employment of workers under the age of 16. 2. Since its establishment 28 years ago, the Company has never engaged in the hiring of child labor.

Item	Male	Female	Total
Employees eligible for parental leave in 2024	2	1	3
Employees applying for parental leave in 2024	0	0	0
Employees returning from parental leave in 2024 (A)	0	0	0
Employees due to return in 2024 (B)	0	0	0
Return-to-work rate in 2024 (A/B)	0%	0%	0%
Employees returning from parental leave in 2023 (C)	0	0	0
Employees remaining employed for over one year after return in 2023 (D)	0	0	0
Retention rate in 2023 (C/D)	0%	0%	0%

6.1.4 Compensation and welfare

Material Topic	Significance to the Company	Policy/Commitment	Short-term Goal	Mid- to Long-term Goals	1. Resources Invested / 2. Achievements	Responsible Department / Grievance Mechanism	Evaluation Mechanism / Outcomes
Compensation and welfare	A fair and equitable system of compensation and benefits forms the cornerstone of attracting, motivating, and retaining outstanding talent. Such a system not only enhances employee satisfaction and productivity but also reinforces the Company's competitiveness and resilience in sustainable development.	In the semiconductor IC design sector, equitable compensation and benefits are critical to cultivating innovation and retaining highly skilled professionals. Davicom offers an attractive and fair compensation and benefits framework, with regular reviews of salary structures to safeguard employees' rights and promote both physical and mental well-being.	1. Regular reviews of the principles governing year-end and performance bonuses. 2. Continuous optimization of group insurance and health examination programs.	1. Linking senior executives' compensation with ESG-related sustainability performance evaluations. 2. Advancing family-friendly benefits, such as flexible working hours.	1. Health examination expenditures: NT\$198,000. 2. Participation rate: 100%.	Administration Division : esther_lin@Davicom.com.tw	Oversight: The Compensation Committee regularly reviews the compensation structure of senior executives.

Davicom regards employees as pivotal partners in driving corporate growth and sustainable development. In strict compliance with labor laws, the Company has established comprehensive systems for compensation, benefits, leave, and retirement, ensuring that employees receive fair and adequate rewards and protections. The Company provides a safe and comfortable workplace and regularly organizes employee engagement activities to foster cohesion, satisfaction, and a harmonious and supportive organizational culture.

Compensation

The Company adheres to a fair and reasonable compensation system to ensure that employees receive competitive remuneration and to motivate outstanding talent. In addition to base salary, full-time employees are entitled to year-end and holiday bonuses, as well as performance bonuses based on the Company's operating results. Salary adjustments are carried out regularly and occasionally according to annual performance evaluations and project performance, encouraging employees to continue their growth and development. The Company's bonus and salary adjustment practices are free from unfair treatment on the basis of gender, religion, race, nationality, political affiliation, or other factors, and comply with the minimum wage requirements stipulated in the Labor Standards Act.

Disclosure of Compensation for Non-Managerial Full-Time Employees

Item		2023	2024	Difference
Number of non-managerial full-time employees (persons)		62	55	-7
Annual salary of non-managerial full-time employees (NT\$ thousands)	Average	1,183	1,141	-42
	Median	1,161	1,097	-64

Ratio of Female to Male Base Salary and Total Compensation

Category	2022				2023				2024			
	Annual Compensation		Monthly Base Salary		Annual Compensation		Monthly Base Salary		Annual Compensation		Monthly Base Salary	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Management Level	1	0.8	1	0.75	1	0.76	1	0.75	1	0.82	1	0.79
Indirect Staff (Non-Managerial)	1	0.84	1	0.83	1	0.75	1	0.75	1	0.84	1	0.84
Direct Staff	0	0	0	0	0	0	0	0	0	0	0	0

Notes 1 : Significant operational sites are defined as those contributing more than 10% of total revenue.

Notes 2 : Management level refers to managers through division heads and deputy general managers or above; Indirect staff (non-managerial) refers to assistant managers and below.

* The Company does not employ *direct staff* as it operates without factory facilities.

Employee Stock Ownership Trust

The Company firmly believes that sharing corporate achievements with employees constitutes the core spirit of sustainable operations and a fulfilling workplace. To embody this principle, since 2022 Davicom has established the Employee Stock Ownership Association and implemented the Employee Stock Ownership Trust scheme. Employees may voluntarily participate by allocating a designated portion of their salary as personal contributions, while the Company provides matching incentive contributions. These funds are entrusted jointly to a designated bank for the purchase of the Company's stock (Ticker: 3094). This initiative aims to share tangible business result with employees, assist them in financial asset management, and enhance future retirement security, while simultaneously fostering organizational cohesion and improving talent retention.



Employee Welfare

Davicom places great importance on employees' working environment and overall well-being. Beyond the legally required provisions of labor insurance, health insurance, retirement benefits, and leave entitlements, the Company actively develops a diverse range of welfare initiatives to create a safe, stable, and cohesive workplace. A dedicated Employee Welfare Committee is responsible for planning, promoting, and continuously refining welfare programs and activities each year, encompassing daily living support, health and wellness, professional development, and incentive systems. In terms of daily support, the Company provides subsidies for domestic and overseas travel, allowances for marriage, bereavement, childbirth, and illness, as well as birthday and festive gift vouchers. Social activities such as birthday celebrations and year-end gatherings further strengthen bonds and employees' sense of belonging. Practical amenities include free parking spaces, an employee cafeteria, daily meal subsidies, and coffee machines, ensuring thoughtful support for everyday needs.



Implementation of Employee Welfare Measures in 2024

Category	Item	Number of Beneficiaries
Welfare subsidies	Marriage Allowance	0
	Funeral Allowance	6
	Meal Subsidy	66
	Childbirth Allowance	1
	Hospitalization Allowance	0
	Health Examination	66
	Family Health Examination Discount	0
	Family Group Insurance Discount	40
	Employee Children Scholarship	25
Additional Benefits	Paternity Leave	0
	Prenatal Check-Up Leave (Days 6-7)	0
	Employee Health Seminars	21
	Employee Stock Ownership Trust	66

To encourage professional growth and reward performance, the Company offers a comprehensive compensation and reward system, including project bonuses, performance incentives, annual salary adjustments, and promotion opportunities. Furthermore, employees may benefit from profit-sharing, stock allocation, and the Employee Stock Ownership Trust, enabling them to partake in the Company's achievements. Long-service and outstanding employees are recognized annually for their dedication and contributions.

In health and learning, the Company provides orientation training for new hires, supports participation in internal and external professional development courses, and offers consultation channels for employee wellness. Regular health examinations, employee care services, and health seminars safeguard both physical and mental well-being. Group insurance and dependent coverage further strengthen protection. In addition, to inspire employees and their children in the pursuit of excellence, the Company offers scholarship programs and collaborates with partner merchants to provide a range of preferential services. Through this comprehensive and diverse welfare system, Davicom strives to ensure that every employee can work with peace of mind, live with joy, and grow together with the Company.



Retirement and Insurance Plans

Davicom places strong emphasis on employees' long-term career planning and retirement security. In accordance with the Labor Standards Act and the Labor Pension Act, the Company has established comprehensive retirement regulations that provide legally compliant and reliable protection. A Supervisory Committee for the Old Pension System has been formed to oversee the implementation and management of pension funds under the old system. °

The Company has developed a streamlined retirement application process, enabling employees to apply for retirement benefits based on their years of service and eligibility, thereby ensuring a smooth transition into retirement. This demonstrates the Company's enduring commitment to employee welfare and sustainable care. In 2024, a total of four employees applied for retirement.

To safeguard employees' health and personal security, the Company provides all full-time staff with group insurance coverage, including life, accident, hospitalization, and cancer insurance, with the option to extend coverage to dependents. Through this robust insurance system, the Company reduces employees' financial risks in the event of unforeseen circumstances, underscoring its care and dedication to their well-being.

Implementation Outcomes of Pension and Insurance Programs

Program	Item	Legal Basis	Execution Details	Results
Pension System	Old Pension System	Labor Standards Act	2% of eligible employees' insured salary is contributed monthly to a dedicated pension reserve account at the Bank of Taiwan.	As of December 31, 2024, the actuarial report confirmed that the Labor Pension Reserve Account at the Bank of Taiwan contained sufficient funds to cover the future pension obligations of all employees eligible for retirement under the old system. In accordance with the Regulations for the Allocation and Management of Workers' Retirement Reserve Funds, the Company applied to the competent authority to suspend further contributions, which was duly approved.
	New Pension System	Labor Pension Act	6% of eligible employees' insured salary is contributed monthly to their individual pension accounts at the Bureau of Labor Insurance.	Total contributions amounted to NT\$4,291,026 in 2024.
Insurance Benefits	Employee Group Annuity & Medical Insurance	Above Legal Requirements	From the first day of employment, staff are covered by hospitalization, accident, and cancer medical insurance.	NT\$679,295 invested in 2024.
	Dependent Group Medical Insurance	Above Legal Requirements	Employees may voluntarily extend coverage to eligible dependents at their own expense, including hospitalization, accident, and cancer insurance.	
	Employer's Liability Insurance	Above Legal Requirements	From the first day of employment, new hires are covered by occupational accident insurance.	NT\$3,545 invested in 2024.

6.1.5 Talent Recruitment and Development

Davicom actively recruits outstanding professionals to support its sustainable growth, publicly announcing openings through its official website's Human Resources – Elite Recruitment section. Guided by the principle of equal opportunity, the Company evaluates candidates solely on professional expertise, academic background, and character, without discrimination based on race, gender, age, religion, or physical condition.

In addition to online recruitment, the Company is a member of the National Yang Ming Chiao Tung University Electrical Engineering Alliance, actively engaging in partnerships with academic institutions and participating in campus recruitment initiatives. Events such as open houses allow professional teams to present the Company's vision, development strategies, compensation and benefits, and talent cultivation programs, thereby attracting top-tier talent. The Company is committed to building a competitive and supportive workplace that attracts and retains key professionals, driving ongoing innovation and growth.



Talent is the core driving force of corporate innovation. To strengthen employees’ expertise and competitiveness, the Company promotes a wide array of training programs. By leveraging both internal and external resources, it provides courses in technical skills, management development, and sustainability-related topics, ensuring employees remain aligned with the fast-evolving industry landscape while enhancing individual competencies and team collaboration. As an IC design company, our training encompasses semiconductor design, embedded systems development, product testing, and verification, integrated with critical themes such as R&D innovation and regulatory compliance. This ensures that employees are equipped with both exceptional technical expertise and market adaptability. Furthermore, cross-departmental collaboration and knowledge-sharing are actively encouraged to enhance communication efficiency and foster a culture of organizational learning.

Through this comprehensive training framework, the Company not only supports continuous employee growth but also strengthens overall competitiveness, ensuring its leadership position in the global semiconductor industry while advancing sustainable development goals.

Average Employee Training Hours

Davicom is committed to providing employees with the training necessary for their career advancement. In 2024, members of management received an average of 5.6 training hours per person, an increase of 1.3 hours compared with 2023. For non-managerial employees, the average was 4.9 training hours per person. The Company seeks to cultivate a culture in which managers lead by example, fostering an environment that encourages continuous learning and improvement, thereby inspiring employees to actively participate in training programs and enhancing the overall organizational learning atmosphere.

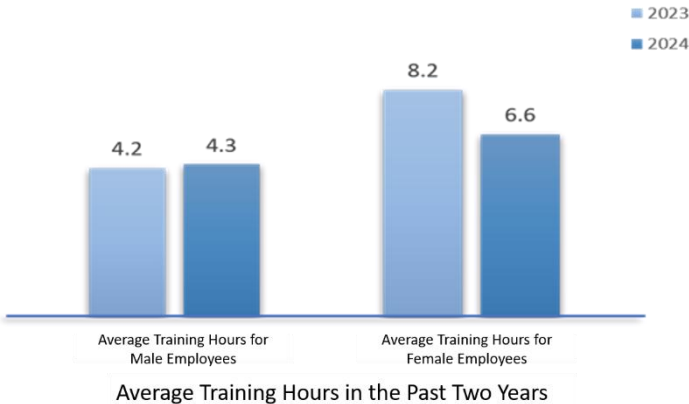
Category		Training Hours	Average Training Hours
2023	Management	85.0	4.3
	Indirect Staff (Non-managerial)	319.0	5.9
	Direct Staff	0.0	0.0
2024	Management	89.5	5.6
	Indirect Staff (Non-managerial)	244.5	4.9
	Direct Staff	0.0	0.0

Note 1 : Average training hours for female employees = Total training hours completed by female employees ÷ Total number of female employees at year-end.

Note 2 : Average training hours by employee category = Total training hours completed by employees in that category ÷ Total number of employees in that category at year-end.

Average Learning Hours by Gender in 2024

Category		Training hours	Number of Employees (persons)	Average Training Hours (hours)
2024	Male	195	45	4.3
	Female	139	21	6.6



Performance Appraisal

Davicom upholds the principles of fairness, impartiality, and transparency in its performance management system. Through a structured evaluation framework, the Company seeks to improve employee efficiency and professional capabilities, while facilitating effective communication between supervisors and subordinates, ensuring alignment with organizational objectives.

Performance evaluations are conducted on a quarterly and annual basis. Quarterly reviews are led by department managers, who assess work efficiency, professional skills, and progress toward targets, followed by discussions with employees to identify areas for improvement. These reviews form the foundation for the year-end evaluation. Annual evaluations, conducted each January, provide a holistic assessment of employees' performance throughout the year, covering three key dimensions: work results, professional competence, and attitude. The outcomes serve as references for setting performance goals for the following year. To ensure objectivity, supervisors and evaluators are required to base their assessments on factual evidence, with clearly defined standards designed to minimize subjective bias. The Company also regularly reviews and refines its appraisal system to improve accuracy and fairness.

Through this rigorous performance management framework, Davicom ensures that employees' contributions are properly recognized and rewarded, while simultaneously strengthening organizational competitiveness and advancing the Company's long-term sustainability.

Percentage of Employees Receiving Regular Performance and Career Development Reviews

Item	Gender	2022	2023	2024
Number of Employees Reviewed (Persons)	Male	51	49	43
	Female	22	23	21
Total Number of Employees (Persons)	Male	53	51	45
	Female	22	23	21
Percentage (%)	Male	96%	96%	96%
	Female	100%	100%	100%

6.2 Occupational Safety and Health

6.2.1 Occupational Safety and Health Policy

Management Policy and Commitment

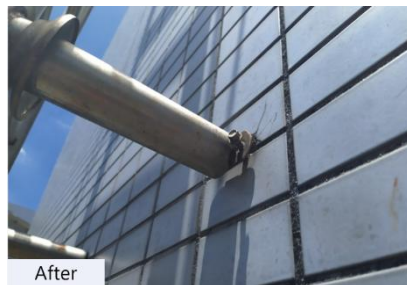
Davicom in accordance with the Occupational Safety and Health Act and related regulations, has appointed qualified Environmental Safety and Health (ESH) personnel responsible for planning, supervising, and executing occupational safety and health activities. The Company regularly organizes safety and health training sessions and emergency drills to enhance employees' risk awareness and self-management capabilities. New employees are required to attend occupational safety and health orientation, while regular health examinations are arranged in compliance with regulations to safeguard employees' physical and mental well-being.

Davicom remains committed to building a safe and stable working environment, preventing occupational hazards, and fulfilling its pledge to ensure employee safety and health. In 2024, the Company had no violations of laws or regulations.

Risk Identification

【Improvement Plan 1】

Loosening of cement screws on rooftop water tank fixed ladders: During a routine environmental inspection, the Company discovered that cement screws securing two rooftop ladders were partially loose. To ensure facility safety, internal evaluations were conducted, and a corrective plan was implemented. A professional contractor was engaged to replace the cement screws with expansion bolts, which provide stronger anchorage, thereby improving structural stability and reducing potential risks.



【Improvement Plan 2】

Repair of exterior wall tiles of Davicom Building: Following the earthquake on April 3, 2024, the Company's Administration Department conducted an inspection of the premises and identified cases of dislodged exterior wall tiles. To safeguard pedestrian safety, a tile repair plan was developed, and a contractor was commissioned to perform repairs on detached and at-risk areas, preventing further detachment and ensuring both the integrity of the building's appearance and user safety.



Health Promotion and Occupational Health Management

Health Examinations

In compliance with the Regulations of Labor Health Protection, Davicom. actively promotes health initiatives and occupational health management. The Company organizes regular and ad hoc health examinations based on workforce size, and provides follow-up and care for employees with abnormal results. Given the nature of office work, special emphasis is placed on vision protection and musculoskeletal health, with periodic health seminars organized accordingly. To foster physical and mental well-being and work-life balance, the Company also promotes various health initiatives, including health education campaigns and access to mental health resources, striving to create a safe, healthy, and supportive workplace.

As part of its corporate responsibility, the Company arranges health examinations on-site by qualified medical institutions. Physicians or nurses provide follow-up consultations or inquiries based on examination results to safeguard employees' physical and mental health. In 2024, a total of 66 employees participated in the Company's health examination program.



Disease Prevention Implementation

As an IC design company, Davicom operates primarily in an office-based environment, without production lines or high-risk operations. Therefore, employees are generally not exposed to common occupational disease hazards. Nevertheless, the Company adheres to the principle of prevention first, actively building a safe and healthy workplace. Referring to the guidelines issued by the Occupational Safety and Health Administration (OSHA) of the Ministry of Labor, the Company has established four major occupational health management programs: Abnormal Workload-Induced Disease Prevention Program、Maternal Health Protection Program、Ergonomic Hazard Prevention Program、Prevention Program for Unlawful Infringements in the Execution of Duties.

Through systematic identification and management of risk factors, the Company safeguards employees' physical and mental health, creating a friendly and sustainable workplace culture.

1. Abnormal Workload-Induced Disease Prevention Program

To protect employees' physical and mental health, Davicom has formulated the "Abnormal Workload-Induced Disease Prevention Program" in accordance with the Occupational Safety and Health Act and OSHA guidelines. The program targets employees facing irregular workloads such as shift work, night shifts, or extended working hours. It includes health risk assessments and management measures to prevent cerebrovascular and cardiovascular diseases caused by overwork, with the aim of early detection and timely treatment. The program covers risk identification, attendance data collection, hazard assessment of job content, and health promotion measures. It is jointly implemented by the HR unit, department supervisors, occupational health service personnel, and all employees. For high-risk cases, work hours, job content, or shifts will be adjusted in line with health management recommendations to mitigate risks. Data retention mechanisms are also established to ensure program effectiveness and continuous improvement. Through institutionalized management processes, Davicom is committed to creating a work environment that balances efficiency and employee well-being, safeguarding employees' long-term careers and physical and mental health.

2. Maternal Health Protection Program

To safeguard the reproductive rights and health of female employees, Davicom has established a Maternal Health Protection Program in compliance with Article 31 of the Occupational Safety and Health Act and the Regulations for Implementing Maternal Health Protection for Female Workers. The program focuses on women of childbearing age, especially those who are pregnant, within one year postpartum, or breastfeeding. Risk identification and job adjustment mechanisms are in place to prevent exposure to potential hazards such as shift work, night shifts, heavy lifting, or reproductive toxins.

The HR unit is responsible for planning and implementation, in coordination with department supervisors and occupational health service staff. Individual hazard assessments, health consultations, and suitable work arrangements are provided. Female employees are encouraged to proactively voice their needs, with flexible support and confidentiality guarantees. Through institutionalized measures, the Company is committed to building a safe and supportive workplace for female employees and their next generation.

3. Ergonomic Hazard Prevention Program

To prevent musculoskeletal injuries caused by repetitive tasks, poor posture, or prolonged static work, the company has established an "Ergonomic Hazard Prevention Program" in accordance with the guidelines issued by the Occupational Safety and Health Administration of the Ministry of Labor.

The program covers risk identification, hazard factor assessment, and improvement measures, and includes classification and analysis based on different job functions. For example, office employees may experience wrist and neck discomfort from extended computer use, while laboratory and facility personnel face risks associated with repetitive motions and improper force exertion.

For high-risk groups, the company conducts musculoskeletal symptom surveys and implements tiered management based on the results, promoting job adjustments, workplace improvements, and health promotion initiatives.

Relevant departments—including occupational safety personnel, human resources, supervisors, and occupational health service teams—collaborate to build a safe, healthy, and ergonomically designed work environment, enhancing both employee well-being and work efficiency.

4. Prevention Program for Unlawful Infringements in the Execution of Duties

To protect employees from workplace violence, Davicom has adopted the "Prevention Program for Unlawful Infringements in the Execution of Duties," based on Article 6, Paragraph 2 of the Occupational Safety and Health Act and the Ministry of Labor's guidelines. The program was first introduced in 2020 and revised in December 2023. The program covers physical, psychological, verbal, sexual harassment, and stalking risks, applicable to all employees regardless of whether threats originate internally or externally. Preventive measures include risk group identification, regular risk assessments, training programs, appropriate workplace arrangements, reporting mechanisms, and a cross-departmental response team. The reporting process follows confidentiality and fairness principles, with investigation records retained for at least three years as a basis for review. Effectiveness evaluations are conducted every three years, with continuous improvements applied. Through institutionalized management and education, the Company strengthens its commitment to employee safety, fostering a workplace culture rooted in safety, respect, and care.

Emergency Response and Safety Drills

In accordance with the Occupational Safety and Health Education and Training Rules, Davicom provides occupational safety and health training for new employees upon onboarding, ensuring that they understand potential workplace hazards, relevant safety and health regulations, and emergency response measures in case of accidents. This ensures that all employees can perform their duties in a safe environment.

In addition, to enhance all employees' occupational safety awareness and emergency response capabilities, the company regularly conducts on-the-job training programs, including safety and health education, fire drills, and other relevant occupational safety training. These initiatives continuously strengthen employees' ability to prevent and respond to workplace hazards.

The table below presents the occupational safety and health training programs conducted in 2024.

Employee Category	Training Type	2024 Training Program	Participants (Persons)	Training Hours (Hours)	Person-Hours	Date
New Employees	General Training	Occupational Safety and Health Training for New Employees	2	6.0	12.0	Jun 3, 2024 、 Nov 11, 2024
On-the-Job Employees	On-the-Job Training	Emergency Evacuation and Escape Drill	66	1.0	66.0	Jun 18, 2024 、 Dec 10, 2024
		Continuing Education for Occupational Safety and Health Managers	1	12.0	12.0	Mar 29, 2024
		First Aid Training – Initial Course	2	16.0	32.0	Aug 13, 2024
		Fire Safety Manager – Refresher Course	1	6.0	6.0	May 21, 2024
		Self-Defense Firefighting Team Training	36	4.0	144.0	Jun 18, 2024 、 Dec 10, 2024
		Civil Defense Annual Training	1	8.0	8.0	Oct 16, 2024
Total			109	53.0	280.0	

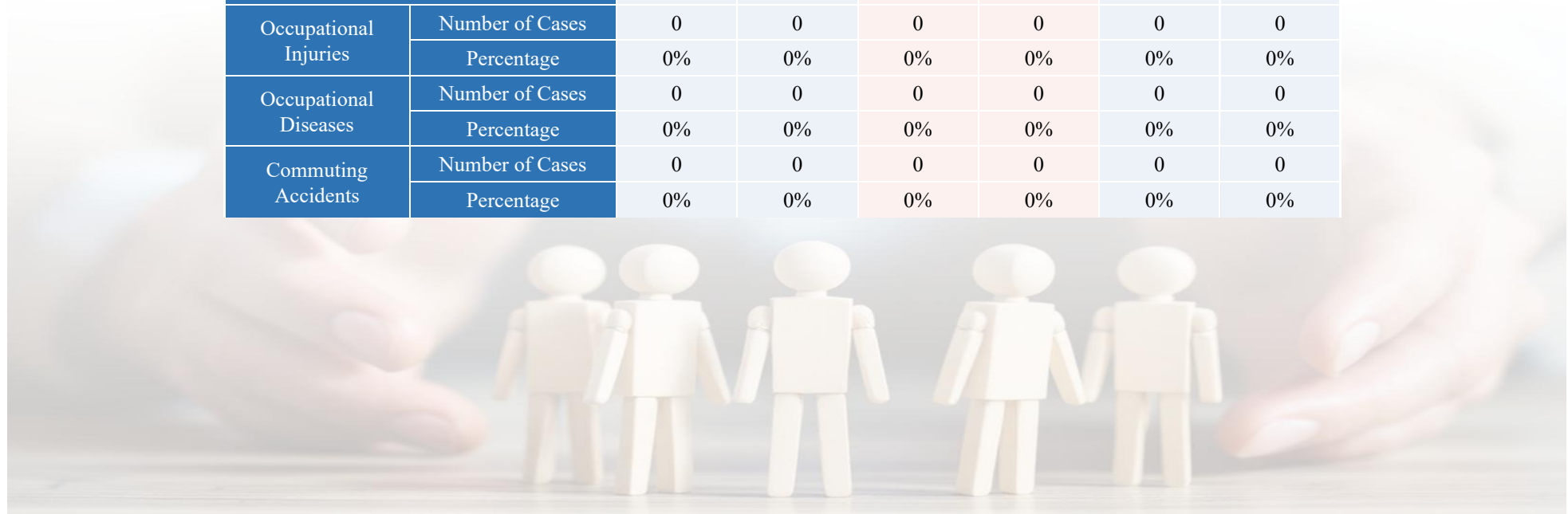


6.2.2 Occupational Injuries

Occupational Injuries and Incident Statistics

As an IC design company, Davicom does not assign employees to high-risk or special disease-prone positions. Regarding commuting-related incidents outside of the workplace, the Company regularly promotes traffic safety awareness to employees.

Year		2022		2023		2024	
Total Working Hours		146,904.0		147,568.0		134,504.0	
Category		Male	Female	Male	Female	Male	Female
Occupational Injuries	Number of Cases	0	0	0	0	0	0
	Percentage	0%	0%	0%	0%	0%	0%
Occupational Diseases	Number of Cases	0	0	0	0	0	0
	Percentage	0%	0%	0%	0%	0%	0%
Commuting Accidents	Number of Cases	0	0	0	0	0	0
	Percentage	0%	0%	0%	0%	0%	0%



6.3 Labor-Management Relations

Material Topic	Significance to the Company	Policy/Commitment	Short-term Goal	Mid- to Long-term Goals	1. Resources Invested / 2. Achievements	Responsible Department / Grievance Mechanism	Evaluation Mechanism / Outcomes
Labor-Management Relations	A stable and harmonious labor-management relationship is the key to sustainable business operations. It enhances employee satisfaction, reduces human resource risks, strengthens organizational cohesion, and ensures uninterrupted operations. An effective communication mechanism helps both parties build mutual trust and jointly address challenges and transformations.	The company complies with the Labor Standards Act and other relevant regulations, upholds human rights protection and equal employment principles, and is committed to promoting labor-management harmony. A two-way communication platform is established to safeguard employees' rights to participation and free expression.	Zero labor disputes		1. Hold regular quarterly labor-management meetings 2. Zero labor disputes	Administration Department: esther_lin@Davicom.com.tw	Regular quarterly labor-management meetings are held, where representatives of both parties communicate and coordinate directly.

6.3.1 DAVICOM's Internal Communication Channels

DAVICOM values communication and cooperation between labor and management, believing that smooth dialogue fosters mutual understanding and trust. This enables employees to better understand the company's operational strategies, future development directions, and market trends, while also allowing management to promptly identify employee needs and working conditions. With employee well-being as the foundation, we aim to create a safe, respectful, and inclusive workplace environment.

The company holds regular quarterly labor-management meetings to maintain effective communication. Therefore, no labor union has been established, and no collective agreement has been signed. In accordance with the Regulations for Implementing Labor-Management Meetings, meetings are convened at least once every three months. Attendees include employer representatives such as the General Manager and department heads, as well as employee representatives elected by all staff. Issues such as working conditions, welfare policies, and workplace safety are discussed and negotiated. Through these regular communications, employee engagement and satisfaction are enhanced, promoting workplace harmony.

In addition, DAVICOM has established diverse communication channels, such as suggestion boxes, internal platforms, and supervisor consultations, encouraging employees to express their opinions. The company responds appropriately and adopts feasible suggestions, translating them into concrete policies and improvements. In 2024, no major labor disputes occurred, and labor relations remained stable and positive. In

cases involving plant closure, establishment of new facilities, or workforce adjustments, the company will comply with the Mass Redundancy Protection Act, notifying the local labor authority 60 days in advance and safeguarding employee rights according to law.

Communication and Grievance Channels

To build a friendly workplace and enhance employee relations, DAVICOM has set up an employee feedback email address in the stakeholder section of its official website, allowing employees to freely express their opinions. Upon receipt, the Human Resources Office contacts the relevant department according to the issue and provides a response to the employee. In 2024, a total of 0 employee complaints were filed. Grievance and Feedback Channel : esther_lin@Davicom.com.tw

Workplace Violence or Sexual Harassment Complaints

To prevent workplace violence and sexual harassment, the company has established the Regulations for Establishing Measures on Prevention of Sexual Harassment in the Workplace and the Prevention Program for Unlawful Infringement During Duty Execution, administered by the Human Resources Department. In 2024, no incidents of workplace violence or sexual harassment complaints occurred.

7. Realization of Social Prosperity

7.1 Fostering Sustainable Education from the Ground Up

7.2 Fostering Dialogue Between Tradition and Technology to Advance Sustainable Cultural and Artistic Development

7.3 Spreading Hope Through Education with the "Little Tree" Program

7.4 HTCA Future Challenge

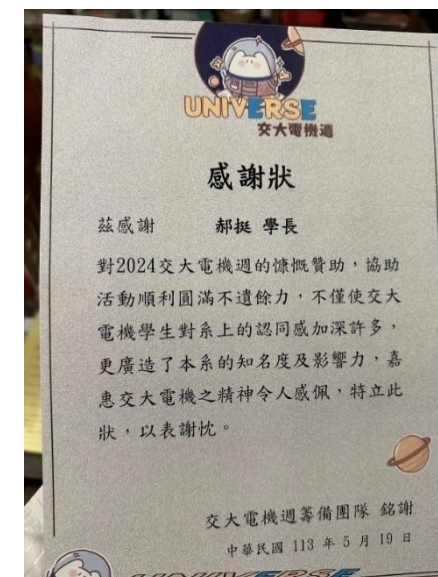
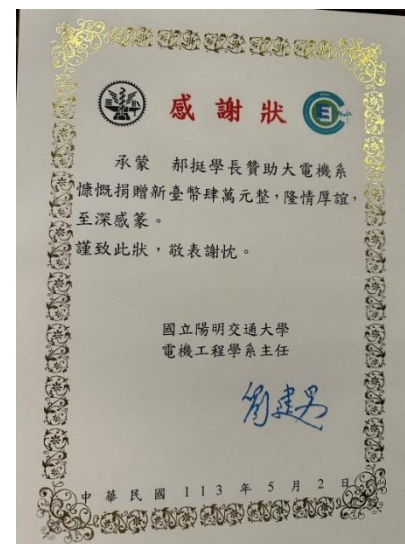
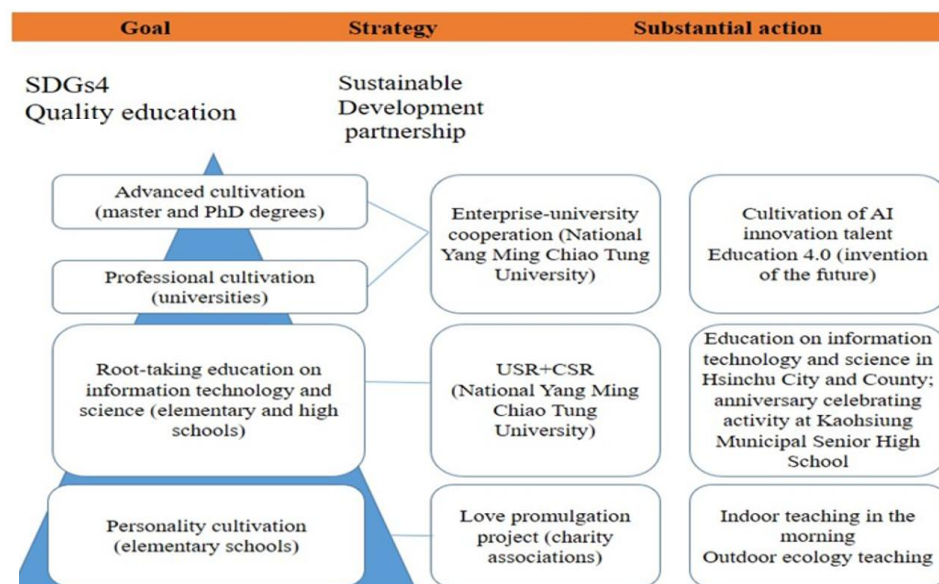
7.5 Implementing the Concept of Co-learning with Remote Communities through Indigenous Culture and Life Education

7.6 Participant in Public Affairs: Bridging Industry and Society

DAVICOM has always upheld the belief that “a corporation is a citizen.” While pursuing economic benefits, the company is also deeply committed to social and environmental sustainability, striving to realize a vision of mutual prosperity for both the enterprise and society. From education, culture, sports, and environmental protection to caring for remote communities, DAVICOM actively fulfills its corporate social responsibility through concrete actions—rooted locally and connected globally—working toward a shared and prosperous future.

7.1 Fostering Sustainable Education from the Ground Up

Firmly believing that “education is the future,” DAVICOM has long supported National Yang Ming Chiao Tung University by establishing freshman entrance scholarships and organizing summer camps to nurture high-tech talent. Together with the Top 10 Corporate Alliance, the company has promoted STEM education programs, donating practical materials to secondary schools to supplement gaps in the curriculum and making abstract mathematical and scientific concepts easier to understand. In addition, in collaboration with local NGOs in eastern rural areas, such as Guanshan Elementary School, DAVICOM has promoted life education programs focusing on emotional management and character development, introducing core values such as “focus, gratitude, obedience, and forgiveness” to help children build self-awareness and unlock their potential.



7.2 Fostering Dialogue Between Tradition and Technology to Advance Sustainable Cultural and Artistic Development

Culture and the arts are not only enrichments to daily life but also the foundation of national spirit. In 2023, DAVICOM Chairman Dr. Ting Hao personally supported the Contemporary Legend Cultural Arts Foundation’s innovative performance projects, which blended immersive technology with traditional opera, including the creative production of *The Quelling of the Bandits* (蕩寇誌).

Following this innovation in theater, in 2024, Dr. Ting Hao partnered with the Spring Foundation of NCTU to support the National Yang Ming Chiao Tung University Faculty Choir’s concert tour “Dream of Flying.” Centered on the themes of “flight, dreams, glory, and eternity,” the performance featured piano accompaniment and collaboration with the university’s graduate chamber music ensemble, aiming to provide audiences with a rich auditory experience. The repertoire included classics such as *Requiem for the Living* by American composer Dan Forrester.

The choir, rehearsing and performing in their spare time, uses music to celebrate life—bringing comfort to the spirit in uncertain times while composing a hopeful prelude to the AI era. Performances were held at venues such as the National Concert Hall, receiving widespread acclaim.



兆豐國際商業銀行 Mega International Commercial Bank		國內匯款申請書 (兼取款憑條) APPLICATION FOR DOMESTIC REMITTANCE (WITH WITHDRAWAL SLIP)		交易代號: 8011 113年11月11日 Date:	
收款行 Beneficiary's Bank	中華郵政股份有限公司郵 政存摺儲金	銀行 Bank (代號: Bank Co)	分行 Branch	匯款人姓名 Applicant	電話 TEL
匯款金額 (大小寫均可) Amount of Remittance	新臺幣 陸 仟 佰 拾 五 萬 0 仟 0 佰 0 拾 0 元整	匯款人姓名 Name of Applicant	身分證一編號 ID NO.	身分證一編號 ID NO.	手續費\$
收款人 NAME	國立陽明交通大學教職員合唱團	身分證一編號 ID NO.	電話 TEL	應付財金款\$	☐ 現金匯款\$
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7.3 Spreading Hope Through Education with the "Little Tree" Program

Since 2023, DAVICOM Chairman Dr. Ting Hao has continuously sponsored the “Little Tree Love Project,” taking concrete actions to support education in rural areas. The project is dedicated to promoting love and trust among people, starting from the “source of life—the mind,” with the aim of preventing social problems. Through its “Three Happiness Initiatives”—the Heart-to-Heart Hug Movement, Love in Schools, and the Benevolence and Love Carnival—the program cultivates children’s character and emotional education in rural communities.

In 2024, the Benevolence and Love Carnival was held under the theme “Embrace the Heart, Let Love Last Forever.” The two-day event featured eight thematic zones, including a science exploration base and parent-child interactive areas, creating a model of a corporate charity family day while integrating rural care with ESG topics.

Upholding the principle of “giving back to society what is taken from society,” DAVICOM firmly believes that education has the power to inspire minds and promote diverse development. Through collaboration with the Little Tree Love team, the company not only provides financial support but also actively encourages employees to participate as volunteers, engaging directly in children’s learning and growth journeys.

This long-term care initiative not only expands opportunities for more children to access spiritual education and the arts but also concretely demonstrates the company’s commitment and capacity to fulfill corporate social responsibility. Going forward, DAVICOM will continue to cultivate local culture, hoping to sow seeds of hope through its steady contributions, allowing art and compassion to take root and flourish in every corner of society.

7.4 HTCA Future Challenge

Through its cooperation with the Taiwan Technology Philanthropy Association, DAVICOM has also invested in golf player development for eight consecutive years, supporting over 30 young athletes who began with the “*Technology Hope Tour*” and advanced to international tournaments such as the Asian Tour and Taiwan Tour. This program not only contributes to sports development but also provides young people with a platform to realize life values.



7.5 Implementing the Concept of Co-learning with Remote Communities through Indigenous Culture and Life Education

DAVICOM has long been committed to the development of education in rural areas, particularly in promoting life education and preserving indigenous culture. At Guanshan Elementary School in Taitung, in collaboration with local NGOs, the company’s life education program entered its eighth year in 2024, with more than 200 students and faculty participating across the spring and fall semesters. Course themes included “Knowing and Appreciating Oneself,” “Emotional Management,” “Interpersonal Relationships,” and “Living with Nature.” Through practical activities such as “Song of the Clam,” “Five Senses Exploration,” and “White Deer Film Lessons,” the program inspired children’s character development and self-awareness.

Additionally, Guanshan Elementary School implemented a campus aesthetics renovation project, creating the “Art Together in Nature” base that integrates local ecology with indigenous culture. Children participated in making swallowtail butterfly pottery artworks titled “Bug Forest One Tunnel” and engaged in outdoor sensory experiences, bringing the imagery of the Hualien-Taitung Rift Valley into the learning environment. In the Indigenous Science Fair competition, the school won second place in the elementary school category on its first participation, showcasing students’ ability to validate modern science with Bunun traditional wisdom. These achievements highlight the transformative strength of combining culture and life education in rural schooling.

Event Highlights



▲ DAVICOM Love Project



▲ Principal Chen of Guanshan Elementary School explaining the cultural depth of the "Bug Forest One Tunnel" base.

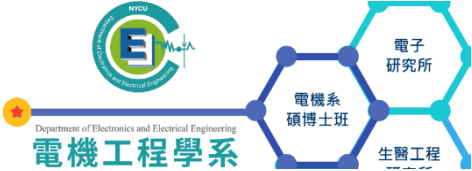


▲ Gaia Workshop in Guanshan Ding Community and Kanding Community introducing how the Bunun people draw from ancestral wisdom to revive endangered plants in response to growing climate change challenges.



7.6 Participant in Public Affairs: Bridging Industry and Society

On the industry development front, DAVICOM actively participates in professional associations such as the Taiwan Semiconductor Industry Association, Chinese Professional Management Association of Hsinchu, and the NCTU Electrical Engineering Alliance. Through these platforms, the company promotes talent cultivation, industry exchange, and technological innovation, taking concrete actions to connect government, industry, academia, and research, thereby injecting sustainable momentum into the ICT and semiconductor industries.

Association Name	Corporate Logo	Membership Number	Member Name
Taiwan Semiconductor Industry Association		0127	DAVICOM Semiconductor, Inc.
Chinese Professional Management Association of Hsinchu		-	DAVICOM Semiconductor, Inc.
NCTU Electrical Engineering Alliance		-	DAVICOM Semiconductor, Inc.

Appendix

GRI Standards Index

Usage Statement Davicom has followed the GRI guidelines for the period from January 1,2024 to December 31,2024.

GRI 1 used GRI 1 : Foundation 2021

Applicable GRI Industry Standards None

General Disclosure

GRI Standard No.	Disclosure Project	Corresponding Chapters	Page	Notes
GRI 2-1	Organizational details	Regarding the 2024 Sustainability Report 2.1 Company Profile	2 17	
GRI 2-2	Entities included in the organization's sustainability reporting	Regarding the 2024 Sustainability Report 2.1 Company Profile	2 17	
GRI 2-3	Reporting period, frequency and contact point	Regarding the 2024 Sustainability Report	2	
GRI 2-4	Restatements of information	Regarding the 2024 Sustainability Report	2	
GRI 2-5	External assurance	Regarding the 2024 Sustainability Report	2	
GRI 2-6	Activities, value chain and other business relationships	4.2 Supply Chain Management	46	
GRI 2-7	Employees	6.1 Talent Development and Corporate Culture	64	
GRI 2-8	Workers who are not employees	6.1 Talent Development and Corporate Culture	64	
GRI 2-9	Governance structure and composition	3.1 Board of Directors and Functional Committees	29	
GRI 2-10	Nomination and selection of the highest governance body	3.1 Board of Directors and Functional Committees	29	

GRI Standard No.	Disclosure Project	Corresponding Chapters	Page	Notes
GRI 2-11	Chair of the highest governance body	3.2 The Board's Role and Achievements in Sustainability Governance	33	
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	3.2 The Board's Role and Achievements in Sustainability Governance	33	
GRI 2-13	Delegation of responsibility for managing impacts	1.1 Sustainability Committee	4	
GRI 2-14	Role of the highest governance body in sustainability reporting	Regarding the 2024 Sustainability Report	2	
GRI 2-15	Conflicts of interest	3.1 Board of Directors and Functional Committees	29	
GRI 2-16	Communication of critical concerns	1.1 Sustainability Committee 1.2 Stakeholders Engagement	4 5	
GRI 2-17	Collective knowledge of the highest governance body	3.2 The Board's Role and Achievements in Sustainability Governance	33	
GRI 2-18	Evaluation of the performance of the highest governance body	3.2 The Board's Role and Achievements in Sustainability Governance	33	
GRI 2-19	Remuneration policies	3.1 Board of Directors and Functional Committees	29	
GRI 2-20	Process to determine remuneration	3.1 Board of Directors and Functional Committees	29	
GRI 2-21	Annual total compensation ratio	-	-	Due to confidentiality agreements regarding salary disclosure, the company does not publish total annual compensation figures.
GRI 2-22	Statement on sustainable development strategy	1.1 Sustainability Committee	4	
GRI 2-23	Policy commitments	3.3 Integrity Management 6.1 Talent Development and Corporate Culture	35 64	
GRI 2-24	Embedding policy commitments	1.1 Sustainability Committee	4	

GRI Standard No.	Disclosure Project	Corresponding Chapters	Page	Notes
GRI 2-25	Processes to remediate negative impacts	3.3 Integrity Management	35	
		3.4 Risk Management	37	
GRI 2-26	Mechanisms for seeking advice and raising concerns	Regarding the 2024 Sustainability Report	2	
GRI 2-27	Compliance with laws and regulations	3.5 Regulatory Compliance	40	
GRI 2-28	Membership associations	7.6 Participant in Public Affairs: Bridging Industry and Society	90	
GRI 2-29	Approach to stakeholder engagement	1.2 Stakeholders Engagement	5	
GRI 2-30	Collective bargaining agreements	-	-	The company maintains sound labor-management communication by holding regular quarterly labor-management meetings; therefore, no labor union has been established, nor has any collective agreement been signed.

Material Topics

GRI Standard No.	Disclosure Project	Corresponding Chapters	Page	Notes
GRI 3-1	Process to determine material topics	1.2 Stakeholders Engagement	5	
		1.3 Materiality Assessment	7	
GRI 3-2	List of material topics	1.3 Materiality Assessment	7	

Material Topics	GRI Standard No.	Disclosure Project	Corresponding Chapters	Page	Notes
Innovation R&D (Custom Topic)	GRI 3-3	Management of material topics	4.1 Innovation R&D and management	44	
Supply Chain Management	GRI 3-3	Management of material topics	4.2 Supply Chain Management	46	
	GRI 204-1	Proportion of spending on local suppliers			
Environmental Product Declaration (Custom Topic)	GRI 3-3	Management of material topics	4.3 Environmental Product Declaration	51	
Compensation and welfare	GRI 3-3	Management of material topics	6.1 Talent Development and Corporate Culture	64	
	GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees			
	GRI 401-3	Parental leave			
	GRI 405-2	Ratio of basic salary and remuneration of women to men			
Carbon Footprint (Custom Topic)	GRI 3-3	Management of material topics	5.6 Carbon Footprint	60	
Regulatory Compliance (Custom Topic)	GRI 3-3	Management of material topics	3.5 Regulatory Compliance	40	
Internal auditing (Custom Topic)	GRI 3-3	Management of material topics	3.4 Risk Management	37	

Material Topics	GRI Standard No.	Disclosure Project	Corresponding Chapters	Page	Notes
Competitive behavior	GRI 3-3	Management of material topics	3.3 Integrity Management	35	
	GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices			
Labor-Management Relations	GRI 3-3	Management of material topics	6.3 Labor-Management Relations	83	
	GRI 402-1	Minimum notice periods regarding operational changes			
Emissions of greenhouse gases	GRI 3-3	Management of material topics	5.2 Greenhouse Gas (GHG) Inventory	56	
	GRI 305-1	Direct (Scope 1) GHG emissions			
	GRI 305-2	Energy indirect (Scope 2) GHG emissions			
	GRI 305-3	Other indirect (Scope 3) GHG emissions			
	GRI 305-4	GHG emissions intensity			

SASB Index-Semiconductor Industry

Topic	Code	Accounting Metrics	Category	Response	Corresponding Chapters
Greenhouse Gas Emissions	TC-SC-110a.1	(1) Gross global Scope 1 emissions and (2) amount of total emissions from perfluorinated compounds	Quantification	(1) Scope 1 greenhouse gas emissions : 93.7000 tCO ₂ e (2) Total PFC emissions : 0 tCO ₂ e	5.2 Greenhouse (GHG) Inventory
	TC-SC-110a.2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	Refer to the corresponding chapter for detailed content	5.1 Climate Action 5.2 Greenhouse (GHG) Inventory 5.4 Water and Electricity Consumption, and Daily Management Measures
Energy Management in Manufacturing	TC-SC-130a.1	(1) Total energy consumed, (2) Percentage : Grid electricity (3) Percentage : Renewable energy	Quantification	(1) 789,607 kWh (2) 100% (3) 0%	5.3 Energy and Resource Management
Water Management	TC-SC-140a.1	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantification	Davicom Headquarter in Hsinchu (1)Total water withdrawals : 4,736 m ³ (2)Total water consumption : 4,736 m ³	5.3 Energy and Resource Management
Waste Management	TC-SC-150a.1	(1) Amount of hazardous waste from manufacturing, (2) percentage recycled	Quantification	As an IC design company, DAVICOM does not engage in manufacturing processes. The hazardous waste disclosed in this report does not originate from production activities but primarily consists of defective ICs generated from chip samples.	5.5 Waste Management

Topic	Code	Accounting Metrics	Category	Response	Corresponding Chapters
Workforce Health & Safety	TC-SC-320a.1	Description of efforts to assess, monitor, and reduce exposure of workforce to human health hazards	Discussion and Analysis	Refer to the corresponding chapter for detailed content	6.2 Occupational Safety and Health
	TC-SC-320a.2	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations	Quantification	In 2024, there were no violations of laws or regulations.	6.2 Occupational Safety and Health
Recruiting & Managing a Global & Skilled Workforce	TC-SC-330a.1	(1) Foreigners (2) Percentage of employees located overseas	Quantification	(1) 0% (2) 0%	6.1 Talent Development and Corporate Culture
Product Lifecycle Management	TC-SC-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantification	Third-party inspection reports submitted by suppliers (N.D. indicates not detected; “o” indicates detected values far below high concentration limits).	4.3 Environmental Product Declaration
	TC-SC-410a.2	Processor energy efficiency at a system-level for: (1) servers, (2) desktops and (3) laptops	Quantification	The calculation of chip energy efficiency depends on the type of application and primary function of the chip. As DAVICOM’s chip products are components of other end products, energy efficiency is evaluated accordingly.	5.6 Carbon Footprint
Materials Sourcing	TC-SC-440a.1	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	The company’s manufacturing is outsourced to United Microelectronics Corporation (UMC), and procurement risks related to primary raw materials are managed in alignment with UMC’s mitigation strategies.	-
Intellectual Property Protection & Competitive Behaviour	TC-SC-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	Quantification	There were no legal proceedings related to anti-competitive behavior, antitrust, or monopolistic practices.	3.3 Integrity Management
-	TC-SC-000.A	Total production	Quantification	Total: 3,316 thousand units.	-
	TC-SC-000.B	Percentage of production from owned facilities	Quantification	As an IC design company, DAVICOM does not manufacture products in-house.	-

Climate Information for Listed Companies

No.	Project	Corresponding Chapters
1	Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	In accordance with the “Sustainability Roadmap for TWSE/TPEX-Listed Companies” issued by the Financial Supervisory Commission in March 2022, the Company, with a paid-in capital of less than NT\$5 billion, falls under the third phase of implementation for greenhouse gas (GHG) inventory and assurance (i.e., inventory to be completed by 2026 and assurance by 2028). The Company will subsequently carry out GHG inventory and assurance in line with relevant regulatory guidelines and requirements. The Management Department and the Office of the President serve as the dedicated units responsible for climate change-related GHG inventory. Progress reports, including detailed project timelines, complete inventory procedures, and phased supervisory targets set by the Board of Directors, are submitted to the Board on a quarterly basis.
2	Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	Addressing climate change inevitably brings significant impacts and changes to supply chains and market conditions. In the short term, the Company will continue to implement resource conservation and carbon reduction measures in its design planning. From a medium- to long-term perspective, the overall market is expected to trend toward carbon pricing and taxation, which may result in cost increases for product R&D, production, and sales. Therefore, potential product and industry transitions arising from climate change will be key considerations in the Company’s financial planning. These issues must be carefully assessed and addressed through systematic management and risk evaluation.
3	Describe the financial impact of extreme weather events and transformative actions.	Extreme weather events may lead to increased supply chain scheduling and transportation costs. In addition, policies and regulations could result in higher carbon fees and electricity prices, indirectly raising overall operating costs. DAVICOM will respond by purchasing green power, negotiating to mitigate cost pass-through, and establishing risk monitoring mechanisms.

No.	Project	Corresponding Chapters
4	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The Sustainability Task Force conducts an annual assessment of climate-related risks and opportunities, with results submitted to the Enterprise Risk Management Committee and the Sustainability Committee. Significant issues are further escalated to the Board of Directors for decision-making and oversight, followed by rolling adjustments and regular tracking.
5	If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	The Company refers to climate scenario data from IPCC AR5, AR6, AR7, and TCCIP, including temperature, rainfall, and typhoon information, to conduct scenario analysis and financial impact assessments. Based on these, product design directions and internal carbon reduction targets are adjusted.
6	If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	The Company has established low-carbon commitments and climate policies, promoting energy conservation, evaluating renewable energy adoption, and requiring suppliers to meet carbon reduction requirements. Key performance indicators include water consumption, energy use, GHG emissions, and the development of low-power products and technologies. The Company has set 2050 net-zero carbon emissions as a long-term target.
7	If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	DAVICOM has not yet implemented an internal carbon pricing mechanism but is closely monitoring carbon trading markets, incorporating carbon fees, carbon taxes, and green power purchases into cost management considerations.
8	If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	Aligned with national policy, the Company has set goals to reduce carbon emissions by 50% by 2030 and achieve net-zero emissions by 2050. The scope includes electricity consumption, water use, and GHG emissions. Measures include procuring green power and RECs, phasing out outdated equipment, and requiring suppliers to achieve substantial carbon reductions. Progress is reviewed by the Sustainability Committee on a semiannual basis.
9-1-1	Information regarding the Company's GHG inventory over the past two fiscal years.	Please refer to Section 5.2 – Greenhouse Gas Inventory.
9-1-2	Information regarding the Company's GHG assurance over the past two fiscal years.	Third-party assurance will be completed by 2028 in compliance with regulations.
9-2	The Company's GHG reduction targets, corresponding strategies, and detailed action plans.	Please refer to Section 5.1 –Climate Action 、5.4 –Water and Electricity Consumption, and Daily Management Measures

