DAVICOM Semiconductor, Inc.

2025 Sustainability Report



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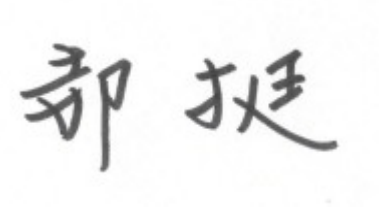
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Chairman's Words



Dr. Ting Hao

Chairman of DAVICOM Semiconductor, Inc.



In 2025, the global macroeconomic and geopolitical landscape remained volatile. The Russia-Ukraine war and Israel-Hamas conflict persisted, while U.S.–China competition expanded from technology and microchips to a comprehensive structural reorganization of global supply chains. Coupled with the volatility and uncertainty surrounding U.S. tariff policies, global economic stability and industrial order faced unprecedented pressure. The electronics and semiconductor sectors bore the brunt of these impacts. Although Davicom has long been dedicated to its core IC design business—demonstrating resilience through the Asian Financial Crisis, the Dot-Com Bubble, and the U.S. Subprime Mortgage Crisis to achieve a record of 76 consecutive profitable quarters—the compounded uncertainties of geopolitics, supply chain restructuring, and market realignment led to a slight loss in Q2 2025 for the first time.

However, these challenges prompted us to reflect more deeply on the core meaning of corporate sustainability. Current ESG priorities have evolved beyond traditional economic, social, and governance frameworks toward energy security, geopolitical risk management, and strategic resilience. Amid the deep convergence of technology, finance, and sustainable governance, corporate sustainability strategies are facing a structural transformation. The AI revolution is not only reshaping competitive paradigms across industries, but also opening new pathways for entrepreneurship and technological applications. For an IC design company, this means integrating energy efficiency, performance optimization, and application value directly into the product design and system architecture stages. Driving technological innovation as the core engine for sustainable transformation remains the top priority in Davicom's communication and reporting to all stakeholders.

As geopolitical shifts and policy volatility reshape global investment logic, sustainability is no longer merely a declaration of values, but a critical tool for responding to international environmental changes and strengthening risk management. Reviewing the Company's business operations and governance strategies, beyond deepening carbon accounting, evaluating renewable energy procurement, and continuing existing ESG practices such as social returns and public welfare actions, we view regulatory compliance, energy management, AI integration, supply chain resilience, and labor rights as fundamental cornerstones supporting corporate governance, strategic decision-making, and long-term competitiveness.

On the environmental front, Davicom continuously monitors global sustainability trends highlighted by COP30. Powered by AI innovation and anchored in educational care, we collaborate through industry-academia partnerships and diverse channels to progressively implement Nature-Based Solutions (NbS), promote biodiversity conservation, and emphasize harmonious coexistence with natural ecosystems. Our corporate social responsibility has expanded from simple carbon reduction to natural conservation and ecological resilience, aiming to build a forward-looking ESG strategy aligned with international standards. Placing people at the heart of our operations, Davicom firmly believes that enduring corporate growth must be rooted in trust and value creation. Guided by our core corporate culture of "diligence, value, integrity, cooperation, opportunity, and modesty," the Company maintains a stabilizing force against high external uncertainties. Relying on an irreplaceable cultural foundation, together with the collective dedication of its management team and all employees, the Company successfully navigated the severe challenges of Q2 2025 and returned to profitability in Q3. At this critical turning point, Davicom demonstrated agile adaptability and high organizational resilience.

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 2025 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, 2025. 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 2025

Current report issuance：July 2026

Information Restatement

There were no restatements in the 2025 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 Nomination and Sustainability Committee

1.2 Stakeholders Engagement

1.3 Materiality Assessment

1.4 Policies and Commitments

1.5 Sustainable Development Goals

1.1 Nomination and Sustainability Committee

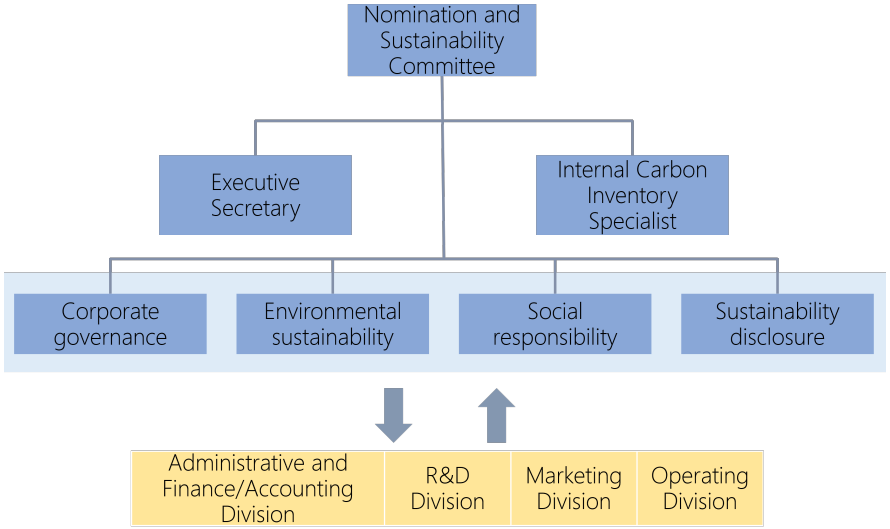
Purpose: Implementation of Davicom's Sustainable Development Strategy

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, 2024, 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.





▲ Nomination and Sustainability committee structure

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.

The Risk Management Committee considers key elements of corporate operations across all segments of the supply and value chains, while closely tracking global sustainability trends and ESG priorities identified by rating agencies such as S&P Global. Through this process, the Committee ultimately compiled a total of 20 sustainability issues covering 9 governance, 7 social, and 4 environmental dimensions.

No.	Governance	Social	Environmental
1	Innovative R&D	Compensation & Benefits	Carbon Management
2	Supply Chain Management	Labor-Management Relations	Energy Management
3	Competitive Behavior	Career Development	Waste Management
4	Information Security & Privacy Protection	Safe & Comfortable Workplace	Water Resources
5	Customer Relationship Management	Employee Health & Well-being	
6	Risk Management	Diversity, Equity, and Inclusion (DEI)	
7	Internal auditing	Social Care	
8	Corporate Resilience		
9	Regulatory Compliance		



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 20 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, 20 material topics were identified.

Subsequently, these 20 material topics 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 Nomination and Sustainability Committee for discussion. Through this process, the Committee confirmed the top 10 material topics as the Company's primary material topics 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 secondary material topics ranked 11th to 20th. We sincerely invite all stakeholders to continue following Davicom's ESG initiatives and progress.

Dimension	Material Topics	Material Impac		Financial Impact
		Positive/ (Negative)	Occurrence Rate	
Governance	Innovation R&D	4	4.4	9
	Supply Chain management	4.2	4	7.2
	Competitive Behavior	3.9	3.5	5.475
	Information Security & Privacy Protection	3.8	3.7	4.625
	Customer Relationship Management	4.2	4	4.575
	Risk Management	3.6	3.6	4.05
	Internal Audi	3.8	3.5	3.575
	Corporate Resilience	3.8	4	3.325
	Regulatory Compliance	4	3.6	3.2
Social	Compensation & Benefits	3.6	3.8	5.875
	Labor-Management Relations	3.8	3.8	4.275
	Career Development	3.7	4	4
	Safe & Comfortable Workplace	3.5	3.7	3.85
	Employee Health & Well-being	3.5	3.8	3.075
	Diversity, Equity, and Inclusion (DEI)	3.3	3.1	2.95
	Social Care	3.6	3.5	2.875
Environmental	Carbon Management	(3.6)	3.3	4.825
	Energy Management	3.6	3.2	4.65
	Waste Management	3.4	3	2.45
	Water Resource	3.3	2.8	2.55

▲ List of Materiality

No.	Material Topics	No.	Secondary Material Topics
1	Innovation R&D	11	Career Security
2	Supply chain management	12	Safe & Comfortable Workplace
3	Compensation & Benefits	13	Internal Audit
4	Competitive Behavior	14	Corporate Resilience
5	Carbon Management	15	Regulatory Compliance
6	Energy Management	16	Employee Health & Well-being
7	Information Security & Privacy Protection	17	Diversity, Equity, and Inclusion (DEI)
8	Customer Relationship Management	18	Social Care
9	Labor-Management Relations	19	Waste Management
10	Risk Management	20	Water Resources

▲ Prioritization of Material Topics

List of Material Topics

Compared with the previous year, Davicom has expanded its list of material topics to include information security and privacy protection, customer relationship management, risk management, carbon management, and energy management, 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 2025, while those ranked 11 through 20 are identified as secondary ESG topics. Accordingly, issues such as career development, safe and comfortable workplace, internal audit, corporate resilience, regulatory compliance, employee health and well-being, diversity, equity and inclusion, social care, waste management, and water resources are each addressed in the relevant chapters of this Report.

The Disclosure of Top 10 Material Topics in Davicom's 2025 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		
Governance	Innovation R&D	Continuous investment in IC design technology and product innovation serves as a key foundation for enhancing market competitiveness, expanding into new markets, and creating long-term corporate value. Upholding the core philosophy of sustainable development, the Company continuously launches energy-saving and carbon-reducing products, fulfilling its corporate sustainability commitment through concrete actions.	●	●	●	●		Davicom's self defined material topics	4.1 Innovation R&D and management
Governance	Supply chain management	Wafer foundries, packaging/testing providers, and component suppliers are vital partners of Davicom. The Company is committed to enhancing supply chain resilience, ensuring product quality, and mitigating supply disruption risks. We require supply chain partners to comply with local regulations and ESG policies to jointly build a stable and sustainable supply chain, continuously implementing environmental protection and employee care to practice sustainable operations.	●		●	●		GRI 204-1	4..2 Supply Chain Management
Social	Compensation & Benefits	Fair and reasonable compensation and benefits form the foundation for attracting, motivating, and retaining top talent. Comprehensive training and career development systems help employees continuously grow, leverage their expertise, and achieve self-fulfillment.	●	●			●	GRI 401-2 GRI 401-3 GRI 405-2	6.1 Talent Development and Corporate Culture

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		
Governance	Competitive Behavior	Adhering to fair competition and business ethics helps maintain corporate integrity, enhance customer trust, and reduce regulatory compliance risks. Healthy competition drives the Company to continuously advance technological innovation and product quality, strengthening market competitiveness and customer satisfaction. However, hyper-competition may squeeze profit margins, trigger price wars, increase operational pressures and employee turnover, and even lead to technology leakage or diminished partnership opportunities, impacting long-term corporate development.	●	●	●	●	●	GRI 206-1	3.3 Integrity Management
Environmental	Carbon Management	In response to global net-zero trends and customer decarbonization requirements across the supply chain, the Company continuously inventories and manages greenhouse gas emissions to comply with regulations and enhance corporate competitiveness.	●	●	●	●	●	GRI 305	5.2 Carbon Management
Environmental	Energy Management	Improving energy efficiency reduces operational costs and greenhouse gas emissions, enhances resource utilization efficiency, supports corporate sustainable development, and strengthens operational resilience.	●	●	●		●	GRI 305	5.3 Energy Management
Governance	Information Security & Privacy Protection	Information security and customer privacy serve as crucial foundations for Davicom's sustainable operations. Throughout product R&D, chip design, intellectual property management, and customer collaboration, the Company must properly manage key assets such as R&D outcomes, trade secrets, and customer information. Security incidents or data breaches could result in intellectual property losses, operational disruptions, regulatory risks, and diminished customer trust, thereby adversely affecting corporate reputation and market competitiveness. Therefore, continuously reinforcing information security and customer privacy protection not only mitigates cybersecurity risks, ensures regulatory compliance, and maintains business continuity, but also safeguards core corporate assets and customer rights, enhances stakeholder trust, and supports corporate sustainable development.	●	●	●	●	●	GRI 3-3	3.6 Information Security and Privacy Protection

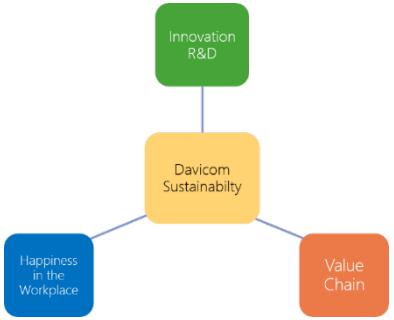
Dimension	Material Topics	Significance and Positive/Negative Impacts on Davicom	Internal Boundaries	External Boundaries				GRI Index	Report Disclosure
			Davicom	Shareholders / investors	Suppliers	Clients	Regulatory Authorities		
Governance	Customer Relationship Management	Customers are essential partners for Davicom's continuous growth. As an IC design company, Davicom meets customer needs and builds long-term partnerships through stable product quality, technological innovation, and timely technical support. Comprehensive customer relationship management helps enhance customer satisfaction and trust, strengthening market competitiveness and brand value. If product quality, delivery schedules, or services fail to meet customer expectations, it may impact partnership relations and operational performance. Therefore, continuously optimizing product and service quality and deepening customer communication serve as a vital foundation for corporate sustainable operations.	●	●	●	●	●	GRI 3-3	4.4 Customer Relationship Management
Social	Labor-Management Relations	Talent is Davicom's core asset for technological innovation and sustainable development. Establishing a fair, respectful, and safe working environment, while providing comprehensive compensation and benefits, talent cultivation, and smooth labor-management communication mechanisms, helps increase employee cohesion, retention rates, and organizational efficiency. Good labor-management relations can reduce labor disputes and the risk of talent loss, promote stable business	●	●		●	●	GRI 402-1	6.3 Labor-Management Relations

		operations, support technological R&D and innovation, and further enhance corporate competitiveness and sustainable development capabilities.							
Governance	Risk Management	Facing risks related to market, supply chain, regulations, and information security, sound risk management serves as an important foundation for Davicom's stable operations. By continuously strengthening risk identification, assessment, monitoring, and response capabilities, the company can mitigate operational impacts, enhance operational resilience, safeguard stakeholder rights, and support sustainable corporate development.	●		●	●	●	GRI 3-3	3.4 Risk Management

1.4 Policies and Commitments

Based on the 10 material topics in 2025, Davicom summarized three key focus areas for the year:

1. Continuously investing in engineering services and electronic product R&D capabilities to create greater profits.
2. Strengthening cybersecurity to protect trade secrets and customer privacy.
3. Creating a healthy and happy workplace internally for employees, while establishing long-term, stable trust relationships with external customers, and inviting suppliers to jointly implement energy-saving, carbon-reduction, and environmental protection measures to prevent excessive impact on the environment.



The company refers to the six reporting quality requirements of the GRI Standards to disclose information:

- Accuracy: Information in the report is sufficiently accurate and detailed for stakeholders to evaluate the company's ESG performance.
- Balance: Information reflects both positive and negative performance, allowing all parties to make a reasonable evaluation of the company's overall performance.
- Clarity: Information is presented in a manner that is easy to understand and accessible to stakeholders.
- Comparability: The company collects and discloses relevant information using internationally accepted standards, allowing stakeholders to analyze long-term performance.
- Reliability: Disclosed information can be examined and is collected through methods that establish information quality and materiality.
- Timeliness: The company provides important operational information in a timely manner, allowing stakeholders to promptly grasp company conditions and enhancing information transparency.

Davicom remains steadfast in its commitment to sustainable development

Davicom operates with prudent and steady management. It remains grounded in corporate governance, environmental sustainability, and employee care, conscientiously abiding by commercial, environmental, and labor regulations in daily operations. No negative impacts have occurred that would adversely affect business operations or 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 International takes continuous innovation, talent development, fulfilling social responsibilities, and partner collaboration as the core pillars of its sustainable development, striving to create shared value and realize sustainable, long-term, and steady corporate growth.

SDGs	Targets	Our response
	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. 4.7 Promote education for sustainable development, sustainable lifestyles, human rights, gender equality, and a culture of peace and non-violence.	【Social Participation】 →Through industry-academia cooperation, achieve mutual learning and understanding across generations, promoting corporate sustainability.
	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
	8.2 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
	9.4 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.
	11.2 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.
	12.2 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
	13.2 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.
	17.6 Enhance South-North, 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 2030, 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

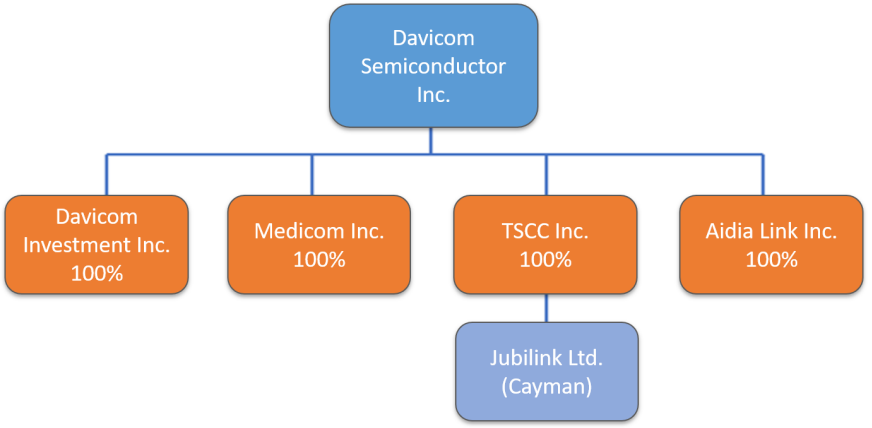
DAVICOM Semiconductor Inc. was founded in 1996 by a networking/communication team under United Microelectronics (UMC) and US-based networking/communication experts. Since being founded in 1996, with the foundation of Ethernet along with the industry trend, we developed Ethernet controller ICs firstly 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

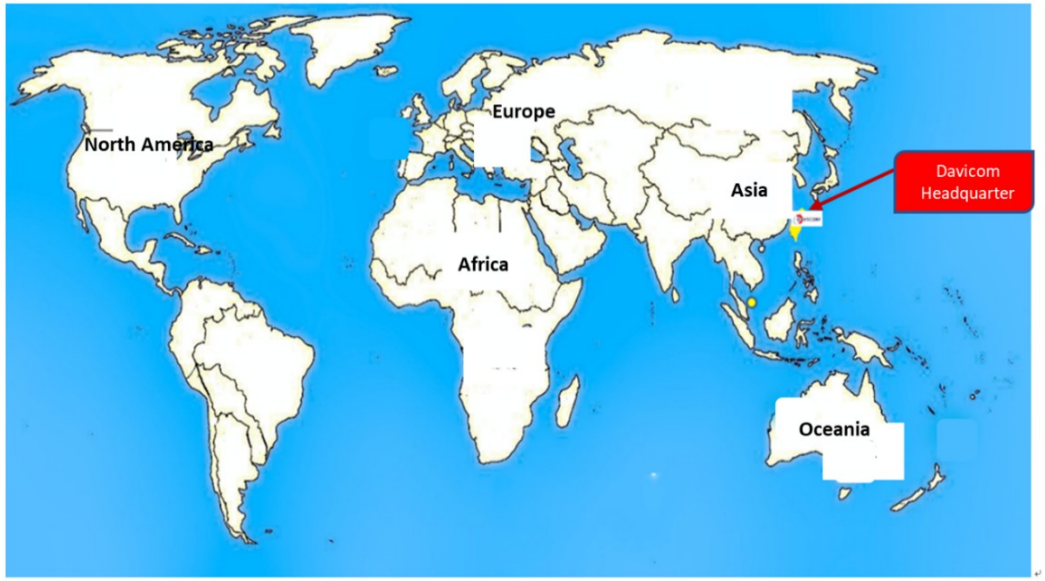
Full corporate name	DAVICOM Semiconductor, Inc.
Capital amount	NT$831 million
Total number of employees	70
Date of establishment	August 16, 1996
Stock listed	Our stock shares were initially listed on the Taiwan Stock Exchange on August 6, 2007 (stock code: 3094)
Chairman	Ting Hao
President	Eric Lin
Operational 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
AidiaLink Corp.	October 2016	Unit 3, 15th Floor, No. 60-3, Chien-Hsin Road, Hsinchu City	NT$80.0 million	Manufacturing wireless communication equipment
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

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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
2025	1. Development of an Ethernet transceiver IC featuring a built-in hardware timestamping mechanism compliant with IEEE 1588v2 PTP standards within the target timeline. 2. R&D of a 10BASE-T1S IC conforming to IEEE 802.3cg specifications.

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



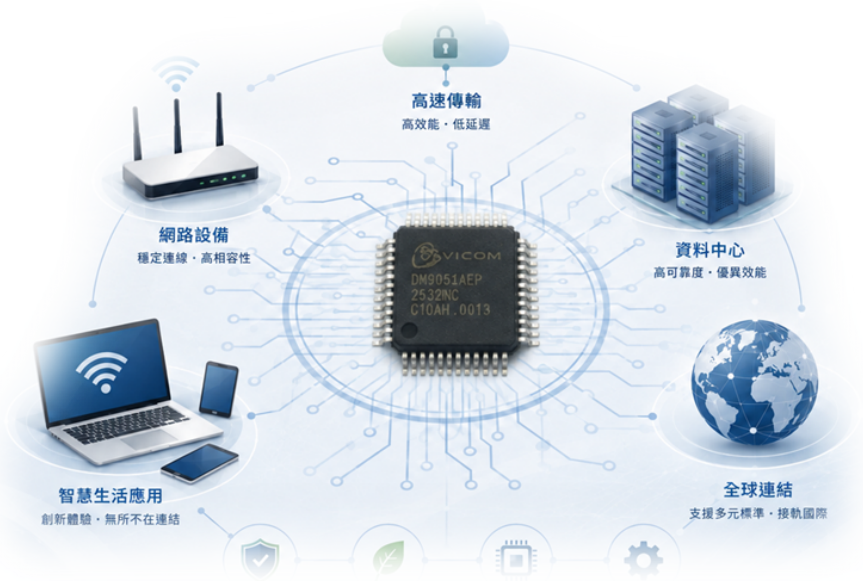
2.3 Core Value and Operational Strategies

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, which demonstrates the company’s commitment to risk governance and sustainable management. Based on stakeholder surveys and impact assessment results, corporate resilience holds high importance regarding both positive benefits and negative risks, reflecting its critical impact on operational stability, stakeholder rights and interests, and corporate sustainability. Davicom International will continue to strengthen its risk management and response capabilities to enhance operational resilience in navigating external environmental changes and market challenges.

Project	Details
Innovation-Driven R&D: Building a Competitive Moat	Davicom continuously invests in research and development (R&D). In 2025, its R&D expenditure reached NT$67,356 thousand, accounting for 36% of total revenue. The company launched the low-power DM9051 series, which reduced power consumption by 62.5% and enhanced product energy efficiency. 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. Davicom Semiconductor is dedicated to fostering a diverse, healthy, and safe working environment. In 2025, annual employee health checkups achieved 100% coverage, and the proportion of female managers exceeded the industry average. Furthermore, through structured channels such as the employee suggestion mailbox and regular labor-management meetings, the company stays attuned to organizational dynamics and internal risks, effectively bolstering overall 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 2025, the global economy continued to be impacted by factors such as the Russia-Ukraine war, geopolitical conflicts in the Middle East, and U.S. trade tariff policies. Supply chain operations and market demand faced high uncertainty, bringing challenges to the company's product sales. However, with the rapid development of generative AI and the increasing adoption of hybrid AI applications combining Edge AI and cloud computing, various industries are actively investing in the R&D and application of smart products, creating new growth opportunities for the semiconductor industry.

Facing geopolitical risks, global supply chain restructuring, and changing market environments, Davicom continues to uphold its philosophy of steady operations and innovative development. The company actively expands into new markets, deepens core technology R&D, and continues to position itself in high-growth application domains. In 2025, the company successfully introduced emerging application products such as electronic verification health indicators and completed the development of Single Pair Ethernet (SPE) chips, continuously enhancing product competitiveness and laying a solid foundation for future operational growth and sustainable development. Driven by Davicom's corporate culture of dedication and hard work, the company achieved an impressive track record of profitability for 76 consecutive quarters.

Assessment of Operational Performance

Despite the impact of global geopolitical risks, trade policy shifts, and supply chain restructuring, Davicom still distributed a cash dividend of NT$0.25 per share in 2025, maintaining a record of annual dividend distributions since 2016. For financial information such as Davicom's 2025 balance sheet, income statement, and statement of cash flows, please visit Davicom's official website:

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

or the Market Observation Post System (MOPS) of the Taiwan Stock Exchange (Davicom Stock Code: 3094):

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

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

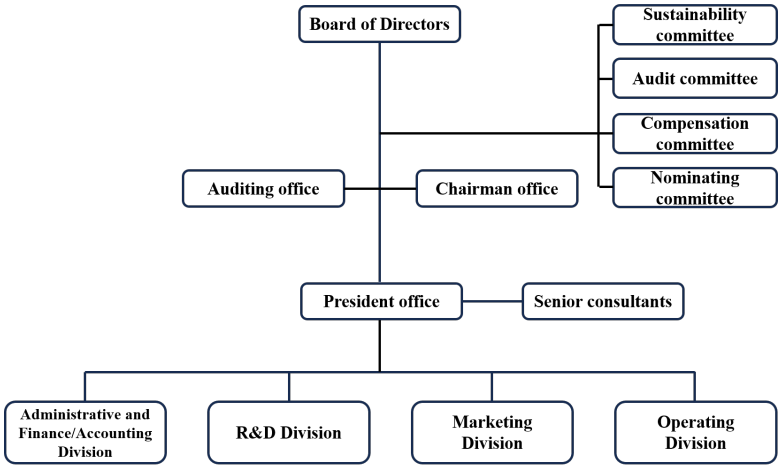
3.6 Management for Information and Communication Security

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 three functional committees—the Auditing Committee, the Compensation Committee, and Nomination and 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 2025

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 eight members, including four directors and four independent directors, serving a three-year term (the 11th Board: May 28, 2025 to May 27, 2028). One out of eight 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 2025 Annual Report. Furthermore, the Company values gender equality within its Board composition. Among the eight directors, three are female, representing a ratio of 3/8.

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

Nomination and Sustainability Committee

To promote the Company's sustainable development, assist the Board of Directors in strengthening management mechanisms, and enhance corporate governance, the Board of Directors resolved on June 29, 2022, to rename the CSR Committee as the Sustainable Development Committee. Furthermore, on February 27, 2025, the Company established the "Organizational Charter of the Nomination and Sustainability Committee," merging the "Nomination Committee" and the "Sustainable Development Committee" into the "Nomination and Sustainability Committee."

Committee members are appointed by resolution of the Board of Directors and are composed of independent directors possessing professional knowledge and capabilities in corporate sustainability. The convener is an independent director elected by and from among all committee members.

The main responsibilities include:

- Director & Executive Selection and Succession: Formulating and reviewing the composition, qualification criteria, selection standards, and succession plans for directors and senior executives; selecting and reviewing qualified candidates for directors and senior executives.
- Governance & Independence Evaluation: Formulating and reviewing the establishment, duties, and operations of board committees; evaluating qualifications for re-appointment and potential conflicts of interest among committee members; assessing the independence of independent directors and reporting the results to the Board.
- Performance Evaluation & Education: Planning and executing continuing education programs for directors, as well as performance evaluations for the Board, its committees, and senior management, and reporting the results to the Board.
- Shareholder Proposals: Reviewing shareholder proposals and recommending response strategies to the Board.
- ESG Decision-Making & Supervision: Making decisions on and supervising

the actions and impacts of the parent company and its subsidiaries across economic, environmental, and social dimensions.

- Policy & Strategy Execution: Promoting and strengthening sustainability policies, annual plans, and strategies; tracking and revising sustainability performance outcomes.
- Disclosure & Reporting Oversight: Overseeing sustainability disclosures; reviewing the Sustainability Report, matters related to the Company's Sustainable Development Best Practice Principles, and other sustainability-related tasks assigned by Board resolutions.

Davicom Semiconductor, Inc. has also established a dedicated Sustainability Working Group under the Nomination and Sustainability Committee, which regularly reports ESG implementation status to the Committee. In 2025, the Nomination and Sustainability Committee convened a total of 5 meetings. The 2025 annual work plan was reported to the Board of Directors on February 27, 2025, and the execution results were subsequently presented to the Board on March 6, 2026.

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 inspect 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 2025, the Audit Committee held five 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 four Independent Directors, providing diverse external perspectives and insights. In 2025, the Committee convened five times to review and ensure the fairness and appropriateness of remuneration practices.

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, a monthly retainer of NT$30,000 is paid to independent directors for business execution; regular directors are not eligible for this stipend. 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.

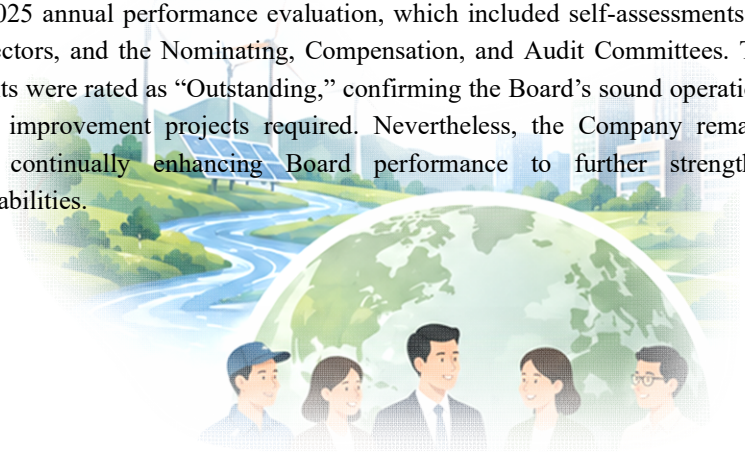
Annually, the Committee conducts a materiality assessment of sustainability issues by distributing surveys to stakeholders, evaluating the impact of ESG topics on the economy, environment, and society. The findings are analyzed and submitted to the Board, serving as a critical basis for decision-making 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 November 9, 2021, 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 January 29, 2026, at the 5th meeting of the 11th Board of Directors, the Board approved the 2025 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 2025, the Board of Directors of Davicom collectively accumulated 66 hours of training, with each director averaging more than 8 hours, surpassing the regulatory requirement of 6 hours. Notably, 73% 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 January 29, 2026, during the 4th meeting of the 11th Board of Directors, the Company reported to the Board on the implementation status of ethical management for 2025. In 2025, ethical management awareness programs reached a total of 136 participant-times, accumulating 68 person-hours.

Management goals	Measures	Performance
External Transaction： Constraint by Special Provisions	When entering into contracts with their clients, agents, and suppliers, the companies shall include in such contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counterparties are involved in unethical conduct, the companies may at any time terminate or rescind the contracts.	Achieved
Internal of the company： Training、Promoting、 Whistleblower	Regularly conduct training and promotion on ethical corporate management to directors, managers, and employees. If you find any suspected violation of ethical corporate management, you must immediately report it to the management department esther_lin@davicom.com.tw.	Achieved
Precautions： Internal Control, Internal Audit	For business activities with high risk of dishonest behavior, the company has established an effective accounting system and internal control system, and regularly reports to the board of directors through the internal audit system to review and implement the effectiveness and continuous improvement at any time to ensure the implementation of the integrity management policy.	Achieved

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.Regular internal audits are conducted annually, with the audit results reported to the Board of Directors for review to examine the implementation of internal control systems and strengthen management mechanisms. 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 Goal	1. Resources Invested / 2. Achievements	Responsible Department / Grievance Mechanism	Evaluation Mechanism / Outcomes
Risk Management	In the face of risks such as market, supply chain, regulatory, and information security, sound risk management serves as a crucial foundation for Davicom's stable operations. By continuously strengthening capabilities in risk identification, assessment, monitoring, and response, the Company can mitigate operational impacts, enhance operational resilience, safeguard stakeholder rights, and support sustainable corporate development.	The Company commits to complying with the Regulations Governing Establishment of Internal Control Systems by Public Companies, the Corporate Governance Best Practice Principles, and relevant laws and regulations. An independent internal audit unit has been established to report directly to the Board of Directors and the Risk and Audit Committee, ensuring the effective operation of internal controls while reinforcing operational transparency and accountability mechanisms.	1. Short-term Goal: Complete the annual internal audit plan to ensure the effective operation of the internal control system. 2. Medium- and Long-term Goal: Strengthen risk identification, monitoring, and response capabilities to enhance operational resilience and mitigate major operational risks.		1. Regularly convened risk management meetings to review key risk issues. 2. Executed internal audits and follow-up improvements to reinforce internal controls. 3. Annual training hours for internal audit personnel: 24 hours. 4.100% execution rate of the annual internal audit plan.	Administrative Department：esther_lin@Davicom.com.tw	1. The Risk and Audit Committee reviews the annual audit plan and audit reports. 2. Audit results and follow-up on improvements are regularly reported to the Board of Directors to continuously examine the effectiveness of risk management and internal controls.

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 2025, 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

Davicom strictly adheres to relevant laws and regulations governing corporate governance, securities trading, labor, human rights, environmental protection, occupational health and safety, information security, and product liability. The Company continuously refines its compliance management system and enhances overall employee compliance awareness and risk management capabilities through internal controls, internal audits, compliance reviews, and education and training, ensuring that all operational activities comply with relevant regulatory standards.

In response to ongoing regulatory updates, various departments within the Company continuously monitor announcements from competent authorities, statutory amendments, and related information. Internal management systems and operational procedures are reviewed and revised in a timely manner to ensure that all business operations meet the latest legal requirements, thereby mitigating compliance risks and strengthening the foundation for corporate governance and sustainable operations.

In 2025, Davicom experienced no incidents of significant fines or non-monetary sanctions imposed by competent authorities due to material violations of economic, environmental, labor, occupational health and safety, information security, customer privacy, product liability, or other related laws and regulations. Nor did the Company receive any material environmental impact grievances processed through formal complaint mechanisms. Overall, no material non-compliance incidents have occurred in recent years, demonstrating the Company's commitment to regulatory compliance and business integrity.

Looking forward, Davicom will continue to monitor regulatory developments and trends, refine its compliance management system, strengthen compliance training and internal control mechanisms, reduce operational risks, safeguard the rights and interests of shareholders and stakeholders, continuously enhance corporate governance quality, and support sustainable corporate development.



Item	2025 Implementation Status
Material non-compliance incidents	0
Material sanction cases	0
Material environmental grievance cases	0

3.6 Management for Information and Communication Security

Material Topic	Significance to the Company	Policy/Commitment	Short-term Goal	Mid- to Long-term Goal	1. Resources Invested / 2. Achievements	Responsible Department / Grievance Mechanism	Evaluation Mechanism / Outcomes
Information Security and Privacy Protection	Information security and customer privacy are critical topics for Davicom's sustainable operations. During R&D, chip design, and customer collaboration, the Company must properly safeguard intellectual property, trade secrets, and customer information. Continuously strengthening information security management and privacy protection mitigates cybersecurity risks, ensures regulatory compliance, maintains customer trust, protects corporate reputation and operational resilience, and supports sustainable corporate development.	Davicom's cybersecurity governance vision is to build a rigorous and effective cybersecurity defense network. The Company has designated the Information Management Department as the dedicated unit responsible for cybersecurity. The Information Technology Service Department coordinates cybersecurity systems and reasonable regulations, promotes the implementation of related operations, and continuously enhances cybersecurity awareness and professional capabilities. By leveraging technology, the Company identifies cybersecurity risks and vulnerabilities to effectively reinforce defenses, constructing comprehensive cybersecurity policies and holistic cyber defense capabilities. Security policies are reviewed regularly, and the Company's cybersecurity status is reported to the Board of Directors annually.	Zero material cybersecurity incidents and personal data breaches		1. Completed 2 cybersecurity training sessions, reaching a total of 130 participant-times. 2. Completed 1 external cybersecurity audit and the annual internal cybersecurity audit. 3. Completed annual data backup verification and disaster recovery drills.	Administration Department: esther_lin@davicom.com.tw	Report the overall operational effectiveness of cybersecurity management practices and systems to the Board of Directors once a year.

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 2025, two dedicated cybersecurity training sessions were held, with a total of 130 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 December 1 to 3, 2025. (2) Antivirus protection systems are installed on client endpoints, providing real-time anomaly detection and alerting, forensic analysis, and endpoint remediation capabilities. Additionally, backup file servers are utilized to back up critical data, and bank safe deposit boxes are leased for off-site storage. (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	Continuous investment in IC design technology and product innovation serves as a vital foundation for enhancing market competitiveness, expanding into new markets, and creating long-term corporate value. Guided by our core philosophy of sustainable development, we consistently introduce energy-efficient products, fulfilling our corporate sustainability commitments through concrete actions.	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$67,356 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 founding in 1996, Davicom Semiconductor has dedicated itself to embedded network communication IC technologies. Leveraging superior mixed-signal design, rapid integrated IC development, and system application software, Davicom provides customers with highly integrated, high-efficiency, and cost-effective solutions.

Driven by ease of use, cost-efficiency, and high bandwidth, Ethernet has established itself as the mainstream networking technology across enterprise, consumer electronics, and Industrial Internet of Things (IIoT) sectors. Spurred by the rise of electric vehicles (EVs) and artificial intelligence (AI) applications, market demand continues to surge. Davicom remains long committed to cultivating Ethernet IC solutions and actively leading technology advancements in this space.

In response to the rapid global expansion of the Internet of Things (IoT), Davicom strategically focuses on the research and development of AIoT and IIoT products. By combining high-speed Ethernet with AI computing capabilities, the company has introduced high-performance, low-power smart chip solutions.

Davicom has developed a 3-in-1 integrated chip combining a CMOS Image Sensor (CIS), Neural Network Processing Unit (NPU), and Microcontroller Unit (MCU). Utilizing deep learning to enable real-time edge decision-making, this solution serves both consumer applications (e.g., home appliances, smart toys) and specialized fields (e.g., pandemic prevention, digital education). Moving forward, Davicom will expand its AI roadmap into pet detection, smart factory monitoring, advanced driver-assistance systems (ADAS), and cloud logistics AI management systems.

With the rapid evolution of AI, Industry 4.0, automotive electronics, and smart manufacturing—coupled with global net-zero emission targets and national energy policies—the

demand for high-performance, highly reliable network communications continues to climb. Boasting stability, security, and high compatibility, Ethernet serves as a fundamental pillar for smart applications and industrial communication.

Davicom continuously refines its core Ethernet IC technologies, actively investing in Edge AI, industrial automation, and smart logistics. By integrating Edge AI SoCs, sensors, actuators, and 10BASE-T1S technologies, Davicom optimizes device connectivity, smart control, and data transmission efficiency. This empowers clients to construct high-efficiency, low-power smart applications, fulfilling energy conservation and carbon reduction targets while enhancing corporate competitiveness and long-term sustainability value.

In the IIoT sector, Davicom develops Ethernet ICs tailored for smart manufacturing, serving applications in smart grids, industrial automation controls, and AI image recognition. Concurrently, the company launched AI-integrated RFID systems for smart medical cabinet management, optimizing pharmaceutical inventory tracking and reducing operational error risks.

In alignment with ESG sustainability objectives, Davicom embeds low-power architecture into the product design phase. By engineering low-carbon embedded Ethernet controller ICs, Davicom helps clients minimize operational energy consumption, driving global decarbonization efforts.

Supported by a professional R&D team, Davicom responds rapidly to market dynamics by continually developing 10/100/1000M Ethernet controller ICs for smart buildings, digital homes, and cloud computing. As edge AI and hybrid cloud architectures gain momentum, Davicom delivers highly integrated communication solutions that bolster data transmission and analytics performance in AIoT and IIoT environments.

Looking ahead, Davicom will continue investing in smart sensing, intelligent recognition, and Ethernet communications, broadening its reach across AI, smart manufacturing, automotive electronics, and industrial automation. Notably, the 10BASE-T1S Ethernet controller supports Multidrop topology, making it ideal for in-vehicle diagnostics (OBD), body electronics, and industrial automation networks—offering key advantages such as simplified wiring, improved transmission efficiency, and reduced overall system cost. Davicom remains committed to deepening core technical capabilities, advancing innovative applications, and furthering sustainable corporate growth.

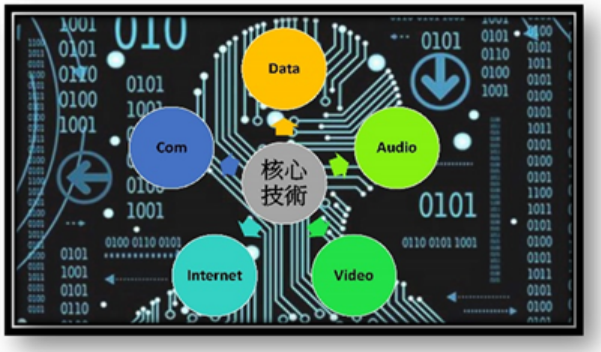
Year	R&D expense	Proportions
2024	NT$55,791 thousand	33.6%
2025	NT$67,356 thousand	36%

▲ Annual R&D expense

4.1.2 Innovation and R&D Management Framework

Davicom Semiconductor continuously drives technological innovation by adopting emerging technologies through diverse channels, including in-house R&D, corporate partnerships, technology transfer, and industry-academia collaboration. By combining these initiatives with its core R&D capabilities, the company accelerates new product development and product line expansion, steadily enhancing product quality, technological competitiveness, and market value to fulfill customer needs and capitalize on industry trends.

In terms of talent management, the company has established a robust performance evaluation and incentive system to encourage employees to engage in technological innovation and R&D improvements. Davicom places strong emphasis on cross-departmental collaboration, knowledge transfer, and professional talent development, thereby elevating technology transfer and R&D efficiency. Moving forward, Davicom Semiconductor will continue to deepen its innovation and R&D management, cultivate R&D talent, and strengthen its core technologies and innovation momentum—boosting corporate competitiveness to support the company's sustainable growth.



4.2 Supply Chain Management

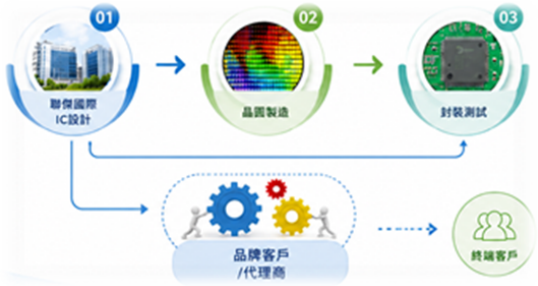
Material Topic	Significance to the Company	Policy/Commitment	Short-term Goal Mid- to Long-term Goals	1. Resources Invested / 2. Achievements	Responsible Department / Grievance Mechanism	Evaluation Mechanism / Outcomes
Supply Chain Management	The stability and compliance of the supply chain directly affect 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 chain 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.	1.Continuously evaluate the feasibility of local sourcing to reduce greenhouse gas (GHG) emissions from transportation. 2.Incorporate ISO 14001 into supplier selection criteria. 3. Periodically request suppliers to provide third-party laboratory test reports for homogeneous materials to ensure raw materials comply with EU RoHS Directive requirements.	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 96.85% in 2025.	Administration Department： esther_lin@davicom.com.tw	Annual quality management review meetings.

4.2.1 Supplier Management Policy

In accordance with the ISO 9001:2015 Quality Management System and the "Outsourcing Management Operating Procedures", the Company has established supplier evaluation and management mechanisms. Beyond traditional criteria such as quality, cost, delivery, technical capability, and service quality, the Company incorporates sustainability issues—including environmental protection, labor human rights, occupational health and safety, business ethics, information and communication security, and privacy protection—into its supplier management framework. Partners are required to comply with relevant laws, regulations, and international standards to jointly enhance supply chain resilience and practice sustainable supply chain management.

In terms of environmental management, suppliers are required to use raw materials that comply with EU environmental regulations, such as RoHS and REACH, and to provide Safety Data Sheets (MSDS/SDS) alongside relevant test reports. Priority is given to partners certified under the ISO 14001 Environmental Management System. Furthermore, suppliers must execute conflict minerals due diligence and submit Conflict Minerals Reporting Template (CMRT) documentation to ensure that raw material sourcing aligns with responsible procurement principles.

In terms of human rights and governance, suppliers are encouraged to obtain certifications such as ISO 45001 (Occupational Health and Safety Management System), SA8000 (Social Accountability), and ISO 27001 (Information Security Management). They are expected to adhere to standards governing labor human rights, occupational safety, information security, and privacy protection, while implementing measures for energy conservation, carbon reduction, resource recycling, and environmental management—working together to fortify supply chain resilience and sustainable competitiveness.



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.



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.



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. All packaging facilities have obtained ISO 14001 certification. Regular reviews will continue to be conducted to ensure that the supply chain complies with the latest environmental regulations.

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.

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

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

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 2025, 96.85% of procurement expenditures at major operating sites were sourced from local suppliers.

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.

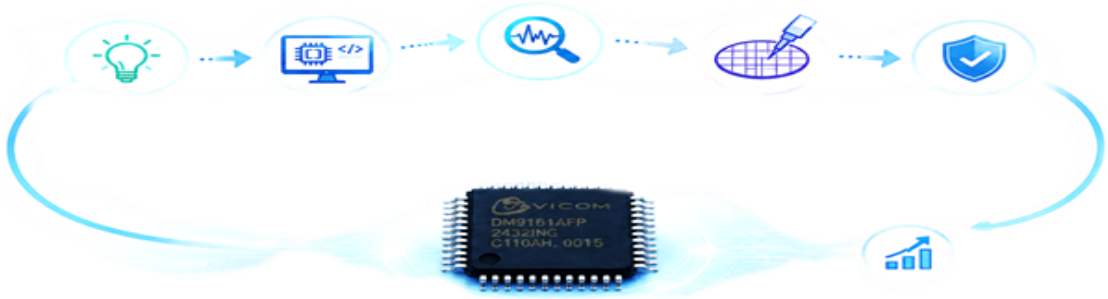
To systematically advance quality management, Davicom has adopted the ISO 9001:2015 Quality Management System, built upon the core objective of "meeting customer needs and enhancing customer satisfaction." This framework spans the entire value chain—from new product development and design verification 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

Davicom Semiconductor places high priority on product environmental stewardship and is committed to providing products that comply with international environmental regulations, thereby enhancing the transparency of product environmental information, fulfilling customer demand for green products, and bolstering corporate sustainable competitiveness. The Company mandates that suppliers adhere to applicable environmental regulations, including the EU RoHS Directive (2011/65/EU), and provide compliant third-party test reports to ensure that products conform to both regulatory standards and customer requirements.

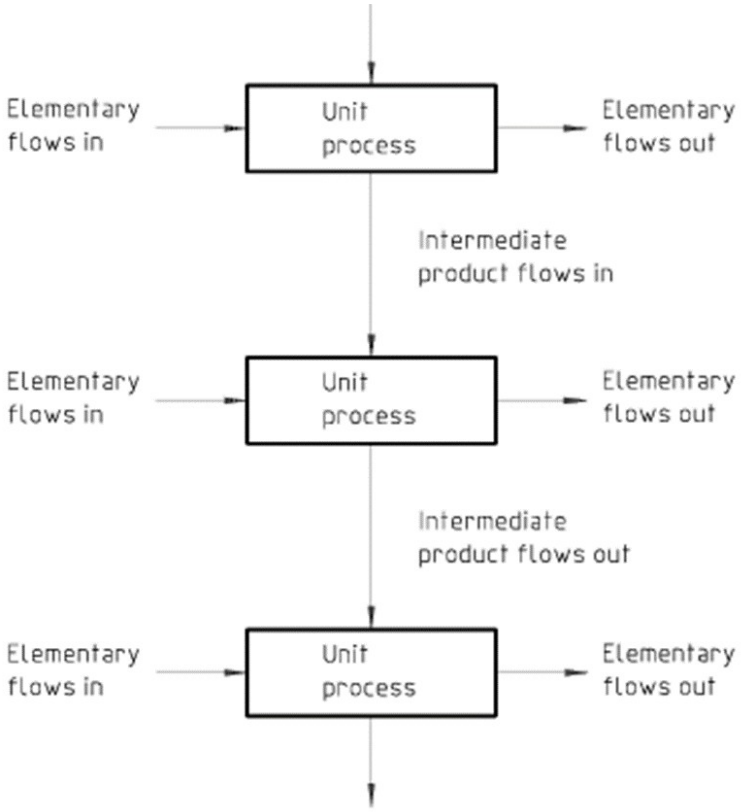
In fiscal year 2025, the Company continued to allocate resources toward product development—specifically for outsourced wafer fabrication, packaging, and testing—with total expenditures reaching NT$54,830 thousand. Meanwhile, the Company persistently collects product environmental data to reinforce supply chain environmental management. By regularly reviewing supplier regulatory compliance and product environmental information, Davicom continuously refines its product environmental management mechanisms, elevates product environmental performance and market competitiveness, and supports sustainable corporate development.

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



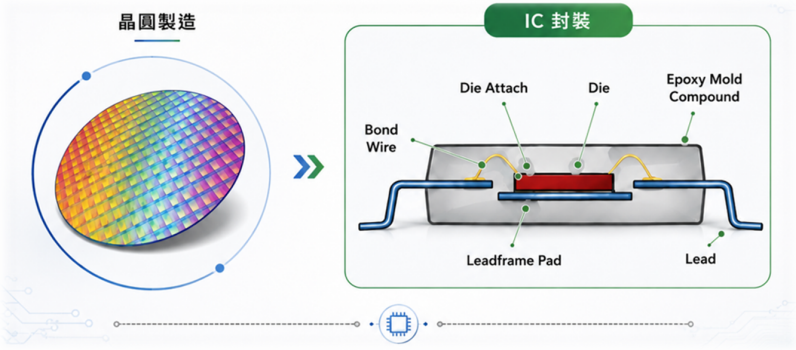
Category	Controller	Phy	Switch	USB	SPI	Serial port	EPD、VD AI Soc
Item	9000	9161、9162、9119	8203、8603、8606C、8806	9621A、9620A	9051A	9625	

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.

"N.D." indicates "Not Detected"
"O" indicates "Below the maximum concentration specified in the EU RoHS Directive"

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

4.4 Customer Relationship 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
Customer Relationship Management	Davicom Semiconductor is committed to providing high-quality products and professional services, placing high value on long-term trust and collaborative relationships with customers.	To assist customers in accelerating their product R&D processes, we continuously listen to their technical and application needs, enhancing overall supply efficiency through professional solutions. Davicom views supporting customer success as a vital cornerstone of sustainable corporate development and will continue to refine its practices to create stable, long-term operational performance.	Zero complaints regarding customer privacy infringement.		1. Established a comprehensive customer service and issue-response mechanism, covering product information provision, technical support, customer feedback analysis, and grievance handling procedures. 2. Responded swiftly to customer needs, continuously enhancing service quality and customer satisfaction while maintaining strong customer partnerships.	Administration Department：esther_lin@davicom.com.tw	Periodically collects customer feedback to continuously optimize product quality, technical services, and customer satisfaction, using evaluation results as a key basis for ongoing service and quality improvements.

4.4.1 Commitment and Core Values in Customer Relations

Davicom Semiconductor upholds a customer-centric business philosophy, dedicated to delivering high-quality products, professional technical support, and superior services while placing high value on building long-term, mutually trusted partnerships with clients. We continuously listen to customer needs, leveraging our R&D capabilities and innovation to provide market-oriented products and solutions that empower customers to enhance product development efficiency and market competitiveness. Furthermore, we consistently refine our quality management, information security, and customer privacy protection to elevate customer satisfaction—working alongside our clients to co-create long-term value and realize sustainable business operations.

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 on a Business-to-Business (B2B) model, Davicom Semiconductor places high priority on protecting customer trade secrets, confidential information, and intellectual property, while remaining dedicated to upholding business ethics, industry standards, and fair competition. Through its Code of Ethics and information security management mechanisms, the Company mandates that all employees strictly adhere to confidentiality obligations, prohibiting any unauthorized disclosure of customer technologies, manufacturing processes, designs, software/code, or other proprietary information. Furthermore, Davicom continuously reinforces its information security systems and access management controls to safeguard the confidentiality, integrity, and security of customer data.

During the reporting period, the Company received zero substantiated complaints concerning breaches of customer privacy, nor any related complaints from regulatory authorities. Regarding information security, Davicom continues to invest in security management and protective measures, recording zero incidents of customer data leaks, theft, or loss throughout the reporting period.

5. Measures in Response to Climate Changes

5.1 Climate Action

5.2 Carbon Management

5.3 Energy and Resource Management

5.4 Water Management

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 climate change and global net-zero transition trends, Davicom Semiconductor continues to advance its climate action. Through greenhouse gas (GHG) inventories, energy management, and resource circulation, the company actively tracks its emissions profile to serve as a foundation for carbon reduction management. By continuously aligning with regulatory requirements and customer requirements for carbon reduction, Davicom enhances enterprise climate resilience and sustainable competitiveness. Since 2017, Davicom has promoted energy-efficient product R&D, establishing a target to reduce power consumption in new products by 20%. Using 2021 as the base year, the company implemented a GHG reduction plan for 2022 to 2025. Key objectives included maintaining stable Scope 1 emissions, reducing Scope 2 carbon emissions and electricity consumption by 2% annually, cutting daily waste by 1 kg, and increasing the packaging material recycling and reuse rate by 3% per year to continuously improve energy efficiency and resource circulation.
Looking ahead, Davicom has set its climate management goals for 2026 to 2030 using 2025 as the new baseline:
Scope 1: Maintain recent emission levels (approximately 90–100 tCO_2e) while continuously evaluating feasible reduction initiatives.
Scope 2: Lower carbon emissions and electricity consumption by 0.2% to 1% annually to progressively boost energy efficiency.
Scope 3: Drive waste reduction at the source and resource recycling, targeting a daily waste reduction of 1 kg (totaling over 300 kg annually) and increasing the packaging material recycling rate by 1% per year—thereby strengthening resource cycle management and fulfilling low-carbon sustainable operations.

To proactively respond to climate change risks and carbon management trends, Davicom Semiconductor established a "GHG Inventory Task Force" in 2022 to systematically drive greenhouse gas accounting and management operations. In accordance with the ISO 14064-1:2018 standard, the company defines its organizational boundary using the operational control approach and sets its inventory scope based on its geographical boundaries. This encompasses Davicom’s Hsinchu headquarters and all entities included in its consolidated financial statements. By conducting a comprehensive inventory of GHG emissions across operational activities, Davicom establishes a vital baseline for carbon management, decarbonization strategy planning, and continuous improvement.

5.2 Carbon 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
Emissions of greenhouse gases	Greenhouse gas (GHG) emissions are a major driver of global climate change, significantly impacting corporate operations, supply chain stability, and regulatory compliance. Amid accelerating net-zero trends and rising customer demands for supply chain decarbonization, continuously advancing GHG inventory and carbon management enables companies to mitigate climate risks, comply with domestic and international regulations, and meet customer requirements—ultimately enhancing enterprise sustainable competitiveness and market trust.	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.	**Short-Term:** 1.Conduct ongoing greenhouse gas (GHG) inventories to strengthen carbon emissions data management. **Medium- to Long-Term:** 1.Continuously refine carbon management mechanisms, drive GHG reduction initiatives, and enhance energy efficiency. 2.Align with domestic and international net-zero trends and supply chain decarbonization requirements to bolster enterprise sustainable competitiveness.		1. Execution of internal inventories. 2. Complete the 2025 greenhouse gas (GHG) inventory to establish foundational carbon emissions data.	The Sustainability Task Force： sanri_hsiao@davicom.com.tw	Reports inventory progress to the Board of Directors on a quarterly basis.

5.2.1 Greenhouse Gas Emissions – Scope 1 and Scope 2

In 2025, Davicom's direct greenhouse gas (GHG) emissions (Scope 1) totaled 93.5870 tCO_2e, representing 19.2% 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 394.1289 tCO_2e, representing 80.8% of total emissions.

GHG Emissions and Emission Intensity – Past Two Years

Unit：tCO_2e

Category	2024	2025
Scope 1 Emissions	93.7000	93.5870
Scope 2 Emissions	390.4479	394.1289
Total GHG Emissions	484.1479	487.7159
Annual Revenue (NT$ million)	165.861	187.756
GHG Emission Intensity (Scopes 1 & 2)	2.9189	2.5976

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 2025 were calculated using the 2023 electricity emission factor of 0.494 $kgCO_2e$ for January–June and the 2024 factor of 0.474 $kgCO_2e$ for July–December.
Notes 4：Calculation formula for GHG emission intensity: Total GHG emissions (tCO_2e)/NT$ million in revenue.
Notes 5：Scope 1 and Scope 2 include the following gases: CO_2,N_2O, CH_4, HFCs, PFCs, SF_6, and NF_3..

5.2.2 Scope 3 Greenhouse Gas Emissions

In accordance with ISO 14064-1:2018 inventory standards, Davicom's 2025 Scope 3 (other indirect GHG emissions) inventory scope covers categories including employee commuting, business travel, downstream transportation and distribution, waste disposal (general waste and industrial waste), and downstream leased assets.
Pursuant to the standard guidelines, emissions of greenhouse gases—including carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), and nitrogen trifluoride (NF_3)—are calculated and uniformly converted into carbon dioxide equivalent (CO_2e).
In 2025, total Scope 3 (Categories 3–5) other indirect GHG emissions amounted to 918.2475 tCO_2e. The breakdown by category is as follows:

Scope 3 Category	Emission Source	(tCO_2e)	(%)
Employee Commuting	Employee commuting transportation	59.9200	6.5
Business Travel	Domestic & international business travel transportation	12.3048	1.3
Downstream Transportation & Distribution	Product transportation & distribution	330.0800	35.9
Waste Disposal	General waste & industrial waste	11.1914	1.2
Downstream Leased Assets	Use of leased assets	504.7513	55.0
Total		918.2475	100.0

5.3 Energy and Resource 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
Energy Management	Enhancing energy efficiency lowers operational costs and GHG emissions, improves resource efficiency, supports corporate sustainable development, and bolsters operational resilience.	Davicom continuously drives energy management by improving energy efficiency, implementing conservation measures, and raising employee awareness to reduce operational energy consumption. Aligning with regulatory requirements and customer expectations for low-carbon operations, Davicom continually refines its energy management practices.	**Short-Term:** Optimize the operational efficiency of HVAC and lighting equipment, while actively advocating energy conservation to raise overall employee awareness. **Medium- to Long-Term:** Continuously monitor energy consumption, progressively boost energy efficiency, reduce unit power consumption, and refine energy management mechanisms in alignment with carbon management strategies.	1. Implemented variable frequency control for HVAC systems, moderately adjusted indoor air conditioning temperatures, replaced old lighting with LED fixtures, and optimized lighting layouts. 2.Promoted habits such as turning off power when leaving and prioritizing stairs over elevators to jointly realize energy conservation and carbon reduction.	The Sustainability Task Force： sanri_hsiao@davicom.com.tw	Regularly track electricity consumption and energy usage trends, review the effectiveness of energy-saving measures, and use results as a baseline for continuous energy management improvements and future conservation planning.

As an IC design company, Davicom Semiconductor's energy consumption stems primarily from office operations. The company's energy source is 100% purchased electricity (Scope 2), supplied by Taiwan Power Company (Taipower). Davicom tracks and manages monthly electricity usage via independent electric meters, continuously monitoring energy consumption patterns to serve as a baseline for energy efficiency improvements and energy management.

In 2025, total electricity consumption was 814,242 kWh. In recent years, driven by climate change, an increasing number of high-temperature summer days has heightened air conditioning demands, impacting overall power consumption and electricity costs to a certain extent.

5.3.1Concrete Energy Conservation and Carbon Reduction Initiatives

1.Install Variable Frequency Drives (VFDs): Retrofit HVAC equipment with VFDs to enhance overall energy efficiency.

2.Optimize Corridor Lighting: Reduce the number of hallway lighting fixtures to lower electricity consumption.

3.Adjust AC Temperature Setpoints: Raise indoor air conditioning temperatures by 1°C to boost energy savings.

4.Practice Power-Off Habits: Turn off lights during lunch breaks and whenever leaving offices to conserve electricity.

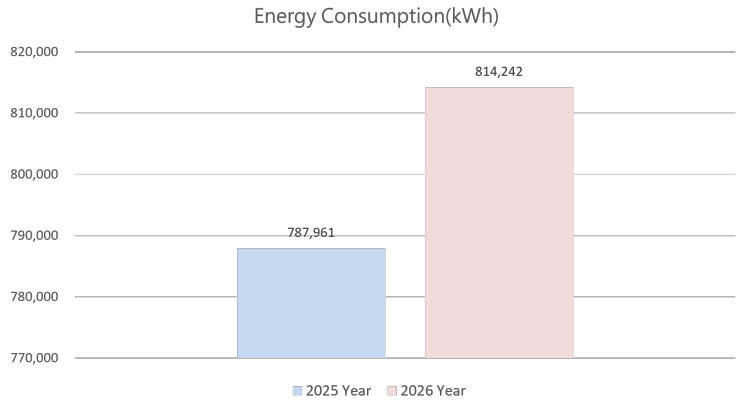
5.Upgrade Window Insulation: Install heat-insulating window films and thermal blinds to improve energy efficiency.

6.Utilize Recycled Water: Harvest rainwater and reuse Reverse Osmosis (RO) reject water for plant irrigation to enhance resource efficiency.

7.Promote Stair Use: Encourage employees to take the stairs instead of elevators to foster personal health and reduce energy usage.

8.Advocate Green Commuting: Promote carpooling and eco-friendly transportation (e.g., bicycles) during labor-management meetings, birthday celebrations, and other company events.

9.Encourage Reusable Tableware: Promote the use of eco-friendly tableware and encourage employees to bring their own utensils at birthday gatherings and in the company cafeteria, putting resource circulation and low-carbon living into practice.



5.4 Water Management

Energy and Resource Consumption

All energy and water required for Davicom's operations are externally supplied. Electricity is provided by Taiwan Power Company (Taipower), while office water is 100% sourced from Taiwan Water Corporation. Water is utilized primarily for daily operational needs, such as drinking, sanitation, and facility maintenance, with zero consumption or wastewater generated from manufacturing processes.

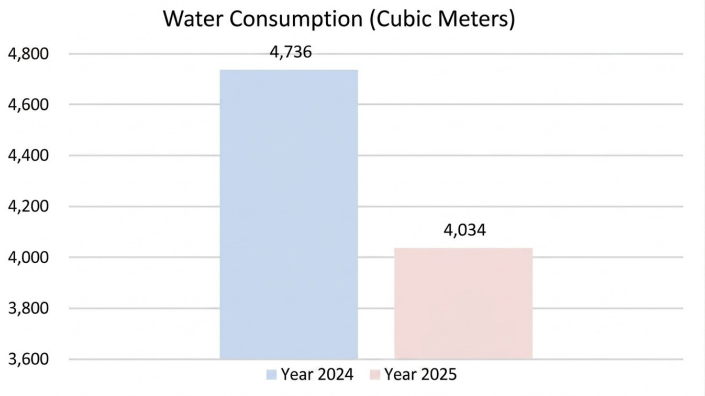
The company continuously drives energy and water conservation initiatives by installing energy-efficient lighting and water-saving fixtures across office premises. Additionally, Davicom has introduced rainwater harvesting and Reverse Osmosis (RO) reject water reuse mechanisms to irrigate on-site greenery, thereby enhancing water use efficiency and practicing resource recycling.

Water Resource Usage and Performance

Davicom's operational facilities are not located in water-stressed areas, and its water withdrawal activities exert no significant impact on local water resources. All wastewater generated from operations consists of domestic sewage, which is discharged into the public sewage system in full compliance with Hsinchu Science Park regulations and relevant legal standards.

To enhance water efficiency, Davicom continuously refines its water management practices. Starting in 2024, through water-saving campaigns, heightened employee awareness, daily usage controls, and routine facility inspections, annual water consumption dropped by 2.9% compared to 2023.

In 2025, the company further optimized water management by strengthening usage monitoring, improving equipment efficiency, and encouraging employees to embed water-saving habits into daily routines. As a result, total annual water consumption decreased to **4,034 metric tons (m^3)**, down **702 metric tons** (approx. **14.8%**) from **4,736 metric tons (m^3)** in 2024, demonstrating the sustained effectiveness of Davicom's water conservation initiatives.



5.5 Waste Management

Davicom Semiconductor is primarily engaged in IC design and sales and does not operate in-house manufacturing processes such as wafer fabrication, packaging, or testing. Consequently, no manufacturing process waste is generated during operations. The hazardous waste disclosed in this report mainly consists of chip samples and defective ICs generated during research and development (R&D), testing, and product verification. In compliance with applicable environmental regulations, the company regularly reports waste generation and temporary storage quantities to competent authorities, ensuring rigorous waste management and full regulatory compliance.

Regarding waste disposal, Davicom adheres to internal scrapping management procedures. Based on accumulated waste volumes, the company entrusts qualified and licensed waste removal and treatment vendors to handle recycling or disposal. This practice ensures that all waste management activities fully comply with legal requirements, thereby mitigating operational impacts on the environment.

Waste Generation over the Past 2 Years:

Year	Hazardous Waste (Metric Tons)	Non-hazardous Waste (Metric Tons)	Total Weight (Metric Tons)	Waste Intensity (Metric Tons / NTD Million Revenue)
2024	0.396	2.331	2.727	0.0164
2025	0.370	2.976	3.346	0.0178

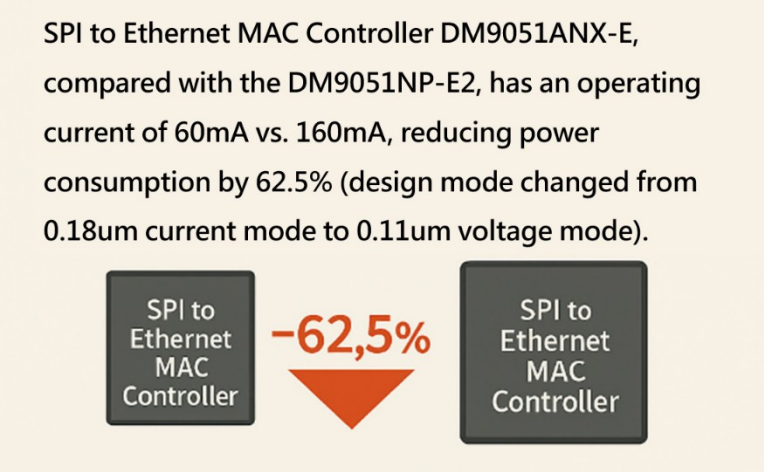


5.6 Carbon Footprint

Product Environmental Footprint

Disclosing product environmental footprint (PEF) information enhances Davicom Semiconductor's corporate sustainability profile, actively addressing the expectations of customers, investors, and supply chain partners for low-carbon products and green supply chains. The product environmental footprint measures the total environmental impacts generated across all stages of a product's life cycle—including raw material acquisition, manufacturing, transportation, usage, and disposal—encompassing energy and resource consumption, greenhouse gas (GHG) emissions, and other environmental impacts.

Davicom is primarily engaged in IC design and sales, fully outsourcing production processes—such as wafer fabrication, packaging, and testing—to specialized professional suppliers. Designed for broad applications in networking equipment and infrastructure, Davicom's products derive their environmental footprint primarily from upstream supply chain stages, notably wafer manufacturing, packaging, testing, and transportation.



As environmental data across the product life cycle is primarily held by supply chain partners—and given that certain suppliers are still establishing their carbon emission data infrastructure—Davicom will maintain active communication and collaboration with suppliers to progressively collect manufacturing and supply chain environmental data. This will serve as the foundation for future product carbon footprint (PCF) assessments and carbon management. In the short term, the company will continue to strengthen its supply chain sustainability management mechanisms and progressively drive product environmental disclosures based on industry trends and customer demands, thereby enhancing product sustainability transparency.

Davicom is committed to enhancing resource efficiency and reducing energy consumption during the product use phase through energy-efficient product design and low-power R&D, actively supporting global Sustainable Development Goals (SDGs). From 2024 to 2025, the company launched the new SPI to Ethernet MAC Controller (DM9051ANX-E2). Compared to the previous model (DM9051NP-E2), its operating current was reduced from 160mA to 60mA, achieving a 62.5% reduction in power consumption (achieved by transitioning the design architecture from 0.18 µm current mode to 0.11 µm voltage mode). Additionally, the chip die size of the DM9051ANX-E2 was reduced by 57.6% compared to the DM9051NP-E2.

Product Carbon Footprint: B2B (Cradle to Gate)

Process Map



As the primary carbon emissions across the product life cycle originate from outsourced processes—such as wafer fabrication, packaging, and testing—Davicom is actively collaborating with suppliers to collect carbon emission data and progressively establish a product carbon footprint database. This will serve as the foundation for future product carbon footprint (PCF) evaluation and disclosure.

Raw Material Acquisition Phase - Utilization of energy and resources

Category	Data on activities	Emission Factor	Carbon emissions (tCO_2e)
Power Consumption	814,242 kWh	1.108E-01 $kgCO_2e$	902.1801
Water Consumption	4,034 cubic metre	5.530E-01 $kgCO_2e$	22.3080
		Total	924.4881

Note 1: Emission factors were calculated with reference to the Carbon Footprint Emission Factor Database on the Product Carbon Footprint Information Platform of the Ministry of Environment (MOE).

Cargo distribution

Category	Data on activities	Emission Factor	Carbon emissions (tCO_2e)
International air freight	275,721 t/Km	1.16E+0$kgCO_2e$	319.8364
The Transportation of Domestic Processing	7814.4 t/Km	1.310E+0$kgCO_2e$	10.2369

Disposal of wastes

Category	Data on activities	Emission Factor	Carbon emissions (tCO_2e)
General waste incineration	2,976Kg	3.40E+2 $kgCO_2e$	10.1184
Industrial waste disposal	370Kg	2.90E-1 $kgCO_2e$	1.0730
		Total	11.1914

Recycling and reuse

Category	Data on activities	Emission Factor	Emission reduction (tCO_2e)
PPE Recycle (2,935pcs)	470Kg	1.95E+0 $kgCO_2e$	0.9165
Cardboard recycling (2,792pcs)	838Kg	1.69E+0 $kgCO_2e$	1.4162
		Total	2.3327

Product Life Cycle Carbon Footprint Allocation Table (Pursuant to ISO 14067 Allocation Principles)

Carbon Footprint (tCO_2e)		Controller	Phy	Switch	USB	SPI	Serial	EPD、VD、AI SoC
Energy and resources acquisition phase	924.4881	204.2194	395.9583	57.9654	87.7339	147.6407	0.5547	30.5081
Manufacturing Phase - Waste	11.1914	2.4772	4.7933	0.7017	1.0621	1.7873	0.0067	0.3693
Distribution and Sales Phase	330.0733	72.9192	141.3820	20.6973	31.3240	52.7127	0.1980	10.8927
Recycling and reuse	(2.3327)	(0.5153)	(0.9991)	(0.1463)	(0.2214)	(0.3725)	(0.0014)	(0.0770)
Product Environmental Footprint	1,263.4471	279.0955	541.1344	79.2181	119.9011	201.7725	0.7581	41.6938

The allocation of product carbon footprints is calculated based on the sales volume proportion of each product in FY2025.

Product	Proportion (%)
Ethernet Controller 9000	22.09
Phy 9161、9162、9119	42.83
Switch 8203、8603、8606	6.27
USB 9621、9620	9.49
SPI 9051	15.97
Serial port 9625	0.06
EPD、VD、AI Soc、MCU	3.30

Davicom Semiconductor estimates its Product Carbon Footprints (PCFs) by pairing activity data across each stage of the product life cycle with corresponding emission factors. Greenhouse gas emissions from each life cycle stage are allocated to different product categories based on their respective sales volume proportions, encompassing stages such as energy and resource procurement, manufacturing (waste disposal), distribution and sales, as well as end-of-life recycling and recovery. As a fabless IC design company, Davicom outsources wafer fabrication, packaging, and testing to specialized suppliers. Data provided directly by suppliers is prioritized for calculating associated emissions; where primary data is unavailable, calculations are supplemented using public Life Cycle Assessment (LCA) databases. Through PCF analysis, Davicom gains clear visibility into the environmental impacts across product life cycles, establishing a vital reference for supply chain decarbonization, product design optimization, and corporate sustainability management strategies.

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

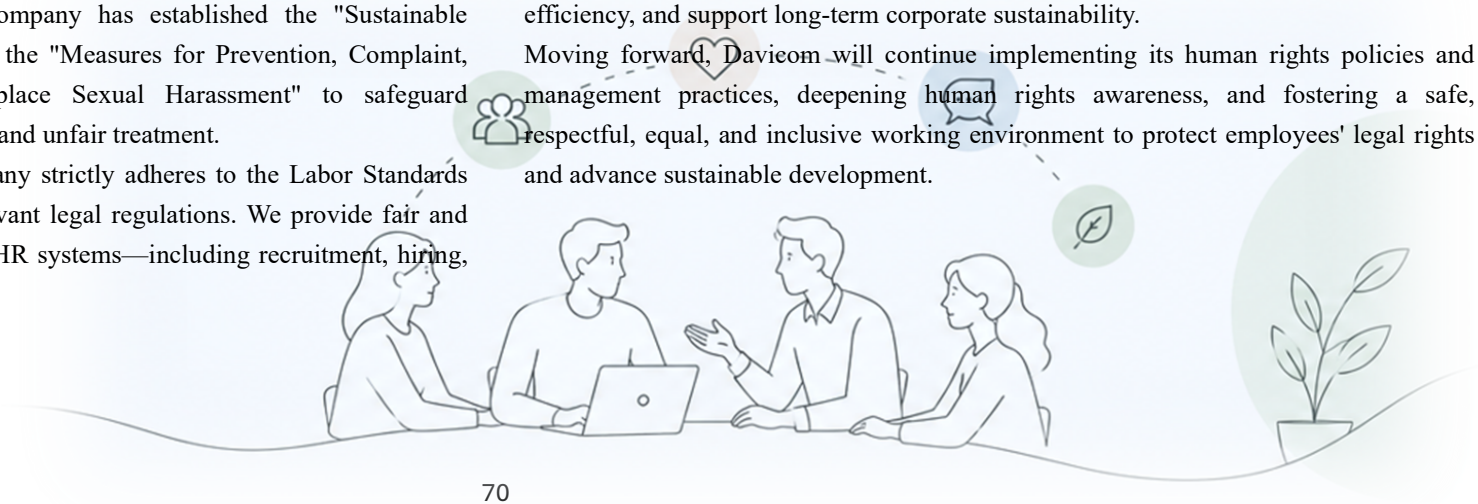
Davicom is dedicated to fostering a professional and innovative R&D environment that attracts top talent. Guided by the principles of people-oriented values, integrity, and sustainable management, the Company upholds a corporate culture of Diligence, Professional, Prudence, Integrity, Innovation, and 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. Encourage cross-functional collaboration and knowledge sharing, provide employees with robust career growth opportunities, and drive organizational innovation.

The Company complies with applicable laws and international human rights principles across all operating locations, respects and protects employees' fundamental human rights, and is committed to building a workplace environment rooted in Diversity, Equity, and Inclusion (DEI). Furthermore, the Company has established the "Sustainable Development Best Practice Principles" and the "Measures for Prevention, Complaint, and Disciplinary Actions Against Workplace Sexual Harassment" to safeguard employees from discrimination, harassment, and unfair treatment.

In human resource management, the Company strictly adheres to the Labor Standards Act, the Employment Service Act, and relevant legal regulations. We provide fair and equal development opportunities across all HR systems—including recruitment, hiring, compensation, benefits, training, performance evaluation, and promotion—without discrimination based on gender, age, race, religion, marital status, physical or mental disability, or other personal characteristics. In addition, child labor, forced labor, and any form of human rights violations are strictly prohibited. The Company continuously supports the employment rights of vulnerable groups, promotes fair employment and diversity and inclusion, actively creates a friendly workplace, and fulfills its corporate social responsibility.

To safeguard employee rights, the Company has established a fair, transparent, and confidential grievance mechanism along with diversified communication channels. This guarantees that all employee feedback and complaints receive appropriate, impartial responses and resolutions. These measures strengthen two-way labor-management communication and mutual trust, enhance organizational cohesion and operational efficiency, and support long-term corporate sustainability.

Moving forward, Davicom will continue implementing its human rights policies and management practices, deepening human rights awareness, and fostering a safe, respectful, equal, and inclusive working environment to protect employees' legal rights and advance sustainable development.



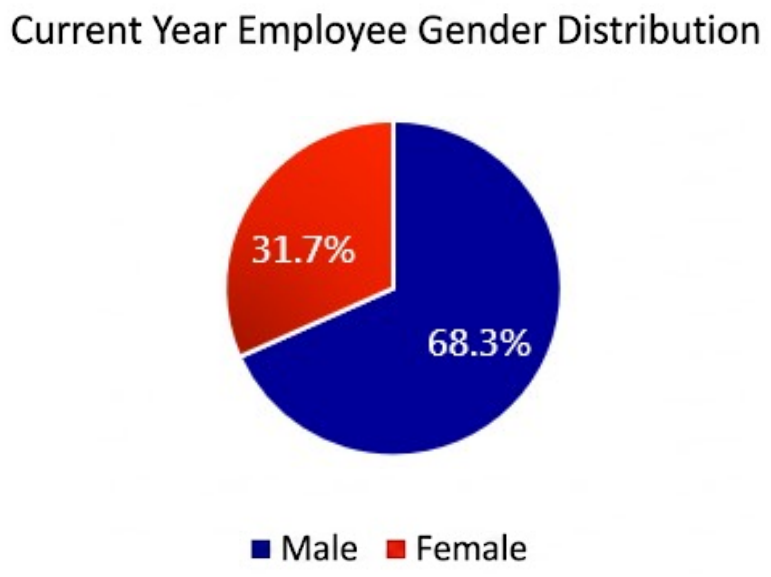
6.1.2 Workforce Composition

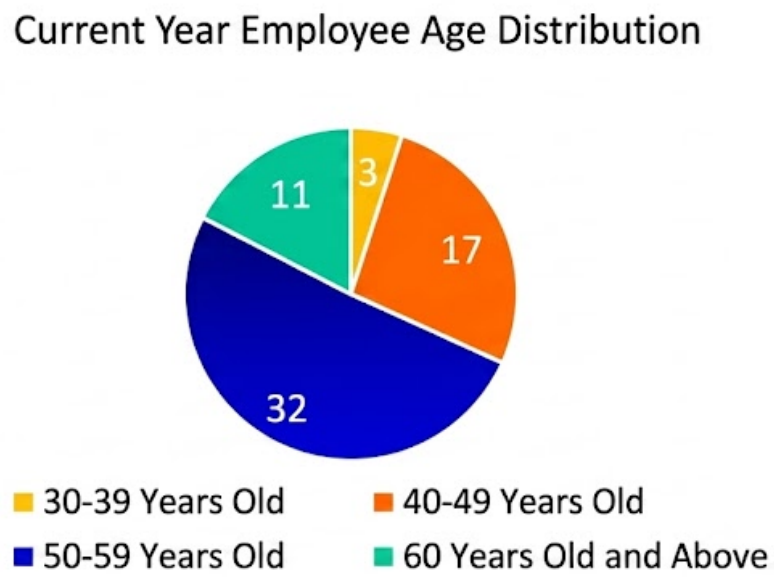
Employee and Non-Employee Structure

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 2025, the Company had a total of 63 employees, including 43 male employees (68.3% of the total workforce) and 20 female employees (31.7%). 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 2025 decreased by 3 compared to 2024, primarily due to resignations and retirements. As of the end of 2025, 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 Employment Type

Category	Employment Type	Male		Female		Subtotal	Proportion
		Number of Employees	Proportion	Number of Employees	Proportion		
Gender		43	68.3%	20	31.7%	63	100.0%
Nationality	Domestic	43	68.3%	20	31.7%	63	100.0%
	Foreign	0	0.0%	0	0.0%	0	0.0%
Job Category	R&D	13	20.6%	1	1.6%	14	22.2%
	Engineering & Technical	17	27.0%	4	6.3%	21	33.3%
	Sales & Marketing	4	6.3%	3	4.8%	7	11.1%
	Administrative & Support	9	14.3%	12	19.0%	21	33.3%
Employment Conditions	Permanent employee	43	68.3%	20	31.7%	63	100.0%
	Temporary employee	0	0.0%	0	0.0%	0	0.0%
Age	Under 29 years old	0	0.0%	0	0.0%	0	0.0%
	30–39 years old	1	1.6%	2	3.2%	3	4.8%
	40–49 years old	11	17.5%	6	9.5%	17	27.0%
	50–59 years old	21	33.3%	11	17.5%	32	50.8%
	60 and above years old	10	15.9%	1	1.6%	11	17.5%
Education	High school or below	8	12.7%	5	7.9%	13	20.6%
	Bachelor’s degree	17	27.0%	10	15.9%	27	42.9%
	Master’s degree	17	27.0%	5	7.9%	22	34.9%
	Doctoral degree	1	1.6%	0	0.0%	1	1.6%

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.
Note 6: Scope of statistics covers Davicom Hsinchu Headquarters.

Employee Recruitment and Turnover Analysis

Davicom highly values talent retention. Through exit interviews, training and development, career planning, and performance management, the company continuously optimizes its human resource systems to enhance employee competencies and organizational cohesion, retain key talent, and strengthen corporate competitiveness.

In 2025, the company's turnover rate decreased from 15.1% in 2024 to 4.8%, a reduction of 10.3 percentage points. Departing employees were predominantly male, mainly reflecting the higher proportion of male employees inherent to the industry's demographic makeup. Compared to 2024, the number of departing male employees aged 50 and above decreased, indicating an improvement in senior talent retention. To further strengthen retention, the company actively promotes initiatives such as performance bonuses, internal transfers, and career development opportunities. In 2025, two employees completed internal job transfers, steadily improving key talent retention and fostering stable organizational growth.

Employee Recruitment and Turnover Analysis		2024		2025	
		Total	Proportion	Total	Proportion
New Hires		2	3.0%	0	0.0%
Age	Under 30	0	0.0%	0	0.0%
	30–49	1	1.5%	0	0.0%
	50 and above	1	1.5%	0	0.0%
Gender	Male	2	3.0%	0	0.0%
	Female	0	0.0%	0	0.0%
Region	Taiwan	2	3.0%	0	0.0%
	Overseas	0	0.0%	0	0.0%
Turnover		10	15.2%	3	4.0%
Age	Under 30	0	0.0%	0	0.0%
	30–49	4	6.1%	1	1.3%
	50 and above	6	9.1%	2	2.7%
Gender	Male	8	12.1%	2	2.7%
	Female	2	3.0%	1	1.3%
Region	Taiwan	10	15.2%	3	4.0%
	Overseas	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%

2025 Employee Turnover Distribution by Gender and Age

Age Group	Female		Male	
	Count	Rate	Count	Rate
Under 30	0	0.0%	0	0%
30~50	1	1.6%	0	0%
50 and above	0	0%	2	3.2%
Total	1	1.6%	2	3.2%
Turnover Share by Gender	33.3%		66.7%	

2024 Employee Turnover Distribution by Gender and Age

Age Group	Female		Male	
	Count	Rate	Count	Rate
Under 30	0	0.0%	0	0%
30~50	2	3.0%	2	3.0%
50 and above	0	0%	6	9.1%
Total	2	3.0%	8	12.1%
Turnover Share by Gender	20%		80%	

Note 1: Employee Turnover Rate (%) = Number of turnover employees in category / Total headcounts at year-end
Note 2: Turnover Share by Gender (%) = Number of turnover employees by gender / Total turnover employees

6.1.3 Employee Diversity, Equity, and Inclusion (DEI)

Davicom attaches great importance to human rights protection, strictly abiding by the *Labor Standards Act*, the *Gender Equality in Employment Act*, and relevant labor laws, while referencing international human rights conventions. We actively implement the principles of human rights respect, diversity, equality, and non-discrimination, and are dedicated to creating a fair, respectful, and safe working environment. The Company has formulated the "Measures for Prevention, Complaint, and Disciplinary Actions Against Workplace Sexual Harassment," providing diversified and confidential grievance channels to safeguard employee rights. Furthermore, in compliance with statutory regulations, we grant benefits such as maternity and prenatal checkup leave, paternity leave, parental leave, and parental leave without pay, supporting employees in balancing work and family responsibilities.

The Company strictly prohibits child labor, forced labor, and any form of human rights violations. We prioritize employees' occupational health and safety and extend our human rights principles to supply chain management—requiring suppliers to comply with labor rights, occupational safety and health standards, and relevant legal regulations to jointly fulfill corporate social responsibility (CSR). Concurrently, the Company gathers feedback from all parties through its official website and stakeholder communication channels, disclosing relevant information in its Sustainability Report to continuously enhance transparency. In 2025, no major violations of human rights laws or regulations occurred. Looking forward, the Company will continue to enforce human rights protections and management measures, safeguard employee rights, and foster a friendly 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 8 members, including 3 female director, representing a gender ratio of 3:8.
Management	Davicom emphasizes gender equality in management positions and is committed to promoting outstanding employees to managerial roles.	1. In accordance with employees' knowledge, expertise, character, contributions, and potential for advancement, Davicom promotes outstanding female employees to managerial positions. 2. 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.	1. As of 2024, there are 43 male employees and 20 female employees. 2. 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 2025, two male employees and one female employee were eligible for parental leave; however, no applications were made.

Davicom attaches great importance to a family-friendly workplace, striving to help employees balance work and family commitments while supporting sustainable talent development. Moving forward, the company will continuously review relevant policies and employee needs, provide appropriate support measures, create a worry-free working environment, and foster mutual growth for both employees and the organization.

Item	Male	Female	Total
Employees eligible for parental leave in 2025	2	1	3
Employees applying for parental leave in 2025	0	0	0
Employees returning from parental leave in 2025 (A)	0	0	0
Employees due to return in 2025 (B)	0	0	0
Return-to-work rate in 2024 (A/B)	0%	0%	0%
Employees returning from parental leave in 2025 (C)	0	0	0
Employees remaining employed for over one year after return in 2025 (D)	0	0	0
Retention rate in 2025 (C/D)	0%	0%	0%

■ 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 29 years ago, the Company has never engaged in the hiring of child labor.

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.	Short-term Goal: 1. Regular reviews of the principles governing year-end and performance bonuses. 2. Continuous optimization of group insurance and health examination programs. Mid-to Long-term Goals: 1. Linking senior executives' compensation with ESG-related sustainability performance evaluations. 2. Advancing family-friendly benefits, such as flexible working hours. 3. The Company implements multiple occupational safety and health management programs, including prevention plans for abnormal workloads, maternal health protection, ergonomic hazards, and workplace unlawful infringement.	1. Health examination expenditures: NT$31,500. 2. Organize regular health seminars. 3. Recognize senior and outstanding employees. 4. Conduct employee satisfaction surveys.	Administration Division : esther lin@ davicom.com.tw	1. Oversight: The Compensation Committee regularly reviews the compensation structure of senior executives. 2. The Company launched the Employee Stock Ownership Trust (ESOT) program in 2022 to share the tangible rewards of corporate performance with employees and enhance organizational cohesion.

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		2024	2025	Difference
Number of non-managerial full-time employees (persons)		55	54	-1
Annual salary of non-managerial full-time employees (NT$ thousands)	Average	1,141	1,157	16
	Median	1,097	1,144	47

Ratio of Female to Male Base Salary and Total Compensation

Category	2023				2024				2025			
	Annual Compensation		Monthly Base Salary		Annual Compensation		Monthly Base Salary		Annual Compensation		Monthly Base Salary	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Management Level	1	0.76	1	0.75	1	0.82	1	0.79	1	0.80	1	0.79
Indirect Staff (Non-Managerial)	1	0.75	1	0.75	1	0.84	1	0.84	1	0.89	1	0.89
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 Welfa

Davicom prioritizes employee well-being and is committed to creating a safe, healthy, and cohesive work environment. In addition to statutory labor insurance, national health insurance, labor pension contributions, and comprehensive paid leave policies, the company plans a diverse range of welfare initiatives through its Employee Welfare Committee to continuously enhance employee care and workplace support, strengthening team cohesion and job satisfaction.

To support our team's quality of life, the company provides domestic and international travel subsidies, financial allowances for major life events (marriages, funerals, and childbirth), injury and illness stipends, as well as birthday and major holiday gift vouchers. We also host regular employee events, including birthday celebrations and the annual year-end banquet, to foster colleague interaction and team spirit. Furthermore, the company offers free car and scooter parking, an on-site cafeteria with meal subsidies, and amenities such as complimentary tea and fresh-ground coffee machines—creating a convenient, welcoming environment that helps employees achieve a healthy work-life balance.



Implementation of Employee Welfare Measures in 2025

Category	Item	Number of Beneficiaries
Welfare subsidies	Marriage Allowance	0
	Funeral Allowance	5
	Meal Subsidy	63
	Childbirth Allowance	1
	Hospitalization Allowance	0
	Health Examination	63
	Family Health Examination Discount	0
	Family Group Insurance Discount	39
	Employee Children Scholarship	18
Additional Benefits	Paternity Leave	2
	Prenatal Check-Up Leave (Days 6–7)	1
	Employee Health Seminars	32
	Employee Stock Ownership Trust	61

Davicom prioritizes professional growth and performance, maintaining a robust compensation and reward system. We offer project bonuses, performance-based incentives, annual salary adjustments, and clear promotion pathways, alongside employee remuneration, stock distributions, and an Employee Stock Ownership Trust (ESOT) program to ensure team members share in our operational success. Additionally, the company regularly recognizes long-service and high-performing employees to honor their contributions and bolster organizational cohesion.

In terms of talent development and health care, the company conducts onboarding training for new hires and encourages participation in internal and external professional courses to continuously refine technical expertise. We also arrange annual health screenings, wellness seminars, and employee care counseling services to comprehensively safeguard physical and mental well-being, complemented by group insurance and dependent group insurance coverage for complete peace of mind.

To encourage academic and personal excellence among employees and their children, the company provides a children's scholarship program alongside corporate partner discounts. Davicom remains dedicated to fostering a supportive workplace that empowers employees to balance work and family life while growing alongside 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 2025, a total of two 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, 2025, 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$3,935,854 in 2025.
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$650,720 invested in 2025.
	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$5,136 invested in 2025.

6.1.5 Talent Recruitment and Development

Davicom recruits top talent through the "Human Resources – Talent Recruitment" section on its official website, supporting sustainable corporate development and strategic talent deployment. Upholding principles of fairness, impartiality, and equal opportunity, candidate selection is based solely on professional competency, work experience, educational background, and job fit. The company strictly prohibits discrimination based on gender, age, race, religion, marital status, or any other legally protected status, actively upholding equal employment opportunities.

Beyond its official channels, Davicom is a member of the National Yang Ming Chiao Tung University (NYCU) Electrical Engineering Alliance. We actively deepen partnerships with higher education institutions through campus recruitment drives and Open House events, where specialized teams present our corporate vision, growth strategies, compensation packages, and talent development plans. These efforts help students understand industry prospects and career pathways, attracting exceptional talent to join our team. Moving forward, the company will continuously refine its recruitment and development systems to attract and retain key personnel, driving steady organizational growth.

Believing that talent is the catalyst for technological innovation and corporate sustainability, Davicom aligns its talent development framework with operational strategies, industry trends, and specific job requirements. Through comprehensive training, technical skill enhancement, and management development, we empower employees to refine their expertise and advance organizational competitiveness.
We encourage staff to participate in internal and external courses to build multi-faceted competencies across regulatory compliance, R&D technology, management capabilities, and digital applications. By fostering cross-departmental collaboration and knowledge transfer, Davicom promotes organizational learning, equipping employees to adapt to regulatory updates, digital transformation, and the fast-paced evolution of the semiconductor industry.

Curricula are structured based on annual training needs surveys and departmental competency requirements. Davicom actively motivates team members to pursue continuous learning and acquire specialized expertise, boosting overall work efficiency and supporting long-term career advancement.

Course Category	Main Content (Qualification / Completion Certificate)
Regulatory Compliance	Continuing Education for Accounting Officers, IFRS 18 & Internal Audit
AI & Digital	AI Financial Applications, AI System Auditing & AI-Assisted Auditing
Technical Skills	Semiconductor Reliability Measurement & Analysis
Operations Management	Customs & Risk Management, Common HR Issues Analysis
Management Competencies	Core Competencies for First-Line Managers
Occupational Safety	Fire Safety Manager Refresher Training

Employee Training and Development

Talent is the core driving force behind corporate innovation. To enhance employee capabilities and competitiveness, we actively promote comprehensive training programs. Utilizing both internal and external training resources, we offer courses covering technical expertise, management development, and sustainability. This ensures our workforce stays aligned with rapidly evolving industry trends while strengthening individual competencies and team collaboration.

As an IC design company, our training curriculum covers specialized domains including semiconductor design, embedded systems development, and product testing and validation. We also integrate critical topics such as R&D innovation and regulatory compliance to ensure our team maintains exceptional technical prowess and market adaptability. Furthermore, we encourage cross-departmental collaboration and knowledge sharing to improve internal communication efficiency and foster a culture of organizational learning.
Through a well-structured training framework, we empower employees to achieve continuous professional growth while bolstering the company's overall competitiveness, maintaining our position in the global semiconductor industry and advancing our commitment to sustainable development.

Average Employee Training Hours

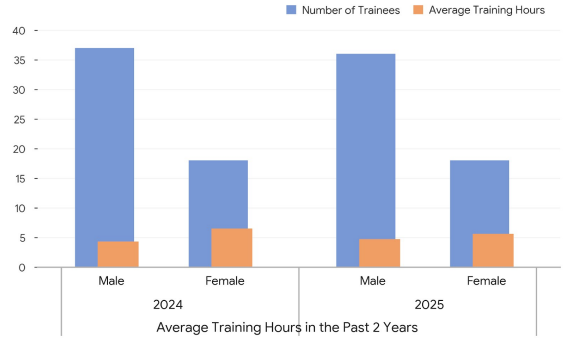
Davicom attaches great importance to talent cultivation and professional skill development, continuously promoting diverse training initiatives to enhance technical expertise and management capabilities, build a learning organization, and reinforce corporate competitiveness. In 2025, the company conducted 19 training sessions with a total of 171 participants, accumulating 309 training hours. Categorized by role, managerial staff averaged 3.6 training hours per person, while non-managerial staff averaged 5.8 training hours per person.

Category		Training Hours	Average Training Hours
2024	Management	89.5	5.6
	Indirect Staff (Non-managerial)	244.5	4.9
	Direct Staff	0.0	0.0
2025	Management	90.0	3.6
	Indirect Staff (Non-managerial)	219.5	5.8
	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 and 2025

Category		Training hours	Number of Employees (persons)	Average Training Hours (hours)
2024	Male	195.0	37	4.3
	Female	139.0	18	6.6
2025	Male	198.5	36	4.6
	Female	111.0	18	5.6



Performance Appraisal

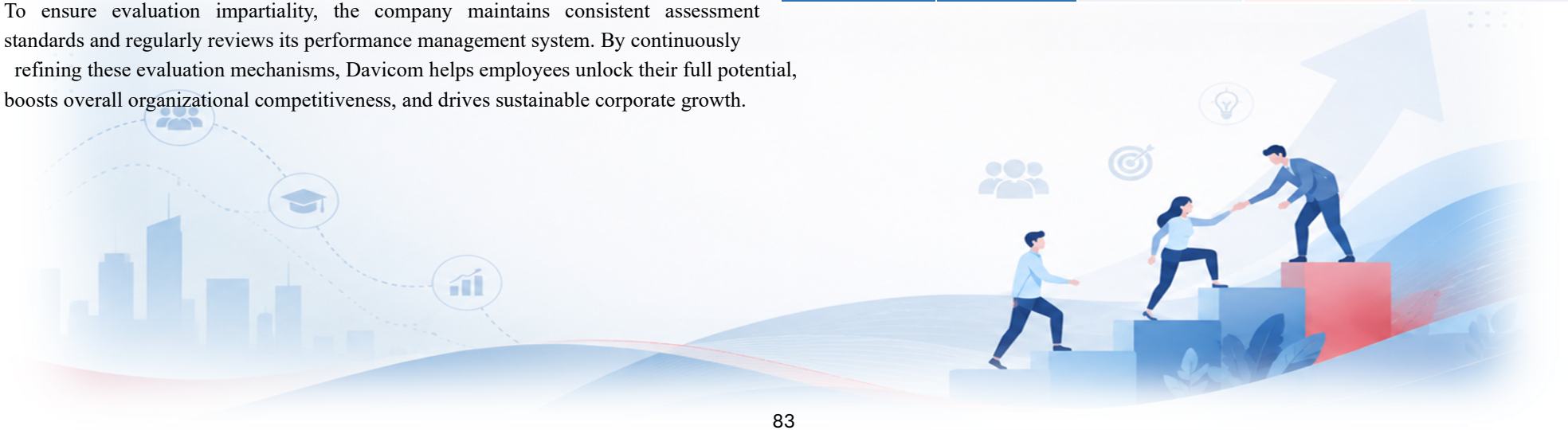
Davicom adheres to the principles of fairness, impartiality, and transparency in establishing a comprehensive performance management system. Through regular performance evaluations and feedback mechanisms, we enhance employee expertise, job performance, and career development while fostering effective two-way communication between managers and staff to support the achievement of organizational goals.

Our performance evaluation framework includes quarterly and annual reviews. During quarterly evaluations, supervisors review employee performance, professional capabilities, and goal completion rates, offering constructive suggestions for improvement and developmental feedback. Annual evaluations deliver a holistic assessment of full-year job performance, work attitude, and technical competencies—serving as a key foundation for compensation adjustments, talent development, and performance goal setting for the upcoming year.

To ensure evaluation impartiality, the company maintains consistent assessment standards and regularly reviews its performance management system. By continuously refining these evaluation mechanisms, Davicom helps employees unlock their full potential, boosts overall organizational competitiveness, and drives sustainable corporate growth.

Percentage of Employees Receiving Regular Performance and Career Development Reviews

Item	Gender	2023	2024	2025
Number of Employees Reviewed (Persons)	Male	49	43	41
	Female	23	21	20
Total Number of Employees (Persons)	Male	51	45	43
	Female	23	21	20
Percentage (%)	Male	96%	96%	95%
	Female	100%	100%	100%



6.2 Occupational Safety and Health

6.2.1 Occupational Safety and Health Policy

Management Policy and Commitment

In accordance with the Occupational Safety and Health Act and relevant regulations, Davicom appoints qualified occupational safety and health (OSH) personnel responsible for planning and supervising all OSH management operations to continuously enhance workplace safety and health performance.

The company regularly conducts OSH training as well as fire safety and emergency response drills to reinforce employee safety awareness and emergency preparedness. Additionally, all new hires complete mandatory safety training and undergo required health examinations upon onboarding, establishing robust health management and preventive occupational measures to safeguard employee well-being.

Davicom remains committed to building a safe, stable working environment, preventing occupational hazards, and honoring its pledge to employee safety and health. In 2025, the company recorded no major violations of occupational safety and health regulations and received no penalties from governing authorities.

Risk Identification

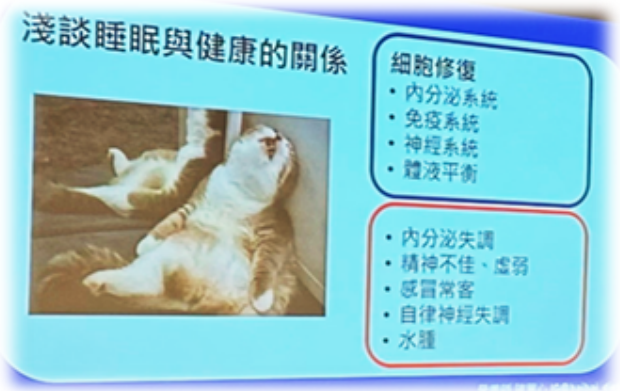
Risk Identification	Improvement Measures	
After an earthquake on December 27, 2025, localized cracking was discovered on the 7th-floor pantry wall during an inspection, posing a facility safety risk.	Wall repair work was completed immediately, with ongoing tracking of building conditions to ensure a safe work environment.	
During an inspection on September 8, 2025, the B1 fire door hinges were found to be loose, preventing the door from closing properly. Due to the heavy door body, there was a risk of detachment and personal injury.	A professional vendor was commissioned to conduct fire door repair and hinge replacement, restoring normal function and mitigating workplace safety risks.	

Health Promotion and Occupational Health Management

Health Examinations

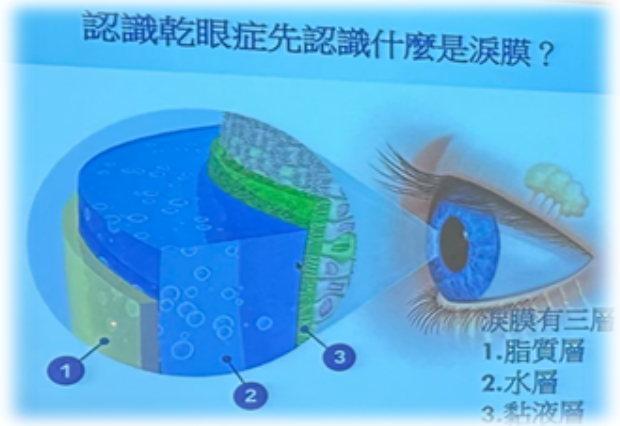
In accordance with the Regulations on Labor Health Protection and relevant laws, Davicom continuously promotes health promotion and occupational health management. Based on employee headcounts, the company arranges regular health examinations and contracts qualified medical institutions to conduct on-site health screening services, where professional physicians and nurses provide health consultations, follow-up on abnormal results, and deliver personalized health care. Considering the characteristics of office-based work, Davicom places special emphasis on vision care and musculoskeletal protection, raising health awareness through wellness lectures, educational campaigns, and health promotion activities to foster a safe, healthy, and supportive workplace.

In 2025, a total of 63 employees participated in annual health examinations. Davicom remains dedicated to monitoring employee health needs and implementing comprehensive health management and workplace care.



Health Promotion Initiatives

To mitigate health risks associated with office-based work routines, Davicom regularly organizes health promotion activities. Professional guest speakers were invited to share insights on topics such as *"Modern Ailments in the Multi-Screen Era: Dry Eye Syndrome Prevention"* and *"Diets for Restful Sleep."* These sessions help employees cultivate proper eye care habits, improve sleep quality, and adopt healthy dietary concepts, enhancing their self-health management capabilities and reinforcing a safe, healthy, and welcoming work environment.



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.

Emphasis on Occupational Safety/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 2025.

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	0	0.0	0.0	
On-the-Job Employees	On-the-Job Training	Emergency Evacuation and Escape Drill	63	1.0	63.0	Jun 5, 2025 、 Nov 25, 2025
		Continuing Education for Occupational Safety and Health Managers	0	0.0	0.0	
		First Aid Training – Initial Course	0	0.0	0.0	
		Fire Safety Manager – Refresher Course	1	6.0	6.0	May 15, 2025
		Self-Defense Firefighting Team Training	40	4.0	160.0	Jun 5, 2025 、 Nov 25, 2025
		Civil Defense Annual Training	1	8.0	8.0	Oct 27, 2025
		Total	105	19.0	237.0	







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.

Occupational Injury Statistics Table

Year		2023		2024		2025	
Total Working Hours		151,504.0		141,720.0		137,640.0	
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 2025, 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 2025, 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 2025, no incidents of workplace violence or sexual harassment complaints occurred.

7. Realization of Social Prosperity

7.1 Cultivating Education & Nurturing Future Talent

7.2 Caring for Society & Fostering Local Inclusion

7.3 Partnering with Academia to Drive Industry Growth

7.4 Supporting Sports & Nurturing Young Talent

7.5 Participating in Public Welfare & Extending Corporate Care

Davicom upholds the principle of "Corporate Citizenship." While maintaining steady business operations, we continuously focus on key issues including educational development, talent cultivation, charitable care, health promotion, and environmental sustainability. Through resource investment, industry-academia collaboration, and community engagement, we actively fulfill our corporate social responsibility. We believe that corporate sustainability should go hand in hand with societal growth. Through concrete actions, we support foundational education, deepen social care, nurture young talent, and promote healthy living, joining hands with our stakeholders to create shared value and realize a sustainable vision of mutual prosperity for both the enterprise and society.

7.1 Cultivating Education & Nurturing Future Talent

Davicom firmly believes that talent is a crucial cornerstone driving industrial innovation and sustainable development. We have long committed to educational support and talent cultivation, helping nurture outstanding individuals equipped with professional expertise and innovative mindsets through industry-academia collaboration, educational resource sponsorship, and scholarship establishment, thereby bridging academic research with industry practice.

In 2025, Davicom continued its support for teaching and talent development programs at the College of Electrical and Computer Engineering, National Yang Ming Chiao Tung University (NYCU). By providing resources for student activities, academic research, and scholarships, we encourage students to refine their professional knowledge and broaden their learning horizons, while assisting in cultivating essential talent for the semiconductor and information technology sectors.

Through continuous investment in educational resources and deepened industry-academia partnerships, Davicom aims to contribute corporate strength to industry growth and sustainable talent development.



Dr. Ting Hao, Chairman of Davicom, was invited to attend the Master's and Doctoral Commencement Ceremony at National Yang Ming Chiao Tung University (NYCU). He encouraged graduates to continuously absorb new knowledge, stay in touch with their professors and mentors, and maintain a healthy mind and body after leaving campus, in order to adapt to the constant shifts in technology and the industrial environment.Speech by Chairman Dr. Ting Hao at the 2025 Commencement Ceremony of the College of Electrical and Computer Engineering, NYCU: https://www.youtube.com/watch?v=TlzF2M223yc





7.2 Caring for Society & Fostering Local Inclusion

Davicom continues to invest in charitable care, focusing on issues such as life education, mental health, rural education, and support for vulnerable groups. Through collaboration with charitable organizations and resource allocation, we help improve educational quality and social well-being, fulfilling our responsibility to give back to society while generating a continuous positive social impact.

Since 2023, Dr. Ting Hao, Chairman of Davicom, has supported the "Little Tree Spreading Love" project, partnering with the Little Tree Spreading Love Association to promote life education and mental health initiatives. Through a series of programs—including "Seven Lessons in Self-Love," "Spreading Love to Campuses," "Embrace Heart Campaign," and the "Kindness & Love Carnival"—the initiative helps adolescents build positive values, interpersonal skills, and healthy mental literacy, cultivating core values of respect, care, and love.

Upholding the philosophy of giving back to society, Davicom has long supported the "Spreading Love Project" promoted by the Taitung County Fuyou Holistic Care Association and Guanshan Elementary School. Entering its eighth year in 2025, the program continues to accompany children in remote areas as they grow, promoting life education, environmental education, and character development.

Additionally, in 2025, the company collaborated with volunteers from the Red Cross Society and the Chinese Eye Care Association to organize lectures on first-aid knowledge and vision care. These sessions enhanced health care awareness and emergency response capabilities among both students and seniors. Furthermore, a learning incentive mechanism was introduced to encourage children to cultivate good daily habits, embedding health and safety concepts into their everyday lives.

Looking ahead, Davicom will continue to leverage corporate resources alongside charitable partners to focus on educational development, mental health, and rural community care. By joining hands with all sectors of society to drive impactful philanthropic actions, Davicom contributes its corporate strength toward local development and social sustainability.





Davicom "Spreading Love" Project –2025 Implementation Status

Project Outline	Time & Location	Main Content
Picture Book Reading Club	Once a month / Fuyou Association Headquarters	Lesson preparation and training for educational volunteers. Picture book guided reading, lesson plan discussion, demonstration teaching, and information sharing.
Character Education	Every Tuesday morning assembly /Each classroom	Storytelling mothers subtly influence young lives through life-to-life inspiration.
Green Environmental Action 1. Environmental Fair 2. Hometown Environmental Care Activity	Held during the semester / Guanshan Elementary School Guanshan Community	1. Cultivate the ability to handle environmental issues in daily life. 2. Explore global environmental issues. 3. Community service learning.



7.3 Partnering with Academia to Drive Industry Growth

Davicom actively participates in industry associations and industry-academia collaboration platforms. Through technical exchanges, experience sharing, and cross-domain partnerships, we foster talent cultivation, technological innovation, and industrial development, continuously enhancing our corporate competitiveness and sustainable impact.

As a member of key organizations—including the Taiwan Semiconductor Industry Association (TSIA), the Allied Association for Science Park Industries, and the Electrical Engineering Alliance of National Yang Ming Chiao Tung University (NYCU)—Davicom consistently engages in industry forums, technical seminars, campus exchanges, and collaborative projects. These activities enable us to stay at the forefront of semiconductor industry trends and technological advancements, bridge academic research with industrial application, and deepen partnerships across industry, government, academia, and research sectors.

Moving forward, Davicom will continue leveraging industry exchanges and industry-academia collaborations to connect resources, cultivate talent for the semiconductor and ICT sectors, drive technological innovation and knowledge sharing, and work alongside industry partners to create sustainable value.

Association Name	Logo	Member No.	Member Name
Taiwan Semiconductor Industry Association (TSIA)	TSIA 台灣半導體產業協會 Taiwan Semiconductor Industry Association	0127	Davicom Semiconductor, Inc.
Taiwan Allied Association for Science Park Industries	台灣科學園區科學工業同業公會 THE ALLIED ASSOCIATION FOR SCIENCE PARK INDUSTRIES	226	Davicom Semiconductor, Inc.
Chiao Tung University Electrical Engineering Alliance	電機工程學系	-	Davicom Semiconductor, Inc.
Taiwan High Tech Charity Association	台灣科技公益協進會 High Tech Charity	-	Davicom Semiconductor, Inc.

7.4 Supporting Sports & Nurturing Young Talent

Davicom attaches great importance to youth talent cultivation and sports development. Through a long-term partnership with the Taiwan High Tech Charity Association, we have continuously supported the "Technology Hope Tour," which entered its ninth year in 2025. By nurturing young golfers, the initiative encourages youth to courageously pursue their dreams while cultivating self-discipline, perseverance, teamwork, and sportsmanship to promote well-rounded development.

Over the years, the "Technology Hope Tour" has helped more than 30 young athletes step onto the competitive stage, gradually advancing to major domestic and international tournaments such as the Asian Tour and the Taiwan Tour, showcasing the strength and potential of young sports talent. Through sustained investment in athletic development, Davicom hopes to support youth growth and drive positive social impact through sports philanthropy, fulfilling our corporate philosophy of giving back to society and achieving sustainable development.



7.5 Participating in Public Welfare & Extending Corporate Care

Davicom encourages employees to participate in public welfare activities, fostering a corporate culture that cares for society and gives back to the community. Responding to charitable blood donation drives, the company actively encourages colleagues to participate, taking concrete action to support medical blood supply needs and demonstrating a shared commitment between the enterprise and its employees to serve the public good.

Looking to the future, Davicom will continue to align its core competencies with societal needs. We will deepen our efforts in educational support, charitable care, industry collaboration, and employee community engagement—working alongside stakeholders to create greater positive social value and advance toward the sustainable goal of mutual prosperity for both the enterprise and society.





2025 Social Investment Achievements

Upholding the principle of "Corporate Citizenship," Davicom continuously directs corporate resources into educational support, charitable care, industry collaboration, youth development, and employee community engagement. By partnering with academic institutions, charitable organizations, and industry partners, we leverage positive corporate influence and join hands with stakeholders to create shared social value. The achievements of our social investments in 2025 are as follows:

Focus Area	2025 Achievements	Corresponding SDGs
Rooting Education & Nurturing Future Talent	Continued to support teaching, student activities, and scholarships at the College of Electrical and Computer Engineering, National Yang Ming Chiao Tung University (NYCU), deepening industry-academia collaboration and assisting in cultivating semiconductor and IT talent, totaling NT$ 1,080,000.	🎓 SDG 4、 🤝 SDG 17
Caring for Society & Fostering Local Inclusivity	Supported life education, mental health, and rural education by continuously investing in the "Little Tree Spreading Love" and "Spreading Love Project." In partnership with charitable organizations, held campus life education, first-aid, and eye care promotions to accompany rural students and community seniors. • Donated NT$ 100,000 to the Little Tree Spreading Love Association. • Continued supporting the rural "Spreading Love Project" with NT$ 100,000.	❤️ SDG 3、 🎓 SDG 4、 ⚖️ SDG 10
Partnering with Industry & Academia to Drive Industry Growth	Participated in industry and academic organizations such as the Taiwan Semiconductor Industry Association (TSIA), the Allied Association for Science Park Industries, and the NYCU Electrical Engineering Alliance, continuously deepening technical exchange, industry-academia collaboration, and talent development.	💼 SDG 8、 🏭 SDG 9
Supporting Athletics & Nurturing Youth Talent	Continued to support the "Technology Hope Tour," investing in young golf talent cultivation to help youth athletes expand their competitive stage and foster self-discipline, teamwork, and sportsmanship.	❤️ SDG 3
Engaging in Philanthropy & Spreading Corporate Care	Encouraged employees to participate in blood donation drives, taking concrete action to support medical blood supply needs and cultivating a corporate culture of caring for and giving back to society.	❤️ SDG 3

Note 1: SDG 3: Good Health and Well-being/ SDG 4: Quality Education/ SDG 8: Decent Work and Economic Growth/ SDG 9: Industry, Innovation and Infrastructure/ SDG 10: Reduced Inequalities/ SDG 17: Partnerships for the Goals

Appendix

GRI Standards Index

Usage Statement Davicom has followed the GRI guidelines for the period from January 1,2025 to December 31,2025.

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 2025 Sustainability Report 2.1 Company Profile	2 18	
GRI 2-2	Entities included in the organization's sustainability reporting	Regarding the 2025 Sustainability Report 2.1 Company Profile	2 18	
GRI 2-3	Reporting period, frequency and contact point	Regarding the 2025 Sustainability Report	2	
GRI 2-4	Restatements of information	Regarding the 2025 Sustainability Report	2	
GRI 2-5	External assurance	Regarding the 2025 Sustainability Report	2	
GRI 2-6	Activities, value chain and other business relationships	4.2 Supply Chain Management	48	
GRI 2-7	Employees	6.1 Talent Development and Corporate Culture	70	
GRI 2-8	Workers who are not employees	6.1 Talent Development and Corporate Culture	70	
GRI 2-9	Governance structure and composition	3.1 Board of Directors and Functional Committees	30	
GRI 2-10	Nomination and selection of the highest governance body	3.1 Board of Directors and Functional Committees	30	

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	34	
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	34	
GRI 2-13	Delegation of responsibility for managing impacts	1.1 Nomination and 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	30	
GRI 2-16	Communication of critical concerns	1.1 Nomination and 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	34	
GRI 2-18	Evaluation of the performance of the highest governance body	3.2 The Board's Role and Achievements in Sustainability Governance	34	
GRI 2-19	Remuneration policies	3.1 Board of Directors and Functional Committees	30	
GRI 2-20	Process to determine remuneration	3.1 Board of Directors and Functional Committees	30	
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 Nomination and Sustainability Committee	4	
GRI 2-23	Policy commitments	3.3 Integrity Management 6.1 Talent Development and Corporate Culture	36 70	
GRI 2-24	Embedding policy commitments	1.1 Nomination and	4	

		Sustainability Committee		
GRI Standard No.	Disclosure Project	Corresponding Chapters	Page	Notes
GRI 2-25	Processes to remediate negative impacts	3.3 Integrity Management 3.4 Risk Management	36 38	
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	41	
GRI 2-28	Membership associations	7.3 Partnering with Academia to Drive Industry Growth	94	
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 1.3 Materiality Assessment	5 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	46	
Supply Chain Management	GRI 3-3	Management of material topics	4.2 Supply Chain Management	48	
	GRI 204-1	Proportion of spending on local suppliers			
Compensation and welfare	GRI 3-3	Management of material topics	6.1 Talent Development and Corporate Culture	70	
	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			
Competitive behavior	GRI 3-3	Management of material topics	3.3 Integrity Management	36	
	GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices			

Material Topics	GRI Standard No.	Disclosure Project	Corresponding Chapters	Page	Notes
Carbon Management	GRI 305	Greenhouse Gas (GHG) Emissions (Scope 1, 2, 3)	5.2 Carbon Management	60	
Energy Management	GRI 302	Energy Consumption, Carbon Reduction Strategies, Purchased Electricity Usage	5.3 Energy Management	62	
Information Security & Privacy Protection	GRI 3-3	Management Approach for Information Security Material Topics Management of Material Topics	3.6 Information Security & Privacy Protection	42	
Customer Relationship Management	GRI 3-3	Customer Service Management, Technical Support	4.4 Customer Relationship Management	56	
Labor-Management Relations	GRI 3-3	Management of Material Topics	6.3 Labor-Management Relations	89	
	GRI 402-1	Minimum Notice Periods Regarding Operational Changes			
Risk Management	GRI 2-12 GRI 2-13 GRI 2-24 GRI 3-3	Board Oversight of Material Impacts and Risk Management, Division of Responsibilities for Sustainability and Risk Management, Policy Commitments, Material Risk Management Process	3.4 Risk Management	38	

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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：93.5870 tCO_2e (2) Total PFC emissions：0 tCO_2e	5.2 Carbon Management
	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 Carbon Management 5.3 Energy Management 5.4 Water Management
Energy Management in Manufacturing	TC-SC-130a.1	(1) Total energy consumed, (2) Percentage：Grid electricity (3) Percentage：Renewable energy	Quantification	(1) 814,242 kWh (2) 100% (3) 0%	5.3 Energy 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： 4,034 m^3 (2)Total water consumption：4,034 m^3	5.4 Water 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 2025, 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; "○" 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: 6,218 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 Carbon Management.
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 、5.3 Energy Management

