

# 2025 Faraday Sustainability Report







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# Preface

## About This Report

Thank you for taking time to read the 2025 Sustainability Report published by Faraday Technology Co., Ltd. (hereinafter referred to as Faraday). Adhering to principles of sincerity, pragmatism and transparency, this report accurately presents Faraday's practices and achievements in corporate sustainability for the year 2025. Through this report, stakeholders can gain a comprehensive understanding of Faraday's investment and achievements in the economic, environmental, and social aspects. We will also take this opportunity to self-examine and actively respond to the expectations of all stakeholders, with the goal of achieving corporate sustainable development.

## Reporting Scope

The disclosed information of this report covers the fiscal year 2025 (January 1 to December 31, 2025, consistent with the 2025 financial report), detailing Faraday's practices and performance data in economic, environmental, and social dimensions such as corporate governance, innovation management, partnership for prosperity, friendly workplace, environmental sustainability, and social inclusion. The scope of information disclosure primarily focuses on Faraday's parent company (including the headquarters in Hsinchu, as well as offices in Taipei and Tainan), covering more than 87% of the consolidated revenue. Some data, such as financial and greenhouse gas inventory information, also includes subsidiaries with 100% ownership by Faraday that are part of the consolidated financial statements. The information coverage disclosure ratio and list of consolidated financial statement entities are summarized in the table below:

| Sustainability Information | Consolidated Financial Statement Revenue Coverage Ratio |
|---|---|
| Financial information | 100% |
| Greenhouse gas emissions | 100% |
| Other sustainability information | >87% |

| Relationship | Company Name |
|---|---|
| Parent Company | Faraday Technology Corporation |
| Subsidiaries | Artery Technology |
| Subsidiaries | Artery Technology (Chongqing) Co., Ltd. |
| Subsidiaries | Faraday Technology (Shanghai) Co., Ltd. |
| Subsidiaries | Faraday Technology (Chongqing) Co., Ltd. |
| Subsidiaries | United Creative Solution Corporation |
| Subsidiaries | Faraday Technology (Suzhou) Co., Ltd. |
| Subsidiaries | Faraday Technology Japan Corporation |
| Subsidiaries | Sinble Technology Pte. Ltd. (Sinble) |
| Subsidiaries | Sinble Technology Vietnam Company Limited |
| Subsidiaries | Faraday Technology Vietnam Company Limited |
| Subsidiaries | FaradayTek Solutions India Private Limited |
| Subsidiaries | Faraday Technology Corporation(USA) |
| Subsidiaries | Solid Silicon Technology Corporation (Aragio) |
| Subsidiaries | Innopower Technology Corporation (Innopower) |
| Subsidiaries | Faraday Technology Corp. (B.V.I.) |
| Subsidiaries | Chih Hung Investment Corporation (Chih Hung) |
| Subsidiaries | Winbond Investment Co., Ltd. (Winbond) |
| Subsidiaries | Faraday Technology (Mauritius) Corp. |
| Subsidiaries | GrainTech Electronics Limited |
| Subsidiaries | Bright Capital Group Limited (BCGL) |
| Subsidiaries | Grain Media Inc. |
| Subsidiaries | Faraday Technology (Samoa) Corp. |
| Subsidiaries | Artery Technology Corporation (Artery) |
| Subsidiaries | Chongqing Innopower Technology Co., Ltd. |

## Reporting Principles

This report follows the materiality principle to analyze internal and external environmental factors and issues of concern for stakeholders within Faraday, and it outlines the framework and key information disclosures. The report is compiled based on the guidelines of the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) semiconductor industry standards, and it follows GRI standards to report relevant information from January 1, 2025, to December 31, 2025. The disclosed statistical data is provided by various responsible departments of Faraday. The financial performance data has been audited and certified by accountants and is consistent with the company's annual report data. Environmental performance is based on government public information and internal calculations.

## Report Writing and Quality Control

This report is coordinated by the ESG Committee, with editing teams formed from various responsible departments for each issue. The editing teams collect data and compile content based on the information disclosure framework for annual material sustainability issues; regular meetings are held to review the content. After the President approves the final draft, it is submitted to the Board of Directors for resolution.

- Internal Control Management: Faraday incorporates the workflow and information disclosure of the Sustainability Report into the annual internal control management plan. The "Sustainability Information Disclosure Management Regulation" has been established as the guiding principles for internal control and audit processes, ensuring the authenticity, accuracy, and completeness of the report content.
- Internal audit: After completing the initial draft, the responsible manager for each chapter reviews the content and conducts internal cross-audits to ensure the quality of the data and information.
- External verification: An impartial and independent third-party organization (SGS) has been commissioned to verify the content based on AA1000 AS (2018) Type 2 – Moderate Level Assurance. The SGS ASSURANCE STATEMENT is attached in the appendix of this report.
- Management Systems: The information disclosed in this report is managed through the aforementioned flows and is also reinforced by international management systems or standards to enhance the effectiveness of the management flows or the accuracy of the information.

| Issue | Verification Standard |
|---|---|
| Quality | ISO9001 |
| Information Security | ISO 27001 |
| Intellectual Property | TIPS |
| Greenhouse gas | ISO 14064-1 |
| Environment | ISO 14001 |
| Workplace safety | ISO 45001 |
| Road vehicle functional safety | ISO 26262 |

## Report Issuance

Faraday has issued a Sustainability Report since the publication of its first report in 2020, with a total of seven reports published to date. Previous reports can be found on the official corporate sustainability website.

- Issuance Frequency: Annual Basis
- Initial Release Date: 2020
- Current Release Date: August 2026
- Next Release Date: Expected August 2027

## Feedback

Faraday sincerely welcomes communication with all stakeholders. We have dedicated contact channels for different issues. For feedback or guidance on this report or sustainability development issues, please use the following contact information.

### Contact Information

- Contact person: Willie Wang, Corporate Sustainability Committee
- Address: No. 5, Lixing 3rd Road, Hsinchu Science Industrial Park
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- Sustainability Website: https://www.faraday-tech.com/tw/content/CSR/CorporateSustainability

# Message from the Business Operator

2025 marks a significant milestone for Faraday Technology in "Aligning with Industry and Accelerating Advancement." Looking back over the past three years, we have completed a strategic trilogy: in 2023, we crossed the threshold of advanced process design, validating our technical capabilities; in 2024, we launched the "Business Model 2.0", integrating global resources; in 2025, we officially entered a phase of transformative growth, expanding market value. Amidst the wave of the artificial intelligence (AI)-driven global semiconductor industry, Faraday has transformed from a leader in mature processes into a leading ASIC provider equipped with both "advanced process design" and "advanced packaging integration" capabilities, firmly positioning itself at the core stage of next-generation semiconductor demand.

Regarding sustainability, Faraday upholds its "ESG Policy" and "Execution Structure of Sustainability", actively engaging in sustainable actions and achieving significant milestones across the three aspects of Environmental, Social, and Governance (ESG) responsibility:

## Environmental Sustainability: Climate Resilience and Green Innovation

Addressing climate change and deepening climate resilience have consistently been core strategies for Faraday regarding environmental issues. We are committed to the 2050 Net Zero target and take proactive actions to advance the carbon reduction pathway year by year. Self-consumption of solar photovoltaic (PV) systems within factories was initiated in 2023, and strategic green electricity transfer cooperation with two green electricity partners commenced in 2024. Therefore, the green electricity usage ratio reached 20% (RE20) in 2025, achieving an absolute reduction of 14% in carbon emissions compared to the 2023. Additionally, an Internal Carbon Pricing (ICP) mechanism was established for the first time, setting a carbon reduction cost of NT$2,200 per ton as an analytical tool for internal carbon reduction strategies. Furthermore, Faraday has once again distinguished itself from over 1,000 listed and OTC companies and has been selected for two consecutive years as a "Top 100 Carbon Competitiveness" enterprise by Business Weekly.

Furthermore, the revenue contribution from Energy Transition and Smart Application Products reached 90% in 2025. This not only represents the successful transformation of our business model, but also demonstrates our determination to lead industry applications with green innovation.

## Social Inclusion: Friendly Workplace and Community Integration

Upholding the commitments of its "Human Rights Policy," Faraday comprehensively implements human rights protection from a stakeholder perspective, deeply embedding a people-centric corporate culture. The Company is dedicated to upholding the spirit of workplace equality, with female employees comprising 32% of the workforce and female managers exceeding 20%, setting a benchmark that leads the IC design industry. Faraday provides paid prenatal care leave and maternity leave totaling 25 days, which exceeds statutory requirements, extending friendly and caring measures from employees to their families. Furthermore, the Company conducts an "Employee Satisfaction Survey" to gain in-depth insights into employees' perceptions regarding corporate operations, work environments, and management system cultures, utilizing these findings as a reference for improving human rights management actions; human rights due diligence has also been extended to the supply chain.

These comprehensive initiatives have earned Faraday renewed recognition from the Hsinchu Science Park Administration as an "Outstanding Institution for Promoting Workplace Gender Equality – Premium Award". The Company has also consecutively been recognized as an "Outstanding Enterprise" by the Occupational Safety and Health Administration, Ministry of Labor, for the "Active Evaluation of Occupational Health and Safety Performance". Additionally, Faraday received the prestigious "HR Asia Best Corporate Employer Award" from Asia's authoritative human resources magazine, maintaining strong attraction and cohesion amidst fierce competition for senior talent in the semiconductor industry.
Regarding social public welfare, Faraday initiated an Employee Volunteer Day for the first time, encouraging employees to engage in social public welfare activities, helping community groups in need, and promoting Faraday's spirit of friendliness and inclusion.

In terms of industry talent cultivation, through various industry-academia collaboration projects, Faraday collaborates closely with excellent universities, from R&D technology to scholarship sponsorship, fully cultivating next-generation semiconductor elites.

## Sustainable Governance: Ethics, Compliance, and Value Co-creation

Faraday is committed to strengthening corporate governance and information security, achieving a ranking in the top 5th percentile of listed companies in corporate governance evaluations and receiving the highest AAA rating in the Taiwan Sustainability Assessment. To enhance the rigor of the Board of Directors' oversight regarding sustainability issues, a "Sustainable Development Committee" at the Board level was established to serve as the supervisor for monitoring the execution of sustainability work; additionally, the "Sustainability information Management Regulation" were promulgated to incorporate the review process of sustainability information into internal control systems, ensuring the fairness and transparency of information. The composition of the Board of Directors maintains a female representation of 30%, enhancing gender diversity on the Board of Directors.

We also continuously co-create new sustainable value with customers and supply chain partners. In 2025, we conducted human rights due diligence on the supply chain, requiring supply chain partners to adhere to the same standards and committed to the protection of human rights. Furthermore, we have achieved a 16% reduction in carbon emissions across the supply chain and have actively responded to customers' carbon management and carbon reduction initiative.

## Conclusion

In 2025, through the concerted efforts of all employees, Faraday demonstrated operational resilience. Our sustainability performance was recognized with the "Comprehensive Performance Award" at the TCSA Taiwan Corporate Sustainability Awards, ranking among the top 100 corporate sustainability benchmark enterprises in our inaugural participation. This year, we will respond to global sustainable development regulations and government policies by initiating alignment work with the IFRS Sustainability Disclosure Standards, developing a complete implementation roadmap that exceeds regulatory timelines.

Finally, we sincerely thank all customers and supply chain partners for their trust in Faraday, as well as shareholders for their long-term support. In the future, we will continue to leverage the power of technology, uphold our sustainable vision of "Advancing human well-being through technological innovation," maintain effective communication with all stakeholders, and jointly advance on the path toward sustainability.

Chairperson of Faraday Technology



President of Faraday Technology





# About Faraday

Faraday was founded in 1993, with its headquarters located in Hsinchu Science Park, Taiwan. It is the first ASIC (Application-Specific Integrated Circuit) service company in Asia and provides Silicon Intellectual Property (IP) licensing services. In the semiconductor industry chain, Faraday operates in the upstream IC design services sector. After completing the IC design phase, final chip products are realized through midstream mask and wafer fabrication, as well as downstream packaging and testing processes, and are sold to global customers located in Taiwan, mainland China, the Asia-Pacific region, Europe, and the United States. Faraday is listed on the Taiwan Stock Exchange (stock code: 3035) with a paid-up capital of NT$2.6 billion. The company employs over 1,100 people globally, with more than 80% being R&D and engineering professionals. Leveraging over 30 years of IC design experience, Faraday delivers excellent products and services.

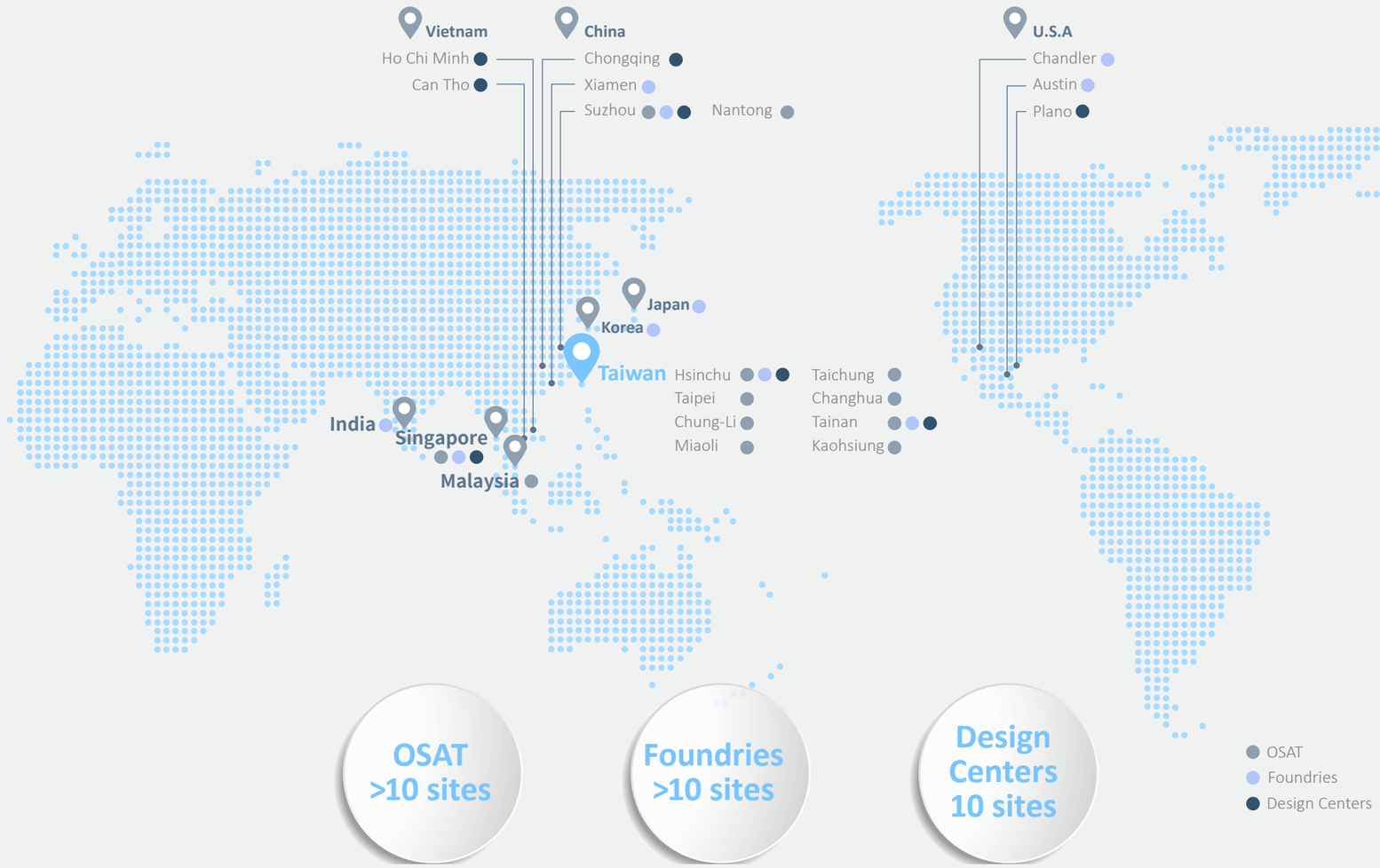
## Technology Development and Product Applications

As a custom IC expert, Faraday continuously advance its core technologies to provide professional customized design and mass production services for customers. We assist in overcoming design challenges and resource constraints to ensure the success of customer products. Faraday's chip technology applications are dedicated to enhancing human welfare, focusing on high-speed computing, quality enhancement, and efficiency optimization. The applications cover five major areas: cloud and AI high-speed computing, green energy technology, life quality, energy management, and production efficiency.

| | |
|---|---|
| **Company Name** | Faraday Technology Corporation |
| **Date of Establishment** | Founded in 1993 |
| **Stock Code** | TAIEX: 3035 (Listed on Taiwan Stock Exchange since 1999) |
| **Paid-up Capital** | NT$ 2.6 billion |
| **Headquarters** | No. 5, Lixing 3rd Rd., Hsinchu Science Park |
| **Global Workforce** | 1,100 |
| **Products & Services** | ASIC services (Application-Specific Integrated Circuits), Silicon Intellectual Property (IP) licensing services |
| **Consolidated Revenue** | Consolidated revenue for 2025: NT$ 17.993 billion |

## Diverse deployment

Faraday takes Taiwan as its operation and R&D headquarters, with R&D centers and sales bases in the US, Japan, China, India, Vietnam, and Singapore to provide timely service to worldwide customer.



## Vision, Mission, and Business Philosophy

With the vision of “Inside of every IC, Faraday’s value is in sight”, Faraday promotes technological innovation and is dedicated to promoting global energy transition and extended application of human welfare field. Create excellence together with customers, employees, and partners to bring the world a life with more happiness and convenience.

## Mission

- Custom IC Expert, Empowering Customer Success
- Advancing human well-being through technology applications, focusing on five key areas: Cloud & AI high-speed computing, green energy, life quality, energy management, and production efficiency

## Business Philosophy

**Synergy for Excellence**

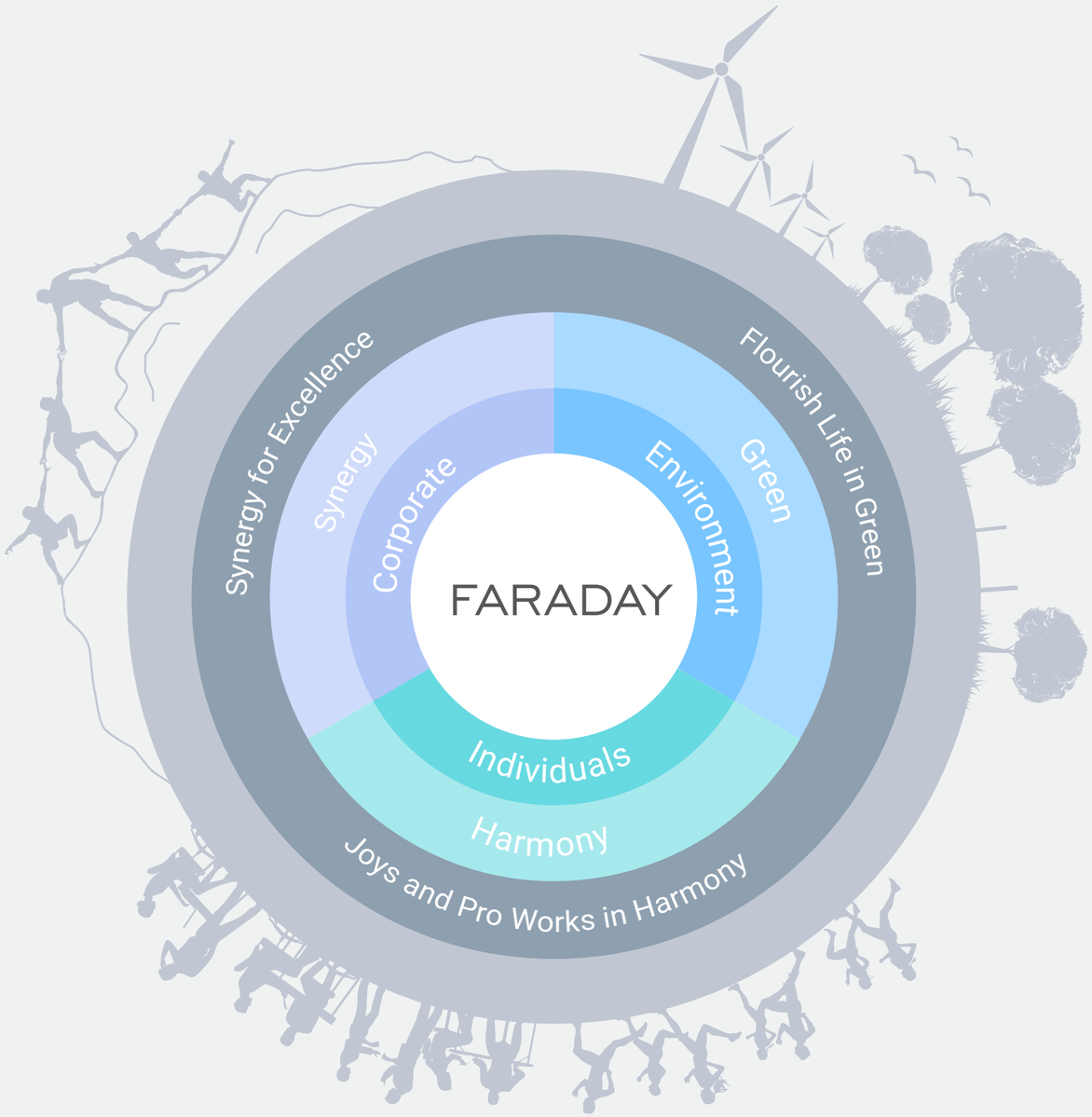
- Build an excellent team, deeply nurture IP technology, provide high-quality IP and ASIC design service through digitalized, systemized, and global management, achieve success of customer product
- Continuously create synergy with customers, employees, and partners for win-win and co-prosperity

**Joys and Pro Works in Harmony**

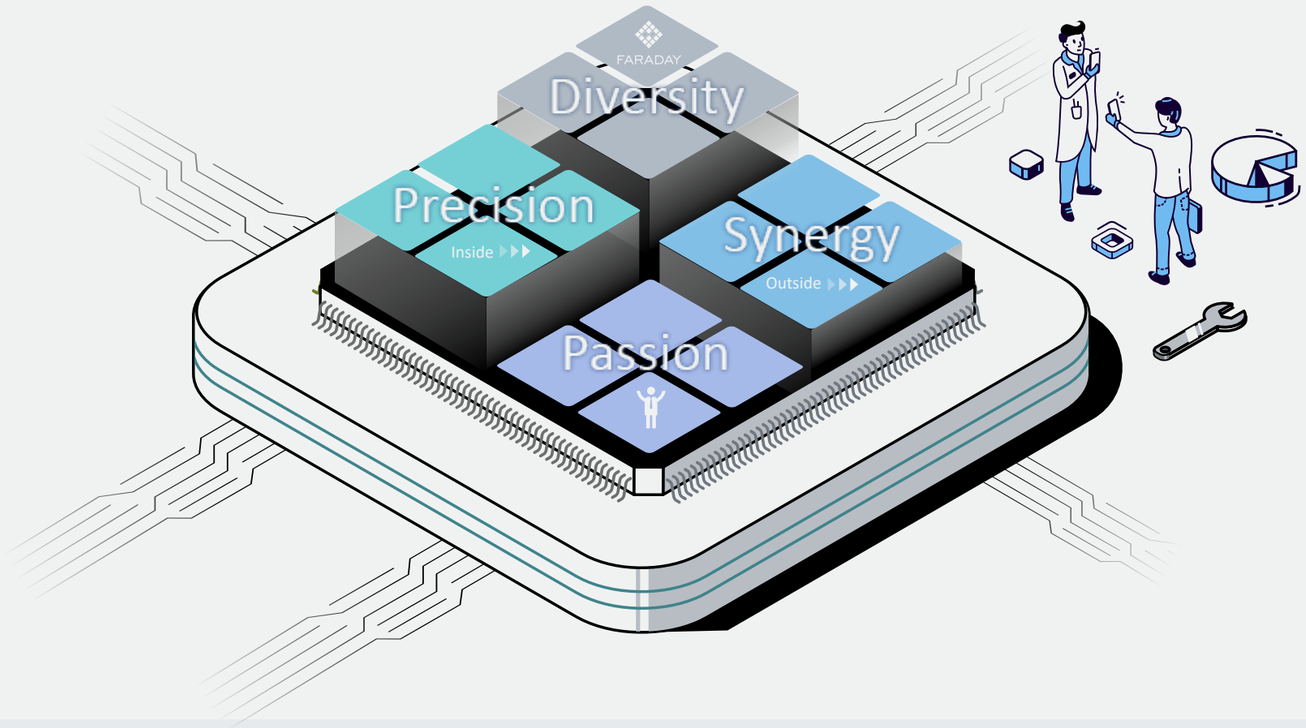
- Talent is core capital of the company, and they are with high professional requirement and expectation of joys in harmony. From talent selection, talent cultivation, talent retention, promote employees to learn growing
- Create Faraday value together and share business result for the commitment to talent sustainability

**Flourish Life in Green**

- Build a green and comfortable environment, create a workplace of diverse, equity, inclusion, and safety, emphasize on physical and mental health of employees, and commitment to building a friendly workplace
- Provide high-performance/low power consumption technological solution, promote global energy transition and extended application of human welfare field
- Promote low-carbon operations and build green supply chain, working together with cooperation partners for the commitment to environmental sustainability



# Corporate culture: Value and behavior demonstration




## D Diversity

**Flexibility**
Complete business model combination, respond to various market needs

**Resilience**
Deployment in global supply chain and professional talents, strengthen sustainable business cornerstone

## S Synergy

**Trust**
Work together with customer and ecosystem partner, synergy for excellence

**Accountability**
Active and aggressive, no shirk responsibility, target-oriented and make an all-out effort

## P Passion

**Concentricity**
Harmony but different, unity without bias, create collaborative culture with mutual trust and mutual support

**Abundance**
By a positive attitude to create a life with joys and pro works in harmony

## P Precision

**Orderly**
Object in position, everything by rule, create complete system for continuous operation

**Discipline**
Demonstrate highly self-discipline, implement execution force and rigorous attitude

# Engagement in Associations and Initiatives

Faraday actively participates in external associations and initiatives. Through the exchange of opinions, we ensure that our corporate sustainable development aligns with global trends and meets stakeholder expectations. We also maintain a consistent stance on climate change and the “Paris Agreement”, working together for mutual progress and growth.

## List of Participated Associations and Initiatives

| Category | Organization/Initiative Name | Role/Position | Description |
|---|---|---|---|
| Industry Exchange & Development | Taiwan Association of Science Parks (TASP) | Member | Engages in opinion exchange with semiconductor peers; participates in government policy formulation and implementation through feedback mechanisms and interviews. |
| | AQM Quality Managers Association | Supervisor | |
| | Bar Association | Employee Representative | Participates via legal professionals to foster two-way communication and collaboratively optimize the legal environment and public health. |
| | Nurse Association | Employee Representative | |
| Human Capital & Compensation Governance | IC Design Compensation Forum* | Member | A professional exchange platform autonomously formed by Taiwan's semiconductor industry companies for sharing experiences and expertise regarding compensation system design, legal compliance, and human capital management practices. |
| Industry Research & Technology Development | Global Semiconductor Alliance, GSA | Member | Actively participates in key industry technical associations, closely integrating with academia and research institutions to jointly drive technological innovation. |
| | MIPI Alliance | Member | |
| | Peripheral Component Interconnect Special Interest Group, PCI-SIG | Member | |
| | USB Implementers Forum, USB-IF | Member | |
| Sustainable Development Initiatives | Taskforce on Nature-related Financial Disclosures (TNFD) - Joined in 2024 | Initiative pioneer Enterprise | Voluntarily participates in specific sustainability initiatives, launching projects and promoting internal adoption in accordance with the initiative's requirements |
| | 2025 Taiwan Sustainable Talent Action Alliance | Initiative enterprise | |

Note: This organization is not involved in industry policy advocacy, wage agreements, or any acts restricting market competition. We strictly adhere to the "Fair Trade Act," antitrust laws, and the Company's "Ethical Corporate Management Best Practice Principles" to ensure that there are no instances of concerted behavior, restriction of competition, or infringement on stakeholder interests.

## Expenditure on Public Affairs Participation

| Category | 2025 Expenditure (NTD) |
|---|---|
| Industry associations or Non-Profit Organizations | 1,367,335 |
| Lobbying and interest groups | 0 |
| Donations to local politics, elections, and related issues | 0 |

# Recognition and honor

## 2025 key achievement

HR Asia
Best Companies to Work for in Asia



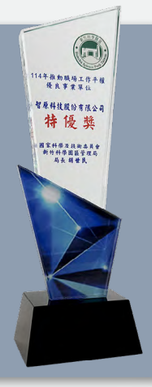
TCSA Taiwan Corporate Sustainability Awards
Comprehensive Performance Award - Taiwan Top 100 Sustainable Companies



TCSA Taiwan Corporate Sustainability Awards
Corporate Sustainability Reporting Awards – Gold Award (Consecutive 2 years)

Occupational Safety and Health Administration (OSHA), Ministry of Labor
Outstanding enterprise for “Active Evaluation of Corporate Sustainability Report Disclosure of Occupational Health and Safety Performance”

Hsinchu Science Park Bureau, National Science and Technology Council (NSTC)
Excellence Award for Promoting Workplace Equality



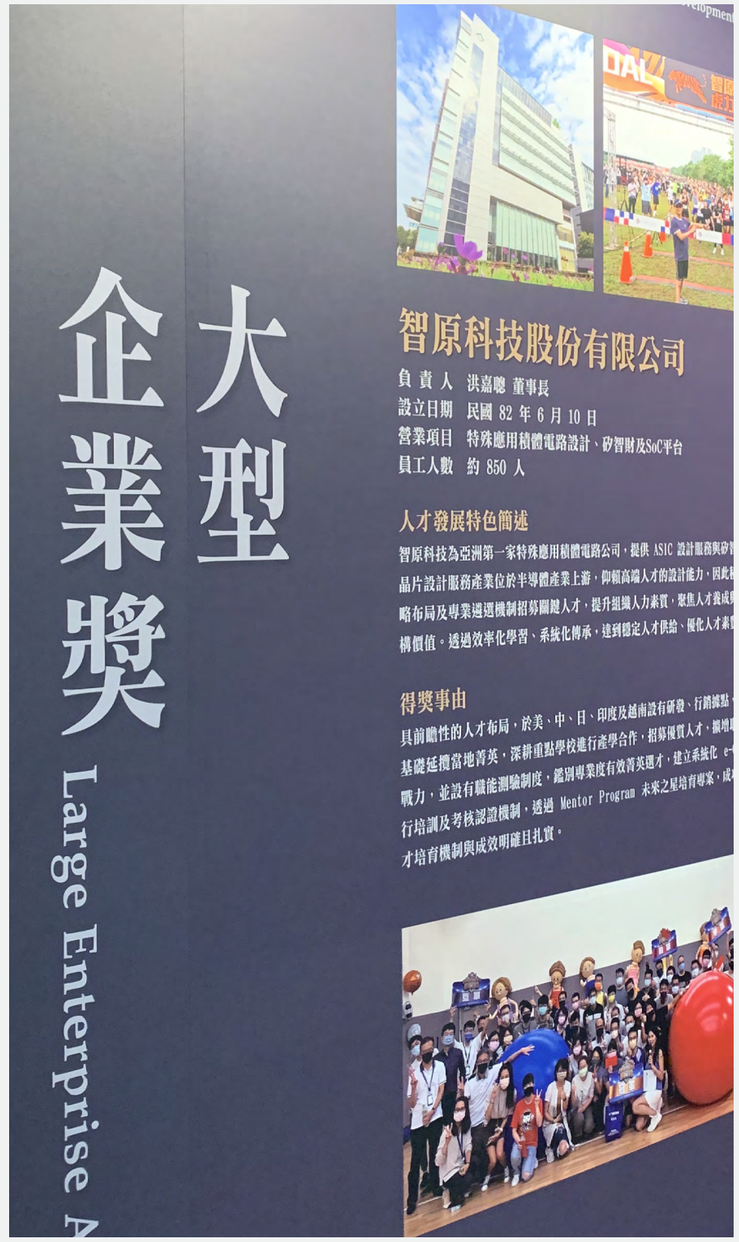
Business Weekly
Top 100 Carbon Competitiveness (Consecutive 2 years)

## Recent Sustainability Awards/Certifications

| Category | Achievement | Time/Description |
|---|---|---|
| Sustainability Comprehensive Category | TCSA Taiwan Corporate Sustainability Awards Comprehensive Performance Award - Taiwan Top 100 Sustainable Companies | 2025 |
| | TCSA Taiwan Corporate Sustainability Awards Corporate Sustainability Reporting Awards - Gold Award | 2024~2025 |
| | National Development Council National Sustainable Development Award | 2024 (First IC Design Company to receive the award) |
| | EcoVadis Certification | 2024 |
| Environmental | Business Weekly Top 100 Carbon Competitiveness | 2024~2025 |
| | CommonWealth Magazine Temperature Rising Index for Pathways-EXCELLENT | 2024~2025 |
| Social | HR Asia Best Companies to Work for in Asia | 2025 |
| | Occupational Safety and Health Administration (OSHA), Ministry of Labor Outstanding enterprise for "Active Evaluation of Corporate Sustainability Report Disclosure of Occupational Health and Safety Performance" | 2024~2025 |
| | Hsinchu Science Park Bureau, National Science and Technology Council (NSTC) Excellence Award for Promoting Workplace Equality | 2023, 2025 |
| | Health Promotion Administration, Ministry of Health and Welfare Workplace Health Promotion Self-Assessment - Cerified | 2025 |
| | Health Promotion Administration, Ministry of Health and Welfare "Workplace Body Mass Management & Competition" – Excellence Award | 2024 |
| | Ministry of Labor National Talent Development Award | 2022 |
| | Public Health Bureau, Hsinchu City Friendly breastfeeding room - Premium | 2022~2024 |
| Social | Sports Administration, Ministry of Education "iSports Enterprise Certification" | 2023~2024 |
| | Global Views Monthly "Platinum-Level Fertility Enterprise" | 2023 |
| Governance | Harvard Business Review Taiwan Top 100 Best-Performing CEOs | 2024, 2022 |
| | APEA Corporate Excellence Award | 2024 |
| | AQM, Association of Quality Manager Excellent Quality Practice Award – Quality Improvement category | 2021, 2023~2024 |
| | CommonWealth Magazine Top 50 Operational Performance | 2023 (Ranked #1) |

## Sustainability Ratings & Indices

| Category | Achievement | Time/Description |
|---|---|---|
| Domestic Ratings | Taiwan Sustainability Ratings: AAA | 2025 |
| | Corporate Governance Evaluation: 5% | 2024~2025 |
| Domestic Indices | TWSE RAFI® Taiwan High Compensation 100 Index | 2014~2025 (12 consecutive years) |
| | TIP Customized Taiwan IC Design and Momentum Index | Selected in 2025 |
| International Ratings | CDP CDP Climate Questionnaire: B CDP Water Security Questionnaire: B- | 2025 |





# Annual Sustainability Performance Highlights

## Environment

- **Achieved an absolute carbon reduction of 14% in 2025 compared to the 2023 baseline year**
- **Reached a renewable energy usage ratio of 20%**
- **Revenue from energy transition and smart application products accounts for 90%**
- **Invest a total of NT$50 million in green bonds**
- **Maintained a CDP Climate Change questionnaire rating of B (Management Level)**
- **Promoted carbon pricing mechanisms**
- **Established the "Declaration on Biodiversity"**
- **Implemented the ISO 14001 Environmental Management System**

## Social

- **The proportion of female employees reached 32%, with female supervisors exceeding 20%**
- **Employee experience feedback on job satisfaction scored 86.3**
- **Enhanced employee engagement with family-friendly policies: Offering 25 days of paid leave, exceeding statutory requirements**
- **Invested a total of NT$1.6 million in social impact initiatives, including healthcare, domestic arts and culture, and independent media**
- **Launched the inaugural Volunteer Day event**
- **Implemented the ISO 45001 Occupational Health and Safety Management System**

## Governance

- **Ranked in the top 5% among listed companies in the Corporate Governance Evaluation**
- **Internal performance evaluation results for the Board of Directors, Functional Committees, and individual directors were rated as "Excellent"**
- **The proportion of female directors reached 33%**
- **Supplier carbon emission intensity decreased by 16% compared to the 2023 baseline year**
- **100% of suppliers completed Human Rights Due Diligence**
- **Established a Board-level Sustainable Development Committee**
- **Formulated the "Sustainability Information Disclosure Regulation" and "Privacy Policy"**

# Sustainable Development Strategy

ESG Execution Structure of Sustainability

Sustainability Governance Organization

Materiality Analysis and Stakeholder Communication

Sustainability Strategy Integrating SDGs

IFRS S1/S2 Sustainability Information Disclosure Plan



# ESG Execution Structure of Sustainability

Faraday has set its sustainability vision as "Advancing human well-being through technological innovation" and has formulated the ESG Policy to establish the ESG execution structure of sustainability, in order to enhance positive impacts and reduce potential risks. At the same time, we actively communicate and collaborate with stakeholders (including customers, suppliers/contractors, employees, shareholders/investors, and government/associations) to align with national and global Sustainable Development Goals.

## ESG Execution Structure of Sustainability

**Sustainable vision：Improve human welfare with technological innovation**

| | | | | | |
|---|---|---|---|---|---|
| Mission/Claim | Protect environment<br>There is no factory in Faraday, and is an IP technology-intensive company. We are devoted to green innovation, continuously promote green operation and build green supply chain, reduce environmental footprint together with supplier chain partner for the commitment to environmental sustainability. With commitment of carbon reduction of 50% by 2030 and greenhouse gas net zero emissions by 2050. | | Inclusive society<br>Faraday pays attention to every employee, provides the remuneration and welfare of above the industry level, create friendly, healthy, safe workplace environment and culture; build a continuous-learning and joyful work team, win-win and co-prosperity; meanwhile, in combination of the Company's resource and employees' love, care and contribute to social needs, increase influence on society, to be social inclusion | | Integrity and law-abiding<br>Faraday implements integrity management and legal compliance, strengthen governance mechanism, we do a good job in risk management, attract outside attention, leverage core advantages, improve operation performance and shareholder's value, and connect supply chain to build a value foundation of sustainable development. |
| Six sustainable spindles | Green innovation | Low-carbon operation | Friendly workplace | Inclusive society | Innovative value | Partnership for prosperity |
| Execution guideline | 1. Green innovation: Low power consumption technology and application<br>2. Green operation: Carbon reduction and green power<br>3. Green supply chain<br>4. Sustainable ecology | | Internal friendly/External inclusion<br>1. Friendly workplace<br>2. Inclusive society<br>3. Responsible supply chain (RBA Code of Conduct) | | 1. Strength governance mechanism and risk surveillance<br>2. Implement supply chain management and competitiveness<br>3. Realize innovative value and customer success<br>4. Improve operation performance and shareholder value | |
| Five execution aspects | Innovation management \| Partnership for prosperity \| Friendly workplace \| Environmental sustainability \| Social inclusion | | | | | |

With the prime guiding principle of sustainable execution structure in response to stakeholders and SDGs

Customer | Supplier/Contractor | Employee | Investor/Shareholder | Government/Associations

# Sustainability Governance Organization

## Faraday Sustainability Governance-Related Committees




**The Board of Directors**
- Highest governance body for sustainability strategy and management

**Sustainable Development Committee**
- Execution and supervision of sustainability policies and plans
- Deliberation on sustainability information disclosure

**ESG Committee**
- Report to the Board of Directors and the Sustainable Development Committee quarterly
- Hold regular meetings quarterly to track the progress of sustainability goal achievements
- Integrate cross-departmental sustainability promotion

**Execution Working Group**
- Execute sustainability goal projects
- Regularly report the execution status of sustainability work to the ESG Committee

### The Board of Directors and Sustainable Development Committee

Faraday regards the Board of Directors as the highest governance body for sustainability issue management and decision-making. In 2025, the functional organization, the Sustainable Development Committee, was established, with the President serving as the Convener to assist the Board of Directors in the execution and supervision of sustainability policies and plans, as well as the deliberation of sustainability information disclosure. Under this committee, the ESG Committee is established to coordinate the actual execution status of organizational sustainability work and manage performance related to sustainability issues, serving as a communication bridge between the Board of Directors and the organization for executing sustainability strategies. Through quarterly meetings with the Execution Working Group, it reviews the effectiveness of corporate sustainability promotion and plans material sustainability issues to be reported to the Board of Directors. When planning the director training program, appropriate courses will also be incorporated in a timely manner based on international sustainability trends to maintain the management and decision-making competencies of board members in sustainability issues.

**Overview of Board of Directors' Participation in Sustainability-related Proposals and Training for 2025[Note]**

| Issue | Discussion Reporting Quarter | Content |
|---|---|---|
| Climate change-related issues report | Every quarter | Progress of GHG inventory/verification, formulation of carbon reduction strategies, green electricity procurement plans, etc. |
| Annual execution results report of the ESG Committee | Q2 | Risk management, information security management, intellectual property management, ethical management, stakeholder communication |
| Sustainability report | Q3 | Submission of the annual sustainability report to the Board of Directors for resolution |
| Material topic identification | Q4 | Report on the results of annual material topic identification |
| ESG training for Board members | Q4 | Carbon pricing mechanisms and the latest IFRS sustainability standards |

Note: For detailed information on the operation of the Company's Board of Directors and Sustainable Development Committee, please refer to "Corporate Governance" on the official website.

### ESG Committee

Faraday's ESG Committee is chaired by the President, who coordinates and integrates cross-departmental resources. Based on the five sustainability execution aspects plus the Corporate Governance team, six working groups are established. The President appoints responsible managers to execute, track, and manage short-term, medium-term, and long-term sustainability goals and key sustainability projects, reporting management achievements to the Board of Directors quarterly.



# Materiality analysis and stakeholder communication

## Analysis flow for Faraday's Material Sustainability Issue

Faraday conducts a material sustainability issue analysis at least once every three years to ensure the effectiveness of its sustainability strategy and to respond to stakeholder concerns regarding sustainability information. We adopt the GRI Standards identification process to create an impact matrix based on the levels of sustainability impact and operational impact, conduct a dual materiality analysis, and incorporate the level of concern from external stakeholders. The top ten issues with significant impact are listed as core issues; after discussion by an expert panel, 12 material sustainability issues are determined. Upon resolution by the Board of Directors, these issues are integrated into Faraday's five sustainability execution aspects to establish corresponding management policies and goals.

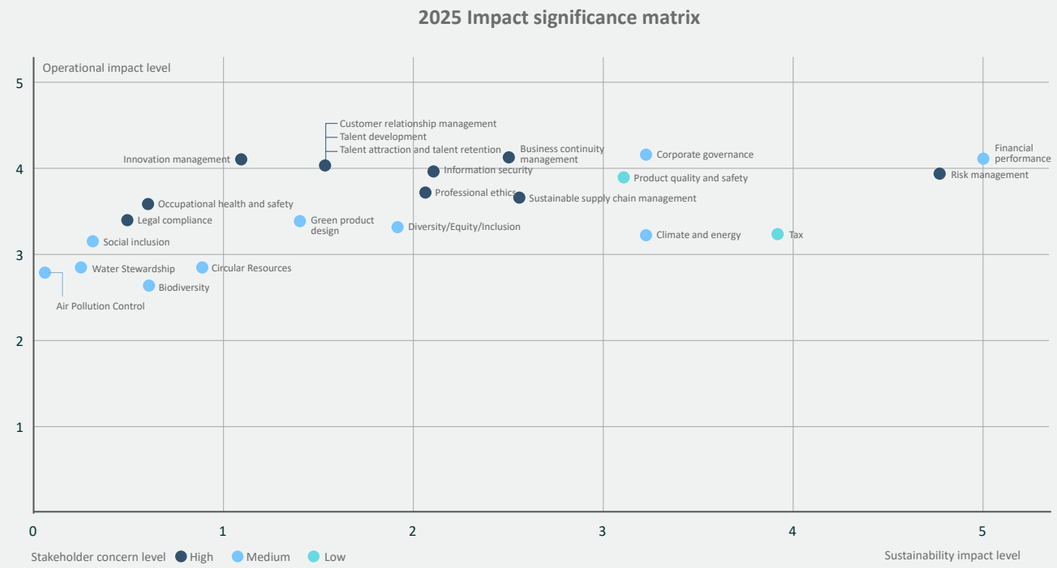



## Management Status of Material Sustainability Issues

| Reporting Year | Significant Changes |
|---|---|
| 2023 | Conducted material issue analysis based on operational impact level, stakeholder concern level, and global risk reports |
| 2024 | Added identification of sustainability impact level to replace global risk reports for material issue analysis |
| 2025 | • Re-examined existing material issues and made minor adjustments considering sustainability trends<br>• Initiated the material issue analysis survey for 2026 - 2028 |
| 2026 | (Future Plan)<br>Adopt new survey results of material sustainability issues for sustainability issue management and be updated in the Sustainability Report |

## Impact Level Matrix Analysis and Results

Among the 23 sustainability issues, 6 governance-related issues are categorized for general disclosure and result-oriented reporting and are not included in the ranking. The remaining 17 issues undergo a dual materiality analysis based on "sustainability impact level" and "operational impact level," with the concern level from external stakeholders incorporated to enhance diverse perspectives on issues. After thorough discussion by the Corporate Sustainability Committee, the issues were consolidated into 12 material sustainability issues, which were then submitted to the Board of Directors for approval. For 2025, the number of material issues remains at 12, consistent with 2024. Regarding the specific issues, in response to sustainability assessment feedback from government bodies and investors, the "Corporate Governance" issue has replaced the "Green Product Design" issue, and the "Information Security" issue has been merged with "Privacy Management."




## Linking Senior Executive Compensation to ESG Performance

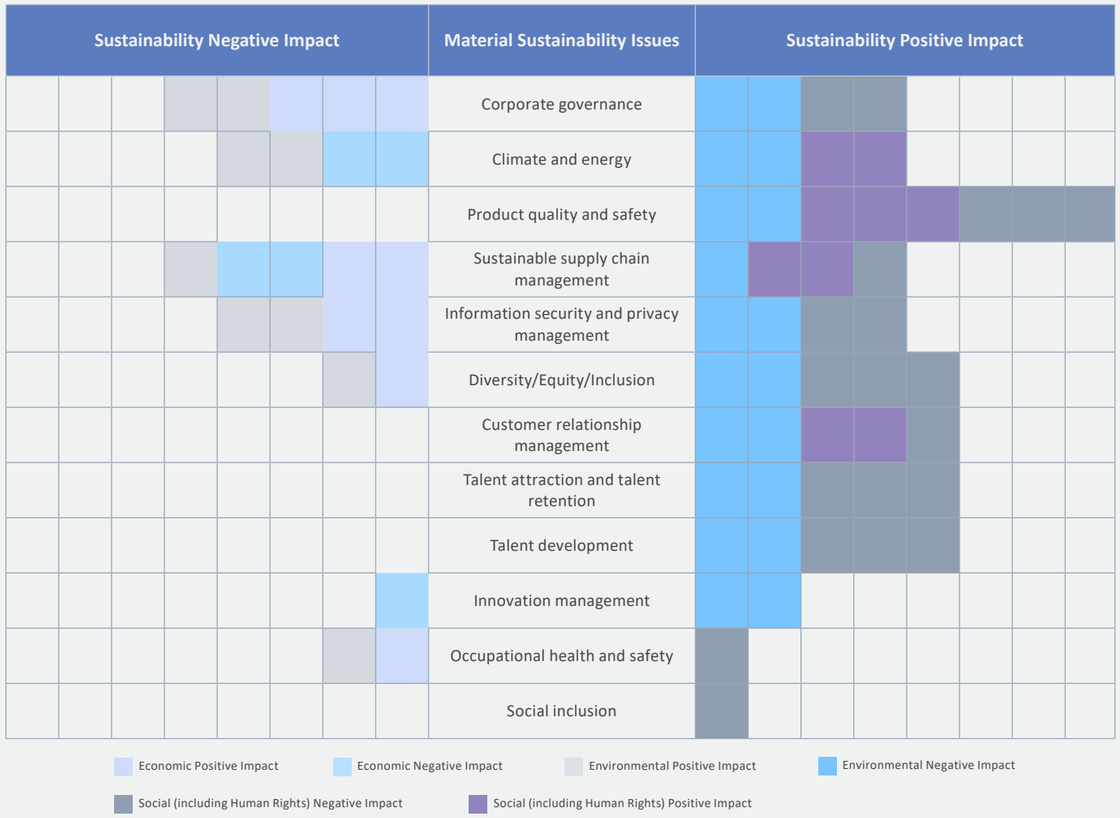
In designing the process for linking sustainability development indicators to senior executive compensation, Faraday considers the results of the material sustainability issue analysis to ensure alignment between management responsibilities and long-term goals. For 2025, the corporate governance evaluation, renewable energy usage ratio, number of occupational disaster incidents, and ratio of female supervisors are listed as reference factors for variable compensation, accounting for a total of 50%; integrity governance is implemented through the Clawback Policy.

| Sustainability Development Indicators | Faraday's Material Issues | 2025 Achievements | Weighting |
|---|---|---|---|
| Corporate Governance Evaluation (G) | Corporate Governance | Top 5% of enterprises | 25% |
| Renewable Energy Usage Ratio (E) | Climate and Energy | 20% | 15% |
| Number of Occupational Disaster Incidents (S) | Occupational Health and Safety | 0 | 10% |
| Ratio of Female Supervisors (S) | Diversity/Equity/Inclusion | 22% | |

Note: Relevant information is also disclosed in the 2025 Annual Report, Section 3.1.5: "Remuneration Paid to Directors (including Independent Directors), the General Manager, and Deputy General Managers in the Most Recent Fiscal Year.

# Sustainability Impact Level Analysis

For the 12 identified material sustainability issues, an analysis is conducted regarding their significance to Faraday and the potential impacts on the external economy, environment, and society (including human rights) arising from Faraday's operational conditions; the impact details and remediation measures will be elaborated on in respective chapters.




| Sustainability Issues | Significance to Faraday |
|---|---|
| Corporate governance | Faraday is committed to pursuing sustainable operations and long-term interests to maintain its industry leadership position and create value for stakeholders. |
| Information security and privacy management | The protection of confidential information is Faraday's commitment to partners including customers, shareholders, colleagues, and suppliers, ensuring that trade secrets and partner privacy are safeguarded |
| Innovation management | Continuous innovation strengthens core competitiveness and implements sustainable development |
| Product quality and safety | Providing products that balance high quality and safety helps enhance customers' willingness to collaborate with Faraday and offers the best product usage experience for end-users |
| Customer relationship management | To ensure long-term customer trust and support, dedicating efforts to enhancing the competitiveness of both the company and its customers serves as a critical foundation for long-term operations, including technological leadership, quality assurance, and product competitive advantages |
| Sustainable supply chain management | Collaborating with global corporate partners enhances the overall sustainability performance of the value chain and reduces potential social and environmental risks |
| Talent attraction and talent retention | Providing competitive total compensation and welfare systems superior to legal requirements fosters employee cohesion, serving as a source of momentum for the company's sustainable development |
| Talent development | Faraday places great importance on talent cultivation and development, possessing comprehensive training resources and a supportive learning environment. In alignment with the company's operational goals and strategies, we have established a comprehensive training and development system and roadmap, dedicated to cultivating and inheriting high-quality technical talent to accumulate the company's intellectual capital and overall competitiveness |
| Diversity/Equity/Inclusion | Protecting the basic rights and interests of employees and providing a harmonious working atmosphere is Faraday's fundamental responsibility |
| Climate and energy | In response to climate change, we promptly identify opportunities and analyze operational and financial impacts, striving to achieve environmental sustainability. Effective greenhouse gas emissions and energy management can improve operational performance and reduce environmental burdens |
| Occupational health and safety | Safeguarding employee life safety and health, and providing a good working environment, are Faraday's basic responsibilities |
| Social inclusion | Leveraging Faraday Technology's core innovative technology, we share the benefits brought by technological innovation with society, enabling more people to benefit from the opportunities created by the widespread adoption of technology, thereby driving a better future. |

# Management of Material Sustainability Issues and Value Chain Alignment

Following approval by the Board of Directors, the material sustainability issues are further cascaded down to align with the ESG Committee's sustainability strategy. Each working group reviews the linkage between the material issue analysis results and the current sustainability strategies and goal settings, extending this to value chain management and corresponding information analysis applications:

- Value Chain Analysis: Analyze the impact level of sustainability issues on Faraday as well as its upstream and downstream value chains
- Sustainability Report: Align with GRI material topics and update report disclosures in accordance with GRI disclosure framework indicators
- Risk Analysis: The analysis results are provided to the Risk Management Committee for detailed parameter analysis, serving as a key reference basis for risk item identification
- IFRS Material Issues: The analysis results assign higher weights to operational impact and investor concern levels, serving as a key reference basis for IFRS material issue analysis

| Material Sustainability Issues | Alignment with Faraday's Sustainability Structure / Disclosure Sections | Impact Location in Value Chain | | | | GRI Topics |
|---|---|---|---|---|---|---|
| | | Faraday | IC Design | Manufacturing | Customer Application | |
| Corporate governance | Corporate governance | ● | ○ | ○ | ○ | GRI 205: Anti-corruption<br>GRI 206: Anti-competitive Behavior |
| Information security and privacy management | Corporate governance | ● | ● | ● | ● | GRI 418: Customer Privacy |
| Innovation management | Innovation management | ● | ● | ● | ● | Faraday-defined sustainability issues |
| Product quality and safety | Partnership for prosperity | ● | ● | ● | ● | GRI 416: Customer Health and Safety |
| Customer relationship management | Partnership for prosperity | ● | ● | ● | ● | GRI 418: Customer Privacy |
| Sustainable supply chain management | Partnership for prosperity | ● | ● | ● | ● | GRI 204: Procurement Practices<br>GRI 308: Supplier Environmental Assessment<br>GRI 414: Supplier Social Assessment |
| Talent attraction and talent retention | Friendly workplace | ● | ● | | | GRI 201: Economic Performance<br>GRI 202: Market Presence<br>GRI 401: Employment |
| Talent development | Friendly workplace | ● | ● | | | GRI 404: Training and Education |
| Diversity/Equity/Inclusion | Friendly workplace | ● | ○ | | | GRI 202: Market Presence<br>GRI 401: Employment<br>GRI 405: Diversity and Equal Opportunity<br>GRI 406: Non-discrimination<br>GRI 407: Freedom of Association and Collective Bargaining<br>GRI 408: Child Labor<br>GRI 409: Forced or Compulsory Labor |
| Occupational health and safety | Friendly workplace | ● | ○ | | | GRI 403: Occupational Health and Safety |
| Climate and energy | Environmental sustainability | ● | ○ | ● | ○ | GRI 201: Economic Performance<br>GRI 302: Energy<br>GRI 305: Emissions |
| Social inclusion | Social inclusion | ○ | | | | GR203: Indirect Economic Impacts |

● Direct impact ○ Indirect impact

# Stakeholder Communication

The ESG Committee, following the material sustainability issue analysis process, regularly communicates with stakeholders and collects sustainability issues of concern to stakeholders. Each year, the Committee compiles "Faraday's Stakeholder Communication Status" and submits it to the Board of Directors for review (at least once a year; the most recent report date is April 22, 2025).

| Stakeholder | Significance to Faraday | Communication Channels/Frequency | Sustainability Issues of Concern | 2025 Communication Achievements |
|---|---|---|---|---|
| **Customer** | Best strategic partner, dedicated to customer-oriented product and service development to support customer success. | • Phone/email (daily)<br>• Quality meetings (monthly/quarterly)<br>• Customer satisfaction surveys (quarterly)<br>• Customer meetings (irregularly)<br>• Customer questionnaires and audits (irregularly)<br>• Customer audits (irregularly) | • Customer relationship management<br>• Innovation management<br>• Product quality and safety<br>• Sustainable supply chain management<br>• Information security and privacy management | • Customer satisfaction reached 91% (out of 100%), and improvement measures as well as preventive actions to prevent recurrence of customer-identified issues have been implemented.<br>• Responded to 28 customer ESG-related questionnaires or Codes of Conduct.<br>• Underwent a total of 5 customer audits.<br>• Participated in specific customer sustainable supply chain initiative programs (carbon inventory, carbon reduction, energy efficiency).<br>• Participated in sustainability assessments, including EcoVadis and CDP, in response to customer requests. |
| **Employee** | The most important resource, creating the greatest value for the company. | • Employee forum (quarterly)<br>• Labor management conference (quarterly)<br>• Training committee (quarterly)<br>• Occupational safety and health committee (quarterly)<br>• Welfare committee (half-year)<br>• Performance review (annually)<br>• Employee satisfaction survey (annually)<br>• Human rights due diligence (every three years)<br>• Electronic Suggestion Box/Bulletin Board (irregularly) | • Talent attraction and talent retention<br>• Diversity/Equity/Inclusion<br>• Talent development<br>• Occupational health and safety | • Held a total of 20 regular meetings, including:<br>- Employee forum (Quarterly)<br>- Labor management conference (quarterly)<br>- Training committee (quarterly)<br>- Occupational safety and health committee (quarterly)<br>- Welfare committee (half-year)<br>• Annual Performance Review: Implementation rate exceeded 90%<br>• Newcomer Interviews: Implementation rate reached 100%<br>• Employee Opinion Survey: Percentage of employees giving the highest eNPS rating exceeded 90%.<br>• Human Rights Due Diligence: Implementation rate reached 100%; 0 cases of human rights violation complaints reported |
| **Shareholders/ Investors** | Provide operating capital and focus on financial and governance performance. | • Investor conference (quarterly)<br>• Shareholder general meeting (annually)<br>• Financial reports and annual Report (quarterly/annually)<br>• Sustainability report (Annually)<br>• MOPS (Market Observation Post System)(irregularly)<br>• Institutional Investor Meetings (Irregularly)<br>• Phone/Email (Irregularly)<br>• Company Website (Irregularly) | • Corporate governance*<br>• Financial performance*<br>• Risk management*<br>• Innovation management<br>• Product quality and safety | • Held quarterly online investor conferences to fully explain operational performance and outlook for the quarter, totaling 4 sessions throughout the year<br>• Invited to participate in 5 domestic and international securities firm forums, effectively communicating the company's operational status and strategies to institutional investors<br>• Conducted online or physical meetings with domestic and international investment institutions several times a week; through nearly 100 meetings, enabled investors to understand the company's value and competitiveness<br>• Held the Shareholders' Meeting annually before the end of May, exceeding legal requirements, to alleviate the concentration of meeting schedules.<br>• Published both Chinese and English versions of interim and annual financial reports ahead of legal deadlines, ensuring information transparency.<br>• Simultaneously released a total of 27 material news items in both Chinese and English to facilitate access to company information by foreign institutional investors<br>• Collaborated with stakeholders to respond to international sustainability assessments including FTSE, S&P CSA, and MSCI<br>• Awarded the highest AAA rating in the TIP Taiwan Sustainability Assessment |
| **Supplier/ Contractor** | Provide operational resources and services to co-create a sustainable supply chain. | • Phone/Email (daily)<br>• Supplier audits (quarterly/yearly)<br>• Quality monthly reports (monthly)<br>• Customer complaint channels (irregularly)<br>• Supplier sustainability communication (irregularly) | • Risk management*<br>• Ethical management*<br>• Sustainable supply chain management | • Conducted a total of 19 RBA audits for suppliers, with 100% of suppliers meeting RBA requirements.<br>• Qualified suppliers completed the annual sustainability questionnaire self-assessment with a 100% completion rate.<br>• 100% of production suppliers provide quality monthly reports every month.<br>• Completed quarterly evaluations of production suppliers with a 100% completion rate.<br>• Suppliers completed corrective and preventive actions for production abnormalities with a 100% completion rate.<br>• Suppliers completed signing the "Supplier Code of Conduct Commitment," "No Conflict Minerals Declaration," and "Environmental Substances Non-Use Commitment" with a 100% completion rate.<br>• In 2025, conducted human rights due diligence for suppliers. Issues of moderate risk were identified as key human rights issues for Faraday. We will continue to optimize supplier audit management and regularly track execution results.<br>• Provided sustainability training courses for suppliers totaling 4 sessions, including "Supplier Privacy Policy and Management," "Supply Chain Human Rights Due Diligence and Key Sustainability Audit Points," and "Supplier Privacy Risk Assessment and Audit." |
| **Government/ Associations** | Adhere to government regulations and leverage government resources. | • Corporate governance evaluations and index assessments (yearly)<br>• Sustainability report (yearly)<br>• Government correspondence and activities (irregularly)<br>• Legal compliance (irregularly) | • Financial performance*<br>• Risk management*<br>• Ethical management*<br>• Corporate governance<br>• Climate and energy | • Ranked in the top 5% among all listed companies and in the top 10% among electronics companies with a market capitalization exceeding NTD 10 billion in the 12th Corporate Governance Evaluation.<br>• In response to the Occupational Safety and Health Administration's promotion of occupational health and safety, successfully retained the title of an outstanding enterprise in the " Active Evaluation of Corporate Sustainability Report Disclosure of Occupational Health and Safety Indicators " for consecutive years.<br>• Participated in and passed the "Healthy Workplace Promotion Self-Assessment Certification" by the Health Promotion Administration, Ministry of Health and Welfare.<br>• Responded to the national "12 Key Strategies for Net-Zero Emissions" by initiating green electricity wheeling, promoting energy-saving projects, and advancing green finance.<br>• Completed GHG inventory and verification for both parent and subsidiary companies, ahead of the schedule outlined in the Financial Supervisory Commission's Sustainable Development Roadmap (2029)<br>• Served as committee members and officers of the Professional Committee of the Taiwan Science Park Industrial Association, providing professional advice and consultation while acting as a bridge for communication with the government<br>• Participated in a total of 50 public hearings, seminars, or training sessions on regulations organized by government agencies and industry associations |

Note: *refers to general issues under the Corporate Governance aspect.

# Sustainability Strategy Integrating SDGs

As a global citizen and an important member of the semiconductor supply chain, Faraday establishes the execution structure of sustainability through its Sustainability Committee. Based on the three ESG pillars of environment, society, and governance, Faraday has developed six key sustainable spindles: green innovation and low-carbon operation, friendly workplace and inclusive society, and innovative value and partnership for prosperity. We implement the spirit of sustainability through five execution aspects: innovation management, partnership for prosperity, friendly workplace, environmental sustainability, and social inclusion. During the target-setting process, we align with material sustainability issues and focus on the United Nations Sustainable Development Goals (SDGs) [Note], implementing corresponding sustainability action plans to ensure concrete execution results, synchronize with global sustainability benchmarks, and jointly create a sustainable future.

| Core Sustainability Strategy | | | | Aligning with Sustainability Frameworks and Standards | | Actions and Performance Tracking |
|---|---|---|---|---|---|---|
| Corporate Governance and Five Execution Aspects | Sustainability Policy | Corresponding Policy/Commitment | Management Strategy | SDGs | Sustainability Frameworks | Management Policy and Achievements |
| Corporate governance | "Faraday ESG Policy"<br>"Sustainability Best Practices Guidelines" | "Key Corporate Regulations"<br>"Information Security Policy"<br>"Privacy Policy" | Incorporate sustainability issues into the core considerations of corporate governance and business strategy | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | GRI<br>SASB<br>IFRS | Refer to Corporate governance |
| Innovation management | | Through continuous innovation to strengthen core competitiveness to achieve sustainable development | With innovative technology, promote global energy transition and smart development through welfare products. | | | Refer to Innovation management |
| Partnership for prosperity | | "Faraday Supplier Code of Conduct"<br>"Customer Rights Policy and Complaint Procedures" | Mutually beneficial partnerships with upstream and downstream value chain, shared prosperity, sustainable goodness | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION<br>17 PARTNERSHIPS FOR THE GOALS | | Refer to Partnership for prosperity |
| Friendly workplace | | "Faraday Technology Human Rights Policy"<br>"Faraday Technology Declaration of Diversity, Equity and Inclusion"<br>"Environmental Safety and Health Policy" | Provide a competitive remuneration and welfare system, create a safe and healthy working environment, and establish a friendly workplace that is people-oriented and integrates joy with professionalism. | 3 GOOD HEALTH AND WELL-BEING<br>8 DECENT WORK AND ECONOMIC GROWTH<br>10 REDUCED INEQUALITIES | | Refer to Friendly workplace |
| Environmental sustainability | | "Environmental Safety and Health Policy"<br>"Climate Change Commitment"<br>"Declaration on Biodiversity" | Reduce the environmental impact of business operations and integrate environmental sustainability principles into the company's sustainability strategy and operational planning. | 7 AFFORDABLE AND CLEAN ENERGY<br>13 CLIMATE ACTION | | Refer to Environmental sustainability |
| Social inclusion | | Promote social development, exert social influence, respond to social welfare | Promote social development, enhance social influence, social assistance and public welfare | 4 QUALITY EDUCATION | | Refer to Social inclusion |

Note: The process for identifying the United Nations Sustainable Development Goals (SDGs) takes into account Faraday's five sustainability execution aspects and refers to "Integrating the SDGs into Corporate Reporting: A Practical Guide" to prioritize relevant SDGs, ultimately focusing on nine SDGs.

# IFRS S1/S2 Sustainability Information Disclosure Plan

Faraday officially launched the implementation plan for IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures) in 2025. A dedicated project team has been established under the ESG Committee to launch a three-year implementation plan ahead of regulatory deadlines, and the Company plans to regularly report the execution progress to the Board of Directors.

| Year | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|
| Key tasks | • Establish a dedicated ESG Project Team under the ESG Committee and hold the official kick-off meeting.<br>• Release the "Sustainability Information Management Regulation" to strengthen internal controls and audit mechanisms<br>• Conduct a materiality assessment and analysis in line with IFRS S1/S2 requirements. | • Perform a gap analysis between current practices and IFRS S1/S2 disclosure requirements and formulate improvement action plans.<br>• Organize workshops on IFRS material topics to conduct risk and opportunity assessments and evaluate financial impact. | • Develop the external reporting infrastructure based on IFRS S1/S2 standards and enhance the completeness of the reporting process.<br>• Pilot the preparation of the "Sustainability Section" the in annual report | • Formalize the inclusion of the "Sustainability Section" in the annual report through the approval process of the Board of Directors and publicly disclose it.<br>• Monitor investor feedback on disclosure quality and continuously improve reporting practices. |



Five execution aspects

# Innovation Management

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

1.1 Core Competency
1.2 Innovation Technologies and R&D Results
1.3 Low-Power Consumption Technology R&D and Sustainable Products
1.4 Intellectual Property Management

## IP Database
Maintains a database of more than 4,000 IPs

## Low-Power Consumption IP
Has developed 3,321 low-power consumption IPs

## R&D Talents
R&D engineering talents account for more than 80% of total employees

## Patent
Cumulative granted patents worldwide: Over 1,001

## Sustainable Products
Energy transition and smart application-related products account for 90% of revenue

## Research and Development
R&D expenses account for 18% of the total revenue

# Sustainability Goals

| Material Sustainability Issues | Performance Indicators | 2025 Target | 2025 Results | 2026 Target | 2030/Long-term Direction |
|---|---|---|---|---|---|
| Innovation Management | Patent applications filed | ≥ 11 | 16 | ≥ 10 | Through reward mechanisms encouraging R&D innovation, align patent applications with Company operational targets to create a virtuous cycle of R&D innovation within corporate culture |
| | Pass TIPS class A re-certification | Maintain validity of verification statement | Validity maintained | Initiate TIPS re-certification | Promote the TIPS management system to all technical divisions of the Company, and maintain its long-term validity |
| **Self-Defined Target of Faraday** | **Performance Indicators** | **2025 Target** | **2025 Results** | **2026 Target** | **2030/Long-term Direction** |
| Green Product Design | Promote low-power consumption design | > 90% implementation completion rate on 14 nm low-power design and 40 nm SONOS low-power platform | 92% | > 95% | Continuously improve completion rate of low-power consumption products and platforms. |
| | Faraday's revenue share of sustainable products (Green energy/smart/efficiency related) | > 70% | 90% | > 80% | Continuously develop various low-power and energy-efficiency ASIC products, increase design project proportion, and year-by-year increase the proportion of low-power design projects in revenue, positioning Faraday toward a "greener" future |

# Management Policy

## Innovation Management

### Policies/Commitment

Strengthen core competitiveness through continuous innovation and implement sustainable development

### Impact Description

- Positive impact: Promote continuous innovation of human technology
- Negative impact: Failure to grasp market trends promptly will hinder
- advancement of new technologies

### Key Actions

- Review regularly; implement catchup plans
- Adjust product plan



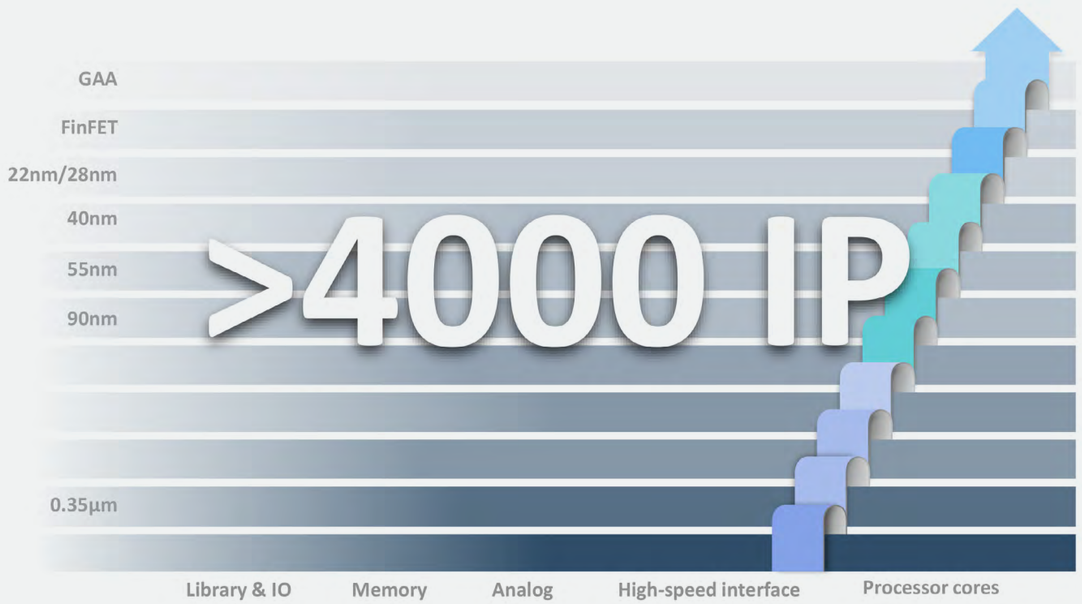
# 1.1 Core Competency

## 1.1.1 Complete IP Database

With three decades of rich experience in IP development, Faraday is committed to technology R&D and innovation, and has accumulated more than 4,000 self-developed IPs; and have been silicon proven and mass-production proven in ASIC design projects, which can meet ASIC customers'diverse applications in different fields. Faraday's diverse and complete IP database cannot only effectively save the development resources required for each ASIC design project, but also lay a good foundation for the project development capabilities and technological experience of R&D personnel, creating continuous innovation momentum.

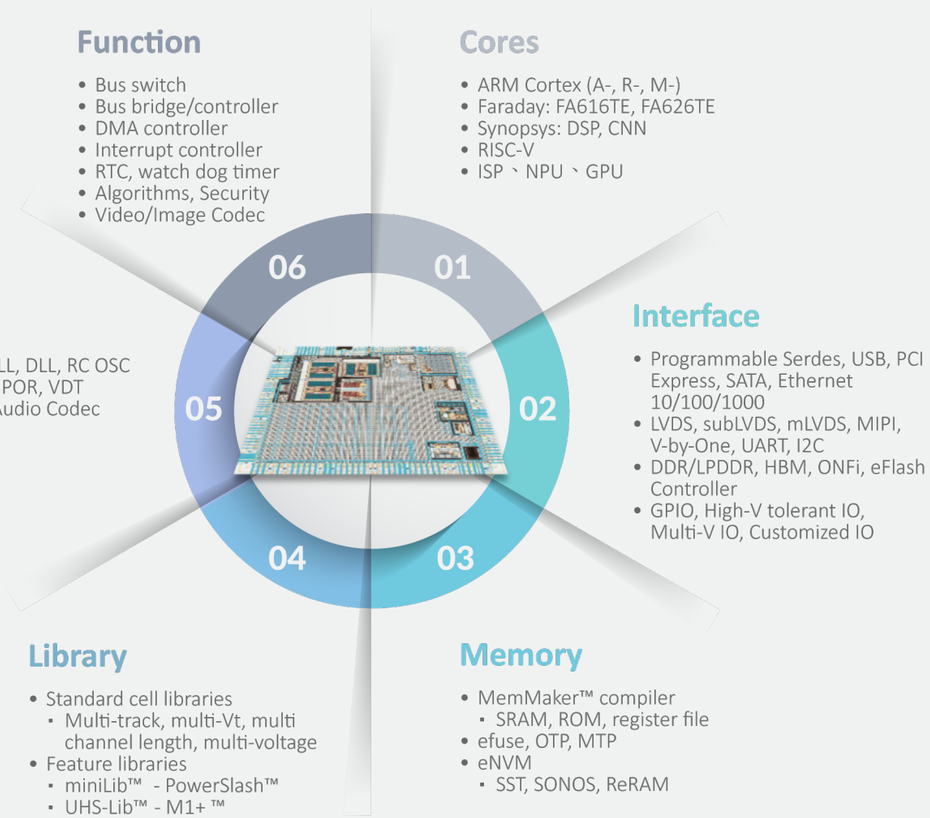
As the first ASIC manufacturer established in Asia with a complete self-developed IP database, Faraday leverages years of experience and continuously innovative technologies to help customers save considerable IP licensing fees, improve chip integration, and reduce chip development risks.

**Faraday's Complete IP Database Covering Key Processes and Advanced Processes**



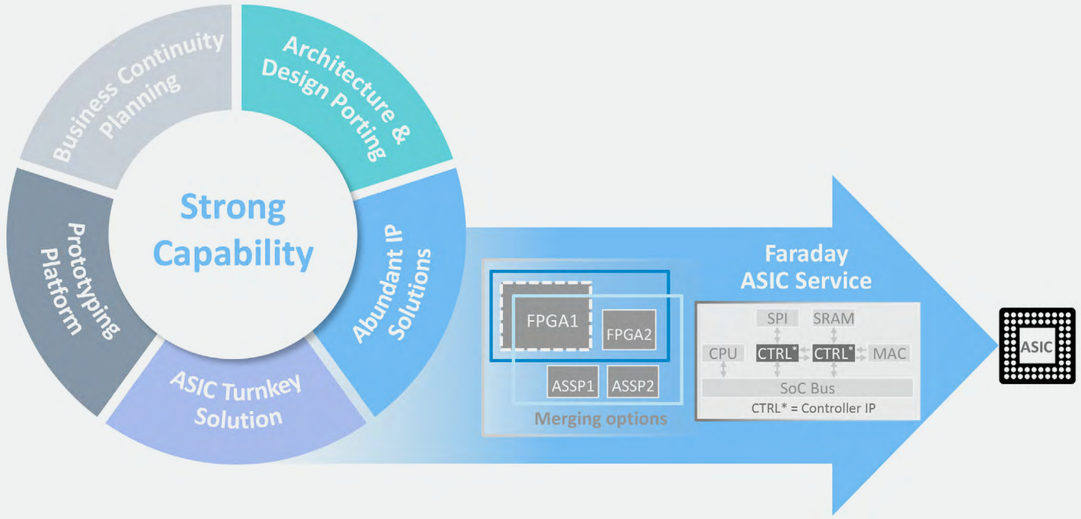

**Faraday IP Covering Six Major Technology Fields**

Faraday's IP database can be divided into six major technology fields by classification, including Processor Cores, High-speed IO, Memory, Library, Analog & IO, and SoC Peripherals. Each technical field contains a variety of IPs; Faraday also provides comprehensive IP service solutions while assisting customers on chip design.



## 1.1.2 Highly-efficient ASIC Design Service

Faraday has comprehensive and diverse ASIC design capabilities, including providing the competitive service items such as the best IP solutions, platform-based SoC integrated design, and Turnkey service. Combined with highly-efficient ASIC design flow, not only can it speed up the time to market of customers' products, but it also provides chip designs according to different application needs, and improves the cost competitiveness, safety and reliability of products.

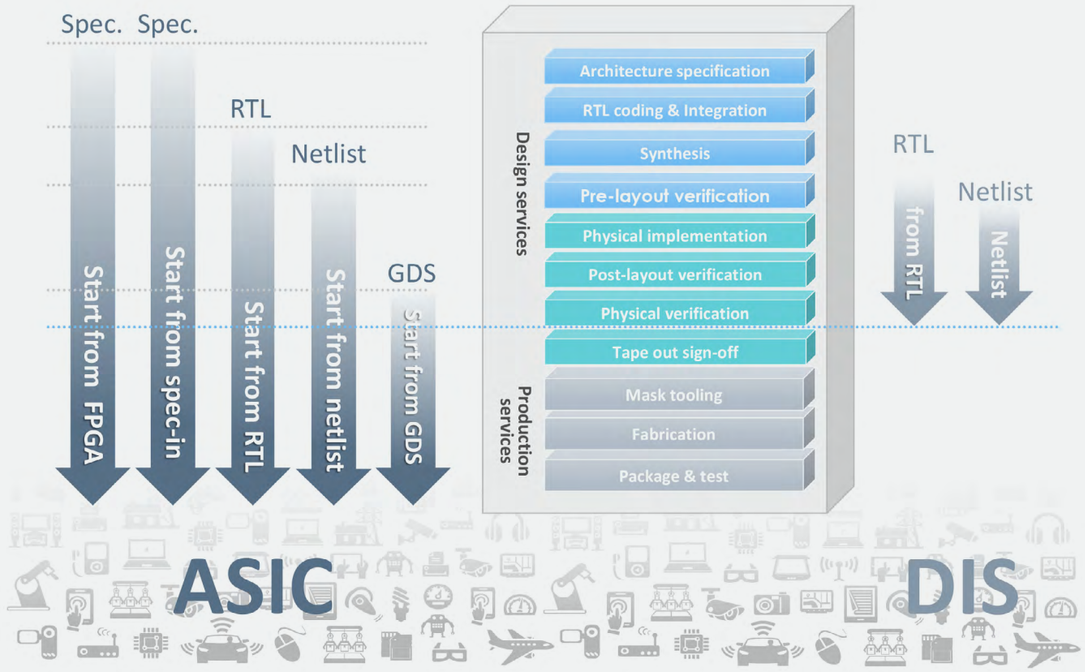



In addition to comprehensive design capabilities, Faraday has also developed complete design flow and solutions for customized chip services, with IP services, design services, and mass production services as its three core items. By combining automated integration tools and the platform to produce RTL and other designs, effectively solving complex chip design integration problems of customer products in a short period of time, allowing customers to focus more on the development of core technologies and to realize high-efficiency professional specialization.

Efficient innovation is the target that Faraday has always focused on. Under the trend of increasingly complex chip design, Faraday continuously makes technological breakthroughs, shares development experiences with partners and customers, establishes the core thinking of R&D innovation, and embody the sustainable value in every IC developed by Faraday.

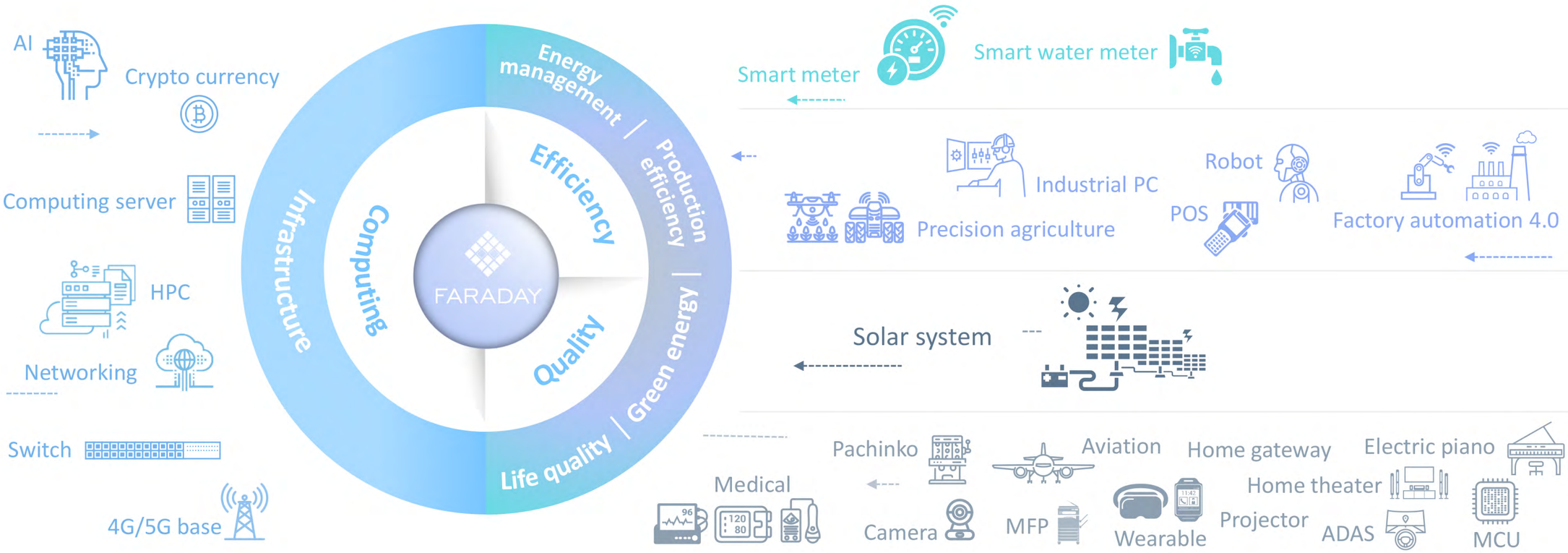
**Complete ASIC Design Service Mode**

Faraday has strategic partnership with foundry such as UMC, Samsung and Intel. We provide customers with complete process choices whether it is a high-performance advanced process or a key process for various applications, ASIC design services for the corresponding process are all deployed. Faraday provides one-stop ASIC services, from design to final production and testing, ensures that every link of the customer's design project from upstream to downstream is interconnected to reduce project risks and improve production efficiency.



**ASIC Application**

ASIC technology applications mostly focus on three major directions as high-speed computing, quality improvement, and efficiency promotion; covering five major application fields, such as cloud computing infrastructure, green energy, life quality, energy management, and production efficiency.

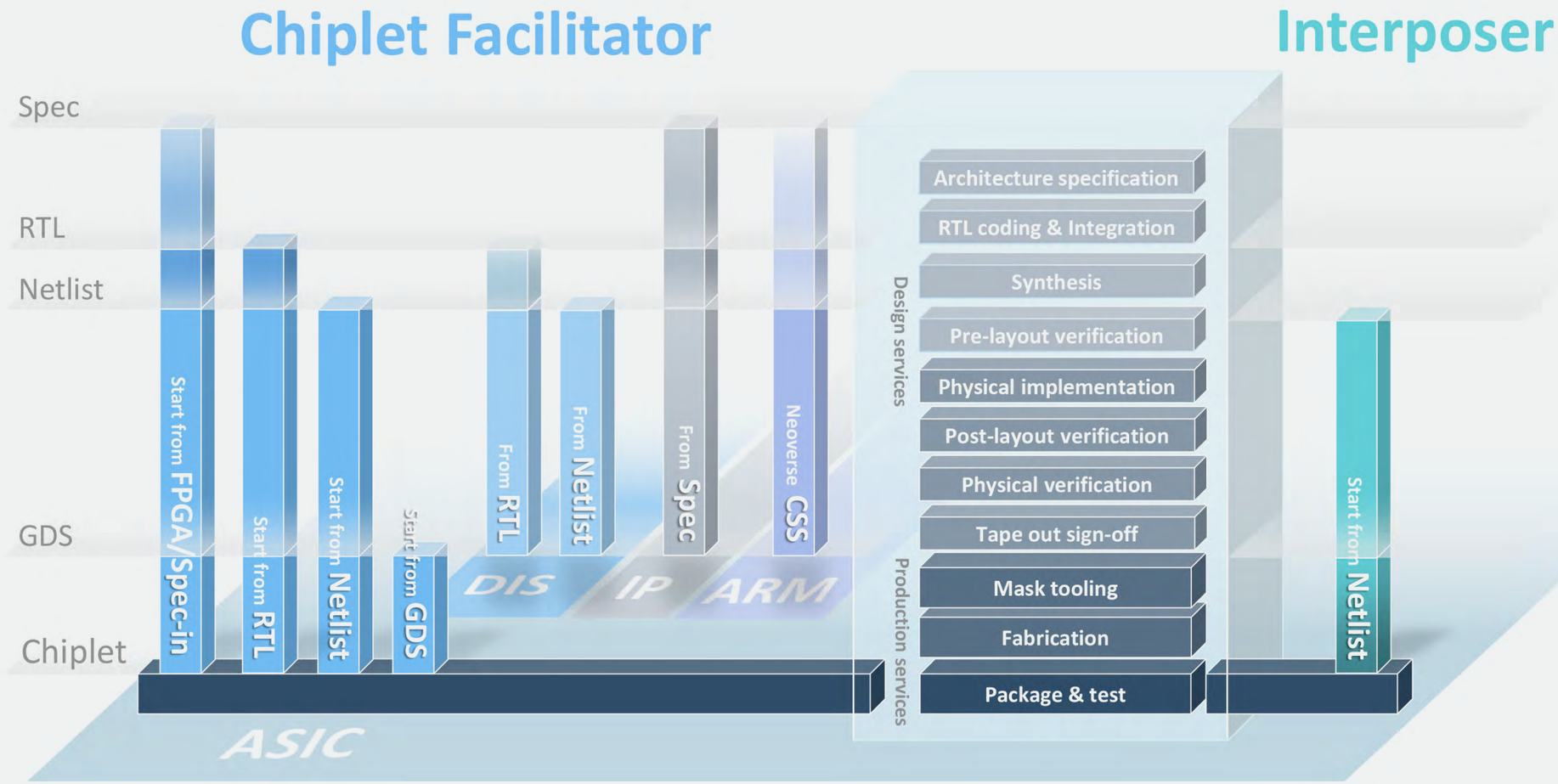


**Total Advanced Packaging Solution**

Advanced packaging technology is an important cornerstone for semiconductor process technology to enter the next generation. Through advanced packaging technology, chip products can be optimized in terms of performance, size, heat dissipation, cost, and power consumption. In providing customers with packaging solutions, Faraday provides customers with customized 2.5D/3D advanced packaging services. As a neutral service provider, Faraday can provide more technological support and efficiency on high-end packaging services such as multi-source chips, packaging, and manufacturing.

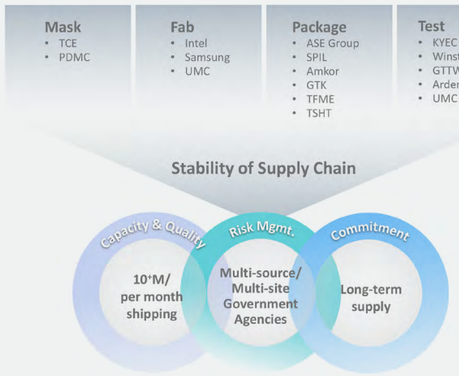
**Architecture Diagram of Advanced Packaging**

Through long-term cooperation with UMC and well-known assembly houses in Taiwan, Faraday can support customized passive/active interposer manufacturing including Through Silicon Via (TSV); provide advanced packaging services, and effectively manage 2.5D/3D packaging process.



**Solid Supply Chain Partnership**

As a leading manufacturer of comprehensive ASIC design services, Faraday cooperates with the world's top semiconductor suppliers to establish long-term mutual-trust relationships and provide high-quality and competitive technology and mass production services. From IP and EDA software tools of the design side to the foundry, packaging, and testing of the production side, we work with suppliers together to create chips with good quality to meet customer needs.




## IP Suppliers

ANDES TECHNOLOGY, arm, cadence, CEVA, ememory, Infineon, PUFsecurity, Rambus, SECURE-IC, Silicon Creations, SLI Silicon Library Inc., SYNOPSYS

## EDA suppliers

Ansys, cadence, KEYSIGHT, SIEMENS, SYNOPSYS

## Production

Amkor Technology, Ardentec A testing partner you can trust, ASE GROUP 日月光集團, GREATEK, GT, intel, KYEC, PDMC, SAMSUNG, SPIL, TCE, TF 通宝微電, UMC, Wavetek, Winstek, 华天科技

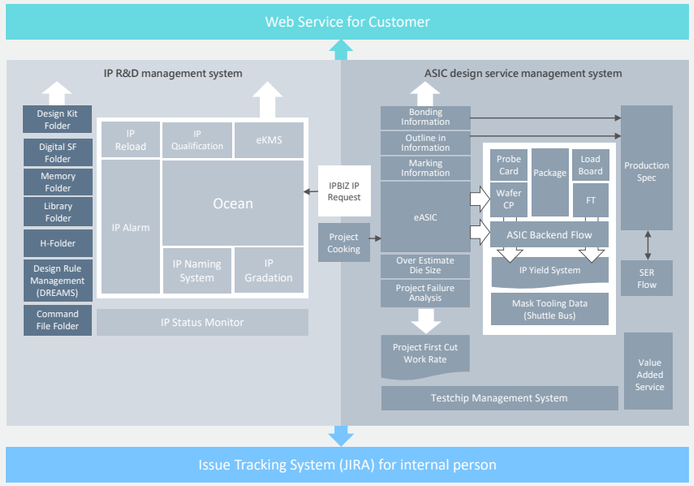
## 1.1.3 Innovative R&D Management

Faraday R&D management upholds to the purpose of “management innovation”, by establishing R&D management system, “eRD”, we have successively deepened our experience and energy in R&D and mass production technology, implemented PDCA in R&D management. Through executing comprehensive quality management, R&D quality has been improved year by year. Faraday’s product quality, cost, delivery, and service have been widely adopted and recognized by major international manufacturers.

Faraday keeps on developing IP core technology and complete ASIC product development solutions, establish long-term stable and win-win partnerships with our global customers; provide high-quality services and is devoting ourselves to creating ICs that benefit mankind and express Faraday’s value.

**eRD R&D management system**

Faraday’s eRD system is divided into two core modules: “IP R&D Management System” and “ASIC Design Service Management System”. These two modules cross-link data and share information with each other in the eRD system, which make the R&D flow to run smoothly; meanwhile, it is supplemented by Web Service to provide customers with the latest information and project management tools (JIRA) to facilitate progress tracking.




**IP R&D Management**

Faraday adopts self-built IP R&D management system, which can classify, manage, control, and develop IP data and conduct quality management by the following four stages.

- IP development phase
  Adopt self-built Folder system to record development flow and relevant data
- IP completion phase
  Adopt self-built OCEAN (Faraday IP central database) system to manage IP database
- IP status management
  Adopt self-built IP Center to collect IP status and by self-built IP Alarm system to carry out IP change and impact management and control; and guarantee the used quality of customer IP. IP status has divided into 5 grades to indicate each IP’s quality maturity. Each grade name and principle are as follows: Faraday IP Status Gradation Form
- IP delivery methods
  Adopt self-built eService system for customers to obtain project-related IP documents and information

**Faraday IP Status Gradation Form**

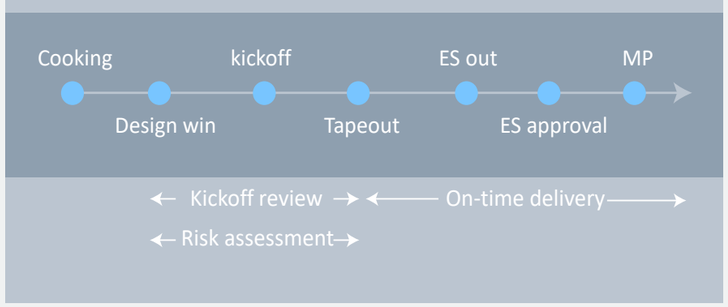
| Gradation | Description |
|---|---|
| Iron Grade | IP development completed; IP documents checked into the OCEAN system; IP verification pending |
| Bronze Grade | IP development completed; IP documents checked into the OCEAN system; IP verification completed; physical testing of IP test chip pending |
| Silver Grade | IP development completed; IP documents checked into the OCEAN system; IP verification, physical testing, and SVR completed; no ASIC products in mass production yet |
| Gold Grade | IP development completed; IP documents checked into the OCEAN system; IP verification, physical testing, and SVR completed; applied to mass production of more than 2 ASIC products (each producing more than 50 wafers or more than 20,000 chips) |
| Platinum | IP development completed; IP documents checked into the OCEAN (Faraday IP central database) system; IP verification, physical testing of IP test chip, and Silicon Verification Report (SVR) completed; applied to mass production of more than 5 ASIC products (each producing more than 50 wafers or more than 20,000 chips) |

**ASIC Design Service Flow Management**

Faraday provides ASIC customers with complete and diverse business model solutions. In terms of ASIC R&D management, the Company utilizes its self-built digital eASIC management system to digitally manage the entire ASIC project lifecycle, from initial product planning ("Cooking") with customers through final mass production. Information from related systems and ASIC projects is fully integrated into dedicated pages for each eASIC project. Users can easily access complete ASIC project information to ensure accuracy without missing any details, achieving R&D quality requirements on the first attempt. Through systematic R&D flow management, the Company improves quality and efficiency to strengthen its innovation competitiveness.

**Precise ASIC R&D Schedule Management**

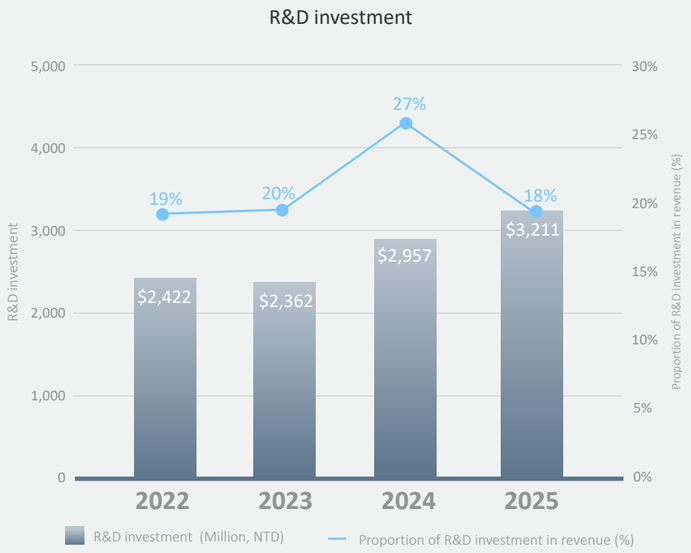
The ASIC design flow is complex. Faraday uses the “ADMIRE system” to control the details and schedule of each stage during actual development. The system includes a reminder mechanism, enabling project managers, R&D personnel, and customers to monitor task execution status and identify bottlenecks, facilitating immediate problem resolution.



# 1.2 Innovative Technology and R&D Results

## 1.2.1 Innovative Technology

R&D innovation is Faraday's core competency; R&D engineering talents account for more than 80% of the total number of employees. In recent year, Faraday has invested 19% ~ 30% of its revenue in R&D.



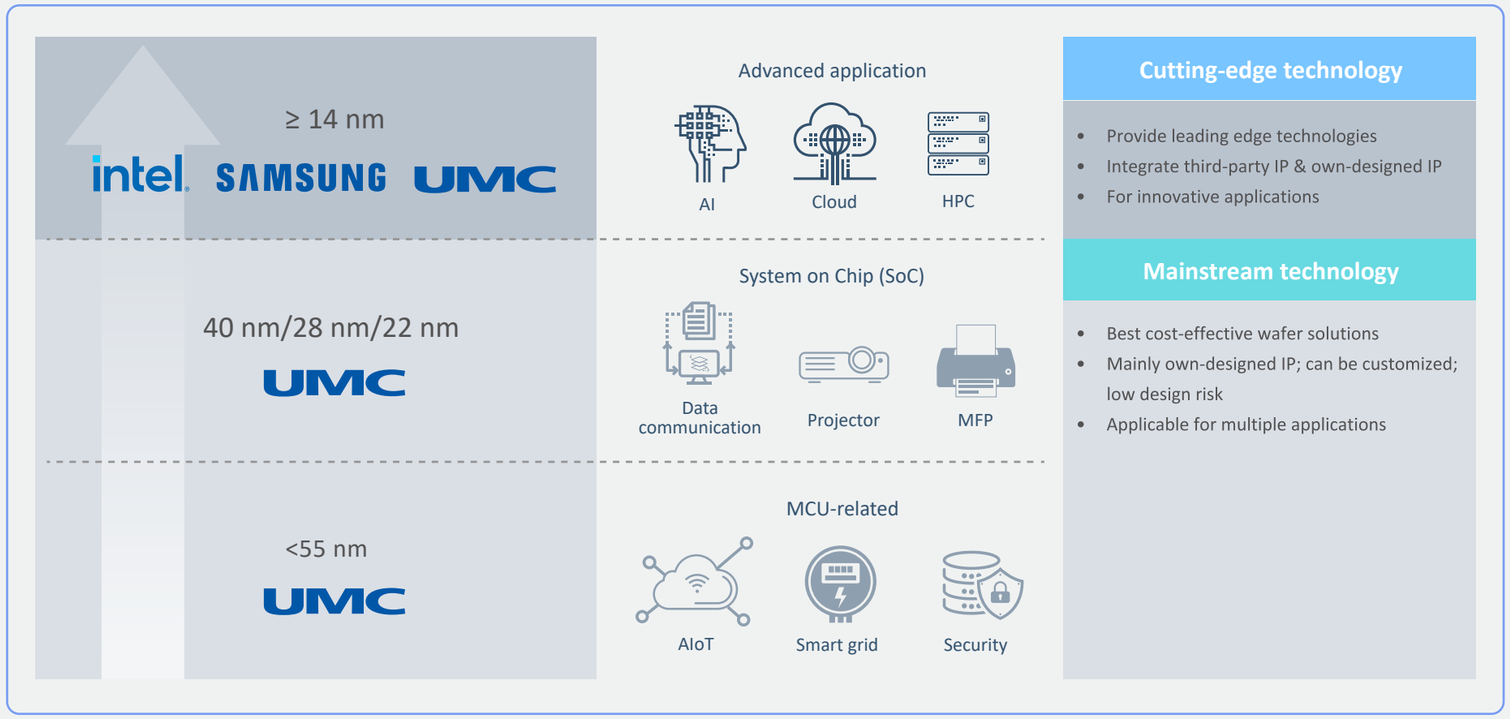

In the aspect of process technology upgrades, Faraday has strategic partnership with foundry, UMC, Samsung, and Intel. Faraday is committed to developing basic cells and various functional IP required for advanced processes; providing customers market-critical and advanced process of ASIC design services. According to customer needs, they can choose advanced processes, or key processes with a wide range of cost-effective key processes.

**Design Based on Key Processes**

Faraday has collaborated with UMC and Samsung to develop numerous standard cell and interface cell libraries, covering logic and mixed-mode signal special processes from 0.5 µm to 14 nm. Customers can select different process, voltage, and mixed-mode technologies based on their needs to meet diverse application requirements, including IoT, MCU, smart grids, multi-function printers (MFPs), projectors, and networking. In addition, Faraday acquired Aragio Solutions in alignment with the group's operating strategy to achieve strategic investment and deployment synergies, enhance core competitiveness in response to long-term operational needs, and expand industrial scale. Aragio Solutions specializes in high-speed transmission interface I/O and ESD IP solutions; its customers include major foundries such as TSMC, and its processes cover 65 nm to 4 nm.

**Design Based on Advanced Processes**

Faraday has successfully executed multiple ASIC projects with UMC, Samsung, and Intel on advanced process nodes. For next-generation application products such as artificial intelligence, 5G infrastructure, blockchain, cloud storage, high-performance computing, augmented and virtual reality, and advanced imaging technologies, we provide customized value-added ASIC design solutions, integrating comprehensive IP portfolios to help customers realize innovative products with advanced process technologies.



## 1.2.2 R&D Results

Faraday has always focused on the mission of delivering chips that "benefit mankind and support sustainable development," striving to realize social responsibility and environmental sustainability through continuous R&D of advanced ASIC solutions and IP assets in the rapidly evolving technology sector. In 2025, Faraday achieved several major technological milestones in high-performance computing, low-power consumption IoT, and high-speed communication fields.

Faraday's technological advancements in 2025 fully demonstrate its commitment to integrating technological innovation with ESG (Environmental, Social and Governance) goals. By providing low-power consumption, high performance, and cost-effective chip design solutions, Faraday not only assists customers in gaining competitive advantages in the fierce market but also contributes critical strength to the sustainable growth of the global digital economy.

### Material R&D Results

**Develop low-power consumption memory solutions; enabling green computing**

To respond to global energy efficiency requirements, Faraday launched the DDR/LPDDR general physical layer (PHY) IP suitable for UMC 22ULP and 14FFC processes in July 2025.

- Ultra-Low Voltage Technology: The 22ULP PHY supports an operating voltage as low as 0.8 V, significantly reducing power consumption for mobile devices, 5G, and IoT devices, achieving the goal of optimizing energy management.
- High-Performance Transmission: 14 nm PHY supports DDR5/LPDDR5 with transmission rates up to 6400 Mbps. Through built-in parameter adjustment mechanisms and impedance matching calibration, it ensures data transmission stability and high quality.
- Lower the Development Risk: This solution provides complete control circuit and subsystem integration services, assisting customers in enhancing their products' cost competitiveness and accelerating time-to-market.

**Innovative RRAM SoC platform; accelerating sustainable application in AIoT industry**

Faraday announced the launch of the FlashKit™-22RRAM SoC development platform in June 2025, offering a high-performance and cost-effective solution tailored for AI edge IoT devices.

- Minimize Resource Consumption: The platform adopts the UMC 22ULP process and features embedded Resistive Random Access Memory (RRAM), significantly lowers the need for additional masks. While enhancing production efficiency, it minimizes resource consumption during the semiconductor manufacturing process.
- High Integration and Flexibility: The platform integrates ARM Cortex-M7 and VeeR EH1 RISC-V processors and is equipped with an embedded FPGA (eFPGA) module. This enables customers to perform logic changes and reconfiguration after chip deployment, extending the product lifecycle and reducing the generation of electronic waste.

**Deployment of high-speed communication IP; establishing digital transformation infrastructure**

Targeting applications such as industrial automation, 5G modems, and Fiber-to-the-Home (FTTH), Faraday successfully implemented its 10G SerDes IP into UMC's 22 nm process in June 2025.

- Extensive Compatibility: This SerDes IP supports PCIe Gen3, USB 3.2, and multiple Passive Optical Network (PON) technologies (such as 10G-EPON, XGSPON, etc.), demonstrating its high design flexibility.
- Comprehensive Quality Management: Faraday has established a comprehensive IP management system covering development verification to quality monitoring, and provides early risk alert mechanisms to ensure the long-term stability and reliability of IP.
- Comprehensive Design Support: By providing integrated Signal and Power Integrity (SI/PI) analysis from on-chip to packaging levels, assisting customers to streamline the development process, and driving the upgrade of global communication infrastructure.

# 1.3 Low-Power Consumption Technology R&D and Sustainable Products

Faraday adheres to the sustainable concept of "Improve human welfare with technological innovation" and actively develops high-efficiency, low-power consumption chip technology, focus on five major applications: green energy, life quality, energy management, production efficiency, and cloud computing infrastructure to promote global energy transition and improve human welfare.

## 1.3.1 Low-Power Consumption Technology R&D

**Develop Low-Power Consumption SoC: 14 nm Fundamental Cell IP Solution**

Faraday has launched fundamental IP solutions based on UMC's 14 nm process, including multi-Vt standard cell libraries, ECO cell libraries, IO cell libraries, PowerSlash low-power consumption control kit, and memory compilers, for significant reductions in power consumption, thus satisfying the design needs for the next generation of SoCs.

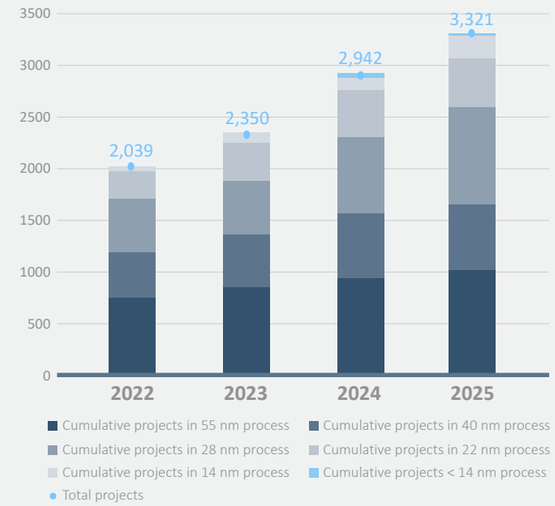
For low-power consumption SoC requirement, Faraday's fundamental cell IP is designed with enhanced routing, as well as optimal power, performance, and area. Compared to 22 nm capabilities, the 14 nm cell library can reduce chip die area by 10% or decrease power consumption by more than 30% at the same performance. In addition, this standard cell library operates across a wide voltage range from 0.8 V to 0.9 V and supports low-leakage operation for Always-on circuits in SoCs. The diverse I/O cell library includes general-purpose I/O, multi-voltage I/O, RTC I/O, OSC I/O, and analog ESD I/O. The memory compilers feature dual power rail functions, multiple power-saving modes, and read/write assist functions.

With Faraday's long-term collaboration with UMC and extensive ASIC experiences, we are able to provide customers with professional IP adoption services based on UMC's processes. The new logic cell libraries and memory compiler IP solutions we've launched based on UMC's 14 nm technology help customers grasp business opportunities by developing cost-advantageous, low-power SoC to deploy IoT, AI, telecoms, multimedia, and other emerging applications.

**Low-Power Consumption IP Technology Solutions**

As of 2025, Faraday has completed a total of 3,321 low-power consumption IP R&D, and has successively launched Mixed-Mode signal IP based on UMC's 14 nm process to provide customers with more complete solutions to reduce energy consumption and achieve the environmental protection target of power saving.

Cumulative kick-off projects of Low-Power consumption IP technology

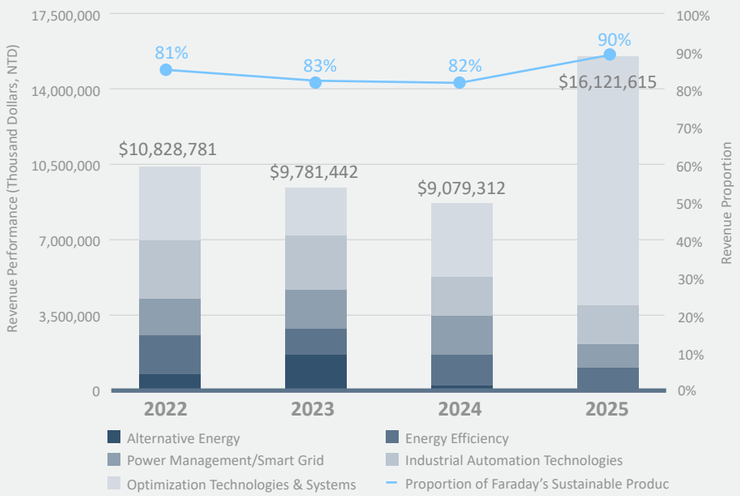


## 1.3.2 Promoter of the Energy Transition and Smart Applications

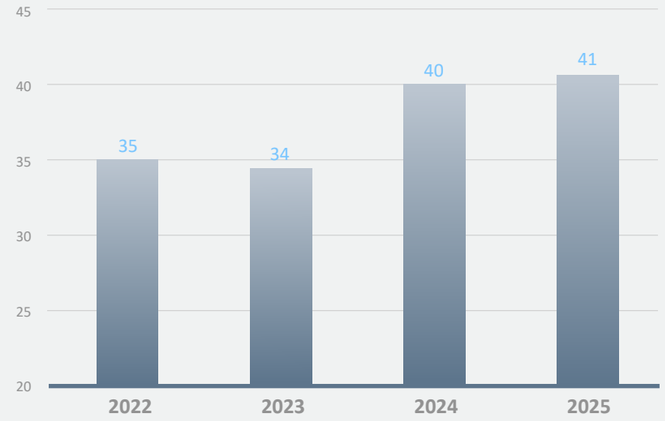
Faraday actively drives the development of products related to green energy, smart technologies, and efficiency enhancement, aiming to contribute to global energy transition goals through our professional design and R&D capabilities. Our product portfolio is applied in various green energy and sustainable fields, including smart meters, solar systems (including smart grids), Switch, office automation, industrial automation, precision agriculture, and PoS devices. In 2025, revenue from energy transition and smart application-related products accounted for 90% of total revenue, and this proportion is expected to continue growing in the future.

Faraday has long been a key chip design partner for system companies in the green energy industry chain. We provide self-developed IPs, as well as platform design services that accelerate the chip design flow, and cooperate with the effective management of production flow such as manufacturing, packaging, and testing. We have successfully completed the development of dozens of customer design projects and achieved mass production and product shipments, bringing commercial success to our customers and contributing to the global green energy industry.

Deployment and Proportion of Faraday Sustainability-related Products




Kick-off Projects of Energy Transition and Smart Application

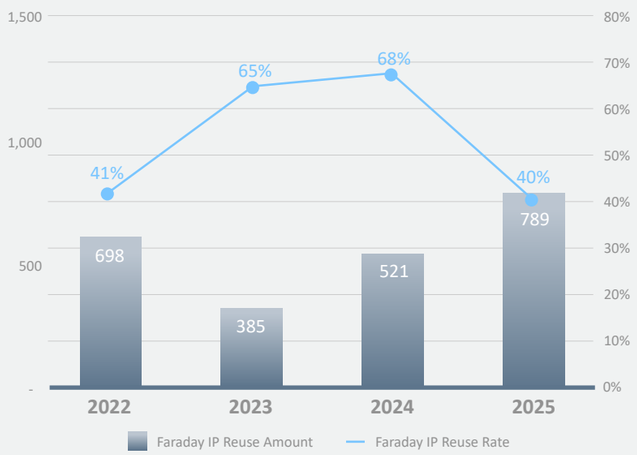



## 1.3.3 Promote Sustainable Value of Chip R&D Innovation by IP Technology

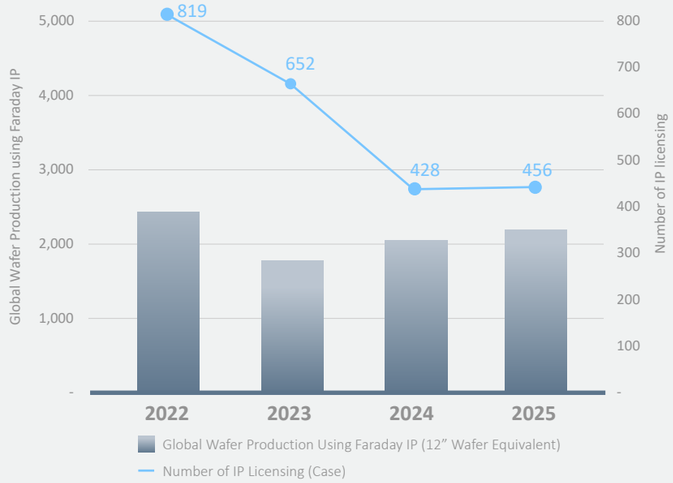
The advancement of human technology is closely tied to developments in chip technology. As chip manufacturing processes continue to break through new barriers, the power consumption and performance of each chip are consistently optimized with each new generation. The core technologies embedded in IP play a critical role in driving the development of next-generation chip products. Faraday possesses a rich IP portfolio and robust R&D capabilities, which have earned the trust of numerous customers and partners. High-quality IP not only reduces the risks associated with system-on-chip (SoC) integration but also enhances the efficiency and success rate of chip R&D.

As a promoter of core IP technology services, Faraday enables customers to focus on developing and innovating specific chip applications and functions, jointly creating more technological products that benefit humanity and the planet.

IP Reuse Status




Silicon IP Licensing and Wafer Production Volume



# 1.4 Intellectual Property Management

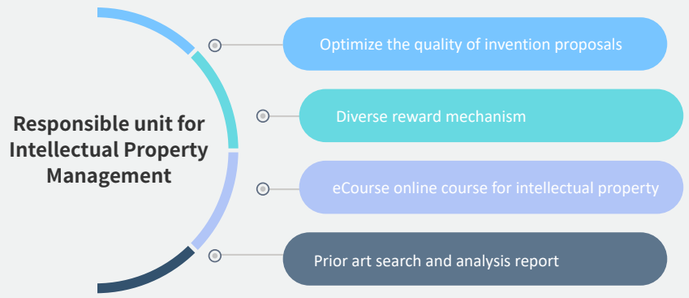
Faraday adheres to the belief in “Improving human welfare with technological innovation” and the business philosophy of achieving co-prosperity, win-win, and shared synergy for excellence with customers, employees, and partners. We provide customers with complete ASIC design services and IP licensing related services, and focus on technological innovation. Through reward mechanisms encouraging R&D innovation, align patent applications with Company operational targets to create a virtuous cycle of R&D innovation and continuously enhance technological competitiveness to achieve mutual growth and success.

**Faraday commits to adopting the following policies:**

- Deploy patents to protect R&D outcomes
- Encourage R&D innovation
- Strengthen acquisition, protection, maintenance, and utilization of intellectual property rights
- Enhance employees’ understanding of intellectual property and legal concepts
- Implement patent asset inventory
- Risk warning and control mechanism for intellectual property

**Responsible unit for Intellectual Property Management**

Faraday has established a dedicated division for intellectual property rights management, implementing a systematic patent management system and various processes. The division assists the R&D department in reviewing and optimizing the quality of invention proposals, provides technology prior art search and analysis reports based on technological R&D progress and needs, strengthens R&D capabilities to increase the grant rate of patent applications, and effectively manages all innovation proposals from the R&D division.




**Import Taiwan Intellectual Property Management Standards (TIPS)**

The Company reports annually to the Board of Directors on the intellectual property management plan and its implementation status. A report on implementation and management results was submitted to the Board on October 28, 2025. Through strengthening management systems and processes and aligning with operational targets, the Company enhances its R&D and innovation competitiveness, effectively controls risks, and improves corporate governance. Faraday implemented Taiwan Intellectual Property Management Standards (TIPS) in 2023 and most recently passed TIPS Class A certification in 2024 (please refer to the LINK for certificate details). The certificate is valid from December 31, 2024, to December 31, 2026.

## 1.4.1 Risk Warning and Control of Intellectual Property Right

Technological innovation and intellectual property protection are the cornerstones of the Company's competitiveness. Faraday implements active management and tracking measures for potential risks related to technical talent turnover and industry-related technical issues.

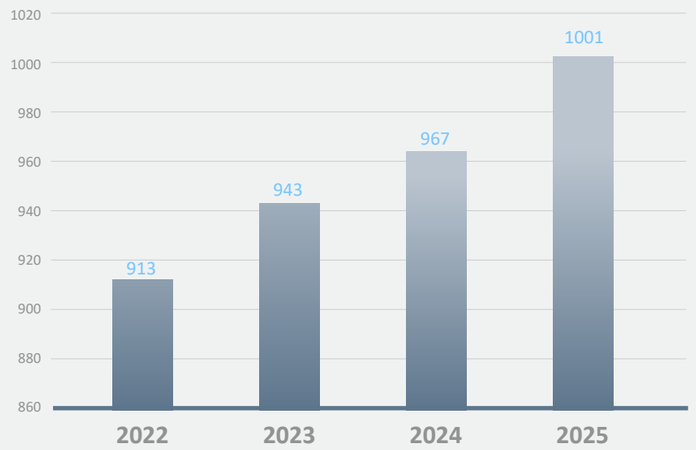
- Strengthen principles of ownership rights such as trade secrets and patent rights, and promote legal concepts including respect for intellectual property rights during new employee training.
- Regularly track and report on major industry issues in relevant technical fields; periodically conduct data exploration and analysis on technologies aligned with R&D department objectives to establish alerts and assist in risk planning.

## 1.4.2 Patent Deployment

Faraday’s patent application deployment strategy and targets take both quality and quantity into account. We regularly conduct patent asset inventory and analysis to effectively grasp the current status of patent assets and use resources more effectively. In the future, we will continuously invest in R&D manpower and resources, pay attention to the development of industrial technologies related to the Company’s operating targets, strengthen the protection of intellectual property, and enhance the visibility and competitive advantages of Faraday’s R&D capability.

- More than 1,001 cumulative granted patents worldwide (including more than 393 U.S. patents)
- More than 77 patent applications currently in process

Cumulative Patent Granted




## 1.4.3 Intellectual Property Management Performance

| Item | Achievement |
|---|---|
| R&D Results and Patent Deployment | • Cumulative granted patents worldwide: > 1,001 (U.S. Patents > 393)<br>• Patent applications currently in process: > 77<br>• Patent applications filed in 2025: 16 |
| Intellectual Property-related Trainings | • Intellectual property-related courses updated: 3<br>• Training implementation: Technical division R&D personnel: 5 sessions; Senior R&D personnel and supervisors: 7 sessions<br>• Industry IP trend tracking and reporting: 52 articles shared |
| Encourage Internal R&D | • Establish diverse reward mechanisms and conduct award ceremonies for granted patents to encourage R&D personnel to submit invention applications |

Five execution aspects

# Partnership for Prosperity

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

17 PARTNERSHIPS FOR THE GOALS

2.1 Quality Management

2.2 Customer Service

2.3 Sustainable Supply Chain Management

## Product Safety

Product Safety: 100%

Customer complaints regarding product safety violations: 0 cases

## Quality Improvement

TQM major quality improvement projects in R&D and operations: 21 projects

## Customer Satisfaction

Customer satisfaction rate: 90.6%

## Sustainable Supply Chain

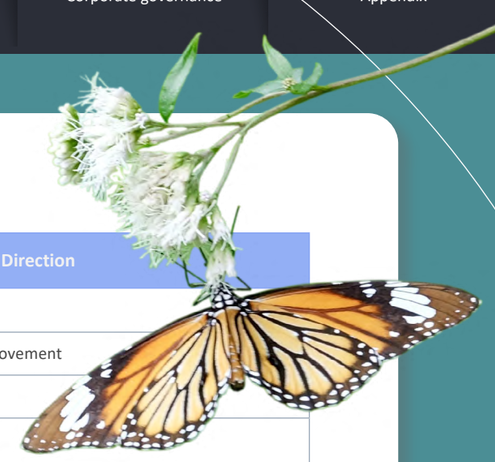
In 2025, 100% of suppliers completed human rights due diligence.

## Low-Carbon Supply Chain

Supplier carbon emission intensity decreased by 16%, achieving the 2025 target of a 6% reduction.

## Circular Regeneration

Scrapped masks were converted for recycling, totaling 1,395 pieces in 2025.



# Sustainability Goals

| Material Sustainability Issues | Performance Indicators | 2025 Target | 2025 Results | 2026 Target | 2030/Long-term Direction |
|---|---|---|---|---|---|
| Product Quality Safety | Customer complaints regarding product safety violations | 0 cases | 0 cases | 0 cases | 0 cases |
| Customer Relationship Management | Customer satisfaction rate | 87% | 90.6% | 87% | Continuous improvement |
| | eService customer questionnaire on-time closure rate | 98% | 99.7% | 98% | 98% |
| Sustainable Supply Chain Management | Percentage of wafer and packaging manufacturing suppliers certified with ISO14001 environmental management system | 100% | 100% | 100% | 100% |
| | Percentage of wafer, packaging, and testing suppliers certified with ISO45001 | > 80% | 93% | > 90% | Prioritize suppliers with ISO45001 certification, and continuously require all wafer, packaging, and testing suppliers to achieve ISO45001 certification. |
| | Percentage of wafer and packaging suppliers certified with QC080000 | > 80% | 100% | > 90% | Prioritize suppliers with QC080000 certification, and continuously require all wafer and packaging suppliers to achieve QC080000 certification. |
| | • Supplier signing compliance rate for the following documents:<br>- Declaration of Non-use of Conflict Minerals<br>- Commitment of Non-use Environmental Substances<br>- Commitment of Faraday Supplier Code of Conduct (including RBA human rights and carbon reduction requirements) | 100% | 100% | 100% | Achieve a 100% signing rate from wafer, packaging, and testing suppliers. |
| | Reduction in supplier carbon intensity ($tCO_2e$/NTD million outsourcing cost) compared to 2023 | 6% | 16% | 9% | All wafer, packaging, and testing suppliers are expected to achieve an average carbon reduction of 20% by 2030 (base year: 2023). |
| **Self-Defined Target of Faraday** | **Performance Indicators** | **2025 Target** | **2025 Results** | **2026 Target** | **2030/Long-term Direction** |
| Partnership for Prosperity | Percentage of wafer, packaging, and testing suppliers certified with ISO9001 | 100% | 100% | 100% | 100% |
| | Audit coverage rate for wafer, packaging, and testing suppliers (covering production quality management, supplier code of conduct, and information security) | 100% | 100% | 100% | Audit coverage rate for wafer, packaging, and testing suppliers: 100% |

# Management Policy

## Sustainable Supply Chain Management

### Policy/Commitment

"Supplier Code of Conduct"

### Impact Description

- Positive Impacts: Increasing the proportion of local production can boost local employment opportunities and drive the supply chain to develop products and service processes that are environmentally friendly, socially responsible, and respectful of human rights.
- Negative Impacts:
  - Insufficient supply chain resilience may disrupt product supply.
  - Uncontrolled hazardous substances may damage corporate reputation, cause financial losses, and lead to environmental pollution.
  - Non-compliance with human rights standards by suppliers may result in reputational damage and regulatory violations.

### Key Action

- Establish a supplier risk management mechanism, including new supplier assessments, qualified supplier audits, quarterly performance evaluations, and ESG questionnaire surveys and risk assessments for qualified suppliers.
- Strengthen environmental and human rights supervision within the supply chain to promote continuous improvement and optimization.

## Product Quality Safety

### Policy/Commitment

"Environmental, Health, and Safety Policy" (including prohibition of hazardous substances) Conflict-Free Minerals policy.

### Impact Description

- Positive Impacts: Prohibiting hazardous substances prevents environmental pollution and associated remediation costs. Simultaneously, it mitigates health and safety risks to end-users arising from non-compliance with safety regulations or the presence of hazardous substances, thereby enhancing customer reputation and market share.
- Negative Impacts: If product quality and safety fail to meet regulatory requirements, it may lead to product returns or pose risks to personal safety. Such incidents can subsequently damage corporate reputation and result in financial losses for both customers and the Company.

### Key Action

- Ensure 100% of suppliers sign the following documents:
  - Declaration of Non-use of Conflict Minerals
  - Commitment to Non-use of Environmental Substances
  - Commitment to Faraday Supplier Code of Conduct (including RBA human rights and carbon reduction requirements)

## Customer Relationship Management

### Policy/Commitment

Ensure technological leadership, quality assurance, and product competitive advantage to maintain customer trust and support.

### Impact Description

- Positive Impacts:
  - Externally meet customers' environmental regulatory requirements and promote compliance implementation throughout the supply chain.
  - Provide smooth communication channels for customers to meet their needs.
  - Ensure stable supply to downstream customers, thereby strengthening relationships within the industrial value chain.
- Negative Impacts: A decline in customer satisfaction may lead to customer attrition, adversely affecting the Company's long-term growth momentum.

### Key Action

- Establish smooth communication channels to gain in-depth understanding of customer needs.
- Meet regulatory requirements and drive supply chain compliance.
- Continuously optimize customer service to enhance customer satisfaction.

# 2.1 Quality Management

Faraday is committed to providing global customers with top-tier IP and ASIC design services. We regard “Quality Management” as the core of sustainable operations and fully implement the Total Quality Management (TQM) system. Through in-depth proactive risk diagnostics and recurrence prevention mechanisms, we minimize the occurrence of issues and defects.

To cultivate a robust quality culture, Faraday encourages R&D and operational units to initiate quality optimization and improvement projects. Achievements are shared through the TQM regular meeting platform. Furthermore, through the “Outstanding Project Competition”, the Company recognizes and rewards teams that demonstrate “concrete results and substantial contributions” in enhancing quality, service (customer satisfaction), and competitiveness. These efforts foster a culture of continuous improvement, ensuring Faraday fulfills its commitment to delivering high-quality products and services to customers.

## 2.1.1 Quality Policy

Faraday has established the “Quality Policy”, which is issued after approval by the President, to serve as a guideline for quality management.

**Quality Strategy**

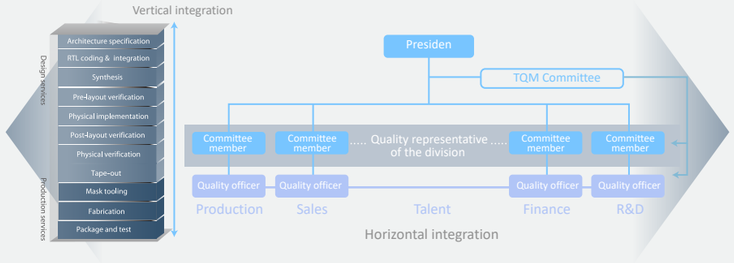
| Strategy | Execution content | 2025 Performance |
|---|---|---|
| Strengthen quality culture | • Continuously promote improvement activities<br>• Strengthen internal quality culture | • Department Quality Coordinators completed 451 ISO 9001:2015 internal monthly audits<br>• Completed 21 major quality improvement projects. |
| Enhance quality capabilities | • Provide quality-related training<br>• Host quality improvement forums and experience-sharing sessions<br>• Promote quality enhancement through project-based competitions | • 20 TQM training sessions, totaling 2787 person-hours<br>• Hosted the MOT Forum and Outstanding Project Experience Sharing Sessions<br>• 12 teams qualified for the Outstanding Project Competition. On February 10, 2026, during the employee forum, the President presented certificates and cash prizes to the 6 winning teams. |
| Achieve quality delivery | • Ensure that products meet quality requirements from design development to manufacturing | • Number of violations and fines related to health or safety regulations: 0 cases |

**Quality Target**

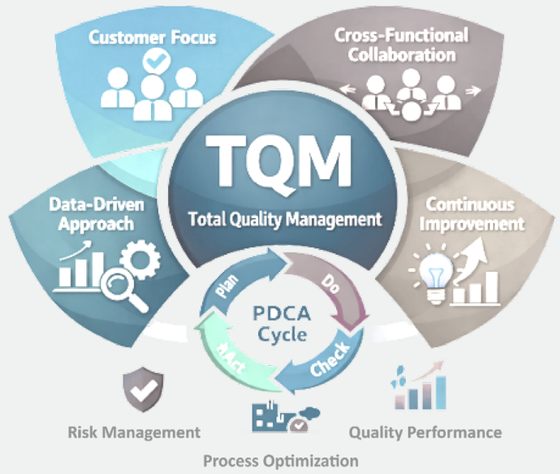
The TQM Committee sets R&D and operational quality objectives based on the Quality Policy, integrating internal and external risk assessments and customer expectations. It reviews progress annually, allocates resources, and plans improvement actions to ensure the achievement of quality targets.
The achievement rate of 2025 quality targets was 100%.

## 2.1.2 TQM, Total Quality Management

**Organization and structure of TQM, Total Quality Management**



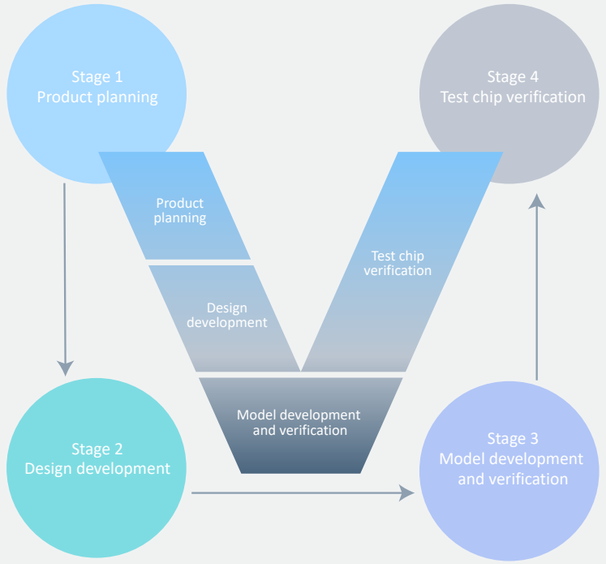

Faraday utilizes the TQM Committee to coordinate and oversee the planning and execution of Total Quality Management. Through institutionalized quality policies, cross-departmental collaboration mechanisms, and the PDCA (Plan-Do-Check-Act) cycle, quality management is systematically integrated into R&D, supply chain, and operational processes. The core spirit of TQM lie in continuous improvement, risk prevention, and a customer-centric approach, which are monitored via data-driven indicators with feedback mechanisms. Consequently, the Company effectively enhances product quality stability, reduces operational and compliance risks, strengthens organizational governance and long-term operational resilience, and supports the achievement of sustainable development goals.




## 2.1.3 Product Quality Safety

Faraday is committed to providing exceptional and safe chip design services. We regard Product Life Cycle Management as the core of implementing product responsibility, covering the entire spectrum from development, R&D, certification, manufacturing and production, storage, transportation and supply, usage and service, to reuse or recycling. Through the following mechanisms, we comprehensively safeguard customer value and the health and safety of end-users.

| Approach | Description |
|---|---|
| Optimizing R&D Quality Governance | Adhering to the V-Model development process, internalize "Quality by Design" into our operational workflows. Through rigorous Verification and Validation mechanisms, ensure that products meet high-quality standards from IP development to system integration. |
| Deepening Green Materials and Environmental Safety | Commit to using 100% compliant materials with international environmental directives (e.g., RoHS, REACH). For product safety, exclusively utilize packaging materials meeting the highest flammability rating (UL94 V-0) to proactively mitigate potential fire risks, thereby enhancing the durability and safety of electronic products. |
| Digital Management and Packaging Labeling | Implement digital processes and testing, and clearly display relevant information on product packaging. |
| Sustainable Supply Chain and Compliant Operations | Establish a rigorous supplier audit mechanism to ensure that production processes not only comply with regulations but also incorporate information security management to protect customer assets. Through upstream and downstream collaborative management, ensure product quality integrity during storage and transportation. |



### 2.1.4 Digital Quality System

Faraday provides high-quality customized ASIC products and has established a digital quality management system to optimize its integrated design and production turnkey services.

- eRD Management System: IP design development, ASIC design services, mass production technology development, testing technology development, reliability verification, and engineering change management
- eERP Management System: Covers procurement, quotations, orders, work orders, product specifications, and sales-related activities
- Report Express Automation Platform: Through standardized report formats, a unified reporting portal, and access control, it ensures content and data consistency while enabling automated generation of reports and charts.
- In 2025, Faraday introduced the "2.5D/3D IC Systematized Process," successfully integrating data connectivity from customer requirements (eCooking), through design (eASIC), to production (PMS). It has completely replaced the previous manual, cross-departmental email exchanges. By systematizing data management, the Company effectively reduces error rates and enhances operational efficiency, while also establishing a solid foundation for future data retrieval and analytical applications.

**Achievement Highlight**

In 2025, all departments demonstrated exceptional execution capabilities, successfully completing 21 major quality improvement projects throughout the year. Faraday continues to leverage the TQM "Faraday Outstanding Quality Project Award" initiative to encourage company-wide participation in project submissions (not limited to major projects), thereby fostering a corporate culture of continuous improvement.

**Faraday Outstanding Project Award" covers three key categories:**

- Quality Category：Focuses on the targets of R&D design optimization, mass production stability, and yield improvement.
- Service Category: Strengthens internal process efficiency and implements preventive improvements to ensure customer satisfaction.
- Competitiveness Category: Emphasizes cost optimization, technological breakthroughs, and enhanced market competitiveness.

In 2025, a total of 12 projects were selected as finalists (4 each in the Quality, Service, and Competitiveness categories). Two winning teams were selected from each category. With a prize of NTD 20,000 per team, a total of NTD 120,000 was awarded to recognize the outstanding contributions of the winning teams.

**Event benefits:**

- Promoting Knowledge Sharing: Through the "Faraday Outstanding Project" activity, successful experiences from various departments are transformed into an inheritable corporate knowledge base. Presenters from winning teams are invited to serve as speakers, sharing their award-winning project reports and insights with colleagues across relevant departments
- Enhancing Problem-Solving Capabilities: Through a standardized project reporting framework, employees are trained to integrate and apply the 7 QC tools, PDCA cycle, and related analytical tools. This enables the practical application of theory to overcome operational bottlenecks.
- Embedding a Culture of Continuous Improvement: Through the optimization and improvement of various projects, the Company not only significantly elevates product quality and service benchmarks but also further strengthens its core competitiveness in the market. This achieves the long-term value of operational excellence and establishes an organizational culture dedicated to continuous improvement.

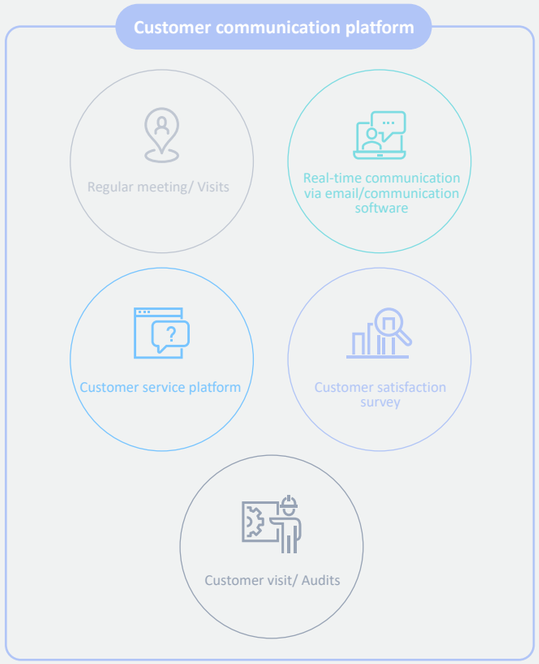


## 2.2 Customer Service

### 2.2.1 Customer Communication Platform

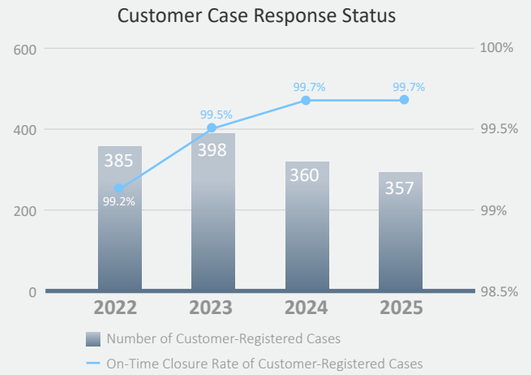
Faraday upholds a customer-first philosophy, fulfilling customer needs and expectations in product development, design, and mass production support. We regard our customers as strategic partners, fostering mutual trust and collaboration to achieve a win-win outcome.

To promptly understand customer needs and strengthen information exchange, we conduct periodic visits to key customers and hold meetings for communication. We also conduct an annual customer satisfaction survey to gather feedback. Through in-depth analysis of the survey results, we develop strategies and improvement plans to ensure that customer requirements are effectively addressed and fulfilled.




**eService Customer Service Platform**

To enhance service efficiency, Faraday has established the eService Customer Service Platform. Customers can submit product- or service-related inquiries and suggestions via the platform, which are handled immediately by dedicated personnel and responded to before the case closure deadline. Additionally, the eService system automatically sends satisfaction surveys to confirm customer satisfaction with the resolution outcomes. In 2025, the platform processed 357 customer cases, achieving an on-time closure rate of 99.7%, thereby surpassing the KPI target of 98%.




**2025 Customer-Commissioned Survey Results on Sustainability Issues**

| Survey Items | Completed Cases | Survey Results |
|---|---|---|
| Restriction of Hazardous Substances in Electrical and Electronic Equipment (RoHS) | 63 cases | All meet RoHS requirements. |
| Candidate List of Substances of Very High Concern (REACH) | 92 cases | All meet REACH requirements. |
| Conflict Minerals (CMRT) | 82 cases | All meet the RMI (Responsible Minerals Initiative) requirements. |
| Sustainability Implementation Status | 11 cases | Meet customer requirements |

## 2.2.2 ASIC Project Management

Faraday employs its self-developed eASIC system to digitally manage ASIC projects, from product planning to mass production. The system is integrated with other relevant systems to ensure that project information is real-time, complete, and accurate.

- Project management flow
  In response to customers' customized requirements, Faraday tailors a dedicated project management process. Risk assessments are conducted upon project initiation, and professional technical support is provided to assist customers in resolving system verification issues, ensuring smooth mass production that meets both schedule and quality targets.
- ASIC Design and Manufacturing Integrated Reference
  ADMIRE, a management platform tailored for ASIC projects, provides complete project records and real-time information. Connected to the JiRA system, it tracks issues and risks to ensure information transparency and provides customers with timely updates on the latest status.
- ASIC Design Data Control




- Faraday provides customers with a secure data exchange and version control mechanism through the ADDC system. Customers utilize dedicated secure IP channels for file downloads and uploads, ensuring data privacy and restricting access solely to project-related personnel. In 2025, Faraday received no complaints regarding customer privacy violations or data loss.
- Risk Control System
  Project Managers (PMs) have implemented a Risk Control System. Immediately following the project Kick-off, PMs activate the risk control mechanism, utilizing the Risk Assessment System to proactively identify potential risks at each stage. Through managing risks at the source, this approach reduces the probability of project delays or failures. For all Netlist-in projects in 2025, a 100% risk assessment completion rate was achieved, significantly enhancing the smoothness and controllability of project execution.
- ASIC Product Import and Export Control Management
  Faraday complies with import and export regulations issued by Taiwan's Bureau of Foreign Trade (BOFT) and implements an Internal Compliance Program (ICP). New customers and orders must undergo a red flag screening to exclude restricted end-users and applications. Customers are required to sign an EAR compliance declaration. Additionally, all ASIC products undergo SHTC (Strategic High-Tech Commodities) screening to ensure full compliance with export regulations.

## 2.2.3 Customer Satisfaction Survey

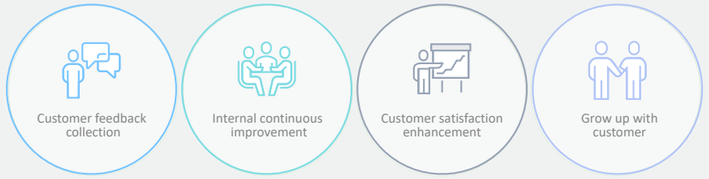
Faraday has established the "Customer Satisfaction Survey Management Procedure" to regularly monitor and evaluate customer satisfaction. We propose corresponding improvement plans, which are then reviewed to formulate improvement and optimization measures during management review meetings.

| Aspects | Survey Items |
|---|---|
| IP quality/service/competitiveness | Major key IP |
| Electronic Design Automation (EDA) tools & flows | Major design tools and key flows |
| ASIC design and production | Quality: Wafer; assembly; testing; and reliability<br>Delivery: Design integration; production planning<br>Cost: Competitiveness<br>Service: Customer return analysis, questionnaire surveys |

**Survey Aspect**

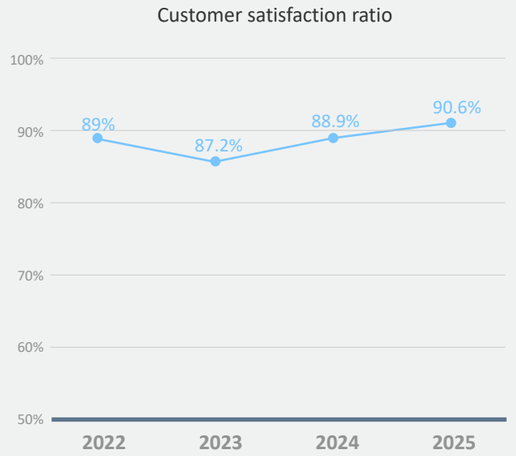
**Survey Flow**

- Identify Respondents: Confirm the respondent list based on survey items.
- Distribute Questionnaires: Send out questionnaires via the designated system.
- Designated personnel retrieve the completed questionnaires.
- Summarize and analyze satisfaction: Conduct satisfaction analysis across three aspects
- Improve and Follow Up: Continuously optimize services based on the analysis results.




**2025 Survey Results**

The proportion of customer satisfaction scores reaching 8 or above was 91%, exceeding the target of 87%.Faraday remains committed to the concept of growing together with customers, paying close attention to customer feedback, and driving improvements through the Total Quality Management Committee to ensure a strong and stable customer relationship.




**Achievement Highlights**

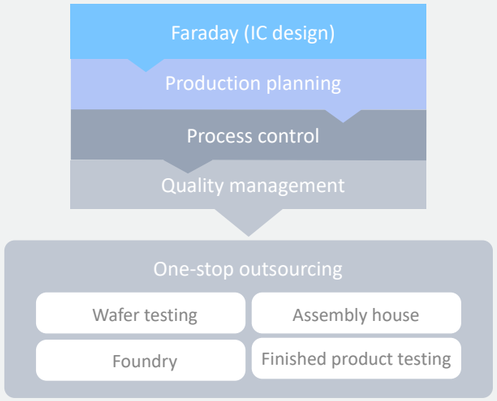
**Delivering on High-Quality Service Commitment: 100% Achievement and Implementation of Customer Needs**

On the path to sustainable management, Faraday upholds the "customer-first" philosophy, establishing a transparent and efficient two-way communication platform through annual satisfaction surveys. Regarding the 7 customer requirements and specific optimization recommendations proposed in the 2025 Customer Satisfaction Survey, Faraday demonstrated strong execution capabilities, with 100% of all countermeasures completed, achieving improvement and case closure.

We firmly believe that excellent technical support should not stop at problem-solving but must extend to preventive actions and value enhancement. Through the rigorous control of the TQM (Total Quality Management) system, Faraday ensures that every optimization recommendation is precisely implemented, solidifying the foundation of mutual trust with global strategic partners. Furthermore, through concrete actions, Faraday fulfills the sustainable commitment to high-quality products and services, creating maximum value for customers.

# 2.3 Sustainable Supply Chain Management

Faraday offers comprehensive IC design and one-stop turnkey services. Upon completion of IC design, the wafer fabrication, packaging, and testing processes are outsourced to qualified suppliers. Faraday maintains close collaboration with its suppliers to integrate the supply chain and ensure smooth production.

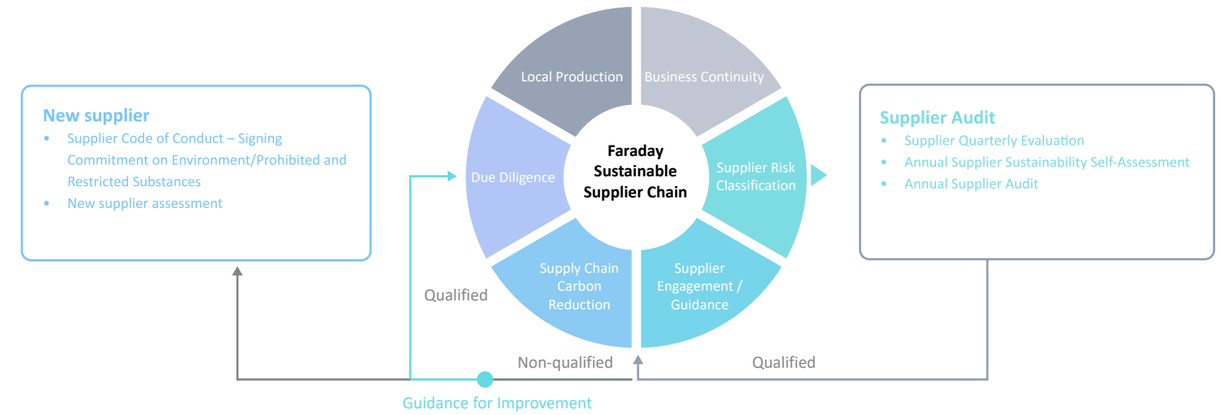



### Sustainable Supply Chain Management and Procurement Policy

When introducing new suppliers, Faraday conducts a comprehensive audit to ensure compliance with relevant regulations and internal standards. Faraday also regularly performs sustainability evaluations on qualified suppliers to ensure their corporate governance, environmental practices, and social responsibility align with the “Faraday Supplier Code of Conduct”. The results of these assessments serve as a key reference for procurement decisions. If a supplier violates the Code and fails to improve, the relationship may be terminated in the most severe cases. The key assessment criteria are outlined in the table below.

- Labor and human rights (minimum wage must meet basic living needs, prohibition of child labor, and limitation of overtime work)
- Energy and resource utilization
- Waste management
- Climate change response
- Environmental impact of the production process
- Biodiversity conservation

**Sustainable Supply Chain Cycle**




## 2.3.1 Supplier Risk Classification

Faraday regularly conducts sustainability risk analysis on suppliers, performing a comprehensive evaluation based on (1) whether specific management system certifications are obtained, (2) whether they comply with the "Faraday Supplier Code of Conduct", and (3) other requirements. Suppliers assessed as medium or low risk in the sustainability risk analysis may continue as cooperative supplier partners; high-risk suppliers are required to submit improvement plans. If suppliers fail to improve their sustainability risk level over the long term, it will affect Faraday's future procurement cooperation strategies.

| Supplier | Supplier Code | Total Score | Risk Level | Management System Certification (1 point per item) | | | | | Supplier Code of Conduct (1 point per item) | | | | | | Faraday Supply Chain Requirements | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Quality | Environment | Hazardous Substances | Occupational Health & Safety | Information Security | Labor Rights | Health & Safety | Environment | Ethics | Management System | GHG Reduction Commitment | Privacy Policy | Carbon Footprint (1) GHG Inventory (1) | Water Resource Management Policy | Energy Management Policy (2) | Tier-2 Supplier Conflict Minerals Declaration (1) Third-party Investigation (2) |
| Foundry | A | 19 | Low | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 1 | 2 | 2 |
| | B | 19 | Low | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 1 | 2 | 2 |
| | C | 19 | Low | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 1 | 2 | 2 |
| | D | 19 | Low | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 1 | 2 | 2 |
| Packaging House | E | 17 | Low | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 1 |
| | F | 17 | Low | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 1 |
| | G | 16 | Low | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 1 | 1 | 2 | 1 |
| | I | 17 | Low | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 1 |
| | J | 18 | Low | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 1 |
| | K | 16 | Low | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 1 | 2 | 1 |
| | L | 16 | Low | 1 | 1 | 1 | 1 | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 1 |
| | M | 17 | Low | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 1 |
| Test House | N | 15 | Low | 1 | 1 | 0 | 1 | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 1 |
| | O | 15 | Low | 1 | 1 | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 2 | 1 |
| | P | 17 | Low | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 1 |
| | Q | 16 | Low | 1 | 1 | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 1 |
| | R | 14 | Low | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 1 | 1 | 0 | 1 |
| | S | 15 | Low | 1 | 1 | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 2 | 1 |
| | T | 11 | Medium | 1 | 1 | 0 | 0 | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 1 |

*Risk Level: Low (≥ 14), Medium (9–13), High (≤ 8)
*Risk Level Description: High-risk suppliers must submit an improvement plan; medium- and low-risk suppliers are subject to continuous monitoring.

## 2.3.2 Local Procurement and Production

Faraday is committed to local procurement and production to reduce carbon emissions, enhance delivery efficiency, and improve quality. In 2025, the proportion of Faraday's local procurement amount was 30.5%.

**Supplier Global Distribution and Procurement Ratio**

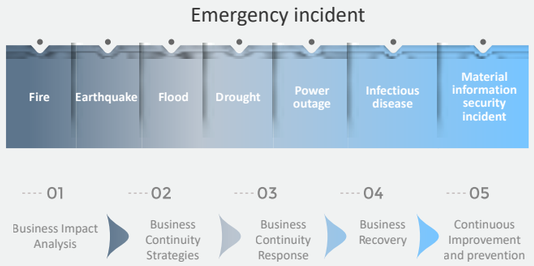
| Supplier Category | Number of Suppliers | Local Procurement Amount Ratio | Supplier Countries |
|---|---|---|---|
| Foundry | 4 | 36.6% | Taiwan, China, Singapore |
| Packaging house | 8 | 45.1% | Taiwan, China |
| Test house | 7 | 34.2% | Taiwan, China |

*Definition of Local Procurement and Production: Production and shipment conducted within the region where the customer is located.
*Definition of Key Operational Sites: Major production sites

## 2.3.3 Production Business Continuity Plan

Faraday implements a Business Continuity Plan (BCP) and has established an Emergency Response Command Center to address risks such as natural disasters, public health emergencies, and geopolitical risks, ensuring continuous product supply. The Emergency Response Command Center consists of five response teams: Administration, IT, Supply Chain, R&D, and Sales. The plan is regularly updated, and communication with customers and stakeholders is strengthened to enhance supply chain resilience. To mitigate production risks, Faraday has implemented the following measures:

- Establishing secondary supply sources, such as alternative suppliers, test platforms, and materials.
- Signing capacity assurance agreements with strategic suppliers to ensure stable production capacity and delivery schedules.
- Engaging in long lead-time production planning to secure production capacity to fulfill customer requirements.
- Complying with import and export regulations, with a 100% audit of high-tech goods (SHTC) to ensure compliance with international regulations.




**Production Business Continuity Results**

**Key Raw Material Management**

| Key Material | Potential Risk Analysis | Management Measures |
|---|---|---|
| Substrate | Substrates and lead frames are specialized materials with long production lead times. In situations of constrained market capacity, they are susceptible to supply shortages, which may impact customer delivery schedule. | • Establish a second supplier<br>• Reserve production capacity in advance |
| Lead Frame | | |

**2025 Global Supply Chain Deployment**

| Supplier Category/ Region | Taiwan | China | Europe | Southeast Asia |
|---|---|---|---|---|
| Foundry | V | V | - | V |
| Packaging house | V | V | - | V |
| Test house | V | V | V | - |

A new test house in Europe and a new packaging site in Malaysia have been added to meet customer demand.

**Product Risk Control Results**

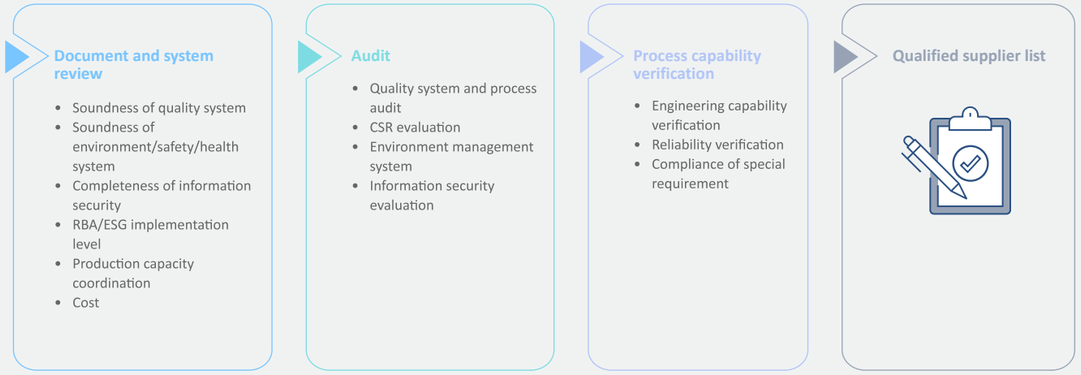
| Item | Number of Completed Cases | Result |
|---|---|---|
| EAR Compliance | Total: 18 cases, 18 completed | 100% response rate |

## 2.3.4 Supply Chain Assessment Management

**New Supplier Assessment**

Faraday evaluates new suppliers in accordance with the "Qualification and Performance Review of Subcontractors", covering aspects such as quality, cost and capacity, environmental management, occupational safety, ethics, and prohibited/restricted substances. The "Quality System and Process Checklist" is also used to verify whether the supplier's quality system and engineering capabilities meet the required standards. In 2025, Faraday onboarded 4 new suppliers. 100% of them were onboarded in accordance with the aforementioned regulations, and all new suppliers met the requirements.

Faraday classifies suppliers according to their production type and establishes corresponding checklists to assess the level of compliance.




**Checklist Items for New Supplier Assessment**

| Item | Management Boundary | Description |
|---|---|---|
| Quality Management System | All suppliers | Mandatory compliance |
| Environmental Management System | Foundries, Packaging Houses | Mandatory compliance |
| Occupational Health and Safety | All suppliers | Bonus item in assessment |
| Hazardous Substance Process Management System | Foundries, Packaging Houses | Bonus item in assessment |
| Conflict Minerals Management | Foundries, Packaging Houses | Manufacturing suppliers are required to provide certification. |
| Faraday Supplier Code of Conduct | All suppliers | Mandatory compliance |
| Information Security | All suppliers | Verify from six key aspects: management, network environment, physical environment, access control, backup and redundancy, and education and awareness. |

### Quarterly Evaluation of Qualified Suppliers

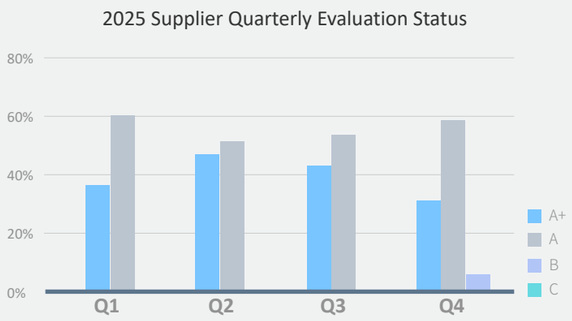
Qualified suppliers enter the sustainable management stage, with a focus on four key areas: production management, supplier audits, continuous improvement, and regular evaluations. Each quarter, suppliers whose contribution to production exceeds 10% are evaluated based on Quality, Cost, Delivery, and Service (QCDS), as well as sustainable management performance, and their continuous improvement efforts are reviewed. In terms of environmental impact assessment, suppliers must evaluate the environmental impact throughout the product life cycle, from raw material sourcing, design, manufacturing, logistics and transportation, to customer use, comprehensively assess and minimize environmental impact at every stage, and ensure the effectiveness of the ISO 14001 certification.




Faraday actively responds to the United Nations Sustainable Development Goals (SDGs) and continues to deepen sustainable supplier management. The company has integrated key sustainability issues (management aspects, social aspects, and information security) as well as the Responsible Business Alliance (RBA) criteria (focusing on labor rights and legal compliance) into its quarterly supplier evaluation items.

| SRating Category | Rating Item | Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|---|---|
| Quality | Product quality, delivery, customer complaints, and yield | ● | ● | ● | ● |
| Cost | Competitiveness, price reduction targets | ● | | | |
| Delivery | Achievement rate, competitiveness | ● | ● | ● | ● |
| Service | Engineering & Audit cooperation level | ● | ● | ● | ● |
| Sustainability Issues | Management, Social, and Information Security | | ● | | |
| RBA | Labor rights and legal compliance | ● | ● | ● | ● |

### 2025 Supplier Quarterly Evaluation Status




### Evaluation Rating and Disposition Measures

| | |
|---|---|
| A⁺~A | Maintain the original procurement ratio or adjust as required |
| B | Require the supplier to make improvements. |
| C | The relevant department will discuss whether to continue using the supplier, and the supplier may be disqualified as a qualified supplier. |

### 2025 Annual Quarterly Evaluation Results Explanation

In the fourth quarter of 2025, one supplier was evaluated at rating B. Investigation revealed that quality-related anomalies occurred repeatedly, resulting in rework that impacted customer delivery schedules. The supplier has been required to submit corrective and preventive actions, which have been completed.

| Supplier (Number of Incidents) | Cause | Corrective Actions |
|---|---|---|
| Supplier A (2 incidents) | Overtime work was performed without proper wage compensation; employees continued working for 4 hours without a 30-minute rest period as required. | Conduct regular legal awareness training; provide management reports to enable supervisors to monitor employee working hours in real time and proactively address employee work conditions. |
| Supplier B (2 incidents) | • When a worker is on medical leave and unable to work, the employer shall compensate the worker at the original wage level.<br>• Overtime hours, when combined with regular working hours, shall not exceed 12 hours per day, and total monthly overtime shall not exceed 46 hours. | After ESH assessment of work-related injury and rest period, full wage compensation was paid on the salary payment date (improvement measures completed and implemented by end of August).<br>• Adjust workload to reduce overtime occurrences;<br>• Implement supervisor review of overtime hours to ensure compliance with the 46-hour monthly limit. |
| Supplier C (2 incidents) | Both incidents involved overtime on regular workdays without wage compensation. | System improvement was implemented during the Q4 2025 audit, enabling automatic generation of overtime records to prevent manual omissions. |

### Annual Audit of Qualified Suppliers

Faraday conducts annual audits of qualified suppliers. Suppliers are required to first complete a self-assessment based on Faraday's Self-Assessment Checklist, including Quality System, Production Control, and Supplier RBA. Faraday applies appropriate audit methodologies according to the supplier's geographic region. The weighting for the Supplier RBA items and Privacy items is as follows:

| Issue | Audit Focus | Weight |
|---|---|---|
| Labor Rights | Wages, forced labor, discrimination, harassment, communication, unusual charges | 25% |
| Health and Safety | Management systems, occupational hazard prevention, mental and physical well-being, management and response to major infectious diseases | 20% |
| Environmental Sustainability | Investment in water reduction, carbon reduction, and renewable energy effectiveness, critical raw material risk management, hazardous substance control | 25% |
| Ethics | Conflict minerals management | 10% |
| Privacy Policy and Management | Personal data handling status, third-party data sharing management, education and training, and incident response mechanisms for personal data breaches | 20% |

| Supplier Type | Audit Method |
|---|---|
| Domestic | On-site verification to assess environmental hygiene, occupational safety, production line management, and production records. |
| Overseas suppliers | For suppliers with no customer complaints in the previous year and no major production abnormalities in the past three consecutive quarters, a document-based audit may be conducted. Faraday first performs a preliminary review of the submitted documentation, then conducts random sampling during an online meeting, requesting corresponding supporting evidence to verify the accuracy and reliability of the records. |

**Annual Audit Results of Qualified Suppliers Over the Past Four Years**

| Item | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Foundry | Number of assessed suppliers | 1 | 1 | 4 | 4 |
| | Audit completion rate | 100% | 100% | 100% | 100% |
| | Major deficiency improvement rate | No major deficiencies | No major deficiencies | No major deficiencies | No major deficiencies |
| Packaging house | Number of assessed suppliers | 7 | 7 | 6 | 8 |
| | Audit completion rate | 100% | 100% | 100% | 100% |
| | Major deficiency improvement rate | 100%(2/2) | 100% (2/2) | No major deficiencies | No major deficiencies |
| Test house | Number of assessed suppliers | 9 | 7 | 5 | 7 |
| | Audit completion rate | 100% | 100% | 100% | 100% |
| | Major deficiency improvement rate | 100%(2/2) | 100%(3/3) | 100%(3/3) | No major deficiencies |
| Overall Supplier Assessment Status | Number of assessed suppliers | 17 | 15 | 15 | 19 |
| | Audit completion rate | 100% | 100% | 100% | 100% |
| | Major deficiency improvement rate | 100% | 100% | 100% | 100% |

Note: Any item classified as a "systematic risk" is considered a "major deficiency".

**2025 Audit Findings for Qualified Suppliers**

| Category | Audit Item | Finding Description |
|---|---|---|
| Quality System Audit Results | Loss Management (added in 2025) | • The component room system cannot query the quantity of Correlation ICs awaiting scrap. Additionally, operation records for the process from component room awaiting-scrap ICs to warehouse scrap disposal are incomplete and are difficult to trace. The supplier has implemented corrective actions as recommended.<br>• Confirmed that all suppliers have established OCAP mechanisms for account-material discrepancies at each station |
| | Production Quality Optimization | Require the packaging house to establish management of surface roughness and gloss level across different mold types. |
| | Risk Reduction in Production | • Optimize the number of trays output by the lead scanner (currently, a maximum of 30 trays makes it difficult for operators (OP) to handle materials, posing a risk of tray gaps during retrieval).<br>• For new products, establish correlation capability between Assy lead scanner and FT. |
| Sustainability Audit Results | Labor Rights | • The system automatically records employee attendance time; when overtime occurs, the system automatically generates overtime forms, effectively preventing omissions.<br>• Full subsidy provided for accommodation costs for foreign employees.<br>• (All suppliers) Random audit of attendance and wage payment records for day and night shifts, including migrant workers, revealed no instances of unauthorized deductions. |
| | Supplier Sustainability Management | • Established a supplier sustainability risk assessment; for suppliers rated as medium to high risk, on-site audits have been conducted.<br>• The Supplier has obtained ISO 46001 certification and implemented the "Water Resource Efficiency Management System Procedure" for water resource management. The 2024 process recycling target was 85%, and actual achievement was 87.1%, meeting the requirement.<br>• Scoring methods and deduction criteria for each evaluation item in the supplier performance monitoring table are not clearly defined. It is recommended to include ESG evaluation items. |
| | Water Resource Management and Water Conservation Target (added in 2025) | The supplier has achieved water conservation results but lacks clearly defined water conservation targets; the supplier has been required to establish them. |

## 2.3.5 Responsible Supply Chain

Faraday pays close attention to suppliers' quality management systems and process capabilities. In accordance with the “Faraday Supplier Code of Conduct”, the company evaluates suppliers on their performance in areas such as human rights, environmental sustainability, occupational health and safety, energy conservation, carbon reduction, and resource management. All current suppliers possess strong quality and process management capabilities and comply with the requirements of the relevant Code. We will continue to deepen our collaboration to deliver products that meet quality requirements and customer expectations.

**Conflict Minerals Management**

Faraday follows the RBA (Responsible Business Alliance) guidelines and requires suppliers to sign a Conflict-Free Minerals Declaration. This ensures that raw materials are sourced from smelters recognized by the Responsible Minerals Initiative (RMI) and excludes minerals from high-risk regions identified by the Organization for Economic Co-operation and Development (OECD). We only procure from suppliers who are responsible for both environmental and social practices, in order to avoid issues such as labor exploitation, forced labor, child labor, and environmental degradation caused by illegal mining. The conflict mineral sources for the foundry are 100% third-party certified. Among the six packaging houses, three have obtained third-party certification, accounting for 79% of total production.

**Traceability of Raw Materials**

Faraday can trace the sources of raw materials for all products through the production lot number in the suppliers’ production management systems. This traceability includes information such as the raw material manufacturer, item type, material lot number, and place of production.

**Sustainable Self-Assessment Management for Qualified Suppliers**

Faraday requires qualified suppliers to submit their annual self-assessment results for the Sustainable Management Questionnaire. The assessment covers five key areas: labor rights and ethics, health and safety, business continuity and information security, environmental and climate change, and supply chain management.

**2025 Supplier Sustainability Questionnaire Score Summary**

| Assessment Item | | Foundry | Packaging House | Test House |
|---|---|---|---|---|
| A | Labor rights and ethics | 91.4 | 86.9 | 85.2 |
| B | Health and safety | 100 | 98.2 | 100 |
| C | Business continuity and information security | 94.6 | 94.4 | 96.3 |
| D | Environmental and climate change | 96.6 | 84.7 | 68.3 |
| E | Supply chain management | 85.7 | 85.1 | 80.5 |
| F | Privacy management | 100 | 92.9 | 95.2 |

### Coverage Rate of Supplier Sustainability Commitment Documents Over the Past Four Years

| Item | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Coverage rate of Conflict-Free Minerals Declarations | Signature coverage rate | 100% | 100% | 100% | 100% |
| | Number of signed suppliers | 9 | 8 | 10 | 12 |
| Coverage rate of Non-Use Commitments for Hazardous Substances | Signature coverage rate | 100% | 100% | 100% | 100% |
| | Number of signed suppliers | 17 | 15 | 15 | 19 |
| Coverage rate of Faraday Supplier Code of Conduct Commitment (Including Carbon Reduction Requirements) | Signature coverage rate | Document not yet created | 93.33% | 100% | 100% |
| | Number of signed suppliers | | 14 | 15 | 19 |

### Supplier Due Diligence Over the Past Four Years

| Item | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Conflict Minerals | Number of suppliers investigated | 9 | 8 | 10 | 12 |
| | Compliance proportion | 100% | 100% | 100% | 100% |
| Prohibited and Restricted Substances | Number of suppliers investigated | 17 | 15 | 15 | 19 |
| | Compliance proportion | 100% | 100% | 100% | 100% |
| Human rights | Number of suppliers investigated | 17 | 15 | 15 | 19 |
| | Compliance proportion | 100% | 100% | 100% | 100% |

### Supply Chain Human Rights Due Diligence




### Supplier Human Rights Issue Management Measures

| Human Rights Risk Issue | Risk Level | Preventive Measures | Remedial Measures |
|---|---|---|---|
| Reasonable Working Hours | High Risk | • Include this item in the new supplier and qualified supplier annual audit checklist, and require submission of supporting documentation for verification during on-site audits.<br>• Quarterly reviews of the “Ministry of Labor’s website” for violations of the “Labor Standards Act” resulting in administrative penalties. | If a supplier fails to meet requirements and is unwilling to implement improvements within the timeframe specified by Faraday, such non-compliance may jeopardize the business partnership between the supplier and Faraday, with the most severe consequence being termination of the relationship. |
| Healthy and Safe Workplace | High Risk | • Include this item in the new supplier and qualified supplier annual audit checklist, and require submission of supporting documentation for verification during on-site audits.<br>• Quarterly reviews of the “Ministry of Labor’s website” for violations of the “Occupational Safety and Health Act” leading to administrative penalties | |
| Personal Data and Privacy Protection | High Risk | • Include this item in the new supplier and qualified supplier annual audit checklist, and require submission of supporting documentation for verification during on-site audits. | |
| Protection of Labor Conditions | Medium Risk | • Include this item in the new supplier and qualified supplier annual audit checklist, and require submission of supporting documentation for verification during on-site audits.<br>• Quarterly reviews of the “Ministry of Labor’s website” for violations of the “Labor Standards Act” resulting in administrative penalties. | |
| Public Health, Accommodation, and Catering | Medium Risk | • Include this item in the new supplier and qualified supplier annual audit checklist, and require submission of supporting documentation for verification during on-site audits.<br>• Quarterly reviews of the “Ministry of Labor’s website” for violations of the “Occupational Safety and Health Act” leading to administrative penalties | |
| Identity Protection and Prevention of Retaliation | Medium Risk | • Include this item in the new supplier and qualified supplier annual audit checklist, and require submission of supporting documentation for verification during on-site audits. | |
| Prohibition of Bullying and Harassment | Medium Risk | • Include this item in the new supplier and qualified supplier annual audit checklist, and require submission of supporting documentation for verification during on-site audits.<br>• Quarterly reviews of the “Ministry of Labor’s website” for violations of the “Occupational Safety and Health Act” leading to administrative penalties | |

## 2.3.6 Green Supply Chain

Faraday is committed to promoting green production and requires suppliers to strengthen water resource management, set water conservation targets, reduce carbon emissions, implement energy-saving measures, and utilize renewable energy to lower energy consumption in manufacturing processes. Regular carbon footprint assessments are also conducted to evaluate the effectiveness of carbon reduction and water conservation. Currently, over 95% of the supply chain's carbon emissions are aligned with the Science-Based Targets initiative (SBTi). Moving forward, the company will continue to encourage suppliers to move toward net-zero carbon emissions.

### Supplier Carbon Reduction Targets

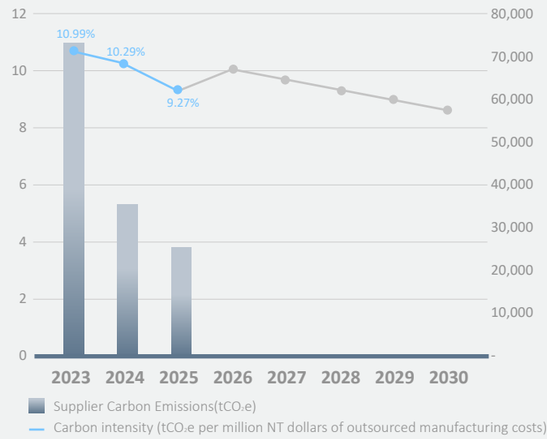
Faraday has established a supplier carbon reduction target to achieve a 20% decrease in carbon intensity ($tCO_2e$ per million NT dollars of outsourced manufacturing costs) by 2030, relative to the 2023 baseline. By 2025, a 16% reduction in carbon intensity had been achieved, meeting the annual target of 6%.

### Supplier Carbon Emissions ($tCO_2e$)

| Item | 2023 | 2024 | 2025 |
|---|---|---|---|
| Foundry | 59,678.84 | 28,263.32 | 20,750.62 |
| Packaging house | 8,036.68 | 4,330.41 | 2,645.97 |
| Test house | 2,605.61 | 2,949.86 | 1,937.26 |
| Total | 70,321.13 | 35,543.60 | 25,333.84 |

*Emissions data reported by suppliers in a given year reflect the prior calendar year's actual emissions.
*Foundry emissions are calculated as: wafer carbon footprint × wafer shipment volume.
*Packaging house emissions are estimated using either: IC carbon footprint × IC shipment volume, or Scope 1 + Scope 2 emissions × Faraday's revenue share.
*Test house emissions are allocated based on: Scope 1 + Scope 2 emissions × Faraday's revenue share.

Supplier carbon reduction pathway




### Supplier Carbon Reduction Initiative

In 2019, Faraday launched a voluntary carbon reduction initiative to optimize the pre-shipment baking process, with an estimated potential to cut suppliers' emissions by 30~40%. Since its full rollout in 2023 and integration into standard manufacturing processes, the initiative has driven annual emissions reductions of over 100 $tCO_2e$.

### Supplier Carbon Reduction Achievements

| Item | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Baking process energy savings (kWh) | 566,280 | 282,744 | 180,101 | 153,121 |
| Carbon emission factor ($kgCO_2e$/kWh) | 0.495 | 0.494 | 0.494 | 0.494 |
| $CO_2e$ reduction ($tCO_2e$) | 280 | 140 | 89 | 76 |

## 2.3.7 Supply Chain Guidance and Collaboration

### Sustainable Training for Suppliers

Faraday regularly provides sustainability training for suppliers and internal staff to enhance awareness and practice in corporate governance, environmental stewardship, and social responsibility. We also support suppliers in implementing ECRS (Eliminate, Combine, Rearrange, Simplify) methodologies to optimize workflows and reduce waste of single-use resources, labor, and time.

This year, we also incorporated training on privacy protection and human rights due diligence into our supplier coaching program, and provided relevant materials to enable suppliers to conduct awareness campaigns and coaching for their downstream suppliers.

| Supplier Sustainability Courses | Target Audience |
|---|---|
| Faraday's Environmental, Health, and Safety Policy | • Procurement unit and supplier management<br>• Supplier: Procurement, facilities, quality, and operations units |
| Supplier Privacy Policy and Management | |
| Supplier Privacy Risk Assessment and Audit | |
| Supply Chain Human Rights Due Diligence and Key Aspects of Sustainability Audits | |



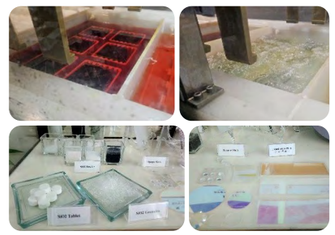



### 2025 Supplier Collaboration Engagement Topic

**Circular Reuse Program: Recycling of End-of-Life Photomasks**

Supplier Optimization Practices

End-of-Life wafer photomasks (typically made of high-purity quartz glass) undergo processes including removal of the metal chromium film, grinding, cleaning, and inspection to completely remove circuit patterns; the quartz substrates are then recycled as high-quality glass materials for manufacturing optical components, laboratory instruments, or other glass products, thereby restarting the value chain cycle.



Faraday's Workflow

**Standardized Process:** Establish standard operating procedures to transform end-of-life photomasks into reusable materials
**On-site Monitoring:** Faraday designates a dedicated person to monitor the entire process during outsourced processing to prevent sensitive data leakage and ensure workplace safety.



Five execution aspects

# Friendly Workplace

3.1 Respect Human Rights
3.2 Diversity, Equity and Inclusion (DEI)
3.3 Talent Attraction and Retention
3.4 Talent Development
3.5 Occupational Safety and Health

3 GOOD HEALTH AND WELL-BEING
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

## Paid Leave for Encouraging Childbearing and Parenting

Friendly marriage, childbirth, and family care; enhancing employees' sense of belonging: Provide 25 days of better-than-legally-mandated paid leave

## Compensation 100

Constituent of the "TWSE RAFI Taiwan High Compensation 100 Index" for over 10 consecutive years

## Proportion of Female Employees

Emphasizes career development for female employees, who account for 32% of the workforce

## Employee Experience Feedback

Employee satisfaction score in 2025: 86.3 points

## Internal Management Promotion Rate

Actively cultivates and promotes management talent, with an internal promotion rate of 77%

## ISO 45001:2018 Certification Obtained

International ISO 45001:2018 certification obtained in September 2025



# Sustainability Goals

| Material Sustainability Issues | Performance Indicators | 2025 Target | 2025 Results | 2026 Target | 2030/Long-term Direction |
|---|---|---|---|---|---|
| Diversity, Equity and Inclusion (DEI) | Human rights and gender equality awareness training completion rate | 100% | 100% | 100% | 100% |
| | Human rights due diligence implementation rate (Employee: Once every three years; Supplier: Annually) | 100% | 100% | 100% | 100% |
| | Human rights violations | 0 cases | 0 cases | 0 cases | 0 cases |
| | Hire disabled employees | ≥ Legal requirement | Exceeds legal requirement | ≥ Legal requirement | ≥ Legal requirement |
| | Guarantee for the fairness of remuneration and promotion | 100% | 100% | 100% | 100% |
| | Regularly hold employee forum and labor management conference | Hold quarterly | Hold quarterly | Hold quarterly | Hold quarterly |
| | Proportion of female employees | ≥ 20% | 32% | ≥ 30% | ≥ 30% |
| | Proportion of female supervisor | ≥ 20% | 23% | ≥ 20% | ≥ 20% |
| | Employee engagement survey results | ≥ 80 points | 86 points | ≥ 80 points | ≥ 80 points |
| Talent Attraction and Retention | “TWSE RAFI Taiwan High Compensation 100 Index” | Listed in the constituent stock | Listed in the constituent stock | Listed in the constituent stock | Listed in the constituent stock |
| | Employee Stock Ownership Plan (ESOP) participation rate | ≥ 70% | 83% | ≥ 80% | ≥ 80% |
| | Remuneration competitiveness reaching the market median ratio | 100% | 100% | 100% | 100% |
| | Average retention rate of excellent talents over the past three years | ≥ 70% | 82% | ≥ 75% | ≥ 80% |
| Talent Development | R&D key training courses completion rate | 100% | 100% | 100% | 100% |
| | Proportion of internal trainer in R&D quality courses | ≥ 80% | 95% | ≥ 90% | ≥ 90% |
| | Internal promotion rate of management talent | ≥ 70% | 77% | ≥ 70% | ≥ 70% |
| | Performance management and development interview execution rate | ≥ 80% | 93% | ≥ 85% | ≥ 90% |
| Occupational Safety and Health | Number of occupational accidents | ≤ 1 | 0 | ≤ 1 | ≤ 1 |
| | Verify ISO 45001:2018 | Pass the verification | Pass the verification | Pass the verification | Pass the verification |
| | Obtain relevant national healthy workplace certifications and competition | ≥ 2 initiatives | 2 initiatives | ≥ 2 initiatives | ≥ 2 initiatives |
| | Multiple health promotion activities | ≥ 3 items | 5 items | ≥ 3 items | ≥ 3 items |
| | CPR+AED individual training completion rate | ≥ 35% | 39% | ≥ 40% | ≥ 45% |

# Management Policy

## Diversity, Equity and Inclusion

### Policies/Commitment

"Faraday Technology Human Rights Policy"

"Faraday Technology Declaration of Diversity, Equity and Inclusion"

### Impact Description

- Positive impact: Equal employment for people with disabilities or disadvantaged groups, guaranteeing their right to work, ensuring fair pay and promotion, and stabilizing the workforce
- Negative impact: If a workplace cannot accommodate diverse talents, protect the labor rights of different groups, and create an inclusive culture where everyone feels valued, then employees will be unable to express themselves freely and utilize their strengths. This will consequently impact talent sustainability and theCompany's competitiveness.

### Key Actions

- Promote the workplace culture and environment in line with the values of diversity, equity, and inclusion
- Equal employment of disabled or disadvantaged groups, guarantee the right to work
- Provide a workplace environment of gender equality and opportunities for development, put an end to discrimination
- Provide multiple and transparent communication and grievance channels

## Talent Attraction and Retention

### Policies/Commitment

Provide a competitive total remuneration and welfare system, implementing elite selection and continuously optimizing talent retention measures. We actively pay attention to physical and mental health of employee and learning growth. We are committed to fostering a friendly workplace where Joys and Pro Works in Harmony, in order to maximize the sustainable value of our talent.

### Impact Description

- Positive impact: Provide friendly environment and remuneration & welfare to retain semiconductor industry talents and prevent talent outflow
- Negative impact: Insufficient talent quality may affect R&D driving force and technical services, thereby impacting the Company's operational performance and competitiveness.

### Key Actions

- Global talent strategic deployment; actively recruiting international elites
- Improve operational performance of the Company, guarantee the employees' overall rewards with highly competitiveness
- Faraday positively implements systems of talent performance management
- Create a friendly workplace where joys and pro works in harmony, focusing on employees' work-life balance and professional growth

## Talent Development

### Policies/Commitment

Committed to cultivating and inheriting high-quality technological talents, while providing comprehensive training resources and a learning environment to ensure talent sustainability and strengthen institutional value.

### Impact Description

- Positive impact: Systematically cultivate internal excellent talents to ensure the Company possesses sufficient R&D driving force, and helps to enhance talent development and technology inheritance, and reduces the risks of industry talent competition.
- Negative impact: Without a well-organized talent development strategy, it is possible to cause employees' professional skills to stagnate, hinders the organization's talent inheritance, and thus affects the Company's technological development and corporate sustainability

### Key Actions

- Establish systematic digital education training mechanism to effectively inherit knowledge of the organization
- Grasp key talents, driving professional competency and strengthening career development
- Cultivate excellent management talents, improving talent inheritance and organization sustainability

## Occupational Safety, Health, and Hygiene

### Policies/Commitment

"Environmental Safety and Health Policy "

### Impact Description

- Positive impact: Continuously strengthen the Occupational Safety and Health Management System, reduce occupational safety and health risks, and create a safe and healthy working environment
- Negative impact: Failure to implement occupational safety and health management may cause potential hazards during operation activities, leading to employee injuries or disabilities.

### Key Actions

- In 2025, pass ISO 45001:2018 verification, and continuously implement cyclical improvement to maintain effectiveness
- Handle and eliminate the risk of exposure to hazards in personnel operations through systematic and comprehensive risk assessment
- Protect safety and health for workers



# 3.1 Respect Human Rights

## 3.1.1 Human Right Policy

Faraday Technology has always put great emphasis on human rights, actively creates a fair and dignified working environment, and practices its commitment and responsibility to human rights. The company is committed to supporting the following international relevant labor and human rights standards and norms, abiding by local labor and human rights-related laws and regulations in all operating locations around the world, formulating relevant human rights protections, labor policies and related implementation measures to protect human rights.

Faraday Technology human rights policy applies to all personnel of global permanent employees, contract employees and temporary workers, interns, and workers of Faraday Technology, domestic and overseas branches and investment business; It also expects the company's suppliers, contractors, and partners (including customers and communities) as well as stakeholders and other individuals with operations and development relationships with Faraday Technology also comply with the regulations, pay attention to important human rights issues, and commit to protecting human rights.

- International Bill of Human Rights
- Universal Declaration of Human Right, UDHR
- International Covenant on Civil and Political Rights, ICCPR
- International Covenant on Economic, Social and Cultural Rights, ICESCR
- United Nations Global Compact, UNGC
- United Nations Guiding Principles on Business and Human Rights, UNGPs
- Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, MNE Declaration
- ILO Declaration on Fundamental Principles and Rights at Work
- OECD Guidelines for Multinational Enterprises on Responsible Business Conduct
- OECD Due Diligence Guidance for Responsible Business Conduct
- Responsible Business Alliance Code of Conduct
- International Convention on the Elimination of All Forms of Racial Discrimination, ICERD
- Convention on the Rights of Persons with Disabilities, CRPD
- Convention on the Elimination of All Forms of Discrimination Against Women, CEDAW
- Women's Empowerment Principles, WEPs
- Convention on the Rights of the Child, CRC
- Children's Rights and Business Principles, CRBP
- International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, ICMW
- International Convention for the Protection of All Persons from Enforced Disappearance, ICPPED
- Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, CAT

Faraday reviews its human rights policy annually to ensure compliance with the latest international human rights conventions and incorporates human rights issues into all aspects of business operations, aiming to prevent and avoid any human rights impacts. The main management policies are as follows:

**The main management policies are as follows:**

- Respect the rights to work
- Ensuring workplace equality
- Providing a safe and healthy working environment
- Build up open communication channels
- Respect freedom of association
- Implement the privacy protection and information security
- Execute risk assessment of human rights and information disclosure

**Faraday Human Rights Policy**

## 3.1.2 Human Right Governance Mechanism

Faraday Technology has established a human rights governance structure with the Board of Directors at the highest level,responsible for overseeing and guiding the implementation and management of human rights issues. The ESG Committee is authorized to execute these mandates, responsible for integrating and coordinating cross-departmental resources,encompassing R&D, Finance, IP & Legal, Supply Chain, Customer Relations, Information Security, Human Resources,Quality, Operations Management, Environmental Safety and Health, Investor Relations, Marketing, and the Employee Welfare Committee and other functional organizations to jointly promote human rights activities and regularly report progress to the Sustainable Development Committee and the Board of Directors.

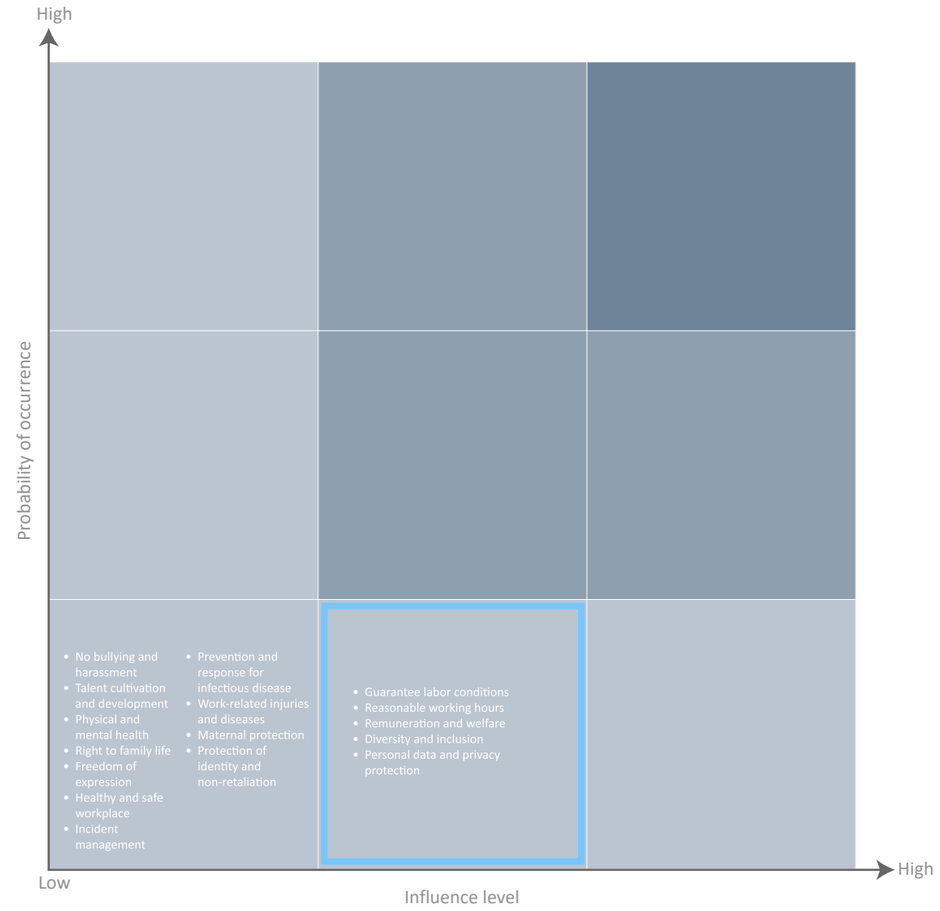
## 3.1.3 Human Rights Due Diligence

To fulfill its corporate social responsibilities and ensure the effective implementation of human rights policies, Faraday has regularly conducted human rights due diligence since 2023, covering both Faraday employees and suppliers. In addition to monitoring global human rights regulatory trends, the Company also reviews human rights risks specific to the IC design services industry, as well as the human rights-related material sustainability issues identified in its sustainability assessments. Faraday identifies, evaluates, and addresses the actual or potential impacts of its operations on human rights. The human rights due diligence process follows the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the GRI Standards. Employee human rights due diligence is conducted at least once every three years, and supplier human rights due diligence is conducted annually. The Company regularly assesses the performance of human rights management, establishes preventive and remedial measures, and publicly discloses the results of its due diligence. For supplier human rights due diligence results, please refer to the chapter of Partnership for Prosperity.




### Human Rights Risk Issue Identification Results in 2025:

All 16 listed human rights issues are at low risk level. Faraday positively lists 5 human rights issues among those 16 with low probability of occurrence and medium impact as important human rights issues.



**Important management measures and effectiveness check for human rights risk issues:**

Faraday regularly reviews human rights risk management measures and effectiveness, and continuously improves based on internal and external recommendations and evaluation results to implement our commitment to human rights protection. Appropriate prevention and remediation measures are initiated based on human rights risk issues, and cooperate with relevant stakeholders when necessary to prevent the incidents from happening again.

| Human Rights Risk Issues | Impact Targets | Prevention/Mitigation Measures<br>Adaptation Measures/System Management/ Audit Enhancement/Facility Upgrading/Training/Warning System | Remediation Measures<br>Restoring the affected stakeholders to the situation they would be in had the adverse impact not occurred/Providing Appropriate Financial Compensation/ Discipline/ Correction Measures | Effectiveness Evaluation for 2025 |
|---|---|---|---|---|
| Reasonable Working Hours | Employee | • Formulate Employee Attendance Procedure and set up an eovertime system, stipulating that employees must apply for overtime in advance and can only work overtime after the approval from their manager.<br>• Manage the maximum hours of overtime application for employees through the system to guarantee that monthly working hours comply with labor laws and regulations<br>• Reasonable work schedule planning to avoid manpower shortages and reduce the overtime requirement | • After working overtime for emergency or temporary requirements, the necessary rest shall be provided and overtime payment or compensatory leave hours shall be paid to protect the rights and interests of employees<br>• Grasp the overtime status of employees based on the overtime system, and notify division managers to promptly assist employees with longer working hours for proper allocation of work | • Working hours and attendance management comply with laws and regulations |
| Guarantee for Labor Conditions | Employee | • Strictly abide by various labor laws and regulations to guarantee that the working environment or labor conditions meet legal requirements, and protect employees' basic work rights | • If there is a change in labor conditions that affects the rights and interests of employees, then the adjustments and reviews of the adverse effects will be made immediately. | • No violation of labor laws and regulations |
| Remuneration and Welfare | Employee | • Ensure compliance of employee wages with relevant labor laws, including minimum wage and overtime payment requirements<br>• Appropriate adjustments are made regularly every year based on macroeconomic indicators and overall market remuneration levels.<br>• The overall reward mechanism is linked with the Company's revenue, and performance rewards are differentiated based on positions and individual contributions.<br>• Provide multiple welfare subsidies and emergency consolation money | • If any wage discrepancies, it will be repaid and reviewed immediately to avoid recurrence.<br>• Re-exam the Company's remuneration and welfare system, set up and execute adjustment plans | • Remuneration and welfare are in compliance with remuneration strategy and laws and regulations |
| Diversity and Inclusion | Employee | • Implement and promote diversity, equity, and inclusion (DEI) policies to enhance human rights protection awareness, and arrange all employees to participate in human rights and DEI-related training courses annually.<br>• Equally employ people with disabilities or disadvantaged groups to protect equal right to work<br>• Promote and implement the Company's "Procedure for Unlawful Infringement at Workplace" and "Complaint and Punishment Policy of Sexual Harassment Prevention Measure" | • If illegal or sexual harassment occurs at workplace, guarantee smooth complaint channels and conduct confidential investigations; for those found responsible, relevant protection measures and necessary punishment are implemented. | • No complaints were reported.<br>• 100% completion rate of human rights and DEI training |
| Personal Data and Privacy Protection | Employee | • Comply with privacy and information security laws and regulatory requirements while collecting, storing, processing, spreading, and sharing personal data<br>• Formulate and implement regulations to strengthen personal data protection, formulate information security policies to manage and protect the security and privacy of information asset<br>• Regularly obtain ISO 27001 certification and perform internal information security audits<br>• Information security policy awareness and training to reduce the chance of privacy leakage<br>• Account and data access control | • Establish and implement an information security monitoring system, plan and conduct simulated data leakage drills, and perform vulnerability scanning to prevent hacker intrusions<br>• If relevant incidents occur, notify the case party immediately and handle the incidents appropriately | • Added privacy policy in 2025<br>• No personal data breaches occurred |

**Human Rights Mitigation Measures**

- Implement training and awareness programs: Regularly conduct advocacy and training on human rights protection-related laws and regulations for all new recruits and permanent on-duty employees, contract and temporary employee, interns, and workers.Ensure a 100% training completion rate to enhance all employees' awareness and sense of responsibility for human rights protection.
- Human rights awareness and training hours in 2025: 5883.5 hours

| Course Categorie | Training Hours |
|---|---|
| Human rights policy awareness and training courses | 680 |
| Sexual harassment prevention, gender equality, and DEI courses | 654 |
| Information security awareness and intellectual property confidential information protection courses | 1637 |
| Ethics and integrity awareness and training course | 1341 |
| Environmental and occupational safety and health education course | 1571.5 |
| Total | 5883.5 |

- Establish a human rights communication/ grievance mechanism: Establish an independent and confidential grievance channel where anyone can anonymously report human rights-related issues, and ensure prompt response and implementation of subsequent remedial restoration, compensation, punishment and corrective measures.
- Disciplinary violations, sexual harassment incidents, and illegal violations at workplace: 0 cases

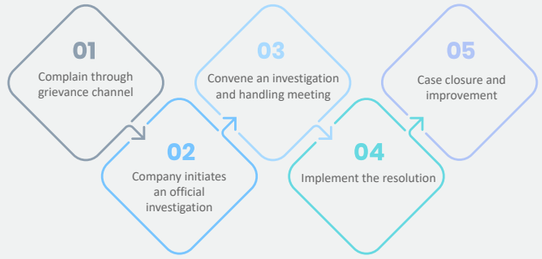
**Human Communication/Grievance Channel/Grievance Flow**

- **Human rights complaint and reporting hotline**
- Content of Grievance: Discrimination, illegal violations at workplace, violence, bullying, and other human rights-related issues
- Telephone: 886-3-5787888 ext. 84885
- e-mail: grievance@faraday-tech.com

**Sexual harassment and gender equality complaint hotline**

- Content of Grievance: Sexual harassment and gender equality-related issues
- Telephone: 886-3-5787888 ext. 88995
- e-mail: sexhara@faraday-tech.com
- Anyone who experiences, witnesses, or hears of illegal infringements such as workplace discrimination or harassment can complain through the above channels
- After receiving complaint, the Company strictly adheres to the whistleblower protection system (anonymous reporting/ non-retaliation); investigate in a confidential manner, and punish those found to be involved.

**Human Grievance Flow**




# 3.2 Diversity, Equity, and Inclusion (DEI)

## 3.2.1 DEI Commitment and Performance

**Declaration of Diversity, Equity and Inclusion**

Faraday is committed to providing a workplace culture and working environment with diversity, equity and inclusion (DEI). Faraday recruits diverse talents, welcomes talents of different races, nationalities, religions, political parties, genders, ages, sexual orientations, identities, backgrounds, and personalities to join Faraday Technology. Faraday Technology also actively eliminates any forms of discrimination and harassment and strives to build a combination of diverse management and employees; gives full play to the synergy of the team and creates excellence together.

Faraday respects the differences and uniqueness of each employee, commits to equal employment of disabled or disadvantaged groups, protects equal rights to work, and provides opportunities and resources based on individual differences. Faraday also attaches importance to the fairness of employee remuneration and promotion opportunities, and works diligently in creating the environment where every employee can bring into full play and be treated equally, and gain a sense of value and accomplishment at work.

Faraday is committed to creating a friendly and inclusive workplace atmosphere. Through diverse and open communication channels, employees can freely express their opinions and maintain good mutual trust and communication with the management, so that everyone can gain a sense of trust and the feeling of belonging at the workplace.

Faraday firmly believes that only by embracing diverse talents and creating an equal and inclusive workplace culture can we inspire more innovation and breakthroughs among our employees. Faraday also actively conveys the management and employees' understanding and recognition for the value of diversity, equity and inclusion, and works together to implement the target of talent sustainability.

**DEI Promotion Strategy and Effectiveness**

Faraday is actively devoting in DEI, hoping to have a positive influence on society. We aim to create a diverse, equity, and inclusive (DEI) work environment. The president and senior executives supervise and oversee the establishment of a dedicated unit to coordinate planning for formulating management strategies and action plans, and review the implementation progress and promotion results through regular meetings to ensure the DEI implementation.

| Strategy Promotion | Key Plan | Management Actions and Performances |
|---|---|---|
| Respect talent diversity; provide equal opportunities, and promote career development | Respect individual differences and have equal development opportunities | • Respect the diversity and uniqueness of talents, have equal opportunities of interview and recruitment, and ensure equal employment rights<br>• Fair and open selection and recruitment of employees, securing high-quality talents<br>• Ensure fairness in remuneration and promotion, formulate an open talent promotion system, and ensure that every employee has equal promotion opportunities |
| | Promote youth employment | • Industry-academia collaboration (National Chung Cheng University/National Taipei University/National Taiwan University of Science and Technology)<br>• Campus keynote speeches (National Tsing Hua University/National Yang Ming Chiao Tung University)<br>• Early Win workplace learning program<br>• The Youth's Employment Ultimate Program<br>• Proportion of the youth under 30 years old in the past three years: 16% of employed employees and over 43% of new employees |
| | Emphasis on career development of "female employee" | • The proportion of new female employees in 2025 was 45%, which is higher than IC design industry peers over the past four years.<br>• The proportion of female employees has increased from 30% to 32% in recent four years; the proportion of female employees in STEM-related positions has increased from 25% to 28% in recent four years.<br>• The proportion of female supervisors has increased from 21% to 23% in recent four years. |
| | Actively retain senior talent | • The proportion of on-the-job employees aged 45 and above (middle-aged) reached 44%<br>• Talent retention incentive measures: Long-service medals and bonuses, flexible work arrangements (part-time, re-employment after retirement, cross-regional transfer).<br>• Comprehensive health care and assistance: Work fitness assessment, referral and follow-up after physical examinations, and preventive lectures on common diseases |
| Build an inclusive workplace that values employees' needs and their physical and mental development | Emphasis on human rights and gender equality, and strengthen awareness among all employees | • Establish grievance channels for human rights, sexual harassment, and gender equality<br>• Formulate human rights policies and implement awareness and training programs related to human rights<br>• Formulate measures to prevent sexual harassment and implement awareness programs on gender equality and sexual harassment prevention |
| | Establish a diverse community and create a harmonious communication channel | • Encourage employees to voice their opinions by forming the "Voice of the Workplace" team composed of cross-unit employees, integrating employees' feedback into Company policies<br>• Regularly hold employee forum and labor management conference<br>• Regularly execute employee engagement survey every year |
| | Focus on employees of different nationalities; promote employment and cultural integration | • Establish global information platform- Faraday News<br>• Break through language barriers and establish multilingual eCourse<br>• Assign a dedicated mentor to foreign new recruits and provide them with an environmental orientation manual |
| | Friendly marriage, childbirth, and family care; enhancing sense of belonging for employee | • Encourage employee childbearing and parenting and provide a system that is better-than-legally-mandated: maternity gifts, family care leave, maternity leave up to 70 days, pregnancy checkup accompaniment and paternity leave up to 10 days, maternity care leave, baby safety leave<br>• Corporate fertility rate has reached 5%, and it was awarded as the platinum level of the corporate fertility survey by "Global Views Monthly"<br>• Promote flexible working hours for employees to balance individual and family care<br>• Enhance the sense of identification with the Company among employees' families and warmly invite their participation in Company events and theme lecture |
| | Actively hold team-building activities to boost morale; support employee club activities | • Annual road running and global walking challenge<br>• Lawn concert<br>• Executive service day<br>• Cross-department competition<br>• Generous subsidies for club lecturers and registration costs |
| | Fully equipped working environment and facilities, emphasize employees' mental and physical health | • Free parking space; dedicated parking space for pregnant and disabled employees<br>• Fitness center and sport field over thousands of square feet<br>• Roof garden |

## 2025 TALENT, in Taiwan, Taiwan Talent Sustainability Action Alliance

In response to the global trend of talent diversity, equity and inclusion, Faraday joined the "TALENT, in Taiwan, Taiwan Talent Sustainability Action Alliance", to support the six major talent sustainability actions, and implement the "Human Rights Policy" and the "Declaration of Diversity, Equity and Inclusion".

## Honored with "HR Asia The Best Companies to Work for in Asia – Taiwan"

Faraday has built an open, trust-based workplace culture that respects diversity, creates smooth and transparent communication mechanisms, and establishes a comprehensive talent-development and career-development system, standing out in the evaluations of leading Asian human-resources magazines.

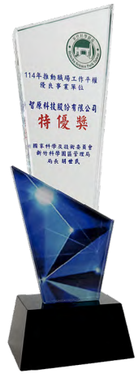
## Honored with "Outstanding Institution for Promoting Workplace Gender Equality - Premium Award" of Hsinchu Science Park

Faraday promotes workplace equality and implements values such as diversity, equity, and inclusion within the Company. We positively create a friendly workplace atmosphere. Faraday received the "Outstanding Institution for Promoting Workplace Gender Equality – Premium Award" from the Hsinchu Science Park.









# 3.2.2 Respect Talent Diversity and Promote Career Development

**Respect Individual Differences and Have Equal Development Opportunities**

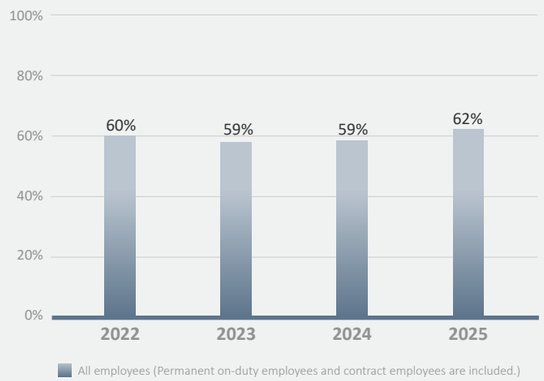
- Attract Global Talent to Ensure Operational Momentum

Faraday and its subsidiaries have established 10 R&D centers and 4 sales and service offices globally, actively recruiting international technology talents to ensure the Company has sufficient R&D momentum, enhance talent development and technology inheritance. In 2025, the global headcount came to 1100 employees, with 591 employees at Taiwan sites (accounting for 54% in total). There has been no significant fluntuation in the total number of employees over the past two years. Faraday employees and its subsidiaries are from Taiwan, China, the United States, Canada, Japan, Korea, India, Vietnam, Malaysia, Singapore, the Philippines, and other places around the world. When hiring foreign employees or expatriates, we implement potential risk assessments during the recruitment and dispatch processes and comply with local and international regulations for hiring or dispatching. Based on the protection of trade secrets, Faraday has formulated corresponding personnel employment management procedures to effectively address the potential risks of recruiting foreign talents and dispatching employees overseas. Meanwhile, all applications such as visas and work permits are handled in accordance with the local foreigner employment regulations to guarantee that the Company and employees comply with government regulations to prevent from potential risks.

- Actively Recruit Local Talents to Enhance Local Community Identity and Development

Faraday actively recruits local talent, with 99% of its workforce consisting of nationals of the Republic of China and 100% of senior executives being nationals of the Republic of China and personnel from operating location. Faraday attaches great importance to the community identity and development of the Company's operating locations, actively promotes local employment, and continuously recruits students and talents from the Company's operating locations (Hsinchu, Taipei, and Tainan); as of the end of 2025, the percentage of local employees employed at the Company's operating locations was 62%, with the aim of assisting local development, increasing local employment opportunities, and activating local industry-academia cooperation.

Local employment status

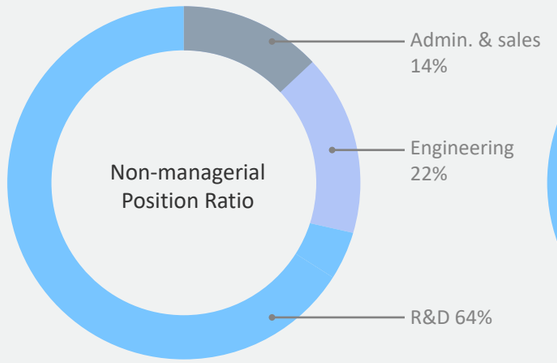


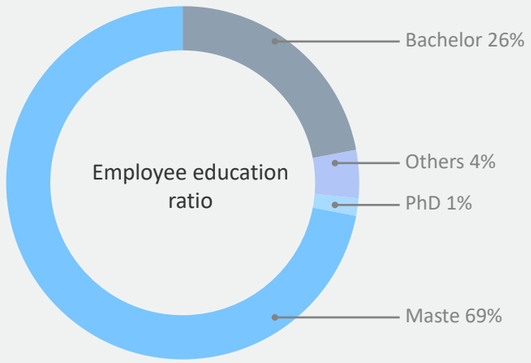

Note 1: Definition for senior executive: Director or above
Note 2: Definitions of local employment are as follows:
Employees in Hsinchu operating location: Household registration in Taoyuan, Hsinchu, and Miaoli region
Employees in Taipei operating location: Household registration in Taipei, New Taipei, and Keelung region
Employees in Tainan operating location: Household registration in Tainan region

- Collect a Diverse Talent Pool and Ensure Equitable Access to Employment Opportunities
  - Faraday actively recruits diverse professionals globally with different races, nationalities, religions, political parties, genders, ages, sexual orientations (LGBTIQ+), identities, backgrounds, and personalities. Every candidate is granted equal opportunities for interviews and hiring, ensuring equal employment rights.
  - Recruit employees through a fair and open selection procedure to achieve diversity and stability. High-quality talents have become the cornerstone of Faraday's growth.
  - We value the unique qualities of every employee and are committed to providing equal access to career growth and promotion opportunities for all.
- Human Resource Structure
  - Faraday in Taiwan has a total of 591 employees, and more than 99% are permanent on-duty employees
  - Non-managerial staff takes part for 75%; managerial staff accounted for 25%
  - Highly attach great importance to and invest in R&D and innovative manpower: R&D and engineering talents have occupied 86% of the non-managerial employees
  - Vibrant organization: The proportion of employees under 30 years accounted for 16%, and the proportion of new employees accounted for more than 43%

| Category | | Type | | Gender | | | | Total | Total (%) |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Male | Male (%) | Female | Female (%) | | |
| Employee (Note 1) | By contract type | Permanent on-duty employees (Note 2) | | 397 | 67% | 191 | 32% | 588 | 99.5% |
| | | Temporary employees (Note 2) | | 2 | 0.3% | 1 | 0.2% | 3 | 0.5% |
| | | Total by contract type | | 399 | 68% | 192 | 32% | 591 | 100% |
| | By employment type | Full-time (Note 3) | | 399 | 68% | 192 | 32% | 591 | 100% |
| | | Part-time (Note 3) | | 0 | 0% | 0 | 0% | 0 | 0% |
| | | Total by employment type | | 399 | 68% | 192 | 32% | 591 | 100% |
| | Age distribution | Under 30 years old (Included) | | 63 | 11% | 33 | 6% | 96 | 16% |
| | | 30 ~ 50 years old | | 214 | 36% | 124 | 21% | 338 | 57% |
| | | Over 50 years old (Included) | | 122 | 21% | 35 | 6% | 157 | 27% |
| | | Total by age distribution | | 399 | 68% | 192 | 32% | 591 | 100% |
| | By employee category | Managerial (Note 4) | | 114 | 19% | 34 | 6% | 148 | 25% |
| | | Non-managerial | R&D | 198 | 34% | 86 | 15% | 284 | 48% |
| | | | Engineering | 67 | 11% | 32 | 5% | 99 | 17% |
| | | | Admin. & Sales | 20 | 3% | 40 | 7% | 60 | 10% |
| | | Non-managerial subtotal | | 285 | 48% | 158 | 27% | 443 | 75% |
| | | Total by employee category | | 399 | 68% | 192 | 32% | 591 | 100% |
| | Others | Average years of service (Years) | | 9.6 | - | 9.1 | - | 9.4 | - |
| Non-employee Workers (Note 5) | | | | 8 | - | 15 | - | 23 | - |

Note 1: The headcount calculation basis is permanent on-duty employees as of December 31, 2025 (inclusive), excluding employees on leave of absence. Total employees: 591, including 568 in the Hsinchu operational site, 6 in the Taipei Office, and 17 in the Tainan Office.
Note 2: Permanent on-duty employees: Employees who have signed indefinite contracts;(All are permanent employees) Temporary employees: Employees who have signed definite contracts.
Note 3: Full-time employees: Employees with regular working hours; Part-time employees: Employees paid an hourly wage who work less than regular working hours
Note 4: Managerial: Management position at or above assistant manager level
Note 5: Non-employee Workers: Cleaning, security, café, employee cafeteria, and IT outsourcing staff in Hsinchu office are in total of 23 people; there are no such workers in Taipei and Tainan offices
Note 6: Non-guaranteed hours employee: 0 people
Note 7: All percentages in the charts are rounded to the nearest integer.



According to Article 38 of the "People with Disabilities Rights Protection Act" in Taiwan, the number of employees with disabilities who are employed by an enterprise should not be less than 1% of the total number of employees. Among them, recruiting people with severe or above physical and mental disabilities can be counted by two for each recruit. Faraday actively cooperates with government policies and employs 5 people with disabilities in accordance with the law, including 3 severe/extremely severe, 1 moderate, and 1 mild; the weighted employment rate of people with disabilities reached over 1%, which is better-than-legally-mandated. We provide fair employment opportunities for disadvantaged groups and protect their employment rights.

| Employee Classification | | Total | Number and Percentage of employees with disabilities | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Number of Mild | Number of Moderate | Number of severe/ extremely severe | Number of Employees | Number of Employees (%) | Weighted Count | Weighted Count (%) | Weighted Average Number of Employees (%) |
| Managerial | | 148 | 0 | 1 | 0 | 1 | 0.7% | 1 | 0.7% | 1.4% |
| Non-managerial | R&D | 284 | 1 | 0 | 1 | 2 | 0.7% | 3 | 1.1% | |
| | Engineering | 99 | 0 | 0 | 0 | 0 | 0.0% | 0 | 0.0% | |
| | Admin. & Sales | 60 | 0 | 0 | 2 | 2 | 3.3% | 4 | 6.7% | |

**Promote Youth Employment**

Faraday deeply cultivates the next generation of technology talents through industry-academia interaction, through cooperation with universities and colleges in Taiwan, it promotes industry-academia interaction, lectures, research funding and internship programs, and provides young students with broader resources and opportunities. It not only achieves the sustainable development of technology education, but also enhances driving force to Taiwan's technology industry, achieving a win-win situation for both sides of enterprises and academia.

- Deepen Industry-Academia Interaction
  - Provide research funding, equipment sponsorship and scholarships to fully support industry-academia technology contributions
  - Provide internship and pre-employment opportunities to cultivate future core talents
  - Technical topics and R&D projects under industry-academia collaboration:

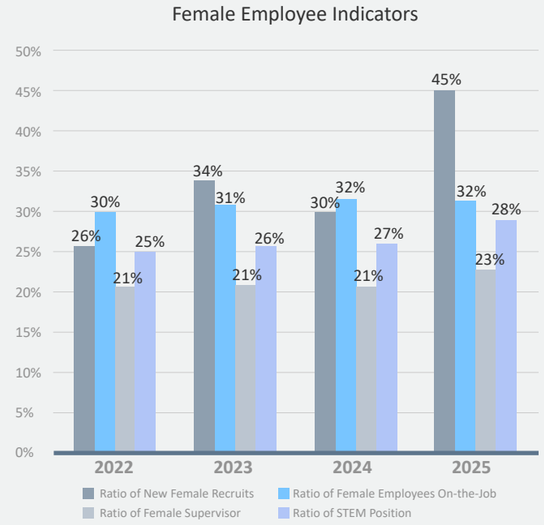
| Academic Institutions | Collaboration Content |
|---|---|
| National Chung Cheng University | • Established a dedicated chip design center, funded research projects, and provided equipment support<br>• Provided technical guidance to cultivate IC design talents<br>• Jointly published journal articles and conference proceedings |
| National Taipei University | • Conducted research projects that integrate the Company's development needs as research topics for master's and doctoral students<br>• Establish international cooperation programs to train domestic and foreign students, provide guidance from technical industry engineers to provide career opportunities for talents<br>• Offer industry-academia interaction, meet industry experts, and learn the knowledge and development experience of analog circuits |
| National Taiwan University of Science and Technology | • Industry-academia joint research for breakthroughs in key IP technologies<br>• Collaborating for publication of results: Journal and patents |

- Early-Win Workplace Learning Program for College and Graduate Students
  - Faraday assigns dedicated mentors to provide real-time experience at workplace; help students understand high-tech industry earlier.
  - Assist young students in expanding their horizons and exploring their potential, and prepare them in advance for future study fields and career planning
  - A variety of learning activities that combine design professional practice with general training to comprehensively improve technical and soft skills
- Deeply Cultivated in Campus Lectures and Technical Interaction
  - Hold keynote speeches at top universities (such as National Tsing Hua University and National Yang Ming Chiao Tung University); where senior executives analyze the trends and development of the semiconductor industry from a technical perspective to help young students understand the pulse of the industry
  - Guide students to make appropriate career choices through technical perspective and practical experiences.
- The Youth's Employment Ultimate Program
  - Respond to government policies by actively recruiting young talents; adopt a practical training approach of "hire first, train later" to rapidly cultivate the required talents
  - Individual guidance from workplace mentors through on-the-job training models helps youth quickly acquire key employment competencies.

**Value Female Employee Career Development**

In the high-tech industry, the proportion of male employees is generally higher than that of female employees. Faraday positively recruits, retains, and promotes female professionals. All employees, regardless of gender, enjoy equal resources in terms of remuneration, promotion, and learning.

- Encourage the hiring of female employees: The proportion of new female employees in 2025 was 45%, which is higher than IC design industry peers over the past four years (Source: Refer to various corporate ESG Reports)
- Positively retain female employees: The proportion of female employees has increased from 30% to 32% in recent four years; the proportion of female employees in STEM-related positions has increased from 25% to 28% in recent four years.
- Diligently promote female employees: The proportion of female supervisors has increased from 21% to 23% in recent four years.




| Category | Male/Female | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Junior Management | Male | 78 | 79 | 73 | 70 |
| | Female | 23 | 21 | 21 | 24 |
| | Female (%) | 21% | 21% | 22% | 26% |
| Middle Management | Male | 33 | 35 | 33 | 29 |
| | Female | 6 | 9 | 9 | 7 |
| | Female (%) | 15% | 21% | 21% | 19% |
| Top Management | Male | 11 | 10 | 15 | 15 |
| | Female | 3 | 3 | 3 | 3 |
| | Female (%) | 21% | 23% | 17% | 17% |
| Total in All Management Positions | Male | 122 | 124 | 121 | 114 |
| | Female | 32 | 33 | 33 | 34 |
| | Female (%) | 21% | 21% | 21% | 23% |
| Management Positions in Revenue-Generating Functions | Male | 121 | 123 | 120 | 113 |
| | Female | 26 | 26 | 26 | 27 |
| | Female (%) | 18% | 17% | 18% | 19% |
| STEM-related Positions | Male | 379 | 383 | 391 | 356 |
| | Female | 123 | 136 | 148 | 138 |
| | Female (%) | 25% | 26% | 27% | 28% |

**Actively Retain Senior Talent**

Faraday attaches great importance to the accumulated professional experience and knowledge succession of middle-aged employees within the organization, and continues to promote retention measures friendly to middle-aged employees to foster a diverse and inclusive workplace environment. In 2025, the proportion of working employees aged 45 and above reached 44%. To assist middle-aged employees in continuing to engage at workplace with peace of mind at different life stages, and to enhance health knowledge and psychological adaptability, Faraday also provides comprehensive health care and assistance for senior talent.

| Key Programs | Key Actions and Performances |
|---|---|
| Retention Incentives | • Provide long-service medals and bonuses for employees with 5 or more years of service; awarded again every 5 years. Implement specific long-term retention incentive measures to enhance employees' sense of identity and belonging.<br>• Family-friendly flexible work model for senior employees – Part-time, Post-retirement rehire, Cross-regional transfer<br>• Active aging learning: Continue to provide internal and external professional training courses for middle-aged and senior employees |
| Comprehensive Health Care and Support | • 100% completion of job fitness assessment for middle-aged employees; provide tiered management, occupational physician consultation, medical referral assistance and follow-up after health examinations<br>• Provide health knowledge lectures on common diseases among middle-aged employees (Three “Highs” [hypertension, hyperglycemia, hyperlipidemia], Myocardial Infarction, Osteoporosis) |

## 3.2.3 Build Inclusive Workplace, Listen to Employees’ Needs

**Sexual Harassment Prevention Program to Promote Gender Equality Awareness**

Through e-Course learning, we enhance employees’ self-protection awareness and deepen their understanding of gender equality, fostering a culture of respect and protection for others. Additional training on prevention and handling procedures is provided to managerial staff and sexual harassment investigators, reinforcing their responsibility in maintaining a respectful, inclusive, and harmonious workplace. In 2025, the completion rate for the sexual harassment prevention awareness program reached 100% for all employees, including supervisors and investigators.

**Voice of the workplace: Listen to employees, integrate employees’ opinions into Company policies**

We encourage employees to express their opinions and have teamed up the “Voice of the Workplace” composed of cross-department employees. Through collaboration among employees with diverse backgrounds, ages, genders, cultures, and professional expertise, the team promotes cross-generational communication and knowledge sharing in a joyful and inclusive atmosphere. By collecting employees’ feedback and integrating it into Company policies, the team proposes creative and employee-centric activities in project meetings and regular meetings, incorporating these insights into the Company’s daily operations to create an innovative and employee-friendly work environment.

**Focus on Employees of All Nationalities, Promote Cultural Integration, and Accelerate the Learning Curve at Work**

- Establish A Global Cross-cultural Information-sharing Platform (Faraday News)
  Establish a global cross-cultural information sharing platform (Faraday News), centered on promoting international cultural exchange, the platform showcases cultural activities from different regions through articles and videos. With like and comment functions, this platform allows global employees to interact with each other, thereby deepening respect and appreciation for diverse cultures. This helps create a more open and harmonious work environment and realizes the values of diversity, equity, and inclusion.

- Overcome Language Barriers by Building Multi-Language e-Course
  To respond to the growth of overseas R&D teams, recruitment, and cultivation of local talents, we actively develop multi-language e-Courses (including Vietnamese) to enhance learning effectiveness and shorten the learning curve.

- Assign Dedicated mentors and provide orientation manuals for foreign new recruits
  When foreign employees are on-boarded, we offer work guidance and life information including the introductions from accommodation, transportation, to the nearby commercial areas to help them adapt to Company policies and environment, and integrate into local life.

**Friendly Marriage, childbirth, and family care; enhancing sense of belonging for employee**

Faraday has implemented multidimensional, dedicated welfare measures to encourage and support employees in childbearing and parenting. Faraday’s fertility rate has steadily increased to 5%, and we were awarded as the platinum level of the corporate fertility survey by “Global Views Monthly”.

- Provide Better-Than-Legal Leave and Maternity Allowances

| Items | Legal Regulations | Better-Than-Legal Standard Measures |
|---|---|---|
| Holidays | 16 national holidays every year | Additional 7 days of floating holidays will be granted in 2025 (Total of 23 days including statutory national holidays) |
| Floating Holidays | Must be subject to labor-management negotiation and application | Showing solicitude for employees’ efforts on work/family care and commuting; provide flexible working hours for half an hour from Monday to Thursday and one hour on Fridays; the working hours are even shortened to 7.5 hours on Fridays; these are all for employees to balance individual and family care. |
| Annual Leave | Recognize days based on the start date of employment | Provide annual leave with a better-than-legal calculation basis and grant annual leave in advance, allowing employees to enjoy their leave rights earlier. |
| Maternity Leave | 56 days | The number of days granted increases according to the number of births, with a maximum of 70 days. |
| Pregnancy Checkup Accompaniment and Paternity Leave | 7 days | The number of days granted increases according to the number of births, with a maximum of 10 days. |
| Paternity Caring Leave | None | If the spouse has not yet obtained the maternal health education handbook but occurs the miscarriage, employee will be given full pay for 3 days. |
| Maternity and Baby Safe Leave (Fetal Protection Requirement) | Fetal protection leave is included in the 30-day sick leave calculation, with half salary paid. | An additional 5 days of full paid fetal protection leave will be granted, which will not be included in the calculation of sick leave. |
| Family Care Leave | Included in the calculation of 14 days of personal leave | An additional 7 days will be granted, which will not be included in the calculation of personal leave. |
| Maternity Gifts | None | Newborn subsidy for per-birth is NT$12,000, including employees’ children and grandchildren |

- Deepen Family Dependents’ Recognition and Sense of Belonging
  Faraday regards employees’ families as important sustainability partners, warmly invites them to participate in diverse activities for shared enjoyment, extends corporate care to families, thereby strengthening families' sense of identity and cohesion with Faraday, and building a solid support force.
  – Annual Family Day: Hold family day activities at theme parks or outdoor venues annually, warmly invite employees’ families to participate in and interact. Through immersive experiences, the gap between families and the Company is bridged, allowing dependents to experience corporate vitality firsthand.
  – Lawn Concert: Employees are sincerely invited to bring their families to share music and meals on the eve of the Mid-Autumn Festival. This fosters emotional connections in a relaxed festive atmosphere, enhancing families’ sense of belonging to Faraday’s happy corporate culture.
  – Children’s Day Activities: Exclusively dedicated designed challenge games and theater performances for “Faraday Junior Generation”, allowing children to create happy memories in their parents’ work environment and build trust and pride in the corporate brand from an early age.
  – Keynote Speech: Organize diverse lectures on health, education, etc., and open them for participation by family dependents. Enhance the quality of family through knowledge sharing, fulfilling the Company’s commitment to comprehensive care for employees’ families.
- Maternal Protection
  – Implement the maternal health protection plan, complete hazard assessments in high-risk work areas, and prevent potential hazards at workplace; 100% completion of physician consultation, hazard assessment, hierarchical management, and health protection to ensure the physical and mental health of pregnant, postpartum, and breastfeeding female employees.
  – Promote maternal care measures, including providing comprehensive breastfeeding rooms, dedicated parking spaces for pregnant employees, ergonomic chairs for pregnancy period, generous newborn allowances, and additionally providing feminine sanitary napkins.

- Unpaid Parental Leave
  Faraday provides better-than-legal flexibility and support, establishing a comprehensive unpaid parental leave mechanism for employees with space to accompany their families as they grow.

| Items | Male | Female | Total |
|---|---|---|---|
| Number of employees eligible for unpaid parental leave in 2025 (A) | 43 | 22 | 65 |
| Actual number of employees applying for unpaid parental leave in 2025 (B) | 0 | 1 | 1 |
| Estimated number of reinstatements after taking unpaid parental leave in 2025 (C) | 0 | 0 | 0 |
| Actual number of reinstatements after taking unpaid parental leave in 2025 (D) | 0 | 0 | 0 |
| Number of unpaid parental leave employees reinstated in 2024 (E) | 0 | 4 | 4 |
| Number of unpaid parental leave employees reinstated in 2024 who continued working for one year (F) | 0 | 4 | 4 |
| Reinstatement rate (D/C) | - | - | - |
| Retention rate (F/E) | - | 100% | 100% |

Definitions:
The statistical data for A, B, C, and D are for those who were employed in 2025.
*Number of employees eligible for unpaid parental leave in 2025: The number of employees who applied for pregnancy checkup accompaniment and paternity leave and maternity leave during the period 2022/01/01 ~ 2025/12/31, and submitted birth certificates.
*Actual number of employees applying for unpaid parental leave in 2025: The number of employees who applied for unpaid parental leave during the period 2025/01/01 ~ 2025/12/31
*Estimated number of reinstatements after taking unpaid parental leave in 2025: The number of employees whose unpaid parental leave expired during the period 2025/01/01 ~ 2025/12/31
*Actual number of reinstatements after taking unpaid parental leave in 2025: The number of employees whose unpaid parental leave expired during the period 2025/01/01 ~ 2025/12/31 and who were reinstated in their positions after this date.
*Number of unpaid parental leave employees reinstated in 2024: The number of employees reinstated in their work positions during the period 2024/01/01 ~ 2024/12/31
*Number of employees reinstated for one year after unpaid parental leave in 2024: The number of employees reinstated in their work positions for one year after unpaid parental leave and remains employed during the period 2024/01/01~2024/12/31.
*Note: "-" for number of employees indicates that there are no employees scheduled to return towork or who are actually available to return to work; "-" for ratio indicates that the denominator is '0' and no return-to-work rate or retention rate is calculated.

**Actively Organize Team Cohesion Activities and Support Employee Club Operations**

The Welfare Committee organizes diverse and abundant employee activities to enhance team morale and create a joyful workplace atmosphere, strengthening centripetal force among employees toward the Company.

| Item | Content |
|---|---|
| Annual Road Running Activity | Health road running activity is held during working hours, featuring "10-KM Professional Race" and "5-KM Fun Run" categories to lower the participation threshold and encourage full employee engagement. |
| Executive Service Day | All the directors get rid of the position title and bring up a warm service for each employee, and improve the interaction between the directors and the employees. |
| Arts and Cultural Activities | Support the cultural industry, invite domestic arts and cultural groups to perform; broaden horizons and acquire new knowledge. |
| Annual Group Recreational Activities and Sports Competitions | Hold large-scale sports competitions, group recreational activities, and talent competitions; employees generally participate actively, which increases the interactions among directors and employees. |
| Year-end Party | To compliment and give thanks to all the employees for hard work over the year, the Company prepares abundant catering, wonderful performances, and lottery draws. |
| Employee Club | Support employees in cultivating personal interests and improving their physical and mental well-being, providing annual funding for club activities and subsidizing the costs of external lecturers. Club members frequently represent the Company in external competitions and have consistently achieved outstanding results. |

**Spacious and Comfortable Working Environment, Bright and Clean, Filled with Humanistic Atmosphere**

Faraday provides employees with comfortable working environment: The building has music café, staff cafeteria, parking spaces for cars and motorcycles, breastfeeding collection rooms, stress relief center, art gallery, leisure sports and fitness center, leisure garden and various staff rest areas for employees to take a good rest and timely relieve work pressure.

- Spacious and comfortable office space: Each employee has 4m$^2$ of personal space.
- Free and sufficient parking spaces for cars and motorcycles: Each employee can be allocated a parking space and our parking lot also provides free overnight parking for employees; moreover, we provide exclusive friendly parking spaces for pregnant female employees.
- Fitness center and sport field (Covering 3,600 m2): Both indoor and outdoor multi-sport ball courts, billiards courts, table tennis courts, gymnasiums, rhythm classrooms, basketball-shooting machines, dart machine, hockey game machine, and shower rooms; all have annual expenses for regular maintenance and replacement of old venues and equipment, and new equipment is purchased based on employee suggestions to satisfy the various fitness needs of employees. Among all, the center is equipped with 6 user-friendly shower rooms for employees to freshen up after exercise, improving the efficiency of facility usage.
- Ecological green space (Covering 4,830 m$^2$): Retain thousands of square feet of ecological green space, hundreds of plants and flowers are planted, attracting insects and birds to nest and inhabit, forming an ecological botanical garden. Employees can enjoy the green space at any time to relax in the garden.
- Music café: An elegant and high-ceiling music café, providing coffee, tea, light meals, and lunch. Employees can take a break during work intervals.













**Freedom of Association and Multiple Communication Channels**

Faraday values the opinions and rights of its employees, cares about and listens to their various opinions and suggestions at any time, and respects the right of all employees to freedom of association. Employees can reflect their opinions on problems in work, life, and environment through various channels such as the employee forum between the President and all employees, labor management conference, Employee Welfare Committee, Education Training Committee, Environmental Safety and Health Committee, employee engagement survey , employee community, and grievance mechanisms, and have them resolved. Taiwan holds labor-management conference regularly in accordance with the law. Labor representatives communicate and coordinate with management to discuss the rights and interests of all employees through quarterly labor-management conference. In addition to Taiwan, other global locations such as Vietnam and China also comply with local laws and regulations to protect employees' rights to freely associate and form trade unions; covering 93.2% of employees worldwide. Faraday has established a variety of internal communication mechanisms to allow employees' opinions to be fully expressed, and relevant responsible units will quickly respond to employees' requirements; establish a good communication culture and a lively and open working atmosphere.

| Method | Communication Content | Frequency |
|---|---|---|
| Global Sharing Platform | • Disclosure of Company operating information and quarterly reports of investor conference R&D technology and result sharing<br>• Company event minutes and highlights | Anytime |
| Employee Forum | • Build consensus, corporate operating status, and share development strategy | Quarterly |
| Labor Management Conference | • Foster employer-employee cooperation, enhance coordination of employer-employee relations, improve workplace conditions, and develop labor welfare initiative, etc. | Quarterly |
| Employee Welfare Committee | • Employee welfare initiative, activity planning | Quarterly |
| Education Training Committee | • Implementation and reviewing of employee education and training | Quarterly |
| Environmental Safety, and Health Committee | • Employee occupational safety and health issues | Quarterly |
| Welcome Lunch for New Recruits | • Express welcome for new recruits; provide onboarding assistance, respond questions | On the day of new recruit training |
| Interview for New Recruits | • Understand the adaptation status and give feedback and assistance to new recruits | Within three months of the onboarding date |
| Employee Opinion Expression Platform | • Any opinions and issues related to the Company | Anytime |
| Employee Community | • Encourage employees to express their opinions, integrating employees' feedback into Company policies | Anytime |
| Complaint Mechanism | • Report or appeal any unfair or unreasonable situations (Such as sexual harassment, workplace violence, etc.) | Anytime |
| Employee Engagement Survey | • Through Employee Engagement Survey, employees' feelings, experiences, and related suggestions of the workplace can be comprehensively understood | Annually |

**Employee Experience Feedback**

The HR unit conducts an annual employee engagement survey in the fourth quarter, proactively listening to employee voices. Through three core dimensions "Company Operations, Team Management, and Employee Experience" and eight thematic modules, valuable insights into employees' feelings and career experiences are gathered. Based on employee feedback, improvement plans are formulated to enhance employee experience and implement a people-centered, friendly workplace where joys and pro works in harmony. The 2025 survey covered all employees in Taiwan, achieving a response rate of 53.1%, a job satisfaction score of 86.3, and 92.4% (Note 1) of employees attaining the highest level of Employee Net Promoter Score (eNPS), demonstrating highly positive employee experience results.

Note 1: Full score is 10 points; calculated as: (number of respondents scoring 7 points or above)/(total number of respondents.)

**Questionnaire Sets:**

| Company Operations | Team Management | Employee Experience |
|---|---|---|
| • Corporate philosophy and culture: 5 questions<br>• Corporate management and measurements: 5 questions | • Supervisor leadership and management: 3 questions<br>• Division teamwork and vibe: 2 questions | • Work motivation and conduct: 1 question<br>• Employee work experience: 2 questions<br>• Learning and development: 1 question<br>• Organizational commitment: 1 question |

**Survey Results:**

| Indicator | Job Satisfaction | Sense of Purpose at Work | Job Well-being | Workload and Stress Levels (Note 2) |
|---|---|---|---|---|
| Meaning of Indicator | In overall, I am satisfied with my current job. | I understand the meaning and targets of my work and continuously seek ways to improve my contribution and work performance. | Positive feelings, emotions, and psychological satisfaction experienced at work; including mental, physical, and social aspects. | I am able to cope with the current work pressure. |
| Score | 86.3 | 87.6 | 84.9 | 85.5 |

Note 2: This is the positively scored value after conversion.

| Continuous Optimization | Implementation Measures |
|---|---|
| Build an inclusive workplace that fosters mutual respect, authentic communication, and a dynamic, high-performance organizational culture. | • Learning resource: Continuously advancing soft skills courses in leadership and effective communication.<br>• Leadership & Management: Launching the revised New Supervisor Development Program to strengthen excellence in leadership mindset and foster a positive, collaborative team environment.<br>• Team cohesion activity: Annual team competition held to strengthen cross-team collaboration. |
| Continuously building a holistic well-being workplace environment, promoting a healthy work-life balance. | • Health knowledge promotion: Provide accurate health information, continuously strengthen employees' health awareness, and hold health lectures conducted by specialist physicians.<br>• Workplace environment management: Implement comprehensive safety and health management across people, environment, and behavior, ensuring a safe and healthy work environment with the protection of workers as the highest priority. |

# 3.3 Talent Attraction and Retention

Talent is a critical cornerstone of corporate development. Faraday continues to build an attractive and stable workplace environment. Through diverse recruitment channels, we provide competitive remuneration and welfare to attract outstanding talents to join the professional team, implementing the management philosophy of “Joys and Pro Works in Harmony”, supporting employees’ long-term commitment and professional development. As of the end of 2025, the average tenure of permanent on-duty employees reached 9.4 years, and the retention rate of excellent talents in the past three years reached 82%.

## 3.3.1 Recruitment and Retention

**Recruitment Channels**

Faraday attracts diverse talents through fair and open election procedures and diversified recruitment channels. To ensure the accuracy of the selection process, we have a complete evaluation mechanism in terms of selection criteria, election tools, and interview skills. Through customized professional evaluation models and structured interviews, we accurately select target talents that meet the Company’s needs and help achieve long-term operational targets.

**Corporate website / Job banks / Social media**
- Faraday Technology recruitment website
- 104 Job bank
- LinkedIn/Facebook

**Industry-academia interaction / Campus lectures**
- National Chung Cheng University Chip Design Center collaborating program
- National Taipei University educational cooperation and technical consulting plan
- National Taiwan University of Science and Technology educational cooperation and technical consulting plan
- Lecture for deeply cultivation in campus and technical interaction
- The Youth's Employment Ultimate Program

**Internal recommendation / Corporate internship**
- Employee referrals and reward measures
- Internship program by industry-academia interaction
- Early Win program-Workplace learning program for college and graduate students

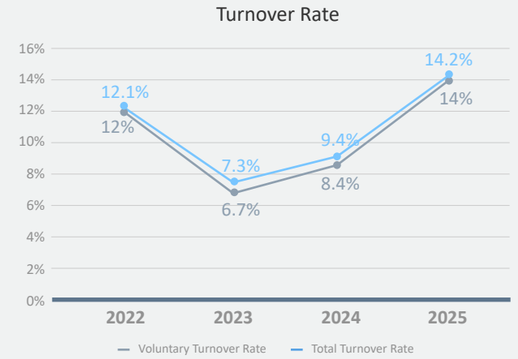
**Initial interview**
- Professional assessment
- English quiz
- Personality test
- Interview by direct manager

**Second-round interview**
- Interview by Division Manager
- Interview by HR

**Appointment decision-making**
- Evaluation by managers
- HR suggestion

**Manpower Distribution of New Recruits/Departing Employees in 2025**

In 2025, the new recruitment rate at Faraday Technology’s Taiwan site was 6.8%, with a total of 40 new employees hired, approximately 43% of whom were 30 years old or younger. This helps maintain a relatively young workforce, balancing talent development with intergenerational knowledge transfer, and continues to fuel innovation in R&D.




| | New Recruits 2024 | | | | New Recruits 2025 | | | |
|---|---|---|---|---|---|---|---|---|
| | Male | | Female | | Male | | Female | |
| | Number of New Recruits | New Recruitment Rate | Number of New Recruits | New Recruitment Rate | Number of New Recruits | New Recruitment Rate | Number of New Recruits | New Recruitment Rate |
| Under 30 Years Old (Included) | 31 | 37% | 18 | 32% | 9 | 14.3% | 8 | 24.2% |
| 30 ~ 50 Years Old | 24 | 10% | 6 | 5% | 11 | 5.1% | 8 | 6.5% |
| 50 Years Old Above (Included) | 4 | 4% | 1 | 3% | 2 | 1.6% | 2 | 5.7% |
| Total | 59 | 14% | 25 | 12% | 22 | 5.5% | 18 | 9.4% |

Note: New recruitment rate = Number of new recruits in each category/total number of employees in each category at year end

The global total turnover rate in 2025 was 10.3% and the total turnover rate and voluntary turnover rate in Taiwan sites were 14.2% and 14%, respectively. Affected by fluctuations in the semiconductor industry and geopolitical uncertainties, the turnover rate increased overall compared to the previous year. However, both the total turnover rate and voluntary turnover rate were lower than the total turnover rate of 25% and voluntary turnover rate of 21.2% in Taiwan's electronics and information industry (Source: 104 Job Bank; “HR F.B.I. Research Report” in 2025). Faraday continues to retain outstanding employees through employee care initiatives and individual development plans, achieving the target of talent sustainability.

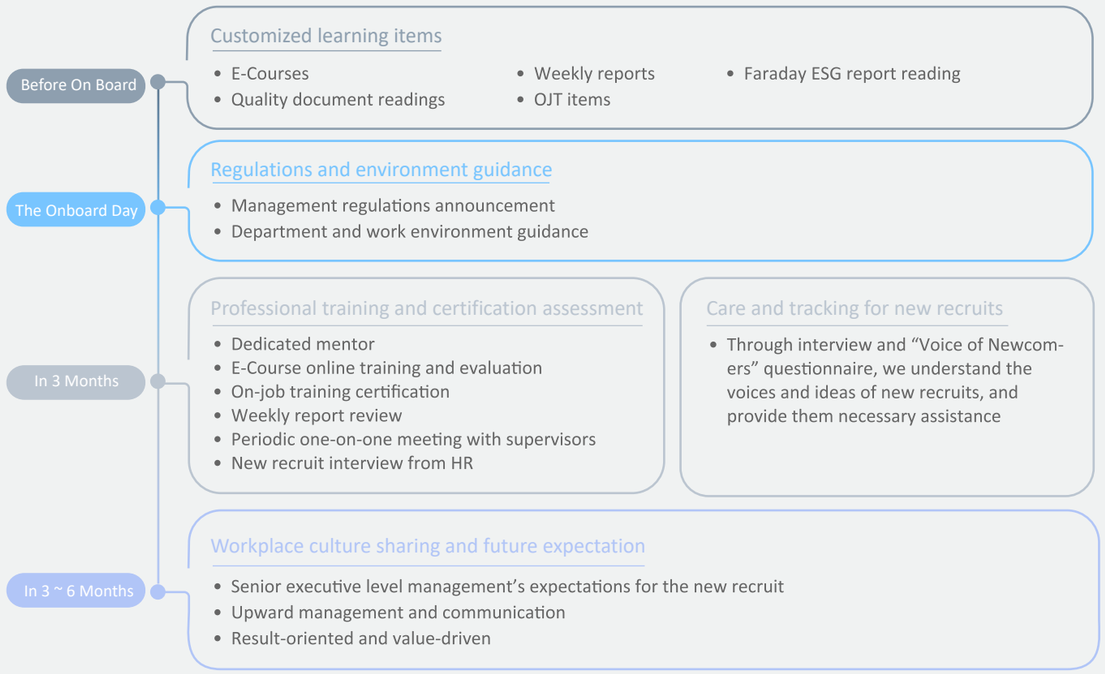
| Turnover Categories | Age Distribution | 2024 | | | | 2025 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Male | Turnover Rate | Female | Turnover Rate | Male | Turnover Rate | Female | Turnover Rate |
| Voluntary Turnover | Under 30 Years Old (Included) | 7 | 8.4% | 4 | 7.0% | 9 | 14.3% | 17 | 51.5% |
| | 30 ~ 50 Years Old | 30 | 12.0% | 8 | 6.8% | 43 | 20.1% | 8 | 6.5% |
| | 50 Years Old Above (Included) | 3 | 2.9% | 2 | 6.7% | 4 | 3.3% | 2 | 5.7% |
| | Total | 40 | 9.2% | 14 | 6.9% | 56 | 14.0% | 27 | 14.1% |
| Total Turnover | Under 30 Years Old (Included) | 8 | 9.6% | 4 | 7.0% | 9 | 14.3% | 17 | 51.5% |
| | 30 ~ 50 Years Old | 34 | 13.7% | 8 | 6.8% | 43 | 20.1% | 8 | 6.5% |
| | 50 Years Old Above (Included) | 4 | 3.8% | 2 | 6.7% | 5 | 4.1% | 2 | 5.7% |
| | Total | 46 | 10.5% | 14 | 6.9% | 57 | 14.3% | 27 | 14.1% |

Note: Turnover Rate = Number of departing employees in each category/total number of employees in each category at year end. The number of departing employees includes retirees but does not include those who are in leave of absence.

**Learning and Mentorship Program for New Recruits**

Faraday has established a comprehensive onboarding system that includes learning, care, and mentorship programs to help new recruits quickly get up to speed and integrate into the Company. Through the systematic and customized “New Employee Training”, the learning status of new recruits is tracked and verified, basic professional knowledge is consolidated, and supervisors are helped to understand the status of new recruits. New recruits can also get the information and assistance they need in real time on the exclusive “Newcomer Guidelines” webpage. In addition, there is also an employee served as dedicated mentor in the division to give immediate help in work and life. Meanwhile, we also conduct “Voice of Newcomers”, supervisor interviews, and HR interviews to understand the voices and ideas of new recruits based on satisfaction levels regarding aspects such as Work characteristics/content, leadership style, department atmosphere, and intrinsic feelings; provide them necessary assistance, shorten the learning curve of new recruits, quickly become familiar with the Company’s environment and culture, and quickly acquire knowledge and experience they need; improve the retention rate of new recruits. In 2025, the average score of the “Voice of Newcomers” questionnaire was 93.4 points.

| Aspects | Descriptions |
|---|---|
| Work Characteristics/Content | Fitness between the job and the competence of new recruits |
| Supervisor Leadership/Ways of Guidance | The extent to which new recruits feel they can perform well at work and wins opportunities for development under the leadership of their supervisor |
| Culture/Vibe Inside the Department | New recruits’ perception of department atmosphere, intrinsic motivation and feelings |
| Cross-department Partnership | The amount of effort that new recruits need to put in when collaborating across departments and the degree to which the collaboration is smooth |
| Future Development | New recruits’ confidence in their current career development |




## 3.3.2 Remuneration and Welfare

Faraday is devoted to providing market-competitive remuneration and welfare policies to attract and retain outstanding talents. Through a complete remuneration policy, performance-oriented bonus system, and diversified employee welfares, we ensure that employees can continue to grow in a stable working environment while working together with the Company to achieve shared targets.

**Remuneration Commitment**

Faraday is committed to providing employees with a living wage that exceeds the minimum wage standard, further ensuring the quality of life of employees and their families. In 2025, the average employee remuneration reached NT$ 2 million, and the starting salary for grassroots R&D personnel was 2.3 times the basic wage in Taiwan, demonstrating Faraday's fulfillment of its remuneration commitment. Faraday will continue to optimize its remuneration system to provide employees with stable financial security, supporting personal growth and corporate sustainable development.

**Competitive Remuneration and Talent Retention Measures**

Faraday provides market-competitive remuneration. The remuneration system is designed based on factors such as job position, seniority, and performance, and offers various levels and forms of pay, including regular salary adjustments, long-term service bonuses, and performance-based rewards. It also includes project-based incentives and annual dividends, ensuring that employee contributions are fairly and equitably recognized

To achieve the target of attracting and retaining top talents, Faraday regularly conducts market data analysis and internal compensation optimization, reviewing and adjusting employees’ salaries, working hours, and welfare benefits to ensure that 100% of the compensation level meets the market median standard. Faraday has been consecutively listed as the constituent stock of “TWSE RAFI Taiwan High Compensation 100 Index” since 2014, demonstrating the Company’s high emphasis and commitment to employee remuneration.

In terms of talent retention, Faraday implements various talent-retention strategies to enhance employee satisfaction and loyalty, including career development planning, cross-department job rotation, and participation in international projects, helping employees accumulate experience and improve their capabilities. Meanwhile, Faraday provides family-friendly measures to create a positive work and life environment, ensuring the stable growth of talents and achieving mutual growth between Faraday and its employees.

Faraday will keep a close watch on market compensation trends, strengthen the fairness and competitiveness of its remuneration system through transparent salary policies and actively optimize talent retention measures, promoting the Company’s long-term sustainable development and supporting its commitment to corporate sustainability.

**Salaries and Wages of Non-Managerial Full-Time Employees**

| Year | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Number of Full-Time Employees | 591 | 599 | 625 | 617 |
| Average Salary (NT$ Thousand) | 2,550 | 2,323 | 2,089 | 2,023 |
| Median Salary (NT$ Thousand) | 2,072 | 1,980 | 1,802 | 1,752 |

Note 1: Remuneration includes regular earnings (base salary, fixed allowances, bonuses), overtime pay, and non-regular earnings (allowances, bonuses, compensation, etc.), excluding pensions and share-based payments, and is calculated on an annualized basis. The calculation is based on the number of active employees throughout 2025, excluding temporary and short-term contract staff.
Note 2: In 2025, the ratio of the annual total remuneration of the highest-paid individual to the median annual total remuneration of all other employees (excluding the highest-paid individual) was 10.3 : 1.
Note 3: In 2025, the ratio of the percentage increase in the annual total remuneration of the highest-paid individual to the median percentage increase in the annual total remuneration for all other employees (excluding the highest-paid individual) was 28.8 : 1. Both the numerator and denominator of the aforementioned ratio are negative values. This is because the decrease in the total remuneration of the highest-paid individual in 2025 was significantly larger than the median decrease in remuneration for all employees. The primary reason for this variance is that the Company's net profit for 2025 declined compared to the previous year, leading to a corresponding reduction in the total employee bonus pool, which is highly linked to operating performance. Since variable compensation accounts for a higher proportion of the remuneration structure for senior executives compared to general employees, the impact of the profit decline on their remuneration was much more pronounced.

**Performance-oriented and Remuneration Fairness**

Faraday implements a performance-oriented remuneration system, designing compensation based on job roles and work achievements, and regularly reviews the remuneration structure to ensure alignment with market trends. Through performance-based bonuses, project bonuses, and annual salary adjustment mechanisms, we motivate employees to create value and support both employee and Company growth, ensuring sustained leadership in a rapidly changing market.

Faraday emphasizes remuneration fairness and is committed to achieving consistency in compensation for the same positions and promoting gender equality. We

ensure that the remuneration and promotion mechanisms are 100% determined by job requirements and individual performance, without differences based on gender, race, age, religion, marital status, or sexual orientation. To achieve a fair and non-discriminatory environment, the Company establishes transparent criteria, regularly reviews remuneration structures and promotion processes, and strengthens internal oversight to promote a culture of gender equality and diversity and inclusion.

**Annual Overall Remuneration Ratio of Male Employees to Female Employees by Job Function in 2025 (Female as the benchmark = 1)**

| Job Level | Job Function | Basic Salary Ratio | Total Remuneration Ratio |
|---|---|---|---|
| Non-managerial Position | R&D | 1.12 | 1.15 |
| | Engineering | 1.14 | 1.16 |
| | Admin. & Sales | 1.44 | 1.53 |
| Managerial Position | | 1.24 | 1.33 |

Note: The table uses female remuneration as the benchmark (= 1) to present the relative remuneration of male. Values greater than 1 indicate that the average male remuneration is higher than that of females. Base salary refers to the "regular fixed monthly salary" in the monthly salary structure of December 2025, calculated on an annualized basis (×12). In non-managerial positions, the gender remuneration ratio (base salary and total remuneration) for the Admin. & Sales category shows a significant disparity. This is primarily due to the fact that more males are employed in senior marketing and sales positions, while more females hold junior roles in administration, finance, and human resources, leading to differences in the overall remuneration structure.

### Pension System

In accordance with the “Labor Standards Act” and the “Labor Pension Act”, Faraday provides a legally compliant pension system and has established a Labor Pension Reserve Fund Supervision Committee to ensure that the contribution and supervision mechanisms operate legally and transparently. Since July 1, 2005, the Company has legally contributed 6% of employees' monthly wages to their individual labor pension accounts on a monthly basis, ensuring a basic livelihood after retirement for all eligible employees. In addition, regarding the old pension system, the Company makes full contributions annually in accordance with regulations to guarantee that employees’ existing rights are fully protected. The related contribution amounts, coverage, and system operations are disclosed on pages 35-37 of the Company's annual financial report, demonstrating the Company’s commitment to employee welfare and responsible governance.

### Insurance System

Faraday is committed to providing an insurance system that is comprehensive and complies with laws and regulations to protect the basic rights, well-being, and safety of employees. In addition to providing labor insurance (including employment insurance) and health insurance in accordance with the law, we also provide additional group insurance, including life insurance, critical illness insurance, medical insurance, accident insurance, cancer insurance, and overseas travel safety insurance for business trips to fully protect employees on both work and life safety. To further enhance this protection, the Company provides flexible group insurance options, and more than 40% of employees choose to include their dependents in the Company’s expanded group insurance. Meanwhile, the Company offers on-site insurance services weekly to assist employees in understanding their insurance claims-related rights and raising their awareness of risk management. Through diversified insurance programs, Faraday ensures the health and welfare of its employees.

### Employee Stock Ownership Trust Plan

Faraday launched the Employee Stock Ownership Trust program in 2022 to encourage employees to participate in the Company’s growth and share in its achievements, thereby strengthening alignment between employee and corporate targets. Participants can voluntarily allocate a portion of their monthly salary to purchase Company shares. The Company provides equal matching contributions and the combined amount is deposited into a dedicated trust account. Employees can also apply to adjust their contribution amounts quarterly, offering high autonomy, and sustainability. To date, the participation rate has exceeded 75%, demonstrating strong employee recognition and acceptance of the program. Tied to the Company’s financial performance, the program not only allows employees to benefit from the Company’s growth but also helps them build long-term wealth and plan for future retirement.

### Diverse Employee Welfare

| Items | Descriptions |
|---|---|
| Better-than-industrial-mandated Remuneration | In 2024, the average employee salary was NT$ 2.089 million, and the median salary was NT$ 1.802 million. |
| Multiple Welfare subsidies | Department dining activity expenses, Travel subsidies, Birthday gift voucher, Maternity gifts, Wedding gifts, Funeral subsidies, Condolence allowance, Discount voucher, Designated shops (APP) |
| Fully Subsidized Insurance and Health Care | Provide group insurance including life insurance, critical illness insurance, medical insurance, accident insurance, cancer insurance, and overseas travel safety insurance for business trip, and also provide preferential insurance for dependents |
| Better-than-legal working hours and paid leave | • Half-hour reduction in working hours every week<br>• Provide annual leave with a better-than-legal calculation basis and grant annual leave in advance, allowing employees to enjoy their leave rights earlier<br>• Granted 7 days of floating holidays in 2025 for employees to utilize at their discretion<br>• Daily flexible working hours: 0.5 hour; Every Friday flexible working hours: 1 hour |
| Encourage social participation | • 16 hours for public service leave annually to encourage employees to voluntarily engage in social service.<br>• Hold volunteer activities |
| Abundant Activities | • Year-end Party, Bonus Draws<br>• Family Day, Company Anniversary Event, Children’s Day<br>• Global Road Running, Walking Challenge, Cross-department competition<br>• Diverse club activities, Cultural and arts theme lecture |
| Diverse Dining | • Provide diverse dining options; meal allowance<br>• Faraday meal banquet with exquisite special cuisine to inspire employees’ morale |
| Maternal Protection and Child Nursing | • Dedicated parking space for pregnant employees<br>• Dedicated office chair for pregnant employees<br>• Maternal health protection consultation<br>• Up to 80 days of maternity leave per-birth<br>• Up to 10 days of pregnancy checkup accompaniment and paternity leave per-birth<br>• Granted for additional 7 days of family care leave<br>• Granted for 5 days of maternity and baby safe leave for fetal protection requirement<br>• If the spouse has not yet obtained the maternal health education handbook but occurs the miscarriage, employee will be given 3 days of paternity caring leave.<br>• Signing designated after-school and child caring agencies |
| High-standard Health Care | • Free physical examination once every two years<br>• On-site specialist physician services<br>• Workplace assessment of potential hazards caused by ergonomic factors<br>• Health consultation from specialist physician<br>• Visually impaired message therapists provide on-site stress-relieving massage services for employees<br>• Leisure and fitness equipment is provided for employees to exercise and stay fit.<br>• Health checkup and health promotion themed activities |
| Training and Talent Development | • Personal development blueprint<br>• One-on-one mentor program<br>• Professional techniques/Management/Language Courses<br>• On-Job-Training & OFF-Job-Training<br>• e-Course Platform |

# 3.4 Talent Development

Faraday is committed to efficient learning and systematic inheritance; the results of talent cultivation are specific and solid. In 2022, we were awarded the “National Talent Development Awards (NTDA)” Large-scale Corporation Award by the Taiwan Ministry of Labor. This is the recognition of Faraday’s dedicated efforts in talent development.

## 3.4.1 Training development system

**Education Training Committee**

Faraday recognizes the critical role of talent development in driving Company growth. To ensure investment and engagement in talent cultivation across the organization, Faraday has established an “Education Training Committee”, chaired by senior executives, with department-level and above managers serving as ex officio members. The committee will coordinate and plan the main operation route in accordance with the Company’s future development direction, and conduct regular meetings to review and continuously improve to ensure that training needs are highly connected with Company operations.

Years of continuous operating model improvements have fostered a positive learning atmosphere at Faraday. Through diversified course categories and various learning modes, we have stimulated employees’ motivation, attitude, and ability to learn independently, created an environment for lifelong learning, and promoted the sustainable development of talents.

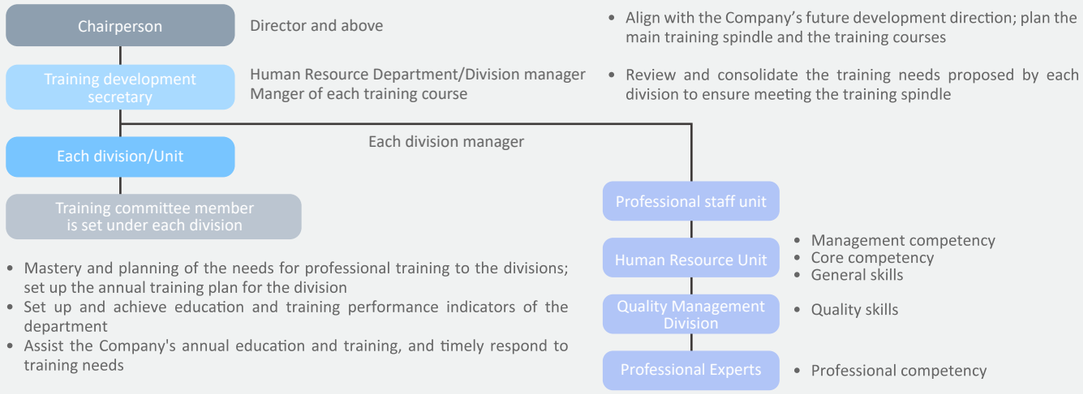
| Flow | Division/Supervisor responsibilities | Education Training Committee (ETC) |
|---|---|---|
| Survey for annual training needs | Undertaking the Company’s business direction, propose the divisional needs for course training or participation | Review and consolidate training needs submitted by all divisions, to ensure that the training spindle aligns with the Company’s future development direction |
| Demand collection and communication | Divisions should communicate for the needs of course training and participation; deploy the course and arrange the instructors after the evaluation | |
| Set up training plan and budgets | Confirm the course training or participation plan, make training budgets | |
| Submission plan | Adjust plans based on comments received during the submission process | |
| Execute the planned course | • Units holding the training: Plan the course starting date, compile materials; give instruction<br>• Units receiving the training: Must complete training and provide feedback | Periodically review the execution quality of training course; offer coordination and correction when necessary |
| Review the course result | Adjust the direction of future course planning based on feedback from participants or supervisors | |

**Strategy**

Coordinate and integrate education and training resources to ensure that training strategies align with the Company’s business strategy and corporate culture to maximize the synergy of resources; implement and promote talent cultivation and development.

**Guideline**

- Integration, planning, coordination, implementation, and execution for the Company-wide education and training
- Review of the execution status and improvement suggestions of the Company-wide education and training
- Grasp and plan the divisional professional training needs
- Coordinate and support the Company-wide training resources




**Development Blueprint for Talents**

Faraday designs an education and training development blueprint based on the human resource development strategy of all levels and the needs of internal and external environments, covering a variety of course contents and guidance methods. This system is the framework for long-term training and development. Based on it, education and training develop courses and cultivate employees’ knowledge, skills, and characteristicsrequired for organizational performance.

| Audience | OFF-JT | | | | OJT | ESG Sustainability Communication |
|---|---|---|---|---|---|---|
| | Management Competency | Core Competency | Profession Competency | Self-inspiration | | |
| Senior Executive<br>Medium-level Manager<br>Junior Supervisor | • Goal /Performance management<br>• Project management<br>• Team Operation<br>• Leadership and innovation | • Problem analysis and solving abilities<br>• Reactiveness<br>• Teamwork | • Research and Development<br>• Intellectual property management<br>• Information security<br>• Total quality management<br>• Environmental, safety and health | • General course<br>• Language learning<br>• OJT | • Task assignment<br>• Job instruction<br>• Job rotation<br>• Mentorship program | • ESG Time<br>• ESG report<br>• Topic sharing<br>• Taskforce |
| General Employee | | New recruit training | | | | |
| In-person instruction , blended learning, practical implementation, workshop, e-Course, study group, library, and professional external training | | | | | | |

- Digital Management and Learning
  - Internal/External training management system: This system manages and tracks execution records and evaluates training effectiveness, ensuring efficient and beneficial training processes.
  - E-Learning platform: Online learning is a key enabler of micro-learning, allowing global employees to learn flexibly and conveniently, access shared learning resources, and stay up-to-date with the latest professional knowledge.
- Provide Diverse Training Based on the Audiences

| Required Targets | Cultivated Items |
|---|---|
| New Recruits | • The HR unit and hiring manager customize new recruit training plan based on the job description<br>• Mentorship program provides new recruits with practical work guidance and Company-related life consultation |
| Permanent on-duty Employee | • Education Training Committee plans annual training courses based on the Company's strategy.<br>• Execute and implement diverse training by the course attributes<br>• Provide multilingual courses to enable global employees to quickly learn and understand |
| Junior Supervisor | • Learning passports for new supervisors: Assist new supervisors in preparing for taking office, provide all-round guidance, assist with psychological adjustment and establish a manager's mentality<br>• Management regulations: Be familiar with the Company's management rules and administrative systems to facilitate the daily management for the division<br>• Key executive meetings: Through in-depth communication, reach a consensus on target management and mentality<br>• Faraday leadership: Summarize the essential competencies and qualities that managers should have, and achieve comprehensive leadership thinking through management practice discussions and QA sessions.<br>• Efficient communication: Enhance soft skills in communication and expression, including presentation in meetings, social communication, and the imparting of techniques for an international perspective.<br>• Management tools and methods: Effective tools and methods used by<br>• high-performance managers to efficiently achieve targets and complete tasks<br>• Management practice workshop: Apply the management tools, methods, and communication skills learned in the course to real work cases for sharing and exchange, ensuring practical application of knowledge |
| Senior-medium Manager/ Executive | • Senior leadership forum: Regularly hold Company strategy and development interaction forums to establish consensus and collaboration among leadership<br>• Business development forum: Discuss industry trends and share marketing business, cultivate business acumen, and shape leaders with strategic vision |

**Diverse Learning Course**

Interdisciplinary learning is the core of sustainable talent development and lifelong learning. Based on the training and development blueprint, Faraday plans the execution priorities for various courses according to short- and medium-term business strategies to carry out more comprehensive planning and offer diverse learning opportunities.

| Course Categories | Targets |
|---|---|
| New Recruits | Customized courses are provided depending on the employee's position needs and professional experience. This helps new recruits quickly fit in the organizational culture and internal processes. |
| General/ Legal Compliance | Strengthen core competency; assist employees in enhancing fundamental workplace knowledge and abilities, as well as understanding of organizational culture, professional ethics, and laws and regulations; strengthen compliance awareness and risk prevention capabilities. |
| Research and Development | Engineering and technical professional training, knowledge inheritance and sharing; promote cross-divisional technical interactions and practical case discussions. |
| Leadership Management | Cultivate management talents, assist supervisors in establishing knowledge and methods of leadership management, and further develop management practices and leadership abilities. |
| Environmental Safety and Health | Strengthen workplace safety knowledge of employees; lower the risk of work safety. |
| Total Quality Management | Implement the Company's quality policy and strengthen the quality awareness and management regulations of all employees. |
| Information Security | Develop correct information security concepts to strengthen information security protection. |
| Intellectual Property Management | Improve employees' awareness of intellectual property and strengthen corporate competitiveness and innovation value. |
| ESG | Implement Faraday's sustainability policies and commitments by practicing the five sustainability execution directions, ensure the Company's sustainable development and fulfill its corporate social responsibilities |
| Domestic/ Foreign Training | Acquire industry trends and new knowledge to enhance personal and corporate competitiveness |
| Agent Training | Ensure agents' promotion skills and service quality enable them to promptly serve customers and promote the Company's R&D technology |

## 3.4.2 Training Effectiveness and Result

**Diverse Evaluation Plan for Training Effectiveness**

Faraday attaches great importance to the substantive effectiveness and continuous improvement of training courses. We conduct post-course effectiveness evaluations for different types of course objectives through questionnaire feedback, post-course tests, behavioral drills, experience reports, workshop sharing sessions, etc.

**Kirkpatrick Model**

**Level 1 Reaction**

**Definition**
- After class, participants will evaluate their satisfaction with the course content, teaching materials, lecturers and teaching methods, and overall benefits

**Effectiveness in 2025**
- The average satisfaction score of internal training courses reached 94 points.

**Level 2 Learning**

**Definition**
- Assess the effectiveness of participant learning by post-class evaluations, training transfer, and submission of experience reports

**Effectiveness in 2025**
- The completion rate of key course assessments reached 100%, with an average score of 91.5.

**Level 3 Behavior**

**Definition**
- Whether the participants apply what they have learned to their work after the training

**Effectiveness in 2025**
- For management courses, the average improvement in managerial behaviors, as measured by pre-training and post-training assessments, reached 11%.
- The number of patent proposals from R&D department in 2025 reached 16 cases, exceeding the annual target of 11 cases.

**Level 4 Result**

**Definition**
- The business benefits that training brings to Faraday

**Effectiveness in 2025**
- Internal promotion rate of managerial talents reached 77%
- Retention rate of excellent talents reached 82%

**Actual Performance on Training Course**

Faraday attaches great importance to the resource input and output efficiency of employee education and training, due to the uniqueness of the ASIC industry, R&D energy mainly comes from the accumulation of practical experience when executing projects; therefore, the experience gained by senior employees in the process of taking on projects is the key knowledge base. Of our Research and Development and Quality-related courses in 2025, up to 95% were developed and taught by internal trainers. Through the inheritance and spreading of internal knowledge, we promote technological innovation. To actively encourage the inheritance of experience, Faraday conducts excellent trainer selection activities every year and express gratitude to all the trainers for their contribution on Teacher's Day.

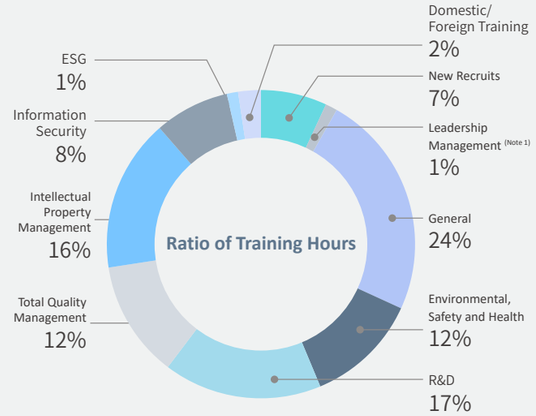
To ensure that our employees stay up-to-date with the times, we encourage our employees to continue their trainings and positively obtain professional certificates/ licenses. From 2018 to 2025, a total of 121 professional certificates/licenses have been obtained. With a lifelong learning attitude, we encourage our employees to strengthen and exert their professional competency and become experts in various fields.

**2025 Training Implementation Overview**

| Categories | Training Categories | Total Sessions | Total Attendance (Note 1) | | | Total Attendance Hours (Note 2) | | |
|---|---|---|---|---|---|---|---|---|
| | | | Male | Female | Total | Male | Female | Total |
| Internal Training | New Recruits | 106 | 568 | 368 | 936 | 729 | 483.5 | 1,212.5 |
| | Leadership Management | 15 | 125 | 28 | 153 | 181 | 35.5 | 216.5 |
| | General/Legal Compliance | 35 | 2,427 | 1,210 | 3,637 | 2,769 | 1,363 | 4,132 |
| | Environmental Safety and Health | 15 | 925 | 466 | 1,391 | 1,383 | 691 | 2,074 |
| | Research and Development | 53 | 2,096 | 517 | 2,613 | 2,339.5 | 563 | 2,902.5 |
| | Total Quality Management | 20 | 1,574 | 567 | 2,141 | 1,574 | 567 | 2,141 |
| | Intellectual Property Management | 10 | 1,971 | 806 | 2,777 | 1,981.5 | 815.5 | 2,797 |
| | Information Security | 12 | 968 | 494 | 1,462 | 910.5 | 462.5 | 1,373 |
| | ESG (Note 3) | 5 | 35 | 65 | 100 | 71 | 135 | 206 |
| External Training | Domestic/ Foreign Training | 68 | 40 | 38 | 78 | 194.5 | 221 | 415.5 |
| Total | | 339 | 10,729 | 4,559 | 15,288 | 12,133 | 5,337 | 17,470 |

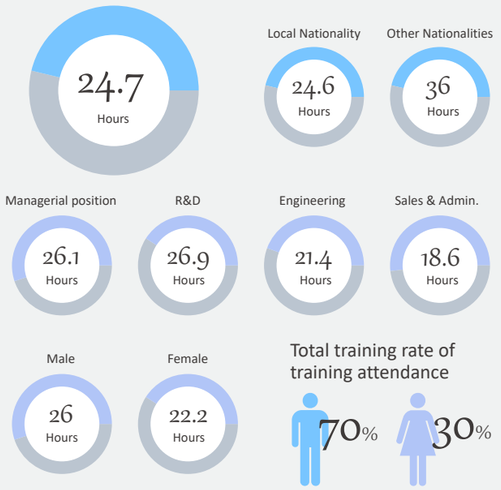
*Note 1: Includes total number of training attendance for 2025 permanent on-duty (including employees on leave of absence) and departingemployees. On December 31, 2025, the total number of permanent on-duty employees (including employees on leave of absence) trained was 14,417; in 2025, the total number of departing employees was 871, a total of 15,288 employees.
*Note 2: Includes total training hours for 2025 permanent on-duty (including employees on leave of absence) and departing employees. On December 31, 2025, the total training hours of permanent on-duty employees trained was 16495.5 hours; in 2025, the total training hours of departing employees was 974.5 hours, a total of 17,470 hours. The above data of Note 1 and Note 2 include permanent on-duty, contract employees, and non-employee workers.
*Note 3: This ESG training category only covers the training courses of Corporate Sustainability Committee and does not include courses that are highly related to sustainability issues.

We also value other workers who serve in Faraday, such as cleaning, security, café, employee cafeteria, and IT outsourcing staff. We provide them with general/legal compliance courses covering environmental safety and health practices, integrity management, human rights policies, information security, insider trading prevention, and sexual harassment prevention. A total of 161 person-times were trained in 2025; this is to protect the rights and safety of employees and workers while working at Faraday, and also ensure that the Company's human rights, information security, and ethics training plans have covered all workers.




Note 1: Courses in the leadership management category provide different forms of resources based on different supervisory levels, such as Senior leadership forum, etc. Please refer to the chapter of "Training Development System" for more details.

Average training hours per employees

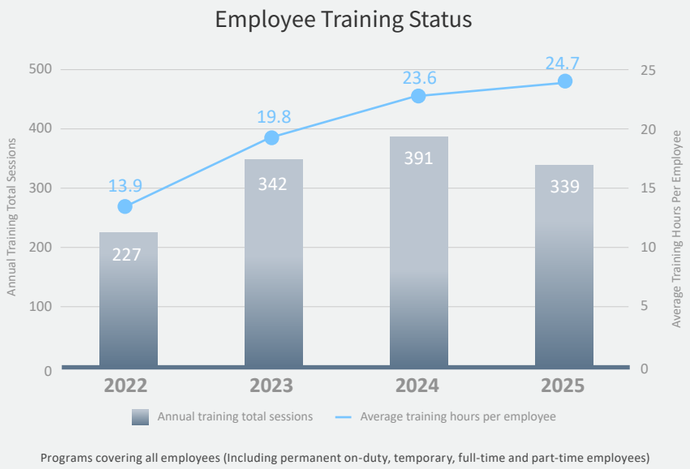



Total training rate of training attendance

### 2025 Employee Training Hours

| Items | Gender | | Employee Category | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | Male | Female | Managerial Position | Non-Managerial | | | | |
| | | | | R&D | Engineering | Admin. & Sales | Sum | |
| a. Total Training Hours (Note 1) | 12,133 | 5,337 | 4,276 | 8,995 | 2,358 | 1,841 | 13,194 | 17,470 |
| b. Number of Employees (Note 2) | 467 | 240 | 164 | 334 | 110 | 99 | 543 | 707 |
| Average training hours per employee (a/b) | 26 | 22.2 | 26.1 | 26.9 | 21.4 | 18.6 | 24.3 | 24.7 |

*Note 1: Includes total number of training attendance for 2025 permanent on-duty (including employees on leave of absence) and departing employees. On December 31, 2025, the total number of permanent on-duty employees (including employees on leave of absence) were 14417; in 2025, the total number of departing employees was 871; a total of 15,288 employees. The above data includes permanent on-duty, contract employees, and non-employee workers.
*Note 2: Includes total number of permanent on-duty employees in 2025 (including employees on leave of absence) and departing employees. On December 31, 2025, the total number of permanent on-duty employees (including employees on leave of absence) was 618; in 2025, the total number of departing employees was 89; a total of 707 employees. The above data includes permanent on-duty, contract employees, and non-employee workers.




Programs covering all employees (Including permanent on-duty, temporary, full-time and part-time employees)

### ESG sustainable development thinking and cultural shaping

Faraday is deeply committed to investing in ESG and firmly believes that the core driving force for enterprises to practice ESG comes from the participation of every employee. We communicate ESG sustainability consensus to all employees through various channels, encouraging collective participation in fulfilling corporate social responsibilities.

In terms of training courses, in addition to the training courses planned and implemented by the ESG Committee, courses that are highly connected to sustainability issues also receive great attention. In 2025, courses on sustainability issues (courses coordinated by the ESG Committee and highly related to sustainability issues) totaled 7,132.5 training hours. These courses help employees reach consensus on corporate sustainable development direction and assist the Company in promoting sustainable actions.

| Form/Occasion | Subject/Description | |
|---|---|---|
| Training | New Recruits Training | Introduction to Faraday ESG |
| | Training Course | Plan internal ESG-related courses and encourage employees to participate in external training. The total training hours for highly related to sustainability issues reached 7,132.5 hours in 2025. |
| | New Employee Training | Designate Faraday's Sustainability Report as required reading to help new employees quickly understand the Company and build consensus on ESG sustainability. |
| | ESG Committee | • The latest GRI revision trends and material<br>• Related IFRS importation training |
| Issue Share | ESG Time | • ESG news and trends<br>• Faraday's highlights in ESG field |
| | Employee Forum | • Faraday received the highest rating in the "Corporate Governance Evaluation" |
| | Senior Leadership Forum | • Environmental Safety and Health Management System implementation and certification<br>• Publicly listed company –Introduction to Corporate Governance Evaluation Indicators<br>• Product carbon footprint<br>• Introduction to carbon credit<br>• Sustainable and healthy workplace |

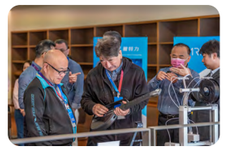
### Global Agent Training & Technical Exchange Conference

Facing an increasingly competitive chip design industry, Faraday recognizes the critical role of knowledge dissemination in driving operational growth. We regularly host agent training and exchange conferences, serving as the best support for our agents in their business endeavors. Through the rigorous review and approval of senior executives, we provide comprehensive and reliable learning resources. We simultaneously update technical information through both in-person and online learning platforms, effectively enhancing technical proficiency and customer service quality.

**Four main themes**

- Advanced Process
- Advanced Package
- Key Service
- Key IP









**Training for Management Competencies: From Executor to Leader**

Consciously incorporating talent development and leadership management capabilities into the strategy of corporate sustainability, and cultivating leadership talents who are adaptable to market changes and have a big picture mindset, is the key pillar of corporate sustainability.

- New supervisors initiate individual management development plan: Comprehensively assess the learning effectiveness of new supervisors in leadership management competencies.
- Blended learning, combining online learning and practical exercises: A blended learning method that combines online courses, physical lectures, and physical drill workshops on management tools and methods & efficient communication allows supervisors to grasp the key points of the course and apply them in practice at work. Through actual management case studies, cross-departmental supervisors take this opportunity to discuss cross-generational communication and collaboration skills, while strengthening course concepts and producing synergies.
- The average growth rate of trainees' management behavior before and after the test was as high as 11% in 2025.

**Blended Learning Design**

- Online and physical learning: Management leadership tools and skills learning
- Practical application sharing at workplace – Applying theoretical practice to work
- Management practice workshop - Increase the opportunities for cross-departmental and cross-generational communication and understanding, thereby generating more exchanges and collaborations, while strengthening course concepts and generating synergies.

**"English Elite Program" to Respond to Global Deployment**

In response to Faraday's continued global R&D team expansion and active recruitment of international technology talents, the "English Elite Program" continues to be implemented, providing employees with systematic online English speaking course resources to enhance business English communication skills and improve cross-departmental and cross-border communication capabilities. Participants provided enthusiastic feedback and demonstrated proactive learning attitudes, achieving a cumulative level-upgrade pass rate of 80%.

## 3.4.3 Performance management and development

Faraday values employees' lifelong learning and development, and actively implements talent performance management and development systems. We provide appropriate work guidance and career support according to employees' different development stages. Each year, senior executives lead the formulation of the Company's strategic targets and action plans, which are then translated into management by objectives (MBO) by individual and department teams. Through multidimensional performance review mechanism twice a year, we evaluate employees' work outcomes, effectively aligning the Company's, team's, and individual's targets. We implement agile management to enforce the efficient communication. The Company also regularly conducts talent inventory, combined with a succession plan, to realize a sustainable approach to talent and team development.

**Annual Team Work Objective Review**
The company conducts an annual business strategy objective meeting, during which each department must report on its work achievements and future goal outlooks.

**Mentorship Program for New Recruits**
With Faraday's mentorship program, new recruits can quickly become familiar with the Company's environment and culture.

**New Recruits Evaluation during Probationary Period**
Tracking the learning results for new recruits and comprehensively evaluate their work competency according to the course schedule of the new recruits.

**Mid-year Performance Appraisal**
Review the work progress and adjust the work direction for employees during the training period or the employees who are designated by supervisor.

**Multidimensional Performance Appraisal**
Provide suggestions and feedback for colleagues involved in cross-departmental project collaboration.

**Year-end Performance Appraisal**
Review the annual work results, formulate future work plans, and discuss the-to-be-devel - oped professional capabilities.

**Performance Improvement and Consultant Plan**
Assist employees with poor performance in improving their work performance.

**Promotion System & Talent Succession Plan**
Regularly conduct talent inventory to assess employees' competencies and performance, provide opportunities for technical and managerial roles, encourage career advancement.

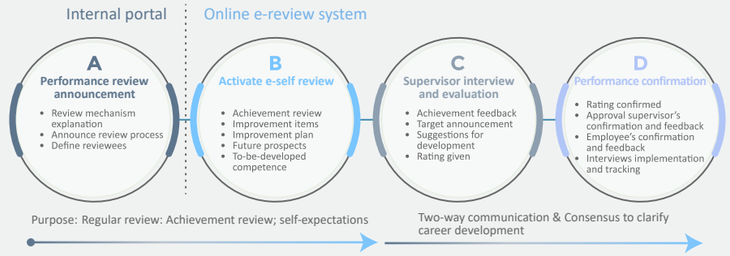
**Agile Work Management**
Respond swiftly to internal and external environmental changes by rapidly detecting and promptly addressing issues, in order to continuously enhance the quality and efficiency of work outputs.

**A Performance Development and Management System with Two-way Transparency**

Faraday's performance management and development system puts emphasis on mutual communication, supervisors are available to understand the strengths and weaknesses of employees through one-on-one performance interviews with subordinates, and then provide timely assistance, guidance, corrections, or suggestions for their work targets to truly improve work effectiveness of individuals and the organization and the Company's overall performance. Every Faraday employee (Note) is required to participate in the year-end performance appraisal. In 2025, 97% of employees underwent evaluation, with a 93% one-on-one interview completion rate; the audit process is mainly controlled by the performance management system, and supervisors and employees give overall suggestions and feedback on the system to achieve two-way transparent communication and performance feedback.

| Permanent on-duty/ Contracted Employee | | Employed as of Dec. 31st, 2025 (Note 1) | | | Numbers & Percentages of People Receiving Year-end Performance Appraisa (Note2) | | | |
|---|---|---|---|---|---|---|---|---|
| Employee Category | | Male | Female | Total | Male | Female | Total | Prcentage |
| Managerial Position | | 114 | 34 | 148 | 112 | 32 | 144 | 97% |
| Non-managerial Position | R&D | 198 | 86 | 284 | 196 | 84 | 280 | 99% |
| | Engineering | 67 | 32 | 99 | 64 | 31 | 95 | 96% |
| | Admin. & Sales | 20 | 40 | 60 | 18 | 36 | 54 | 90% |
| | Summary | 285 | 158 | 443 | 278 | 151 | 429 | 97% |
| Total | | 399 | 192 | 591 | 390 | 183 | 573 | 97% |

Note 1: Permanent on-duty and contracted employee; not including: employees on leave of absence and non-employee workers
Note 2: Excluding: The senior executive president or above, employees who had not yet served/reinstated three months, and partial of the contracted employees (Massage therapist).




**Comprehensive performance appraisal indicators**

Faraday attaches great importance to the competency development of employees and the degree of competence required for their job positions. In addition to qualitative performance results and future prospects, the assessment items also include scale assessments of various competencies to serve as gap analysis for future personal development plans.

| Character of Appraisal | Appraisal Items |
|---|---|
| Qualitative | • Performance review<br>• Future prospects |
| Quantitative | • Profession competency<br>- Professional learning and application<br>• Core competency<br>- Problem analysis and solving abilities<br>- Reactiveness<br>- Teamwork<br>• Management competency<br>- Goal/performance management<br>- Project management<br>- Team operation<br>- Leadership and innovation |

**Motivational Promotion System**

Faraday has set up the “Job Grade and Job Title Procedure” and the “Promotion Management Procedure” to clearly standardize the criteria for promotion. Promotions are carried out regularly every year; through regular performance evaluations, supervisors can identify and select suitable candidates for promotion. The supervisors at the division manager level or above submit the promotion reports; suitable candidates are promoted after approval by the President and the Human Resource Evaluation Committee. In response to organizational management and talent development needs, supervisors can submit job title promotions in accordance with relevant methods and procedures to encourage talents to develop upward and continuously contribute their expertise.

# 3.5 Occupational Safety, Health, and Hygiene

Faraday values every employee and is committed to creating a friendly, healthy, and safe workplace environment and culture. We provide pragmatic occupational safety and health management, actively engage in two-way communication with workers, and encourage proactive identification of potential workplace hazards with suggestions for improvement. The occupational safety and health management unit and the responsible unit jointly respond and take actions. In case of an emergency, employees are granted the right to self-evacuate, following the principle of protecting workers as the highest priority.

## 3.5.1Environmental Safety and Health Policy

Faraday complies with relevant environmental safety and health regulations and the needs and expectations of stakeholders. It considers the operating process and formulates the “Environmental Safety and Health Policy”, which is signed and announced by the President, demonstrating senior management’s commitment to protecting the operational safety and health of all workers. Through the circular risk assessment and audit system, we promote comprehensive safety and health management from the perspectives of personnel, environment, and behavior. In September 2025, we obtained ISO 45001:2018 international certification, covering all workers at Taiwan headquarters.

## 3.5.2 Occupational Safety and Health Implementation Results

Faraday is committed to creating a “Healthy, LOHAS (Lifestyles of Health and Sustainability), and Happy Workplace” as the core mission for promoting a friendly and inclusive work environment. We are committed to building employee awareness of safety, hygiene, and health; supported by relevant protective measures and health promotion activities as the main management strategies.




2025 implementation results: We were honored with qualified certification for Healthy Workplace Promotion Self-Assessment Certification from the Health Promotion Administration, Ministry of Health and Welfare; has been consecutively awarded as an “Outstanding Enterprise” for “2025 Active Evaluation of Corporate Sustainability Report Disclosure of Occupational Safety and Health Performance” by Occupational Safety and Health Administration, Ministry of Labor.

**Promotion of Safety, Health, and Hygiene Implementation Measures in 2025**

| Classification | Implementation Items | Session | Number of Employee Participants | Number of Worker Participants |
|---|---|---|---|---|
| Occupational Safety Type | New Recruits Occupational Safety and Health Training | 11 | 37 | 26 |
| | Occupational Safety and Health Training for Permanent On-duty Employees | 1 | 615 | 0 |
| | Traffic Safety Training Course | 1 | 49 | 2 |
| | CPR + AED Training | 4 | 115 | 0 |
| | Disaster Drill | 1 | 58 | 3 |
| | Evacuation Drill | 1 | 535 | 15 |
| Health Promotion Type | Supervisor Physical Examinations | 1 | 75 | 0 |
| | Specialist Physicians Health Lectures | 3 | 457 | 0 |
| | Health Road Running Activity | 1 | 561 | 3 |
| | Global Walking Challenge | 1 | 520 | 0 |
| | Female Cancer Screening | 1 | 27 | 0 |
| | Dual-Energy X-ray Absorptiometry Checkup | 1 | 50 | 0 |
| | Technology-based Physical Fitness Checkup | 1 | 175 | 6 |

## 3.5.3 Occupational Safety and Health Implementation Results

**Occupational Safety and Health Management System Obtained International Standard Certification**

Faraday obtained international ISO 45001 certification in September 2025, demonstrating high-quality excellence. Following the requirements of ISO 45001:2018 provisions and environmental safety and health regulations, the Company analyzed the differences between existing compliance systems and provisions, and established an environmental safety and health management system integrated with operational processes. The management scope includes all workers at Faraday (including employees, subcontractors, and self-employed workers). Through the PDCA management system, the Company continuously promotes hazard identification, risk and opportunity assessment, environmental aspect identification, and implements necessary control measures.

**Operating Conditions of Environmental Safety and Health Committee in 2025 Hazards Identification and Risk Assessment**

Faraday has established an Environmental Safety and Health Committee, which annually formulates the Occupational Safety and Health Management Plan for the coming year based on the ISO 45001 management system framework, and the implementation progress is reviewed by the Environmental Safety and Health Committee every quarter.

| Character of Appraisal | Appraisal Items |
|---|---|
| Membership Structure | One chairperson |
| | Six committee members |
| | Five labor representatives (38%) selected through the labor management conference |
| Responsibility | Ensure regulatory compliance and review the appropriateness of the Company’s environmental safety and health policy |
| | Review annual environmental safety and health targets and major projects, examine implementation effectiveness, and propose timely improvement suggestions |
| | Review the effectiveness of environmental safety and health risk control measures to prevent accidents |
| | Integrate resources to promote projects related to environmental protection, occupational safety, and employee health |
| Regular Meeting | Once a quarter; additional ad-hoc meetings held when necessary |
| Material Topic | Comply with laws and regulations to continuously improve workplace hazard identification and risk management measures |
| | Proposed 6 safety issues, 3 environmental issues, and 4 health issues; 100% improvement completion rate |

**Hazards Identification and Risk Assessment**

Faraday has established the "Hazard and Risk Identification, Environmental Aspects, and Impact Assessment & Control Procedure" based on operational conditions. Annual hazard identification education and training is conducted for implementation committee members to confirm their competency in performing operational activity identification, assessing hazard risks and opportunities, and proposing effective control measures, and other processes to uncover potential safety and health hazard risks and implement corresponding management countermeasures. According to the procedure definition, risk level assessment results of 5 and 4 are classified as unacceptable risks requiring immediate corrective actions for improvement. The 2025 identification results show no unacceptable risks. The assessed medium-level risks primarily originate from slips and electric shocks, which are controlled through administrative management measures. The 2025 Occupational Safety and Health objectives, programs, and performance are as follows:

**2025 Target Plan and Effectiveness**

| Policy | Target/Plan | Effectiveness |
|---|---|---|
| Comply with or exceed domestic and international ESH-related laws and standards | Prevention of unauthorized personnel access to hazardous areas, worker falls, and confined space operation hazards | Install protective cages, post warning signs |
| | Strengthen workplace awareness and education on prevention of illegal infringement | Workplace violence prevention promotional materials have been announced and notified in August and December, 2025 |
| Committed to eliminating potential risks of occupational safety and health | Eliminate electri shock hazards caused by electrical use in wet/damp locations | Install 8 ground fault circuit interrupters |
| | Improvement of corroded brackets for existing exterior wall hanging cage at headquarters rooftop | Use of the hanging cage is prohibited (suspension sign posted); exterior wall maintenance adopts rope access work method. |
| | Prevent workplace tripping injuries | Post one warning sign |
| | Prevent workers from contacting high-temperature enclosures during operations | Post two warning signs |

**Promotion of Occupational Safety and Health Measures**

| Occupational Safety and Health Items | Implementation Measures |
|---|---|
| Laws and Regulation Identification | • Conduct quarterly regulatory identification; confirmed 16 regulations applicable to Faraday |
| Standardize Procedure | • Comply with ISO 45001:2018 specifications; formulate 1 level-1 document, 11 level-2 documents, and 9 level-3 documents |
| Hazards Identification/ Risk Assessment | • Three multi-item assessment forms for hazards, risks, and opportunities have been consolidated into a single form using a pragmatic approach, serving as a dynamic document that is updated irregularly.<br>• Apply a graded control strategy; identified 205 hazards across routine,<br>• non-routine, and emergency operational activities; and minimized risks through management procedures or SOPs<br>• Establish grievance channels for gender equality, sexual harassment, and unlawful workplace conduct, and mechanisms to protect victims from retaliation or unfavorable treatment, and convey proper awareness to employees through mandatory Company-wide e-Course training. |
| Occupational Safety and Health Items | Implementation Measures |
| Operation Environment Monitoring | • Conduct semi-annually to assess the appropriateness of the sampling strategy plan based on physical and chemical factors in the work environment<br>• Conduct Company-wide illumination and carbon dioxide testing every six months, announce the test results on the Company intranet for employee awareness, and file compliance declarations on the official website for public reference |
| Chemical Management | • Complete chemical declarations quarterly to ensure effective and consistent information |
| Procurement Management | • Reviewed 63 occupational safety and health procurement cases; all were compliant |
| Contractor Management | • Established a list of 27 contractors qualified in accordance with the Occupational Safety and Health Act and strengthened the necessary safety and health management requirements of contractors<br>• Contractor entries construction at workplace; during which work environment hazard notifications and awareness programs related to occupational safety and health regulations were conducted |
| Change Management | • 3 cases of internal temporary change management, and all were processed in accordance with Environmental Safety and Health regulations<br>• 0 change in contractor application, and all were processed in accordance with the source review of the contract |
| Disaster Management | • Strengthen emergency response to complex disasters; confirm response handling procedures; 1 minor injury incident (not work-related).<br>• Implemented a Company-wide evacuation drill, with 593 people supposed to be present, 550 employees actually present, 22 workers actually present, and the evacuation assembly roll call time was 12 minutes and 51 seconds. |
| Patrol and Inspection Implementation | • 244 pre-operation inspections of organic solvents were carried out at the operation site, 0 near-miss incidents<br>• Carried out 244 pre-operation inspections of high-pressure gas cylinders and pipelines on-site, 0 false alarms<br>• Carried out 12 Company-wide environmental safety and sanitation inspections and proposed 7 improvement recommendations, all have been completed |
| Popularize CPR+AED Emergency Rescue Knowledge | • Designated 17 qualified first aid personnel, exceeding legal requirements<br>• Hold CPR+AED courses annually<br>• Company-wide individual training completion rate in 2025 was 39% |
| Other Safety and Health Management | • Implement environmental hygiene disinfections in all Company areas 8 times to provide a healthy working environment<br>• Pruned overly tall outdoor trees at headquarters to improve visibility of traffic signage for road users and prevent tree falls during strong winds<br>• Renovated the circular passage at headquarters main entrance to prevent workers from tripping or sustaining fall-related injuries |



**Occupational Accident Disability Statistics**

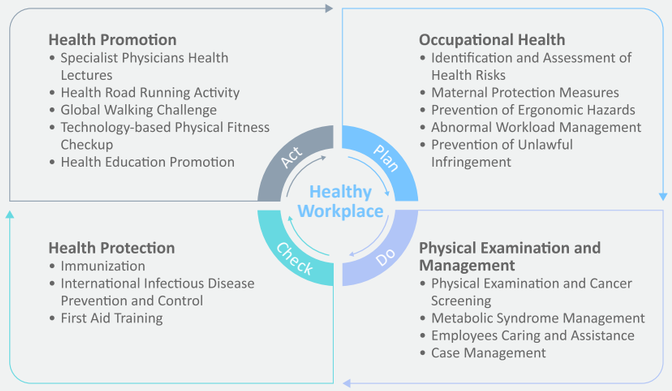
Faraday has established the “Incident and Occupational Injury Management Procedure” and the “Environmental Safety and Health Event Investigation Non-Conformance Correction Procedure.” When work-related injuries, commuting incidents, or abnormal/close call incidents occur, the Company follows the prescribed procedures for investigating occupational accidents. The investigation results are reported at the Environmental Safety and Health Committee meetings, and relevant cases are communicated to employees to prevent similar incidents from recurring. In 2025, Faraday did not experience any occupational accidents or occupational diseases and was not subject to any penalties related to occupational safety violations. The incidents contributing to the injury rate were primarily traffic accidents occurring during employees’ commuting to and from work (a total of twice in 2025). To continuously reduce the injury rate, on a yearly basis, the Company invites the Traffic Police Brigade, Hsinchu City Police Bureau to conduct on-site traffic safety training to lower the occurrence of traffic-related accidents.

| Indicator | Classification | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Attendance rate (AR) | Male (%) | 0.13% | 0.23% | 0.19% | 0.30% |
| | Female (%) | 0.33% | 0.47% | 0.54% | 0.98% |
| | Total AR (%) | 0.19% | 0.31% | 0.30% | 0.45% |
| Occupational disease ratio (ODR) | Male (%) | 0% | 0% | 0% | 0% |
| | Female (%) | 0% | 0% | 0% | 0% |
| | Total ODR (%) | 0% | 0% | 0% | 0% |
| Disabling Injury Frequency Rate (FR) | Male | 0.00 | 0.00 | 0.00 | 0.00 |
| | Female | 0.00 | 0.00 | 0.00 | 0.00 |
| | Total FR | 0.00 | 0.00 | 0.00 | 0.00 |
| Disabling Injury Severity Rate (SR) | Male | 0 | 0 | 0 | 0 |
| | Female | 0 | 0 | 0 | 0 |
| | Total SR | 0 | 0 | 0 | 0 |
| Frequency-Severity Indicator (FSI) | Male | 0.00 | 0.00 | 0.00 | 0.00 |
| | Female | 0.00 | 0.00 | 0.00 | 0.00 |
| | Total FSI | 0.00 | 0.00 | 0.00 | 0.00 |
| Lost Working Days | Male | 0 | 0 | 0 | 0 |
| | Female | 0 | 0 | 0 | 0 |
| | Total Lost Working Days | 0 | 0 | 0 | 0 |

Note 1: Attendance rate (AR) = Total attendance days/Total working days
Note 2: Occupational disease ratio (ODR) = Total OD * 1000000/Total working hours
Note 3: Disabling Injury Frequency Rate (FR) = Number of lost work pieces (rest time greater than 8 hours)*1,000,000/Total working hours
Note 4: Disabling Injury Frequency Rate (FR) = Lost working days*1000000/total working hours
Note 5: Frequency-Severity Indicator (FSI) = √ (SR*FR/1000)
Note 6: In addition to permanent on-duty employees, there are 22 permanent on-site workers in Faraday’s office area, including catering, cleaning, and security personnel; there were no cases of occupational disability in 2025; the total working hours are 42,944 hours (22 people work 244 days a year, 8 hours a day).
Note 7: Starting from 2025, Faraday excludes traffic incidents from FR/SR calculations, in accordance with the Occupational Safety and Health Administration’s performance review documents. Data from 2022 to 2024 has been retrospectively adjusted.

## 3.5.4 Comprehensive Health Management

Under the execution structure of “Friendly Workplace”, Faraday aligns with SDGs 3 Good Health and Well-Being, establishing four major pillars for health management and health promotion. The Company promotes measures including occupational health, physical examinations and management, health promotion, and health protection to understand employees’ physical and mental health status and needs. Through the PDCA cycle for continuous improvement, a series of health promotion activities are planned enabling employees to cultivate good health habits and maintain a healthy workplace and lifestyle.




**Four Major Protection Plans of Occupational Health**

Faraday prioritizes occupational disease prevention and control, adhering to the philosophy of “Safety First, Secure Workplace”. The scope of occupational disease prevention protection covers all employees, workers, and subcontractors. The Company has established plans and procedures for maternal health protection, prevention of human-related hazards, prevention of diseases caused by abnormal workload, and prevention of illegal infringement during the performance of duties. It conducts questionnaire surveys by using evaluation scales, and conducts statistical analysis and further management. Annually visits high-risk work areas with on-site service physicians to conduct identification and assessment of health risks, to early detect potential hazards of work factors, prevent workplace diseases, promote workplace health, and improve work quality.

**Prevention of Diseases Caused by Abnormal Workload**

- Ten-year cardiovascular disease risk assessment
- Questionnaire identification and interview arrangement, a total of 27 employees completed the consultation
- Monthly attendance control
- Case caring and management

**Maternal Health Protection**

- Premium breastfeeding collection room
- Complete hazard identification by on-site physicians in high-risk work areas
- Complete individual hazard assessments, hierarchical management, and health consultation with a completion rate of 100%
- The ergonomic chairs for pregnant female employees; dedicated parking space

**Prevention Plan of Unlawful Infringement in the Performance of Duties**

- No incidents of workplace violence in 2025

**Prevention plan of Ergonomic Hazards**

- Musculoskeletal symptom questionnaire, a total of 16 employees completed the consultation; excluding work-related factors
- Complete hazard identification by on-site physicians in high-risk work areas

**Physical Examinations and Health Management**

To comprehensively safeguard employees' health, after evaluating needs, the strategic physical examination planning is implemented as follows:

- Physical examination items and frequencies that are better-than-legal, with strategic physical examination programs planned based on employee age distribution, work type, and the top ten causes of death among nationals, targeting chronic diseases and cancer.
- Grading health tracking management is conducted based on physical examination results to identify higher health risk groups, providing medical resource assistance and subsequent tracking.
- Based on the top ten abnormal statistics, needs are analyzed and confirmed to formulate the annual health promotion plan.
- When employees or their dependents require assistance due to physical or mental health issue, the Company will immediately activate the care system mechanism to provide timely medical assistance, continuously monitor the condition, and provide emergency relief subsidies.

| Physical Examination and Management | Implementation Statistics |
|---|---|
| Annual Physical Examination | • Top 3 health abnormalities: Abnormal abdominal ultrasound, high total cholesterol, high BMI.<br>• A total of 45 employees were arranged for urgent re-examination; a total of 105 employees placed under Level-4 graded management<br>• A total of 61 employees classified with metabolic syndrome; with 100% completion of tracking and consultation<br>• A total of 64 employees received physician consultations after physical examinations |
| Premium Physical Examinations | • A total of 78 employees are qualified; the complete rate was 96.2% in 2025 |
| New Recruits Physical Examination | • A total of 39 employees; 4 employees completed physician consultation for physical examination abnormality grading<br>• A total of 22 employees received health education guidance |
| Cancer Screening | • The female "Miss No Three-Point" cancer screening was conducted on-site in cooperation with National Taiwan University Hospital, Hsinchu Branch, with a total of 25 employees and 2 dependents participating. |
| Physical Examination Program | • A total of 50 employees received "Dual-Energy X-ray Absorptiometry" checkup<br>• A total of 175 employees and 6 subcontractors received technology-based physical fitness checkup |

**Health Promotion**

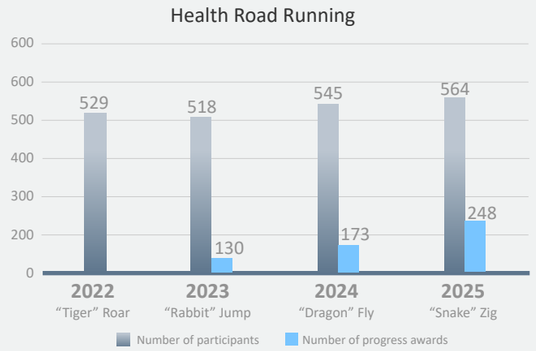
Faraday is committed to promoting a friendly workplace, encouraging employees to participate in annual key activities such as road running events, walking challenges, and various team competitions. These initiatives aim to create a joyful and healthy work environment while advancing health promotion programs. The key planning directions are as follows:

- Constructing a hardware environment to provide a comprehensive fitness and recreational center
- Establish diverse clubs and fitness programs
- Hold health promotion related activities and team sports competitions
- Cultivate a habit of exercise, form a culture of fitness, and shape a health-conscious value



**Health Promotion Activity**

- Specialist Physicians Health Lectures
  - Three health lectures are held annually by specialist physicians from medical centers.
  - Each session has over 140 participants, with satisfaction rates exceeding 94 points.
- Health Road Running
  - Launched in 2022, with 5-km and 10-km race courses designed; finisher gifts themed around Chinese zodiac signs.
  - Employee participation rate reaches 90%, with subcontractors also participating
  - Designed awards for individual performance improvement and bonus awards for middle-aged and senior employees outperforming younger generations
  - Overseas office - Suzhou, has also held two running events with a 90% participation rate




- Global Walking Challenge
  - Global employee participation rate reaches 52%, forming 44 cross-departmental teams
  - Held for two consecutive years, a 90-day walking challenge activity
  - Individual achievement rate increased to 24%, team achievement increased to 5 teams

| Global Walking Challenge | | Execution Year 2024 | Execution Year 2025 |
|---|---|---|---|
| Participation Rate | Total Number of Participants | 505 people | 520 people (989 people worldwide) |
| | Total Number of Team Participants | 44 people | 44 people |
| 90-day Compliance Rate | Individual Compliance Rate | 20% | 24% |
| | Total Number of "Full Score" Teams | 1 team | 5 teams |

- Team-up Sporty Competition
  - The President and senior executives each led teams to participate.
  - One event each in the first and second half of the year, with employee participation rate exceeding 60%
  - Innovative and diverse activity designs stimulate team collaboration awareness.
- Develop a sporting culture and encourage voluntary participation in sporting events
  - The President personally led the team, winning the runner-up prize in the "Mizuno Marathon Relay Corporate Division"
  - Local Hsinchu running event, with over 50 employees participating together






**Health Protection and Infectious Disease Prevention**

To implement the idea of "Prevention is better than cure", we promote the following measures:

- Global infectious disease prevention: Pay attention to the global infectious disease outbreaks, stay informed about government policies and promptly formulate Company-wide epidemic prevention policies.
- Vaccination: Each year, in collaboration with the employee clinic in the Science Park, we promote seasonal infectious disease prevention and control measures, organizing influenza and shingles vaccination programs to protect employees' health
- Health protection for international business travel: Ensure the health and safety of every employee on business trips; we arrange travel medicine outpatient services, provide information on international infectious diseases, implement a comprehensive vaccination program, and eliminate concerns about infectious diseases.

| Number of Participants/ Items | 2023 | 2024 | 2025 |
|---|---|---|---|
| Influenza Vaccine | 196 | 205 | 239 |
| Zoster Vaccin | - | 65 | - |

Five execution aspects

# Environmental Sustainability

4.1 Climate and Energy Management
4.2 Water Resource and Waste Management
4.3 Sustainable Ecology Promotion
4.4 Green Procurement and Environmental Expenditure




## Corporate Carbon Reduction

14% absolute carbon reduction in 2025 vs. 2023 baseline

## Renewable Energy

Usage ratio reached 20%

## Energy Saving

51% reduction in electricity intensity in 2025 vs. 2021 baseline

## Waste Reduction & Water Conservation

51% waste reduction in 2025 vs. 2021 baseline
48% water conservation in 2025 vs. 2021 baseline

## Green Procurement & Investment

Green procurement: NTD 74 million
Total investment in green bonds amounted to NTD 50 million

## CDP Rating

Climate Change Questionnaire: B (Management Level)
Water Security Questionnaire: B- (Management Level)

# Sustainability Goals

| Material Sustainability Issues | Performance Indicators | 2025 Target | 2025Results | 2026 Target | 2030 Long-term Direction |
|---|---|---|---|---|---|
| Climate and energy | GHG inventory & verification (Parent Company) | 100% | 2024: Certification obtained in May 2025<br>2025: Verification conducted in April 2026 | 100% | 100% |
| | GHG inventory & verification (Consolidated Subsidiaries) | 100% | 2024: Certification obtained in May 2025<br>2025: Verification conducted in April 2026 | 100% | 100% |
| | Absolute carbon reduction (Scope 1 & 2 vs. 2023) | ≥ 10% | ≥ 14% | 15% | ≥ 50% |
| | Renewable energy usage rate | ≥ 15% | ≥ 20% | 20% | ≥ 40% |
| | Electricity intensity reduction vs. 2021 baseline | ≥ 22% | ≥ 51% | 22% | ≥ 35% |
| **Faraday Customized Target** | **Performance Indicators** | **2025 Target** | **2025Results** | **2026 Target** | **2030 Long-term Direction** |
| Environmental Sustainability | ISO 14001 Environmental Management System Certification | Certified | Externally Verified | Externally Verified | Maintain validity, adequacy, and suitability of the certification |
| | Water withdrawal intensity reduction vs. 2021 baseline | ≥ 25% | ≥ 48% | ≥ 25% | ≥ 35% |
| | Waste intensity reduction vs. 2021 baseline | ≥ 25% | ≥ 51% | ≥ 25% | ≥ 25% |

# Environmental Sustainability Issue Management

In promoting environmental sustainability, Faraday adopts the “Environmental, Health, and Safety (EHS) Policy” as its highest guiding principle. The Environmental, Health, and Safety (EHS) Committee reviews the implementation status of environmental-related goal management on a quarterly basis. In the third quarter of each year, the senior management representative chairs the EHS Management Review Meeting to review the achievement rates and results of all environmental goals. Through the ISO 14001 Environmental Management System, Faraday executes continual improvement to relentlessly refine its practices, thereby minimizing environmental impacts throughout its operations.

# Management Policy

## Climate and energy

### Policy/Commitment

“Environmental Safety and Health Policy” “Climate Change Commitment” "Declaration on Biodiversity”

### Impact Description

- Positive Impact: Implementation of energy conservation and carbon reduction measures, upgrading to high-efficiency equipment to enhance energy efficiency, and utilizing renewable energy to contribute to achieving the Nationally Determined Contributions (NDC)
- Negative Impact: Greenhouse gas emissions increase atmospheric concentrations, thereby exacerbating global warming

### Key Action

- Establish a net-zero target and review the achievement of annual carbon reduction goals on a yearly basis.
- Continuously promote energy-saving improvements, replace equipment with high-efficiency alternatives, and enhance overall energy efficiency
- Accelerate energy transition by installing solar PV systems for self-generation and self-consumption, and signing green electricity wheeling agreements
- Maintain ISO 14001:2015 certification validity, implement standardized management and aspect identification, and reduce environmental impacts throughout the product lifecycle.

# 4.1 Climate and Energy Management

## 4.1.1 Task Force on Climate-related Financial Disclosures

Faraday adopts the TCFD (Task Force on Climate-related Financial Disclosures) recommendations on climate-related financial disclosures, managing climate change issues through the framework of governance, strategy, risk management, and metrics and targets. The Board of Directors serves as the highest-level governing body, identifying climate-related risks and opportunities, developing corresponding mitigation and adaptation measures, establishing target metrics for control, and integrating the identification outcomes into the company's overall risk management framework.

**Overview of Faraday's Climate Management Framework**

| Governance | Strategy | Risk Management | Metric and Target |
|---|---|---|---|
| • Highest governance body: Board of Directors<br>- For Faraday's climate change response and risk and opportunity management, the Board of Directors and the Corporate Sustainability Committee serve as the highest governance and oversight bodies. At the execution level, the ESG Committee drives practical project implementation and information consolidation. The Chairperson (the President) reports climate change response strategies and the progress of related projects to the Board of Directors on a quarterly basis.<br>- Reporting frequency: 4 times per year<br>- Reporting agenda: Progress on greenhouse gas inventories, formulation and review of carbon reduction strategies, and green electricity procurement plans.<br>• Dedicated Unit: ESG Committee<br>- The President serves as the chairman of Corporate Sustainability Committee, holds meeting quarterly, to lead the working group members in developing sustainability strategies and executing targets (including overseeing issues related to climate change and the company's impacts). | • Risk & Opportunity Management and Scenario Analysis<br>Based on scenario analysis simulation results, the Company assesses the extent of exposure under various scenarios, analyzing how parameters such as carbon taxes and renewable energy costs impact operations. Finally, practical management measures are implemented for identified material risks and opportunities, taking into account their locations along the value chain and time horizons (short-, medium-, and long-term).<br>• Mitigation and Adaptation<br>Develop feasible mitigation and adaptation measures in response to material risks and opportunities. | • Risk and Opportunity Identification Process<br>Internal and external climate-related risks and opportunities are collected and assessed based on two dimensions: likelihood and impact. Material climate risks and opportunities are then identified and prioritized accordingly.<br>• Integration of Climate Risks<br>Faraday has established the "Risk Management Policy" as the highest guiding principle for internal risk management. The policy is regularly overseen and reviewed by the Company's Audit Committee and senior management. Climate change risks have been incorporated as a mandatory item in the risk identification process. Through regular risk assessment processes, the company conducts risk identification, assessment, and impact analysis. A risk matrix is used to assess the frequency of risk events and their impact on business operations, thereby defining the priority and level of each risk. Based on the risk level, corresponding risk management strategies are implemented.<br>• Continual Improvement<br>The ESG Committee regularly tracks the achievement status of climate targets, while the Risk Committee consistently monitors the implementation effectiveness of climate mitigation and adaptation strategies. | • Greenhouse Gas Inventory<br>Conduct a greenhouse gas emissions inventory in accordance with the ISO14064-1 standard, using the parent company and consolidated financial statement subsidiaries as the boundary, and perform annual third-party verification to enhance the credibility of decarbonization target implementation outcomes.<br>• Management Target<br>Faraday establishes achieving net-zero emissions by 2050 as the core driving direction for climate risk response and the transition plan. Based on this, the Company implements relevant action plans and sets targets, which are incorporated into the regular tracking of implementation effectiveness conducted by the ESG Committee:<br>- Annual carbon reduction target setting<br>- Annual green electricity target setting<br>- Supply chain carbon reduction target setting<br>- Energy-saving and carbon-reduction projects are implemented annually. |

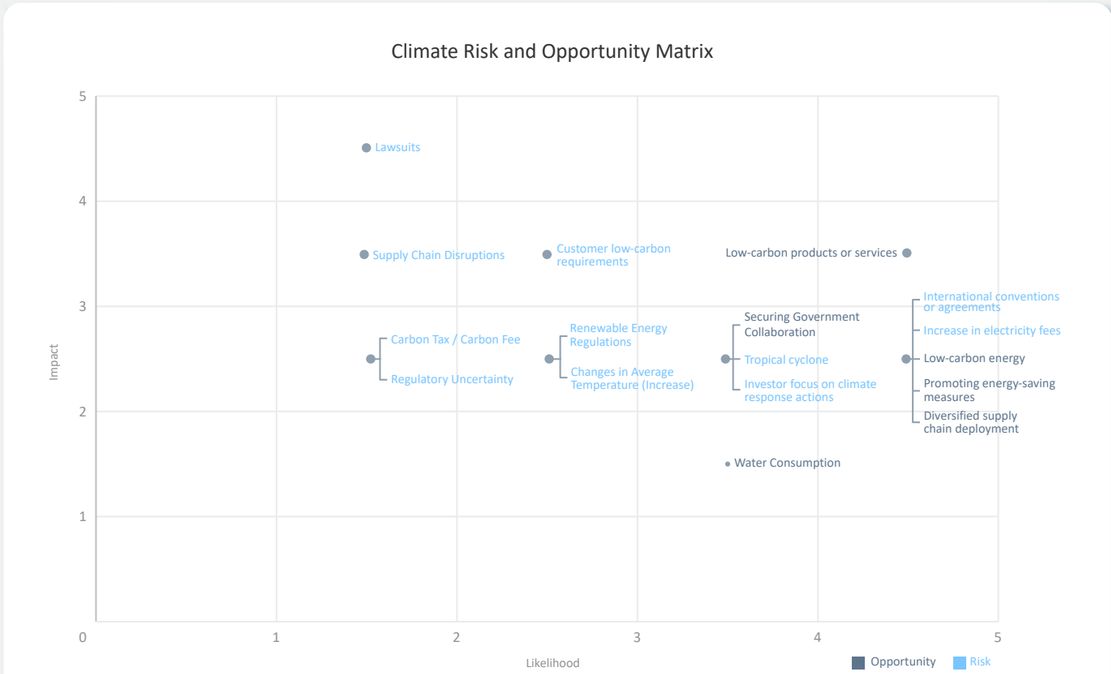
**Risk Scenario Analysis**

In its climate scenario analysis, Faraday adopts a range of hypothetical scenarios, including the National Net-Zero Pathway, SSP1-1.9, SSP5-8.5, and others. These scenarios take into account different climate action, environmental policies, and social-economic development pathways. The analysis explores potential business scenarios that the company may face, including the degree of impact on operations caused by different parameters such as carbon taxes and renewable energy costs, among others. Using scenario analysis as a projection tool for future states of climate change can help Faraday grasp the gap between current potential external environments and existing internal strategies. This approach allows the company to detect and respond to potential challenges early, and to address the risks and opportunities brought by climate change with more forward-looking strategies.

| Risk type | External scenario selection | External scenario description | Parameter settings and reference tools | Results of potential financial impact analysis |
|---|---|---|---|---|
| Transition risk | National net zero pathway | Referencing the government-announced 2050 Net-Zero Emissions Roadmap plan, net-zero emissions are achieved by 2050. | • Carbon Tax: 300NTD/tCO2e<br>• Renewable Energy Cost: 6NTD/kWh | In the future, Faraday's carbon emissions may continue to rise due to business expansion. Under the increasingly strict net-zero trend, it is necessary to adopt proactive carbon reduction strategies and goals (including carbon reduction in business operations and the development of low-carbon products) to mitigate the significant financial impact brought by climate risks. |
| Transition risk | SSP1-1.9 | Referencing the allowed emissions under the IPCC Sixth Assessment Report SSP1-1.9, net-zero emissions are reached around 2055. | • Carbon Tax: SSP1-1.9 Global<br>• Renewable Energy Cost: 6 NTD/kWh | |
| Physical risk | SSP5-8.5 | Referencing the IPCC Sixth Assessment Report SSP5-8.5 scenario, global carbon emissions will double around 2050 | Flood: Climate change disaster risk map platform<br>Debris Flow/Landslide: National Science and Technology Center for Disaster Reduction (NCDR) | Faraday's headquarters is not located within any potential disaster hazard zones. Under this scenario analysis, the likelihood of flooding, debris flows, or landslides occurring is extremely low. |

### Risk and Opportunity Identification

In the process of climate risk and opportunity identification, Faraday establishes a list of climate-related risks and opportunities by referencing domestic and international climate issue trends, the CDP questionnaire, and others. Based on the company's operational status, Faraday converges on 11 potential risk topics and 6 opportunities related to climate change issues that the company faces. Further, through materiality analysis using the parameters of likelihood and impact, the top 5 risks and top 3 opportunities are identified as priority management items. Countermeasure analysis is then conducted, and corresponding management objectives are established, which are subsequently incorporated into Key Sustainability Goals. And the Corporate Sustainability Committee regularly reviews the execution progress of these goals.




| Category | Aspect | Risk/Opportunity | Operational Impact | Value Chain Impact | Impact Time Horizon |
|---|---|---|---|---|---|
| Transition Risk | Regulatory | nternational conventions or agreements | If unable to align with international net-zero trends, it will cause a decline in reputation or competitiveness. | Operational sites, manufacturing | Short-term: 1 year<br>Medium-term: 2 ~ 5 years<br>Long-term: 6 ~ 10 years |
| Transition Risk | Regulatory | Increase in electricity fees | Electricity fees will cause an increase in Faraday's operating costs. | Operational sites, manufacturing | Short-term: 1 year<br>Medium-term: 2 ~ 5 years |
| Transition Risk | Market | Customer low-carbon requirements | If unable to meet customer requirements for low-carbon strategic production or low-power chip design, it will result in order losses. | Operational sites, manufacturing, customer applications | Medium-term: 2 ~ 5 years<br>Long-term: 6 ~ 10 years |
| Transition Risk | Reputation | Investor focus on climate response actions | Investors propose ESG-related proposals; if the company can only respond passively or fails to respond, it will result in reputational damage. | Operational sites, Manufacturing | Short-term: 1 year<br>Medium-term: 2 ~ 5 years |
| Physical risk | Immediate | Tropical cyclone | May cause work stoppages or increased frequency of voltage sags, resulting in loss of production capacity and supply chain dispatch costs. | Operational sites, Manufacturing | Short-term: 1 year<br>Medium-term: 2 ~ 5 years |
| Opportunity | Resource efficiency | Promoting energy-saving measures | Improve energy efficiency in operational processes to reduce electricity consumption and costs. | Operational sites | Short-term: 1 year<br>Medium-term: 2 ~ 5 years |
| Opportunity | Energy source | Low-carbon energy | Adopt low-carbon energy to reduce operational carbon emissions and enhance corporate reputation regarding sustainability. | Operational sites | Short-term: 1 year<br>Medium-term: 2 ~ 5 years |
| Opportunity | Products and services | Low-carbon products or services | Through the development of innovative low-power product technologies and the launch of energy transition products, respond to the net-zero trend to create additional competitiveness and revenue for the company. | Operational sites, manufacturing, customer applications | Short-term: 1 year<br>Medium-term: 2 ~ 5 years<br>Long-term: 6 ~ 10 years |
| Opportunity | Resilience | Diversified supply chain deployment | multi-site outsourcing deployment allows for flexible adjustments in response to different customers, regulations, and physical climate anomalies. | Operational sites, manufacturing, customer applications | Short-term: 1 year<br>Medium-term: 2 ~ 5 years |

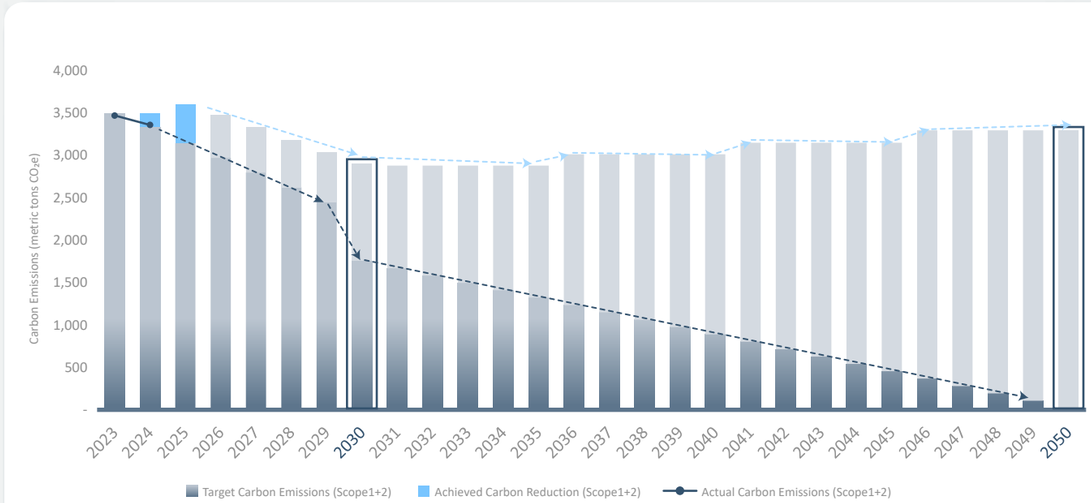
### Risk-Opportunity Management and Target Setting

| Category | Risk/Opportunity | Response Strategy/Target Setting |
|---|---|---|
| Transition risk | International conventions or agreements | • Implement energy-saving activities annually |
| Transition risk | Increase in electricity fees | • Voluntarily publicly announce Faraday's 2050 Net-Zero commitment<br>• Develop a carbon reduction roadmap and review carbon reduction targets annually<br>• Set targets for the percentage of green electricity usage in alignment with carbon reduction targets<br>• Monitor regulatory developments and make proactive arrangements in advance |
| Transition risk | Customer low-carbon requirements | • Actively respond to sustainability questionnaires from customers to understand their expectations for the supply chain regarding low-carbon issues<br>• Establish carbon reduction targets for suppliers to reduce product carbon emissions |
| Transition risk | Investor focus on climate response actions | • Actively respond to external stakeholder assessments and analyze rating reports<br>• Launch implementation projects for items requiring improvement and track progress regularly through meetings |
| Physical risk | Tropical cyclone | • Develop a robust remote work mechanism to prevent business interruption caused by adverse weather conditions |
| Opportunity | Promoting energy-saving measures | • Improve energy efficiency in operational processes to reduce electricity consumption and costs |
| Opportunity | Low-carbon energy | • Adopt low-carbon energy to reduce operational carbon emissions and enhance corporate reputation regarding sustainability |
| Opportunity | Low-carbon products or services | • Through the development of innovative low-power product technologies and the launch of energy transition products, respond to the net-zero trend to create additional competitiveness and revenue for the company |
| Opportunity | Diversified supply chain deployment | • A multi-site outsourcing deployment allows for flexible adjustments in response to different customers, regulations, and physical climate anomalies |

## 4.1.2 Carbon Emission Management

**Net-Zero Emissions Commitment**

In order to actively respond to the challenges of climate change, Faraday has set specific targets for sustainable development. The Company has formulated carbon reduction targets based on the Science-Based Targets initiative (SBTi) methodology. For Scope 1 and Scope 2 emissions, the Company commits to using 2023 as the base year, achieving a 50% reduction in GHG emissions by 2030, and attaining net-zero greenhouse gas emissions by 2050. Following this pathway, annual carbon reduction targets are established, and progress is reported to the Board of Directors regularly.




- Greenhouse Gas Inventory: Establish inventory mechanisms and external verification
- Energy-saving Projects: Implement continuously on an annual basis
- Renewable Energy Usage: On-site solar panel installation/Green electricity procurement
- Carbon Pricing: Establish a carbon pricing mechanism

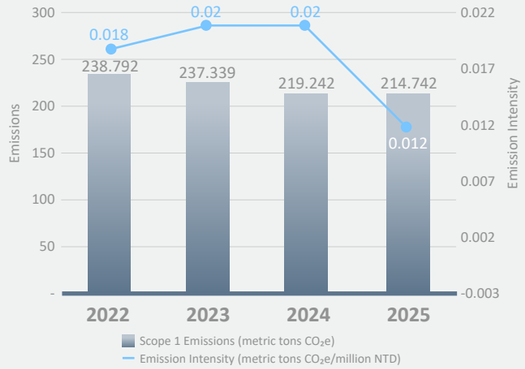
- Carbon Credit Strategy: Procurement and application
- Continuously increase green electricity ratio to >80%
- Innovative Carbon Reduction Technologies: Evaluate feasible innovative technologies

- Carbon Credits: Plan carbon credit offsets for residual emissions
- Achieve 100% green electricity
- Innovative Carbon Reduction Technologies: Implement innovative technologies

**Greenhouse Gas Inventory**

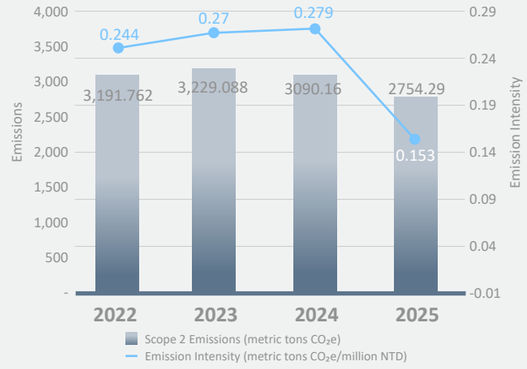
Faraday conducts its greenhouse gas inventory in accordance with ISO 14064-1, adopting the operational control approach for boundary setting. All emissions data have been externally verified since 2022 to ensure data quality.

Faraday Scope 1 Emissions




Note 1: Intensity calculation formula: Emissions/Consolidated Revenue (in million NTD)
Note 2: Data coverage includes the Hsinchu, Taipei, and Tainan sites.

Faraday Scope 2 Emissions

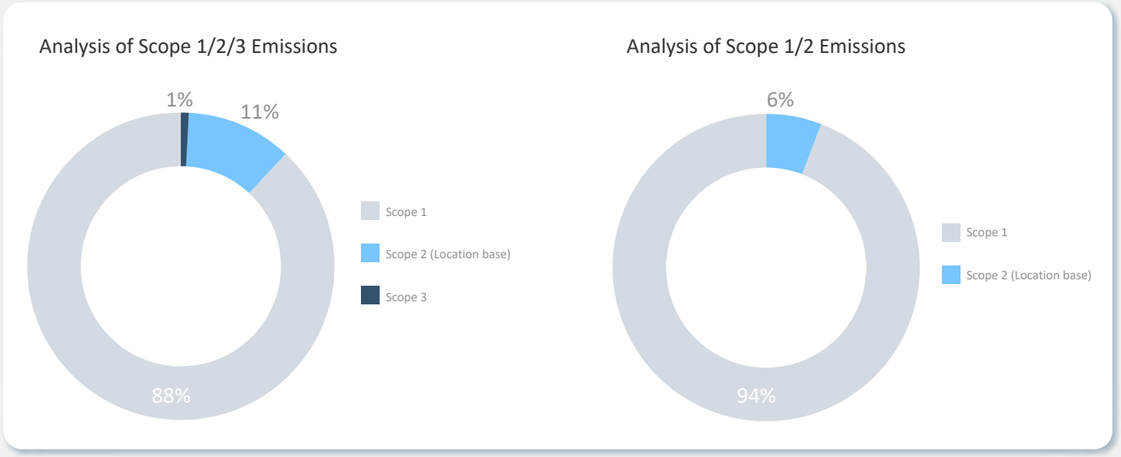



Note 1: Scope 2 emissions data are calculated using the market-based method.
Note 2: Intensity calculation formula: Emissions/Consolidated Revenue (in million NTD)
Note 3: Data coverage includes the Hsinchu, Taipei, and Tainan sites.

**Faraday's GHG Emissions (Unit: metric tons $CO_2e$/year)**

| ISO 14064-1 Category | GHG Protocol Category | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Category1 | Scope 1 | 238.792 | 237.339 | 219.242 | 214.742 |
| Category2 | Scope 2 (Market base) | 3,191.762 | 3,229.088 | 3,090.160 | 2,754.290 |
| | Scope 2 (Location base) | 3,191.762 | 3,229.088 | 3,286.870 | 3,379.970 |
| Category3 Business travel | Scope 3 Category 6:Business travel | Non-significant | 39.808 | 33.740 | 27.686 |
| Category 3 Employee commuting | Scope 3 Category 7: Employee commuting | Non-significant | 484.972 | 291.811 | 255.565 |
| Category 4 Purchased goods | Scope 3 Category 3: Fuel and Energy Activities | 636.826 | 645.525 | 645.447 | 668.215 |
| Category 4 Waste Disposal and Transport | Scope 3 Category 5: Waste Disposal and Transport | 5.878 | 5.874 | 5.728 | 6.271 |
| Category 4 Other outsourced business | Scope 3 Category 1: Purchased goods or services | Not inventoried | 70,321.128 | 35,570.998 | 25,180.868 |

Note 1: Data coverage includes the Hsinchu, Taipei, and Tainan sites.
Note 2: Scope 1 emission factors are based on the "Ministry of Environment Greenhouse Gas Emission Factor Management Table, Version 6.0.4".
Note 3: Scope 2 emission factors are calculated based on the latest annual electricity carbon emission factors announced by the Energy Administration, Ministry of Economic Affairs.
Note 4: The Global Warming Potential (GWP) values are based on the IPCC Sixth Assessment Report (2021).
Note 5: Refrigerant emissions are calculated based on refrigerant fugitive emission ratesleakage rates.
Note 6: The Company has no biogenic emissions




### 2025 GHG Emissions Category (Unit: metric tons $CO_2e$/Year)

| GHG Category | 2022 | 2023 | 2024 | 2025 | Proportion in 2025 |
|---|---|---|---|---|---|
| $CO_2$ | 3,854.479 | 74,745.166 | 39,859.093 | 30136.687 | 97.8% |
| $CH_4$ | 51.384 | 51.018 | 27.194 | 54.690 | 0.2% |
| $N_2O$ | 0.027 | 0.027 | 0.027 | 0.082 | >0.1% |
| HFCs | 167.368 | 167.522 | 167.522 | 614.156 | 2.0% |
| PFCs | 0 | 0 | 0 | 0.000 | 0.0% |
| $SF_6$ | 0 | 0 | 0 | 0.000 | 0.0% |
| $NF_3$ | 0 | 0 | 0 | 0.000 | 0.0% |
| Total | 4,073.258 | 74,963.733 | 40,053.836 | 30,805.615 | 100% |

Note 1: $CO_2$ emissions data are calculated using the location-based method.
Note 2: Data coverage includes the Hsinchu, Taipei, and Tainan sites.

### Carbon Reduction Strategies and Targets

Faraday's operational activities primarily focus on chip design and R&D, with no manufacturing facilities. As a result, the main climate impact from our operations comes from carbon emissions generated through energy consumption. In developing the carbon reduction strategy, Faraday not only conducts greenhouse gas inventories but also emphasizes the gradual implementation of energy efficiency and carbon reduction activities, as well as the use of renewable energy. Additionally, we actively engage in low-power or energy transition-related chip design projects to help enhance energy efficiency for both Faraday and global chip users.

### Faraday's Detailed Carbon Reduction Strategies

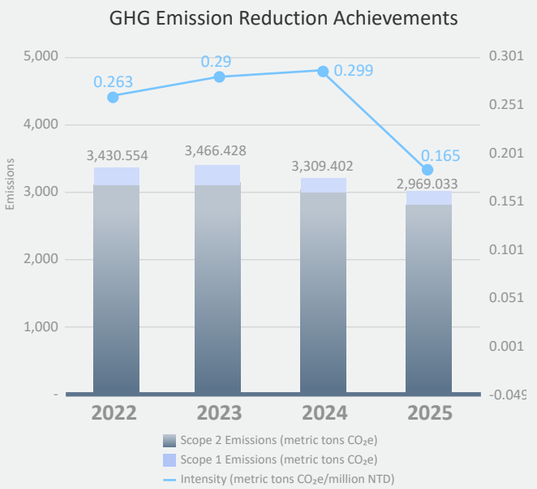
| Category | Management Scope | Strategy Description | 2025 Implementation Status |
|---|---|---|---|
| Greenhouse Gas Inventory | Scope 1 ~ Scope 3 | • Conduct annual greenhouse gas inventories and perform external verification.<br>• The inventory boundary includes the parent company and all consolidated subsidiaries.<br>• Monitor international regulatory trends and evaluate the transition to the GHG Protocol for verification (current standard: ISO 14064-1) | • The greenhouse gas inventory and verification for the parent company and consolidated financial statement subsidiaries have been completed. |
| Energy efficiency and carbon reduction activities | Scope 1, Scope 2 | • Conduct annual audits of energy consumption hotspots.<br>• Implement energy efficiency optimization or equipment replacement projects. | • Implemented 3 energy-saving projects, expected to achieve a carbon reduction of 72.9 metric tons $CO_2e$ |
| Use of renewable energy | Scope 2 | • Install rooftop solar PV panels for on-site generation and self-consumption.<br>• Sign Power Purchase Agreements (PPAs) with green electricity retailers to secure bundled green electricity.<br>• Gradually increase the green electricity usage ratio, targeting 40% by 2030. | • Rooftop solar PV installed capacity reaches 129.74 kW.<br>• Partnered with two electricity retailers for green electricity supply.<br>• Renewable energy usage share reaches 20% |
| Carbon pricing | Scope 1, Scope 2 | • Calculate internal carbon pricing annually.<br>• Integrate external carbon costs into procurement strategies through shadow pricing. | • Carbon pricing has been successfully implemented. |
| Carbon credits | Scope 1, Scope 3 | • Continuously assess internal carbon credit opportunities and monitor external carbon credit procurement trends.<br>• Prioritize the procurement of removal-based or nature-based carbon credits | • Carbon credits are not currently used as a primary carbon reduction tool<br>• Carbon credits will be utilized to achieve net-zero emissions in the final stage, after 95% reduction is reached by 2045 |
| Innovative carbon reduction tools | Scope 1 ~ Scope 3 | • Continuously evaluate emerging carbon reduction methods, such as carbon negative technologies (CCUS) and low-carbon energy sources (e.g., hydrogen). | • Assessment of future implementation feasibility |

### Internal Carbon Pricing Mechanism

Faraday has formally implemented an Internal Carbon Pricing (ICP) mechanism effective 2025. Based on a comprehensive assessment of three key factors, including (1) the implicit carbon reduction cost of facility equipment, (2) the green electricity procurement premium (environmental benefit price differential), and (3) Taiwan's official carbon pricing framework, the company has established an internal carbon price of NT$ 2,200 per metric ton of $CO_2e$ for 2025. The company adopts a shadow pricing approach, integrating carbon costs into the benefit-cost ratio (B/C ratio) analysis for facility equipment procurement. Through the internalization of external costs, the company enhances procurement decision quality and strengthens its financial resilience against future climate-related risks.

### Carbon Emission Reduction Performance

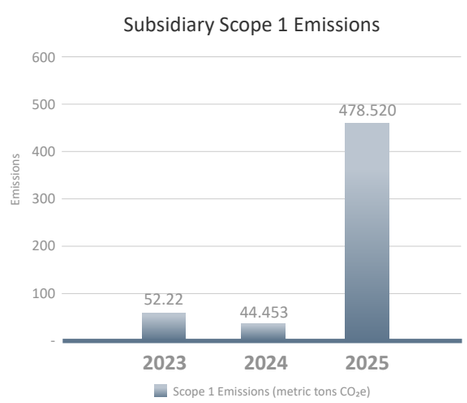
Faraday's Scope 1 and Scope 2 GHG emissions in 2025 totaled 2,969.033 metric tons of $CO_2e$, representing a 14% reduction compared to the 2023 baseline year, exceeding the 10% annual reduction target set for 2025. The company will continue advancing energy efficiency initiatives and increasing renewable energy adoption to sustain progress toward its net-zero goal.

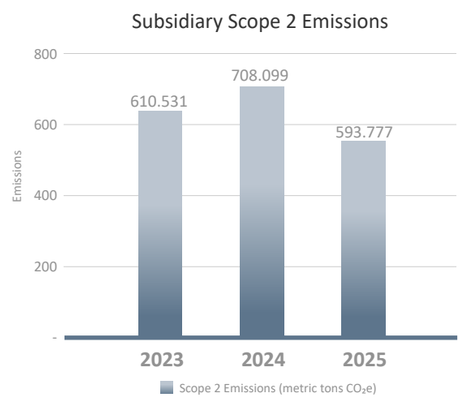



Note 1: Scope 2 emissions data are calculated using the market-based method.
Note 2: Intensity calculation formula: Emissions/Consolidated Revenue (in million NTD)
Note 3: Data coverage includes the Hsinchu, Taipei, and Tainan sites.

**Subsidiary Carbon Management and Target Strategy**

Faraday launched a greenhouse gas (GHG) inventory initiative for its subsidiaries in 2024. The 2025 emissions data will be externally verified. Starting in 2026, subsidiaries will use 2025 as their baseline year and align their decarbonization pathways with the parent company's roadmap to finalize the setting of their carbon reduction targets and strategies.




## 4.1.3 Energy Management and Renewable Energy Usage

**Energy Usage Status**

Faraday's operations focus primarily on the research and development of ASICs (Application-Specific Integrated Circuits) and IP (Silicon Intellectual Property). Manufacturing is outsourced to professional foundries, and no production processes are conducted within the Company's facilities. Consequently, over 90% of energy consumption is derived from electricity, while the remaining energy usage includes fossil fuels such as diesel, gasoline, and natural gas.

**Energy Usage Overview (Unit: GJ)**

| Category | Item | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Purchased Electricity | Purchased electricity consumption (including wheeled green electricity) | 23,212.67 | 23,531.82 | 24,963.57 | 25,670.66 |
| | Purchased renewable energy consumption | 0 | 0 | 1,494.00 | 4,752.00 |
| Self-generated Electricity | Self-generated renewable energy consumption | 0 | 388.80 | 406.80 | 537.44 |
| Fossil Fuels | Diesel | 22.88 | 21.12 | 22.88 | 22.88 |
| | Gasoline | 17.60 | 15.28 | 18.20 | 14.49 |
| | LPG | 301.96 | 285.19 | 380.11 | 386.08 |

**Energy Usage Analysis (Unit: GJ)**

| Category | Item | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Usage Analysis | Total energy consumption | 23,551.01 | 24,242.21 | 25,791.56 | 26,631.55 |
| | Total electricity consumption | 23,212.67 | 23,920.62 | 25,370.37 | 26,208.110 |
| | Total renewable energy consumption | 0 | 388.80 | 1,900.80 | 5,289.44 |
| | Total non-renewable energy consumption | 23,551.12 | 23,853.41 | 25,384.76 | 26,094.11 |
| Proportion Analysis | Renewable energy usage ratio (%) | 0.0% | 1.63% | 7.49% | 20.18% |
| | Percentage of purchased electricity in total electricity consumption (%) | 100.0% | 98.4% | 98.4% | 97.9% |
| | Percentage of purchased electricity in total energy consumption (%) | 98.55% | 97.07% | 96.79% | 96.39% |

Note 1: Conversion unit coefficient: 1 KWh = 0.0036 (GJ), 1 liter of diesel fuel = 0.0352 (GJ), 1 liter of gasoline = 0.033 (GJ), 1 kg of LPG = 0.028 (GJ)
Note 2: Data coverage includes the Hsinchu, Taipei, and Tainan sites.

**Energy Strategies and Targets**

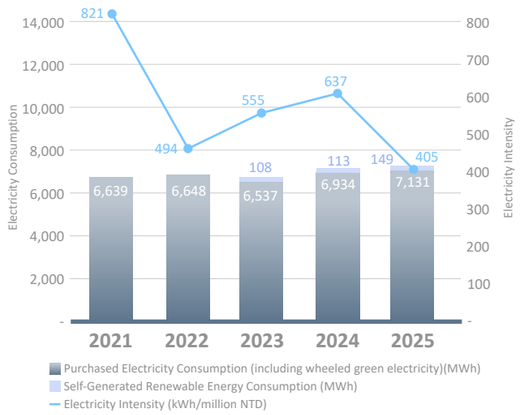
Faraday adopts the implementation of energy efficiency projects and the utilization of renewable energy as its primary energy strategies. Aligned with the carbon reduction requirements of its net-zero pathway, the Company has established targets to reduce electricity intensity by 35% in 2030 compared to the 2021 baseline and to achieve a renewable energy usage ratio of 40% by 2030.

| Energy Strategy | Description |
|---|---|
| Energy efficiency projects | To effectively manage electricity usage and reduce operational carbon emissions, Faraday has established a systematic mechanism to monitor real-time electricity consumption. It regularly uses power analysis tools to identify major energy consumption hotspots and initiates concrete energy-efficiency projects. |
| Renewable energy usage | **On-site Solar Power Generation (Self-Consumption)**<br>Completed two phases of rooftop solar panel installations between 2022 and 2024, with a total installed capacity of 129.74 kW. The system is estimated to generate over 140,000 kWh of electricity annually. To ensure data integrity, Faraday registered its solar generation with the National Renewable Energy Certificate Center. All solar electricity output is certified by the center and subsequently included in the company's renewable energy accounting.<br>**Procurement of Off-Site Wheeled Green Electricity via Power Purchase Agreements (PPAs)**<br>Since 2024, Faraday has signed green electricity wheeling agreements with electricity retailers, progressively increasing its annual green power procurement. The company continuously monitors operational conditions, forecasts future electricity demand, and conducts regular reviews to ensure that the purchased green electricity is sufficient to meet its established carbon reduction and renewable energy usage targets. |

### Performance of Energy Efficiency and Renewable Energy Usage

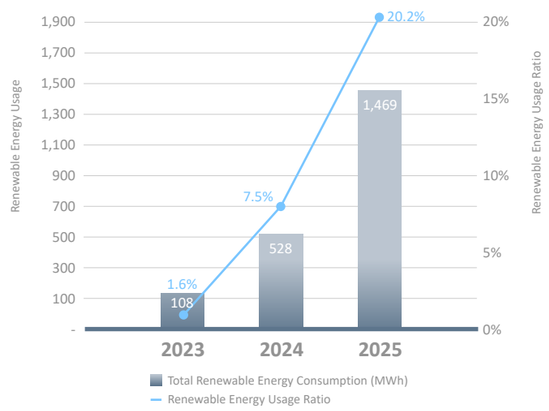
In 2025, Faraday implemented a total of three energy efficiency projects. Electricity intensity decreased by 51% compared to the 2021 baseline, achieving the 2025 annual target of a 22% reduction in electricity intensity. Regarding renewable energy, through on-site solar panel installations and external green electricity procurement, the green electricity ratio reached 20%, thereby achieving the 2025 annual renewable energy target of 15%.

Electricity Consumption

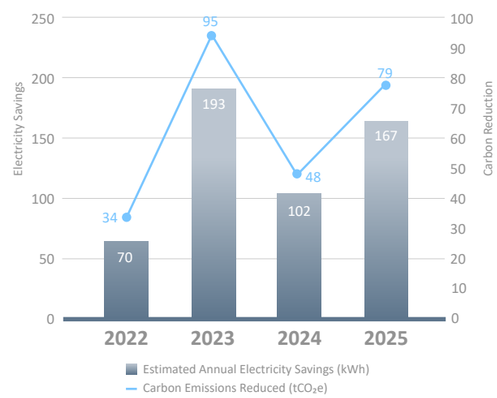



Note 1: Intensity calculation formula: Emissions/Consolidated Revenue (in million NTD)
Note 2: Data coverage includes the Hsinchu, Taipei, and Tainan sites.

Use of Renewable Energy




Energy Efficiency Project

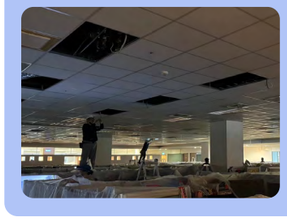



### Significant Energy Efficiency Projects and Achievements

| Implementation Year | Category | Electricity-saving Solutions | Estimated Annual Electricity Savings (kWh) | Estimated Energy Savings (GJ) | Estimated Carbon Reduction (metric tons $CO_2e$) |
|---|---|---|---|---|---|
| 2025 | Lighting Equipment | Continuously replacing fluorescent lamps with LED lamps, estimated at 292 lamps (6th floor). | 46,056 | 165.8 | 21.8 |
| | Equipment Efficiency | Installed VFD control on Chiller CH-1 (200RT) to improve operational efficiency and achieve energy savings. | 120,977 | 435.5 | 57.3 |
| | Equipment Replacement | Replaced refrigerators with Tier-1 energy-efficient models. | 312 | 1.1 | 0.2 |
| | Total | | 167,345 | 602.4 | 79.3 |
| 2026 | Lighting Equipment | Continuously replacing fluorescent lamps with LED lamps, estimated at 344 lamps (5th Floor). | 53,580 | 192.9 | 25.4 |
| | Equipment Replacement | Replacing 2 sets of condensate drains in the compressed air system with zero-air-loss energy-saving automatic drain traps | 26,735 | 96.2 | 12.7 |
| | Total | | 80,315 | 289.1 | 38.1 |

Note: The electricity-saving benefits recorded in this table are calculated based on the difference in electricity consumption before and after the implementation of the electricity-saving projects.

### Energy-efficiency case



Replacement of fluorescent lamps with LED fixtures in the 6th-floor office area



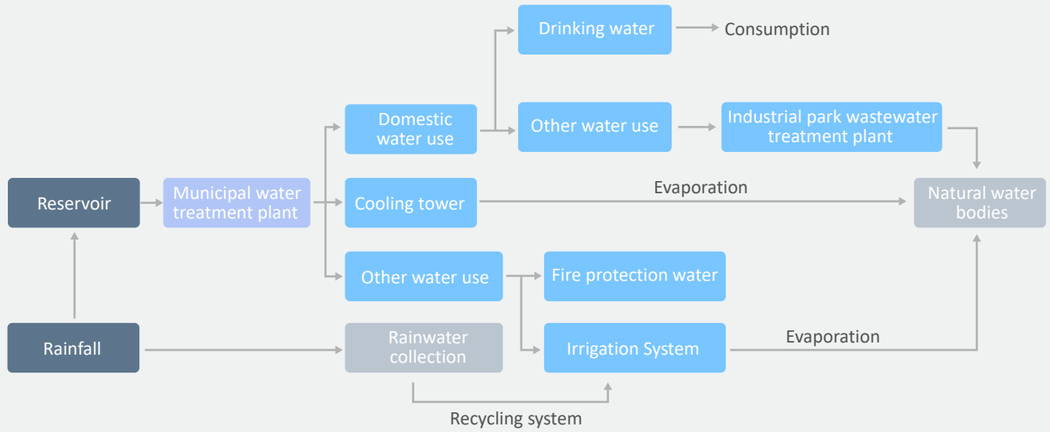
Installation of VFD control on Chiller CH-1 (200 RT)

# 4.2 Water Resource and Waste Management

## 4.2.1 Water Resource Management

Faraday obtains 100% of its water resources from the Taiwan Water Corporation, as there are no manufacturing facilities. Water usage is primarily for general domestic purposes and air conditioning systems. The discharged water consists only of regular domestic wastewater, with no process-related wastewater generated.

**Water Balance Diagram**




**Water Resource Usage Data (Unit: Million Liters)**

| Item | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Water Withdrawal | 19.4 | 20.3 | 20.8 | 22.5 |
| Water Discharge | 15.5 | 16.2 | 16.6 | 18.0 |
| Water Consumption | 3.9 | 4.1 | 4.2 | 4.5 |
| Recycled Water Volume | Not Tracked | Not Tracked | 0.03 | 0.2 |
| Total Water Use | 19.4 | 20.3 | 20.8 | 22.7 |
| Water Withdrawal Intensity ($m^3$/million NTD) | 1.5 | 1.7 | 1.9 | 1.3 |

Note 1: Hsinchu headquarters is Faraday's primary operational base; water consumption is calculated based on the Hsinchu operational site, as well as the Taipei and Tainan offices.
Note 2: Water withdrawal data is based on water bills, and water discharge is calculated as 80% of water withdrawal.
Note 3: Total water use is defined as the sum of water withdrawal and recycled water volume.
Note 4: The water withdrawal intensity for the baseline year 2021 was 2.39.

**Water stress analysis**

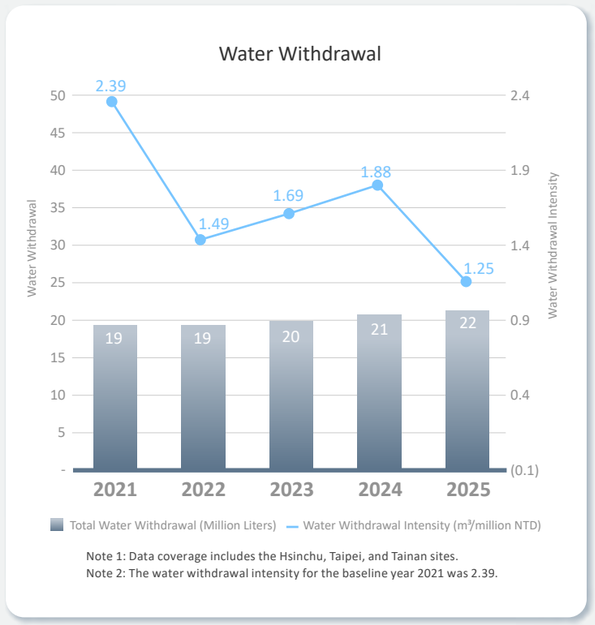
Based on the global water stress risk map published by the World Resources Institute (WRI), the current water stress level at the Hsinchu operational site, as well as the Taipei and Tainan offices, is categorized as low to medium (10% ~ 20%). None of the sites are located in high water stress areas.

| Location | Hsinchu | Taipei | Tainan |
|---|---|---|---|
| Main water resource | Toucian River, Baoshan Reservoir, Second Baoshan Reservoir | Hsindian River, Feitsui Reservoir | Zengwen River, Zengwen Reservoir, Wushantou Reservoir, Nanhua Reservoir, Jingmian Reservoir, Baihe Reservoir |
| Water Stress Risk Level | Low~Medium (10-20%) | Low~Medium (10-20%) | Low~Medium (10-20%) |
| Percentage of Water Consumption in Sites Located in High Water-Stressed Areas | 0% | 0% | 0% |
| Sewer Connection Regulations | "Regulation for the Use and Management of Wastewater Treatment and Sewage System in the Science Park", "Wastewater Quality Standards for the Sewage System in the Hsinchu Park Area, Hsinchu Science Park" | National Effluent Standards | National Effluent Standards |
| Wastewater Treatment Plant | Hsinchu Science Park Wastewater Treatment Plant | Neihu Wastewater Treatment Plant | Yongkang Water Resource Recycling Center |
| Receiving Water Body | Keya River | Keelung River | Yanshui River |

**Water Conservation Strategies, Targets and Performance**

Faraday's primary water conservation strategies focus on continuously implementing various water-saving measures and rainwater harvesting to reduce water consumption and prevent unnecessary waste. In 2025, water consumption decreased by 48% compared to the 2021 baseline, achieving the 2025 water conservation target of 25%. The annual rainwater harvesting volume reached 0.2 million liters, accounting for approximately 0.9% of the water withdrawal at the Hsinchu site.

| Water-saving measures | Description |
|---|---|
| Routine Measures | • Select equipment with water-saving labels.<br>• Conduct regular inspections of water resource facilities.<br>• Enhance equipment availability and perform timely repairs for any damages.<br>• Promote awareness of water conservation. |
| Rainwater Harvesting System | Utilize the green belt landscape pond at Faraday's headquarters as a rainwater collection pool. The harvested rainwater is used for irrigating plants around the headquarters building, thereby reducing tap water consumption. |




Note 1: Data coverage includes the Hsinchu, Taipei, and Tainan sites.
Note 2: The water withdrawal intensity for the baseline year 2021 was 2.39.

## 4.2.2 Waste Management and Circular Economy

Faraday's business model focuses primarily on chip design and does not include manufacturing facilities; consequently, the structure of waste generation is relatively simple. Waste is mainly categorized into domestic waste, recyclable waste, and scrap from electronic components. Waste management is conducted in accordance with the Waste Management Plan and through regular reporting. All generated waste is contracted to qualified vendors approved by the Ministry of Environment (MOE) for collection and treatment, with the process monitored via the MOE's online reporting system.

**Waste Disposal (Unit: metric tons)**

| Category | Disposal Site | Waste Type | Disposal Method | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|
| General industrial waste | Off-site | Domestic Waste | Incineration | 15.44 | 15.87 | 15.47 | 17.24 |
| | Off-site | Recyclable Waste | Recycling | 8.67 | 9.40 | 9.60 | 9.75 |
| Hazardous industrial waste | Off-site | Scrap Electronic Components and Defective Products | Outsourced Recycling & Treatment | 2.01 | 0.87 | 0.84 | 0.00 |
| Total Waste Generated | | | | 26.12 | 26.13 | 25.91 | 26.99 |
| Waste Recycled | | | | 10.68 | 10.26 | 10.44 | 9.75 |
| Waste Recycling Rate (%) | | | | 40.89% | 39.28% | 40.28% | 36.12% |
| Hazardous Industrial Waste Percentage (%) | | | | 7.70% | 3.31% | 3.22% | 0 |
| Waste Intensity (metric tons/million NTD) | | | | 0.0020 | 0.0022 | 0.0023 | 0.0015 |

Note 1: Data coverage includes the Hsinchu, Taipei, and Tainan sites.
Note 2: Waste data collection sources: The general solid waste from the Hsinchu operation site is collected and transported by the Hsinchu Science Park Administration under the Ministry of Science and Technology. The 2025 production weight is calculated based on the actual weight measured in July. The recycling weight of recyclable materials is statistically recorded by recycling vendors, and hazardous industrial waste is based on the declared three-part transportation forms.
Note 3: As the Taipei and Tainan offices are located in multi-tenant office buildings, their general industrial waste generation is estimated based on the per capita annual output from the Hsinchu operational site. Hazardous industrial waste is generated solely at the Hsinchu site.
Note 4: Recyclable waste includes waste paper, ferrous metals/aluminum cans, waste plastic containers, and waste lighting sources.
Note 5: The waste intensity for the baseline year 2021 was 0.0031.
Note 6: The statistical output of hazardous industrial waste in 2025 is recorded as zero because the volume of waste ICs generated was negligible; these are scheduled to be accumulated and treated in 2026.

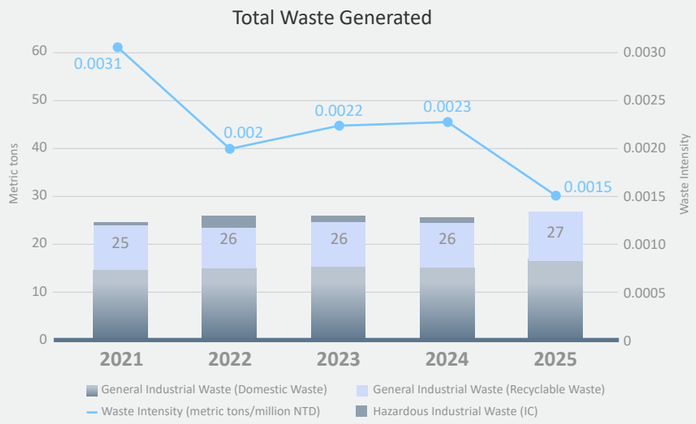
**Waste Strategy, Targets, and Performance**

Faraday's primary waste sources are domestic waste and recyclable waste generated from employee office operations. The Company's core strategy focuses on waste reduction coupled with resource circulation and reuse. In 2025, total waste generation decreased by 51% compared to the 2021 baseline, thereby surpassing the 2025 waste reduction target of 25%.

| Waste Strategy | Description |
|---|---|
| Waste Reduction | • Conduct regular awareness campaigns and implement waste sorting and recycling.<br>• Cleaning staff inspect waste during collection to ensure resource recovery. |
| Resource Circularity and Reuse | • Recycle and reuse waste ICs.<br>• Recycle and reuse waste carrier trays.<br>• Recycle and reuse domestic waste and IT supplies. |

**Faraday's Circular Economy Practices**

| Category | Description | Performance |
|---|---|---|
| Value Regeneration | • Recycle waste ICs to extract precious metals and convert them into high-value raw materials, reducing mining activities.<br>• Implement circular procurement of equipment. | • No waste IC recycling in 2025; planned for implementation in 2026.<br>• Procured second-hand IC testing equipment, with a total investment of NTD 800,000 in 2025. |
| Closed-Loop Model | • Recycle and remanufacture waste carrier trays into new ones to reduce plastic usage. | • No waste carrier tray recycling in 2025; planned for implementation in 2026. |
| Waste Resource Recovery | • Resource recovery and reuse of domestic waste.<br>• Resource recovery and reuse of IT supplies. | • General industrial waste recycling rate was 36.12% in 2025. |




Note 1: Data coverage includes the Hsinchu, Taipei, and Tainan sites.
Note 2: Waste intensity calculation formula: Total Waste Generated / Consolidated Revenue (in million NTD)

# 4.3 Sustainable Ecology Promotion

Faraday is one of the first enterprises in Taiwan to support the Task Force on Nature-related Financial Disclosures (TNFD) and is also the world's first ASIC design service company to proactively advocate for this framework. The Company has established a "Declaration on Biodiversity" to pledge its alignment with the United Nations “Convention on Biological Diversity (CBD)”. Furthermore, Faraday collaborates with stakeholders to actively promote activities that support biodiversity.

## 4.3.1 Task Force on Nature-related Financial Disclosures (TNFD)

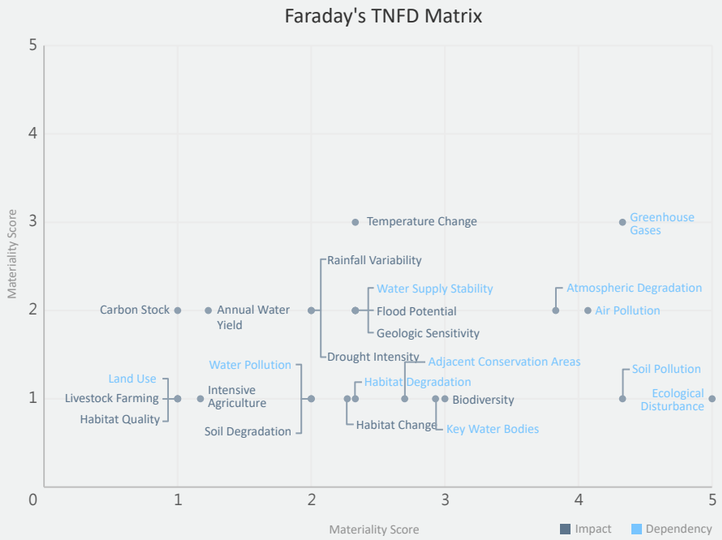
Faraday adopts the LEAP methodology in conjunction with the ENCORE database to identify 13 dependency indicators and 11 impact indicators. These are utilized to assess the Company's dependencies on and impacts on nature, thereby establishing the strategic direction for future management of nature-related issues.

**LEAP Analysis**

Through Location and Materiality analyses, it was identified that of all environmental impact indicators, only Greenhouse Gases (GHGs) fall within the lower bound of the "High Sensitivity/Risk Zone." Consequently, GHGs are designated as the priority issue for addressing ecological risks at this stage. Mitigation and adaptation measures will be implemented in alignment with Faraday's TCFD management processes and net-zero strategies.

| | |
|---|---|
| Locate | Prioritize analysis of Taiwan sites, including Hsinchu HQ, Taipei Office, and Tainan Office. |
| Evaluate | Evaluate 13 dependency and 11 impact indicators across two dimensions: (1) Location Analysis and (2) Materiality Scores. |
| Assess | Identify risks and opportunities based on the materiality results of dependencies and impacts. |
| Prepare | Develop response plans and prepare for public disclosure. |

Note 1: Locate Analysis: Conducted using the ENCORE database as a foundation, integrated with local data from the ENCORE@TW database, to analyze the Company's operational sites.
Note 2: Materiality Analysis: Conducted questionnaire surveys with internal stakeholders for each indicator to identify material dependency and impact issues.




## 4.3.2 Green Environment and Ecological Conservation

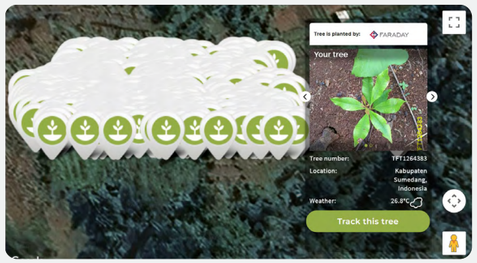
**Headquarters Green Belt Planning**

Faraday has established an ecological botanical garden spanning 4,830 m² at its headquarters, covering 43.9% of the total site area. The garden features over 130 plant species, including numerous native Taiwanese species. This diverse natural environment provides a habitat for various organisms to thrive and reproduce. Beyond providing a lush green recreational space for Faraday employees, this green belt represents the Company's tangible commitment and active dedication to ecological conservation.



**Engagement in Ecological Conservation Issues**

Faraday has long sponsored the UMC Eco Echo Award program to foster and support ecological conservation groups in Taiwan. Additionally, the Company has established an internal conservation club to organize activities such as ecological lectures, hands-on planting workshops, and field trips. These initiatives foster employee care for natural ecosystems and encourage collective participation in conservation actions. In 2025, Faraday partnered with EcoMatcher, a global leader in tree-planting solutions, to launch a tree-planting initiative involving 1,000 saplings. Looking ahead, the Company will continue to engage with the "Taiwan Natural Carbon Sink and Biodiversity Project Matching Platform." By comprehensively evaluating corporate resources, Faraday remains committed to pursuing ecological conservation projects that align with the core vision of its "Declaration on Biodiversity".

| Item | Faraday's Initiatives |
|---|---|
| Eco Echo Award | • Since 2019, Faraday has been a partner of the UMC Eco Echo Award. In 2025, the Company contributed a total sponsorship of NTD 250,000.<br>• Official Website: ecoechoaward.com |
| Ecological Conservation Club | The club brings together ecology enthusiasts, providing a platform for knowledge sharing, skill development, and hands-on experience. Members gain insights into various plants, ecosystems, and conservation roles, and participate in occasional field trips. |
| Ecological Education Lectures | Regularly organizes a series of ecological lectures featuring expert speakers to enhance employees' understanding of ecological conservation issues. |
| Overseas Tree-Planting Initiative | In collaboration with EcoMatcher, Faraday planted 1,000 saplings at selected sites in Indonesia to help mitigate the impacts of past deforestation and illegal logging. This project is expected to support the livelihoods of six families and sequester 250 tons of carbon.  |

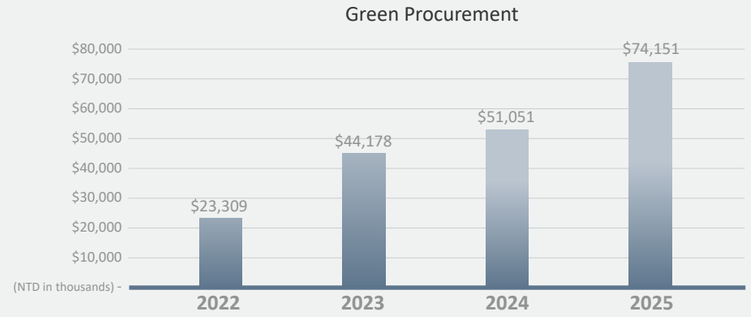


# 4.4 Green Procurement and Environmental Expenditure

## 4.4.1 Green Procurement Achievements

Faraday actively supports the government's green procurement policy through concrete actions. Referencing the green procurement identification methodology of the Ministry of Environment's "Net Zero Green Life" initiative, the Company prioritizes the selection of environmentally certified products, such as those bearing the Eco-Label, Energy-Saving Label, or PEFC (Programme for the Endorsement of Forest Certification) sustainable forestry label, during routine procurement processes for equipment and supplies. Since 2021, expenditure on green procurement has demonstrated consistent year-over-year growth.

## 4.4.2 Environmental and Green Investment




Faraday supports carbon reduction and green initiatives. Beyond advancing its own net-zero and decarbonization actions, the Company also invests in various solutions focused on developing renewable energy, enhancing energy efficiency, building smart city infrastructure, and promoting circular economy practices. These efforts ensure that the Company's capital expenditures are aligned with the Paris Agreement and global long-term carbon reduction goals.

| Category | Item | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| CAPEX | Solar Panel Installation | 0 | 6,000,000 | 2,491,493 | 0 |
| | Energy Conservation Expenditure | 24,478,240 | 52,605,327 | 51,018,690 | 73,880,800 |
| | Procurement of Green-Labeled Products | 30,322 | 52,558 | 31,868 | 259,075 |
| OPEX | Green Electricity Wheeling & REC Fees | 0 | 0 | 1,591,572 | 7,194,000 |
| | Solar Panel Operations and Maintenance (O&M) Costs | 0 | 0 | 40,000 | 60,000 |
| | Waste and Wastewater Treatment | 284,471 | 292,186 | 295,911 | 328,083 |
| | Management System Verification Fees | 0 | 0 | 280,000 | 515,000 |
| Green Investment | Green Bonds | 0 | 50,000,000 | 50,000,000 | 50,000,000 |
| | Green Time Deposits | 0 | 90,840,000 | 0 | 0 |

Five execution aspects

# Social inclusion

5.1 Social Development
5.2 Social Impact
5.3 Social Assistance and Public Welfare

4 QUALITY EDUCATION

## Cultivating Grassroots Baseball Talent in Taiwan

Since 2021, Faraday has sponsored the Tung-Shih Junior High School baseball team in Chiayi County. As of 2025, the total sponsorship amount reached NTD 2.2 million.

## Expanding Industry-Academia Collaboration to Cultivate Semiconductor Talent

Deepened industry-academia collaboration with National Chung Cheng University, National Taipei University, and National Taiwan University of Science and Technology. In 2025, total sponsorship reached NTD 2.788 million.

## Social Impact Investment

In 2025, Faraday invested NTD 1.60 million to support Hsinchu MacKay Children's Hospital, domestic arts and cultural development, and independent media.

## Supporting Local Social Welfare Institutions

Donated NTD 625,000 to support activities at the Huaguang Center for Intellectual Development and the Hsinchu Family Center.

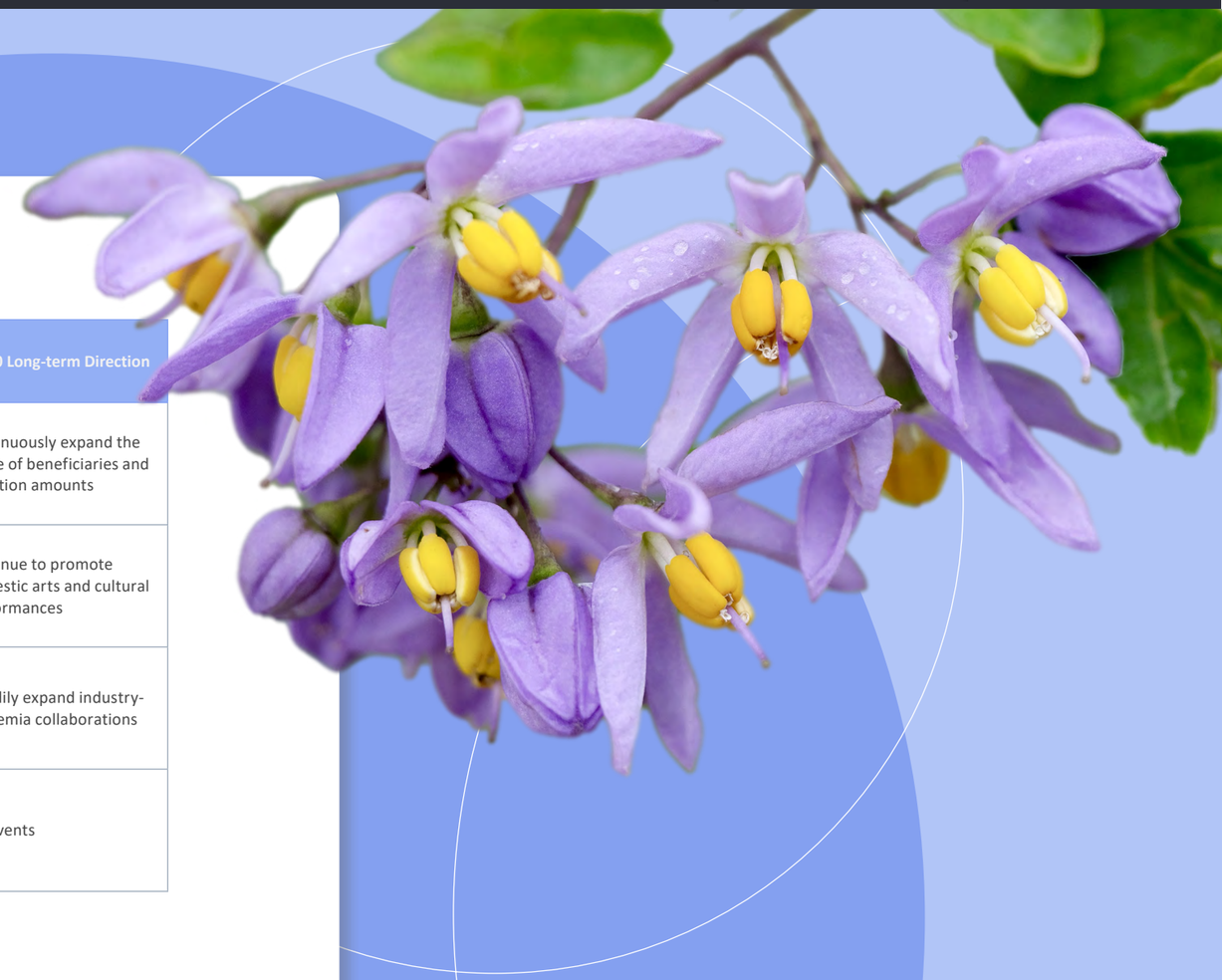
## Response to Blood Donation Campaigns

Total blood donation volume in 2025 reached 166U.

## Encouragement of Public Welfare Participation

Each employee is provided with 16 hours of paid public service leave annually. In 2025, the total accumulated public service hours amounted to 174 hours.





# Sustainability Goals

| Material Sustainability Issues | Performance Indicators | 2025 Target | 2025Results | 2026 Target | 2030 Long-term Direction |
|---|---|---|---|---|---|
| Social inclusion | Contributions and donations to support medical, educational, and local social welfare institutions | 4 institutions, total amount ≥ NTD 1.1 million | 4 institutions, total amount ≥ NTD 1.15 million | 4 institutions, total amount ≥ NTD 1.15 million | Continuously expand the scope of beneficiaries and donation amounts |
| | Invite domestic arts and culture groups for performances | ≥ 2 events | ≥ 2 events | ≥ 2 events | Continue to promote domestic arts and cultural performances |
| | Expand industry-academia collaboration to cultivate semiconductor talent | ≥ 2 projects | 3 projects | ≥ 2 events | Steadily expand industry-academia collaborations |
| | Volunteer service activities | ≥ 2 events | 3 events | ≥ 3 events | ≥ 4 events |

# Management Policy

## Social Inclusion

### Policy/Commitment

Through social assistance and public welfare activities, promote social development and expand social impact. Actively encourage employee participation to fulfill corporate social responsibility.

### Impact description

Invest resources to support schools, hospitals, and disadvantaged groups, fostering their sustainable development and enhancing social welfare.

### Key action

- Promote social development: Cultivate semiconductor talent and support sports talent training.
- Enhance social impact: Support domestic cultural industries and address social needs such as local medical resources.
- Social assistance and public welfare: Support local social welfare institutions and promote public welfare participation.

# 5.1 Social Development

## 5.1.1 Expand industry-academia collaboration to cultivate semiconductor talent

Faraday is deeply committed to industry-academia collaboration, dedicated to nurturing the next generation of technology talent. Through cooperation with universities and colleges across Taiwan, we promote industry-academia exchange, host seminars, provide research funding, and support internship programs to enhance the competitiveness of young students. In 2025, the total investment reached NTD 2.788 million. These initiatives not only advance the sustainability of science and technology education but also inject new momentum into Taiwan's technology industry, achieving a win-win outcome for both the enterprise and academia.

**Key Practices for Strengthening Industry-Academia Collaboration**

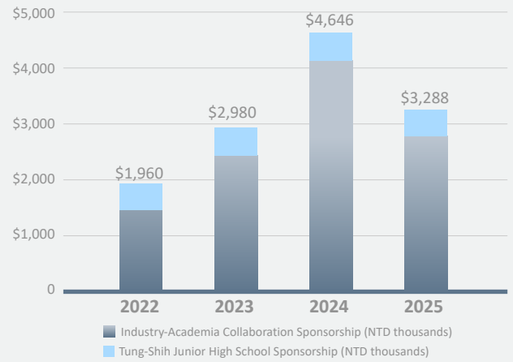
- Provide research funding, equipment sponsorship, and scholarships to support technological development in industry and academia
- Offer internship and pre-employment opportunities to cultivate future core talent
- Jointly promote technical projects and R&D plans through industry-academia collaboration

| Project Description | Project Content |
|---|---|
| National Chung Cheng University Chip Design Center | • Establish a dedicated chip design center, fund research projects, and provide equipment support.<br>• Provide technical guidance to cultivate IC design talent.<br>• Jointly publish journal articles and conference papers. |
| National Taipei University - Technical Consulting and Sponsorship Program | • Conduct research projects aligning company development needs with thesis topics for master's and doctoral students.<br>• Promote international collaboration programs to cultivate both local and international students, providing industry mentorship and career development opportunities.<br>• Arrange site visits and exchanges to learn about analog circuit development and its industrial applications. |
| National Taiwan University of Science and Technology -Dual Collaboration in Technology and Academia | • Industry-academia joint research for breakthroughs in key IP technologies<br>• Sponsor scholarships and offer pre-employment opportunities for outstanding talents<br>• Co-publish research findings and patents in academic journals |
| Semiconductor Talent Competency Enhancement | • In 2025, organized a total of 2 corporate visits and thematic seminars, providing opportunities to exchange professional technologies and development experiences with industry experts.<br>• The "Early Win" program provides dedicated mentorship and diverse workplace experience opportunities to cultivate semiconductor knowledge and soft skills. |

**Cultivating Grassroots Baseball Talent in Taiwan**

Since 2021, Faraday has continuously sponsored the Tung-Shih Junior High School baseball team in Chiayi County. As of 2025, the cumulative sponsorship amount reached NTD 2.2 million. The Company plans to increase the cumulative total to NTD 4.7 million by 2030, further supporting the development of baseball talent in Taiwan.

Investment in Social Development




**Feature Report**

**Tung-Shih Junior High School Baseball Team Achieved Outstanding Results**




In 2025, the team secured remarkable achievements demonstrating exceptional strength, including: 3rd place in the Soft-ball Division of the National Junior High School Baseball League; 1st place in the Soft-ball Division of the Chiayi County Junior High School Baseball League; 1st place in the Hardball Division of the Chiayi County Junior High School Fall Baseball League; 3rd place in the Zhuxiang Cup National Youth Baseball Championship; and 4th place in the Hongye Cup Baseball Elite Tournament. Most of the team's players come from disadvantaged families. Through continuous sponsorship, Faraday provides a more comprehensive training environment to help them realize their potential, hoping to cultivate a new generation of talents and inject new vitality into Taiwan's baseball scene.

# 5.2 Social Impact

## 5.2.1 Sponsoring Local Children's Medical Resources

Since 2022, Faraday has supported Hsinchu MacKay Hospital in its efforts to develop local children's medical resources. As of 2025, a total of NTD 2.0 million has been contributed, funding the construction and operation of the children's hospital.

**Feature Report**

**Hsinchu MacKay Memorial Children's Hospital Sponsorship Project**



Hsinchu MacKay Children's Hospital was officially opened on September 1, 2022, with an initial capacity of 200 beds. Plans are in place to expand the hospital to 400 beds in the future. The hospital introduces advanced medical technologies, equipment, and pharmaceuticals, significantly enhancing pediatric healthcare capacity in the Greater Hsinchu region. It also provides treatment and care for disadvantaged children, helping to alleviate the burden on their families.

## 5.2.2 Hiring Local Talent to Promote Community Identity and Development

Faraday is committed to fostering shared prosperity with the regions where it operates, and prioritizes the recruitment of local talent in operational areas such as Hsinchu, Taipei, and Tainan, in order to promote local economic development and community identity. As of the end of 2025, the proportion of local employees at Faraday's operational locations is projected to reach 62%, creating more employment opportunities for the local community.

## 5.2.3 Supporting the Development of Domestic Cultural and Artistic Industries

Faraday has long been committed to supporting the development of domestic cultural and artistic industries. The company regularly invites local bands, artists, and cultural professionals to perform at events such as year-end parties, lawn concerts, family days, and celebrity lectures. These activities provide a platform for artistic creators to showcase their talents, enrich the company's cultural atmosphere, and foster diverse cultural experiences among employees.

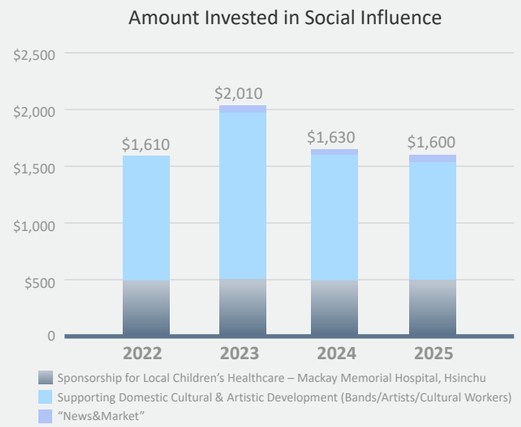







## 5.2.4 Sponsoring Independent Media to Focus on Local Issues

Faraday supports the development of diverse media and sponsors "News&Market" annually. The effort promotes public awareness and rational discussion of local issues, contributing to the development of more sound and constructive public policies.




**Feature Report**

**News&Market**



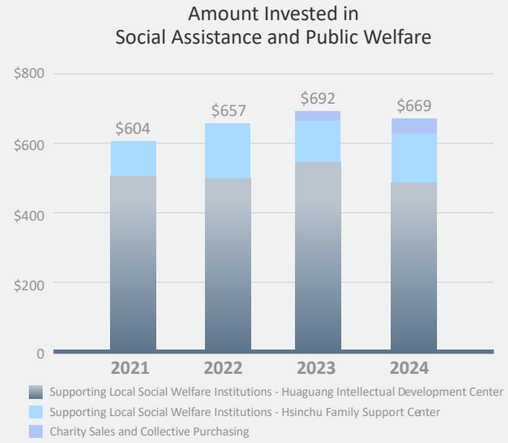

It is an independent media organization based in Taiwan, focusing primarily on issues such as agriculture, food production, and environmental protection. Through in-depth thematic reporting, it assists the public in understanding complex social issues. It also invites experts from various fields to contribute articles on topics including farmland preservation, food education, and green energy living. Additionally, it features a lifestyle literature supplement themed around diet, ecology, and agriculture, forestry, fisheries, and animal husbandry, providing a rich and multi-layered reading experience.
News&Market

# 5.3 Social Assistance and Public Welfare

Faraday is committed to giving back to society. Beyond directly supporting public welfare initiatives, the Company actively organizes various charitable activities and implements corresponding measures to encourage employee participation. These efforts foster a positive culture of philanthropy and inject greater momentum into social welfare causes.

## 5.3.1 Public Service Leave

To encourage employees to participate in public welfare activities, we provide 16 public service leave hours per year (paid leave), allowing staff to flexibly engage in social services across various areas such as environmental protection, community volunteering, and educational support. In 2025, the total volunteer leave hours utilized by Faraday employees reached 174 hours, representing a 23% increase from 2024.




**Feature Report**

**Volunteer Activities**



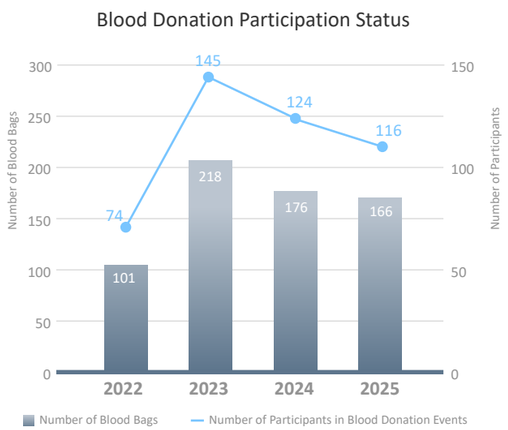


To foster a positive culture of philanthropy within the Company and increase the utilization rate of volunteer leave, Faraday co-organized a cooking volunteer activity in 2025 with the Hsinchu Association for the Welfare of the Intellectually Disabled. Through this hands-on initiative, employees led the beneficiaries in a cooking experience. In 2025, the cumulative volunteer service hours reached 174 hours.

**Feature Report**

**Blood Donation Activities**




Faraday has organized blood donation drives twice a year for over 15 years, with employees cumulatively donating over 3,000 bags of blood. In 2025, the two events recorded 116 employees participated, with a total blood donation volume of 166U.

## 5.3.2 Supporting Local Social Welfare Institutions

**Donation to Huaguang Intellectual Development Center**

Faraday, together with its employees, continues to support the Huaguang Intellectual Development Center in Guanxi, Hsinchu County. In 2025, a total of approximately NTD 486,200 was contributed (NTD 100,000 from the company and NTD 386,200 from employees) to assist in the purchase of facilities and rehabilitation equipment, aiming to enhance the care environment and provide high-quality care to disadvantaged individuals with multiple disabilities and autism.



**Adopt winter gifts for the Hsinchu Family Support Cente**

Every October, Faraday employees launch a campaign to purchase annual fair tickets for the Hsinchu Family Support Center. These vouchers are then donated to children receiving assistance from the center, allowing them to choose desired items at the fair.

In addition, employees participate in the center's "Warming Children's Winter, Love Family Gifts" gift adoption program, helping supported families acquire essential daily necessities.

In 2025, employees contributed a total of approximately NTD 138,600 through charitable gift adoption activities, with 47 employees donating NTD 105,000 for living supplies and 36 employees purchasing fair tickets totaling NTD 33,600.

## 5.3.3 Participation in Public Welfare Activities

**Second-hand Goods Collection Drive**

In 2025, Faraday organized two second-hand donation drives, collecting used books, learning supplies for students, daily necessities, and small home appliances. These initiatives promote the circular economy and address the needs of disadvantaged families.

- Donated 402 used books to the Hsinchu Saint Joseph Social Welfare Foundation, enabling the foundation to maximize resource utilization.
- learning supplies, daily necessities, and small appliances) to the Hsinchu Private Ai-Heng Training Center. These items were sold at the "Man Fair" (children with developmental delays) second-hand market, directly supporting employment opportunities for individuals with disabilities.



**Charity Sales and Group Purchasing**

Faraday has long supported charity sales organized by sheltered workshops. In 2025, the Company continued to host the Yu-Cheng Ji-Xian Sheltered Workshop for on-site sales events. These activities provide employment opportunities for individuals with physical and mental disabilities, assisting them in realizing their self-worth.



# Corporate Governance

Governance Structure
Operational Outcomes
Tax

Ethical Management
Risk Management
Information Security and Privacy Management

## Excellence in Governance

Ranked in the top 5% among listed companies; ranked in the top 10% among electronics companies with a market capitalization exceeding NTD 10 billion.

## The Board of Directors operates with efficiency and effectiveness

Both internal and external performance evaluation results of the Board of Directors in 2025 were rated as excellent.

## Board Diversity

Female directors account for 33.33% of the Board.

## Operational Achievements

Consolidated revenue reached NTD 18 billion in 2025. Revenue from design services has grown for five consecutive years, while mass production revenue increased by 96% year-on-year.

## Practicing Sustainable Governance

Established a Sustainable Development Committee at the Board level to implement sustainable governance.

## Implementing Corporate Sustainability Strategy and Operations

Linked senior executive remuneration to ESG/Climate performance.

# Sustainability Goals

| Material Sustainability Issues | Performance Indicators | 2025 Target | 2025 Results | 2026 Target | 2030/Long-term Direction |
|---|---|---|---|---|---|
| Corporate Governance | ESG Evaluation Ranking | Top 6%~20% | Top 5% | Top 6%~20% | Top 5% |
| | Percentage of Female Directors | ≥ 25% | ≥ 33% | ≥ 33% | Expand the number of independent directors to strengthen Board Diversity. |
| | Attendance Rate of the Board of Directors and Functional Committees | ≥ 90% | 100% | ≥ 95% | 100% |
| | Continuing Education Hours for All Directors | ≥ 6 hours | 6 hours | ≥ 6 hours | ≥ 6 hours |
| | Policy on Linking Executive Remuneration to ESG Performance | Review the rationality and achievement rate of executives' ESG KPIs at least once a year. | Target achieved | Target achieved | Annually review the rationality and achievement of executives' ESG KPIs and incorporate them into remuneration deliberations. |
| Information Security and Privacy Management | Maintain validity of ISO 27001:2022 certification | Target achieved | Target achieved | Target achieved | Embed the PDCA continuous improvement mechanism of ISO 27001, internalize information security management into corporate culture, and ensure the suitability, effectiveness, and compliance of the Information Security Management System (ISMS) through regular internal audits and management reviews, demonstrating a long-term commitment to information security governance. |
| | Conduct information security awareness campaigns for all employees once per quarter | 100% | 100% | 100% | Establish an information security awareness training system, adjust training materials based on the latest threat trends, and enhance the information security literacy of all employees through assessments, thereby strengthening organizational resilience and reducing the risk of human error. |
| | Annual completion of information security, confidentiality, and privacy protection awareness courses by existing employees | 100% | 100% | 100% | 100% |
| | Signing rate of "Notification of Obligations and Consent Form under the Personal Data Protection Act" for new recruits | 100% | 100% | 100% | 100% |
| | Conduct information security audits for all suppliers | Quantify information security audit results by score; suppliers meeting the target (score above 80) shall account for at least 70%. | 92% | Quantify information security audit results by score; suppliers meeting the target (score above 80) shall account for at least 85%. | Strengthen sustainable supply chain management; establish mechanisms for supplier information security risk assessment and guidance; quantify supplier audit results to ensure partners comply with consistent information security standards, reduce information security risks in the supply chain from the source, and implement the spirit of supplier management. |
| | Annual execution rate of confidential data inventory | 100% | 100% | 100% | Implement data lifecycle management to achieve 100% visibility of confidential assets; precisely protect core digital assets through automated tools and classification systems, ensuring the integrity of data governance. |
| **Faraday Customized Target** | **Performance Indicators** | **2025 Target** | **2025 Results** | **2026 Target** | **2030/Long-term Direction** |
| Ethical Management | Coverage rate of ethical management training | ≥ 95% | 99.7% | ≥ 95% | 100% |
| | Signing rate of Code of Conduct & Workplace Ethics for new recruits | 100% | 100% | 100% | 100% |
| | Corruption and competitive behavior | 0 cases | 0 cases | 0 cases | 0 cases |
| | Material illegal acts (Fines exceeding USD 10,000) | 0 cases | 0 cases | 0 cases | 0 cases |



# Management Policies

## Corporate Governance

### Policy/Commitment

"Corporate Governance Best Practice Principles"
"Ethical Corporate Management Best Practice Principles"
"Risk Management Best Practice Principles "
"Guidelines for Internal Control Systems"

### Impact Description

- Positive Impacts
  - Strengthen the functions of the Board of Directors, exert supervisory effectiveness, clarify corporate business objectives, maximize shareholder interests, and pursue long-term sustainable profitability.
  - Enhance information transparency and timeliness of disclosure, prioritize shareholders' rights, provide effective channels for mutual trust and communication, establish a sound corporate reputation, and elevate corporate value.
- Negative Impacts
  - Faraday had no actual relevant negative impacts in 2025.
  - Poor corporate governance leading to significant errors, or incidents of dishonesty, corruption, fraud, or embezzlement, could impair the trust or rights of stakeholders, exposing the company to operational, legal, reputational, and financial penalty risks.

### Key Actions

- Strengthen corporate governance and enhance the overall organizational resilience and competitiveness through robust Board of Directors operations.
- Improve the Board structure and effectively execute Board functions through diversity policies and continuous professional development.
- Continuously enhance information transparency and disclosure timeliness, prioritize shareholder rights, and establish effective channels for mutual trust and communication.
- Establish and maintain an effective risk management mechanism to reduce the impact of unexpected events on the company and avoid significant financial losses.

## Information Security and Privacy Management

### Policy/Commitment

"Information Security Policy"
"Privacy Policy"
"Customer Rights Policy and Grievance Procedures"

### Impact Description

- Positive Impacts: Implementing information security and privacy protection helps safeguard corporate assets, R&D results, and confidential customer data, ensuring business continuity and reducing financial losses.
- Negative Impacts: Violations of laws and regulations incur economic costs; infringement of the rights of employees, customers, or suppliers damages corporate reputation and trust, ultimately impacting the company's long-term growth momentum and market competitiveness.

### Key Actions

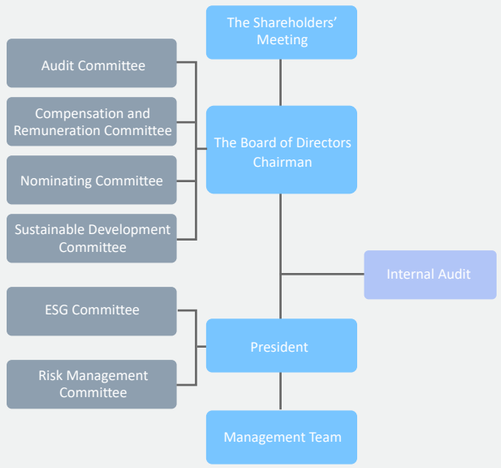
- Establish systems and organizations: Form an Information Security Committee, adopt standards such as ISO 27001, and strengthen the information security governance framework.
- Implement technologies and procedures: Strengthen technical protections across all levels, standardize data processing SOPs, and enhance incident response capabilities.
- External assessments and audits: Conduct evaluations by external consultants and regularly audit suppliers to continuously monitor and reduce information security risks.

# Governance Structure

In accordance with the “Company Act”, “Securities and Exchange Act”, and other relevant laws and regulations, Faraday established the "Corporate Governance Best Practice Principles", "Ethical Corporate Management Best Practice Principles", " Code of Ethical Conduct", " Procedures for Prevention of Insider Trading”, "Risk Management Policy", and "Information Security Policy" to serve as the foundation of its corporate governance structure. These policies aim to robustly enhance corporate governance and ensure regular reporting to the Board of Directors, thereby safeguarding shareholder rights, strengthening Board functions, respecting stakeholder interests, and increasing information transparency.

Through effective corporate governance, the Company strives to fulfill its corporate sustainability responsibilities and optimize business performance. Most recently, on October 28, 2025, a report on sustainability performance—encompassing ethical management, information security, risk management, intellectual property management, and stakeholder engagement—was submitted to the Board of Directors.

**Corporate Governance Structure**




## The Board of Directors and Functional Committees

Faraday operates with high integrity, maintains strict information transparency, and champions shareholder interests. The Board of Directors comprises accomplished professionals with extensive management experience in the technology sector. In accordance with statutes and regulations promulgated by the competent authorities, the Company has established the Audit Committee, the Compensation and Remuneration Committee, and the Nominating Committee under the Board to support the Board in executing its oversight duties, institutionalizing corporate governance, and implementing robust governance practices.

To enhance Board effectiveness and embed sustainable governance, the Company officially established the Sustainable Development Committee on October 28, 2025. This committee supports the Board in actively driving the “ESG Policy” and “Sustainable Execution Structure,” while comprehensively integrating ESG initiatives across all three pillars. Its primary mandate includes formulating sustainable development policies and annual plans, overseeing and reviewing the Sustainability Report, tracking the progress of ESG programs, and ensuring that corporate operations align with both ESG targets and regulatory requirements.

For detailed information regarding the operations of the Board and its committees, as well as the continuing education of Directors in 2025, please refer to Section 3.2, “Implementation of Corporate,” in Faraday's 2025 Annual Report.

| Job Title/Name | The Board of Directors | The Audit Committee | The Compensation and Remuneration Committee | The Nominating Committee | The Sustainable Development Committee | Attendance Rate |
|---|---|---|---|---|---|---|
| Chairman/Chia-Tsung Hung (Representative, UMC) | V (Chairperson) | | | V | | 100% |
| Director/Ying-Sheng Shen (Representative, UMC) | V | | | | | 100% |
| Director/Zeng-Li Huang (Representative, Unimicron) | V | | | | V | 100% |
| Director/Kuo-Yung Wang | V | | | | V (Convener) | 100% |
| Director/Shih-Chin Lin | V | | | | V | 100% |
| Director/Wen-Ju Tseng | V | | | | V | 100% |
| Independent director/ Bing-Kuan Luo | V | V | V (Convener) | V (Convener) | V | 100% |
| Independent director/ Wan-Feng Zhou | V | V (Convener) | V | V | | 100% |
| Independent director/ Li-Ying Yeh | V | V | V | | | 100% |

## Continuing Education for Directors

| Course Categories | Hours of Training | Percentage |
|---|---|---|
| Management Strategy | 18 | 18% |
| Financial Accounting | 33 | 44% |
| Sustainable Development | 24 | 32% |
| Total | 75 | 100% |

## Nomination and Election of Directors

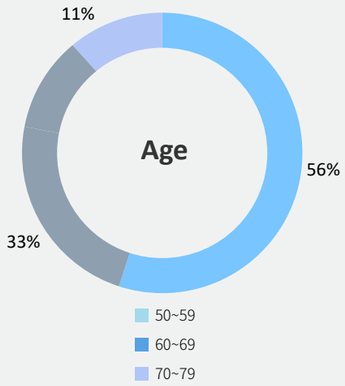
The nomination, selection, and election of Faraday’s Board members are conducted in strict accordance with the “Articles of Incorporation,’”adopting a candidate nomination system and adhering to the “Corporate Governance Best Practice Principles” and “Rules for Election of Directors.” These frameworks stipulate that the election process must take into account the overall composition and structure of the Board. The Board is configured to consist of 7 to 11 members, with the exact board size authorized and determined by the Board of Directors, and directors serve a three-year term. Shareholders holding 1% or more of the Company's total issued shares are entitled to submit a list of candidates, thereby enabling shareholder participation in the director nomination process. All director candidates are voted upon and elected by shareholders at the Annual Shareholders’ Meeting. Matters regarding the professional qualifications, shareholding requirements, restrictions on concurrent positions, and the nomination and election methods for Independent Director candidates are strictly governed by the Company Act, the Securities and Exchange Act, and other applicable laws. To fortify the director selection mechanism and cultivate a diverse and professional Board, the Company established the Nominating Committee on October 24, 2023. This committee is mandated to formulate criteria for the professional expertise, skills, experience, gender diversity, and independence required of Board members, and subsequently identifies, reviews, and nominates director candidates. All members of the Board possess the necessary knowledge, skills, and competencies to discharge their duties, while maintaining a high standard of professional ethics. To prevent conflicts of interest, directors strictly recuse themselves from deliberations and voting on any proposals involving their own personal or material interests, in full compliance with the Company Act. For detailed information on the implementation of such director recusals in 2025, please refer to Section 3.2.1, “Operations of the Board of Directors,” in Faraday's 2025 Annual Report.

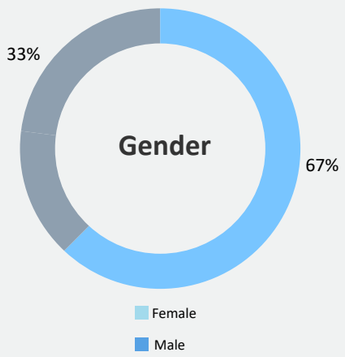
## Board Diversity and Independence

Faraday's current Board of Directors comprises 9 seats, including 3 Independent Directors. To advance gender equality policies, elevate female representation in leadership, and optimize the Board structure, the 12th Board of Directors has designated an additional seat for a female director. This increases female representation to 33.33%, outperforming our initial target of 25%. Moving forward, the Company plans to further increase the number of Independent Director seats to continually fortify Board independence and oversight capabilities. Regarding age demographics, as of the end of 2025, the Board consists of 3 directors aged 50–59, 5 directors aged 60–69, and 1 director aged 70 or above. All Independent Directors strictly comply with the qualifications promulgated by the Securities and Futures Bureau of the FSC. Furthermore, none of the Board members are subject to the circumstances specified in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act, and no spousal relationships or kinship within the second degree of consanguinity or affinity exist among the directors. For comprehensive details on the directors' academic and professional backgrounds, gender, professional qualifications, work experience, and diversity matrix, please refer to Section 3.1.1, "Information of Directors,"and Section 3.1.3, "Professional Qualifications of Directors and Independence of Independent Directors," in Faraday's 2025 Annual Report.

The professional expertise of Faraday's Board members comprehensively encompasses management, technology and engineering, law, and finance. The majority of the directors are proven leaders within the technology sector, possessing a robust synthesis of industry, academic, and specialized domain knowledge. This diverse composition empowers the Board to offer multifaceted strategic guidance from distinct viewpoints, thereby significantly driving the optimization of the Company's operational performance and governance efficiency. The implementation of Board diversity is detailed below:

| Job Title | Chairman | Directors | | | | | Independent Directors | | |
|---|---|---|---|---|---|---|---|---|---|
| Name | Chia-Tsung Hung | Ying-Sheng Shen | Zeng-Li Huang | Kuo-Yung Wang | Shih-Chin Lin | Wen-Ju Tseng | Bing-Kuan Luo | Wan-Feng Zhou | Li-Ying Yeh |
| Gender | Male | Male | Male | Male | Male | Female | Male | Female | Female |
| Age | 60~69 | 60~69 | 70~79 | 60~69 | 50~59 | 60~69 | 60~69 | 50~59 | 50~59 |
| Also an Employee | v | - | - | v | v | v | - | - | - |
| Independent Director Tenure (≤ 3 Terms) | - | - | - | - | - | - | v | v | v |
| Professional Background | | | | | | | | | |
| Technology | v | v | v | v | v | v | - | v | v |
| Finance/Accounting | v | v | v | v | v | v | v | v | v |
| Law | - | - | - | - | - | - | v | - | - |
| Professional Knowledge and Skills | | | | | | | | | |
| Industry Experience | v | v | v | v | v | v | v | v | v |
| Operational Judgment | v | v | v | v | v | v | v | v | v |
| Management Expertise | v | v | v | v | v | v | v | v | v |
| Crisis Management | v | v | v | v | v | v | v | v | v |
| Global Market Perspective | v | v | v | v | v | v | v | v | v |
| Leadership and Decision-making | v | v | v | v | v | v | v | v | v |
| Sustainable Development (ESG) | v | v | v | v | v | v | v | v | v |




## Performance Evaluation of the Board of Directors and Board Committees

To fortify corporate governance and elevate Board effectiveness, Faraday has instituted the "Rules for Performance Evaluation of the Board of Directors." These rules mandate that an internal self-evaluation of the Board, its functional committees, and individual directors be conducted annually, complemented by an independent external assessment executed by a professional institution or an expert panel at least once every three years. The evaluation process must be concluded before the end of the first quarter of the subsequent year, with the results submitted to the most recent Board meeting for review. These outcomes serve as a foundational basis for continuously optimizing Board operational efficiency, guiding director selection and nomination, and structuring individual remuneration.

**Internal Performance Evaluation**

In 2025, the overall Board of Directors, Board Committees, and individual Directors executed self-assessments via comprehensive internal questionnaires for the evaluation period spanning January 1, 2025, to December 31, 2025. The core criteria of the assessments encompassed the degree of engagement in corporate operations, the enhancement of decision-making quality, Board composition and structure, the election, appointment, and professional development of directors, and the effectiveness of internal control mechanisms. Based on the self-assessment scores submitted by each director and committee member across these dimensions, the performance results for the overall Board, individual members, and functional committees were consistently rated as [Excellent] (the highest tier), demonstrating robust and optimal functionality across all governing bodies. For detailed metrics on the 2025 internal performance evaluation of the Board and its committees, please visit the Corporate Governance' dedicated webpage on Faraday's website under "Performance Evaluation Results of the Board of Directors and Functional Committee".

**External Performance Evaluation**

In 2025, Faraday appointed the Taiwan Investor Relations Institute (TIRI), an independent third-party professional organization, to execute an external performance evaluation of the Board of Directors for the period spanning January 1, 2025, to December 31, 2025. The assessment methodology integrated a three-pronged approach: a rigorous review of internal documentation provided by the Company, comprehensive self-assessment questionnaires, and qualitative on-site interviews. The questionnaires evaluated five core dimensions: Board composition and professional development, the quality of Board decision-making, Board operational efficiency, internal control and risk management, and the Board's level of engagement in corporate sustainability. Based on these findings, an independent evaluation report was formally issued. The 2025 external evaluation concluded with a top-tier rating of "Excellent," demonstrating that the Board operates with high efficiency and effectiveness, providing a robust governance foundation to safeguard the Company's resilient operations and sustainable development. For the full content of the 2025 external evaluation report, please visit the Corporate Governance dedicated webpage on Faraday's

website under “External Performance Evaluation Report of the Board”.

## Remuneration Policy

**Remuneration Policy: Framework, Criteria, and Structure**

The remuneration framework for Faraday's directors and executives is formulated in strict accordance with the Company's Articles of Incorporation, the Compensation and Remuneration Committee Charter, and relevant statutory regulations. Tailored to the semiconductor industry's highly capital-and-technology-intensive nature, R&D orientation, and inherent cyclicality, the compensation structure is dynamically engineered to align incentives with long-term operational performance, R&D breakthroughs, risk management, and the achievement of corporate sustainability goals.

**Directors' Remuneration Policy**

- Statutory Basis and Criteria: Directors' remuneration is determined in accordance with Articles 16 and 27 of the Company's Articles of Incorporation. The compensation structure is comprehensive and contingent upon each director's time commitment, professional competencies, and the scope of fiduciary responsibility across key domains, including corporate governance, operational strategy, technological trajectory, financial oversight, internal controls, and risk management.
- Profit-Sharing Mechanism: In years when the Company achieves profitability, a distribution of no more than 2% of pre-tax profit shall be allocated as directors' compensation. The underlying payment standards and individual allocations must be reviewed and deliberated by the Compensation and Remuneration Committee prior to submission to the Board of Directors for final approval.
- Independent Director Safeguards: Remuneration for Independent Directors is structured primarily around fixed retainers. To preserve absolute objectivity and independence in executing their oversight mandates across auditing, compensation, and corporate governance, their remuneration is strictly decoupled from the Company's short-term financial performance or equity market volatility.

| Executive Compensation Matrix: Alignment of Performance and Incentives | | |
|---|---|---|
| **Dimensions** | **Content** | |
| Fixed Remuneration | Formulated based on core job mandates, scope of fiduciary responsibility, professional competencies, and industry benchmarks within the semiconductor peer group. | |
| Variable Remuneration | Financial Indicators (50%) | • Net Income Growth Rate<br>• R&D Expenses as a Percentage of Revenue, etc. |
| | Sustainability Indicators (50%) | • Corporate Governance Evaluation Results (25%)<br>• Renewable Energy Consumption Rate (15%)<br>• OHS & Diversity Metrics (10%) |

Note:
*Diverse forms of recognition and incentives are provisioned based on specific strategic objectives, encompassing performance bonuses, sign-on bonuses, employee profit-sharing distributions, and RSAs compliant with share-based payment accounting standards.
*Target weights and specific indicator contents are dynamically calibrated in alignment with annual corporate strategies and operational milestones.
*All metrics are calculated based on actual cash and equity disbursement amounts.

**Executive Remuneration Policy**

- Executive Compensation Structure and ESG Integration: The remuneration framework for Faraday's executives comprises a fixed base salary and short- and long-term variable incentives. Beyond conventional financial metrics, variable incentives are tied to a comprehensive performance evaluation that integrates R&D breakthroughs, product competitiveness, operational risk mitigation, and ESG KPIs. These sustainability links explicitly include the results of the Corporate Governance Evaluation, energy management efficacy, talent retention rates, and occupational health and safety standards.
- Governance and Oversight Mechanism: All relevant compensation schemes must be reviewed and deliberated by the Compensation and Remuneration Committee prior to submission to the Board of Directors for final approval, ensuring a rigorous approach that aligns operational efficiency, risk oversight, and the creation of long-term sustainable corporate value.
- Employee Profit-Sharing and Human Capital: In years when the Company achieves profitability, a distribution of no less than 1% of pre-tax profit shall be allocated as employee compensation (encompassing non-executive employees) in accordance with Article 27 of the Articles of Incorporation. This mechanism is strategically designed to secure the retention of core R&D talent and foster the sustainable growth of the Company's human capital.
- The remuneration mix and disclosure practices are structured and presented in strict compliance with the “Compensation and Remuneration Committee Charter” and the “Regulations Governing Information to be Published in Annual Reports of Public Companies.”

**Procedures for Determining Remuneration**

- The determination of remuneration for directors and executives is institutionalized through the Compensation and Remuneration Committee, which conducts annual performance assessments and rigorous deliberations in accordance with the Company’s "Rules for Performance Evaluation of the Board of Directors" and "Rules for Performance Assessment of Managers and Employees."
- The underlying assessment framework integrates comprehensive metrics, encompassing: the scope of job responsibilities and actual fiduciary commitment; the attainment of operational and R&D milestones; financial performance and cash flow metrics; the efficacy of material risk mitigation; the fulfillment of ESG KPIs; and compensation benchmarking against the semiconductor industry peer group.
- Upon validating the reasonableness and market competitiveness of the compensation mix, the Compensation and Remuneration Committee submits the formal proposal to the Board of Directors for final approval. This dual-governance mechanism ensures that the remuneration architecture effectively mitigates incentives for excessive short-term risk-taking, thereby aligning payouts with long-term sustainable corporate value.

**Alignment of Performance Metrics and Remuneration Quantum**

The Company's remuneration framework is anchored on three core pillars: pay-for-performance, risk mitigation, and corporate sustainability.

- Remuneration payouts are dynamically correlated with the Company's consolidated operational outcomes, long-term competitiveness, and structural industry cyclicality.
- Variable incentives for executives are formulaically structured to mirror the Company's financial profitability, R&D breakthroughs, market leadership status, and multi-dimensional ESG performance.
- Remuneration allocations for directors and executives undergo a rigorous, independent annual review by the Compensation and Remuneration Committee and the Board of Directors, ensuring that the payout quantum remains reasonable and continues to foster constructive incentives centered on long-term corporate value creation.

**Clawback Policy**

- To fortify corporate governance, elevate the reliability of financial reporting, and safeguard shareholder value, Faraday instituted the "Clawback Policy" in October 2024. This policy explicitly mandates that in the event of material financial restatements resulting from errors, fraud, or misconduct, or under other exceptional circumstances deemed by the Board of Directors to have a materially adverse impact on the Company or shareholder interests, the Company reserves the statutory right to claw back or recoup variable compensation and performance-based incentives previously awarded.
- This policy is publicly disclosed on the Company's website. To ensure continuous alignment with the shifting regulatory requirements for listed companies and global governance best practices, the alignment and efficacy of the policy are periodically reviewed and calibrated by the Compensation and Remuneration Committee and the Board of Directors.
- For comprehensive details and the full text of the Clawback Policy, please visit the "Document Center" dedicated webpage within the Sustainability section on the Faraday's website.

## Operational Outcomes

2025 represented a definitive milestone for Faraday Technology Corporation under the strategic vision of "Connecting the Industry, Accelerating the Leap." Over the past three-year strategic cycle, the Company has successfully executed its planned roadmap: in 2023, we validated our technical proficiency by surpassing the entry barriers for advanced process design; in 2024, we initiated a comprehensive organizational transformation through "Business Model 2.0" to optimize global resource allocation; and in 2025, the Company officially entered its transitional expansion phase. Amidst the structural tailwinds driven by Artificial Intelligence (AI) within the global semiconductor industry, Faraday has successfully evolved from a leader in mature nodes into a premier ASIC provider with dual competencies in "Advanced Process Design" and "Advanced Packaging Integration," securing a dominant position in the primary market for next-generation semiconductor demand.

For 2025, Faraday's consolidated revenue reached NT$18.0 billion, representing a 63% YoY increase and achieving a historical peak, with Basic EPS of NT$2.81. While Silicon IP revenue recorded NT$1.52 billion (a 3% YoY decrease), MP revenue delivered robust performance, surging 96% YoY to NT$141.9 billion, also setting a record high. NRE revenue exhibited a significant structural shift, growing 2% YoY to NT$2.29 billion, demonstrating that the Company is in a critical inflection point where technological accumulation is successfully being converted into profitability momentum.

### Proportion of Operating Revenue by Each Product

Unit: NTD Thousands

| Major Product Types | 2023 | | 2024 | | 2025 | |
|---|---|---|---|---|---|---|
| | Revenue | Proportion | Revenue | Proportion | Revenue | Proportion |
| ASICs and Wafer Products | 8,839,413 | 73.88% | 7,254,974 | 65.57% | 14,187,081 | 78.85% |
| NRE (Non-Recurring Engineering) | 1,724,577 | 14.41% | 2,250,312 | 20.34% | 2,287,910 | 12.72% |
| IP Component and Technology Royalties | 1,401,584 | 11.71% | 1,559,566 | 14.09% | 1,517,817 | 8.43% |
| Total | 11,965,574 | 100% | 11,064,852 | 100% | 17,992,808 | 100% |

Note 1: The 2025 consolidated financial data of Faraday have been audited by CPAs.
Note 2: For relevant business information of Faraday in 2025, please refer to Faraday’s 2025 Annual Report – 05, An overview of operations.

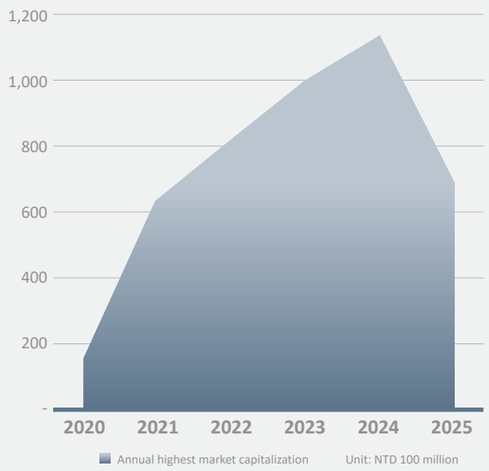
## Consolidated Revenue and Profit

Unit: NTD Thousands

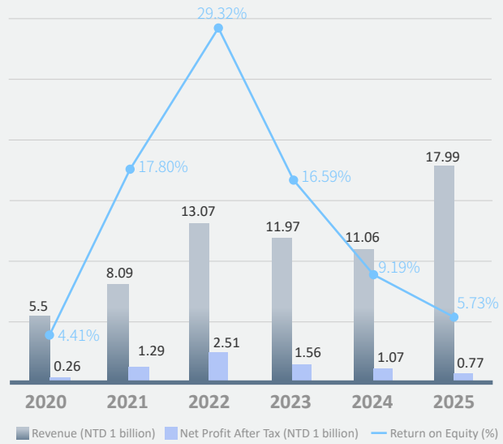
| Item/Year | 2023 | 2024 | 2025 |
|---|---|---|---|
| Operation revenues | 11,965,574 | 11,064,852 | 17,992,808 |
| Operating costs | (6,658,432) | (6,013,493) | (13,135,315) |
| Gross profit | 5,307,142 | 5,051,359 | 4,857,493 |
| Operating expenses | (3,351,382) | (3,980,682) | (4,305,109) |
| Operating income | 1,955,760 | 1,070,677 | 552,384 |
| Non-operating income and expenses | 114,584 | 272,377 | 449,249 |
| Income before income tax | 2,070,344 | 1,343,054 | 1,001,633 |
| Income tax expense | (509,060) | (271,162) | (228,654) |
| Net income | 1,561,284 | 1,071,892 | 772,979 |
| Other comprehensive income (loss) | 583,114 | (112,951) | 35,855 |
| Total comprehensive income (loss) | 2,144,398 | 958,941 | 808,834 |
| Earnings Per Share (NT$) | 6.39 | 4.04 | 2.81 |

Note 1: The 2025 consolidated financial data of Faraday have been audited by CPAs.
Note 2: For relevant financial data of Faraday in 2025, please refer to Faraday's 2025 Annual Report – 06. A review and analysis of the company's financial position and financial performance, and a listing of risks.
Note 3: Faraday's employee benefits expenses in 2025 amounted to NTD 2,517,363 thousands.

Company Market Capitalization




Financial Performance




## Dividend Policy

Faraday's dividend distribution policy is formulated based on a comprehensive assessment of the Company's current and future investment environment, funding requirements, domestic and international competitive landscapes, and capital budgeting considerations, while meticulously balancing shareholder interests with long-term corporate financial planning. Annually, the Board of Directors shall draft an earnings distribution proposal in accordance with applicable laws, which is then submitted to the Annual Shareholders' Meeting for ratification. Depending on prevailing financial, business, and operational dynamics, the Company may distribute the full amount of the current period's distributable earnings. Shareholder dividends may be distributed in the form of cash or stock dividends, provided that the allocation of cash dividends shall represent no less than 10% of the aggregate dividend distribution.

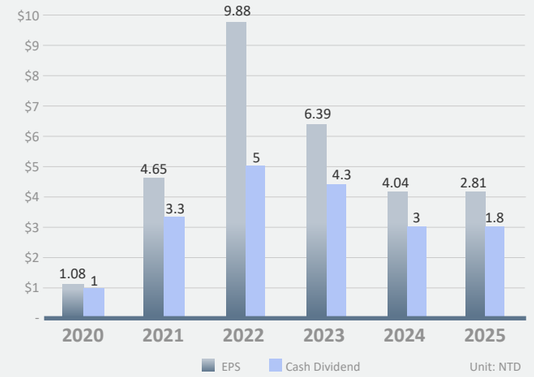
The sequential order of earnings distribution from Faraday's annual fiscal closings shall be executed as follows:

- Allocation for income taxes.
- Offsetting accumulated deficits.
- Setting aside 10% of the remaining balance as the Legal Reserve.
- Provisioning for or reversal of a Special Reserve in accordance with statutory mandates and regulatory requirements.
- The remaining balance, aggregated with prior years' accumulated undistributed earnings, shall constitute the earnings available for shareholder dividends. The allocation thereof shall be submitted to the AGM for approval, with the option to retain a portion of the earnings for distribution in subsequent fiscal years.

Pursuant to the Company Act, the Legal Reserve must be continually accumulated until it equals the Company's total paid-in capital. The Legal Reserve shall be utilized exclusively to cover accumulated losses. In the absence of accumulated deficits, when the total Legal Reserve exceeds 25% of the paid-in capital, the portion exceeding this threshold may be distributed to shareholders as stock dividends or cash dividends in proportion to their existing shareholding ratios. When distributing earnings, a Special Reserve must be provisioned from the net negative balance of other equity items incurred during the current period as required by law.

Upon the subsequent reversal of such negative balances in other equity, the reversed portion may be reclassified into distributable earnings for dividend distribution.

## Dividend Distribution




| Item/Year | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Cash Dividend(NT$) | 3.3 | 5 | 4.3 | 3 | 1.8 |
| EPS(NT$) | 4.65 | 9.88 | 6.39 | 4.04 | 2.81 |
| Dividend Yield Rate | 71% | 51% | 67% | 74% | 64% |

Note 1: Faraday has consistently paid dividends on an annual basis.
Note 2: For Faraday's dividend policy and distribution, please refer to Faraday's 2025 Annual Report – 4.1.3 Company dividend policy and execution.

## Green Investment

In support of green energy and in alignment with national renewable energy development targets, Faraday expanded its green finance portfolio in June 2025 by acquiring green bonds issued by TSMC (designated as "P14 TSMC 2A," ticker code: B618DZ) with a principal amount of NTD 50 million. These bonds have received official Green Bond Certification from the TPEx, with proceeds dedicated to supporting the issuer's carbon mitigation initiatives and sustainable green projects. As of the end of 2025, Faraday's cumulative investment allocation in certified green bonds reached NTD 150 million.

Unit: NTD Thousands

| Item/Year | 2023 | 2024 | 2025 |
|---|---|---|---|
| Green Bond | $50,000 | $50,000 | $50,000 |
| Green Deposit | $90,840 | - | - |

# Tax

Faraday supports tax policies conducive to corporate innovation and economic growth, while remaining committed to information transparency and sustainable development.

## Tax Policy

- All operations are conducted in accordance with relevant tax laws and regulations
- Comply with tax regulations and the intent of the law in all jurisdictions where Faraday operates
- Transactions between affiliated companies are based on the "Arm's Length Principle" and follow the internationally recognized transfer pricing guidelines issued by the Organization for Economic Cooperation and Development (OECD)
- Avoid transferring profits generated by the Company to low-tax jurisdictions
- Avoid using tax havens or conducting tax planning solely to reduce tax liability
- Employ governance mechanisms for tax risk assessment, and ensure that tax implications are considered in all significant corporate decisions
- Disclose tax information in accordance with financial reporting standards and relevant regulations
- Support government tax policy measures that encourage business innovation
- Build strong relationships with tax authorities based on mutual trust and transparency in information

## Tax Management and Governance

Faraday's tax risk management is incorporated into the annual risk management report of the Finance Department, with the Chief Financial Officer reporting regularly to the President. To effectively address tax risks, the Company follows established internal control processes, with a focus on identifying, assessing, and managing tax risks arising from regulatory changes and operational activities. Faraday conducts appropriate measurement, management, and control of risks, with the Chief Financial Officer bearing ultimate responsibility for tax management. The Audit Committee, delegated by the Board of Directors, supervises the quality and integrity of the Company's accounting, auditing, financial reporting, and financial control practices through periodic reviews of key matters, including accounting policies and procedures, internal control systems, legal compliance (including tax compliance), and corporate risk management. Daily tax administration and management are carried out by the Finance Department, supported by qualified and experienced external tax professionals to ensure the effective fulfillment of the Company's tax obligations.

## Tax Information

Unit: NTD Thousands

| Year | Revenue | Income Before Tax | Income Tax Expense | Actual or Estimated Income Tax Payments |
|---|---|---|---|---|
| 2023 | 11,965,574 | 2,070,344 | 509,060 | 267,381 |
| 2024 | 11,064,852 | 1,343,054 | 271,162 | 234,722 |
| 2025 | 17,992,808 | 1,001,633 | 228,654 | 192,782 |

Note:Please refer to Faraday's 2025 Annual Consolidated Financial Statements for the source of the tax data.

# Ethical Management

## Ethical Management Best Practice Principles

Faraday has established an "Ethical Management Unit" within the ESG Committee's Governance Group, responsible for implementing the Company's ethical management, anti-corruption, anti-bribery, and legal compliance. The Unit reports to the Board of Directors at least once annually, the latest report being submitted on October 28, 2025. Additionally, the Company's "Ethical Management Best Practice Principles" are established by the Ethical Management Unit, and any formulation, amendment, or repeal must be approved by the Board of Directors. The Board of Directors is responsible for supervising the Company's prevention of unethical conduct to ensure the implementation of the Ethical Management Policy.

## Procedures for Ethical Management and Guidelines for Conduct

Based on the principles of honesty, transparency, and responsibility, Faraday has established policies grounded in the principle of good faith, and has established sound corporate governance and risk management mechanisms to foster a sustainable development environment. The Company adheres to the principles of integrity, transparency, and accountability, conducting business activities in a fair, transparent, and accountable manner. It conducts regular analysis and assessment of business activities within its operational scope that are at higher risk of unethical conduct, develops preventive measures, and regularly reviews the adequacy and effectiveness of these measures. Prior to engaging in transactions with agents, suppliers, customers, or other business counterparties, the Company assesses their legitimacy, ensures no involvement in unethical conduct, clearly communicates its ethical-based management policies and related regulations, and explicitly refuses to directly or indirectly provide, promise, request, or accept any improper benefits in any form or under any name.

**The main points of "Procedures for Ethical Management and Guidelines for Conduct" are as follows:**

- **Prohibition against offering or accepting bribes**
- **Prohibition against illegal political donations**
- **Prohibition against improper charitable donations or sponsorship**
- **Prohibition against unreasonable gifts, hospitality, or other improper benefits**
- **Prohibition against infringing intellectual property rights**
- **Prohibition against unauthorized disclosure of confidential information**
- **Prohibition against unfair competition**
- **Prohibition against insider trading**

## Legal Compliance

In response to the globalization of its operations, Faraday has established a dedicated legal department that continuously monitors and tracks changes in policies and regulations across relevant jurisdictions. Through a systematic contract review process, the department provides legal advice and support to various business units. Additionally, the Company arranges for legal personnel to participate in external training programs to promptly grasp regulatory updates and new developments, enabling timely assessment of the Company's internal operational standards and policies to ensure ongoing compliance and appropriateness.

To ensure that employees understand and strictly comply with applicable laws, regulations, and policies, the Company conducts regular training sessions for directors and employees on topics including professional ethics and anti-corruption, fair competition, insider trading, information security and confidentiality protection, intellectual property protection, personal data and privacy protection, conflict-free minerals policy, and quality management policies, among other topics. In addition to in-person training, these programs are delivered through various internal activities such as new employee training and on-the-job training. Furthermore, the Company provides relevant guidance via its internal web portal, utilizing multiple channels to establish employees' correct understanding. The audit unit incorporates compliance with these requirements into its audit scope to ensure effective implementation of legal and regulatory adherence. The Company had no violations of laws or regulations from 2024 to 2025. To strengthen compliance management, the Company defines any individual fine of USD 10,000 or more as a "major compliance incident," and a review confirmed that no such incidents occurred during this period.

## Export Compliance Management

Faraday has formulated a strict Export Control Policy and institutionalized a robust Export Compliance Program (ECP) tailored to the U.S. Export Administration Regulations (EAR) and Strategic High-Tech Goods (SHTC) frameworks, treating regulatory compliance as a critical risk mitigation priority for long-term corporate sustainability. The Company mandates rigorous due diligence at the pre-transaction stage, systematically vetting customer profiles, end-use justifications, and end-user credentials to ensure absolute transactional transparency and end-to-end traceability. To mitigate legal and regulatory exposure, a multi-layered compliance review process is integrated into both customer onboarding and product lifecycles, encompassing restricted party screening (including the U.S. Entity List), Export Control Classification Number (ECCN) determination, and export destination risk assessments. Concurrently, a "Red Flag" identification mechanism has been embedded to enable real-time escalation and stringent review of anomalous transactional behaviors. These legal compliance mandates are formally integrated into Faraday's internal management controls and SOPs. Through structured employee training, independent internal audits, and periodic performance reviews, the Company drives continuous optimization, thereby elevating its export compliance maturity and reinforcing its corporate governance resilience.

**Export Control Policy**

**Compliance Principles and Framework**

Faraday complies with Taiwan's Strategic High-Tech Commodities export control regime, the United States Export Administration Regulations (EAR), and all applicable laws.

**Due Diligence and Red Flags**

Faraday performs systematic due diligence on end use, end user, and destination, including list screening and obtaining an End-Use Certificate; upon any Red Flag, suspend the transaction, escalate to the Export Compliance Officer, verify, and document before a determination.

**Processes, Internal Audit, and Capability**

Faraday maintains and adheres to documented export-control standard operating procedures; conducts periodic training, internal audits; and retains compliance records. For deficiencies, initiate corrective and preventive actions, embedding continuous improvement with periodic management review.

## Prevent Insider Trading

Faraday strictly prohibits insiders such as directors or employees from using material non-public information for personal gain and regularly conducts insider trading prevention training courses every year. In 2025, directors and employees participated in insider trading prevention training courses, totaling 661 participants. The content of the insider trading prevention course includes insider trading, covered persons, actual knowledge, material information, trading targets, trading timing, determination of the point when material information becomes definite, penalties, short-swing trading, covered persons, covered periods, covered securities, and calculation of short-swing profits, among other topics. The presentation slides and audio and video files are placed in the internal employee system for employees' reference.

During the annual insider trading prevention training, Faraday reminds directors and managers not to trade the Company's stock during the closed periods, defined as 30 days prior to the announcement of the annual financial report and 15 days prior to the announcement of each quarterly financial report. In October 2025, the Company notified directors and managers of the scheduled board meeting dates for 2026, as well as the closed periods prior to the announcement of each quarter's financial reports, to prevent directors and managers from accidentally violating these regulations.

## Whistle-Blowing System for Unethical Conduct

Faraday adheres to the core value of operational integrity, in accordance with the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct", the Company has established a system for reporting unethical conduct to guarantee the legal rights of whistleblowers. Any such behavior that contravenes the Company's "Ethical Corporate Management Best Practice Principles" or "Procedures for Ethical Management and Guidelines for Conduct" may be reported. We will handle all reports in accordance with relevant regulations and ensure that the investigation process is fair, just, and conducted confidentially. Appropriate protective measures will be taken to safeguard the identity of the whistleblower and the confidentiality of the report. If it is confirmed through investigation that there has been a violation of relevant laws or the Company's operational integrity policies or regulations, the individual involved will be required to immediately cease the relevant conduct and appropriate measures will be taken. Where the issue is serious, the individual will be terminated in accordance with relevant laws or Company management regulations; and where necessary, damages may be pursued through legal proceedings to protect the Company's reputation and legal rights.

**Whistleblower Protection Principles**

- Confidentiality, fairness, and objectivity are adopted as the highest principles.
- Unless the whistleblower consents, the name of the whistleblower or any facts sufficient to identify them shall not be recorded in any public document.
- The whistleblower's name, work unit, address, telephone number, and email address shall be strictly kept confidential.
- Fact-checking shall be conducted with the whistleblower without revealing their identity.
- If the whistleblower is an employee, it is guaranteed that they will not suffer any adverse treatment as a result of the whistleblowing.

**Whistleblowing Channels**

Anyone who becomes aware of any suspected unethical conduct by Faraday personnel may report it through the following channels:

- Phone: +886.3.578.7888 ext.88119
- Email: whistleblower@faraday-tech.com
- Written Report (by Mail) :

To: Head of the Audit Office, Faraday Technology Corporation
No. 5, Li-Hsin Rd. III, Hsinchu Science Park, Hsinchu City, Taiwan 30078, R.O.C.

## Performance of Ethical Management Policies

Faraday actively promotes ethical management policies and ensures their effectiveness. All employees sign the Code of Conduct & Workplace Ethics and commit to abiding by the Company's regulations. The Company also periodically conducts training and compliance awareness campaigns. It continuously follows up on and reviews various management measures. The Ethical Management Unit convened meetings every quarter in 2025. Following reports from team members on the previous quarter's implementation status, meeting records are compiled and archived.

**The relevant implementation results in 2025 were as follows:**

- **Code of Conduct & Workplace Ethics**
  - Incorporate the "Code of Conduct & Workplace Ethics" into employment contracts and training materials for new recruits.
  - 2025 signing rate for "Code of Conduct & Workplace Ethics" by new recruits: 100%
- **Training**
  - Conduct training and awareness programs on ethical management for new recruits upon onboarding and annually for all employees.
  - Training hours for ethical management courses in 2025: 680 person-hours in total.
- **Legal Compliance Communication**
  - Regularly communicate ethical management principles during new recruits' training and on-the-job training
  - Since 2020, real-time updates and reminders of key ethical points have been added to the internal website
- **Periodic evaluations**
  - Business units conduct regular self-checks and self-assessments of legal compliance.
  - The Audit Unit conducts regular audits.
  - Corruption incidents and anti-competitive behavior in 2025: 0 cases.
- **Whistleblowing System and Whistleblower Protection**
  - Establish a specific whistleblowing system, with reports handled by a dedicated unit.
  - All processes strictly follow the whistleblower protection principles.
  - Total external whistleblowing cases in 2025: 0; direct reports by employees: 0

# Risk Management

## Risk management organization

Faraday's risk management organizational structure includes the Board of Directors, the Sustainable Development Committee (Note: Prior to October 28, 2025, the Audit Committee), the Risk Management Committee, and management. These bodies regularly oversee and review risk management policies and continuously enhance risk management mechanisms to ensure that risks are controlled within an acceptable levels.

- The Board of Directors is Faraday's highest decision-making authority for risk management. It is responsible for approving the Company's risk management policies and framework, establishing the Company's risk management culture, and bearing ultimate responsibility for overall risk management.
- The members of the Sustainable Development Committee include independent directors. It convenes at least once a year and may hold meetings at any time as needed. The Committee oversees all material issues related to sustainable development, establishes a sound risk management mechanism to effectively identify, assess, and respond to potential risks, ensuring the Company's stability and resilience.
- The Risk Management Committee collaborates with various operational units to implement the enterprise risk management framework. This ensures that risks are appropriately assessed and controlled through monitoring, thematic discussions, and the execution of risk policies and guidelines. The Committee annually reports the Company's key risks and the effectiveness of control measures to the Audit Committee.
- Through relevant risk management mechanisms and continuous operational management procedures, it is ensured that senior executives can quickly grasp the situation and take effective contingency measures immediately when emergency incidents occur, thereby minimizing the impact of risks on the Company's operations and relevant stakeholders.




## Risk Management Operation Processes

Faraday approved the "Risk Management Policy" in April 2020 as the highest guiding principle for risk management. The Company proactively identifies, evaluates, and analyzes the impact of potential risks, with specific risk response strategies formulated and implemented for high-impact risks. Furthermore, The Company continuously monitor potential risks and enhances systemic response capabilities to strengthen risk control, protect shareholders' rights and interests, enhance competitiveness, and lay a solid foundation for sustainable corporate operations and development.



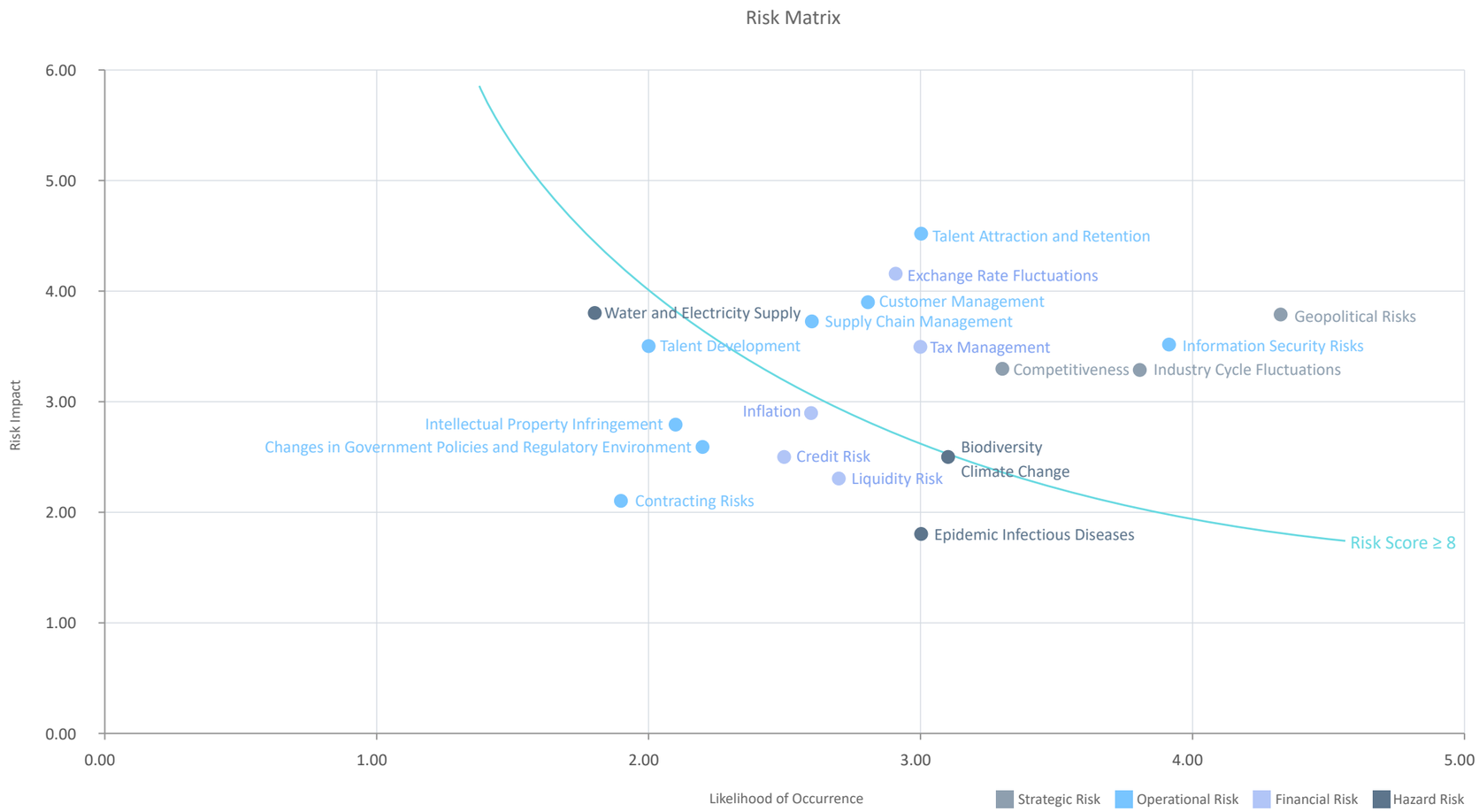

## Risk Management Scope

After assessing its overall operations, Faraday categorizes risks into four primary domains: "Strategic Risk", "Operational Risk", "Financial Risk", and "Hazard Risk". For each category, the Company evelops corresponding management approaches and crisis response measures to minimize business uncertainties.



## Risk Identification Results

To ensure business continuity and achieve sustainable corporate development, Faraday integrates and manages all potential strategic, operational, financial, and hazard-related risks that could impact operations and profits. Through periodic risk assessments, the Company utilizes a risk matrix to evaluate the frequency of risk events and the severity of their impact on the Company's operations, define risk priorities and levels, and implement corresponding risk management strategies based on these levels.



# Countermeasures of Risk Management

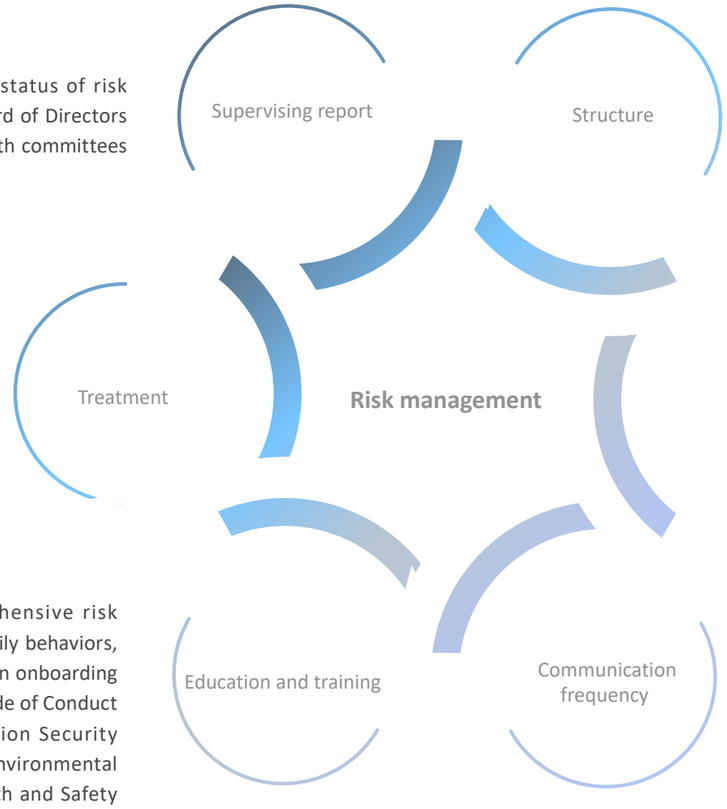
| Risk Scope | Sustainability Issues | Risk Type | Risk Issues | Risk Scenarios | Countermeasures |
|---|---|---|---|---|---|
| Strategic Risk | Business Continuity Management | Industry Development | Industry Cycle Fluctuations | • Economic downturns and overcapacity leading to decreased demand | • Effectively reduce costs to offset the impact of decreased demand.<br>• Adopt conservative hiring strategies. |
| | Innovation Management | Competitiveness | Competitiveness | • Limitations in design resources and capabilities may impact project schedule, quality, and cost competitiveness | • Provide professional training and implement standardized automated processes.<br>• Establish a global presence to maintain resource flexibility and agility.<br>• Focus on key process nodes to enhance proprietary IP coverage.<br>• Establish long-term partnerships with suppliers. |
| Operational Risk | Customer Relationship Management | Customer Management | Export Compliance Risks | • Changes in export regulations across various countries (e.g., controls on technology by the U.S. Bureau of Industry and Security (BIS) and updates to the Entity List) may impact contract fulfillment.<br>• If the Company's customers or their end users are listed on the BIS Entity List, associated with military applications, or involved in other sensitive uses, and the customer relationship management process lacks adequate export control compliance reviews and continuous monitoring mechanisms, it may result in risks of non-compliant exports, adversely affecting the Company's operations and reputation. | • Closely monitor changes in global export regulations of various countries and their impact on contract fulfillment for Faraday and its customers.<br>• Review customers and export destinations; strictly screen against the Entity List and controlled countries to ensure compliance of both customers and shipment destination.<br>• Implement robust export control measures to screen products for sensitive end-uses and adopt compliant supply chains, ensuring full product compliance. |
| | Sustainable Supply Chain Management | Supply Chain Management | Supply Chain Disruption or Capacity Shortage | • Factors such as war, pandemics, geopolitical tensions, the "whitelist" supply chain effect stemming from BIS restrictions, or a surge in AI demand may cause disruptions in semiconductor raw materials or assembly and testing supply chains, leading to capacity shortages or extended lead times, thereby resulting in Faraday's inability to provide products or services to customers on schedule. | • To mitigate raw material supply disruptions, Faraday has established a sustainable supply chain assessment system. Criteria include carbon and water risk management, as well as emergency response plans for material supply, aiming to minimize reliance on high-risk suppliers.<br>• The Company maintains a global supply chain network with alternative/secondary source mechanisms. Secondary supply chains can be pre-established based on customer requirements to serve as contingency measures.<br>• The Company conducts monthly reviews of supply chain capacity utilization and immediately initiates countermeasures when capacity constraints are detected. Key measures include:<br>- Expediting production schedules to mitigate risk of stockouts or delivery delays.<br>- Initiating secondary supply chain assessments, etc.<br>- Negotiating supply agreements with the supply chain. |
| | Information Security and Privacy Management | Information Security Risks | Information Security Risks | • The introduction of external tools without integration into existing approval workflows may lead to unauthorized configuration changes, potentially allowing external actors to infiltrate the internal environment.<br>• A cyberattack on a supplier's network could result in the theft of information hosted at the supplier's site or compromise Faraday's network via the supplier connection.<br>• As cyber attack vectors evolve rapidly, personnel security awareness may fail to keep pace, leading to social engineering incidents, which in turn may cause endpoint anomalies or data breaches. | • Adjust GuardiCore configurations based on firewall access requests to comply with security policies.<br>• Integrate CyberArk with device and account change inspection mechanisms to mitigate the risk of unmanaged privileged accounts.<br>• Establish supplier management regulations for all suppliers.<br>• Include information security clauses in all supplier contracts.<br>• Periodically review supplier-related access rights (e.g., firewall rules).<br>• Update training materials as needed in response to emerging threats.<br>• In cases where immediate onboarding training is not feasible, new hires must review relevant security documentation and prioritize completing the mandatory information security e-course. |
| | Talent Development, Attraction and Retention | Talent Management | Talent Attraction and Retention | • Insufficient quantity and quality of talent may impair R&D momentum and technical services, adversely impacting the Company's operational performance and competitiveness. | • Implement a global talent strategy to actively recruit international top talent and seek outsourcing resources.<br>• Enhance corporate operational performance to maintain a highly competitive total rewards package for employees.<br>• Implement performance management mechanisms to identify key talent and optimize retention measures.<br>• Foster a friendly workplace that integrates joy and professionalism, focusing on employees' work-life balance and professional growth. |
| Financial Risk | Corporate Governance | Financial Market Fluctuations | Exchange Rate Fluctuations | • Exchange rate fluctuations may result in foreign exchange losses for the Company. | • Continuously adhere to a prudent foreign exchange operation strategy; monitor market interest rates and exchange rate fluctuations, and utilize hedging instruments to dynamically adjust and balance foreign currency asset and liability exposures, thereby controlling the impact of exchange rate fluctuations on the Company's overall operations. |
| | | | Tax Management | • Ineffective tax planning may result in tax risks and tax non-compliance<br>• Amendments to existing tax laws and regulations or the implementation of new tax laws (e.g., Controlled Foreign Company (CFC) rules, tariffs) may adversely affect the Company's profitability. | • Collaborate with local accountants in respective countries to formulate or gradually adjust the tax planning of global operating entities to ensure alignment with the Group, and monitor and review the implementation on an ongoing basis.<br>• Closely monitor any domestic and international policies and regulations that may affect the Company's finances; simultaneously establish risk management procedures to collect information, analyze potential tax impacts, and formulate countermeasures. |

# Performance of Risk Management

- The Company reports risk identification findings and the status of risk management operations to the Audit Committee and the Board of Directors at least annually. The most recent report was submitted to both committees on April 22nd, 2025.

- Risk impact assessments and scenario analyses are conducted for Individual risk items. Crisis management strategies are formulated and implemented for medium-to-high risk items.

- To enhance employees' risk awareness, build a comprehensive risk management culture, and internalize risk management into daily behaviors, the Company conducts regular training for all new recruits upon onboarding and for relevant personnel annually. Training topics include: Code of Conduct and Professional Ethics, Regulatory Compliance, Information Security and Privacy Management, Corporate Social Responsibility, Environmental Protection and Sustainable Practices, and Occupational Health and Safety Management.




- Governance Body: The Board of Directors
- Oversight Body: Audit Committee(Note: Superseded the Sustainable Development Committee, effective October 28, 2025)
- Steering & Implementation Body: Risk Management Committee
- Functional Operation Units: Operating Departments

- Strategic Risk
- Operational Risk
- Financial Risk
- Hazard Risk

- The Risk Management Committee is supervised and managed by the President, with the CFO serving as the Executive Secretary.
- Cross-departmental risk management progress tracking meetings are held quarterly, during which relevant improvement recommendations are proposed.

# Information Security and Privacy Management

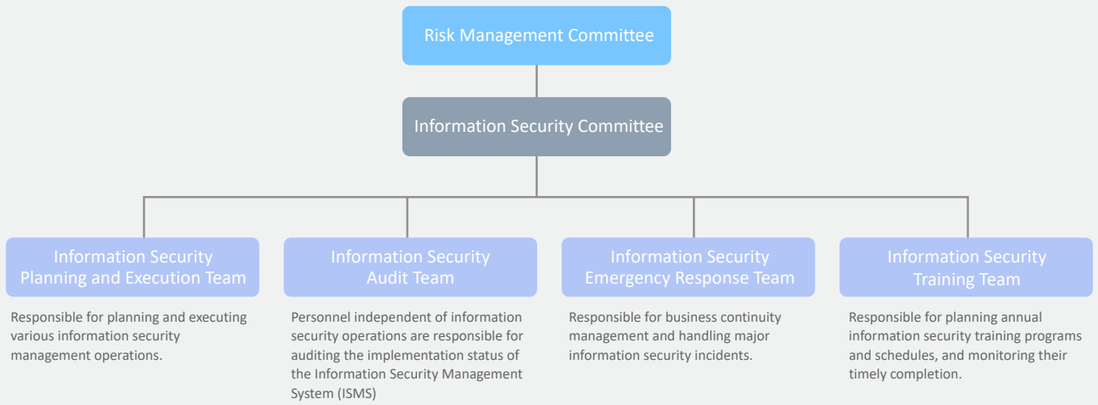
## Purpose of Information Security

Faraday is a leading provider in ASIC design services and IP R&D and sales. Safeguarding information security is a commitment to customers, employees, suppliers, shareholders, and government authorities. Faraday has established the “Information Security Policy” committing to implementing information security controls, protecting the operational confidentiality of both the Company and its partners, reducing information security risks, strengthening intellectual property rights, and upholding the Company's sustainable operations. We are dedicated to:

- Protecting the interests of customers and partners, complying with laws and regulations, upholding business ethics, and maintaining trust.
- Safeguarding the Company's R&D and operational results, ensuring market competitiveness, and promoting sustainable operations.

## Information Security Committee

- The Company has established a Risk Management Committee to integrate the corporate operational structure across departments. Each operational unit identifies potential risk scenarios and operational impacts, determines and implements risk control measures to continuously improve risk management practices and effectiveness.
- The Information Security Committee, subordinate to the Risk Management Committee, formulates information security policies and comprehensively promotes information security management. It establishes a team capable of proactively identifying information security risks, implementing security operations, and responding rapidly.




## Information Security Management System

Faraday implemented the Information Security Management System (ISMS) in 2023 and obtained the ISO/IEC 27001:2022 international standard certification in November of the same year, and continues to maintain the validity of the certificate.

- The implemented version is the latest 2022 release, and Faraday complies with the new control items.
- Establish a complete set of information security management standards.
- Ensure the confidentiality, integrity, and availability of corporate information security processes.
- Enhance capabilities in information security protection, emergency response, and sustainable development.
- Comply with the requirements of the guidelines for the establishment of internal control systems by public companies.
- Increase the confidence of shareholders, investors, and customers in Faraday's information environment.
- Enhance the security of supply chain operations.
- Establish employee information security awareness to reduce the risk of human-induced vulnerabilities.

## Information Security Risk Management and Implementation Structure (PDCA)

Faraday uses the PDCA (Plan-Do-Check-Action) method to continuously strengthen the organization's information security risk management mechanisms.

### (P) Risk management and system consolidation

- Formulation of information security policies and regulations in compliance with:
  - Domestic and foreign information security laws/regulations
  - Business requirements; customer requirements
  - International information security standards (ISO 27001)
- Information system inventory, risk assessment, and countermeasure formulation
- Information system security management structure
- IP management
- Information security business continuity plan

### (D) Multi-layered detection and protection

- Personnel, environment, and equipment safety
- Confidential information management
- Information security of the supply chain
- Information system protection and control
  - System security
  - Network security
  - Access control and data protection
  - Physical and environmental security
  - Terminal equipment and usage environment
  - Threat detection and protection

### (C) Monitoring Reliability

- Information security internal audit
- Confidential information protection compliance audit
- Information security detection and monitoring
- Information security quantitative indicator assessment
- Intelligence collection and analysis
- External attack simulation, drills, and stress testing

### (A) Review and continuous improvement

- Management reviewing
- Personnel violations and disposition
- Education and training/promotion; strengthening of information security awareness
- Incident notification/handling/system recovery
- Review and improvement of information security measures & technology enhancement

## Internal and External Audits

| Management Approach | Description |
|---|---|
| Internal audit | • Faraday conducts regular internal information security audits annually, performed by the Management Policy and Audit Team. The audit covers institutional processes and implementation records across six major aspects of the Company: management, network environment, permission control, awareness education, backup/redundancy, and physical environment, to ensure the confidentiality, integrity, and availability of information protection, and to continuously implement and improve information security protection levels.<br>• After the internal audit, the audit team members shall address and track the corrective actions, and review the effectiveness of the ISMS operation at the management review meeting |
| External audit | Faraday conducts regular ISO 27001 external audits annually, which are performed by SGS Taiwan Inspection Technology. These audits are conducted against ISO/IEC 27001 clauses to ensure that the organization implements international standards through the PDCA cycle. |

## Information Security Risk Impact and Countermeasures

**Conduct regular risk assessments and implement risk treatment plans**

- Faraday has established the Risk Management Committee to integrate and implement risk control plans, and to enhance risk management measures and their effectiveness.
- Faraday develops relevant risk scenarios based on the defined information security objectives, categorized by different risk types, conducts regular risk assessments, and incorporates any scenarios identified as exceeding the acceptable risk threshold into the risk treatment plan for follow-up actions.

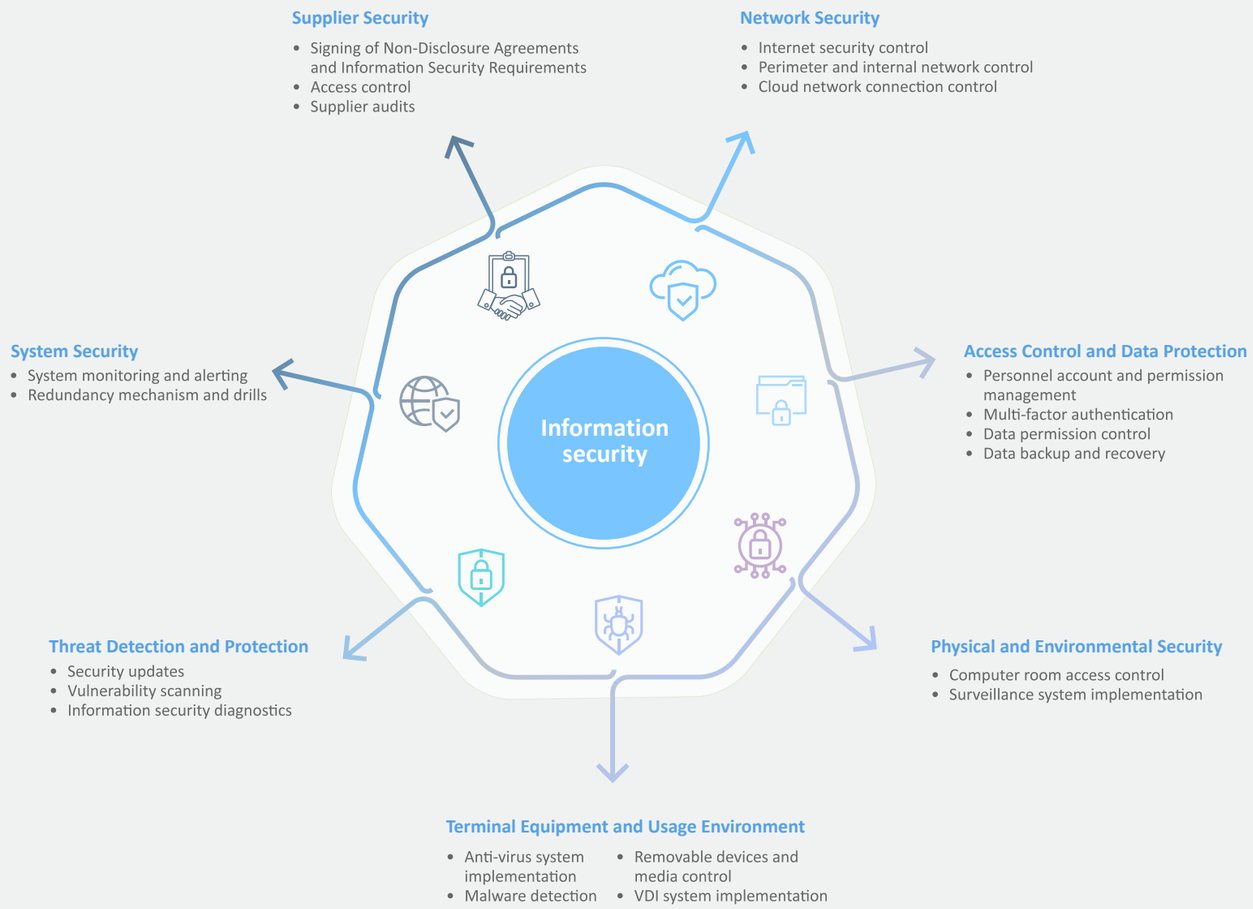
| Information Security Control Aspects | Risk Description | Countermeasures |
|---|---|---|
| Information security technologies | Based on the defense-in-depth concept, inventory information security protection measures from outside to inside to ensure the protection of critical company information and the continuity of business operations. | Strengthen the technical aspect of information security |
| Personnel information security awareness | Human factor risk is one of the key information security risks. Ensure that all personnel possess sufficient information security awareness to reduce such risks. | Enhance personnel information security awareness |
| Information security audit | After establishing comprehensive procedures, regularly review their effectiveness to ensure their implementation. | Execute regular internal and external information security audits |
| Supply chain management | Supply chain risks have become one of the key information security risks in recent years. Ensure the implementation of supply chain information security to reduce information security risks originating from the supply chain. | Enhance the protection level of the supply chain |

**Define Information Security Incident Levels and Notification Flows**

In response to the implementation of ISO 27001, to ensure that whenever an information security incident occurs, the notification flow can be promptly executed according to the incident level, and appropriate handling or response measures can be taken to reduce potential damage caused by such incidents and avoid recurrence, the Company specifically defines incident levels and establishes corresponding notification flows and handling measures.

**Strengthen the technical aspect of information security**

Faraday implements measures such as network security, access control and data protection, physical and environmental security, terminal equipment and usage environment management, threat detection, protection, system security and supplier security to achieve information security management and prevent both external hacker intrusions and internal leakage of confidential information.



**Seven Key Information Security Technology Measures**

| Categories | Category Description | Description of Implementation Items |
|---|---|---|
| Network security | Manage the segregation between internal and external networks, restrict internal and external network traffic and behavior, and strengthen controls on external services (including protection measures such as email filtering and IPS). | • Upgrade the firewalls and regularly perform firewall rule audits<br>• Restrict web browsing and file uploads<br>• Control incoming and outgoing emails.<br>• Implement micro-segmentation to restrict lateral movement across critical systems<br>• Implement cloud solutions to enhance the domain environment |
| Access control and data protection | Restrict permissions for each category adhering to the principle of least privilege, balancing maximum efficiency with minimal risk, and implement controls on confidential data. | • Conduct regular audits of accounts and granted permissions, and enforce password policies<br>• Establish a robust remote access authorization mechanism and adopt multi-factor authentication methods to enhance security<br>• Implement TIPS for confidential document management |
| Physical and environmental security | Physical access control strengthens key area management and conducts asset inventory checks to ensure the integrity of the controlled scope. | • The office area has restricted access; key controlled areas are authorized on a least privilege basis, and regular audits are conducted.<br>• The computer room complies with the ISO 27001 requirements for relevant monitoring (including temperature and humidity control as well as CCTV measures).<br>• Conduct asset inventories for all categories and establish additional controls for critical equipment. |
| Terminal equipment and usage environment | Computers in office areas are common entry points for social engineering attacks. Implementing security controls and monitoring on endpoint devices can effectively reduce the risk of such breaches. | • Deploy antivirus software on endpoints, implement EDR to enhance endpoint protection, and provide 24/7 monitoring by dedicated personnel.<br>• Control the use of removable devices and mobile storage media to lower the risk of data leakage<br>• Implement a VDI system for centralized management to protect data and enhance its security |
| Threat detection and protection | Measures for the exploration, fixing, and exception management of vulnerabilities shall be established. Vulnerabilities may exist in various types such as source code, operating systems, applications, and firmware versions. Appropriate measures to manage these vulnerabilities types shall be implemented to prevent exploitation by malicious actors. | • Exploration: Internal and external intelligence collection, regular vulnerability scanning, information security health checks, and other items.<br>• Fixing: Check the internal environment for similar vulnerabilities based on intelligence and perform subsequent patching. Fix risks rated High and above following vulnerability scans and health checks.<br>• Exception Management: For vulnerabilities requiring exception management, relevant information shall be consolidated and tracked regularly |
| System security | Monitoring of system resources, availability, and events, and issuing alerts for subsequent handling when necessary; establishing a robust redundancy mechanism and confirming its effectiveness. | • Monitor server system resources, issue alerts upon detecting abnormalities, and implement corrective actions<br>• Establish system recovery SOPs and regularly conduct BCP drills for critical systems |
| Supplier security | Establish supplier management standards and govern supplier information security via NDAs. Conduct regular audits and track follow-up improvement measures to enhance supplier information security. | • Establish supplier information security management standards<br>• Inventory suppliers and request NDAs before data exchange<br>• Regularly conduct supplier information security audits and perform follow-up actions. |

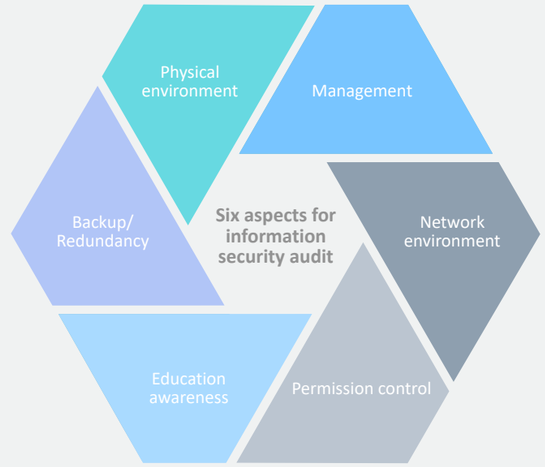
**Enhance personnel information security awareness**

| Management Approach | Description |
|---|---|
| Information Security Awareness Training | • New recruits training: New recruits sign the Professional Ethics Service Agreement immediately upon onboarding and receive information security-related education and training to understand the Company's information security policies and requirements. The training rate for global new recruits is 100%.<br>• Information security advocacy: Information security policy and case promotion courses are regularly held every year. In 2025, the total number of information security promotion participants worldwide was 3,638 person-times. Additionally, information security training is implemented for all employees. In 2025, the total number of employees who completed the training globally was 2,527 person-times. |
| Information security social engineering drill | In order to enhance protection awareness of social engineering emails for Faraday employees, 2 social engineering drills were conducted for Faraday employees globally in 2025 with a total of 2,325 person-times. |

## Enhance the protection level of supply chain

**Regular evaluation of suppliers' information security management measures**

- To ensure the information security of the supply chain, Faraday implements and promotes supply chain information security risk management; in supplier management and evaluation, the requirements and verification of information security-related items are included in the management scope.
- Assist in enhancing the protection level of the supply chain through six major aspects: management, backup/ redundancy, network environment, physical environment, access control, and education and awareness.
- For brand-new suppliers, based on the “Qualification Review of New Outsourcing Supplier”, requirements for information security items are established and assessed.
- Establish the “Supplier Information Security Management Standards” to require suppliers to comply with relevant regulations. For qualified suppliers, an audit plan is scheduled every year to audit and verify the suppliers’ information security.




**Strengthen control measures for suppliers entering key areas**

- To ensure that suppliers are aware of and follow Faraday’s information security regulations, suppliers shall sign a Non-disclosure Agreement before entering key areas; upon entry, they shall read and sign information security-related awareness documents, and must be accompanied by authorized personnel throughout the entire visit.
- If suppliers' portable devices need to connect to Faraday’s network environment due to operational requirements, an application and approval must be obtained in advance. Access will be granted only after network and information security verification, and the access rights will be revoked after the operation is completed.

## Information Security Performance

In 2025, Faraday passed internal and external information security audits with no major deficiencies. There were no major information security incidents, such as violations of information security regulations or customer information leaks, nor were there any fines. Furthermore, no complaints were received regarding violations of customer data protection policies or data loss, and the number of information security-related litigation cases was zero.

### Information Security Intelligence/Incident Response

- 0 complaints regarding violations of customer privacy or loss of customer data
- 100% Mail Out Keyword review rate
- 98.1% spam email blocking rate
- 11 reports on external information security incidents and corresponding countermeasures

### Education Training & Awareness

- 100% of new employees completed information security training
- 2,527 person-times completed online information security training courses
- 4 information security advocacy campaigns; 3,638 person-times completed reading
- 2 social engineering drills conducted; totaling 2,325 person-times

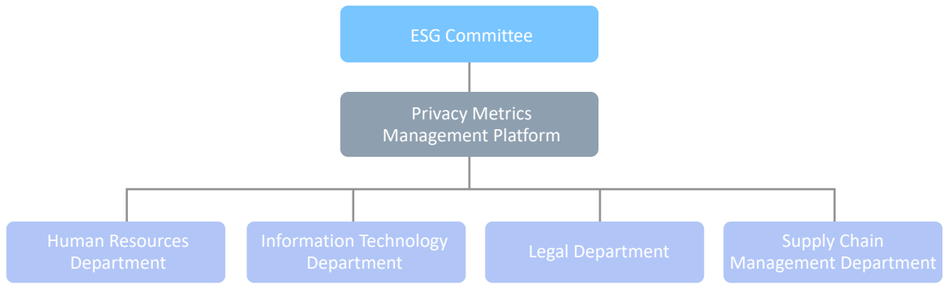
### Personnel Onboarding/Environmental Security

- 100% of new recruits signed confidentiality agreements and intellectual property ownership declarations
- 100% of departing employees underwent information security control procedures
- 12 environmental inspections and improvements conducted
- 0 incidents of unauthorized visitor intrusion into office areas
- 0 incidents of major facility equipment failure

### Audits

- 41 information security record audits conducted
- 100% completion rate of scheduled internal information security audits
- 100% completion rate of scheduled external information security audits
- 21 suppliers passed information security audits

## Privacy Management




**Privacy Policy**

Faraday places the highest strategic emphasis on personal data protection and privacy management. In strict compliance with the Personal Data Protection Act (PDPA), Faraday has instituted its "Privacy Policy" to serve as the governing framework for corporate privacy management. This framework ensures that all internal and external data assets within Faraday's custody are comprehensively safeguarded. The mandate of this policy extends across a robust scope of data subjects, including users of our products or services, customers, vendor and contractor personnel, job applicants, on-site visitors, corporate website users, and internal employees. In 2025, the incidence rate of secondary data utilization (data use outside its original specified purpose) was strictly 0%.

**Privacy Management and Institutional Responsibilities**

Faraday designates privacy management as a high-priority corporate sustainability issue and a material risk mitigation focus. A multi-dimensional set of risk metrics and KPIs has been established, encompassing all potential data breaches, unauthorized data exposure, or regulatory non-compliance incidents under the PDPA. Cross-functional responsibilities are mapped to dedicated governing units including Human Resources, Information Technology, Legal, and Supplier Management—each driving accountability for their respective risk metrics. The implementation efficacy and data protection updates are submitted quarterly to the ESG Committee for executive review. Furthermore, Faraday's Information Security Management System (ISMS), aligned with the global ISO/IEC 27001 standard, dictates the execution of rigorous internal and independent external audits. In the event of an identified security breach, a mandatory forensic investigation is triggered immediately. Faraday enforces an uncompromising "zero-tolerance" policy regarding privacy violations: employees in breach of this policy are subject to strict disciplinary actions in accordance with internal governance bylaws, while non-compliant suppliers face severe contract enforcement remedies, up to and including the immediate termination of the business relationship.

# Appendix

GRI content index

SASB index-Semiconductors

TCFD disclosure comparison table

United Nations Global Compact Index

Taiwan Stock Exchange: Sustainability disclosure indicators for semiconductor industry

Taiwan Stock Exchange: Climate-related information of the listed companies

ESG performance indicator

Independent third party assurance statement



# GRI content index

Statement of use: This 2025 Sustainability Report is prepared in accordance with the GRI. The scope of data and information covered in this report is from January 1 to December 31, 2025.
GRI 1 Used: GRI 1 : Foundation 2021
Applicable GRI Sector Standard(s): None

**GRI 2 General Disclosures**

| Indicator | Disclosure requirement | Chapter in report or description | Page | Omission/ Note |
|---|---|---|---|---|
| **Organization and Reporting** | | | | |
| 2-1 | Organizational details | Preface: About Faraday | 5 | |
| 2-2 | Entities included in the organization's sustainability reporting | Preface: About this report | 3 | |
| 2-3 | Reporting period, frequency and contact point | Preface: About this report | 3 | |
| 2-4 | Restatements of information | No major changes in reporting periods, information disclosure method, business nature and measurement methods<br>In the "Friendly Workplace" section, the occupational accident disability statistics indicators primarily reference the guidelines of the Occupational Safety and Health Administration (OSHA) Taiwan.<br>The inclusion of the number of commuting traffic accidents has been cancelled. The calculation methodology has been readjusted, and historical data has been updated simultaneously. | -- | -- |
| 2-5 | External assurance | Appendix: Independent third party assurance statement | 117 | |
| **Activities and workers** | | | | |
| 2-6 | Activities, value chain and other business relationships | Preface: About Faraday<br>1.2.1 Innovation Technology<br>2.3 Sustainable Supply Chain | 5<br>27<br>36 | |
| 2-7 | Employees | 3.2.2 Respect Talent Diversity and Promote Career Development | 49 | |
| 2-8 | Workers who are not employees | 3.2.2 Respect Talent Diversity and Promote Career Development | 49 | |
| **Governance** | | | | |
| 2-9 | Governance structure and composition | Corporate governance: Governance structure<br>Sustainable development strategy: Sustainability Governance Organization | 85<br>13 | |
| 2-10 | Nomination and selection of the highest governance body | Corporate governance: Governance structure | 85 | |
| 2-11 | Chair of the highest governance body | Corporate governance: Governance structure | 85 | |
| 2-12 | Role of the highest governance body in overseeing the management of impacts | Corporate governance: Governance structure<br>Sustainable development strategy: Sustainability governance organization<br>Sustainable development strategy: Materiality analysis and stakeholder communication | 85<br>13<br>14 | |
| 2-13 | Delegation of responsibility for managing impacts | Sustainable development strategy: Sustainability governance organization<br>Corporate governance: Risk management – Risk management organization | 13<br>91 | |

| Indicator | Disclosure requirement | Chapter in report or description | Page | Omission/ Note |
|---|---|---|---|---|
| 2-14 | Role of the highest governance body in sustainability reporting | Preface: About this report<br>Sustainable development strategy: Sustainability governance organization | 3<br>13 | |
| 2-15 | Conflicts of interest | Corporate governance: Governance structure<br>2025 Annual Report: Corporate governance report, financing activities, and operational overview | 85 | |
| 2-16 | Communication of critical concerns | Sustainable development strategy: Sustainability governance organization<br>Supplementary note: For other critical concerns related to operations, please refer to the Annual Report section: "Important resolutions of shareholders' meetings and Board of Directors meetings in the most recent year and Up to the printing date of the Annual Report | 13 | |
| 2-17 | Collective knowledge of the highest governance body | Sustainable development strategy: The Board of Directors and Sustainable Development Committee | 13 | |
| 2-18 | Evaluation of the performance of the highest governance body | Corporate governance: Governance structure<br>(including performance evaluation of the Corporate Sustainability Committee) | 85 | |
| 2-19 | Remuneration policies | Corporate governance: Governance structure<br>Sustainable development strategy: Materiality analysis and stakeholder communication | 85<br>14 | |
| 2-20 | Process to determine remuneration | Corporate governance: Governance structure | 85 | |
| 2-21 | Annual total compensation ratio | 3.3.2 Remuneration and welfare | 55 | |
| **Strategy, policies and practices** | | | | |
| 2-22 | Statement on sustainable development strategy | Preface: Message from the business operator | 4 | |
| 2-23 | Policy commitments | Sustainable development strategy: Sustainable strategy integrating SDGs<br>Supplementary Note: For Faraday's policies, please refer to the website link: Corporate Sustainability<br>2.2.1 Customer Communication Platform<br>2.3 Sustainable Supply Chain Management | 18 | |
| 2-24 | Embedding policy commitments | Sustainable development strategy: ESG Execution Structure of Sustainability<br>Sustainable development strategy: Sustainable strategy integrating SDGs<br>3.4.2 Training effectiveness and results | 12<br>18<br>59 | |
| 2-25 | Processes to remediate negative impacts | Sustainable development strategy: Materiality analysis and stakeholder communication<br>Preface: About this report (Feedback)<br>3.1.3Human Rights Due Diligence<br>3.2.3Build Inclusive Workplace, Listen to Employees' Needs<br>Supplementary Note: Management policy unit of each chapter (Impact description and key actions) | 14<br>3<br>46<br>51 | |
| 2-26 | Mechanisms for seeking advice and raising concerns | Sustainable development strategy: Materiality analysis and stakeholder communication<br>Preface: About this report (Feedback)<br>3.1.3 Human Rights Due Diligence<br>3.2.3 Build Inclusive Workplace, Listen to Employees' Needs<br>Supplementary Note: Management policy unit of each chapter (Impact description and key actions). | 14<br>3<br>46<br>51 | |
| 2-27 | Compliance with laws and regulations | Corporate Governance: Ethical Management | 89 | |
| 2-28 | Membership associations | Preface: About Faraday | 8 | |

| Indicator | Disclosure requirement | Chapter in report or description | Page | Omission/ Note |
|---|---|---|---|---|
| **Stakeholder engagement** | | | | |
| 2-29 | Approach to stakeholder engagement | Sustainable development strategy: Materiality analysis and stakeholder communication | 14 | |
| 2-30 | Collective bargaining agreements | 3.2.3 Build inclusive workplace, listen to employees' needs<br>Supplementary Note: Faraday has no union and therefore does not have a collective bargaining agreement. | 51 | |

### GRI 3: Material Topics

| Indicator | Disclosure requirement | Chapter in report or description | Page | Omission/Note |
|---|---|---|---|---|
| 3-1 | Process to determine material topics | Sustainable development strategy: Materiality analysis and stakeholder Communication | 14 | |
| 3-2 | List of material topics | Sustainable development strategy: Materiality analysis and stakeholder Communication | 14 | |
| 3-3 | Management of material topics | Sustainable development strategy: Materiality analysis and stakeholder Communication | 14 | |

### Specific Topic Disclosures

| GRI standards | Material topic | Indicator | Disclosure requirement | Chapter in report or description | Page | Omission/Note |
|---|---|---|---|---|---|---|
| GRI 201: Economic Performance 2016 | Non-material Topics (Voluntary Disclosure) | 201-1 | Direct economic value generated and distributed by organization | Corporate Governance: Operational Performance | 87 | |
| | | 201-2 | Financial implications and other risks and opportunities due to climate change | 4.1.1 Task Force on Climate-related Financial Disclosures (TCFD) | 68 | |
| | | 201-3 | Defined benefit plan obligations and other retirement plans | 3.3.2 Remuneration and welfare | 55 | |
| GRI 202: Market Presence 2016 | Diversity/Equity/Inclusion, talent attraction and talent retention | 202-1 | Ratios of standard entry level wage by gender compared to local minimum wage | 3.3.2 Remuneration and welfare | 55 | |
| | | 202-2 | Proportion of senior management hired from the local community | 3.2.2 Respect Talent Diversity and Promote Career Development | 49 | |
| GRI 203: Indirect Economic Impacts 2016 | Social inclusion | 203-1 | Infrastructure investments and services supported | Social inclusion: Sustainable goal<br>5.3 Social Assistance and Public Welfare | 91 | |
| GRI 205: Anti-corruption 2016 | Corporate governance | 205-1 | Operations assessed for risks related to corruption | Corporate governance: Risk management<br>Supplementary Note: Corruption-related topics have been identified as low-risk matters through the company's initial risk assessment. | 91 | |
| | | 205-2 | Communication and training about anti-corruption policies and procedures | Corporate governance: Management policy<br>Corporate governance: Ethical management | 84<br>89 | |
| | | 205-3 | Confirmed incidents of corruption and actions taken | Corporate governance: Ethical management | 89 | |
| GRI 206: Anti-competitive Behavior 2016 | Corporate governance | 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | No complaint for anti-trust event in 2025 | -- | -- |
| GRI 207: Tax 2019 | Non-material Topics (Voluntary Disclosure) | 207-1 | Approach to tax | Corporate governance: Tax | 89 | |
| | | 207-2 | Tax governance, control, and risk management | Corporate governance: Tax | 89 | |
| | | 207-3 | Stakeholder engagement and management of concerns related to tax | Corporate governance: Tax | 89 | |
| GRI 302: Energy 2016 | Climate and energy | 302-1 | Energy consumption within the organization | 4.1.3 Energy Management and Renewable Energy Usage | 72 | |
| | | 302-3 | Energy intensity | 4.1.3 Energy Management and Renewable Energy Usage | 72 | |
| | | 302-4 | Reduction of energy consumption | 4.1.3 Energy Management and Renewable Energy Usage | 72 | |

| GRI standards | Material topic | Indicator | Disclosure requirement | Chapter in report or description | Page | Omission/Note |
|---|---|---|---|---|---|---|
| **GRI 303: Water and Effluents 2018** | Self-disclosure | 303-2 | Management of water discharge related impacts | 4.2.1 Water resource management | 74 | |
| | | 303-3 | Water withdrawal | 4.2.1 Water resource management | 74 | |
| | | 303-4 | Water discharge | 4.2.1 Water resource management | 74 | |
| | | 303-5 | Water consumption | 4.2.1 Water resource management | 74 | |
| **GRI 305: Emissions 2016** | Climate and energy | 305-1 | Direct (Scope 1) GHG emissions | 4.1.2 Carbon emission management | 70 | |
| | | 305-2 | Energy indirect (Scope 2) GHG emissions | 4.1.2 Carbon emission management | 70 | |
| | | 305-3 | Other indirect (Scope 3) GHG emissions | 4.1.2 Carbon emission management | 70 | |
| | | 305-4 | GHG emissions intensity | 4.1.2 Carbon emission management | 70 | |
| | | 305-5 | Reduction of GHG emissions | 4.1.2 Carbon emission management | 70 | |
| | | 305-6 | Emissions of ozone-depleting substances (ODS) | No use of Ozone-Depleting Substances (ODS) | -- | -- |
| | | 305-7 | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | Faraday is not legally regulated as an air-polluting enterprise, and therefore this item is not applicable. | -- | -- |
| **GRI 306: Waste 2020** | Non-material Topics (Voluntary Disclosure) | 306-3 | Waste generated | 4.2.2 Waste management and circular economy | 75 | |
| | | 306-4 | Waste diverted from disposal | 4.2.2 Waste management and circular economy | 75 | |
| | | 306-5 | Waste directed to disposal | 4.2.2 Waste management and circular economy | 75 | |
| **GRI 308: Supplier Environmental Assessment 2016** | Sustainable supply chain management | 308-1 | New suppliers that were screened using environmental criteria | 2.3.4 Supply chain assessment management | 37 | |
| | | 308-2 | Negative environmental impacts in the supply chain and actions taken | 2.3.4 Supply chain assessment management | 37 | |
| **GRI 401: Employment 2016** | Diversity/Equity/Inclusion, talent attraction and talent retention | 401-1 | New employee hires and employee turnover | 3.3.1 Recruitment and retention | 54 | |
| | | 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | 3.3.2 Remuneration and welfare | 55 | |
| | | 401-3 | Parental leave | 3.2.3 Build an inclusive workplace, listen to employees' needs | 51 | |

| GRI standards | Material topic | Indicator | Disclosure requirement | Chapter in report or description | Page | Omission/Note |
|---|---|---|---|---|---|---|
| GRI 403: Occupational Health and Safety 2018 | Occupational health and safety | 403-1 | Occupational health and safety management system | 3.5 Occupational health and safety | 62 | |
| | | 403-2 | Hazard identification, risk assessment, and incident investigation | 3.5.3 Occupational health and safety management | 62 | |
| | | 403-3 | Occupational health services | 3.5.4 Comprehensive health management | 64 | |
| | | 403-4 | Worker participation, consultation, and communication on occupational health and safety | 3.5.3 Occupational health and safety management | 62 | |
| | | 403-5 | Worker training on occupational health and safety | 3.5.2 Safety and health implementation results | 62 | |
| | | 403-6 | Promotion of worker health | 3.5.4 Comprehensive health management | 64 | |
| | | 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 2.3 Sustainable Supply Chain Management | 36 | |
| | | 403-8 | Workers covered by an occupational health and safety management system | 3.5 Occupational health and safety<br>3.5.1 Environmental Safety and Health Policy<br>3.5.3 Occupational health and safety management | 62 | |
| | | 403-9 | Work-related injuries | 3.5.3 Occupational health and safety management | 62 | |
| | | 403-10 | Work-related ill health | 3.5.3 Occupational health and safety management | 62 | |
| GRI 404: Training and education 2016 | Talent development | 404-1 | Average hours of training per year per employee | 3.4.2 Training effectiveness and results | 59 | |
| | | 404-2 | Programs for upgrading employee skills and transition assistance programs | 3.4 Talent development<br>3.2.2 Respect talent diversity and promote career development | 57<br>49 | |
| | | 404-3 | Percentage of employees receiving regular performance and career development reviews | 3.4.3 Performance management and development | 61 | |
| GRI 405: Diversity and equal opportunity 2016 | Diversity/Equity/Inclusion | 405-1 | Diversity of governance bodies and employees | Corporate governance: Governance structure<br>3.2.2 Respect talent diversity and promote career development | 85<br>49 | |
| | | 405-2 | Ratio of basic salary and remuneration of women to men | 3.3.2 Remuneration and welfare | 55 | |
| GRI 406: 2016 | Diversity/Equity/Inclusion | 406-1 | Incidents of discrimination and corrective actions taken | No complaint for discrimination event in 2025 | -- | -- |
| GRI 407: 2016 | Diversity/Equity/Inclusion, sustainable supply chain management | 407-1 | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | 3.2.3 Build an inclusive workplace, listen to employees' needs<br>Suppliers: Faraday's Supplier Code of Conduct explicitly stipulates that labor rights include freedom of association and the right to collective bargaining. | 51 | |
| GRI 408: 2016 | Diversity/Equity/Inclusion, sustainable supply chain management | 408-1 | Operations and suppliers at significant risk for incidents of child labor | 1. Operation base: Through the flow of Human Rights Due Diligence, this issue is not Faraday significant risk issue according to the result of labor-management meeting.<br>2. Supplier: "Faraday Supplier Code of Conduct" clearly states that no child labor shall be used in any manufacturing process. "Child labor" refers to employing anyone under 15 years of age, or who has not reached the mandatory school age, or the minimum legal working age in that country/region (the highest of these three ages applies)." | -- | -- |
| GRI 409: 2016 | Diversity/Equity/Inclusion, sustainable supply chain management | 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor | 1. Operation base: Through the flow of Human Rights Due Diligence, this issue is not Faraday significant risk issue according to the result of labor-management meeting.<br>2. Supplier: "Faraday Supplier Code of Conduct" clearly states the prohibition of forced labor. | -- | -- |

| GRI standards | Material topic | Indicator | Disclosure requirement | Chapter in report or description | Page | Omission/Note |
|---|---|---|---|---|---|---|
| GRI 411: Rights of Indigenous Peoples 2016 | Non-material Topics (Voluntary Disclosure) | 411-1 | Incidents of violations involving rights of indigenous peoples | No complaint for infringement of indigenous people in 2025 | -- | -- |
| GRI414: Supplier Social Assessment 2016 | Sustainable supply chain management | 414-1 | New suppliers that were screened using social criteria | 2.3.4 Supply chain assessment management | 37 | |
| | | 414-2 | Negative social impacts in the supply chain and actions taken | 2.3.4 Supply chain assessment management<br>2.3.5 Responsible supply chain | 37<br>39 | |
| GRI 416: Customer Health and Safety 2016 | Customer relationship management | 416-1 | Assessment of the health and safety impacts of product and service categories | 2.3.5 Responsible supply chain<br>Supplementary Note: Over the past three years, suppliers signed “Environmental Non-Use Agreements” and completed “Supplier Restricted Substances Due Diligence”: both are 100% | 39 | |
| | | 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | No violations and penalties reported regarding health and safety regulations for Faraday in 2025. | -- | -- |
| GRI418l: Customer Privacy 2016 | Customer relationship management | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | 2.2.2 ASIC project management<br>No complaint for breaches of customer privacy or losses of customer data in 2025. | 35 | |

# SASB index-Semiconductors

| Disclosure topic/Metric code | Disclosure metric | Chapter in report or description | Disclosure response |
|---|---|---|---|
| **Greenhouse Gas Emissions TC-SC-110a.1** | Gross global Scope 1 emissions (metric tons CO2e) | 4.1.2 Carbon emission management | 214.742 metric tons $CO_2e$ |
| | Total emissions from perfluorinated compounds (metric tons CO2e) | Faraday is an ASIC and IP licensing service company, it is mainly responsible for chip design service and IP development; product manufacturing is all outsourced to dedicated foundry and testing house. Therefore, it is not applicable. | |
| **Greenhouse Gas Emissions TC-SC-110a.2** | Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets | 4.1.2 Carbon emission management | The ratio of "Faraday's scope 1 emissions" to "the emissions of scope 1 and scope 2) is <10%; therefore, integrate the carbon reduction planning of scope 1 and scope 2, and the final target is to meet Net Zero by 2050 with the main strategy of green electricity. |
| **Energy management TC-SC-130a.1** | Total energy consumed (GJ) | 4.1.3 Energy Management and Renewable Energy Usage | 26,631.55 GJ |
| | Percentage grid electricity (%) | 4.1.3 Energy Management and Renewable Energy Usage | 97.9% |
| | Percentage renewable (%) | 4.1.3 Energy Management and Renewable Energy Usage | 20.18% |
| **Water management TC-SC-140a.1** | Total water withdrawn, percentage of each in regions with High or Extremely High Baseline Water Stress (m3) | 4.2.1 Water resource management | Total water withdrawal: 22,452.79 $m^3$<br>Faraday's operating locations are not located in areas of High or Extremely High Baseline Water Stress. |
| | Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress (%) | 4.2.1 Water resource management | Total water consumption: 4,490.56 $m^3$<br>Faraday's operating locations are not located in areas of High or Extremely High Baseline Water Stress. |
| **Waste management TC-SC-150a.1** | Amount of hazardous waste from manufacturing (metric tons) | 4.2.2 Waste management and circular economy | 0 metric tons |
| | Percentage recycled of hazardous waste from manufacturing (%) | 4.2.2 Waste management and circular economy | In 2025, the generation of hazardous industrial waste was 0 metric tons (no scrap processing operations were conducted in 2025). |
| **Employee Health & Safety TC-SC-320a.1** | Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards | 3.5.1 Environmental Safety and Health Policy<br>3.5.3 Occupational safety and health management | For details, please refer to chapter description. |
| **Employee Health & Safety TC-SC-320a.2** | Total amount of monetary losses as a result of legal proceedings associated with employee safety and health violations (NTD) | No complaint for health and safety regulation or penalties occurred in 2025 | NTD: 0 |
| **Recruiting & Managing a Global & Skilled Workforce TC-SC-330a.1** | Percentage of employees who need a work visa | 3.2.2 Respect Talent Diversity and Promote Career Development | Percentage of Employees with Visas: 1.02% |
| **Product lifecycle management TC-SC-410a.1** | Percentage of products by revenue that contain IEC 62474-declarable substances (%) | Faraday is an ASIC and IP licensing service company primarily engaged in chip design services and IP development. All product manufacturing is outsourced to professional foundries and testing houses. Therefore, Faraday does not directly manufacture products subject to IEC 62474 Material Declaration. | |
| **Product lifecycle management TC-SC-410a.2** | Processor energy efficiency at a system level for: (1) servers, (2) desktops, and (3) laptops | Faraday is an ASIC and IP licensing service company primarily engaged in chip design services and IP development. The Company is not directly involved in the energy efficiency management of terminal products such as (1) servers, (2) desktops, and (3) laptops; therefore, this item is not applicable. | |
| **Materials Sourcing TC-SC-440a.1** | Description of the management of risks associated with the use of critical materials | 2.3.3 Production Business Continuity Plan | For details, please refer to chapter description. |
| **TC-SC-520a.1** | (NTD) | No event in 2025 | NTD: 0 |
| **Activity metrics TC-SC-000.A** | Total production | • ASIC products: 33,304 (thousands of units)<br>• Wafer products: 22,522 (pieces)<br>• Outsourced design: 150 (units) | |
| **Activity metrics TC-SC-000.B** | Percentage of production from owned facilities | Faraday is an ASIC and IP licensing service company primarily engaged in chip design services and IP development. All product manufacturing is outsourced to professional foundries and testing houses. | 0% |

# TCFD disclosure comparison table

| Category | Recommended disclosure item | Chapter in report or description | Page |
|---|---|---|---|
| **Governance** | Describe the board's oversight of climate-related risks and opportunities | Board of Directors<br>• For Faraday's climate change response and risk and opportunity management, the Board of Directors and the Corporate Sustainability Committee serve as the highest governance and oversight bodies. At the execution level, the ESG Committee oversees the implementation of initiatives and consolidates information. The Chairperson (the President) reports climate change response strategies and the progress of related projects to the Board of Directors on a quarterly basis.<br>• Reporting frequency: 4 times per year<br>• Reporting agenda: Progress of greenhouse gas inventory, formulation/review of carbon reduction strategies, green electricity procurement plans, etc. | 68 |
| | Describe management's role in assessing and managing climate-related risks and opportunities | ESG Committee<br>The President serves as the chairman of Corporate Sustainability Committee, holds meeting quarterly, to lead the working group members in developing sustainability strategies and executing targets (including overseeing issues related to climate change and the company's impacts). | 68 |
| **Strategy** | Describe the climate-related risks and opportunities identified by the organization across the short-, medium-, and long-term. | 4.1.1 Task Force on Climate-Related Financial Disclosures<br>(Commitment to following the TCFD framework, analyze the impact from short/middle/long-term climate change risks and opportunities) | 68 |
| | Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning | | |
| | Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario | 4.1.1 Task Force on Climate-Related Financial Disclosures<br>(Faraday employs various hypothetical scenarios in its climate scenario analysis, such as the national net-zero pathway, SSP1-1.9, and SSP5-8.5, to consider different climate actions, environmental policies, and socio-economic development pathways. This analysis explores potential situations the company may face and assesses the impact of different parameters, such as carbon taxes and renewable energy costs, on its operations.) | 68 |
| **Risk management** | Describe the organization's processes for identifying and assessing climate-related risks | 4.1.1 Task Force on Climate-Related Financial Disclosures | 69 |
| | Describe the organization's processes for managing climate-related risks | | |
| | Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management. | Corporate governance: Risk management<br>Faraday has established the "Risk Management Policy" as the highest guiding principle for internal risk management. The Company's Audit Committee and senior management regularly oversee and review this policy. Climate change risks have been incorporated as a mandatory item in the risk identification process. Through regular risk assessments, the Company conducts risk identification, assessment, and impact analysis. A risk matrix is utilized to understand the frequency of risk events and their impact on business operations, thereby defining the priority and level of each risk. Corresponding risk management strategies are then implemented based on the identified risk levels. | 69 |
| **Metrics and targets** | Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process | Environmental sustainability/Management policy | 67 |
| | Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks | 4.1.2 Carbon emission management | 70 |
| | Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets | Environmental sustainability/Management policy | 67 |

# United Nations Global Compact Index

| Category | Principle | Faraday Strategy | Corresponding Chapter |
|---|---|---|---|
| **Human rights** | Businesses should support and respect the protection of internationally proclaimed human rights | Formulated “Human Rights Policy”<br>Committed to supporting international labor and human rights standards and regulations, and dedicated to protecting human rights | 3.1 Respect human rights |
| | Make sure that they are not complicit in human rights abuses | Formulated “Human Rights Policy”<br>Formulated “Supplier Code of Conduct” | 3.1 Respect human rights<br>2.3 Sustainable Supply Chain Management |
| **Labor** | Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining | Formulated “Human Rights Policy” and “Declaration of Diversity, Equity and Inclusion”<br>Respect for employees' legal right to freedom of association, participation in peaceful assemblies, and collective bargaining | 3.1 Respect human rights<br>3.2 (DEI) Diversity, Equity, and Inclusion (DEI) |
| | The elimination of all forms of forced and compulsory labor | Formulated “Human Rights Policy”<br>Respect all personnel's free will to work, prohibit forced labor, human trafficking, and any restrictions on freedom of movement | 3.1 Respect human rights |
| | The effective abolition of child labor | Formulated “Human Rights Policy”<br>No child labor, and no employment of workers under the legal working age | 3.1 Respect human rights |
| | The elimination of discrimination in respect of employment and occupation | Formulated “Human Rights Policy” and “Declaration of Diversity, Equity and Inclusion”<br>Create an diverse, equal, and inclusive workplace; prohibit any forms of discrimination and harassment | 3.1 Respect human rights<br>3.2 (DEI) Diversity, Equity, and Inclusion (DEI) |
| **Environment** | Businesses should support a precautionary approach to environmental challenges | Formulated “Environmental Safety and Health Policy” | 4. Environmental sustainability |
| | Undertake initiatives to promote greater environmental responsibility | Formulated “Environmental Safety and Health Policy” | 4. Environmental sustainability |
| | Encourage the development and diffusion of environmentally friendly technologies | Continuously develop low-power consumption technology<br>Established revenue targets for sustainable products | 1.3 Low-power consumption technology R&D and sustainable product |
| **Anti-Corruption** | Businesses should work against corruption in all its forms, including extortion and bribery | Formulated “Ethical Corporate Management Best Practice Principles”<br>Regularly convene ethical management meetings | Ethical Management |

## Taiwan Stock Exchange: Sustainability disclosure indicators for semiconductor industry

| No. | Metric | Unit | Annual Disclosure |
|---|---|---|---|
| 1 | Total energy consumption | billion joules (GJ) | 26,631.55 GJ |
| | Percentage of purchased electricity | Percentage (%) | 97.9% |
| | Percentage of renewable energy usage | Percentage (%) | 20.18% |
| 2 | Total water withdrawal | 1,000 cubic meters ($m^3$) | 22,452.79 $m^3$ |
| | Total water consumption | | 4,490.56 $m^3$ |
| 3 | Total hazardous waste output | tonne (t) | 0 tonne |
| | Hazardous waste recycling rate | Percentage (%) | In 2025, the generation of hazardous industrial waste was 0 metric tons (no scrap processing operations were conducted in 2025). |
| 4 | Occupational accident categories | Quantity | No occupational accident |
| | Number of occupational injured | Quantity | 0 |
| | Occupational injury categories and ratios | Ratio (%) | 0% |
| 5 | Disclosure of product life cycle management: Including the weight of scrap products and electronic waste | tonne (t) | Faraday is an ASIC and IP licensing service company primarily engaged in chip design services and IP development. As its business scope does not directly involve the treatment of end-of-life products, this item is not applicable. |
| | Disclosure of product life cycle management: Including the percentage of recycling for scrap products and electronic waste | Percentage (%) | |
| 6 | Description of the risk management associated with the use of key materials | Not applicable | 2.3.3 Production Business Continuity Plan |
| 7 | Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations | Currency | No event in 2025 |
| 8 | The main product output by product category | By product category | • ASIC products: 33,304 (thousands of units)<br>• Wafer products: 22,522 (pieces)<br>• Outsourced design: 150 (units) |

# Taiwan Stock Exchange: Climate-related information of the listed companies

<table>
<tr><th>Item</th><th>Implementation status</th></tr>
<tr><td>Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities</td><td>
<ul>
<li>For Faraday's climate change response and risk and opportunity management, the Board of Directors and the Corporate Sustainability Committee serve as the highest governance and oversight bodies. At the execution level, the ESG Committee drives practical projects and consolidates information. The Chairperson (the President) reports climate change response strategies and the progress of related projects to the Board of Directors on a quarterly basis.</li>
<li>Reporting frequency: 4 times per year (Quarterly)</li>
<li>Agenda items: Progress of greenhouse gas inventory, formulation and review of carbon reduction strategies, green electricity procurement projects, etc.</li>
</ul>
</td></tr>
<tr><td>Describe how identified climate-related risks and opportunities impact the company’s business, strategy, and financials (short-term, medium-term, and long-term)</td><td>
Faraday refers to the TCFD (Task Force on Climate-related Financial Disclosures) reporting framework to conduct short-term, medium-term, and long-term climate impact analysis from the two key aspects of risks and opportunities. The identified major climate impact items include aspects of transition risks and physical risks, as illustrated below:
<table>
<tr><th>Category</th><th>Aspect</th><th>Issue</th><th>Operational impact description</th><th>Timeframe</th></tr>
<tr><td>Transition risk</td><td>Regulations</td><td>International conventions or agreements</td><td>Failure to align with the global net-zero transition may lead to reputational damage and reduced competitiveness</td><td>Long-term: 5 ~ 10 years</td></tr>
<tr><td>Opportunity</td><td>Product and service</td><td>Low-carbon products or services</td><td>Through the development of innovative low-power product technologies and the launch of energy transition-related products, the company responds to the net-zero trend, creating additional competitiveness and revenue</td><td>Medium-term: 2 ~ 5 years</td></tr>
</table>
Note: For complete information on climate-related risks and opportunities, please refer to Faraday's 2025 Sustainability Report.<br><br>
Regarding the identified major climate impact items, Faraday has also analyzed and developed corresponding management measures. To date, comprehensive mitigation strategies have been implemented for all impact aspects to reduce the impacts of climate change on its business operations.
</td></tr>
<tr><td>Describe the impact of extreme climate events and transition actions on financial matters</td><td>
Faraday analyzes the financial impacts of extreme climate events and transition activities on the Company from multiple financial perspectives (including revenue, direct or indirect costs, and capital expenditures). Examples include:<br>
1. Capital expenditure on solar panel systems for self-generation and self-consumption<br>
2. Green electricity wheeling costs incurred to achieve annual carbon reduction targets<br>
3. Costs of replacing energy-consuming equipment<br>
4. R&D expenses for chip development aimed at energy transition<br><br>
Faraday believes that the current financial investments are aligned with international net-zero trends, and thus these investments can be transformed into positive outcomes, including improved operational performance, reduced compliance risks, and enhanced customer satisfaction.
</td></tr>
<tr><td>Describe the identification and assessment of climate risks, and how to integrate the management flow into the overall risk management system</td><td>Faraday has established the “Risk Management Policy” as the highest guiding principle for internal risk management. The policy is regularly overseen and reviewed by the Company's Audit Committee and senior management. Climate change risks have been incorporated as a mandatory item in the risk identification process. Through regular risk assessment processes, the company conducts risk identification, assessment, and impact analysis. A risk matrix is used to assess the frequency of risk events and their impact on business operations, thereby defining the priority and level of each risk. Based on the risk level, corresponding risk management strategies are implemented.</td></tr>
<tr><td>If scenario analysis is used to evaluate resilience to climate change risks, the scenarios, parameters, assumptions, analytical factors, and key financial impacts employed should be clearly disclosed</td><td>Faraday conducts climate scenario analysis by considering multiple hypothetical scenarios, such as the national net-zero pathway, SSP1-1.9, and SSP5-8.5, to explore the operational impacts on the Company under these scenarios resulting from variations in key parameters such as carbon taxes and renewable energy costs.</td></tr>
<tr><td>Where a transition plan is in place to address climate-related risks, the content of the plan shall be disclosed, along with the indicators and targets used to identify and manage physical and transition risks.</td><td>
Faraday conducts climate scenario analysis by considering multiple hypothetical scenarios, such as the national net-zero pathway, SSP1-1.9, and SSP5-8.5, to explore the operational impacts on the Company under these scenarios resulting from variations in key parameters such as carbon taxes and renewable energy costs.<br><br>
Faraday has established achieving net-zero emissions by 2050 as the core strategic direction for its climate risk response and transition plan. Based on this goal, the Company has launched corresponding action plans and set specific targets to be regularly tracked by the ESG Committee for implementation effectiveness:<br>
1. Greenhouse gas (GHG) inventory: Perform annual greenhouse gas inventory with third-party verification<br>
2. Internal carbon reduction: Implement annual energy efficiency and carbon reduction projects, and implement solar panels for self-generation and self-consumption<br>
3. Green electricity procurement: Implement green electricity wheeling programs to progressively increase the proportion of green electricity usage year by year<br>
4. Green supply chain: Require suppliers to establish proactive carbon reduction targets and pathways<br>
5. Green innovation: Provide high-performance and low-power technical solutions
</td></tr>
</table>

| Item | Implementation status |
|---|---|
| **When internal carbon pricing is employed as a planning tool, the basis for price determination should be disclosed.** | Faraday formally implemented the Internal Carbon Pricing (ICP) mechanism starting in 2025.<br>The price was determined by comprehensively considering the following key factors:<br>1. The implicit price of carbon reduction for facility equipment;<br>2. The premium on green electricity procurement (environmental benefit price differential);<br>3. Taiwan's official carbon pricing regulations.<br><br>Accordingly, the internal carbon price for 2025 is set at NT$2,200 per metric ton. The Company adopts the "Shadow Pricing" model, incorporating carbon emission costs into the Benefit-Cost (B/C) Ratio assessment for facility equipment procurement. Through this process of internalizing external costs, we refine the quality of procurement decision-making, thereby strengthening the Company's resilience against future financial impacts from climate change. |
| **If climate-related targets are set, the covered activities, greenhouse gas emission scopes, target timeframes, and annual progress should be disclosed. If carbon offsets or Renewable Energy Certificates (RECs) are utilized to achieve these targets, the sources and quantities of the carbon offsets, or the volume of RECs used, must also be disclosed.** | Faraday has set achieving net-zero emissions for Scope 1 and Scope 2 by 2050 as its long-term goal. Using a backcasting approach, the Company has established annual carbon reduction targets starting from the baseline year and utilizes the procurement of Renewable Energy Certificates (RECs) as one of its key carbon reduction tools. The progress toward the 2025 targets is as follows:<br>• Carbon Reduction Achievement: Reduced emissions by 14% compared to the 2023 baseline year, surpassing the 10% reduction target.<br>• Renewable Energy Consumption: Approximately 1.47 million kWh (including 1,320 Wheeling T-RECs) |
| **Greenhouse gas Inventory and verification status, as well as emission reduction targets, strategies, and specific action plans (to be filled in Sections 1-1 and 1-2).** | For relevant information, please refer to Table 1-1 and Table 1-2 below. |

# Taiwan Stock Exchange: 1-1 Greenhouse Gas Inventory and Assurance

| | |
|---|---|
| Basic company information<br>☐ Companies with capital exceeding NT$10 billion, in the steel or cement industries<br>☐ Companies with capital between NT$5 billion and NT$10 billion<br>■ Companies with capital below NT$5 billion | According to the guidelines of the Sustainable Development Roadmap for Listed/OTC Companies, at least the following disclosures should be made:<br>■ Parent company individual GHG inventory<br>☐ Consolidated financial statement subsidiary GHG inventory<br>☐ Parent company individual assurance<br>☐ Consolidated financial statement subsidiary assurance |

| Item | 2024 | | 2025 | | Assurance Information | |
|---|---|---|---|---|---|---|
| | Total emissions (metric tons $CO_2e$) | Emission intensity (metric tons $CO_2e$/NTD million) | Total emissions (metric tons $CO_2e$) | Emission intensity (metric tons $CO_2e$/NTD million) | Assurance body | Assurance statement |
| **Scope 1** | | | | | | |
| Parent company | 219.242 | 0.020 | 214.742 | 0.012 | SGS | Scopes 1 and 2 have been verified with Reasonable Assurance in accordance with ISO 14064-3, while Scope 3 has been verified with Limited Assurance. |
| Consolidated | 44.453 | 0.004 | 478.52 | 0.027 | SGS | Scopes 1 and 2 have been verified with Reasonable Assurance in accordance with ISO 14064-3 |
| **Scope 2** | | | | | | |
| Parent company | 3,090.160 | 0.279 | 2,754.290 | 0.153 | SGS | Scopes 1 and 2 have been verified with Reasonable Assurance in accordance with ISO 14064-3, while Scope 3 has been verified with Limited Assurance. |
| Consolidated | 708.099 | 0.064 | 593.777 | 0.033 | SGS | Scopes 1 and 2 have been verified with Reasonable Assurance in accordance with ISO 14064-3 |
| **Scope 3** | | | | | | |
| Parent company | 36,547.724 | 3.303 | 26,138.605 | 1.453 | SGS | Scopes 1 and 2 have been verified with Reasonable Assurance in accordance with ISO 14064-3 |
| Consolidated | Not Conducted | | | | | |

Note:
Emissions unit: metric tons of $CO_2e$.
Intensity unit: metric tons of $CO_2e$ per million dollars

**Taiwan Stock Exchange: 1-2 Carbon Reduction Targets, Strategies, and Implementation Plan**

Parent company: Faraday has established net-zero emissions by 2050 as its core commitment to climate risk response and transition. Faraday' specific targets are: a 2023 base year, achieving a 50% reduction by 2030, and reaching net-zero greenhouse gas emissions by 2050.
Subsidiaries: Following the external verification of Scope 1 and Scope 2 emissions for 2025, the Company will initiate the process of setting carbon reduction targets for its subsidiaries. This process is expected to be completed, and the targets publicly announced, by 2026.

| Carbon Reduction Strategies | Implementation Plan |
|---|---|
| **GHG Inventory** | Conduct annual greenhouse gas inventories with third-party verification |
| **Internal Carbon Reduction** | • Promote annual energy efficiency and carbon reduction projects, and deploy solar PV systems for self-generation and self-consumption.<br>• Integrate carbon pricing into procurement decision-making processes. |
| **Green Electricity Procurement** | Implement green electricity wheeling programs to progressively increase the proportion of green electricity usage year by year |
| **Green supply chain** | Require suppliers to establish ambitious carbon reduction targets and pathways |
| **Green innovation** | Provide high-performance and low-power technical solutions |
| **Carbon Credit Procurement** | Plan to purchase carbon credits (primarily nature-based solutions) to offset the remaining 10% of emissions and achieve net-zero goals |

# ESG performance indicator

| Category | Indicator | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|
| Corporate governance | Number of Board Seats | Seats | 9 | 9 | 9 | 9 |
| | Number of Independent Directors | Seats | 3 | 3 | 3 | 3 |
| | Number and Percentage of Female Directors | Seats/% | 2 seats/22% | 2 seats/22% | 3 seats/33% | 3 seats/33% |
| | Director Attendance Rate | % | 100% | 100% | 100% | 100% |
| | Number of Investor Briefings Held Annually | Times | 4 | 4 | 4 | 4 |
| | Number of Board Meetings Reporting on Sustainability Issues | Times | 2 | 4 | 4 | 4 |
| | Number of Risk Committee Meetings | Times | 0 | 6 | 6 | 6 |
| | Consolidated Revenue | NTD Thousands | $13,065,155 | $11,965,574 | $11,064,852 | $17,992,808 |
| | Net Income After Tax | NTD Thousands | $2,510,468 | $1,561,284 | $1,071,892 | $772,979 |
| | R&D Expenses | NTD Thousands | $ 2,422,237 | $ 2,362,449 | $2,956,912 | $3,211,083 |
| | Percentage of R&D Expenses to Revenue | % | 18.54% | 19.74% | 26.72% | 17.85% |
| Innovation management | Cumulative Number of Patents Granted | Cases | 913 | 943 | 967 | 1,001 |
| | Revenue Share of Sustainable Products | % | 81.50% | 82.52% | 82.19% | 90% |
| | Cumulative Number of Low-Power IP Design Projects | Cases | 2039 | 2350 | 2942 | 3321 |
| Partnership for Prosperity | Percentage of Local Procurement | % | 34% | 44% | 55% | 30.50% |
| | Customer Satisfaction Rate (Satisfied) | % | 89% | 87% | 89% | 91% |
| | Number of Suppliers Audited | Companies | 17 | 15 | 15 | 19 |
| | Coverage Rate of Signed Supplier Code of Conduct | % | N/A | 93% | 100% | 100% |

| Category | Indicator | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|
| Friendly workplace | Number of Employees (Taiwan Sites) | Headcount | 602 | 615 | 641 | 591 |
| | Number of Employees (Global) | Headcount | 840 | 909 | 1,014 | 1,100 |
| | Percentage of New Female Hires | % | 26% | 34% | 30% | 45% |
| | Percentage of Female Employees | % | 30% | 31% | 32% | 32% |
| | Percentage of Female Managers | % | 21% | 21% | 21% | 23% |
| | Percentage of Local National Hires | % | 99.30% | 99.19% | 99.38% | 99.2% |
| | Percentage of Local Hires | % | 59.60% | 57.56% | 59.44% | 61.93% |
| | Percentage of Local Senior Executives | % | 100% | 100% | 100% | 100% |
| | New Hire Rate (Taiwan Sites) | % | 13.29% | 9.59% | 13.10% | 6.8% |
| | Turnover Rate (Taiwan Sites) | % | 12% | 7% | 9% | 14% |
| | Turnover Rate (Global) | % | 15% | 7% | 8% | 10% |
| | Average Training Hours per Employee | Hours | 13.9 | 19.8 | 23.6 | 24.7 |
| | Average Salary of Full-Time Non-Managerial Employees | NTD Thousands per person | 2,550 | 2,323 | 2,089 | 2,023 |
| | Median Salary of Full-Time Non-Managerial Employees | NTD Thousands per person | 2,072 | 1,980 | 1,802 | 1,752 |
| | Human Rights-related Complaint Cases | Cases | 0 | 0 | 0 | 0 |
| | Number of Employees with Occupational Injuries | Persons | 0 | 0 | 0 | 0 |

| Category | Indicator | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|
| Environmental sustainability | Scope 1 Emissions | Metric tons $CO_2e$ | 238.792 | 237.339 | 219.242 | 214.742 |
| | Scope 1 Emissions intensity | Metric tons $CO_2e$/ NTD million revenue | 0.018 | 0.020 | 0.020 | 0.012 |
| | Scope 2 Emissions (Market-based) | Metric tons $CO_2e$ | 3,191.762 | 3,229.088 | 3,090.160 | 2,754.290 |
| | Scope 2 Emissions Intensity (Market-based) | Metric tons $CO_2e$/ NTD million revenue | 0.244 | 0.270 | 0.279 | 0.153 |
| | Scope 2 Emissions (Location-based) | Metric tons $CO_2e$ | 3,191.762 | 3,229.088 | 3,286.870 | 3,379.970 |
| | Scope 2 Emissions intensity (Location-based) | Metric tons $CO_2e$/ NTD million revenue | 0.26 | 0.290 | 0.30 | 0.188 |
| | Scope 3 Emissions | Metric tons $CO_2e$ | 642.70 | 71,497.31 | 36,547.724 | 26,138.605 |
| | Total energy consumption | kWh | 6,501,718.87 | 6,694,876.43 | 7,112,246.84 | 7,344,759.77 |
| | Non-Renewable Energy Consumption | kWh | 6,501,718.87 | 6,586,876.43 | 6,999,246.84 | 7,195,471.77 |
| | Total Electricity Consumption | kWh | 6,447,964.00 | 6,644,615.70 | 7,047,325.49 | 7,280,026.74 |
| | Electricity Intensity | kWh/NTD Million Revenue | 494 | 555 | 637 | 405 |
| | Renewable Energy Consumption | kWh | - | 108,000 | 528,000 | 1,469,288 |
| | Renewable Energy Usage Rate | % | 0.0% | 1.6% | 7.5% | 20.2% |
| | Water withdrawal | Cubic meters ($m^3$) | 19,416.43 | 20,270.32 | 20,758.32 | 22,452.79 |
| | Water discharge | Cubic meters ($m^3$) | 15,533.14 | 16,216.26 | 16,606.65 | 17,962.23 |
| | Water consumption | Cubic meters ($m^3$) | 3,883.29 | 4,054.06 | 4,151.66 | 4,490.56 |
| | Water Usage | Cubic meters ($m^3$) | 19,416.43 | 20,270.32 | 20,784.32 | 22,648.31 |
| | Water intensity | $m^3$/NTD Million Revenue | 1.49 | 1.69 | 1.88 | 1.25 |
| | Total waster generation | Metric tons | 26.12 | 26.15 | 25.91 | 26.99 |
| | Hazardous Waste | Metric tons | 2.01 | 0.87 | 0.84 | 0 |
| | Waste recycling rate | % | 40.89% | 39.28% | 40.28% | 36.12% |
| | Waste intensity | Metric tons/NTD Million Revenue | 0.0020 | 0.0022 | 0.0023 | 0.0015 |
| | Environmental violations | Cases | 0 | 0 | 0 | 0 |
| Social inclusion | Amount of Social and Community Contributions | NTD | $603,988 | $656,599 | $701,600 | $668,648 |

# Independent third party assurance statement

SGS

## ASSURANCE STATEMENT

**SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE FARADAY TECHNOLOGY CORPORATION'S SUSTAINABILITY REPORT FOR 2025**

**NATURE AND SCOPE OF THE ASSURANCE**

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by Faraday Technology Corporation. (hereinafter referred to as Faraday) to conduct an independent assurance of the Sustainability Report for 2025. The assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standardv3 Type 2 Moderate level during 2026/4/10 to 2026/5/28, where the data related to the Water Consumption and GRI 306-3 (Waste generated) were assessed at Type2 High Level. The boundary of this report includes Faraday Taiwan and partially includes certain overseas sites where relevant, and is not the same as Faraday's consolidated financial statements.

SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

**INTENDED USERS OF THIS ASSURANCE STATEMENT**

This Assurance Statement is provided with the intention of informing all Faraday's stakeholders stated in the Sustainability Report for 2025.

**RESPONSIBILITIES**

The sustainability information in the Faraday's Sustainability Report of 2025 and its presentation are the responsibility of the directors or governing body (as applicable) and management of Faraday. SGS has not been involved in the preparation of any of the material included in the Sustainability Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance based upon sufficient and appropriate objective evidence.

**ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE**

The assurance of this report has been conducted according to the AA1000 Assurance Standard (AA1000AS v3), a standard used globally to provide assurance on sustainability-related information across organizations of all types, including the evaluation of the nature and extent to which an organization adheres to the AccountAbility Principles (AA1000AP,2018).

Assurance has been conducted at a type 2 moderate level of scrutiny.

**SCOPE OF ASSURANCE AND REPORTING CRITERIA**

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

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| Reporting Criteria Options | |
|---|---|
| 1 | AA1000 Accountability Principles (2018) |
| 2 | GRI (In Accordance with) |
| 3 | SASB Semiconductors Sustainability Accounting Standard (Version 2023-12.) |

- The evaluation of the reliability and quality of specified sustainability performance information in Faraday's Sustainability Report is limited to determined material topics or those clearly marked in the report as conducted in accordance with type 2 of AA1000AS v3 sustainability assurance engagement at a moderate level of scrutiny for Faraday and the SASB's Standard – Semiconductors (Version 2023-12) , as well as a moderate level of scrutiny for its subsidiaries or joint ventures, while a Type 2 High Level of assurance was specifically applied to the data related to Water Consumption and GRI 306-3 (Waste generated)
- The evaluation of the report against the requirements of GRI Standards, includes GRI 1, GRI 2, GRI 3, 200, 300 and 400 series claimed in the GRI content index as material and is conducted in accordance with the standards.

**SPECIFIED PERFORMANCE INFORMATION AND DISCLOSURES INCLUDED IN SCOPE**

The specified performance information includes the data for 2025, which is related to GRI 2, GRI 3, GRI 200, 300 and 400 series claimed in the GRI content index as material, and disclosures related to Water Consumption and GRI 306-3, and the SASB's Standard – Semiconductors (Version 2023-12) in Faraday's Sustainability Report.

**ASSURANCE METHODOLOGY**

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, Sustainability committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

**LIMITATIONS**

Financial data drawn directly from independently audited financial accounts, Task Force on Climate-related Financial Disclosures (TCFD) have not been checked back to source as part of this assurance process.

**INDEPENDENCE AND COMPETENCE**

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from Faraday, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with professional qualifications such as ISO 26000, ISO 20121, ISO 50001, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

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**FINDINGS AND CONCLUSIONS**

**ASSURANCE OPINION**

On the basis of the methodology described and the assurance work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the AA1000 AccountAbility Principles (2018).

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

**ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)**

**INCLUSIVITY**

Faraday has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, CSR experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, Faraday may proactively consider having more direct two-ways involvement of stakeholders during future engagement.

**MATERIALITY**

Faraday has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

**RESPONSIVENESS**

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

**IMPACT**

Faraday has demonstrated a process on identify and fairly represented impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. Measurement and evaluation of its impacts related to material topic were in place at target setting with combination of qualitative and quantitative measurements.

**QUALITY AND RELIABILITY OF SPECIFIED PERFORMANCE INFORMATION**

On the basis of the verification work performed, we checked Sustainability Committee minutes of meetings, Supplier evaluation management documents, Human resources statistics system reports, ISO 14001 and 45001 certifications. We have confidence that the specified performance information included in the scope of assurance is reliable at a moderate level of scrutiny for Faraday and at a moderate level of scrutiny for its subsidiaries or joint ventures.

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**ADHERENCE TO GRI**

The report, Faraday's Sustainability Report of 2025, is reporting with reference to the GRI Universal Standards 2021. The significant impacts were assessed and disclosed with reference to the guidance defined in GRI 3: Material Topic 2021 and the relevant 200/300/400 series Topic Standard related to the material topics claimed in the GRI content index. The report has properly disclosed information related to Faraday's contributions to sustainability development.

For future reports, it is recommended that each material topic be discussed more comprehensively, including management approaches and relevant GRI topic standards.

**ADHERENCE TO SASB**

Faraday has referenced with SASB's Standard, Semiconductors 2023-12 to disclose information of material topics that are vital for enterprise value creation. The reporting boundaries of the disclosed SASB information correspond to the financial data reported in Faraday's audited Sustainability Report of 2025. Process to identify, assess, and manage SASB-topic-related risks and opportunities were integrated into Faraday's overall management process. It is recommended to continuously monitor the performance of SASB disclosure topics and metrics, so as to promote sustainable management.

**Signed:**
**For and on behalf of SGS Taiwan Ltd.**



AA1000
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000-8/V3-NLZP2

**Stephen Pao**
**Business Assurance Director**
**Taipei, Taiwan**
**23 June, 2026**
**WWW.SGS.COM**

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Inside Every IC, Faraday’s Value Is in Sight.

FARADAY