PixArt Imaging Inc.
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2024 | PixArt Imaging Inc. Sustainability Report

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Award-winning Record

Award-winning Record

2021	• Top 20% OTC-listed companies in the 8th Corporate Governance Evaluation System by the TWSE. • Excellence in Corporate Social Responsibility Award (ranked 11th of Medium-sized Enterprises) by CommonWealth Magazine. • Received the Anti-pandemic Hero Silver Award from the Taiwan Immunization Vision & Strategy Association.
2022	• Top 20% OTC-listed companies in the 9th Corporate Governance Evaluation System by the TWSE. • Excellence in Corporate Social Responsibility Award (ranked 6th of Medium-sized Enterprises) by CommonWealth Magazine. • CHR - Corporate Health Responsibility silver award winner.
2023	• Received the Anti-pandemic Hero Gold Award from the Taiwan Immunization Vision & Strategy Association. • Top 20% OTC-listed companies in the 10th Corporate Governance Evaluation System by the TWSE. • Excellence in Corporate Social Responsibility Award (ranked 5th of Medium-sized Enterprises) by CommonWealth Magazine. • Commonwealth Talent, Sustainability Award. • FFWA (Family Friendly Workplace Award). • Received the Anti-pandemic Hero Gold Award from the Taiwan Immunization Vision & Strategy Association.
2024	• Top 20% OTC-listed companies in the 11th Corporate Governance Evaluation System by the TWSE. • Excellence in Corporate Social Responsibility Award (ranked 6th of Medium-sized Enterprises) by CommonWealth Magazine. • Commonwealth Talent, Sustainability Award (ranked 1st of Medium-sized Enterprises). • CHR-Corporate Health Responsibility Gold Award of Medium-sized Enterprises. • Received the Anti-pandemic Hero Silver Award from the Taiwan Immunization Vision & Strategy Association.

A Letter from Chairman of the ESG Committee

A Letter from Chairman of the ESG Committee

The year 2024 was a year filled with both challenges and opportunities, with the international landscape undergoing constant change, including regional conflicts, geopolitical tensions, rapid progress in the field of AI., and At the same time, critical issues such as energy transition and climate finance highlighted at the 29th session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP29). As a responsible global corporate citizen, PixArt pursues business growth and development, while actively fulfilling its commitment to sustainable development.

The Company implements sound corporate governance, deepens its commitment to environmental sustainability, prioritizes employee health and safety, and strives to create a diverse, inclusive, and friendly workplace culture. From an economic perspective, PixArt experienced strong growth in 2024, driven by the recovery in demand for computers and consumer electronics, robust sales of gaming mice, and increased shipments of new products. As a result, consolidated operating revenue reached NT$8,362,273 thousand, representing a year-on-year increase of 43.1% and marking the second-highest in the Company's history.

In terms of profitability, favorable changes in product portfolio, on-going cost optimization, and beneficial exchange rates movements contributed to a significant increase in gross profit margin from 57.6% in the previous year to 62.0% in 2024. This marks the first breakthrough of gross profit margin in excess of 60% and setting a new historical high for the Company.

In the area of research and development, PixArt continues to strengthen its expertise in CMOS imaging sensors (CIS), capacitive touch controllers, and other sensor-related IC design, R&D, production, and sales. Beyond core capabilities, the Company is deeply engaged in the innovative design and development of sensor technology and human-machine interface solutions, with the aim of enhancing competitiveness and product differentiation. To support these efforts, PixArt made substantial investment in R&D. Last year, the Company's R&D expenses totaled NT$2,423,283 thousand, representing a 34.2% increase from the previous year and accounted for 29.0% of the Company's operating revenue. This reflects our unwavering commitment to technological innovation as a key driver of growth.

Throughout the year, we launch new product across our product lines, including optical mice, CIS, Global Shutter Sensors, capacitive touch controllers, and RF/BT, while allocating R&D resources to develop related products and technologies, such as optical tracking sensors, Optical Finger Navigation (OFN), optical encoders, far infrared sensors, object motion detection sensors, Low-power Intelligent Object Detection (LIOD), and smart pixel optical sensors. These advancements are designed to deliver more precise, intelligent, real-time, and energy-efficient sensing solutions, enabling users around the world to enjoy more convenient and enriching digital experiences.

❖ A Letter from Chairman of the ESG Committee

As part of its commitment to robust corporate governance, the ESG Committee continues to drive initiatives that address stakeholders' expectations and concerns on key sustainability and ethical issues. The Committee has embedded the United Nations' 17 Sustainable Development Goals (SDGs) into the Company's core strategic framework.

In collaboration with the Sustainability Promotion Task Force, the committee regularly reviews and establishes sustainability goals and management policies tailored to each relevant issue. Together, they implement ESG initiatives such as: securing third-party certification and audit under the Responsible Business Alliance (RBA) Validated Assessment Program (VAP) in 2024. Continuously strengthening the functions of the Board of Directors and other committees. Requiring all employees to uphold o ethical corporate governance standards and adhere to a formal Code of Conduct., Promoting education and training programs to reinforce compliance and awareness across key areas. Training courses cover the following topics:

compliance with ethical corporate management, prevention of insider trading, protection of the Company's information security, promotion of human rights policies, declarations of conflicts of interest, and promotion and adherence to the RBA Code of Conduct.

PixArt has long demonstrated a strong commitment to social responsibility, with a particular focus on supporting disadvantaged groups in the community. With corporate resources and active involvement from employees, we collaborate with suppliers to amplify our positive influence. These include celebrating Christmas with children from remote rural villages for six consecutive years, as well as organizing beach cleaning activities for eight consecutive years. In terms of environment sustainability, we have aligned our greenhouse gas (GHG) inventory and reduction targets in accordance with the Science Based Targets initiative (SBTis). We continue to implement energy conservation and carbon reduction measures, achieving significant progress. Specifically, Scopes 1 and 2 GHG emissions (per capita) have decreased by over 10% compared to the previous year, demonstrating meaningful progress along our path to achieving Net Zero emissions by 2050.

In the future, we remain committed to pursue corporate growth while actively addressing global challenges. We will continue to uphold our ESG responsibilities by: promoting ethical corporate management, strengthening corporate governance, advancing low-carbon economic transformation and ecosystem protection, and fostering a happy and inclusive workplace, collaborating with stakeholders to build a more resilient and sustainable future.

Through these efforts, we aim to enhance social well-being and contribute to long-term value creation for both enterprise and the community.

1 Basic Information

1.1 About the Report

1.1.1 Reporting Period and Scope Boundary and Disclosure (GRI 2- 3)

This is the ESG report published by PixArt Imaging Inc. (hereinafter referred to as PixArt). In the future, we will continue to publish this report on an annual basis in accordance with the principles of openness, transparency, and integrity, and present the corporate governance, environmental, and social (human rights) objectives and implementation results in a systematic manner to demonstrate our commitment to sustainable development for society.

This report was issued in August 2025, with the primary information and data disclosure period spanning from January 1, 2024, to December 31, 2024. The scope includes PixArt's headquarters, excluding overseas sites, with the report issued on an annual basis.

The statistics regarding economic performance stems from the consolidated financial statements in PixArt's 2024 Annual Report. The primary scope of disclosure is the headquarters and its subsidiary. Environmental and social information is primarily based on the headquarters. To ensure comparability, certain information on performance will include data from the past 3 years.

The information section in the society category, and more specific information about affiliated companies, can be found in PixArt's 2024 Annual Report. There were no important changes regarding the organization scale, structure, ownership, or supply chains to note in the period covered in this report.

1.1.2 Basis for Preparation

The Report primarily references the GRI Standards published by the Global Sustainability Standards Board (GSSB) in 2021, and TPEx Rules Governing the Preparation and Filing of Sustainability Reports by Listed Companies, and includes relevant sustainability guidelines such as the Task Force on Climate-Related Financial Disclosures (TCFD) framework and Sustainability Accounting Standards Board (SASB) sustainability accounting standards, specifically the TC-SC guidelines for the semiconductor industry. This Report also provides GRI and SASB content indexes in the Appendix.

1.1.3 Restatements of Information

There were no restatements of the 2024 Annual Report.

1.1.4 Internal Control

The content of this Report is primarily compiled by the ESG Committee, composed of representatives from various departments, which oversees the overall planning, communication, and integration of the annual ESG report. Each year, the ESG Committee is responsible for compiling the necessary information and drafting the report content. After completing the annual sustainability report, it is reviewed by the Company's ESG Committee and the highest governing body for sustainability - the Chairman of the ESG Committee - and submitted to the Board of Directors for approval before publication.

The financial statistics are provided by Ernst & Young Global Limited and made in accordance with consolidated financial statements verified and issued by the International Financial Reporting Standards (IFRS). The amounts shown are in NTD.

The Company has obtained ISO 9001, IECQ QC 080000 management system certification, and ISO 14064-1 GHG inventory verification, with related operations carried out by TUV NORD Taiwan Co., Ltd.

1.1.5 External Guarantee / Assurance

This Report was reviewed and finalized before being commissioned to the independent British Standards Institution (BSI), a professional verification institution, for verification in accordance with the GRI Standards and AA1000AS v3 Type 1 Assurance Moderate Assurance Level to confirm compliance with the GRI Standards requirements. Senior management participated in ESG policy interviews during the process. Please refer to the Appendix for details on the assurance/verification methods and results. PixArt and the British Standards Institution (BSI) are independent companies. BSI has no financial relationship with PixArt other than the assessment and verification of the 2024 PixArt Sustainability Report.

1.1.6 Contact Information

If you have any questions or suggestions regarding the contents of this report or our activities, please feel free to contact us through the following methods. To fulfill our responsibility in disclosing cooperate information, we will also publish the report on PixArt's official website.

- Contact information: PixArt
- Address: No.5, Innovation Road 1, Hsinchu Science Park, Hsinchu 30076, Taiwan, R.O.C.
- Website: https://www.pixart.com/
- Contact person: Mr. Kuo
- Tel: 03-5795317 #1666
- Email: pxiesg@pixart.com

❖ 1.2 Brand Introduction and Sustainable Development

1.2.1 About PixArt (GRI 2-1)(GRI 2-22)(GRI 2-6)

Based on the Company Act, the Chinese name of the Company is , and PixArt Imaging Inc. is the name in English.

Established in July 1998, PixArt is headquartered in Hsinchu, Taiwan. PixArt currently has excellent cross-national R&D teams in offices spread across the Silicon Valley, Denmark, Malaysia, Japan, Korea, and China. The Company specializes in CMOS imaging sensors (CIS), capacitive touch controllers, and related imaging applications such as IC design, R&D, production, and sales. In addition to this, the Company is involved in extensive innovative design and development of sensor technology and human-machine interface. PixArt also has considerable experience in analog IC design and image sensors, particularly for system management. Besides using new technology and applications to shorten the distance between humans and machines, we also provide the most comprehensive support and services for customized system design.

We are currently one of the world-leading suppliers in CMOS image sensor application IC; through our comprehensive SoC solutions, we offer the best image analytics optimization functions to our customers.

Our core technology utilizes CMOS image sensors as its vision for image analytics. In addition to standard sensors, we continuously develop image sensor-related applications including Optical Navigation, Object Motion Sensing, Touching, CMOS Image Sensor, Health Management Heart Rate Monitor Sensor, and Customized ASICs. We are the largest supplier of optical mouse sensor chips and we also lead in mouse sensor chips for conventional PC and high-end gaming applications.

As an insider with keen insight into market trends, we actively contribute to the CIS-derived application market while remaining committed to providing value-adding products with top quality, low power architectures, effective costs, and minimized form factors aimed at SoC integration. Besides offering One-Stop-Shop services to fulfill a comprehensive list of project and application needs, we are also able to shorten the design cycle thanks to our trustworthy relationships with global leaders in wafer fabrication, testing, packaging, and optical lens manufacturing.

Full name of the Company	PixArt Imaging Inc.
Chairman	Huang, Sen-Huang
Paid-in capital	1,492,355,100
Date of establishment	July 1998
Headquarter	No.5, Innovation Road 1, Hsinchu Science Park, Hsinchu 30076, Taiwan, R.O.C.
Global operations	1. Penang Branch: Ground and First Floor, Kompleks Eureka, Universiti Sains Malaysia, 11800 Penang, Malaysia 2. Shenzhen Branch: 518040, Room 808, Block A, Hailrun Complex, No.6021, ShenNan Blvd., Fu Tian District, Shenzhen, P.R.C. 3. Tokyo Branch: 〒 604-8006 京都府京都市中京区河原町通二条下る 2 丁目 下丸屋町 403 FIS ビル 2F 4. North America Branch: 1263 Oakmead Parkway, Suite #200 Sunnyvale, CA 94085, U.S.A 5. Europe Branch: Drewsensvej 1c, 8600 Silkeborg, Denmark
Global operations	5
Total number of employees	578 (number of employees as of December 2024)
Main products and technologies	1. CMOS Image Sensor Accessories 2. Others
Revenue in 2024	Approximately NT$8,362,273 thousand
Industry	Semiconductor industry/IC design

Management Philosophy

- As insiders with a keen insight into market trends, PixArt is dedicated to developing image sensors and relevant product applications with high resolution, integration, and minimized system-on-a-chip (SoC).
- Inspire innovation by providing a challenging and efficient working environment to unleash one's potential and strengths.
- Strengthen partnerships with clients in pursuit of maximizing mutual benefits.
- Remain respectful of intellectual property rights and reward inventions through strategies like global patenting
- Share the successes of operating results with shareholders and employees as well as contribute fully to the community.

1.2.2 Sustainable Development Policy and Blueprint

Vision, Mission, and Sustainable Strategy (GRI 2-1) (GRI 2-22) (GRI 2-6)

PixArt upholds the philosophy of “taking from society and giving back to society” to fulfill our corporate social responsibility and promote a balance and sustainability among economic development, social welfare, and environmental ecology. We formulated the PixArt Corporate Social Responsibility Policy (renamed as the ESG Policy in 2021) in accordance with Corporate Social Responsibility Best Practice for TWSE/GTSM Listed Companies with reference to the Responsible Business Alliance (RBA) Code of Conduct as the guiding principle for long-term promotion of corporate social responsibility and ensure compliance and implementation by all employees.

The ESG Policy is as follows and has been publicly disclosed on our official website (https://www.pixart.com/corporate-social-responsibility-2-detail/tw/csr-2-1)

- Management with honesty is our principle. We are against any form of corruption and bribery, and request all employees to abide by the “Ethical Corporate Management Best Practice Principles” and “Codes of Ethical Conduct”.
- We implement corporate governance, comply with laws and regulations, enhance the transparency of operational information, and fully take into account the interests of and impact on stakeholders (including employees, customers, investors, suppliers, government authorities, communities and the environment) .
- We strengthen customer partnerships, provide highly valued services to customers, and are committed to the company's sustainability and development.
- We pursue environmental sustainability, have established a quality and non-hazard substance policy, and ensure the embodiment of green product design and production. We promote an energy-saving and carbon reduction policy and have implemented all kinds of management measures to reduce the impact of our operations on the environment.
- We have implemented all kinds of management measures to reduce the impact of our operations on the environment.
- We sponsor industrial talent, collaborate with colleges, universities and other organizations, and provide a diversified and long-term collaboration model to cultivate young students to integrate knowledge and practice.
- We collaborate with volunteer groups and use our company resources to actively care for disadvantaged groups, participate in social welfare activities, and create a mutually beneficial situation for local communities and society

- Share the successes of operating results with shareholders and employees as well as contribute fully to the community.

Positive Sustainability Impact

To leverage PixArt's positive sustainability impact across the value chain, we have adopted the 17 United Nations Sustainable Development Goals (SDGs) as our core framework, selecting relevant goals to drive various sustainable action plans. In line with government policies such as the “2050 Net-Zero Emissions Pathway” and the “Corporate Governance 3.0 – Sustainable Development Blueprint”, in combination with the management philosophies of “full participation” and “continuous improvement,” we are committed to achieving diverse and concrete sustainable development goals. The following table outlines the Company's corporate sustainability achievements linked to the SDGs:

▼PixArt's Corporate Sustainability Achievements Linked to SDGs

Time	Milestone	Corresponding SDGs indicators
2024/05	For the second consecutive year, we have supported charitable organizations. In 2024, on Mother's Day, we collaborated with the bakery under the Taoyuan Guanyin Love Home to encourage our employees to order cakes for charity for their mothers. We made additional donations in form of scholarships based on cake orders from employees to create more employment opportunities for people with disabilities.	SDGs (10.3)
2024/10	For several consecutive years, the Company has invited local blood donation centers and collaborated with partner companies to organize blood donation activities, ensuring that every drop of blood contributes to the continuation of life.	SDGs (3.8)
2024/11	For eight consecutive years, we have persistently organized beach cleanup activities, initiated by employees and their families, and mobilized local environmental volunteers to join the cleanup, aiming to work together to protect the marine environment.	SDGs (14.1)
2024/12	For the sixth consecutive year, the Company has organized the “Christmas PixArt's Dream”, fulfilling the Christmas wishes of children from underprivileged areas near Hsinchu. We expanded the scope of support to help more children in need to make their Christmas dreams come true, and accompany them through a warm Christmas.	SDGs (1.3)

Time	Milestone	Corresponding SDGs indicators
2024/12	Since June 2020, the Company has been purchasing a fixed quantity of egg rolls made by mentally handicapped angels of the Saint Joseph Social Welfare Foundation in Hsinchu every month, as well as their handmade cookies. By 2024, the Company had purchased over 20,000 packages of snacks, creating employment opportunities for mentally handicapped angels.	SDGs (10.3)
2024/12	In preparation for the year-end party, the Company continued its collaboration with charitable organizations from Mother's Day by launching a donation initiative. The Company visited and filmed the environment and daily lives of residents at the Taoyuan Guanyin Love Home, and unveiled the charitable video at the year-end party to increase employees' awareness of charitable organizations and encourage donations.	SDGs (10.3)

1.2.3 Sustainability Organizational Structure

ESG Committee (GRI 2-12)

PixArt has been actively practicing corporate social responsibility for many years, committed to promoting business ethics, employee rights, health, and a safe environment, thereby demonstrating the Company's value and commitments. We strictly adhere to the relevant standards of the Responsible Business Alliance (RBA), uphold the principle of ethical corporate management, and actively participate in issues related to environmental protection, sustainability, social welfare, and community co-prosperity.

To systematically advance corporate sustainability, we have established a comprehensive corporate social responsibility management system in accordance with the Sustainable Development Action Plan for TWSE/GTSM Listed Companies, the Regulations Governing the Preparation and Filing of Sustainability Reports by TWSE/GTSM Listed Companies, and the Ethical Corporate Management Best Practice Principles. We have also established the ESG Committee. This committee is composed of personnel from various departments of the Company, with the General Manager serving as Chairman. It is responsible for coordinating the formulation of sustainable development strategies and jointly advancing the Company's sustainable initiatives across Environment, Social, and Governance aspects.

▼ The sustainability organizational structure of the Company is shown in the diagram as follows.

General Manager
Chairman of the ESG Committee
RBA Management Representative

Director General (Environmental, Safety and Health Representative)

Corporate Governance

- Legal compliance
- Ethical corporate management and business ethics
- Anti-corruption and bribery
- Internal control and risk management assessment
- Corporate information disclosure
- Privacy protection and information security

Environmental Sustainability

- Friendly workplace and labor health and safety
- Green design and manufacturing
- Energy conservation and carbon reduction
- GHG reduction
- Waste and hazardous substance management
- Use of renewable energy

Corporate Commitment

- No child labor
- Human rights
- Anti-discrimination Unfair treatment
- Labor relations
- Multiple communication channels
- Salary and welfare

Social participation

- Care for the less privileged
- Industrial and academic talent cultivation
- Common good in the community
- Ocean and earth ecology protection

Partnership Relationship

- Supply chain management and audits
- Conflict mineral policy
- Green purchasing
- Supplier CSR commitments
- Raw material waste management

Description on the Operations of the ESG Governance Framework

Chairman of the ESG Committee:

It is primarily responsible for formulating sustainability strategies, setting sustainability goals, and determining the Company's future operational direction. The Board of Directors annually reviews the implementation targets and actions of the sustainability development plan of the Company's management team and operational team, providing guidance and recommendations.

Director General:

Based on the strategies and goals established by the ESG Committee, the Director General oversees the implementation of these strategies and goals and ensures that concrete action plans have been implemented. It also monitors the progress of all sustainability projects to ensure the achievement of annual goals and adherence to established schedules.

ESG Functional Task Forces:

It is the primary advisory body for ESG initiatives, responsible for executing the following tasks:

A. Integrating ESG projects and targets

B. The task forces of the ESG Committee are responsible for collecting and preparing information, which is then preliminarily verified and validated by supervisors before being submitted to dedicated personnel for integration, proofreading, and compilation.

C. Monitoring and reviewing ESG performance and goal achievement, and regularly reporting to the Chairman of the ESG Committee, while also responsible for compiling and reviewing ESG-related information provided by various units.

❖ 1.3 Stakeholder Engagement

1.3.1 Identification of Stakeholders (GRI 2-29-a-i)

Considering industry attributes and operating models, members of the ESG Committee hold internal meetings to brainstorm various possible stakeholders with reference to the five principles of the Stakeholder Engagement Standard, AA1000 SES 2015: Dependency, Responsibility, Tension, Influence, and Diverse Perspectives, to determine groups or organizations that exert an impact on the Company and are affected by the Company. It has identified six main stakeholder categories, primarily: (1) Employees, (2) Customers, (3) Shareholders/Investors, (4) Suppliers, (5) Government Authorities, and (6) Community/ Non-Profit Organizations.

1.3.2 Stakeholder Communication (GRI 2-29-a-ii) (GRI 2-29-a-iii) (GRI 2-12) (GRI 2-13)

To understand and respond to issues of concern to stakeholders, PixArt carried out regular dialogue and engagement with stakeholders through diverse communication channels, enabling them to express their opinions at any time. This helps the Company capture ESG issues of concern to different stakeholders and formulate corresponding response strategies or action plans. In 2024, a total of 50 stakeholder opinions were collected.

In addition to existing standard communication processes, we have established a “Stakeholder Section” on the Company website and provided a corporate sustainability contact inbox at pxiesg@pixart.com.tw as a channel for communication and interaction with stakeholders. For any material issues, including questions, suggestions, or even complaints, stakeholders can use this email address to maintain timely, smooth, and effective communication with us. No key material incidents occurred in 2024.

▼The communication mechanisms and key issues of concern to each stakeholder group in 2024 are summarized as follows:

Stakeholders	Communication Issues	Methods and Frequency of Communication	PixArt's Response & Action	Participation of Highest Governance Body
Employees	1. Employee care and concern 2. Talent cultivation 3. Occupational safety and health 4. Talent Attraction and Retention 5. Labor-management 6. Human Rights Management 7. Career development	1. Performance interview (Every 6 months) 2. Educational training (Irregular) 3. Employee satisfaction survey (Regular) 4. Employee Welfare Committee (Irregular) 5. Various events (Irregular) 6. Electronic Bulletin board (Anytime) 7. Employee's feedback zone (Anytime) 8. Employee communication and complaint hotline / email inbox (Anytime)	1. Implement performance interviews at least once every 6 months. 2. 3,404 people (including e-learning training of 3,158 people) received annual training according to the plan. 3. Complete D90 new employee questionnaire and execute improvement work mentioned in the satisfaction survey. 4. Hold Employee Welfare Committee 4 times. 5. Organize various sessions of ball activities and sports programs. 6. 7 times events and 46 company avocation and explanation sessions were announced. 7. Employees can give feedback at any time. 18 feedback cases received in 2024 were resolved and closed. 8. Email inbox and contact information are provided on the Company website: pxihr@pixart.com.	Administrative units report annually to the Board of Directors on climate change issues, ethical corporate management, and the status of ESG training for all employees.

Stakeholders	Communication Issues	Methods and Frequency of Communication	PixArt's Response & Action	Participation of Highest Governance Body
Clients	1. Customer relationship management 2. Research and innovation 3. Climate change 4. Compliance with laws and regulations 5. Ethical corporate management and compliance 6. Research and innovation 7. Information security 8. Sustainable management of supply chain 9. Green products	1. Phone call / email (Daily) 2. Client visits / meetings / audits (Irregular) 3. Customer satisfaction survey (Annually) 4. Voice of Customer (VOC) (Anytime) 5. Product exhibition (Irregular) 6. Contact information for client queries is provided on the company website (Anytime)	1. Respond immediately and contact clients daily. 2. Visit and contact clients irregularly to realize clients' demands. 3. Conducted a satisfaction survey for 16 clients in 2024 and acquired a satisfaction rate of 96.3%. 4. Real-time online client service is provided on the company website and established interactive MSS. 5. The Company participates in various computer and information technology exhibitions, such as Computex. 6. Email inbox and contact information are provided on the Company website: pxicustomer@pixart.com	The marketing team compiles material customer concerns and customer satisfaction ratings, and reports them at the management review meetings on a regular basis each year.

Stakeholders	Communication Issues	Methods and Frequency of Communication	PixArt's Response & Action	Participation of Highest Governance Body
Stakeholders / Investors	1. Business Performance 2. Corporate Governance 3. Ethical corporate management and compliance 4. Professional ethics and anti-corruption 5. Information security	1. Revenue report (Monthly) 2. Financial report (Quarterly) 3. Institutional investor's conference (Quarterly) 4. Stakeholder meeting (Annually) 5. Stakeholder service section is established on the official website and a contact person is provided (Anytime)	1. Announce on public information station and company website before the 10th of every month. 2. Before announce on public information station and company website according to the announcement period of competent authority. 3. After each quarter is finished, a meeting will be held in the second month of next quarter. 4 meetings were held in 2024. The PowerPoint and video files are also released on the same day of the meeting on the public information station and company website. 4. Meeting is held before the end of June. Meeting notice/ Handbook/Annual report, etc. will be published according to the announced period of the competent authority on a public information station and company website. 5. Stakeholder service section is established on the company website and contact information is provided for stakeholder queries (including contact person, number, and email: pxiir@pixart.com)	Hold annual shareholders' meetings and investor conferences to disclose operating information of the Company and respond to questions.

Stakeholders	Communication Issues	Methods and Frequency of Communication	PixArt's Response & Action	Participation of Highest Governance Body
Suppliers	1. Sustainable management of supply chain 2. Research and innovation 3. Climate change 4. Ethical corporate management and compliance	1. Phone call / email (Daily) 2. Supplier evaluation (Annual) 3. Questionnaire survey and audit (Regular) 4. Contact information is provided on the company website (Anytime)	1. Email address and contact information are provided on the Company website: pxisupplier@pixart.com 2. Evaluated 38 suppliers in 2024. 3. On-site audit of 16 suppliers and written document audit of 18 suppliers. 4. Email address and contact information are provided on the Company website: pxisupplier@pixart.com	Any critical supplier risks or violations will be reported to the Board of Directors or management and review meetings for discussion and disposal.
Government Authorities	1. Ethical corporate management and compliance 2. Occupational safety and health 3. Energy Management 4. Climate change 5. Labor-management 6. Environmental Protection	1. Announce on public information station (according to the regulation) 2. Corporate governance assessment work (Annual) 3. Official document communication (Irregular) 4. Meetings (Irregular) 5. Company website (Anytime)	1. Process announcement and declaration required for OTC-listed company according to the regulations of competent authority. No violation or punishment is recorded. 2. Execute corporate governance self-assessment work according to the regulations of the competent authority, ranked in the top 6% to 20% in 2024, and was chosen for the TWSE CG Index. 3. Immediately cooperate with regulation work or application plans. 4. Hold meetings irregularly. 5. If the released information of the required announcements and declarations for an OTC-listed company on company website is updated (such as finance/ cooperate governance/ stakeholder information, etc.), this will be published on public information station and released on the company website. If it is not required to be announced or declared, the information will be approved by the company before being released publicly.	In an event of any major policy changes or social issues, the legal department or senior management will report them to the Board of Directors for consideration of strategic direction.

Stakeholders	Communication Issues	Methods and Frequency of Communication	PixArt's Response & Action	Participation of Highest Governance Body
Community / non-profit organizations	1. Social participation	1. Charity events participation and volunteer services (Irregular) 2. Donation and sponsorship (Irregular) 3. Industry- academic collaboration (Irregular) 4. Skills and experience sharing meeting (Irregular) 5. Corporate sustainability section is established on the official website and a contact person is provided (Anytime)	1. Participated in 6 different charity events with the participation of 512 staff. 2. Irregular charity donation or sponsorship of empowerment activities. 3. Industry-academic collaborations with the National Yang Ming Chiao Tung University. 4. Participated in 1 event organized by the NTU System-on-Chip Center. 5. Email address and contact information are provided on the Company website: pxiesg@pixart.com.tw	Report annually to the Board of Directors on the promotion of corporate sustainability, including social engagement activities.

❖ 1.4 Material Topics Management

1.4.1 Material Issues Assessment Process (GRI 2-14, 3-1, 3-2)

Each year, PixArt's ESG Committee assesses the impact arising from the Company's operations, industry characteristics, and value chain. Through the stakeholder engagement mechanism and consultation with expert advisors in adherence to the materiality principle as stipulated in the GRI 3: Material Topics 2021, which covers completeness, stakeholder inclusiveness, and the double materiality principle, the Company identifies and assesses material sustainability issues.

Upon identification, the results of the materiality assessment are submitted to the Chairman of the ESG Committee for review and reported annually to the Board of Directors, along with communication with stakeholders, to ensure that sustainability strategies and operational guidelines align with stakeholder expectations and global sustainability trends. The detailed assessment process is as follows:

Step 1. Identify key issues

(1) Summarize industry attributes: Take stock of the Company's business items, business model, product or service types, industry types, and worker types, and analyze the positive and negative events that the Company has caused for stakeholders and the material issues related to industry attributes.

(2) Identify sustainability issues: In addition to incorporating material positive and negative events occurred in the past, the Company also reviews the GRI Industry Standards, Global Risk Reports, United Nations SDGs, CDP, and SASB, as well as global regulations, industry regulations and standards, and benchmark peer companies, etc., to assess potential risks or opportunities, aiming to comprehensively identify sustainability issues relevant to the Company. A total of 18 sustainability issues were identified during the reporting period.

1 Economic aspect / Governance aspect

- Ethical corporate management and compliance
- Corporate governance
- Business Performance
- Research and innovation
- Information security management
- Customer relationship management
- Sustainable management of supply chain

2 Environmental aspect

- Green products
- Environmental Protection
- Energy Management
- Climate change
- Waste management

3 Social aspect / Social (human rights) aspect

- Occupational safety and health
- Human Rights Management
- Talent Attraction and Retention
- Career development
- Talent cultivation
- Social participation

Step 2. Determine material topics

(1) Stakeholder feedback: We carry out engagement through interviews, focus meetings, and questionnaires to collect options from the senior management, the ESG Committee, and external stakeholders of the Company to comprehensively evaluate two key indicators, namely, “impact level” and “likelihood of occurrence” of positive and negative sustainability issues.

(2) Assess impact level: Different calculation standards are set based on the nature of sustainability issues. For negative issues, these include the severity of the event, the scope of impact, and whether the impact is reversible. For positive issues, these include the impact level of the event and the scope of impact.

(3) Assess likelihood of occurrence: Calculation is made based on the probability of the occurrence of the impact.

(4) Rank and determine material issues: After comprehensive discussion and consideration of the results of the stakeholder questionnaire survey, the ESG Committee resolves to approve the identification results and submits the relevant findings to the Chairman of the ESG Committee for approval. Upon review and confirmation, a total of 5 material topics were ultimately identified.

Step 3. Determine material topics

The ESG Committee is responsible for determining the international standards corresponding to each material topic, reviewing relevant management policies and target setting, and collecting annual data to ensure that all key sustainability information is fully disclosed in this report, thereby fully addressing issues of concern to stakeholders.

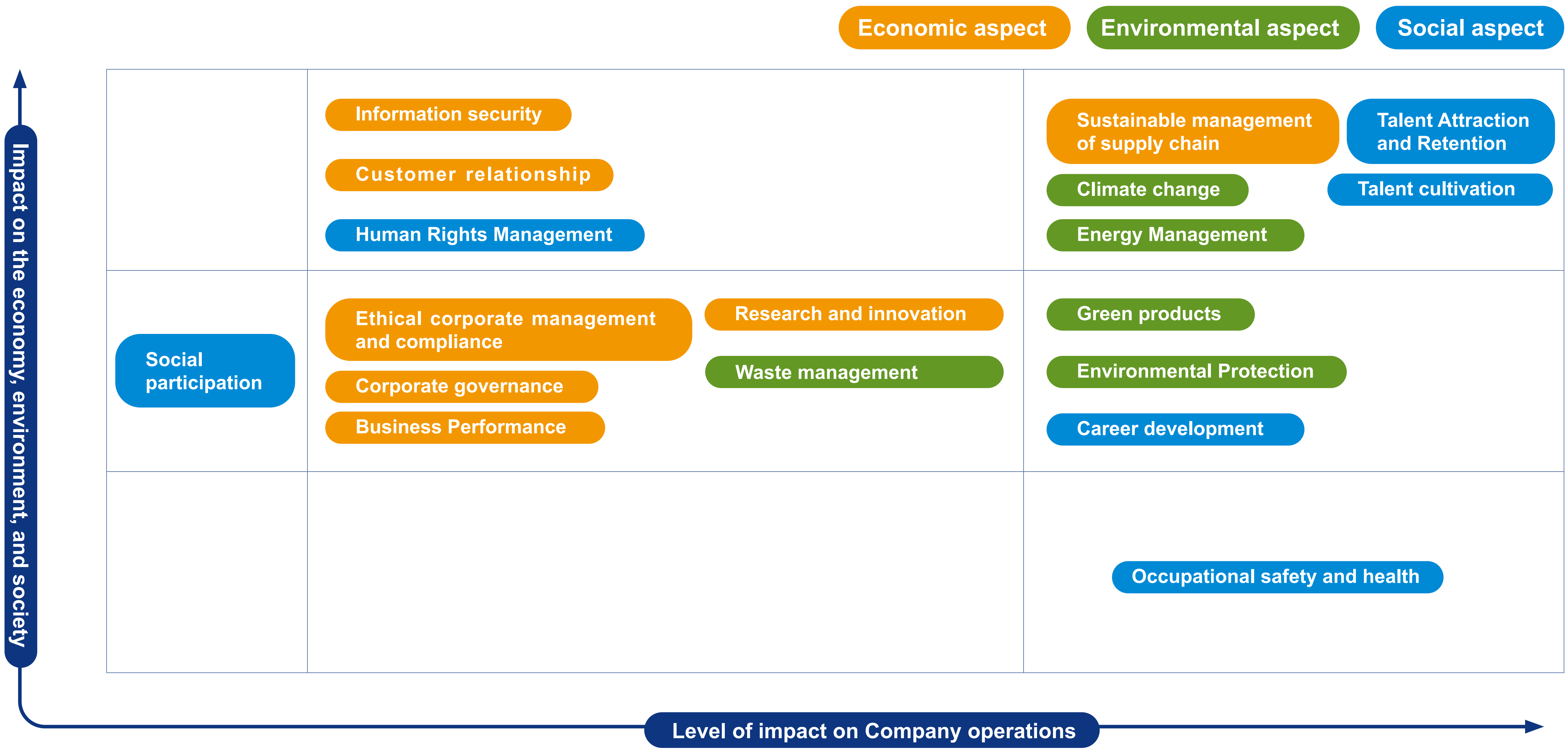
Upon completion o f the annual sustainability report, the ESG Committee will review the responses to material issues once again and submit the results to the Chairman of the ESG Committee for approval, ensuring the accuracy of disclosed information and avoiding any concerns regarding inappropriate or misleading statements.

Step 4. Continuous review

We regularly review the implementation of material issue policies and target achievement rates on an annual basis to optimize internal management guidelines as well as qualitative and quantitative targets. After identifying material issues for the next period, we compare the differences between the previous and current periods, investigate the reasons for the differences, and report them in the report. A description on changes in material topics for 2023 and 2024 is as follows.

Material Topics in 2023	Material Topics in 2024	Description on Changes
• Ethical corporate management and compliance • Corporate Governance • Business Performance • Research and innovation • Information security management • Green products design • Compensation package and benefit	• Energy management • Climate change • Talent attraction and retention • Talent cultivation • Sustainable management of supply chain	1. Electricity rates are gradually rising due to the increasingly clear net-zero emissions trends at home and abroad. Moreover, stakeholders are paying more attention to climate change issues. As a result, energy management has been identified as a material topic for this year. 2. Given the characteristics of the industry, there is a high demand for professionals and cross-disciplinary talent. Talent attraction, development, and retention are of utmost importance to PixArt's operations. The original focus on “compensation package and benefit” in 2023 was extended to “talent attraction and retention” and “talent cultivation” in 2024, all of which emphasize employee value and career development, aiming to deepen the sustainable management of corporate human capital and 3. Supply chains from different perspectives, which go beyond considerations of costs and delivery times. Instead, it is closely tied to overall risk management and the implementation of environmental and social responsibilities. By incorporating sustainable management of supply chain as a material issue and strengthening partnerships with suppliers, we can jointly enhance the resilience and competitiveness of the entire value chain. Therefore, “sustainable management of supply chain” has been identified as a material topic this year.

▼ Matrix Diagram of Material Topics



1.4.2 Material Topic Impact Management (GRI 3-2, 3-3)

Material Topic Impact Boundaries and Scope

▼ Major Issues, Impact Range, and Degree of Involvement ● Direct Impact ○ Indirect Impact

Aspects	Material Topics	Correspondence to GRI Standard	Description on Impact	Value Chain Boundaries					Disclosure Sections
				PixArt Imaging Inc.	Clients	Stakeholders / Investors	Suppliers	Government Authorities	
Governance aspect	Sustainable management of supply chain	204 Procurement Practices	Positive impact: 1. Effectively address disruption risks caused by climate change or unexpected situation through regular supplier risk assessments and evaluations. 2. Raw material procurement and manufacturing processes comply with ESG requirements. Negative impact: 1. Carry out comprehensive ESG management of the supply chain. Some suppliers that are unable to make improvement in the short term may lead to delays in product delivery. 2. Some small and medium-sized suppliers have gaps in sustainability awareness, which may result in discrepancies in implementation results.	●	○	○	●	○	4.1 Industrial Supply Chain

Aspects	Material Topics	Correspondence to GRI Standard	Description on Impact	Value Chain Boundaries					Disclosure Sections
				PixArt Imaging Inc.	Clients	Stakeholders / Investors	Suppliers	Government Authorities	
Environmental aspect	Energy Management	302 Energy	Positive impact: 1. Improving energy efficiency is not only in line with international trends, but also gains recognition from stakeholders. 2. Reduce the impact of carbon emissions and carbon taxes. Negative impact: 1. High initial investment costs put short-term pressure on finances. 2. There are restrictions on the acquisition of renewable energy.	●	●	○	○	●	5.2 Energy Management
Environmental aspect	Climate change	305 Emissions	Positive impact: Reduce the impact of climate change on operational and financial performance and enhance climate change resilience. Negative impact: Physical risks associated with climate change may lead to increased operating costs or supply chain disruptions for the Company.	●	●	○	●	○	5.3 GHG Emissions Management

Aspects	Material Topics	Correspondence to GRI Standard	Description on Impact	Value Chain Boundaries: PixArt Imaging Inc.	Value Chain Boundaries: Clients	Value Chain Boundaries: Stakeholders / Investors	Value Chain Boundaries: Suppliers	Value Chain Boundaries: Government Authorities	Disclosure Sections
Social (human rights) aspect	Talent Attraction and Retention	401 Employment	Positive impact: Expand recruitment channels, attract international and southern professional talent, create a diverse and inclusive work environment, and strengthen the foundation for corporate sustainability through collaboration between industry, government, and academia. Negative impact: Facing global talent flow and the trend of a declining birth rate, the Company faces a shortage of semiconductor professionals, which may pose challenges to talent recruitment.	●	○	○	○	●	6.1 Talent Attraction and Retention
	Talent cultivation	404 Training and Education	Positive impact: This can enhance employee job satisfaction and career development; for the organization, it can expand the potential talent pool and foster a learning-oriented organizational culture. Negative impact: Different departments may have unequal access to learning resources, and employees with heavy workloads may have fewer opportunities to participate in learning programs. Additionally, talent investment may result in organizational knowledge and experience gaps if employees leave the Company.	●	○	○	○	○	6.2 Compensation and Benefits

▼Material Topics Management Guidelines

Material Topics	Policy / Commitments	Performance in 2024	Target Management		Responsible Units
			2025	Mid- to Long-Term Targets	
Sustainable management of supply chain	Promote responsible procurement Establish supplier sustainability commitments	1. Local procurement ratio reached over 90%. 2. Required suppliers to regularly provide hazardous substance testing reports or REACH compliance statements. A total of 77 suppliers were collected, all of which met the Company's HSF regulatory requirements and provided compliance statements. 3. Adopted the Supplier Social Responsibility Assessment Form and Supplier HSF Evaluation Survey Form to conduct annual audits and evaluations of major suppliers. A total of 36 suppliers were audited. 4. Required suppliers not to use conflict minerals. Conducted RMI mineral source investigations for a total of 14 foundries and outsourced packaging OEMs. 5. 100% of suppliers completed the signing of the Corporate Social Responsibility Commitment Letter or submitted CSR-related documents.	1. Local procurement ratio reached over 90%. 2. Continue to require suppliers to regularly provide hazardous substance testing reports or REACH compliance statements. 3. Adopt the Supplier Social Responsibility Assessment Form and Supplier HSF Evaluation Survey Form to conduct annual audits and evaluations of major suppliers. 4. Achieve 100% signing rate for the "Declaration of Non-use of Conflict Minerals". 5. 100% of new suppliers will complete the signing of the Corporate Social Responsibility Commitment Letter.	1. Maintain local procurement ratio of over 90%. 2. Require suppliers to regularly provide hazardous substance testing reports or REACH compliance statements. 3. Conduct annual audits and evaluations of major suppliers. 4. Achieve 100% signing rate for the "Declaration of Non-use of Conflict Minerals". 5. Promote the introduction of the RBA (Responsible Business Alliance) Code of Conduct by major suppliers, and complete education and training and self-assessment. 6. Work with OEM partners to introduce recyclable packaging and recycled materials, and gradually increase their use.	Quality Assurance Department Production Planning Department

Material Topics	Policy / Commitments	Performance in 2024	Target Management		
			2025	Mid- to Long-Term Targets	Responsible Units
Energy Management	Achieve net-zero carbon emissions by 2050	The actual annual reduction in GHG emissions from electricity consumption was 10.98%.	A 3% annual reduction in GHG emissions from electricity consumption (per capita)	Mid-term target: Obtain ISO 50001 energy management system certification within two years. Long-term target: Achieve net zero carbon emissions by 2050.	Administration and General Affairs Department
Climate change	Reduce GHG emissions to meet SBTi standards	Completed GHG inventory in 2024.	A 3% annual reduction in GHG emissions from electricity consumption (per capita)	Carbon emissions (Scope 1 + Scope 2) are expected to be reduced by 42% by 2030 compared to that in 2020, in line with SBTi standards.	Administration and General Affairs Department

Material Topics	Policy / Commitments	Performance in 2024	Target Management		
			2025	Mid- to Long-Term Targets	Responsible Units
Talent Attraction and Retention	Create a diverse and friendly workplace environment to improve employee retention	1. All employee feedback had been addressed. 2. The overall average employee satisfaction survey score was 81.9 points. 3. Full-time non-managerial employees of TWSE/ GTSM Listed Companies: average salary of NT$3.029 million, median salary of NT$2.864 million. 4. Annual turnover rate was 2.5%. 5. CHR Corporate Health Responsibility Gold Award of Medium-sized Enterprises.	1. Provide diverse and open communication channels, and actively collect employee feedback to understand employee needs. 2. Conduct regular employee satisfaction surveys with a target score of 80 points or above. 3. Offer incentives for patent inventions and related innovations. 4. Provide competitive salaries and benefits superior to those offered by industry peers.	Mid-term targets: 1. Continue to enhance the employer brand and increase corporate visibility. 2. Establish a comprehensive career development and promotion system to increase employee retention. Long-term targets: Create a DEI diverse and inclusive corporate culture, and increase the proportion of female and foreign employees.	Compensation and Benefits Committee Employee Welfare Committee All Departments Administration and General Affairs Department

Material Topics	Policy / Commitments	Performance in 2024	Target Management		
			2025	Mid- to Long-Term Targets	Responsible Units
Talent cultivation	Cultivate talent to create competitive advantages within the organization	1. CommonWealth Talent Sustainability Award (ranked 1st of Medium-sized Enterprises). 2. Supported youth empowerment activities. 3. Participated in the Chip Design Alliance Master's Degree Program, and successfully facilitated industry-academia collaboration. 4. Annual training course satisfaction rating of 4.5.	1. Continue industry-government-academia collaboration to promote the integration of learning and application. 2. Professional skills training. 3. Sponsor domestic colleges and universities and integrated circuit design technology forums. 4. Emphasize investment in talent and ensure satisfaction with training courses.	Mid-term targets: 1. Deepen relations with campuses and establish industry-academia partnerships. 2. Cultivate high-potential talent in various organizations and implement short-, medium-, and long-term personal development plans. 3. Promote industry-academia cooperation with southern universities. Long-term targets: 1. Support youth empowerment activities and cultivate sustainable talent. 2. Continuously cultivate key talent within the Company to ensure a smooth transition of key positions in the future talent pipeline.	All R&D Departments Administration and General Affairs Department

2 Corporate governance

2.1 Governance Structure

2.1.1 Governance Structure (GRI 2- 9)

Corporate Governance Policy and Guidelines

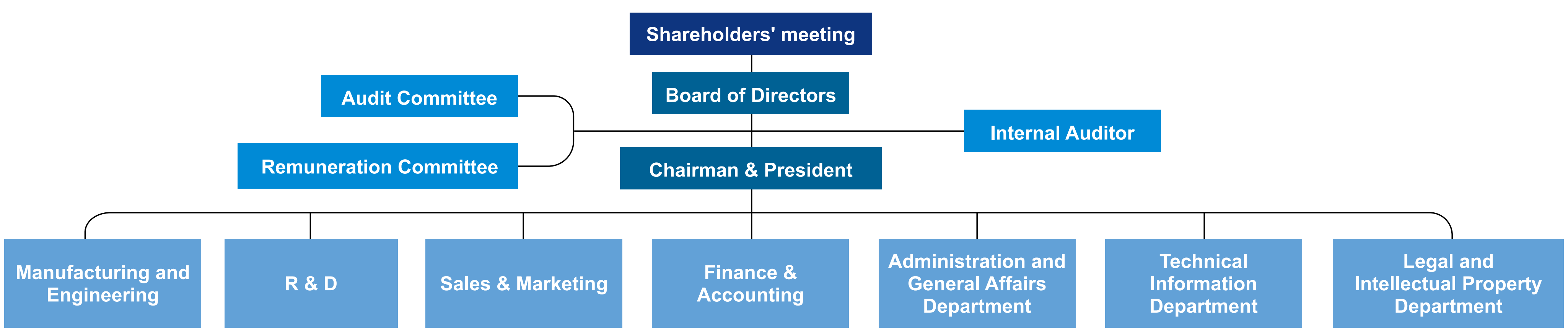
To ensure that the responsibilities of relevant institutions and individuals are clearly defined and aligned, PixArt recognizes the importance of corporate governance and organizational transparency. The ultimate goal of the Company's corporate governance is to safeguard the best interests of all shareholders and stakeholders. Through effective supervision and checks and balances of the management team, we can reasonably define and allocate the rights and responsibilities of shareholders, the management team and stakeholders.

We proactively disclose the establishment and composition of the Company's highest governance body and ensure that its decision-making processes align with PixArt's operational purposes, encompassing economic, environmental, and social sustainability issues. We have been consistently ranked among the Top 6~20% of OTC companies in the 5th to 11th Corporate Governance Evaluation, demonstrating our ongoing commitment to continuous improvement in corporate governance.

Governance Structure

PixArt places great importance on corporate governance, upholds operational transparency, enhances information transparency, considers shareholder rights and equal treatment of shareholders, and believes that a sound and efficient board of directors is the basis of good corporate governance. Under this principle, we continue to strengthen the structure and operation of the board of directors and have set up an audit committee, remuneration committee and other functional committees to assist the board of directors to carry out its supervisory and management responsibilities. The organizational charters of the committees are approved by the board of directors, and chairpersons of each committee regularly report to the board on their activities and resolutions.

The highest authority of PixArt is the shareholders' meeting, which elects directors to form the Board of Directors. The Board of Directors is the highest governing body of the Company and is responsible for overall business decision-making. The organizational structure of the Company is shown in the figure below.



▼PixArt Organizational Chart

Departments	Responsibilities
Manufacturing and Engineering	1. Responsible for product engineering issues 2. Responsible for business related to outsourced processing 3. Quality data collection and analysis management 4. Customer complaint handling 5. Quality system establishment and assurance 6. Shipment management
R & D	1. Responsible for new product and new technology development 2. Responsible for product design and development commissioned by customers 3. Responsible for CAD and layout processes in product design
Sales and Marketing	1. Product promotion and market development 2. Product marketing strategy planning 3. Understanding of market information 4. Customer complaint handling

Departments	Responsibilities
Finance & Accounting	1. Accounting and budget management 2. Financial fund allocation 3. Handling of tax-related operations 4. Stock affairs operations
Administration and General Affairs Department	1. Establishment of human resources policies and systems 2. Non-production procurement and general affairs operations 3. Personnel recruitment and employee training 4. Salary and benefits management
Technical Information Department	1. Information system architecture development and management 2. Information security management
Legal and Intellectual Property Department	1. Corporate legal affairs and contracts, including domestic and international regulatory compliance 2. Patent and intellectual property management, litigation

Diverse Board Members (GRI 2-9, 2-10, 2-11, 2-16)

Among the seven directors of the Company, over half are independent directors with four seats. All independent directors are subject to the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall possess a professional background, be recognized for their independence and conduct their duties part-time. This design helps to properly plan corporate innovation and development strategies, strengthen supervisory mechanisms, protect the rights and interests of shareholders, and improve overall corporate governance effectiveness. Nominations are selected in accordance with the Procedures for Election of Directors, taking into consideration the perspectives of stakeholders, diversity, independence, and relevant capabilities related to organizational impact.

In 2024, the Board of Directors held a total of 5 meetings with an attendance rate of 100%. The meetings primarily focused on the communication and discussion of material topics such as Company operational strategies, business performance, sustainable development policies and achievements, and prevention of conflicts of interest, and compliance, demonstrating the Board members' high regard for corporate governance and their commitment to responsibility.

To enhance information transparency and address stakeholder concerns, the Company has identified the following situations occurred during the reporting period as “key material events” and disclosed relevant background information, actions taken, and subsequent improvement measures based on their level of impact:

- Events that have a significant impact on the Company's operations, financial condition, corporate reputation, or the rights and interests of stakeholders
- Events involving environmental, social, or corporate governance disputes that attract significant attention from the general public or the media
- Major occupational safety or environmental safety incidents
- Information security system breaches that have a serious impact on the Company's information security

As of the end of the reporting period, the Company had not experienced any key material events that have caused significant damage to its corporate reputation.

All members of the Board of Directors possess extensive professional knowledge and corporate governance experience, continue to monitor international trends and forward-looking issues, and actively enhance their overall understanding and judgment regarding environmental, social, and governance aspects. To stay abreast of global risk trends and strengthen risk response capabilities, the Board of Directors continues to promote continuing education for its members. In 2024, 7 directors of PixArt completed a total of 42 hours of continuing education, further deepening their expertise in corporate governance and sustainable development.

In addition to participating in the Board of Directors meetings, the Company's independent directors also formed the Audit Committee and the Remuneration Committee to strengthen internal oversight and governance functions. All members of the Board of Directors were selected through a nomination system, with emphasis placed not only on the professional capabilities of candidates, but also on their integrity and moral reputation, in order to ensure the fairness and professionalism of the operations of the Board of Directors.

PixArt actively promotes diversity and equality of the Board of Directors, welcoming voices from different genders, ages, and ethnic backgrounds to implement the principles of inclusiveness and representation. As of now, the Company has 7 directors, 4 of whom are independent directors, accounting for 57% of the total Board members. The term of office of independent directors ranges from 4 to 14 years, demonstrating stable and professional governance experience.

With respect to gender diversity, the Company has one female director, accounting for 14% of the total number of directors. In terms of age, there is 1 director aged 70 to 79, 4 aged 60 to 69, and 2 aged 50 to 59, reflecting a cross-generational governance perspective. Additionally, there is one director with employee status, accounting for 14% of the total Board members, further strengthening the connection and consensus between the decision-making body and frontline employees.

Candidates for independent directors are also required to comply with the requirements of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, including professional qualifications, independent judgment, and part-time work restrictions, to ensure that they perform their critical functions in the planning of corporate innovation and development strategies, the supervision of corporate governance, and the protection of shareholder's rights and interests.

▼Table on Diverse Members of the PixArt Board of Directors

Title	Name	Gender	Age	Nationality or Place of Registration	Education & Key Previous Positions	Attendance in 2024
Chairman	Huang, Sen-Huang	Male	60~69	Taiwan	BS, Electronic Engineering, National Taiwan University President of Chino-excel Technology Corp Hualon Microelectronics Corp. Plant director Director of Process Integration Div., United Microelectronics Corp.	5
Director	Huang, Yu-Tsung	Male	60~69	Taiwan	BS, Dept. of Accounting, Tamkang University Independent Director, Vitafoss International Group Co., Ltd. Independent Director, ITE Tech Independent Director, eCloudvalley Digital Technology Independent Director, Aethertek Deputy General Manager of Accounting Department, TOPBI International Holdings Director of Power Quotient International Co., Ltd Senior Specialist of the Listing Department of Taiwan Stock Exchange Corp	5
Representative of	Hsun Chieh Investment Co., Ltd.	-		Taiwan	-	5

Title	Name	Gender	Age	Nationality or Place of Registration	Education & Key Previous Positions	Attendance in 2024
Director	Shih, Li-Jen	Male	70~79	Taiwan	Ph.D. Electronic Engineering, University of California, Irvine President of M3 Technology Inc. Chairman of Advanced Analog Technology, Inc. General Manager of ALi Corporation North America Branch Senior Analyst, Burroughs Corp. Senior Engineer, Rockwell, USA	5
Representative of	Yuan Ding Investment Corp	-		Taiwan		5
Independent Director	Cheng, Wen-Chin	Male	60~69	Taiwan	MS, Electronic Engineering, National Taiwan University LUMENS DIGITAL OPTICS INC. Technical officer & Director Manager, UMAX Computer Corporation ITRI Information and Communications Research Laboratories Project Manager, Aitech International Corporation TRI Electronic and Optoelectronic System Research Laboratories	5

Title	Name	Gender	Age	Nationality or Place of Registration	Education & Key Previous Positions	Attendance in 2024
Independent Director	Lin, Jung-Lu	Male	60~69	Taiwan	BS, School of Medicine Senior Attending, Pulmonary Medicine, Mackey Memorial Hospital Adjunct Clinical Professor, Mackay Medical College Department of Medicine Taipei Medical University Specialist doctor, Taiwan Society of Pulmonary and Critical Care Medicine Taipei Medical University Specialist doctor, Taiwan Society of Tuberculosis and Lung Diseases	5
Independent Director	Liu, Jo-Lan	Female	50~59	Taiwan	BS, Department of Accounting, Tunghai University Independent Director of Uniflex Technology Inc Supervisor of Cirocomm Supervisor of PixArt Imaging Inc. Senior Department Manager of the Finance & Accounting Dept. PixArt Imaging Inc. Manager of the Finance Div., Davicom Semiconductor, Inc.	5
Independent Director	Hsu, Hsin-Yuan	Male	50~59	Taiwan	MBA, University of the City of New York, USA Head of the Financial Department, Unimicron Director, Legal Representative of Yan Yuan Investment Supervisor of Amphenol Technology (Taiwan) Corp. Director of PixArt Imaging Inc. Manager of the Finance Div., United Microelectronics Corp Forex Trader in Taishin International Bank.	5

Audit Committee

In accordance with corporate governance regulations, the Company elects four independent directors at the general shareholders' meeting, and the Audit Committee is composed of all independent directors. The Audit Committee meets at least once per quarter and is responsible for reviewing major proposals that must be approved by the Audit Committee in accordance with Article 14-5 of the Securities Exchange Act. All relevant proposals are submitted to the Audit Committee for review and discussion in accordance with the law to ensure the transparency and compliance of the decision-making process.

To strengthen supervisory functions and implement internal control systems, the Company's internal audit unit regularly reports to the Audit Committee on the status of audit operations, assisting the committee in effectively capturing the overall operation of the Company's internal control system.

The Audit Committee is established for the purpose of assisting the Board of Directors in fulfilling its supervisory duties, ensuring that the Company maintains high standards of quality and integrity in accounting treatment, internal audits, financial reporting processes, and financial controls. The Audit Committee held five meetings in 2024 with a total attendance rate of 100%. The main issues considered at the meetings included:

- Proper presentation of financial reports
- Experiences, suitability, independence, and performance measure of certified public accountant
- Material transactions of assets or derivatives
- Assessment of performance evaluations by the Audit Committee
- Loaning major funds and endorsements and guarantees
- Appointment, dismissal and remuneration of certified public accountants of the Company.
- Public offering or issuance of securities
- Control and management of existing or potential risks of the Company
- Compliance with laws, regulations and rules.
- Policies, procedures and effective implementation of internal control systems.

Remuneration Committee

The Company has established the Remuneration Committee, which is responsible for evaluating and recommending salary and compensation policies and systems for directors and managers from a professional and objective perspective, and carefully reviewing the compensation structure of the senior management team and employee compensation allocation ratios in accordance with the Company's operational strategies and sustainable development needs.

The Committee also comprehensively considers the individual capabilities, contributions to the Company, and performance of management personnel to assess the reasonableness of their compensation and rewards, ensuring that the compensation system has an incentive effect, while assisting the Company in effectively managing talent loss risk.

The Committee convenes meetings at least twice a year and may convene additional meetings as needed. Meeting resolutions are provided to the Board of Directors as the basis for salary and compensation decisions, in order to strengthen corporate governance and compensation transparency.

In 2024, the Remuneration Committee held three meetings with 100% attendance, fully demonstrating the Committee's commitment to human capital management and fulfillment of supervisory responsibilities.

Director Training—— A Governance Team in Line with the Times (GRI 2- 17)

PixArt focuses on enhancing the professional capabilities and sustainable governance literacy of directors. To strengthen the effectiveness of directors in fulfilling their duties in a rapidly changing industry environment, PixArt regularly plans and arranges diversified training courses for directors each year, covering professional skills, compliance, risk management, and sustainable development.

Course content includes, but is not limited to: corporate governance practices, climate change response strategies, sustainable management of supply chain, carbon footprint and net-zero pathways, occupational safety, and information security. These courses help directors stay abreast of global sustainability trends and key industry issues, thereby enhancing their decision-making quality and supervision capabilities.

Through this continuous education mechanism, the Company is committed to cultivating a governance team with forward-looking vision and sustainability awareness, deepening the foundation of the Company's sustainable governance, and responding to stakeholders' expectations for the Company's long-term development and responsible governance.

Directors and supervisors advanced trainings: All directors in the Company have a professional background, and the Company provides relevant advanced training on an ad-hoc basis. The following are the continuing education courses and total hours for the Board of Directors in 2024.

▼ Training of the directors in 2024 was as follows:

Title	Name	Training Date	Organized by	Course Title	Training Time
Director	Huang, Sen-Huang	2024/11/01	Taiwan Corporate Governance Association	Corporate Risk Management and Crisis Management – From the Perspective of Directors and Supervisors	3 hours
		2024/12/20		Legal Matters that Boards of Directors Should Understand in Supervising the Company: Be Aware of the Red Lines on Concerted Actions	3 hours
Director	Huang, Yu-Tsung	2024/11/01	Taiwan Corporate Governance Association	Corporate Risk Management and Crisis Management – From the Perspective of Directors and Supervisors	3 hours
		2024/12/20		Legal Matters that Boards of Directors Should Understand in Supervising the Company: Be Aware of the Red Lines on Concerted Actions	3 hours
Director	Shih, Li-Jen	2024/11/01	Taiwan Corporate Governance Association	Corporate Risk Management and Crisis Management – From the Perspective of Directors and Supervisors	3 hours
		2024/12/20		Legal Matters that Boards of Directors Should Understand in Supervising the Company: Be Aware of the Red Lines on Concerted Actions	3 hours
Independent Director	Cheng, Wen-Chin	2024/11/01	Taiwan Corporate Governance Association	Corporate Risk Management and Crisis Management – From the Perspective of Directors and Supervisors	3 hours
		2024/12/20		Legal Matters that Boards of Directors Should Understand in Supervising the Company: Be Aware of the Red Lines on Concerted Actions	3 hours
Independent Director	Lin, Jung-Lu	2024/11/01	Taiwan Corporate Governance Association	Corporate Risk Management and Crisis Management – From the Perspective of Directors and Supervisors	3 hours
		2024/12/20		Legal Matters that Boards of Directors Should Understand in Supervising the Company: Be Aware of the Red Lines on Concerted Actions	3 hours
Independent Director	Liu, Jo-Lan	2024/11/01	Taiwan Corporate Governance Association	Corporate Risk Management and Crisis Management – From the Perspective of Directors and Supervisors	3 hours
		2024/12/20		Legal Matters that Boards of Directors Should Understand in Supervising the Company: Be Aware of the Red Lines on Concerted Actions	3 hours
Independent Director	Hsu, Hsin-Yuan	2024/11/01	Taiwan Corporate Governance Association	Corporate Risk Management and Crisis Management – From the Perspective of Directors and Supervisors	3 hours
		2024/12/20		Legal Matters that Boards of Directors Should Understand in Supervising the Company: Be Aware of the Red Lines on Concerted Actions	3 hours

▼Accounting directors and internal audit advanced training of the Company

Title	Name	Training Date	Organized by	Course Title	Training Time
Accounting Director	Luo, Mei-Wei	2024/07/26/-2024/08/02	Accounting Research and Development Foundation	Professional Development Classes for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	12 hours
Internal Audit	Hong, Ying-Hui	2024/03/14	The Internal Audit Association of the Republic of China	How to Adjust Internal Control Systems to Address New ESG Regulations	6 hours
		2024/03/25		Essential ChatGPT Techniques for Internal Auditors	6 hours
		2024/05/21		Comprehensive Guide to Information Security Audits	6 hours
		2024/05/22		New Challenges for Internal Auditors: Analysis of Sustainability Information Disclosure and Management Policies and Related Audit Key Points	6 hours
		2024/08/03		Internal Audit x ChatGPT: Advanced Collaboration and Practical Training	6 hours
		2024/10/04		Financial and Audit EXCEL (Hidden Tips) Advanced DATA Editing Practical Training Class	6 hours

▼Advanced training of corporate governance directors of the company in 2024:

Training Date	Organized by	Course Title	Training Time
2024/11/01	Taiwan Corporate Governance Association	Corporate Risk Management and Crisis Management – From the Perspective of Directors and Supervisors	3 hours
2024/12/20		Legal Matters that Boards of Directors Should Understand in Supervising the Company: Be Aware of the Red Lines on Concerted Actions	3 hours
2024/12/31	Accounting Research and Development Foundation	Analysis of Laws and Regulations Related to the Preparation of Annual Reports, Sustainability Information, and Financial Statements, and Internal Control Management Practices	6 hours

Director Performance and Remuneration Policies (GRI 2-18,2-20)

Board of Directors Performance Management

The Company has established the "Rules for Performance Evaluation of Board of Directors" upon approval of the Board of Directors. Since 2020, all directors and functional committee members have evaluated the overall operation of the Board of Directors.

The self-evaluation of the overall performance of the Company's Board of Directors (functional committees) covers the following five major aspects:

1. Level of participation in Company operations.
2. Improvement of the quality of decisions made by the Board of Directors (functional committees).
3. Composition and structure of the Board of Directors (functional committees).
4. Appointment and continuing education of directors (committee members).
5. Internal control.

The items of performance evaluation for Board members cover at least the following six major aspects:

1. Understanding of the Company's goals and tasks.
2. Awareness of director responsibilities.
3. Level of participation in Company operations.
4. Internal relations management and communication.
5. Professional competence and continuing education of directors.
6. Internal control.

The 2024 Board of Directors Performance Evaluation of the Company was conducted after the end of the year, including internal self-evaluation by the Board of Directors, self-evaluation by individual directors, internal self-evaluation by the Audit Committee, and internal self-evaluation by the Remuneration Committee. The Company conducts performance evaluations on an annual basis. The Company's target evaluation covers economic, environmental, and human impacts. The overall performance evaluation results for the Board of Directors were excellent, and the results were submitted to the Board of Directors on February 25, 2025. The results of the Board of Directors' performance evaluation will serve as a reference for determining individual directors' salary and compensation, and will be considered in the nomination and re-election of directors in the director election proposals.

Board of Directors Compensation Management

Compensation for the Company's directors and supervisors: In accordance with Article 19 of the Articles of Incorporation, "The compensation for all directors and supervisors shall be determined by the Board of Directors based on the contribution of the directors and supervisors and the normal standards of the industry, and transportation expenses may be paid according to actual circumstances". However, only the Chairman of the Company receives director compensation, while the others receive transportation expenses. In addition to fixed salaries and performance bonuses, senior management is also entitled to retirement insurance.

The compensation system for senior management is proposed by the Remuneration Committee to the Board of Directors for approval. In addition to fixed salaries and pensions, performance bonuses are calculated based on the achievement of various performance indicators. The retirement system for senior management is the same as that for other employees. Details regarding the compensation of the Company's directors are disclosed in the 2024 annual report.

Currently, the Company has not introduced a clawback mechanism for directors and senior executives, nor has it linked performance and compensation to ESG performance targets. In the future, the Company will continue to reference domestic and international regulations and trends to gradually introduce a sustainability-oriented compensation system.

Conflict of Interest Management (GRI 2-15)

In accordance with the relevant provisions of the Company Act, directors and supervisors shall take the initiative to disclose any material conflicts of interest they may have with regard to the agenda items under discussion during meetings, if such conflicts involve themselves or the legal entities they represent. If such a relationship may harm the interests of the Company, the directors or supervisors shall recuse themselves from the discussion and voting in accordance with the law, and shall not act on behalf of other directors to exercise voting rights, in order to ensure the fairness and transparency of the decision-making process.

There are no cross-shareholdings between the members of the Board of Directors and major suppliers of the Company, nor are there any special relationships, transactions, or outstanding balances involving stakeholders, fully demonstrating the Company's rigorous attitude toward conflict of interest avoidance and integrity in governance. The Chairman and General Manager of the Company are the same person. To ensure the integrity of the corporate governance mechanism and effectively prevent potential conflicts of interest, the Company has established clear internal supervision and control mechanisms. If there are any proposals involving conflicts of interest, we will implement conflict of interest avoidance measures.

The Company has established a dedicated unit to properly handle shareholder suggestions and feedback, and has publicly disclosed the Employee Codes of Ethical Conduct to all employees through the internal website, in order to implement ethical corporate management and corporate ethics. Board members also fully comply with these regulations to ensure that the Company's governance system and operational behavior meet high moral standards.

In 2024, there were no violations of integrity principles or conflicts of interest incidents at the corporate governance level, demonstrating PixArt's ongoing efforts to promote integrity governance and stakeholder trust.

Highest Governance Body (GRI 2-28)

Item	Participation in External Associations	Member Qualifications
1	The Allied Association for Science Park Industries	Regular Member
2	Friends of the Police Association, Second Special Police Crops, NPA, MOI	Committee Member
3	NTU System-on-Chip Center, SOC	Member
4	RBA on-line	Member
5	Sedex	Member
6	USB IMPLEMENTERS FORUM, INC	Member
7	MIPI Alliance	Member

❖ 2.2 Business Performance (GRI 201-1, 201-4)

In 2024 (last year), driven by the recovery in global demand for computers and consumer electronics, coupled with strong growth in sales of gaming mice products, and the successful mass production and shipment of multiple new products, PixArt's overall operational momentum witnessed a significant improvement, resulting in outstanding revenue performance.

The consolidated operating revenue for the year reached NT$8,362,273 thousand, representing a 43.1% increase compared to 2023. Not only did it once again exceed the benchmark of NT$8 billion, but it also set the second-highest record in Company history. Gross profit margin also benefited from optimized portfolio, improved manufacturing costs, and favorable changes in exchange rates, rising from 57.6% in the previous year to 62.0%, marking the first breakthrough in excess of 60%, and setting a new record high for gross profit margin. EPS reached NT$12.52, with ROE of 16.7%, reflecting steady growth in overall financial performance.

Looking ahead to 2025, the Company's operational outlook is optimistic amid a stable and upward trend in the global PC/NB market. Based on market trends and customer feedback, PixArt expects to benefit from the momentum as follows:

- Demand for AI PC and system upgrades: Driven by the rise of AI PCs, Windows 10's end of support, the start of a replacement cycle for productivity devices, and the easing of inflationary pressures, the PC/NB market is expected to continue its steady growth.
- Continuous expansion of the esports market: The growing global esports population and active development of esports events will further expand the esports peripheral device market, which is expected to benefit the sales of mice and sensor products.
- Recovery of the gaming console product line: Customers are expected to launch new-generation gaming consoles in 2025, and the Company is also investing in relevant solutions, anticipating that new models will drive growth momentum for gaming console-related products.
- Development of consumer electronics: The performance of products such as security and wearable devices will depend on the extent of the recovery in the consumer market, the penetration rate of new products, and the competitive landscape. The Company will continue to monitor market trends and adjust its strategies accordingly.
- Progress in the launch of new products: These include smart pixel optical sensors, Low-power Intelligent Object Detection (LIOD), optical encoders, Optical Finger Navigation (OFN), and far infrared sensors. Through proactive market expansion in recent years, these products have gradually entered the application market, and revenue contributions are expected to witness a steady growth.

PixArt will continue to focus on technology innovation and portfolio optimization, strengthen market responsiveness and supply chain synergy efficiency, create steady profit growth, and bring long-term value to shareholders and stakeholders.

▼Concise Statement of Profit or Loss- International Financial Reporting Standard (Consolidated Financial Statement)

Unit: thousand NT$

Year / Item	Financial information of the past 5 years				
	2020	2021	2022	2023	2024
Operating Revenue	8,148,017	8,800,642	5,225,907	5,844,521	8,362,273
Operating Profit	4,718,360	5,022,642	2,820,222	3,366,301	5,187,044
Operating Gains (Loss)	1,838,500	1,832,358	14,395	708,450	1,757,563
Non-operating Income and Expenses	(61,772)	93,376	1,080,354	176,855	289,468
Income before Income Tax	1,776,728	1,925,734	1,094,749	885,305	2,047,031
Earnings from Continued Operations	1,438,645	1,576,102	1,037,968	799,400	1,793,591
Profit or Loss of Discontinued Operations	-	-	-	-	-
Net Income	1,438,645	1,576,102	1,037,968	799,400	1,793,591
Other Comprehensive Income	941,793	596,679	(1,059,979)	672,720	201,913
Total Comprehensive Income	2,380,438	2,172,781	(22,011)	1,472,120	1,995,504
Net Income Attributable to Non-controlling Interest	(17,961)	167	(12,800)	-	(21,827)
Total Comprehensive Income Attributable to Owners of the Parent	2,398,399	2,172,614	(9,211)	1,472,120	2,017,331

Unit: thousand NT$

Item \ Year		Financial information of the past 5 years				
		2020	2021	2022	2023	2024
Total Comprehensive Income Attributable to Non-controlling Interest		(17,961)	167	(12,800)	-	(21,827)
EPS (Note 1)	Before Retroactive Adjustment (NT$)	10.60	11.32	7.41	5.57	12.52
	After Retroactive Adjustment (NT$)	10.60	11.32	7.41	5.57	12.52

Note 1: Basic earnings per share.
Note 2: Source: The Company commissioned Ernst & Young Global Limited to conduct audits of its annual financial reports. From 2020 to 2024, the Company has received unqualified opinions from the auditors. In addition, the results of the annual financial reviews are reported at the Board of Directors meetings and shareholders' meetings each year to facilitate communication and exchange.

Participating Organizations

PixArt's investment policy is based on long-term strategic investment, in line with the Company's operations and development. The Company reduces risk and improves operational efficiency through global deployment. It continues to invest significant R&D resources, with R&D expenses reaching NT$2.4 billion in 2024.

▼ R&D annual expenses for the past 5 years

Unit: thousand NT$

Item \ Year	2020	2021	2022	2023	2024
R&D Expenses (A)	1,922,977	2,170,274	1,911,664	1,805,940	2,423,283
Net Revenue (B)	8,148,017	8,800,642	5,225,907	5,844,521	8,362,273
(A) / (B)	23.60%	24.66%	36.58%	30.90%	28.98%

Note: The above amounts are consolidated financial figures.

2.3 Ethical Corporate Management and Professional Ethics

2.3.1 Ethical Corporate Management (GRI2-23, 2-24, 2-26)

Ethical Values and Professional Conduct

To promote honest and ethical conduct in business operations and ensure compliance with laws and regulations, PixArt has established a series of ethical guidelines and related management policies in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, including: Codes of Ethical Conduct, Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, and Report Measures to strengthen the Company's integrity governance mechanisms through institutionalized processes.

All employees, managers at all levels, and Board members adhere to a high standard of self-discipline, strictly following workplace conduct standards and professional ethics. The Finance Department is the supervising unit for integrity governance-related systems, responsible for revising, implementing, and consulting on the aforementioned guidelines. It is also responsible for recording and filing incident reports and related supervisory operations to ensure the effective implementation of the system.

To strengthen the reporting and protection mechanisms for ethical corporate management, the Company has established multiple reporting channels. The identity and information of whistleblowers are kept confidential, with legal rights and interests being safeguarded. Reporting methods include:

- **Telephone:** (+886) 03-5795317 Ext. 1186 Audit Supervisor
- **Email:** whistleblower@pixart.com
- **Report in writing:**
  5F, No.5, Innovation Road I, Hsinchu Science Park, Taiwan PixArt Audit Supervisor

The aforementioned ethical guidelines and reporting mechanisms have been fully disclosed on the Company's official website (integrity management and whistleblowing system page), ensuring transparency and providing internal and external stakeholders (including employees, suppliers, and customers) with guidelines to follow. The reporting mechanisms are also applicable to the Company's external business conduct, including supply chain and customer relationships, thereby strengthening integrity risk management across the entire operational system.

Additionally, the Company requires all suppliers and partners to adhere to the Ethical Corporate Management Best Practice Principles of the Company, and is committed to ensuring their conduct aligns with the RBA Code of Conduct published by the "Responsible Business Alliance (RBA)", in order to promote responsibility and sustainability within the supply chain.

With respect to anti-corruption management, in 2024, PixArt completed a corruption risk assessment for two operational locations - the Taiwan headquarters (PixArt) and the Penang operational unit in Malaysia - with a coverage rate of 100%. Upon assessments, the Company's operational sites were classified as **low-risk**, with no significant corruption risks identified, demonstrating that the Company has a solid foundation in the risk control of ethical corporate management.

Trade Secret Management and Protection

Trade secrets are one of PixArt's core assets for operations and technological innovation, as well as a crucial foundation for ensuring the Company's competitiveness and sustainable development. To strengthen the protection and management of trade secrets, the Company has established sound comprehensive systems and measures, and continues to promote the systems, organize education and training, and implement information security technology to create a comprehensive protection mechanism.

The Company regularly conducts employee education and training and internal awareness campaigns covering topics such as the definition of trade secrets, confidentiality obligations, legal responsibilities, and case analyses to enhance all employees' awareness of protecting confidential information. Meanwhile, the Legal and Intellectual Property Department regularly reviews and updates relevant management mechanisms and participates in external courses on an ad hoc basis to stay abreast of the latest laws and practical trends, ensuring that the Company's systems remain up-to-date and enforceable.

Specific management measures include:

- **Information classification and labeling:** Classify information according to sensitivity and label it clearly.
- **Information security mechanisms:** Implement access permission restrictions, data encryption, printing and output controls, and internal network detection, etc. to prevent the risks of data leakage.
- **Internal publications:** Regularly publish the PixArt Legal & Intellectual Rights Monthly Newsletter to explain the definition, scope, and latest practical developments of trade secrets through easy-to-understand articles.
- **Policy promotion:** The Information Technology Department regularly sends out promotional documents to remind employees to follow trade secret management policies in their daily work.
- **Real-time monitoring and protection:** The IT department leverages technical tools to monitor internal computer operations in real time and strengthen access and output control of high-risk data.

In addition, the Company adopts a dual protection strategy to avoid infringing on others' trade secrets and prevent the leakage of internal information:

1. Avoiding infringement of others' trade secrets

   All new employees sign an employment contract on their first day of work, clearly stipulating that they shall not infringe on the trade secrets of third parties (such as former employers) during their employment period. Additionally, dedicated personnel will explain relevant legal risks and responsibilities to strengthen employees' awareness of legal compliance and professional ethics.

2. Preventing the leakage of the Company's trade secrets

   In addition to the confidentiality clauses stipulated in the employment contract, new employees also receive education and training on topics such as “the scope of trade secrets and protection responsibilities.” The Company has established a comprehensive confidentiality system to ensure that information is not leaked due to employee negligence or malicious behavior.

   PixArt will continue to strengthen its compliance and information governance to comprehensively enhance trade secret protection capabilities and ensure that the Company's core competitiveness is not compromised. In 2024, the Company did not experience any incidents in relation to trade secret leakage.

Communication and Training on Anti-corruption Policies and Procedures

PixArt upholds ethical corporate management as its core value and continuously strengthens the internalization and normalization of anti-corruption systems. Through system establishment, education and training, and risk assessment, the Company effectively implements integrity governance. The implementation results in 2024 are as follows:

- Promotion of Ethical Corporate Management Policy

  The Company has established a number of relevant policies and conduct guidelines, including the Procedures for Ethical Management and Guidelines for Conduct, the Ethical Corporate Management Best Practice Principles, and the Codes of Ethical Conduct. These policies and guidelines are regularly communicated to all employees through diverse channels such as the Company website, internal intranet, bulletin boards, and emails. The Company also communicates its principles to suppliers and contractors from time to time to ensure that the philosophy of ethical corporate management is carried out in their daily operations.

- Training and Education

The Company continues to promote education and training related to integrity, covering topics such as trade secrets, intellectual property rights, information security, and prevention of insider trading. The results for 2024 are as follows:

✓ **In-person courses:** A total of 12 sessions were held, with 42 trainees and 2 hours of training per person.

✓ **Online courses:** Topics included ethical corporate management, prevention of insider trading, intellectual property rights and information security awareness, corporate social responsibility, and proper use of licensed software. A total of 5 sessions were held, with a cumulative of 2630 trainees.

All training records have been retained for reference and incorporated into the annual compliance tracking mechanism.

- Integrity Promotion for New Employees

  All new employees are required to participate in ethical corporate management and information security policy awareness courses on their first day of work to strengthen the understanding of corporate ethics and legal compliance, and sign relevant declaration documents.

- Reporting System and Implementation Results

  The Company has established a comprehensive reporting mechanism, offering multiple reporting channels to ensure the anonymity and legal rights of whistleblowers. In 2024, no reports related to corruption or unethical behavior were received, and no actual cases of fraud or violations of the integrity policy occurred.

- Identification and Assessment of Risks of Dishonesty

  We conduct business activity interviews and risk assessments for potential high-risk departments (e.g., business, procurement, etc.) to confirm their practical implementation of integrity governance and risk management. The assessment results show that the overall operating units are classified as low risk.

- Commitment from Senior Management

  The Company's senior management has issued a "Declaration of Compliance with the Ethical Corporate Management Policy", demonstrating the highest governance body's support for and implementation of ethical corporate management value.

Conflict of Interest Reporting Mechanism

PixArt adheres to the principle of ethical corporate management and is committed to establishing a sound conflict of interest prevention and control mechanism to ensure that all operational and decision-making processes comply with standards of fairness, transparency, and professionalism.

In accordance with the provisions of the PixArt Imaging Inc. Codes of Ethical Conduct, employees must not use their positions to obtain any form of improper benefit for themselves, their close relatives, or third parties, nor engage in any behavior that may result in a conflict of interest with the Company. The Company strictly prohibits the abuse of authority, improper disclosure of information, or actions involving personal gain, and requires all employees to exercise self-discipline and comply with these rules.

To effectively identify and manage potential conflicts of interest, PixArt has established a regular conflict of interest reporting system for employees in managerial positions, specific ranks, and key roles. Through a systematic reporting mechanism, individuals proactively disclose their relationships with the Company, customers, suppliers, or other stakeholders, as well as potential transaction risks. In the event of any irregularities, the Company will review and address the matter in accordance with the Articles of Association and relevant laws and regulations, and may take measures such as adjusting positions, recusing interests, or implementing other necessary management actions depending on the circumstances.

In 2024, the conflict of interest reporting completion rate for Company managers and relevant job levels reached 100%. After review, no actual or potential conflict of interest incidents were identified throughout the year, demonstrating the Company's sound execution capabilities and risk prevention mechanisms in conflict of interest management.

2.3.2 Compliance and Internal Control (GRI 2- 27)

To strengthen compliance management and implement corporate responsibility governance, PixArt continues to enhance its internal compliance system to help all employees correctly understand and follow relevant laws and regulations, reduce the risk of regulatory violations, and ensure legal and sustainable operations.

The Company promotes compliance through the following measures:

✓ Education and Training and Promotion:
The Company regularly conducts education and training and promotion campaigns on relevant laws and regulations, covering topics such as labor laws, anti-corruption prevention, intellectual property rights, information security, and fair trade, to help employees develop a compliance mindset.

✓ Policy Tracking and Risk Assessment:
The management team closely monitors domestic and international policies and industry regulatory developments, and promptly addresses any changes in laws and regulations that may impact the Company's finances and operations.

✓ System Establishment and Audit:
The Legal Department coordinates the establishment of the Company's compliance procedures, regularly reviews compliance status, and the Audit Department conducts audits of compliance across departments according to the annual audit plan, while assisting in updating the Company's internal regulations and systems.

Legal Compliance in 2024

In 2024, PixArt's legal compliance performance in governance, environmental, and social aspects is as follows:

Environmental Compliance

- No fines or penalties for violations of environmental laws and regulations
- No formal complaints, investigations, proceedings, or resolutions related to environmental impact

Social Compliance

- No violations of laws related to workplace discrimination, workplace misconduct, or corruption
- No fines, penalties, or complaints related to human rights or ethical issues

Governance Compliance

- No litigation cases involving anti-competitive behavior, monopolistic practices, or antitrust violations
- No violations of the Fair Trade Act or related laws and regulations resulting in penalties during the provision and use of products and services

Customer Health and Safety

- No violations of health and safety regulations or voluntary standards related to products and services resulting in penalties

Information Disclosure and Labeling

- No fines or warnings were imposed due to false or non-compliant information in product labeling, packaging, or usage instructions

Marketing and Advertising Regulations

- No penalties or fines were imposed due to violations of regulations in advertising, sales sponsorship, or other marketing communications

Customer Data and Privacy Protection

- No formal complaints were received regarding customer data leakage, loss, or privacy infringement

❖ 2.4 Risk Management

PixArt defines various risks based on the Company's overall operational strategy. In accordance with the Enterprise Risk Management (ERM) system, it has established a risk management mechanism that enables early identification, accurate measurement, effective supervision, and strict control of risks. We are committed to preventing potential losses within an acceptable risk range and continuously adjusting and optimizing risk management practices in response to changes in the internal and external environment.

Through a dynamically adjusted risk management framework, PixArt not only protects the rights and interests of employees, shareholders, partners, and customers, but also strengthens corporate resilience, and enhances overall operational efficiency and resource allocation effectiveness, thereby creating long-term corporate value and achieving the goals of stable and sustainable operations.

Tax Governance, Control and Risk Management

PixArt adheres to the core values of tax compliance and corporate social responsibility, striving to create long-term corporate value and improve tax risk management mechanisms. We have established clear tax governance policies and transfer pricing policies, developed sound tax management systems and internal control processes, and actively promoted a tax governance culture to enhance corporate governance effectiveness, fulfill corporate citizen responsibilities, and advance toward sustainable development goals.

We deeply understand that while tax optimization may yield short-term financial benefits. However, over-reliance on tax optimization strategies may lead to long-term risks and potential reputational impacts. In adherence to the principles of prudent operations and sustainable development, the Company adopts a cautious, compliant, and balanced tax management policy to avoid short-sighted, profit-driven conduct, while addressing stakeholders' expectations for ethical corporate management and transparency.

In tax governance practices, the Company adheres to the following principles:

1. Follow local tax laws in accordance with international tax standards and declare and pay taxes with honesty.
2. Prior tax assessment to avoid double taxation, lower tax expenses and create shareholder value.
3. Maintain continuous and effective communications with local tax authorities, as well as an open and appropriate relationship.
4. Tax disclosure must follow relevant rules and regulations and enhance tax information transparency.
5. Strengthen the tax profession through continuously cultivating talent.
6. Execute effective risk management

One of PixArt's primary stakeholders is the tax authorities of various governments. All tax filing and payment processes are carried out in strict compliance with the relevant tax laws and regulations of each jurisdiction. In the course of daily operations, if there are any uncertainties regarding the application of laws and regulations, the internal finance and accounting team will proactively collaborate with Ernst & Young Global Limited, and confirm the most appropriate and compliant handling method through their professional assistance and contact with the tax authorities.

When facing tax authority audits, the Company adheres to the principles of cooperation and transparency. Upon receiving notification, the Company will immediately prepare relevant documents and fully cooperate with the audit process to ensure a smooth and compliant audit.

Additionally, to ensure transparency in tax governance policies, the Company actively communicates with other stakeholders, such as shareholders and investors. Relevant tax information will be disclosed and addressed through official communication channels, including the “Stakeholder Section” on the Company's official website, annual reports, and shareholders' meetings, ensuring that stakeholders can promptly access the tax governance information they are concerned about.

Strategy and Operation Risks

PixArt is a professional IC design company, with customers, suppliers, and competitors located across the globe. Its operations heavily rely on international market interactions. Changes in key policies and regulations in various countries, including trade policies, industry standards, technology export restrictions, and tax regulations, may exert an impact on the development of the global semiconductor industry and potentially affect the Company's business operations.

To mitigate the impact of such risks on the Group's operations, the Company continuously monitors the latest developments in policies and regulations of major countries worldwide. Through cross-departmental coordination and compliance mechanisms, the Company promptly develops response strategies to ensure operational stability and competitive advantages in a changing environment.

Market Risks

Changes in macroeconomic factors such as interest rates, exchange rates, and inflation may affect the Company's financial performance and profit and loss. Interest rate fluctuations directly affect the Company's interest income and funding costs; inflation may increase expenses for raw material costs, labor costs, and operational expenses, thereby raising operational costs; regarding exchange rates, due to the fact that the Company's primary revenue is denominated in U.S. dollars, fluctuations in the exchange rate between the New Taiwan Dollar and the U.S. Dollar will result in foreign exchange gains or losses, which in turn may impact the Company's overall profitability.

To effectively manage exchange rate risks, the Company adopts “natural hedge” methods (such as matching income and expenditure currencies) and flexibly utilizes financial instruments such as forward foreign exchange contracts and borrowings to mitigate the impact of exchange rate fluctuations on financial performance. In 2024, the net loss from forward foreign exchange contracts amounted to NT$446 thousand. As of December 31, 2024, all related hedging contracts have been settled. The gains or losses from such hedging contracts typically offset the gains or losses from the hedged items.

Additionally, the Finance Department continuously monitors and collects key economic data such as exchange rates, interest rates, and inflation, regularly assesses their potential impact on operations and cash flow, and proposes corresponding strategies to maintain the Company's financial stability and operational flexibility.

Supply Chain Management Risks

PixArt is a professional IC design company and is dedicated to providing consistent services. We formulate supply chain management regulations and measures, including supply chain management, new supplier assessment, and supplier contingency plans, to lower the risk of supply and demand.

In addition, we also continue to collaborate with suppliers, aiming at protecting quality, delivery, cost and safety of products to optimize the supplier collaboration model, guide suppliers to grow together, elevate technological capabilities, and fulfill our corporate social responsibility and sustainability goals.

Financial Risks

The Company upholds a sound and conservative financial policy and did not engage in any high-risk and high-leveraged investment. The Company has also drafted Acquisition or Disposition of Asset Processing Procedures, Endorsement and Guarantee Processing Procedures, and Management of Loans to Others Procedures for capital loans, endorsement guarantees, and engagement in derivative transactions; these procedures were approved in shareholder meetings. All related operations of the Company are subject to applicable regulations, and we exercise our discretion to seek proper approvals and decisions.

In 2024, we did not engage in credited loans, funds or endorsement to others; we conducted USD FXA presale to minimize forex risk.

Liquidity Risks

The Group maintains its financial flexibility through contracts in cash, cash equivalents, high liquidity securities and bank loans. The following table is a summary of the maturity of payments listed in the Group's financial liability contracts. Data is based on the earliest.

▼ Non-derivative financial liability overview

	Shorter than one year	From two to three years	From four to five years	Over five years	Total
2024.12.31					
Accounts payable	1,752,307	-	-	-	1,752,307
Lease liabilities (Note)	26,079	33,458	16,998	137,562	214,097
Long-term loan	13,545	25,576	6,110	-	45,231
Deposit received	-	504	-	-	504
2023.12.31					
Accounts payable	1,420,383	-	-	-	1,420,383
Lease liabilities (Note)	27,657	26,494	21,133	143,635	218,919
Deposit received	-	504	-	-	504

Note: The calculation period of this table is from 2024.01.01-2024.12.31

Credit Risks

Credit risk refers to the risk that a counterparty fails to fulfill its contractual obligations, thereby causing financial losses to the Group. The credit risks faced by the Group primarily stem from operating activities (such as accounts receivable) and financial activities (such as bank deposits and various financial instruments).

To effectively manage such risks, all relevant units within the Group implement risk management measures in accordance with established credit risk management policies, operational procedures, and internal control mechanisms. When conducting credit assessments of all counterparties, we comprehensively consider multiple factors, including their financial condition, credit ratings from credit rating agencies, past transaction records, the current economic environment, and the Group's internal rating standards. Additionally, the Group may implement specific credit enhancement measures (such as advance payments) as appropriate to further reduce potential credit risks.

As of December 31, 2024, and 2023, the Group's top ten customers accounted for 82% and 89% of the total accounts receivable balance, respectively. Apart from the aforementioned concentrated customers, the credit risks associated with other accounts receivable are relatively dispersed and have a limited impact on the Group's overall credit risk.

The Group's Finance Department manages credit risk for bank deposits, fixed income securities and other financial instruments in accordance with the policies of the Group. As the counterparties of the Group are decided based on internal control procedures, banks and enterprises have with excellent credit and are without major default concern. Hence, there is no major credit risk.

Legal Risks

The Group is a professional IC design company; our customers, suppliers and competitors are scattered around the world. Any changes to important policy and laws in different countries may influence the industry, and thus have an impact on the Group. The Group therefore pays close attention to policies and laws that may affect the Group's business and operations so it can effectively respond to any influences.

The legal, and financial and accounting departments are responsible for risk management and execution.

Information Security Risks

To reduce information security risk and breach of the Company's confidential information, we adopt diverse management measures including information system backup mechanism, Internet firewall setup, email management control, anti-virus software installation, file, equipment safety control and so on. Information security management operations form one of the annual audit items. The audit unit carries out regular inspections annually; meanwhile, internal control self-inspections are conducted to ensure the implementation of all kinds of control measures.

Information Security Management Organization and Internal Control Mechanisms

PixArt places great emphasis on information security management and has established an Information Technology Department as the dedicated management unit for information security. The department includes an Information Security Supervisor and professional information security personnel responsible for planning, developing, and implementing the Company's information security strategies. They also conduct regular reviews and updates of information security policies to address changes in internal and external environments and emerging threats.

At the same time, the Audit Office under the Board of Directorsserves as the supervisory body for information security oversight. It is responsible for overseeing the implementation of internal information security management operations and submitting annual reports on implementation results to the Board of Directors on a regular basis. If deficiencies are identified during audits, the Audit Office will promptly require the audited units to submit improvement plans and specific implementation measures, and will follow up the event to ensure effective reduction of information security risks.

The Company's information security governance framework adopts the PDCA (Plan-Do-Check-Act) cyclical management model, combined with regular internal audits and continuous improvement mechanisms, to ensure the effective achievement of information security-related objectives and enhance the overall resilience and reliability of the information system.

Information Security Strategy and Implementation Mechanisms

In recent years, due to frequent occurrence of information security incidents, enterprises are facing various types of cyber threats both internally and externally, including hacker attacks, ransomware, malicious programs, and viruses. Information security has become a core issue in the operational risk management of enterprise. In response to the increasingly complex information security environment, PixArt has established a faster, more comprehensive, and rigorous information security strategy, complemented by the introduction of advanced information security equipment. This strategy strengthens the Company's protective capabilities across all aspects, including personnel, systems, and data. Specific measures are as follows:

A. Employee Behavior and User Protection

All employees must adhere to the Company's information security policies, including regularly updating systems and antivirus software, properly setting and updating passwords, and not disclosing account information, to reduce the risk of malware, Trojan horses, and social engineering attacks, thereby forming the first line of defense in information security.

B. Network Defense and Data Control Center

The Company has introduced next-generation firewalls and intrusion detection systems to block and isolate suspicious network connections in real time. Data traffic is monitored, recorded and analyzed based on application type to assist the information security management system in promptly identifying abnormal activities. Additionally, all core data facilities of the Company are equipped with access control systems and entry or exit records to ensure physical security.

C. Centralized and Access Permissions Management of Confidential Information

The Company centrally manages critical confidential data and sets access permissions based on job requirements to prevent unauthorized access. For confidential data stored on individual devices that is necessary for work, the Company continues to conduct education and promotion, emphasizing the protection of information assets and individual custody responsibilities.

D. Data Backup and Recovery Mechanisms

Based on data type and importance, the Company implements differentiated backup strategies, including full backups, incremental backups, and off-site backup methods, to ensure data security and business continuity. The Company also regularly conducts backup data recovery drills to verify the feasibility and integrity of the backup system, enhancing data disaster recovery capabilities.

Management Plans for Information Security

PixArt refers to international and domestic security regulations to formulate relevant information security work to protect the Confidentiality, Integrity and Availability of the Company's data, as well as shareholders and stakeholders rights.

Staff Training

To strengthen overall information security protection capabilities, PixArt continues to conduct information security awareness campaigns and education and training for all employees to help establish proper information security habits. The training content includes:

- Do not download, install, or execute programs or files from unknown sources;
- Do not open suspicious or unknown email attachments or links;
- Do not click on unverified websites or web pages;
- Handle account and password information with care to avoid the risk of leakage.

Through regular awareness campaigns and practical case studies, we aim to enhance employees' awareness of potential cybersecurity threats, foster a culture of "shared responsibility" for information security, and further improve the Company's overall information defense network to reduce the likelihood of information security incidents.

Assessment Review

We collect abnormal network traffic by means of network equipment, record abnormal operations by information security software, and classify abnormal situations based on severity as follows: general security incidents, major safety incidents, and serious safety incidents. We also inform the relevant departments and supervisors for disposal. After the problem is eliminated, this information security incident is also logged for future reference. The company implements a specific management plan for information security as follows▼

Category	Description	Mechanism
Host and access password protection	Host and personal passwords; set up password protection and control of access rights.	• Enforce the complication of passwords. • Enforce changing passwords regularly.
External attack protection	Protect against viruses and hackers.	Install network security equipment and anti-virus software on important hosts to counter viruses or hackers when intruding into devices that store data.
Leakage Prevention	Prevent confidential information leakage.	• Check staff's outgoing mail on an adhoc basis. • Control the permissions for company computers to write data to removable devices. • Limit the rights of equipment connected to the company's network.

Category	Description	Mechanism
System Usability	Reduce system interruption and recovery time when equipment/parts are damaged.	• Establish a support mechanism for important equipment. • Important information system hardware maintenance contract.
Data Usability	Data restoration is available due to accidental loss or damage of important information.	• Make important offsite backups of data under security control • Perform important data restoration walkthroughs.

▼Information Security Incident Report Procedure of the Company:

An information security incident occurs	According to the type and severity of the incident	Relevant department to act	Top IT management personnel to review the results of the process	Information security report and records
Inform top IT management personnel	IT to notify the relevant department head and affected workers	Employees whose conduct in violation of information security will be subject to disciplinary action by their supervisor	Determine that the impact of the incident has been controlled and improved, and operations have resumed	To be filed for future reference

3 Products and Services

❖ 3.1 Products and Services (GRI 2- 6)

Products and Technology Applications

Due to the rapid development of communication technology, AIoT, and automotive electronics, the application scenarios of image sensor technologies (CIS, CMOS Image Sensor) and other sensors are undergoing a rapid expansion, covering diverse fields such as consumer electronics, smart homes, security surveillance, industrial control, and automotive electronics, thereby creating a broad and continuously growing market opportunity.

CIS technology is ubiquitous in our daily lives, which can be found in products such as smartphones, advanced driver-assistance systems (ADAS), security surveillance systems, digital cameras, mice, gaming consoles, drones, and wearable devices. These applications not only enhance convenience and safety of life, but also promote the intelligence and richness of daily life.

Overall, the CIS industry can be divided into two major categories: “standard CIS” and “application CIS”. Among which, standard CIS primarily targets the smartphone market, with image resolution being gradually improved to tens of millions of pixels, reflecting rapid advancements in technology and functionality. Meanwhile, demand for application CIS in the automotive and security fields also witness a continuous growth.

According to TSR (Techno Systems Research, a market research firm), the global CIS market size was approximately US$17.5 billion in 2022 and is estimated to grow to US$28.2 billion by 2027, with an impressive compound annual growth rate (CAGR), showcasing significant long-term growth potential.

The product and market characteristics of application CIS differ significantly from those of standard CIS. Application CIS focuses on customized function design and integration after the use of CIS image capture based on the specific needs of each application market, catering to a “small-volume, large-variety” market model. Compared to the highly competitive environment of standard CIS, application CIS faces less intense competition, with better customization advantages and bargaining power, which helps maintain more stable and superior profit margins.

Over the past year, the Company has continued to invest in upgrading existing product lines and developing new products, achieving remarkable results. For example, the high-end gaming mouse chip launched this year has been successfully adopted by several internationally renowned brands and received high market recognition. In the security surveillance market, the BSI (back-illuminated sensor) 4-megapixel image sensor chip developed by the Company has also been successfully mass-produced and shipped, and has been adopted by internationally renowned brands, demonstrating the Company's competitive strength in terms of technology and quality.

The Company has also achieved excellent results in terms of the expansion of new product lines. The innovative products launched successively over the past few years, including Global Shutter Image Sensor, optical encoders, far infrared sensors, distance sensors, Low-power Intelligent Object Detection (LIOD), and Optical Finger Navigation (OFN), have been gradually introduced into diverse application markets such as consumer electronics, automotive electronics, and industrial control, achieving a steady growth in shipment volumes.

We believe that these high-value-added innovative products will become a key driver for future revenue and profit growth of the Company, while continuing to strengthen PixArt's competitive edge and market position in the global sensor technology sector.

Main product sales regions and market operations

▼ Proportion of sales for each product:

Unit: thousand NT$

Item \ Year	2023		2024	
	Amount	%	Amount	%
CMOS Image Sensor Accessories	5,692,502	97.40	8,167,818	97.67
Others	152,019	2.60	194,455	2.33
Total	5,844,521	100.00	8,362,273	100.00

Note: The above amounts are expressed as the consolidated net operating revenue

▼Main product (service) sales regions

Unit: thousand NT$

Item \ Year	2023		2024	
	Amount	%	Amount	%
Domestic	280,715	4.80	341,425	4.08
Overseas	5,563,806	95.20	8,020,848	95.92
Total	5,844,521	100.00	8,362,273	100.00

Note: The above amounts are expressed as the consolidated net operating revenue

3.2 Product Lifecycle Management

3.2.1 R&D and Innovation

PixArt has always placed great emphasis on the management and protection of intellectual property rights, striving to ensure that its R&D achievements are legally protected and competitive in the market. As of December 31, 2024, the Company holds a cumulative of over 1,300 valid U.S. patents globally, with an average of over 2 valid U.S. patents per employee, ranking among the top in the IC design industry, and demonstrating PixArt's strong capabilities in R&D innovation and patent resources.

Additionally, during the five years from January 1, 2018, to December 31, 2022, the Company filed a total of 642 U.S. patent applications, with an average of over one application per employee during the period, significantly exceeding the industry average for the same period (source: www.freepatentsonline.com). In terms of the organizational scale, this demonstrates PixArt's high level of activity and foresight in intellectual property investment.

With respect to technology development, the Company has also conducted long-term and systematic patent deployment in key technology directions, including optical navigation, optical measurement, capacitance measurement, and temperature sensing, continuously deepening its technological moat and strengthening its market-leading position.

Technologies or products successfully developed are as follows:

(1) Low-power/high efficiency wireless mouse
(2) TOG and Gaming mouse
(3) OFN (Optical Finger Navigation) Sensor
(4) Game console/Smart TV using MOT Sensor
(5) Optical and Capacitive touch solutions
(6) DMS (Distance Measure Sensor) relevant technologies and products
(7) Human Sensing Device/Face recognition
(8) Minimal gesture sensor IC
(9) Low-power-consuming Heartrate sensors suitable for hand-carrying or wearable devices (PPG Sensor).
(10) HD/2M/5M CMOS Image Sensor
(11) OTS (Optical Finger Navigation)
(12) 2.4G wireless HID Controller Chips
(13) Bluetooth 4.2 BLE Controller Chips
(14) Optical Motion Tracking Sensor
(15) LOD (Linear Optical Detection) Sensor
(16) BT5.0 Low-power Bluetooth Audio SoC
(17) Array Photoplethysmograph
(18) Global Shutter Image Sensor

▼Development trends of PixArt's products are as follows:

Low-Power Consumption	As mobile devices, wearable devices, and battery-powered applications become universal, public calls for low-power consuming electronics have significantly increased. Electronic products are now designed to consume as little power as possible to serve these needs.
Highly Integrated	Products today are valued for their lightweight, ultra-thin, small-size, and multifunctional designs. In addition to the continuous improvement of semiconductor production techniques, CIS will continue to reflect the markets demand for small-form-factor and highly integrated products.
Intellectualization	Following the development of artificial intelligence (AI), a growing number of products utilize AI to add value and differentiate themselves from competitors. A similar adoption of AI technology is emerging for CIS products.

3.2.2 Product Risk Evaluation

All products of PixArt emphasize users' health and safety. We establish related regulations based on product safety laws and the requirements of various countries and districts. Staffs are required to conduct a high-standard evaluation and testing on products in accordance with relative certifications and regulations, and process product safety and electromagnetic compatibility testing and certification. In addition, suppliers are required to process manufacturing work in accordance with safety regulations and requirements. In 2024, PixArt did not violate any safety laws. We also review international regulations regarding product safety in routine meetings and management review meetings. When regulations are renewed, we ensure we notify relevant staff.

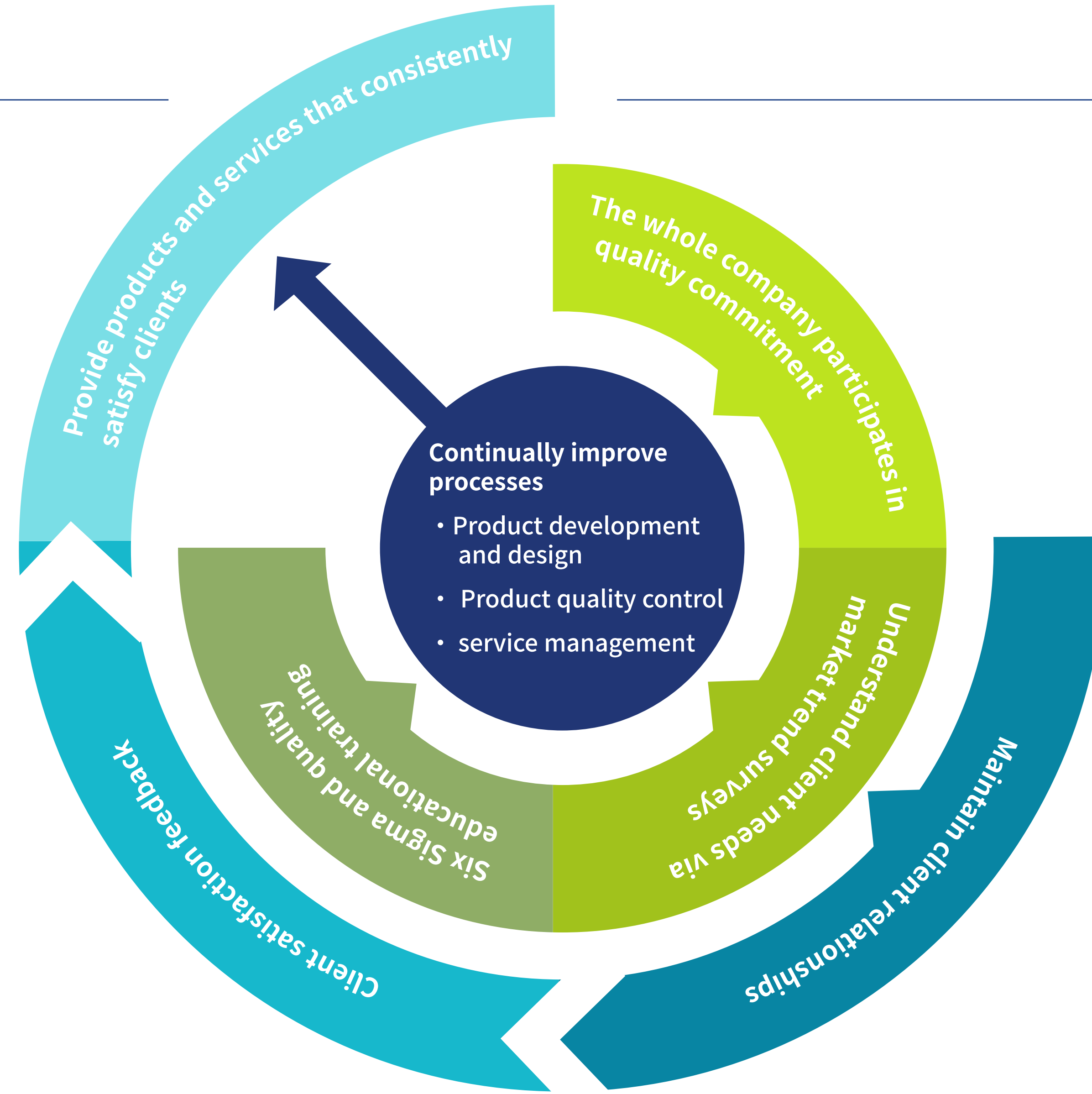
In addition, with the approval of a third party, we are IECQ QC080000: 2017 certified for electrical machines, electronic parts, and the Hazardous Substance Process Management System to ensure green product design, production, and reduction of non-hazardous substances (HSF). PixArt is devoted to the design, development, production, and sale of green products. All products not only meet domestic environmental regulations, but also comply with EU Regulations and other international standards, such as RoHS, REACH, and Halogen Free Products. Not only do we navigate through applicable acts and regulations worldwide in the management review meeting every year, but also keep concerned parties in the loop to fully align with HSF requirements.

❖ 3.3 Client Service

PixArt has always regarded the "customer-centric" philosophy as one of the core values of its business operations and development, continuously improving product quality and customer service experiences, and striving to maximize customer satisfaction. Through diverse communication channels, we actively listen to customer feedback, stay abreast of market trends and industry developments, and maintain close collaborative relationships with customers to jointly achieve shared goals of growth and innovation.

The Company strengthens quality management processes in accordance with ISO 9001 quality management system standards, strictly controlling every stage from design, R&D, production, to after-sales service to ensure that every aspect meets or even exceeds customer needs and expectations, thereby realizing the customer-centric business philosophy.

▶ Figure PixArt Client Satisfaction Development Process



To satisfy clients' needs and accelerate response time of service, we provide an instant online service feature for clients and have established an interactive Message Support System to track the whole service process while ensuring accuracy and response speed, as shown in the figure below.

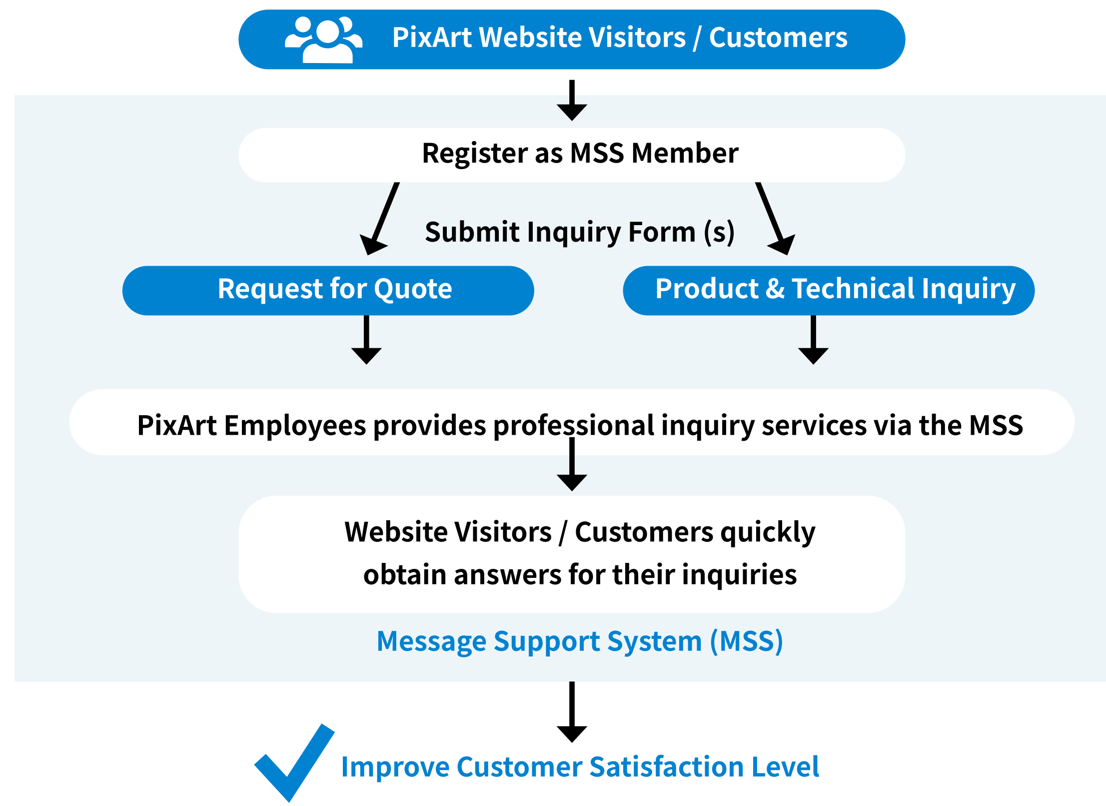
▼ Figure MSS System Interface

MSS System Advantages

- Increase response speed: a countdown mechanism is used on every inquiry to ensure customer service staffs respond clients' requests within a certain number of days.
- Inquiry tracking/communications: clients can use the MSS to track all past inquiries and contact records with PixArt.
- Customer service staff to provide an instant service: our staff can acquire detailed customer background information and requirements via membership registration data and past inquiries.
- Inquiries handled by the most appropriate staff Customer inquiries are arranged according to the scheduling mechanism, which is able to determine the inquiry type, location of the customer, the products the customer is interested in, and customer expectations to

Therefore, the MSS raises overall customer satisfaction and increases the profile of PixArt.

▼Figure MSS System Advantages



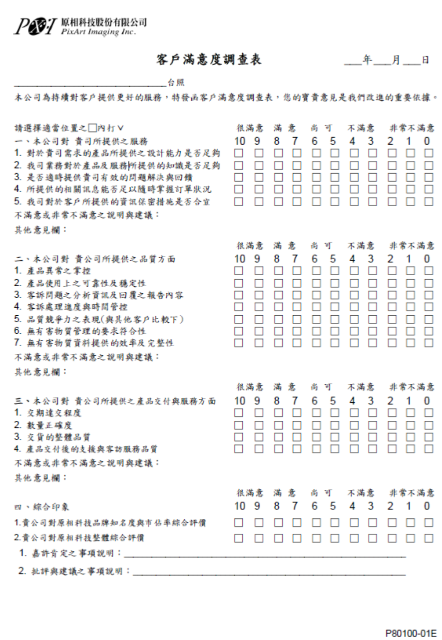
3.3.1 Customer Satisfaction Survey

PixArt regards customer feedback as a crucial foundation for strengthening customer relationships and enhancing service quality. We proactively understand customer needs and expectations through diverse communication channels, and systematically review and analyze the opinions and suggestions raised by customers on a regular basis. Based on this analysis, we propose concrete and feasible improvement plans to establish a comprehensive and responsive customer needs handling mechanism.

To gain a more comprehensive understanding of customer experience and satisfaction, the Company has designed survey questionnaires targeting four key aspects, namely, “Service,” “Quality,” “Delivery Date”, and “Overall Satisfaction,” and conducts regular customer satisfaction surveys.

In 2024, PixArt's overall customer satisfaction rate reached 96.25%, reflecting customers' high recognition of the quality of the Company's products and services. We have maintained a satisfaction rate above 85% for 9 consecutive years, fully demonstrating the Company's sustained commitment to and effective implementation of its “customer-centric” core value.

▼ Figure Customer Satisfaction Survey Questionnaire


原相科技股份有限公司
PixArt Imaging Inc.

客戶滿意度調查表　　___年___月___日

________________台照

本公司為持續對客戶提供更好的服務，特發函客戶滿意度調查表，您的寶貴意見是我們改進的重要依據。

請選擇適當位置之□內打 V　　很滿意　滿 意　尚 可　不滿意　非常不滿意

一、本公司對 貴司所提供之服務　10 9 8 7 6 5 4 3 2 1 0
1. 對於貴司需求的產品所提供之設計能力是否足夠
2. 我司業務對於產品及服務所提供的知識是否足夠
3. 是否適時提供貴司有效的問題解決與回饋
4. 所提供的相關訊息能否足以隨時掌握訂單狀況
5. 我司對於客戶所提供的資訊保密措施是否合宜
不滿意或非常不滿意之說明與建議：
其他意見欄：

很滿意　滿 意　尚 可　不滿意　非常不滿意
二、本公司對 貴公司所提供之品質方面　10 9 8 7 6 5 4 3 2 1 0
1. 產品異常之掌控
2. 產品使用上之可靠性及穩定性
3. 客訴問題之分析資訊及回覆之報告內容
4. 客訴處理進度與時間管控
5. 品質競爭力之表現(與其他客戶比較下)
6. 無有害物質管理的要求符合性
7. 無有害物質資料提供的效率及完整性
不滿意或非常不滿意之說明與建議：
其他意見欄：

很滿意　滿 意　尚 可　不滿意　非常不滿意
三、本公司對 貴公司所提供之產品交付與服務方面　10 9 8 7 6 5 4 3 2 1 0
1. 交期達交程度
2. 數量正確度
3. 交貨的整體品質
4. 產品交付後的支援與客訪服務品質
不滿意或非常不滿意之說明與建議：
其他意見欄：

很滿意　滿 意　尚 可　不滿意　非常不滿意
四、綜合印象　10 9 8 7 6 5 4 3 2 1 0
1.貴公司對原相科技品牌知名度與市佔率綜合評價
2.貴公司對原相科技整體綜合評價
1. 嘉許肯定之事項說明：________
2. 批評與建議之事項說明：________

P80100-01E

▼PixArt's Client Satisfaction Survey Results over the Past Three Years

Goal: Average client satisfaction points > 32 points

Year	2022	2023	2024
Number of Responses (companies)	17	16	16
Response Rate	100%	100%	100%
Average client satisfaction points (Full marks: 40)	37.9 points (94.75%)	38.3 points (95.75%)	38.5 points (96.25%)
Target Score	32 (80.00%)	32 (80.00%)	32 (80.00%)

In 2024, PixArt offered a series of quality trainings, including: ISO 9001 internal auditor training, ISO 26262 one-day course, AIAG-VDA FMEA basic awareness training course, as well as an online course of Five Core Tools to respond to customer requirements of improving high quality products, as well as encouraging employees to continue driving high quality from the ground-up.

Customer Communication

PixArt places great emphasis on customer-oriented quality management and customer relationship management. We maintain good communication with customers through regular visits, customer satisfaction surveys, and customer feedback forms. Based on customer feedback, we make adjustments or commence development to reduce defect rates and customer complaints. The main implementation methods are described as follows:

1. **Irregular customer meetings:** PixArt branch staffs pay a visit or contact clients via video calls on an ad-hoc basis to understand client needs and market dynamics.
2. **Seasonal evaluation meetings:** review of six areas Technique, Quality, Yield Rate, Design Support, Production, and Client Service for further improvement.

Improvement Process and Plan

PixArt conducts client satisfaction surveys on processes and analyzes and improves. The improvement progress and results are provided to clients.

- The Sales and Marketing Division sends a Client Satisfaction Questionnaire every November. The questionnaire includes items on staff service, customer complaints handling, quality and delivery.
- The top 2 clients, according to the distribution of the automotive grade and nonautomotive grade production line, are the objects of the survey. Other clients or potential clients are regarded as auxiliary survey objects for acquiring opinions.
- The questionnaire is completed by relevant staff on the clients side. A sales representative of PixArt may complete the questionnaire for the client via email, phone interview, or by paying a visit.
- The Sales and Marketing Division should retrieve all questionnaires that sent out. If a client is not able to respond within the designated period of time, our sales staff may complete the questionnaire on behalf of the client over the phone.
- The Sales and Marketing Division retrieves the questionnaires and integrates the data into the Integration, Analysis & Evaluation Chart of Client Satisfaction Surveys.
- Apart from the client satisfaction survey, we also refer to information such as client visit reports, client feedback on products and services, market share analysis, reports from meetings with clients and client compliments, etc.

- Sales Division staffs arrange irregular client visit plans to inquire after client opinions regarding the quality, delivery date and performance of delivered products, then execute and respond according to the Client Orientation Procedures.

Improvement Plan Description:

PixArt has established a comprehensive after-sales management and quality improvement mechanism to respond to customer needs in a timely and responsible manner. We handle returns, recalls, warranties, and quality issues through systematic processes to ensure product responsibility and maintain customer relationships.

Customer Cancellation Handling (Returns, Recalls, Warranty)

In the event of customer complaints, quality issues, returns, or warranty claims (particularly when conducting feasibility assessments for automotive grade products) following product sales, the Company adheres to the “Client Complaint Procedure”:

- Immediately launch an investigation into the cause
- Implement return and disposal procedures for defective products
- Develop and implement measures to prevent recurrence
- Compile an investigation report and respond to the customer

All cases are incorporated into the continuous improvement management system to enhance product quality and customer satisfaction.

Delivery Achievement Rate and Abnormal Shipping Fee Statistics

In accordance with the “Orders Review Control Procedures”, the Company regularly monitors and calculates delivery achievement rates, records and analyzes the incidents of excess shipping fees, and compiles the Clients Shipping Fee Calculation Chart as a basis for operational performance improvement.

Customer Notification and Special Situation Communication Mechanism

For customer notifications related to quality and delivery, especially special circumstances (such as emergencies or major anomalies), we implement a unified communication process in accordance with the “Communication Control Procedures” to ensure timely, transparent, and traceable information.

Process Performance Monitoring and Compliance Verification

We regularly monitor process performance indicators, including the production yield rates and delivery accuracy rates of suppliers, to ensure that the overall manufacturing process meets customer requirements for product quality and efficiency.

4 Supply Chain Management

4.1 Industrial Supply Chain

4.1.1 Industry Overview (GRI2-6)

Industry Background and Supply Chain Management

The upstream and downstream structure of Taiwan's IC industry is clearly defined and can be broadly divided into three major segments (as shown in the figure below): Upstream is represented by IC design companies, midstream is represented by wafer foundry companies, and downstream is represented by IC packaging and testing service providers. Due to the continued rapid development of Taiwan's IC industry, coupled with the increasing specialization of the vertical division of labor system, numerous professional companies have entered each segment, forming a clearly divided and well-structured industrial system.

▼Upstream, Midstream, Downstream Labor Division Table of Taiwan's Semiconductor Industry

Structure	Step	Manufacturing and Engineering
Upstream	Design	Logic Design, Circuit Design & Graphic Design
Midstream	Mask and Wafer Manufacturing	Oxidation, Mask Standard, Etching, Impurity Diffusion, Ion Implantation, Chemical Vapor Deposition, Sputter Deposition & Chip Inspection
Downstream	Packaging and Testing	Cutting, Placing, Solder Wire, Molding & Testing

Compared to international large-scale semiconductor companies, which mostly adopt a vertically integrated model covering the entire process from design, manufacturing, packaging, and testing, Taiwan's IC industry showcases high flexibility and collaboration. It also differs from some Southeast Asian companies that focus solely on the downstream packaging and testing segments of the industry.

As a leading manufacturer of CMOS Imaging Sensor (CIS) in application ICs, PixArt attaches great importance to its relationships with upstream raw material suppliers, downstream manufacturers, and end-product users. Upstream raw material suppliers include silicon wafer and lens optical component manufacturers, while downstream entities include wafer foundry and packaging/testing service providers. The Company maintains stable and positive cooperative relationships with upstream and downstream partners, continuously improves operational processes to reduce environmental pollution and GHG emissions, and fulfills its social responsibilities, thereby collectively enhancing sustainable resilience.

4.1.2 Local Procurement

PixArt has long been committed to promoting local procurement policies, supporting local Taiwanese businesses through concrete actions, fostering the development of local supply chains, and enhancing operational resilience.

From 2022 to 2024, the Company's global network of raw material suppliers exceeded 140 companies, with domestic suppliers (including subsidiaries, agents, and distributors headquartered in Taiwan) accounting for approximately 65% of the total companies.

By prioritizing local supply sources, the Company not only strengthens regional industrial chain connections, but also shortens supply cycles, reduces logistics costs, and lowers carbon emissions, demonstrating its commitment to sustainable procurement and local economic development.

▼ Proportion of local procurement expenditure of PixArt in the past three years (Unit: NTD)

(Unit: NTD)

Year	Gold & silver purchased locally	Total amount of material purchased	The percentage of gold & silver purchased locally
2022	961,238,052	1,012,648,826	94.92%
2023	1,510,957,798	1,605,444,797	94.11%
2024	1,227,594,729	1,300,280,404	94.41%

❖ 4.2 Sustainable Management of Supply Chain (GRI 2-23)

According to the latest Global CEO Survey results released by PwC, supply chain disruptions have been listed as one of the top ten threats facing businesses, with over 50% of business leaders already taking actions to adjust their supply chain management and procurement strategies in response to the challenges posed by rapid changes in the external environment. This trend indicates that building resilient and sustainable supply chains has become a key element for businesses to achieve continuous operations.

Procurement management is not only a foundation of business operations, but also a critical mechanism for companies to fulfill their social responsibilities and drive supply chains toward achieving ESG goals. From supplier selection to the prudent assessment of raw material sources, companies must incorporate environmental, social, and governance risks into procurement decisions to achieve sustainable management across the entire supply chain lifecycle.

Additionally, in the NIST 800-161 Supply Chain Risk Management Practices, the National Institute of Standards and Technology (NIST) also explicitly lists sustainability issues as a key aspect of supply chain risk management, further emphasizing enterprises' integrated capabilities in risk control and sustainable development.

PixArt is a professional IC design company and is dedicated to providing consistent products and services. To this end, we have formulated comprehensive supply chain management regulations and measures, covering supplier management, new supplier review and assessment, and supplier contingency mechanisms, in order to lower potential supply risks.

The Company collaborates with suppliers, aiming to ensure product quality, delivery schedules, cost control, and supply chain security. It also continuously optimizes cooperation models through strategic partnerships to guide suppliers toward mutual growth, further enhancing innovation capabilities in the field of sensing technology, while actively fulfilling corporate social responsibility to achieve the vision of sustainable operations.

PixArt has established a dedicated email address (pxisupplier@pixart.com) on its official website as a channel for suppliers to contact the Company, provide feedback, or file complaints, thereby enhancing communication efficiency and transparency.

4.2.1 Responsible Procurement (GRI 2-24)

To strengthen sustainable management and compliance oversight of the supply chain, PixArt adheres to four strategies: "optimizing suppliers' core competitiveness," "deepening local strategic cooperation," "strengthening sustainable supply chain operations," and "enhancing suppliers' sustainable capabilities." These strategies form the basis of the Suppliers Control Procedures, which serve as the foundation for supplier management, qualification assessment, evaluation, and supervision. In accordance with the procedures, the Company conducts annual written or on-site audits of major suppliers. A dedicated audit team conducts a comprehensive review based on the "Supplier Hazardous Substances Free (HSF) Evaluation and Investigation Form". On-site evaluations are arranged as needed.

In 2024, PixArt conducted on-site audits of 16 suppliers and written audits of 18 suppliers, achieving a 100% audit completion rate. The audit results showed that none of the evaluated suppliers had major deficiencies or high-risk items. For general deficiencies, all suppliers complied with the Company's regulations and submitted improvement plans within five days from the issuance of the audit report, demonstrating good cooperation and willingness for improvement.

In addition, PixArt requires suppliers to provide the following environmental compliance documents through the Environmental Management Substance Control Procedures:

- Test reports issued by impartial third-party organizations
- Safety Data Sheets (SDS)
- Declaration of hazardous free substances

This measure aims to ensure that all raw materials, components, processes, and equipment are free of prohibited or restricted hazardous substances, thereby preventing the inclusion of high-risk substances in products, complying with legal regulations, meeting customer requirements, reducing the impact on the environment and ecosystems, and practicing the principles of environmental sustainability and responsible manufacturing in the supply chain.

▼PixArt's Supplier performance audit over the Past Three Years

Audit Method		2022	2023	2024
Audit on-site	Estimated Audits	17	15	16
	Completed Audit	17	15	16
	Completion Rate	100%	100%	100%
Audit in writing	Estimated Audits	26	21	18
	Completed Audit	26	21	18
	Completion Rate	100%	100%	100%

Supplier Evaluations

PixArt attaches great importance to mutual trust and cooperation with its supply chain partners. Through regular visits and two-way communication, we gain an understanding of suppliers' actual performance in areas such as regulatory compliance, operational stability, and sustainable development. When necessary, we provide reminders and assistance to ensure that our partners continue to comply with relevant regulations and Company standards.

To enhance supplier management efficiency and supply quality stability, the Company implements an annual evaluation system in accordance with the Suppliers Control Procedures, and classifies suppliers into six grades based on the evaluation results:

Grade A: Outstanding performance, awarded with increased orders, depending on the situation

Grade B: Meets standards, and current cooperation relationship is maintained

Grade C: Under observation (1 month); cooperation will be continued after improvement, otherwise production will be reduced, depending on the situation

Grade D: Poor performance; order volume will be reduced, depending on the situation

Grade E: Improvement required within a specified timeframe; order volume will be gradually reduced

Grade F: Unqualified; supply qualifications will be revoked and cooperation terminated

In addition, PixArt dynamically adjusts the weighting and content of evaluation indicators based on the impact of different suppliers on Company operations to better align with actual needs and risk management.

In 2024, the supplier evaluation items and their respective weights are as follows:

- Quality & Environment Guarantee: 40%
- Delivery Date & Stable Cost: 30%
- Process & Stable Service: 30%

A total of 38 suppliers were evaluated during the year, with 36 suppliers rated as Grade B and 2 suppliers as Grade C. The Grade C suppliers have completed improvements with the Company's assistance and guidance and have continued their partnerships with the Company.

▼PixArt's Supplier Evaluation Results over the Past Three Years

Supplier	Grade	2022	2023	2024
Suppliers	Grade A	2	0	0
	Grade B	36	34	36
	Grade C	0	2	2
	Grade D	0	0	0

4.2.2 Supply Chain Management Performance

To diversify operational risks and continuously improve overall supply chain quality, PixArt maintains stable and positive relationships with existing suppliers, while actively strengthening its sustainability management and evaluation mechanisms for first-grade suppliers.

As of 2024, PixArt has a total of 37 first-grade suppliers (36 in 2023), with 33 of them having passed ISO 14001 environmental management system verification, accounting for 89.2% (32 in 2023). This reflects suppliers' high priority on environmental management and compliance with regulations, as well as the effectiveness of the Company's requirements on supply chain sustainability.

Furthermore, to ensure that supply chain partners adhere to corporate social responsibility principles, the Company has required all first-grade suppliers to sign the Responsible Business Alliance (RBA) Social Responsibility Statement or submit relevant ESG sustainability report documentation since 2024. Currently, all suppliers have completed the required commitments and submitted the necessary documentation, demonstrating PixArt's determination and achievements in collaborating with suppliers to promote a sustainable supply chain.

PixArt has also strengthened its management requirements for conflict minerals in the supply chain, requiring all suppliers to audit and guarantee the sources of homogeneous materials used in their products to ensure that the products do not contain metals from conflict regions. Suppliers are required to complete the CMRT (Conflict Minerals Reporting Template), providing information on raw material sources and traceability, in order to implement the principles of transparency, legality, and responsible sourcing of raw materials.

As of 2024, all first-grade suppliers have completed the CMRT, achieving a 100% response rate, fully demonstrating the Company's high priority and proactive measures in responsible procurement and supply chain human rights issues.

▼ Supplier Impact Assessment Results

Item	Aspects	Impact Assessment Results
1	Environmental aspect	During the reporting year, PixArt conducted environmental impact assessments on 37 suppliers with actual transactions, of which 33 were certified under the ISO 14001 Environmental Management System, accounting for 89%. For the remaining 4 suppliers with potential environmental risks, further environmental risk identification and assessment were conducted. The assessment results showed that no supplier was identified as having significant actual or potential negative environmental impacts. Moreover, none of the suppliers used conflict minerals, demonstrating the supply chain's high level of compliance in environmental and responsible procurement practices.
2	Social aspect	PixArt conducted a social responsibility and human rights risk assessment of 14 wafer foundry and packaging and testing suppliers with actual transactions and involving mineral raw materials during the year, and requested these suppliers to provide a * Conflict Minerals Reporting Template (CMRT) to trace the source of raw materials and ensure that they were not involved in illegal mining or metals from armed conflict zones. Upon investigation, all evaluated suppliers were found to be 100% compliant with the requirements, further implementing human rights protection and ethical procurement responsibilities.
3	Labor rights aspect	PixArt is a member of RBA Online and Sedex, and has proactively completed the RBA SAQ (Self-Assessment Questionnaire) to disclose the Company's supply chain risk level. In 2024, the Company once again completed the RBA VAP (Validated Assessment Program) third-party audit and achieved an outstanding score of 178.7 out of 200 points, demonstrating the Company's high level of maturity and performance in supply chain responsibility management. Going forward, the Company will continue to encourage suppliers to complete the RBA Social Responsibility Statement, thereby expanding its influence in sustainable governance.

In the future, PixArt will actively invest resources to implement supply chain sustainability management strategies and continue to review and plan sustainability-related training and information sharing to assist suppliers in comprehensively incorporating ESG concepts and practical applications, deepening sustainability awareness, and ultimately establishing a resilient sustainable supply chain system to join hands with supply partners toward a better future.

5 Environmental Management

5.1 Climate Change Risks and Opportunities

5.1.1 Climate Governance

When addressing the potential risks and opportunities posed by climate change, PixArt primarily references the Task Force on Climate-related Financial Disclosures (TCFD) published by the Financial Stability Board (FSB), and the IFRS S2 Climate-Related Disclosures issued by the International Sustainability Standards Board (ISSB) under the International Financial Reporting Standards Foundation (IFRS Foundation) as the guidelines for the Company's management of climate risks and opportunities.

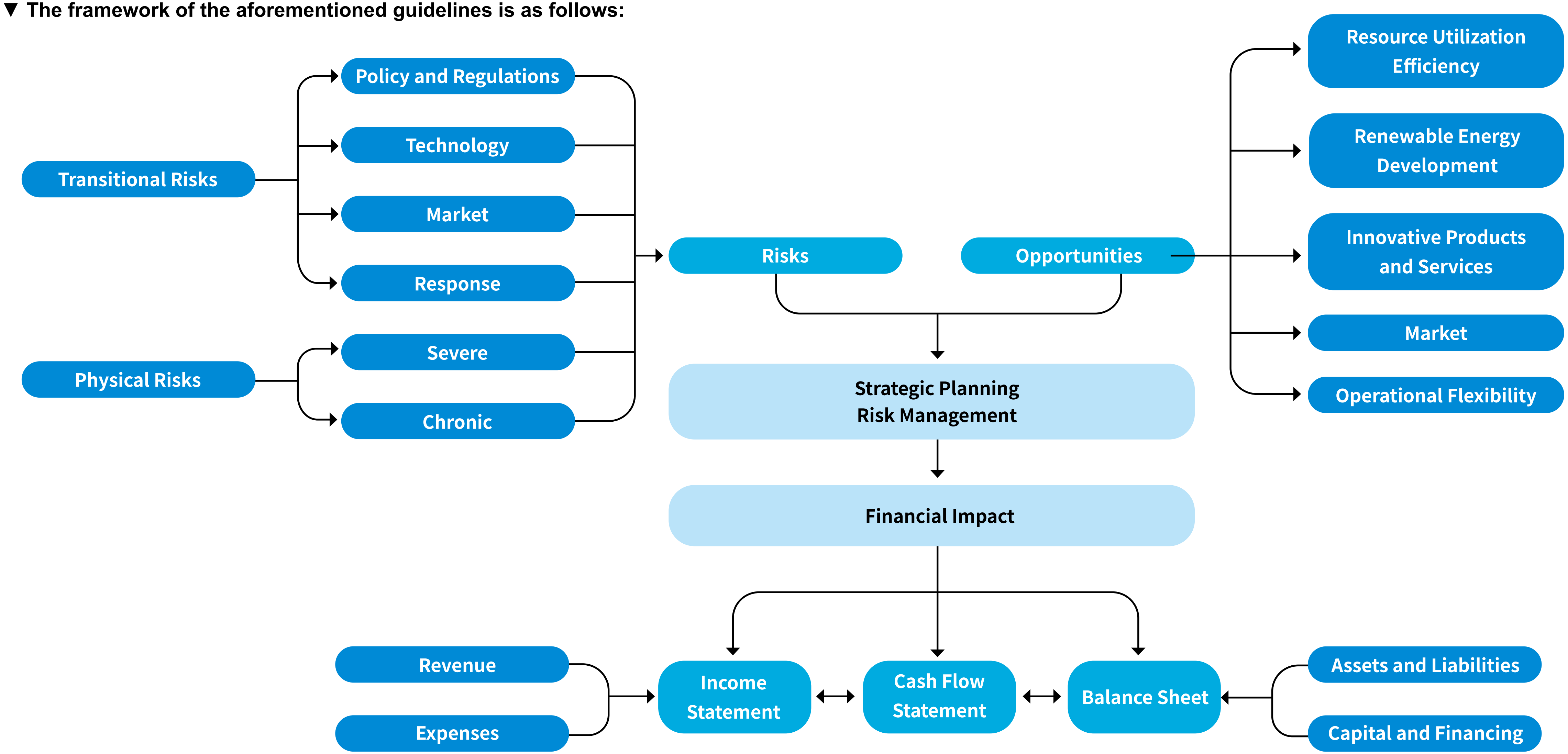
The Company follows the four core elements of the TCFD and IFRS S2 disclosure frameworks, including:

1. Governance: The roles and responsibilities of the Board of Directors and management in managing climate-related risks and opportunities;
2. Strategy: The potential impacts of climate change on the Company's operations, strategy, and financial planning;
3. Risk Management: The processes for identifying, assessing, and managing climate-related risks;
4. Metrics & Targets: The metrics and targets used to assess and manage climate risks and opportunities.

Through this framework, PixArt has established a systematic process for identifying and addressing climate risks. Through an annual management mechanism adjusted on a rolling basis, it conducts a re-assessment and update of risks and opportunities to enhance the Company's resilience and adaptability to the impacts of climate change.

It is planned to introduce ISO 14001 in the future to prevent risks and harm caused by climate change.

▼ The framework of the aforementioned guidelines is as follows:



▼TCFD Core Elements and Financial Disclosure:

Core Elements	Operational Plans
Governance	ESG Committee is responsible for convening relevant units to discuss and identify the internal and external potential impact of various risks, including the rating evaluation of climate change risk and the corresponding climate impact. The Committee convenes meetings that prioritize discussions on corporate sustainability of the Company, including relevant issues of climate change, so we can fulfill our corporate social responsibility with actions.
Strategy	The Company identifies physical and transitional risks and opportunities according to the business and operational conditions, and actively promotes the green energy policy. To manage the influence of global climate change and the greenhouse effect on the environment, we formulate energy saving and carbon reduction measures, promote energy saving management in offices and public areas, reduce waste and implement a green shopping strategy, and purchase products with energy saving labels.
Risk Management	To identify and evaluate current and future activities relevant to sustainable operations where products and services may cause significant impact or risks, the committee periodically assesses organizational risks, including climate change, as the foundation of policy and objective setting. The assessed outcome is as follows: we will incorporate the risk assessment mechanism proposed by the TCFD, aim to assess specific issues regarding climate change to understand the tangible impact financially and come up with strategies accordingly.

Core Elements	Operational Plans
Index and Objectives	To reduce the impact and risk caused by climate change, achieve related objectives of implementing green energy and carbon reduction, and use indexes to manage relevant risks and opportunities of climate change: Energy saving and carbon reduction: We continue to promote energy conservation and carbon reduction measures. The main measures are as follows: I. Electronic Equipment: Goal: 3% reduction of annual electricity usage each year (per capita) 1. Continues to upgrade to LED lightings and energy saving labels. 2. Change strategy to adjust A/C operation: Stop and switch from dReg to ready mode to reduce energy use and loss of chilled water; set the timer for the CHP (chilled water pump) to save energy during non-working hours. Set timer for the CHP (chilled water pump) in offices to save energy during non-working hours. 3. Adjust air conditioning temperature based on room temperature and demand to reduce electricity usage. 4. Advocate the policy of turning off unused PC and laboratory equipment power after working hours. II. Water Resources: Circulate water conservation reminders and everyday practice. Goal: 3% reduction of annual water usage (per capita) 1. Adjust water output of faucets in toilets and pantry rooms to reduce unnecessary waste through splashing. 2. Water efficiency label prioritized for faucet and toilet replacement. 3. Regular inspection of water-consuming equipment and pipes, and ensure immediate repairs. III. Waste: Reminders and practice help ensure waste sorting and reduction. Goal: 3% reduction of annual business waste (per capita) 1. The need to sort waste is reiterated at the backend. 2. 0.069 tons waste reduction in 2024 as a result of proper waste sorting. IV. Scope 1 emission in 2024 recorded 97.6319(tons CO_2e/year); Scope 2 1684.8553(tons CO_2e/year). We plan to take part in the Carbon Disclosure Project (CDP) as well.

▼Risk and Financial Impact Relevant to Climate:

Category	Climate-related Risks	Corresponding Measures	Financial Impact
Water Limitation	Water sources are insufficient due to extreme climate; the chilled water provision for stopped air conditioning operators would cause the termination of air conditioners, overheating in the computer room, and interruption to company operations.	1. When planning new server rooms, adopt dedicated air conditioning and use the air-cooled heat dissipation system to ensure non-stop operation even during water outages. 2. The air conditioning systems in the existing server rooms use two sets of chillers (heavy duty for common server rooms and the other for light server rooms) to best suit needs. Use light server rooms during water restrictions and turn off the heavy-duty cooling system to reduce the water consumption of cooling towers. 3. Set up a special quick connector water supply valve for the water pump.	Expenses on water pumps during water outages.
Power Limitation and Power Cuts	Abnormal climate causes an increase of temperature, so power demand of air conditioning increases, which may cause an insufficient power supply. Power limits or cuts then need to be carried out. Factory equipment and computer rooms cannot operate during a power cut, which causes interruption to company operations.	1. UPS is in place to ensure uninterrupted supply during (un)expected outages. 2. Generator are in place, and the backup fuel tank can ensure minimum of eight hours of server room operation. 3. Use diesel tanks for generators so the power supply for operations can last without interruption.	Transit cost of diesel during power outages; yearly UPS maintenance fees.
Typhoons and Floods	If the scale of the typhoon or flood is large and the time of influence is too long, leakages may occur in offices and equipment may be damaged, which influences normal company operations.	1. Plant equipment inspection should be carried out according to the emergency plan prior to the typhoon, and all supporting maintenance manufacturers shall be notified to standby. 2. Determine the frequency and interval of inspection of the plant according to the wind and rainfall scale after a typhoon lands. Strengthen inspections in key areas. 3. Recovery operations shall be carried out to ensure the proper functioning of office equipment and the environment after a typhoon.	1. Expenses on staff in the plant. 2. Expenses on supplier repairs.

▼Risk and Financial Impact Relevant to Climate

Category	Climate-related Opportunities	Corresponding Measures	Financial Impact
Energy Sources	In response to Taiwan's greenhouse gas reduction and regulations, it is necessary to improve operational energy efficiency, increase the cost of renewable energy plant capacity construction and green power certification purchases.	1. Setting up solar panels in plant locations for onsite use, and/or subletting to renewable energy operators as a lease. 2. Plan to purchase renewable energy certifications.	1. Rental income. 2. Reduction of greenhouse gas emission. 3. Reduce operating costs.
Resource Efficiency	Improve energy efficiency to reduce carbon emissions and save energy, thus reducing energy procurement costs.	1. Implement equipment inspection and maintenance of the plant to ensure operational efficiency, and accelerate the removal of poor efficiency equipment. Replace with more efficient equipment. 2. Through continuous monitoring of water consumption and electricity bills, to reduce environmental impact and operating costs with timely and effective measures.	Reduce operating costs.

❖ 5.2 Energy Governance

5.2.1 Energy Management

In response to global sustainable development trends, PixArt, as a professional semiconductor design company in Taiwan, deeply recognizes the potential risks that climate change poses to public health, the natural environment, and business operations. Therefore, reducing energy consumption and promoting green transformation have always been important long-term goals for the Company.

In 2024, PixArt continues to focus on improving energy efficiency across all operational sites, using international environmental and energy management standards as the core basis for internal management. These include: ISO 14001: Environmental Management System / ISO 50001: Energy Management System / ISO 14064-1: GHG Inventory.

Through the introduction and enforcement of these standards, the Company has strengthened its operational foundation in energy conservation, carbon reduction, energy efficiency improvement, and emissions inventory management, which serve as a crucial basis for setting annual environmental goals and executing plans.

In terms of GHG emissions management, as PixArt primarily uses electricity as its energy source, it has been included in Scope 2 emissions, which are indirect emissions from electricity consumption. The Company continues to conduct inventory and control of its emission sources to facilitate the formulation of medium- and long-term carbon reduction strategies, gradually moving toward its vision of net-zero carbon emissions.

5.2.2 Energy Consumption (GRI 302-1, GRI 302-3)

PixArt's energy consumption from non-renewable electricity in 2024 was equivalent to 12,472,560 million joules after conversion (the Company did not use renewable energy), with non-renewable energy sourced exclusively from Taiwan Power Company. Energy intensity was 1.49 (kJ/thousand NT$ revenue). Energy consumption from 2022 to 2024 is shown in the table below:

▼Energy consumption amount and energy intensity of PixArt

Type of Energy	2022	2023	2024
Scope 2 (Unit: MJ)	144,85,626	12,995,136	12,472,560
Revenue (thousand NT$)	5,225,907	5,844,521	8,362,273
Energy intensity (Unit: MJ/thousand NT$ revenue)	2.77	2.22	1.49

Note 1: Emissions in scope 2 are primarily purchased power. Calculation: purchased power 1 kWh = 3,600,000 Joule

Note 2: The emission coefficient refers to the electricity coefficient of the Ministry of Environment in 2024, which is 0.474 kg CO_2e/kWh.

Note 3: The calculation for energy intensity: energy consumption amount / thousand NT$ revenue.

5.2.3 Energy Conservation Measures (GRI 302-4, GRI 305-5)

After reviewing PixArt's production operations, which are highly dependent on electrical energy, the Company has been continuously implementing various energy conservation improvement projects each year to enhance energy utilization efficiency and reduce carbon emissions. These initiatives focus on equipment replacement, process optimization, and energy efficiency improvements, aiming to gradually advance toward the goals of energy conservation and carbon reduction.

In addition, in order to actively mitigate the negative environmental impact of its operations, PixArt has established and implemented two specific energy-saving initiatives in 2024. Through optimized daily operational management, the Company aims to enhance energy efficiency and effectively reduce GHG emissions:

1. Air Conditioning System Optimization Management

   Adjust the operating time of parallel air conditioning units during the summer to avoid unnecessary energy consumption during peak hours, while reducing losses caused by cooling water dispersion and lowering overall energy consumption from air conditioning.

2. Improvement in Equipment Operational Efficiency

   - Install timed automatic start/stop devices in the chilled water pump system at offices to prevent energy waste caused by unnecessary operation during non-working hours.
   - In warehouses, cease prolonged operation of some standby air conditioning units and instead activate them based on actual operational temperature requirements to reduce improper energy use.

Through the aforementioned improvement measures, the overall energy-saving achievements for 2024 amounted to approximately 54,606 kWh, equivalent to a GHG reduction outcome of approximately 25.88 metric tons of CO_2e (Scope 2). This demonstrates the Company's concrete actions in climate action and carbon reduction in operations, as well as its commitment to environmental sustainability goals.

▼ Key Energy Conservation Management Table in 2024

Year	Name of Energy Conservation Program	Implementation Description	Electricity Saved (kWh)	Scope 2 GHG Reduction Benefits (tons CO_2e/year)
2024	Adjust the operating hours of the parallel air conditioning units during the summer through management measures.	During the summer, reduce the daily operating hours of the following equipment by approximately 2 hours through management: one set each of cooling water pumps, cooling fans, and ice water pumps (a total of 50 horsepower).	22.557	2.97
	In warehouses, cease operation of some standby air conditioning units and activate them based on actual operational temperature requirements.	After assessment, under conditions where temperature and humidity meet regulations, one warehouse ventilator (7.5 horsepower) will be shut down for an entire year.	174.0240	22.914
		Total	196.5816	25.88

Note 1: Purchased electricity power 1 kWh =3,600,000 Joule

Note 2: The Scope 2 emission mainly comes from purchased power. The emission coefficient refers to the electricity coefficient of the Energy Administration in 2024, which is 0.474 kg CO_2e/kWh.

Note 3: One set each of cooling water pumps + cooling fans + ice water pumps (a total of 50 horsepower) = 37.3 kW * 84 working days in summer (June to September) * a reduction of approximately 2 hours of operations per day.

Note 4: Cease operation of one warehouse ventilator (7.5 horsepower) = 5.595 kW * 24 hours/day * 365 days.

5.3 GHG Emissions Management (GRI 305-1 to 305-4)

5.3.1 GHG Inventory

Amid global climate change challenges, businesses must continuously reduce GHG emissions from their operations to mitigate negative impacts on the climate.

GHG inventory is the first step toward reduction. Since 2024 (baseline year), PixArt has conducted annual GHG inventory in accordance with ISO 14064-1: 2018 standard, established GHG inventory management procedures, compiled a GHG inventory list, and prepared a GHG inventory report.

We also calculated the intensity of greenhouse gas emissions, and used "revenue" as the denominator to calculate the measuring standard of the intensity ratio.

GHG Emissions and GHG Emission Intensity

▼ GHG emissions (unit: tons CO_2e) and greenhouse gas emission intensity (unit: NT$ million)

(unit: tons CO_2e/NT$ million)

Type		2024
Scope 1 (Category 1)	Fixed emissions	2.6900
	Process emissions	0.0002
	Mobile emissions	2.9281
	Fugitive emissions	92.0136
	Total	97.6319
Scope 2 (Category 2)		1,684.8553
Scope 3		6440.5055
Annual revenue (NT$ million)		8,362
GHG emission intensity (including Scope 3) (tons CO_2e/NT$ million)		0.98

Note 1: The above GHG inventory was verified by TUV NORD Taiwan Co., Ltd.

Note 2: The carbon emission coefficient for electricity in Taiwan for 2023, as announced by the Bureau of Energy, is 0.494 kg CO_2e/kWh.

Note 3: For the inventory in 2024, the GWP from the IPCC's Sixth Assessment Report (2021) was used, and the method adopted for aggregating GHG emissions was the operational control method.

Note 4: The denominator for intensity is the revenue of NT$8,362 million in 2024.

The inventory results in 2024 show that PixArt emitted a total of 1,782.49 tons CO_2e under Scopes 1 and 2. Among which, Scope 1 (direct GHG emissions) accounted for 97.6319 metric tons CO_2e, and Scope 2 (indirect GHG emissions from energy use) accounted for 1,684.8553 tons CO_2e.

▼Scope 1 GHG Emissions in 2024

unit: tons / CO_2e

GHG / Region	CO_2	CH_4	N_2O	HFCs	PFCs	SF_6	NF_3	Total (tons CO_2e)
Total emissions equivalent (tons CO_2e/year)	5.6034	25.1150	0.0881	66.8178	0	0.0076	0	97.632
Percentage by gas type (%)	5.74%	25.72%	0.09%	68.44%	0.00%	0.01%	0.00%	100.00%

Scope 3 and Scope 4 GHG Emissions

In addition to conducting GHG inventories for Scope 1 and Scope 2 emissions for all plants in 2024, we have added Scope 3 indirect GHG emissions and Scope 4 indirect GHG emissions from products used by the organization (energy upstream – procurement of energy resources, procurement of raw materials, waste disposal) to our inventory in order to continue expanding our understanding of the emission contributions of various types of activities within our own operations and those of our upstream and downstream partners.

▼ Total Scope 3 emissions: 618.0505 tons.

unit: tons / CO_2e

	Upstream transportation emissions	Downstream transportation emissions	Employee commuting	Visitors	Employee business travel	Total
Tons / CO_2e	40.3931	132.2212	292.4611	0	152.9751	618.0505
Percentage (%)	6.54%	21.39%	47.32%	0.00%	24.75%	100%

▼ **Total Scope 4 emissions: 5,822.4550 tons.**

unit: tons / CO_2e

	Procurement of energy resources	Procurement of raw materials	Waste disposal	Total
Tons / CO_2e	347.2933	5,402.9722	72.1895	5,822.4550
Percentage (%)	5.96%	92.80%	1.24%	100%

❖ 5.4 Water Resource Management

5.4.1 Water Resource Impact Assessment

According to a report released by the World Resources Institute (WRI), a US environmental think tank, in 2019, 17 countries, accounting for approximately one-quarter of the global population, are currently facing water scarcity and extremely high water-related risks. Water resource issues have gradually become a significant challenge for global sustainable development.

PixArt continues to monitor global water resource risk issues and actively implements water management measures. All water sources for the Company's operational sites are supplied by the Taiwan Water Corporation, which is part of the public water supply system, rather than groundwater or river water, ensuring stable supply and management mechanisms.

According to the assessment results of the “Aqueduct Water Risk Atlas” published by WRI, all areas in Taiwan is classified as a low to medium water resource pressure zone (Low - Medium, Grade 1–2), and is not considered a high-risk area according to global standards. Therefore, the water resource risks currently faced by PixArt's operations are within a controllable range. However, the Company continues to strengthen water-saving measures and optimize equipment efficiency to enhance water usage efficiency, thereby fulfilling its commitment to resource sustainability and environmental responsibility.

As a professional IC design company, PixArt does not have any foundries nor does it make any physical products. Therefore, there is no industrial wastewater emitted during production. In addition, all wastewater and drained water is from domestic use. As our office is in an office building, the amount of drained water cannot be calculated.

5.4.2 Water Usage

Due to the intensification of climate change, the global water environment is facing extreme challenges, leading to an increasing frequency of alternating droughts and heavy rainfall. Water resource management has become an important issue of great concern to external stakeholders. Although PixArt is not a water-intensive industry and relies mainly on tap water supplies, without involving the extraction of groundwater or well water, we are still actively promoting water conservation measures and implementing sustainable water resource management.

▼The total amount of PixArt's water usage in recent years

Unit: MM(L)

Annual Water Usage	Headquarter A	Headquarter B	Water usage per capita (Unit: MM(L))
2022	11.408	3.673	0.026
2023	11.702	3.509	0.028
2024	11.421	3.069	0.025

Providing High-quality Water

Pix Art uses RO water dispensers in the office. We maintain the equipment every month ourselves and inspect and replace consumption materials routinely. We also comply with the regulations to inspect the water quality of water dispensers every quarter, and clean all water dispensers every year to ensure that drinking water meets hygiene standards to keep our staff healthy. In addition, we engage professionals to replace the filter cartridges regularly every year to ensure that employees have access to high-quality drinking water.

Managing Sewage Effectively

To prevent vectors from breeding and causing dengue fever diseases, PixArt routinely maintains its basement sewage treatment facility, disposes of sewage, and doses chemicals to prevent mosquitoes.

5.5 Green Production and Waste Management

5.5.1 Green Manufacturing

Hazardous Substance Management

PixArt works on the design, research, manufacturing, production, and sale of green products. All products not only comply with domestic environmental regulations, but also meet Regulation (EU) and other international standards, such as RoHS, REACH and Halogen Free products. In the future, PixArt will not only continue to comply with regulations and meet clients' needs, but will also strive to achieve its goals of exceeding international standards and our responsibility towards society and environment seriously.

• HSF/RoHS/REACH Management Mechanism

PixArt is committed to environmental protection and product responsibility, striving to promote green design and toxin-free manufacturing. Since December 2014, PixArt has obtained the IECQ QC 080000 Hazardous Substance Process Management System Certification, and is regularly inspected and verified by the third-party institution SGS to ensure that the Company continues to comply with regulatory and environmental requirements in product R&D and process management.

In response to global green sustainability trends, as well as comply with international environmental regulations (such as RoHS and REACH) and customer requirements for green products, PixArt has implemented Hazardous Substance Free (HSF) management across all stages of product design and development, material selection, manufacturing and production, and shipping. We have also established a comprehensive internal control process.

Design and Development

- Product proposal, Execution plan / review.
- Only hazardous substance free materials and manufacturing processes are used.

Manufacturing

- Routine Hazardous Substance Free an HSF evaluation is conducted on suppliers.
- Suppliers are requested to provide third-party RoHS testing reports.
- Manufacturing processes are renewed at any time in accordance with relevant regulations and client requirements to meet the latest international standards and client demands.

Production and Packaging Materials

▼ The percentage of renewable materials PixArt used on production and packaging in 2024

	Type of Used Material	Weight or volume of usage 0	Percentage of total materials (Unit: %)
Renewable materials	Plastic Tray	194,751 PCS	100%
	Paper	98,292.8 KG	100%

Note 1: The packaging material used for shipping boxes is 100% recycled material and are provided by suppliers, not purchased additionally.

Note 2: The material used for Plastic Trays is also 100% recycled and reused.

Recycle Products and Its Packaging Materials

▼The percentage of products and packaging materials PixArt recycled

Product Type	Sold products in 2024 (Unit: KG)	Recycled product and its packaging materials in 2024 (Unit: KG)	Percentage (Unit: %)
IC	1441.3	406.1	28.18%
Plastic	1441.3	314	21.79%

5.5.2 Waste Impact Assessment

As an IC design company, PixArt outsources manufacturing processes of all products to external OEMs. The Company only conducts R&D-related operations in its plants and does not engage in actual manufacturing processes. Due to the nature of its operations, the waste generated by the Company primarily consists of employee domestic waste and recyclable resources, with only a small amount of general business waste.

The Company's waste management operations comply with regulatory requirements. We also implement classification, reporting, and proper disposal mechanisms. Specific measures are as follows:

1. Domestic waste is sorted and managed by government units. There is no statistical calculation for waste removal and transportation by garbage trucks.

2. PixArt has contracts with legal waste treatment companies to remove general business waste and recycled items:

2.1 General business waste: when confirmed that waste cannot be recycled at the final waste sorting each day, it is placed in a temporary area and a waste treatment company is notified to remove it in addition to processing pre-reporting and post-confirming work according to the regulations.

2.2 Recycling: after waste is sorted, it is removed by a waste treatment company.

5.5.3 Waste Removal and Disposal

PixArt follows the 4R principles (Reduce, Reuse, Recycle, Recovery) and upholds the spirit of the circular economy as the basis of waste production and control.

In the future, PixArt will continue to make efforts to reduce waste every year. Apart from reducing waste from the beginning and recycling waste for further use, PixArt also connects the whole supply chain to reduce materials consumed and the load production impact on the environment. Meanwhile, we continue to process innovative environmental technology projects to implement circular economy measures. PixArt will continue to establish strict control and audit mechanisms regarding waste and our selection of qualified waste treatment companies to ensure that waste processing is legal while strengthening environmental sustainability.

In 2024, PixArt did not experience any incidents of illegal waste disposal, pollution leaks, or other issues that caused operational disruptions or protests by residents surrounding the plants. No major environmental penalties were imposed on the company either.

After waste is delivered to waste removal companies, the companies weigh the waste at the plant before recycling, incineration (excluding energy recovery), and landfill according to categories, and provide relevant information on the weight of the waste.

▼Business Waste Generation and Disposal in 2024

unit: tons

Sorting	General business waste						
Type	Waste IC (hazardous)	Classified documents (Paper)	Paper	Iron/ aluminum cans	Fluorescent lamp	Metal	Plastic General business waste
Amount	0.4055	0	0.5	0.24	0.031	0.39	0.35
On-site or off-site disposal	Off-site	Off-site (pulping)	Off-site	Off-site	Off-site	Off-site	Off-site
Final disposal method	Landfill after incineration	Recycled	Recycled	Recycled	Recycled	Recycled	Landfill after incineration
Source	Triplicate form	Weighing	Weighing	Weighing	Weighing	Weighing	Triplicate form

Note 1: Domestic waste from employees is removed by a qualified waste treatment company.

Note 2: Waste recycling companies provide weighing data and submit a triplicate form for waste declaration.

Note 3: For waste ICs and waste plastics, the waste removal form will specify the final disposal method. For other categories of waste, resource recovery companies will provide weighing data.

Environmental Protection and Energy Conservation Measures

PixArt actively invests in environmental protection and energy conservation measures, striving to reduce the environmental impact of its operations, and fulfill its corporate responsibility regarding climate change issues. A summary of the Company's main environmental protection and energy conservation measures is provided as follows:

▼ PixArt's environmental protection measures are as listed:

Type	Policy / Item	Description on Implementation of Policy
Resource Recycling	E-system and e-approval	Implement electronic approval and electronic file storage to reduce paper consumption.
	Provide eco-friendly tableware	1. Provide eco-friendly and stainless steel tableware in the restaurant throughout the day to reduce the use of disposable tableware. 2. Eco-friendly tableware tableware is cleaned on a regular basis and inspected for bacteria every month to ensure cleanliness and safety.
	Implement resource recycling and classification	1. Recycling areas are clearly marked and categorized. 2. After the garbage is collected, cleaning staff will re-examine the classification and concentrate it in the temporary storage area for removal to ensure that the waste is properly classified and cleaned as well as prevent the breeding of disease vectors.
	Toner cartridges	Toner cartridges from office equipment are recycled and refilled for reuse.
Philosophy promotion	Beach cleanup	For 8 straight years we have held a beach cleaning event and will continue to expand our efforts. In addition to Company employees, we also invite family members and local residents to participate in the activities, where we provide environmental education and promotion. This enables children to be exposed to environmental protection activities from an early age and helps establish the concept of environmental sustainability.
Energy conservation and carbon reduction	Measures and Campaign	1. To reduce exhaust emissions from motor vehicles, charging stations have been established within the Company for use by employees. 2. LED energy-saving lighting fixtures are being gradually installed. 3. Old and energy-consuming electrical appliances and plant facilities are being replaced with energy-saving variable frequency models.

6 Happy Workplace

Employees are the most important assets of the Company. We are committed to creating a friendly and happy workplace environment where employees can leverage their expertise, continue to grow, and achieve a good balance between work and life with enthusiasm.

PixArt strictly complies with Article 16 of the Labor Standards Act to execute notice prior to terminating a labor contract. At the same time, we strive to establish an open, communicative, and mutually respectful labor-management relationship, and actively implement measures to protect workers' human rights.

During the reporting period, the Company achieved the following human rights protection results:

1. No incidents of discrimination or related complaints
2. No violations of freedom of association or collective bargaining rights
3. No child labor
4. No incidents of forced or compulsory labor in any forms
5. No major labor-management disputes
6. No delayed handling or neglect of employee opinions and complaints

★ In addition, in 2024, PixArt did not experience any organizational changes that significantly affected operations, and overall operations remained stable.

6.1 Talent Attraction and Retention

6.1.1 Human Rights Management

PixArt's Human Rights Policy

PixArt highly values human rights, adheres to internationally recognized human rights standards, and is committed to safeguarding the basic human rights of its employees. We treat every employee with equality, dignity, and respect. We strictly prohibit any form of workplace discrimination or inhumane treatment, including but not limited to sexual harassment, physical punishment, psychological coercion, and verbal abuse.

The Company complies with relevant laws and regulations. In accordance with the instructions of senior management, we have established and implemented a “Human Rights Policy” as the basis for human resources management and daily operations. During the recruitment and hiring process, PixArt explicitly prohibits the employment of child labor and commits to not coercing, threatening, or inducing personnel to provide involuntary labor in any form, so as to ensure that all employees are voluntarily employed and have the right to terminate employment contracts at their own discretion.

We demonstrate our commitment to human rights through concrete actions, continuously creating a safe, respectful, and friendly work environment. While promoting sustainable corporate development, we actively protect the basic rights and interests of employees.

PixArt adheres to and supports various international human rights standards, including the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, and the ILO Conventions. We also implement the RBA Code of Conduct to actively safeguard employees' basic human rights and strive to foster an equal and respectful workplace culture.

This human rights policy is applicable to PixArt itself, its subsidiaries, and all overseas operational sites, as well as to suppliers, customers, and partners with whom we conduct business. We expect all stakeholders - suppliers, customers, and partners - to jointly adhere to the following human rights principles to collectively uphold and promote the global human rights value.

- Provision of a safe, hygienic and healthy working environment
- No child labor
- Prohibition of Forced Labor
- Opposition to discrimination, bullying and harassment
- Respect of equal treatment and equal job opportunities in the workplace
- Establishment of multiple communication channels
- Regular review and improvement of the related systems and actions

PixArt also promotes to our employees the company's Human Rights Policy and Corporate Social Responsibility Policy via routine educational training to clearly deliver the message of PixArt's commitment to fulfill its corporate social responsibility and support employees human rights and health and safety and demonstrate our corporate values.

Labor Rights and Supplier Responsibility

PixArt is committed to complying with international human rights standards and local labor laws, strictly prohibiting the employment of child labor under the age of 16, as well as any form of forced labor or employment discrimination. This principle is also incorporated into our sustainable management requirements for the supply chain. We also require suppliers to adhere to relevant laws and international standards at all their operational sites.

In 2024, neither PixArt nor its major suppliers experienced any significant risks or incidents involving child labor, forced labor, or other violations of labor rights, demonstrating the Company's proactive efforts and effective management in social responsibility of the supply chain.

Implementing the Core Spirit of the RBA

In addition to following and supporting international human rights conventions including the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, and the ILO Conventions, PixArt also implements the RBA Code of Conduct, striving to protect the basic human rights of employees. We also implement a human rights policy to ensure that every employee is treated equally. Regarding supply chains, we respond to the Responsible Minerals Initiative (RMI) and request our upstream and downstream suppliers to avoid conflict minerals.

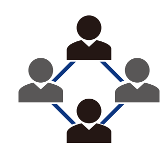
PixArt Follows the RBA Method

PixArt is a leading supplier of CMOS image sensors around the globe. We are a fabless company. However, we hold our manufacturers a very high standard. As a corporate citizen, we always follow the regulations and laws of the Responsible Business Alliance (RBA) and business operations. PixArt has passed RBA VAP audit and approval, and we are committed to sustainable development and proactively responding to client needs.

▼ Current methods & measures (in correspondence with the five parts of the RBA)

Employee

1. We have adopted a human rights policy and treat all members fairly.
2. No previous violations of labor acts or penalties.
3. All employees are required to act within labor related acts and regulations.
4. Personnel selection policy and sexual harassment regulations are in place.



Management system

1. Routine management and review meetings.
2. ISO 9001 certified Company, ensuring customer satisfaction and continuous improvement.
3. Mandatory training of RBA and ESG for all Company members.
4. Disclosure of the risk level and RBA status on-line every year.
5. Transitional targets adopted by the ESG Team help review progress against RBA regulations.

Environment

1. Navigate to obtain IECQ QC-080000 certification.
2. Adopt policy to ensure quality, green design, and production, and no use of hazardous substances.
3. All products comply with environmental laws, align with or exceed EU regulations.
4. Active exercises to conserve energy, reduce emissions, waste, and plastic, and to implement environmental protection projects.

Health and safety

1. No hazardous work environment in our Company. We conduct health checks and health promotion activities every year.
2. Emergency procedures, maternal protection, and exceptional workload prevention measures.
3. Certified nurse and doctor stationed on-site; and consultation services and speeches provided.

Moral codes

1. Ethical Corporate Management Best Practice Principles, Codes of Ethical Conduct, and conflict minerals measures are in place.
2. Conflict of interest report every year by employee; ethics related trainings.
3. Cyber security systems are important with regards to confidential customer information.

▼ Risk rating conditions are released online via the RBA. The SAQ of PixArt's RBA is low risk.

SAQ version	Status	Last Updated Date	Completion Percentage	Score	Risk Rating
Corporate SAQ-2025	Released	02/21/2025	100	94.6	Low
Corporate SAQ-2024	Archived	12/02/2024	100	93.9	Low
Corporate SAQ-2023	Archived	08/13/2023	100	93.9	Low

★ There were no high-risk projects or human rights violations in 2024. Therefore, no remedial measures were implemented.

Human resource management is a key factor in enhancing a company's overall competitiveness. PixArt establishes talent strategies that meet the needs of each stage of the Company's development through systematic planning and execution, continuously optimizing organizational efficiency and employee experience to achieve the goal of mutual growth between people and the Company.

In terms of internal management, the Company uses functional analysis as a basis to accurately identify employee training and development needs, and plans appropriate and forward-looking learning resources to strengthen team capabilities and the Company's core competitiveness. Concurrently, the Company promotes a friendly workplace culture, fostering an environment that values respect, care, and trust. Through diverse communication channels (such as feedback platforms and regular forums), employees can express their ideas with confidence, thereby promoting an open and transparent communication culture within the organization.

With respect to external talent strategy, PixArt regularly collects and analyzes talent trends and compensation data in the market as a reference for attracting and retaining outstanding talent. At the same time, it closely monitors changes in labor laws and regulations, and swiftly adjusts relevant human resources policies and systems to ensure legal compliance and protect the rights and interests of employees.

Through comprehensive human resources planning, continuous improvement, and strategic execution, PixArt is committed to making the human resources management system a key pillar driving corporate growth and innovation, further strengthening the Company's competitive advantage in the global market.

Prohibition of forced labor

PixArt enters into labor contracts with employees in accordance with the law, stipulating in the contracts that the employment relationship is established based on mutual consent and that forced labor is prohibited. PixArt has also established “Human Rights Management Operating Guidelines”, and strictly complies with relevant laws and regulations. Relevant suppliers of PixArt also adhere to this principle to ensure that our products and services are not affected by any form of forced labor, jointly promoting the goals of human rights equality and the prevention of forced labor. No incidents of forced labor occurred at the Company in 2024.

Anti-Discrimination, Anti-Harassment

PixArt has established the “RBA Manual”, the “Codes of Ethical Conducts”, and the “Sexual Harassment Complaint and Disciplinary Measures”, which prohibit any form of harassment and illegal discrimination. Discrimination is not permitted on the basis of race, class, language, ideology, religion, political affiliation, place of origin, place of birth, gender, sexual orientation, age, marital status, appearance, facial features, physical or mental disabilities, zodiac sign, blood type, or previous union membership. The Company prohibits any form of sexual harassment, workplace violence, abuse, corporal punishment, mental or physical oppression, verbal abuse, or other discriminatory behavior at the workplace, whether tangible or intangible. In addition to establishing relevant regulations (such as work guidelines, sexual harassment prevention measures, complaint and disciplinary measures, and measures governing unlawful infringement in the course of performance of duties), the Company has established a sexual harassment prevention/workplace violence complaint hotline (1799) and email, and protects complainants through the complaint mechanism. The Company did not experience any incidents of discrimination or harassment in 2024.

Freedom of Association

In compliance with labor-related laws, we respect all employees' rights to participate in and join labor-management meetings. We hold regular labor-management meetings quarterly to discuss topics such as labor dynamics across all plants, production plans/market conditions, employee activities, and improvements in the workplace environment. We also provide employees with opportunities to propose and discuss various welfare-related matters to enhance labor-management relations and ensure employees' exercise of their right to freedom of association. The Company has established a labor-management meeting to provide employees with ample opportunities for communication and expression, and has included migrant workers as members of the labor-management meeting. In 2024, 4 labor-management meetings were held to ensure sufficient communication with employees.

In 2024, the Company did not experience any incidents related to violations of the right to freedom of association.

Working Hours

In order to enable employees to maintain a healthy work-life balance, the Company has established the "Attendance and Salary Management Guidelines". Employees may request overtime as needed. The Company has also created an overtime and attendance warning system to remind and manage employees' working hours as well as to prevent excessive overtime. Additionally, a working hours inquiry system is available for department managers to check the working hours of employees, enabling reasonable scheduling of employee working hours. The Company's working hours must not exceed the legal maximum limits. Unless in emergency or exceptional circumstances, the working hours must not exceed 60 hours per week, and employees must be granted at least one day off every seven days.

Overload Assessment

PixArt has established and implemented the "Prevention of Abnormal Workload-Triggered Disorders Guidelines" in accordance with the Occupational Safety and Health Act. In addition, through annual health checkups and overload questionnaires, we identify and assess high-risk groups, implement health management measures, and proactively care for the physical and mental well-being of all employees. According to the 2024 survey, there were no employees at high risk of disorders caused by abnormal workloads.

Risk Mitigation and Remedial Measures

PixArt conducts regular and irregular internal/external audits, continuously reviews human rights issues related to labor rights, and actively communicates and adjusts internal operations to implement measures aimed at reducing human rights risks.

6.1.2 Talent Management (GRI 2-8, GRI401-1)

Diverse Workforce

Strategic human resource management is one of the key factors in creating a competitive advantage for a company. PixArt continuously cultivates outstanding talent through its internal human resource development strategy and regards them as the core assets driving the Company's sustainable development. To align with the organization's key operational goals and strategic direction, we actively recruit and cultivate key talent that meets the Company's development needs, ensuring that talent capabilities grow in tandem with the Company's growth.

As of the end of 2024, PixArt had a total of 578 employees, including 8 managers and 570 regular staff. By gender ratio, 74.7% of employees were male and 25.3% were female.

By age structure,

- Employees under 30 accounted for 9.7%;
- Employees aged 31 to 50 accounted for 81.5%;
- Employees aged 51 and above account for 8.8%.

In terms of educational background, employees with a master's degree or higher accounted for 67.8% of the total workforce, indicating that the Company has a highly knowledge-intensive talent structure.

Additionally, the Company's non-employee workers primarily included the following: 6 outsourced restaurant staff, 5 outsourced cleaning staff, 6 security personnel, and 5 IC layout personnel, totaling 22 outsourced employees. If subcontractor personnel were included, there would be a total of approximately 104 staff. Both of which were included in the scope of the Company's occupational safety and health management.

▼ PixArt's Human Resource Structure Analysis in 2024

Main Category	Secondary Category	Male		Female		Subtotal	
		Number	Rate	Number	Rate	Number	Rate
Hiring Type	Permanent & full-time employees	432	74.7%	146	25.3%	578	100.0%
	Temporary employees	0	0.0%	0	0.0%	0	0.0%
	Non-guaranteed hours employees	0	0.0%	0	0.0%	0	0.0%
	Part-time employees	0	0.0%	0	0.0%	0	0.0%

Main Category	Secondary Category	Male		Female		Subtotal	
		Number	Rate	Number	Rate	Number	Rate
Nationality	Taiwanese	429	74.2%	143	24.8%	572	99.0%
	Foreigner	3	0.5%	3	0.5%	6	1.0%
Subtotal		432	74.7%	146	25.3%	578	100.0%
Position	General employees (direct personnel)	432	74.7%	146	25.3%	578	100.0%
	Indirect personnel	0	0.0%	0	0.0%	0	0.0%
Subtotal		432	74.7%	146	25.3%	578	100.0%
Employee type	Managing Staff	8	1.4%	0	0.0%	8	1.4%
	NonManaging Staff	424	73.3%	146	25.3%	570	98.6%
Subtotal		432	74.7%	146	25.3%	578	100%
Age	Under 30	32	5.5%	14	2.4%	46	7.9%
	30-50	343	59.3%	122	21.1%	465	80.4%
	Above 50	57	9.9%	10	1.8%	67	11.7%
Subtotal		432	74.7%	146	25.2%	578	100.0%

Main Category	Secondary Category	Male		Female		Subtotal	
		Number	Rate	Number	Rate	Number	Rate
Degree	PhD	26	4.5%	1	0.2%	27	4.7%
	Master's	323	55.9%	42	7.3%	365	63.1%
	College / University	79	13.6%	84	14.5%	163	28.2%
	Below	4	0.7%	19	3.3%	23	4.0%
Subtotal		432	74.7%	146	25.3%	578	100.0%

With respect to new recruits in 2024, a total of 56 new employees were hired, including 48 male employees and 8 female employees. Regarding employee retention, a total of 14 employees left the Company throughout the year, including 9 male employees and 5 female employees, resulting in an overall turnover rate of 2.5%. The Company will continue to promote various human resources strategies, including enhancing work-life balance, improving managerial capabilities, and expanding career development opportunities for employees, in order to enhance overall retention rates and employee satisfaction.

In terms of compensation equity, during the reporting period, regardless of employee rank or gender, the basic salary and compensation ratio between women and men remained at 1:1, demonstrating the Company's commitment to gender equality and fair treatment.

Additionally, PixArt actively implements diversity and inclusion policies, striving to provide employment opportunities for individuals with disabilities. As of the end of the reporting period, the Company employed two severely disabled employees, which met the legal hiring quota, and demonstrated the Company's commitment to corporate social responsibility.

▼ By age and gender - Total number and percentage of new employees

Main Category	Secondary Category	Male			Female		
		Number of new employees	Number of new employees of the category	New hire rate	Number	Number of new employees of the category	New hire rate
New Employees	Under 30	12	32	37.5%	1	14	7.1%
	30-50	33	343	9.6%	7	122	5.7%
	Over 50	3	57	5.3%	0	10	0%
Subtotal		48	432	11.1%	8	146	5.5%

▼ By age and gender - Total number and percentage of resigned employees

Main Category	Secondary Category	Male			Female		
		Number of resigned employees	Number of new employees of the category	Turnover rate	Number	Number of new employees of the category	Turnover rate
Departed employee	Under 30	0	32	0%	1	14	7.1%
	30-50	4	343	1.2%	3	122	2.5%
	Over 50	5	57	8.8%	1	10	10%
Subtotal		9	432	2.1%	5	146	3.4%

Note 1: New hire rate = number of new employees of each category / total number of employees of the category

Note 2: Turnover rate = number of resigned employees of each category / total number of employees of the category, the number of [unpaid leave / returned / employees with less than 3 months' tenure / involuntary dismissal].

When an employee submits a resignation application, the supervisor and administrative department staff will conduct separate interviews to thoroughly understand the reasons for the employee's resignation. Through personal career planning, adjustments to job responsibilities, or provision of internal transfer opportunities, we aim to retain high-performing employees; The administrative department will proactively conduct exit interviews and provide care after each employee leaves, keeping the interview records, and maintaining information on potential re-employment. For employees who express interest in returning, the Company will actively provide opportunities for re-employment.

New Employees Caring System and Seminars

To assist new employees in smoothly adapting to the workplace environment and integrating into the corporate culture, PixArt has introduced a new employee adaptation and care system in 2019. Through care and feedback mechanisms at each stage, the system continuously improves employees' initial work experience and strengthens their sense of belonging.

Key points of the system are as follows:

- Initial care from the date of reporting for duty

  A series of care activities will be launched, and a New Employee Guide will be provided within 7 days from the date of reporting for duty to help new employees quickly understand the Company's systems, operational processes, and organizational culture, thereby meeting their basic adaptation needs during the initial period of employment.

- 1.5-month feedback survey

  After 1.5 months of employment, new employees are invited to complete a Company Environment and System Feedback Questionnaire for the Company to collect their perceptions and suggestions regarding the overall adaptation process within the Company.

  The results of the 2024 annual survey show that the “average satisfaction score for the adaptation care questionnaire among new employees was 4.5” out of 5, with a 100% completion rate. All feedback and suggestions are promptly compiled and addressed by the HR department, demonstrating the Company's high regard for employee voices.

- 3-month adaptation follow-up

  After 3 months of employment, another Work Adaptation and Agreement Questionnaire is sent out to further understand new employees' actual adaptation to job responsibilities, departmental collaboration, and corporate culture, serving as a reference for continuously optimizing personnel systems and departmental guidance.

PixArt establishes a systematic new employee care system to foster a warm workplace culture, and demonstrates its commitment to valuing and respecting talent through concrete actions, assisting employees in stable growth and co-creating long-term value.

Multiple Training Channels

PixArt places a strong emphasis on talent development and continuous learning, committed to providing all employees with comprehensive, diverse, and convenient learning resources and growth opportunities to enhance professional competencies and overall competitiveness.

In 2024, the average training hours per employee were 5.22 hours, with

- male employees averaging 4.94 hours of training
- female employees averaged 6.04 hours of training

To expand the accessibility and flexibility of learning resources, PixArt continues to offer training courses in physical classrooms, while introducing digital learning resources. The Company has established an "e-Learning Digital Learning Platform" and a knowledge management system, enabling employees to engage in self learning according to their individual needs. The platform's courses cover a wide range of topics, including professional skills, language skills training, ESG, workplace safety, and management knowledge.

In addition, the Company has established a teaching satisfaction survey mechanism to optimize course quality through learning feedback data, ensuring the effectiveness and practicality of training resources.

A dedicated unit is responsible for the overall planning and implementation of education and training, promoting various talent development and competency improvement projects, aiming to make learning an important driving force for employee growth and Company progress.

PixArt establishes a talent development system based on its operational guidelines and organizational needs, and formulates an Education and Training Plan every year to enhance the development of human resources and technical advantages. The Educational and Training Management Measures are also deployed at the same time to deliver a variety of talent training programs that improve employees professional, management or general-knowledge skills, primarily including:

(1) Professional Training: Capability enhancement seminars, new employee mentoring programs, on-the-job, etc.

(2) Management Training: Orientation, management skills training, etc.

(3) Self-learning: Language courses, external training, group-based activities, etc.

To enhance employees' professional capabilities and support their career development, PixArt continuously creates a diverse and systematic learning environment, providing substantial training subsidies annually to encourage employees to voluntarily participate in domestic and international professional courses, technical seminars, and related training activities, thereby improving their skills and broadening their horizons.

The Company also implements regular performance management and development systems to continuously track employees' current capabilities and growth trajectories, which serves as the basis for training resource planning and career path arrangements, thereby realizing the vision of mutual growth between employees and the Company.

Education and training content covers the following three major categories:

- New Employee Training:
  Educate new employees on the history, management concepts, core values, information security, intellectual property rights, patents, and employee rights and obligations of PixArt for them to integrate with the company as early as possible.
- Professional and Quality Courses:
  We provide professional related courses to increase employees work efficiency or raise their ability of quality control. Employees can choose preferred courses such as ISO 9001 Internal Auditor ISO 26262, FMEA, among others.
- Management Development Courses:
  To enhance management skills, we provide courses for basic and middle management employees such as effective communication and presentation skills, among others.

Employee Learning Effectiveness

PixArt plans individualized “personal training courses” based on the Company's vision, organizational development goals, and the core competencies required for each position, combined with the results of mid-year and year-end performance evaluations, to ensure that the training content is in line with practical needs and effectively promotes employee development.

In 2024, the Company organized a variety of training activities, including:

- Internal physical courses: Total training hours reached 1,178 hours, with a cumulative total of 246 participants
- Online e-learning courses: Total training hours reached 1,579 hours, with a cumulative total of 3,158 participants
- External training courses: Total training hours amounted to 260 hours

The total annual training hours amounted to 3,017 hours. Based on the Company's total workforce of 578 employees, the average training hours per employee in 2024 were approximately 5.22 hours.

To ensure training quality and effectiveness, PixArt adopts the Kirkpatrick Four-Level Training Evaluation Model to review learning effectiveness from four levels as follows:

1. Reaction

   All courses include post-course satisfaction surveys, covering course content, instructor performance, and learning benefits. The average satisfaction score for 2024 courses was 4.5 out of 5.

2. Learning

   Professional courses include written exams to assess the understanding of knowledge; some courses also incorporate presentations or feedback reports to confirm learning outcomes.

3. Behavior

   Management-related courses often use group exercises and scenario simulations to enhance practical skills through hands-on practice and presentations, while also facilitating two-way communication with instructors to ensure training is applied to real-world work.

4. Results

The Company uses mid-year and year-end performance evaluations as the basis for post-training result verification, observing whether employees apply what they have learned in their work to determine whether to adjust or expand related training programs in the future.

PixArt will continue to optimize training planning and evaluation systems to enhance the return on investment in training resources, and strengthen talent competitiveness and learning capabilities within the organization.

▼ Training hours and gender percentage of employees in each sphere in 2024

Employee type	Training Type	Total training time (hour)		Average training time of each employee (hour)	
		Male	Female	Male	Female
Employees	Internal training (Include e-Learning)	1680	734	4.83	5.21
	External training	77	96	0.22	0.68
Supervisors	Internal training (Include e-Learning)	326	17	3.88	3.40
	External training	52	35	0.62	7.00

Note 1: Average training hours per employee in each gender= total training hours of employees in each gender/the total numbers of employees of each gender that year.

Note 2: The average number of hours of external training for female employees is higher than that for male employees, mainly due to the requirements of their job categories.

▼ Number of employees who received education and training in the past three years and training hours (excluding skills training for direct personnel)

Year	2022	2023	2024
Number of employees	522	539	578
Number of trainees	3915	3313	3450
Total training hours	3469.5	4009.5	3017
Average hours per person	6.65	7.44	5.22
Average satisfaction	4.6	4.7	4.5

▼Education and training hours and training costs over the past three years

Year	2022	2023	2024
Training hours	3469.5	4009.5	3027
Training costs (NT$ thousand)	640	778	660

Cultivating Future Industry Talent - Creating a Direct Pathway from Campus to the Workplace

Academic-industry collaboration project with the National Taiwan University/ National Yang Ming Chiao Tung University to improve the quality of domestic education

PixArt cooperates with well-known domestic universities with the expectation of improving the quality of domestic education, enhancing the skills and practical experience of young talent, and connecting academic courses with industry. In 2024, we participated in the Chip Design Alliance Master's Degree Program, and facilitated industry-academia collaboration with the National Yang Ming Chiao Tung University. We have been partnering with professors and students of the Graduate Institute of Electrical and Computer Engineering on a research program. We also are a regular presenter of the NTUSoC talent recruitment and industry movement, advocating quality education in Taiwan.

In addition, we also cooperated with other local colleges and universities, including:

1. The Head of Research Department teaches at least 2 industry-related practical lessons in local or target schools every year.
2. Applied for membership and become a member of the NTU System-on-Chip Center to combine industry and academic courses. We participated in 1 keynote speeches and 1 practical lesson to share technology information in 2024 and cultivate System-on-Chip with the academy.

Hackathon Sponsorship Project

PixArt became the principal sponsor of Hackathon, a non-profit organization founded by students of NTHU and NYCU promoting civic tech and limit-free platforms to coordinate government and corporate resources to help the problemsolving ability among students. For five years in a row, PixArt has been a Hackathon partner and primary sponsor. The project hosts NTHU and NYCUs students team up and conduct research, discussions, and development with corporate funding, showcasing their achievements in this two-day-one-night brainstorming event. Nearly 300 participated from NTU, NTHU, NYCU, NCKU, and colleges and universities across the island, and high schools to contribute innovative, competitive results. Six teams worked their hardest to develop abilities and passion, cultivating Taiwan's talent pool.

6.1.3 Employees

Smooth Communication Channels and Freedom of Association

PixArt values positive communication and harmonious relationships with its employees. It is committed to establishing diverse and smooth two-way communication channels to ensure that Company information is conveyed quickly and accurately, while listening to and responding to employee feedback to strengthen mutual trust and organizational cohesion.

The Company follows the three principles of “listening, addressing, and responding”. It has established an employee feedback section on the internal network, a 1788 complaint hotline, and an employee communication mailbox to encourage employees to provide suggestions on work environments, system planning, and other matters. Upon receiving feedback, the Company promptly forwards it to the responsible departments for handling, and tracks progress and improvement outcomes.

In 2024, a total of 18 employee suggestions or feedback cases were received. After cross-departmental communication and coordination, all cases were successfully resolved, achieving a 100% resolution rate. This demonstrates the Company's commitment to valuing employee feedback and the effective operation of its rapid response mechanism.

Moreover, we conducted an employee opinion survey in 2024 to gain a deeper understanding of the internal corporate atmosphere, covering aspects such as work environment, team collaboration, learning and development, compensation and benefits, administrative service quality, and corporate culture. The survey also included an open-ended question to collect employees' opinions and suggestions about the Company. The response rate for the survey in Taiwan reached 89%, indicating employees' high regard for this survey. It also reflects that the Company has effectively facilitated the exchange of diverse voices and perspectives in fostering an inclusive and diverse workplace culture, thereby promoting the Company's culture of inclusiveness and diversity.

The overall average satisfaction score for this survey was 81.9 points, an increase of 2 percentage points from the previous survey, demonstrating a continued rise in employees' sense of belonging to the Company. Among the top five highest-scoring questions, two questions significantly reflect employees' high recognition of the Company's future development and care measures, with the percentages indicating “agree” or “strongly agree” as follows:

- I believe the Company has a bright future and good prospects for growth (92%)
- I feel that the Company genuinely cares for and supports employees, and its related care measures are well implemented (87%)

For survey items with relatively lower scores, such as “the Company's service quality of public environment and facility maintenance”, we have taken concrete improvement actions based on employee suggestions. Relevant departments have strengthened environmental inspection mechanisms across all floors and improved the cleanliness and maintenance of public spaces. Daily reports on the current status are submitted to supervisors by dedicated staff, and unscheduled audits and spot checks are also conducted. Through the continuous implementation of improvement plans by responsible departments, the Company is committed to optimizing the work environment and further enhancing employee well-being.

In addition, in accordance with the Responsible Business Alliance (RBA) Code of Conduct, PixArt ensures that all employees enjoy the legal rights to freedom of association and collective bargaining. Over the years, due to the Company's sound internal communication mechanisms and smooth feedback channels, employee concerns are typically addressed promptly on a daily basis. As of now, there has been no formation of a union within the Company.

PixArt will continue to optimize its communication platforms to create an open, respectful, and trusting work culture, ensuring that every employee can express themselves with confidence and be genuinely heard.

▼Smooth, multiple communication channels

Communication channels	Frequency	Scope of Issues	Response and Handling Method of PixArt
Electronic bulletin	Irregular	Operating performance, sales target, various systems, and event messages.	Provide accurate and timely information to ensure that information is communicated effectively.
Conversation with top-tier managers			
Employee suggestion forum	Anytime	Working environment, company system, employee care measures.	Respond and solve problems proactively. Provide a friendly working environment.
Employee suggestion mailbox			
Labor-management meetings	Routine	Matters concerning the improvement of working conditions, subject to approval by the labor-management meeting in accordance with the law.	Report to employees the conditions of company's operation and welfare fund use of the Employees Welfare Committee to raise labor conditions and promote employee welfare.
Employee's welfare meeting	Routine	The plan and operation of employee welfare.	
Employee opinion survey	Routine	Personal development, department head leadership, environmental system, service quality, etc.	Analyze investigation results, respond, and make improvements.

6.2 Compensation and Benefits

6.2.1 Equal and Generous Compensation

Competitive Compensation

Facing the fierce competition of the global technology market, attracting and retaining high caliber employees has become an important issue for us. The provision of a competitive reward system is one of the most important tasks for the company. To maintain sustainable growth, PixArt offers a highly competitive reward scheme to all employees when compared to its competitors in the IC Design industry, making high caliber employees the best impetus for the company's sustainable growth.

As well as a fixed salary, the concept of profit sharing is established in PixArt. The company contributes a certain percentage of operating profits to employees' compensation and bonuses. To encourage employees to be innovative and work as a team, annual employee performance evaluations are conducted that contribute to individual salaries. Moreover, PixArt refers to the Macroeconomic Index and salary standards of the present market every year to adjust employees salaries to ensure their efforts and achievements are recognized monetarily.

PixArt has designed a salary system based on local government regulations, industry conditions, and the current job market that meets local requirements and standards and does not bias depending on an employee's sexuality, nationality, race, age or religion. The basic salary ratio for female new hires to male new hires in 2024 was 1:1.59. The difference in compensation between male employees and female employees is due to factors such as job type and years of professional experience.

Wages and benefits: PixArt's various compensation and benefit measures comply with and exceed legal requirements, and wages are not arbitrarily deducted for disciplinary purposes. In daily management, the monthly salary settlement process is enhanced through system-based automated verification functions, and supervisors conduct cross-checks and reviews to ensure all tasks are completed accurately. After salary payment, any employee feedback is addressed promptly to safeguard employee compensation and welfare rights.

▼Salary information of non-executive full-time employees

Item \ Year	2022	2023	2024
No. of non-managerial permanent staff	505	530	561
Total salary of non-managerial permanent staff (thousand NT$)	1,273,852	1,325,094	1,699,204
Average of non-managerial permanent staff (thousand NT$)	2,522	2,500	3,029
Median salary of non-managerial permanent staff (thousand NT$)	2,321	2,301	2,864

6.2.2 Sound Welfare Measures

PixArt's Employees Welfare Committee fully complies with the Rules Governing Organization of Employees' Welfare Committee released by the Ministry of Labor. Members of the committee are elected from various departments with the Director General to manage general committee affairs. Committee meetings are held from time to time aiming to improve employee welfare by introducing new benefits policies, organization of recreational activities, and providing diversified benefits choices.

We provide a benefit system to full-time employees; except for basic rights such as labor and health insurance, earned leave, maternity leave, and parental leave, we also provide various employee welfare options such as leave holidays, life insurance, disability insurance, pension, emergency aid, cash gifts for marriage and birth, funeral aids, staff dormitories, and free meals, etc. We also allow floating leave for employees to nurse babies or take care of their children. The benefit and welfare details are listed below:

▼Employee welfare measures

Welfare measures		Welfare and performance description
Compensation and welfares	Employee welfare subsidiary program	We gift employees with festive bonuses and childbirth and marriage subsidies and the local/overseas travel fund to help employees find a good work-life balance.
	Fixed salary	14-month basic salary protection and salary raise annually. Personal performance is included to ensure employees efforts and achievements can be rewarded immediately.
	Operation bonus	With the concept of profit sharing, a certain percentage of operating profits are contributed as the employees compensation and bonus to encourage employees to remain innovative and work as a team.
	Patent bonus	To encourage employee innovation, PixArt provides bonuses for staff who apply for and acquire patent rights.

Welfare measures		Welfare and performance description
Employee protection	Leave system better than the Labor Standards Act	PixArt provides better annual personal leave policy than required by Labor Act. Personal leave is offered in advance of flexible planning. In addition to the personal leave required by Labor Act, PixArt also offers seven days a year of flexible time off. Additional seven days off are granted as part of the PixArt compensation salary package.
	Complete insurance system	Except for the insurance regulated by law (including labor and health insurance), PixArt also provides group insurance for every employee. Group insurance in particular, includes life insurance, catastrophic illness insurance, and accident insurance. Employees can use the best rate to ensure company group insurance for their families to have the same protection as the employees.
Health Activities	Health check-ups	Corporate-paid health check-ups in PixArt include more inspections than what is required by the government. Employees are covered by additional check-up items including cancer screening, ultrasound inspection in two additional areas, antigen and antibodies for hepatitis A/B/C, and hemoglobin A1c. Since 2013, line managers spouses are also eligible for free check-ups paid by PixArt. In 2024, the completion rate of employee health check-ups reached 99.5%, and 95 spouse check-ups were completed.
	Healthy seminars and activities	Healthy activity topics at PixArt varies from year to year, generally depending on the result of health checks and employee interest surveys. In 2024, PixArt held health activities such as a weight-loss club, health-related seminars, blood donation, pap smears for women, and HPV vaccinations. Hopefully the activities are able to raise health awareness of employees and their families to lead to better and healthier lifestyles. 357 employees participated in the activities in 2024.
	Vaccination	PixArt has provided employees with the influenza vaccination for 18 consecutive years which is paid for by the company. In addition, we also organized self-paid HepA, HepB, and HPV vaccinations from 2018 to 2024 for the sake of health check-ups and employee needs.

Welfare measures		Welfare and performance description
Health Activities	On-Site General Practitioner Services	Except for hiring healthcare-related professionals, PixArt further co-operates with the National Taiwan University Hospital Hsinchu Branch to provide onsite GP services for employees well-being. Employees are encouraged to utilize the one-on-one session to discuss their health issues, or to understand their health check results. 72 people availed of used this service in 2024.
	Employee Assistance Programs	PixArt works with external counseling associations to provide professional and free-of-charge counseling services on-site. Session topics are at employees discretion that may cover family, emotions, social networking, work, or more. Employees family members may also join the session together if required by the counselor. All discussions will remain confidential.
	Ergonomic-Friendly Work Environment and Massage Service	For the relaxation of mind and body, and increasing job opportunities for disadvantaged groups, PixArt offers on-site massage services (by visually impaired massage therapists) for employees.
Complete facility	Sports & exercise center	PixArt provides sports & exercise center for employee use including a gym, basketball, badminton, and table tennis courts, as well as an aerobics classroom, etc.
	Cafeteria	The cafeteria provides the safest meal plan for employees. We implement food safety management and restrict large-scale food suppliers use of MSG and other illegal additives. In addition, all food suppliers are required to pass rigorous food safety checks. We use strict standards to keep employee meals safe.

	Welfare measures	Welfare and performance description
Complete facility	Ergonomic chairs are used in all offices	Most of the work style in PixArt is office work. Managers understand that employees have to sit at their desks for a long time to deal with business work, therefore, old office chairs were replaced with ergonomic chairs with the expectation of reducing and preventing back pain in 2016.
	Free pregnant women only parking spaces	To reduce employees commuting problems of looking for parking spaces, PixArt sets up employee-only parking lots and contract parking lots in addition to pregnant women and disabled use-only parking lots (provided according to requirements).
	Set up a breastfeeding room	PixArt cares about female employees, therefore, we built a safe, warm breastfeeding room and acquired Nursing-friendly accreditation from Public Health Bureau of Hsinchu County Government in 2019.
	Set up emergency buttons in ladys shower rooms	Installed emergency buttons in ladys shower room and linked the buttons to the security room to ensure and increase female employees safety in the foundry.

Retirement System

The PixArt Group established the Labor Retirement Reserve Supervision Committee in compliance with the Labor Pension Act. The reserves for labor pension are deposited into a Labor Pension Account on a monthly basis. In 2024, a total of NT$49,159,310 was appropriated to the pension fund.

Regarding employees who meet the qualifications of the old system, PixArt contributes an amount equivalent to 2% of the employees total salaries and wages on a monthly basis to a pension fund deposited in the Bank of Taiwan in the name of the administered pension fund committee. For employees who choose the new system, PixArt contributes an amount equivalent to 6% of the employees total salary on a monthly basis to the employees pension account with the Labor Insurance Bureau.

Every year with the assistance of qualified accounting services we calculate retirement funds based on the old system to ensure sufficient amounts are allocate d and the right to a pension.

6.2.3 Friendly Childcare Workplace (GRI 401-3)

Maternal Health Protection

To prevent occupational diseases caused by prolonged working hours and abnormal workloads, and to protect the occupational health and safety of female employees and all staff members, PixArt has established a comprehensive health risk management system in accordance with labor laws and occupational safety and health guidelines. A professional team comprising on-site physicians, occupational safety and health personnel, and occupational nurses is responsible for the precaution of work-related cardiovascular disease, maternal health protection, and the precautionary management with ergonomic engineering, adopting risk evaluation and grade management, and arranging employee consultancy with on-site physicians to prevent the occurrence of cardiovascular diseases and musculoskeletal injuries among employees while ensuring the maternal health of female employees.

Regarding the implementation measures for the protection of maternal health for female employees, PixArt complies with the "Act of Gender Equality in Employment" while advocating SDGs goal No.5 of gender equality to protect employee rights of giving birth and raising the next generation, as well as parental leave. After working in PixArt for 6 months, employees can apply for parental leave to take care of their children until they are 3 years old. However, parental leave shall not exceed 2 years. During the parental leave period, employees can continue to have social insurance.

Moreover, PixArt developed female health and protection management plans to protect female employees who are pregnant or preparing for pregnancy. Risk analyses are conducted to identify job duties that could be harmful and can only be assigned to pregnant or preparing-for-pregnancy employees when approved by an on-site General Practitioner after one-on-one evaluation sessions.

After completing the consultation and assessment, our medical staff will monitor the health of the mother and provide consultation. We also set up pregnant employee-only parking lots and a breastfeeding room to ensure the employees healthy bodies and minds during pregnancy, child labor, and breastfeeding.

PixArt collaborates with professional teams through systematic management mechanisms to continuously create a safe, healthy, and supportive work environment, safeguarding the physical and mental well-being and work-related welfare of all employees.

The Application of Flexible Parental Leave

In terms of pregnancy care, the Company immediately notifies the medical office of any employee's pregnancy, and works with the supervisor to consult on her work status, while considering the physical changes associated with pregnancy to assess whether to adjust her work duties. In addition, applications for maternity leave are not differentiated by gender. Anyone who meets the legal requirements is eligible to make an application. In 2024, for male employees the reinstatement rate was 100.0% and the retention rate was 100.0%. For female employees, the reinstatement rate was 100.0% and the retention rate was 100.0%.

Employees (regardless of gender), after working in PixArt for 6 months, can apply for parental leave to take care of their children until the age of 3. During the parental leave period, the job position will be retained so staff can take care of their children without economic worries. Employees can also continue to have social insurance (health and labor insurance) with the same unit.

▼The calculation of employees who applied for parental leave in 2024

	Male	Female	Total
(A) Employees who were qualified to apply for parental leave in 2024	36	11	47
(B) Employees who applied for parental leave in 2024	1	0	1
(C) Employees who were estimated to reinstate after parental leave in 2024	1	1	2
(D) Employees who were reinstated after parental leave in 2024	1	1	2
(E) Employees who were reinstated after parental leave in 2023	0	2	2
(F) Employees who were reinstated after parental leave in 2023 and continued to work for another year	0	2	2
Application rate of parental leave b/a	2.8%	0.0%	2.1%
Reinstatement rate of parental leave d/c	100.0%	100.0%	100.0%
Retained rate of parental leave f/e	NA	100.0%	100.0%

Note 1: Employees who were qualified to apply for parental leave in 2024 (A): Determined as employees who have taken more than 56 days of maternity leave and more than 1 day of paternity leave within the three-year period from January 1, 2022, to December 31, 2024.

Note 2: Employees who were reinstated after parental leave in 2023 and continued to work for another year (F): Calculated based on the number of employees who returned from parental leave in 2022 and continued working for at least one year.

6.3 Occupational Health and Safety

Workers are an important part of a company's operations. Any safety or health risks in the workplace can exert a significant impact on the Company's finances and the health and lives of employees and external workers. PixArt complies with local occupational safety and health regulations at each of its operating sites and refers to the ISO 45001:2018 Occupational Health and Safety Management System standard. It uses the PDCA cycle - Plan, Do, Check, Act - as the foundation of its management framework. The Company has established an occupational safety and health management system and set up an Occupational Safety and Health Committee to identify potential risks in all work environments, establish management procedures and control processes, and conduct regular internal audits to effectively prevent accidents and ensure the health and safety of workers.

The Allocation of Occupational Safety and Health Staff

PixArt places a high priority on occupational safety and health management, strictly adhering to the Occupational Safety and Health Act and relevant domestic and international regulations. We are committed to providing employees with a safe and healthy work environment, with the goal of achieving zero occupational accidents as a sustainable management objective.

The Company has established an Occupational Safety and Health Management Committee in accordance with the Occupational Safety and Health Management Regulations, with the members as follows:

- Occupational safety and health specialist
- Medical personnel
- Engineering and technical personnel related to occupational safety and health, department heads, supervisors, and person in charge, etc.

The Occupational Safety and Health Task Force holds regular meetings to review and improve workplace safety and health issues. Key topics include:

- Hazard identification and risk assessment
- Review and update of safety and health management systems
- Accident investigation and preventive improvement measures
- Establishment and implementation of safety audit standards for contractors and suppliers

To enhance the safety awareness and emergency response capabilities of all employees, the Company establishes an annual occupational safety and health training plan each year based on job nature and regulatory requirements. The plan primarily includes:

- Fire drills and disaster evacuation drills
- Promotion of environmental safety regulations and training on emergency response procedures

- External professional courses (such as first aid, hazard identification, and special operation safety) and certification acquisition
- Irregular expert lectures to enhance employees' awareness of workplace risks and response capabilities

PixArt builds a safety culture that benefits both the Company and its employees through systematic occupational safety and health management, education and training, and continuous improvement, striving toward a workplace environment free of occupational accidents and incidents.

Occupational Safety and Health Hazard Identification, Risk Assessment and Incident Investigation

To implement occupational safety and health management, PixArt conducts occupational hazard identification and risk assessment annually and implements graded control and improvement measures based on the assessment results, covering employee health management, workplace environment monitoring, as well as maintenance of building and fire safety facilities. Specific measures are as follows:

1. Health checkups and graded follow-up

Annual health checkups are conducted, and employees are graded based on the results. High-risk groups are provided with follow-up care, health consultations, and workplace adjustment recommendations. Moreover, health promotion activities are organized to enhance overall workplace health standards.

2. Building structure safety management

Building safety inspections are conducted every two years to ensure that office and R&D venues comply with structural usage standards and relevant legal requirements, thereby reducing potential safety risks.

3. Fire safety facility inspections and reporting

Annual comprehensive inspections of fire safety facilities (such as fire extinguishers, automatic sprinkler systems, and alarm devices) are conducted. Any abnormalities detected are repaired or replaced prior to the annual statutory reporting to ensure the safe operation of all fire safety equipment.

4. Work environment quality testing

We conduct regular work environment testing every six months, focusing on key indicators such as CO_2 concentration in office spaces. If abnormally high values are detected in specific areas, we will immediately notify the facilities department to inspect and repair air conditioning and ventilation equipment to ensure that indoor air quality meets health standards.

We continuously improve our management through PDCA (Plan-Do-Check-Act) (as shown in the figure below) and continuously improve the occupational safety and health management system. This effectively reduces workplace risks, protects employee safety and health, and continues to move toward the goal of “zero disasters and a safe workplace”.

Through the aforementioned flow chart, we can identify that most of the operations of the Company are in the office. Frequently occurred diseases that staff experience are mainly occupational diseases such as joint and muscle fatigue, inflammation, and strain, etc. Supervisors understand that employees spend long hours at their desks; therefore, in 2016, we implemented an ergonomics improvement plan by replacing office chairs with ergonomic chairs for all employees to reduce and prevent back pains. During the preventive repetitive operations that cause muscle and joint fatigue, after a doctor assessment, it was confirmed that their problems are not related to their work. We also provide health education regarding correct sitting positions. If joint and muscle pains are caused by old injuries, the company provides treatment recommendations for its staff.

Furthermore, considering the working environment of the company is mainly office-based and windows are closed when air conditioners are on during working hours, the company set up an outer air exchange equipment with timers that exchanges the air every six hours so fresh air enters the office, reducing the CO_2 concentration in the offices as well, to decrease the impact on staffs health. The company also conducts a CO_2 monitoring project every six months for continuous improvement.

The Prevention of Abnormal Workload-Triggered Disorders Guidelines

PixArt is a professional IC design company. Our employees work in offices and there is no high-risk working environment. We abide by the Abnormal Workload-triggered Disorders Guidelines to a high standard. The medical staff assists units to execute and improve related measures according to risk evaluation results from monitoring if employees work abnormally. This prevents them from abnormal workloads and ensures the health of their body and mind.

Occupational Safety and Health Education and Training

Educational and training for new employees

PixArt fulfills occupational safety and health responsibilities by establishing a systematic safety and health education and training and emergency response drill mechanism for all new employees to ensure that they have sufficient emergency response knowledge and practical operational skills.

- Educational and training for new recruits

  All new employees complete occupational safety and health education and training on their first day of work in accordance with the law. The training covers environmental safety regulations, workplace hazard identification, safety operation standards, and the Company's environmental, safety, and health policies, helping them quickly understand workplace safety requirements and establish proper risk prevention awareness.

- Fire drills and evacuation training

  The Company conducts fire drills for new and existing employees every six months. The content includes: fire reporting procedures, evacuation route operations, and actual use of fire extinguishers, thereby enhancing employees' disaster response and self-protection capabilities.

- AED training and first aid drills

  To enhance employees' ability to respond to emergencies, the Company regularly conducts AED (automated external defibrillator) operation training and simulated drills. Employees can practice using AED equipment and perform CPR procedures to gain valuable rescue time and improve their ability to respond to emergencies in a timely manner.

Through a systematic training and drill mechanism, PixArt not only enables employees to gain a thorough understanding of relevant laws, regulations, and company policies, but also strengthens their commitment to and practice of environmental, safety, and health responsibilities, working together to achieve the goal of a safe and incident-free workplace.

Occupational safety and health Management

- Access cards with routine check-ups by 24-hour onsite guards are processed to keep employees safe.
- Working environment testing is processed every 6 months to ensure the air quality of the office.
- Drinking water testing is processed by a qualified unit every 3 months to keep employees healthy.
- Fitness facilities are provided in every building to encourage exercise.
- Fire drills are held every six months and evacuation drills every year.
- AED facilities are provided in every building.

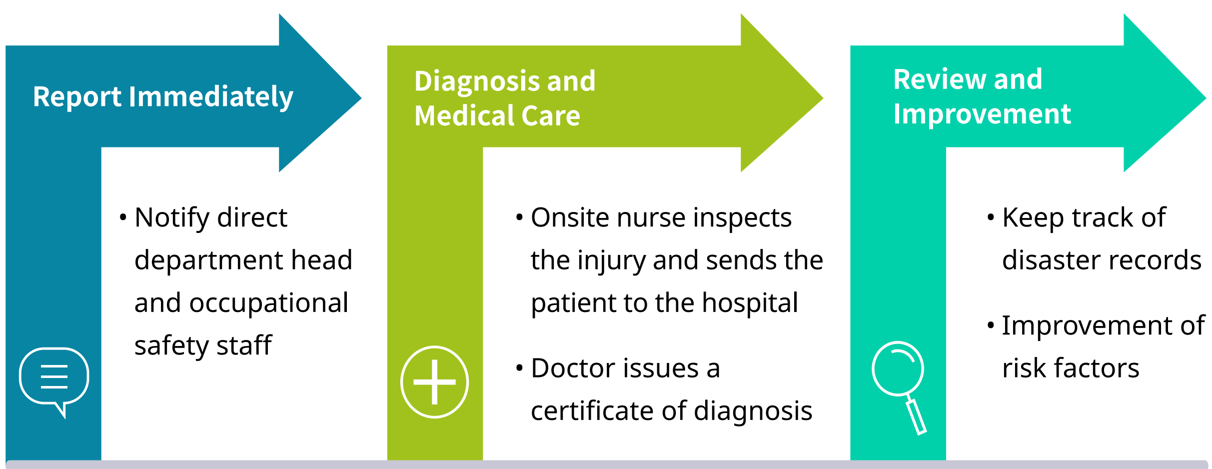
Occupational Injury Prevention and Management

PixArt is an IC design company without production processes, and there are no other special hazard factors in the work environment. The Company is only required by law to conduct environmental measurements for carbon dioxide (CO_2) concentration and illuminance. However, to ensure a safe and comfortable working environment, the Company conducts regular workplace environment assessments every six months. In 2024, all testing items complied with regulatory standards, with no instances of non-compliance.

Our employees do not engage in work activities with high risks or high occupational disease incidence rates. Nevertheless, we adhere to the principle of prevention over treatment, and actively establish and implement occupational health management mechanisms. To prevent potential health hazards caused by workloads, mental stress, or environmental factors, PixArt has established and implemented the Safety and Hygiene Guidelines in accordance with the Occupational Safety and Health Act and the work guidelines of the Occupational Safety and Health Administration, MOL. The Guidelines have been approved and filed by the Science Park Administration Bureau.

In addition, the Company continues to promote the concept of a healthy workplace, establishing risk identification and response measures to safeguard the physical and mental health of every employee. In 2024, no occupational injury incidents occurred at the Company, indicating that the current occupational safety and health system and environmental management are being effectively implemented.

▼The process for reporting occupational accidents is shown in the figure below



Dedicated to a Safe Workplace

Based on MOL-OSHA (Occupational Safety and Health Administration) statistics on occupational hazard caused disabilities, we established a complete reporting flow and incident investigation mechanism. Excluding road accidents outside Company, no work-related disability or occupational illness occurred throughout 2024. Moving forward, we will continue to comply with applicable regulations to ensure the target of "Zero Workplace Hazards and Environmental Sustainability" through control and minimization of occupational health and safety risks to create a safe and healthy work environment for employees.

Item	2022		2023		2024	
	Male	Female	Male	Female	Male	Female
Disabling Frequency Rate (FR)	0	0	0	0	0	0
Severity Rate (SR)	0	0	0	0	0	0
Frequency-Severity Indicator (FSI)	0	0	0	0	0	0
Occupational disease rate (ODR)	0	0	0	0	0	0

Note 1: This number does not include traffic accidents.
Note 2: Disabling Frequency Rate (FR) = The number of disabling injuries/ total number of hours worked * 1,000,000
Severity Rate (SR) = Number of lost workdays / Total number of hours worked * 1,000,000
Frequency-Severity Indicator (FSI) = (FR*SR/ 1,000)(1/2)
Occupational Disease Rate (ODR) = (Occupational disease cases / total hours worked) * 200,000

Pandemic Prevention Policies and Management

If not immediately prevented, the frequent occurrence of novel infectious diseases like in recent years may cause damage to employees safety and health, and impact company operations in a severe situation. Therefore, when infectious disease or seasonal influenza begins to spread across the globe, PixArt will pay close attention to related issues and provide employees with the necessary healthcare knowledge, messages, and precaution measures. PixArt has received antipandemic awards from the Taiwan Immunization Vision and Strategy Association for 9 years (2016-2024). We evaluate the latest pandemic situations and any potential risks and propose anti-pandemic countermeasures. At the same time, we continue to enhance employees health knowledge of themselves and their family members to establish a safe working environment.

Pandemic Response and Support

Pandemic information is passed through Line@APP, which allows quick messages between employees and the Company to monitor and advise on conditions.

Reducing the Risk of Contact

1. Auto doors were installed at most entrances and exits to minimize contact., automatic doors are mostly installed in the main entrances and exits. To enhance employee safety, supplemental facilities are installed on bathroom doors so employees can open the door with their feet to reduce the risk of hand contact.
2. Hand gesture sensors designed by PixArt are installed on elevator panels to reduce contact.
3. All push button doors in the foundry are replaced with sensitive detectors to reduce contact.

Using Reusable Tableware and Wrapping Chopsticks/Spoons with Paper Covers to Reduce Hand Contact

1. Replace serving tongs with individual tongs for each employee and wrap all chopsticks and spoons with paper covers to reduce hand contact.
2. After finishing a meal, tongs are centralized and recycled along with the dishware. The items will be cleaned and sanitized by a contractor and reused the next day.
3. Add photos of tableware later.

Occupational Health Services

PixArt values employees health and provides corporate-paid health check-ups to include more inspections than what is required by the government. Employees are covered by additional checkup items including cancer screening, ultrasound inspection in two additional areas, antigen and antibodies for hepatitis A/B/C, and hemoglobin A1c. By providing more checkup items, employees are able to gain early health awareness, detect hazardous factors, and take the necessary action in advance. In 2024, the completion rate of employee health checkups reached 99.5%. If major abnormal results were tested and listed in the health checkup report, the employee will be informed immediately to make a return visit with the doctor. The completion rate of return visits was 100%.

Employees are required to fill in questionnaires regarding work-life balance and ergonomic muscles. From the analysis of questionnaire and health check-up results, if the scores of an employees cardiovascular, workload, or personal evaluation are in the high-risk range, a one-on-one visit with the onsite GP will be arranged to care for their health.

PixArt refers to health checkup results in addition to the health management level standard advised by the onsite GP to provide measures such as proper health instructions and fitness for work.

In addition, since 2013, line managers spouses are also eligible for free checkups paid by PixArt as an acknowledgment of their great contribution in supporting their devoted other half at work (it is recommended to increase the number of benefited family members). Managers all appreciated the benefit that PixArt provided to their spouses.

Health Activities for Employees

PixArt firmly believes that “the health of employees is our most valuable asset”. Therefore, we are committed to creating a people-oriented work environment that not only pursues comfort and safety in terms of space, but also places great importance on the physical and mental health and overall well-being of every employee.

To build a healthy, safe, and friendly workplace environment, the Company has implemented the following measures to realize its vision of a healthy workplace:

- Establishing a professional health management team:

  We have hired dedicated occupational nurses and contracted on-site specialist physicians to provide health consultations, medical advice, and risk tracking, ensuring compliance with regulations while addressing practical care needs.

- Comprehensive health care mechanisms:

  We conduct regular health checkups and follow up on any abnormalities, combining work risk identification and stress management to proactively monitor the health status of high-risk employees and reduce the risk of workplace illnesses.

- Promoting a healthy lifestyle culture:

  The Company continues to organize health lectures, fitness courses, and mental health education activities to encourage employees to develop good health behaviors and lifestyle habits. This further extends health awareness to families, expanding its influence to individuals and their relatives, thus creating a positive cycle.

PixArt aims to enhance employees' self-health management capabilities through these health promotion initiatives, with an aim of achieving sustainable value that benefits both the Company and its employees.

Promote Healthy Diet and Implement Food Safety Management

Employees at PixArt are provided with diversified and healthy-cooked meals during working hours. Catering service providers are selected and assessed rigorously for their safety standards; PixArt strictly prohibits the addition of MSG or illegal additives to any cooked meals. Each day, employees may check what they are going to be served. All dishes are given a color grade according to their level of calories and nutrients for quick recognition and selection of healthier foods. Food safety related news and topics are constantly tracked and applied to ensure that our employees are in good hands when it comes to healthy eating. Menus are reviewed every week. Catering service providers are asked to cook food with less oil and less salt in addition to serving at least one blanched vegetable dish every day for employees to eat healthily.

Buffet food and noodles are served at lunchtime with various kinds of fruits. Moreover, light meals such as fruit boxed lunches with vegetable bento are also offered to provide employees more options.

Promote Employee Health Activities

Healthy activity topics at PixArt varies from year to year, generally depending on the result of health checks and employee interest surveys. PixArt was certificated with a Badge of Self-accredited Healthy Workplace by the Health Promotion Administration, MOHW, and received the Excellent Healthy Workplace Award, Health Management Award in 2018. PixArt held health activities such as a weight-loss club, health-related seminars, blood donations, pap smears for women, HPV vaccinations, etc. in 2024.

Hopefully the activities are able to raise health awareness of employees and their families to lead to a better and healthier lifestyle. In 2024, 357 employees participated in health activities.

Hire Visually Impaired Massage Therapists to Provide On-site Massage Service

For the relaxation of mind and body while also increasing job opportunities for disadvantaged groups, PixArt offers onsite massage services (by visually impaired massage therapists) for employees.

Vaccinations for flu and COVID-19

PixArt has provided corporate-paid influenza vaccinations to employees for 18 consecutive years and was proudly awarded Anti-Epidemic Pioneer Award, Comprehensive Anti-Epidemic Award, Anti-Epidemic Pioneer Golden Award and Anti-Epidemic Pioneer Silver Award by the Institute of TIVS (Taiwan Immunization Vision and Strategy) from 2016 to 2024 for 9 consecutive years. Employees influenza vaccination rate in 2024 reached 68.89%.

Onsite General Practitioner Services

PixArt attaches great importance to the physical and mental well-being of its employees. In addition to hiring professional occupational health nurses in accordance with regulations to provide daily health care and risk monitoring, the Company has established a contracted collaboration with specialist physicians from the Hsinchu Branch of National Taiwan University Hospital to offer professional and reliable on-site medical services.

The Company arranges on-site physicians every two months, held within the office premises, allowing employees to receive medical assistance directly during working hours. The services include:

- One-on-one health consultations:

  Employees can ask questions about their physical condition and receive immediate professional advice and preliminary assessments from physicians.

- Health check-up report explanations:

  Physicians explain the results of employees' health check-ups, helping them understand the data and potential risks, and recommending follow-up medical treatment or lifestyle adjustments when necessary.

- Health risk management recommendations:

  For employees with specific health conditions or risk factors, physicians and nurses provide follow-up tracking and preventive strategies.

This on-site medical service system not only complies with regulatory requirements, but also enhances the accessibility and timeliness of employee health care, integrating health care into daily work. PixArt will continue to promote employee health and workplace happiness based on the concept of “prevention first, care foremost”.

Free Psychological Counseling

By conducting a work-life balance questionnaire or via department head reporting, employees with high risks will be screened and arrange to visit on-site practitioner for evaluation. Once psychological counseling is required, occupational safety and health staff will arrange appointments for the employee to have one-on-one counseling with a contracted psychologist.

Provide Automated External Defibrillator (AED) Facilities

2 AEDs are provided in each office building for emergency use when an accident occurs. AED -related educational training is also provided regularly for employees to learn how to save peoples lives during an emergency.

Drug administration for mosquito breeding areas

PixArt regularly delivers legal drugs for septic tanks to prevent mosquitos from breeding and cause Dengue and Japanese encephalitis diseases without causing harm to the environment.

Encourage Employees to Build Regular Exercise Habit

All PixArt employees are entitled to enjoy our various sports facilities including the gymnasium, basketball, badminton, and table tennis fields, as well as the cardio studio. Sports groups such as basketball, badminton, and yoga are established to encourage employees to build regular exercise habits for more balanced bodies and minds. Basketball and badminton competitions are held year-round to promote corporate morale and strengthen bonds among employees.

7 Social Inclusion

7 Social Inclusion

PixArt is committed to responding to stakeholders and investing Company resources in social participation, using the United Nations Sustainable Development Goals (SDGs) as a guideline for the Company's social participation. Based on our operational capabilities, we connect with and respond to key community needs through practical actions. We engage with stakeholders in social value initiatives centered on our core business. Through various project activities, we collaborate with long-term partner institutions and venues to enhance our positive influence on stakeholders.

Love and Kindness, Gathering with Mom

Most of our colleagues work away from home. In light of this, and upholding the Company's DNA of social care and love, we assisted a charitable organization for the second consecutive year in 2024. PixArt partnered with the Bakery under the Taoyuan Guanyin Love Home, and encouraged colleagues to order cakes as a gift their mother and/or mother-in-law. For every cake ordered from our employees, the Company donated to the Taoyuan Guanyin Love Home to fund learning incentives to inspire people with disabilities to develop professional skills.

Our volunteers snapped pictures and made recordings from the bakery trip and shared them with colleagues of the bakers, weighing ingredients, baking, decorating and packing. These hardworking moments were answered with passionate engagements. We received 159 orders, and some were delivered as far as hometowns in Hualian and Pintung. "This was so thoughtful of the Company. During Mother's Day, employees could not only convey their love to mothers, but also support a charitable initiative!", said a mother when she received her gift. This cake brings sweetness to mothers and instills confidence and courage in individuals with disabilities, thus making the holiday more meaningful.

▼A Mother's Day reflective of ESG by benefiting less privileged groups

▼Persons with disabilities are actively engaged in skill development at Smile Angel Bakery

Blood Donation to Extend Love

PixArt invited the Hsinchu Blood Center to send a blood donation vehicle to the company for a blood donation activity, enabling employees to roll up their sleeves and do good deeds even during their busy work schedules. In recent years, PixArt has collaborated with partner companies to organize blood donation events multiple times, collecting over 590 bags of blood (including 67 bags of blood in 2024), working together to give back to society and ensuring that every drop of blood realizes the continuation of life.

▼The Taiwan Blood Services Foundation published PixArt's proactive collaboration with partner companies to co-host blood donation events

Beach Cleanup Activity

In line with global ESG trends, PixArt has been continuously deepening its corporate social responsibility. Since the establishment of its volunteer club in 2017, the Company has annually prioritized marine sustainability as a key annual project, consistently contributing to marine conservation and environmental education initiatives.

The Company has consistently supported the Society of Wilderness's “Ocean Initiative” by donating to the “Ocean Guardian Fund,” supporting local marine conservation projects and environmental initiatives in Taiwan, and fulfilling its corporate commitment to protect coastlines.

Practically, PixArt's volunteer team has long focused on coastal areas near Hsinchu, gradually expanding the scope of beach protection efforts, including:

- Nanliao Beach, Hsinchu
- New Moon Beach
- Hsingfu Bay
- Siangshan Nangang Bird Watching Area Beach
- Chang Ching Chih Sen Coastline, Miaoli

Through regular “Love the Sea” beach cleanup activities, the Company's volunteer club collaborates with employees and local communities to participate in marine debris removal efforts. To date, a total of 5.73 tons of coastal garbage has been collected, demonstrating concrete actions to protect Taiwan's marine ecological environment.

The November beach cleaning in 2024 took place at Changching Forest, Zhunan Beach, with briefing to raise the marine ecology awareness among children, developing love and proper knowledge of the ocean. 100 colleagues and their families attended the event, together with nearly 80 residents in the local community, thanks to our community engagement in these two years.

We learn to respect the nature and understand our duties to protect the environment. We need to be innovative and make an impact on local residents, empowering more people to cherish and voice up for our marine environment and sustainability.

▼PixArt colleagues take their families and residents in the local community to the clean beach action together

▼Hand in hand, influencing our next generation to cherish the marine environment

PixArt's Christmas Dream, Lighting Up the Hope of a Remote Area

Christmas, a day for joyous celebration, also a day for the underprivileged to wish their dreams come true. Every year, our colleagues participated in the Xmas Dream Project to support the dreams of children in the remote area. PixArt has collaborated with the World Peace Association for six consecutive years to sponsor the Christmas wishes of children in remote towns near Hsinchu (many of whom come from low-income families, intergenerational families, or new immigrant families). In recent years, Company executives and volunteers have gathered gifts prepared with care by employees before

Christmas and personally delivered them to the children, accompanying them through a warm Christmas and lighting up hope in their hearts. We visited a total of 12 elementary schools and junior high schools in remote areas and accompanied 673 children. In 2024, PixArt employees sponsored the Christmas wish cards of 142 children from Miaoli Chingshan Elementary School, Donghe Elementary School, and Hsinchu Shihlei Elementary School to fulfill their dreams.

▼Our staff members delivered wonderful gifts to children at Christmas

Saint Joseph's Social Welfare Foundation Happy Egg Rolls Roll Up the Connection of Love

Our colleagues have partnered with Saint Josephs Foundation in various voluntary projects over the years such as making Mothers Day cards or Christmas gingerbread with mentally disabled. The pastry shop under the Saint Josephs Foundation, Renai Cake Shop, which their delicious egg roll cookies are made by disabled. To create job opportunities for disabled, PixArt will order every new product from them to share with colleagues. We will also order Christmas exclusive cookies from Renai Cake Shop for children living in remote area. From June 2020 to the end of 2024, we have purchased more than 25,000 egg rolls and

▼ The egg rolls made by people with intellectual disabilities from Saint Josephs Social Welfare Foundation

cookie from Renai. It is hoped to support the learning and advance their work skills with our physical support. Every box of cookie sold means extra reward, extra confidence, and extra dignity in work, enriching the value of their lives.

Conveying Love Through Images, Donation to Love Home

The year-end party is also a time for gratitude and contribution. PixArt continued its Mother's Day campaign by ordering charity cakes from the Taoyuan Guanyin Love Home in 2024, and promoted the charitable donation initiative. We visited and filmed the environment and daily life of residents at the Taoyuan Guanyin Love Home, gaining a deeper understanding of how Love Home develops residents' self-care and social interaction skills. Taoyuan Guanyin Love Home is committed to helping people with disabilities who are not bedridden develop skills in cleaning, gardening, baking, etc. Through interviews, we learned that charitable organizations face challenges such as outdated care equipment and funding shortages. The Company plans to unveil the charitable video at the year-end party to increase employees' awareness and support for charitable organizations. This is the Company's way of giving back to society and demonstrating its commitment to actively fulfilling social responsibilities. We firmly believe that when every act of care comes together, it can change the lives of many people and make the world a warmer place.

▼On-site visits and filming of the environment and daily life of residents at the Taoyuan Guanyin Love Home

Appendix

- GRI Standards Index
- SASB preparation standards - Semiconductor Industry (2024/12)
- Independent Third-Party Assurance Statement
- Index of Core Indicators for the United Nations SDGs

GRI Standards Index

Statement: PixArt has reported ESG information for the period from January 1 to December 31, 2024 in accordance with GRI Standards.

Applicable GRI 1: Foundation 2021

Applicable Industry Standards: N/A

▼General Disclosure Items

GRI Standards	Disclosure Item	Corresponding Sections in the Report	Page Listed	Description
GRI 2: General Disclosure 2021	2-1 Organizational details	1.2.1 Basic Information	8	
	2-2 Entities included in the organizations sustainability reporting	1.1 About the Report	7	
	2-3 Reporting period, frequency and contact point	1.1 About the Report	7	
	2-4 Restatements of Information	1.1 About the Report	7	
	2-5 External Guarantee / Assurance	1.1 About the Report	7	
	2-6 Activities, value chain and other business relationships	3.1 Products and Services	61	
		4.1.1 Industry Overview	71	
	2-7 Employees	6.1.1 Human Rights Management	96	

GRI Standards	Disclosure Item	Corresponding Sections in the Report	Page Listed	Description
GRI 2: General Disclosure 2021	2-8 Workers who are not employees	6.1.2 Talent Management	100	
	2-9 Governance structure and composition	2.1.1 Governance Structure	32	
	2-10 Nomination and selection of the highest governance body	2.1.1 Governance Structure	32	
	2-11 Chair of the highest governance body	2.1.1 Governance Structure	32	
	2-12 Role of the highest governance body in overseeing the management of impacts	1.2.3 Sustainability Organizational Structure	12	
	2-13 Delegation of responsibility for managing impacts	1.3.2 Stakeholder Communication	15	
	2-14 Role of the highest governance body in sustainability reporting	1.4.1 Material Issues Assessment Process	19	
	2-15 Conflicts of interest	2.1.1 Governance Structure	32	
	2-16 Communication of critical concerns	2.1.1 Governance Structure	32	
	2-17 Collective knowledge of the highest governance body	2.1.1 Governance Structure	32	
	2-18 Evaluation of the performance of the highest governance body	2.1.1 Governance Structure	32	

GRI Standards	Disclosure Item	Corresponding Sections in the Report	Page Listed	Description
GRI 2: General Disclosure 2021	2-19 Remuneration policies	2.1.1 Governance Structure	32	
	2-20 Process to determine remuneration	2.1.1 Governance Structure	32	
	2-21 Annual total compensation ratio	6.2.1 Equal and Generous Compensation	112	Reason for omission: Classified as confidential information of the Company due to the restriction of confidentiality regulations.
	2-22 Statement on sustainable development strategy	A Letter from Chairman of the ESG Committee	4	
	2-23 Policy commitments	2.3.1 Ethical Corporate Management	48	
		6.1.1 Human Rights Management	96	
	2-24 Embedding policy commitments	2.3.1 Ethical Corporate Management	48	
		4.2.1 Supply Chain Management Policy	73	
	2-25 Processes to remediate negative impacts	1.4.2 Material Topic Impact Management	24	
		2.3.1 Ethical Corporate Management	48	
		2.4 Risk Management	52	
		3.3.1 Customer Satisfaction Survey	67	
		6.1.1 Human Rights Management	96	

GRI Standards	Disclosure Item	Corresponding Sections in the Report	Page Listed	Description
GRI 2: General Disclosure 2021	2-26 Mechanisms for seeking advice and raising concerns	1.3.2 Stakeholder Communication	15	
		2.3.1 Ethical Corporate Management	48	
		4.2 Sustainable Management of Supply Chain	72	
		6.1.1 Human Resource Management	96	
	2-27 Compliance with laws and regulations	2.3.2 Compliance with laws and regulations	51	
	2-28 Membership of Associations	2.1.1 Governance Structure	32	
	2-29 Approach to stakeholder engagement	1.3 Stakeholder Engagement	14	
	2-30 Collective bargaining agreements	6.1.1 Human Rights Management	96	
GRI 3: Material Topics 2021	3-1 Procedure to determine material topics	1.4 Material Topics Management	19	
	3-2 Material topic list	1.4 Material Topics Management	19	
	3-3 Management of material topics	1.4.2 Material Topic Impact Management	24	

Specific Topic Disclosure Items

Material Topics	GRI Standards	Disclosure Item	Corresponding Sections in the Report	Page Listed
Sustainable management of supply chain	GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	4.1 Industrial Supply Chain	71
Energy Management	GRI 302: Energy 2016	302-1 Energy consumption within the organization	5.2 Energy Governance	83
		302-3 Energy intensity	5.2 Energy Governance	83
		302-4 Reduction of energy consumption	5.2 Energy Governance	83
Climate change	GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	5.3 GHG Emissions Management	86
		305-2 Energy indirect (Scope 2) GHG emissions	5.3 GHG Emissions Management	86
		305-3 Other indirect (Scope 3) GHG emissions	5.3 GHG Emissions Management	86
		305-4 GHG emissions intensity	5.3 GHG Emissions Management	86
		305-5 Reduction of GHG emissions	5.2 Energy Governance	83
Talent cultivation	GRI 404:	401-1 New employee hires and employee turnover	6.1 Talent Attraction and Retention	96
		Training and Education 2016	6.2 Compensation and Benefits	112
		401-3 Parental leave	6.2 Compensation and Benefits	112
		404-1 Average hours of training per year per employee	6.1 Talent Attraction and Retention	96

SASB preparation standards -Semiconductor Industry (2024/12)

SASB Code	Disclosure Topics	Disclosure Indicator	Type	Disclosure Item	Chapter
TC-SC-110a.1	Greenhouse Gas Emissions	1. Scope 1 greenhouse gas (GHG) emissions	Quantitative	97.63 (tons CO_2e)	5.3 GHG Emissions Management
		2. Amount of total emissions from perfluorinated compounds	Quantitative	0	
TC-SC-110a.2		Discussion of long- and short-term strategy or plan to manage scope 1 emissions, emissions reduction targets and an analysis of performance against those targets.	Qualitative	Carbon Disclosure Project, CDP In order to reduce the impacts and risks caused by climate change and achieve green energy and carbon reduction related goals, we use indicators to manage risks and opportunities related to climate change. Major measures for long-term promotion of "energy saving and carbon reduction measures" is to set an annual electricity consumption reduction target at 3% (per capita) and participate in the Carbon Disclosure Project (CDP) in the future.	5.1 Climate Change Risks and Opportunities
TC-SC-130a.1	Energy management in manufacturing	Total energy consumption	Quantitative	12,472,560 million joules	5.2 Energy Governance
		Percentage of energy that was supplied from grid electricity	Quantitative	100%	
		Percentage of consumed energy that is renewable	Quantitative	0%	

SASB Code	Disclosure Topics	Disclosure Indicator	Type	Disclosure Item	Chapter
TC-SC-140a.1	Water Resource Management	Total fresh water withdrawn	Quantitative	11,421 thousand cubic meters	5.4 Water Resource Management
		Percentage of used in regions with High or Extremely High Baseline Water Stress	Quantitative	0%	
		Total water consumption	Quantitative	11,421 thousand cubic meters	
		Percentage of consumed in regions with High or Extremely High Baseline Water Stress	Quantitative	0%	
TC-SC-150a.1	Waste management	Total amount of hazardous waste generated during the manufacturing process	Quantitative	0.406 tons	5.5 Green Production and Waste Management
		Percentage hazardous waste generated	Quantitative	100% hazardous waste recycling rate	
TC-SC-320a.1	Employee health and safety	Description of efforts to assess, monitor and reduce employees exposure to human health hazards.	Qualitative	We conduct factory operating environment inspections every six months in accordance with the law, and all results are in compliance with legal standards. Since our employees do not engage in positions with high risks or high incidence of specific diseases, in order to ensure the health and safety of employees and avoid health hazards caused by workload, working environment, mental stress, etc., we have implemented the "Safety and Hygiene Guidelines" approved by the Science Park Management Bureau in accordance with the Occupational Safety Law and the Occupational Safety and Health Administration. Please refer to section content for detailed information.	6.3 Occupational Health and Safety
TC-SC-320a.2		Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations.	Quantitative	PixArt has no violations of laws in 2024	6.3 Occupational Health and Safety

SASB Code	Disclosure Topics	Disclosure Indicator	Type	Disclosure Item	Chapter
TC-SC-330a.1	Recruiting and managing a global and skilled workforce	1. Percentage of employees who are foreign nationals and located offshore.	Quantitative	1.0%	6.1 Talent Attraction and Retention
		2. Percentage of employees who are oversea and located offshore.	Quantitative	0%	
TC-SC-410a.1	Product Lifecycle Management	Percentage of products by revenue that contain International Electrotechnical Commission (IEC) 62474 declarable substances.	Quantitative	100% PixArt focused on professional chip circuit design and sales. In response to customer requirements, we implement IEC62474 (material declaration standard) and uses the chemSHERPA software to declare homogeneous material substances in products. All declared product substances are fully comply with international standards. The non-compliance rate is 0%.	3.2 Product Lifecycle Management
TC-SC-410a.2	Product Lifecycle Management	Processor energy efficiency at a system level for (1) Servers (2) Desktops (3) Laptops	Qualitative	PixArt is an IC design company and does not own a manufacturing process or factory, so there is no system-level processor energy efficiency information.	-
TC-SC-440a.1	Material sourcing	Description of the management of risks associated with the use of critical materials.	Qualitative	In 2024, PixArt investigated a total of 37 suppliers related to manufacturing and packaging services. According to the results, 14 smelters were identified, and 100% of the suppliers used smelters approved by RMI (Responsible Minerals Initiative).	4.2 Sustainable Management of Supply Chain 3.2 Product Lifecycle Management

SASB Code	Disclosure Topics	Disclosure Indicator	Type	Disclosure Item	Chapter
TC-SC-520a.1	Intellectual property protection and Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations.	Quantitative	NT$0 There are no legal proceedings involving antitrust, anti-competition or monopoly behavior. PixArt conducts online education, training and promotion every year.	2.3 Ethical Corporate Management and Professional Ethics
TC-SC-000.A	Operating Indicators: Production Product Categories Product Type	Total production	Quantitative	Please refer to the "Brand Introduction and Economic Performance" section of this annual report.	2.2 Business Performance
TC-SC-000.B		Percentage of production from owned facilities	Quantitative	0% PixArt is an IC design company that focuses on professional chip circuit design and sales. All product manufacturing is entrusted to wafer foundries for production and packaging testing. There are no products manufactured by PixArt.	2.2 Business Performance

Independent Third-Party Assurance Statement

By Royal Charter

獨立保證意見聲明書

2024 原相科技永續報告書

英國標準協會與原相科技股份有限公司(簡稱原相科技)為相互獨立的公司，英國標準協會除了針對 2024 原相科技永續報告書進行評估和查證外，與原相科技並無任何財務上的關係。

本獨立保證意見聲明書之目的，僅作為對 2024 原相科技永續報告書所界定範圍內的相關事項進行保證之結論，而不作為其他之用途。除對查證事實提出獨立保證意見聲明書外，對於其他目的之使用，或閱讀此獨立保證意見聲明書的任何人，英國標準協會並不負有或承擔任何有關法律或其他之責任。

本獨立保證意見聲明書係英國標準協會審查原相科技提供之相關資訊所作成之結論，因此審查範圍乃基於並侷限在這些提供的資訊內容之內，英國標準協會認為這些資訊內容都是完整且準確的。

對於這份獨立保證意見聲明書所載內容或相關事項之任何疑問，將由原相科技一併回覆。

查證範圍

原相科技與英國標準協會協議的查證範圍包括:

1. 本查證作業範疇與 2024 原相科技永續報告書揭露之報告範疇一致。
2. 依照 AA1000 保證標準 v3 的第 1 應用類型評估原相科技遵循 AA1000 當責性原則(2018)的本質和程度，不包括對於報告書揭露的資訊/數據之可信賴度的查證。

本聲明書以英文作成並已翻譯為中文以供參考。

意見聲明

我們總結 2024 原相科技永續報告書內容，對於原相科技之相關運作與永續績效則提供了一個公平的觀點。基於保證範圍限制事項、原相科技所提供資訊與數據以及抽樣之測試，此報告書並無重大之不實陳述。我們相信有關原相科技的環境、社會及治理等績效資訊是被正確無誤地呈現。報告書所揭露之永續績效資訊展現了原相科技對識別利害關係人的努力。

我們的工作是由一組具有依據 AA1000 保證標準 v3 查證能力之團隊執行，以及策劃和執行這部分的工作，以獲得必要之訊息資料及說明。我們認為就原相科技所提供之足夠證據，表明其符合 AA1000 保證標準 v3 的報告方法與自我聲明依循 GRI 永續性報導準則係屬公允的。

查證方法

為了收集與作成結論有關的證據，我們執行了以下工作：

— 對來自外部團體的議題相關於原相科技政策進行高階管理層訪談，以確認本報告書中聲明書的合適性;
— 與管理者討論有關利害關係人參與的方式，然而，我們並無直接接觸外部利害關係人;
— 訪談 10 位與永續性管理、報告書編製及資訊提供有關的員工;
— 審查有關組織的關鍵性發展;
— 審查內部稽核的發現;
— 審查報告書中所作宣告的支持性證據;
— 針對公司報告書及其相關 AA1000 當責性原則(2018)中有關包容性、重大性、回應性及衝擊性原則之流程管理進行審查。

結論

針對 AA1000 當責性原則(2018)之包容性、重大性、回應性及衝擊性與 GRI 永續性報導準則的詳細審查結果如下：

包容性

2024 年報告書反映出原相科技已尋求利害關係人的參與，並建立重大永續主題，以發展及達成對永續具有責任且策略性的回應。報告書中已公正地報告與揭露環境、社會及治理的訊息，足以支持適當的計畫與目標設定。以我們的專業意見而言，這份報告書涵蓋了原相科技之包容性議題。

重大性

原相科技公布對組織及其利害關係人之評估、決策、行動和績效會產生實質性影響與衝擊之重大主題。永續性資訊揭露使利害關係人得以對公司之管理與績效進行判斷。以我們的專業意見而言，這份報告書適切地涵蓋了原相科技之重大性議題。

回應性

原相科技執行來自利害關係人的期待與看法之回應。原相科技已發展相關道德政策，作為提供進一步回應利害關係人的機會，並能對利害關係人所關切之議題作出及時性回應。以我們的專業意見而言，這份報告書涵蓋了原相科技之回應性議題。

衝擊性

原相科技已鑑別並以平衡和有效之量測及揭露方式公正展現其衝擊。原相科技已經建立監督、量測、評估和管理衝擊之流程，從而在組織內實現更有效之決策和結果管理。以我們的專業意見而言，這份報告書涵蓋了原相科技之衝擊性議題。

GRI 永續性報導準則

原相科技提供有關依循GRI永續性報導準則2021之自我宣告，並對每個涵蓋其行業準則和具相關性的GRI主題準則之重大主題，其揭露項目依循全部報導要求的相關資料。基於審查的結果，我們確認報告書中參照GRI永續性報導準則之永續發展相關揭露項目已被報告、部分報告或省略。以我們的專業意見而言，此自我宣告涵蓋了原相科技的永續性主題。然而，未來的報告書可以進一步加強以下的項目：

— 組織目前以「保密規定限制」作為 GRI 2-21 揭露項目:年度總薪酬比率的省略理由，鼓勵未來以該指標之要求揭露，提升組織永續報導的透明度。

保證等級

依據 AA1000 保證標準 v3 我們審查本聲明書為中度保證等級，如同本聲明書中所描述之範圍與方法。

責任

這份永續報告書所屬責任，如同責任信中所宣稱，為原相科技負責人所有。我們的責任為基於所描述之範圍與方法，提供專業意見並提供利害關係人一個獨立的保證意見聲明書。

能力與獨立性

英國標準協會於 1901 年成立，為全球標準與驗證的領導者。本查證團隊係由具專業背景，且接受過如 AA1000AS、ISO 14001、ISO 45001、ISO 14064 及 ISO 9001 之一系列永續性、環境及社會等管理標準的訓練，具有稽核員資格之成員組成。本保證係依據 BSI 公平交易準則執行。

For and on behalf of BSI:

Peter Pu, Managing Director BSI Taiwan

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2025-07-21

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BSI Taiwan is a subsidiary of British Standards Institution.

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