

2024



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Favite, Inc.

ESG REPORT

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Introduction

Strengthening Governance Foundations and Empowering Sustainability Through Smart Inspection

Amid the intersecting waves of digital transformation and climate risks, only companies rooted in sound governance can navigate rapid change and sustain long-term growth. Since its founding, Favite, Inc. (hereinafter referred to as “the Company” or “Favite”) has been deeply engaged in the research and application of optical inspection technologies and AI-based vision algorithms. The Company is committed to delivering high-precision, high-efficiency automated optical inspection solutions for the panel, semiconductor, and next-generation display industries. Through continuous innovation and a strong commitment to quality, the Company has earned broad and enduring trust from its customers.

The Company believes that sustainability is not a one-time initiative, but a core value embedded in its corporate culture. To that end, Favite has adopted ISO 9001 and ISO 27001 management systems across its operations, while actively promoting organizational carbon inventory under ISO 14064-1 and implementing information security management actions. These efforts enhance its corporate resilience, mitigate emerging risks, and lay a sustainable foundation for the digital and net-zero era. In 2024, the Company further optimized its sustainability governance structure. The Sustainability Task Force, guided by its Risk Management Policies and Procedures, Code of Ethical Conduct, and Corporate Governance Best Practice Principles, initiated cross-functional collaboration and, for the first time, integrated mid- to long-term ESG goals with sustainability performance indicators. These measures enhance internal management capacity and strengthen progress monitoring mechanisms.

In terms of corporate governance, Favite follows the Financial Supervisory Commission’s “Corporate Governance 3.0 – Sustainable Development Roadmap” to strengthen board functionality and decision-making transparency. The Company continues to improve its audit and risk management systems while advancing information disclosure, supply chain responsibility, and human rights protection—responding proactively to the expectations of its diverse stakeholders through robust governance.

The Company firmly believes that a truly responsible enterprise goes beyond technology and performance to emphasize connection with people and society. Favite prioritizes the physical and mental well-being of its employees and their career development by fostering a diverse and inclusive workplace. The Company also actively engages in social welfare,

environmental advocacy, and ESG initiatives, progressively transforming sustainability from a strategic goal into an integral part of its culture and daily operations.

Looking ahead, Favite will remain rooted in integrity and driven by innovation. By connecting across the industry value chain and amplifying its environmental and social impact, the Company aims to ensure that smart inspection not only safeguards process quality but also advances a more sustainable future.

About This Report

Reporting Frameworks and Standards

This report has been prepared in accordance with the 2021 Standards of the Global Reporting Initiative (GRI), the industry-specific standards of the Sustainability Accounting Standards Board (SASB), and the framework of the Task Force on Climate-related Financial Disclosures (TCFD). It also references the requirements set forth in the Regulations Governing the Preparation and Filing of Sustainability Reports by TPEX Listed Companies issued by the Financial Supervisory Commission (FSC) of Taiwan. Furthermore, the report incorporates the principles and disclosure items outlined in the Sustainability Development Roadmap for TWSE/TPEX Listed Companies as the foundation for content development and information disclosure.

Referenced International Standards and Guidelines

- ▶ GRI Standards
 - ▶ Task Force on Climate-related Financial Disclosures (TCFD)
 - ▶ The SASB Standards, developed by the Sustainability Accounting Standards Board, with reference to the Hardware Sustainability Accounting Standard (2018)
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Favite, Inc. initiated the preparation of its sustainability report in 2023, and this 2024 edition marks the Company's second consecutive annual report. This report systematically discloses the Company's actions and progress in key areas, including economic performance, environmental management, social responsibility, and corporate governance—demonstrating its firm commitment to fulfilling corporate sustainability responsibilities. Through the publication of this annual report, Favite, Inc. aims to establish a stable and long-term communication mechanism with stakeholders including shareholders, employees, customers, suppliers, government agencies, and the general public. By enhancing mutual trust and addressing stakeholder concerns, the Company continues to advance the implementation of core ESG themes and foster shared value—progressing toward the vision of a resilient, technology-driven, and sustainable future.

Reporting Period and Scope

Reporting Period: January 1, 2024 to December 31, 2024

Scope:

- ◆ Financial Data: Covers the overall operational performance of the parent company and its subsidiaries.
- ◆ Non-financial Performance: Primarily based on operational activities of Favite, Inc. as a standalone entity. For certain sustainability topics and performance indicators, data may be retrospectively referenced to 2023 or extended to the first quarter of 2025 to better illustrate progress or provide timely context. Where applicable, topics involving different reporting boundaries or restated information will be clearly noted within the relevant chapters, narratives, or data tables.

Reporting Frequency: Annually, aligned with the Company' s financial reporting cycle.

Current Report Release Date: August 2025

Next Scheduled Release: Expected in August 2026

To support environmental sustainability and promote a paperless approach, this report is published in electronic format and made available on the Company' s official website.

(<https://www.favite.com/esg/esg-report/>)

Reporting Principles

This report is prepared with reference to the eight reporting principles outlined in the GRI Standards 2021 (Universal Standards), and further guided by the core principles of the AA1000 Accountability Principles Standard, including inclusivity, materiality, responsiveness, and impact. These principles were applied throughout the data collection and content development process to ensure that the disclosed information is transparent, relevant, and useful. All information presented in this report is based on official internal statistical data or compiled and confirmed by relevant functional departments. The content has been reviewed by units responsible for promoting sustainability within the Company to ensure an accurate representation of Favite, Inc.' s actual practices and performance across various aspects of sustainable development. The Company is committed to avoiding overstatement or biased descriptions in its disclosures.

The content of this report focuses primarily on topics closely related to the Company' s operations and the concerns of stakeholders. These topics have been identified and prioritized through a materiality assessment process, which serves as the foundation for determining the report' s disclosure scope. Favite, Inc. will continue to review and refine its

reporting processes and disclosures to improve the quality and depth of information, thereby better responding to the reasonable expectations of stakeholders.

Internal Control and Management Process for Report Preparation

The preparation and internal verification of this report follow Favite, Inc.’ s Procedures for the Compilation and Verification of the Sustainability Report and its Internal Control System, with the aim of ensuring a high level of accuracy, completeness, and consistency in information disclosure. The process is designed to align with international disclosure frameworks including GRI, SASB, and TCFD, as well as with the sustainability disclosure requirements set forth by the Taiwan Stock Exchange (TWSE) and other relevant regulatory authorities.

The content of this report is compiled and drafted by the Sustainability Task Force, with preliminary data provided and cross-verified by each department according to their respective responsibilities. The Task Force coordinator is responsible for consolidating, reviewing, and reconciling the information into a complete draft. Financial data is sourced from publicly disclosed information verified by certified public accountants, while non-financial data is based on internal statistics or publicly available sources—ensuring traceability and transparency of all data sources.

Upon completion of the initial draft, the report is periodically submitted to the Chairperson and Chief Sustainability Officer for review and confirmation. The overall preparation process and content are then reported to the Board of Directors. Where applicable, disclosure items will be clearly marked to indicate whether third-party verification has been obtained. The finalized report is published on the Company’ s official website and the designated disclosure platforms as required by regulatory authorities.

Report Compilation and Review Process

Process	Step	Description
1	Preliminary Data Collection and Verification	<ul style="list-style-type: none"> Each functional department provides sustainability-related data and textual information according to their responsibilities, ensuring timeliness and accuracy. Data is initially reviewed by the conveners of each ESG subcommittee to verify logical consistency and alignment with sustainability objectives.
2	Cross-Departmental Verification	<ul style="list-style-type: none"> Relevant supervisors conduct cross-checks and audits on the submitted data, with particular focus on reconciling key performance indicators and ensuring data consistency. This process guarantees the authenticity and reliability of information and compliance with standards such as GRI, SASB, and TCFD.
3	Cross-Departmental Review and Audit	<ul style="list-style-type: none"> The Sustainability Task Force Secretariat consolidates information from all units, integrates and optimizes the overall report content according to the report framework, ensuring clear, professional, and highly readable presentation.

4	Data Integration and Draft Compilation	<ul style="list-style-type: none"> ■ The convenor of the Sustainability Task Force leads the review of the draft report, conducts risk assessments on material topics, and examines disclosure strategies to ensure overall content aligns with the Company' s sustainability strategy, while addressing and incorporating feedback.
5	Final Review and Approval of the Entire Report	<ul style="list-style-type: none"> ■ After review and completion by the Sustainability Task Force, the report is submitted to the Sustainability Committee for approval, then forwarded to the Chairperson and Board of Directors for final review and ratification. ■ The report will be published on the Company' s official website and the Market Observation Post System (MOPS), with stakeholder feedback channels established to continuously enhance sustainability communication quality and disclosure effectiveness.

External Verification

To ensure the quality of disclosures in the sustainability report, Favite, Inc. has continued to implement a systematic internal audit and verification process for report preparation this year. Although an external third-party assurance provider has not yet been engaged to perform verification, the entire process strictly follows the Company' s Sustainability Information Management Procedures and Internal Control System. Through cross-departmental audits, self-verification, and management reviews, the Company ensures the accuracy, completeness, and consistency of disclosed information, thereby strengthening transparency and accountability.

- ◆ Financial data are sourced from the annual financial statements audited and verified by Deloitte Taiwan (Certified Public Accountants: Mr. Fang Su-Li and Mr. Yeh Tung-Hui), with amounts presented in New Taiwan Dollars (TWD).
- ◆ Regarding management systems, Favite, Inc. has obtained certification for ISO 9001 Quality Management System and ISO 27001 Information Security Management System, both of which are maintained and effectively operated. Additionally, in 2024, the Company initiated an organizational greenhouse gas inventory and plans to implement the ISO 14064-1:2018 standard to further strengthen environmental data management and support the transition toward a low-carbon economy.

All self-verification and integrated review results have been thoroughly communicated with the Sustainability Task Force and relevant governance bodies. The disclosed information has been incorporated into the final approval process. Detailed items can be found in the comparison tables and related explanations in the appendices of this report.

Data Verification

Category	Content	Validation / Accreditation / Verification
Economic	Financial statements, operational performance, return on investment	Deloitte & Touche

Management	International quality assurance and internal management systems	ISO 9001:2015 Quality Management System
Environmental	Greenhouse gas inventory and carbon management initiatives	ISO 14064-1:2018 Organizational GHG Inventory
Information Security	Information security policies, management systems, and risk control procedures	ISO/IEC 27001:2022 Information Security Management System

Contact Information

Favite, Inc. sincerely welcomes all stakeholders to engage in ongoing communication with us and to share valuable feedback and suggestions.

If you have any questions regarding the content of this report, or if you would like to learn more about its actions and progress in sustainable development, please feel free to contact us through the following channels:

	Content
Responsible Department	Finance and Accounting Department
Address	No. 197, Sec. 2, Huanbei Rd., Zhubei City, Hsinchu County 302047, Taiwan
Telephone	03-5545988
Fax	03-5557179
E-mail	esg@favite.com
Official Website	https://www.favite.com/
Sustainability Section	https://www.favite.com/esg-policy/

The Company will continue to uphold a spirit of integrity, professionalism, and accountability as it moves forward together with its stakeholders, jointly promoting the realization of sustainable value for the Company, society, and the environment.

Message from the Chairperson

From a Single Beam of Light, Illuminating the Path to Sustainability

Every choice reflects the future; every act of persistence shapes our culture.

Having navigated through 2024—a year in which uncertainty has become the new normal—Favite, Inc. has come to a deeper understanding: in an era marked by intertwined climate risks, supply chain restructuring, and digital governance, a company's true value lies not merely in profit performance, but in its ability to embrace forward-looking, adaptive mindsets and resilient courses of action beyond market fluctuations.

This marks the moment of compiling our second sustainability report—a document that is not only a disclosure but also a mirror reflecting our corporate convictions. Compared to the explorations and trials during our inaugural report, this year we have further internalized and deepened our understanding of why sustainability matters and how to achieve it. Favite, Inc. has integrated ESG from a strategic level into its core management pillars, fostering continuous organizational dialogue and actions to embed sustainability deeply into our corporate culture and daily operations.

On governance, we continue to uphold integrity, transparency, and risk vigilance, while strengthening cross-departmental collaboration to advance sustainability from surface-level considerations into the very core of decision-making. We firmly believe that a solid and forward-looking governance structure is a crucial safeguard for a company to maintain its essence and sustain progress amid changing circumstances.

In 2024, we officially launched our ISO 14064-1 organizational greenhouse gas inventory and are evaluating the implementation of a more comprehensive carbon management system. We are committed to developing low-energy, high-efficiency smart inspection equipment that not only creates precise value for our customers but also reduces the environmental footprint of the entire industry. Sustainability is not only for ourselves, but also for seeking a more resilient growth model across the entire industry value chain.

In the future, Favite, Inc. will continue to uphold technology as its backbone, integrity as its soul, and responsibility as its guiding light. We will deepen and broaden our expertise in AI inspection and optical technologies, while expanding our positive contributions to society and the environment. Together with all stakeholders, through sincere communication and concrete actions, we will forge a sustainable path that “illuminates the future and carries trust.”



Thank you for walking alongside us on this journey.
Every small ray of light will eventually converge to guide the direction of our future.

Favite, Inc. **Chairperson** 陳永華

Message from the Chief Sustainability Officer

Seeing Clearly, Then Persisting

I often ask myself, what kind of company are we?

We are not the ones in the limelight. We do not offer attention-grabbing applications or dazzling consumer technologies. What we do is inherently technical—machine vision; and what we build is deeply specialized—equipment for inspection and measurement. Yet we understand that across countless panels and wafers, our systems are quietly observing, measuring, and discerning. They do not speak, yet they see deeper, more precisely, and more swiftly than the human eye. This act of “seeing” is not about standing on the sidelines—it is about engagement. It is not about passive observation—it is about active safeguarding. Through AI, we empower machine vision with intelligence, and in doing so, we define our role: as **guardians of quality in the technology manufacturing industry**. Favite, Inc. is a company rooted in Taiwan and connected to the world. We run alongside global players in the technology manufacturing sector. As our clients pursue higher yields, we help them mitigate risk. As they seek stability and predictability, we provide solutions, trust, and enduring commitment.

It is often said that the purpose of a company is to create value. But we ask ourselves—what kind of value is truly worth creating? As climate change accelerates and natural resources become increasingly scarce, we reflect on whether our technologies can contribute to more efficient manufacturing processes. Can our systems reduce waste, optimize energy use, and contribute to a cleaner environment—a bluer sky and clearer water? As sustainability becomes a shared global language, we seek to ensure our technologies are not only tools for productivity, but also instruments of care—respectful of both people and the planet. Our AI algorithms evolve every day; our machine vision systems become ever more precise. But what we most hope to evolve is our understanding of responsibility. We are not merely building high-performance inspection systems; we are cultivating a corporate culture of trustworthiness and conviction—a belief that the value of technology lies not only in advancing industry, but in contributing warmth and hope to the future of humanity and the Earth.

That is why we move steadily, deliberately. We invest not only in R&D, but in people. We work with our supply chain to establish green standards and communicate corporate responsibility sincerely with our employees. We engage with social issues and support education—because we believe that knowledge and perspective lead to more responsible, thoughtful decisions. On the path to sustainability, we do not rush. But we are committed. We understand that sustainability is not a short race, but a journey measured in decades—perhaps generations. We may not always be perfect, but we will always be thoughtful and deliberate in our choices.

One day, when we look back on this path, there may not be loud accolades or headlines. But we will know that we saw the challenges clearly—and that with technology, with dedication, and with responsibility, we made the best choices we could.

This, in our eyes, is **the future of Favite quality**.



Favite, Inc. Chief Sustainability Officer

A handwritten signature in black ink, consisting of stylized Chinese characters. The characters appear to be '李子建' (Li Zijian).

Sustainability Footprints 2024

Institutional Foundations | The First Mile of Embedding

Sustainability

The year 2024 marks a pivotal milestone for Favite, Inc. in institutionalizing sustainability and deepening it as part of its corporate culture. Operating within the fast-evolving industry of smart inspection and AI vision technologies, the Company is acutely aware of the global market's growing emphasis on high-precision products, information security, low-carbon processes, and corporate accountability. In response, following the launch of its Sustainability Task Force at the end of 2023, the Company began progressively implementing a formal sustainability governance framework. Throughout 2024, the Company has integrated ESG considerations into its organizational core—covering key domains such as corporate governance, carbon inventory, information disclosure, employee well-being, supply chain responsibility, and community engagement. This marks the first critical mile in translating sustainability from principle into actionable, organization-wide practice.

The Company believes that sustainability is never a one-time accomplishment, but a continuous journey—one that requires alignment of conviction, communication, and action.

This chapter reviews the key sustainability practices of Favite, Inc. in 2024, outlining the milestones it has achieved in building systems, initiating actions, and cultivating culture. The Company also invites all stakeholders to join it in witnessing each step of this transformation and shared growth.

Through cross-functional collaboration and the collective efforts of all departments, the Company achieved the following notable outcomes in 2024:

- ◆ Ranked within the 21–40% tier among companies with a market value under NT\$5 billion in the 11th (2024) Corporate Governance Evaluation by the Taiwan Stock Exchange
- ◆ Successfully renewed ISO 9001 Quality Management System certification
- ◆ Published its first-ever Sustainability Report in accordance with GRI Standards 2021
- ◆ Received multiple awards and recognitions
 - "Outstanding Micro LED AOI Equipment Award" from ISLE

- "2024 AI Award – Best Solution Recognition" from the Taiwan Artificial Intelligence Association (TAIA)
- ◆ Donated goods valued at NT\$323,290 to St. Theresa Children's Center and Ning-Yuan Elderly Home, and carried out volunteer service activities at the elderly care facility
- ◆ Participated in Earth Hour across three office locations and joined a beach cleanup event organized by the Tainan Branch of the Tse-Xin Organic Foundation
- ◆ Donated laptops worth NT\$180,750 to Taiping Elementary School in Guanxi Township, Hsinchu County; sponsored a NT\$10,000 student aid program in Taihe Borough, Zhubei City; and conducted an on-campus seminar at the Department of Physics, Chung Yuan Christian University
- ◆ Accumulated a total of 5,152 hours in employee training and environmental, health, and safety (EHS) education

Sustainable Governance | Institutional Foundations Embedded into the Corporate Core

In 2024, Favite, Inc. continued to strengthen its sustainability governance framework by enhancing the operational mechanism of the Sustainability Task Force and institutionalizing ESG governance processes. Through structured implementation, the Company has progressively embedded sustainability into core management practices, laying a foundation that aligns with international standards for both management and disclosure. This year, the Company completed the compilation of its second Sustainability Report, fully aligned with the GRI Standards 2021 and the SASB Standards for the Semiconductor Industry, while incorporating the disclosure principles of the TCFD framework to further improve the transparency, consistency, and credibility of its external sustainability communications.

On the internal governance front, Favite, Inc. established an initial framework for sustainability data compilation and cross-referencing forms, while initiating a materiality reassessment process. Through stakeholder surveys and cross-departmental engagement, the Company systematically identified sustainability-related risks and opportunities. In parallel, it continued to enhance its ESG data reporting workflows and internal communication mechanisms, progressively integrating sustainability indicators into daily operations and interdepartmental decision-making.

In 2024, the Company also conducted internal reviews and proposed improvements in key areas of corporate governance, including ethical business practices, board composition and diversity, regulatory compliance, and risk management. These efforts reflect the Company's strong commitment to governance responsibilities and to continuous advancement in governance performance.

Key Sustainability Governance Initiatives in 2024:

- ◆ Maintained and strengthened the operations of the Sustainability Task Force, increasing cross-functional participation
- ◆ Completed its second Sustainability Report, reinforcing alignment with the GRI Standards, SASB Standards, and TCFD framework
- ◆ Updated its material sustainability topics

Quality Management | Embedding Systems to Safeguard Precision at the Core

In 2024, Favite, Inc. centered its quality management efforts on two key pillars: systematic implementation and cross-functional integration. The Company strengthened its end-to-end quality oversight by embedding traceability mechanisms across all stages—from material control on the supply side and R&D design phases to final shipment inspections. Internally, the Company enhanced the rapid reporting and closed-loop improvement of quality anomalies. Through team collaboration, it has progressively built a highly flexible, traceable, and responsive quality assurance system that upholds Favite's reputation for precision and earns sustained customer trust in the high-accuracy equipment market.

Key Quality Management Achievements in 2024:

- ◆ Successfully passed the annual ISO 9001 Quality Management System audit, reinforcing internal audit procedures
- ◆ Optimized internal processes for product issue handling and quality feedback, improving issue resolution efficiency
- ◆ Developed integrated data forms for key process quality control, enhancing transparency and traceability
- ◆ Promoted supplier-side issue reporting and preliminary corrective tracking, strengthening the collaborative quality assurance network

Supply Chain Collaboration | Advancing Together with Green Partnerships

In 2024, Favite, Inc. took meaningful steps toward greener operations and responsible supply chain management. The Company completed electricity consumption statistics for its major facilities and conducted a preliminary identification of emission sources, laying the groundwork for evaluating energy-intensive equipment and potential energy-saving opportunities. At the same time, the Company initiated the institutionalization of carbon inventory data forms and began designing departmental reporting processes. In parallel, it also launched the planning phase for sustainable supply chain management. By consolidating supplier profile data and audit records, the Company conducted an initial assessment of key issues related to sustainability risks and responsible sourcing. This work serves as a starting point for future supplier engagement, partnership development, and sustainability risk assessments.

Key Actions and Outcomes in 2024:

- ◆ Launched the ISO 14064-1 organizational-level carbon inventory project, completing boundary-setting and data collection planning
- ◆ Completed electricity consumption statistics and conducted a preliminary analysis of emission sources for primary operational sites
- ◆ Initiated the development of carbon inventory reporting forms and a departmental reporting system
- ◆ Compiled sustainability-related basic data from major suppliers and conducted an initial screening of responsible sourcing risk factors

Collective Benefit in Daily Practice | Rooted Locally, Responding to Social Expectations

In 2024, Favite, Inc. remained committed to the principle of “local engagement with meaningful contributions” , actively fulfilling its corporate social responsibility through diverse initiatives in philanthropy, education, and employee involvement. Its efforts this year centered on three key pillars:

- ◆ Educational Support: The Company continued to collaborate with universities and colleges, donating inspection components and parts while engaging directly with

students through campus talks to share the applications of AOI (Automated Optical Inspection) technology—planting the seeds of AOI knowledge in the next generation.

- ◆ **Community Participation:** The Company extended its care to different corners of society by supporting local organizations for underprivileged children and youth, elderly care institutions, and rural schools through sponsorships and donations.
- ◆ **Employee Involvement:** For the first time, the Company organized volunteer activities, in addition to ongoing encouragement of employee participation in social initiatives—ensuring that goodwill flows not only from the company, but also from each individual colleague.

By linking social resources through concrete actions such as donations, in-kind support, academic collaboration, and employee-led activities, the Company has taken real steps to deepen its social impact. Furthermore, it began introducing internal logging and documentation procedures to ensure transparency in resource allocation and traceability of results.

In recent years, its charitable efforts have supported a range of organizations and projects, including:

Description	Type of Support	Details (Monetary / Manpower / Time)
Donation of used laptops to Taiping Elementary School, Guanxi Township	In-kind donation	A total of 8 laptops, with an estimated value of NT\$180,750
Student aid donation to Taihe Borough Office, Zhubei City	Monetary donation	NT\$10,000
Supplies for St. Theresa Children's Center and Ning-Yuan Elderly Home	In-kind donation and monetary contribution	Donated jointly by employees and the Company; total value of goods approximately NT\$323,290
Volunteer service at Ning-Yuan Elderly Home	Volunteer service	10 employee participations, totaling 25 hours of service

Note: The Company's cumulative donations have exceeded NT\$514,040. Going forward, Favite, Inc. will continue to deepen its commitment to corporate social responsibility through a diverse range of philanthropic initiatives, aiming to create greater positive impact for society.

Looking ahead, the Company will gradually establish a structured volunteer program and employee engagement mechanism for public welfare, in line with available resources and shared internal values. Its goal is to make social participation not just an annual event, but an integral and organic part of its corporate culture. The Company believes that when goodwill is embedded in the everyday, a company can grow together with society—fostering meaningful connections that benefit the environment, communities, and future generations.

People-Centered Approach | Fostering Well-being and a Secure Workplace

In 2024, Favite, Inc. continued to optimize its employee care systems by integrating legal protections, comprehensive benefits, and long-term career support, with the aim of creating a flexible yet stable work environment. Its career support strategy is anchored on three key pillars:

- ◆ **Employee Benefits Program:** In addition to legally establishing an Employee Welfare Committee to manage related affairs, the Company offers holiday bonuses, health consultation services, group insurance, overseas travel accident insurance, and various forms of daily life support.
- ◆ **Retirement and Stock Ownership Plans:** In accordance with the Labor Pension Act (New System), the Company contributes 6% of employees' monthly salaries to their personal pension accounts.
- ◆ **Communication and Labor Relations:** The Company has established mechanisms for feedback and consultation to ensure two-way communication and mutual agreement. In 2024, there were no major labor disputes.

Employee Well-being Programs	Description	Investment Amount
Sports Day	A company-wide fun sports event to promote teamwork and employee interaction.	NT\$234,020
Spring Banquet	Annual banquet featuring performances and prize raffles.	NT\$581,985
Health Promotion Activities	Group walking events to encourage bonding and physical health.	NT\$40,832
Employee Health Checkups	Comprehensive annual health screenings exceeding legal requirements.	NT\$253,100
Mid-Autumn Festival Gathering	Company-wide dinner with games and prize draws to celebrate the festival.	NT\$192,721
Club Activities	Quarterly events organized by the badminton club and book club.	NT\$30,845
Birthday Celebrations	Birthday gift vouchers and personal birthday greetings.	NT\$178,263
Departmental Dinners	Team meals, social gatherings, and bonding activities.	NT\$255,200
Employee Travel	Flexible group travel plans organized by employees themselves.	NT\$916,000
Holiday Gifts / Marriage & Bereavement Allowances	Festival gift vouchers (e.g., Dragon Boat Festival, Mid-Autumn Festival) and monetary assistance for life events.	NT\$398,140
Group Insurance	Comprehensive insurance for all employees, including accident, life, hospitalization, and cancer coverage—both work-related and non-work-related.	NT\$575,361
Travel Insurance for Overseas Business Trips	Travel accident insurance coverage for employees on international business trips.	NT\$55,476

Vitality Leave	4 additional paid leave days per year for all employees to rest or engage in personal activities.	----
On-site Healthcare Services	Regular visits by occupational health nurses, nutritionists, psychological counselors, and physical therapists to provide diverse occupational health consultations.	NT\$320,400

Favite, Inc. continues to strengthen its occupational health and safety management in accordance with the Occupational Safety and Health Act and related regulations. The Company has designated dedicated occupational safety personnel and established an Occupational Safety and Health Committee to oversee the implementation of safety protocols. Through regular safety training, on-site inspections, and emergency response drills, the Company works to enhance operational safety awareness and disaster preparedness across all units. In addition, it proactively introduces on-site medical and nursing services as well as stress relief programs, aiming to provide comprehensive support for employees' physical and mental well-being, enabling them to work with confidence and live with peace of mind.

Diversity and Inclusion | Fostering Talent Through Respect and Equity

In 2024, Favite, Inc. continued to enhance its policies and procedures across recruitment, employment, training, and promotion to ensure equal development opportunities regardless of gender, age, nationality, or physical and mental conditions. Through internal competency assessments and structured training systems, the Company actively promoted diversified career development pathways. In terms of talent cultivation, the Company implemented tiered and role-based training programs, and encouraged employees to engage in external education and industry seminars. Additionally, it gradually introduced training modules focused on diversity, equity, and inclusion.

Key achievements in 2024 include:

- ◆ Delivered a total of 5,152 training hours across professional, managerial, and general knowledge courses.
- ◆ Promoted awareness of gender equality legislation and workplace resources via the Favite Wellness e-News, fostering greater internal awareness of gender-related issues.

- ◆ Made gender equality and workplace harassment prevention training mandatory for all employees to strengthen mutual respect and reinforce a culture of inclusion and a friendly workplace.

Technological Innovation | Intelligent Integration Driving Green Value

In 2024, Favite, Inc. focused on a dual approach of smart manufacturing and energy efficiency enhancement. The Company optimized its proprietary algorithms and the Yield Management System (YMS) to improve defect classification accuracy and automated reporting capabilities. These advancements assist customers in reducing production cycle times while lowering energy consumption and material waste. Product design progressively incorporated modularity, lightweight materials, and eco-friendly packaging concepts to enhance overall equipment lifecycle benefits.

Simultaneously, the Company deepened collaboration with suppliers and academic institutions, integrating upstream and downstream technological resources. Together, they invested in innovative research and development in critical areas such as inspection accuracy, vision modules, and edge computing, expanding Favite's support capabilities and solution depth in smart manufacturing and low-carbon transformation.

Key technological achievements in 2024 include:

- ◆ Enhanced AI inspection algorithm accuracy and speed to strengthen real-time defect recognition.
- ◆ Upgraded proprietary YMS system analysis functions to improve yield prediction and data visualization.
- ◆ Explored energy-saving design principles by evaluating product modularity, lightweight construction, and high-efficiency module applications.
- ◆ Collaborated with R&D partners to advance image processing and edge AI technology validation.
- ◆ Expanded inspection applications to include Micro LED, IC packaging, and advanced PCB substrates.

The year 2024 marks a pivotal milestone for Favite, Inc., as it transitions sustainability from a conceptual vision into formalized systems, and further embed these systems into its corporate culture.

The Company understands that sustainability is not a race to follow trends, but a long journey guided by conviction and shaped by deliberate choices. This path has no shortcuts but provides clear direction; no final destination but a steady rhythm. Through the establishment of robust systems, ongoing dialogue, and practical implementation, the Company has progressively clarified its role within the sustainability value chain and begun to define Favite' s unique ESG coordinates.

About Favite, Inc.

Favite, Inc. was established in 2000 and went public in 2008. The company focuses on the research and application of machine vision and artificial intelligence (AI) technologies. Centered on independent research and development, Favite boasts a cross-disciplinary R&D team encompassing optics, mechanical design, electrical control, and inspection software. The company is committed to innovating high-precision inspection technologies and strategically building a robust patent portfolio.

With a long-standing presence in the display industry, Favite serves as a key supplier of optical inspection equipment for critical manufacturing processes including TFT LCD, LTPS, and AMOLED. In recent years, the company has actively expanded into next-generation application fields such as semiconductor wafers and packaging, IC substrates, printed circuit boards (PCB), Micro LED, and Micro OLED. Favite's self-developed AI real-time inspection technology and automated optical inspection (AOI) systems have earned high recognition in the industry, enabling customers to accurately identify target defects, improve product quality, and enhance yield management efficiency. Guided by the mission of "Technology Safeguarding Quality," the Company provides intelligent, efficient, and highly stable automated optical inspection integration solutions, striving to become a key partner in high-yield manufacturing processes within the technology manufacturing sector, and realize its brand vision as the "Synonym for AOI."

Favite places great importance on establishing long-term partnerships, firmly believing that excellent customer service, stable product quality, and technological innovation are the foundations of sustainable corporate growth. With integrity and a sustainability mindset, the Company actively pursues international market expansion and collaborate with customers to advance digital transformation and net-zero manufacturing, collectively creating greater value for society and the environment through industry impact.

Company Name	Favite, Inc.
Established Date	March 10, 2000
Date of Listing	January 31, 2008
Headquarters Location	No. 197, Sec. 2, Huanbei Rd., Zhubei City, Hsinchu County, Taiwan
Stock Code	3535
Paid-in Capital	NT\$790 million
Major Operations	Hsinchu, Taichung, Tainan, Shanghai
Number of Employees	212

Main Business	Display Panel Inspection & Measurement Equipment Next-generation Display Inspection & Measurement Equipment Inspection and Measurement Equipment for Advanced Semiconductor Packaging PCB and IC Substrate Inspection & Measurement Equipment
Business Unit	Precision Optical Automated Inspection Equipment Development
Core Products	Automated Optical Inspection (AOI) Equipment
Primary Market	Asia-Pacific Region

Favite, Inc. Development Milestones

Starting from a foundation focused on optical inspection technology, Favite, Inc. has progressively advanced alongside industry technological maturation and the expansion of application areas. The company has steadily moved toward integrating AI algorithms, applying automated equipment, and deploying smart manufacturing strategies. In response to the dual global trends of process upgrading and sustainable transformation, Favite has recently launched an ESG governance mechanism, leveraging technological innovation and institutional development to steadily expand its growth trajectory in high-precision inspection and green manufacturing concurrently.

Year	Development Milestones
2000	Favite Inc. was officially established and incubated at the ITRI (Industrial Technology Research Institute) Incubation Center.
2002	The "Automated Wafer Inspection System" received support from MOEA's Industrial Development Bureau under the 2001 "Technology Development Program for Emerging SMEs."
2003	Developed a High Density Interconnect (HDI) 24-bit color PCB final inspection system.
2004	The "Automated Optical Inspection Machine for PDP Glass Substrates" was awarded funding under MOEA's Industrial Development Bureau's 2003 "Flagship New Product Development Program." Relocated factory to the Tai Yuen Hi-Tech Industrial Park in Zhubei City.
2006	The "7.5G TFT Panel Automated Optical Defect Inspection Equipment" project received funding from MOEA's Industrial Development Bureau under the 2005 "Flagship New Product Development Program." Acquired factory site on Taihe Road, Zhubei City.
2007	Acquired land in Zhubei City (Taiyuan Section) to plan for plant expansion and capacity growth. Honored during the ITRI Incubation Center's 10th Anniversary and recognized with the NBIA "International Incubation Award." Established the Tainan Office to better serve clients in the Tainan Science Park. Received the "2005 Best Service Award" from Chi Mei Optoelectronics.
2008	Officially listed on the Taiwan Stock Exchange. Relocated headquarters to Yanhe Street, Zhubei City. Recognized in Deloitte Taiwan's "2006 Taiwan High-Tech Fast 50" ranking. Received the "2006 Best Quality Award," "2006 Best Partner Award," and "2006 Best Service Award" from Chi Mei Optoelectronics. Awarded a research grant under the MOEA's "Preliminary Research Program for Integrated Liquid Crystal Droplet Process Equipment Development Alliance."
2009	Recognized in Deloitte Taiwan's "2007 Taiwan High-Tech Fast 50" ranking. Received the "2007 Best Quality Award" from Chi Mei Optoelectronics.
2010	Received a research grant from the Ministry of Economic Affairs (MOEA) for the "Preliminary Research Program for Automatic Optical Blackening Repair Technology in LCD Displays." Honored with the "Industrial Technology Advancement Award" by CAITA.

2011	Successfully developed the world's longest-range ultra-compact handheld UHF RFID reader.
2012	Established Favite Limited holding company in Samoa.
2014	Received the "Certificate of Appreciation and Gratitude" from Qualcomm. Established the China subsidiary, Favipc, Inc.
2015	Received the "2014 Excellent Supplier Award" from CSOT. Awarded "2013 Best Vendor Award" by SES RFID Solutions.
2016	Received the "2014 Excellent Supplier Award" from CSOT (China Star Optoelectronics Technology).
2017	Awarded "Taiwan High-Tech Fast 500" by Deloitte Taiwan for the year 2015.
2018	Certified by the Precision Machinery Research & Development Center (PMC) under the SEMI S2 standard. Awarded "Taiwan High-Tech Fast 500" by Deloitte Taiwan for the year 2016.
2020	Developed 2 μ m RDL ultra-fine line AOI equipment applied to FOPLP.
2021	Developed new Micro LED technology; inspection and measurement equipment successfully implemented by industry-leading manufacturers.
2022	Released the FOWLP Die Location measurement machine, adopted by a prominent packaging and testing company.
2023	Launched a series of Micro LED/OLED AOI inspection and measurement equipment, adopted by leading new display panel manufacturers.
2024	Received the "Innovation Research Award" from the Small and Medium Enterprise Administration, Ministry of Economic Affairs, recognizing national-level achievements in R&D capacity and innovative technology. Awarded the "2024 AI Award Best Solution Excellence Award" by TAIA (Taiwan Artificial Intelligence Association), acknowledging its AI inspection technology. Received the "Micro LED Automated Optical Inspection Equipment Excellence Award" at ISLE.
2025	Awarded the "Gold Panel Awards 2025 Outstanding Product Award for Display Component Technology" by TDUA (Taiwan Display Union Association). Received the "Product Innovation Award, Second Prize" from SEMI (Semiconductor Equipment and Materials International), reaffirming the recognition of its product technology. Honored with the "Industry Chain Outstanding Contribution Award" at ISLE (International Smart Display & System Integration Exhibition).

Products and Services

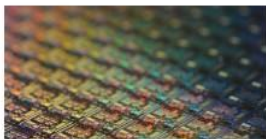
Favite, Inc. is committed to delivering high-quality, high-precision automated optical inspection and measurement equipment to industries including flat panel displays, next-generation displays, advanced semiconductor packaging, and high-end IC substrates. In addition to hardware products, the Company also possesses proprietary AI algorithms, generative AI technologies, and a Yield Management System (YMS). By leveraging the integration of hardware and software, the Company provides customers with highly accurate and user-friendly inspection solutions. Its core product lines and service offerings encompass the following areas:

Product and Service Category	Description
Automated Optical Inspection (AOI) and Measurement Equipment	Applied in TFT LCD, LTPS, AMOLED and other display manufacturing processes. Independently developed high-precision defect detection and metrology technologies support large-area and high-resolution process requirements.

AI Real-Time Inspection and Measurement Systems	Incorporates AI algorithms to identify and classify target defects, improving detection accuracy and speed while enabling automated and intelligent process control.
Semiconductor and Advanced Packaging Inspection and Measurement Equipment	Designed for back-end IC packaging and wafer-level testing processes, supporting diverse packaging types and high-precision inspection needs. Provides high-throughput, high-accuracy solutions for wafer-level and panel-level advanced packaging processes.
PCB / IC Substrate Inspection and Measurement Equipment	Tailored for high-end PCBs and IC substrates, offering high-resolution imaging and multi-layer alignment analysis capabilities. Supports fine-line inspection and multilayer circuit stack analysis.
YMS (Yield Management System)	Integrates process data and inspection results to deliver visualized yield analysis, process feedback, and parameter optimization tools, supporting clients in quality improvement and process decision-making.
Customized Solutions	Offers integrated hardware-software design, mechanical module development, and functional expansion tailored to customer-specific production lines and application needs.
After-Sales Technical Services	Provides installation, calibration, training, maintenance, and remote support through a comprehensive service mechanism to ensure stable operation and system upgrades for clients.

Favite, Inc. has successfully established itself as an AOI equipment supplier for the TFT Array segment of panel manufacturers. By integrating expertise across optics, inspection, mechanical design, and electronic control, the Company has consistently prioritized research and development as well as patent deployment. This has resulted in strong sales performance in the TFT LCD, LTPS, and AMOLED display industries. Building on this foundation, the Company has expanded into various advanced domains including semiconductors, advanced packaging, high-end IC substrates, and next-generation displays. Favite, Inc. offers customers high-precision, high-quality automated optical inspection and measurement equipment, delivering comprehensive solutions for defect detection and yield monitoring.

Semiconductor
半導體



- FOWLP / FOPLP Die Location Metrology
- Wafer Auto AI AOI / AVI / OM
- Customized Solutions

PCB / IC Substrate
PCB / IC 載板



- IC Substrate Fine Line AOI
- FOPLP RDL Fine Line AOI
- Chip on Tray AVI / Auto AI AVI
- Customized Solutions

Micro LED / Micro OLED
新型顯示器



- Micro LED COW / COG AOI
- Micro LED Backplane / Panel / Side Wiring AOI
- Micro OLED TFE / CF / Cover Glass AOI
- Micro OLED Mask / Lamination AOI

FPD-LCD
平面顯示器



- Array / CF / OLED / Touch Panel AOI
- Auto AVI / Auto Review
- CD / OL Metrology / Inline Spectrometer



Application Fields

Automated optical inspection (AOI) equipment and AI-based real-time algorithm systems are widely applied across advanced electronics and precision manufacturing industries. These solutions assist customers in enhancing process yield, reducing defect risks, and achieving optimized smart manufacturing and quality control.

Based on product types and core technologies, the Company's primary application areas include:

Product Type	Application Industry	Technical Advantages & Features	Primary Applications
Automated Optical Inspection (AOI) Systems	Display panels (TFT LCD, LTPS, AMOLED)	High-resolution imaging, targeted defect recognition, fully automated process integration	Array segment inspection, defect classification, visual quality control
Real-Time AI Inspection Systems	Semiconductors and advanced packaging, high-end IC substrates	Deep learning algorithms, real-time defect judgment, dynamic parameter tuning, self-evolving models	Defect detection, flaw classification, intelligent inspection decision support
Yield Management System (YMS)	Various electronics manufacturing industries	Process parameter integration, visual dashboards, automatic yield anomaly tracking	Process data management, yield analysis, quality optimization
Customized AOI Modules	Next-generation displays (Micro LED / OLED)	Modular design, lightweight systems, rapid switching for multi-product lines	Customized AOI systems for specific workstations/process stages
Visual Algorithm R&D Services	Inspection equipment manufacturers (B2B technical partnerships)	Deep learning model development, defect data training, model deployment & continuous optimization	Supporting customers in integrating smart recognition into existing systems
After-Sales & Technical Support Services	All equipment customers	Installation and calibration, remote maintenance, user training, system upgrades	Ensuring equipment stability, reducing downtime, enhancing operational value

Favite, Inc. will continue to expand the application scenarios of its inspection solutions, assisting global manufacturers in addressing the challenges of high precision, high efficiency, and sustainable manufacturing processes. The Company is committed to delivering inspection solutions tailored to meet customer needs.

Main Operating and Sales Regions

Favite, Inc. is headquartered in Zhubei City, Hsinchu County, with operational sites and technical support centers in Taichung and Tainan, and a subsidiary in Shanghai providing localized sales and technical service support. Its business model integrates R&D, production assembly, and system integration, leveraging cross-disciplinary capabilities in optics, electrical control, mechanical design, and algorithms to provide

customers with high-precision, highly stable automated optical inspection equipment and real-time AI inspection solutions.

In terms of sales markets, Favite has long cultivated both the domestic Taiwan and overseas markets, primarily serving high-precision manufacturers in the display, semiconductor, and PCB industries. In recent years, with the growth of AI vision applications and next-generation inspection demands, the Company has gradually expanded into the South Korean, Japanese, and Southeast Asian markets, while actively exploring opportunities in Europe and North America. Through a combination of in-house teams and strategic partners, the Company enhances regional delivery flexibility and technical support capabilities to strengthen customer retention worldwide. To boost international competitiveness and sustainability resilience, Favite continuously optimizes its supply chain configuration and product shipment mechanisms, adapting to regional carbon regulations, cybersecurity policies, and service requirements. the Company is steadily increasing overseas revenue contributions while enhancing operational flexibility and risk resistance.

According to 2024 sales statistics (unit: thousand NTD), the revenue distribution by region is as follows:

Region	2022		2023		2024		Market Characteristics and Application Areas
	Amount	%	Amount	%	Amount	%	
Taiwan Region	501,333	33.92%	289,333	64.92%	201,669	30.21%	Focused mainly on inspection and measurement equipment for Micro LED and advanced substrates
International Region	976,096	66.08%	156,342	35.08%	465,918	69.79%	The main sales products are inspection and measurement equipment for flat panel displays

Table: Annual Regional Sales Revenue (NT\$ Thousand)

Global Presence and Strategic Direction

Favite, Inc. positions Taiwan as its core hub for research, development, and operations, while maintaining subsidiaries and service centers overseas. With a longstanding commitment to the display, semiconductor, and PCB industry chains, the Company has actively expanded its presence in key Asia-Pacific markets, including Japan, South Korea, and Southeast Asia, responding to the increasing demand for AI inspection and advanced manufacturing processes. Favite continuously evaluates potential opportunities in Europe and North America. Moving forward, the Company will

strengthen localized service capabilities and delivery flexibility tailored to client needs and regional conditions, steadily increasing overseas market penetration. In alignment with sustainable manufacturing and carbon management trends, Favite is also committed to developing a more resilient operational framework.

Global Operational Locations

Favite’s operational and R&D headquarters is located in Zhubei City, Hsinchu County, Taiwan, complemented by regional offices and technical support centers in Taichung and Tainan. Overseas, the Company has established a subsidiary in Shanghai and maintains business and service locations in Kunshan and Shenzhen, enabling prompt and localized sales and technical support services. Leveraging its internal teams and strategic partnerships, Favite is well-positioned to respond swiftly to diverse application demands and consistently support process upgrades in the display, semiconductor, and PCB manufacturing sectors.

Sales Offices	Customer Service Centers
Zhubei Headquarters Address: No. 197, Sec. 2, Huanbei Rd., Zhubei City, Hsinchu County 302047, Taiwan Phone: +886-3-554-5988 Fax: +886-3-554-5989	Kunshan Shanghai Zhejiang Wuhan Xianyang Chongqing Chuzhou Changsha Fujian (Xiamen) Shenzhen Guangzhou
Taichung Office Address: No. 8, Hongfu 5th Ln., Sec. 3, Xitun Rd., Xitun Dist., Taichung City 407002, Taiwan Phone: +886-4-2460-8158 Fax: +886-4-2460-8161	
Tainan Office Address: 3F., No. 139, Sanmin St., Xinshi Dist., Tainan City 744007, Taiwan Phone: +886-6-589-2425 Fax: +886-6-589-2423	
Shanghai Subsidiary Address: Room 312, Building 1, Phase 3, Yuanzhong Industrial Park, No. 2071 Hongmeiting Road, Xuhui District, Shanghai 201103, China Phone: +86-21-54206978~79 Fax: +86-21-54206979 #8010	

Participation in External Associations

Favite, Inc. has long been actively involved in industry associations and professional organizations closely related to the company’s core technologies and application

areas. These cover sectors including display technologies, semiconductors, automation equipment, ICT applications, and sustainability. Through participation in association-led technical exchanges, policy advocacy, and practical forums, the Company continuously deepens its understanding of AI inspection, automated manufacturing processes, information security, and low-carbon manufacturing trends. Simultaneously, the Company actively engages in related forums, workshops, and policy discussions, paying close attention to government initiatives on net-zero pathways, green supply chain development, and low-carbon process transformation. These engagements serve as critical references for internal R&D directions and operational strategy adjustments.

The Company maintains a stance of political neutrality, refraining from involvement in political election activities or political donations. Instead, it commits to participating in industry and sustainability advancement as a responsible corporate citizen, demonstrating professionalism in public engagement and fostering positive industry connections.

The following outlines its key external associations and related activities:

Association Name	Role	Organizational Influence	Amount
Taiwan Printed Circuit Association (TPCA)	Member	Provides recommendations to enhance members' shared interests; acts as a bridge between industry and government to promote industry development.	NT\$48,000
Taiwan Optoelectronic Semiconductor Industry Association (TOSIA)	Member	Promotes industry cooperation and resource exchange.	NT\$60,000
Photonics Industry & Technology Development Association (PIDA)	Member	Promotes industry cooperation and resource exchange.	NT\$120,000
Semiconductor Equipment and Materials International (SEMI)	Member	Promotes industry cooperation and resource exchange.	NT\$102,077
Taiwan Electronic Equipment Industry Association (TEEIA)	Supervisor / Marketing Committee Member	Provides supervision and advice to enhance members' shared interests; acts as a bridge between industry and government to promote industry development.	NT\$30,000

Sustainability Governance Structure and Implementation Mechanisms

Sustainability Vision and Framework

To deepen the implementation of corporate sustainability, Favite, Inc. formally established the “Sustainability Task Force” in December 2023 as the highest governing body for overseeing the promotion and execution of ESG-related policies. The committee reports directly to the Board of Directors, marking the formal integration of sustainability governance into the Company's overall corporate governance framework. The committee is composed of the Chief Sustainability Officer (CSO), Deputy CSO, and key executives and representatives from major departments. Based on the Company's operational characteristics and management needs, four functional ESG working groups have been formed under this structure: the Environmental Sustainability Group, Sustainable Product Design Group, Corporate Social Responsibility Group, and Corporate Governance Group. This framework emphasizes cross-departmental collaboration and vertical integration, ensuring that ESG issues are clearly assigned and tracked from strategic planning and execution to outcome evaluation. Each functional group is led by a relevant department head and is responsible for driving sustainability initiatives within their area of expertise. These groups report progress regularly to the Sustainability Task Force, with the CSO consolidating the overall performance and presenting it to the Board of Directors, thereby reinforcing alignment across governance, execution, and operations.

Risk Assessment and Management Mechanisms



Sustainability Commitment and Accountability

Corporate sustainability competitiveness stems not only from advancements in technology and product quality, but also from a company's commitment to environmental responsibility, social impact, and governance transparency. Favite, Inc. firmly believes that the core of sustainable development lies not only in technological and product innovation, but also in the Company's concrete commitments to environmental responsibility, social value creation,

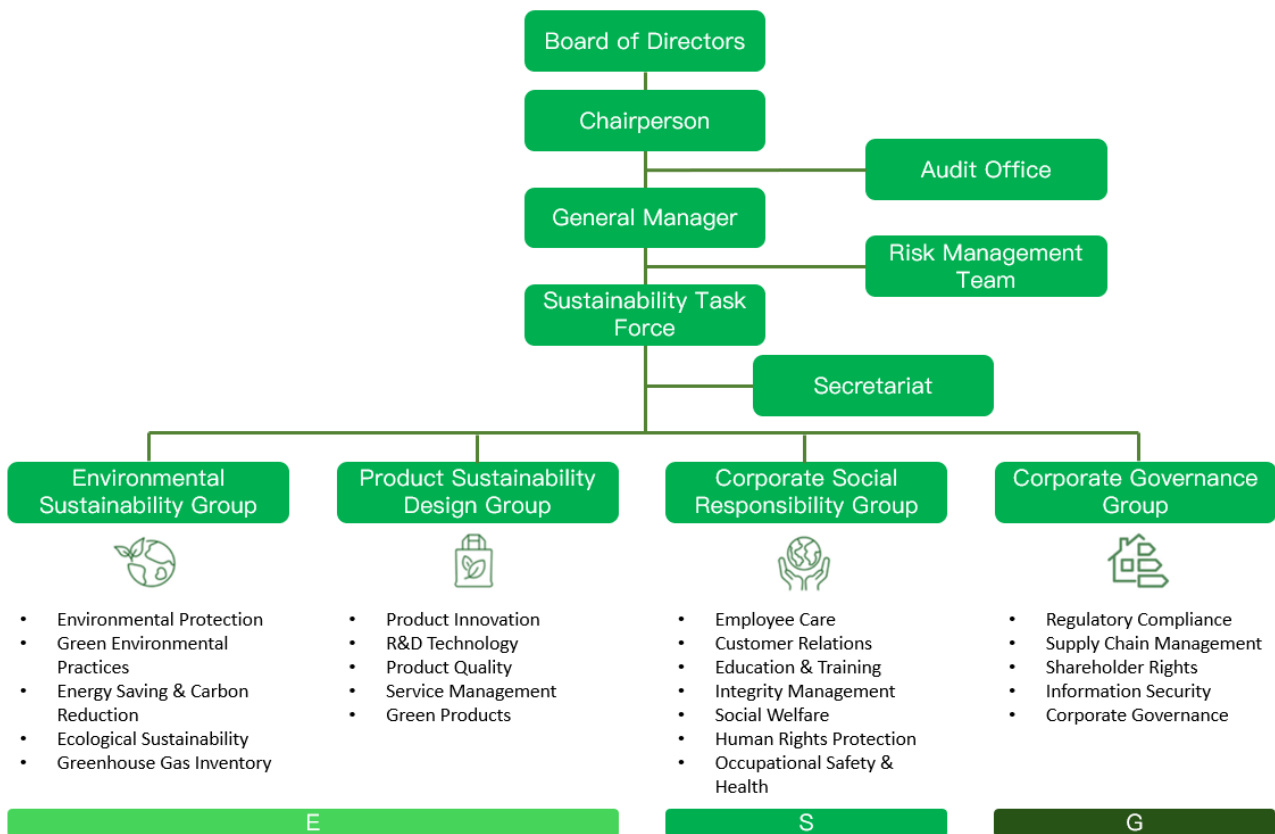
and transparent governance. Since launching its sustainability promotion framework in 2023, Favite has actively integrated ESG topics into its business strategies. Through the establishment of internal systems, risk identification mechanisms, information disclosure practices, and employee and community engagement, the Company is gradually laying the foundation for a robust sustainability culture.

- ◆ **Environmental Aspect:** The Company has initiated the development of a greenhouse gas inventory framework in line with ISO 14064-1, including the consolidation of electricity consumption and emission sources, to lay the groundwork for future carbon management and energy-saving initiatives.
- ◆ **Social Aspect:** Favite continues to enhance its employee care programs and engage in public welfare through various initiatives, including educational support, material donations, and talent cultivation.
- ◆ **Governance Aspect:** In accordance with the GRI Standards and TCFD framework, Favite prepares its sustainability report to enhance transparency and strengthen internal audit processes, demonstrating the Company's commitment to ethical operations and responsible governance.

The Company is committed to continuously strengthening its management of core ESG issues. From policy implementation and action execution to performance feedback, it will gradually integrate sustainability principles into day-to-day operational decision-making. Its goal is to drive balanced development between corporate value and social responsibility. The Company will work hand in hand with its customers, employees, suppliers, and all stakeholders to forge a path toward sustainable growth.

Sustainability Governance Framework and Operational Mechanism

Favite, Inc.'s sustainability governance framework is led by the Sustainability Task Force, which is responsible for overall ESG strategy planning and implementation. In response to practical operational needs, four dedicated ESG task forces have been established to address issues and promote initiatives in the areas of Environment, Product, Social, and Governance. This mechanism emphasizes collaborative coordination between the governance and execution levels, ensuring alignment and accountability across organizational layers. Through regular task force meetings and progress reporting, the Company implements stage-based management of sustainability objectives and achieves effective cross-departmental integration.



The Sustainability Task Force, convened by the Chief Sustainability Officer (CSO), regularly consolidates and reviews ESG progress reports submitted by each functional task force. The integrated outcomes are then presented to the Board of Directors in the form of annual performance results and recommendations for continual improvement. This structure ensures effective horizontal integration and vertical communication, enabling top-down strategic direction and bottom-up action implementation, thereby fully embedding ESG management within daily operations.

Multi-Tiered Sustainability Governance and Professional Role Allocation

To ensure the concrete realization of sustainable development goals and to strengthen the execution capacity of sustainability initiatives, Favite, Inc. has established a multi-tiered sustainability governance structure. This framework guarantees the effective promotion of sustainability strategies and the achievement of tangible performance outcomes.

The sustainability governance structure comprises the Board of Directors, the Sustainability Task Force, and four dedicated functional task forces. Direct oversight is provided by the Board of Directors, while the four specialized task forces execute sustainability initiatives,

ensuring that sustainable development is deeply embedded in corporate decision-making and operational management.

Organization	Members / Responsible Units		Functions
Board of Directors	Directors		Highest supervisory and decision-making body for sustainability development
Chairperson	Chairperson's Office	Chairperson, Audit Office	
General Manager	General Manager's Office	General Manager, Risk Management Team	Overall coordination of sustainability policy execution and risk management
Sustainability Task Force	Chief Sustainability Officer	Deputy General Manager	Planning and promoting overall sustainability strategy and execution
	Deputy CSO	Finance & Accounting Department Head	
Executive Secretary	Occupational Safety Office	Assistant Manager of Safety	Coordinate sustainability implementation plans and facilitate communication among teams
Environmental Sustainability Group	General Affairs Department	General Affairs Department, Warehousing, Taichung Office, Tainan Office, Shanghai Favite Office	<ol style="list-style-type: none"> 1. Environmental Protection 2. Green Environmental Practices 3. Energy Saving & Carbon Reduction 4. Ecological Sustainability 5. Greenhouse Gas Inventory
Product Sustainability Design Group	System R&D Division	System R&D Division, Software R&D Division, Customer Service, Manufacturing Division	<ol style="list-style-type: none"> 1. Product Innovation 2. R&D Technology 3. Product Quality 4. Service Management 5. Green Products
Corporate Social Responsibility Group	Human Resources Department	Human Resources Department, Safety Office, Sales Division	<ol style="list-style-type: none"> 1. Employee Care 2. Customer Relations 3. Education & Training 4. Integrity Management 5. Social Welfare 6. Human Rights Protection 7. Occupational Safety & Health
Corporate Governance Group	Finance & Accounting Department	Finance & Accounting Department, Legal Office, IT Department, Quality Assurance, Procurement	<ol style="list-style-type: none"> 1. Regulatory Compliance 2. Supply Chain Management 3. Shareholder Rights 4. Information Security 5. Corporate Governance

Multi-Tiered Sustainability Governance

◆ Board of Directors Oversight — Ensuring the Highest Level of Governance Commitment

The Board of Directors of Favite, Inc. serves as the highest decision-making body in the Company' s sustainability governance structure. It holds full responsibility for the final approval of the Company's sustainability strategies and policy directions, while supervising the effectiveness of sustainability initiatives and the implementation of risk management measures. The Board also reviews the overall impacts of the Company' s operations on economic, environmental, and social dimensions to ensure alignment with the Company' s long-term vision and stakeholders' expectations.

The Board, through the Audit and Risk Committee, ensures effective internal controls are in place and further strengthens the assessment and monitoring of major risk topics. It regularly reviews the sustainability risk management policies and their execution outcomes.

◆ Sustainability Task Force — Professional Division of Responsibilities and Execution

Serving as the operational execution unit, the Sustainability Task Force is responsible for the concrete advancement and implementation of various sustainability initiatives in daily operations. Its specific duties include:

- Formulating, promoting, and strengthening the Company' s sustainability policies, concrete action plans, and strategies.
- Reviewing, tracking, and revising the progress and effectiveness of sustainability implementation.
- Overseeing sustainability information disclosure and reviewing the sustainability report.
- Supervising the execution of the Company' s sustainability code of conduct and other sustainability-related tasks as resolved by the Board.
- Reporting at least annually to the Board on implementation status.

Systematic Integration Mechanism and Operational Process

Cross-Level Integrated Operational Framework

The Company convenes the Board of Directors annually to conduct comprehensive reviews and deliberations on the progress and outcomes of sustainability goals at various stages, making timely adjustments to strategic directions as necessary. The Sustainability Task Force, chaired by the Chief Sustainability Officer, integrates resources and leadership across departments. Responsibilities are clearly assigned to designated leaders and cross-departmental teams based on the three ESG dimensions (Environmental, Social, Governance). A total of 31 managers and colleagues participate collaboratively, embedding sustainability

actions fully into the Company's daily operational management processes to ensure strategy implementation and clear accountability.

At the operational execution level, the Sustainability Task Force has established multiple task forces. These task forces define eight key focus areas aligned with the ESG framework and business needs. All members have clearly defined roles based on their functions and expertise, with specific responsible departments and supporting units assigned to track and implement initiatives. Through regular meetings and internal management systems, execution progress is monitored in real time, enabling effective performance management and follow-up.

Horizontal Integration and Vertical Coordination Mechanism

Favite, Inc. has established a top-down decision-making and bottom-up execution feedback structure. To enhance the efficiency of horizontal integration, each functional task force is assigned responsibility for specific ESG topics and key performance indicators (KPIs) according to the ESG dimensions. Each topic is led by a responsible department that develops action plans and collaborates with supporting units. Progress and performance are updated and tracked in real time through a rolling communication mechanism and project collaboration platform. To strengthen the connection between strategy and action, ESG initiatives are gradually incorporated into annual plans and departmental management processes. These efforts are further integrated with internal control operations, internal audits, and risk identification mechanisms, embedding sustainability as an organic part of overall corporate operations rather than as isolated projects.

Through vertical integration (from the Board of Directors to the Sustainability Task Force and departments) and horizontal collaboration (among functional task forces), Favite, Inc. effectively institutionalizes and systematizes its sustainability strategy, enhancing cross-departmental responsibility allocation and organizational resilience.

Risk Management and Resilience Building

Favite, Inc. implements foundational risk management covering key areas including climate change, information security, regulatory compliance, and operational resilience. The Sustainability Task Force coordinates with relevant departments to conduct risk assessments and ongoing monitoring. Significant risks are integrated into the internal control framework and reported to the Board of Directors as required.

Information security and compliance risks are managed by dedicated departments through the ISO 27001 Information Security Management System to ensure daily control. Regarding

climate-related risks, the company has initiated ISO 14064-1 greenhouse gas inventory procedures, establishing a baseline for identifying and responding to environmental risks moving forward.

Internalizing the Sustainability Strategy Blueprint and Action Plan

Favite, Inc. progressively develops a feasible and actionable sustainability development blueprint tailored to its core business characteristics and aligned with domestic and international sustainability trends. Emphasizing steady and practical implementation, the company promotes the embedding of sustainability from governance frameworks and environmental management to talent development and technological innovation, fostering a culture of sustainability within the organization.

In 2024, the Company focuses on the following four key action pillars as the core directions of its sustainability strategy:

- ◆ Excellence in Governance: Pragmatic Management and Risk Resilience
 - Establish a sustainability steering framework to advance cross-departmental collaboration
 - Optimize ESG information reporting and disclosure quality
 - Promote integrity management, cybersecurity, and compliance-driven internal controls
- ◆ Environmental Practices: Initiating Carbon Inventory and Energy Efficiency Improvements
 - Launch ISO 14064-1 greenhouse gas inventory
 - Consolidate electricity consumption and emission data across sites, preliminarily identifying carbon hotspots
 - Explore feasibility of energy-saving measures and eco-friendly packaging applications
- ◆ Inclusive Talent: Caring for Employees and Cultivating a Learning Culture
 - Implement health checkups, welfare programs, and workplace safety measures
 - Provide diverse training programs and cross-departmental rotation opportunities
 - Gradually implement policies fostering diversity, inclusion, and equal opportunities
- ◆ Innovative Applications: Deepening Smart Manufacturing and Green Value Creation
 - Enhance AI inspection algorithms and the YMS yield management system
 - Develop modular and high-performance inspection equipment
 - Evaluate product carbon footprint transparency and carbon reduction benefit-oriented applications

The Company is committed to progressively advancing sustainability through an evidence-based approach, ensuring that strategies and actions remain closely aligned with its core operations. Through continuous enhancement of governance effectiveness, environmental management, talent cultivation, and innovation, the Company aims to fulfill the expectations of its industry and stakeholders. This approach supports the realization of its long-term growth and the vision of inclusive and sustainable development for both the Company and society.

Stakeholder Identification and Engagement

Being a trusted partner to stakeholders is one of Favite, Inc.' s core commitments to sustainability. By actively listening to stakeholder perspectives and engaging in meaningful dialogue, the Company establishes a strong foundation for long-term sustainable development. In alignment with GRI 2-29 Stakeholder Engagement and GRI 3 Material Topics, and in reference to the AA1000 Stakeholder Engagement Standards (AA1000 SES, 2015), Favite has established a formal stakeholder engagement and materiality assessment process to guide the development and disclosure of its sustainability report.

Stakeholder Identification and Engagement Logic

“Stakeholders” refer to individuals or groups who may affect or be affected by the Company’ s ability to achieve its objectives. In response to global sustainability trends, Favite recognizes the importance of stakeholder voices. For the first time, the Company established a systematic stakeholder identification and engagement framework, based on international best practices, as the foundation of its sustainability management efforts. This initiative aims to build an effective communication mechanism to address the concerns and expectations of key stakeholder groups.

In 2023, Favite completed its initial stakeholder identification and materiality assessment in accordance with the GRI Standards 2021 and the AA1000 SES framework. It also set the frequency for stakeholder identification and engagement at once every two years. As 2024 is the second year of the current assessment cycle and no material changes have occurred in the Company’ s business model, governance structure, or external stakeholder interactions, a new round of stakeholder surveys and identification was not conducted in the reporting year.

To ensure continuity and effectiveness in communication, the Company maintained the five key stakeholder categories identified in 2023: Employees, Customers, Suppliers, Shareholders/Investors, and Government Agencies. Ongoing interactions and feedback collection were conducted based on the previously established engagement framework and communication strategy. The Sustainability Task Force is responsible for consolidating engagement outcomes and reporting them to the Board of Directors as needed. These insights serve as a key reference for shaping sustainability strategies and management actions. Looking ahead, the Company plans to initiate the next full cycle of stakeholder identification and materiality assessment in 2025. This future analysis will reassess the interests and

influence of each stakeholder group to ensure that the Company's sustainability strategy remains relevant, effective, and forward-looking.

Communication Mechanisms and Strategies

Since the launch of its sustainability governance framework in 2023, Favite, Inc. has progressively established mechanisms for stakeholder communication and response. In 2024, the Company further systematized its communication processes under the coordination of the Sustainability Task Force. According to stakeholder categories and areas of concern, dedicated contact points have been designated across departments to support a dual-track mechanism of "regular communication × real-time response."

This mechanism emphasizes clear categorization, defined responsibilities, and traceable actions. By aligning with existing operational processes, the Company ensures that communication remains practical, timely, and precise.

Communication Objectives and Four Guiding Principles

At the initial stage of establishing its stakeholder communication system, Favite designed its strategy to focus on the following four principles:

- ◆ Timely needs identification: Proactively recognizing issues through daily interactions and designated contact points.
- ◆ Transparency and trust-building: Regularly disclosing financial and sustainability information to strengthen stakeholder trust.
- ◆ Diverse participation and feedback: Encouraging stakeholders to provide input via surveys and accessible communication channels.
- ◆ Actionable response and value creation: Incorporating key feedback into material topic management and strategy development.

Dual-Track Communication Strategy

To address the varying characteristics and interaction needs of different stakeholder groups, the Company has developed both regular and dynamic communication mechanisms:

- ◆ Regular communication: Applies to scheduled topics such as annual shareholders' meetings, supplier evaluations, employee satisfaction surveys, and the release of the sustainability report. Engagement activities are planned according to a fixed cycle with periodic performance reviews.

- ◆ **Dynamic communication:** Applies to unscheduled or event-driven topics, including regulatory changes, social or environmental incidents, urgent customer requests, or external audits and assessments. In such cases, a project-specific communication mechanism is activated, and the relevant topics are incorporated into the Company's risk and operational management frameworks.

As this mechanism remains in its early implementation stage, ongoing adjustments and improvements are being made. Favite seeks to build a balanced communication approach that combines proactive planning and responsive engagement, thereby strengthening its capacity to interact with a wide range of stakeholders and reinforcing the effective implementation of sustainability initiatives.

Communication Frequency and Performance Monitoring

Stakeholder Category	Significance to the Organization	Key Concerns and Communication Topics	Communication Methods and Frequency	2024 Communication Outcomes
Employees	Employees are the Company's most valuable asset. Their professional expertise drives core competitiveness, while employee welfare and satisfaction contribute to talent retention and organizational growth.	<ul style="list-style-type: none"> ■ Labor relations ■ Talent training and development ■ Compensation and benefits ■ Workplace health and safety ■ Business performance ■ Compliance with socioeconomic regulations 	<ul style="list-style-type: none"> ■ Internal announcements: As needed ■ Internal e-newsletter (Favite Wellness e-News): Monthly ■ Labor-management meetings: Quarterly ■ Employee Welfare Committee meetings: Quarterly ■ Occupational Safety and Health Committee: Quarterly ■ Department meetings: Weekly ■ One-on-one meetings (e.g., performance reviews, development planning): At least annually or more frequently as needed ■ Training programs and seminars: At least twice per year or based on business needs ■ Employee engagement events: At least four times per year ■ Employee feedback mailbox: As needed 	<ul style="list-style-type: none"> ■ Issued over 15 internal announcements (including calendar updates, organizational changes, promotions, ISO 27001 notices) ■ Published 12 issues of the internal e-newsletter, achieving an average satisfaction score of 4.51 out of 5 ■ Held 4 labor-management meetings ■ Conducted 6 Employee Welfare Committee meetings ■ Held 4 Occupational Safety and Health Committee meetings ■ Conducted over 40 department-level meetings company-wide ■ Performed one-on-one performance evaluations and development planning interviews on an ongoing basis ■ Delivered 136 training sessions and seminars, with a total of 1,487 participants and 5,152 training hours ■ Organized 7 employee engagement activities with 549 total participants, including: <ul style="list-style-type: none"> Spring Banquet: 167 Sports Day: 141 Beach Cleanup: 5 Walking Event: 45 Mid-Autumn Festival: 116 Christmas Charity & Volunteer Events: 75 ■ Average participant satisfaction: 4.60 out of 5 ■ Received 0 complaints through the

				employee feedback mailbox
Customers	Customers are the cornerstone of the Company's operations. Meeting their needs and expectations is key to business success. By delivering high-quality products and services, the Company enhances customer loyalty and brand reputation. Through innovation and digital transformation, the Company continuously improves the customer experience, thereby strengthening its position in the global market.	<ul style="list-style-type: none"> ■ Company size, revenue, and operational performance ■ Energy management (water, gas, and electricity consumption) ■ Service life of equipment components and consumables ■ Equipment packaging and transportation methods 	<ul style="list-style-type: none"> ■ In-person and virtual meetings: Regular and as needed ■ Email correspondence: Ongoing ■ Messaging applications: Ongoing ■ Customer satisfaction surveys: Annually ■ Social media & official website: As needed ■ Trade shows and promotional events: Regularly ■ Customer training sessions: As needed ■ Operation manuals and guides: As needed 	<ul style="list-style-type: none"> ■ Received three product awards (ISLE, TAIA, Ministry of Economic Affairs) ■ Achieved average customer satisfaction score >85 points ■ Participated in five major trade shows, including: ISLE, SEMI CN, Touch Taiwan, SEMI TW, and TPCA
Suppliers	Suppliers provide essential goods and services required for the Company's production processes. Their performance in areas such as quality, delivery timelines, and pricing directly affects the Company's overall reputation and operational stability.	<ul style="list-style-type: none"> ■ Stability of supply and procurement demand ■ Reasonable target cost expectations ■ Ethical and transparent business conduct 	<ul style="list-style-type: none"> ■ Email, telephone, and messaging applications: Ongoing ■ Supplier audits: As needed ■ On-site visits and communications: As needed 	<ul style="list-style-type: none"> ■ Conducted 3 supplier audits ■ Completed 1 formal supplier evaluation ■ Performed on-site inspections of 11 key material suppliers
Shareholders /Investors	Shareholders and investors provide the capital that underpins the Company's sustainable growth and long-term development. As key stakeholders, their concerns and expectations significantly influence the Company's	<ul style="list-style-type: none"> ■ Business performance ■ Innovation and R&D ■ Compliance with environmental regulations ■ ESG strategies and performance 	<ul style="list-style-type: none"> ■ Annual General Shareholders' Meeting: Once per year ■ In-person investor conferences: At least twice per year ■ Online investor briefings: At least twice per year ■ Investor inquiries and roadshows: As needed ■ Media communications and corporate website: As needed ■ Executive presentations and marketing 	<ul style="list-style-type: none"> ■ Convened 1 Annual General Shareholders' Meeting ■ Held 2 in-person investor conferences ■ Conducted 2 online investor briefings

	business strategies and growth momentum. By ensuring transparency of information and adopting sound management strategies, the Company aims to strengthen investor confidence, safeguard shareholder rights, and enhance corporate value.		engagements: As needed	
Government Agencies	Government agencies serve as critical enablers of corporate compliance, with their policies and regulations directly shaping the Company's operations and market development. Through proactive participation in policy consultations and regulatory dialogues, the Company ensures adherence to legal requirements while also contributing to industrial advancement and the fulfillment of corporate social responsibility.	<ul style="list-style-type: none"> ■ Regulatory compliance ■ Technological research and development ■ Environmental, health, and safety practices ■ Talent cultivation and development 	<ul style="list-style-type: none"> ■ Government collaboration meetings: As needed ■ Policy consultations and negotiations: As needed ■ Public-private partnership forums: As needed 	<ul style="list-style-type: none"> ■ Participated in ESG promotion events organized by the Taiwan Stock Exchange and Securities and Futures Bureau, with a total of 5 employee attendances throughout the year

Favite, Inc. will continue to uphold the principles of openness, transparency, and responsibility, strengthening the depth and quality of communication and responsiveness with stakeholders. Through regular reviews and a dynamic adjustment mechanism, the Company ensures that its sustainability strategies remain aligned with the expectations of all parties, jointly advancing toward long-term and sustainable value growth.

Material Topic Identification Process

Starting from 2023, Favite, Inc. has formally established a materiality assessment process in accordance with the GRI Standards 2021 and AA1000 SES stakeholder engagement standards. Through a systematic mechanism, the Company identifies sustainability issues that significantly impact its operations and stakeholders. This process combines internal departmental surveys with external questionnaire feedback to comprehensively review the positive and negative impacts of its operations across economic, social, and environmental dimensions.

The year 2024 marks the second year following the establishment of this assessment process. In line with the principle of conducting a materiality analysis every two years, Favite, Inc. has systematically reviewed and optimized the previous results. The current assessment continues to adopt a dual-axis analysis framework— “actual impact degree × stakeholder concern level” —integrating feedback from internal departments and external stakeholders to comprehensively identify potential positive and negative impacts of Favite, Inc.’ s operations across the three sustainability dimensions. In addition to maintaining the seven core material issues identified in 2023, this year’ s update has added “Employee Health and Safety” as the eighth material topic. This addition responds to the increased attention on workplace safety and its substantial relevance to operational stability, thereby reinforcing management focus and addressing both internal and external concerns.

Favite, Inc. will continue to adjust its material topics regularly based on industry trends, stakeholder input, and domestic and international regulations, ensuring that its sustainability strategies evolve in tandem with the Company’ s development and the external environment. As this is only the second year of institutionalized implementation, there remains room for further optimization and refinement. The Company will persist in regularly reviewing the appropriateness of material topics in light of internal and external changes, regulatory trends, and stakeholder feedback, progressively building a sustainability management framework that aligns with its development rhythm and practical needs, thus steadily advancing a sustainable foundation for long-term value creation in partnership with stakeholders.

Definition and Principles of Materiality

Materiality refers to the identification of key sustainability topics that are highly relevant to the company’ s operational development and have substantive impacts on both internal and

external stakeholders. Through materiality analysis, the company can focus its limited resources on sustainability initiatives that generate meaningful impact, while enhancing the relevance and transparency of information disclosure.

This materiality assessment follows the definition outlined in the GRI 3 Standards, defining a "material topic" as:

“A topic that causes positive or negative, actual or potential substantive impacts on the environment and society through the company’ s operations or value chain, and is also of significant concern to stakeholders.”

Definition of Impact and Assessment Scope

This materiality analysis adopts an "impact-oriented" approach as its core principle. "Impact" refers to the potential effects that Favite, Inc. may cause on the economy, environment, and society (including people) through its operational activities or business relationships. Such impacts may arise from the company’ s own actions or occur indirectly through other segments of the supply or value chain.

To concretely assess the potential significance of each topic to internal and external stakeholders, the Company examines the impacts from two main perspectives:

- ◆ Actual or Potential: Whether the impact has already occurred or may occur in the future;
- ◆ Positive or Negative: Whether the impact brings positive contributions or entails potential risks and adverse consequences.

Economic Impact	Environmental Impact	Social Impact
Refers to the organization’ s effects on economic systems at regional, national, and global levels, such as competitive behavior, procurement practices, taxation, and payments to governments.	Refers to the organization’ s effects on living organisms and the environment, particularly air, land, water, and ecosystems, including impacts arising from energy use, land, water, and other natural resource consumption.	Refers to the organization’ s effects on individuals and groups, including communities, vulnerable populations, and society at large, encompassing human rights impacts. These effects typically arise through employment relationships, supply chains, products, and services.

Through the above assessment criteria, the Company is able to systematically clarify the scope of impacts and the necessity of management for each sustainability topic within the business context, thereby forming a foundational basis for prioritizing material topics and developing strategic plans.

Phase 1: Sustainability Relevance Assessment		Phase 2: Purpose-driven Impact Assessment	
Dynamic Identification and Rolling Updates	<ul style="list-style-type: none"> Through ongoing engagement with stakeholders—including suppliers, employees, customers, investors, and government agencies—Favite, Inc. continuously gathers diverse perspectives to dynamically monitor emerging trends across Environmental, Social, and Governance (ESG) topics. Topic monitoring encompasses regulatory developments, industry trends, market dynamics, and changes in international sustainability standards to ensure that materiality assessments remain aligned with evolving external requirements and internal operational challenges. 	Topic Prioritization	The final selection of eight core material topics is made.
Comprehensive Information Collection	<ul style="list-style-type: none"> In daily operations, the Sustainability Task Force coordinates across departments to regularly report on internal and external sustainability topics, conduct preliminary analyses and risk assessments, and ensure that the identification of material topics covers the entire corporate value chain. Information sources include internal management reports, external regulatory monitoring, stakeholder interviews, questionnaire surveys, and recommendations from third-party evaluation bodies. 	Action Plan Development	Based on the importance of the topics, short-term, medium-term, and long-term development goals are established, and project teams are formed to drive the initiatives and allocate resources.
Topic Screening and Preliminary Classification	<ul style="list-style-type: none"> The results of the 2023 materiality assessment were adopted, confirming seven core topics. "Employee Health and Safety" was added as the eighth material topic to address both internal and external concerns and to strengthen management focus. 		
Multidimensional Impact Assessment	<p>Each selected topic was evaluated based on three key dimensions:</p> <ul style="list-style-type: none"> Operational Impact: The topic's direct influence on operational efficiency, brand reputation, and financial performance. Sustainability Impact: The potential environmental, ecological, and social impacts resulting from business activities. Stakeholder Concern: The relative importance of the topic as perceived by key stakeholders, including suppliers, employees, investors, and government bodies. 		
Dual Risk and Opportunity Assessment	A comprehensive risk and opportunity analysis was conducted for each sustainability topic, evaluating both positive and negative impacts to further clarify its potential contribution to the Company's long-term competitiveness.		

Materiality Assessment Process and Engagement Mechanism

Assessment Process

In the current reporting year, Favite, Inc. adopted the GRI 3 Guidelines for material topic identification as the primary framework for sustainability disclosure. This

materiality assessment process was conducted in alignment with relevant standards and was structured into two key stages: the collection of sustainability topics and the assessment of their impacts. This approach aims to establish a robust foundation for identifying material topics that reflect the Company's operational characteristics and support informed and purposeful decision-making in its sustainability agenda.

This year's materiality assessment builds upon the outcomes of the 2023 analysis and references the GRI Standards 2021 and SASB standards. By integrating industry characteristics and operational context, Favite, Inc. identified eight sustainability topics that are highly relevant to the Company's core business. A structured internal survey was conducted, engaging 31 senior managers across departments to evaluate each topic based on three dimensions: Operational Impact, Sustainability Impact Potential, and Stakeholder Concern Level. The assessment results were used to prioritize material topics, which now serve as the foundation for future sustainability strategy planning and resource allocation.

Double Materiality Assessment Framework and Process

In alignment with the European Commission's principles on double materiality and incorporating the concept of dynamic materiality as advocated by the World Economic Forum, Favite, Inc. developed a tailored materiality evaluation framework aligned with its operational context. This approach enables a more structured identification of internal and external risks and impacts across the value chain.

The Sustainability Task Force led the assessment process, consolidating inputs from various departments and five categories of stakeholders. Using structured questionnaires and internal data reviews, the Company progressively established a robust foundation for determining material topics. The assessment was anchored around the following three key dimensions:

- ◆ **Operational and Financial Relevance:** Evaluated the potential impact of each topic on the Company's operations, financial resilience, and business performance, in order to prioritize resource allocation and management focus.
- ◆ **Impact on Society and the Environment:** Analyzed the actual or potential positive and negative impacts of the Company's activities and value chain on environmental and social systems, taking into account factors such as duration, reversibility, and risk characteristics.
- ◆ **Stakeholder Concern:** Integrated insights from stakeholder surveys, communication mechanisms, and ongoing engagements to assess the level of external concern and responsiveness required.

Throughout the evaluation process, each topic was also reviewed for its strategic alignment with Favite's medium- and long-term development goals, ensuring that the prioritization of actions and resource planning carries forward strategic significance.

While the Company remains in the early stages of institutionalizing its double materiality assessment framework, 2024 marked a pivotal year in transitioning Favite's sustainability governance toward a more structured and strategic phase. Moving forward, the Company will continue refining its analytical tools and assessment methodologies, enhancing the responsiveness and depth of topic management, and further integrating sustainability into its core business strategy to ensure the effective implementation of future actions.

Assessment of Operational Impact for Material Topics

Favite, Inc. evaluates the substantive impact of each sustainability topic on the Company's operations, serving as a critical reference for subsequent strategic planning and resource allocation. The assessment is coordinated by the Sustainability Task Force in collaboration with relevant department heads, employing a combination of quantitative and qualitative methods to enhance the objectivity and practical relevance of the evaluation process.

Assessment Framework and Analytical Dimensions

To comprehensively understand the potential operational impacts of material topics, Favite, Inc. has established the following four key analytical dimensions as the basis for evaluation:

- ◆ **Customer Satisfaction:** Related to significant regulations or potential compliance risks that may affect customer trust and willingness to collaborate.
- ◆ **Employee Satisfaction:** Involves employee engagement, workplace stability, and overall organizational climate, influencing internal cohesion and talent retention.
- ◆ **Revenue Growth:** Potential contributions to financial performance and business expansion, including the capacity to create added value or improve efficiency.
- ◆ **Operational Risk:** Impact on operational stability and risk management mechanisms, encompassing possible disruptions, challenges, or opportunities.

Quantitative Evaluation and Prioritization

在 A five-point scoring system (1 to 5) is applied, with department heads conducting evaluations based on their functional responsibilities. The Sustainability Task Force consolidates the scores to perform an integrated ranking and impact weighting analysis of the topics.

Benchmarking Industry Trends and Regulatory Requirements

To ensure the relevance and regulatory alignment of the assessment results, external standards and trends are also referenced, including:

- ◆ SASB Sustainability Accounting Standards (aligned by industry category)
- ◆ 2023 Industry Sustainability Disclosure Topics compiled by the Financial Supervisory Commission
- ◆ Sustainability topic trends and stakeholder feedback in the Asia-Pacific region

By cross-referencing internal and external data, Favite, Inc. further validates the materiality ranking against actual operational contexts and stakeholder concerns. Moving forward, the Company will regularly review the appropriateness of material topics and update rankings accordingly in response to industry trends, regulatory changes, and market dynamics, thereby providing a solid foundation for advancing sustainable strategies and governance mechanisms.

Identification of Sustainability Impacts

In 2024, Favite, Inc. conducted a systematic identification and impact assessment of various sustainability topics in accordance with the principles of impact identification outlined in GRI 3. The assessment combined both quantitative and qualitative methods to evaluate the material impacts on the Company's internal operations as well as the potential effects on the external environment and stakeholders. This process serves as a key basis for subsequent risk management and sustainability strategy planning.

Assessment Framework and Operational Logic

Two Key Evaluation Dimensions | Impact Aspects and Temporal Analysis

The evaluation follows a dual-dimensional approach, analyzing each sustainability topic from the perspectives of "Impact Nature" and "Temporal Characteristics" to identify potential impacts:

- ◆ Actual/Potential Impacts: Identification of sustainability topics that have occurred or may occur.
- ◆ Positive/Negative Impacts: Determination of whether the topic presents opportunities or risks to the Company, its value chain, and stakeholders.

To enhance the consistency and operability of the assessment, clear definitions and explanations are provided for each impact dimension:

Analytical Dimension	Definition and Application
Actual Impacts	Assessed using internal quantitative data to evaluate the real outcomes of each topic on operational performance, regulatory compliance risks, reputation, and the value chain.
Potential Future Impacts	Evaluated through scenario analysis and qualitative assessment to anticipate medium- to long-term impacts of external changes on business strategies and stakeholders.
Positive Impacts	Focuses on topics that may generate value for the Company and its stakeholders, enabling the identification of innovation and growth opportunities.
Negative Impacts	Identifies potential sources of risk and supports the early development of management mechanisms to mitigate the likelihood and severity of adverse effects.

Assessment Methodology and Practical Application

To enhance the systematization and scientific rigor of impact identification, the Company adopts the following three analytical approaches:

- ◆ **Data-Driven Analysis:** A topic impact scoring mechanism has been introduced to establish quantifiable benchmarks, thereby improving consistency and transparency in the assessment process.
- ◆ **Multi-Stakeholder Engagement:** The evaluation incorporates insights from internal management, stakeholder feedback, consultant recommendations, industry trends, and regulatory requirements to ensure representativeness and relevance of the results.
- ◆ **Balanced Focus on Risks and Opportunities:** While identifying and managing potential risks, the Company also actively explores positive-impact topics with transformational potential to uncover new sources of competitive advantage.

Currently, the Company is in the initial stage of implementing a sustainability impact identification system. A foundational framework for identifying and managing sustainability impacts has been established and integrated into the existing sustainability governance processes. While there remains room for further optimization in practice, this foundational work has laid the groundwork for the advancement of the Company’s sustainability strategy and disclosure efforts.

Looking ahead, Favite, Inc. will regularly review the assessment framework and impact evaluation results, and will update relevant data and analytical methodologies as needed. Where appropriate, external expert review mechanisms will be introduced to enhance the accuracy and applicability of the assessment outcomes. Concurrently, the Company will continue to strengthen its data management and internal and external communication

mechanisms to ensure that the overall process reflects the operational realities. These efforts will also serve as a critical basis for responding to market dynamics and adjusting to evolving risks.

Economic

	Material Topic	Actual Positive Impact	Actual Negative Impact	Potential Positive Impact	Potential Negative Impact
1	Corporate Sustainability Governance	4	6	6	3
2	Financial Performance	6	3	8	6
3	Information Security Management	1	1	1	2
4	Operational Management	5	4	4	4
5	Customer Relationship Management	2	4	2	1
6	Product Quality and Safety	3	6	5	7
7	Talent Retention and Development	3	2	3	4
8	Employee Health and Safety	7	5	7	5

Note: A lower score indicates a greater impact of the material topic, whereas a higher score reflects a lesser degree of impact.

Environmental

	Material Topic	Actual Positive Impact	Actual Negative Impact	Potential Positive Impact	Potential Negative Impact
1	Corporate Sustainability Governance	5	7	2	2
2	Financial Performance	6	6	6	8
3	Information Security Management	4	4	1	1
4	Operational Management	3	1	3	6
5	Customer Relationship Management	5	8	5	5
6	Product Quality and Safety	2	3	4	7
7	Talent Retention and Development	1	2	7	3
8	Employee Health and Safety	2	5	8	4

Note: A lower score indicates a greater impact of the material topic, whereas a higher score reflects a lesser degree of impact.

Social

	Material Topic	Actual Positive Impact	Actual Negative Impact	Potential Positive Impact	Potential Negative Impact
1	Corporate Sustainability Governance	8	7	4	5
2	Financial Performance	7	4	5	7
3	Information Security Management	3	6	3	3
4	Operational Management	4	3	1	1
5	Customer Relationship Management	1	2	5	4
6	Product Quality and Safety	2	5	6	6
7	Talent Retention and Development	5	1	2	2
8	Employee Health and Safety	6	8	4	4

Note: A lower score indicates a greater impact of the material topic, whereas a higher score reflects a lesser degree of impact.

Stakeholder Concern Survey

To continuously monitor stakeholder concerns regarding sustainability topics, although Favite, Inc. did not reinitiate the materiality assessment process in 2024, the Company conducted a “Stakeholder Concern Survey on Sustainability Topics” to evaluate whether changes in the external environment might affect the relevance of existing material issues. A total of 257 questionnaires were distributed, with 253 valid responses received, covering four major stakeholder groups: employees, customers, suppliers, and shareholders/investors—yielding an overall response rate of 98%. The results of the survey have been incorporated as a reference for ongoing monitoring and periodic updates. In addition to collecting external feedback, Favite also considered government policy directions, as well as the sustainability themes emphasized by financial institutions and regulatory bodies, in order to align its strategy more closely with evolving industry trends and regulatory expectations. This approach enhances the comprehensiveness and compliance of topic selection.

Based on consolidated analysis, the top five most highly concerned topics identified by stakeholders in this survey were, in order of priority:

Top Five Topics by Level of Concern

Employees	Customers	Suppliers	Shareholders/Investors
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Employee Health and Safety	Customer Relationship Management	Corporate Sustainability Governance	Operational Management
Product Quality and Safety	Product Quality and Safety	Product Quality and Safety	Product Quality and Safety
Information Security Management	Information Security Management	Information Security Management	Talent Retention and Development
Talent Retention and Development	Corporate Sustainability Governance	Talent Retention and Development	Financial Performance
Operational Management	Talent Retention and Development Operational Management	Employee Health and Safety	Employee Health and Safety

Note: Ranked according to the top five levels of concern.

Identification and Confirmation of Material Topics

In accordance with the principle of double materiality, Favite, Inc. conducted a cross-analysis to assess each sustainability topic based on its potential impact on economic, environmental, and social (including human rights) dimensions, as well as its significance to the Company's operations and financial performance. Although a full materiality assessment was not repeated in 2024, a rolling review and internal validation were conducted based on the previous year's results. As a result, a total of eight material topics were confirmed. These topics comprise the original seven identified in 2023, with the addition of Employee Health and Safety in response to increasing stakeholder concern regarding workplace safety and its direct relevance to operational stability. These confirmed topics form the basis for sustainability actions and resource allocation, covering key aspects of governance, social responsibility, and selected environmental dimensions:

Sustainability Dimension	Material Topic	Stage of Value Chain Impact	Employees	Customers	Suppliers	Shareholders/Investors	Government Agencies
Governance	Corporate Sustainability Governance	Internal Operations	⊗	○	○	⊗	○
Economic	Financial Performance	Internal Operations	⊗	○	○	○	
Social	Operational Management	Entire Value Chain	⊗	⊗	○	⊗	○
Social	Information Security Management	Internal Operations / Downstream Customers	⊗	⊗	○	⊗	○
Social	Customer Relationship Management	Downstream	⊗	⊗	○	⊗	

Social	Talent Retention and Development	Internal Operations	⊗	○		⊗	
Environmental	Product Quality and Safety	Internal Operations / Suppliers	⊗	⊗	○	⊗	
Social	Employee Health and Safety	Internal Operations	⊗	○		○	○

Note:

⊗ indicates a significant impact (high level of influence or stakeholder concern)

○ indicates an indirect or moderate impact

Blank indicates no apparent direct impact (or not disclosed)

Materiality Topic Selection and Supplementary Disclosure Mechanism

Although this materiality identification exercise focuses primarily on the organization’s current internal priorities, Favite, Inc. remains attentive to potential impacts from changes in the external environment on its sustainability strategy. Particularly in the environmental dimension, given its significance in regulatory trends and stakeholder expectations, the Company proactively discloses the following environmental topics with potential impact, even though they are not included among the eight core material topics:

- ◆ Energy Management
- ◆ Water Resource Management
- ◆ Waste Management
- ◆ Climate Change Response

Materiality Analysis Decision-Making Mechanism

The results of this materiality analysis have been consolidated by the Sustainability Task Force and submitted to the Board of Directors for review. The overall evaluation process not only considers the alignment of topics with the Company’s strategic objectives but also incorporates stakeholder concerns and relevant regulatory trends. This approach assists the Company in focusing its limited resources on core topics that hold significant management relevance and long-term value. To enhance the professionalism and systematization of the analysis, Favite, Inc. collaborates with external consultants to strengthen the assessment of topic impacts across the Company’s value chain. Furthermore, the Company has developed a comprehensive disclosure framework in accordance with GRI standards, progressively advancing toward a more consistent and applicable sustainability information management system.

Deepening SDGs Linkages and Advancing the Sustainability Narrative

Since 2023, Favite, Inc. has referenced three major international sustainability standards and frameworks in the preparation of its Sustainability Report, while actively aligning with the United Nations Sustainable Development Goals (SDGs). By doing so, the Company has gradually integrated global sustainability principles into corporate governance and operational management. In 2024, with the publication of the second Sustainability Report and the ongoing enhancement of its ESG management mechanisms, Favite continues to map its business activities against the Taiwan Sustainable Development Goals (T-SDGs), progressively incorporating relevant goals into its annual action plans and disclosure framework.

The Company recognizes the essential role that businesses play in advancing the 2030 Sustainable Development Agenda. Through concrete actions, Favite addresses key sustainability issues such as climate change, resource management, employee well-being, information security, and supply chain responsibility. Looking ahead, Favite will continue to review and refine its sustainability strategies based on the Company’s development stage and industry trends, with the aim of strengthening goal management and practical implementation, and progressing toward a globally aligned sustainability blueprint.

Linking to Global Goals | Advancing Core Business Integration

Favite applies a systematic sustainability management approach to embed the SDGs progressively into its corporate strategy and action plans, ensuring alignment with international sustainability standards.

Material Topic	Key Impact	SDG Goal	Target	Indicator	Actions and Objectives
Corporate Sustainability Governance	Enhancing governance transparency and compliance, building sound decision-making processes and a culture of integrity to strengthen corporate resilience and public trust	SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	16.6 Develop effective, accountable and transparent institutions at all levels	16.6.2: Promote public access to government data and enhance transparency of information (extendable to corporate ESG disclosure) 16.6.3: Public confidence in institutional systems and	<ul style="list-style-type: none"> ■ Establish and operate the Board of Directors and functional committees to ensure effective governance oversight mechanisms. ■ Conduct Board performance evaluations and implement disclosure policies and material topic review procedures. ■ Implement an integrity management policy, promote stakeholder engagement, and enforce codes of ethical conduct. ■ Publish the sustainability report, governance structure, and business strategies annually to enhance transparency.

				governance mechanisms	
Talent Retention and Development	Strengthening workforce stability, enhancing employee engagement, and driving corporate growth momentum	SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	8.5 Achieve full and productive employment and decent work for all	8.5.2: Unemployment training participation and post-training employment rate 8.5.3: Employment promotion for persons with disabilities	<ul style="list-style-type: none"> ■ Establish career development systems and clear promotion pathways ■ Provide on-the-job training and skill development programs ■ Expand diverse hiring practices and workplace inclusion strategies
Customer Relationship Management	Enhance customer loyalty and brand trust by fostering long-term partnerships, improving product and service quality, and promoting shared value creation	SDG 12: Ensure sustainable consumption and production patterns SDG 17: Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	12.6 Encourage companies to adopt sustainable practices and to integrate sustainability information into their reporting cycle 17.17 Encourage and promote effective public, public-private and civil society partnerships	12.6.3: Mandatory preparation of sustainability reports 17.17.2: Establish long-term stakeholder engagement mechanisms	<ul style="list-style-type: none"> ■ Conduct customer satisfaction surveys and implement feedback mechanisms ■ Regularly organize or participate in customer technical exchange and co-creation platforms ■ Disclose stakeholder communication topics in the Sustainability Report ■ Strengthen customer relationship management systems and complaint tracking procedures
Financial Performance	Maintain financial stability and risk resilience to support resource allocation for sustainable transformation	SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors	8.2.1: Annual growth rate of real GDP per employed person in the industrial sector	<ul style="list-style-type: none"> ■ Implement financial risk control policies and agile budgeting frameworks ■ Invest in sustainable technologies and emerging market opportunities ■ Advance digital transformation and diversify revenue streams
Product Quality and Safety	Ensure product compliance and safety to mitigate liability risks and enhance customer trust	SDG 12: Ensure sustainable consumption and production patterns	12.4 Achieve the environmentally sound management of chemicals and all wastes, and significantly reduce their release to air, water and soil	12.4.3: Reuse rate of industrial waste in science parks 12.4.4: Proportion of products containing hazardous substances	<ul style="list-style-type: none"> ■ Promote product testing and regulatory compliance verification ■ Establish product traceability and risk notification mechanisms
Information Security Management	Enhance the protection of corporate information assets and system resilience	SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization	9.1 Develop quality, reliable, sustainable and resilient infrastructure	9.1.4: Establish cybersecurity response mechanisms for critical infrastructure	<ul style="list-style-type: none"> ■ Conduct regular cybersecurity drills ■ Establish incident reporting and response procedures ■ Provide cybersecurity awareness training and social engineering simulations for employees

	to reduce cybersecurity risks	and foster innovation			
Operational Management	Enhance operational resilience and crisis response capabilities to address extreme weather events and disruption risks	SDG 13: Take urgent action to combat climate change and its impacts	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	13.1.1: Companies possess climate risk assessment and adaptation mechanisms	<ul style="list-style-type: none"> ■ Conduct drills to prevent and respond to natural disasters caused by extreme weather ■ Provide regular employee awareness campaigns on climate risk ■ Establish multi-site operations and allocate backup resources to ensure business continuity
Employee Health and Safety	Foster a healthy, safe, and supportive work environment to reduce occupational risks, enhance employee stability, and promote overall well-being	SDG 3: Ensure healthy lives and promote well-being for all at all ages SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	3.9 Substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination. 8.8 Protect labour rights and promote safe and secure working environments for all workers	3.9.2: Mortality rate attributed to occupational injuries 8.8.1: Frequency rates of occupational injuries	<ul style="list-style-type: none"> ■ Implement occupational health and safety management systems ■ Conduct regular health checkups and occupational safety training ■ Establish mental health counseling and stress management programs

Chapter 1: Illuminating Sustainable Governance

1-1 Solid Foundations of Corporate Governance

Management Approach	Material Topic: Corporate Sustainability Governance	
Policies and Commitments	Favite, Inc. has established its corporate governance framework and internal control mechanisms in accordance with formally approved documents by the Board of Directors, including the “Corporate Governance Best Practice Principles,” “Rules of Procedure for Board Meetings,” “Regulations for Board Performance Evaluation,” “Code of Ethical Conduct,” and the “Ethical Corporate Management Best Practice Principles.” The Company is committed to strict compliance with applicable laws, listing regulations, and governance requirements. All directors are required to complete at least six hours of continuing education annually, with external experts invited to deliver training sessions to enhance board members’ professional capabilities. Governance duties are fulfilled through the functioning of the Audit Committee and the Remuneration Committee, ensuring oversight and accountability in decision-making.	
Positive Impacts	Favite upholds transparency, accountability, and legal compliance as core principles of governance. The Company actively participates in governance evaluations and ESG initiatives to strengthen market trust and investor confidence. It is also committed to continuous improvement of its risk management system to promptly identify and address potential risks arising from regulatory, operational, or sustainability challenges.	
Negative Impacts	In response to increasingly stringent corporate governance regulations and the growing complexity of disclosure standards, the Company has experienced a corresponding rise in resource demands related to system design, compliance management, and information integration. During the initial stages of sustainability governance implementation, the limited understanding of ESG-related concepts among certain employees has presented challenges to internal cultural transformation and the establishment of aligned values. These challenges are being addressed through ongoing internal communication and targeted educational initiatives.	
Goals and Objectives	2024 Goal	Short-Term Goals (Within One Year)
	Publication of the Company’ s first Sustainability Report.	1. Establish a Sustainability Committee 2. Achieve at least 11% female representation on the Board of Directors
	Progress Status	3. Ensure each Director completes a minimum of 6 hours of annual continuing education 4. Achieve 100% attendance rate for Board meetings 5. Attain a corporate governance evaluation ranking within the top 50% (as assessed by the Taiwan Stock Exchange) 6. Achieve 100% signing rate of Director’ s Declaration and Independent Director’ s Declaration
	100% completed. For details, please visit the Company’ s official website: https://www.favite.com/esg/esg-report/	
Mid-Term Goals (1–3 Years)		
1. Achieve a corporate governance evaluation ranking within the top 35% of listed companies		

	<ol style="list-style-type: none"> 2. Submit the sustainability report to the Market Observation Post System (MOPS) periodically in accordance with regulatory requirements and obtain third-party assurance 3. Convene at least four meetings annually for the Audit Committee, and at least two meetings annually for the Compensation Committee and Sustainability Committee 4. Complete one Board performance evaluation by an external third-party institution 5. Achieve a 100% revision completion rate of ESG-related policies and systems in alignment with IFRS S1/S2 6. Conduct at least one internal compliance training session annually with a participation rate exceeding 90%
	<p>Long-Term Goals (3–5 Years)</p> <ol style="list-style-type: none"> 1. Maintain a corporate governance evaluation ranking within the top 35% of listed companies 2. Achieve at least 22% female representation on the Board of Directors, including at least one seat on a functional committee 3. Establish a performance-based compensation mechanism linked to governance outcomes, incorporating Board performance and ESG target achievement 4. Ensure Board diversity with at least one Director having professional expertise in each of the following areas: law, finance and accounting, technology, and ESG 5. Allocate at least 30% of Board meeting agenda items annually to ESG governance topics 6. Achieve full compliance (100%) with corporate governance disclosure indicators evaluated by the Taiwan Stock Exchange
Responsibility	<ol style="list-style-type: none"> 1. Internal Department – Corporate Governance Officer 2. Functional Committees – Audit Committee
Resources	<p>Financial Resources: Allocated for director training, ESG consultants, and governance-related educational programs</p> <p>Human Resources: A dedicated team of five personnel is assigned to corporate governance affairs and regulatory compliance tracking</p>
Evaluation Mechanism for the Effectiveness of Management Approach	<ol style="list-style-type: none"> 1. Conduct annual performance self-evaluations for the Board and functional committees, aiming for a score of 90 or above 2. Convene at least six Board meetings per year and ensure meeting minutes fully document the resolution process 3. Maintain an attendance rate of 85% or above (physical and virtual) for Board and functional committee members 4. Each director must complete at least six hours of professional training annually; newly appointed directors must complete at least 12 hours, with all training records retained for audit 5. The Corporate Governance Officer must complete at least six hours of professional training annually, with records retained for audit 6. The Audit Committee shall convene at least four meetings per year and maintain proper documentation 7. The Sustainability Committee and the Compensation Committee shall convene at least two meetings per year and maintain proper documentation 8. Conduct at least one company-wide governance-related training session annually (including ESG or compliance-related topics)
Evaluation Results of the Management Approach	<ol style="list-style-type: none"> 1. Self-evaluations for the Board and functional committees achieved scores above 90 2. Evaluation by an external professional institution or expert for Board performance is under review and planned every three years 3. A total of six Board meetings have been held, with physical meeting records and audio/video files properly archived for reference 4. The attendance rate (physical and virtual) for the Board and functional committees has reached 91%

	<p>5. Each director completed the required six hours of professional training. For details, please refer to the link below</p> <p>6. The Corporate Governance Officer completed six hours of professional training. For details, please refer to the link below</p> <p>7. The Audit Committee held four meetings, with all physical records and audio/video files retained for reference</p> <p>8. The Compensation Committee held two meetings, with all physical records and audio/video files retained for reference</p> <p>9. The mechanism for the Sustainability Committee was evaluated in 2024 and is scheduled to be established by the end of 2025</p> <p>10. A company-wide governance training session on compliance was conducted, achieving a 93% participation rate</p>
Complaint Mechanism and Communication Channels	<p>https://www.favite.com/investor/shareholder/</p> <p>Contact Email: investor@favite.com</p>

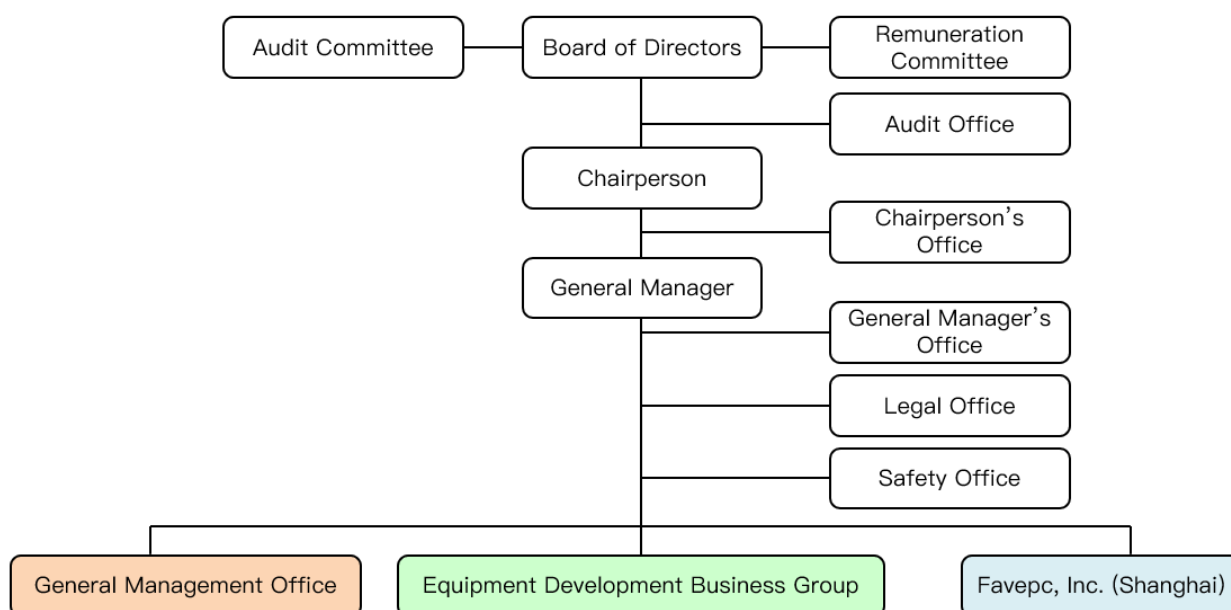
1-1.1 Sustainable Governance Framework and Operation

Corporate Governance Structure and Board Functions

Favite, Inc. upholds the core principles of integrity and sound governance, continuously enhancing its corporate governance framework to ensure the effective operation of the Board of Directors. The Company strictly complies with relevant regulations including the Company Act, Securities and Exchange Act, and the Corporate Governance Best Practice Principles, aiming to improve decision-making quality and organizational oversight, thereby protecting shareholders' rights and building trust among stakeholders.

The Company has established the Board of Directors and functional committees, including the Audit Committee and Remuneration Committee, responsible for overseeing financial reporting, internal control systems, risk management, and compensation policies for directors and senior executives. Board members possess professional expertise and industry experience, and the selection process emphasizes diversity and independence. Regular performance evaluations are conducted to continuously optimize governance effectiveness and ensure the Company's sustainable long-term development.

Favite, Inc. Organizational Chart



Board Governance Structure

	Board of Directors
Organization	The Board consists of 9 directors, including 4 independent directors.
Responsibilities	<p>The Board actively fulfills its supervisory duties by convening regular quarterly meetings.</p> <ul style="list-style-type: none"> ■ Assisting management in formulating policies aligned with the company's mission. ■ Developing short-, medium-, and long-term strategic plans that meet the expectations of shareholders and stakeholders. ■ Maintaining effective communication with management.
Operational Status	In 2024, the Board held 6 meetings with a member attendance rate of 91%.

The Role of the Board of Directors in Sustainable Development

The Board of Directors serves as the highest decision-making and supervisory body of Favite, Inc., responsible for formulating business strategies, reviewing significant decisions, and overseeing risk management and internal control systems. The Board ensures the company's compliant and stable operations while safeguarding the rights and interests of shareholders and stakeholders. In response to sustainability trends and external expectations, the Board not only assumes governance responsibilities but also acts as the core driver of ESG (Environmental, Social, and Governance) initiatives.

To implement sustainable governance, the Board monitors the company's ESG execution progress through the Sustainability Task Force and guides relevant strategic directions, integrating sustainability risk management, organizational resilience, and medium- to long-term value considerations into overall business management. The Board also closely follows domestic and international sustainability policies and market developments, incorporating

stakeholder perspectives in decision-making to enhance corporate responsiveness and transparency in information disclosure.

Looking ahead, the Board will continue to strengthen its connection with sustainability promotion mechanisms, optimize cross-departmental collaboration and major issue management processes, ensuring that sustainability strategies are closely aligned with actual operations, thereby driving the company to achieve sustainable development goals through robust governance.

Mission and Responsibilities of the Board of Directors	As the company’s highest governance body entrusted by shareholders, the Board of Directors is primarily responsible for ensuring transparency of company information and compliance with applicable laws and regulations. The Board is committed to establishing sound management standards, promoting the sustainable development of business operations, and strengthening the advancement of various ESG initiatives to maximize corporate value.
Sustainability Vision	Enhancing corporate governance serves as the foundation for achieving sustainable development. The Board strives to continuously improve transparency, align with international trends, and fulfill social responsibilities, thereby supporting sustainable societal development and realizing a win-win outcome with stakeholders.
Sustainability Strategy and Implementation	The Board focuses on fostering close engagement with stakeholders, gaining deep insights into evolving ESG trends, leading the formulation of concrete ESG policies, and ensuring the effective execution of all related strategies.

1-1.2 Board Operation and Diversity Policy

Composition and Independence of the Board

In accordance with the Company’s Articles of Incorporation and relevant regulations, Favite, Inc.’s Board of Directors comprises nine members, including four independent directors, accounting for 44.4% of the Board. This proportion complies with legal requirements and enhances the Board’s independence and professional supervisory functions. The majority of the Board members do not hold managerial positions within the company, adhering to the company’s principle that executive directors should not exceed one-third of the Board seats. This ratio also surpasses the recommendation set forth by the Corporate Governance Best Practice Principles, fulfilling the company’s diversity policy goals and contributing to improved independence and oversight effectiveness in decision-making.

To implement the Board diversity principle, the company has established a Board Diversity Policy. When selecting directors, considerations include not only professional competence and experience but also age, nationality, educational background, and sustainability literacy. As of now, the Board members possess diverse expertise spanning technology, research and development, finance, legal affairs, and industry management. All directors meet the relevant

regulatory qualifications, independence criteria, and restrictions on concurrent positions, with no spousal or second-degree kinship relations among members.

Currently, the Board has not yet appointed any female directors and thus has not met the originally established diversity goal of having at least one female director. Moving forward, gender balance will be prioritized during future board elections to strengthen diverse perspectives and an inclusive culture within the Board regarding governance, decision-making, and sustainability issues.

To enhance Board functions, the company regularly conducts Board performance evaluations and ongoing training as a basis for improving overall governance capacity and director selection. The company continues to optimize the Board's composition and operations, striving for greater transparency and governance quality. For further details, please refer to the 2024 Annual Report and the company website.

Board Members' Qualifications and Experience

Title	Nationality	Name	Gender	Term	Director's Professional Background	Major Work/Education Experience	Employee Status
Chairman	Republic of China	Yong-Hua Chen	Male	>9 years	Founder of the Company with over five years of relevant industry experience; currently serves as Chairman and General Manager of Favite, Inc. Not subject to any of the circumstances listed in Article 30 of the Company Act.	Degree in Physics, National Tsing Hua University Graduate Institute of Business Management, Tatung University Chairman, Favite, Inc.	V
Corporate Director	Republic of China	UTECHZONE CO., LTD. Representative: Wen-Chieh Chang	Male	3-9 years	Possesses over five years of work experience relevant to the company's business. Currently serves as General Manager of UTECHZONE CO., LTD., and does not fall under any disqualifications specified in Article 30 of the Company Act.	Coursework in Business Innovation and Entrepreneurship Management, Shih Chien University (incomplete) Director, UTECHZONE CO., LTD. General Manager, UTECHZONE CO., LTD.	-
Corporate Director	Republic of China	UTECHZONE CO., LTD. Representative: Fang-Long Lin	Male	3-9 years	Possesses over five years of work experience relevant to the company's business. Currently serves as Director of UTECHZONE CO., LTD., and does not fall under any disqualifications specified in Article 30 of the Company Act.	Graduate Institute of Business Administration, National Sun Yat-sen University Director, UTECHZONE CO., LTD.	-

Director	Republic of China	Sheng-Fa Yeh	Male	<3 years	Possesses over five years of work experience relevant to the company's business. Currently serves as Chairman of SUNENGINE CORPORATION LTD. Not subject to any of the circumstances listed in Article 30 of the Company Act.	Master' s Degree, Graduate School of Business, Westfield State University Chairman, SUNENGINE CORPORATION LTD.	-
Director	Republic of China	Hung-Jen Lin	Male	<3 years	Possesses over five years of work experience relevant to the company's business. Currently serves as Chairman of JIE KUEN PRECISION TECHNOLOGIES CO., LTD. Not subject to any of the circumstances listed in Article 30 of the Company Act.	Degree in Mechanical Engineering, Tatung Institute of Technology Chairman, JIE KUEN PRECISION TECHNOLOGIES CO., LTD.	-
Independent Director	Republic of China	Hsiang-Chi Tseng	Male	>9 years	Possesses over five years of work experience relevant to the company's business. Currently serves as Professor at the Department of Physics, Chung Yuan Christian University. Not subject to any of the circumstances listed in Article 30 of the Company Act.	Ph.D. in Physics, National Tsing Hua University Professor, Department of Physics, Chung Yuan Christian University	-
Independent Director	Republic of China	Shih-Cheng Lee	Male	3-9 years	Possesses over five years of work experience relevant to the company's business. Currently serves as Professor at the Digital Finance Program and Director of the Digital Finance Research Center, College of Management, Yuan Ze University. Possesses expertise in finance and accounting, and has no disqualifications under Article 30 of the Company Act.	Ph.D. in Finance, National Central University Professor, Digital Finance Program, College of Management, Yuan Ze University Visiting Researcher, University of Adelaide, Australia Director, WETRUST TECHNOLOGY CO., LTD.	-
Independent Director	Republic of China	Hsi-Wen Shen	Male	<3 years	Possesses over five years of work experience relevant to the company's business. Formerly served as Deputy General Manager of Powertech Technology Inc., with no disqualifications under Article 30 of the Company Act.	Master of Business Administration, Tulane University, USA	-
Independent Director	Republic of China	Chih-Ping Luo	Male	<3 years	Possesses over five years of work experience relevant to the	Degree in Electronic Engineering, Fu Jen	-

					company's business. Currently serves as Manager of EAST PRAYER INDUSTRIAL CORPORATION and Deputy General Manager of VETON TECH LIMITED, with no disqualifications under Article 30 of the Company Act.	Catholic University Manager, EAST PRAYER INDUSTRIAL CORPORATION Vice General Manager, VETON TECH LIMITED	
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Gender Balance

The Board of Directors currently does not include any female directors and has yet to meet the company's gender diversity policy target of having at least one female director. The company has incorporated gender equality and diversity considerations into the board nomination principles, and will prioritize candidates with gender representation in future board elections. Efforts will continue to strengthen gender balance on the board and to promote an inclusive governance culture.

Age Distribution

The age range of board members is between 51 and 70 years old. The overall composition consists primarily of senior members with extensive industry experience and governance expertise, reflecting stable management and long-term strategic judgment capabilities. The company will continue to consider age balance and fresh generational perspectives in director selection to enhance governance diversity and organizational resilience.

Item	Category	Proportion
Gender	Male	100%
	Female	0%
Age	29 years old and below	0%
	30-50 years old	0%
	51-60 years old	33%
	61-70 years old	67%

Board Independence

There are no spousal or second-degree kinship relationships among all board members. All directors fully comply with the qualifications, independence, and concurrent position regulations stipulated in the Company Act and Securities Exchange Act, ensuring fairness and independence in the board's operations.

Board Term and Attendance

The current board is the 9th term, serving from June 24, 2022, to May 29, 2025, comprising nine directors, including four independent directors and five non-independent directors. In 2024, six formal board meetings were convened with a 91% overall attendance rate. Each meeting covered key matters such as financial statement reviews, operational budgets, internal control mechanisms, and major asset disposals. All resolutions were passed unanimously without objection.

Topics Discussed in Past Board Meetings

Meeting Date	Discussion Items	Resolution Outcome
2024/1/26	<ol style="list-style-type: none"> 1. Approval of 2023 annual bonuses for managers. 2. Approval of 2024 budget plan. 3. Renewal of bank financing facility. 4. Amendments to the internal control system for "Sales and Collection Cycle" and related internal audit implementation rules. 5. Amendments to the internal control system for "Computerized Information Systems and IT Security Checks" and related internal audit implementation rules. 	All directors and independent directors unanimously approved the proposals.
2024/2/23	<ol style="list-style-type: none"> 1. Approval of 2023 business report, individual financial statements, and consolidated financial statements. 2. Proposal for loss compensation of 2023. 3. Approval of 2023 business report and 2024 business plan. 4. Evaluation of independence and qualifications of the appointed CPA for 2024. 5. Appointment and remuneration of CPA for 2024. 6. Setting the date, venue, and agenda for the 2024 shareholders' meeting. 7. Setting acceptance location and period for shareholder proposals with more than 1% shareholding for the 2024 shareholders' meeting. 8. Approval of 2023 internal control system statement. 9. Amendments to certain provisions of the "Audit Committee Charter." 10. Amendments to certain provisions of the "Board Meeting Rules." 	All directors and independent directors unanimously approved the proposals.
2024/5/3	<ol style="list-style-type: none"> 1. Approval of consolidated financial statements for Q1 2024. 2. Pre-approval procedures for non-assurance services provided by the company's CPA. 3. Amendments to the internal control system for "Procurement and Payment Cycle" and related internal audit implementation rules. 	All directors and independent directors unanimously approved the proposals.
2024/5/31	<ol style="list-style-type: none"> 1. Land swap proposal for the Huanbei Plant. 2. Renewal of bank financing facility. 3. Amendments to certain provisions of the "Related Party Transaction Management Policy." 	All directors and independent directors unanimously approved the proposals.
2024/8/9	<ol style="list-style-type: none"> 1. Approval of consolidated financial statements for Q2 2024. 2. Annual salary adjustment plan for senior management for 2024. 	All directors and independent directors unanimously approved the proposals.

	<ul style="list-style-type: none"> 3. Renewal of directors' and key officers' liability insurance. 4. Renewal of bank financing facility. 5. Revision of the "2024 Internal Audit Plan." 6. Amendments to the "Accounting Professional Judgment Procedures and Policy/Estimate Change Process." 7. Amendments to certain provisions of the "Risk Management Policy and Procedures." 	
2024/11/11	<ul style="list-style-type: none"> 1. Approval of consolidated financial statements for Q3 2024. 2. Personnel change for Chief Financial Officer. 3. Renewal of bank financing facility. 4. 2025 Audit Plan. 5. Amendments to certain provisions of the "Board Meeting Rules." 6. Amendments to certain provisions of the "Audit Committee Charter." 7. Amendments to certain provisions of the "Corporate Governance Best-Practice Principles." 8. Establishment of "Sustainability Information Management Procedures" and amendments to relevant internal audit implementation guidelines. 	All directors and independent directors unanimously approved the proposals.

All resolutions were unanimously approved by the Board of Directors and Independent Directors. For detailed agenda items, please refer to the 2024 Annual Report.

Board Diversity and Professional Expertise

Board members are expected to possess the knowledge, skills, and character necessary to effectively fulfill their responsibilities. To achieve the goals of sound corporate governance, the Board of Directors as a whole demonstrates the following core competencies:

Core Dimensions of Board Diversity	Gender	Age		Business Management	Accounting and Financial Analysis	Crisis Management	Industry Knowledge	Global Market Insight	Leadership
		51-60	61-70						
Board Member									
Yong-Hua Chen	Male		V	V		V	V	V	V
UTECHZONE CO., LTD. Representative: Wen-Chieh Chang	Male	V		V		V	V	V	V
Sheng-Fa Yeh	Male		V	V		V	V	V	V
UTECHZONE CO., LTD. Representative: Fang-Long Lin	Male		V	V	V	V	V	V	V

Hung-Jen Lin	Male		V	V		V	V	V	V
Hsiang-Chi Tseng	Male		V			V	V	V	
Shih-Cheng Lee	Male	V			V	V	V	V	
Hsi-Wen Shen	Male		V	V		V	V	V	V
Chih-Ping Luo	Male	V		V		V	V	V	V

The Board of Directors serves as the Company' s highest governance body, responsible for overseeing business performance, ensuring legal compliance, preventing conflicts of interest, and guiding the Company toward sustainable development. Board meetings are held at least once per quarter and are conducted in accordance with the Rules of Procedure for Board Meetings to ensure transparency, fairness, and compliance in the decision-making process. For details regarding the implementation of the Board diversity policy and the professional backgrounds of Board members, please refer to the Company' s 2024 Annual Report or official website.

The Board' s Core Responsibilities

- ◆ Strategic Business Decision-Making:
Review and approve the Company' s long-term operational plans, investment and acquisition activities, and market expansion strategies.
- ◆ Financial Oversight:
Examine annual financial statements, budgets, and major investment projects to ensure effective capital utilization.
- ◆ Internal Control and Risk Management:
Periodically assess internal control mechanisms and operational risks to strengthen organizational resilience and support stable corporate development.

Establishment of Key Board Committees

To enhance governance effectiveness and the quality of decision-making, the Company has established the following functional committees under the Board of Directors in accordance with the Articles of Incorporation and relevant regulations. Current members of the Board serve on these committees to ensure that decisions and implementation are closely aligned with the Company' s strategic direction and governance objectives:

- ◆ Audit Committee
 - Oversees the Company’ s financial statements and internal control mechanisms to ensure the accuracy and transparency of financial information.
 - Reviews the risk management framework to ensure that the Company’ s risk controls align with international standards.
 - Engages in regular communication with the internal audit unit and external auditors to ensure transparency in financial and operational matters.
 - Convenes at least once per quarter and may hold additional meetings as necessary.
- ◆ Remuneration Committee
 - Regularly reviews and proposes amendments to the committee’ s organizational guidelines.
 - Establishes and periodically reviews performance evaluation criteria, annual and long-term performance targets, and the policies, systems, standards, and structure of compensation for directors and senior executives.
 - Periodically evaluates the performance of directors and senior executives against established targets and determines individual compensation packages based on performance evaluation results.
 - Holds at least two meetings per year.

Functional Committees Operations in 2024

Members	Key Responsibilities	Relevant Regulations / Oversight Framework
Remuneration Committee (established in 2011) convened twice in 2024 with an average attendance rate of 100%.		
All Independent Directors	The committee is composed of four independent directors and is responsible for reviewing the remuneration of directors and senior executives, providing professional recommendations to the Board. Adhering to principles of fairness and reasonableness, the committee comprehensively considers factors such as the responsibilities, risks, contributions of directors and senior management, as well as the company’ s operational performance, to ensure that the remuneration policy aligns with the company’ s development strategy.	Remuneration Committee Organizational Guidelines
Audit Committee (established in 2022) held six meetings in 2024 with an average attendance rate of 88%.		
All Independent Directors	Matters that, according to the Securities and Exchange Act, Company Act, and other applicable laws, are to be exercised by supervisors, as well as those specified in Article 14-5, Paragraph 1 of the Securities and Exchange Act.	Audit Committee Organizational Guidelines

Board Transparency and Communication Mechanisms

To enhance corporate governance transparency, Favite, Inc. discloses financial, operational, and governance information in a timely manner through the Market Observation Post System (MOPS), the company's annual report, and its official website, providing shareholders and stakeholders with accessible reference materials. The Company has established a spokesperson system and dedicated units responsible for communicating significant information externally. Additionally, the website features dedicated sections for "Corporate Governance" and "Stakeholder Engagement," creating stable channels for communication and response.

The website offers content in both Chinese and English. Key disclosures, such as the annual report, meeting manuals, and resolutions, are published on MOPS and the company website according to scheduled timelines, ensuring the immediacy and accuracy of information disclosure. All board resolutions are recorded in meeting minutes and publicly disclosed within 20 days after meetings in compliance with regulations, thereby guaranteeing fairness, transparency, and compliance throughout the governance decision-making process.

Director Selection and Nomination System

To establish a board composition characterized by professionalism and diversity, Favite, Inc. conducts director elections through a candidate nomination system in accordance with the Company's Articles of Incorporation and relevant regulations, with shareholders exercising their voting rights accordingly. Directors are elected via a cumulative voting system every three years. The board size ranges flexibly between 5 to 9 members to accommodate operational needs. The selection process emphasizes professional competence, diverse backgrounds, and integrity, while promoting diversity and sustainability governance.

Qualifications for director candidates cover the following aspects:

- ◆ Professional Background: Expertise in financial accounting, business management, law, information technology, industry experience, or sustainable development.
- ◆ International Perspective and Management Experience: Capabilities in cross-border operations, strategic planning, and crisis management.
- ◆ Independence and Integrity: No significant conflicts of interest with the company or its affiliates, and no spousal or second-degree kinship relationships within the board.

To enhance governance quality, the Company has established the Board Performance Evaluation Measures, conducting annual self-assessments of the overall board, functional committees, and individual directors. The evaluation results serve as a basis for director

reappointment and remuneration decisions. Favite, Inc. plans to implement external evaluations within the next three years to improve the objectivity and reference value of assessments.

Director Remuneration and Performance System

Favite, Inc. upholds the principles of fairness, transparency, and reasonableness in establishing a remuneration system that is both incentivizing and governance-oriented. This system ensures that the compensation of directors and senior executives reflects their professional contributions, operational performance, and alignment with the company's sustainable development goals, thereby supporting the long-term interests of shareholders. The Board of Directors and the Remuneration Committee regularly review the remuneration policy and market competitiveness to maintain governance independence and system stability.

Director Remuneration Policy and Approval Process

Director compensation, including that of independent directors, consists of transportation allowances and annual remuneration. According to the Company's Articles of Incorporation, if the company records profits in a given year, the Board may resolve to allocate up to 2% of the annual profit as directors' remuneration. Independent directors receive a fixed monthly remuneration regardless of company profitability, along with transportation allowances for attending meetings. All remuneration policies are deliberated by the Remuneration Committee and submitted to the Board for approval.

The remuneration for directors (including independent directors) comprises transportation allowances and profit-based remuneration allocated annually according to the Company's Articles of Incorporation. Director remuneration includes the following components:

Transportation Allowance	Directors and independent directors are entitled to receive a transportation allowance for each meeting attended, regardless of the company's profit or loss.
Director Remuneration	According to the Company's Articles of Incorporation, if the company reports a profit for the year, the Board of Directors may resolve to allocate up to 2% of the annual profit as remuneration for directors.
Independent Director Remuneration	Independent directors receive a fixed monthly remuneration regardless of the company's profit or loss.

Independent directors receive a fixed monthly remuneration and are also entitled to transportation allowances for attending meetings. These provisions are incorporated into the Company's Articles of Incorporation and managed under the Remuneration Committee's framework.

Remuneration Decision and Oversight Mechanism

The process for determining directors' remuneration is as follows:

- ◆ In accordance with Article 19 of the Company's Articles of Incorporation, if the company reports a profit for the year, up to 2% of the annual profit may be allocated as directors' remuneration;
- ◆ The Remuneration Committee evaluates and proposes remuneration based on factors such as directors' engagement in management, decision-making contributions, and risk exposure;
- ◆ The proposal is submitted to the Board of Directors for resolution and implementation upon approval;
- ◆ All remuneration recommendations are reviewed by the Remuneration Committee to ensure consensus and reasonableness:

Remuneration Ratios

In 2024, the total directors' remuneration amounted to NT\$2,972 thousand, representing 5.45% of the company's net profit after tax. The total remuneration for the general manager and deputy general manager, as well as other senior management executives, was NT\$8,336 thousand, accounting for 15.30% of the net profit after tax.

Item	2022	2023	2024
Ratio of Highest Individual Annual Total Compensation to Median Annual Total Compensation of All Employees (Excluding Highest Paid Individual)	7.64	6.83	4.88
Ratio of Percentage Increase in Highest Individual Annual Total Compensation to Median Percentage Increase in Annual Total Compensation of All Employees (Excluding Highest Paid Individual)	1.84	1.43	-1.57

The policies, systems, standards, and structures related to the performance evaluation and remuneration of directors and senior executives are established and reviewed by the Remuneration Committee. The committee convenes at least twice annually to assess and ensure the competitiveness and fairness of compensation.

Board Performance Evaluation

In accordance with the "Board Performance Evaluation Measures," the Company conducts annual evaluations of the overall board operations, functional committees, and individual directors to strengthen corporate governance effectiveness and respond to sustainability development trends.

This system was established in 2022 and stipulates the following implementation principles:

- ◆ **Internal Evaluation Frequency:** An internal self-assessment is conducted at least once annually, covering the Board of Directors, Audit Committee, Remuneration Committee, and individual directors. The evaluation is conducted via questionnaire, comprehensively reviewing areas such as regulatory compliance, decision-making participation, supervisory functions, and risk management.

Although an external evaluation mechanism has not yet been fully implemented, the Company plans to adopt this practice in the near future. At a minimum, an external, independent professional institution or expert panel will be commissioned to conduct a comprehensive evaluation at least once every three years, ensuring objectivity and reference value of the assessment results.

The performance assessment covers directors' fulfillment of duties, active participation in decision-making, effectiveness of supervisory roles, compliance, and risk control. The outcomes of these evaluations serve as key references for director remuneration policies, training programs, and nomination processes.

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method
Conducted annually	Conducted annually	Board as a whole	Self-evaluation by the Board
Conducted annually	Conducted annually	Individual Board members	Self-evaluation by individual Board members
Conducted annually	Conducted annually	Remuneration Committee	Self-evaluation by the Remuneration Committee
Conducted annually	Conducted annually	Audit Committee	Self-evaluation by the Audit Committee

The internal evaluation for 2024 was carried out as planned. Evaluation indicators covered aspects such as the fulfillment of directors' duties, participation in decision-making, supervisory functions, regulatory compliance, and risk management.

External Performance Evaluation

An external board performance evaluation has not yet been implemented. Currently, internal self-assessment is conducted on an annual basis. To enhance the objectivity and maturity of the evaluation system, the Company has included the adoption of external evaluations in its future planning. The planned adoption of external evaluations will focus on the following principles:

- ◆ **Structure and Objectivity:** Establishing evaluation indicators and scales aligned with domestic and international governance standards.
- ◆ **Independence and Professionalism:** Engaging external consultants or professional institutions to ensure the evaluation results provide reliable reference and decision-making support.

- ◆ Feedback-Oriented: Evaluation results are incorporated into key governance processes such as board reappointment, continuing education, and remuneration review. Specific improvement suggestions are also proposed as the basis for future enhancements.

Internal Performance Evaluation

In 2024, the Company conducted its annual internal board performance evaluation in accordance with the “Board Performance Evaluation Procedures.” The scope of evaluation included:

- ◆ The Board as a whole
- ◆ Functional Committees (Audit Committee and Remuneration Committee)
- ◆ Individual Board Members

The evaluation was carried out via self-assessment questionnaires, coordinated by the Finance and Accounting Department, and based on the following tools:

- ◆ “Board Performance Self-Evaluation Questionnaire”
- ◆ “Board Member Performance Self-Evaluation Questionnaire”
- ◆ “Functional Committee Performance Self-Evaluation Questionnaire”

The internal evaluation assessed board performance across five key dimensions: board composition, board professional development, decision-making quality, operational effectiveness, and internal control and risk management, as well as board engagement in corporate social responsibility. For independent directors, the evaluation also considered industry benchmarks, meeting attendance, individual contributions, and overall company performance. The results ranged from “Good” to “Excellent,” reflecting the Board and Committees’ high level of effectiveness and positive operational outcomes. Evaluation results are expected to be reported to the Board in January 2025 and will serve as a reference for determining individual board members’ or committee members’ remuneration and re-nomination.

The overall performance of the Board is evaluated based on its actual operations, with assessment dimensions including the following aspects:

Self-Evaluation Dimensions	Evaluation Criteria	Evaluation Results
A. Participation in Company Operations	12 items	Good
B. Enhancement of Board Decision-Making Quality	12 items	
C. Board Composition and Structure	7 items	
D. Director Selection and Ongoing Training	7 items	
E. Internal Control	7 items	

The performance of each Board member is evaluated through a self-assessment process, covering the following dimensions:

Self-Evaluation Dimensions	Evaluation Criteria	Evaluation Results
A. Understanding of the Company' s Goals and Missions	3 items	Excellent
B. Awareness of Directors' Responsibilities	3 items	
C. Participation in Company Operations	8 items	
D. Management of Internal Relationships and Communication	3 items	
E. Director Selection and Ongoing Training	3 items	
F. Internal Control	3 items	

Committee members conduct self-assessments covering the following aspects:

Self-Evaluation Dimensions	Evaluation Criteria	Evaluation Results
A. Participation in Company Operations	4 items	Excellent
B. Awareness of Responsibilities of Functional Committees	7 items	
C. Enhancement of Decision-Making Quality in the Functional Committee	7 items	
D. Composition and Member Selection of the Functional Committee	3 items	
E. Internal Control	4 items	

The overall results of the aforementioned performance evaluations indicate satisfactory operation. The Company will continue to strengthen governance effectiveness based on the outcomes of this board evaluation.

Director Training and Competency Enhancement

The Company places great emphasis on the continuous professional development of board members. To enhance directors' capabilities in responding to the rapidly changing business environment and sustainability issues, all board members completed the minimum annual training hours required under the "Guidelines for Continuing Education of Directors and Supervisors of Listed Companies" in 2024.

This year' s training courses covered key topics including geopolitical risks, the green industrial revolution, big data analytics and fraud prevention, and fiscal and tax strategies.

The total training hours completed are as follows:

Directors' Participation in Sustainability-Related Training

Category	Name	Date	Organizer	Course/Seminar Title	Training Hours	Completion Rate
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Director	Yong-Hua Chen	2024/08/09	Taiwan Corporate Governance Association	Establishing a Friendly Workplace under the Labor Standards Act — Introduction to the Latest Gender Equality Work Laws and Cases of Illegal Infringement	3	100%
		2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6	100%
Corporate Director Representative	Wen-Chieh Chang	2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6	100%
Director	Sheng-Fa Yeh	2024/10/07	Chinese National Association of Industry and Commerce	2024 Taishin Net Zero Summit	3	100%
		2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	3	100%
Corporate Director Representative	Fang-Long Lin	2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6	100%
Director	Hung-Jen Lin	2024/08/09	Taiwan Corporate Governance Association	Establishing a Friendly Workplace under the Labor Standards Act — Introduction to the Latest Gender Equality Work Laws and Cases of Illegal Infringement	3	100%
		2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6	100%
Independent Director	Hsiang-Chi Tseng	2024/08/09	Taiwan Corporate Governance Association	Establishing a Friendly Workplace under the Labor Standards Act — Introduction to the Latest Gender Equality Work Laws and Cases of Illegal Infringement	3	100%
		2024/08/05	Taipei Foundation Of Finance	Corporate Governance – Digital Fraud and Detection and Prevention of Digital Financial Crimes	3	100%
Independent Director	Shih-Cheng Lee	2024/10/07	Chinese National Association of Industry and Commerce	2024 Taishin Net Zero Summit	3	100%

		2024/08/09	Taiwan Corporate Governance Association	Establishing a Friendly Workplace under the Labor Standards Act — Introduction to the Latest Gender Equality Work Laws and Cases of Illegal Infringement	3	100%
Independent Director	Hsi-Wen Shen	2024/08/09	Taiwan Corporate Governance Association	Establishing a Friendly Workplace under the Labor Standards Act — Introduction to the Latest Gender Equality Work Laws and Cases of Illegal Infringement	3	100%
		2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6	100%
		2024/07/03	Taipei Foundation Of Finance	Corporate Governance – The Great Transformation of the Wealth Management Industry Amid the AI Wave: Opportunities and Challenges	3	100%
Independent Director	Chih-Ping Luo	2024/08/09	Taiwan Corporate Governance Association	Establishing a Friendly Workplace under the Labor Standards Act — Introduction to the Latest Gender Equality Work Laws and Cases of Illegal Infringement	3	100%
		2024/06/17	Taipei Foundation Of Finance	Corporate Governance – Tax-related Money Laundering Risk Prevention: The Eight Major National Money Laundering Risk Patterns	3	100%

Please refer to the 2024 Annual Report, Corporate Governance chapter, or the Market Observation Post System for detailed records of training courses and attendance.

All directors have completed the mandatory training hours as required (minimum 6 hours per person). The training topics covered green transition, ESG practices, financial and tax strategies, and Corporate Governance 3.0, helping directors enhance their decision-making capabilities amid rapidly changing environments and sustainability trends.

The Company continuously monitors international standards such as ISSB, SASB, and TCFD, and invites external experts to conduct internal training sessions. This strengthens directors' understanding of global sustainability disclosure regulations and practical trends, gradually building a strategy-oriented and risk-responsive governance perspective. The Company will continue to optimize the director training system, focusing on key areas including climate risk management, green supply chain, cybersecurity governance, and sustainable capital market policies, to enhance the board's expertise and leadership resilience in sustainability governance.

1-2 Compliance and Ethical Business Practices

Integrity is the core value of corporate governance. The Company is committed to establishing a lawful, transparent, and responsible operational framework, embedding legal compliance and business ethics as integral components of its organizational culture. The Company places great importance on practicing integrity, requiring all directors, executives, and employees to comply with relevant laws and company policies. This commitment extends progressively to its partners and supply chain, jointly adhering to ethical standards and principles of honest business conduct.

This section outlines the Company's policy framework, system establishment, and key implementation efforts in integrity management and legal compliance, demonstrating its concrete actions to fulfill corporate responsibility, enhance operational resilience, and strengthen sustainability governance.

1-2.1 Integrity Management Policy and Implementation

The Company has established the Code of Integrity Management, Integrity Management Procedures and Conduct Guidelines, and the Handling Procedures for Reporting Illegal, Unethical, or Dishonest Conduct as foundational frameworks for its integrity system. These documents are publicly disclosed on the Company's official website and annual report, ensuring transparency and accessibility for all stakeholders. The Board of Directors and senior management actively promote the concept of integrity management, clearly communicating internally and externally the prohibition of bribery, corruption, and fraud, thereby embedding integrity principles as the standard of conduct for all employees.

Key focus areas of integrity management implementation include:

- ◆ System Establishment: Development of policies covering anti-corruption, prevention of improper benefits transfer, avoidance of conflicts of interest, and prohibition of insider trading, with regular reviews of the effectiveness of internal governance guidelines.
- ◆ Grievance and Reporting Mechanisms: Establishment of internal and external reporting channels via email and hotline for employees and third parties to report misconduct. Confidentiality and anti-retaliation clauses are clearly defined to protect whistleblower rights.
- ◆ Risk Control and Internal Audit: Strengthening oversight of integrity management policy execution through regular internal control self-assessments and audit reviews, with significant matters reported to the Board of Directors and Audit Committee.
- ◆ Education, Training, and Cultural Transmission: Mandatory integrity and insider trading training for all Board members each term; Human Resources regularly arranges training sessions on integrity management, compliance, and financial management for new hires and existing staff.
- ◆ Senior Management Involvement: The Chairman, General Manager, and senior executives actively convey the Company's values and integrity principles to new employees, reinforcing recognition and implementation of the system.

Key Compliance Topics and Controls

System Implementation Effectiveness: In 2024, the Company successfully passed all internal and external audits. There were no significant fines or non-monetary penalties imposed due to violations of domestic or international regulations related to anti-competition, anti-corruption, or other compliance matters.

To address potential regulatory risks, the Company continues to strengthen its crisis response mechanisms, with internal audit units maintaining ongoing oversight to ensure timely detection and resolution of irregularities. The implementation of the integrity management system covers the following core areas:

- ◆ System Establishment

In accordance with the Code of Integrity Management and Code of Ethical Conduct, the Company has developed clear behavioral standards and employee reward and disciplinary mechanisms to embed a culture of integrity governance throughout the organization.

- ◆ Grievance and Whistleblowing Mechanisms

Reporting channels have been established, with internal cases handled by the Audit Office and external reports directed to the Agency Against Corruption of the Ministry

of Justice. The Company clearly stipulates confidentiality obligations and anti-retaliation measures to enhance the security and feasibility of reporting.

- ◆ Training and Awareness

Regular internal training is provided on integrity management and corporate governance, with anti-corruption education integrated into onboarding and ongoing employee development programs. These efforts aim to enhance all personnel's awareness and ability to respond to integrity and compliance risks.

- ◆ Contractual Terms and Risk Control

Integrity clauses are incorporated into external transaction agreements to prevent improper benefits, commercial bribery, and unethical conduct.

- ◆ Dedicated Implementation Unit

The General Administration Office is responsible for planning, promoting, and executing the integrity management system. It reports regularly to the Board of Directors on the system's implementation outcomes and recommends areas for improvement.

- ◆ External Professional Consultation and Regulatory Response

The Company engages legal advisors, accountants, and other professionals to provide guidance on compliance management. In response to changes in domestic and international regulations affecting operations—such as export control policies and ESG disclosure requirements—the Company has established mechanisms to update policies and adjust internal systems accordingly. These measures ensure that operational strategies remain aligned with regulatory requirements, thereby minimizing the risk of non-compliance.

Anti-Corruption and Conflict of Interest Prevention

Anti-Corruption and Conflict of Interest Prevention

The Company embeds anti-corruption and conflict of interest prevention as a core aspect of its corporate governance framework. A Code of Integrity Management has been established, alongside internal whistleblowing channels and a disclosure system for conflicts of interest. The Code clearly defines the behavioral standards that directors, managers, and employees must adhere to during business operations, with a strong emphasis on preventing all forms of bribery, kickbacks, or actions that violate principles of integrity.

To prevent unethical conduct, the Company has implemented the following control mechanisms:

- ◆ Whistleblowing and Complaint Mechanism: Internal reporting channels have been established, with all cases handled exclusively by the Audit Office. Reports are processed and tracked according to defined procedures to ensure that any violations are promptly identified and addressed.
- ◆ Conflict of Interest Disclosure System: Directors, senior management, and key personnel are required to regularly declare any potential or actual conflicts of interest related to the Company's business, ensuring objectivity and fairness in the decision-making process.

Implementation Results: In 2024, the Company reported no incidents of corruption, fraud, or violations of its integrity-related policies.

Anti-Corruption Education and Training

To strengthen compliance awareness and embed a culture of integrity across the organization, the Company continues to conduct anti-corruption and integrity-related awareness campaigns and training programs. Key topics include:

- ◆ Analysis of common domestic and international corruption and fraud cases
- ◆ Explanation of the Company's internal whistleblowing channels and reporting procedures

These trainings are provided to new employees, business and procurement departments, and senior management, ensuring the content is aligned with practical operations. This approach enhances understanding of integrity-related issues and strengthens the responsiveness of personnel at all functional levels.

Category	Total Trainees (Annual)	Total Training Hours (Annual)	Completion Rate
General Employees	41 persons	65 hours	97%
New Employees	14 persons	7 hours	100%

In 2024, all participants successfully met the required training standards. Post-training satisfaction surveys indicated an increased understanding and acceptance of the Company's integrity and anti-corruption policies among employees.

Insider Trading Prevention

The Company places strong emphasis on the management of non-public information and the prevention of insider trading. For personnel involved in critical areas such as material financial

information, procurement decisions, and investment or M&A activities, the Company has progressively implemented insider trading prevention training programs and periodic awareness campaigns. Additionally, a pre-investment declaration process and information review mechanism are in place to prevent improper trading by individuals or third parties based on privileged information obtained through their roles.

Implementation Results: In 2024, the Company recorded no incidents of insider trading or violations of financial regulations.

Favite, Inc. has developed its Code of Integrity Management and related policies by referencing the "Model Guidelines for Ethical Conduct for Listed Companies." These standards establish preventive measures and remedial mechanisms against potential integrity risks, overseen by a dedicated supervisory unit responsible for monitoring case handling to ensure effective implementation and continuous improvement. The Code of Integrity Management, after approval by the Board of Directors, applies to all directors, managers, employees, and business partners. To uphold integrity among stakeholders, the Company explicitly requires all collaborators to adhere to principles of honesty and related codes of conduct through contractual clauses and integrity declarations, jointly maintaining a transparent and fair operating environment.

Stakeholder Integrity Management Standards

Favite, Inc. has formulated its Code of Integrity Management and related systems in accordance with the "Model Guidelines for Ethical Conduct for Listed Companies." These cover codes of conduct to be observed by employees, management, and suppliers. The system incorporates risk prevention and post-incident remediation processes, with a dedicated unit responsible for continuously monitoring case handling to ensure the effective implementation of integrity management principles.

The Company has also incorporated integrity management clauses into certain external cooperation contracts and declarations, stipulating prohibitions against bribery, corruption, and improper benefits, while retaining mechanisms for handling breaches. These measures serve as concrete actions to establish integrity-based cooperation with stakeholders.

Identity	Timing	Required Signed Documents
New Employees	At onboarding	Employee Code of Conduct Commitment
Governance Units / Management	Annually	Independent Director Statement of Service Period

New Suppliers	Before contract signing	Supplier Commitment Letter (including information security and confidentiality, intellectual property rights, integrity principles, anti-corruption clauses, etc.)
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Favite, Inc. plans to initiate evaluations of self-assessment and internal audit mechanisms in the coming years to enhance the identification and supervision effectiveness of supply chain integrity risks.

The Company views integrity management not merely as a set of policies but as a long-term cultural commitment that must be continuously deepened within organizational governance and daily operations. Looking ahead, Favite, Inc. will persistently review gaps between current policies and practical execution, progressively strengthening high-risk processes and key control mechanisms. The Company will also evaluate the adoption of relevant international standards as a practical foundation for enhancing the maturity of integrity management and aligning with global best practices.

Furthermore, in response to an increasingly complex operating environment and digital risks, the Company will continue to focus on emerging issues such as data governance, AI application risks, and supply chain due diligence. By enhancing cross-departmental collaboration efficiency and internal responsiveness, Favite, Inc. aims to promote integrity management and compliance governance through a combined approach of policy enforcement and cultural integration. This commitment strengthens stakeholder trust and builds a robust foundation for sustainable long-term competitiveness.

1-2.2 Regulatory Compliance

Favite, Inc. upholds regulatory compliance as a fundamental principle of its operations and is committed to maintaining full adherence to applicable laws and regulations. The Company integrates key elements of corporate governance—such as integrity management, internal audit, anti-corruption, prevention of insider trading, and information security—into its governance priorities. Through systematic monitoring, cross-departmental communication, and ongoing education and training, the Company actively cultivates a culture of compliance at all organizational levels. This foundation enhances organizational resilience, ensuring sustainable business development and effective risk mitigation. To ensure that business activities are conducted in accordance with legal requirements and to effectively manage the risks associated with non-compliance, Favite, Inc. has established a structured compliance and audit management framework. The Company implements both institutional and practical

measures, regularly communicating and preparing for newly enacted or upcoming laws and regulatory policies through cross-functional collaboration.

Additionally, responsible personnel regularly review key operational regulations, such as the Company Act, Securities and Exchange Act, Labor Standards Act, and environmental protection laws. This is further supported by engagement with external professionals (e.g., legal counsel and certified public accountants), to ensure the Company’s operations comply with legal requirements. These efforts also strengthen legal preparedness and enhance interdepartmental coordination, thereby preventing systemic gaps that could disrupt the supply chain or result in missed market opportunities.

The compliance system of Favite, Inc. encompasses the following aspects:

- ◆ General legal compliance (commercial law, company law, and securities regulations)
- ◆ Environmental regulations (pollution control, carbon emissions, etc.)
- ◆ Occupational safety and health laws
- ◆ Labor and human rights laws
- ◆ Intellectual property and information security laws
- ◆ International trade and import-export management
- ◆ Employee education and promotion of compliance culture

Overview of Regulatory Compliance Achievements in 2024

Category	2024 Key Achievements
Environmental Compliance	No incidents of non-compliance reported.
Occupational Safety Compliance	100% employee completion rate for safety training; zero workplace accidents throughout the year.
Labor Law Compliance	Biannual legal inspections conducted; one revision of sexual harassment complaint handling procedure.
Intellectual Property	Maintained 4 valid patents; no infringement disputes occurred.
Education and Training	Conducted 57 compliance training sessions with an average attendance rate of 99%, totaling 400 participants and 1,316.5 training hours.

Compliance with Key Laws and Regulations

Favite, Inc. has established institutionalized mechanisms for risk identification, employee training, and audit management to ensure full compliance with applicable laws and regulations across all operational activities. These efforts serve to strengthen organizational resilience and reinforce the foundation of trust with stakeholders.

General Legal Compliance and Internal Control Audit Mechanisms

The Company continuously reviews its internal processes and control systems and proactively responds to major legal and regulatory changes through cross-departmental collaboration.

Environmental Regulatory Compliance

Favite, Inc. remains committed to monitoring and complying with environmental laws and regulations. Guided by international standards such as ISO 14001 Environmental Management System and ISO 14064-1, the Company has progressively implemented comprehensive monitoring and management of its production processes, wastewater treatment, and greenhouse gas emissions. In alignment with low-carbon manufacturing and resource recycling policies, the Company ensures that emission data meets both national and international standards.

◆ Audit Mechanism

Regular internal and external environmental audits are conducted to assess waste discharge, greenhouse gas emissions, and energy use efficiency. Improvement measures are implemented based on audit findings.

Occupational Safety and Health Regulatory Compliance

Favite, Inc. adheres to the Labor Standards Act, the Occupational Safety and Health Act, and relevant regulations. It also follows the ISO 45001 Occupational Health and Safety Management System standard. The Company implements a systematic approach to occupational safety management across its production processes and operational sites. Annual occupational safety and health plans are developed and executed, covering equipment safety, working environment, personnel protection, and emergency response. Regular inspections and audits are conducted to prevent workplace injuries and eliminate potential risks.

◆ Safety Audits and Improvement Measures

A dedicated Occupational Safety Committee is in place, with a defined supervisory audit work plan led by the head of safety and health operations. Risk assessments are regularly carried out on production lines, with enhanced protective measures implemented in high-risk areas. Regular employee safety training sessions are held to strengthen occupational safety awareness and emergency response capabilities.

◆ 2024 Results:

In 2024, no major occupational injury incidents were reported, with zero workplace safety accidents recorded throughout the year.

Labor Law Compliance and Audits

Favite, Inc. regards employees as core partners in the Company's development and is committed to creating a lawful, compliant, and inclusive workplace. The Company fully complies with the Labor Standards Act, Act of Gender Equality in Employment, and other relevant labor regulations to safeguard workers' rights and maintain a stable, trustworthy labor-management relationship.

- ◆ Human Rights and Legal Compliance

In alignment with the Ten Principles of the United Nations Global Compact, the Company upholds the principles of non-discrimination, prohibition of forced labor, and equal opportunity, ensuring the protection of fundamental human rights for all employees.

- ◆ Legal Education and Internal Training

Multiple training sessions are organized annually on labor laws, prevention of sexual harassment, and protection against unlawful infringements to enhance employees' awareness of workplace rights and respect.

- ◆ Grievance and Audit Mechanisms

A variety of grievance channels and communication platforms are in place to protect employees' rights to express concerns and file anonymous complaints. A Labor Compliance Audit Task Force is being planned to conduct comprehensive assessments every six months. Any identified non-compliance in operating procedures is promptly addressed through corrective measures.

- ◆ 2024 Results:

Two labor compliance audits and one optimization of the gender equality system were completed in 2024. No employee complaints were filed.

Intellectual Property Protection

Favite, Inc. places strong emphasis on the protection and management of intellectual property. The Company strictly complies with the Patent Act, Copyright Act, and Trade Secrets Act to ensure that technology development and business operations meet all relevant legal requirements. Measures are in place to prevent the leakage of trade secrets and technical information. An internal IP management system has been implemented, which includes awareness campaigns and process controls to strengthen employee awareness and practical capabilities in maintaining the confidentiality of proprietary information, R&D outcomes, and customer data.

◆ 2024 Result:

As of the end of 2024, Favite, Inc. held four valid patents.

Compliance Education and Cultural Development

A sound compliance culture must be built through structured systems and driven by people. Based on practical risk exposure and regulatory changes, Favite, Inc. continuously updates its annual compliance training programs. These programs cover key topics such as ethical business conduct, anti-corruption, insider trading prevention, fair trade, information disclosure, labor regulations, environmental protection, and ESG-related issues. To enhance training effectiveness, differentiated courses are designed according to job level and function, reinforcing compliance responsibilities among management and practical risk-handling capabilities among frontline employees.

In 2024, the Company conducted multiple compliance training sessions and campaigns, achieving an average participation rate of 99%. Completion rates met expectations. Through role-specific and competency-based training, the Company continues to foster a comprehensive culture of compliance, enhancing employees' ability to identify risks, respond appropriately, and implement preventive measures. This ensures all personnel possess the correct compliance knowledge and risk awareness, thereby strengthening organizational resilience and reinforcing a culture of integrity.

Course Title	Number of Participants	Average Attendance Rate (%)
Prevention of Workplace Sexual Harassment and Other Unlawful Infringements & General Occupational Safety and Health Training	208	94%
Integrity Management and Insider Trading Prevention	52	96%
Fire Safety and Civil Defense Training	84	97%
Occupational Safety Certification Training	43	100%
Legal Training on Finance, Audit, and Corporate Governance	13	100%

In response to increasingly stringent regulations and a rapidly evolving business environment, Favite, Inc. recognizes the need for continuous enhancement of its compliance framework. The Company is committed to advancing the following key initiatives in a steady and progressive manner to systematically strengthen compliance management:

- ◆ Establishment of a Cross-Departmental Collaboration Platform:

Develop a routine horizontal communication mechanism for compliance-related matters to facilitate information flow, promote departmental coordination, and enhance the organization’s overall responsiveness and agility in addressing regulatory requirements.

◆ **Adoption of Digital Management Tools:**

Conduct a systematic review of existing monitoring and audit processes to assess the implementation of compliance tracking and risk identification systems, thereby improving data visibility and ensuring the completeness of records.

◆ **Strengthening Responsiveness to International Regulations:**

Continuously organize and update regulatory information relevant to international operations—such as those from the European Union, the United States, and ASEAN regions—to improve internal response mechanisms and strategic alignment.

◆ **Focus on High-Risk Compliance Areas:**

Prioritize the management of high-attention issues such as sustainability disclosure, supply chain due diligence, and climate-related regulations. Gradually establish corresponding management processes and risk guidelines to ensure that operational activities remain fully compliant with legal requirements.

1-3 Operational Performance

Management Approach	Material Topic: Financial Performance
Policies and Commitments	Favite, Inc. has established a comprehensive set of financial and risk management systems, including the “Management Guidelines for Liabilities, Commitments and Contingent Matters,” “Budget Operation Procedures,” and the “Financial and Non-Financial Information Management Guidelines.” Through institutionalized documentation and standardized operating procedures, the Company ensures the quality, transparency, and stability of financial information. Favite is committed to complying with domestic securities market regulations and the International Financial Reporting Standards (IFRS), aligning its financial objectives with international anti-money laundering, tax, and trade compliance requirements. These are further integrated with the Company’s sustainability strategy to implement sound financial management and enhance real-time responsiveness to the expectations of investors and other stakeholders through transparent information disclosure.
Positive Impacts	With robust budget control and financial information systems, the Company steadily supports product development and market expansion. Its annual operations remain stable, with revenue derived from diverse application sectors such as panels, semiconductors, and IC substrates. Favite continues to strengthen its AI inspection product portfolio, thereby enhancing overall financial resilience and value creation capabilities.
Negative Impacts	The Company’s financial performance may be affected by global economic cycles, exchange rate fluctuations, and rising raw material costs. Failure to respond promptly to financial changes or a lack of transparency in disclosure may impact operational flexibility and stakeholder trust.
Remediation and Mitigation Measures	To mitigate potential impacts on financial performance, Favite has implemented robust financial reporting and internal audit systems. Through budget variance analysis and cost control mechanisms, the Company regularly monitors revenue and cost structures to enhance its financial risk responsiveness. Furthermore, natural hedging and flexible pricing strategies are adopted to manage USD-related exposure and reduce the impact of exchange rate volatility. In addition, the Company is actively promoting the implementation of IFRS S1/S2 sustainability disclosure standards to enhance information transparency and the quality of financial disclosures, thereby

	strengthening investor confidence and improving communication efficiency in capital markets.	
Goals and Objectives	2024 Goal	Short-Term Goals (Within One Year)
	Achieve full-year break-even	Achieve full-year break-even
	Progress Status	
	Pre-tax profit for 2024 reached NT\$54,446 thousand, demonstrating continued implementation of budget and expense control.	
	Mid-Term Goals (1–3 Years)	
	Achieve pre-tax profit of over NT\$50,000 thousand.	
	Long-Term Goals (3–5 Years)	
	Due to significant economic fluctuations, the Company is currently unable to estimate future operating conditions and therefore has not set long-term goals.	
Responsibility	The Finance and Accounting Department is responsible for financial statement preparation, budget control, tax filing, and financial risk identification, with regular reporting to the President and the Board of Directors as a basis for operational decisions and resource allocation.	
Resources	Human Resources: A dedicated financial management team is in place, covering accounting, financial analysis, and budget management functions, and works in collaboration with internal audit and information departments. Financial Resources: A budget has been allocated for the digital financial management system and alignment with IFRS S1/S2 standards.	
Evaluation Mechanism for the Effectiveness of Management Approach	<p>Effective financial performance requires comprehensive planning in areas such as cash flow management, cost control, customer relations, and tax compliance.</p> <p>1. Financial Monitoring:</p> <ul style="list-style-type: none"> - Annual and quarterly financial reports must be completed within the statutory deadlines and submitted to the Board of Directors for review, with a 100% target achievement rate. Monthly financial meetings are held to report to management. - Ensure accounting records are up to date. - Conduct variance analysis between actual and budgeted figures, with a target variance control within $\pm 25\%$. <p>2. All types of tax declarations and payments must be made on time, with a 100% on-time compliance goal.</p> <p>3. The annual financial statements must be audited by certified public accountants and obtain an unqualified opinion.</p>	
Evaluation Results of the Management Approach	<p>1. Financial Monitoring:</p> <ul style="list-style-type: none"> - Annual and quarterly financial statements were completed within statutory deadlines and submitted to the Audit Committee and Board of Directors for review, achieving a 100% compliance rate. - A total of 12 monthly meetings were held to review the balance sheet, income statement, and cash flow statement, with reports presented to management. - Annual accounting records were consistently maintained and kept up to date. - Variance analysis between actual and budgeted figures was conducted, with variances controlled within 24%. <p>2. All types of tax declarations and payments were 100% compliant with the required timelines.</p> <p>3. The annual financial statements were audited by a certified public accountant and received an unqualified opinion.</p>	
Complaint Mechanism and Communication Channels	https://www.favite.com/investor/shareholder/ Contact Email: investor@favite.com	

The Company prioritizes financial stability and resource allocation efficiency in its business strategy. By implementing cost control measures, capital management, and investment performance tracking, the Company maintains a sound financial structure and capital flexibility. In response to industry shifts and global economic uncertainties, the Company continuously monitors market trends and adjusts its operational direction as needed to enhance organizational economic resilience and adaptability.

This section outlines the Company' s overall financial performance, revenue structure, capital utilization, and economic impact in 2024, demonstrating the value generated through stable operations.

1-3.1 Financial Management and Strategy

The Company' s financial management strategy focuses on enhancing profitability, optimizing asset structure, rigorously controlling costs, expanding revenue momentum, and maintaining capital flexibility. In adherence to International Financial Reporting Standards (IFRS) and relevant regulatory disclosure requirements, the Company continues to improve the transparency of financial information. A stable financial foundation is regarded as key to strengthening market trust and safeguarding the interests of stakeholders. In response to external challenges such as industrial uncertainty and a slowdown in global demand in 2024, the Company maintained overall financial stability through prudent risk management and resource allocation, while continuing to invest in process upgrades and product innovation to meet evolving market needs.

Revenue and Profitability

In 2024, despite a sluggish global economy, conservative end-market demand, and cautious procurement across the industry chain, Favite, Inc. demonstrated a certain degree of operational stability. According to the consolidated financial statements, annual operating revenue reached NT\$667,587 thousand, representing a 49.79% increase compared to the previous year. Net income after tax amounted to NT\$54,492 thousand, with earnings per share (EPS) of NT\$0.69.

Amidst the external challenges, the Company continued to optimize its cost structure and internal operational efficiency. By focusing on product portfolio adjustments and technology upgrades, Favite maintained fundamental profitability and demonstrated financial resilience during a period of industry transformation.

Item	Amount (NT\$ Thousand)	Description
Operating Revenue	667,587	Increased 49.79% year-on-year, mainly driven by increased market demand
Gross Profit	317,401	Gross margin increased, reflecting market price pressures and cost structure adjustments

Profit Before Tax	54,446	Increased 614.61% year-on-year, maintaining positive profitability
Net Profit	54,492	Reflects stable profitability of the company' s core operations
EPS	0.69	Increased 264.29% year-on-year, mainly due to increased market demand

Financial Structure and Capital Utilization

As of the end of 2024, Favite, Inc. reported total assets of NT\$1,639,426 thousand, maintaining a stable asset structure and steady capital expenditure planning. The company continues its strategy of equipment renewal and process upgrades, focusing on enhancing future operational efficiency and product competitiveness. The debt ratio stands at 29%, demonstrating the company' s strong financial flexibility and debt repayment capacity. The cash flow ratio is 44.75%, and the operating cash flow adequacy ratio reaches 353.58%, reflecting ample liquidity and stable capital operations.

In response to economic cycles and market uncertainties, the company will continue to prudently plan capital expenditures, enhance cash flow recovery efficiency, and flexibly adjust resource allocation according to operational needs to maintain asset-liability flexibility and long-term financial stability.

Despite challenges in the industry environment in recent years, the company continuously strengthens its responsiveness to external conditions, carefully plans research and development as well as operational capital expenditures, and optimizes its debt structure to maintain overall capital allocation flexibility and financial stability.

Key financial indicators as of the end of 2024 are as follows:

Financial Indicator		Description
Total Assets	NT\$1,639,426 thousand	Slight decrease compared to previous year, mainly due to inventory reduction
Debt Ratio	29%	Continued decline, reflecting a low leverage strategy and solid debt repayment capability
Cash Flow Ratio	44.75%	Increased compared to previous year, maintaining operational liquidity
Cash Reinvestment Ratio	353.58%	Increased compared to previous year, indicating steady development of capital expenditure strategy

Industry Contribution and Economic Value Diffusion

While maintaining stable operations, Favite, Inc. is committed to generating positive contributions to the industry, supply chain, and local economy through its core business and R&D capabilities. In 2024, the Company expanded its economic impact and industry value through the following areas:

- ◆ Promoting Technology Upgrades and Product Precision Improvement

The Company continuously invests in optimizing Automated Optical Inspection (AOI) technology and innovating AI algorithms, assisting upstream and downstream

customers in enhancing yield monitoring efficiency. This further drives the digitalization and precision of manufacturing processes in the display, semiconductor, and circuit board industries.

- ◆ **Strengthening Local Procurement and Regional Collaboration**

Although major raw materials and equipment rely on imports, Favite actively expands local procurement, with domestic purchases accounting for 53.6% of total procurement in 2024. This effort enhances supply chain resilience and delivery stability while supporting the development of local SMEs.

- ◆ **Maintaining Shareholder Returns and Market Trust**

The Company prioritizes capital stability and shareholder returns. In 2024, the Return on Equity (ROE) was 4.82%, demonstrating basic financial resilience and long-term return capability despite operational pressures.

1-3.2 Financial Risks and Responses

In the face of global political and economic uncertainties, as well as external challenges such as raw material price fluctuations, exchange rate volatility, and inflationary pressures, the Company continuously strengthens its financial risk management mechanisms. From capital planning, liquidity control, credit management to compliance oversight, it has built a comprehensive response system. The Company focuses on maintaining flexible capital allocation and a stable financial structure, while leveraging internal early warning systems and cross-departmental coordination to promptly identify financial risk hotspots, ensuring sufficient resilience against market fluctuations in its operations.

Financial Risk Management

To address the rapidly changing international landscape and financial market volatility, Favite, Inc. has established a financial risk management framework that monitors and adjusts financial strategies across aspects including liquidity flexibility, cost structure, exchange rate fluctuations, and interest rate dynamics. This approach safeguards the Company's operational resilience and financial stability. Beyond the overarching financial risk control strategy, it has developed systematic management structures and real-time response mechanisms for key market risks such as foreign exchange, interest rates, capital utilization, taxation, and investment management, ensuring financial robustness and operational agility.

Risk Management Strategy	Management Strategy and Description	Expected Goals
Exchange Rate Fluctuations	<p>1. Continuously enhance finance personnel' s awareness of foreign exchange hedging by using real-time online systems and strengthening interactions with financial institutions to analyze exchange rate trends and mitigate negative impacts.</p> <p>2. Before quoting to customers, comprehensively assess future exchange rate trends and influencing factors to determine appropriate and reasonable pricing, minimizing exchange rate impact.</p> <p>3. Utilize natural hedging by using foreign currency receivables from sales to offset foreign currency payables from procurement.</p> <p>4. Establish the "Derivative Transactions Handling Guidelines," which specify hedging tools and approval processes; employ various financial instruments such as spot transactions and currency swaps to reduce related risks.</p>	Effectively reduce the impact of exchange rate fluctuations on the Company' s revenue, costs, and gross margin, resulting in more stable and predictable financial performance; control foreign exchange losses within an acceptable range through appropriate hedging measures.
Interest Rate Fluctuations	Regularly review capital structure and debt ratios; adjust allocation of short- and long-term funds; maintain flexible credit lines and liquidity reserves with multiple banks; timely secure fixed interest financing terms to reduce the impact of interest rate volatility on funding costs.	Optimize fund allocation; maintain or increase credit limits with multiple banks; negotiate favorable financing terms and interest rates.
Mismanagement of Fund Allocation	Strengthen budgeting and cash flow forecasting controls; establish fund allocation and payment plans; finance department regularly reviews cash turnover cycles and availability of reserve funds; promote accounts receivable management to improve overall capital efficiency.	Ensure appropriate fund allocation; timely repayment of short-term debts.
Tax Policy Changes	Finance and accounting department closely monitors tax policies and international tax reforms; regularly assesses tax risks across markets; cooperates with accountants to plan tax-saving strategies; ensures tax compliance and flexibility in fund allocation to reduce sudden tax cost impacts.	Comply with local tax laws; ensure legality and regulatory compliance.
Investment Management	Establish a review system for major investment decisions; projects undergo internal financial feasibility analysis and risk assessment; set phased KPIs and warning mechanisms; regularly review performance and risk status to avoid misallocation and inaccurate evaluation.	Enhance transparency and rationality in investment decisions; prevent misallocation of funds and poor performance; reduce external concerns on capital expenditure rationale; stabilize investor confidence; establish internal rolling management and data-driven investment performance tracking culture; improve annual return on fund usage; reduce misinvestments and ineffective capital ratios.

Through the above segmented strategies, Favite, Inc. continuously enhances its financial resilience amid a changing market environment, while strengthening overall risk response and

decision-making transparency, establishing a crucial financial foundation for sustainable operations.

Market Expansion Strategy and Revenue Structure

Favite, Inc. focuses on the development, design, and manufacturing of high-precision automated optical inspection (AOI) equipment, as well as the research and integration of AI algorithms and yield management systems. Its products are widely applied in panel displays, semiconductor processes, printed circuit boards/IC substrates, and next-generation Micro LED/OLED fields. In recent years, the company has deepened its R&D and system integration capabilities in Taiwan and actively expanded overseas markets to diversify revenue sources and enhance its international order-taking capacity.

In 2024, Favite, Inc.'s main revenue was derived from overseas and Taiwan markets, with active expansion efforts targeting Southeast Asia, Europe, and the Americas. Leveraging core inspection and measurement technologies along with customized design capabilities, the company enhanced market penetration. Concurrently, by integrating AI vision algorithms and Yield Management System (YMS), Favite delivers comprehensive industrial smart manufacturing quality solutions, further increasing product added value and customer stickiness.

To support customers' diversified and high-precision demands, the company strengthened its process upgrade and application expansion strategies:

Technology Deepening and Application Expansion

Favite proactively expanded its footprint in the advanced semiconductor packaging AOI market, developing diversified inspection and measurement equipment tailored for FOWLP, FO-PLP 2.5D, and 3D packaging processes. The focus was on improving defect detection capabilities and inspection accuracy, with validation collaborations conducted alongside multiple major packaging and substrate manufacturers.

◆ Deepening Customer Relationships

By participating in major global exhibitions, Favite increased company visibility and actively penetrated markets in Taiwan, China, Japan, and other regions. Based on market development trends, the company established overseas technical support centers to provide timely service and technical assistance.

◆ Local Procurement and Supply Chain Resilience

Although key components are mainly sourced internationally, Favite actively increased domestic procurement, maintaining over 50% local sourcing. The company also promotes alternative materials and recycling applications to strengthen supply chain stability and foster a green value chain.

Favite will continue to pursue its core strategy of “R&D Deepening × Market Expansion × Production Optimization” to broaden AI inspection and industrial intelligence application fields, enhancing international market competitiveness and value chain collaboration.

Main Product Revenue Structure

Product Category	Revenue (NT\$ Thousand)	Revenue Proportion (%)
Automated Optical Inspection Equipment	636,665	95%
Sale of Materials and Maintenance Income	30,992	5%
Total	667,587	100%

Domestic and International Market Revenue Distribution

In 2024, Favite, Inc.’s revenue was primarily generated from international markets, accounting for 70% of total revenue. This reflects the Company’s successful expansion and solid customer base overseas. Its overseas locations span Shanghai, Kunshan, Chengdu, Chongqing, and Xiamen, forming a comprehensive service network closely integrated with local manufacturing supply chains. The Taiwan market accounted for approximately 30% of total revenue, focusing mainly on core applications such as display and semiconductor process equipment. The company continues to maintain stable cooperation with key domestic customers.

Region	Revenue (NT\$ Thousand)	Total Revenue Share (%)
Taiwan	201,996	30.21%
Overseas	465,518	69.79%
Total	667,587	100%

In market expansion, the Company remains committed to strengthening both domestic and international market presence. Efforts are focused on consolidating overseas operational bases and technical service networks, while deepening engagement in local markets to foster enduring relationships with key customers. Emphasizing customer relationship management, the Company prioritizes enhancing product delivery flexibility, inspection accuracy, and

engineering technical support quality. Through collaborative projects and continuous improvement initiatives, customer satisfaction and brand trust are reinforced. To better align with customer needs, a systematic customer feedback and tracking mechanism has been established, comprising regular satisfaction surveys, after-sales service follow-ups, and technical application exchange sessions. These initiatives serve as important foundations for optimizing service workflows and product application support strategies.

Strengthening Customer Relationships

To continuously enhance service quality and deepen collaborative relationships, the Company has integrated its existing technological advantages with institutionalized management mechanisms to implement various customer relationship strategies, thereby strengthening market competitiveness and brand trust.

- ◆ Continuous improvement of products and after-sales service

The Company has established a repair materials inventory and spare parts warehousing system to ensure timely equipment maintenance and stable operations. In accordance with the ISO 9001 quality management system, customer satisfaction surveys are regularly conducted, and the results serve as the basis for ongoing product and service improvements.

- ◆ Establishment of a systematic feedback mechanism

In 2024, the Company conducted customer satisfaction surveys focused on delivery lead time, quality, and service. Moving forward, efforts will center on translating survey feedback into actionable improvement plans to further refine service details and enhance response efficiency.

- ◆ Diversified interaction and two-way communication

In addition to traditional communication channels, the Company actively manages social media platforms (such as Meta, LinkedIn, and WeChat) to facilitate real-time customer inquiries and feedback. Direct interaction with potential customers is also conducted at various trade shows.

- ◆ Expansion of potential customers and targeted marketing

The sales team continues to explore and develop new markets and key clients through both online and offline channels. The Company enhances brand visibility and market penetration through digital platforms, technical forums, seminars, and trade show participation.

- ◆ Integration of customized solutions

By combining automated optical inspection (AOI) equipment, proprietary AI

algorithms, and the YMS yield management system, the Company offers customers an integrated “hardware-software” one-stop solution that improves production yield, shortens process cycles, and enhances the stability of manufacturing quality.

Diversified Applications and Integrated Inspection Services

The Company’s service model combines standardized inspection equipment with customized module integration capabilities, enabling it to respond to varying process conditions and inspection requirements across clients. It delivers high-precision, time-efficient, and scalable application solutions. Centered on automated optical inspection (AOI) technology, the Company integrates optical design, mechanical integration, AI algorithms, and YMS yield management systems to offer comprehensive solutions that span R&D design, equipment integration, and software-hardware coordination. Product applications extend across flat panel displays, semiconductor processes, printed circuit boards/IC substrates, and next-generation Micro LED / OLED technologies. From front-end development to after-sales service, Favite, Inc. provides full-spectrum engineering support and technical consultancy to help customers shorten implementation cycles, enhance production line efficiency, and ensure quality stability.

The Company’s core products and businesses are as follows:

Product/Service Category	Description
Flat Panel Display Inspection Equipment	Inline/Offline high-resolution AOI systems for various generations and sizes of TFT-LCD and LTPS panels, covering Array/CF/Cell stages; AOI systems for touch panels; AMOLED Mask/TFE/Frit AOI systems; high-speed imaging tools, AVI, and CDOL measurement equipment.
Next-Generation Display Inspection Equipment	Inline/Offline high-resolution AOI systems for Micro LED COW/COC/Backplane/Panel/Side wiring using AI algorithms; Micro OLED TFE/CF/CG AI AOI solutions.
Advanced Semiconductor Packaging / IC Substrate Inspection Equipment	Wafer-level and panel-level Die location measurement tools for 2.5D/3D advanced packaging (CoWoS/SolC); FOPLP RDL AOI systems; Wafer Auto OM; Wafer AI AOI/AVI systems.
YMS Yield Management System	Provides production traceability reporting, real-time defect monitoring during equipment operation, defect map overlay integration, and defect classification and coding functionality.
After-Sales Technical Services	Covers installation, calibration, training, maintenance, and remote support. A comprehensive service mechanism is established to ensure system stability and assist clients with upgrades.

Highlights of Technical and Manufacturing Capabilities:

- ◆ High-Precision Optical Imaging Technology
Favite, Inc. leverages advanced optical design capabilities to achieve high-contrast, accurate imaging tailored to various materials, surface characteristics, and micro-defects, establishing a solid foundation for subsequent inspection and measurement processes.
- ◆ High-Speed and High-Precision Motion Control

Through in-house mechanical design and development, equipment is integrated with high-precision motion platforms and servo control systems, enabling high-speed and accurate scanning and positioning. This ensures reliable measurement and inspection performance at resolutions of 1 μm or even 0.5 μm , meeting the demanding requirements of advanced manufacturing processes.

- ◆ **Advanced Image Processing and Analysis**

Favite, Inc. develops proprietary image processing and algorithmic technologies capable of transmitting and analyzing large volumes of image data with high efficiency. These technologies support precise defect feature extraction and analysis, significantly increasing throughput per unit time.

- ◆ **AI Algorithms**

By applying AI to AOI applications, the Company effectively identifies complex and difficult-to-detect defects, significantly reduces false detection rates, and enhances inspection efficiency and intelligence. These advancements contribute to ongoing process optimization and yield prediction.

- ◆ **Capability in Customized Solutions**

Leveraging extensive expertise in machine vision and a deep understanding of industry-specific requirements, Favite, Inc. integrates optical, mechanical, electronic control, and inspection technologies to respond swiftly and flexibly to customers' specific inspection needs. This enables the Company to deliver highly customized equipment and solutions tailored to diverse application scenarios.

Enhancing Technological Innovation and R&D Investment

In response to ongoing industrial smartification and increasing customer demands for high-precision inspection, Favite, Inc. continues to intensify its R&D efforts and process integration capabilities. The Company focuses on the optimization of Automated Optical Inspection (AOI), AI algorithms, and the Yield Management System (YMS), driving core technology advancement and expanding application scenarios. A phased implementation strategy is adopted to consolidate R&D resources and enhance both the commercialization efficiency and market applicability of key technologies.

In 2024, the Company's R&D expenditures amounted to NT\$172,743 thousand, accounting for 25.88% of the annual operating revenue—marking the highest level in recent years. This reflects Favite's strong and ongoing commitment to the development of inspection technologies and comprehensive system integration.

Favite's R&D efforts are concentrated in three core areas:

- ◆ AI Algorithm Development and Image Recognition Accuracy Enhancement
Continuous optimization of defect classification, false positive filtering, and generative AI models to improve detection accuracy and computational efficiency.
- ◆ Upgraded Modular Platform Architecture
Development of advanced precision mechanical designs, improved motion control algorithms, and reduction of expansion, contraction, and vibration-induced interference to maximize repeatability in positioning and measurement.
- ◆ Validation in High-Value-Added Application Fields
Expansion of technology applications into advanced semiconductor packaging, IC substrates, and next-generation displays, with practical validation of high-accuracy and high-detection-rate inspection solutions.

In parallel, the Company collaborates with academic and research institutions, integrates professional design resources, and utilizes shared experimental platforms to mitigate development risks, enhance cross-disciplinary capabilities, and accelerate the commercialization and international competitiveness of its R&D outcomes.

1-3.3 Sustainable Value of Financial Performance

Financial performance is not only a reflection of the Company’s operational capabilities but also serves as a crucial foundation for driving internal sustainability initiatives, fostering value co-creation across the industrial chain, and generating positive societal impact. The Company aligns resource allocation and earnings utilization with talent development, supply chain resilience, and regulatory contributions, thereby fulfilling its economic responsibilities as a corporate citizen and strengthening long-term value connections with stakeholders.

Social Contributions of Financial Growth

Favite, Inc. firmly believes that sustainable financial performance should be aligned with broader social responsibilities. Through sound operations and prudent capital deployment, the Company contributes to job creation, promotes industrial advancement, and supports regional economic development:

Financial Indicators		Description
Employee Compensation and Benefits	NTD 239,669 thousand	Total employee welfare expenses in 2024. The Company actively invests in employee training and career development to enhance organizational adaptability and talent retention.
Taxes and Social Responsibility	NTD 4,629 thousand	Taxes paid in accordance with relevant regulations during the year, ensuring compliant operations and contributing to national fiscal stability and the social system, thereby fulfilling corporate obligations.

Local Collaboration	NTD 110,924 thousand	Expenditures aligned with the Company's local procurement strategy, representing 53.6% of total procurement, supporting domestic industry development and reducing supply chain risks.
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Financial Strategy Extended Sustainability Linkages

- ◆ Talent Investment and Workplace Support

A stable profitability foundation enables the Company to continuously invest in employee compensation and welfare programs, while strengthening training and career development support to cultivate a workplace culture with long-term attractiveness.

- ◆ Local Sourcing and Supply Chain Enhancement

Through local procurement and supplier collaboration mechanisms, the Company promotes technological upgrades and sustainable management coordination among local small and medium enterprises, thereby enhancing overall supply chain resilience.

- ◆ Innovation-driven Industrial Upgrading

Core technologies serve as the engine to advance the adoption of cutting-edge processes and expand emerging application fields, accelerating industrial upgrading and automation progress.

- ◆ Compliance Management and Institutional Contribution

By maintaining stable tax contributions and ensuring high transparency in information disclosure, the Company reinforces investor trust and fulfills its corporate responsibility to support social institutions.

Financial Performance and Future Outlook

In the face of global economic fluctuations and increasing pressures from industry transformation, Favite, Inc. continues to focus on optimizing core business operations and deepening research and development resources, while simultaneously adjusting product mix and market deployment strategies to steadily advance operational upgrades. Despite the impact of slowed end-market demand and industry inventory adjustments in 2024, the Company maintained fundamental financial stability and positive profitability, demonstrating operational resilience and effective risk management capabilities.

The Company remains committed to expanding applications of automated optical inspection (AOI), AI algorithm integration, and the YMS yield management system. It continues to deepen its market presence in high-precision sectors such as advanced semiconductor packaging, IC substrates, display panels, and next-generation Micro LED, enhancing product

module flexibility and implementation efficiency to increase overall added value and customer loyalty.

	2022	2023	2024
Annual Revenue	NT\$1,477,429	NT\$445,675	NT\$667,587
	Increase of 4.84% compared to the previous year	Decrease of 69.83% compared to the previous year	Increase of 49.79% compared to the previous year

Product Portfolio Optimization and Future Development

The Company remains committed to continuously optimizing its product portfolio to address diverse inspection requirements across various industry sectors, thereby enhancing application flexibility and value addition. Centered on technology-driven innovation and leveraging integrated hardware and software capabilities aligned with practical industry needs, the Company will strategically advance market positioning and application expansion:

- ◆ Focus on Core Application Enhancement

Efforts will continue to refine AOI module platforms and improve algorithm recognition accuracy, alongside deepening supplementary functions such as the YMS yield management system and anomaly analysis, to increase implementation value in high-end application scenarios.

- ◆ Expansion of Overseas Market Presence

In addition to sustaining stable operations in principal cross-strait markets, the Company will actively assess and pursue growth opportunities in Southeast Asia, Korea, and the United States, reinforcing new technology development and local technical support capabilities to enhance regional market competitiveness.

- ◆ Strengthening R&D Investment Allocation

The Company will maintain dedicated investment in AI algorithm enhancement, image analysis technologies, and real-time monitoring system development. Integration of data analytics and equipment networking functionalities will be advanced to improve overall system integration and operational efficiency.

	2022	2023	2024
Product Category	Automated Optical Inspection Equipment	Automated Optical Inspection Equipment	Automated Optical Inspection Equipment
Product Category	YMS Yield Management System	YMS Yield Management System	YMS Yield Management System
Product Category	After-sales Technical Services	After-sales Technical Services	After-sales Technical Services

1-4 Risk Management

Favite, Inc. continues to strengthen its enterprise risk governance system in response to a challenging operating environment shaped by global supply chain restructuring, geopolitical uncertainty, and heightened cybersecurity threats. By integrating strategic planning, institutional frameworks, and cross-departmental response capabilities, the Company is establishing a forward-looking and resilient risk management structure.

In alignment with its Risk Management Policy and Procedures, the Company has implemented comprehensive risk identification and response mechanisms across financial, market, operational continuity, regulatory compliance, and information security dimensions. These mechanisms are centrally managed by the General Administration Division, with regular reporting of execution outcomes to the Board of Directors.

To further enhance operational stability and responsiveness, the Company is progressively building a business continuity management system, including completion of Business Impact Analysis (BIA) and disaster recovery planning for core operations. Going forward, the Company will continue to conduct regular drills, enhance supply chain resilience, and strengthen interdepartmental coordination. Through a strategic focus on “Steady Operations × Risk Governance × Cybersecurity Protection,” Favite aims to cultivate a risk management culture and institutional resilience that are both forward-thinking and operationally effective, ensuring uninterrupted service delivery and long-term sustainable operations amidst uncertainty.

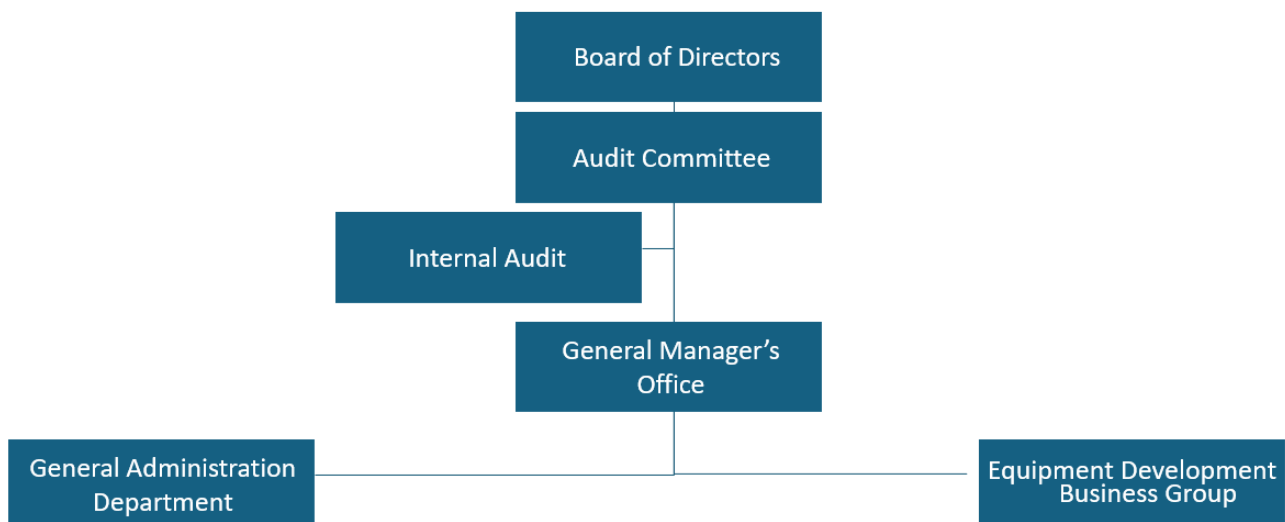
Management Approach	Material Topic: Operational Management
Policies and Commitments	Favite, Inc. recognizes that operational excellence is the cornerstone of sustainable development and is committed to ensuring smooth production processes and optimal resource utilization through an efficient, secure, environmentally responsible, and resilient operating model. The Company strictly adheres to the financial and corporate governance regulations set forth by the Financial Supervisory Commission (FSC) and regularly discloses its corporate governance practices to uphold effective operational continuity. In addition, Favite has established a Risk Management Policy and, under the ISO 27001 framework, developed an Information Security Risk Management Procedure. A Supplier Evaluation Mechanism has also been implemented to encourage suppliers to uphold environmental protection standards, improve safety and hygiene, and implement robust risk management and business continuity plans. These measures aim to ensure uninterrupted operations, safeguard company assets, protect employee well-being, and maintain customer service continuity during unforeseen events or crises.
Positive Impacts	By establishing standardized processes, the Company promotes operational efficiency and productivity while reducing business risks—contributing to enhanced customer satisfaction and brand value. At the same time, Favite strives to fulfill its sustainability vision by maximizing value and benefits for the Company, customers, shareholders, and society at large.

Negative Impacts	Poor operational management can lead to inefficiencies and increased costs, heighten business risks, and undermine brand reputation. It can also negatively impact product quality, customer trust, and employee retention.	
Remediation and Mitigation Measures	To mitigate such risks, Favite employs a multifaceted management approach to prevent major disruptions and reduce vulnerabilities. Through its supplier evaluation mechanism, the Company ensures supply chain stability and conducts regular internal audits, including ISO 9001, ISO 27001, and annual audit programs. These measures minimize the impact of disasters, enable rapid response to incidents, and serve as key references in the implementation of its risk management policy for risk reduction and avoidance.	
Goals and Objectives	2024 Goal	Short-Term Goals (Within One Year)
	<ol style="list-style-type: none"> 1. Successfully become a qualified supplier for advanced packaging customers and complete the installation of three development-stage systems at their advanced packaging facilities. 2. Fulfill specification requirements for two systems ordered by a leading IC substrate customer, complete delivery, and obtain technical qualification from the customer. 	<ol style="list-style-type: none"> 1. Conduct at least six employee awareness sessions on operational risk per year. 2. Carry out a minimum of two disaster recovery drills annually. 3. Complete the installation and testing of UPS backup systems at all three operational sites (Hsinchu, Taichung, and Tainan). 4. Complete one annual operational risk assessment report (covering supply chain, equipment, workforce, and information systems), with approval by the Board of Directors. 5. Achieve a 60% coverage rate in the annual supplier evaluation and establish a 100% backup supplier list.
	Progress Status	
	<ol style="list-style-type: none"> 1. Due to unstable lead times of key component suppliers, prolonged process integration schedules, and suboptimal workforce allocation, the average delivery lead time in 2024 was 299.84 days (approximately 9.67 months), falling short of the original goal. Although the target was not achieved, the Company has initiated several improvement strategies, including the establishment of a more comprehensive delivery monitoring system, enhanced coordination with key suppliers, implementation of standardized manufacturing processes, and expansion of technical production staffing. These measures have begun to show initial results in easing production bottlenecks. 2. The user interface (UI/UX) design and implementation of the YMS Yield Management System were completed in 2024. 	
	Mid-Term Goals (1–3 Years)	
	<ol style="list-style-type: none"> 1. Conduct at least 10 employee awareness sessions on operational risk per year. 2. Provide a minimum of one employee training session on operational risk annually. 3. Carry out at least three disaster recovery drills each year. 4. Establish comprehensive operational risk management mechanisms across various categories. 5. Achieve a 100% corrective action rate for nonconformities identified during ISO 27001 and ISO 9001 internal audits. 	
Long-Term Goals (3–5 Years)		
Given the rapidly evolving nature of operational risks and the need for phased development of relevant information and resources, Favite, Inc. is currently focused on the implementation and enhancement of its short- and mid-term business continuity management systems. Long-term targets for 2030 have not yet been established. The Company will continue to review relevant indicators based on actual operational performance, industry trends, and emerging risks, and will adjust and expand the scope of resilience-related objectives accordingly.		

Responsibility	Risk Management Organization Structure within the Risk Management Policy https://s3.ap-northeast-1.wasabisys.com/cdn.favite.com/2025/03/風險管理政策與程序-1130809.pdf
Resources	Financial resources: An annual budget is allocated for information backup infrastructure, education and training, disaster and cybersecurity drills, external consultant engagement, and operational system optimization. Technical resources: Information systems are equipped with UPS (uninterruptible power supplies).
Evaluation Mechanism for the Effectiveness of Management Approach	<ol style="list-style-type: none"> 1. Conduct one external audit per year for ISO 9001, maintaining certification continuity. 2. Conduct one external audit per year for ISO 27001, maintaining certification continuity. 3. Conduct an annual supplier evaluation. 4. At both its Zhubei and Tainan operational sites, carry out at least one fire or earthquake disaster drill each year, with photo documentation and record archiving; achieve a participation rate of over 95%. 5. Each department head performs at least one annual operational risk management assessment and reports findings to the Board of Directors. 6. Arrange insurance coverage for natural disasters (typhoons, floods, earthquakes, etc.).
Evaluation Results of the Management Approach	<ol style="list-style-type: none"> 1. ISO 9001 recertification successfully passed in 2024. 2. ISO 27001 recertification successfully passed in 2024. 3. All top 20 transaction-volume suppliers and key material vendors received "A" grades in the 2024 supplier evaluation. 4. Conducted two disaster drills (fire or earthquake) each at Zhubei and Tainan sites in 2024; achieved a 97% participation rate with photos and records archived. 5. Operational risk management mechanism was established and assessed in 2024; implementation is planned for 2025. 6. Continued renewal of natural disaster insurance coverage throughout 2024.
Complaint Mechanism and Communication Channels	<ol style="list-style-type: none"> 1. Grievance Form URL: https://www.favite.com/contact/complaints/ 2. Email: sales@favite.com 3. Phone: (03)554-5988

1-4.1 Risk Identification and Monitoring: Preventive Management Mechanism

Risk Governance Framework and Management Responsibilities



Based on the "Risk Management Policies and Procedures" (approved by the Board of Directors on November 4, 2022), the Company has established a comprehensive risk governance framework that clearly defines procedures for risk identification, assessment, monitoring, and reporting. This framework serves as a fundamental institutional basis for the Company' s sustainable operations and governance resilience.

- ◆ The Board of Directors acts as the highest decision-making and supervisory body for risk management, responsible for approving policy directions and annual reports. The General Manager' s Office convenes the Risk Management Team, overseeing cross-departmental risk operations and policy implementation, and regularly (at least once annually) reports risk management execution status to the Board and senior management. The annual report for 2024 was completed in November.
- ◆ Department heads are responsible for identifying potential risks, conducting assessments, and formulating countermeasures within their scope of duties, and regularly reporting business and project-related risks to management meetings. The Executive Management Meeting, chaired by the General Manager or operational unit leaders, coordinates cross-unit resources to enhance the Company' s overall response efficiency and management consistency.
- ◆ The Internal Audit Office periodically reviews whether departments comply with risk control operations and standard operating procedures to ensure effective implementation of the risk management system and prevent failures in internal controls and defense mechanisms.

Business Continuity Strategy

To enhance organizational resilience and service continuity amid highly uncertain environments, Favite, Inc. has progressively established a comprehensive framework covering business impact analysis, operational disruption response strategies, and disaster recovery management. The Company emphasizes practical drills and cross-departmental collaboration as the foundation for implementation, advancing a forward-looking and operationally effective business continuity management system.

Key Focus Areas of Operational Disruption Risk Management

- ◆ Each department conducts key business risk impact analyses
Through internal process reviews and risk scenario analyses, highly dependent processes, critical information systems, and essential customer service nodes are identified.
- ◆ Off-site backup and IT disaster recovery planning (DRP)
The Company has established an off-site backup architecture for information systems, conducting backup simulations and tests for operational disruptions, and plans to implement a disaster recovery center to ensure uninterrupted minimum service levels.
- ◆ Response personnel training and horizontal communication procedures
Core departments assess potential operational risks and explore response strategies, planning to enhance drills, emergency notification mechanisms, and interdepartmental crisis coordination capabilities.

Regular Drills to Strengthen Resilience Mechanisms

Favite, Inc. conducts at least one operational disruption simulation drill annually, including:

- ◆ IT system disaster backup drills: validating off-site data activation and disaster response simulations.
- ◆ Disaster scenario drills: simulating extreme weather events, power outages, earthquakes, and other emergencies to test each department's actual response mechanisms and coordination speed.

Through these regular drills and review mechanisms, the Company continuously optimizes response strategies, corrects procedural deficiencies, and strengthens operational resilience and employee collaboration awareness during disaster events.

Operational Risk Response Drill Strategies

	Business Continuity	Information Security Incident Response (Planned)	Disaster Recovery
Drill Objectives	Ensure business continuity to reduce supply chain and market risks	Prevent and respond to cybersecurity incidents to protect data and system integrity	Ensure personnel safety and rapid recovery of facilities and systems during disasters

Scope Covered	Supply chain, critical business operations, customer service contingency	System intrusions, data leakage, ransomware attack response	Personnel evacuation, emergency response, remote work, infrastructure recovery
Planned Scenarios	Simulate supply chain disruptions and test alternative solutions	Simulate DDoS and ransomware attacks to test defense mechanisms	Conduct sudden earthquake/fire evacuation drills to ensure employee safety
	Simulate sudden market incidents to verify response mechanisms	Perform internal and external penetration tests to assess system resilience	Implement facility damage response plans to ensure uninterrupted production
	Internal communication drills to ensure cross-department coordination	Phishing attack tests to enhance employee cybersecurity awareness	Post-disaster offsite backup drills to ensure remote work feasibility
Scheduled Mechanisms	Establish emergency supply chain management plans	SIEM monitoring to shorten threat detection time	Personnel evacuation plans to ensure life safety
	Activate internal crisis management team	Establish cybersecurity incident response team for prompt actions	Facility backup plans to mitigate equipment damage impact
Employee Response Measures	Create employee response manuals to enable quick reaction to emergencies	Employee phishing email response training to improve social engineering defenses	Clear evacuation route signage to ensure fast exit during emergencies
	Establish internal communication response mechanism to maintain smooth information flow during disasters	Implement multi-factor authentication to reduce risk of employee account breaches	Employee post-disaster psychological support plans to ensure mental health recovery
Execution Frequency (Planned)	Once annually	Twice annually	Once annually (frequency of offsite backup drills may increase)
Performance Evaluation (Scheduled)	Success rate of supply chain backup tests (%)	Response time for cybersecurity incident reporting	Personnel evacuation time and safety confirmation rate
	Business recovery time compliance rate	Phishing email click-through rate	Facility recovery time objective (RTO) and data recovery success rate

1-4.2 Business Continuity and Risk Response

To enhance organizational resilience in an increasingly uncertain environment, the Company has progressively developed disaster response and business continuity management mechanisms in accordance with internal policy frameworks. At the institutional level, the Company is implementing business continuity management and disaster recovery planning in phases, covering key elements such as IT system backup, emergency communication protocols, personnel deployment, and cross-departmental coordination procedures. To validate scenario-based risks and responses, the Company also plans to conduct interdepartmental drills on an annual basis, thereby strengthening response coordination under extreme conditions, minimizing the impact of business disruption on production,

delivery, and customer service, and continuously enhancing operational resilience and process stability.

Systematic Identification and Monitoring

With reference to international risk management standards, the Company adopts an integrated risk management process that includes identification, analysis, evaluation, response, and monitoring, ensuring that risk control measures are embedded in all operational and governance decisions. Continuous monitoring of internal and external risks is conducted to enable timely responses to market changes and potential threats. The Company advances this goal through the ongoing implementation of four key management pillars:

Management Phase	Key Focus	Implementation Measures
Risk Identification	Regular identification of internal and external risks that may impact operations	<ul style="list-style-type: none"> ■ Consolidate departmental self-assessments, audit recommendations, and BIA results to identify major operational, financial, information, and regulatory risks ■ Monitor market trends, regulatory changes, and customer feedback to enhance awareness of external risk factors
Risk Assessment	Evaluate risk severity and likelihood to determine response priorities	<ul style="list-style-type: none"> ■ Analyze potential impact, recovery time objective (RTO), and risk tolerance ■ Develop risk evaluation reports and mitigation recommendations to inform the annual risk register
Risk Control	Establish preventive and responsive measures to reduce likelihood and impact	<ul style="list-style-type: none"> ■ Implement control points and early warning systems for high-risk areas (e.g., cybersecurity monitoring, equipment maintenance schedules, customer credit limits) ■ Plan contingency measures and resource allocation (including alternative sourcing and off-site backups)
Risk Monitoring & Response	Ensure continued effectiveness of controls and timely adaptation of strategies	<ul style="list-style-type: none"> ■ Define Key Risk Indicators (KRIs) and conduct regular audits to track control effectiveness ■ Activate cross-functional crisis management team through anomaly reporting procedures for timely evaluation and response

Furthermore, the Company has established preventive and responsive measures targeting high-risk areas such as operations, information security, regulatory compliance, and climate-related risks. These measures include cybersecurity collaboration, backup mechanisms, financial controls, compliance audit systems, and the implementation of business impact analysis. Moving forward, the Company will progressively evaluate the integration of data-driven tools and dynamic early warning systems to enhance risk forecasting capabilities and cross-departmental coordination efficiency, thereby building a forward-looking and highly resilient operational risk management framework.

Key Risk Types and Mitigation Strategies

Based on operational practices, the Company has developed an initial risk identification and management framework covering financial, operational, supply chain, regulatory compliance, and human resources risks. Internal and external monitoring mechanisms and audit processes have been progressively implemented to address various risk dimensions. Corresponding prevention and response strategies have been established to enhance risk awareness and preliminary response capabilities. Moving forward, the Company will continue to strengthen its systematized risk control mechanisms to improve organizational resilience and decision-making responsiveness.

Primary Risk Categories and Response Strategies

Targeted monitoring mechanisms and management measures have been formulated for each major risk type to ensure operational stability.

Risk Category	Potential Impact	Management Strategy	Implementation Measures	Responsible Unit	KRI Indicator or Mechanism	Reporting Frequency & Mechanism	Board Oversight Role
Financial	Exchange and interest rate volatility; liquidity stress	Asset-liability control and liquidity monitoring	- Exposure review - Hedging strategies - Cash flow control	Finance Dept.	Current ratio, Cash collection rate	Quarterly report to the Board	Review financial reports and capital allocation strategies
Market & Competition	Slowing orders; pricing pressure	Diversify clients and expand application domains	- Localized services - Product differentiation - Modularized solutions	Sales & Marketing	Customer churn, New client conversion	Monthly to Executive Management Meeting	Oversee market strategy direction and major project evaluations
Supply Chain	Delays; quality instability	Supplier diversification and resilience building	- Sustainability audits - Tiered management - Backup supply planning	Procurement & QA	On-time delivery rate, Supplier audit score	Annual report on supplier ESG performance	Review supply chain sustainability reports and audit results
Operational	Process failures; delivery disruptions	Business Continuity Management (BCM)	- BIA and RTO setup - Backup site planning	Operations Unit	Service availability, RTO metrics	Annual BCM drill performance report	Verify the implementation of disaster recovery and business continuity mechanisms
Compliance	Legal/regulatory breach; contract flaws	Develop legal compliance and audit frameworks	- Internal audits - Training programs - Compliance system integration	Legal Dept.	Audit compliance score	Annual internal control & risk report	Review compliance disclosure practices

Human Resources	Talent attrition; workforce instability	Talent development and retention programs	<ul style="list-style-type: none"> - Internal succession systems - Employee care and wellness programs - EAP resources introduction 	Human Resources Dept.	Retention rate, Training hours	Annual employee satisfaction survey and HR report	Review HR strategy and workplace sustainability initiatives
Information Security	Data breaches; system failure	Cybersecurity alliance and system backup reinforcement	<ul style="list-style-type: none"> - Third-party MDR real-time monitoring deployment on core system servers - Cybersecurity incident reporting procedures - Cybersecurity training programs - Off-site data backup planning 	Information Technology Dept.	Number of cybersecurity incidents, Detection time	Annual cybersecurity governance project report	Review major cybersecurity incidents and defense effectiveness
Other Risks	Natural disasters; climate change; pandemic outbreaks	Disaster preparedness and emergency response team formation	<ul style="list-style-type: none"> - Evacuation drills - Fire and earthquake simulation exercises - Regular disinfection of plant, office, and common employee areas - Epidemic prevention guidelines establishment 	General Affairs Dept.	Initial business recovery within 48 hours after disaster, Maintain at least 80% normal attendance in emergency scenarios	Annual climate risk assessment	Review TCFD climate disclosures and environmental response mechanisms

While the Company continues to advance risk management across multiple dimensions and has progressively established relevant system frameworks, it recognizes that the overall risk assessment mechanism remains in a developmental and optimization phase. There is still room for improvement in terms of system integrity, execution consistency, and practical responsiveness. Facing an increasingly uncertain operating environment and a growing diversity of external risks, the Company remains committed to benchmarking against industry leaders. Through continuous reviews, cross-functional collaboration, and the adoption of data-driven management tools, the Company aims to enhance both preventive and responsive capabilities. Its goal is to gradually build a forward-looking, resilient, and agile corporate risk governance culture and system.

2024 Risk Management Execution and Achievements

In response to multiple challenges, including global market fluctuations, technological innovation, and supply chain uncertainty, Favite, Inc. strengthened its risk identification and mitigation measures in 2024. The Company implemented the following strategies and actions across strategic, operational, and information security domains:

◆ **Market Demand Volatility:**

In light of the downturn in the display sector and ongoing industry transformation, the Company adjusted its market strategies by actively expanding inspection technologies for Micro LED, advanced semiconductor packaging, and IC substrates. In addition, Favite enhanced AI defect detection algorithm development to diversify market segments and gradually reduce reliance on the flat panel display sector, which currently contributes a significant portion of revenue.

◆ **R&D Progress and Competitive Risk Control:**

To address challenges in R&D progress and increasing competitive pressure, Favite adopted a project management system to improve cross-departmental communication and milestone tracking. The Company also expanded its patent portfolio in optics and algorithmic design to maintain its innovation leadership.

◆ **Customer Credit and Bad Debt Management:**

The Company continued legal recovery processes for overdue accounts and implemented advance payment and credit guarantee mechanisms for new contracts to effectively reduce financial risk.

◆ **Supply Chain Delivery and Quality Risk Mitigation:**

Favite adopted a dual-supplier strategy and strengthened incoming material inspections to manage risks related to delivery delays and quality instability, ensuring product and delivery reliability.

◆ **Intellectual Property and Cybersecurity Risk Control:**

In addition to existing controls in R&D confidentiality zones, the Company obtained ISO 27001 certification in 2024 and introduced a tiered cybersecurity management system with data leakage warning mechanisms to safeguard intellectual property and R&D outcomes.

◆ **Talent Risk Mitigation Measures:**

To minimize the impact of talent turnover on R&D and production, the Company has enhanced diverse recruitment channels, career development frameworks, and internal rotation programs to strengthen workforce stability.

◆ **Corporate Reputation and Brand Risk Control:**

By reinforcing compliance systems, internal audit mechanisms, and the quality of information disclosure, the Company aims to maintain stakeholder trust in its integrity and commitment to sustainable governance.

Favite, Inc. will continue to adopt a step-by-step approach—starting from foundational practices to practical implementation—to optimize its risk control processes. Through

ongoing collaboration with external experts, the Company is expanding its use of data analytics tools and cross-functional response mechanisms to enhance agility and resilience in the face of an evolving risk landscape.

1-4.3 Information Security and Personal Data Protection

Management Approach	Material Topic: Information Security Management	
Policies and Commitments	Favite, Inc. has obtained ISO 27001 certification for its Information Security Management System (ISMS), and has implemented its information protection practices in accordance with the Company’s “Information Security Policy.” The Company is committed to complying with relevant cybersecurity laws and regulations by establishing risk assessments, access control mechanisms, and incident reporting protocols to safeguard the confidentiality, integrity, and availability of operational information, customer data, and corporate assets.	
Positive Impacts	A sound information security management system enhances business resilience and customer trust, while reducing the risk of data breaches and operational disruption. ISO 27001 certification further strengthens the Company’s corporate image, international competitiveness, and customer collaboration.	
Negative Impacts	Inadequate security controls may lead to the leakage of sensitive data, system outages, ransomware attacks, or other incidents that result in reputational damage, operational disruption, legal liabilities, and a decline in customer confidence and market position.	
Remediation and Mitigation Measures	The Company has established an Information Security Task Force responsible for conducting risk assessments, asset classification, internal audits, and continuous improvement measures in line with ISO 27001 requirements. Regular social engineering drills and employee training programs are carried out to raise awareness and strengthen prevention. In addition, incident reporting procedures and backup mechanisms are in place to ensure system stability and business continuity. All incidents are tracked, analyzed, and followed up to prevent recurrence.	
Goals and Objectives	2024 Goal	Short-Term Goals (Within One Year)
	Complete ISO 27001 certification and address the following three Areas of Concern (AOC): 1. Replace the default administrator account "Admin" for firewall management to mitigate the risks of shared credentials and brute-force attacks. 2. Enhance IT continuity readiness by incorporating internal and external issues (e.g., environmental events, power outages, cyberattacks) into business continuity drill scenarios. 3. Resolve a critical vulnerability identified in the PLM database through ongoing vulnerability scanning and remediation efforts.	1. Complete the renewal of ISO/IEC 27001 certification. 2. In response to the "Climate Action" topic highlighted by ISO, identify climate-related issues during panoramic assessments, in alignment with ISO/IEC 27001:2022/Amd 1:2024, officially released on February 24, 2024. 3. Continue strengthening the establishment, updating, and control of documented information relevant to organizational concerns (e.g., external document registers, software inventory lists). 4. Ensure 100% coverage of annual cybersecurity audits or document reviews for all information security-related suppliers.
	Progress Status	
	All objectives were achieved with a 100% completion rate.	
	Mid-Term Goals (1–3 Years)	
	Establish a Security Operations Center (SOC), with 90% system and device deployment coverage. Implement an incident reporting system for information security anomalies, targeting an average response time of ≤ 30 minutes and a reporting success rate of 95%. Establish a vulnerability scanning and remediation mechanism: (1) Conduct company-wide system vulnerability scans at least once per year. (2) Ensure 100% remediation and follow-up for high-risk vulnerabilities after scanning.	

	<p>Long-Term Goals (3–5 Years)</p> <p>Develop an information security management framework for critical suppliers, covering key supply chain partners.</p> <p>Achieve a 90% return rate of self-assessment reports on information security from critical suppliers.</p> <p>Conduct at least three cybersecurity audits or document reviews per year for critical IT suppliers.</p>
Responsibility	<p>Information security management at Favite, Inc. is led by the Information Security Committee, established under the ISO 27001 framework, which oversees the overall strategy and governance.</p> <p>Day-to-day implementation is the responsibility of the IT Department.</p>
Resources	<p>Human Resources:</p> <ul style="list-style-type: none"> • 5 full-time IT personnel • 2 dedicated cybersecurity specialists <p>Financial Resources:</p> <ul style="list-style-type: none"> • Total cybersecurity expenditure: NT\$1.24 million (including antivirus software, firewall services, and server room maintenance)
Evaluation Mechanism for the Effectiveness of Management Approach	<p>Successfully pass the external ISO 27001 management system audit and complete recertification annually, with no major non-conformities.</p> <p>Hold at least 2 cybersecurity awareness campaigns per year, achieving over 80% employee participation.</p> <p>Conduct at least one comprehensive annual information asset risk assessment, with 100% coverage.</p>
Evaluation Results of the Management Approach	<ol style="list-style-type: none"> 1. Successfully passed ISO 27001 recertification in 2024, maintaining continuous certification. 2. Conducted 2 cybersecurity awareness sessions in 2024, achieving 100% coverage.
Complaint Mechanism and Communication Channels	<p>IT Department Email: it@favite.com</p>

Based on the FSC’s “Guidelines for Internal Control Systems of Public Companies,” the Company implemented the ISO 27001 management system in December 2023 and has continuously maintained certification since then, complying with the “Cybersecurity Control Guidelines for Listed Companies” issued by the Taiwan Stock Exchange.

Its information security policy is guided by the following principles, focusing on three major cybersecurity protection pillars: antivirus, anti-hacking, and data leakage prevention. The Company has established firewalls, intrusion detection systems, antivirus systems, and various internal control systems to mitigate the risks of information leakage, tampering, or damage. The company has formed an Information Security Committee that regularly reviews cybersecurity risks, sets security management objectives, and executes the following measures:

- ◆ Establish information access control, data backup, and anomaly reporting procedures

- ◆ Conduct regular cybersecurity training and simulation drills for all employees
- ◆ Implement internal cybersecurity controls and third-party audits to ensure system and process security

To safeguard information security and privacy for both internal and external stakeholders, the company will continuously strengthen technical tools, audit mechanisms, and employee awareness training. The Company aims to enhance information resilience and risk early-warning capabilities while fulfilling compliant, sustainable, and verifiable management objectives.

Information Security Governance Principles and Institutional Foundation

Facing increasingly severe cybersecurity threats and personal data protection requirements, Favite, Inc. completed the implementation and certification of the ISO/IEC 27001 Information Security Management System framework in 2023. The Company has gradually established an information security governance mechanism and organizational management responsibility system following the FSC’s “Cybersecurity Control Guidelines.”

Information Security Governance Structure

The Company has appointed senior executives as dedicated information security officers responsible for coordinating cybersecurity policies, system planning, and daily operational execution. Regular information security steering meetings are held to identify potential risks and anomalies, consolidate departmental needs and external consultant recommendations, serving as a basis for continuous improvement of policies and resource allocation.

Strategic Level	Cybersecurity strategies and policies are formulated by senior management to ensure an organizational culture of information security and risk management awareness.
Operational Level	The Information Security Task Force is responsible for risk identification, analysis, monitoring, response, and continuous improvement.
Oversight Level	Internal and external audit mechanisms are implemented to ensure effective execution of information security strategies.

Based on the Company’s governance structure and operational practices, a layered information security management framework has been established. Senior management leads policy direction, while the Information Technology (IT) department and Information Security Task Force are responsible for practical execution. Internal audits and external consultants are integrated to strengthen governance oversight and progressively institutionalize cybersecurity governance. Information Security Governance Framework:

- ◆ Strategic Level:
Senior management formulates information security strategies and promotion policies, integrating them with the company' s overall risk management policies to ensure that cybersecurity culture and compliance awareness permeate operational processes.
- ◆ Operational Level:
The IT department serves as the dedicated execution unit, responsible for risk identification, cybersecurity protection, internal training, and policy maintenance, with regular reviews and reporting on implementation status.
- ◆ Oversight Level:
Through ISO 27001 internal and external audit processes, the effectiveness of information security policy implementation is regularly reviewed. Significant cybersecurity issues are reported to the Board of Directors, who bear governance responsibility.
- ◆ Cybersecurity Defense and Compliance Measures:
 - The Company' s current cybersecurity defense framework covers endpoints, servers, internal networks, cloud applications, and IoT devices, and is progressively extending to supply chain data exchange processes. Key management focuses include:
 - Establishing an information security promotion mechanism responsible for policy advancement and incident reporting.
 - Defining information classification and data access control principles, combined with regular backup checks and cybersecurity incident remediation procedures.
- ◆ Adopting a "zero tolerance" cybersecurity principle to strengthen control over sensitive data handling and anomaly behavior tracking, while continuously expanding monitoring technologies and resources.

Information Security Risk Identification and Control Process

Based on the classification of information assets and the sensitivity of operations, The Company has progressively established an information security risk identification and control process, integrating information security risk management into the overall corporate risk governance framework. Adhering to the principles of "prevention first, real-time monitoring, and continuous improvement," and following the ISO 27001 management system, The Company strengthens risk control and incident response capabilities.

The identification and control of information security risks are primarily executed jointly by the IT Department and dedicated cybersecurity personnel. Risk inventories and asset

classification are regularly conducted according to operating systems, data types, and business dependency levels:

- ◆ Annual inventory of information assets, covering endpoints, servers, cloud storage, and cross-department shared folders
- ◆ Risk assessment indicators include system availability, data confidentiality, operational dependency, and external connection risks
- ◆ Inventory results are incorporated into the annual audit plan and improvement initiatives, with external consultants providing recommendations for system updates

Information Security Risk Management	<ul style="list-style-type: none"> ■ Formulation of information security policies and regulations ■ Assessment of information security risks and establishment of control mechanisms ■ Investigation and identification of information security incidents
Information Security Management	<ul style="list-style-type: none"> ■ Planning of information security architecture and project execution ■ Evaluation and implementation of information security solutions
Information Security Audit	<ul style="list-style-type: none"> ■ Development and execution of information audits and remediation measures ■ Information security awareness training, regulatory compliance, and case analysis ■ Evaluation, implementation, and maintenance management of information logging and audit equipment

Information Security Protection Measures

For identified high-risk information assets, the Company has implemented multiple cybersecurity protection technologies and control measures. These measures will be continuously reviewed on a rolling basis according to risk monitoring results and external threat trends, and incorporated into the annual information security enhancement plan to strengthen overall information resilience.

Protection Aspect	Measures and Description	Primary Management Objective
Backup Management	Establish enterprise-level backup systems with regular data backups and restoration tests	Reduce risks of ransomware attacks and data loss
Anomaly Monitoring	Implement real-time anomaly alert and reporting mechanisms, handled by dedicated personnel with record retention	Enhance real-time detection and incident response efficiency
Access Control	Apply account tiering and least privilege principles, regularly review access anomaly logs	Prevent internal misuse or unauthorized data access
Security Incident Response	Develop SOPs for security incident reporting and response, addressing phishing, intrusions, and ransomware attacks	Strengthen standardized incident response processes
Training and Awareness	Conduct phishing email tests, training sessions, and scenario drills	Improve employees' risk recognition and proactive prevention awareness

Information Security Incident Scenarios and Response Strategies

Information security incidents may impact operational stability, customer trust, and corporate reputation. Favite, Inc. regularly assesses potential security scenarios based on practical experience and external reports, establishing response processes and technical safeguards. For scenarios such as ransomware attacks, phishing emails, and system intrusions, the Company has developed standardized handling mechanisms and continuously improves response effectiveness through drills and reviews.

◆ 2024 Security Status

No major security incidents occurred in 2024, indicating that the current security management mechanisms possess fundamental defensive capabilities.

Information Security Incident Risk Scenario Analysis

In accordance with the ISO/IEC 27001 management system, Favite, Inc. conducts information risk assessments to identify security scenarios that may affect operations. The Company categorizes major threat types and develops corresponding protection and response strategies, serving as key foundations for security management and early warning mechanisms.

Information Security Risk Control Measures

Information Security Risk Type	Potential Impact	Corresponding Control Measures
Network Attacks and Malware Intrusion	System paralysis, operational disruption, data leakage	Deploy firewalls and endpoint antivirus with daily automatic virus definition updates
		Implement real-time abnormal traffic monitoring with immediate IT notification
		Conduct annual vulnerability scanning and track remediation
Ransomware and Data Hijacking	Production data unrecoverable, operational interruption	Implement enterprise-level backup system with daily backups and annual disaster recovery drills for core systems
		Configure offsite backup storage for core system databases
		Evaluate deployment of EDR system for endpoint anomaly monitoring
Misuse of Privileges or Internal Data Leakage	Confidential information exposure, internal control failure	Apply least privilege principle, regularly review account and permission usage logs
		Enforce two-factor authentication and abnormal login alert mechanisms
		Conduct annual social engineering tests and employee security training
Third-Party / Supply Chain Security Risks	External penetration causing collateral risks	Contracts require suppliers to pass security audits or hold ISO 27001 certification
		External system access requires application and time-limited authorization

		Regular review of supplier data exchange mechanisms and encryption measures
Personal Data and Privacy Protection Gaps	Employee and customer data leaks, regulatory violations	Establish access control processes and data encryption policies for personal data
		Ensure personnel handling personal data complete annual compliance training
		Implement access log retention and periodic internal audit sampling

Information Security Awareness Training and Education

Information security protection relies not only on technical deployment but also on the participation and risk awareness of all employees. Favite, Inc. continuously promotes an information security education system, strengthening overall organizational defense capabilities through regular training sessions and simulation exercises. In 2024, the Company conducted multiple information security courses covering topics such as information asset protection, network behavior guidelines, and social engineering recognition, helping employees improve their identification and response skills.

The Company enhances employees' information security capabilities through the following measures:

- ◆ General Information Security Training: All employees are required to undergo information security and personal data protection training, with course content adjusted as needed.
- ◆ Developer Security Training: Developers participate in secure coding courses and are allowed to engage in core system development only after passing assessments.

Execution Effectiveness

- ◆ Employee Information Security Training and Awareness: Annual information security training sessions are conducted to ensure all employees understand basic cybersecurity concepts and reduce internal security risks. In 2024, two awareness campaigns were completed, achieving full participation across all employees.
- ◆ Security Drills and Simulated Attacks: In 2024, an external vendor was engaged to perform social engineering simulation tests (e.g., phishing attacks) to assess employee security awareness and promptly improve protective measures. A follow-up exercise is planned for 2025.
- ◆ Security Operations Center (SOC):

The Company has established an enterprise Security Operations Center, leveraging AI-driven monitoring and real-time response mechanisms to enhance defense capabilities and ensure stable and secure system operations.

Awareness and Training Programs	Sessions and Participation
Daily Information Security Awareness Campaigns	2 sessions conducted, with 100% employee coverage.
Onboarding Training for New Employees	2 sessions held; all 14 new employees completed the training (100% completion rate).
Advanced Training for Information Security Personnel	3 sessions completed; 7 personnel trained, with a total of 14 training hours.

Favite, Inc. recognizes the critical role of the supply chain in information security governance. Moving forward, the Company will evaluate, based on actual implementation progress and operational needs, the inclusion of supply chain partners in its cybersecurity training and management mechanisms. Through ongoing communication and institutional design, the Company aims to strengthen mutual understanding of data access and exchange controls, and to establish a preliminary collaborative model for managing cybersecurity risks.

Supply Chain Information Security Management

With the accelerating pace of digital transformation and increasing frequency of inter-organizational data exchanges, supply chain cybersecurity risks have become a key issue in corporate information governance. Favite, Inc. recognizes that the responsibility for information security extends beyond internal operations and must encompass data access and transmission with business partners to ensure the resilience of the entire value chain. Currently, the Company requires information system-related suppliers to sign confidentiality agreements and is gradually establishing access control measures for critical systems and data to mitigate risks such as over-authorization and data leakage. In addition, Favite, Inc. is actively planning to implement a supplier cybersecurity self-assessment system to help partners review their own protection capabilities, enhance awareness and alignment on cybersecurity responsibilities, and use the results as a reference for risk evaluation and future cooperation.

Cybersecurity Protection Measures and Implementation Status

To date, no major information security incidents have occurred. There have been no business disruptions or customer data breaches caused by cybersecurity events, thereby ensuring stable operations and maintaining strong customer trust.

The Company strengthens the availability, integrity, and confidentiality of information assets through a combination of institutional frameworks, technical controls, and personnel management. For the identified critical risks, Favite has deployed the following specific security measures:

Cybersecurity Implementation Performance

Cybersecurity Protection Measures	Description	Status	2024 Implementation Performance
Enterprise-Level Backup System	Backup of core operational systems with off-site, isolated storage to reduce ransomware risks	Fully implemented and regularly executed	Daily backups completed with a 100% success rate
Integrated Cyber Defense System (MDR)	Deployment of modern cyber defense architecture on core systems with real-time anomaly detection	Core systems fully deployed	Zero MDR alerts; average response time for anomalies within 1 hour
Internal and External Cybersecurity Audits	Periodic audits of system operations, account usage, and incident reporting mechanisms	Ongoing	One internal audit and two third-party audits completed; no major deficiencies found
Access Control and Two-Factor Authentication	Implementation of least privilege principle and two-factor authentication to ensure data security	Fully implemented	All cloud and remote systems enabled with 2FA; zero credential or data leakage incidents
Disaster Recovery and System Restoration Drills	Recovery testing and disaster recovery drills for core systems	Tested and continuously enhanced	One off-site recovery drill completed; RTO achieved within 4 hours
Supply Chain Cybersecurity Collaboration	Confidentiality agreements signed with IT vendors; annual cybersecurity audits required	Framework under phased development	Confidentiality agreements signed with 12 key suppliers

To strengthen areas where current systems and technologies remain insufficient, the Company is prioritizing resource assessment and operational feasibility in order to plan subsequent enhancements progressively. At present, the Company is evaluating the feasibility of adopting intelligent monitoring and digital anomaly detection technologies. Based on available resources and external expert recommendations, the Company will adjust its risk control processes and critical system protection strategies accordingly.

On the institutional level, the Company will continue to implement cybersecurity policies and audit requirements, with a focus on strengthening employees’ cybersecurity awareness and proper operational behavior. Regarding external partners, the Company is prudently exploring the inclusion of key supply chain vendors into the initial cybersecurity management framework, aiming to gradually establish fundamental communication protocols and confidentiality control principles as a starting point for enhancing cybersecurity resilience across the value chain in the medium to long term.

1-4.4 Data Privacy and Protection

In the context of digital operations and data-intensive environments, data privacy and personal information protection have become key components of responsible corporate governance. Favite, Inc. complies with the Personal Data Protection Act and aligns with the principles of the ISO/IEC 27701 management system, gradually building a privacy protection framework to ensure that all data processing activities are secure, compliant, and traceable.

Privacy Governance Structure and Responsibility Framework

Cybersecurity and data privacy protection are coordinated by a dedicated cybersecurity unit. At the execution level, responsibilities are assigned as follows:

- The IT department is responsible for system access control, data encryption, backup, and anomaly monitoring.
- The HR department oversees personal data authorization, inquiry, retention, and destruction processes, as well as maintaining audit records.

Institutionally, the Company will implement measures such as personal data classification, access rights review, and anonymization in accordance with operational needs, while conducting regular assessments of personal data collection and retention practices.

Data Governance and Audit Management

To ensure compliance in the management of personal and sensitive information, the Company is progressively establishing a management framework covering access control, data retention, and audit trails. A tiered data handling mechanism is implemented based on data type, usage scenario, and risk level. Through policy design and audit processes, the Company ensures that data access, usage, and disposal align with internal controls and regulatory requirements, thereby mitigating the risks of data leakage and misuse.

Access Control and System Governance

In line with the Personal Data Protection Act and information security principles, Favite, Inc. enforces a least-privilege access policy for confidential and personal data, with access rights dynamically adjusted based on job changes and annual reviews. All physical and digital records are classified and stored according to confidentiality levels. Printed materials are handled only by authorized personnel, while electronic personal data is stored within dedicated systems secured by password protection and user activity logs, enhancing traceability and compliance.

Data Encryption, Protection, and Disposal Mechanisms

To safeguard data confidentiality and integrity during collection, transmission, and storage, the Company has adopted a layered encryption and isolation architecture:

- ◆ Sensitive data is encrypted during both storage and transmission to prevent unauthorized access or leaks.
- ◆ Confidential information is stored in servers protected by MDR (Managed Detection and Response) systems with role-based access control and identity verification.
- ◆ Regular data inventory and disposal procedures are implemented. Expired or unnecessary data is cleared or anonymized to eliminate residual risks.

Third-Party Data Handling and Cross-Department Collaboration

In managing data exchanges with external vendors and across internal departments, the Company follows a “minimum authorization with traceability” approach. External parties must sign a non-disclosure agreement (NDA) before accessing sensitive data, with restrictions on usage duration and data type. Internally, cross-departmental data access requires managerial approval and audit logs to support follow-up reviews and inspections.

Access Audit and Activity Monitoring

All access or downloads involving personal data are automatically logged, with audits conducted by the IT or HR departments to verify permission settings and detect anomalies. Moving forward, the Company will enhance the visualization and automation of access records based on identified risk scenarios, reinforcing the data protection and compliance framework.

A preliminary incident reporting and response process serves as the Company’s foundational mechanism to address cybersecurity risks. Employees are required to report suspected data breaches, abnormal system access, malware attacks, or other security anomalies in accordance with internal procedures.

An instant alert system and cross-functional response workflow ensure that incidents are addressed promptly to minimize potential impacts on operations, data, and stakeholders.

Phase	Responsible Unit / Role	Description
Detection and Initial Reporting	All employees; IT Dept. or Information Security Task Force as the contact window	Employees report abnormal situations, such as suspected data breaches, system anomalies, or phishing emails.
Incident Assessment and Classification	Information Security Task Force	Conducts preliminary classification, records the report, and determines whether the incident constitutes an information security or privacy breach.

Response and Containment	Emergency Response and Incident Reporting Team	Executes appropriate actions based on severity, including isolation, system restoration, escalation to management, or system shutdown if necessary.
Post-Incident Analysis and Improvement	Emergency Response and Incident Reporting Team (RCA); IT Dept. (Follow-up)	Conducts root cause analysis (RCA), recommends corrective measures, and plans for policy or technical enhancements.
Recordkeeping and Reporting	IT Dept.; escalated to senior management or the Board if necessary	Archives incident records and results, includes in annual reports, and integrates into internal audit follow-up mechanisms.

Privacy Management Performance

In 2024, the Company's privacy management performance is as follows:

- ◆ **Data Leakage Incidents:** No data leakage incidents occurred, achieving zero violations throughout the year.
- ◆ **Privacy Compliance Reviews:** No violations were identified during internal audits and external reviews.

	2022 Performance	2023 Performance	2024 Performance
Number of Personal Data Security Incidents	0 cases (maintained zero data leakage record)	0 cases (maintained zero data leakage record)	0 cases (maintained zero data leakage record)
Employee Privacy Awareness Training Coverage Rate	100%	100%	100%
Social Engineering Phishing Email Click Rate	-	-	Evaluation plan in progress, scheduled for implementation in 2025

The Company continuously enhances its capabilities in managing personal data and confidential information through systematic framework development, technology implementation, and employee awareness improvement. Currently, established control mechanisms cover data classification, access permissions, audit trails, as well as retention and destruction procedures. These are integrated with internal training and fundamental audit operations, serving as the foundation for mitigating information risks.

However, the Company is fully aware that its data governance and privacy protection system still requires significant improvements. Whether in terms of policy completeness, practical enforcement, or horizontal collaboration mechanisms, ongoing adjustments and reinforcements remain necessary. Moving forward, the Company will prudently evaluate the adoption of data processing tools featuring automated identification, encryption, and de-identification capabilities, aligned with operational needs and regulatory trends. Additionally, the Company will continuously monitor the development and feasibility of emerging technologies such as zero-trust architecture and blockchain applications.

1-4.5 Disaster Risk Management

In response to the long-term trend of natural disaster risks, Favite, Inc. progressively strengthens its disaster risk identification and response management as a critical safeguard to ensure employee safety, operational stability, and facility integrity.

Disaster Risk Management Framework

Although the Company has yet to fully establish a comprehensive disaster risk classification analysis and formalized disaster response framework, it has leveraged site experience and industry standards to gradually advance evacuation drills, disaster preparedness equipment deployment, and offsite backup mechanisms, thereby laying the groundwork for preliminary disaster protection procedures:

Key Disaster Scenarios

Disaster Risk Type	Potential Impact	Initial Response Mechanisms and Contingency Measures
Earthquake	Employee injury, structural damage to facilities, production interruption	Establish evacuation routes, conduct regular fire and earthquake drills, perform seismic inspections and reinforce buildings
Flooding/Inundation	Equipment damage, power outage, system downtime	Install drainage systems and pumps, equip critical machinery with protective measures, allocate backup power and temporary equipment
Fire	Property loss, supply chain disruption, operational halt	Deploy sprinkler systems and smoke detectors, promote escape training and emergency communication drills
Epidemic Spread	Workforce shortage, supply interruptions, employee health risks	Implement health monitoring, establish remote work policies, manage epidemic prevention supplies and stagger work shifts

Disaster Recovery and Business Continuity Processes

To enhance disaster response flexibility and business continuity, the Company continues to strengthen its disaster prevention systems and foundational infrastructure. Current progress includes the following measures:

- ◆ **Backup Mechanism:** In addition to daily offsite backups of core system databases, the Company has completed an inventory of critical in-factory spare parts and is gradually establishing backup power and compressed air systems.
- ◆ **Communication and Emergency Roles:** A cross-departmental disaster contact roster and emergency response teams have been established. Standard operating procedures (SOPs) and role assignments have been defined for post-disaster scenarios such as work stoppage, personnel redeployment, and production line assessments.
- ◆ **Physical Response Infrastructure:** All sites are equipped with emergency equipment, evacuation signage, and backup lighting, with regular inspections conducted. Critical

production lines are fitted with seismic, waterproofing, and emergency shutdown protection mechanisms.

- ◆ **Drills and Training:** Comprehensive evacuation and fire drills are conducted annually. Future plans include incorporating earthquake evacuation and post-quake resumption simulations to strengthen preparedness and operational familiarity.

Currently, the Company's overall post-disaster recovery system and emergency response procedures remain in the planning and continuous improvement phase. Moving forward, the Company will progressively assess the development of an integrated disaster management framework that encompasses both digital and physical operations—focusing on key areas such as IT system backup, production line recovery, personnel communication, and resource coordination. This aims to enhance organizational resilience and ensure business continuity in the face of unexpected disruptions.

Chapter 2: Advancing Toward a Greener Future

2-1 Climate Change Response Actions

Amid escalating global climate risks and growing pressures for net-zero transitions, the integration of climate-related factors into business decision-making has become a critical issue. Favite, Inc., adhering to a prudent and practical approach, is progressively establishing a climate risk governance framework and a greenhouse gas (GHG) management system. In reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Company has begun implementing governance structures, risk identification processes, target-setting, and responsive measures.

In 2023, Favite completed its first GHG emissions inventory and initiated the identification of climate-related risks and opportunities—marking its first step toward institutionalized climate action. Moving forward, the Company will continue to map emissions hotspots, assess decarbonization pathways, and establish medium- and long-term climate goals to enhance operational resilience and competitiveness under climate transition scenarios.

Four Pillars	Organizational Response and Management Strategy
Governance	<p>The Company has established a Sustainability Task Force under the Board of Directors to serve as a key supervisory body in advancing climate-related and sustainability governance. The Task Force is responsible for reviewing corporate sustainability policies, managing climate-related risks and opportunities, and overseeing GHG management, resource efficiency, environmental compliance, and ESG performance implementation.</p> <p>To ensure the execution of sustainability policies, cross-functional task teams led by departmental heads are formed to handle climate-related data collection, target progress, stakeholder communication, and sustainability report preparation, with regular updates provided to the Sustainability Task Force.</p>
Strategy	<p>Climate-related risks and opportunities are categorized by timeframe: short term (within 1–3 years), medium term (3–5 years), and long term (over 5 years). The Company has formulated a Climate Change Policy to serve as the highest-level guiding principle in responding to climate change and plans to develop a low-carbon reduction roadmap to support its strategic direction.</p> <p>Following the TCFD framework, the Company analyzes the impacts and contributions of climate-related risks and opportunities on its operations.</p>
Risk Management	<p>The Sustainability Task Force coordinates preliminary climate risk identification and likelihood assessments with each department. For high-relevance topics such as power price volatility, energy taxes and carbon fees, and extreme weather impacts on facilities, the Company is formulating management mechanisms and countermeasures.</p> <p>Although a comprehensive quantitative model is not yet in place, the Company intends to gradually adopt risk-tiering and critical scenario testing based on industry practices.</p>

Metrics and Targets	The Company has not yet established formal climate-related KPIs. However, it has begun collecting internal data on energy consumption, water usage, key materials, and waste generation as resource efficiency indicators. Moving forward, the Company plans to implement organizational-level carbon accounting (based on ISO 14064-1:2018) and identify emission hotspots, with the goal of setting long-term targets for energy use, GHG emissions, energy savings, and circular resource utilization by 2025.
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2-1.1 Governance

In response to the transition pressures and physical risks posed by climate change, Favite, Inc. has gradually integrated climate-related issues into its corporate risk governance framework. At the Board level, a Sustainability Committee has been established as the highest supervisory body for climate-related matters. It is responsible for reviewing climate policies, overseeing GHG management performance, and monitoring the implementation of response strategies. The Sustainability Task Force acts as the executive body, led by senior management, to coordinate cross-departmental actions and data integration. The Task Force reports to the Board at least once annually on the progress of sustainability and climate-related initiatives. Multiple task teams operate under the Task Force, addressing climate-related topics from various dimensions such as environmental management, workforce readiness, product design, and regulatory compliance. This structure enhances cross-functional participation and supports the integration of climate risks into operational processes:

Unit / Level	Responsibilities
Board of Directors	<ul style="list-style-type: none"> ■ Ultimate decision-making authority for climate-related risk governance ■ Responsible for reviewing and approving climate strategies and management policies ■ Regularly oversees the Sustainability Committee and monitors progress on climate-related initiatives
Sustainability Task Force	<ul style="list-style-type: none"> ■ Led by senior executives, responsible for coordinating the Company's sustainability and climate-related agenda ■ Functions as the executive hub for climate governance through cross-departmental collaboration ■ Reviews major sustainability issues, climate risk countermeasures, and GHG management performance ■ Reports annually on climate and sustainability progress to the Board of Directors
Environmental Sustainability Team	<ul style="list-style-type: none"> ■ Assists in identifying climate-related topics (e.g., GHG emissions, energy conservation, water resource management) ■ Provides baseline data and departmental feedback to support risk identification and management ■ Offers recommendations on supplier environmental requirements and external climate disclosure trends ■ Assesses potential climate-related impacts on supply chain relationships
Corporate Social Responsibility Team	<ul style="list-style-type: none"> ■ Evaluates the potential risks of extreme weather events on employee health, safety, and workforce planning ■ Supports the development of flexible workplace response systems (e.g., remote work or workforce segregation) ■ Promotes internal training and communication on climate-related workplace issues
Sustainable Product Design Team	<ul style="list-style-type: none"> ■ Assesses the impact of climate trends on product design requirements and risks ■ Promotes low-carbon, energy-efficient, and sustainable material design approaches ■ Supports innovation in low-carbon product strategy and R&D integration

Corporate Governance Team	<ul style="list-style-type: none"> ■ Collects data on climate-related policies, regulations, and market developments ■ Assists in evaluating the potential impacts of climate issues on operating costs, supply chain, and investment decisions ■ Provides the Sustainability Task Force with decision-making data and preliminary risk analysis
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Through a top-down governance mechanism and a cross-departmental collaboration platform, the Company is able to simultaneously advance strategic planning, risk response, and implementation efforts in climate-related matters, progressively establishing a more systematic approach to climate governance.

2-1.2 Risk and Opportunity Strategy

Favite, Inc. continues to enhance the identification and management of climate-related risks and opportunities in line with the TCFD (Task Force on Climate-related Financial Disclosures) framework. In 2024, the Sustainability Task Force convened various departments to build upon prior efforts, conducting climate scenario mapping and risk identification across short-term (1–3 years), medium-term (3–5 years), and long-term (over 5 years) horizons. The exercise also included consolidating the potential severity of impacts and corresponding management strategies.

Although a comprehensive climate scenario analysis and financial quantification model has not yet been implemented, the Company completed its second organizational GHG inventory in accordance with ISO 14064-1:2018 and is gradually expanding data collection for Scope 3 emissions. Moving forward, the Company will continue to develop medium- and long-term climate action pathways through internal evaluation and external consultant support, and establish traceable and consistent risk indicators and disclosure processes to serve as the foundation for carbon governance and decision-making.

Time Horizons for Climate-related Risks and Opportunities

Time Horizon	Period	Strategy
Short-term	1-3 years	Establish a management framework for climate-related issues by identifying data sources and assessing current energy and resource use. Promote GHG inventory initiatives and preliminary risk assessments to build foundational climate resilience.
Medium-term	3-5 years	Expand the scope of the carbon management system, enhance energy efficiency across the supply chain and facilities, implement climate risk adaptation measures, and integrate these efforts into overall ESG performance management.
Long-term	Over 5 years	Develop low-carbon transition strategies and climate-related investment plans, strengthen disclosure systems, and enhance disaster-resilient infrastructure to align with long-term net-zero transition pathways.

In accordance with the TCFD framework, Favite, Inc. continues to systematically identify and preliminarily assess the potential physical and transition risks posed by climate change. The

Company references both internal and external climate scenarios, stakeholder concerns, and operational characteristics to determine potential impacts. This evaluation covers key stakeholder groups including employees, customers, suppliers, and investors. It classifies potential direct and indirect impacts caused by various types of risks—such as extreme weather events, regulatory changes, and sustainable supply chain demands—as a critical reference for future climate adaptation and response strategies.

Analysis of Climate-Related Risks

Item	Type	Boundary /Entity	Risk	Impacted Stakeholders				
				Emp.	Cust.	Supplier s	Shareholder s /Investors	Governme nt Agencies
High temperature and heatwaves	Physical Risk – Long-term	Equipment, Personnel, Packaging, Products	Rising temperatures due to climate change increase cooling system load, causing higher equipment failure rates and increased air conditioning energy costs; long-term heat may deform packaging and affect product stability, raising maintenance and disposal costs.	●	●	○	●	○
Earthquake and structural disasters	Physical Risk – Immediate	Facilities, Equipment, Personnel, Products, Logistics	Earthquakes cause facility damage, work stoppage, power outages, personnel injuries, product damage, and transport disruptions, affecting overall operations and delivery schedules.	●	●	●	●	○
Humidity and mold	Physical Risk – Long-term	Equipment, Products, Facilities	High humidity leads to moisture damage of machinery and packaged products, impacting production stability and product quality.	●	●	●	○	○
Carbon regulation and compliance costs increase	Transition Risk – Regulatory/ Policy	Company, Employees, Products	Introduction of carbon taxes, carbon footprint disclosures, and sustainability reporting regulations increases carbon accounting burden and operational costs; requires establishing ESG task force.	●	○	○	●	●
Customer and market carbon emission disclosure requirements	Transition Risk – Market/ Technology	Company, Customers, Processes, Products	Customer or market demands for ESG and carbon emission data, failure to comply may lead to loss of orders; requires investment in system setup, inventory, and management.	○	●	○	●	●
Lack of green processes and low-carbon equipment	Transition Risk – Technology	Company, Processes, Equipment	Existing processes fail to meet customer carbon reduction needs; products cannot help users reduce water, electricity, or energy consumption, risking order loss.	○	●	○	●	○
Reputation and greenwashing risks	Transition Risk – Reputation	Company, Customers	ESG disclosures inconsistent with actual practices or insufficient response may cause market and investor distrust, damaging brand image and leading to legal risks.	○	●	●	○	●
Pandemic and infectious	Physical Risk – Long-term	Employees, Supply Chain,	Pandemics cause workforce shortages and unstable supply, causing delivery	●	○	●	○	●

disease impacts		Materials, Logistics	delays, increased raw material costs, and possible operational interruptions.					
Typhoon risk	Physical Risk – Immediate	Facilities, Equipment, Materials, Personnel	Strong winds may damage roofs, break windows, topple machines, cause power outages disrupting equipment operation, and hinder employee commute, affecting production capacity and delivery.	●	●	●	●	○
Heavy rain risk	Physical Risk – Immediate	Facilities, Roads, Logistics, Materials, Personnel	Intense short-term rain may cause flooding of external roads, interrupt transport, delay employee commute and logistics, affecting delivery schedules and increasing breach of contract and complaints risk.	●	●	○	○	●
Flooding risk	Physical Risk – Immediate	Facilities, Underground Warehouses, Equipment, Products, Power	Poor drainage or surrounding area flooding entering factory damages critical equipment, ruins finished and semi-finished products, and may cause complete shutdown.	●	●	●	●	○
Heavy rainfall risk	Physical Risk – Immediate	Facility Perimeter Structures, Foundations, Storage	Continuous rain causes water seepage in foundations and increased storage humidity, affecting structural stability and causing material moisture damage; neglect may cause subsidence or mold.	○	○	●	●	●
International regulatory upgrade pressure	Transition Risk – Regulatory/ Policy	Company, Products	EU CBAM, REACH, and US-China trade carbon regulations may cause export customs or tariff barriers or buyer rejections due to non-compliance or insufficient data disclosure.	○	●	○	●	●
FSC disclosure requirements tightening	Transition Risk – Regulatory/ Policy	Company, ESG Responsible Unit	Taiwan FSC requires listed companies to disclose more climate and sustainability information (e.g., ISSB); incomplete data processes may lead to compliance risks and reputational damage.	●	○	○	●	●
Carbon credit and carbon fee market uncertainty	Transition Risk – Market	Company, Finance, Product Lifecycle	Carbon pricing uncertainty and expected increases in Taiwan and international carbon markets may increase mid-to-long-term operational costs and pricing risks, impacting negotiations with international clients.	○	●	○	●	●
Supply chain ESG transparency pressure	Transition Risk – Reputation	Company, Suppliers, Customers	Key customers require supplier ESG evaluations or carbon footprint disclosures; failure by suppliers or company to comply risks order loss.	○	●	●	●	○
Delayed green product development	Transition Risk – Technology	Product Development, R&D Center	Lack of low-carbon or recyclable design strategies may cause loss of green market competitiveness and failure to meet international major buyer procurement requirements.	○	●	○	●	○
Multiple ESG ratings pressure	Transition Risk – Reputation	Corporate Governance, Compliance, ESG Teams	Low ESG ratings (e.g., MSCI, FTSE4Good, CDP) may result in exclusion from institutional investor portfolios and negatively affect credit terms and financing.	○	○	○	●	○
Insufficient ESG disclosure leading to reputation risk	Transition Risk – Reputation	Corporate Governance, Brand, Customer Relations	Discrepancy between sustainability disclosures and actual implementation or slow responses may cause greenwashing accusations, loss of customer trust, brand damage, and order losses.	○	●	●	●	●

Increasing competition for sustainability talents	Transition Risk – Market	HR Department, Senior Management	Rising demand for ESG, carbon management, and green engineering talents; lack of systematic talent development or attractive career paths may weaken future transformation capability.	●	○	○	○	○
Social opinion and employee value shift	Transition Risk – Reputation	Company, Customers	Ineffective internal sustainability culture communication may lead to employee turnover and social criticism, weakening corporate culture cohesion and attractiveness.	●	●		●	
Low ESG ratings or company evaluations by media or investment institutions	Transition Risk – Reputation	Company, Customers	Should ESG ratings from agencies such as MSCI and CDP be adversely low, Favite, Inc. may face diminished competitiveness in investor assessments and capital markets, potentially affecting its ability to secure funding and credit facilities.	●	●	●	●	●
Public scrutiny due to lack of proactive ESG and climate action	Transition Risk – Reputation	Company, Customers	Lack of proactive disclosure or action may cause greenwashing accusations and loss of market and order trust.	●	●	●	●	●
Customer demand for supply chain ESG/carbon data	Transition Risk – Market	Company, Customers	Increasing end-customer demands for full supply chain carbon footprints and ESG indicators; failure by company or suppliers may affect order acquisition.	●	●	●	●	●
Legal and reputation risks if disclosure differs from actual practice	Transition Risk – Reputation	Company, Customers	Misleading ESG disclosures may result in false advertising and consumer protection disputes, damaging company credibility and legal liabilities.	●	●	●	●	●
Earthquake	Physical Risk – Immediate	Facilities, Personnel, Equipment	Frequent earthquakes in Taiwan may topple optical inspection equipment, disrupt testing, damage structures, delaying delivery and risking personnel safety.	●	●	○	○	○
Air pollution	Physical Risk – Long-term	Employee Health, HVAC Maintenance	Poor air quality increases air conditioning maintenance costs and affects employee health and workplace safety, indirectly impacting operational stability and productivity.	●	○	○	○	●
Customer carbon reduction specifications and requirements	Transition Risk – Technology	Customers	Failure of existing equipment to help customers achieve energy and carbon reduction may exclude company from green procurement lists, causing revenue loss.	●	●	●	●	○
FSC sustainability report requirement	Transition Risk – Regulatory/ Policy	Company	As Taiwan FSC strengthens sustainability disclosure, increased resource input is needed for climate risk and carbon emissions inventory, raising compliance and operational costs.	●	●	●	●	●

Table: Risks Identification

Analysis of Climate-Related Opportunities

In addition to risk management, the Company has also identified potential positive opportunities brought by climate change. The following opportunity identification table outlines how each opportunity may contribute to the Company's long-term operational resilience and create value for stakeholders.

Item	Type	Boundary /Entity	Opportunity	Impacted Stakeholders				
				Emp.	Cust.	Suppliers	Shareholders /Investors	Government Agencies
Development of energy-saving AOI for chip packaging processes	Product/Service	Company, Customers	Improves equipment efficiency and shortens inspection time to meet more stringent client demands; reduces process defects and associated raw material/energy consumption, generating environmental and cost benefits.	•	•	○		
Reuse of recovered components	Resource Efficiency	Company	Collaborates with academia by donating recovered components, enhancing corporate image and recruitment attractiveness. Modular design and replaceable maintenance strategy lower raw material costs and reinforce circular economy practices.	•				•
ESG-oriented product R&D	Product/Service	Company	Develops AI-integrated, energy-efficient equipment capable of carbon footprint tracking, including YMS modules to monitor process emissions, enhancing product value and ESG alignment.	•	•	•	○	○
Development of energy-saving AOI for chip packaging processes	Product/Service	Company, Customers	Reduces direct material scrapping caused by process defects, thereby conserving raw materials and energy. This not only lowers costs for customers but also contributes positively to environmental sustainability.	•	•	•	○	
AI defect classification model to reduce rework and waste	Product/Service	Company, Customers	Advanced AI models reduce misjudgment-induced scrap and unnecessary rework, conserving materials and energy, improving yield, and minimizing environmental impact.	•	•	○	○	
Precision inspection opportunities for Micro LED processes	Market	Company, Suppliers, Customers	Supports commercialization of Micro LEDs with higher luminous efficiency and lower energy use compared to conventional displays.	•	•	○	○	
Access to green financing and government subsidies	Resource Efficiency	Company, Customers, Government	Develops new inspection technologies eligible for public funding, accelerating mass production and enhancing energy efficiency.	•	○	○	○	•

Supplier sustainability evaluation system	Resilience	Company, Suppliers, Customers	Enables ESG performance monitoring across the supply chain, supports mutual cost reduction, improves efficiency, and fosters compliance with customer ESG expectations.	●	●	●	○	○
Recycled production waste	Resource Efficiency	Company	Implements waste sorting and reuse to reduce final waste volume, lower treatment costs, and unlock secondary material value, reinforcing circular economy credentials.	●	○	○	○	○
Improving operational resource efficiency	Resource Efficiency	Company	Applies green materials, efficient workflows, and office/factory conservation measures (energy-saving, water management, recycling), reducing environmental footprint and costs.	●	○	○	○	
Process energy optimization	Resource Efficiency	Equipment Design, Manufacturing, QA Units	Enhances modularity and system efficiency, reduces energy/material consumption, and shortens testing time to minimize energy use.	●	●	○	●	●
Water and electricity conservation	Resource Efficiency	General Affairs	Installs water-saving devices, lighting sensors, and automated HVAC shutdown to reduce resource consumption.	●				
Improve customer yield	Product/Service	Sales, Customer Service	Helps clients increase process yield and reduce waste.	●	●	○		
Adoption of TCFD and alignment with ISSB disclosure standards	Resilience	Board, CSO, Sustainability Team	Systematically adopting climate-related disclosure frameworks (such as TCFD and ISSB S2) can reduce reputational risks, enhance investor confidence, and facilitate alignment with global capital market standards.	○	○	○	●	●
Adoption of solar and green energy	Energy Source	General Affairs, Facilities, Carbon Management Team	Installs rooftop solar or purchases T-RECs to reduce carbon emissions, respond to RE100, and potentially benefit from subsidies or power discounts.	○	●	○	●	●

Table: Opportunities Identification

2-1.3 Risk Management

In 2024, the Company's risk management efforts focused on addressing both physical and transitional risks associated with climate change. By incorporating insights from business units and management, the Company initiated a cross-functional, preliminary risk assessment and response strategy. Despite limited internal resources, efforts continued to enhance risk identification, communication, and initial response capabilities, laying a foundational framework for advancing climate governance and promoting sustainable development.

Risk and Opportunity Identification Process

To systematically grasp the impacts of climate change on operations, Favite, Inc. has designed a risk and opportunity identification mechanism based on the TCFD framework as a fundamental process for managing climate-related issues. Through the operational processes implemented in 2024, the Company was able to preliminarily identify potential climate risks and emerging market opportunities affecting its operations, and accordingly develop initial response strategies to mitigate impacts and enhance resilience.

The overall process is divided into five key stages, facilitating systematic advancement in risk assessment, departmental coordination, and strategic planning, while serving as a basis for informed decision-making.

Step	1	2	3	4	5
Process	Topic Identification	Interviews/Workshops	Analysis and Prioritization	Integration into Decisions and Actions	Ongoing Monitoring and Dynamic Adjustment
Description	Sustainability committee members and department heads identify climate-related risks and opportunities that may impact business operations.	Gather insights and recommendations from sustainability committee members and department heads on the identified risks and opportunities.	Assess and prioritize the risks and opportunities based on their potential level of impact.	Incorporate the identified risks and opportunities into the Company's sustainability report, and continuously monitor and update as needed.	Conduct regular reviews of changes in climate-related risks and opportunities, and periodically report on risk management progress to the Board of Directors and stakeholders.
Step	Analyze literature and research reports Conduct internal discussions across departments to collect relevant data Develop a preliminary list of potential risks and opportunities	Through cross-functional meetings, expert interviews, and discussions with the supply chain, further explore the potential impacts of each risk and opportunity, while incorporating feedback from various stakeholders.	Focus on those deemed to have medium-to-high significance and require priority management.	Integrate into the sustainability report. Monitor changes in risks and opportunities. Report progress and updates to management.	Establish a review mechanism to ensure the effectiveness of risk management and response strategies. Report climate risk management updates to the Board of Directors on a regular basis.

Table: Risk Identification Process

The following table outlines the Company's response strategies for these key medium-to-high climate risks, along with concrete performance outcomes achieved in 2024.

Time Horizon	Risk Issue	Impact Area	Impact Description	Impact Level	Financial Impact	2024 Response Strategies
Short-term	Rising Compliance Costs from	Operations	Stricter carbon regulations may significantly increase energy costs, thereby	High	Increased operating and compliance costs may compress profit margins and put	Gradually introduce high-efficiency equipment to reduce energy consumption and carbon

	Carbon Regulations		impacting production expenses.		pressure on short-term cash flow. However, successful transformation could bring stable returns in the long term.	emissions. Develop low-carbon or environmentally friendly products to meet market demands and enhance competitiveness.
		Business	Failure to adapt swiftly to regulatory changes may undermine customer confidence and result in loss of orders.			
Short-term	Customer Requirements on Carbon Reduction / Emissions Data	Operations	Requires establishing or upgrading internal systems to collect, analyze, and manage ESG and carbon emission data. Collaboration with upstream and downstream partners is also necessary.	High	Investment in data management systems, carbon emission calculation tools, and third-party certification services is required. Failure to meet customer requirements may result in the loss of key customers and market orders, affecting revenue stability.	Implement data collection and analysis tools to ensure the accuracy and transparency of carbon emission data. Engage professional third-party organizations for carbon emission data verification and ESG compliance certification to enhance data credibility.
		Business	Inability to provide compliant ESG/carbon disclosures may lead to loss of customer trust and business opportunities.			
Short-term	FSC Mandate on Sustainability Reporting	Operations	Comprehensive ESG data collection may increase internal administrative burdens.	High	Preparing the sustainability report requires additional resources, including the establishment of data management systems, consulting fees, and internal manpower costs. More funding is needed to comply with sustainability-related regulations and standards.	Establish a cross-departmental project team responsible for collecting and organizing ESG-related data, ensuring timely progress in report preparation. Hire professional consultants to assist in drafting the first sustainability report and provide guidance to ensure compliance with the Financial Supervisory Commission (FSC) requirements.
		Business	Public disclosure of ESG performance may expose gaps in sustainability practices, affecting reputation.			
Medium - to Long-term	Earthquake and Structural Hazards	Operations	Natural disasters may damage facilities and halt production; employee safety may be at risk.	High	Damage to equipment and facilities, along with repair costs, will significantly increase operating expenses. Production halts and order delays may lead to short-term revenue decline.	Conduct earthquake disaster drills and transfer risks through insurance, while proactively communicating and coordinating with customers in advance.
		Business	Disruptions to supplier operations may delay raw material procurement, impacting order delivery and client satisfaction.			
Medium-term	Supply Chain ESG Transparency Pressure	Operations	Increased internal workload from collecting and disclosing supply chain ESG data.	Medium	Investment in ESG data management systems and third-party certification services is necessary. Failure to meet ESG transparency requirements may lead to the loss of key customers and affect revenue stability.	Set up a dedicated team to monitor ESG data throughout the supply chain and provide regular reports. Collaborate with supply chain partners to jointly develop ESG standards.
		Business	Customers may demand higher ESG transparency, and inability to comply may result in lost orders or trust.			

Medium - to Long-term	Pandemic and Infectious Disease Impacts	Operations	Illness and isolation may disrupt workforce availability; additional resources needed for health and safety measures.	Medium	Production or logistics disruptions may cause order delays or cancellations, resulting in short-term revenue decreases. Epidemic prevention expenses (such as protective equipment and testing costs) will increase operating costs.	Develop and implement a comprehensive epidemic prevention plan, including regular disinfection, health checks, and provision of protective equipment. Cooperate with multiple suppliers to establish a diversified supply chain.
		Business	Market demand fluctuations and logistics disruptions may impact delivery and product viability.			
Short-term	Flooding Risk	Operations	Collaborate with multiple suppliers to establish a diversified supply chain; power outages, traffic disruptions, or employee absenteeism may directly interrupt production processes.	Medium	Damage to facilities and equipment, as well as repair expenses, will significantly raise operating costs. Production and logistics interruptions may cause order delays or cancellations, impacting short-term revenue.	Construct flood barriers, drainage systems, and pumping equipment around factories and warehouses to reduce flood risks. Regularly inspect and maintain drainage systems to ensure normal operation during heavy rain events.
		Business	Failure to deliver products on time could lead to customer dissatisfaction or order cancellations.			

Table: Risk Impact Assessment

Opportunity Capture

In response to climate change and the global sustainability transition trend, Favite, Inc., although primarily engaged in office-based R&D and equipment sales, actively seizes potential opportunities arising from policy guidance, customer demands, and industry-wide decarbonization efforts. The Company assesses existing products and internal processes to evaluate how related technologies can support downstream customers in energy saving, carbon reduction, or yield improvement, thereby creating product value aligned with sustainable development.

Currently, the Company focuses on enhancing equipment energy efficiency, developing inspection solutions that support low-carbon processes and intelligent control, and strengthening participation in customers' green supply chain evaluations and external information disclosure to gradually build brand trust and market recognition. Moving forward, the Company will continue to adjust its response strategies based on regulatory developments and customer sustainability requirements, promoting promising green applications and R&D directions without increasing operational burdens, thus steadily engaging in the net-zero transition trend.

The following outlines the key opportunities identified:

Time Horizon	Opportunity Issue	Impact Area	Impact Description	Impact Level	Financial Impact	2024 Response Strategies
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Short-term	AI Defect Classification Model to Reduce Scrap and Rework	Operations	Replacing traditional manual inspections, significantly improving inspection efficiency and reducing material, labor, and time costs associated with scrap and rework, thereby further optimizing production processes.	High	Reduced scrap and rework rates directly lower material waste and labor costs, improving unit productivity. Enhanced production efficiency and product quality increase capital utilization and short-term financial returns.	Continuously invest resources to improve the accuracy and speed of AI model recognition, ensuring adaptability to a wider range of products and defect types.
		Business	Higher inspection accuracy and lower defect rates will markedly enhance product quality, strengthening customer trust and satisfaction.			
Short-term	Energy-saving AOI Development for Chip Packaging Process	Operations	Energy-saving designs reduce heat loss and load during equipment operation, extending equipment lifespan and lowering maintenance and replacement costs.	High	High-efficiency inspection technology reduces reliance on manual inspection, lowering labor costs. Energy-saving AOI technology can be commercialized and offered as a product or service to other companies, expanding revenue sources.	Allocate resources to advance R&D for enhanced accuracy, speed, and energy efficiency of the AOI system. Integrate AI and machine learning to improve defect detection capabilities for complex scenarios.
		Business	Energy-efficient AOI technology improves inspection accuracy, ensuring high-quality standards in chip packaging processes. High-efficiency and energy-saving inspection technology will serve as a key selling point for the Company to enter the high-end market, enhancing market competitiveness.			
Short-to Medium-term	Improving Customer Yield	Operations	Providing yield improvement services to customers strengthens customer retention and establishes long-term, stable partnerships.	High	Higher customer yield may lead to increased order volumes and immediate revenue growth. Improved yield also reduces returns, repair costs, and compensation from product defects.	Analyze individual customer production processes and yield challenges, and offer customized technical solutions to help clients rapidly enhance their yield performance.
		Business	Offering specialized services aimed at yield enhancement creates a differentiated service model, boosting market competitiveness.			
Short-to Medium-term	Business Opportunities in Precision Inspection for Micro LED Processes	Operations	Developing precision inspection technology for Micro LED processes enhances the Company's technical capabilities in high-precision inspection, consolidating market advantages.	Medium	Commercialization of Micro LED inspection technologies generates new revenue streams. Precision inspection reduces production loss and enhances product yield, improving overall profitability.	Increase R&D investment in Micro LED precision inspection technologies and develop inspection solutions tailored to diverse application scenarios to meet evolving market demands.
		Business	The broad application of Micro LED technology in the display market offers new business opportunities, expanding the Company's scope.			
Short-to Medium-term	Implementation of TCFD and Alignment with International ISSB Sustainability Disclosure Standards	Operations	Systematic adoption of international standards helps establish a sustainability culture within the Company, promoting employee engagement and action.	Medium	Increase R&D investment in Micro LED precision inspection technologies and develop inspection solutions tailored to diverse application scenarios to meet evolving market demands.	Establish a dedicated team responsible for the implementation and execution of the TCFD and ISSB standards, ensuring the accuracy and consistency of disclosed information. Conduct employee training programs to promote understanding of the TCFD and ISSB frameworks, and enhance
		Business	Aligning with international ISSB standards ensures compliance with global investors' and customers' sustainability disclosure requirements,			

			strengthening international market competitiveness.			organization-wide awareness and engagement on sustainability issues.
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Table: Opportunity Capture Assessment

Greenhouse Gas Emissions

Amid growing global attention on climate change and carbon reduction responsibilities, Favite, Inc. continues to prioritize greenhouse gas management as a key aspect of environmental governance. In 2024, the Company completed its second annual organizational-level greenhouse gas inventory in accordance with the international standard ISO 14064-1:2018. The inventory scope covered major operational sites, including its Hsinchu headquarters, utilizing a carbon management platform for systematic data recording, calculation, and statistical analysis to enhance information transparency and management foundations.

The Company’s business model focuses on research and development, equipment sales, and technical support, with manufacturing operations conducted by external suppliers. Therefore, Scope 1 (direct emissions) sources are limited, primarily consisting of emissions from office lighting, air conditioning, servers, and employee commuting. Scope 2 emissions mainly derive from purchased electricity, representing the company’s primary carbon emission source. Through this inventory, the Company has gained deeper insight into its carbon emission profile and key hotspots, which inform its plans to improve energy efficiency and optimize the carbon footprint in office areas.

Greenhouse Gas Inventory Methodology

Inventory Boundary	The organizational boundary is set based on operational control in accordance with ISO 14064-1:2018 standards and the guidelines from the Environmental Protection Administration (EPA) for greenhouse gas inventory and registration.
Inventory Scope	The inventory follows the seven greenhouse gases defined by ISO 14064-1:2018, including carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF ₆), and nitrogen trifluoride (NF ₃).
Inventory Method and Base Year	The 2023 greenhouse gas emissions for Scope 1 and Scope 2 (categories 1-2) and the newly disclosed Scope 3 emissions (categories 3-6) are calculated following ISO 14064-1:2018. For 2024, an organizational-level greenhouse gas inventory is conducted, with 2024 set as the base year according to international standards. This will serve as the basis for managing and comparing greenhouse gas emissions and performance in subsequent years, ensuring data traceability and consistency.
Calculation Method	The main calculation method is the emission factor approach, as follows: $\text{Activity Data} \times \text{Emission Factor} \times \text{Global Warming Potential (GWP)} = \text{CO}_2 \text{ Equivalent (CO}_2\text{e)}$ All greenhouse gas emission sources include direct and indirect emissions (e.g., purchased electricity with measurable and traceable data), with sources documented.

	<p>The EPA's greenhouse gas inventory registration platform and its emission factors are used, coordinated with the EPA's greenhouse gas policies and referencing the "Greenhouse Gas Management Factor Operation" emission factors for calculation.</p> <p>After selecting emission factors, the results are converted to CO₂e using the GWP values from the IPCC Fifth Assessment Report (2007), with units expressed in metric tons per year.</p>
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Current Status and Risk Analysis of Greenhouse Gas Emissions

In Q4 2024, the Company completed the latest round of organization-level greenhouse gas inventory in accordance with the ISO 14064-1:2018 standard to further understand actual emissions and identify potential climate-related risks.

Category	Inventory Status	Risk
Category 1	Completed	The Company does not operate natural gas boilers or utilize heavy oil or coal; therefore, direct emissions risk is relatively low.
Category 2	Completed	Scope 2 emissions currently represent the primary source of the Company's greenhouse gas emissions.
Category 3~6	Partially Completed	Limited experience in risk assessment methodologies and constrained inventory capabilities; external experts will be engaged to provide further guidance and support in the next phase.

Scope 1 and Scope 2 Greenhouse Gas Emissions

In 2024, Favite, Inc. completed its organizational-level greenhouse gas (GHG) inventory in accordance with ISO 14064-1:2018 and the guidelines issued by Taiwan's Environmental Protection Administration (EPA). The inventory covered the Company's headquarters and focused primarily on direct emissions (Scope 1) and energy indirect emissions (Scope 2). Results indicate that purchased electricity remains the major source of emissions, largely attributed to lighting, air conditioning, servers, and office equipment. Scope 1 emissions primarily stem from fuel consumption by company vehicles and certain air compression equipment. In response to these findings, the Company has initiated an assessment of high-energy-consuming equipment and an evaluation of energy-saving potential. The year 2024 has been designated as the baseline year for carbon emissions management, which will serve as a reference point for future tracking and performance comparisons.

2024 Inventory Results:

Emission Scope	Category	Emissions (metric tons CO ₂ e)	Percentage of Total Emissions (%)	Primary Greenhouse Gases
Scope 1 (Direct Emissions)	Fuel Combustion, Equipment Operation	68.8606	5.01%	CO ₂ , CH ₄
Scope 2 (Indirect Emissions from Energy)	Purchased Electricity Usage	1306.2167	94.99%	CO ₂
Total	Total Emissions	1375.0773	100%	CO ₂ , CH ₄

Greenhouse Gas Emission Reduction Plan

Although the Company operates within a low-emission industry, it continues to promote a prudent and structured carbon management system. Starting in 2024, the Company has launched the following key carbon reduction measures based on the results of its latest GHG inventory:

- ◆ Establishment of a Carbon Management System
- Inventory Framework Development: Completed organization-level GHG inventory in accordance with ISO 14064-1:2018, covering Scope 1 and Scope 2 emissions.
- Baseline Year and Annual Tracking: Designated 2024 as the baseline year. Beginning in 2025, the Company will conduct annual GHG data collection and performance tracking.
- Carbon Data Management Tools: Assessing the feasibility of introducing a carbon management platform to enhance data collection efficiency and visualization.
 - ◆ Energy Optimization in Offices and Production Support Facilities
- Lighting and HVAC Upgrades: Continue replacing outdated lighting with LED fixtures and improving air compressor and HVAC timer control systems.
- Promotion of Low-Carbon Work Culture: Implement electricity-saving reminders, automatic nighttime power shutoff systems in office areas, and an energy efficiency feedback mechanism.
- Employee Engagement and Awareness
- Low-Carbon Behavioral Encouragement: Encourage employees to adopt sustainable habits such as using reusable utensils, reducing paper usage, and choosing green commuting options.
- Climate and Carbon Knowledge Promotion: Periodically promote climate change and carbon reduction knowledge through presentations, digital signage, and internal communications.
- Employee Suggestion System: Encourage staff to propose ideas for energy-saving improvements and monitor implementation progress.

2-1.4 Indicators and Targets

While climate change has become a shared challenge for modern enterprises, Favite, Inc. remains in the early stages of establishing a formal management framework and is steadily advancing relevant initiatives with limited resources. In 2024, the Company completed its

organizational-level greenhouse gas (GHG) inventory and began developing a carbon data management mechanism to enable ongoing tracking.

At this stage, management efforts are focused on foundational aspects such as electricity usage monitoring, emissions data consolidation, awareness-building across departments, external stakeholder responses, and improving the clarity of climate-related disclosures. Moving forward, the Company will continue to refine its management focus in line with regulatory developments and customer expectations. Without imposing excessive internal burdens, the Company aims to progressively expand internal awareness and data coverage, thereby laying the groundwork for a more comprehensive carbon management system.

	Indicator	Target
Carbon Emissions Management	Total GHG emissions (tCO ₂ e/year)	<ul style="list-style-type: none"> Completed the first inventory in 2024 and set 2024 as the base year. Annual inventory updates from 2025 onward; starting in 2026, implement a 2% annual reduction.
Electricity Efficiency	Electricity consumption per unit area (kWh/ping)	<ul style="list-style-type: none"> Implement power monitoring and energy-saving measures in 2025. Target a 3% reduction in unit electricity consumption by 2026.
Climate Risk Management	Climate risk identification and response coverage (%)	<ul style="list-style-type: none"> Completed preliminary risk mapping in 2024. Achieve over 80% coverage by 2026.
ESG Responsiveness	Response rate to ESG questionnaires from clients (%)	<ul style="list-style-type: none"> Establish response procedures in 2024. Achieve 100% client questionnaire response rate by 2025.
Data Transparency	Completeness of sustainability and carbon data (institutionalized)	<ul style="list-style-type: none"> Develop basic data templates and supporting documentation in 2024. Reach 80% data completeness by 2026.

Favite, Inc. continues to monitor the potential impacts of climate change on its business operations. Despite limited internal resources, the Company has gradually initiated foundational climate-related management efforts. In 2024, Favite completed its organizational-level greenhouse gas (GHG) inventory and established a preliminary data consolidation process. Concurrently, the Company began identifying and internally communicating key operational aspects related to energy consumption, carbon emissions, and external climate risks.

As Favite remains in the early stages of institutionalizing climate governance, no aggressive or quantitative targets have been set at this time. Instead, priority has been placed on electricity management, carbon data tracking, risk identification, and transparent disclosure. Moving forward, the Company will continue to refine its actions and areas of focus based on evolving customer expectations, regulatory developments, and internal capacity. These efforts aim to support a pragmatic and steady approach toward climate management and long-term sustainability goals.

2-2 Energy and Resource Management

Although Favite, Inc.’ s operations are primarily office-based and research-oriented, resulting in relatively limited emissions and resource consumption compared to manufacturing enterprises, the Company upholds environmental responsibility as a core operating principle. In 2024, Favite began establishing foundational management frameworks for energy, water, and waste by initiating simplified internal control mechanisms and improvement actions related to electricity use, water consumption, and office waste. These efforts serve as an entry point for broader sustainability practices.

This section is divided into three parts, which respectively describe the Company’ s preliminary practices and implementation outcomes in improving energy efficiency, implementing water conservation measures, and managing waste disposal behavior, serving as the foundation for the gradual advancement of future management systems.

2-2.1 Energy Management

To better understand its energy consumption profile and related GHG emissions, Favite has progressively developed internal mechanisms for recording electricity usage and carbon emissions since 2022, covering major Scope 1 and Scope 2 sources. Following two years of baseline data collection and verification, the Company completed an organizational-level GHG inventory in 2024, which now serves as the reference point for annual tracking and performance comparison. At this stage, Favite focuses on monitoring daily electricity consumption and identifying high-energy-consuming equipment that may significantly impact total emissions. The Company is implementing phased energy efficiency improvements to help mitigate future growth in energy use. The following section summarizes the Company’ s energy usage and emissions over the past three years, serving as a basis for evaluating internal effectiveness and informing future management efforts.

Annual Energy Usage Overview

Item	2023	2024
Total Carbon Emissions in 2024	1461.711 metric tons CO ₂ e (Scope 1 and 2)	1375.077 metric tons CO ₂ e (Scope 1 and 2)
Major Emission Sources	Electricity usage (Scope 2) accounts for the largest proportion, including manufacturing equipment, lighting, and air conditioning systems	Electricity usage (Scope 2) accounts for the largest proportion, including manufacturing equipment, lighting, and air conditioning systems

Energy Efficiency Management Practices

To reduce energy consumption and electricity costs in daily operations, Favite, Inc. prioritizes key power-consuming equipment based on greenhouse gas inventory results, including air compressors, lighting systems, air conditioning, and IT equipment. While large-scale energy system upgrades have not yet been implemented, the Company continues to drive practical and incremental improvements as the foundation for comprehensive energy management.

- ◆ Optimization of Air Compressors and Air Conditioning Systems
 - Replaced some air compressors and dryers with higher-efficiency units to reduce operating energy consumption
 - Implemented zoned air conditioning startup and time-based adjustments to avoid unnecessary operation
 - Included equipment maintenance in regular schedules to prevent efficiency decline and increased energy use
- ◆ Lighting Equipment Upgrades and Usage Guidance
 - Continued replacement of traditional lighting with LED fixtures; upgrades completed in office areas and parts of the plant
 - Coordinated lighting zones and brightness levels with natural daylight, promoting “lights off when unoccupied” practices
- ◆ IT Equipment Procurement and Digital Process Optimization
 - Prioritized procurement of energy-efficient certified products (e.g., ENERGY STAR, EPEAT) such as laptops, monitors, and multifunction devices
 - Promoted online document approvals and digital workflows to reduce printing frequency and energy use of printers
- ◆ Data Center and Backup Power Management
 - Data center utilizes UPS systems and ventilation design to prevent overheating and maintain system efficiency
 - Conducts regular testing of backup generators to ensure stable operation of essential systems during emergencies

Year	Carbon Intensity
2023	0.0034
2024	0.0021

Note: Carbon Intensity = Total Greenhouse Gas Emissions / Revenue

Employee Engagement and Behavioral Guidance

Energy management relies not only on equipment improvements and policy planning but also requires active cooperation and participation in employees' daily behaviors. To gradually build energy-saving awareness, Favite, Inc. promotes cross-departmental communication and on-site management to encourage employees to practice basic energy-saving behaviors and integrate energy conservation concepts into daily workflows.

Current initiatives include:

- ◆ Everyday energy-saving reminders, such as proactively turning off computers and air conditioning before leaving work, promptly switching off lights after meetings, and enabling screen power-saving modes.
- ◆ Visual prompts and signage placed in common areas like pantries and copying rooms to reinforce energy-saving awareness visually.
- ◆ Feedback and participation in improvements, encouraging employees to submit energy-saving suggestions, which are regularly collected and reviewed through suggestion boxes or via supervisors.

Performance Achievements and Future Goals

Although an automated energy management system has yet to be implemented, Favite, Inc. has actively promoted internal energy optimization using feasible measures. In 2024, improvements were made in key energy-consuming equipment and office electricity usage, including:

- ◆ Replacement and simplification of air compressors and refrigeration dryers based on operational frequency and actual demand, expected to reduce annual electricity consumption.
- ◆ Optimization of server rooms and lighting systems, with continuous improvement in air conditioning circulation and heat dissipation design, alongside gradual replacement with low-energy lighting to reduce electricity use during off-peak hours.
- ◆ Based on the 2024 greenhouse gas inventory data, variations in carbon intensity were analyzed to serve as a basis for ongoing monitoring and improvement.

Moving forward, the Company will continuously review and adjust energy-saving strategies according to annual carbon inventory results, focusing on three key areas: data completeness, feasibility of energy-saving measures, and departmental energy awareness. The Company aims to steadily advance energy management and set specific performance indicators after accumulating sufficient management data.

2-2.2 Water Resource Management

Favite, Inc.'s water consumption primarily relies on municipal tap water, with no use of groundwater or alternative backup water sources at its operational sites. Although the overall water usage intensity is relatively low compared to manufacturing industries, the Company continues to implement water-saving measures through daily management and equipment maintenance. In 2024, the total water consumption reached 5,217 cubic meters, an increase of 520 cubic meters compared to 2023. This rise is mainly due to the simultaneous growth in overall operational scale and order volume, which led to increased water demand for office use and equipment operation. Moving forward, Favite, Inc. will continue to optimize internal water usage processes and promote water-saving initiatives under the premise of not compromising operational efficiency, aiming to mitigate the relative dependency on water resources driven by business growth.

Current water resource management focuses on the relocation of the Taihe site, pipeline repairs at the Huanbei site, optimization of cooling tower equipment, and improvements in daily water usage habits. The Company will evaluate, based on practical operational conditions, the introduction of regional water usage monitoring and data recording mechanisms to gradually enhance the traceability and management foundation of water data. This will serve as a basis for promoting water use efficiency and supporting external information disclosure.

Year / Location	Zhubei Headquarters	Taichung Office	Tainan Office	Total Water Consumption (cubic meters)
2023	4410	112	175	4697
2024	4898	116	203	5217

Water Resource Management Measures

Current water demand is concentrated on basic sanitation facilities, cleaning operations, and some auxiliary cooling processes within the plant, with no self-owned wells or high-intensity industrial water sources. To reduce unnecessary water consumption during daily operations, the Company has progressively conducted practical water usage assessments by area since 2023. Through employee advocacy and on-site inspections, efforts have been made to manage water use behaviors and raise water-saving awareness. At this stage, water-saving measures primarily focus on repairing leaks, improving cooling tower efficiency, and guiding usage habits. Going forward, the Company will evaluate the need to establish zonal water

consumption recording or basic monitoring mechanisms as preliminary steps for long-term water-saving management and data disclosure.

Recommendations for Water Resource Management Measures

Management Aspects	Implementation Measures
Basic Water Use Behavior Management	Post water-saving signage in restrooms and pantries (e.g., "Turn off the tap," "Report leaks immediately") Encourage employees to use sensor-activated faucets and reduce water waiting time Cleaning staff to adhere to measured cleaning water usage and avoid leaving water running continuously
Application of Non-Contact Water-Saving Equipment	Installation of push-button faucets in washbasins Installation of pressure-reducing valves in pantries and public restrooms, with further evaluation for aerator installation Gradual upgrade to dual-flush toilets in restrooms
Facility Maintenance and Repair in Plant Areas	Conduct regular inspections of water pipes, valves, and restroom/pantry equipment for anomalies Prevent water loss caused by leaks or prolonged non-repair of aging equipment Evaluate water-intensive areas such as cooling towers and mold washing machines for potential water-saving upgrades
Water Usage Data Recording and Monitoring	Record total monthly water consumption to establish basic usage trend logs Compare water usage changes across years/months to support behavioral improvements Assess feasibility of installing simple sub-meters for zonal management in key floors (e.g., pantry areas, restrooms)
Employee Participation and Cultural Advocacy	Issue internal newsletters promoting low-carbon lifestyle and reduction of disposable items Share water usage knowledge and tips via monthly meetings and ESG communication channels (e.g., Line groups) Establish departmental water-saving rankings or reward programs to enhance participation motivation

Employee Engagement and Awareness Enhancement

The Company recognizes that employee habits in daily water usage are a key factor in achieving effective water resource management. Through on-site observations and continuous internal advocacy, the Company has promoted awareness and behavioral improvements related to water conservation. Key measures include:

- ◆ **Visual Reminders and On-site Notices:** Installing water-saving prompts and simple leak-reporting instructions in pantries, restrooms, and common areas to reduce visual fatigue and improve proactive reporting.
- ◆ **Promotion of Behavioral Changes:** Encouraging practices such as turning off faucets promptly, shortening water usage time, and reducing non-essential cleaning frequency to embed conservation in daily operations.
- ◆ **Encouragement of Reusables and Waste Reduction:** Promoting the use of personal water bottles to reduce the use of disposable paper cups and the demand on water dispensers.

- ◆ Collection of Suggestions and Feedback: The Company is considering the integration of a suggestion box under its ESG mechanism to encourage employees to submit water-saving observations and proposals, which will be referenced in future optimization efforts.

Future Planning and Operational Integration

While the Company has not yet implemented a comprehensive or intelligent water resource management system, it continues to monitor practical approaches adopted both domestically and internationally for water use in office and facility settings. Future efforts will be evaluated based on operational conditions and site-specific characteristics, with planned directions including:

- ◆ Basic Water Usage Recording and Trend Monitoring: Priority will be given to evaluating total water metering and simple zonal flow tracking methods as a basis for anomaly detection and behavioral guidance.
- ◆ Feasibility of Reusing Cooling or Cleaning Water: The Company will review existing equipment and piping configurations to identify opportunities for water recycling and improvement.
- ◆ Preliminary Effluent Quality Review: For non-process water discharge points, the Company will assess site conditions and confirm regulatory compliance.
- ◆ Development of Water Management Indicators: The Company will explore the establishment of tracking metrics such as annual water usage variation rates and per capita water intensity, which may be integrated into its environmental performance evaluation framework.

2-2.3 Waste Reduction and Resource Circulation

In response to increasing resource constraints and heightened environmental awareness, the Company has progressively strengthened its waste classification and disposal management practices, implementing practical measures to improve resource use efficiency. As operations are primarily focused on R&D and office activities, the majority of generated waste is domestic in nature, with minimal industrial process waste. Current efforts focus on basic classification, recycling, and legal disposal through qualified contractors, ensuring that all waste streams comply with applicable regulations and contractual requirements.

The Company has established waste segregation guidelines for both office and facility areas and has engaged certified service providers to carry out compliant disposal. For specific

material streams such as electronic devices and packaging materials, preliminary assessments have been initiated to evaluate recycling feasibility. Moving forward, the Company will continue to refine waste classification and improve data documentation based on waste characteristics and disposal conditions.

Waste Classification Management Measures

To enhance transparency and ensure comprehensive waste management, the Company has adopted the following classification practices tailored to various usage scenarios:

Waste Type	Common Items	Management and Disposal Method	Management Reference
Hazardous Waste	Waste oil mixtures, oil-contaminated rags, cleaning solution residues	Stored and classified in accordance with ISO 14001 and local regulatory standards. Regularly disposed of by licensed hazardous waste contractors with records retained for verification.	ISO 14001, Waste Disposal Act, Local Environmental Regulations
General Industrial Waste	Plastic packaging, cardboard boxes, general metal scraps	Standardized segregation bins implemented for internal and external waste streams. Collected periodically by certified cleaning contractors with recycling registration.	Internal Waste Classification Procedure
Domestic Waste	Mixed waste, cafeteria food scraps, beverage containers	Segregated and inspected daily by cleaning staff by floor zone. Mixed waste and recyclables are processed separately.	Domestic Waste Handling Standards and Internal Guidelines
Metal Processing Waste	Aluminum chips, steel shavings, ground metal blocks	Stored in designated areas within processing zones. Disposal contracted to licensed metal recycling vendors. Weight data recorded for statistical analysis.	Metal Recycling SOP, Authorized Scrap Metal Disposal Agreements
Office Resource Recycling	Printing paper, cardboard, shredded documents, plastic packaging	Recycling bins placed on every floor with periodic announcements on correct sorting practices. Administrative units coordinate external waste removal and reporting.	Administrative Resource Recycling Audit Program
Food Waste & Single-Use Items	Paper cups, plastic cutlery, disposable supplies	Promotion of reusable cups and utensils to reduce single-use items. Designated bins for food waste in cafeterias, collected by assigned units.	ESG Advocacy Policy, Internal Waste Reduction Culture Framework
Wooden Packaging & Pallets	Wooden pallets, cardboard padding	Reuse prioritized. Damaged items are returned to suppliers. Internal system established for pallet registration and movement tracking.	Internal Logistics Packaging and Warehouse Management Procedure

Operational Waste Reduction Practices

Although the Company's operations primarily focus on equipment design and systems integration—with relatively limited waste generation—it has nonetheless implemented the following actions in day-to-day operations to promote efficient resource use:

- ◆ Reusing Packaging Materials
- Foam padding, protective packaging, and cardboard boxes are sorted for reuse during shipments or sample deliveries.

- The Company is assessing the feasibility of centralized storage for recyclable packaging materials to facilitate reuse in subsequent deliveries.
 - ◆ Packaging Improvement Dialogue with Suppliers
- Partner manufacturers are encouraged to reduce single-use packaging and prioritize the use of recyclable or returnable containers.
- Depending on material characteristics, alternatives such as durable plastic bins or reinforced cardboard boxes are being evaluated.
- Engineering staff are encouraged to verify testing parameters in advance to avoid unnecessary scrapping of prototype consumables.
- Test wires, connectors, and mechanical parts that are not strictly single-use are reused as a general principle.
 - ◆ Classification of Discarded Components and Materials
- Designated recycling areas are established in offices and storage areas for sorting cardboard, metal parts, and plastic casings.
- Warehouse personnel periodically review and sort reusable materials to prevent improper disposal of usable resources.
 - ◆ Future Planning
- The Company plans to develop a tracking mechanism for material use and consumable disposal to support waste reduction analysis.
- Over the long term, insights from waste tracking will inform improvements in procurement, testing, and packaging design stages.

Internal Administrative Waste Reduction Culture

Since 2023, the Company has gradually promoted waste reduction initiatives within its internal administrative operations. These efforts begin with daily office workflows and habitual practices, aiming to enhance employees’ awareness and sense of responsibility regarding resource consumption. Although production-related waste is minimal, office activities still involve the use of paper, consumables, food packaging, and meeting supplies. The Company adopts a pragmatic approach to gradually foster a culture of resource conservation and responsible consumption.

Annual Waste Statistics

Year	Total Waste Generated (t)	Recyclable Waste Collected (t)	Hazardous Waste (t)	General Waste (t)	Recycled Metal Waste (t)	Recycling Rate (%)
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2023	17.818	1.195	0	16.59	0.033	6.9%
2024	21.929	3.826	0	18.103	0.185	18.3%

Current Implementation Measures:

- ◆ **Digitization of Documents and Processes:** The Company continues to promote digital workflows, including electronic approvals, internal memos, and meeting documentation, to reduce paper usage. Some departments have fully eliminated the use of paper-based forms.
- ◆ **Centralized Office Supply Management:** A centralized system for applying and distributing stationery and supplies has been implemented to minimize duplicate purchases and stockpiling. Low-consumption items follow a low-inventory and extended-use principle.
- ◆ **Personal Reusables and Waste Reduction in Meetings:** Employees are encouraged to use personal mugs, utensils, and stationery. The use of disposable items during meetings is reduced, with paper cups and bottled water gradually being phased out.
- ◆ **Small-Scale Recycling and Reuse:** Designated sorting areas are established in pantry spaces, printing zones, and workstations to collect used paper, folders, boxes, and packaging materials, which are then centrally redistributed or disposed of appropriately.

Chapter 3: Co-Creating Sustainability Together

3-1 Sustainable Supply Chain Management

Corporate sustainability efforts extend beyond internal operations to encompass responsible supply chain management and partnership strategies. In alignment with the “Sustainable Development Best Practice Principles,” the Company has established the principle that procurement activities should consider the environmental and social impact on supplier communities, and that collaboration with suppliers should promote sustainable development. The Company’s procurement strategy has progressively incorporated sustainability screening criteria. In addition to traditional evaluation factors—such as product quality, lead time, and supplier responsiveness—the assessment now includes environmental compliance, labor conditions, ESG disclosure readiness, and international certifications (e.g., ISO 14001, ISO 9001) as part of the pre-engagement review. This approach aims to avoid over-reliance on suppliers with elevated risk profiles.

3-1.1 Sustainable Supply Chain Strategy

In recent years, in response to growing external expectations regarding environmental and social responsibilities, the Company has gradually integrated sustainable procurement principles into daily operations.

The sustainable supply chain strategy is currently centered around three core areas:

Core Areas of the Sustainable Supply Chain Strategy

Core Area	Description
Localized Supply Chain Development	Prioritize procurement of raw materials and components from suppliers within Taiwan or the Asia-Pacific region to reduce carbon footprint and transportation risks, while enhancing delivery flexibility and regional stability.
Supply Chain Risk Management	Implement dual-supplier and diversified sourcing strategies to mitigate single-source risks; continuously monitor geopolitical and policy fluctuations for potential impacts on imported materials.
Supplier Sustainability Evaluation	Initiate the integration of sustainability criteria for supplier collaboration (e.g., ISO 14001 certification, anti-corruption commitments), and establish short- to medium-term supplier evaluation targets to lay the groundwork for a future ESG assessment system.

Supplier Diversification and Backup Arrangements

Year	Dual-Supplier Procurement (%)	Diversified Procurement (%)	Description
2024	52%	48%	Procurement proportions calculated by monetary value to diversify supply chain risks.

To enhance operational resilience and reduce reliance on single sources, the Company promotes supplier diversification and a dual-supplier strategy to ensure stability of raw materials, components, and critical services. The dual-supplier system helps maintain production schedules and order fulfillment when primary suppliers experience delivery delays, quality issues, or external disruptions. Meanwhile, the diversified procurement approach broadens the supplier network, strengthening bargaining power and supply risk mitigation capabilities.

3-1.3 Local Procurement

Favite, Inc. focuses on product research and development as well as equipment integration, with a diverse range of procurement items adjusted according to project-specific needs. To balance delivery flexibility, collaboration efficiency, and environmental impact, the Company continues to increase the proportion of domestic cooperation. Priority is given to suppliers with stable local delivery and technical collaboration capabilities, thereby strengthening operational resilience and reducing cross-border logistics risks.

Annual Local Procurement Ratio

Year	Annual Local Procurement Ratio (%)
2023	46.1%
2024	53.6%

Measures to Promote Local Procurement:

- ◆ Prioritize collaboration with suppliers capable of local delivery to enhance communication efficiency and flexibility in design modifications.
- ◆ Integrate local partners with capabilities in processing, assembly, or testing support to improve delivery responsiveness.
- ◆ Conduct regular cost and quality reviews with domestic suppliers to establish long-term stable partnerships.
- ◆ Explore the adoption of basic green procurement principles, initially focusing on environmental factors such as material sourcing, packaging methods, and transportation distances.

3-1.4 Identification of Key Suppliers

Favite, Inc. implements a key supplier identification mechanism as the foundation for promoting sustainable supply chain management and risk control. Given that the Company’s products primarily consist of high-precision inspection equipment and customized module integration, certain components or specialized parts have relatively concentrated sources, which significantly impact supply stability and product quality.

Sustainable Supplier Evaluation and Local Procurement Development

Referencing international practices and industry standards, the Company currently uses the following criteria as preliminary references for identifying “potential key suppliers” :

- ◆ Long-term partners with high annual procurement amount proportions and frequent collaboration.
- ◆ Suppliers providing critical components that are technically difficult to substitute or hold original manufacturer authorization.

The Company has conducted evaluations and plans to initiate pilot projects in the coming years to perform sustainability assessments on selected key suppliers, thereby gradually enhancing the effectiveness of sustainable supply chain management.

	2023	2024	2025
Major suppliers passing sustainability assessment	No unified evaluation standard established	Internal discussions and pilot supplier assessments underway	Plan to establish a formal ESG evaluation mechanism and set assessment criteria
Suppliers certified to ISO 14001 Environmental Management Standard	Only partial suppliers certified	Conducting supplier awareness and advocacy	Plan to incorporate environmental management into supplier selection criteria
Suppliers certified to ISO 9001 Quality Management Standard	Only partial suppliers certified	Conducting supplier awareness and advocacy	Statistical analysis of top 30 suppliers
Suppliers signing corporate social responsibility and anti-corruption commitments	Evaluation plan in communication with suppliers	Gradually requiring more suppliers to sign	Plan to establish a formal policy requiring supply chain partners’ signatures
Target to increase proportion of suppliers passing sustainability evaluations	No formal evaluation mechanism	Developing ESG evaluation indicators and supplier assessment processes	Setting short- and medium-term ESG evaluation targets

Specific Measures

To steadily advance sustainable supply chain management, Favite, Inc. adopts a phased approach by establishing a basic identification and management framework based on three dimensions: cooperation stability, compliance records, and sustainability potential. The specific actions currently underway or under consideration include:

Supplier Tiered Management

- ◆ Implementing a supplier performance evaluation system, assessing quality, delivery reliability, and technical capability.
- ◆ Establishing a key supplier list: conducting a preliminary inventory based on procurement amount, technical dependency, and substitution feasibility, serving as the basis for subsequent tiered management and risk control.
- ◆ Piloting basic sustainability cooperation requirements: encouraging frequent suppliers to sign commitment letters and further evaluating the design and implementation timeline of a Corporate Social Responsibility self-assessment questionnaire, to set the baseline for ongoing sustainable collaboration.
- ◆ Including key component suppliers in the annual audit plan to ensure compliance with the Company's quality standards.

Supplier Tiering System

Favite, Inc. has implemented a supplier tiering system for its top 20 and key material suppliers, using three evaluation criteria: quality (40%), delivery performance (40%), and cooperation (20%).

Supplier Grade	Primary Management Approach
Grade A (≥90 points)	Excellent suppliers. Prioritized for procurement or increased purchase volume.
Grade B (80–89 points)	Qualified suppliers. Encouraged to improve toward Grade A performance.
Grade C (70–79 points)	Conditionally qualified suppliers. Subject to improvement guidance from the procurement team. Suppliers failing to meet improvement requirements within the specified period may be disqualified upon approval by the relevant authority.
Grade D (≤ 69 points)	Unqualified suppliers. Disqualified from the approved supplier list.

Phased ESG Supplier Evaluation Plan

Time Frame	Planned Actions
Short Term (1–2 years)	Establish a foundational ESG supplier evaluation mechanism, beginning with key suppliers. Define initial sustainability assessment criteria. Conduct a basic ESG review for key suppliers and require long-term partners to sign the Integrity Commitment Letter and complete the Corporate Social Responsibility Self-Assessment Form.

Mid Term (3–5 years)	Expand the ESG evaluation scope to include suppliers accounting for 60% of the annual procurement value. Require non-compliant suppliers to address gaps in environmental, labor, or governance practices. Incorporate environmental, social, and governance assessments and initiate the development of a green procurement policy.
Long Term (5–10 years)	Fully integrate sustainable supply chain management practices. Ensure suppliers comply with international sustainability standards and embed ESG monitoring into overall supply chain performance indicators. Establish early-warning mechanisms and alternative sourcing strategies for sustainability-related risks.

(Planned) ESG Supplier Sustainability Assessment Criteria

Pillar	Requirements and Guidelines
Environmental	Preference will be given to suppliers certified under ISO 14001 Environmental Management Systems and those who have completed ISO 14064-1 GHG inventories, to ensure regulatory compliance in environmental performance.
Social	Suppliers will be required to comply with local labor laws and occupational health and safety regulations, with regular audits of workplace conditions to ensure compliance.
Governance	Suppliers must sign anti-corruption and confidentiality agreements to ensure transactional transparency and compliance, minimizing corruption risks within the supply chain.

Annual Supplier Evaluation Results

From 2022 to 2024, all suppliers included in the evaluation consistently met the “Grade A” standard, accounting for 100% of the assessed vendors. This outcome reflects the Company’s stringent standards in supplier selection and ongoing communication, as well as the maturity and reliability of its long-term partners in terms of supply stability and adaptability.

Supplier ESG Improvement Initiatives

Given that many of the Company’s partners are small to medium-sized enterprises with emerging ESG systems, the Company adopts a progressive approach to support key suppliers in enhancing their environmental, social, and governance (ESG) practices. The focus is on building stable collaborations and achieving substantive improvements.

Current efforts include:

- ◆ Initial Introduction of Responsible Partnership Standards: Encouraging partners to sign the Integrity and Corporate Social Responsibility Commitment to reinforce fundamental awareness and compliance with environmental and social expectations.
- ◆ Progressive Guidance on System Development and Record-Keeping: For suppliers with incomplete data or compliance records, the Company offers recommendations through communication and technical support to strengthen workplace management, documentation, and basic internal audit mechanisms.

- ◆ Establishment of Basic Monitoring and Improvement Requirements: Suppliers with lower preliminary evaluation scores will receive key improvement guidelines and reasonable deadlines, with follow-up conducted via document submission, communication, or on-site visits.
- ◆ Development of a Phased ESG Assessment Framework: Moving forward, the Company plans to expand ESG coverage based on annual engagement and risk levels, progressively linking improvement progress to continued business cooperation.

3-2 Customer Relationship Management

Management Approach	Material Topic: Customer Relationship Management	
Policies and Commitments	<p>Favite, Inc. places high importance on maintaining and managing customer relationships. For existing customers, the Company has implemented the following service mechanisms:</p> <ol style="list-style-type: none"> 1. Comprehensive After-Sales Support: Service centers are established within proximity to customer factories to ensure rapid on-site maintenance within 2 hours during regular working hours. For evenings and holidays, 24-hour on-call support is available, with on-site repair service provided within 4 hours. 2. Spare Parts Inventory and Safety Stock: To ensure timely repair and part replacement, critical spare parts are stocked at each service location to respond immediately to equipment failures or component damage. <p>For potential and new customers, the Company takes the following proactive measures:</p> <ol style="list-style-type: none"> 1. Marketing and Outreach Activities: The Marketing Department conducts promotional events and participates in industry exhibitions to identify prospective clients. Post-event, these leads are documented in a customer tracking system and followed up by sales representatives to cultivate new business opportunities. 2. Digital Channels and Online Engagement: Favite actively manages its official website and social media channels, regularly updating them with product and event announcements. Interested potential customers can easily make inquiries via online forms or email, enabling timely engagement. 	
Positive Impacts	By delivering high-quality, differentiated customer service and equipment performance, the Company aims to enhance customer satisfaction and loyalty, thereby strengthening operational resilience and contributing to a stable revenue base. Additionally, sustained client interaction helps the Company monitor industry trends and align its R&D efforts accordingly.	
Negative Impacts	The Company recognizes that ineffective execution or product quality issues could significantly damage customer trust, erode its reputation, and lead to client attrition—posing operational risks. Some internal procedures for sales operations remain undocumented. In the event of employee turnover, this may result in knowledge gaps and training disruptions.	
Remediation and Mitigation Measures	The Company maintains diverse customer communication channels, including regular client interviews and feedback surveys, and has established an internal rapid escalation mechanism to ensure swift response to unexpected incidents.	
Goals and Objectives	2024 Goal	Short-Term Goals (Within One Year)
	<ol style="list-style-type: none"> 1. Finalize equipment specifications and fulfill the needs of leading customers in advanced packaging and well-known IC substrate manufacturing, aiming to become a key equipment supplier for both. 2. Enhance customer communication by establishing 	<ol style="list-style-type: none"> 1. Establish a customer database encompassing existing and potential clients, with a target of adding at least 50 new potential customers annually. Send e-greetings and invitations during major holidays and prior to trade shows.

	<p>a more efficient feedback mechanism, including plans to conduct regular customer satisfaction surveys and use feedback results to improve services and products.</p> <p>Progress Status</p> <ol style="list-style-type: none"> 1. Completed customer satisfaction surveys for seven key customers in 2024. 2. Achieved a 100% completion rate for the planned surveys. 3. Conducted one comprehensive satisfaction survey, with results showing an average satisfaction score of 98 out of 100. 	<ol style="list-style-type: none"> 2. Implement a business service mailbox mechanism to ensure responses within 24 hours. 3. Develop and maintain the Company' s social media platforms (Facebook, LinkedIn, YouTube, WeChat Official Account), and distribute promotional content during major holidays, corporate events, and before exhibitions. 4. Achieve a customer satisfaction rate of 90% or higher.
	Mid-Term Goals (1–3 Years)	
	<ol style="list-style-type: none"> 1. Achieve a repurchase rate of over 80% from key customers (those accounting for more than 15% of total annual sales in past years), measured by confirmed orders. 2. Secure at least five equipment orders from semiconductor or advanced substrate manufacturing clients. 3. Maintain a customer satisfaction rate of over 90%. 	
	Long-Term Goals (3–5 Years)	
	<ol style="list-style-type: none"> 1. Establish a comprehensive customer relationship management mechanism that integrates historical data and engagement history. 2. Sustain a repurchase rate of over 80% from key customers (those accounting for more than 15% of total annual sales in past years), measured by confirmed orders. 3. Increase the revenue contribution from semiconductor-related equipment to 50% or more. 4. Achieve a customer satisfaction rate of 95% or higher. 	
Responsibility	Equipment Development Business Group – Sales Division After-sales Service – Customer Service Department	
Resources	<ol style="list-style-type: none"> 1. The Sales Division comprises Business Division I (including Marketing, 5 personnel), Business Division II (3 personnel), and Business Division III (3 personnel), responsible for developing new (incremental) customers and maintaining strong relationships with existing customers. 2. The Customer Service Department is staffed to handle after-sales service operations. 3. An annual budget exceeding NT\$4 million is allocated to marketing and customer relationship management initiatives. 	
Evaluation Mechanism for the Effectiveness of Management Approach	<ol style="list-style-type: none"> 1. Conduct one customer satisfaction survey annually, with a response rate of over 80% and an average satisfaction score of at least 85. 2. Participate in at least three major industry exhibitions annually. 3. Ensure a 100% response rate within 48 hours to customer inquiries submitted via the public sales email address. 4. Update content on digital platforms (Meta, LinkedIn, YouTube, WeChat) at least once per month, achieving a total reach of 29,000 views. 5. Conduct customer visits or interactions at least once per month. 6. Hold at least 45 RFQ (Request for Quotation) meetings per year to assess customer needs. 7. Convene a minimum of 15 project Kick-off Meetings annually for confirmed customer orders. 	
Evaluation Results of the Management Approach	<ol style="list-style-type: none"> 1. One customer satisfaction survey was conducted, achieving a 100% response rate and an average satisfaction score of 98.8. 2. Participated in five major industry exhibitions during the year. 3. Maintained a 100% response rate within 48 hours to all customer inquiries submitted to the public sales email address. 4. Published 53 updates across digital platforms (Meta, LinkedIn, YouTube, WeChat), achieving a total reach of 29,000 views. 	

	<p>5. Conducted monthly visits with major panel, Micro LED, and Micro OLED customers in Mainland China, and bi-monthly visits with semiconductor, substrate, and other customers.</p> <p>6. Held a total of 80 RFQ Meetings during the year.</p> <p>7. Convened 31 project Kick-off Meetings for confirmed orders.</p>
Complaint Mechanism and Communication Channels	<p>1. Grievance Form URL: https://www.favite.com/contact/complaints/</p> <p>2. Email: sales@favite.com</p> <p>3. Phone: (03)554-5988</p>

In response to the growing demands of domestic and international markets for greater precision, flexibility, and real-time capabilities in inspection technologies, the Company has continued to strengthen its pre-sale, mid-sale, and post-sale service processes. Furthermore, systematized customer relationship management tools and feedback analysis mechanisms have been progressively introduced to enhance internal response efficiency and customer experience. In 2024, the Company extended its customer satisfaction survey mechanism, consistently collecting feedback through surveys, trade show interactions, and digital platforms. This input is translated into internal improvement actions and serves as a reference for product development and service design. With a pragmatic approach, Favite, Inc. is committed to deepening customer relationships, building brand trust, and steadily expanding into global application markets.

3-2.1 Customer Satisfaction and Service Mechanisms

The Company regards customer feedback as a critical driver for optimizing its products and services. Through regular surveys and diverse communication channels, Favite assesses customer perceptions on technical quality, delivery performance, and after-sales support. This information informs process enhancements and internal reviews, reinforcing the Company’s commitment to stable delivery, high product quality, and responsive service systems. To systematically capture customer needs and feedback, the Company has established a Customer Satisfaction Survey System, Customer Relationship Maintenance Process, and Technical Response Collaboration SOP, all aimed at delivering an exceptional service experience.

Customer Satisfaction Survey

The Company continued to implement its digital customer satisfaction questionnaire mechanism, distributing surveys to existing clients to evaluate indicators such as overall service experience, product stability, and responsiveness of engineering support. Based on

survey results, Favite, Inc. maintained an average satisfaction score above 85. Most customers expressed positive feedback on the accuracy of the inspection equipment and the quality of customized support. Common suggestions for improvement centered on the timeliness of after-sales technical support and the flexibility of spare parts availability—both of which have been incorporated into the Company’s priority action items for improvement across relevant departments.

To enhance the efficiency of customer feedback handling and improve service quality, the Company applies a structured satisfaction management approach focused on three areas:

- ◆ **Data Analytics Mechanism:** Utilizing big data techniques to analyze customer feedback, identify service bottlenecks and long-term trends, and provide insights for continuous optimization and development of personalized services.
- ◆ **Service Improvement Process:** Formulating annual service quality enhancement plans based on satisfaction survey results and implementing cross-departmental improvement actions to continuously elevate the overall customer experience.
- ◆ **Response Time Standard:** Establishing a working-day 24-hour initial response policy to ensure timely assistance and effective support for reported issues, thereby strengthening customer trust and satisfaction.

	Customer Satisfaction Score (out of 100)	Customer Complaint Resolution Rate (%)
2023	87	100%
2024	98	100%

Customer Service and Technical Support

To enhance the customer service experience, the Company is committed to providing a comprehensive support system that enables customers to quickly resolve equipment issues and minimize downtime. By digitalizing service records, the Company improves issue traceability and continuously enhances service quality. A diverse range of support channels has been established to offer on-site repair, remote technical consultation, and routine maintenance services, ensuring timely assistance throughout the equipment lifecycle.

- ◆ **Pre-sale and In-sale Technical Support:** Engineering teams collaborate with the sales department during the early project stages to assess customer inspection requirements and provide optimal application recommendations.
- ◆ **Repair and Spare Parts Response Mechanism:** Regional spare parts reserves, pre-configured repair components, and a centralized repair request channel enhance maintenance efficiency and equipment availability.

- ◆ **Multi-channel Feedback System:** Customers may provide feedback through exhibition surveys, regular business visits, emails, and social media platforms. Feedback is compiled and followed up by the customer service and sales departments.
- ◆ **Issue Closed-loop Tracking System:** A standardized process for logging, tracking, and reporting customer issues ensures that improvement actions are documented and integrated into internal operations.

The Company will continue to strengthen the execution and follow-up of its feedback mechanism, translating customer suggestions into actionable and traceable improvement initiatives. Regular reviews of key service process milestones will be conducted, alongside efforts to enhance customer engagement and responsiveness through internal collaboration and system integration.

3-2.2 Product and Service Quality and Safety

Management Approach	Material Topic: Product Quality and Safety
Policies and Commitments	In accordance with the Incoming Material Inspection Management Procedure (FV-QPM-081), Non-Conforming Product Control Procedure (FV-QPM-078), and Quality Record Management Procedure (FV-QPM-002), the Company implements full-process quality management covering incoming materials, manufacturing, inspection, and shipping. The Company is committed to delivering high-quality, reliable, and safe equipment that ensures customers receive high cost-performance products with assured production quality. All equipment must meet client procurement, safety, and technical specifications to ensure user safety and stable operations.
Positive Impacts	During the development of its AOI (Automated Optical Inspection) equipment, the Company has established a comprehensive quality management system that spans incoming inspection, in-process quality control, and final acceptance prior to shipment. These are supported by self-developed imaging algorithms and alignment with SEMI standards, significantly improving product consistency and customer safety. In 2023, the Company's product shipment yield rate reached 99.3%, with zero major product recalls.
Negative Impacts	Failure to implement effective product quality and safety management may pose significant risks to the operations and reputation of Favite, Inc. From an environmental perspective, defective rework increases energy consumption and waste generation, contravening the principles of green manufacturing. From a social standpoint, equipment errors may disrupt customers' production lines, undermining trust and damaging the brand image. From a governance perspective, the absence of robust traceability and corrective mechanisms may hinder audit readiness and regulatory compliance, potentially resulting in legal disputes and reputational crises. Quality management is not only a matter of technical competence but also the cornerstone of corporate resilience and trust.
Remediation and Mitigation Measures	The Company has therefore established a comprehensive quality risk management mechanism that spans from order placement to after-sales service. At the initial stage of the order, the sales, R&D, and optics departments jointly review specifications and conduct sample verification to avoid specification discrepancies. During the design phase, a cross-functional design review process is adopted to ensure completeness and mitigate risks. Before manufacturing, incoming materials undergo inspection and precision measurement, while in-process anomalies are isolated and tracked to ensure timely correction.

	Prior to shipment, all safety verifications are strictly implemented, and in the after-sales stage, product performance is continuously monitored through installation acceptance and customer service inspections. All verification and anomaly records are managed systematically to ensure information transparency and traceability, thereby strengthening customer trust and ensuring consistent delivery quality.	
Goals and Objectives	2024 Goal	Short-Term Goals (Within One Year)
	Complete in-factory testing of at least two equipment models at key customer sites. Achieve a product shipment yield of 99.5% or higher. Limit the number of major quality assurance incidents to three or fewer annually. Attain an average customer satisfaction score of 85 or above, with a response rate exceeding 80%.	(1) R&D Equipment Development <ul style="list-style-type: none"> ■ Develop next-generation advanced packaging measurement equipment. ■ Develop high-speed inspection and high-precision measurement systems. ■ Develop glass drilling Through-Glass Via (TGV) inspection and measurement systems.
	Progress Status	(2) Mass Production Equipment
	Completion of key equipment models <ul style="list-style-type: none"> ■ Micro LED inspection and measurement system: shipped ■ 12" advanced packaging measurement system: shipped Product shipment yield exceeded 99.5% Annual major quality assurance incidents: ≤ 3 Average customer satisfaction score: ≥ 85, with a response rate exceeding 80%	Achieve a shipment yield of 99.5% or higher. Limit the number of major quality assurance incidents to three or fewer annually. Attain an average customer satisfaction score of 85 or above, with a response rate exceeding 80%.
	Mid-Term Goals (1–3 Years)	
	Obtain third-party SEMI safety and performance certification for key products, with at least three major product lines certified. Maintain an annual average of ≥12 training hours per person, with 100% training coverage. Respond to major customer complaints within 3 days, with a 100% issue resolution rate.	
Long-Term Goals (3–5 Years)		
Accumulate at least 50 quality improvement proposals annually, with an implementation rate of 50%. Secure equipment qualifications from at least three international Tier 1 customers, including those in advanced packaging, IC substrates, and semiconductor backend assembly and testing. Complete the development and deployment of predictive quality and anomaly alert systems, including a prototype AI-based inspection alert system applied in real operational settings.		
Responsibility	Quality Assurance Department: Responsible for incoming material inspection and in-process quality control. Customer Service Department: Conducts final functional verification and checklist confirmation prior to shipment. Manufacturing Units: Carry out static inspections and quality control during production processes. R&D and Sales Departments: Assist in specification confirmation and design review at the early stages. Sustainability Task Force: Oversees implementation across departments and regularly consolidates reports to the Board of Directors.	
Resources	Human Resources: Four dedicated personnel from Quality Assurance, R&D, and Customer Service assigned to quality control and verification. Financial Resources: Annual budget allocated for maintenance of inspection equipment, testing consumables, standard component fabrication, and quality assurance training. Technical Resources: Adoption of automated image comparison systems, modular inspection platforms, and measurement analysis tools to enhance inspection accuracy. System Resources: Implementation of quality record management and anomaly tracking mechanisms to improve traceability and corrective efficiency.	

Evaluation Mechanism for the Effectiveness of Management Approach	<p>Shipment yield \geq 99%</p> <p>Major quality incidents \leq 3 annually</p> <p>Average customer satisfaction score \geq 85, response rate \geq 80%</p> <p>Average response time for customer complaints \leq 3 working days, issue resolution \leq 10 working days</p> <p>Quality audits covering 100% of incoming, in-process, and outbound stages</p> <p>Sample or standard module inspection pass rate \geq 95%</p> <p>At least two internal quality training sessions annually with 100% participation rate</p>
Evaluation Results of the Management Approach	<p>Shipment yield reached 99.5%, exceeding the annual target of 99%.</p> <p>One major quality incident recorded, maintaining low occurrence</p> <p>Average customer satisfaction score: 88.4, with 82% response rate</p> <p>Average customer complaint response time: 2.1 working days; issue resolution: 8.3 working days—both meeting targets</p> <p>Quality Assurance conducted 36 internal audits across incoming, process, and shipping stages, achieving 100% coverage</p> <p>Standard module inspection pass rate: 96%, ensuring consistency in new product deployment</p> <p>Two internal training sessions held, with 38 participants and 100% coverage</p>
Complaint Mechanism and Communication Channels	<p>Sales Department</p> <p>Email: sales@favite.com</p>

In the context of rapid technological advancements and increasingly stringent international market standards, Favite, Inc. continuously strengthens product quality and user safety, recognizing these as the fundamental pillars for sustainable business operations and customer trust. Guided by the core principle of "Quality First, Safety Foremost," the Company implements systematic quality management processes and international certification mechanisms throughout all stages—from research and development, raw material selection, process control, to final product shipment—ensuring that every delivered equipment meets performance expectations, safety regulations, and market compliance requirements.

In 2024, the Company completed the update of its ISO 9001 Quality Management System, with particular emphasis on raw material quality and production consistency control among key suppliers. A multi-tiered quality inspection process has been introduced to enhance anomaly prevention and response capabilities. Concurrently, Favite, Inc. continues to implement product regulatory compliance mechanisms tailored to different markets, integrating risk assessments during the design phase and anomaly recall procedures to guarantee compliance with export region regulations and safeguard end-user safety.

The following sections elaborate on Favite, Inc.'s 2024 management strategies and practical measures in three key aspects: Quality Management System, Supply Chain Quality Management, and Product Safety and Regulatory Compliance. These demonstrate the Company's professional standards and quality commitments within the advanced

manufacturing equipment sector, encompassing quality stability, process control, anomaly prevention, regulatory adherence, and customer feedback management.

Quality Management System and Process Control

Since its establishment, Favite, Inc. has implemented the ISO 9001 Quality Management System, building a comprehensive quality control framework covering all stages from design, procurement, production to shipment. In 2024, the Company completed the quality system certification renewal, continuously strengthening process standardization and internal audit mechanisms, while leveraging system data analysis to enhance anomaly prevention capabilities and quality management. On the process side, Favite, Inc. has established Standard Operating Procedures (SOPs) and critical process control points for core products, such as panel and semiconductor automated inspection equipment, to ensure stable product delivery quality.

The Company will continue to advance the following quality management optimization directions:

- ◆ Continuously conduct supplier evaluations and audits to ensure stable raw material quality.
- ◆ Adjust incoming material controls based on quality data analysis for preventive risk management.
- ◆ Promote supplier autonomous inspection management to improve delivery yield.
- ◆ Annually update product release standards and allowable anomaly ranges to enhance shipment consistency.

Multi-level Quality Inspection Process

To ensure highly stable and consistent product delivery, Favite, Inc. implements standardized inspection processes aligned with the ISO 9001 system, performing layered inspections and documentation from raw materials, assembly stages, to pre-shipment. In 2024, the Company further optimized its three-stage quality inspection process to strengthen preventive quality control and anomaly containment:

Control Stage	Main Inspection Items	Management Mechanism
Incoming Material Inspection	Dimensions, specifications, and appearance of raw materials and key components	Compare against drawings and supplier materials; reject non-conforming items and initiate supplier anomaly records.
Process Self-Inspection	Critical checkpoints during assembly	Measure and adjust key dimensions according to design requirements during assembly; document results.

Final Product Shipment Inspection	Appearance, cleanliness, and compliance with customer packaging specifications	Perform 100% inspection before shipment and maintain records.
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Supply Chain Quality Management System

Annual Quality Audit for Suppliers

Favite, Inc. conducts annual on-site audits for key suppliers, covering the following aspects:

- ◆ **Quality Control:** Verification of supplier ISO 9001 certification, quality management organization, inspection capabilities, and autonomous inspection records.
- ◆ **Process Control:** Assessment of supplier processes for established Standard Operating Procedures (SOPs), 5S management, and anomaly handling mechanisms.

Based on audit results, suppliers are classified into four categories: “Excellent,” “Qualified,” “Conditionally Qualified,” and “Unqualified.” Corresponding cooperation strategies and improvement timelines are set accordingly. For suppliers deemed unqualified, the Company requires submission of corrective action reports within a designated timeframe and conducts follow-up audits to ensure effective issue resolution and closure.

The audit classification and subsequent handling are summarized as follows:

Category	Audit Result	Improvement Measures
Excellent Supplier	Meets all quality and environmental standards	Priority cooperation; included in new product development projects; designated as long-term strategic partner.
Qualified Supplier	Meets quality standards	Included in new product development projects; eligible to supply key critical materials; designated as long-term strategic partner.
Conditionally Qualified Supplier	Partial deficiencies identified	Permitted to supply only non-high precision and non-critical materials.
Unqualified Supplier	Major quality or environmental violations	Cooperation suspended; must complete improvements and pass re-audit within 6 months before resuming cooperation.

Audit Results Data and Annual Performance Analysis

Based on recent years’ quality audits and supplier performance data, the overall supplier quality has remained stable, with an audit pass rate consistently above 85%.

Year	Incoming Defect Rate (%)	Supply Chain Quality Audit Pass Rate (%)
2024	0.01%	100%

Product Safety and Regulatory Compliance

As customer requirements for product safety and regulatory compliance continue to rise, Favite, Inc. consistently strengthens risk assessment and regulatory adherence processes prior to product launch. The Company implements regulatory requirements tailored to each

customer and market characteristics to ensure that every shipped product meets customer expectations as well as safety, environmental, and technical standards applicable to the sales regions.

International Product Safety Standards and Compliance Mechanisms

Favite, Inc. integrates regulatory review processes early in the design phase for major markets, with sales and engineering teams jointly confirming whether products must comply with specific regulations for certain customers or regions. Examples include:

Regulation / Standard	Description and Applicable Context
CE (European Conformity Mark)	Complies with EU directives on low voltage, machinery safety, EMC, etc., enabling product circulation in European markets
TS (Domestic Type Approval)	Applicable to certain machinery subject to government inspection regulations
RoHS (Restriction of Hazardous Substances)	Controls the content of six hazardous substances including lead and mercury in electronic and mechanical products
REACH (Registration, Evaluation, Authorization and Restriction of Chemicals)	Controls the use of Substances of Very High Concern (SVHC) and complies with EU manufacturing and import standards
SEMI (Semiconductor Equipment Standards)	Executed based on specific semiconductor equipment buyer requirements; not mandatory or uniform but depends on individual customer standards

For exports to various markets, the Company maintains an internal design review mechanism. Sales and engineering teams jointly ensure that products meet final market compliance requirements from the early development stage.

Regulatory Compliance of Products and Market-Specific Requirements

To ensure compliance with regulations and technical standards in the Taiwan market, Favite, Inc. has obtained TS type approval and BSMI product certification for specific equipment models. All relevant products have passed the required inspections and obtained necessary certificates prior to market release, thereby ensuring regulatory conformity.

Currently, the Company's products are primarily sold in the Taiwan market and have not yet undergone certification for international markets such as CE (Europe), UL, or FCC (North America). However, should future export plans arise, the Company will evaluate relevant compliance requirements based on market demand and customer specifications. Corresponding testing and labeling procedures will be implemented to ensure adherence to applicable international regulatory standards.

Product Safety Management Mechanism

Product safety is regarded as a core element of customer trust. Preventive risk control measures are implemented starting from the design stage, supported by standardized verification and contingency mechanisms to ensure all products comply with relevant regulations and safety standards prior to market release, and to enable swift and proper handling in the event of anomalies.

Pre-Market Product Risk Assessment Process

All new products must complete the following testing and review procedures prior to mass production and shipment:

- ◆ **Functional Safety Testing:** Verify structural strength, electrical stability, and grounding design to ensure compliance with safety requirements.
- ◆ **Material Verification:** Provide material safety data sheets (MSDS), composition declarations, and durability reports.
- ◆ **Regulatory Label Confirmation:** Ensure product descriptions and external labeling comply with destination country regulations (e.g., CE marking).

Regulatory Compliance Process Mapping Table

Process Stage	Responsible Unit	Key Inspection Items	Document Output
Design Initiation	Sales / R&D	Preliminary review of applicable market regulations	Regulatory Compliance Checklist, Customer Specifications
Prototype Trial Run	Quality / Engineering	Material restriction checks	Material Safety Data Sheets (MSDS)
Sample Certification (Testing)	Engineering / Sales	Safety compliance standards (CE / TS)	Safety Compliance Report, Label Usage Authorization
Market Release Approval	Management Representative / Quality	Label compliance, product recall contingency validation	Product Release Record, Product History File

Only upon successful review and approval by the Quality Management and Product Review Committee will a formal release authorization be issued, allowing the product to proceed to mass production and market distribution.

Incident Handling and Product Recall Management

At the early stage of product development, the Company establishes a regulatory compliance checklist. Sales and R&D units jointly confirm applicable standards for the target market, and during the sample phase, material safety data sheets and test reports are submitted to ensure compliance is incorporated from the design stage.

Management Stage	Corresponding Mechanism and Description
Product Traceability Coding	Each shipment is assigned a batch number and shipment record to facilitate tracking of end use and destination.
Abnormality Reporting System	Upon receipt of abnormality reports from customers or customer service, Engineering/Quality units promptly investigate and respond.
Contingency Assignment and Remediation	A cross-functional response team is formed based on the nature of the event, and repair, replacement, or recall procedures are initiated as necessary.
Root Cause Analysis and Improvement	RCA (Root Cause Analysis) is conducted for recall cases, with results documented in the Quality Improvement Database.
Regulatory Feedback Notification	If compliance risks are identified, the Sales unit notifies relevant regulatory authorities and partner clients.

2024 Product Safety and Regulatory Compliance Performance

As of the end of 2024, the Company reported zero product recall incidents and no violations of product health and safety regulations across all product shipments.

The Company will continue to strengthen its abnormality reporting platform and evaluate the introduction of intelligent audit and anomaly trend analysis systems to enhance cross-functional response efficiency and front-end prevention capabilities. In addition, proactive internal reviews and response planning will be initiated to address emerging regulations, such as those related to AI safety and product liability for smart devices.

Chapter 4: People-Centered Corporate Spectrum

4-1 Sustainable Talent Development

Management Approach	Material Topic: Talent Retention and Development	
Policies and Commitments	Favite, Inc. has established a systematic talent development and career cultivation framework in accordance with its “Corporate Sustainability Best Practice Principles” and “Training Management Procedures.” The Company offers tailored training and development opportunities based on employees’ functions and levels to enhance individual competencies and strengthen organizational cohesion. In compliance with the Labor Standards Act, the Employment Services Act, and the Act of Gender Equality in Employment, the Company promotes fair employment practices and talent retention, fostering a workplace culture that supports growth and long-term engagement.	
Positive Impacts	The implementation of structured training and career development programs has helped enhance employees’ professional capabilities and advancement potential, strengthening organizational loyalty and improving retention.	
Negative Impacts	The absence of clear talent development and promotion mechanisms may limit employees’ career growth, increase turnover, undermine team stability and knowledge transfer, and ultimately weaken the Company’s competitiveness.	
Remediation and Mitigation Measures	The Company has established competency-based training and promotion systems to support employee learning and career planning. Through annual performance reviews and training follow-ups, individualized development recommendations are provided. The Company also promotes internal advancement to retain core talent and maintain technical capabilities.	
Goals and Objectives	2024 Goal	Short-Term Goals (Within One Year)
	<ul style="list-style-type: none"> Conduct mandatory legal compliance training for all employees, covering topics such as gender equality, ethical business conduct, insider trading prevention, and occupational health and safety. The target attendance rate for 2024 is 100%, ensuring all employees understand and comply with relevant regulations. Deliver competency-based management training tailored to key functional needs, with a plan to hold four sessions in 2024. Organize internal engagement activities to foster collaboration and interaction among employees, with six events planned for 2024. 	<ul style="list-style-type: none"> Mandatory Compliance Training: Achieve a 100% participation rate in legally required courses by 2025, with a target average satisfaction score of at least 4.5 out of 5. Management Competency Training: Conduct at least one annual professional training session focused on enhancing managerial capabilities. Target: 90% participation rate among supervisors and an average satisfaction score of at least 4.5 out of 5. Professional Skills Development: Organize or assign at least one department-specific training session per quarter, with a minimum of four sessions annually. Ensure 100% departmental participation (i.e., each department participates at least once).
	Progress Status	
	<ul style="list-style-type: none"> Mandatory compliance training was conducted for all employees on topics including gender equality, ethical business conduct, insider trading prevention, and occupational health and safety. While the 2024 attendance target was set at 100%, the actual participation rate reached 93% due to some 	

	<p>employees being on overseas assignments or leave; make-up sessions are planned for 2025.</p> <ul style="list-style-type: none"> • A total of five sessions of management competency training were completed, exceeding the initial target of four. The average satisfaction score was 4.56 out of 5, with 153 total participants and 998 training hours delivered. • Seven internal engagement events were successfully held, surpassing the target of six. The average satisfaction rating was 4.60 out of 5, with 549 total attendees. 	<ul style="list-style-type: none"> • Internal Engagement Activities: Strengthen employee engagement and connection through eight internal activities in 2025 (e.g., Lunar New Year banquet, sports day, family day). Target outcomes: total participation of at least 360 attendees, an average satisfaction rating of at least 4.6 out of 5, and an employee participation rate of at least 85% (with each employee attending at least two events).
	<p>Mid-Term Goals (1–3 Years)</p>	
	<ul style="list-style-type: none"> • Increase sustainability- and compliance-related courses to account for 5% of the annual training curriculum, with 100% employee participation. • Raise technical training course offerings to 15% of the annual training curriculum, with at least 90% participation among required employees. • Establish the “Favite Learning & Development Map” and a digital learning platform, achieving 100% training coverage across all employees. • Expand industry-academia collaboration with at least two partner institutions to attract next-generation talent and enhance practical alignment. • Host at least two major internal engagement events annually, with an employee participation rate of 95% or above. 	
	<p>Long-Term Goals (3–5 Years)</p>	
	<ul style="list-style-type: none"> • Provide all mid- to senior-level managers with at least one structured training annually, targeting 100% management coverage. By 2030, cumulatively complete over 80 management training sessions with an average satisfaction score of 4.5 or higher (out of 5). • Establish a clearly defined position-grade competency and promotion framework. Increase internal promotion rate to over 30% by 2030, with employee satisfaction on career development reaching 4.5 or higher. • Achieve a 90% active usage rate of the “Favite Learning & Development Map” across all employees, and promote an annual self-directed learning participation rate of at least 30%, with total accumulated learning hours on the platform exceeding 10,000 hours. 	
<p>Responsibility</p>	<p>Sustainability Committee – Corporate Social Responsibility Group General Management Office – Human Resources Department</p>	
<p>Resources</p>	<p>To achieve mid-term goals, allocation of 4 personnel is planned (including one new hire). Financial resources: An annual budget of NT\$3 million allocated for staffing.</p>	
<p>Evaluation Mechanism for the Effectiveness of Management Approach</p>	<ul style="list-style-type: none"> • ISO 9001 external audit: Conducted once annually, with continued certification maintained; audit findings and corrective actions are tracked to completion. • Training satisfaction surveys: Collected after every session, with a 100% response rate and average satisfaction score of 4.5 out of 5; annual training coverage rate at least 80% (adjusted by job category). • Labor-management and occupational safety meetings: Held quarterly (8 sessions per year), with 100% proposal response rate and a target resolution rate of over 95%. • Performance evaluations and career counseling: Conducted quarterly with 100% participation in self-assessments and supervisor evaluations, 95% return rate; tracking of suggestions and implementation status. • Complaint and communication channels: Open year-round, with 100% acceptance and response rate; cases tracked and categorized. 	
<p>Evaluation</p>	<p>1. Successfully passed the 2024 ISO 9001 external audit and maintained certification.</p>	

Results of the Management Approach	<ol style="list-style-type: none"> 2. Held a total of 136 internal and external training sessions with an average satisfaction score of 4.57 out of 5; conducted 7 employee relations activities with an average satisfaction of 4.60 out of 5. 3. Conducted 4 labor-management and occupational safety meetings with 100% response rate to proposals. 4. Completed 4 performance evaluation cycles with 100% participation. 5. Recorded zero complaint or whistleblowing cases in 2024.
Complaint Mechanism and Communication Channels	Complaint submission portal: Internal website / Company website (https://www.favite.com/complaints/)

4-1.1 Talent Structure Overview

Favite, Inc. recognizes that exceptional talent is a key asset for technological innovation and stable operations. Upholding a “people-oriented, professionalism-driven” talent philosophy, the Company is committed to building a stable, diverse, and technically proficient workforce. As of the end of 2024, the global employee headcount reached 212, with Taiwan as the primary operational base. All employees are full-time regular staff, with no atypical employment arrangements adopted, reflecting the Company’s commitment to workforce stability and long-term talent development.

The overall workforce composition is dominated by the mid-career age group, with employees aged 30 to 49 accounting for 70% of the total, illustrating a foundation of stable career accumulation and experience transfer. Gender distribution currently skews male; however, the female ratio has shown a steady increase year over year. The Company plans to implement systematic initiatives to enhance female participation in management roles, establishing this as a key indicator for advancing gender balance and diversity and inclusion. Going forward, Favite, Inc. will optimize its talent structure and sustainable development capabilities by focusing on the following directions:

- ◆ Inventory key competencies and succession pipelines to strengthen knowledge transfer from senior talents;
- ◆ Enhance strategies for attracting and onboarding young talent, leveraging industry-academia collaboration and internship programs;
- ◆ Build competency-based training systems and clear career development pathways;
- ◆ Promote diversity in gender and age composition to improve organizational inclusiveness and innovation agility;
- ◆ Implement digital systems for human resource development and performance evaluation to enhance management efficiency and precision in decision-making.

Employee Overview

As of 2024, Favite, Inc. employed a total of 212 staff members worldwide, with the majority based at the Taiwan operational headquarters. Specifically, 177 employees are located in Taiwan, while 35 employees are stationed across other Asia-Pacific regions, including Taiwan and China nationals. All employees are engaged under full-time employment contracts; no temporary, dispatched, or contract workers are utilized, demonstrating the Company's commitment to long-term talent cultivation and organizational stability.

Regarding gender distribution, male employees constitute 86% of the workforce, while female employees represent 14%. Although the overall composition remains male-dominated, the Company has initiated diversity and equality policies aimed at enhancing female participation and retention, laying the foundation for improving gender balance within the workplace in the future.

Employment Type	Total	Taiwan												Asia-Pacific			
		Hsinchu				Taichung				Tainan				Male		Female	
		Male Employees		Female Employees		Male Employees		Female Employees		Male Employees		Female Employees		Male Employees		Female Employees	
		No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Regular Full-Time Employees	212	106	50%	25	12%	4	2%	0	-	39	18%	3	1%	33	16%	2	1%
Contract Employees	0	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-
Temporary Workers	0	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-
Total	212	106	50%	25	12%	4	2%	0	-	39	18%	3	1%	33	16%	2	1%

Note: Human resources statistics as of December 31, 2024.

Educational Background Distribution of Employees

The majority of employees at Favite, Inc. hold a university degree or higher, reflecting the Company's emphasis on professional capabilities and technical expertise. Over 70% of the workforce possesses at least a bachelor's degree, with specializations spanning optics engineering, mechatronics, information technology, and business management—supporting excellence across R&D, manufacturing, and customer service. The Company continues to enhance knowledge and technical agility through structured training and external learning opportunities.

Education Level	Female Employees	Male Employees	Total (Persons)	Percentage
Doctorate	0	1	1	0.5%
Master's Degree	7	62	69	32.5%
Bachelor's Degree	17	69	87	40.6%
Associate Degree	5	36	41	19.3%
High School or Below	1	14	15	7.1%
Total	30	182	212	100%

Note: Human resources statistics as of December 31, 2024.

Employee Age Structure

Favite, Inc.'s workforce is primarily composed of individuals aged 30 to 50, accounting for approximately 76% of total employees. This age concentration reflects the Company's stable and experienced technical and operational teams, contributing to consistent processes and knowledge retention. However, the declining proportion of employees under 30 highlights the need for succession planning and generational transition. In response, the Company is initiating strategies such as internship programs, youth recruitment, and mentorship systems to attract younger talent and foster intergenerational integration.

Gender	≤ 29 Years Old	30–50 Years Old	≥ 51 Years Old	Total	Percentage
Male	22	138	22	182	85.8%
Female	3	24	3	30	14.2%
Total	25	162	25	212	100%
Percentage	12%	76%	12%	100%	

Note: Human resources statistics as of December 31, 2024.

Proportion of Management-Level Employees

Favite, Inc.'s management structure is primarily composed of mid- to senior-level managers, most of whom have over ten years of internal experience, reflecting the Company's emphasis on continuity and organizational culture. Looking ahead, the Company will continue to promote gender diversity and succession planning by cultivating early- to mid-level managerial talent and fostering female leadership. The goal is to increase the proportion of female managers to 15% by 2030.

Category	Male	Female	Total	Percentage
Senior Management	8	2	10	27%
Mid-Level Management	18	1	19	51%
Frontline Supervisors	8	0	8	22%
Total	34	3	37	100%

Share of Total	92%	8%	100%	
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Note: Human resources statistics as of December 31, 2024.

4-1.2 Career Development and Promotion Pathways

Talent Recruitment

Favite, Inc. places strong emphasis on workforce stability and long-term development. As of the end of 2024, all employees were full-time hires, with no use of atypical employment such as temporary or contract workers, underscoring the Company’s commitment to sustainable labor practices. Recruitment strategies prioritize practical experience, technical maturity, and cultural fit, with flexibility based on business growth and project needs.

In 2024, the Company hired 14 new employees—36% of whom were under the age of 30—demonstrating its focus on attracting young, high-potential talent to enhance innovation and organizational agility. Going forward, Favite will further define critical functions, prepare for generational transition, and establish a structured onboarding and probationary training program to accelerate employee integration and career development.

Fair and Inclusive Employment Policies

Favite fully complies with the Labor Standards Act, Gender Equality in Employment Act, and Employment Service Act, strictly prohibiting discrimination based on gender, age, religion, marital status, or ethnicity in recruitment, hiring, and promotion processes. Despite a workforce largely composed of mid-career employees, the Company is actively building a diverse and inclusive workplace. By designing inclusive systems and diversifying its recruitment channels, Favite aims to strengthen generational knowledge transfer and cultivate sustainable career pathways focused on internal promotion and leadership development.

Analysis of Employee Generational and Gender Distribution

Gender	≤ 29 Years Old	30–50 Years Old	≥ 51 Years Old	Number of New Hires	% of Total Workforce
Male	22	138	22	9	5%
Female	3	24	3	5	17%

New Employee Hiring and Turnover Rate (2024)

Gender	Number of New Hires	% of Total Workforce	Main Sources of Recruitment
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Male	9	4.2%	New graduates, career changers from the industry
Female	5	2.3%	New graduates, career changers from the industry
Total	14	7%	

Industry-Academia Collaboration and Youth Talent Development

Continuing its longstanding collaboration with the Department of Physics at Chung Yuan Christian University, Favite, Inc. has established the "Favite Career Development Program" to integrate industry experience into academic education, helping students transition earlier into real-world applications. In 2023, the Company donated optical inspection components valued at NT\$16.7 million to support practical instruction and research, demonstrating a long-term commitment to nurturing talent in optical inspection. In 2024, the Company conducted on-campus lectures blending academic depth and practical insight, systematically sharing AOI (Automated Optical Inspection) expertise with students. These lectures covered topics from optical imaging and design to real-world applications, supported by real project examples. Senior Favite employees also introduced the AOI industry's career paths, skill requirements, and experience expectations to provide students with concrete guidance on industry trends and personal career planning. In October 2024, Favite was awarded the Crystal Award for Educational Advancement by Chung Yuan Christian University in recognition of its dedication to optical education.

The Company also maintains a positive partnership with Minghsin University of Science and Technology and has donated materials for academic laboratory use. In October 2024, Favite received the Outstanding Social Contribution Award from the university, demonstrating its long-term support for academia.

- ◆ Favite has established long-term partnerships with technical and higher education institutions and plans to offer internships, collaborative research opportunities, and industry training programs to attract outstanding graduates.
- ◆ Although no technical internships were provided in 2024, Favite successfully built industry-academia alliances with the two aforementioned universities to strengthen its talent pipeline.



Competency Development and Training Mechanism

In response to the talent transformation demands driven by smart manufacturing, digital applications, and sustainability, Favite, Inc. has continued to optimize its internal training system to enhance employees' professional capabilities and organizational adaptability. In 2024, the Company extended the implementation of the "Favite Learning Map" system launched in 2023, which aligns training modules with job levels and functions to improve accessibility and systematization of learning.

Training topics are arranged based on departmental needs and delivered through internal or external resources. For new employees, the Company has established foundational general training and department-specific probation training programs to help them quickly adapt to the corporate culture and job requirements. For managerial staff, a tiered training model and practical management courses have been implemented, complemented by quarterly performance reviews and post-training satisfaction surveys as a basis for planning and evaluating training outcomes.

Technical and Professional Training

- ◆ For technical personnel, the Company offers professional skills training to ensure the technical team maintains cutting-edge competencies, enhancing product quality and manufacturing efficiency.
- ◆ In 2024, a total of 5,152 training hours were recorded, with 1,487 participants completing technical training sessions.

Training Outcomes in 2024

Unit: Hours

	Male				Female				Total
	Hsinchu	Taichung	Tainan	Asia-Pacific	Hsinchu	Taichung	Tainan	Asia-Pacific	
Management-level Training Hours	1517.5	109.5	406.5	21.0	312.5	--	--	--	2367.0
Average Training Hours per Person	58.4	109.5	67.8	21.0	104.2	--	--	--	360.8
Non-management Training Hours	1405.0	46.0	573.0	31.5	634.0	--	71.0	24.5	2785.0

Average Training Hours per Person	17.6	15.3	17.4	1.0	28.8	--	23.7	12.3	116.0
Total Training Hours	2922.5	155.5	979.5	52.5	946.5	--	71.0	24.5	5152.0
Average Training Hours per Person	27.6	38.9	25.1	1.6	37.9	--	23.7	12.3	166.9



4-1.3 Talent Retention Strategy

Favite, Inc. recognizes that a stable and professional workforce is a critical foundation for the Company' s long-term operations and technological advancement. Most employees have mid-to-long-term tenure, demonstrating a strong alignment with the corporate culture and a high level of commitment. These talents play an indispensable role in project execution, customer support, and internal operations. To address potential risks related to future transformation and generational shifts, the Company continues to strengthen knowledge transfer and succession planning to ensure that key positions are supported by stable and high-potential personnel.

Workforce Stability and Turnover Indicators

Length of Service	Number of Employees	Percentage
Less than 1 year	14	6.6%
1–3 years	51	24.1%
4–10 years	87	41.0%
Over 11 years	60	28.3%
Total	212	100%

To effectively monitor workforce mobility, Favite, Inc. conducts regular tracking of employee turnover rates. The Company has implemented a categorized exit feedback and interview mechanism to analyze reasons for employee departures. Insights gathered from this process are used to optimize internal systems and adjust talent strategies accordingly. In recent years,

the Company' s overall turnover rate has remained low and stable, indicating strong employee identification with the corporate culture and development environment. Moving forward, efforts will focus on enhancing internal communication and career development opportunities to mitigate the risk of unplanned departures.

Annual Turnover Statistics

	Year	2022	2023	2024
Number of Leavers	Male	32	25	27
	Female	8	6	5
	Total	40	31	32
Annual Turnover Rate (%)		16%	14%	15%

Note: Turnover rate is calculated as Annual Number of Leavers ÷ Total Number of Employees at Year-End.

Internal Promotion Mechanism

To encourage long-term employee engagement and continuous development, the Company prioritizes internal candidates who demonstrate strong performance, relevant competencies, and growth potential through its promotion system. This approach aims to enhance organizational cohesion and employee retention. The Company has established a basic job grade structure and conducts promotions or role adjustments through supervisor recommendations and performance appraisal processes. Additionally, for key functional positions, the Company is progressively building succession pipelines and job inheritance plans to ensure operational stability and knowledge continuity. Promoted employees are also assigned supervisors as mentors to assist with role adaptation. Experienced supervisors support newly appointed leaders in transitioning to their managerial roles, further strengthening leadership development and organizational sustainability, enabling them to quickly establish their position and maximize management effectiveness in their new responsibilities.

Internal Promotion Rate

	Annual Promotion Rate	Key Influencing Factors
Male	19%	The AOI (Automated Optical Inspection) equipment industry belongs to the high-tech manufacturing sector, emphasizing precision machinery and image processing technologies. Employees generally have STEM backgrounds and need to master complex technical and analytical skills. This industry demands high technical capability and professional knowledge, with promotions typically based on employees' expertise and performance. Due to historical and educational factors, males constitute the majority in this industry, resulting in a higher proportion of male promotions.

Female	3%	In the AOI equipment industry, key roles such as technical research and development, equipment maintenance, and production management are predominantly held by males, whereas females are often concentrated in administrative or support positions, which have relatively limited promotion pathways and rates. This affects the overall promotion rate for female employees.
Total	22%	Overall, the STEM-intensive and technical nature of the AOI equipment industry, combined with the predominance of male employees, leads to a significantly higher internal promotion rate for males compared to females. Moving forward, continuous efforts to promote gender equality and diverse talent development will help address this structural disparity, enhancing promotion opportunities for women and strengthening overall organizational competitiveness. Increasing internal promotion rates effectively boosts employees' career development confidence and corporate loyalty.

Improving the internal promotion ratio can effectively boost employees' confidence in their career development and increase their loyalty to the Company.

Diversity, Inclusion, and Parental Leave Support

The Company provides legally compliant parental leave to ensure employees' long-term development within the organization is not hindered by family responsibilities. From 2022 to 2024, a total of 10 employees applied for parental leave. In 2024, 100% of the male employees who were due to return from parental leave successfully resumed their positions. Considering overall family needs and childcare arrangements, two female employees chose to focus on their families and child-rearing after their parental leave ended, opting not to return to the workforce at this time. Additionally, the Company offers a "Vitality Leave" benefit that exceeds legal requirements. Employees who have been employed for at least 90 days in the year are granted one day of leave at the beginning of the year, which can be used flexibly. The utilization rate of this leave reached 100%, reflecting the Company's commitment to employee physical and mental well-being and work-life balance.

Parental Leave Application and Return-to-Work Rate

Category	Eligible Applicants	Actual Applicants	Application Rate	Expected Returnees	Actual Returnees	Return-to-Work Rate
Male	15	5	33%	2	2	100%
Female	6	5	83%	2	0	0%

Notes:

- "Eligible Applicants for Parental Leave in 2024" refers to employees who took maternity or paternity leave within the past three years (2022–2024).
- "Expected Returnees in 2024" includes employees who applied for parental leave between 2022 and 2024 and were due to return to work in 2024.
- "Actual Returnees in 2024" includes employees who applied for parental leave between 2022 and 2024 and actually returned to work in 2024.

4-1.4 Comprehensive Compensation System

Favite, Inc. regards a fair and motivating compensation system as a cornerstone for attracting, retaining, and engaging talent. In accordance with Article 19 of its Articles of Incorporation, the Company allocates 10% of its annual profits as employee remuneration, distributed based on tenure and annual performance to reflect the principle of shared success. To encourage innovation and contribution, the Company also offers patent proposal and approval bonuses—issuing two such awards in 2022. Moving forward, Favite plans to enhance its incentive mechanisms by introducing elements such as ESG-linked performance bonuses, project-based rewards, and competency-tiered incentives, aiming to deepen employee engagement in the Company’s long-term development.

Gender Pay Equity Principle

In alignment with the Gender Equality in Employment Act, the Company ensures no unjustified differences in pay, promotion, benefits, or working conditions based on gender, marital status, or age. In 2024, the gender-based compensation ratio among managers and general staff was 13:87, with annual salary ratios at 19:81 and 11:89, respectively—mainly attributed to role structure and tenure differences. Favite also upholds respect for gender diversity: employees in same-sex marriages are granted equal leave and benefits as those in opposite-sex unions, reinforcing the Company’s commitment to inclusion and non-discrimination.

Female-to-Male Salary Ratio

Position Level	2023	2024
Frontline Employees	0.78: 1	0.75: 1
Frontline Supervisors	0.88: 1	-
Mid-Level Management	0.70: 1	0.83: 1
Senior Management	1.07: 1	1.23: 1

Position Level	2023	2024
General Employees	0.80: 1	0.75: 1
Management Level	1.16: 1	1.33: 1

Note: The data includes only full-time regular employees in Taiwan who have been employed for at least one year. It excludes short-term or outsourced personnel.

Salary System Development Directions: In response to the competitive labor market, the Company will conduct rolling reviews of job grading, salary ranges, and adjustment mechanisms based on annual business performance and labor market benchmarks. The following three key development strategies will be incorporated:

- ◆ Establish a salary structure and market benchmarking system to ensure competitiveness of key functions.
- ◆ Strengthen competency-based salary adjustment criteria to enhance transparency and fairness of the system.
- ◆ Integrate ESG initiatives and talent contributions by planning to introduce performance-based incentive factors as medium- to long-term motivation mechanisms for management and professional levels.

Salary Competitiveness and Market Benchmarking

To ensure salary competitiveness, the Company conducts market salary surveys and benchmarks compensation against companies of similar industry type and scale. Based on these insights, salary ranges for each grade and position are adjusted accordingly. Through an annual salary review system, the Company ensures that compensation levels remain competitive while aligning with business objectives and financial resource allocation principles. The Human Resources Department leads the salary review process, which incorporates input from departmental managers and is approved by the executive team to ensure alignment between salary structure and workforce strategy.

Year	2023	2024
Number of full-time non-managerial employees	184	169
Average salary of general employees (NT\$ thousand)	909	978
Median salary of general employees (NT\$ thousand)	774	866

Fair and Reasonable Compensation and Rewards

The Company’s overall compensation structure is based on job responsibilities, professional capabilities, and performance outcomes, with regular reviews referencing industry standards and financial feasibility to attract and retain high-potential talent. A “responsibility-oriented and competency-based” salary framework is adopted to uphold the principle of equal pay

for equal work and to prevent any discrimination based on gender, age, religion, marital status, or other non-job-related factors. Starting salaries for new hires are determined based on job grade, position responsibilities, and experience. To further motivate high performers, the Company offers non-monetary incentives and an annual bonus system, calculated based on individual performance, team achievement rates, and overall corporate performance. For business and project-based units, additional incentives such as project bonuses, profit-sharing, and spot rewards are in place to enhance organizational effectiveness.

The salary structure is reviewed annually by the Human Resources Department and adjusted in coordination with department heads and executive management to ensure internal equity and external competitiveness. A flexible salary adjustment mechanism is also reserved for key talent and technical positions to strengthen talent attraction.

Annual Salary Adjustment Data

Salary Adjustment Indicator	2023	2024
Overall Salary Adjustment Rate (%)	3%	4%

To share the Company' s business achievements with employees, employee remuneration is allocated in accordance with legal requirements and distributed based on financial performance and Board resolutions. Historical remuneration disbursements are as follows:

Employee Remuneration	2023	2024
Total Amount Disbursed (NTD)	0	6,192,273

A fair and motivating compensation system is a key pillar for sustaining employee engagement and corporate competitiveness. While ensuring market benchmarking and equitable pay, the Company actively responds to the diverse expectations of multi-generational employees regarding work value and quality of life. Moving forward, the Company will continue to enhance salary transparency and institutionalized management, and, in alignment with operational goals and human resource strategies, gradually introduce more forward-looking and inclusive reward mechanisms.

4-2 Inclusive and Happy Workplace

A resilient enterprise is founded not only on technological innovation and business performance but also on respect and care for individuals. The Company recognizes that the backgrounds, experiences, and values of every employee are indispensable to corporate growth. Diversity, equity, and mutual respect are regarded as the cultural foundation for

sustainable development. The Company is committed to fostering a workplace free from discrimination and bias, where individuals of all generations, genders, and life experiences feel safe and supported. This is not merely a matter of policy, but a sincere commitment to acknowledging and valuing each employee's contributions.

4-2.1 A Diverse and Equitable Workplace

In 2024, the Company continued to strengthen a workplace culture centered on human rights and equality. Through institutional measures and practical advocacy, the principles of human rights have been embedded into daily operations. A total of 17 thematic awareness sessions and 37 training events were organized, covering gender equality, prevention of sexual harassment, whistleblower protection, trade secret protection, and workplace conduct. These initiatives aim to enhance employee awareness and foster actionable understanding of human rights issues.

The Company recognizes that human rights are not a standalone policy, but a reflection of workplace culture. Efforts have been made to embed respect and fairness across institutional design, daily interactions, and communication mechanisms—ensuring that employees tangibly experience dignity and value in their day-to-day work environment.

Human Rights Protection

Every employee's dignity and rights are to be treated with equal respect. To uphold this commitment, the Company continues to implement systematic training and daily advocacy to raise employee awareness and sensitivity to human rights issues, aligning corporate culture with global human rights standards. In 2024, the Company conducted multiple training sessions on topics including protection against unlawful infringement, trade secret safeguarding, prevention of sexual harassment, and whistleblower rights. These courses not only convey legal compliance and responsibilities but also reinforce that respect is the cornerstone of trust and psychological safety in the workplace.

Going forward, the Company will progressively promote awareness of its Human Rights Policy across all staff. Through practical dialogue, internal advocacy, and institutional integration, human rights principles will be embedded into daily operations and management systems. By fostering full participation and structured implementation, the Company aims to create an inclusive, respectful, and discrimination-free workplace where respect is not merely an ideal—but a daily experience.

Year	2022	2023	2024
Target Audience	All employees, senior staff	New employees	All employees
Course Content	Ethical business practices, prevention of insider trading, building a respectful workplace – communication and coordination, information security, occupational safety and health	Ethical business practices, prevention of insider trading, information security, occupational safety and health	Anti-discrimination, anti-bullying, prevention of sexual harassment, ethical business practices, prevention of insider trading, occupational safety and health, information security
Completion Rate	100%	98%	99%



- ◆ Non-Discrimination and Fair Treatment:
The Company ensures that no employee is subject to differential treatment based on gender, age, nationality, religion, disability, or any other personal attribute.
- ◆ Prohibition of Forced Labor and Child Labor
The Company strictly adheres to labor regulations in all employment practices to prevent any form of forced or child labor.
 - Hiring Policy: All recruitment complies with the minimum legal age requirements. Any form of underage or involuntary labor is strictly prohibited.
 - Labor Contracts and Working Hours: All employees are employed under legally compliant labor contracts. Working hours, leave, and compensation policies are established in accordance with the Labor Standards Act.
- ◆ Transparency in Compensation and Benefits
The Company provides competitive compensation and benefits aligned with government benchmarks, ensuring labor conditions exceed legal minimums.
- ◆ Grievance and Communication Mechanisms
The Company maintains multiple communication channels, including physical and digital suggestion boxes, labor-management meetings, the Employee Welfare Committee, and the Occupational Safety and Health Committee, to ensure that employee feedback is actively heard and addressed.

Labor Relations and Employee Communication

The Company respects and safeguards employees' legal rights to freedom of association and collective bargaining. Through institutionalized labor-management consultation mechanisms and multiple communication channels, the Company maintains constructive and cooperative labor relations. Although no collective agreement has been established to date, regular labor-management meetings and comprehensive grievance mechanisms ensure the protection of employee rights and harmonious labor relations.

◆ Labor-Management Meetings:

Legally mandated labor-management meetings are held at least once per quarter to discuss working conditions, compensation systems, and employee benefits, facilitating effective communication between both parties.

◆ Grievance and Protection Mechanisms:

The Company has established multiple channels for employees to express concerns, including an internal website mailbox, a whistleblower mailbox on the official website, and physical suggestion boxes, ensuring that employees can raise issues without fear of retaliation.

品彩科技數據決策系統

員工意見信箱

FVTE

親愛的同仁：

每位同仁的聲音都是推動公司成長與發展的重要力量，為了讓每個心聲都能被聽見，並營造出更加開放、透明與和諧的工作環境，「員工意見及申訴信箱」是一個讓您表達心聲、提供建議及提出申訴的平台。

【建議與意見】若您對公司的營運、工作流程或福利待遇等方面有任何想法，請隨時告訴我們，您的每一條寶貴意見，都是我們不斷改進的動力。

【申訴與投訴】若在工作中遭遇不正待遇或困難，請勇敢地向我們反映，我們承諾將嚴格保密，並以公正的態度處理每一個申訴案例，捍衛您的權益。

每位品彩同仁都是公司最珍貴的資產，您的滿意與幸福，是我們不懈追求的目標。感謝您對公司發展的支持與貢獻，讓我們攜手共創一個更美好的工作環境。如有任何疑問或需要進一步了解，請隨時與我們聯繫，感謝您的配合與支持！

品彩科技股份有限公司 敬上

員工意見信箱

*反應至 董事長 副總 稽核 人資 性騷擾申訴 職場不法侵害申訴

*主旨

*內容

聯絡人姓名 聯絡人電話 申請人

聯絡人信箱

* 性騷擾申訴、執行職務違反不法侵害申訴請留下相關聯絡資訊，其餘意見可匿名
* 此意見反應MAIL僅寄發MAIL，系統不做實質保留動作。

送出

檢舉信箱

誠信正直是品彩公司最重要的核心價值之一。如果您發現任何品彩公司員工或代表人出現不符誠信正直的行為及任何形式之舞弊行為時，請告訴我們，我們將立即交由公司專責單位處理。

請簡述：

- 請務必提供真實、具體的資訊，倘多數您的舉報是出於善意或放寬對您、虛偽舉報，您可能需承擔相應的法律責任。
- 我們接受匿名舉報，但為了更好溯源行調查，我們建議您提供具體可供調查之事實（人、事、時、地）及證據，若您願意提供您的詳細聯絡資訊，將有助於我們更快地進行調查和解決問題。

品彩公司承諾：

- 關於您的個人資料，我們將遵守法律規定進行保密，並採取適當之措施以保護您的權益。
- 您所提供之個人資料，包含姓名、電話、電子郵件等，品彩公司於調查期間，將以符合調查目的而處理利用。

您與品彩科技的關係 (必填)

- 選擇或新增 -

請提供您的姓名與聯絡方式

公司名稱 Company Name

您的姓名 Name

聯絡手機 Phone number

電子郵件 E-mail

請列出本案所涉及之品彩人員姓名及單位名稱 (必填)

您是如何得知此規展行為? (必填)

- 選擇或新增 -

請簡述該事件(如事件情節、涉案金額...等) (必填)

Diversity and Inclusion

Creating a fair, inclusive, and discrimination-free workplace that respects diversity and supports employees with disabilities is the foundation of the Company's commitment to fostering a diverse and inclusive organization. The Company upholds international human rights standards to ensure compliance across talent acquisition, employee development, compensation and promotion, and workplace safety. Initiatives include promoting fair employment, cultivating diverse talent, advancing gender equality, preventing workplace harassment, and enhancing accessibility, thereby enabling all employees to thrive in a safe, respectful, and non-discriminatory environment.

Fair Employment Mechanisms

The Company adheres to a policy of gender equality, cultural diversity, and equal opportunity to ensure that no job applicant or employee is discriminated against based on gender, age, nationality, race, religion, or disability.

- ◆ In recruitment, promotion, training, and compensation, the Company ensures equal opportunities for women, minority groups, and employees with disabilities.
- ◆ Internal policies enforce the principle of “equal pay for equal work,” minimizing pay disparities across job levels, departments, or locations.
- ◆ In 2024, women accounted for 14.2% of the workforce, with 8% representation in management. The Company continues to promote greater female participation in corporate governance and decision-making roles.

Category	Male Employees (%)	Female Employees (%)	Total Employees (%)
Senior Management	3.8%	0.9%	4.7%
Mid-Level Management	8.5%	0.5%	9.0%
Frontline Supervisors	3.8%	0.0%	3.8%
Technical/Production	62.3%	1.9%	64.2%
Administrative/Support	7.5%	10.8%	18.3%

4-2.2 Diverse Welfare Policies

Health Promotion and Cultural Engagement

The Company recognizes that employee well-being stems from a balance between work and life, as well as from interpersonal connection and a sense of belonging. To this end, various health-focused and culturally engaging activities are organized to foster a positive and connected workplace atmosphere. Through team-building events, cultural participation, and

health advocacy initiatives, the Company strengthens employee cohesion while naturally passing on and embedding corporate culture.

Employee Clubs and Social Activities

To cater to diverse interests, the Employee Welfare Committee supports a variety of interactive clubs.

	Participation (person-times)	Budget Allocated (NTD)
Badminton Club, Book Club	30	\$30,845



Health Information and Wellness Promotion

To enhance employees' awareness of health and well-being, the Company periodically disseminates health-related information through internal emails and the "Favite Wellness e-News." Topics include balanced nutrition, stress management, and workplace health, aiming to promote preventive care and foster a healthy working environment.

【晶彩樂活電子報】202407 - 食安有保障 · 腸胃才健康
7月04, 2024



【晶彩樂活電子報】202401 - 健康飲食
1月05, 2024



Health Promotion Activities

The Company places great emphasis on employees' physical and mental well-being by organizing a variety of engaging health promotion activities each year. In 2024, large-scale events such as the "Health Monopoly Walking Challenge" and the Company-wide Sports

Day were held to encourage healthy exercise habits in a relaxed atmosphere, while fostering peer interaction and team collaboration. In addition, health-themed newsletters and integration with annual health checkups were used to enhance employees' knowledge of physical and mental wellness and facilitate timely awareness of their own health status. These initiatives not only promote physical well-being but also help reduce work-related stress and cultivate a positive workplace culture.



Employee Health Consultation Services

The Company collaborates with professional medical institutions to provide health screening, nutritional counseling, and mental health support services, helping employees maintain a balance between work and personal life.

Comprehensive Employee Benefits and Well-being Support

To continuously enhance the employee experience, the Company integrates employee needs into its long-term development strategy and continuously refines its benefits system. The goal is to create a work environment that not only supports professional growth but also promotes physical well-being, mental health, and work-life balance.

- ◆ Health and Safety Management
- ◆ Family Care and Work-Life Balance

Measure	Description	2024 Implementation Results
Creating a Diverse and Inclusive Workplace	The Company is committed to upholding internationally recognized labor and human rights standards across all operating locations. It prohibits discrimination based on race, gender, or other characteristics and strives to eliminate all forms of employment discrimination.	Number of discrimination complaints: 0.
Free Group Insurance for Employees	All employees are covered by group insurance during their employment. Coverage includes life, accident, hospitalization, and cancer insurance, offering financial protection to employees and their families.	Initially enrolled: 190 employees; Total expenditure: NT\$575,361. Adjustments made monthly based on headcount changes.
Group Overseas Business Travel Insurance	Emergency support services provided for employees on international business travel.	Total expenditure: NT\$55,476.
Flexible Working Hours	Employees may apply for alternative work shifts to accommodate family caregiving, health, or personal needs, enabling better work-life balance.	72 applications received.
Remote Work	Employees may apply for remote work due to health, family care, commuting issues, or mental wellness. Clear application procedures, performance assessments, and information security protocols are in place.	4 applications received.
Reserved Parking for Pregnant and Injured Employees	Dedicated parking spaces are provided near office entrances for pregnant employees and those with temporary injuries or health conditions.	2 designated spaces established.
Breastfeeding Rooms	For employees with children under two, the Company provides designated lactation rooms and legally required lactation time, counted as working hours.	Used by 2 employees.
Health Check-up Subsidy	All employees with at least three months of service are entitled to company-sponsored health check-ups, which exceed legal requirements.	171 employees completed check-ups (99% of eligible); Total subsidy: NT\$253,100.
On-Site Health Consultation Services	Based on health check-up results, the Company provides proactive care and access to consultations with occupational nurses, nutritionists, psychologists, and physical therapists.	69 employees received consultations.
Wellness E-Newsletters	Monthly newsletters covering topics such as health, nutrition, and environmental awareness are circulated to enhance employee knowledge and well-being.	12 issues published.
Health Promotion Activities	Events such as company-wide sports days and group walking activities help foster team spirit, relieve stress, and promote a positive work culture.	2 activities held; 186 total participants; Total cost: NT\$274,852.
Various Subsidies	In line with statutory provisions, welfare funds are allocated from 0.15% of revenue and 0.5% of monthly salaries. Benefits include marriage gifts, childbirth subsidies, and funeral condolence payments.	1) Leisure & recreation activities subsidy: NT\$1,202,045 2) Birthday gifts: NT\$178,263 3) Holiday bonuses: NT\$346,740 4) Marriage/childbirth/funeral subsidies: NT\$51,400
Leave Without Pay Policies	Includes parental leave (up to 2 years per child before age 3), sick leave extension with physician certification, and personal leave for special circumstances such as long-term travel.	3 applications; 2 returned to work in 2024, 1 expected to return in 2025.

Employee Clubs	The Employee Welfare Committee supports employee clubs to enhance morale and team bonding.	2 clubs currently established.
Enhanced Leave – "Vitality Leave"	Employees earn 1 day of "Vitality Leave" for every 90 days of service within the year, offered in addition to statutory leave, to promote rest and rejuvenation.	Utilization rate: 100%.

The Company recognizes that only when employees enjoy physical and mental well-being and are supported in their daily lives can the enterprise advance with resilience. The Company will continue to optimize its people-centered measures by incorporating data insights and employee feedback, creating a safe, inclusive, and engaging workplace worthy of long-term dedication. Looking ahead, the Company also plans to gradually adopt international health and well-being indicators, embedding well-being as the most enduring foundation of its corporate culture.

4-3 Safe and Friendly Working Environment

In its daily operations, the Company fully understands that a sense of security stems not only from institutional safeguards but also from respect for each employee's dignity. By fostering a physically and psychologically secure workplace, enhancing occupational health and safety management, preventing workplace harassment, and establishing clear grievance and reporting mechanisms, the Company ensures that employees are protected and heard in their work environment. Safety is not just about equipment—it is part of the culture; friendliness is not merely a policy—it is reflected in every interaction.

Management Approach	Material Topic: Employee Health and Safety
Policies and Commitments	Favite, Inc. is committed to creating a safe, healthy, and equitable workplace in accordance with legal requirements. The Company promotes systematic management and a variety of health promotion measures to continuously safeguard employees' physical and mental well-being as well as career development. The Company fully complies with the Labor Standards Act, Gender Equality in Employment Act, Occupational Safety and Health Act, and Regulations for Labor Health Protection. In addition, internal regulations such as the Occupational Safety and Health Guidelines, Fire Emergency Response Protocols, Prevention Plan for Unlawful Harm in the Execution of Duties, and Measures for Prevention, Complaint, and Discipline of Sexual Harassment are rigorously implemented. These serve to enforce risk identification, hazard prevention, and the development of a workplace safety culture.
Positive Impacts	The provision of a safe and healthy working environment supported by sound management systems effectively reduces the risk of occupational accidents, strengthens employees' sense of security, and improves attendance.
Negative Impacts	Inadequate management of workplace safety and health may lead to occupational incidents, resulting in caregiving burdens, legal liabilities, and potential operational interruptions, thereby affecting corporate

	reputation and business continuity. Furthermore, insufficient health and safety management may decrease employee retention and increase workforce turnover and operational risks. From a health perspective, failure to monitor employees' physical and mental status may contribute to excessive stress and burnout, impairing productivity and organizational cohesion.	
Remediation and Mitigation Measures	The Company has established an ISO 45001-certified occupational health and safety management system. Regular risk assessments and safety drills are conducted, alongside diverse health promotion initiatives such as medical checkups, psychological and nutritional consultations, and stress relief activities. These efforts aim to enhance employee health management and stress resilience, progressing toward a zero-incident workplace and high levels of health satisfaction.	
Goals and Objectives	2024 Goal	Short-Term Goals (Within One Year)
	N/A	<ul style="list-style-type: none"> Implementation of ISO 45001: The Company plans to complete implementation in 2025 and obtain certification by 2026.
	Progress Status	<ul style="list-style-type: none"> Health Promotion and Safety Awareness Activities: The Company aims to hold four sessions in 2025, including health checkups, sports activities, and fire safety training (one session each in the first and second half of the year).
	N/A	<ul style="list-style-type: none"> On-Site Medical Consultation Services: In response to employees' physical and mental health needs, the Company plans to provide at least 50 sessions of professional consultations in 2025.
	Mid-Term Goals (1–3 Years)	
	<ul style="list-style-type: none"> Maintain annual ISO 45001 certification. Ensure each employee participates in at least two occupational safety or health promotion activities per year. Continuously optimize hazard identification and risk assessment processes, aiming to eliminate over 80% of potential workplace risks. 	
Long-Term Goals (3–5 Years)		
<ul style="list-style-type: none"> Apply for and obtain at least one national-level award in occupational health or safety to recognize the Company's achievements in creating a safe and healthy workplace. Continuously enhance safety management and training with the goal of maintaining zero occupational injuries. Establish an integrated health management system to provide personalized consultation and care services by leveraging employee health data. 		
Responsibility	Sustainability Committee – Corporate Social Responsibility Team General Administration Division – Human Resources Department Office of the General Manager – Occupational Safety Office	
Resources	Human Resources: One additional staff member to be recruited in 2025. Financial Resources: NT\$2,500,000 allocated for personnel hiring, training activities, and safety initiatives.	
Evaluation Mechanism for the Effectiveness of Management Approach	<ul style="list-style-type: none"> Annual external ISO 45001 audits and certification renewal to ensure continued system effectiveness. Internal occupational safety training courses include satisfaction surveys, with an average score target of 4.0 or above (out of 5). Quarterly labor-management and Occupational Safety and Health Committee meetings to facilitate two-way communication and implementation of improvements. Establishment of multiple feedback and grievance channels, including suggestion boxes and complaint mechanisms for sexual harassment and unlawful conduct. Health promotion activities are evaluated through satisfaction surveys, with an average score target of 4.0 or above. Annual employee health check-up completion rate maintained at 95% or higher. 	
Evaluation Results of the	<ol style="list-style-type: none"> ISO 45001 certification planning is underway and scheduled for execution in 2025. In 2024, the average satisfaction score for occupational safety and health training was 4.41 out 	

Management Approach	<p>of 5.</p> <p>3. Four labor-management and Occupational Safety and Health Committee meetings were held in 2024.</p> <p>4. Zero grievances or complaint cases were recorded in 2024.</p> <p>5. The average satisfaction score for health promotion activities in 2024 reached 4.34 out of 5.</p> <p>6. Employee health check-up completion rate for 2024 was 99%.</p>
Complaint Mechanism and Communication Channels	Complaint submission portal: Internal website / Company website (https://www.favite.com/complaints/)

4-3.1 Occupational Safety and Health Management

To ensure a healthy and safe working environment for all employees, suppliers, clients, and other stakeholders, the Company has established the “Occupational Safety and Health Management Plan” in accordance with domestic and international occupational safety and health laws and standards. This plan is implemented following approval by the Company's governance body.

Through regular hazard identification and risk assessments, the Company proactively identifies potential threats to employee health and safety. Comprehensive workplace inspections are conducted annually, addressing various dimensions including physical environment, equipment safety, and mental well-being. Safety standards are systematically reviewed and optimized to ensure all operations meet occupational safety and health requirements. A cross-functional Safety Committee has been established to oversee safety performance, formulate improvement plans, and continuously enhance risk control based on annual reviews. Employee participation and feedback are equally valued, with accessible channels provided for employees to report safety concerns and contribute to improvement efforts.

Occupational Hazard Identification and Risk Prevention

The Company performs regular hazard identification and risk assessments focused on high-risk work environments, equipment operation, and chemical handling. Appropriate control measures are adopted, including mechanical safety protections, chemical labeling management, and zoning and monitoring of operational areas to mitigate accident risks.

Prevention Mechanism	Description
Risk Identification and Inspection	Annual on-site risk reviews are jointly conducted by EHS personnel and department heads, with follow-up tracked in an improvement action log.

Tiered Work Control	Based on hazard levels, a work permit system is applied to activities such as working at heights, hot work, and confined space entry. These tasks require specific training and signed permits prior to execution.
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Occupational Injury Prevention Mechanism

To prevent occupational injuries and enhance on-site safety, the Company has established a comprehensive risk control mechanism that integrates technical safeguards, procedural controls, and employee training for various high-risk operations. Corresponding standard operating procedures (SOPs) and emergency response processes have been developed based on the nature of each task.

High-Risk Work and Corresponding Control Measures

Type of Operation	Primary Risks	Control Measures	Training Frequency
Working at Heights	Falls	Fall protection equipment, work permit system	Once every three years
Hoisting and Rigging	Falling objects, crushing	Certified operation license, rigging SOP	Once every three years
Electrical & Equipment Maintenance	Electric shock, unintended activation	Lockout-Tagout (LOTO) system, power shutdown checklists	Once per year

Contractor Safety Management

The Company considers all external contractors as an integral part of the occupational safety and health management system. Strict safety control measures are implemented for all contract personnel entering the site for construction, equipment installation, or maintenance work. The following management mechanisms are in place:

Management Category	Control Measures
Pre-Entry Control	Contractors must complete occupational safety and health training, including plant regulations and EHS basics.
	Contractors must submit a personnel list and sign both the <i>Pre-Construction Hazard Notification Form</i> and the <i>Contractor EHS Commitment Letter</i> .
Work Permit Control	For high-risk tasks (e.g., hot work, working at heights, confined space entry, hoisting), a work permit application and relevant documentation are required.
	Operations may only proceed after approval.
On-Site Supervision	EHS officers and project supervisors conduct scheduled and unscheduled inspections.
	Inspections focus on proper use of PPE, hazard notification, and clear work area segregation.
Personal Protective Equipment (PPE)	All workers must provide and properly wear PPE (e.g., safety helmets, goggles, harnesses).
	Violations will result in fines or termination of work authorization.
Emergency Response	Contractors must comply with the Company's emergency response plan and be familiar with evacuation routes and assembly points.
	In case of an incident, immediate reporting and cooperation in investigations are required.

Incident Reporting and Disciplinary Action	All incidents must be reported promptly, with full cooperation in root cause analysis and corrective actions.
	Severe violations may result in contract termination and blacklisting.

2024 Performance:

In 2024, the Company recorded no major occupational accidents throughout the year. All operational personnel successfully completed the required pre-entry safety training and qualification checks.

Despite a well-established safety management system, the risk of disabling injuries may still arise. In such instances, the Company immediately activated its emergency response protocol, ensuring timely access to medical care, psychological support, and long-term rehabilitation programs to safeguard employees’ physical and mental well-being. Each incident underwent root cause investigation, followed by corrective action plans to eliminate recurring risks.

Occupational Injury Statistics and Analysis

The Company regularly documents and analyzes occupational incidents. Every case triggers a root cause investigation, and corresponding corrective actions are initiated to optimize procedures, equipment safety, site management, and employee training, thereby strengthening overall workplace resilience.

In 2024, the Company maintained its “zero major occupational injury” target through the implementation of three key control strategies:

- ◆ Data-Driven Monitoring System: Tracks injury types, affected body parts, and lost workdays to inform safety management indicators and training priorities.
- ◆ Disabling Injury Metrics: Monitors Frequency Rate (FR) and Severity Rate (SR) as indicators for evaluating safety performance and continuous improvement.
- ◆ Enhanced Preventive Mechanisms: Quarterly review of root causes and near-miss incidents, introduction of an abnormal event reporting system, and cross-functional emergency response procedures to improve risk awareness and response efficiency.

To prevent recurrence of similar accidents, the Company also focuses on:

- ◆ Workplace Redesign: Improving layout and installing protective equipment in high-risk zones.
- ◆ Employee Feedback Mechanisms: Encouraging frontline workers to report hazards and suggest improvements, which are incorporated into periodic reviews.

Year		2022			2023			2024		
Total Workdays		56638			48664			46357		
Total Work Hours		453104			389312			370856		
Gender		Male	Female	Total	Male	Female	Total	Male	Female	Total
Occupational Injuries	Number of Disabling Injuries	1	0	1	0	0	0	0	0	0
	Total Lost Workdays	3	0	3	0	0	0	0	0	0
Commuting Accidents	Number of Disabling Injuries	0	0	0	1	1	2	2	0	2
	Total Lost Workdays	0	0	0	11	2	13	6	0	6
Total	Total Injured Cases	1	0	1	1	1	2	2	0	2
	Total Lost Workdays	3	0	3	11	2	13	6	0	6

In 2024, the overall absenteeism rate was 1.6%.

	2022	2023	2024
Sick Leave and Personal Leave Absenteeism Rate	2.3%	1.6%	1.4%
Occupational Injury Absenteeism Rate (including commuting accidents)	0.1%	0.1%	0.1%
Overall Absenteeism Rate	2.4%	1.8%	1.6%

All absences are managed and recorded in accordance with the Labor Standards Act. The Company continuously analyzes absenteeism data as a basis for risk alerts and human resource planning.

Tiered Prevention Mechanism and Occupational Safety Training

Upholding a safety-first culture that prioritizes prevention over remediation, the Company has developed a tiered occupational health and safety training framework based on workplace risk types and job functions. Training programs are integrated with daily management and emergency drills to enhance employees' risk awareness and on-site response capabilities.

Risk-Based Multi-Level Prevention Framework

Prevention Tier	Management Mechanism	Implementation Details
First Line of Defense	Hazard Identification and On-Site Improvement	Quarterly workplace inspections and improvement plans targeting high-risk workstations
Second Line of Defense	Standardized Operations and Permit System	Establishment of SOPs; work permits and risk assessments required for high-risk operations
Third Line of Defense	Education and Simulation-Based Training	Annual delivery of basic, professional, and emergency drills to ensure essential safety competencies
Fourth Line of Defense	Employee Feedback and Incident Reporting System	Implementation of anonymous reporting mechanisms to improve risk reporting and transparency

Occupational Safety Training Program

To enhance employees' awareness of safety and improve their ability to identify and manage risks, the Company regularly organizes safety training tailored to different roles. The curriculum covers operational procedures, emergency response, and health management.

Training Content

Training Category	Course Summary	Target Participants	Frequency
General Occupational Safety and Health Training	Basic plant safety regulations, operational precautions, use of personal protective equipment (PPE), fire evacuation routes	All new employees	Upon onboarding (once)
Training for Operators of Hazardous Machinery and Equipment	Operation of elevated work platforms, cranes, forklifts, etc.	On-site operators and supervisors	Once every three years
Emergency Response Drills	Fire, earthquake, and evacuation simulations with post-drill evaluations	Emergency response team members	Twice a year
Health and Stress Management e-Newsletter	Topics include mental health in the workplace, stress identification and coping strategies	All employees	Irregular basis

Annual Occupational Safety and Health Training Performance

Training Topic	Description	Sessions	Participants	Completion Rate
New Employee Safety Training	Basic occupational safety and health education for all new hires	2	14	100%
Emergency Response and Evacuation Drills	Simulated fire, earthquake, and chemical spill scenarios	4	84	97%
Mental Health and Stress Management	Distributed via internal e-newsletters covering workplace mental wellness, stress coping, and healthy diet	3	N/A	N/A

Note: All training sessions were conducted by certified instructors. Learning outcomes were evaluated through written assessments and practical drills.

2024 Occupational Safety and Health Certification Training Statistics

Certification Name	Number of Certifications (Head Office)	Number of Certifications (Taichung Office)	Number of Certifications (Tainan Office)	Total
Class-1 Occupational Safety and Health Affair Manager	1	0	0	1
Class-2 Occupational Safety and Health Management Personnel	2	0	1	3
Class-3 Occupational Safety and Health Affair Manager	8	1	7	16
First Aid Personnel	4	0	1	5
Fire Prevent Manager	3	0	0	3
Forklift Truck Operator	4	0	0	4

Crane Operator	13	0	0	13
General Labor Safety and Health Education and Training (6 hours)	81	4	16	101

*All certifications are currently valid within their effective periods.

As of 2024, the Company holds a total of 146 valid occupational safety and health-related certifications. These training efforts have not only strengthened employees' safety awareness but also enhanced the Company's capacity to manage various potential risks effectively.



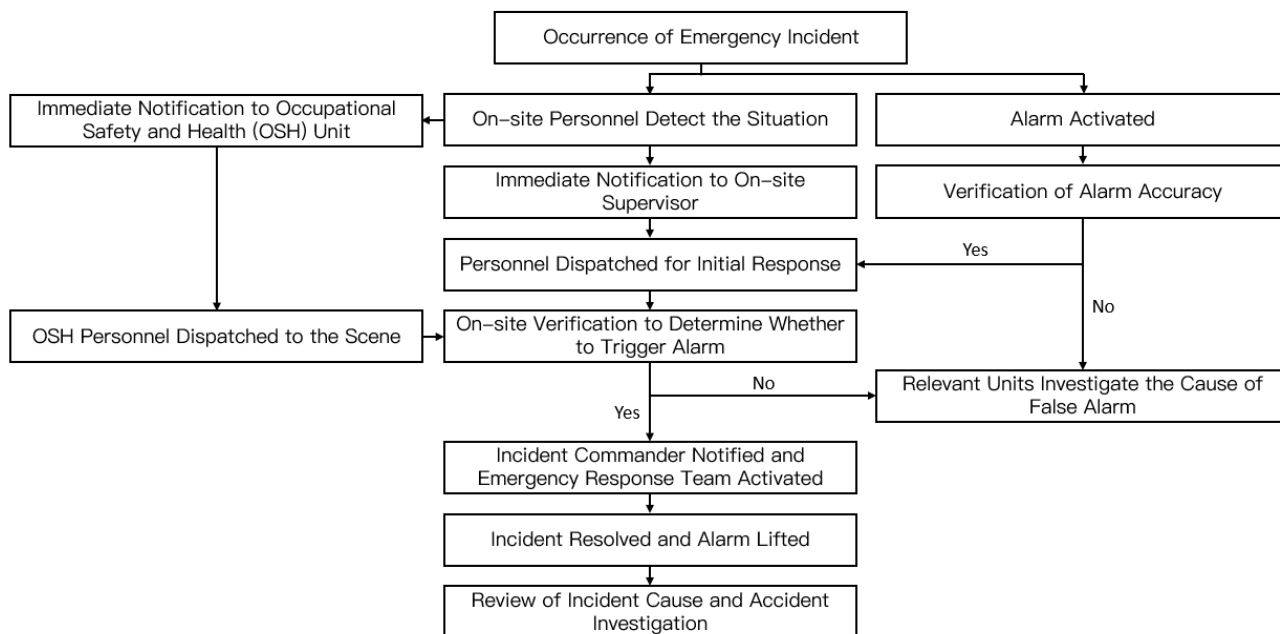
Emergency Response and Employee Care Mechanism

In addition to continuously optimizing the working environment and preventive measures, the Company places strong emphasis on timely response and post-incident support in the event of emergencies.

◆ Emergency Response Mechanism:

The Company has established comprehensive communication and feedback mechanisms. Specific response plans are in place for various types of hazards, including fire, chemical spills, and machinery failures. At least one emergency drill is conducted annually to ensure that employees are able to respond promptly and take appropriate actions.

The Company has developed a comprehensive emergency reporting mechanism and process, as illustrated in the following diagram:



◆ **Emergency Medical Support:**

- The Company has established immediate response procedures, designating trained first-aid personnel in each department and equipping them with first-aid kits.
- Memorandums of Understanding (MOUs) have been signed with nearby emergency medical institutions to reduce referral time and enhance emergency response efficiency.

◆ **Psychological Support and Rehabilitation Programs:**

- In collaboration with psychological counseling institutions, the Company provides post-incident psychological support and Employee Assistance Program (EAP) services.
- Within three days following a major incident, counseling channels and stress self-assessment questionnaires are made available to identify potential psychological risks.
- Reintegration programs are designed to support employees' return to work, including flexible working hours and phased return-to-duty arrangements.

Workplace Sexual Harassment Prevention Measures

The Company is committed to fostering a zero-tolerance workplace, ensuring all employees can work in a safe environment free from gender discrimination, harassment, and bullying. Through comprehensive policies, robust complaint mechanisms, and continuous education and training, the Company safeguards workplace safety and fairness.

Complaint and Prevention Mechanisms

- ◆ Dedicated Complaint Channels
 - The Company has established dedicated reporting hotlines, email channels, and an internal website mailbox to ensure employees can report concerns in a safe and confidential manner.
 - All cases are handled by designated personnel, ensuring that every employee receives a fair investigation and response without fear of retaliation.
- ◆ Workplace Sexual Harassment and Discrimination Investigation Committee
 - The Company has formed a dedicated investigation committee for handling sexual harassment and discrimination complaints. The committee includes representatives from Human Resources, Legal Affairs, and external professional consultants, with a commitment to having no less than 50% female representation to ensure fairness and professionalism.
 - Investigations are initiated within 7 days of receiving a complaint and are committed to resolution within 3 months.

Type of Incident	2023	2024	Cases Resolved	Unresolved Cases	Key Improvement Measures
Gender Discrimination	0	0	0	0	-
Other Discrimination	0	0	0	0	-
Workplace Bullying	0	0	0	0	-
Sexual Harassment	0	0	0	0	-

Although no workplace sexual harassment incidents were reported to date, the Company continues to promote gender equality and training on the prevention of unlawful conduct to ensure all employees are equipped with the necessary awareness and preventive capabilities.

Workplace Sexual Harassment Complaint Investigation and Handling Process

Sexual Harassment Complaint Handling Procedure



Transparent Handling Process and Disciplinary Mechanism

◆ Fair Investigation and Privacy Protection

- During the investigation of any complaint, the Company ensures that the privacy of both the complainant and the respondent is strictly protected. All procedures related to case handling are kept confidential to prevent potential retaliation or undue influence.
- If the investigation confirms improper conduct, the Company will take necessary disciplinary measures in accordance with the Sexual Harassment Prevention, Complaint, and Disciplinary Measures policy and the Work Rules. The severest penalty may include dismissal pursuant to Article 12 of the Labor Standards Act.
- Confirmed violations will be subject to appropriate actions, including but not limited to:
 1. Educational counseling
 2. Formal warnings
 3. Administrative sanctions
 4. Disciplinary actions such as demotion, suspension, or dismissal

Moving forward, the Company will establish more comprehensive internal monitoring and review mechanisms to ensure all complaints are properly addressed. Through internal education, the Company aims to enhance employees' awareness and understanding of

gender equality and workplace respect, thereby embodying corporate values and maintaining a fair and safe workplace environment. This commitment ensures all employees can thrive in an environment of respect, inclusion, and security without fear of retaliation or improper treatment.

Gender Equality and Workplace Prevention Training and Awareness

The Company conducts training sessions on workplace sexual harassment prevention and gender equality to ensure all employees understand their rights and the Company’s policies. In 2024, a total of 8 training sessions related to workplace equality were held, with 208 participants in total. The training topics included:

	2023	2024
Course Titles	Prevention of Workplace Sexual Harassment and Illegal Harassment (Bullying) Say No to Toxic Workplace Scripts! Unveiling Illegal Harassment at Work	Establishing a Friendly Workplace under the Labor Standards Act: Introduction to the Latest Gender Equality Workplace Law and Case Studies of Illegal Harassment Prevention of Workplace Sexual Harassment and Other Illegal Harassment Prevention of Workplace Sexual Harassment and Other Illegal Harassment along with General Safety and Health Training

Currently, the promotion of relevant policies has covered the majority of employees. The Company will further develop comprehensive internal monitoring and review mechanisms to ensure all complaints are properly addressed, thereby enhancing transparency and fairness of the system. To deepen workplace diversity and equality, the Company will continue to advance internal education on gender equality and workplace respect. Regarding workplace safety and employee physical and mental health, the Company will also keep optimizing anonymous reporting channels and psychological support mechanisms, enabling employees to freely express opinions and report improper behavior without fear of retaliation or discrimination. The goal is to foster a respectful, inclusive, and safe working environment that supports the stable growth and long-term development of every employee.

4-3.2 Employee Health and Safety

The Company recognizes that employee health forms the foundation of stable operations and sustainable development. Over the long term, the Company has been committed to fostering a healthy, safe, and friendly workplace environment. Through annual analysis of health examination results and employee feedback from interviews, the Company continuously optimizes its health promotion strategies. A cyclical health management framework has been introduced to strengthen service procedures and resource allocation from a systematic

perspective, with the goal of ensuring that employees genuinely experience care and support in their daily work.

Physical and Mental Health Care Program: Comprehensive Support and Care

To provide tailored and proactive health care services, the Company has established a stratified health management system and conducts regular health examinations for employees. Health assessments are customized based on job type and occupational risk to ensure alignment between employees' health conditions and job suitability.

- ◆ Annual Health Checkups

The Company offers all employees annual health examinations that exceed legal requirements, covering a wide range of items such as blood pressure, cardiovascular screening, liver and kidney function, blood sugar metabolism, cancer markers, and chest X-rays. These examinations help employees monitor their health status and identify potential health risks early.

- ◆ Health Risk Stratification and Follow-up Management

For employees with abnormal findings, the Company classifies health risk levels and provides necessary medical referrals and ongoing follow-up. On-site medical professionals offer personalized health consultations and support services.

2024 Performance Highlights:

In 2024, a total of 171 employees underwent health examinations, achieving a coverage rate of 99%. The Company subsidized NT\$253,100 for these services, demonstrating its commitment to early detection and its continued investment in employee well-being.



Well-being Initiatives for a Happy Workplace

To foster a workplace culture that balances physical and mental well-being with work performance, the Company continues to promote workplace health programs and has stationed occupational physicians and nurses on-site to provide real-time, personalized health consultations and advice to employees.

In 2024, a total of 69 individual health consultations were provided, covering topics such as mental health management, stress coping strategies, exercise and nutrition advice, and work-life balance planning. These services support employees in enhancing their health awareness and self-care capabilities from multiple dimensions.

Through face-to-face interactions and professional guidance, occupational health personnel are able to monitor employees' physical and mental well-being in a timely manner and provide practical recommendations and follow-up support. These efforts help employees maintain a stable and healthy state despite the demands of high-intensity work, contributing to a caring and supportive workplace ecosystem.

Initiative	Implementation Result (Headcount or %)		Remarks (Improvement Notes)
	Company Sites	Company Sites	
Identification and Evaluation of High-Risk Individuals	0 employees identified with high risk of illness induced by abnormal workload		Risk Level of Illness Induced by Abnormal Workload
	Zhubei HQ: 0	Central and Southern Offices: 0	
Doctor Consultation and Health Guidance	1. 29 employees required doctor consultation		Risk Level of Illness Induced by Abnormal Workload: High: 0 Medium (Level 2): 17 (2 resigned, 2 not yet consulted) Medium (Level 1): 56 Low: 99
	Zhubei HQ: 29	Central and Southern Offices: 0	
	1.1 29 employees under observation or follow-up checks		
	Zhubei HQ: 29	Central and Southern Offices: 0	
	1.2 29 employees requiring medical attention		
	Zhubei HQ: 29	Central and Southern Offices: 0	
	2. 29 employees requiring health guidance		
	Zhubei HQ: 29	Central and Southern Offices: 0	
	2.1 29 received health guidance		
	Zhubei HQ: 29	Central and Southern Offices: 0	
Work Time or Task Adjustment	1. 0 employees required work hour adjustment 2. 0 employees required task reassignment		None
	1. 173 employees required health checkups		Cardiovascular Risk Classification:

Health Checkups, Management, and Promotion	Zhubei HQ: 125	Central and Southern Offices: 47	High: 7, Medium: 20, Low: 145 Metabolic Syndrome: 41 diagnosed, 93 high-risk, 50 normal Hypertension: 70 Hyperglycemia: 19 Hyperlipidemia: 88 Health Risk Levels: Level 4: 10, Level 3: 33, Level 2: 108
	1.1 171 employees actually received checkups		
	2. 172 employees required regular follow-up management (annual checkup tracking)		
	3. 186 instances of health promotion activity participation (annual total)		
Effectiveness Evaluation and Improvement	1. Health checkup participation rate: 99% 2. Health promotion activity satisfaction: 4.34 (out of 5)		Due to updated BP standards and aging demographics, abnormal cases increased. Frequency of consultation and education for hypertension and hyperlipidemia was increased. Environmental testing data accuracy enhanced, with more detailed data analysis planned.

2024 Health Service Program Implementation Status

Item	Required Consultations		Completed Consultations		Health Education Materials Provided		Resigned		Uncompleted Consultations		Completion Rate
	HQ	Southern Offices	HQ	Southern Offices	HQ	Southern Offices	HQ	Southern Offices	HQ	Southern Offices	
Abnormal Workload ((High Cardiovascular Risk)	17	0	13	0	13	0	2	0	2	0	76.5%
Maternity Protection	0	1	0	1	0	1	0	0	0	0	100%
Hyperglycemia	13	6	8	6	8	6	0	0	5	0	73.7%
Hyperlipidemia	61	27	58	23	58	23	4	0	3	4	92%

4.3.3 Employee Communication and Engagement Mechanism

The Company firmly believes that employee voices are a driving force for corporate growth and organizational advancement. To foster internal communication and strengthen a culture of mutual trust, the Company is committed to establishing diverse, accessible, and respectful communication platforms. These platforms empower every employee to express opinions in a safe and inclusive environment, enhancing their sense of participation and belonging while ensuring that all feedback is properly addressed.

Upholding the philosophy of “walking alongside employees,” the Company views communication as a crucial two-way dialogue. Beyond promoting policies and conveying management philosophies, the Company actively listens and responds to employee feedback to deepen their sense of identity and trust in the organization, thereby supporting sustainable organizational development.

Diverse Communication Mechanisms

In 2024, the Company strengthened dialogue opportunities with employees through multiple formal and informal communication mechanisms, addressing a range of topics related to employee rights and interests. Key communication channels and their implementation are as follows:

Communication Channel	2023 Implementation	2024 Implementation Overview
Internal Announcements	Issued over 8 announcements	Issued over 15 announcements
Quarterly Labor-Management Meetings	Held 4 sessions	Held 4 sessions
Quarterly Employee Welfare Committee Meetings	Held 5 sessions	Held 6 sessions
Quarterly Occupational Safety and Health Committee	Held 4 sessions	Held 4 sessions
Departmental Meetings	Held over 40 sessions	Held over 40 sessions
One-on-One Meetings (e.g., Performance Reviews, Personal Development Plans)	Conducted on an as-needed basis	Conducted on an as-needed basis
Training Courses and General Knowledge Seminars	Held 123 sessions; 518 participants; 2,300 hours	Held 136 sessions; 1,487 participants; 5,152 hours
Employee Engagement Activities	Hosted 4 employee engagement activities with a total of 374 participants (including 180 for the year-end banquet, 82 for the sports day, 50 for the Mid-Autumn Festival event, and 62 for the Christmas celebration).	7 employee engagement activities were held, attracting a total of 549 participants, with an average satisfaction score of 4.60 out of 5.
Internal E-Newsletter (Favite Wellness e-News)	Published 4 issues	Published 12 issues
Employee Feedback Mailbox	0 complaints received	0 complaints received

Fostering a Culture of Trust and Confidential Dialogue

The Company has established anonymous physical suggestion boxes, internal website portals, and grievance channels on its corporate website. All feedback is collected and managed by designated departments to ensure employees can express their opinions without pressure or fear of retaliation. All submissions are incorporated into internal analysis and governance mechanisms, with regular reports made to senior management to enhance organizational responsiveness and transparency.

At Favite, Inc., every employee's voice is valued as a driving force for progress. The Company is committed not only to listening and responding but also to cultivating a workplace built on mutual trust and shared growth. Communication is seen as the bridge to connection and

sustainable development, forming a warm, engaging, and resilient work environment where all employees can thrive.

Chapter 5: Shared Value Through Collective Light

Mutual Growth, Walking Together | Extending Warmth Through Technology, Making Care Heard Through Action

Favite, Inc. firmly believes that a company's value lies not only in technological and process innovation but also in its ability to create a positive impact on people, society, and the environment. Recognizing “social inclusion” as a core pillar of its sustainability strategy, the Company actively responds to local needs, invests in public welfare and education, and encourages employee engagement to cultivate its unique social influence.

Since 2020, Favite has built a structured framework for public welfare and community engagement. Guided by the principles of systematic promotion, actionable implementation, and heartfelt companionship, initiatives have included computer donations, support for underprivileged groups, fundraising efforts, and volunteer participation—each step contributing to the Company’ s enduring and compassionate sustainability journey.

5-1 Public Welfare Participation and Social Connection

The Company believes that a company's value lies not only in technological innovation and stable manufacturing, but also in its ability to respond sincerely to societal needs and extend care wherever possible.

On the path toward sustainable development, Favite, Inc. has remained committed to its connection with people, communities, and the land. Whether through a donated laptop, a packed relief package, or the quiet dedication of volunteers, every effort embodies the Company’ s belief in “technology as an extension of trust.” Favite’ s community engagement strategy focuses on two key pillars: supporting public welfare initiatives and actively participating in and giving back to the local community. The Company’ s ongoing efforts include:

- ◆ Collaborating with vocational schools and academic institutions to offer industry-academia training opportunities.

- ◆ Strengthening local ties through support for community development, charitable donations, and environmental conservation.
- ◆ Advancing social welfare through corporate volunteer programs that improve the well-being of underprivileged groups.

Favite encourages employees to become volunteers and spread goodwill through tangible action. Though these efforts may seem modest, they are grounded and meaningful. The Company believes that when a business chooses to engage with society wholeheartedly and walk alongside its communities, real change does not need to be grand — it only needs to be sincere, steady, and rooted in purpose.

Public Giving and Social Care

Small Actions, Lasting Warmth

Caring for society doesn't require abundance—only a willingness to give in everyday life. Through its charitable initiatives, Favite, Inc. strives to deliver tangible warmth to those in need with each donation and every act of participation.

- ◆ The Company has donated laptops to elementary schools in remote areas and scholarships via local borough offices to help underprivileged children access digital learning. Employees also joined material donation drives to experience firsthand how small acts can spark meaningful change.
- ◆ Volunteering is part of daily life—employees have taken part in beach cleanups and Christmas service events at elder care facilities. Though modest, these heartfelt contributions steadily cultivate a culture of kindness, bringing Favite's values to life in everyday moments.





Educational Support and Knowledge Transfer

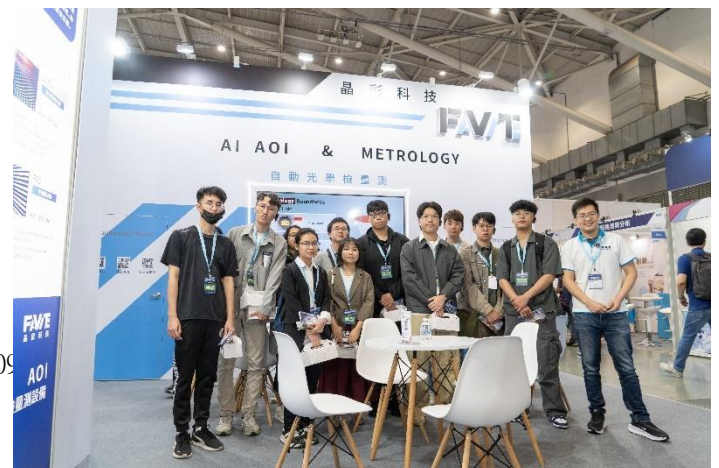
Sharing Knowledge Is the Most Enduring Form of Giving

As a technology-driven enterprise, Favite, Inc. recognizes that education is one of the most impactful long-term investments. The Company maintains strong partnerships with technical and academic institutions, offering campus lectures, guided exhibition tours, technology demonstrations, and career-linked programs to help young people understand real-world applications of smart manufacturing and AI inspection.

Favite also contributes R&D components and modules to support research in photonics and vision technology. Through knowledge-sharing, site visits, and project collaboration, the Company continues to bring real industrial insight into educational settings.

◆ Industry-Academia Collaboration and Talent Development

Favite maintains long-standing cooperation with technical colleges and industry associations, supporting students in participating in lectures, exhibitions, and site visits. These activities help bridge the gap between academic learning and industrial practice, enhancing students' understanding of smart and low-carbon manufacturing while strengthening their confidence and preparedness for future careers.



Employee-Led Philanthropy

Quiet Acts of Kindness That Shine Brightly

Beyond company-led initiatives, Favite, Inc. deeply values the goodwill arising from employees' own initiative. Team members have sponsored children through charitable foundations, participated in beach clean-ups, volunteered at youth camps, and regularly supported underprivileged children and families. These acts may not appear on performance metrics, but they embody the most moving form of engagement.

These everyday gestures of care and responsibility are essential to Favite's cultural foundation. Corporate culture is not only shaped by policies, but also by the choices individuals make when no one is watching.

The Company provides internal advocacy and resource platforms to empower employees to turn concern into meaningful action—ensuring that good intentions have a stage and every contribution is recognized.

These sparks of kindness from employees are the most heartfelt expressions of Favite's social engagement and the true beginning of its commitment to positive social impact.

5-2 Community Engagement and Giving Back

Every Act of Kindness: A Gentle Dialogue with Society

At Favite, Inc., the true strength of a company is measured not only by solving technical challenges in labs, but also by planting seeds of hope within communities. From R&D to daily engagement, from the office to the local neighborhoods, the Company strives to build meaningful connections with people and places. By integrating employee participation, corporate resources, and local partnerships, Favite practices a grounded, community-oriented approach that reflects care and responsibility in every facet of its operations.

Overview of Social Engagement Outcomes

Category	2022	2023	2024
Charitable Donations (NTD)	62,700	227,545	514,040

Participation (person-times)	66	62	80
Employee Volunteer Hours (est.)	0	0	37.5
Community Activities (cases)	2	4	6

Local Industry Support and Collaboration

Growing Together with the Community: Favite's Path to Sustainable Development

While many of Favite, Inc.'s key components are sourced globally, the Company actively seeks opportunities for local collaboration. In 2023, local procurement accounted for 46.1% of total purchases; in 2024, this figure rose to 53.6%, underscoring a steady commitment to Taiwan-based sourcing and industrial development. By fostering long-term partnerships with local suppliers, Favite enhances supply chain resilience, technical exchange, quality control, and delivery flexibility. The Company also embraces circular economy principles, exploring the reuse of industrial waste to build a low-carbon, sustainable ecosystem.

Procurement Region	Direct Procurement	Indirect Procurement (Distributors)	Total Share
Domestic	50.9%	2.7%	53.6%
Overseas	24.2%	22.2%	46.4%
Total	75.1%	24.9%	100%

Ongoing Commitment and Future Directions:

- ◆ **Prioritizing Local Procurement to Stimulate Regional Development**
Favite, Inc. remains committed to strengthening regional supply chains by maintaining stable partnerships with local vendors. These collaborations support SME resilience and drive long-term industrial sustainability.
- ◆ **Advancing Industry Co-Creation Initiatives**
Through close cooperation with local suppliers, the Company shares expertise in process control and quality verification to enhance product quality and global competitiveness.
- ◆ **Creating Local Employment Opportunities**
Favite actively recruits local youth, offering stable jobs and technical training to foster sustainable employment in the community.

Environmental Sustainability and Community Greening Initiatives

Gentle Responsibility for the Land, Practiced Every Day

Despite not being a high-energy-consuming manufacturer, the Company continually promotes energy-saving and resource management throughout R&D and production. In

2023, Favite reduced total water consumption by 23.4% compared to the previous year. Facility upgrades included smart lighting and compressed air systems for improved energy efficiency and monitoring.

Additionally, employees actively respond to various environmental advocacy activities, implementing their environmental responsibilities in daily details.

- ◆ Environmental Management and Energy Conservation Initiatives

The Company has strengthened internal waste segregation, recycling, and resource reduction education. Energy-efficient equipment replacements have been implemented, embedding “energy saving and carbon reduction” into daily operations and enhancing environmental awareness among all employees.

- ◆ Promotion of Energy Conservation and Low-Carbon Transition

Ongoing upgrades to facility lighting and air compression systems are in place. The Company also practices smart utility management and aligns with environmental regulations. Three internal newsletters on energy-saving and carbon reduction were released, and relevant departments were regularly engaged in government-led energy policy briefings to broaden corporate environmental responsibility.

- ◆ Community Greening and Road Adoption

To support community environmental improvement, employees regularly maintain surrounding public areas, including watering street trees, clearing fallen leaves, and cleaning sidewalks as part of the Company’s road adoption efforts.

- ◆ Employee Participation in Green Actions

Employees actively participated in the “Earth Hour” global initiative and coastal cleanup volunteer activities. Despite challenging weather, approximately 14 employees and their family members joined, exemplifying the Company’s ongoing commitment to environmental stewardship.



Shared Prosperity: The Reason We Choose to Progress Thoughtfully

The Company firmly believes that true corporate strength extends beyond the creation of precise products; it lies in building bridges of understanding and support among people, and between the enterprise and society. With sincere and steadfast dedication, the Company engages deeply with local communities, educational institutions, and those overlooked corners in need of attention.

Though each of its actions may seem modest, the Company holds that every small act of kindness and effort will collectively generate a powerful and warm impact. Moving forward,

the Company remains committed to creating value through dedicated efforts, fostering genuine social connections, and collaborating closely with employees, partners, and communities to advance toward a sustainable future that is more compassionate and promising.

Appendices

GRI (Global Reporting Initiative) Content Index

Usage Statement	This sustainability report has been prepared in accordance with the GRI Standards 2021 and covers the reporting period from January 1, 2024 to December 31, 2024.
GRI Standards Applied	GRI 1: Foundation 2021
Sector Standards	No sector-specific GRI standards have been applied in this report.

GRI Topic	Disclosure	Corresponding Chapter	Page Number	Reason for Omission / Explanation
GRI 2: General Disclosures				
The organization and its reporting practices				
2-1	Organizational details	About Favite, Inc.	15	
2-2	Entities included in the organization's sustainability reporting	About This Report	5	
2-3	Reporting period, frequency and contact point	About This Report	5	
2-4	Restatements of information	N/A	-	No significant industry changes; therefore, no restatement made.
2-5	External assurance	N/A	134	
Activities and workers				
2-6	Activities, value chain and other business relationships	About Favite, Inc.	15	
2-7	Employees	4-1 Sustainable Talent Development	115	
2-8	Workers who are not employees	4-1 Sustainable Talent Development	115	
Governance				
2-9	Governance structure and composition	1-1 Solid Foundations of Corporate Governance	41	
2-10	Nomination and selection of the highest governance body	1-1 Solid Foundations of Corporate Governance	48	
2-11	Chair of the highest governance body	1-1 Solid Foundations of Corporate Governance	41	
2-12	Role of the highest governance body in overseeing the management of impacts	1-1 Solid Foundations of Corporate Governance	42	
2-13	Delegation of responsibility for managing impacts	1-1 Solid Foundations of Corporate Governance	42	
2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance Structure and Implementation Mechanisms	23	

2-15	Conflicts of interest	1-1 Solid Foundations of Corporate Governance	48	
2-16	Communication of critical concerns	Stakeholder Identification and Engagement	28	
2-17	Collective knowledge of the highest governance body	1-1 Solid Foundations of Corporate Governance	46	
2-18	Evaluation of the performance of the highest governance body	1-1 Solid Foundations of Corporate Governance	49	
2-19	Remuneration policies	1-1 Solid Foundations of Corporate Governance	48	
2-20	Process to determine remuneration	1-1 Solid Foundations of Corporate Governance	48	
2-21	Annual total compensation ratio	1-1 Solid Foundations of Corporate Governance	49	
Strategy, policies and practices				
2-22	Statement on sustainable development strategy	Sustainability Governance Structure and Implementation Mechanisms	22	
2-23	Policy commitments	Message from the Chairperson	9	
2-24	Embedding policy commitments	Sustainability Governance Structure and Implementation Mechanisms	25	
2-25	Processes to remediate negative impacts	1-4 Risk Management	68	
2-26	Mechanisms for seeking advice and raising concerns	4-2 Inclusive and Happy Workplace	123	
2-27	Compliance with laws and regulations	1-2 Compliance and Ethical Business Practices	53	
2-28	Membership associations	About Favite, Inc.	21	
Stakeholder engagement				
2-29	Approach to stakeholder engagement	Stakeholder Identification and Engagement	27	
2-30	Collective bargaining agreements	4-2 Inclusive and Happy Workplace	117	

GRI: Material Topics Disclosures				
Topic	Disclosure	Corresponding Chapter	Page Number	Reason for Omission / Explanation

GRI 3: Material Topics 2021	3-1	Process to determine material topics			
	3-2	List of material topics		102	
Illuminating Sustainable Governance					
Material Topic: Corporate Sustainability Governance					
GRI 3: Material Topics 2021	3-3	Management of material topics	Material Topics Management Approach	40	Concrete governance strategies and sustainability objectives.
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	1-1 Solid Foundations of Corporate Governance 4-2 Inclusive and Happy Workplace	41 124	Description of diversity within the Company' s governance bodies and workforce.
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	1-2 Compliance and Ethical Business Practices	50	
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	1-2 Compliance and Ethical Business Practices	50	Internal training and policy advocacy are used to ensure all employees and relevant stakeholders understand and comply with anti-corruption measures.
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken		N/A	No confirmed incidents of corruption were identified in 2024; not applicable.
Material Topic: Financial Performance					
GRI 3: Material Topics 2021	3-3	Management of material topics	Material Topics Management Approach	59	Management approach to financial performance, including business strategy and financial transparency.
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	1-3 Operational Performance	56	Disclosure of the organization' s generated and distributed economic value.
GRI 207: Tax 2019	207-1	Approach to tax	1-3 Operational Performance	56	Description of the Company' s compliance with Taiwan tax regulations, lawful tax planning, and disclosure in accordance with government audit and transparency requirements.
GRI 207: Tax 2019	207-4	Country-by-country reporting	1-3 Operational Performance	56	Description of the Company' s compliance with Taiwan tax regulations, lawful tax planning, and disclosure in accordance with government audit and transparency requirements.
Material Topic: Operational Management					
GRI 3: Material Topics 2021	3-3	Management of material topics	Material Topics Management Approach	68	Operational strategies cover topics including climate change risks, employment practices, and occupational health and safety.
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	1-4 Risk Management	64	Disclosure of the financial impact of climate change on the Company and related risk assessment and mitigation measures.
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	1-4 Risk Management	64	

GRI 403: Occupational Health and Safety 2018	403-2	Hazard identification, risk assessment, and incident investigation	1-4 Risk Management	64	Disclosure of mechanisms for hazard identification, risk management, and incident investigation in occupational health and safety.
Material Topic: Information Security Management					
GRI 3: Material Topics 2021	3-3	Management of material topics	Material Topics Management Approach	74	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	1-4.3 Information Security and Personal Data Protection	63	The Company did not receive any complaints regarding customer privacy breaches in 2024.
Co-Creating Sustainability Together					
Material Topic: Customer Relationship Management					
GRI 3: Material Topics 2021	3-3	Management of material topics	Material Topics Management Approach	89	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	1-4.3 Information Security and Personal Data Protection	70	The Company did not receive any complaints regarding customer privacy breaches in 2024.
Material Topic: Product Quality and Safety					
GRI 3: Material Topics 2021	3-3	Management of material topics	Material Topics Management Approach	107	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	3-2.2 Product and Service Quality and Safety	102	
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	3-2.2 Product and Service Quality and Safety	102	During the reporting period, the Company did not experience any violations of regulations related to product and service health and safety.
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	3-2.2 Product and Service Quality and Safety	111	
GRI 417: Marketing and Labeling 2016	417-2	Incidents of non-compliance concerning product and service information and labeling	3-2.2 Product and Service Quality and Safety	112	There were also no incidents of non-compliance with regulations concerning product and service information and labeling.
GRI 417: Marketing and Labeling 2016	417-3	Incidents of non-compliance concerning marketing communications	3-2.2 Product and Service Quality and Safety	112	No violations related to marketing communications occurred. The Company complies with all applicable marketing and advertising regulations.
People-Centered Corporate Spectrum					
Material Topic: Talent Retention and Development					
GRI 3: Material Topics 2021	3-3	Management of material topics	Material Topics Management Approach	113	
GRI 201: Economic Performance 2016	201-3	Defined benefit plan obligations and other retirement plans	Sustainability Footprints 2024 4-1 Sustainable Talent Development	13 120	
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender	4-1 Sustainable Talent Development	120	

		compared to local minimum wage			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	4-1 Sustainable Talent Development	119	
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part time employees	4-2 Inclusive and Happy Workplace	118	
GRI 401: Employment 2016	401-3	Parental leave	4-2 Inclusive and Happy Workplace	125	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	4-2 Inclusive and Happy Workplace	118	
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	4-2 Inclusive and Happy Workplace	118 125	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	1-1 Solid Foundations of Corporate Governance 4-2 Inclusive and Happy Workplace	41 124	
Material Topic: Employee Health and Safety					
GRI 3: Material Topics 2021	3-3	Management of material topics	Material Topics Management Approach	128	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	4-3 Safe and Friendly Working Environment	129	
GRI 403: Occupational Health and Safety 2018	403-2	Hazard identification, risk assessment, and incident investigation	4-3 Safe and Friendly Working Environment	129	
GRI 403: Occupational Health and Safety 2018	403-3	Occupational health services	4-3 Safe and Friendly Working Environment	132	
GRI 403: Occupational Health and Safety 2018	403-4	Worker participation, consultation, and communication on occupational health and safety	4-3 Safe and Friendly Working Environment	132	
GRI 403: Occupational Health and Safety 2018	403-5	Worker training on occupational health and safety	4-3 Safe and Friendly Working Environment	132	
GRI 403: Occupational Health and Safety 2018	403-6	Promotion of worker health	4-3 Safe and Friendly Working Environment	132	
GRI 403: Occupational Health and Safety 2018	403-7	Prevention and mitigation of occupational health and safety impacts directly	4-3 Safe and Friendly Working Environment	132	

		linked by business relationships			
GRI 403: Occupational Health and Safety 2018	403-8	Workers covered by an occupational health and safety management system	4-3 Safe and Friendly Working Environment	132	
GRI 403: Occupational Health and Safety 2018	403-9	Work-related injuries	4-3 Safe and Friendly Working Environment	131	
GRI 403: Occupational Health and Safety 2018	403-10	Work-related ill health	4-3 Safe and Friendly Working Environment	131	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	4-3 Safe and Friendly Working Environment	134	

Voluntary Disclosure Indicators

Topic	Disclosure	Corresponding Chapter	Page Number	Reason for Omission / Explanation	
GRI 302: Energy 2016	302-5	Reductions in energy requirements of products and services	2-1.3 Risk Management	89	
GRI 301: Materials 2016	301-1	Materials used by weight or volume	2-1.3 Risk Management	89	
GRI 301: Materials 2016	301-2	Recycled input materials used	2-2.3 Waste Reduction and Resource Circulation	97	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	2-2.1 Energy Management	94	
GRI 302: Energy 2016	302-2	Energy consumption outside of the organization	2-2.1 Energy Management	94	
GRI 302: Energy 2016	302-3	Energy intensity	2-2.1 Energy Management	94	
GRI 302: Energy 2016	302-4	Reduction of energy consumption	2-2.1 Energy Management	95	
GRI 303: Water and Effluents 2018	303-3	Water withdrawal	2-2.2 Water Resource Management	95	
GRI 303: Water and Effluents 2018	303-4	Water discharge	2-2.2 Water Resource Management	95	
GRI 303: Water and Effluents 2018	303-5	Water consumption	2-2.2 Water Resource Management	95	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	2-1.3 Risk Management	92	
GRI 305: Emissions 2016	305-2	Energy indirect (Scope 2) GHG emissions	2-1.3 Risk Management	92	
GRI 305: Emissions 2016	305-3	Other indirect (Scope 3) GHG emissions	2-1.3 Risk Management	92	
GRI 305: Emissions 2016	305-4	GHG emissions intensity	2-1.3 Risk Management	94	

GRI 305: Emissions 2016	305-5	Reduction of GHG emissions	2-1.3 Risk Management	89	
GRI 306: Waste 2020	306-2	Management of significant waste related impacts	2-2.3 Waste Reduction and Resource Circulation	97	
GRI 306: Waste 2020	306-3	Waste generated	2-2.3 Waste Reduction and Resource Circulation	97	
GRI 306: Waste 2020	306-4	Waste diverted from disposal	2-2.3 Waste Reduction and Resource Circulation	98	
GRI 306: Waste 2020	306-5	Waste directed to disposal	2-2.3 Waste Reduction and Resource Circulation	98	

SASB (Sustainability Accounting Standards Board) Content Index

Disclosure Topic	Code	Metric	Category	2024 Performance	Corresponding Chapter
Product Security	TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	Discussion and Analysis	In alignment with ISO/IEC 27001, Favite, Inc. continued to strengthen its information security management practices, focusing on safeguarding sensitive data and conducting regular policy reviews. In 2024, employee awareness training was further enhanced to mitigate the risk of data breaches.	1-4.3 Information Security and Personal Data Protection
Employee Diversity & Inclusion	TC-HW-330a.1	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) technical employees and (d) all other employees	Quantitative	<p>Taiwan:</p> <p>Management/All Employees: 20% Technical Staff/All Employees: 59% Gender: Male 84%, Female 16% Ethnicity: 100% Han Chinese</p> <p>Overseas:</p> <p>Management/All Employees: 3% Technical Staff/All Employees: 91% Gender: Male 94%, Female 6% Ethnicity: 100% Han Chinese</p>	4-1.1 Talent Structure Overview
Product Lifecycle Management	TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	In 2024, the Company did not manufacture products subject to IEC 62474 declarable substance requirements. No related revenue data was available.	N/A
	TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	Quantitative	As of 2024, the Company's main products were not within EPEAT-applicable categories, and there were no related ecolabel requirements from customers. Revenue data for this item is currently not tracked.	N/A
	TC-HW-410a.3	Percentage of eligible products, by revenue, certified to an energy efficiency certification	Quantitative	The Company does not currently produce products within applicable categories nor hold certifications relevant to this disclosure. No associated revenue data is available.	N/A
	TC-HW-410a.4	Weight of end-of-life products and e-waste recovered; percentage recycled	Quantitative	The Company has not yet compiled comprehensive data on "weight of end-of-life products and e-waste recovered" or "percentage recycled." However, circular economy initiatives have been incorporated into future sustainability planning.	N/A
Supply Chain Management	TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA	Quantitative	The Company's supply chain is primarily classified as low risk and has not yet implemented RBA audits or equivalent	N/A

		Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities		systems. As such, this disclosure is currently not applicable to the Company's supply chain practices.	
	TC-HW-430a.2	Tier 1 suppliers'	Quantitative		
		(1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent,		As noted above, due to the absence of relevant audit mechanisms, data on audit pass rates and improvement rates is currently unavailable. Therefore, this disclosure metric is not applicable at this time.	N/A
		(2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances		As noted above, due to the absence of relevant audit mechanisms, data on audit pass rates and improvement rates is currently unavailable. Therefore, this disclosure metric is not applicable at this time.	N/A
Materials Sourcing	TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	Based on the current product portfolio, which does not involve reliance on specific rare metals or materials with limited sources, this metric is currently not applicable.	N/A

Activity Metric		Category	2024 Performance
Number of units produced by product category	TC-HW-000.A	Quantitative	Traditional Panels: 58 units Micro LED/OLED: 8 units FOPLP/FOWLP: 2 units Others: 2 units
Area of manufacturing facilities	TC-HW-000.B	Total floor area of manufacturing facilities	Quantitative 1002.4 ping (approximately 3313.7 square meters)
Percentage of production from owned facilities	TC-HW-000.C		Quantitative 100% All products are assembled and manufactured using the Company' s own equipment.

TCFD (Task Force on Climate-related Financial Disclosures) Disclosure for TWSE/TPEX-Listed Companies

Thematic Area	TCFD Recommendations	Corresponding Chapter	Page Number
Governance	Describe the board' s and management' s oversight of climate-related risks and opportunities.	2-1 Climate Change Response Actions	84
Strategy	Describe how the identified climate-related risks and opportunities affect the company' s business, strategy, and financial performance in the short, medium, and long term.	2-1 Climate Change Response Actions	85
	Describe the financial impact of extreme climate events and transition activities.	2-1 Climate Change Response Actions	89
	If scenario analysis is used to assess climate resilience, describe the scenarios, parameters, assumptions, analytical factors, and major financial impacts.	The Company has not conducted climate-related scenario analysis during the reporting year.	N/A
Risk Management	Describe how the processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management framework.	2-1 Climate Change Response Actions	89
Metrics and Targets	If internal carbon pricing is used as a planning tool, disclose the pricing methodology.	The Company has not yet defined an internal carbon pricing mechanism.	N/A
	Disclose Scope 1, Scope 2, and Scope 3 (if applicable) greenhouse gases and related risks.	2-1 Climate Change Response Actions	91
	If a transition plan has been developed to manage climate-related risks, disclose the contents of the plan, as well as the indicators and targets used to identify and manage physical and transition risks.	2-1 Climate Change Response Actions	93
	If climate-related targets have been set, disclose the covered activities, the applicable scopes, the target timelines, and annual progress. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve the targets, disclose the sources and quantities of offsets or RECs.	Carbon offsets and RECs have not been utilized by the Company to date.	93
	Disclose the greenhouse gas inventory and assurance status.	2-1 Climate Change Response Actions	91

Independent Third-Party Verification Statement

亞瑞仕國際驗證股份有限公司
ARES International Certification Co., Ltd.

Independent Assurance Statement

Statement No. 000-697/V3-GGNO1

This Independent Assurance Statement by ARES Certification Co., Ltd. on FAVITE INC. ESG Sustainability Report of 2024.

ARES International Certification Co., Ltd. and FAVITE INC. are mutually independent organizations. In addition to the assessment and verification of 2024 ESG Sustainability report, ARES International has no financial relationship with FAVITE INC.

The purpose of this Independence Assurance Statement (hereinafter referred to as Statement) is only to conclude that the relevant issues within the scope of the FAVITE INC.'s ESG Sustainability Report are guaranteed, but not for other purposes. Except for this Statement on the verified facts, for any use of other purposes, or any person who read this Statement, ARES International is not responsible or liable for any legal or other responsibility.

This Statement is based on the conclusions made from the verification of the relevant information provided ARES International by FAVITE INC. Therefore, the scope of the verification is based on and confined to the content of these provided information, and ARES International shall consider that the contents of the information are complete and accurate.

All concerning and questions about the contents or the relevant issues contained in this statement shall be answered by the FAVITE INC.

The Scope of Assurance

The agreed scope of assurance by FAVITE INC. and ARES International includes the following:

- The contents of the entire ESG Sustainability Report and all operating performance of FAVITE INC. from January 1st, 2024 to December 31st, 2024.
- According to the type 1 of application of the AA1000 Assurance Standard (v3), the assessed nature and degree of the FAVITE INC.'s compliance with the AA1000 Accountability Principles (2018) but excluding the verification of the reliability of the information or data disclosed in the ESG Sustainability Report.

This statement is prepared in Chinese and has an English version for reference. In the event of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

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亞瑞仕國際驗證股份有限公司 ARES International Certification Co., Ltd.	亞瑞仕國際驗證股份有限公司 ARES International Certification Co., Ltd.	亞瑞仕國際驗證股份有限公司 ARES International Certification Co., Ltd.
<p>ARES INTERNATIONAL'S Opinion</p> <p>We summarize the contents of FAVITE INC.'s ESG Sustainability Report and provide a fair opinion of FAVITE INC.'s relevant operations and performance. We believe that the indices such as economic, social and environmental performance of 2024 are presented correctly. The performance indices disclosed in the report demonstrate FAVITE INC.'s efforts to identify and meet stakeholder expectations.</p> <p>Our verification activities are implemented by a team with the capacity for verifying in accordance with AA1000 Assurance Standard (v3), as well as planning and implemented this part of the activities to obtain the necessary information and data. We believe there are sufficient evidences provided by FAVITE INC. to show that its reporting method according to the AA1000 Assurance Standard (v3) and their self-statement are in line with the GRI standards.</p> <p>Verification Method</p> <p>In order to collect evidences related to conclusions, we implemented the following tasks:</p> <ul style="list-style-type: none"> - Implement the high-level management review for topics from external groups related to ESG Sustainability policy to confirm the appropriateness of the report in this statement. - Discussions about stakeholder's engagement with the managers of FAVITE INC., however, we have no direct contact with external stakeholders. - Interviews with employees related to ESG Sustainability management, report preparation and information provision. - Review the critical developments related to organizations. - Review the scope and maturity of systems related to financial and non-financial reports. - Review the supporting evidences declared in the report, and the process management described in the report and its associated AA1000 Accountability Principles (2018) on the principles of inclusivity, materiality, responsiveness and impact. <p>Conclusion</p> <p>The detailed review results of the AA1000 Accountability Principles and the core disclosures of the Global Reporting Initiative (GRI) standard, Sustainability Accounting Standards Board (SASB) standard, and Task force on Climate-related Financial Disclosures (TCFD) for inclusivity, materiality, responsiveness and impact are as follows:</p>	<ul style="list-style-type: none"> - The inclusivity This report reflects that FAVITE INC. engages with its stakeholder through a variety of channels, such as internal and external communication mechanisms and the activities of stakeholders. This report covers topics of concern in stakeholders associated with FAVITE INC., fairly reports, and discloses economic, social, and environmental information. In our professional opinions, this report covers FAVITE INC.'s inclusivity issues. - The materiality FAVITE INC. publishes the information related to ESG Sustainability to enable stakeholders to judge the FAVITE INC.'s management and performance. In our professional opinions, this report appropriately covers the material issues of FAVITE INC. - Responsiveness FAVITE INC. responds to requests and opinions from stakeholders. The implementation methods include customer satisfaction surveys and communication mechanisms for numerous internal and external stakeholders. In our professional opinions, this report covers FAVITE INC.'s responsiveness topics. - Impact FAVITE INC. developed and implemented processes to monitor, measure and account for how their actions affect the wider ecosystem, echoing all the aspects of this report demonstrated by their own management systems and capabilities issue content, and provide the comprehensive and balanced disclosure, such as the declaration of energy projects and carbon footprint verification. In our professional opinions, this report covers FAVITE INC.'s impact topic. <p>GRI Standards</p> <p>FAVITE INC. provides declaration of compliance with the GRI Standards. Based on the results of the review, we confirmed that the relevant ESG Sustainability indicators referred to GRI Standards in the report have been completely disclosed, partially disclosed or omitted. In our professional opinions, this declaration covers the Sustainability topics of FAVITE INC.</p>	<p>SASB and TCFD standards</p> <p>FAVITE INC. provides declaration of compliance with the SASB and TCFD standards. Based on the results of the review, we confirmed that the relevant ESG Sustainability indicators referred to SASB and TCFD standards in the report have been completely disclosed, partially disclosed or omitted. In our professional opinions, this declaration covers the Sustainability topics of FAVITE INC.</p> <p>Assurance Level</p> <p>According to the AA1000 Assurance Standard (v3), we verify this statement as a medium level of assurance, as in the scope and method described in this statement.</p> <p>Responsibility</p> <p>The responsibility of this ESG Sustainability report, as stated in this statement, is owned by the person in charge of FAVITE INC. The responsibility of ARES International is to provide professional opinions based on the described scope and method, and to provide an independent assurance statement for the stakeholders.</p> <p>Ability and Independence</p> <p>ARES International is composed of experts in a various field of management systems. The verification team is composed of members in the professional backgrounds with the qualifications of lead auditor trained in sustainable development, environmental and social management standards such as AA1000AS, AA1000AP, ISO 14001, ISO 14064-1, ISO 14067, ISO 45001 and ISO 9001. This independent assurance statement is based on the ARES International's fair trading guidelines.</p> <p>On behalf of the assurance team July 17, 2025 ARES International Certification Co., Ltd. (ARES Certification Group) Taiwan, Republic of China</p> <p>Signed by</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> Lead Verifier </div> <div style="text-align: center;"> C.E.O Calvin Chen </div> <div style="text-align: center;"> AA1000 Licensed Report 000-697/V3-GGNO1 </div> </div>