

2025



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FAVITE INC.

ESG REPORT

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Introduction

Strengthening Governance Foundations and Empowering Sustainability Through Smart Inspection

In 2025, the global industrial environment remained highly dynamic. Geopolitical risks, cyclical economic adjustments, more cautious capital expenditures within the display industry, and the continued advancement of semiconductor and advanced packaging technologies have all posed greater challenges for enterprises in operational management, technological deployment, and risk response. Favite, Inc. (hereinafter referred to as “Favite” or “the Company”) has long been dedicated to the development of optical inspection, machine vision, and AI algorithm applications, focusing on the research and development of automated optical inspection and metrology equipment. Its products are widely applied in displays, advanced semiconductor packaging, high-end IC substrates, Micro LED, and Micro OLED technologies. In response to evolving industry structures and changing market demands, the Company continues to uphold a technology-driven and customer-oriented approach, steadily advancing operational adjustments and product upgrades.

For Favite, sustainable development is not an initiative separate from business operations, but rather an integral component of corporate governance, technological innovation, risk management, and daily operations. In 2025, the Company continued to strengthen its corporate governance and sustainability management foundation by enhancing systems and practices related to ethical business conduct, regulatory compliance, information security, risk management, talent development, occupational health and safety, and supply chain management. The Company also progressively deepened its management approaches toward climate change and environmental issues. Through the continuous enhancement of its sustainability governance framework and the gradual maturation of cross-functional collaboration mechanisms, the Company aims to establish a more resilient management foundation in operational resilience, information transparency, and stakeholder communication.

The year 2025 also marked an important period for Favite as it continued to navigate technological transformation and organizational adjustments. Amid fluctuations in the traditional display market and the rapid evolution of advanced manufacturing applications, the Company maintained its investment in the development and optimization of AI-enabled platforms, high-precision inspection and metrology technologies, 2.5D/3D advanced packaging applications, and inspection equipment

for Micro LED and Micro OLED technologies. Through sustained technology accumulation and strategic product deployment, the Company seeks to further strengthen its long-term growth momentum. The Company recognizes that sustainable development is not achieved through the accumulation of short-term accomplishments, but through the continuous process of making prudent decisions, executing with discipline, and maintaining transparent disclosure in a changing environment.

This Sustainability Report serves as an important communication channel between the Company and its shareholders, employees, customers, suppliers, government authorities, and broader society. Through this report, the Company seeks to present an accurate account of its management approaches and achievements in governance, environmental, and social aspects during 2025, providing a foundation for continuous improvement. Looking ahead, the Company will continue to uphold a pragmatic, prudent, and responsible approach, deepen its technological capabilities, strengthen governance resilience, and steadily advance toward its sustainable development objectives.

About This Report

Reporting Frameworks and Standards

This Sustainability Report has been prepared with reference to the Global Reporting Initiative (GRI Standards 2021), the SASB Standards for the Hardware industry, and the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. It has also been prepared in accordance with the Taiwan Stock Exchange Corporation's Regulations Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies and other applicable sustainability disclosure requirements as the basis for its content preparation and information disclosure.

The Company initiated the preparation of sustainability reports in 2023 and has continued to systematically disclose its management approaches and performance in economic, environmental, social, and corporate governance aspects through annual reporting. The 2025 Sustainability Report is the third sustainability report issued by the Company.

Through transparent disclosure, the Company seeks to further strengthen communication with key stakeholders, respond to stakeholder concerns, and progressively enhance its sustainability management mechanisms and information transparency.

Referenced International Standards and Guidelines

▶ GRI Standards

▶ Task Force on Climate-related Financial Disclosures (TCFD)

▶ The SASB Standards, with reference to the Hardware Sustainability Accounting Standard (2018)

Reporting Period and Scope

Reporting Period: January 1, 2025 to December 31, 2025

Scope:

Financial Data: Covers the overall operational performance of the Company and its subsidiary.

Non-financial Performance: Primarily covers the operational activities of Favite, Inc. For certain sustainability topics and performance indicators, data may be retrospectively disclosed for prior reporting periods or extended to include relevant performance through the first quarter of 2026, where necessary to provide context, facilitate comparison, or present sustainability achievements in a timely manner. Where different reporting boundaries are applied or information has been restated, relevant explanations will be provided in the corresponding sections, narratives, and tables of this Report.

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

Current Report Release Date: August 2026

Next Scheduled Release: Expected in August 2027

In support of environmental sustainability and the Company's paperless initiative, this Report is published in digital format and is available on the Company's official website. (<https://www.favite.com/esg/esg-report/>)

Reporting Principles

This Report has been prepared with reference to the reporting principles set forth in the GRI Standards 2021 and the core principles of Inclusivity, Materiality, Responsiveness, and Impact outlined in the AA1000 AccountAbility Principles. Information collection and report preparation were conducted in accordance with these principles to ensure the transparency, relevance, and usefulness of the disclosed information. The data presented in this Report are primarily derived from the Company's official internal statistics and information provided by responsible departments, and have been incorporated into the Report following internal review and consolidation procedures.

This Report focuses on material topics that are highly relevant to the Company's operations and stakeholder concerns, serving as the basis for determining the scope and content of disclosures. The Company will continue to review its reporting processes and enhance the quality of disclosures, with the aim of progressively improving information completeness and management depth while 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 Sustainability Report Preparation and Assurance 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.

Report Compilation and Review Process

Process	Step	Description
1	Preliminary Data Collection and Verification	- Each functional department provides sustainability-related data and narrative information within its area of responsibility to ensure the timeliness and accuracy of the content. - The information is subject to an initial review by the conveners of each ESG sub-task force to verify logical consistency and alignment with sustainability objectives.
2	Cross-Departmental Review and Audit	Responsible managers conduct cross-checks and audits of the submitted information. Particular attention is given to the reconciliation and consistency of key performance indicators to ensure data accuracy, reliability, and compliance with reporting standards, including GRI, SASB, and TCFD.
3	Data Integration and Draft Compilation	The Executive Secretary of the Sustainability Task Force consolidates information from all departments and compiles the report in accordance with the reporting framework. The content is reviewed and refined to ensure clarity, professionalism, and readability.
4	Draft Review and Revision	The convener of the Sustainability Task Force leads the review of the draft report. Material topics are assessed from a risk management perspective, and disclosure approaches are reviewed to ensure alignment with the Company's sustainability strategy. Feedback and revision recommendations are incorporated accordingly.
5	Final Review and Approval	- Upon completion of the Sustainability Task Force review, the Report is submitted to the Sustainable Development Committee for deliberation, followed by review and approval by the Chairperson and the Board of Directors prior to publication. - The Report is disclosed on the Company's official website and the Market Observation Post System (MOPS). Stakeholder feedback channels are also maintained to continuously enhance the quality of sustainability communication and disclosure effectiveness.

External Verification

To enhance the transparency and credibility of the information disclosed in this Report, Favite has engaged an independent third-party assurance provider to conduct external verification of the 2025 Sustainability Report. The verification was performed to assess the reasonableness, completeness, and consistency of the disclosures related to material topics presented in this Report. Details regarding the verification scope, applicable standards, responsibilities of the assurance provider, and assurance conclusions are provided in the Independent Third-Party Verification Statement included in the Appendices of this Report. In addition to the external verification of the Sustainability Report, certain key data and information of the Company have also been subject to external audits, validations, or verifications conducted by qualified professional organizations, including:

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

Category	Content	Validation / Accreditation / Verification
Management	ISO 9001:2015 Quality Management System Certification	AFNOR ASIA LTD.
Environmental	ISO 14064-1 Organizational Greenhouse Gas Inventory Verification	AFNOR ASIA LTD.
Information Security	Information Security Policy, Management System, and Risk Management Procedures ISO 27001:2022 Information Security Management System Certification	AFNOR ASIA LTD.

The Company continuously enhances the quality of sustainability information disclosure through its internal control system, cross-functional data reconciliation processes, management review mechanisms, and independent third-party verification activities. These efforts serve as an important foundation for effective communication with stakeholders.

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
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

Building on Technology, Moving Forward with Resilience Amid Change

Looking back on 2025, it was a challenging yet profoundly meaningful year for Favite, Inc. Global uncertainties continued to evolve, economic conditions remained volatile, and the display industry underwent significant adjustments. Supply chain restructuring and the rapid advancement of emerging technologies required companies across industries to make critical decisions amid uncertainty. For Favite, this was not only a year of challenges, but also a year of reflection, renewed determination, and steady progress.

Since its establishment, Favite has remained dedicated to advancing optical inspection and metrology technologies. Behind every piece of equipment lies not only technological expertise and research achievements, but also the result of repeated validation, continuous improvement, and the unwavering commitment of our teams. Markets change, industries evolve, and technologies continue to advance; however, we firmly believe that only by taking each step with discipline and determination can we preserve our core values, navigate uncertainty, and build a stronger foundation for the future.

During 2025, we continued to expand our technological capabilities in AI-enabled inspection systems, high-precision metrology solutions, advanced packaging applications, and emerging technologies such as Micro LED and Micro OLED. While the full benefits of these investments may not be immediately realized, they represent essential preparations for the future development of the Company. We believe that sustainable growth is not achieved through favorable circumstances alone, but through the willingness to continue investing, believing, and persevering even during challenging times.

Our understanding of sustainability has also continued to deepen. Sustainability is not a concept that exists apart from business operations; rather, it is reflected in the decisions made every day — how risks are managed, how decisions are made, how relationships are maintained with customers, employees, suppliers, and society, and how growth is pursued while upholding responsibility and accountability. Throughout the year, we continued to strengthen our efforts in ethical business conduct, regulatory compliance, information security, talent development, occupational health and safety, supply chain management, and environmental management. At the same time, we further enhanced our sustainability

governance framework, integrating sustainability into the way we operate and create long-term value.

I would like to express my sincere appreciation to everyone who has supported Favite throughout this journey. I am grateful to all employees for their professionalism, dedication, and commitment to maintaining the quality and standards of the Company amid a constantly changing environment. I also extend my appreciation to our shareholders and customers for their trust and confidence, which continue to provide the strength and motivation to move forward. My sincere thanks also go to our business partners, who have worked alongside us to address challenges and explore opportunities throughout this period of industry transformation. It is through the support and collaboration of all stakeholders that Favite has been able to maintain steady progress despite a challenging external environment.

Looking ahead, we will not lose sight of our direction because of short-term fluctuations, nor will we allow immediate challenges to diminish our commitment to long-term value creation. Favite will continue to uphold its technology-driven approach, its commitment to integrity, and its sense of responsibility. Through prudent management and continuous improvement, we will strive to ensure that every effort contributes to a stronger foundation for future success.

While challenges may still lie ahead, I firmly believe that through mutual trust and collective effort, we can continue to build the resilience and value that define Favite and support its sustainable development for years to come.

Favite, Inc.

Chairperson 陳永華



Message from the Chief Sustainability Officer

Deepening Long-Term Commitments Through Professional Excellence

At times, I reflect on what sustainability truly means for a company operating at the forefront of precision semiconductor and display technologies.

Sustainability should not be merely a term displayed on a wall, nor should it be regarded as a report prepared solely for compliance purposes. In my view, sustainability represents a long-term commitment to safeguarding value. It is the choice to remain mindful of our responsibilities to people, resources, and future generations while pursuing technological advancement and operational excellence.

The year 2025 presented significant challenges, with rapid technological evolution and increasing uncertainty across the industry. Amid these changing circumstances, we became more convinced than ever that sustainability is not a consideration reserved for stable times; rather, it is a fundamental element that enables an organization to maintain resilience and move forward with confidence during periods of change.

This foundation is built collectively by every member of Favite through dedication and professionalism in their respective roles.

Research and Development and Technology (Optics, Mechanical Engineering, Software, and Algorithms): By continuously pushing the boundaries of optical imaging technology and enhancing algorithm performance, we contribute to the development of more efficient and energy-conscious solutions for the industry. Every improvement in precision reflects a commitment to the responsible use of resources.

Operations and Manufacturing (Manufacturing, Quality Management, Industrial Safety & Health, and Facility Management): Our commitment to quality excellence and occupational health and safety forms the foundation of its responsibilities to employees and customers. Consistent product quality and reliable operations represent some of the most tangible expressions of sustainability in practice.

Corporate Functions and Operational Support (Human Resource, Finance, Audit, Procurement Management, Warehouse Management, Information Technology, and General Affairs): Accurate financial management, regulatory compliance, talent development initiatives, and sustainable supply chain management all contribute to strengthening our

long-term operational foundation. While these efforts may often remain behind the scenes, they provide the essential support that enables sustainable growth and long-term success. Sales and Marketing: Interactions with customers extend beyond the communication of product specifications; they represent a dialogue built on trust and shared values. By incorporating sustainability considerations into products and services, we strive to become a trusted long-term partner for customers navigating increasingly advanced manufacturing processes.

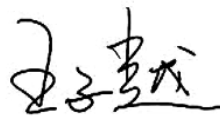
I have always believed that meaningful organizational change rarely begins with grand statements. More often, it emerges through consistent actions, accumulated gradually over time.

It is reflected in the willingness to prepare for risks before they arise, to address environmental challenges proactively, and to uphold high standards in everyday decisions and actions. Favite may not seek to define itself through ambitious declarations, but we remain committed to building strong foundations, executing with discipline, and earning trust through tangible actions.

I would like to express my sincere appreciation to all those who continue to support and work alongside us. My gratitude extends to every employee who contributes additional effort toward strengthening our systems and environmental commitments amid the demands of daily operations. I also thank our customers and suppliers, whose collaboration continues to demonstrate that sustainability is a long-term journey built upon mutual engagement, trust, and shared progress.

Together, let us continue to dedicate our expertise and commitment to advancing long-term value, steadily and purposefully, for a more sustainable future.

Favite, Inc. **Chief Sustainability Officer**



2025 Sustainability Practices and Transformation Progress

Governance Enhancement: Strengthening Sustainability Foundations Through Technological Transformation

For Favite, 2025 marked a pivotal year in advancing sustainability institutionalization and organizational transformation. As a participant in the rapidly evolving ecosystem of intelligent inspection and AI vision technologies, while simultaneously facing cyclical adjustments in capital expenditures across the display industry, the Company has come to recognize that corporate resilience is determined not only by technological leadership, but also by sound governance and effective risk management capabilities.

Accordingly, in 2025, the Company formally elevated its Sustainability Task Force to the Sustainable Development Committee under the Board of Directors. At the same time, despite short-term financial losses, the Company increased its investment in the development of AI-enabled platforms and advanced packaging inspection technologies. The Company firmly believes that sustainability is not an initiative reserved for periods of prosperity; rather, it serves as a guiding compass that enables organizations to navigate uncertainty and withstand industry cycles.

Through collaborative efforts across all functions and departments, the Company achieved several significant milestones during 2025. The following highlights summarize key progress made throughout the year in the areas of corporate governance, environmental management, talent development, social engagement, and technological innovation.

Aspect	Key Progress in 2025	Representative Achievements
Sustainability Governance	The Board of Directors approved the establishment of the Sustainable Development Committee, elevating sustainability governance to the Board level.	Establishment approved on November 7, 2025; the first meeting of the first Sustainable Development Committee was convened on December 30, 2025.
Corporate Governance and Compliance	Continued strengthening of Board governance, ethical business conduct, and risk management mechanisms.	A total of 36 participants completed training related to ethical business conduct and insider trading prevention, totaling 58 training hours.
Quality and Information Security	Continued maintenance and enhancement of quality and information security management systems.	ISO 9001 and ISO 27001 certifications remained valid; information security training reached 193 participants, totaling 534 training hours.
Climate and Environment	Established the foundation for environmental management and promoted greenhouse gas inventory activities and energy-saving initiatives.	Scope 1 and Scope 2 greenhouse gas emissions totaled 632.26 metric tons of CO ₂ e; annual electricity savings reached 170,012 kWh.
Talent and Workplace	Continued implementation of employee training, health promotion, and workplace safety programs.	Total employee training hours reached 4,644.5 hours; zero occupational injuries and zero fire incidents were recorded.
Social Engagement	Strengthened community engagement and public welfare participation through local initiatives.	Beach and river cleanup activities involved 45 participants and 114 volunteer hours; street-cleaning activities involved 17 participants and 25.5 volunteer hours; scholarships totaling NT\$20,000 were awarded.
Technological Innovation	Continued investment in advanced inspection and metrology technologies and emerging application development.	R&D expenditure totaled NT\$196,151 thousand, focusing on AI-enabled inspection, advanced packaging technologies, and next-generation display technologies.

The year 2025 marked an important transition for Favite as the Company advanced from sustainability promotion toward deeper governance integration. Serving as an overview of the year's key highlights, this chapter is followed by dedicated sections that further elaborate on corporate governance, risk management, environmental management, talent development, social engagement, and technological innovation, including their respective management frameworks, implementation approaches, and performance outcomes.

About Favite, Inc.

Founded in 2000 and listed on the stock exchange in 2008, Favite has long been dedicated to the research, development, and application of machine vision, automated optical inspection (AOI), high-precision metrology technologies, and artificial intelligence (AI) algorithms. The Company's core competitiveness is driven by in-house R&D, integrating four key disciplines—optics, mechanics, electronics control, and inspection software—to establish a cross-functional and interdisciplinary R&D organization. Favite continues to invest in innovations in high-precision metrology technologies, AI-based real-time inspection algorithms, and intelligent equipment platforms, while strengthening its technological barriers and market competitiveness through a comprehensive patent portfolio.

With long-term experience in the display industry, Favite is a key supplier of optical inspection and metrology equipment for critical manufacturing processes in TFT-LCD, LTPS, and AMOLED applications. The Company supports customers in improving process stability, defect detection efficiency, and yield management capabilities. As the global manufacturing industry advances toward higher precision, intelligent systems, and improved yield performance, Favite has in recent years actively expanded its application domains into advanced semiconductor packaging, IC substrates, Micro LED, and Micro OLED. The Company continues to leverage its core metrology technologies to meet evolving industry upgrade requirements.

Favite's proprietary AI-based real-time inspection technologies and AOI equipment have established strong recognition within the industry. Through the integration of intelligent image recognition, precision optical design, and automated system integration, the Company enables customers to accurately detect target defects, reduce false detection rates, and enhance quality control and production decision-making efficiency. Guided by its mission of "Technology Safeguards Quality," Favite provides intelligent, efficient, and highly stable automated optical inspection and metrology integrated solutions, striving to become a key partner in high-yield manufacturing processes and realizing its brand vision as a leading name in AOI technologies.

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	210 (as of December 31, 2025)
Main Business	• Display panel inspection and metrology equipment • Inspection and metrology equipment for emerging display technologies • Advanced semiconductor packaging and IC substrate inspection and metrology 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

Since its establishment, Favite has evolved from its origins at the Industrial Technology Research Institute (ITRI) incubation center, building its development foundation on optical inspection, automation equipment, and precision imaging technologies. The Company has progressively invested in the development of wafer inspection, PCB final inspection, PDP glass substrate inspection, and TFT panel automated optical inspection equipment. In its early stage, multiple products received support from government R&D programs. With facility expansion, the establishment of service locations, and its listing in 2008, the Company gradually laid a solid technological and operational foundation in the high-precision metrology equipment industry.

After 2010, Favite continued to strengthen its inspection capabilities in the display manufacturing process and progressively expanded its applications into RFID, Micro LED, Micro OLED, FOWLP, FOPLP, IC substrates, and advanced semiconductor packaging. In recent years, the Company has centered its development on AI-based real-time inspection, precision metrology, and integrated AOI solutions. By leveraging its accumulated expertise in large-area and high-precision inspection within the display industry, Favite has extended its capabilities into next-generation display technologies and advanced semiconductor manufacturing processes, gradually forming a development trajectory focused on enabling high-yield manufacturing through intelligent inspection technologies.

Year	Development Milestones
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2025	Recipient of the Gold Panel Awards 2025 – Display Component Technology Award (Outstanding Product Award) presented by the Taiwan Display Union Association (TDUA), recognizing the Company's technological excellence in the display industry.
	Recipient of the Second Prize of the Product Innovation Award presented by SEMI (Semiconductor Equipment and Materials International), demonstrating Favite's innovative R&D achievements in semiconductor and advanced inspection applications.
	Recipient of the Industry Chain Outstanding Contribution Award presented at the International Smart Display and System Integration Exhibition (ISLE), highlighting the Company's technological contributions and market influence within the intelligent display and inspection equipment value chain.
2024	Recipient of the Innovation Research Award from the Small and Medium Enterprise and Startup Administration, Ministry of Economic Affairs, recognizing national-level achievement in R&D capability and technological innovation.
	Recipient of the 2024 AI Award – Best Solution Excellence Award from the Taiwan Artificial Intelligence Association (TAIA), acknowledging the technical strength of the Company's AI-based inspection solutions.
	Recipient of the Micro LED Automated Optical Inspection Equipment Excellence Award at ISLE, demonstrating advancements in next-generation display inspection technologies.
2023	Launched the Micro LED / OLED series AOI inspection and metrology equipment, which was adopted by a leading next-generation display panel manufacturer, further strengthening the Company's presence in advanced display applications.
2022	Introduced the FOWLP Die Location metrology system, adopted by a leading semiconductor packaging and testing company, marking the expansion of the Company's high-precision metrology capabilities into advanced packaging applications.
2021	Initiated R&D in Micro LED technologies, with related inspection and metrology equipment successfully adopted by industry-leading customers, establishing a foundation in next-generation display manufacturing inspection.
2020	Developed 2µm RDL ultra-fine line AOI equipment for FOPLP applications, strengthening the Company's capabilities in advanced packaging and high-resolution inspection technologies.
2018	Passed the SEMI S2 certification conducted by the Precision Machinery Research & Development Center (PMC), enhancing product safety compliance with semiconductor equipment standards.
	Recognized in Deloitte "Taiwan Technology Fast 500," reflecting strong growth momentum in the high-tech equipment sector.
2017	Recognized in Deloitte "Taiwan Technology Fast 500," continuing to demonstrate growth potential as a technology-driven enterprise.
2016	Received the "Excellent Supplier Award" from CSOT (China Star Optoelectronics Technology), recognizing the Company's product quality, delivery performance, and customer service capabilities.

Note: This table summarizes selected key development milestones of Favite in recent years. For a complete corporate history and official disclosures, please refer to the Company's website, Sustainability section, and the Market Observation Post System (MOPS).

Products and Services

Favite focuses on automated optical inspection (AOI), high-precision metrology technologies, and AI-based image recognition as its core capabilities to provide intelligent inspection and metrology solutions for industries including display panels, next-generation displays, semiconductors and advanced packaging, IC substrates, and printed circuit boards (PCBs). The Company integrates expertise across optics, mechanical engineering, electrical control, inspection software, AI algorithms, and process data analytics to support customers in enhancing defect detection, metrology analysis, process monitoring, and yield management efficiency. In response to advancements in display technologies, semiconductor process scaling, and growing demand for advanced packaging, Favite has shifted its product development focus from traditional defect detection toward AI-based intelligent classification, high-precision alignment metrology, and process diagnostics. The Company's proprietary Horus intelligent optical inspection platform integrates multi-dimensional optical pathways, adaptive image processing, and AI analytics capabilities. It is

designed to support inspection requirements involving complex materials, fine structures, and low-contrast targets. In advanced packaging applications, Favite also advances a dual-track approach combining AOI inspection and metrology solutions, supporting critical processes such as die location, overlay, RDL fine-line inspection, and 2.5D/3D packaging.

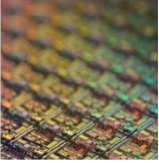
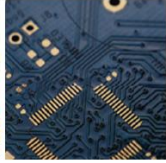
The Company's core product lines and services cover the following areas:

Product / Service Category	Description	Sustainability Value
Display Panel Inspection and Metrology Equipment	Applied in key manufacturing processes for TFT-LCD, LTPS, and AMOLED displays, providing large-area, high-resolution defect detection, dimensional metrology, and quality monitoring capabilities.	Enhances process stability for customers while reducing defect rates, rework, and scrap, thereby linking product quality with resource efficiency.
Inspection and Metrology Equipment for Emerging Display Technologies	Supports emerging display applications such as Micro LED and Micro OLED, addressing inspection requirements for micron-scale dies, pixel structures, and high-resolution products.	Supports the adoption of next-generation display processes, enhancing defect detection and yield management capabilities during the mass-production phase of emerging technologies.
Advanced Semiconductor Packaging and IC Substrate Inspection and Metrology Equipment	Applied in FOWLP, FOPLP, 2.5D/3D packaging, IC substrates, glass substrates, wafer-level packaging, and panel-level packaging processes, supporting requirements for Die Location, overlay, fine RDL circuitry, and 3D metrology.	Enables early detection of abnormalities in advanced packaging processes, reducing the risk of scrap involving high-value materials and enhancing process resilience.
AI AOI and Horus Intelligent Optical Inspection Platform	Integrates multidimensional optical paths, image acquisition, AI-based image processing, and defect classification technologies to enhance inspection stability and metrology consistency under complex background conditions.	Reduces the burden of manual re-inspection and variations in judgment, improving inspection efficiency and quality decision-making capabilities.
Yield Management System (YMS)	Integrates inspection data, process data, and yield analytics to provide visualization dashboards, defect trend analysis, and process feedback mechanisms.	Enables customers to transition from point-based inspection to process-level management, improving yield optimization and data-driven decision-making capabilities.
Customized Integration and After-Sales Technical Services	Provides optical modules, mechanical design, electrical control systems, inspection software, installation, calibration, maintenance, remote support, and system upgrade services tailored to customer production line requirements.	Enhances equipment adaptability and extends service life, increasing overall equipment efficiency through maintenance, upgrades, and AI module retrofitting.

Through the integration of AOI equipment, AI-based intelligent classification systems, and the Yield Management System (YMS), customers are able to obtain real-time inspection results, analyze defect distribution trends, and feed insights back into process improvement initiatives, thereby reducing the risks of misjudgment, rework, and product scrap. This hardware-software integrated approach enhances manufacturing efficiency and product quality, while also indirectly supporting customers' sustainability transformation in smart manufacturing and resource efficiency management.

Application Areas

Automated optical inspection (AOI) equipment and AI-based metrology systems are widely applied across advanced electronics and precision manufacturing industries. As manufacturing processes continue to scale down, packaging structures become increasingly complex, and next-generation display technologies evolve, customer requirements for inspection equipment have progressed from merely “detecting defects” to ensuring “accurate measurement, rapid decision-making, and process feedback capability.” Through the integration of AOI, metrology, AI-based image recognition, and Yield Management Systems (YMS), Favite provides tailored inspection and metrology solutions to support diverse industrial manufacturing processes.

Semiconductor/IC Substrate	μLED / μOLED	FPD-LCD
 		
■ Wafer / Panel level Die Location Metrology ■ Wafer Auto AI AOI / AVI / OM ■ FOPLP RDL Fine Line AOI ■ GCS TGV AOI ■ Chip on Tray AVI / Auto AI AVI ■ Yield Management System ■ Customized Solutions ■ Retrofit	■ μLED COW / COC AOI ■ μLED Backplane /Panel /Side Wiring AOI ■ μOLED TFE / CF / Cover Glass AOI ■ μOLED Mask / Lamination AOI	■ Array /CF /OLED /Touch / E-paper AOI ■ Auto AVI /Auto Review ■ CDOL Metrology / Inline Spectrometer ■ Yield Management System ■ Retrofit
		

Based on product categories 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 will continue to place “technological innovation, quality stability, efficiency enhancement, and customer satisfaction” at the core of its operations. The Company will further deepen its capabilities in AI-enabled intelligent inspection, advanced packaging metrology, next-generation display technologies, and after-sales upgrade services. Through more precise inspection and metrology equipment and data-driven service offerings, Favite aims to serve as a key partner for high-yield manufacturing in the global technology industry.

Main Operating and Sales Regions

Favite is headquartered in Zhubei City, Hsinchu County, Taiwan, with operational sites and technical support centers in Taichung and Tainan. The Company also has a subsidiary in Shanghai, China, establishing a comprehensive localized sales network and real-time technical service system. The Company's core business model integrates research and development, manufacturing and assembly, and system integration. Leveraging cross-disciplinary capabilities in optics, electrical control, mechanical engineering, and AI algorithms, Favite provides global customers with high-precision, high-stability automated optical inspection (AOI) equipment and sub-micron-level advanced metrology solutions.

Site	Functional Positioning	Operational Role
Hsinchu Headquarters and Factory	R&D, operational management, production assembly, and system integration	Serves as the core center for corporate decision-making, product development, system integration, and quality management
Taichung Office	Regional customer service and technical support	Supports project coordination, equipment servicing, and technical collaboration for customers in central Taiwan's high-tech manufacturing sector
Tainan Office	Regional customer service and technical support	Provides localized support for customers in Southern Taiwan Science Park and advanced manufacturing industries
Shanghai Subsidiary	Software development and overseas service coordination	Strengthens overseas customer support, software applications, and localized service connectivity

In terms of sales markets, Favite has long been deeply rooted in both Taiwan and overseas markets. In 2025, due to fluctuations in the global macroeconomic environment and structural adjustments in capital expenditure within the display industry, overall revenue levels were adjusted. However, the Company's high-end strategic positioning in the Taiwan market demonstrated notable results. With steady demand from 2.5D/3D advanced packaging and Micro LED customers, the revenue contribution from Taiwan increased significantly from 30.21% in 2024 to 39.05% in 2025. This reflects the continued importance of the Taiwan market in advanced manufacturing processes, equipment upgrades, and technical service demand, while overseas markets remain the Company's primary source of revenue. Looking ahead, the Company will continue to optimize its global supply chain configuration and product delivery mechanisms in response to regional carbon regulations, cybersecurity policies, and service requirements, thereby enhancing operational resilience against market volatility.

Annual sales statistics (unit: NT\$ thousand), with revenue breakdown by region as follows:

Region	2022		2023		2024		2025		Market Characteristics and Application Areas
	Amount	%	Amount	%	Amount	%	Amount	%	
Taiwan	501,333	33.92%	289,333	64.92%	201,669	30.21%	179,597	39.05%	Primarily focused on inspection and metrology equipment for Micro LED and high-end substrate applications.
Overseas	976,096	66.08%	156,342	35.08%	465,918	69.79%	280,264	60.95%	Mainly composed of inspection and metrology equipment for flat panel display applications.

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

Global Presence and Strategic Direction

Favite is headquartered in Taiwan, serving as its core center for research and development as well as operational management. Through its overseas subsidiary and customer service network, the Company supports equipment delivery, technical communication, and after-sales service across key markets. In response to structural adjustments in the display industry, growing demand for

advanced semiconductor packaging, and ongoing global supply chain restructuring, Favite will continue to strengthen its regional service capabilities, delivery management, equipment maintenance, and software upgrade support, thereby enhancing long-term customer stickiness and collaboration.

In terms of market expansion strategy, the Company will maintain its primary focus on the Asia-Pacific region, while closely monitoring demand developments in Japan, South Korea, Southeast Asia, and other potential application markets. Depending on customer projects, product validation progress, and production line deployment timelines, Favite will gradually expand its overseas service capabilities.

Looking ahead, Favite will adopt a model that integrates “Taiwan-based R&D and system integration” with “localized overseas service support” to enhance delivery flexibility, technical responsiveness, and operational resilience. The Company defines 2026 as the “Year of Value Transformation,” guided by the core principle of “pragmatic refinement and technology-driven fundamentals.” Key strategic priorities are as follows:

- **Conversion from Validation to Orders:** Accelerate the customer validation process for high-end semiconductor and advanced packaging inspection and metrology equipment, with the aim of shortening project closure cycles.
- **Service Value Upgrade:** As the installed base continues to expand, strengthen after-sales services, software algorithm upgrades, and AI module retrofitting capabilities.
- **Asia-Pacific Market Expansion:** Maintain stable operations in cross-strait markets while actively evaluating opportunities in South Korea, Japan, and Southeast Asia, and develop a resilient and sustainability-aligned operational framework in response to green manufacturing and carbon management trends.

Participation in External Associations

Favite actively participates in industry associations and professional organizations that are closely aligned with its core technologies and application areas. These organizations encompass sectors including printed circuit boards, optoelectronics, semiconductors, electronic equipment, and industrial technology exchange. Through participation in external associations, the Company gains insights into industry technology trends, policy developments, technical standards, regulatory requirements, and evolving market demands. Such information serves as an important reference for the Company's R&D activities, product strategies, customer service initiatives, and sustainability management planning. The Company maintains a position of political neutrality and does not

engage in political campaign activities or political contributions. Participation in external associations is intended solely to facilitate industry exchange, technical collaboration, regulatory trend monitoring, and discussions on sustainability-related topics, and is not associated with any political activities. The following table presents the Company's principal industry association memberships 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\$40,000
Semiconductor Equipment and Materials International (SEMI)	Member	Promotes industry cooperation and resource exchange.	NT\$109,990
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\$36,000

Sustainability Governance Structure and Implementation Mechanisms

Sustainability Vision and Framework

For Favite, a sound governance framework serves as the cornerstone for corporate transformation and long-term sustainable growth. In response to the dual challenges of the global display industry downturn in 2025 and the rapid advancement of semiconductor advanced packaging technologies, the Company recognizes that sustainability management must be elevated from the operational level to the strategic decision-making level in order to effectively address increasingly complex environmental, social, and governance (ESG) risks.

In this chapter, the Company provides a comprehensive overview of how Favite implements ethical business practices, stakeholder engagement, and material topic management through a multi-tiered governance structure and clearly defined organizational responsibilities. The Company is committed to translating its sustainability commitments into concrete management standards and integrated risk management mechanisms, ensuring that while pursuing technological leadership and profitable growth, it continues to create long-term value together with stakeholders and steadily advance toward its vision of green technology and intelligent inspection solutions.

Sustainability Commitment and Accountability

Corporate sustainability competitiveness stems not only from advancements in technology and product quality, but also from a company's fulfillment of environmental responsibilities, social responsibilities, and governance obligations. 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 Dimension: The Company has initiated the development of a carbon management framework and commenced ISO 14064-1 organizational greenhouse gas inventory activities. Through the identification of electricity consumption and emission

sources, the Company is establishing a foundation for future carbon management and energy efficiency improvement initiatives.

Social Dimension: The Company continues to strengthen employee care programs and community engagement efforts through a variety of initiatives, including educational support, charitable donations, and talent development programs.

Governance Dimension: The Company prepares its Sustainability Report in accordance with the GRI Standards and the TCFD framework, while continuously enhancing information transparency and internal audit processes to demonstrate its commitment to ethical business conduct and responsible corporate governance.

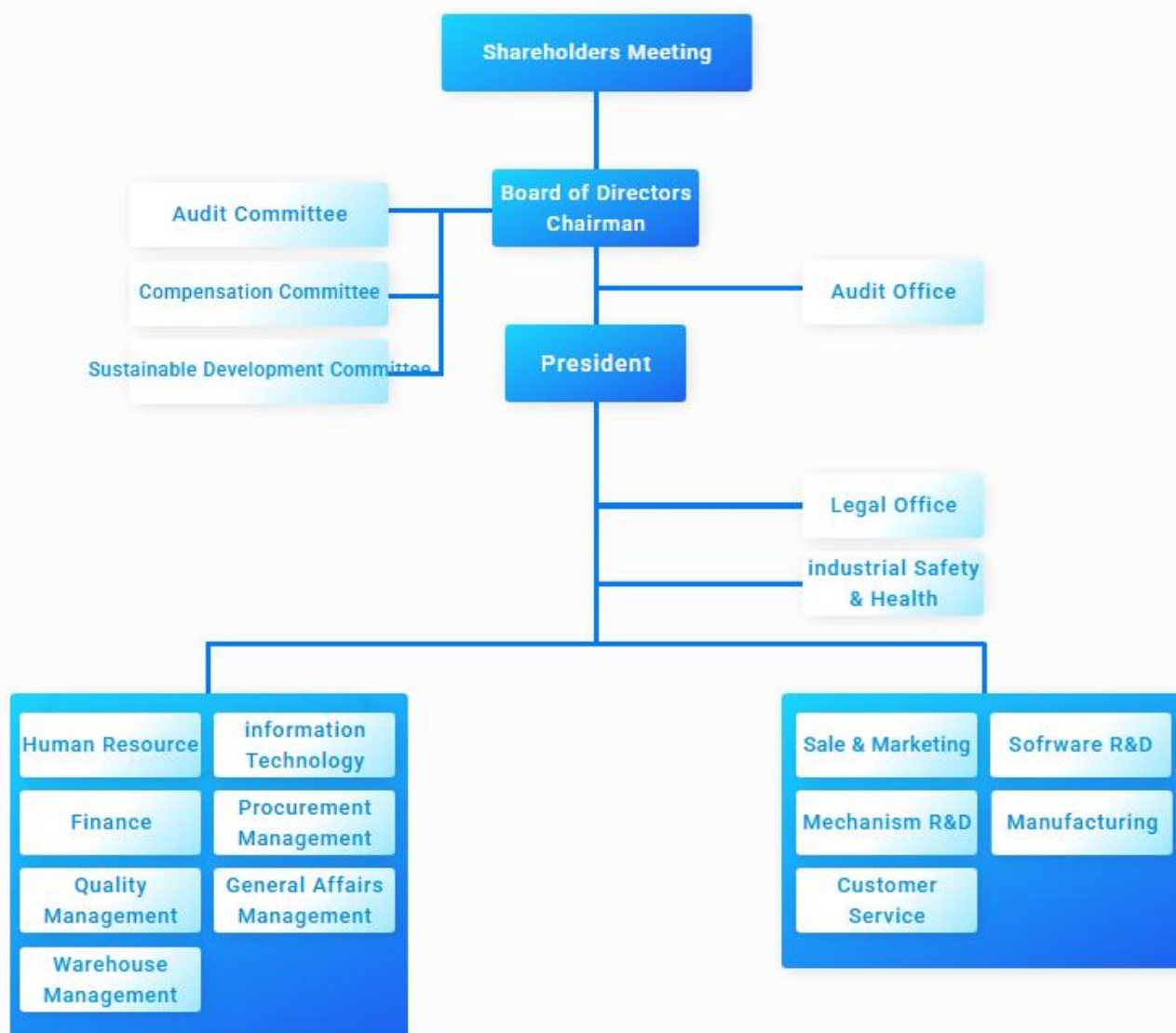
The Company is committed to continuously strengthening its management capabilities in key ESG areas. Through systematic implementation, practical actions, and performance-driven improvements, the Company will progressively integrate sustainability principles into its daily operations and decision-making processes. By balancing corporate value creation with social responsibility, the Company aims to work collaboratively with customers, employees, suppliers, and other stakeholders to foster sustainable growth and create long-term shared value.

Sustainability Governance Framework and Operational Mechanism

To advance sustainable development and strengthen the Board of Directors' oversight of ESG-related matters, Favite continues to enhance its sustainability governance framework by integrating environmental protection, social responsibility, corporate governance, product innovation, supply chain management, and risk management into the Company's overall operational and management practices.

Enterprise Structure

FAVITE Structure



In December 2023, the Company established the Sustainability Task Force, composed of representatives from various units, responsible for coordinating ESG initiatives, compiling data, tracking performance, and preparing the sustainability report. To further enhance governance level and supervisory effectiveness, the Company, upon approval by the Board of Directors on November 7, 2025, formally established the Sustainable Development Committee, and convened the first session of the inaugural Sustainable Development Committee on December 30, 2025. The Company's Board of Directors serves as the highest supervisory body for sustainability, responsible for overseeing sustainability strategies, major risks, and annual performance. The

Sustainable Development Committee is responsible for reviewing and supervising sustainability-related policies, targets, and implementation progress; the Chief Sustainability Officer and the Sustainability Task Force are responsible for cross-department coordination, action plan implementation, data compilation, and performance tracking. Through this multi-tier governance structure of “Board supervision, Committee oversight, Chief Sustainability Officer coordination, and Functional Task Force execution”, the Company ensures that sustainability efforts are implemented from strategic planning down to daily operations.

In 2025, the Company reported the progress of sustainability initiatives to the Board of Directors on March 7, May 9, August 8, and November 7, respectively. The Board supervised and reviewed the progress of sustainability work, serving as a basis for subsequent policy adjustments, risk management, and resource allocation.

Division of Responsibilities in Sustainability Governance

To ensure the effective implementation of sustainability objectives and strengthen execution, Favite, Inc. has established a multi-tier sustainability governance structure to ensure that sustainability strategies are effectively promoted and concrete performance is achieved.

The governance structure comprises the Board of Directors, the Sustainable Development Committee, the Sustainability Task Force, and the four dedicated functional task forces. The Board provides direct supervision, while the four functional task forces carry out implementation, ensuring that sustainability is fully integrated into corporate decision-making and operational management.

Governance Level	Primary Responsibilities	Key Functions
Board of Directors	Highest supervisory body for sustainability development	Oversees sustainability strategies, major risks, climate governance, information disclosure, and annual implementation performance.
Sustainable Development Committee	Supervisory body for sustainability policies and implementation performance	Reviews ESG policies, annual objectives, material topics, risk management measures, and improvement progress.
Chief Sustainability Officer	Coordinator of sustainability initiatives	Coordinates cross-departmental ESG matters, oversees the implementation of action plans by functional task forces, and tracks performance outcomes.
Sustainability Task Force	ESG implementation and data integration unit	Responsible for identifying sustainability topics, collecting data, tracking performance, facilitating internal communication, and preparing the sustainability report.
Four Dedicated Functional Task Forces	Implementation units for ESG-related initiatives	Promote environmental, product, social, and governance-related projects within their respective areas of responsibility and regularly report implementation results.
Functional Task Forces		
Environmental Sustainability Task Force	General Affairs Management, Warehouse Management, Taichung Office, Tainan Office, Shanghai Jingsuncal Office	Environmental protection, energy conservation and carbon reduction, resource management, greenhouse gas inventory, environmental data consolidation, and environmental risk monitoring.
Product Sustainability Design Task Force	System R&D, Software R&D, Customer Service, Manufacturing	Product innovation, R&D technologies, product quality, service management, green products, and intelligent inspection applications.
Corporate Social Responsibility Task Force	Human Resource, Industrial Safety & Health, Sale & Marketing	Employee care, education and training, occupational safety and health, human rights protection, workplace well-being, customer relations, and social engagement.
Corporate Governance Task Force	Finance, Legal Office, Information Technology, Quality Management, Procurement Management	Regulatory compliance, ethical business conduct, shareholder rights protection, information security, privacy protection, supply chain management, and corporate governance disclosure.

Sustainability Management Mechanism and Operational Process

Favite, Inc. has established a top-down decision-making framework and a bottom-up execution and feedback mechanism on an annual basis to promote sustainability management. To enhance cross-functional integration and operational efficiency, each functional task force is assigned responsibility for specific ESG topics and key performance indicators (KPIs) according to the ESG dimensions. For each topic, the responsible department formulates action plans and collaborates with supporting units to facilitate implementation. Progress updates and performance tracking are conducted through a rolling communication mechanism and project collaboration platform to ensure effective execution. To strengthen the linkage between strategy and execution, the Company has gradually integrated ESG initiatives into its annual planning and departmental management processes. ESG-related activities are also aligned with internal control procedures, internal audit practices, and risk identification mechanisms, ensuring that sustainability becomes an integral part of the Company's overall operational management rather than a standalone project.

Through an integrated management approach that combines vertical alignment (Board of Directors – Sustainable Development Committee – Sustainability Task Force – Departments) and horizontal collaboration (among functional task forces), material issues or matters requiring cross-departmental coordination are reviewed and coordinated by the Chief Sustainability Officer in consultation with relevant units. Where necessary, such matters are escalated to the Sustainable Development Committee and the Board of Directors for review and guidance.

Operational Stage	Management Approach	Key Outputs
Material Topics Identification	Identify annual sustainability topics based on materiality assessments, regulatory requirements, ESG rating indicators, customer expectations, and industry trends.	Annual material topics and allocation of management responsibilities.
Target Setting	Each functional task force establishes annual work plans, management indicators, and improvement objectives according to its assigned responsibilities.	Annual ESG action plans and tracking items.
Action Implementation	Responsible departments implement projects related to environmental management, products, employees, supply chain management, information security, and corporate governance.	Departmental implementation records, quantitative results, and improvement initiatives.
Performance Tracking	The Sustainability Task Force consolidates implementation progress from each task force and reviews target achievement and areas requiring improvement.	ESG progress reports, performance tracking results, and improvement recommendations.
Committee Oversight	Material issues are submitted to the Sustainable Development Committee for review and oversight.	Review records of sustainability policies, objectives, and action plans.
Board Oversight	Sustainability performance and implementation progress are regularly reported to the Board of Directors for review and guidance on future directions.	Board reporting records, policy adjustments, and resource allocation decisions.
Sustainability Report Disclosure	Annual management approaches and quantitative performance results are disclosed in the sustainability report.	Responses to stakeholder expectations and compliance with GRI Standards, climate-related disclosures, and ESG assessment requirements.

Risk Management and Integration with Sustainability Topics

Favite, Inc. incorporates ESG-related risks into its sustainability governance framework for systematic management, covering areas such as climate change, information security, regulatory compliance, supply chain resilience, occupational safety and health, product quality, and business continuity. Relevant functional task forces and responsible departments are responsible for the identification, assessment, and monitoring of risk-related issues. Material risk matters are reported to the Sustainable Development Committee or the Board of Directors in accordance with the Company's governance procedures to strengthen risk awareness, cross-functional collaboration, and operational resilience.

With respect to climate-related risks and opportunities, the Company will progressively align its management approach with the IFRS S2 framework and disclose relevant information regarding

governance, strategy, risk management, metrics, and targets in the climate-related section of this report.

Sustainability Strategy Blueprint and Action Plan

In response to the rapidly evolving global technology manufacturing industry, cyclical adjustments in the display sector, growing demand for advanced semiconductor packaging, and increasing customer expectations regarding product quality, information security, and low-carbon manufacturing processes, the Company continues to uphold the core philosophy of “Pragmatic Excellence and Technology-Driven Innovation.” ESG management is integrated with business strategy, product innovation, risk management, and stakeholder engagement to create long-term sustainable value.

In 2025, Favite, Inc. entered a critical stage characterized by both technological transformation and governance enhancement. On one hand, the Company continued to invest in advanced applications, including AI-powered intelligent inspection, dual-track AOI and Metrology technologies, the Horus Intelligent Optical Inspection Platform, advanced 2.5D/3D semiconductor packaging solutions, and Micro LED/Micro OLED technologies. On the other hand, the Company steadily strengthened its sustainability governance practices, greenhouse gas inventory management, information security management, employee care programs, supply chain management, and the quality of sustainability-related disclosures. Through cross-departmental collaboration and annual action plans, the Company has advanced sustainability management from system establishment to operational integration, ensuring that ESG serves not only as a disclosure requirement but also as a management tool for enhancing corporate resilience, creating customer value, and responding to stakeholder expectations.

To achieve these objectives, Favite, Inc. focuses its annual sustainability initiatives on five strategic pillars: Governance Excellence, Environmental Stewardship, Inclusive Talent Development, Innovative Applications, and Shared Prosperity with Partners. These initiatives are jointly promoted by the Sustainable Development Committee, the Chief Sustainability Officer, the Sustainability Task Force, and various functional task forces. Through target setting, action implementation, performance tracking, and continuous improvement, the Company continues to strengthen its sustainability management capabilities.

Strategic Pillar	Alignment with Management Messages	2025 Action Directions
Governance Excellence: Pragmatic Management and Risk Resilience	Reflects the Chairperson's emphasis on "pragmatic excellence" and operational resilience, strengthening the Company's governance capabilities in response to economic cycles, technology validation cycles, and market fluctuations.	Enhance the sustainability governance framework and strengthen oversight of ESG issues by the Board of Directors and the Sustainable Development Committee. Improve the quality of sustainability information reporting while advancing ethical business conduct, regulatory compliance, internal controls, risk management, and information security management.
Environmental Stewardship: Carbon Management and Energy Efficiency Improvement	Aligns with the Chief Sustainability Officer's focus on carbon management, data-driven management, and environmental responsibility.	Initiate and enhance the ISO 14064-1 organizational greenhouse gas inventory, identify electricity consumption and emission sources, and progressively establish a carbon management foundation. Simultaneously evaluate energy-saving initiatives, environmentally friendly packaging materials, and resource efficiency improvement measures.
Inclusive Talent Development: Employee Care and a Learning-Oriented Culture	Reflects the Chief Sustainability Officer's emphasis on employee engagement and the integration of sustainability into corporate culture, while supporting the Company's long-term commitment to cultivating professional and technical talent.	Promote health examinations, occupational safety and health programs, employee training, welfare initiatives, and workplace-friendly measures. Strengthen talent development and cross-departmental collaboration to provide employees with a safe, healthy, and growth-oriented working environment.
Innovative Applications: Advancing Smart Manufacturing and Sustainable Value Creation	Reflects the Chairperson's strategic direction regarding AI-powered platforms, advanced semiconductor packaging inspection and metrology solutions, and high-end technology deployment.	Continue to optimize AI inspection algorithms, the Horus Intelligent Optical Inspection Platform, the YMS Yield Management System, and high-precision metrology technologies. Develop modularized, high-performance inspection equipment to assist customers in enhancing defect identification, process monitoring, and yield management capabilities.
Shared Prosperity with Partners: Supply Chain Responsibility and Customer Trust	Responds to growing customer expectations regarding quality, information security, low-carbon operations, and sustainable supply chain management.	Strengthen supplier management policies by progressively incorporating requirements related to environmental protection, occupational safety and health, labor and human rights, information and communication security, and privacy protection. Enhance supply chain resilience through supplier assessments, self-evaluations, audits, communication, and improvement tracking mechanisms.

Favite, Inc. is committed to advancing sustainability through an evidence-based approach, ensuring that sustainability strategies remain closely aligned with its core business operations. Looking ahead, the Company will continue to strengthen governance effectiveness, enhance environmental management practices, cultivate professional talent, and drive innovation in intelligent inspection technologies. The Company will also work closely with customers and supply chain partners to address the challenges associated with high-precision, high-efficiency, and low-carbon manufacturing. Through annual target setting and performance tracking, the Company will progressively embed sustainability principles into its decision-making culture and day-to-day management processes. By integrating sustainability into corporate operations, Favite, Inc. seeks to realize its long-term vision of creating corporate value, fulfilling industry responsibilities, and contributing to shared prosperity for society.

Stakeholder Identification and Engagement

Favite, Inc. places great importance on maintaining long-term relationships of mutual trust with its stakeholders and regards stakeholder engagement as a critical foundation for advancing sustainable development, identifying operational risks, and responding to societal expectations. Through a structured stakeholder identification and engagement process, the Company continuously gathers stakeholder concerns and expectations regarding corporate governance, environmental management, product quality, customer service, employee care, supply chain management, and regulatory compliance. These insights serve as important inputs for sustainability strategy development, material topic identification, and sustainability report disclosures. The Company has established its stakeholder identification and communication mechanism with reference to GRI 2-29 Stakeholder Engagement and the principles outlined in GRI 3: Material Topics under the GRI Standards 2021. In addition, the mechanism incorporates the principles of inclusivity, materiality, responsiveness, and impact emphasized by the AA1000 Stakeholder Engagement Standard (AA1000 SES). Favite, Inc.'s 2023 Sustainability Report was prepared with reference to the GRI Standards 2021, AA1000 AccountAbility Principles, SASB Standards, TCFD Recommendations, and the United Nations Sustainable Development Goals (SDGs). Stakeholder engagement and materiality assessment were identified as key disclosure elements of the report. In 2025, the Company further conducted a renewed stakeholder identification process to enhance the timeliness, relevance, and effectiveness of its sustainability analysis and management practices.

Stakeholder Identification and Engagement Logic

Stakeholders refer to individuals or groups that may affect the Company's ability to achieve its objectives or are affected by the Company's operations. In response to global sustainability development trends, Favite, Inc. values stakeholder perspectives and has established a systematic stakeholder identification and engagement process based on internationally recognized frameworks and practices. This process serves as the foundation for the Company's sustainability initiatives and aims to establish effective communication channels while appropriately addressing the concerns and expectations of key stakeholders.

To ensure that stakeholder classification reflects the Company's current business model, industry transformation direction, and sustainability governance needs, Favite, Inc. conducted a renewed stakeholder identification assessment in 2025. The assessment was carried out by members of the Sustainability Task Force and representatives from various functional task forces. Stakeholders

were evaluated based on the five dimensions commonly adopted by the AA1000 Stakeholder Engagement Standard (AA1000 SES): dependency, responsibility, influence, diverse perspectives, and tension/concern. Potential stakeholder groups that may influence or be influenced by the Company's operations were assessed and scored accordingly.

A total of 30 valid internal assessment questionnaires were collected. The evaluation covered 15 stakeholder categories, including employees, customers, suppliers, shareholders/investors, government authorities, financial institutions, academic and research institutions, communities, media, industry associations, competitors, non-profit organizations, vulnerable groups, environmental organizations, and subsidiaries. Based on the assessment results and statistical analysis, the Company identified the stakeholder groups most closely associated with its operations and sustainability development priorities.

2025 Stakeholder Identification Results

Based on the survey results and equal weighting across the five assessment principles, the seven stakeholder groups with the highest relevance were identified as: employees, customers, suppliers, subsidiaries, shareholders/investors, government authorities, and financial institutions. Among these groups, subsidiaries were identified as important internal operational partners due to their close involvement in operational collaboration, technical support, information integration, and overseas service coordination. For external stakeholder engagement, the Company identified six primary stakeholder groups—employees, customers, suppliers, shareholders/investors, government authorities, and financial institutions—as the principal communication targets of this Sustainability Report.

Stakeholder Engagement Mechanism and Strategy

Based on stakeholder characteristics and areas of concern, Favite, Inc. has established various communication channels and designated responsible contact points. Through regular meetings, routine business interactions, surveys, public disclosures, investor communications, supplier evaluations, customer satisfaction surveys, and employee feedback mechanisms, the Company maintains ongoing stakeholder engagement. Communication outcomes are consolidated and reviewed by the relevant responsible departments. Material issues are coordinated and tracked by the Sustainability Task Force and, where necessary, are incorporated into the reporting process of the Sustainable Development Committee and the Board of Directors as references for sustainability strategy development and management action adjustments.

Dual-Track Communication Strategy

Taking into account the characteristics of different stakeholder groups and practical engagement scenarios, the Company's communication mechanism is built upon two key principles: regular engagement and timely response.

- **Regular Engagement:** For recurring topics such as shareholders' meetings, supplier evaluations, employee surveys, and sustainability report publication, engagement activities are conducted according to established schedules, with periodic reviews of outcomes and effectiveness.
- **Timely Response:** For unforeseen events, including regulatory changes, social incidents, urgent customer requirements, or recommendations from external assessments and audits, the Company activates project-based communication mechanisms and incorporates relevant issues into its risk management and operational decision-making processes.

As this mechanism continues to evolve, the Company remains committed to ongoing refinement and optimization. Through a balanced approach that combines both proactive and responsive engagement, Favite, Inc. seeks to strengthen its ability to interact effectively with diverse stakeholder groups and support the implementation of sustainability-related initiatives.

Communication Objectives and Four Core Principles

As the stakeholder engagement mechanism continues to mature, the Company's communication strategy focuses on the following four core principles:

- **Timely Understanding of Stakeholder Needs:** Identify emerging issues at an early stage through routine interactions and communication channels.
- **Transparency and Mutual Trust:** Strengthen stakeholder trust through regular disclosure of financial and sustainability-related information.
- **Diverse Participation and Feedback:** Encourage stakeholders to provide feedback through surveys, communication platforms, and designated contact channels.
- **Value-Oriented Action and Response:** Incorporate key stakeholder concerns into topic management processes and sustainability strategy development.

Communication Frequency and Performance Monitoring

Stakeholder Category	Significance to Favite	Key Concerns and Communication Topics	Communication Methods and Frequency	Company Responses and Actions	2025 Communication Outcomes
Employees	Employees are the Company's most valuable asset and the driving force behind technological innovation, product quality, customer service, and organizational development. Through talent development, competitive compensation and benefits, a safe and healthy workplace, and transparent communication mechanisms, Favite strengthens employee engagement and supports long-term career development.	Labor-management relations; talent training and development; compensation and benefits; occupational health and safety; operating performance; socioeconomic compliance; and human rights policies.	Internal announcements (Irregular); labor-management meetings (Quarterly); Employee Welfare Committee meetings (Quarterly); Occupational Safety and Health Committee meetings (Quarterly); department meetings (Weekly); performance reviews and career development discussions (Regularly or as needed); training programs and seminars (Based on annual plans and operational needs); employee engagement activities (Irregular); employee suggestion mailbox (Available at all times).	The Company has established a competitive compensation strategy and diversified employee benefits programs; provides equal employment and development opportunities; maintains a safe, inclusive, and human rights-respecting workplace; operates transparent communication and grievance mechanisms; implements competency development and career progression programs; regularly communicates business performance and strategic direction; and promotes training related to compliance, occupational safety, human rights, and ethical business conduct.	More than 16 internal announcements were issued. Four labor-management meetings were held, achieving a 100% completion rate for employee suggestions. Seven Employee Welfare Committee meetings and four Occupational Safety and Health Committee meetings were conducted. More than 40 department meetings were held. A total of 175 training programs and seminars were conducted, with 1,248 participant attendances and 4,644.5 training hours. Nine employee engagement activities were organized, attracting 949 participants and achieving an average satisfaction score of 4.65. No complaints were received through the employee suggestion mailbox.
Customers	Customers are fundamental to the Company's operational growth and technological advancement. Through high-quality products, timely technical support, and long-term partnerships, Favite responds to customer expectations regarding inspection accuracy, equipment reliability, after-sales service, delivery efficiency, and sustainable supply chain management, while enhancing brand trust and market competitiveness.	Company scale, revenue and operating performance; product quality and reliability; functionality and innovation; customer service and technical support; pricing and value; ESG collaboration requirements; information security and customer data protection.	In-person and online meetings (Regular and irregular); email (At any time); communication platforms (At any time); customer satisfaction surveys (Annually); company website and social media (Irregular); exhibitions and marketing events (Regularly); training programs (Irregular); operation manuals and technical documentation (As needed); after-sales service and complaint handling platform (Real-time); ESG collaboration meetings (As needed).	The Company regularly visits key customers to understand operational needs and application challenges; provides corrective actions and implementation schedules within customer-required timelines; reports progress through meetings and email communications; maintains a 24-hour response mechanism for business service inquiries; organizes technical exchanges, seminars, and customer training activities; conducts annual customer satisfaction surveys and incorporates feedback into product, service, and process improvements; and actively participates in industry exhibitions to strengthen customer relationships and explore new business opportunities.	The average customer satisfaction score reached 96.4, with 10 completed survey responses. No customer complaints or customer data incidents were reported. The Company participated in four major industry exhibitions, including ISLE, SEMI China, Touch Taiwan, and SEMI Taiwan. In addition, the Company received three external awards recognizing product innovation and market performance.
Suppliers	Suppliers provide the raw materials, components, processing services, information services,	Supply stability, target cost management, quality and delivery	Email, telephone, and communication platforms (At any time); supplier audits (Irregular); on-site	The Company supports suppliers in production capacity planning and delivery scheduling through demand allocation,	Supplier audits were conducted for 3 suppliers, and supplier evaluations were completed for 25 suppliers. No high-risk suppliers were

Stakeholder Category	Significance to Favite	Key Concerns and Communication Topics	Communication Methods and Frequency	Company Responses and Actions	2025 Communication Outcomes
	and other operational support required for the Company's production, R&D, and service activities. Their quality, delivery performance, pricing, technical capabilities, and sustainability performance directly affect product delivery, customer satisfaction, and supply chain resilience.	performance, ethical business conduct, supply chain risk management, information security and confidentiality, environmental responsibility, and social responsibility.	visits (Irregular); communication of technical and sustainability requirements (Irregular); supplier training sessions and communication meetings (As needed); supplier evaluations (Annually).	forecasting, and procurement planning. Supplier evaluations and corrective action tracking are continuously implemented to ensure stable quality, delivery performance, and cooperation. Alternative sourcing and contingency plans for critical materials are regularly reviewed. Supplier Commitment Letters and Codes of Conduct are promoted to incorporate requirements related to ethical business conduct, information security, environmental protection, and labor and human rights into supply chain management. The Company also continues to develop local sourcing alternatives to enhance supply chain flexibility and resilience.	identified. The corrective action completion rate reached 100%. The signing rate of the Supplier Code of Conduct and Supplier Commitment Letter among the top 50 suppliers by procurement value was 84%. Local procurement accounted for 38.44% of total purchases. Compared with 2024, the ratio decreased due to a higher proportion of semiconductor and emerging application equipment shipments, which required certain high-precision components to be sourced from overseas suppliers.
Shareholders/Investors	Shareholders and investors provide the capital support necessary for the Company's sustainable development and closely monitor operating performance, corporate governance, risk management, innovation and R&D, and sustainability strategies. Through transparent, timely, and comprehensive information disclosure, the Company enhances capital market confidence and safeguards shareholder rights and interests.	Operating performance, corporate governance, innovation and R&D, environmental regulatory compliance, ESG strategy and performance, information transparency, and risk management.	Shareholders' Meeting (Annually); investor conferences (At least once annually); online investor conferences or webcast briefings (At least once annually); investor surveys (Irregular); disclosures through the Market Observation Post System, company website, and media channels (Irregular); executive participation in industry events and external engagement activities (Irregular).	The Company convenes shareholders' meetings in accordance with applicable regulations to ensure shareholders' rights to participation, voting, and oversight. Operational, financial, corporate governance, and sustainability information is disclosed through the Market Observation Post System and the Company website. Investor communication is strengthened through investor conferences and briefings, enabling investors to better understand the Company's operating performance, technology development strategy, and future outlook. The Company also continuously improves the quality of sustainability disclosures to enhance stakeholders' understanding of its long-term value.	One Shareholders' Meeting was held. One in-person investor conference and one online investor briefing/webcast were conducted. All required financial, operational, and corporate governance disclosures were completed in accordance with regulatory requirements. The Sustainability Report was prepared and disclosed according to the annual plan. Material information, financial reports, investor presentation materials, and corporate governance information were continuously disclosed through the Market Observation Post System and the Company website.
Government Agencies	Government agencies play an important role in guiding regulatory	Regulatory compliance, financial and operational	Government meetings and collaboration activities (Irregular); policy briefings and	The Company completes the filing, submission, and public disclosure of quarterly financial reports in	The Company participated in 16 government-sponsored briefings or activities, involving 24 participant

Stakeholder Category	Significance to Favite	Key Concerns and Communication Topics	Communication Methods and Frequency	Company Responses and Actions	2025 Communication Outcomes
	compliance, industrial development, and public policy implementation. Regulations, policies, and supervisory requirements influence the Company's corporate governance, financial reporting, environmental, health and safety management, labor practices, R&D incentives, and sustainability disclosures.	reporting, environmental, health and safety practices, technology development, talent development, government subsidy programs, sustainability disclosures, and corporate governance requirements.	seminars (Irregular); regulatory training courses and information sessions organized by competent authorities (Irregular); statutory reporting of financial, operational, occupational safety, and environmental information (As required); document and electronic filings (As required); on-site inspections and interviews (As arranged by authorities); Sustainability Report disclosure (Annually).	accordance with applicable regulations. The Company continuously monitors regulatory developments and strengthens compliance capabilities through internal meetings, training programs, and external professional courses. Government-funded R&D projects are implemented and managed in accordance with applicable requirements. The Company also continues to fulfill requirements related to environmental protection, occupational safety and health, labor practices, corporate governance, information disclosure, and sustainability reporting to reduce compliance risks and maintain sound operations.	attendances. The Company maintained communication with government agencies through emails and telephone calls on an ongoing basis. The Company also participated in briefings organized by competent authorities, including the Financial Supervisory Commission and Taiwan Stock Exchange, to stay informed of regulatory developments and compliance requirements. In 2025, there were 0 material violations of laws and regulations, NT\$0 in material fines, and 0 significant non-monetary sanctions.
Financial Institutions	Financial institutions are important providers of external financing and credit support to the Company, influencing financing costs, credit terms, funding flexibility, and financial stability. Through transparent, accurate, and timely communication of financial information, the Company maintains a sound credit profile and stable banking relationships.	Company scale; revenue and operating performance; financial stability; ethical business conduct; financing requirements; credit terms; risk management; and sustainable finance trends.	Bank visits / Regular and irregular; telephone or virtual meetings with banks / Irregular; provision of financial and credit-related information / Quarterly or annually; credit facility and funding utilization meetings / Quarterly or semi-annually; discussions regarding green finance or sustainability-linked loans / As needed; on-site visits or credit reviews / Irregular.	Through bank visits, meetings, and information sharing, the Company enables financial institutions to better understand industry developments, operating performance, and technological competitiveness. The Company discloses financial and operational information in accordance with applicable regulations to enhance information transparency. The Company continues to maintain sound credit relationships and funding flexibility to support R&D, operations, and long-term transformation needs. The feasibility of green finance or sustainability-linked financing instruments will be evaluated based on future operational needs and market conditions.	The Company maintained regular communication and stable funding relationships with financial institutions. Financial, operational, and credit-related information was provided in accordance with credit review requirements. Revenue and financial information were regularly disclosed through the Market Observation Post System to enhance financial institutions' understanding of the Company's operating performance. The Company continued to maintain funding flexibility and communication channels with its banking partners.

Stakeholder Feedback and Follow-up Management

Favite, Inc. incorporates stakeholder concerns into the identification of material topics, sustainability strategy planning, and the annual management activities of relevant responsible units. The Company also continues to strengthen information disclosure and communication quality with

shareholders/investors, government authorities, and financial institutions. Through channels including the Annual Report, financial reports, the Market Observation Post System (MOPS), the Company website, shareholders' meetings, and investor conferences, the Company enhances the transparency of both financial and non-financial information. Going forward, the Company will periodically review the results of stakeholder identification and dynamically adjust stakeholder groups, communication frequency, and response approaches based on changes in the Company's business model, reporting boundaries, industry trends, and stakeholder concerns.

Material Topic Identification Process

Starting in 2023, Favite, Inc. formally established a materiality assessment process with reference to the GRI Standards 2021 and the AA1000 Stakeholder Engagement Standard (AA1000 SES). Through internal departmental surveys and external stakeholder questionnaires, the Company identified the positive and negative impacts that its business activities may generate across economic, environmental, and social dimensions. Previous Sustainability Reports have also adopted the GRI 3 material topic identification process, categorizing material topic assessment into ongoing evaluation and purpose-driven analysis as the foundation for sustainability strategy development and information disclosure. In 2025, Favite, Inc. conducted a renewed material topic identification process. In addition to building upon prior experience in managing material topics, the Company incorporated industry trends, regulatory requirements, operational transformation strategies, and evolving stakeholder concerns into the assessment. Through a systematic analysis process that included comprehensive identification, operational impact identification, sustainability impact identification, sustainability impact factor due diligence, and stakeholder concern surveys, the Company evaluated and prioritized sustainability topics. Following cross-comparison and consolidation of the assessment results, the Company established the priority ranking of its material topics for the year, which serves as the basis for subsequent sustainability actions, resource allocation, performance tracking, and Sustainability Report disclosures.

Definition and Principles of Materiality

Materiality refers to the process by which a company identifies key sustainability topics that are highly relevant to its business development and have substantial impacts on internal and external stakeholders. Through materiality analysis, the Company can focus its limited resources on sustainability initiatives with substantive impacts while enhancing the relevance and transparency of information disclosure. The materiality assessment conducted for this report was based on the definitions set forth in GRI 3: Material Topics. A material topic is defined as a topic that reflects the organization's actual or potential, positive or negative, impacts on the economy, environment, and people throughout its operations or value chain, and is also of significant concern to stakeholders.

Impact Definition and Assessment Scope

This materiality assessment adopts an impact-based approach as its core principle. “Impact” refers to the effects that Favite, Inc.’s business activities or business relationships may have on the economy, environment, and society (including people). Such impacts may arise directly from the Company's own activities or indirectly through its supply chain and other parts of the value chain. To assess the potential significance of each topic to both internal and external stakeholders, the Company evaluated impacts from the following two dimensions:

Actual or Potential – Whether the impact has already occurred or may occur in the future.

Positive or Negative – Whether the impact generates positive contributions or creates 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.

Materiality Assessment Process and Stakeholder Participation Mechanism

The materiality assessment process for the reporting year was conducted in two phases. The first phase, Ongoing Assessment, focused on the broad identification of sustainability topics, as well as the understanding of changes in the external environment and internal operational challenges. The second phase, Purpose-Driven Assessment, involved impact assessments, due diligence, stakeholder concern analysis, and management review of the identified candidate topics. Through this process, the Company ultimately determined the material topics for the reporting year.

Phase I: Ongoing Assessment		Phase II: Purpose-Driven Assessment	
Dynamic Identification and Continuous Updates	Continuously monitored regulatory developments, industry competition trends, advancements in semiconductor advanced packaging and next-generation display technologies, customer audit requirements, supply chain risks, and international sustainability disclosure trends to ensure that the material topic identification process accurately reflected changes in the external environment.	Topic Prioritization	The results of comprehensive identification, operational impact scores, sustainability impact assessments, due diligence results, and stakeholder concern analyses were consolidated and reviewed by the Sustainability Task Force and management. Following integration, adjustment, and confirmation, eight material topics were identified for the reporting year.
Comprehensive Information Collection	Under the coordination of the Sustainability Task Force, all departments regularly reported internal and external sustainability topics during daily operations. Preliminary analyses and risk assessments were conducted to ensure that material topic identification covered the Company's entire value chain.	Action Plan Development	The management approach, targets, and 2025 performance results for each material topic are disclosed in detail in the relevant chapters of this Report. Based on the significance of each topic, short-, medium-, and long-term development objectives were established, and dedicated project teams were assigned responsibility for implementation and resource allocation.
Topic Screening and Preliminary Classification	Referred to the GRI Standards, SASB Standards, sustainability disclosure requirements of regulatory authorities, ESG rating indicators, peer benchmarking reports, customer requirements, the Company's business strategies, and the results of previous material topics to comprehensively identify issues that may affect the Company's operations and sustainable development.		
Multi-Dimensional Impact Assessment	Candidate topics were comprehensively evaluated based on the following three dimensions: ■ Operational Impact: Direct impacts of the topic on operational efficiency, brand reputation, and financial performance. ■ Sustainability Impact: Impacts of the Company's activities on the environment, economy, and society. ■ Stakeholder Concern: The level of concern associated with the topic among suppliers, employees, investors, government agencies, and other stakeholder groups.		
Dual Assessment of Risks and Opportunities / Due Diligence	Conducted comprehensive identification of risks and opportunities associated with each sustainability topic and assessed potential positive and negative impacts to further determine the topic's potential value to the Company's long-term competitiveness.		

Compared with the previous reporting year, the material topic identification process was further strengthened through the incorporation of diverse information sources and cross-validation mechanisms. In addition to continuously monitoring international sustainability standards, regulatory requirements, ESG rating indicators, peer benchmarking practices, and

customer expectations, the Company also incorporated its business strategies, industry transformation directions, technology development trends, and feedback from internal and external stakeholders. The overall assessment process consisted of five procedures: comprehensive identification, operational impact identification, sustainability impact identification, sustainability impact factor due diligence, and stakeholder concern surveys. The results were consolidated and reviewed by the Sustainability Task Force and management, forming the priority ranking of the Company's material topics for the reporting year.

This materiality assessment did not rely solely on questionnaire scores as the basis for determining material topics. Instead, a multi-source consolidation approach was adopted. Topics demonstrating a high level of significance in operational impacts, sustainability impacts, due diligence results, or stakeholder concern assessments were identified and analyzed. The topics were then integrated and prioritized based on their interrelationships, management relevance, disclosure completeness, and alignment with the Company's strategic direction. This approach ensured that the identified material topics accurately reflected the key operational challenges and sustainability management priorities faced by Favite, Inc. during the reporting year.

Double Materiality Assessment Framework and Process

Favite, Inc. referenced the impact identification principles outlined in GRI 3: Material Topics under the GRI Standards 2021 and drew upon the concept of double materiality adopted by the European Union. Accordingly, both the impacts of sustainability topics on the Company's operations and financial performance, and the Company's impacts on the external economy, environment, and people, were incorporated into the materiality assessment framework. In addition, the Company referenced the concept of "dynamic materiality" advocated by the World Economic Forum, incorporating factors such as industry technology transformation, regulatory developments, customer requirements, supply chain risks, and stakeholder expectations into ongoing reviews to establish a material topic assessment mechanism that is closely aligned with the Company's operating context.

The assessment was coordinated by the Sustainability Task Force and involved relevant departments across the Company in identifying actual or potential, positive or negative impacts arising from the Company's operations and value chain activities. The evaluation process also incorporated stakeholder survey feedback, records of routine stakeholder communications, peer benchmarking reports, international sustainability standards, regulatory requirements, and the

Company's medium- and long-term business strategies as the basis for determining and prioritizing material topics.

The double materiality assessment for the reporting year focused on the following three core dimensions:

Assessment Dimension	Description	Management Significance to Favite
Operational and Financial Relevance	Assesses the extent to which each topic affects the Company's revenue growth, profitability, technological competitiveness, customer satisfaction, operational efficiency, regulatory compliance, information security resilience, and risk management performance.	Assists the Company in identifying topics that have a significant influence on business performance and long-term competitiveness, serving as a basis for resource allocation and strategic planning.
Significance of Sustainability Impacts	In line with the impact-based approach of GRI 3, evaluates the positive and negative impacts that the Company's operations, products and services, and business relationships may have on the economy, environment, and people, including human rights.	Enables the Company to understand the impacts of its operations and value chain on society and the environment, and to establish corresponding management and improvement mechanisms.
Stakeholder Concern	Consolidates the level of stakeholder concern regarding sustainability topics through questionnaire surveys, communication mechanisms, and records of routine interactions with employees, customers, suppliers, shareholders/investors, and government agencies.	Serves as a calibration reference for prioritizing material topics, ensuring that the Company responds appropriately to stakeholder expectations and disclosure requirements.

Through the double materiality framework, the Company not only identifies which topics may affect its business operations, but also further examines the impacts that its business activities may have on external stakeholders and the broader economy, environment, and society. This approach enables material topics to be more effectively linked to business strategy, sustainability management, and sustainability reporting disclosures.

Operational Impact Assessment

The Company assessed the material impacts of various sustainability topics on its operations and financial performance as a basis for strategic planning, resource allocation, and risk management. The assessment process was coordinated by the Sustainability Task Force, with participation from senior executives and relevant department heads. Both quantitative scoring and qualitative discussions were employed to enhance the objectivity of the assessment results and their alignment with operational realities. To evaluate the degree of impact that each topic may have on Favite, Inc.'s operations, the Company established the following four key assessment dimensions:

Assessment Dimension	Evaluation Focus
Customer Satisfaction	Whether the topic affects customer trust, customer satisfaction, product delivery, service quality, brand image, and long-term partnership relationships.
Employee Satisfaction	Whether the topic affects employee engagement, talent retention, organizational stability, workplace safety, professional capability development, and cross-functional collaboration efficiency.
Revenue Growth	Whether the topic contributes to revenue generation, enhancement of technology value-added, market expansion, cost structure optimization, or profitability improvement.
Operational Risk	Whether the topic involves regulatory compliance, cybersecurity incidents, supply chain disruption, production delivery issues, quality deviations, economic fluctuations, or other risks that may affect business continuity.

Quantitative Evaluation and Prioritization

The operational impact assessment in this materiality process adopts a five-level quantitative scoring methodology, where relevant managers assign scores based on their functional responsibilities and practical experience. A higher score indicates a greater level of impact of the topic on the Company's operational and financial performance. The results are consolidated by the Sustainability Task Force, followed by calculation of average scores, weighting analysis, and topic prioritization. Qualitative discussions are also incorporated to ensure that reliance on a single numerical score does not obscure the overall significance of each topic.

In addition to internal scoring, the Company also refers to external standards and market trends, including SASB industry disclosure topics, regulatory sustainability disclosure requirements, ESG rating indicators, peer sustainability reports, customer sustainability expectations, and development trends in the advanced inspection and metrology equipment industry, to ensure that the prioritization reflects the Company's actual operational context.

Identification of Sustainability Impacts

The identification of sustainability impacts is conducted in accordance with the GRI 3 Material Topics guidance. From the perspective of Favite, Inc.'s own operations, products and services, supply chain collaborations, and customer application scenarios, the Company identifies actual and potential impacts of each sustainability topic on the economy, environment, and people. This assessment not only considers the internal operational implications of each topic, but also further evaluates the positive contributions or negative risks arising from the Company's activities to external stakeholders and society at large.

Impact Types and Assessment Criteria

Analytical Dimension	Definition	Evaluation Focus
Actual Positive Impact	Impacts that have already occurred and generate positive benefits for the Company, stakeholders, or society and the environment.	Such as improved customer yield, job creation, enhanced information transparency, and technological advancement.
Actual Negative Impact	Events or outcomes that have already occurred and may cause adverse effects on the Company, stakeholders, or society and the environment.	Such as quality anomalies, cybersecurity risks, occupational safety incidents, operational volatility, or environmental burdens from resource consumption.
Potential Positive Impact	Future opportunities that may create value.	Such as AI-based inspection technologies improving process efficiency, advanced packaging metrology driving industry upgrades, and talent development strengthening competitiveness.
Potential Negative Impact	Risks that may occur in the future and require prevention or mitigation.	Such as industry cyclicity, supply chain disruptions, data breaches, loss of key talent, and tightening regulatory requirements.

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: Internal operational data, management records, customer feedback, occupational safety records, cybersecurity management information, and financial performance data are used as the basis for impact assessment.

Multi-Stakeholder Participation: The assessment incorporates input from senior management, relevant functional departments, stakeholder surveys, industry intelligence, and external expert opinions to enhance the representativeness and relevance of the evaluation results.

Balanced Focus on Risks and Opportunities: The Company identifies both risks and opportunities associated with each topic to ensure that the materiality analysis does not overemphasize negative risks, while appropriately capturing positive impacts such as technological innovation, talent development, and customer value creation.

Material Topic Impacts

Following the annual sustainability impact assessment, the key impacts of the eight material topics are summarized as follows:

Economic

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

Note: A lower ranking indicates a greater level of impact associated with the material topic, while a higher ranking indicates a lower level of impact.

Environmental

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

Note: A lower ranking indicates a greater level of impact associated with the material topic, while a higher ranking indicates a lower level of impact.

Social

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

Note: A lower ranking indicates a greater level of impact associated with the material topic, while a higher ranking indicates a lower level of impact.

Stakeholder Concern Survey

To continuously monitor stakeholder concerns regarding sustainability topics, Favite, Inc. conducted a Stakeholder Concern Survey on Sustainability Topics as a basis for the ongoing review of material topics and the calibration of future management approaches. A total of 271 valid questionnaires were collected, covering four key stakeholder groups: employees, customers, suppliers, and shareholders/investors, achieving an overall response rate of 100%. The survey results have been incorporated into the Company's ongoing monitoring and periodic review process. To ensure that sustainability strategies remain aligned with industry trends and evolving regulatory requirements, the Company not only gathered external stakeholder feedback but also considered government policy directions, regulatory priorities, and sustainability trends observed within financial institutions and capital markets. These inputs enhanced the completeness and compliance of the materiality assessment process. Through the cross-analysis of internal and external information sources, Favite is able to more effectively identify changes in the external environment and evaluate whether existing material topics continue to reflect the Company's operational characteristics and stakeholder expectations. Based on the consolidated analysis, the survey results indicated that the top five sustainability topics of greatest concern to stakeholders were as follows:

Top Five Topics by Level of Concern

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

The survey results indicate that while stakeholder groups differ in their perspectives and areas of concern due to their respective relationships with the Company, “Product Quality and Innovation”, “Customer Relationship Management”, “Corporate Sustainability Governance”, and “Information Security Management” consistently ranked among the top five concerns across multiple stakeholder groups. This demonstrates that these topics are highly relevant to Favite’s product competitiveness, customer trust, operational stability, and organizational resilience.

Identification and Confirmation of Material Topics

Favite, Inc. conducted a comprehensive cross-analysis of the significance of sustainability topics in relation to the Company's operations and financial performance, as well as their actual and potential impacts on the economy, the environment, and people. Following the consolidation of the assessment results by the Sustainability Task Force and subsequent review and confirmation by management, eight material topics were ultimately identified. These topics serve as the foundation for the Company's sustainability strategy development, resource allocation, performance monitoring, and sustainability report disclosures.

No.	Sustainability Dimension	Material Topic	Stage of Value Chain Impact	Employees	Customers	Suppliers	Shareholders / Investors	Government Agencies	Financial Institutions
1	Product Responsibility Social	Customer Relationship Management	Own Operations; Downstream Customers	○	◎	○	○		○
2	Social	Talent Retention and Development	Own Operations	◎	○		○	○	
3	Product Responsibility Economic	Product Quality and Innovation	Own Operations; Downstream Customers	○	◎	○	○	○	○
4	Governance	Corporate Sustainability Governance	Own Operations; Entire Value Chain	○	○	○	◎	◎	◎
5	Governance	Information Security Management	Own Operations; Downstream Customers; Suppliers	○	◎	○	○	○	○
6	Economic	Financial Performance	Own Operations; Capital Market	○	○	○	◎	○	◎
7	Economic Governance	Operational Management	Upstream Supply Chain; Own Operations; Downstream Customers	○	◎	◎	○	○	○
8	Social	Employee Health and Safety	Own Operations	◎	○		○	◎	

Note: ◎ indicates a significant impact (high level of impact or stakeholder concern); ○ indicates an indirect or moderate impact; a blank cell indicates no material direct impact identified (or not applicable for disclosure).

Material Topic Selection and Supplementary Disclosure Mechanism

The material topics identified for the reporting year were determined based on the results of the double materiality assessment and focus on eight topics that are highly relevant to the Company's current business strategy, transformation direction, and stakeholder expectations. However, the Company recognizes that topics not identified as core material topics do not necessarily lack management significance. In particular, although environmental topics were not included among the eight core material topics identified this year, they remain key sustainability management priorities that continue to receive significant attention from regulatory authorities, customers, and the capital market. Accordingly, Favite, Inc. will continue to provide supplementary disclosures on the following environmental topics with potential impacts in the relevant sections of this report:

Energy Management
Water Resource Management
Waste Management
Climate Change Response

Materiality Analysis Decision-Making Mechanism

The results of this materiality analysis were consolidated by the Sustainability Task Force and subsequently reviewed and confirmed by management. The results serve as the basis for the disclosure framework of this Sustainability Report and the management approaches adopted for each material topic. In addition to considering the impacts of each topic on the Company's strategic objectives, operational performance, and risk management, the overall assessment process also incorporated stakeholder concerns, domestic and international sustainability disclosure trends, regulatory requirements, and industry benchmark practices, thereby enhancing the comprehensiveness and decision-making value of the material topic prioritization process.

To strengthen the professionalism and systematic approach of the materiality analysis, Favite, Inc. also engaged external consultants to assist in reviewing topic definitions, impact boundaries, value chain relevance, and disclosure logic. The Company further referenced the GRI Standards in establishing its management approaches and disclosure framework. Going forward, the Company will continue to periodically review the appropriateness of its material topics. Should there be significant changes in the Company's business model, product technologies, major customers, regulatory requirements, or external environment, the Company will initiate re-assessment or supplementary evaluation procedures as appropriate to ensure that the results of the materiality analysis continue to reflect Favite's actual operational challenges and sustainability priorities.

Through the optimization of the materiality assessment process, Favite, Inc. has not only enhanced the completeness and traceability of its material topic identification process, but also aligned its sustainability management more closely with the Company's transformation from display inspection and metrology equipment toward advanced semiconductor packaging, next-generation display technologies, and AI-powered intelligent inspection applications. Going forward, the Company will continue to use its material topics as the foundation for advancing corporate governance, technological innovation, talent development, risk resilience, and stakeholder engagement, thereby steadily creating long-term corporate value.

Deepening SDGs Linkages and Advancing the Sustainability Narrative

Favite, Inc. recognizes the important role that businesses play in advancing global sustainable development. With the preparation of the Company's third Sustainability Report and the formal establishment of the Sustainable Development Committee in 2025, the Company reassessed and aligned its newly identified eight core material topics with the United Nations Sustainable Development Goals (SDGs) and the Taiwan Sustainable Development Goals (T-SDGs).

Through a systematic management approach, the Company is progressively integrating SDG-related objectives into its corporate strategy and day-to-day action plans. The following section presents the 2025 roadmap illustrating the alignment between Favite's eight core material topics and the SDGs.

Linking to Global Sustainability Goals

Favite, Inc. will continue to review the alignment between its material topics and the SDGs/T-SDGs in accordance with the Company's stage of development, industry trends, and stakeholder expectations. The Company will further strengthen target management, performance tracking, and information disclosure to ensure that its sustainability initiatives remain closely connected to its core business value, operational practices, and the evolving requirements of international sustainability frameworks.

Material Topic	Key Impacts and Management Significance	SDGs Goals and Targets	T-SDGs Indicators	2025 Actions and Targets
Corporate Sustainability Governance	Strengthen governance transparency and regulatory compliance, establish sound decision-making processes and an ethical corporate culture, and enhance corporate resilience and stakeholder trust.	Goal 16: Peace, Justice and Strong Institutions 16.6 Develop effective, accountable and transparent institutions at all levels	16.6.2 Promote open government data and information transparency	■ Formally established the Sustainable Development Committee in November 2025 to enhance governance oversight. ■ Increased the proportion of female Board members to 22%. ■ Conducted integrity management and insider trading prevention training with a 100% completion rate.
Financial Performance	Maintain financial stability to ensure effective allocation of resources toward innovation and sustainability transformation, while creating long-term shareholder value.	Goal 8: Decent Work and Economic Growth 8.2 Achieve higher levels of economic productivity through technological upgrading and innovation	8.2.1 Real GDP growth rate of industry	■ Strictly controlled operating costs and budgets while maintaining a strong current ratio to ensure financial stability. ■ Advanced product portfolio transformation by increasing the revenue contribution of high-margin advanced packaging inspection and metrology equipment.
Product Quality and Innovation	Advance high-end inspection and metrology technologies to help customers reduce process defects, minimize resource waste, and improve end-product reliability.	Goal 9: Industry, Innovation and Infrastructure 9.5 Enhance scientific research and upgrade technological capabilities of industrial sectors	9.5.1 Research and development expenditure as a proportion of GDP	■ Invested NT\$196,151 thousand in R&D despite market challenges, focusing on 2.5D/3D packaging and TGV inspection technologies. ■ Implemented AI algorithms that demonstrated a reduction of more than 70% in manual defect review efforts for customers. ■ Maintained a shipment yield rate of 99.5%.
Customer Relationship Management	Strengthen customer trust and long-term partnerships through precise delivery and timely technical support, creating shared value across the industry value chain.	Goal 17: Partnerships for the Goals 17.16 Enhance the Global Partnership for Sustainable Development	17.16.1 Progress in developing multi-stakeholder partnerships	■ Conducted an annual customer satisfaction survey, achieving a satisfaction score of 96.4 in 2025. ■ Established a service mailbox response mechanism with replies provided within 24 hours. ■ Actively participated in international industry associations, including SEMI, to strengthen technical exchange.
Talent Retention and Development	Retain key technical talent and establish fair and diverse career development pathways to enhance employee engagement and professional capabilities.	Goal 4: Quality Education 4.4 Increase the number of youth and adults with relevant technical and vocational skills	4.4.1 Participation rate in education and training	■ Conducted 175 internal and external training programs, totaling 4,644.5 training hours. ■ Introduced enhanced employee benefits from 2026, including childcare allowances, new employee wellness leave, and paid family care leave, exceeding statutory requirements and strengthening talent retention.
Information Security Management	Enhance the protection of information assets and system resilience, reduce the risk of confidential data breaches, and safeguard customer information and intellectual property.	Goal 9: Industry, Innovation and Infrastructure 9.1 Develop quality, reliable, sustainable and resilient infrastructure	9.1.4 Establish cybersecurity response mechanisms for critical infrastructure	■ Successfully maintained ISO 27001 Information Security Management System certification. ■ Completed network segmentation for manufacturing operations and implemented wireless network security mechanisms.

				■Conducted information security awareness training covering 163 participants and 489 training hours.
Operational Management	Strengthen operational resilience and crisis response capabilities through systematic identification and mitigation of risks related to climate change, supply chain disruptions, and market volatility.	Goal 13: Climate Action 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters	13.1.1 Establish climate risk assessment and adaptation mechanisms within enterprises	■Formally incorporated climate-related and power interruption risks into the ISO 27001 organizational context assessment process. ■Installed UPS backup systems at the Zhubei and Tainan Facilities and completed an annual disaster recovery drill at the Zhubei Facility. ■Initiated an ISO 14064-1 greenhouse gas inventory and achieved a 12.5% reduction in electricity consumption in 2025.
Employee Health and Safety	Create a safe, healthy, and supportive workplace by implementing hazard identification and risk assessment measures and achieving the goal of zero occupational injuries.	Goal 8: Decent Work and Economic Growth 8.8 Protect labor rights and promote safe and secure working environments	8.8.1 Occupational injury rate	■Obtained third-party certification for the ISO 45001 Occupational Health and Safety Management System in December 2025. ■Maintained zero occupational injuries and zero fire incidents throughout 2025. ■Provided on-site professional healthcare consultation and stress-relief services, benefiting 92 employees.

Chapter 1: Illuminating Sustainable Governance

1-1 Solid Foundations of Corporate Governance

Management Approach	Material Topic: Corporate Sustainability Governance
Policies and Commitments	The Company has established its corporate governance framework and internal control mechanisms based on formal Board-approved policies and regulations, including the Corporate Governance Best Practice Principles, Rules of Procedure for Board Meetings, Board Performance Evaluation Regulations, Code of Ethical Conduct, Integrity Management Best Practice Principles, and Regulations Governing Compliance with Laws and Regulations. The Company is committed to strict compliance with applicable laws, regulations, and corporate governance requirements for listed companies. Each director is required to complete at least six hours of professional training annually, and external instructors are engaged to continuously enhance directors' professional competencies. In addition, the Company fulfills governance responsibilities and strengthens oversight mechanisms through the Audit Committee and the Compensation Committee.
Positive Impacts	By strengthening its corporate governance structure and institutional operations, the Company continues to enhance regulatory compliance transparency and Board effectiveness, thereby reinforcing a stable operational foundation. The Company actively participates in corporate governance evaluations and ESG initiatives, demonstrating its commitment to responsible governance while further strengthening market confidence and attracting investor attention. The risk management framework is also continuously enhanced to facilitate the timely identification and response to potential regulatory, operational, and sustainability-related risks.
Negative Impacts	As corporate governance regulations become increasingly stringent and disclosure requirements more complex, the resources and costs required for system design, compliance management, and information integration continue to increase. In addition, during the early stages of sustainability governance implementation, some employees had limited understanding of ESG-related concepts, creating challenges in organizational culture transformation and value alignment. These challenges require ongoing communication and internal education to address effectively.
Remediation / Mitigation Measures	1. Continuously optimize governance processes and resource allocation to improve implementation efficiency and balance compliance requirements with cost management. 2. Apply for government incentives and subsidies related to energy conservation and carbon reduction to offset part of the additional costs incurred. 3. Conduct annual internal governance education and sustainability training programs to strengthen employees' understanding of and commitment to ethical corporate management and corporate governance principles. 4. Actively participate in governance-related training programs and evaluation activities organized by regulatory authorities and third-party institutions to incorporate external expertise into the enhancement of internal systems and governance quality.
Targets	Short-term Targets (to be achieved by the end of 2026)
	1. Improve performance in the Corporate Governance Evaluation. 2. Achieve a Board attendance rate of 95%. 3. Reduce annual greenhouse gas emissions by 3% through improved energy efficiency and electricity conservation measures. 4. Convene the Sustainability Development Committee twice annually.
	Achievement Status of Previous-Year Targets
	Of the six targets established for 2025, four have been achieved. The results of the Corporate Governance Evaluation are pending announcement in April 2026. The Board attendance rate target has

Management Approach	Material Topic: Corporate Sustainability Governance
	been carried forward as an improvement objective for 2026. The Board attendance rate was 94% in 2025, with four instances of proxy attendance. This was primarily attributable to the triennial Board re-election process, which affected the attendance rate during 2025. Medium-term Targets (to be achieved by the end of 2028) 1. Rank within the top 35% of listed companies in the Corporate Governance Evaluation. 2. Upload the sustainability report to the Market Observation Post System (MOPS) in accordance with regulatory requirements and obtain an Independent Third-Party Verification Statement. 3. Ensure that the Audit Committee convenes at least four meetings annually, while the Compensation Committee and Sustainability Development Committee each convene at least two meetings annually. 4. Complete one external Board performance evaluation conducted by an independent third-party institution. 5. Achieve a 100% completion rate for ESG-related policy revisions to align with IFRS S1 and IFRS S2. 6. Conduct at least one internal compliance training program annually, with a participation rate exceeding 90%. Long-term Targets (to be achieved by the end of 2031) 1. Maintain a Corporate Governance Evaluation ranking within the top 35% of listed companies. 2. Achieve a female director ratio of at least 22%, including at least one seat on a functional committee. 3. Establish a governance performance-linked remuneration mechanism incorporating Board performance and sustainability target achievement. 4. Ensure Board diversity by including at least one director with expertise in each of the following areas: legal affairs, finance and accounting, technology, and ESG. 5. Ensure that ESG governance topics account for more than 30% of Board meeting agenda items annually. 6. Achieve 100% compliance with the Taiwan Stock Exchange's corporate governance disclosure requirements.
Responsibility	1. Corporate Governance Officer (under the Finance and Accounting Department) 2. Audit Committee
Resources	Financial Resources: Budget allocated for director training, sustainability consulting services, and corporate governance training programs. Human Resources: Five dedicated personnel are assigned to corporate governance administration and regulatory compliance monitoring.
Evaluation Mechanism for the Effectiveness of Management Approach	1. Achieve a Corporate Governance Evaluation ranking within the top 50% of listed companies. 2. Conduct annual self-assessments of Board and functional committee performance, with an average score of at least 90 points. 3. Engage an external independent professional institution or expert every three years to conduct a Board performance evaluation, with a target score of at least 90 points. 4. Convene at least six Board meetings annually and maintain complete records of resolutions and decision-making processes. 5. Achieve a 100% attendance rate for Board and functional committee meetings, whether attended in person or via video conference. 6. Require each director to complete at least six hours of professional training annually, while newly appointed directors must complete at least twelve hours, with records retained for verification. 7. Require the Corporate Governance Officer to complete at least six hours of professional training annually, with records retained for verification. 8. Convene at least four Audit Committee meetings annually and maintain complete records for reference. 9. Convene at least two Sustainability Development Committee meetings and two Compensation Committee meetings annually and maintain complete records for reference. 10. Conduct at least one company-wide corporate governance training program annually, including ESG or regulatory compliance topics.
Evaluation Results of the	1. The annual Corporate Governance Evaluation ranking is expected to be within the top 50% of listed companies. (Results to be announced in April 2026.)

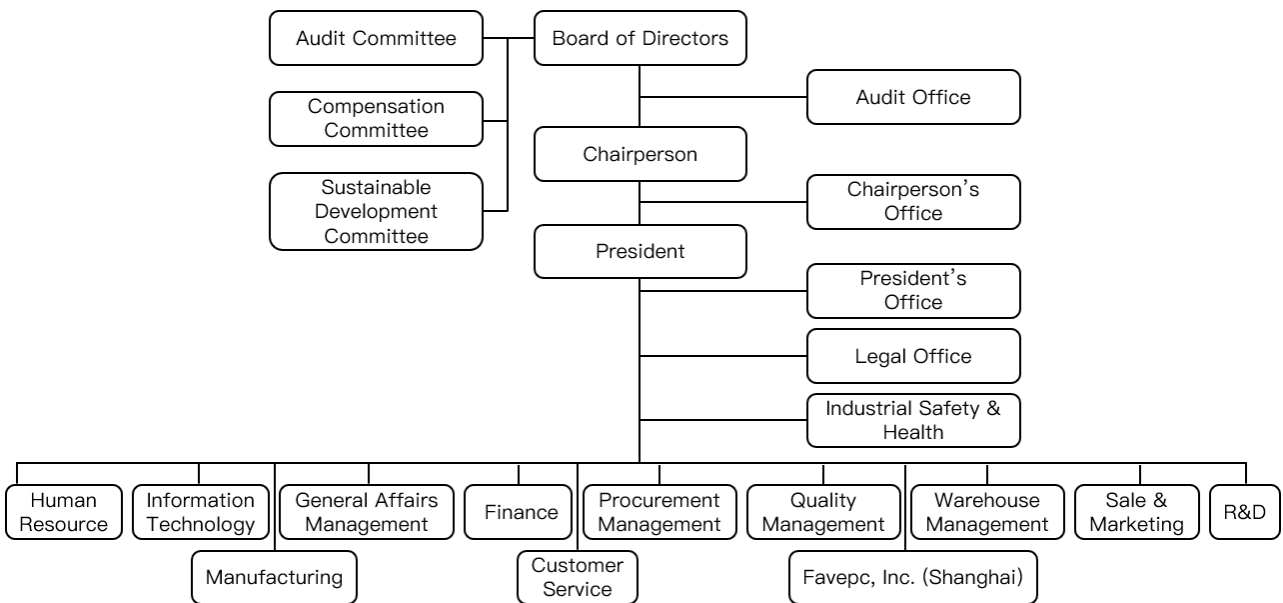
Management Approach	Material Topic: Corporate Sustainability Governance
Management Approach	2. Board and functional committee self-assessments achieved scores exceeding 90 points. 3. Engagement of an external independent professional institution or expert to conduct the triennial Board performance evaluation remains under assessment. 4. A total of seven Board meetings were convened, with written meeting minutes and audio/video recordings retained for reference. 5. The attendance rate for Board and functional committee meetings was 94%. 6. All directors completed at least six hours of professional training. 7. The Corporate Governance Officer completed 18 hours of professional training as a newly appointed officer. 8. Four Audit Committee meetings were convened, with written meeting minutes and audio/video recordings retained for reference. 9. Two Compensation Committee meetings were convened, with written meeting minutes and audio/video recordings retained for reference. 10. The Sustainability Development Committee was formally established on November 7, 2025, and held its first meeting in late December 2025. 11. A total of 45 corporate governance-related training programs were conducted, achieving a participation rate of 97%.
Complaint Mechanism and Communication Channels	https://www.favite.com/investor/shareholder/ Contact Email: investor@favite.com

1-1.1 Corporate Governance Structure and Operations

Corporate Governance Structure and Board Functions

Favite, Inc. upholds the core principles of integrity, sound management, and responsible governance, and continues to strengthen its corporate governance framework and internal control mechanisms. The Board of Directors serves as the Company's highest governance body and operates in strict compliance with applicable regulations, including the Company Act, the Securities and Exchange Act, and the Corporate Governance Best Practice Principles, with the objective of safeguarding shareholders' rights and enhancing stakeholder trust. The Board has established the Audit Committee and the Compensation Committee to assist in overseeing financial reporting, the effectiveness of internal control systems, risk management, and compensation policies. Board members possess diverse professional expertise and industry experience in areas including business management, accounting and finance, technology research and development, and legal affairs. Through regular performance evaluations, the Board continuously enhances its governance effectiveness and decision-making capabilities.

Favite, Inc. Organizational Chart



The Role of the Board of Directors in Sustainable Development

The Board of Directors is responsible for approving the Company's business strategies and major decisions, while overseeing the effectiveness of environmental, social, and governance (ESG) initiatives. In response to global trends related to climate change and net-zero emissions, the Board formally approved the establishment of the Sustainable Development Committee on November 7, 2025. This initiative elevated sustainability governance from the operational level, previously managed by the Sustainability Task Force, to the Board's strategic oversight level, enabling sustainability risk management and long-term value creation to be more effectively integrated into business decision-making. The Committee is chaired by the Chairperson and convened its first meeting of the first term on December 30, 2025. During the meeting, the annual greenhouse gas inventory plan and the progress of sustainability report preparation were reviewed and confirmed, ensuring close alignment between the Company's sustainability strategy and operational direction.

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 Policy and Strategy Oversight	Taking stakeholder concerns into consideration, the Board oversees management in establishing clear ESG policy directions. Particular attention is given to key material topics, including information security protection, climate change response, and advanced talent development, with regular reviews of implementation progress reports submitted by the Sustainability Task Force.
Risk Management and Organizational Resilience	The Board continuously monitors domestic and international sustainability regulations and market trends, requiring management to incorporate emerging ESG risks into the internal control system and business continuity planning framework to ensure the Company's resilience in responding to potential challenges and crises.
Information Transparency and Stakeholder Engagement	The Board oversees the preparation and assurance processes of the annual sustainability report and other material financial and non-financial disclosures, ensuring the accuracy, completeness, and reliability of externally disclosed information. Through transparent and effective disclosure practices, the Company maintains open and constructive communication with stakeholders.

1-1.2 Board Operations and Diversity

Board Composition and Diversity Policy

The Board of Directors is the highest governance body of Favite, Inc. and is responsible for reviewing and approving the Company's business strategies, financial statements, internal control systems, risk management framework, major operational matters, and sustainability-related issues. The Board also supervises management in implementing operational objectives in alignment with the Company's medium- and long-term development strategies. In accordance with the Company's Articles of Incorporation and applicable regulations, Favite completed the election of the 10th Board of Directors on May 29, 2025. The term of office for the 10th Board extends from May 29, 2025, to May 28, 2028. Following the election, the Board consists of nine directors, including five non-independent directors and four independent directors. Independent directors account for 44.4% of total Board seats, exceeding the minimum regulatory requirement and strengthening the Board's oversight function and decision-making independence. One director concurrently serves as a member of management, representing less than one-third of total Board seats and complying with the Company's Board composition principles and the spirit of corporate governance best practices.

The Board convenes at least once every quarter and operates in accordance with the Rules of Procedure for Board Meetings to ensure transparency, fairness, and regulatory compliance in the decision-making process. Details regarding the implementation of the Board Diversity

Policy and directors' professional backgrounds are available in the Company's Annual Report and on its official website.

Diversity and Balance

With respect to gender diversity, following the 2025 Board election, the number of female directors increased from zero to two, representing 22.2% of total Board seats and demonstrating significant improvement compared with the previous year. Although the Company has not yet achieved its long-term objective of having female directors account for at least one-third of Board seats, gender balance has been incorporated into director nomination and selection considerations. Going forward, the Company will continue to evaluate qualified female candidates with expertise in industry operations, accounting and finance, legal affairs, technology, risk management, and sustainability governance to further strengthen Board diversity and foster an inclusive governance culture.

Regarding age diversity, following the 2025 Board election, Board members ranged in age from 41 to 70 years old. Directors aged between 30 and 50 accounted for 33.3% of the Board, while those aged 51 and above represented 66.7%, providing a balance between extensive industry experience and the perspectives of mid-career professionals. All Board members are citizens of the Republic of China (Taiwan) and possess the industry experience and professional expertise necessary to support the Company's operational development and strategic objectives.

Category	Classification	2024		2025 (9th Board)		2025 (10th Board)	
		No.	%	No.	%	No.	%
Gender	Male	9	100%	9	100%	7	78%
	Female	0	0%	0	0%	2	22%
Age	30 and Below	0	0%	0	0%	0	0%
	30-50	0	0%	0	0%	3	33%
	51 and Above	9	100%	9	100%	6	67%

Board Competency and Professional Expertise

Members of the Board of Directors are generally expected to possess the knowledge, skills, and professional competencies required to effectively perform their duties. To achieve the Company's corporate governance objectives, the Board collectively demonstrates capabilities in business management, accounting and financial analysis, crisis management, industry knowledge, international market perspective, leadership, regulatory compliance, and risk management. The Board comprises members with diverse professional backgrounds,

enabling the provision of multi-dimensional perspectives on corporate strategy, operational management, capital allocation, regulatory compliance, risk control, and sustainability-related matters. Such collective expertise supports Favite, Inc. in addressing technological advancement and industry transformation within high-end inspection and metrology markets, including AI AOI, next-generation display technologies, IC substrate applications, and advanced semiconductor packaging.

Title	Chairperson	Director							Independent Director					
Term	9、10	10	10	9、10	10	9	9	9	10	10	9、10	9、10	9	9
Name	Yong-Hua Chen	UTECHZONE CO., LTD. Jen-Chieh Wang	UTECHZONE CO., LTD. Chih-Chao Hsu	Hung-Jen Lin	Hsi-Chi Dan	UTECHZONE CO., LTD. Wen-Chieh Chang	UTECHZONE CO., LTD. Fang-Long Lin	Sheng-Fa Yeh	Shu-Chen Wang	Hsing-Hua Su	Shih-Cheng Lee	Hsi-Wen Shen	Hsiang-Chi Tseng	Chih-Ping Luo
Gender	Male	Male	Male	Male	Male	Male	Male	Male	Female	Female	Male	Male	Male	Male
Nationality	R.O.C.	R.O.C.	R.O.C.	R.O.C.	R.O.C.	R.O.C.	R.O.C.	R.O.C.	R.O.C.	R.O.C.	R.O.C.	R.O.C.	R.O.C.	R.O.C.
Age	61-70	41-50	41-50	61-70	61-70	51-60	61-70	61-70	61-70	41-50	51-60	61-70	61-70	51-60
Employee Status	v													
Independent Director Tenure									≤3 years	≤3 years	3-9 years	3-9 years	≥9 years	3-9 years
Professional Knowledge and Expertise														
Business	v	v		v	v	v	v	v	v	v		v		v
Legal			v											
Technology / Innovation	v	v		v	v	v		v				v		v
Finance / Accounting							v			v	v			
Academia											v		v	
Capabilities and Management Experience														
Business Judgment	v	v	v	v	v	v	v	v	v	v	v	v	v	v
Accounting and Financial Analysis							v			v	v			
Management	v	v	v	v	v	v	v	v	v	v		v		v
Crisis Management	v	v	v	v	v	v	v	v	v	v	v	v	v	v
Industry Knowledge	v	v	v	v	v	v	v	v	v	v	v	v	v	v
International Market Perspective	v	v	v	v	v	v	v	v	v	v	v	v	v	v
Leadership	v	v	v	v	v	v	v	v	v	v		v		v

Decision-making	v	v	v	v	v	v	v	v	v	v	v	v	v	v
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The Board of Directors serves as the highest governance body of the Company, responsible for reviewing operational performance, ensuring regulatory compliance, preventing conflicts of interest, and guiding the Company toward sustainable and stable development. The Board convenes at least once per quarter and operates in accordance with the “Rules of Procedure for Board of Directors Meetings” to ensure transparency, fairness, and compliance in the decision-making process. For details regarding the implementation of the Board diversity policy and members’ professional backgrounds, please refer to the Company’ s 2025 Annual Report or official website.

The functions of the Board of Directors cover the following core responsibilities

Strategic Business Decision-making:

Reviewing long-term business plans, investment and merger and acquisition proposals, and market expansion strategies.

Financial Oversight:

Reviewing annual financial statements, budgets, and major investment plans to ensure efficient capital allocation and utilization.

Internal Control and Risk Management:

Periodically reviewing internal control systems and operational risks to enhance organizational resilience and support sustainable and stable operations.

Board Independence

The Company’ s Board of Directors comprises four Independent Directors, accounting for 44.4% of the total Board membership. The Independent Directors possess professional expertise in finance and accounting, information management, risk management, industry experience, and corporate management, enabling them to participate in Board decision-making and oversight with an independent and objective perspective.

There are no spousal or second-degree kinship relationships among Board members. All directors fully comply with the qualification, independence, and concurrent position requirements stipulated under the Company Act and the Securities and Exchange Act. The Board strengthens its independence, objectivity, and oversight effectiveness through the participation of Independent Directors, the operation of functional committees, and conflict-of-interest recusal mechanisms.

Board Meetings and Key Communications

The Board of Directors serves as the highest governance body of the Company and exercises its authority in accordance with the Articles of Incorporation, the Rules of Procedure for Board of Directors Meetings, and applicable laws and regulations. It regularly reviews operational performance, financial statements, internal control systems, capital allocation, remuneration policies, risk management, corporate governance, and sustainability-related matters.

In 2025, the Board held a total of seven meetings. In addition to routine reviews of financial and operational matters, the Board also deliberated and provided oversight on key governance topics, including the election of directors, appointments to functional committees, changes in the Corporate Governance Officer, amendments to the internal control system, the preparation and assurance process of the Sustainability Report, and the establishment of the Sustainable Development Committee.

Meeting Date	Key Discussion and Resolution Items	Governance and Sustainability Relevance	Resolution Outcome
2025/1/17	Review of managerial year-end bonuses, annual budget, and establishment of the "Procedures for Sustainability Report Preparation and Assurance."	Links annual operational planning, remuneration management, and institutionalization of sustainability reporting and assurance, strengthening internal governance foundations for sustainability disclosure.	Approved following review and discussion by the Directors and Independent Directors.
2025/3/7	Review of annual financial statements, earnings distribution, business report and business plan, internal control system statement, full Board re-election, Articles of Incorporation amendments, bank credit facilities, appointment of external auditors, and convening of the Annual General Shareholders' Meeting.	Covers financial transparency, shareholder rights, internal control, Board composition, capital allocation, and shareholder meeting governance processes.	Approved following review and discussion by the Directors and Independent Directors.
2025/4/18	Review of nomination of director and independent director candidates and non-competition restrictions for newly elected directors and their representatives.	Enhances transparency of Board composition and nomination process, ensuring compliance with corporate governance requirements during Board renewal.	Approved following review and discussion by the Directors and Independent Directors.
2025/5/9	Review of Q1 consolidated financial statements, changes in Corporate Governance Officer, additional bank credit facilities, and pre-approval list for non-assurance services provided by external auditors.	Ongoing oversight of quarterly financial performance, governance function allocation, capital management, and auditor independence, maintaining governance and financial reporting quality.	Approved following review and discussion by the Directors and Independent Directors.
2025/5/29	Election of the Chairperson of the 10th Board and appointment of members of the 6th Compensation Committee.	Completion of governance role allocation following Board renewal, ensuring continuity of Board leadership and functional committee operations.	Approved following review and discussion by the Directors and Independent Directors.
2025/8/8	Review of Q2 consolidated financial statements, remuneration for directors and managerial officers, promotions and annual	Covers financial performance, remuneration governance, talent management, risk protection,	Approved following review and discussion

Meeting Date	Key Discussion and Resolution Items	Governance and Sustainability Relevance	Resolution Outcome
	salary adjustments, renewal of Directors' and Officers' liability insurance, renewal of bank credit facilities, authorization of audit management, amendments to internal control systems and delegation of authority matrix, revision of Procedures for Sustainability Report Preparation and Assurance, and approval of the annual Sustainability Report.	capital management, internal control and audit, and sustainability disclosure, demonstrating Board oversight over operational management and sustainability reporting quality.	by the Directors and Independent Directors.
2025/11/7	Review of Q3 consolidated financial statements, new and renewed bank credit facilities, annual audit plan, establishment of the Sustainable Development Committee and its charter, appointment of members of the first Sustainable Development Committee, designation of personnel responsible for derivative transaction oversight and control, and revision of delegation of authority matrix.	Strengthens financial and risk management, annual audit planning, sustainability governance structure, and authorization framework, and enhances Board oversight of ESG matters through the establishment of the Sustainable Development Committee.	Approved following review and discussion by the Directors and Independent Directors.

Note: For detailed meeting dates, agenda items, and resolutions of the Board of Directors, please refer to Favite, Inc.'s 2025 Annual Report, official website, and Market Observation Post System disclosures.

Key Functional Committees

To enhance the supervisory function of the Board of Directors, strengthen corporate governance quality, and improve decision-making transparency, Favite, Inc. has established the Audit Committee and the Compensation Committee under the Board of Directors in accordance with the Company Act, the Securities and Exchange Act, and relevant regulatory requirements. In addition, the Company has established the Sustainable Development Committee as a cross-functional platform for sustainability governance and implementation. The Audit Committee and the Compensation Committee are composed exclusively of Independent Directors, who provide objective, professional, and independent oversight in assisting the Board in fulfilling responsibilities related to financial supervision, internal control, regulatory compliance, and compensation governance. The Sustainable Development Committee operates under the supervision of the Board of Directors and integrates senior management and relevant functional units to promote and monitor ESG initiatives, while regularly reporting implementation progress to the Board.

Following the Board re-election completed on May 29, 2025, both the Audit Committee and the Compensation Committee consist of four Independent Directors. Each committee convenes meetings periodically in accordance with its charter and may invite management executives, external auditors, the head of internal audit, or relevant responsible units to attend meetings and provide explanations depending on the nature of the agenda items. The operations of each committee are regularly reported to the Board of Directors. In the event of any material matters that

may affect corporate governance, operational risk, or stakeholder interests, the responsible units shall promptly report to the Board to facilitate timely assessment and appropriate oversight of management actions.

Annual Operations of Functional Committees

Members	Key Responsibilities	Relevant Regulations / Oversight Framework
Compensation Committee (established in 2011) convened twice in 2025 with an average attendance rate of 100%.		
All Independent Directors	The Compensation Committee consists of four Independent Directors. It is responsible for establishing and periodically reviewing the policies, systems, standards, and structures for performance evaluation and remuneration of Directors and managerial officers. The Committee also regularly assesses the reasonableness of remuneration for Directors and managerial officers. In accordance with principles of fairness, reasonableness, and market competitiveness, the Committee comprehensively considers job responsibilities, risk exposure, contribution level, operational performance, and the Company's long-term development needs, and provides professional recommendations to the Board of Directors.	Compensation Committee Organizational Guidelines
Audit Committee (established in 2022) held six meetings in 2025 with an average attendance rate of 100%.		
All Independent Directors	In accordance with the Company Act, the Securities and Exchange Act, and other relevant regulations, the Audit Committee exercises the functions originally performed by supervisors and assists the Board in overseeing the fair presentation of financial statements, the appointment and independence of external auditors, the effectiveness of internal control systems, significant financial and operational matters, regulatory compliance, and the management of existing or potential risks.	Audit Committee Organizational Guidelines
Sustainable Development Committee (established in 2025) held one meeting in 2025 with an average attendance rate of 100%.		
Chairperson and management-level executives	In accordance with Article 27(3) of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Article 9(1) of the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies, the organizational guidelines have been established to implement a structured sustainability governance mechanism and strengthen the Board's oversight of Environmental, Social, and Governance (ESG) issues.	Sustainable Development Committee Organizational Guidelines

Board Transparency and Communication Mechanisms

To enhance corporate governance transparency, the Company discloses financial, operational, corporate governance, and sustainability-related information on a regular or timely basis through the Market Observation Post System, annual reports, sustainability reports, and the official website, for reference by shareholders, investors, and other stakeholders.

The Company has established spokesperson and deputy spokesperson mechanisms, and designated responsible units to manage material information disclosure, investor communications, and stakeholder engagement. The Company's website provides an "Investor Relations" section, a "Corporate Governance" section, and relevant contact channels, serving as stable communication platforms for stakeholders including shareholders, investors, customers, suppliers, employees, and regulatory authorities.

Key disclosures, including annual reports, shareholders' meeting handbooks, financial statements, material information, and corporate governance-related information, are announced in accordance with regulatory requirements on the Market Observation Post System and the Company's official website. All Board resolutions are documented in meeting minutes in accordance with the Rules of Procedure for Board Meetings. Matters subject to mandatory disclosure or regulatory filing are disclosed in compliance with applicable regulations, ensuring transparency, fairness, and compliance in the Board's 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.

Board Members

Title	Name / Representative	Gender	Term of Office	Professional Background and Key Experience	Concurrent Positions	Independence / Employee Status
Chairperson & President	Yong-Hua Chen	Male	2025/5/29–2028/5/28	Founder of the Company with expertise in optical inspection, corporate management, and industry operations; degree in Physics, National Tsing Hua University; Graduate Institute of Business Management, Tatung University	Chairperson, Favite Limited; Chairperson, Favepc, Inc.; Director, Yield Microelectronics Corporation	Non-independent Director; Employee
Director	UTECHZONE CO., LTD. Representative : Jen-Chieh Wang	Male	2025/5/29–2028/5/28	Background in automation technology and industrial management; degree in Industrial Management, National Taiwan University of Science and Technology	Vice President, Industrial Automation Division, UTECHZONE	Non-independent Director
Director	UTECHZONE CO., LTD. Representative : Chih-Chao Hsu	Male	2025/5/29–2028/5/28	Experience in legal affairs, regulatory compliance, and corporate governance; degree in Law, National Chengchi University	Head of Legal Affairs, UTECHZONE	Non-independent Director
Director	Hung-Jen Lin	Male	2025/5/29–2028/5/28	Experience in precision machinery, corporate management, and industrial operations; degree in Mechanical Engineering, Tatung Institute of Technology	Chairperson, JIE KUEN PRECISION TECHNOLOGIES; Director, JIE KUEN ENTERPRISE	Non-independent Director
Director	Hsi-Chi Dan	Male	2025/5/29–2028/5/28	Experience in optoelectronics, corporate management, and industrial operations; degree in Physics, National Tsing Hua University	General Manager, BRIGHT FUTURE TECHNOLOGY	Non-independent Director
Independent Director	Shu-Chen Wang	Female	2025/5/29–2028/5/28	Expertise in industrial engineering, insurance, and risk management; degree in industrial engineering, National Tsing Hua University	Principal, Wang Shu-Chen Insurance Brokers	Independent Director
Independent Director	Hsing-Hua Su	Female	2025/5/29–2028/5/28	Expertise in accounting, auditing, and finance; degree in Accounting, National Taipei University	Partner and Head of the New Taipei Branch, WeTec International CPAs	Independent Director
Independent Director	Shih-Cheng Lee	Male	2025/5/29–2028/5/28	Expertise in finance, information management, and digital finance; Ph.D. in Finance, National Central University	Professor, Department of Information Management, Yuan Ze University; Director, WETRUST TECHNOLOGY	Independent Director
Independent Director	Hsi-Wen Shen	Male	2025/5/29–2028/5/28	Experience in semiconductor industry management, operations, and business administration; MBA, Tulane University; formerly served as Deputy General Manager of Powertech Technology	Independent Director, Unictron Technologies	Independent Director; Concurrent Independent Director of 1 listed company

Note 1: None of the Directors were subject to any of the disqualification circumstances specified under Article 30 of the Company Act.

Note 2: For further information regarding the Directors, please refer to the sections entitled "Information on Directors and Supervisors," "Disclosure of Directors' Professional Qualifications and Independent Director Independence," and "Board Diversity and Independence" in the Company's annual report for the current year.

Director Remuneration and Performance System

Favite, Inc. upholds the principles of fairness, transparency, and reasonableness in establishing a governance-oriented remuneration system for Directors and senior management. The system ensures that remuneration arrangements appropriately reflect responsibilities, professional contributions, operational performance, risk management, and the Company's long-term development needs, while aligning with the long-term interests of shareholders. The policies, systems, standards, and structure of remuneration for Directors and managerial officers are reviewed periodically by the Compensation Committee within its delegated authority and subsequently submitted to the Board of Directors for resolution. The Compensation Committee is composed entirely of Independent Directors. Through external independent perspectives and professional judgment, the Committee assists the Board in maintaining the reasonableness, competitiveness, and governance independence of the remuneration system.

Director Remuneration Policy and Approval Process

The approval process for remuneration of Directors and senior management is as follows:

- Implemented in accordance with the Articles of Incorporation, the organizational guidelines of the Compensation Committee, and relevant laws and regulations;
- The Compensation Committee evaluates remuneration based on job responsibilities, operational performance, risk exposure, professional contributions, peer compensation levels, and the Company's long-term development needs;
- After review and approval by the Compensation Committee, proposals are submitted to the Board of Directors for resolution;
- Relevant remuneration disclosures are published in the Company's annual report in accordance with regulatory requirements.

The remuneration paid to Directors is determined in accordance with the Articles of Incorporation and the Regulations Governing Payment of Director Compensation and Remuneration. The remuneration structure for Directors (including Independent Directors) comprises the following components:

Business Execution Expenses / Transportation Allowance	Directors and Independent Directors may receive transportation allowances or related business execution expenses when attending meetings of the Board of Directors or functional committees, in accordance with the Company's internal regulations.
Director Remuneration	In accordance with the Articles of Incorporation, if the Company reports annual profits, it shall first offset accumulated losses in accordance with law. Thereafter, the Board of Directors may resolve to appropriate no more than 2% of profits as Directors' remuneration, subject to review by the Compensation Committee and subsequent resolution by the Board of Directors.
Independent Director Remuneration	Independent Directors may receive fixed remuneration and related business execution expenses in consideration of their professional oversight responsibilities. The relevant remuneration system is periodically reviewed by the Compensation Committee and submitted to the Board of Directors for approval.

All proposals related to the Compensation Committee in 2025 were reviewed and approved in accordance with the Committee's Rules of Procedure, and implemented following the resolutions of the Board of Directors.

Alignment of Remuneration with Sustainability Performance

When reviewing the reasonableness of remuneration, the Compensation Committee takes into account individual performance, the Company's overall financial condition, industry development trends, and potential risks faced by the Company. At the current stage, the Company's remuneration evaluation is primarily linked to corporate governance indicators, such as regulatory compliance and the effectiveness of internal control systems. Looking ahead, in alignment with international sustainability trends, the Company will appropriately evaluate the incorporation of ESG-related indicators—such as climate risk response and information security management—into the remuneration review framework for senior management and Directors, with the aim of enhancing the long-term strategic orientation of the remuneration policy.

Remuneration Ratios

In 2025, the total remuneration of Directors amounted to NT\$1,794 thousand. The total remuneration of the President and Vice Presidents amounted to NT\$11,880 thousand. As the Company recorded a net loss after tax of NT\$84,299 thousand in 2025, the remuneration ratios relative to net profit (loss) after tax are presented in parentheses. The remuneration ratio for Directors was 2.13%, while the remuneration ratio for the President and Vice President was 14.09%. The negative ratios reflect the net loss for the year and do not indicate negative remuneration amounts.

Item	2024	2025
Total Directors' Remuneration	NT\$2,973 thousand	NT\$1,794 thousand
Directors' Remuneration as % of Net Profit (Loss)	5.45%	-2.13%
Total Remuneration of President and Vice President	NT\$8,336 thousand	NT\$11,880 thousand
Remuneration of President and Vice President as % of Net Profit (Loss)	15.30%	-14.09%
Net Profit (Loss) After Tax	NT\$54,492 thousand	-NT\$84,299 thousand

Annual Total Remuneration Ratios

Item	2022	2023	2024	2025
Ratio of the annual total remuneration of the highest-paid individual to the median annual total remuneration of all employees (excluding the highest-paid individual)	7.64	6.83	4.88	4.63
Ratio of the percentage increase in annual total remuneration of the highest-paid individual to the median percentage increase in annual total remuneration of all employees (excluding the highest-paid individual)	1.84	1.43	-1.57	0.65

Board Performance Evaluation

In accordance with the Board Performance Evaluation Regulations, 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:

The performance evaluation indicators cover Directors' fulfillment of duties, level of participation in decision-making, effectiveness of supervisory functions, as well as legal compliance and risk management. The evaluation results serve as an important reference for Director remuneration policies, training and development planning, and Director nomination processes.

Internal Performance Evaluation

An internal self-assessment is conducted at least once a year, covering the Board of Directors, the Audit Committee, the Compensation Committee, and individual Directors. The evaluation is conducted through structured questionnaires based on dimensions including regulatory compliance, participation in decision-making, supervisory effectiveness, and risk management.

In the current year, the Company conducted its annual internal performance evaluation in accordance with the Board Performance Evaluation Regulations, covering the following scope:

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Number of Evaluation Items	Evaluation Content
Conducted annually	Conducted annually	Board as a whole	Self-evaluation by the Board	45 items	Participation in Company operations, quality of Board decision-making, Board composition and structure, Director selection and continuous training, internal control
Conducted annually	Conducted annually	Individual Board members	Self-evaluation by individual Board members	23 items	Understanding of Company goals and missions, awareness of Director responsibilities, participation in Company operations, internal communication and relationship management, Directors' professional competency and continuous training, internal control
Conducted annually	Conducted annually	Compensation Committee	Self-evaluation by the Compensation Committee	25 items	Participation in Company operations, awareness of functional committee responsibilities, enhancement of committee decision-making quality, committee composition and member selection, internal control
Conducted annually	Conducted annually	Audit Committee	Self-evaluation by the Audit Committee	25 items	Participation in Company operations, awareness of functional committee responsibilities, enhancement of committee decision-making quality, committee composition and member selection, internal control

The evaluation of the Board of Directors' operations is conducted with reference to peer companies in the industry. For Independent Directors, the assessment also takes into account attendance rate, individual performance, and the Company's operational performance. The internal evaluation for 2025 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. The overall evaluation results ranged from "Good" to "Excellent," reflecting the high effectiveness and positive performance of the Board of Directors and each functional committee. The evaluation results were submitted to the Board of Directors in January 2026. The outcomes of the performance evaluation are used as a reference for determining remuneration for individual Directors or members of functional committees, as well as for nomination and re-election decisions.

External Performance Evaluation

The Company has not yet engaged an external independent professional institution to conduct Board performance evaluations. At the current stage, internal self-assessment is adopted as the primary mechanism for reviewing Board effectiveness on an annual basis. To further enhance the objectivity and maturity of the evaluation system, external performance evaluation has been incorporated into the Company's future governance planning. The Company will, subject to its corporate governance development and resolutions of the Board of Directors, assess the engagement of an external independent professional institution or expert team to conduct Board performance evaluations. The planned introduction of external evaluations will be guided by 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.

Director Training and Competency Enhancement

Directors of the Company participate in professional training programs in accordance with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies. Through diversified training arrangements, the Board continuously enhances its understanding of sustainability governance, capital market compliance, technology-related risks, and industry transformation trends. Such ongoing development further supports the Board in making long-term strategic judgments in areas including AI inspection systems, advanced packaging metrology, and next-generation display applications. The total training hours participated are summarized as follows:

Category	Name	Date	Course/Seminar Title	Organizer	Training Hours
Chairperson	Yong-Hua Chen	2025/7/9	2025 Cathay Sustainable Finance and Climate Change Summit	Taiwan Stock Exchange	6
Corporate Director Representative	Chih-Chao Hsu	2025/7/9	2025 Cathay Sustainable Finance and Climate Change Summit	Taiwan Stock Exchange	6
Corporate Director Representative	Chih-Chao Hsu	2025/7/25	2025 Legal Compliance Seminar on Insider Shareholding Transactions	Securities and Futures Institute	3
Corporate Director Representative	Chih-Chao Hsu	2025/8/22	2025 TS Net-Zero Summit	Chinese National Association of Industry and Commerce	3
Corporate Director Representative	Jen-Chieh Wang	2025/7/9	2025 Cathay Sustainable Finance and Climate Change Summit	Taiwan Stock Exchange	6
Corporate Director Representative	Jen-Chieh Wang	2025/7/25	2025 Legal Compliance Seminar on Insider Shareholding Transactions	Securities and Futures Institute	3
Corporate Director Representative	Jen-Chieh Wang	2025/8/22	2025 TS Net-Zero Summit	Chinese National Association of Industry and Commerce	3
Director	Hsi-Chi Dan	2025/10/31	2025 Legal Compliance Seminar on Insider Shareholding Transactions	Securities and Futures Institute	3
Director	Hsi-Chi Dan	2025/11/7	Corporate Governance Officer Development and Board Evaluation Practices	Taiwan Corporate Governance Association	3
Director	Hsi-Chi Dan	2025/11/13	Financial Implications of ESG Risks and Opportunities	Taiwan Corporate Governance Association	3
Director	Hsi-Chi Dan	2025/12/8	The Business Value and Digital Risks of Generative AI	Taipei Foundation Of Finance	3
Director	Hung-Jen Lin	2025/8/22	2025 TS Net-Zero Summit	Chinese National Association of Industry and Commerce	3
Director	Hung-Jen Lin	2025/9/26	2025 Insider Trading Prevention Seminar	Securities and Futures Institute	3
Independent Director	Shu-Chen Wang	2025/7/9	2025 Cathay Sustainable Finance and Climate Change Summit	Taiwan Stock Exchange	6
Independent Director	Shu-Chen Wang	2025/7/25	2025 Legal Compliance Seminar on Insider Shareholding Transactions	Securities and Futures Institute	3
Independent Director	Shu-Chen Wang	2025/8/22	2025 TS Net-Zero Summit	Chinese National Association of Industry and Commerce	3
Independent Director	Shih-Cheng Lee	2025/5/2	2025 Insider Trading Prevention Seminar	Securities and Futures Institute	3
Independent Director	Shih-Cheng Lee	2025/7/9	2025 Cathay Sustainable Finance and Climate Change Summit	Taiwan Stock Exchange	3

Category	Name	Date	Course/Seminar Title	Organizer	Training Hours
Independent Director	Hsi-Wen Shen	2025/4/11	Advancing Corporate Governance: Building a New Talent Competitiveness Framework	Taiwan Institute of Directors	3
Independent Director	Hsi-Wen Shen	2025/8/28	The Digital Finance Revolution: Stablecoins and Emerging Trends in Blockchain-Based Virtual Assets	Securities and Futures Institute	3
Independent Director	Hsi-Wen Shen	2025/10/3	2025 Insider Trading Prevention Seminar	Securities and Futures Institute	3
Independent Director	Hsing-Hua Su	2025/9/26	2025 Insider Trading Prevention Seminar	Securities and Futures Institute	3
Independent Director	Hsing-Hua Su	2025/11/13	Financial Implications of ESG Risks and Opportunities	Taiwan Corporate Governance Association	3

Note: For details of Directors' continuing education programs and attendance records, please refer to the Corporate Governance section of the Company's 2025 Annual Report or the Market Observation Post System (MOPS).

All Directors completed the required statutory continuing education hours in accordance with applicable regulations (a minimum of six hours per Director). The Company will continue to arrange diversified training programs based on Board composition, corporate strategy, and industry transformation needs, with a focus on the following four areas:

- **Climate Governance and Net-Zero Transition:** Including topics such as greenhouse gas inventories, carbon management, renewable energy, and the financial impacts of climate-related risks and opportunities.
- **AI and Digital Risk Governance:** Including generative AI, information security, data governance, smart manufacturing, and digital transformation risks.
- **Corporate Governance and Capital Market Compliance:** Including insider shareholding transactions, insider trading prevention, Board performance evaluation, ethical business conduct, and risk management.
- **Sustainability Disclosure and Alignment with International Standards:** Including IFRS S1 and S2, ISSB Standards, SASB Standards, TCFD recommendations, and sustainable supply chain management trends.

Through continuous professional development and competency enhancement, Favite will strengthen the Board's expertise and forward-looking capabilities in strategic leadership, risk oversight, sustainability governance, and technology transformation decision-making. These efforts will support the Company's long-term competitiveness and sustainable growth in advanced inspection and metrology equipment, AI-powered inspection solutions, advanced packaging, and next-generation display applications.

1-2 Compliance and Ethical Business Practices

Favite recognizes that the value it provides extends beyond equipment and technology; it also serves as the foundation for customers' production yield, quality assurance, and business trust. Accordingly, the Company upholds a corporate culture founded on integrity, transparency, and sustainable development, and regards regulatory compliance, business ethics, anti-corruption, insider trading prevention, information disclosure, and internal control as core elements of corporate governance.

1-2.1 Integrity Management Policy and Implementation

The Company has established the Integrity Management Best Practice Principles, Code of Ethical Conduct, Procedures for Ethical Management and Guidelines for Conduct, and Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct as standards of conduct for Directors, managerial officers, employees, and business partners. Relevant policies and procedures are disclosed on the Company's website and the Market Observation Post System (MOPS) for stakeholder reference. Through internal communication and training programs, the Company seeks to ensure that integrity management is embedded not only in its governance framework but also in its daily operations and corporate culture. The Company has also established formal reporting procedures to provide employees and stakeholders with channels for reporting unethical or dishonest conduct, while safeguarding the legitimate rights and interests of whistleblowers.

Key measures for implementing integrity management are as follows:

Management Dimension	Key Practices
Institutional Framework	Establishment of regulations related to integrity management, code of ethical conduct, anti-corruption, prevention of improper benefit transfers, conflict of interest avoidance, and whistleblowing procedures.
Senior Management Commitment	The Board of Directors and senior management support the integrity management system and continuously promote ethical values through internal communication.
Employee Code of Conduct	Employees are required not to seek illegal benefits through their positions, and must not accept improper hospitality, gifts, kickbacks, or any other undue advantages.
Business Partner Management	Business counterparties are required to adhere to principles of integrity, avoiding bribery, corruption, improper benefit transfers, or any conduct that may affect transaction fairness.
Training and Education	Regular training programs are conducted on integrity management, insider trading prevention, regulatory compliance, and internal control systems.
Oversight and Improvement	Implementation is monitored through internal audits, internal control self-assessments, and oversight by the Audit Committee and the Board of Directors.

Significant Regulatory Compliance and Internal Audit

To address potential regulatory risks, the Company continues to strengthen its crisis response mechanisms. The internal audit function provides ongoing oversight to ensure that any abnormalities are identified in a timely manner and addressed promptly. The implementation of the integrity management system covers the following key areas:

Management Dimension	Implementation Practices
Institutional Framework	Establishment of codes of conduct for Directors, managerial officers, employees, and business counterparties in accordance with the Integrity Management Best Practice Principles and the Code of Ethical Conduct.
Internal Audit	The internal audit function conducts audits in accordance with the internal control and audit plans to monitor implementation effectiveness and improvement progress.
Complaint and Whistleblowing Mechanism	A reporting channel managed by the Audit Office has been established. Whistleblower confidentiality and protection against retaliation are explicitly ensured.
Training and Awareness	Regular training programs are conducted on integrity management, anti-corruption, insider trading prevention, and corporate governance.
Contractual Control	Integrity, anti-corruption, confidentiality, and intellectual property protection clauses are incorporated into selected external contracts and declarations.
Professional Advisory	Where necessary, external professionals such as lawyers and accountants are engaged to provide compliance advisory services and support system enhancements.

Implementation Effectiveness: During the reporting year, Favite successfully passed all internal and external audits and was not subject to any significant fines or non-monetary sanctions for violations of anti-competitive or anti-corruption regulations, either domestically or internationally.

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. The Integrity Management Best Practice Principles have been established, alongside internal whistleblowing channels and a disclosure system for conflicts of interest. The Principles clearly define 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 Effectiveness: In 2025, the Company reported no incidents of corruption, fraud, or violations of its integrity-related policies.

Insider Trading Prevention

The Company places strong emphasis on the management of non-public information and the prevention of sensitive trading activities. For key personnel involved in material financial information, procurement decisions, or investment and merger activities, an information review mechanism has been established to prevent any improper trading activities conducted by individuals or third parties through access to confidential information.

2025 Performance: No violations of insider trading regulations or related financial laws were identified during the reporting year.

Integrity Management and Insider Trading Prevention Training

To enhance employees' regulatory awareness and strengthen the implementation of an integrity-oriented culture, Favite continuously conducts training and awareness programs on integrity management, anti-corruption, and insider trading prevention. The training content includes common domestic and international cases of corruption and fraud, whistleblowing and reporting procedures, handling of material non-public information, insider trading prevention, and employee codes of conduct. The training programs target new hires, business units, procurement personnel, and senior management teams to ensure practical relevance and to enhance awareness and responsiveness to integrity-related issues across different functional levels.

Category	Total Trainees (Annual)	Total Training Hours (Annual)	Completion Rate
General Employees	18	40	100%
New Employees	18	18	100%

In 2025, 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.

Stakeholder Integrity Management Standards

Favite has established integrity standards applicable to employees, governance bodies, management, and suppliers in accordance with the Reference Principles for the Ethical Conduct Standards for TWSE/TPEX Listed Companies and the Company's internal integrity management policies. In addition to requiring internal personnel to comply with codes of conduct, the Company progressively incorporates integrity management requirements, information security and confidentiality obligations, intellectual property protection, and anti-corruption clauses into business-related agreements and contractual documents. This approach aims to strengthen shared responsibility among business partners in maintaining a transparent and fair operating environment.

Identity	Timing	Required Signed Documents	Signing Rate
New Employees	At onboarding	Employee Code of Conduct Commitment	100%
Governance Units / Management	Annually	Independent Director Statement of Service Period	100%
New Suppliers	Prior to supplier onboarding	Supplier Commitment Letter (including information security and confidentiality, intellectual property rights, integrity principles, anti-corruption clauses, etc.)	67%

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.

Favite recognizes that integrity management is not merely a set of governance policies, but a long-term commitment that must be embedded within the organization's culture. Going forward, the Company will continuously review the gaps between its policies and actual implementation practices, and further strengthen high-risk processes as well as key control mechanisms. In response to emerging issues such as data governance, AI-related risks, supply chain due diligence, and sustainability disclosure requirements, the Company will also enhance cross-functional collaboration and internal responsiveness. Through the parallel advancement of system implementation and cultural internalization, Favite will continue to promote integrity management and regulatory compliance governance, strengthen stakeholder trust, and steadily build long-term sustainable competitiveness.

1-2.2 Regulatory Compliance

Favite regards regulatory compliance as the fundamental principle of its operations and remains committed to maintaining full compliance with applicable laws and regulations. The Company

incorporates integrity governance, internal audit, anti-corruption, insider trading prevention, and information security into key corporate governance priorities. Through systematic monitoring, cross-functional communication, and training programs, Favite promotes the embedding of a compliance-oriented culture throughout the organization. To ensure that business activities comply with legal requirements and to effectively manage regulatory risks, the Company has established a structured compliance and audit management framework that integrates both policy design and operational practice. The Company also conducts cross-functional communication and response planning in a timely manner in response to newly enacted laws, regulatory policy updates, and upcoming legal requirements. The internal audit function covers compliance audits, operational audits, and project-based audits.

In addition, responsible personnel regularly review key regulations relevant to business operations and, where necessary, engage external professional advisors to ensure compliance with legal requirements. This approach strengthens regulatory responsiveness and cross-departmental coordination, thereby mitigating risks arising from governance gaps that may affect supply chain stability or market opportunities.

Compliance Management Approach

Management Dimension	Key Practices
Governance Responsibility	Each responsible unit manages regulatory identification, policy updates, daily controls, and training according to its functional scope. Matters related to corporate governance, internal control, significant compliance issues, or sustainability disclosure are escalated to management or the Board of Directors as appropriate.
Regulatory Identification	Covers corporate governance and business regulations; financial, accounting, audit, and disclosure requirements; integrity management, anti-corruption, and insider trading prevention; labor conditions, human rights, and workplace equality; customer privacy, information security, and personal data protection; intellectual property, trade secrets, and R&D protection; international trade, import/export, and customer compliance requirements; environmental protection, climate, energy, and resource management regulations; occupational health and safety, fire safety, and emergency response regulations.
Risk Management	Identifies potential regulatory non-compliance and gaps in internal procedures through internal audits, operational reviews, project-based audits, and cross-functional meetings. Improvement actions are proposed based on risk severity.
Training and Development	Annual compliance training programs are designed based on job functions and risk levels, covering topics such as integrity management, insider trading prevention, occupational health and safety, workplace harassment prevention, fire safety and civil defense, finance and auditing, and corporate governance.
Communication and Grievance Mechanism	Employee communication and grievance channels are established to safeguard employees' rights to voice concerns. For significant compliance matters, internal communication is conducted through announcements, meetings, or training sessions.
Continuous Improvement	Internal policies, procedures, and management measures are continuously reviewed and updated based on regulatory changes, audit findings, inspection results, and training outcomes to enhance completeness and traceability of compliance management.

2025 Regulatory Compliance Performance

In 2025, Favite continued to strengthen its regulatory compliance management and maintained stable performance across environmental protection, occupational health and safety, labor practices, intellectual property, and employee training. During the reporting year, no material violations of laws and regulations occurred, and the Company was not subject to any significant fines or material non-monetary sanctions arising from major non-compliance incidents.

Category	Key Performance Results
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	A total of 88 compliance training sessions were conducted, with an average participation rate of 99%. A total of 428 participants attended, amounting to 1,357.5 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

Favite complies with the Company Act, the Securities and Exchange Act, regulations governing publicly listed companies, and relevant requirements issued by competent authorities. The Company continuously reviews the effectiveness of its corporate governance, information disclosure, board operations, internal control system, and internal audit mechanisms. Through internal control systems, approval authority matrices, internal audits, and periodic reviews, the Company ensures that material operational decisions are executed in accordance with applicable regulations. These mechanisms also enhance the accuracy, completeness, and timeliness of both financial and non-financial disclosures.

In response to significant regulatory changes, responsible units monitor and assess relevant developments and coordinate cross-functional discussions to evaluate potential impacts on operational processes, internal policies, and disclosure requirements. Where necessary, external legal counsel, auditors, or professional advisors are engaged to support management

in assessing the implications of regulatory changes on governance and business decision-making.

Intellectual Property, Trade Secrets, and Information Security Protection

Favite has long invested in machine vision, automated optical inspection (AOI), AI-based image recognition, and high-precision metrology technologies. Intellectual property rights and trade secrets are therefore critical assets in maintaining technological competitiveness and customer trust. The Company complies with applicable laws and regulations, including the Patent Act, Copyright Act, Trade Secrets Act, and relevant information security requirements, and enforces confidentiality agreements with customers, suppliers, and business partners.

To strengthen protection, the Company implements confidentiality controls, access authorization management, R&D data protection measures, internal awareness training, and procedural safeguards. Access to sensitive information is granted strictly on a need-to-know basis to prevent unauthorized use, data leakage, or infringement of third-party rights.

2025 Performance:

As of the end of 2025, Favite held four valid patents.

Environmental Regulatory Compliance

Favite continuously monitors and complies with environmental protection-related regulations, including pollution prevention, waste management, energy use, greenhouse gas (GHG) inventory requirements, and climate-related policy obligations. The Company references the principles of ISO 14001 Environmental Management Systems and ISO 14064-1 GHG quantification and reporting standards to progressively strengthen environmental data management, emissions monitoring, and the foundation for low-carbon operations.

The Company regularly reviews environmental aspects associated with its operations, including energy efficiency, waste management, GHG emissions, and resource consumption. Improvement measures are implemented based on audit and inspection results. In response to evolving domestic and international climate regulations, carbon management requirements, and customer expectations for low-carbon supply chains, Favite will continue to enhance its environmental management system and improve the completeness and traceability of environmental data as a basis for future climate risk management and sustainability disclosures.

■ Audit and Improvement Mechanisms

The Company conducts periodic internal and external environmental inspections, covering waste emissions, energy efficiency, and GHG inventory processes. Improvement actions are developed and implemented based on identified findings.

■ 2025 Performance

No environmental regulatory violations were recorded in 2025.

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

The Company continuously conducts occupational health and safety inspections and safety supervision audits. Improvement actions are implemented based on audit findings to ensure that working environments comply with applicable regulations and internal safety standards.

■ 2025 Performance

No major occupational accident cases were reported during the year, and zero workplace safety incidents occurred throughout 2025.

Labor Rights and Workplace Standards

Favite regards employees as key partners in its sustainable development and is committed to maintaining a lawful, equal, respectful, and inclusive workplace environment. The Company complies with the Labor Standards Act, the Act of Gender Equality in Employment, and other relevant labor regulations to safeguard employees' working conditions, compensation and benefits, occupational safety, grievance rights, and personal dignity, while fostering a stable and trust-based labor-management relationship.

In alignment with the principles of the United Nations Global Compact, the Company upholds non-discrimination, prohibition of forced labor, equal development opportunities, and respect for fundamental human rights. To enhance employees' understanding of workplace rights and respect, regular training programs are conducted covering labor regulations, workplace sexual harassment prevention, unlawful workplace conduct prevention, and occupational health and safety. A multi-channel grievance and communication mechanism is in place to protect employees' rights to express concerns. In addition, labor compliance and internal management processes are reviewed

semi-annually. Where gaps or improvement needs are identified, relevant procedures are promptly updated to ensure compliance with the latest regulatory requirements related to labor conditions, gender equality, and employee rights protection.

■ 2025 Performance

Two compliance reviews were completed and one optimization of gender equality procedures was implemented. No grievance cases were reported during the year.

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 2025, 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.

Year	2024		2025	
Course Title	Number of Participants	Average Attendance Rate (%)	Number of Participants	Average Attendance Rate (%)
Prevention of Workplace Sexual Harassment and Other Unlawful Infringements & General Occupational Safety and Health Training	208	94%	89	103%
Integrity Management and Insider Trading Prevention	52	96%	26	104%
Fire Safety and Civil Defense Training	84	97%	72	100%
Occupational Safety Certification Training and Workplace Health and Safety Education	43	100%	227	98%
Legal Training on Finance, Audit, and Corporate Governance	13	100%	14	100%

2025 Regulatory Compliance Performance

The Company defines a “material violation of laws and regulations” as any non-compliance event that has a significant impact on its operations, financial condition, reputation, stakeholder interests, or statutory disclosure obligations. The determination considers factors such as the severity of the impact, the nature and amount of regulatory penalties imposed by competent authorities, whether non-monetary sanctions are involved, whether business disruption has occurred, and whether the incident is repetitive or ongoing.

In 2025, the Company did not experience any material violations of laws or regulations. There were also no material fines or non-monetary sanctions imposed as a result of significant non-compliance incidents.

Item	2025 Result
Material violations of laws and regulations	0 cases
Fines arising from material violations	NT\$0
Non-monetary sanctions arising from material violations	0 cases

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 has established multiple financial and risk management policies, including the "Management Rules for Debt Covenants and Contingent Liabilities," the "Budget Management Procedure," and the "Financial and Non-financial Information Management Policy." The Company is proactively aligning with the IFRS S1 and S2 sustainability disclosure standards, and has enhanced the quality, transparency, and resilience of financial reporting through standardized documentation and operational procedures. The Company is committed to compliance with domestic securities regulations and International Financial Reporting Standards (IFRS), while also supporting international requirements related to anti-money laundering, taxation, and trade compliance. Financial targets are set based on the SMART principle and integrated with the Company's sustainability strategy. A high-transparency disclosure mechanism is in place to respond promptly to investor and stakeholder expectations.
Positive Impacts	Through structured budgeting and financial information systems, the Company provides stable support for R&D and market expansion. Annual operations remain steady, with revenues diversified across flat panel, semiconductor, and IC substrate applications. The Company continues to strengthen its AI inspection product portfolio, enhancing overall financial resilience and value creation capability.
Negative Impacts	Financial performance is exposed to macroeconomic cycles, foreign exchange fluctuations, and rising raw material costs. Delays in monitoring financial changes or insufficient transparency in disclosures may negatively affect operational flexibility and external stakeholder confidence.
Remediation and Mitigation Measures	To mitigate potential impacts on financial performance, Favite has established robust financial reporting and internal audit systems. Budget variance analysis and expense control mechanisms are implemented to continuously monitor revenue and cost structures and strengthen financial risk responsiveness. For foreign exchange exposure, the Company adopts natural hedging strategies and flexible pricing mechanisms to reduce the impact of currency fluctuations. In addition, the Company is actively advancing the adoption of IFRS S1/S2 sustainability disclosure standards to enhance transparency and financial reporting quality, thereby reinforcing investor trust and improving capital market communication effectiveness.
Targets	Short-term (by end of 2026): Achieve full-year breakeven.
	2025 performance Net loss of approximately NT\$84 million, mainly due to delayed capital expenditures in the display sector and increased R&D investment in semiconductor-related customers.
	Medium-term (by end of 2028): Increase semiconductor-related revenue contribution to 30%-40%, reducing dependence on cyclical fluctuations in the display industry.
	Long-term (by end of 2031): Achieve three consecutive years of profitability.
Responsibility	The Finance and Accounting Department is responsible for financial reporting, budget control, tax filing, and financial risk identification. The department reports regularly to the President and the Board of Directors to support operational decision-making and resource allocation.
Resources	Human resources: Dedicated finance team covering accounting, financial analysis, and budgeting functions, working in coordination with internal audit and information systems. Financial resources: Budget allocated for financial digital systems and IFRS S1/S2 alignment initiatives.
Evaluation Mechanism for the Effectiveness of Management Approach	Financial performance management considers budgeting, cost control, customer management, and tax compliance. 1. Financial monitoring: --Annual and quarterly financial statements are completed and submitted to the Board within statutory deadlines (target: 100%). Monthly management review meetings are conducted. --Accounting records are maintained in up-to-date condition. --Budget variance analysis is conducted, with deviations controlled within $\pm 25\%$.

Management Approach	Material Topic: Financial Performance
	2. Tax compliance: 100% timely filing and payment. 3. The annual financial statements shall be audited by certified public accountants and obtain an unqualified audit opinion. 4. The completion rate of corrective actions for internal audit and finance-related deficiencies shall reach 100%. 5. The on-time disclosure completion rate for financial and non-financial information shall remain at 100%.
Evaluation Results of the Management Approach	1. Financial monitoring: --All annual and quarterly financial statements were submitted to the Audit Committee and Board within regulatory deadlines (100% compliance). --12 monthly management review meetings were held to monitor balance sheet, income statement, and cash flow performance. --Accounting records were maintained in real time. --Budget variance for operating expenses was controlled at 18%. 2. Tax compliance: 100% on-time filing and payment achieved. 3. Audit assurance: Unqualified audit opinion obtained for annual financial statements. 4. Internal audit remediation: 100% completion rate achieved. 5. Disclosure compliance: All financial and non-financial disclosures were completed on time.
Complaint Mechanism and Communication Channels	https://www.favite.com/investor/shareholder/ Email: investor@favite.com

During the reporting year, Favite was undergoing a critical phase of technological transition and operational restructuring. Due to a correction in the display industry cycle, more conservative end-market demand, and extended validation periods for certain advanced semiconductor inspection equipment, the Company's annual revenue and profitability were under pressure. Nevertheless, the Company did not halt its technological development in response to short-term market fluctuations. Instead, it continued to invest in key R&D directions, including AI intelligent platforms, dual-track AOI and metrology technologies, 2.5D/3D advanced packaging inspection, and Micro LED / Micro OLED metrology equipment, thereby laying a foundation for future business recovery and market expansion.

This section discloses the Company's overall financial performance, revenue structure, and capital utilization in 2025, demonstrating stable operations during the technology transition period.

1-3.1 Financial Management and Strategy

The Company's financial management strategy focuses on optimizing asset structure, controlling operating costs, and maintaining sufficient financial flexibility. The Company strictly complies with International Financial Reporting Standards (IFRS) and regulatory disclosure requirements to ensure transparency of information. In 2025, the Company proactively referenced IFRS S1 and S2

sustainability disclosure standards to enhance the quality of its disclosures, providing stakeholders with credible financial and non-financial information.

Revenue and Profitability

In 2025, due to global macroeconomic fluctuations, structural adjustments in capital expenditures in the display industry, and extended equipment validation and adoption cycles in emerging applications, the Company's annual revenue declined compared to the previous year, resulting in an operating loss. According to the consolidated financial statements for 2025, the Company recorded revenue of NT\$459,861 thousand, representing a 31.12% decrease year over year, and a net loss of NT\$84,299 thousand. The decline in revenue was primarily driven by deferred capital expenditures in the display industry, more cautious customer procurement cycles, and the fact that certain advanced application equipment remained in validation and ramp-up stages. The reduction in revenue scale also increased the burden of fixed cost allocation, thereby affecting annual profitability.

Item	2025 Results	Explanation of Changes
Revenue	459,861	Decreased by 31.12% year over year, primarily due to deferred capital expenditures in the display industry.
Gross Profit	185,709	Decreased compared to the previous year, reflecting softened market demand and reduced orders.
Non-operating Income and Expenses	5,399	Mainly affected by reduced foreign exchange gains due to appreciation of the New Taiwan Dollar.
Net Profit (Loss) for the Period	-84,299	Affected by a decline in revenue scale and continued high R&D investment.
R&D Expenses	196,151	Continued counter-cyclical investment in 2.5D/3D advanced packaging inspection technologies and AI platform development.

Note: For detailed financial statements, financial ratios, cash flow information, and financial performance analysis, please refer to the Company's 2025 Annual Report and consolidated financial statements.

The Company regards 2025 as an important year for advancing operational restructuring and strategic transformation. Going forward, Favite will continue to strengthen financial discipline and operational resilience through project cost control, inventory and accounts receivable management, product portfolio optimization, and expansion into higher value-added markets, with the objective of gradually improving revenue quality and profitability. For further information regarding R&D investment, technology deployment, and product innovation achievements, please refer to the Innovation and R&D chapter of this report.

Financial Structure and Capital Utilization

In 2025, despite revenue pressure and weakened profitability, Favite remained committed to maintaining a sound financial structure, adequate liquidity, and efficient capital allocation. According to the 2025 consolidated financial statements, the Company's total assets amounted to

NT\$1,651,131 thousand, representing a slight increase of 0.71% compared with the previous year. Total liabilities amounted to NT\$616,492 thousand, an increase of 28.54%, primarily attributable to increases in short-term borrowings and accounts payable. Total equity amounted to NT\$1,034,639 thousand, representing a decrease of 10.79% compared with the previous year, mainly due to the net loss incurred during the year and the resulting reduction in retained earnings. Although profitability was affected by reduced revenue and continued investment in business transformation initiatives, the Company maintained prudent financial management practices and continued to strengthen cash management, accounts receivable management, inventory control, and operating cash flow monitoring.

Key Financial Indicators for the Year

Financial Indicator	2025 Results	Description
Total Assets (NT\$ thousand)	1,651,131	Increased by 0.71% compared with the previous year, reflecting a stable overall asset base.
Total Liabilities (NT\$ thousand)	616,492	Increased by 28.54% compared with the previous year, primarily due to increases in short-term borrowings and accounts payable.
Debt Ratio (%)	37.34%	The capital structure remained within a manageable range, with the Company continuing to prudently manage liquidity and debt repayment capacity.
Total Equity (NT\$ thousand)	1,034,639	Decreased by 10.79% compared with the previous year, mainly due to the net loss incurred during the year and the resulting decline in retained earnings.
Net Cash Inflow from Operating Activities (NT\$ thousand)	23,352	Despite pressure on profitability, operating activities continued to generate positive cash inflows.

In response to industry cycles and changing market demand, the Company will continue to prioritize financial discipline, operational efficiency, and flexible capital allocation. Favite seeks to avoid excessive expansion and low-return investments while prioritizing resources toward business activities that enhance long-term competitiveness and customer value. Through cost structure optimization, improved capital utilization efficiency, and prudent asset and liability management, the Company aims to mitigate the impact of external market fluctuations on operational stability and establish a solid foundation for future business recovery and sustainable development.

While maintaining prudent operations, Favite is also committed to creating positive value for the industry, supply chain, and local economy through its core business activities and R&D capabilities. In 2025, the Company generated economic impact and industry value through the following initiatives:

Promoting technological advancement and enhancing product precision

Strengthening local procurement and regional collaboration

Maintaining shareholder returns and market confidence

1-3.2 Market Expansion Strategy and Revenue Structure

As the global technology manufacturing industry continues to evolve toward higher precision, greater automation, and higher value-added processes, Favite continues to strengthen its R&D capabilities and system integration expertise in Taiwan while expanding its international market presence to enhance overseas order acquisition and diversify revenue sources. In 2025, the Company's revenue was primarily generated from overseas and domestic markets, with overseas markets accounting for more than 60% of total revenue. This reflects the Company's established international customer base, localized service network, and cross-regional project execution capabilities. Going forward, the Company will continue to focus on R&D enhancement, application expansion, and market development, further expanding applications in AI inspection, advanced packaging metrology and inspection, and smart manufacturing, while strengthening its competitiveness in the global high-end inspection and metrology equipment market. To address customers' increasing demand for high-precision, high-efficiency, and highly customized inspection solutions, the Company continues to strengthen its process upgrade and application expansion strategies.

Market Development and Application Expansion Strategies

To meet customer demand for high-precision, high-efficiency, and highly customized inspection solutions, Favite continues to deepen its technological capabilities and expand market applications. Leveraging its extensive experience in optical inspection for the display industry, the Company has extended its technologies into advanced semiconductor packaging, IC substrates, Micro LED, and Micro OLED applications, gradually enhancing the scalability of its technology platform and expanding market penetration.

■ Customer Relationship Enhancement

By participating in major international exhibitions, the Company increases market visibility and actively expands its presence in Taiwan, China, Japan, and other regional markets. Based on market development needs, overseas technical support locations are established to provide timely services and technical assistance.

■ Local Procurement and Supply Chain Resilience

Although core components are primarily sourced from overseas suppliers, Favite continues to increase domestic procurement. Local procurement accounted for more than 50% of

total procurement volume, while the Company also promotes alternative materials and circular resource utilization to strengthen supply chain stability and support the development of a greener value chain.

Revenue Structure

Revenue by Geographic Market

In 2025, export revenue accounted for 60.95% of the Company's total annual revenue, with overseas markets remaining the primary source of revenue. This reflects the scale of the Company's international customer base and service network. Demand in the Taiwan market was primarily driven by display manufacturing, semiconductor processes, and advanced inspection and metrology applications. The market also continued to expand toward equipment upgrades, advanced packaging validation, and next-generation display technologies.

Year	2024		2025	
Region	Revenue (NT\$ Thousand)	Total Revenue Share (%)	Revenue (NT\$ Thousand)	Total Revenue Share (%)
Taiwan	201,669	30.21%	179,597	39.05%
Overseas	465,918	69.79%	280,264	60.95%
Total	667,587	100%	459,861	100.00%

In light of the Company's continued reliance on export markets and increasing competition across regional markets, Favite will continue to strengthen its overseas service capabilities and customer relationship management while deepening collaboration with domestic customers in advanced manufacturing processes. Through a dual-market strategy, the Company seeks to balance the retention of existing overseas customers, the validation of advanced processes in Taiwan, and the adoption of emerging applications, thereby gradually enhancing revenue stability and resilience against market fluctuations.

Revenue by Major Product Category

In 2025, the majority of Favite's revenue continued to be generated from Automated Optical Inspection (AOI) equipment and related maintenance services. Revenue from AOI equipment and maintenance services accounted for 93.09% of total annual revenue, demonstrating that AOI inspection and metrology equipment, together with related services, remain the Company's core business. Overall, the Company's revenue structure remains highly concentrated in its core inspection and metrology equipment and services. Going forward, Favite aims to increase the contribution of higher value-added applications through the expansion of advanced semiconductor packaging solutions, next-generation display technologies, and equipment upgrade services.

Product Category	Revenue (NT\$ Thousand)	Revenue Proportion (%)
Automated Optical Inspection (AOI) Equipment and Maintenance Service Revenue	428,104	93.09%
Others	31,757	6.91%
Total	459,861	100.00%

Customer Relationship Enhancement and Service Quality Improvement

In 2025, the Company continued to regard customer relationship management as a core element of market expansion. Through project-based technical collaboration, after-sales service follow-ups, customer requirement interviews, and equipment performance issue tracking, Favite further strengthened its long-term partnerships with customers.

■ Continuous Enhancement of Products and After-Sales Services

The Company has established a spare parts and maintenance materials warehouse system to ensure timely equipment maintenance and stable operations. In alignment with the ISO 9001 quality management system, customer satisfaction surveys are conducted regularly, and the results are used as a basis for continuous improvement of products and services.

■ Structured Feedback Mechanism

In 2025, customer satisfaction surveys were conducted covering key aspects such as delivery time, product quality, and service performance. Going forward, the Company will focus on translating feedback results into actionable improvement plans to continuously enhance service quality and response efficiency.

■ Multi-Channel Engagement and Two-Way Communication

In addition to traditional communication channels, the Company actively manages social media platforms (e.g., Meta, LinkedIn, WeChat) to enable real-time customer inquiries and feedback. The Company also engages directly with potential customers through industry exhibitions and trade shows.

■ Potential Customer Development and Targeted Marketing

The sales team continuously explores new markets and key accounts through both online and offline channels. Through digital platforms, technical forums, seminars, and exhibition exposure, the Company strengthens its brand image and market penetration.

■ Customized Solution Integration

By integrating Automated Optical Inspection (AOI) equipment, proprietary AI algorithms, and the YMS yield management system, the Company provides a one-stop solution combining hardware and software. This helps customers improve production yield, shorten process cycles, and enhance manufacturing stability.

Diversified Applications and Integrated Inspection Services

The Company's service model combines standardized equipment supply with customized module integration capabilities. Depending on customers' process conditions, product dimensions, defect types, and inspection accuracy requirements, the Company provides high-precision, low-cycle-time, and scalable application solutions. Focusing on Automated Optical Inspection (AOI) technology as its core, the Company integrates optical design, mechanical engineering, electrical control systems, AI algorithms, and the YMS yield management system to deliver a complete solution covering R&D design, system integration, hardware-software coordination, installation and calibration, and after-sales services. The following section outlines the Company's core products and business activities:

Product/Service Category	Description
Flat Panel Display Inspection and Metrology Equipment	Includes inline and offline AOI, metrology machines, and high-speed image inspection systems for TFT-LCD, LTPS, array, color filter (CF), cell, touch panel, and AMOLED process stages. Supports in-line production inspection and equipment upgrade requirements.
Next-Generation Display Inspection and Metrology Equipment	Applied to advanced display processes such as Micro LED and Micro OLED. Supports post-chip transfer inspection, backplane inspection, packaging inspection, and high-resolution micro-defect detection.
Advanced Semiconductor Packaging / IC Substrate Inspection and Metrology Equipment	Supports high-precision inspection and metrology for FOWLP, FOPLP, 2.5D/3D packaging, redistribution layer (RDL), die location, wafer AOI/AVI, and IC substrates.
AI Image Analytics and Intelligent Inspection Solutions	Provides defect classification, false-defect filtering, true-defect identification, auto re-inspection, and image feature extraction to reduce review costs and improve process decision efficiency.
Yield Management System (YMS)	Offers production traceability, statistical reporting, real-time defect monitoring, defect map overlay, defect classification, and yield analysis functions to enhance data-driven manufacturing management.

Highlights of Technical and Manufacturing Capabilities

■ High-Precision Optical Imaging Technology

Favite possesses advanced optical design capabilities that enable the development of customized imaging solutions based on material characteristics, surface reflectivity, and micro-defect patterns. These solutions enhance image contrast and defect detection performance, forming a critical foundation for AOI inspection, precision metrology, and AI-powered image analysis.

■ High-Speed and High-Precision Motion Control

Through in-house mechanical design and system integration expertise, the Company integrates high-precision motion platforms, servo control systems, and image acquisition technologies into its equipment platforms. This enables high-speed scanning, precise positioning, and stable repeatability, supporting demanding inspection and metrology

applications in advanced packaging, high-end IC substrates, and next-generation display manufacturing.

■ Dual-Track Development of AI-Driven AOI and Metrology

In 2025, Favite continued to advance its dual-track technology strategy in both Inspection and Metrology. In the Inspection domain, the Company leverages AI-enhanced imaging and defect classification technologies to improve true defect recognition and reduce false positives, helping customers minimize manual review efforts. In the Metrology domain, AI technologies are applied to feature localization, coordinate fitting, and measurement interpretation, supporting advanced measurement requirements such as critical dimensions (CD), overlay, and die location. These capabilities transform conventional rule-based systems into intelligent sensing platforms with enhanced analytical capabilities.

■ Extending from Defect Detection to Yield Diagnosis

The Company continues to integrate inspection data with its yield management system, enabling AOI equipment to move beyond traditional defect screening and support process diagnosis and optimization. Through AI-based automatic defect review, defect data analytics, and MES feedback mechanisms, customers can more rapidly identify the root causes of process abnormalities, improve yield enhancement efficiency, and strengthen production decision-making quality.

■ Customized Solution Capabilities

Leveraging extensive experience in machine vision, optical imaging, motion control, and inspection software development, Favite is capable of addressing diverse customer process requirements, product specifications, and inspection and metrology needs. The Company can rapidly deliver highly customized equipment and system integration solutions, providing a key competitive advantage in advanced manufacturing and emerging application markets.

Enhancing Technological Innovation and R&D Investment

In response to growing industry demand for intelligent manufacturing and high-precision inspection technologies, Favite continued to invest significantly in R&D resources in 2025, focusing on AI-driven intelligent platforms, AOI inspection, metrology solutions, advanced packaging applications, and next-generation display technologies. During the year, the Company invested NT\$196,151 thousand in R&D, representing approximately 42.65% of annual revenue. This demonstrates that, despite operating under challenging market conditions, the Company remained committed to

technology investment as a foundation for long-term transformation and competitiveness. The Company's R&D efforts are focused on four key areas:

■ **AI Algorithm and Intelligent Inspection Platform Enhancement**

Favite continues to optimize AI-powered defect classification, false-positive filtering, true defect identification, and automatic review technologies. The Company also strengthens model generalization capabilities across different process conditions, enabling equipment to more effectively identify small, complex, and difficult-to-detect defects that cannot be reliably recognized through conventional rule-based approaches.

■ **Integration of AOI and Metrology Applications**

The Company continues to advance the integration of AOI inspection and metrology technologies, enhancing the overall value of equipment in defect detection, dimensional measurement, alignment analysis, and process data feedback. Going forward, Favite will continue expanding applications in high-precision die location, overlay measurement, and 3D metrology to support advanced packaging processes.

■ **Validation of Advanced Packaging Inspection and Metrology Technologies**

For applications including FOWLP, FOPLP, 2.5D/3D packaging, and IC substrates, the Company continues to support customer qualification projects and optimize equipment performance. These efforts strengthen practical capabilities in fine-line inspection, RDL defect detection, chip position measurement, and package substrate inspection.

■ **Commercialization of Emerging Display Inspection and Metrology Solutions**

Favite continues to invest in process inspection technologies for Micro LED and Micro OLED manufacturing. Based on customer implementation progress, the Company continuously optimizes equipment platforms, algorithms, and inspection modules to accelerate the commercialization and mass-production deployment of its R&D achievements.

Through the commercialization of R&D outcomes, enhancement of services for existing customers, and expansion into overseas markets, the Company aims to gradually increase the revenue contribution of high value-added applications while strengthening long-term business resilience and value creation across the industry value chain.

1-3.3 Financial Performance and Social Contribution

Sound financial performance serves as the foundation for sustainable business development and positive social impact. The economic value generated through the Company's operations is distributed among various stakeholder groups through employee compensation and benefits, tax

contributions, local procurement, and R&D investment. In doing so, Favite fulfills its economic responsibilities to society while strengthening the creation of long-term value.

Social Contributions Derived from Financial Growth

Although financial performance faced challenges in 2025, Favite continued to allocate corporate resources toward employee well-being, technological advancement, and supply chain collaboration. Through these ongoing investments, the Company maintained its fundamental responsibilities to employees, customers, suppliers, and society while supporting long-term sustainable development.

Financial Indicator	Amount	Description
Employee Compensation and Benefits	NTD 223,837 thousand	Includes salaries, bonuses, labor and health insurance contributions, and various employee benefits. Despite the impact of industry fluctuations on revenue, the Company continued to maintain stable compensation and invest in talent development.
Taxes and Social Responsibility	NTD 4,730 thousand	The Company fulfilled its tax obligations in accordance with applicable regulations, ensuring compliant operations and local economic contributions while supporting public finance and social systems.
Support for the Local Supply Chain	NTD 140,568 thousand	Local procurement expenditure totaled NT\$140,568 thousand in 2025, representing 38.44% of total procurement spending. The decline in the local procurement ratio compared with 2024 was primarily attributable to the increased shipment of equipment for emerging applications, which required certain high-precision components to be sourced from overseas suppliers. The Company will continue to develop local alternative sources to enhance supply chain resilience.

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, the Company continues to reduce lead times, costs, and supply disruption risks while supporting the development of local component suppliers, manufacturers, and technical service providers, thereby enhancing overall supply chain resilience.

Innovation-Driven Industrial Advancement

Leveraging its core technologies as a growth engine, the Company promotes the adoption of advanced manufacturing processes and the expansion of emerging application markets, accelerating industrial upgrading and manufacturing automation.

Compliant Operations and Institutional Trust

The Company fulfills its obligations regarding tax filings, financial disclosures, and

corporate governance disclosures in accordance with applicable regulations. Through public information platforms and the corporate website, it maintains active communication with investors and stakeholders, thereby enhancing corporate transparency and market confidence.

Financial Performance and Future Outlook

In response to increasing global economic uncertainty and accelerating industry transformation, Favite continues to focus on optimizing its core businesses, strengthening R&D investment, and refining its product portfolio and market deployment strategies to steadily enhance operational competitiveness. Although market demand softened and industry inventory adjustments affected business conditions in 2025, the Company maintained overall financial stability and 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 Yield Management System (YMS). At the same time, it continues to deepen its presence in high-precision application markets, including advanced semiconductor packaging, IC substrates, display panels, and next-generation Micro LED technologies. Through enhanced product modularity, improved implementation efficiency, and continued technological innovation, the Company aims to increase value-added offerings and strengthen customer loyalty.

	2022	2023	2024	2025
Annual Revenue	NT\$1,477,429	NT\$445,675	NT\$667,587	NT\$459,861
	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	Decrease of 31.12% compared to the previous year

1-4 Risk Management

In response to the restructuring of global supply chains, increasing geopolitical uncertainty, cyclical industry fluctuations, rising cybersecurity threats, and more stringent requirements for climate-related disclosures, Favite regards risk management as a fundamental pillar of corporate governance and sustainable operations. In accordance with the “Risk Management Policy and Procedures,” the Company has established a comprehensive risk identification and response framework covering strategic, market, financial, operational disruption, supply chain, regulatory compliance, climate change, information security, and occupational safety risks. The Board of Directors serves as the highest supervisory body for risk governance. The General Management Office coordinates cross-functional risk management activities, while each responsible unit is accountable for daily risk identification, assessment, and mitigation. The internal audit function reviews the effectiveness of internal control systems and risk management implementation in accordance with the annual audit plan, thereby embedding risk management into routine operational discipline rather than treating it as a procedural requirement.

Management Approach	Material Topic: Operational Management
Policies and Commitments	Favite regards operational excellence as the foundation of sustainable development and has established a resilience governance framework that integrates regulatory compliance, information security, and supply chain management. The Company strictly adheres to the Financial Supervisory Commission’s Corporate Governance Best Practice Principles and has implemented a dual-layer protection system for digital and physical operations through its “Risk Management Policy and Procedures” and ISO 27001 Information Security Risk Management Procedures, ensuring the continuity of critical technologies and customer services. In addition, the Company extends sustainability requirements externally through its Supplier Evaluation Mechanism, requiring partners to implement environmental, health, and safety (EHS) management and resilience planning. This approach supports the development of a risk-resistant value chain ecosystem, safeguarding employee safety, protecting customer interests, and fulfilling stakeholder commitments in a dynamic market environment.
Positive Impacts	The establishment of standardized operational processes enhances operational efficiency and productivity while reducing operational risks, thereby improving customer satisfaction and brand value. Through responsible and sustainable business practices, the Company seeks to maximize value creation for the Company, customers, shareholders, and society.
Negative Impacts	Ineffective operational management may lead to increased production inefficiencies and costs, elevated operational risks, and adverse impacts on brand value, product quality, customer trust, and talent retention.
Remediation and Mitigation Measures	The Company adopts a multi-layered management approach to prevent major incidents and reduce risk exposure. Through its Supplier Evaluation Mechanism, supply chain stability is ensured. Internal audits, including ISO 9001, ISO 27001, and annual audit plans, are conducted regularly to reduce the impact of disruptive events. The Company also implements rapid response mechanisms for abnormal events and relies on its Risk Management Policy as the primary reference framework for risk mitigation and avoidance.
Targets	Short-term (by end of 2026):
	1. Risk communication and operational continuity awareness sessions for employees at least 6 times per year.

Management Approach	Material Topic: Operational Management
	2. Disaster recovery drills at least once per year. 3. Completion and testing of UPS backup systems at both operational sites (Zhubei and Tainan). 4. Annual operational risk assessment report covering supply chain, equipment, human resources and information systems submitted to and approved by the Board of Directors. 5. 100% coverage of annual evaluation for top 20 suppliers. 2025 performance 1. Business continuity and operational risk control training and drills conducted 6 times, achievement rate 100%. 2. Critical disaster recovery drills conducted once, achievement rate 100%. 3. UPS backup systems installed and tested at both Zhubei and Tainan sites, achievement rate 100%. 4. Equipment lead time reduced to within 6 months, achievement rate 100%. 5. Annual operational risk assessment report completed and approved by the Board of Directors, achievement rate 100%. 6. 100% coverage of annual evaluation for top 20 suppliers. Medium-term (by end of 2028): 1. Risk communication sessions at least 10 times per year. 2. Operational risk training at least once per year. 3. Disaster recovery drills at least twice per year. 4. Establishment of comprehensive operational risk management mechanisms. 5. 100% corrective action completion rate for internal audit findings under ISO 27001 and ISO 9001 systems. Long-term (by end of 2031): Given the rapid evolution of operational risk types and the need for phased system development, Favite currently focuses on strengthening short- and medium-term business continuity management systems. No long-term (2030) targets have been formally established at this stage. The Company will continue to review and adjust relevant indicators based on operational outcomes, industry trends, and evolving risk landscapes.
Responsibility	Refer to the Risk Management organizational structure defined in the "Risk Management Policy and Procedures" : 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: Annual budget allocated to backup infrastructure, training programs, disaster prevention and cybersecurity drills, external consulting support, and operational system optimization. Technical resources: UPS (Uninterruptible Power Supply) systems deployed for information infrastructure.
Evaluation Mechanism for the Effectiveness of Management Approach	1. Annual ISO 9001 audit conducted for continuous certification. 2. Annual ISO 27001 audit conducted for continuous certification. 3. Annual supplier evaluation conducted. 4. At least one fire or earthquake drill per year at each Zhubei and Tainan site with attendance rate above 95% and full documentation. 5. Annual operational risk assessment conducted by each department head and reported to the Board of Directors. 6. Insurance coverage maintained for natural disaster risks (typhoons, floods, earthquakes, etc.)
Evaluation Results of the Management Approach	1. ISO 9001 internal audit completed in 2025, certification maintained. 2. ISO 27001 internal audit completed in 2025, certification maintained. 3. Top 20 suppliers and key material suppliers all rated A-level in annual evaluation. 4. Two fire or earthquake drills conducted at Zhubei and Tainan sites in 2025 with 100% participation rate and full documentation.

Management Approach	Material Topic: Operational Management
	5. Operational risk management system established and assessed in 2025. 6. Natural disaster insurance maintained in 2025.
Complaint Mechanism and Communication Channels	1. Company website form: https://www.favite.com/complaints/ 2. Email: sales@favite.com 3. Phone: (03)554-5988

1-4.1 Governance Structure and Risk Management Framework

The Company has established its overall risk governance mechanism in accordance with the “Risk Management Policy and Procedures” (approved by the Board of Directors on November 4, 2022).

The policy defines the processes for risk identification, assessment, monitoring, and reporting, serving as a foundational system for sustainable operations and governance resilience.

- The Board of Directors is the highest decision-making and supervisory body for risk management, responsible for approving policy direction and annual reporting. The President’s Office serves as the convening unit of the risk management task force, coordinating cross-functional risk management activities and policy implementation, and reporting risk management execution to the Board of Directors and senior management at least once per year. The 2025 annual report was submitted on November 7.
- Department heads are responsible for identifying potential risks within their respective areas of responsibility, conducting risk assessments, and formulating response measures. They also regularly report business and project-related risks to management meetings. The executive management meeting, chaired by the President or the head of the operations unit, coordinates cross-functional resources to enhance overall organizational responsiveness and management consistency.
- The Audit Office regularly reviews whether each department complies with risk control procedures and standard operating processes, ensuring the effective implementation of the risk management system and preventing failures in internal control and defense mechanisms.

Systematic Risk Identification and Monitoring

The Company adopts an integrated risk management process, including risk identification, analysis, evaluation, response, and monitoring, with reference to international risk management standards.

This ensures that risk control measures are embedded in operational and governance decision-

making processes. To ensure timely response to market changes and potential threats, the Company continuously monitors internal and external risks and promotes the following four key management components:

Management Phase	Description	Practical Implementation
Risk Identification	Each responsible unit identifies risks that may affect business operations based on operational activities, changes in the external environment, regulatory requirements, and stakeholder concerns.	■ Integrated departmental self-assessments, audit recommendations, and BIA results to identify key operational, financial, information, and regulatory risks. ■ Strengthened understanding of external conditions through market trends, regulatory changes, and customer feedback.
Risk Assessment	Risks are evaluated based on likelihood of occurrence, impact severity, controllability, and urgency to determine priority for mitigation actions.	■ Assessed risk impact levels, recovery timeframes, and risk tolerance levels. ■ Developed assessment reports and mitigation recommendations as the basis for the annual risk register.
Risk Control	Risk response strategies are defined according to risk characteristics, including prevention, mitigation, transfer, or acceptance, with clear roles and responsibilities for implementation.	■ Established control points and early warning mechanisms for high-risk areas and developed response plans and resource allocation measures.
Risk Monitoring & Response	Risk changes and mitigation progress are monitored through management meetings, internal control self-assessments, audit reviews, and routine reporting.	■ Established Key Risk Indicator (KRI) monitoring and regularly reviewed the effectiveness of risk controls. ■ Implemented exception reporting procedures and activated cross-functional crisis management teams for assessment and response.

Through the above process, the Company continuously strengthens the timeliness of risk identification, the effectiveness of cross-functional coordination, and the resilience of post-incident recovery, thereby reducing the impact of uncertainties on operations, customer delivery, and financial stability.

1-4.2 Business Continuity and Risk Response

Key Risk Categories and Response Strategies

Based on its industry characteristics and operational context, Favite has identified the following major risk categories and established corresponding management measures:

Risk Category	Potential Risk Scenarios	Management Measures
Strategy and Market Risk	Capital expenditure adjustments in the display industry, delayed customer investment cycles, and extended validation periods for advanced semiconductor packaging equipment may affect order recognition and revenue stability.	The Company continuously adjusts its product portfolio and strengthens applications in AOI, AI algorithms, high-precision metrology, and the YMS yield management system. It also expands into high-value-added markets such as advanced semiconductor packaging, IC substrates, Micro LED, and Micro OLED to reduce exposure to cyclical fluctuations in any single industry.
Financial and Exchange Rate Risk	Fluctuations in exchange rates, interest rates, inflation, and liquidity management may affect cost structure, gross margin, and cash flow stability.	The finance function continuously monitors exchange rate and interest rate movements, implements budgeting and cash flow management, and maintains banking credit lines and liquidity backup mechanisms to ensure financial flexibility.
Asset Allocation Risk	Profitability performance, cash flow stability, capital utilization efficiency, and overall financial resilience.	The Company regularly reviews capital structure, debt ratios, short- and long-term funding allocation, and available backup liquidity to maintain operational financial flexibility.
Supply Chain and Delivery Risk	Extended lead times of key components, supplier capacity constraints, geopolitical uncertainties, or logistics disruptions may affect equipment delivery and project timelines.	A supplier management and evaluation mechanism is in place. The Company enhances localization of procurement and supplier diversification, maintains lead time monitoring for key components, and ensures contingency sourcing to strengthen supply chain resilience.
Regulatory Compliance Risk	Continuous changes in corporate governance requirements, securities regulations, labor laws, environmental regulations, cybersecurity requirements, and sustainability disclosure standards may increase compliance complexity and operational costs.	Responsible units continuously monitor regulatory and policy changes. External legal counsel, auditors, and internal audit mechanisms are engaged to ensure regulatory compliance and effectiveness of internal systems.
Information Security and Data Protection Risk	Cyberattacks, malware, data leakage, or system disruptions may impact customer data protection, R&D confidentiality, and operational continuity.	The Company maintains an information security management system, including access control, data backup, system monitoring, cybersecurity awareness training, and incident reporting mechanisms to mitigate operational impact.
Operational Disruption and Disaster Risk	Earthquakes, fires, power outages, extreme weather, or major public safety incidents may interrupt facility operations, equipment, systems, or workforce activities.	Business continuity management is implemented, including business impact analysis (BIA), disaster response planning, emergency communication systems, backup mechanisms, and cross-functional drills.
Climate and Energy Risk	Extreme weather events, energy price volatility, carbon regulatory requirements, and customer expectations for low-carbon supply chains may affect operating costs and competitiveness.	The Company conducts greenhouse gas inventory, energy efficiency management, and climate risk identification, and integrates climate-related risks into operational planning and supply chain communication.
Talent and Occupational Safety Risk	Intensifying competition for key technical talent, workplace safety incidents, or employee turnover may affect R&D capability and operational efficiency.	The Company strengthens talent development, career pathways, occupational safety and health training, and employee communication mechanisms to enhance organizational stability and safety awareness.

Through the above risk identification and management measures, the Company continuously strengthens its ability to respond to uncertainties. It will maintain prudent financial discipline, stable operational management, and technological innovation as the foundation of risk governance. Through cross-functional collaboration, rolling reviews, and internal control mechanisms, the Company enhances overall operational resilience and long-term sustainability.

Business Continuity Strategy

To strengthen its ability to respond to unexpected events, Favite has progressively established a business continuity management system, with Business Impact Analysis (BIA) serving as the foundation of its structured management approach. Through BIA, the Company identifies critical business processes, essential resources, maximum tolerable downtime, and recovery priorities. The assessment covers key operational activities, including customer services, equipment development and testing, procurement and supply management, information systems, financial operations, and facility support.

Based on the results of the business impact analysis, the Company has implemented disaster response planning and gradually established emergency notification procedures, role assignments, information backup mechanisms, critical data backup processes, equipment and power contingency measures, alternative supplier arrangements, and customer communication protocols to minimize the impact of unexpected events on product delivery, customer service, and operational continuity.

The Company will continue to strengthen the following areas:

Focus Area	Implementation Measures
Periodic Drills and Plan Enhancement	Conduct regular disaster response, information system recovery, and cross-functional business continuity drills, and revise response plans based on drill results.
Supply Chain Resilience Enhancement	Establish monitoring mechanisms for critical suppliers and high-risk materials, while strengthening alternative supplier arrangements, local sourcing, and emergency procurement procedures.
Cybersecurity and Data Backup	Continuously enhance backup mechanisms for critical information systems, access control management, and recovery testing to reduce the risk of data loss and system disruptions.
Risk Indicator Management	Establish more quantitative risk monitoring indicators to improve risk early-warning capabilities and the effectiveness of risk management performance tracking.
Risk Culture Development	Enhance employees' awareness and response capabilities regarding operational disruptions, cybersecurity, regulatory compliance, and occupational safety risks through training programs, cross-functional meetings, and internal communications.

Periodic Drills to Strengthen Resilience Mechanisms

To enhance its ability to respond to unexpected events, Favite continuously conducts disaster response, information backup, cybersecurity, and business continuity exercises. Through cross-functional collaboration, scenario-based simulations, and post-exercise reviews, the Company strengthens its operational resilience against major disasters, system disruptions, cybersecurity incidents, and supply chain interruptions. The Company conducts at least one comprehensive emergency response drill annually and progressively expands the scope and complexity of drill scenarios based on the results of annual risk assessments. The current and planned enhancement mechanisms are as follows:

Drill Type	Purpose	Scope and Implementation	Frequency and Effectiveness Review
Disaster Response and Evacuation Drills	To ensure personnel safety during emergencies and minimize disruptions to facilities, equipment, and operations.	Conduct facility-wide fire, earthquake, and evacuation drills to verify the effectiveness of evacuation routes, personnel assembly and headcounts, emergency notification procedures, and on-site response processes.	Conducted at least once annually. Post-drill reviews assess notification procedures, evacuation time, completeness of personnel accounting, and identified response gaps as the basis for future improvements.
Information Backup and Disaster Recovery Drills	To ensure that critical information systems can maintain essential services or be restored within an acceptable timeframe during disruptions or disaster events.	Perform database startup verification, backup restoration, and disaster recovery testing for critical systems. Reviews include data backup integrity, system recovery procedures, and incident response processes.	Conducted in accordance with the annual IT operation plan. Recovery time, data restoration success rate, and incident handling records are used as key evaluation criteria.
Cybersecurity Protection and Incident Reporting Drills	To enhance employee awareness of social engineering, malicious emails, and cybersecurity threats, while reducing incident reporting and response times.	Conduct social engineering and phishing simulation exercises combined with cybersecurity awareness training, incident reporting procedures, and account access management to strengthen prevention and response capabilities.	Conducted according to the annual cybersecurity program. Evaluation indicators include click-through rates, incident reporting response times, training completion rates, and improvement tracking results.
Business Continuity Scenario Exercises	To ensure that critical business operations, customer services, and supply chain collaboration can continue during major disruptive events.	Planned scenarios include supply chain disruptions, delays in critical component deliveries, major customer project changes, and cross-functional internal communication exercises to test alternative sourcing, customer communication, and internal coordination mechanisms.	Planned to be conducted at least once annually. Future evaluations will focus on supply chain contingency feasibility, recovery time for critical operations, cross-functional communication efficiency, and the ability to maintain uninterrupted customer service.

Favite recognizes that its risk management framework remains under continuous development and refinement. Building upon its existing disaster response and information security management foundations, the Company will further strengthen its business continuity management framework and evaluate the adoption of digital risk identification and monitoring tools to improve the efficiency of risk information consolidation, reporting, tracking, and corrective actions. Through regular drills, cross-functional collaboration, and ongoing reviews, Favite will continue enhancing its ability to respond effectively to changes in the external environment, supply chain disruptions, cybersecurity threats, and major disaster events, thereby strengthening operational resilience and business continuity.

Annual Risk Management Implementation Results

In 2025, the Company continued to advance risk management practices in line with operational needs. Key areas of focus included the following:

Risk Category	Risk Scenario in 2025	Response Measures and Management Actions	Annual Results and Value Created
Market Demand Volatility	Weak demand in the display industry and inventory adjustments by downstream customers.	Adjusted the product portfolio and actively expanded into advanced semiconductor packaging, IC substrate, and Micro LED inspection and metrology technologies.	• Successfully developed 2.5D/3D packaging inspection solutions. • Gradually reduced dependence on the single flat-panel display market.
Technology Competition and R&D	Rapid technology evolution and increasing pressure on R&D milestone management.	Implemented project management mechanisms and strengthened cross-functional communication and milestone tracking.	• R&D expenditure accounted for 42.6% of annual revenue in 2025. • Continued optimization of AI algorithms to maintain technological leadership.
Financial and Credit Risk	Changes in the external environment affecting customers' payment capabilities.	1. Implemented legal recovery procedures. 2. Revised contract terms and promoted advance payment and credit guarantee arrangements.	• Effectively controlled bad debt risk and improved cash collection efficiency. • Maintained healthy liquidity as of the end of 2025.
Supply Chain and Delivery Risk	Unstable supply or delivery delays of critical components.	Adopted dual-source supplier strategies and strengthened incoming material inspection controls.	• Ensured uninterrupted supply of components for critical production processes. • Local procurement accounted for 38.44% of total purchases. The lower ratio was primarily attributable to the Company's entry into emerging industries, which initially required high-precision components sourced from overseas suppliers. The Company will continue developing local alternative suppliers.
Information Security Management	Cybersecurity threats and protection of R&D intellectual property.	Maintained ISO 27001 certification and implemented information security classification management and data leakage alert mechanisms.	• Maintained the validity of ISO 27001:2022 certification. • No material cybersecurity incidents or confidential data leakage events occurred during the year.
Talent Retention Risk	Competition for key technical talent and workforce stability challenges.	Strengthened diversified recruitment channels and promoted internal rotation programs and career development pathways.	• Employees completed a total of 4,644.5 training hours in 2025. • Maintained a stable core workforce in R&D and production functions.
Corporate Image and Reputation	Increasing expectations regarding information transparency and sustainability governance.	Enhanced disclosure quality and strengthened internal audit mechanisms and regulatory compliance management.	• Established the Sustainable Development Committee in November 2025, elevating the level of sustainability governance oversight.

Overall, the focus of risk management during the year evolved from the prevention of operational disruptions toward the management of risks associated with industrial transformation. While the Company has established a solid foundation for identifying and addressing operational risks, its risk

governance framework remains under continuous enhancement. Going forward, the Company will continue to improve in the following areas:

- Strengthening cross-functional integration and collaboration in risk information management.
- Enhancing the systematic management of risk documentation, monitoring, and tracking processes.
- Further strengthening supply chain risk assessment and collaborative management.
- Continuously improving business continuity management and emergency response capabilities.
- Monitoring external regulatory developments and industry risk trends as inputs for ongoing enhancement of risk management mechanisms.

Favite will continue to advance risk management in a prudent and practical manner. Through governance mechanisms, internal control systems, and cross-functional collaboration, the Company seeks to minimize the impact of risk events on its operations and stakeholders, thereby supporting its long-term sustainable development and business resilience.

1-4.3 Disaster Risk Management

Favite recognizes that extreme weather events driven by climate change, as well as potential natural disasters arising from regional geographic conditions, may have long-term impacts on operational resilience. To safeguard employee safety, ensure stable customer delivery schedules, and protect corporate assets, the Company has established a disaster risk identification and response management framework in accordance with the Risk Management Policy and Procedures, and has incorporated disaster prevention into the core of its business continuity planning.

Disaster Risk Management Framework and Strategy

The Company adopts a phased approach to progressively establish a structured disaster response framework. Currently, disaster risk management policies are coordinated by the General Administration Division, while the Sustainable Development Committee oversees the implementation and progress of related risk management activities. Based on the geographic characteristics of its operating locations, the Company identifies critical operational impact points and coordinates resource allocation and emergency response arrangements through designated responsible units. At this stage, the Company evaluates the potential operational impacts of

common disaster scenarios and develops corresponding management strategies and response measures:

Key Disaster Scenarios

Disaster Type	Potential Impact	2025 Prevention and Response Measures
Earthquake	Employee injuries or casualties, production equipment misalignment, facility structural damage, and supply chain disruptions.	Regularly conduct seismic inspections of buildings and establish standard evacuation routes and earthquake response SOPs. Install seismic protection and automatic power-off protection mechanisms for critical high-precision equipment.
Flooding/Inundation	Water damage to facilities and equipment, disruption of power and communication systems, and loss of raw material inventory.	Install drainage pumps and flood barriers in critical areas. Locate critical power control systems and information server rooms on higher floors or elevated platforms.
Fire	Significant loss of physical assets, prolonged production downtime, and damage to stakeholder trust.	Conduct annual inspections and maintenance of fire sprinkler and smoke detection systems. Achieved ISO 45001 certification in December 2025 and implemented strict hot-work control procedures.
Power Outage	Data loss, immediate production interruptions resulting in product scrap, and communication failures.	Completed the installation of UPS backup power systems at the Zhubei and Tainan facilities in 2025. Perform daily off-site backups of critical databases to ensure information is protected from power outage-related losses.
Epidemic Spread	Workforce shortage, supply interruptions, employee health risks	Established workforce segregation plans and remote working communication arrangements. Implemented routine health monitoring and maintained inventories of epidemic prevention supplies.

Disaster Recovery and Business Continuity Processes

To enhance disaster response flexibility and operational continuity, the Company continues to strengthen its disaster prevention systems and infrastructure deployment. The current implementation progress is as follows:

Implemented Disaster Prevention Measures

Backup mechanisms

In addition to daily off-site backups of core system databases, the Company has completed inventory management of critical spare parts and is progressively establishing backup power and compressed air redundancy facilities.

Communication and response coordination

A cross-functional disaster contact list and emergency response communication groups have been established. For scenarios involving post-disaster shutdown, manpower allocation, and production line assessment, standardized reporting SOPs and clear responsibility assignments have been defined.

Physical emergency infrastructure

Each facility is equipped with emergency response equipment, evacuation signage, and emergency lighting, all of which are regularly inspected and maintained. Critical production lines are equipped with seismic, waterproof, and emergency power-off protection mechanisms.

Drills and training

Comprehensive evacuation and fire drills are conducted annually. In the future, earthquake response simulations—including evacuation and recovery drills—will be incorporated to further enhance operational readiness.

Currently, the Company's overall disaster recovery system and response processes are still in the planning and continuous optimization phase. Going forward, the Company will evaluate the gradual development of an integrated disaster management framework covering system backup, production recovery, communication continuity, and resource allocation. This will strengthen both digital and physical operational resilience and enhance the Company's ability to maintain business continuity under unexpected disruptions.

1-5 Information Security and Privacy Protection

Management Approach	Material Topic: Information Security Management
Policies and Commitments	Favite has obtained ISO 27001 Information Security Management System certification and implements information protection measures in accordance with its Information Security Policy. The Company commits to complying with applicable information security regulations and internal controls by establishing risk assessment, access control, and incident reporting mechanisms to ensure the confidentiality, integrity, and availability of operational information, customer data, and corporate assets.
Positive Impacts	Maintaining ISO 27001 certification and continuously improving information security risk management helps reduce the risk of data leakage and operational disruption, enhances trust among customers and investors, and supports the acquisition of new orders and project opportunities.
Negative Impacts	Cybersecurity threats and data leakage incidents may result in privacy breaches and adversely affect the Company's reputation among internal and external stakeholders.
Remediation and Mitigation Measures	The Company implements ISO 27001-related information security policies and has established an information security management system covering account and access control, data classification and protection, backup and recovery mechanisms, system updates, vulnerability remediation, cybersecurity training, and incident reporting procedures to reduce the risk of data leakage and privacy breaches.
Targets	Short-term (by end of 2026):
	1. Achieve continuous ISO 27001 certification.
	2. Periodically complete the threat intelligence and monitoring activity control log, ensure comprehensive monitoring of relevant intelligence disclosures, and maintain continuous monitoring and effective response (100%).
	3. Inspect two 10-type CO2 fire extinguishers in the data center; the last fire inspection was conducted in October 2023. Perform monthly routine inspections of fire extinguishers in the data center, with an inspection rate of 100%.
	4. For employee workstations, certain software with potential security vulnerabilities (such as 7-Zip, AnyDesk, etc.) is installed; conduct immediate updates, patches, or removal to reduce cybersecurity risks, with a coverage rate of 100%.
	5. Conduct comprehensive cybersecurity audits or document reviews for all cybersecurity suppliers annually, with a coverage rate of 100%.
	2025 performance
	1. ISO 27001 certification was achieved.
Targets	2. In response to the "Climate Action Change" issue, ISO/IEC 27001:2022/Amd 1:2024 was issued on 2024/02/24. Further consideration was given to identifying climate action-related issues within the context assessment, and a completion rate of 100% was achieved.
	3. Documented information was established, periodically updated, and controlled (such as external document lists and software usage inventories) to enhance the availability and appropriateness of documented information (100%).
	4. Comprehensive cybersecurity audits or document reviews were conducted for all cybersecurity suppliers, with a coverage rate of 100%.
	Medium-term (by end of 2028):
	Achieve 100% implementation of a Security Operations Center (SOC) for cybersecurity risk management.
	Long-term (by end of 2031):
	Expand the scope of the ISO 27001 information security management system to cover critical suppliers.
	Conduct cybersecurity audits or document reviews for at least three critical suppliers (non-IT security systems) annually.
Responsibility	Information security management is coordinated by the Information Security Committee established under the ISO 27001 framework. Daily operations are managed by the IT department as the responsible unit.

Management Approach	Material Topic: Information Security Management
Resources	Human resources: IT team with 5 personnel (Wazuh SIEM with EDR/MDR/Mailbase/APCloud, IT team with 2 personnel). Financial resources: Cybersecurity budget of NT\$3.06 million (maintenance costs: antivirus software, firewalls, data center maintenance, etc.)
Evaluation Mechanism for the Effectiveness of Management Approach	1. Annual ISO 27001 surveillance audit and recertification. 2. At least 4 cybersecurity awareness training sessions per year for employees. 3. Security personnel and managers shall complete at least 6 hours of cybersecurity training per person annually. 4. Information backup: conduct one ISO 27001-compliant core system disaster recovery drill per year to ensure business continuity capability.
Evaluation Results of the Management Approach	1. ISO 27001 recertification was completed in 2025 and remains valid. 2. Four cybersecurity awareness training sessions were conducted in 2025. 3. A total of 6 personnel participated in cybersecurity training, totaling 36 training hours for the year. 4. One core system disaster recovery drill was completed in 2025, achieving a 100% completion rate.
Complaint Mechanism and Communication Channels	Information Security Department email: it@favite.com

In response to increasing digital operations, AI applications, and cross-organizational data exchange, information security and privacy protection have become critical foundations for Favite to maintain operational resilience, customer trust, and secure supply chain collaboration.

1-5.1 Information Security and Cybersecurity Management

Information Security Governance Principles and System Foundation

In 2025, Favite continued to operate under the ISO/IEC 27001 Information Security Management System framework and complied with the Financial Supervisory Commission “Regulations Governing Establishment of Internal Control Systems by Public Companies” and the Taiwan Stock Exchange “Cyber Security Guidelines for TWSE/TPEX-Listed Companies” to strengthen information asset protection, personal data management, cybersecurity risk monitoring, and incident response capabilities.

Information Security Governance Structure

The Company continues to implement a tiered governance structure for cybersecurity management. Senior management is responsible for cybersecurity policy, resource allocation, and major risk decision-making. The Information Technology Department and the cybersecurity working group are responsible for daily implementation of cybersecurity controls. Internal audit and external

consultants support the review of implementation effectiveness, forming an integrated management model of strategy, execution, and oversight.

Strategic Level	The senior management team oversees information security policies and management direction, promotes cybersecurity culture and risk awareness, and provides decision-making guidance on major cybersecurity issues.
Execution Level	The Information Security Team and IT Department are responsible for daily cybersecurity operations, including risk identification, anomaly monitoring, access control, awareness training, equipment maintenance, and implementation of improvement measures.
Supervisory Level	Internal control mechanisms, IT audit cycles, ISO 27001 internal and external audits, as well as third-party risk assessments and CPA information system audits, are used to evaluate the effectiveness of information security management.

In governance practice, the Company continues to implement data classification, least privilege principles, account reviews, data backup, anomaly reporting, and incident log retention mechanisms, gradually evolving cybersecurity management from isolated protection measures into a systematic, traceable, and verifiable governance framework.

1-5.2 Information Security Risk Identification and Protection Measures

Based on the classification of information assets, data sensitivity levels, and operational dependency, the Company regularly conducts information asset inventory and risk identification. The results of the inventory are incorporated into annual audit and improvement plans and serve as a basis for subsequent allocation of cybersecurity resources and adjustment of protection technologies. Information security risk identification and control are jointly performed by the IT Department and dedicated cybersecurity personnel. Risk inventory and asset classification are conducted periodically based on operating systems, data types, and business dependency levels: Each year, an information asset inventory is conducted covering endpoint devices, servers, and cross-department shared folders.

Risk assessment indicators include system availability, data confidentiality, operational dependency, and external connectivity risk.

The inventory results are incorporated into the annual audit plan and improvement actions, with external consultants providing recommendations for system enhancements.

Information Risk Management	■ Information security policy and standards development ■ Assessment of information security risks and establishment of control mechanisms ■ Investigation and identification of information security incidents
Information Security Management	■ Planning and implementation of information security architecture and projects ■ Evaluation and adoption of information security solutions

Information Security Audit	■ Formulation and execution of information audit and remediation procedures ■ Information security training, regulatory compliance, and case analysis ■ Audit and management of information logs, system evaluation, adoption, and maintenance
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Cybersecurity Protection Measures

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

Protection Area	Measures and Description	Primary Control Objective
Backup Management	An enterprise-grade backup system has been established, with regular data backup and restoration testing performed	To reduce risks of ransomware attacks and data loss
Anomaly Monitoring	A real-time anomaly alert and notification mechanism has been established, with dedicated personnel responsible for immediate response and record retention	To enhance real-time incident detection and response efficiency
Access Control	Account access is managed under role-based segmentation and the principle of least privilege, with periodic review of access logs and anomalies	To prevent unauthorized access and internal misuse
Cybersecurity Incident Response	A standardized incident reporting and response SOP has been established to address phishing, intrusion, and ransomware attacks	To strengthen standardized incident handling procedures
Training and Awareness	Social engineering simulations, cybersecurity training programs, and scenario-based exercises are conducted	To enhance employees' risk awareness and proactive defense capability

Cybersecurity Incident Scenarios and Response Strategies

In accordance with the ISO/IEC 27001 management system, the Company conducts information risk assessments to identify cybersecurity scenarios that may affect business operations. For different categories of risk sources, major threat types have been classified, and corresponding protection and response strategies have been established as key components of cybersecurity management and early warning mechanisms.

Cybersecurity Risk Control Measures

Cybersecurity Risk Type	Potential Impact	Corresponding Control Measures
Network Attacks and Malware Intrusion	System failure, business disruption, data leakage	Firewall and endpoint antivirus systems have been deployed with daily automatic virus definition updates
		Real-time abnormal traffic monitoring has been implemented, with immediate notification to IT upon detection of anomalies
		Annual vulnerability scanning of core systems is conducted, with remediation tracking in place
Ransomware and Data Hijacking	Inability to recover production data and operational disruption	Enterprise-grade backup systems have been implemented, including daily backups and annual disaster recovery drills for core systems
		Off-site backup storage has been established for core system databases
		Endpoint Detection and Response (EDR) systems have been deployed to monitor abnormal endpoint behaviors
Privilege Misuse or Internal Data Leakage	Confidential information leakage and internal control failure	The principle of least privilege is enforced, with periodic reviews of account and access logs
		Two-factor authentication and abnormal login alert mechanisms have been implemented
		Annual social engineering testing and employee cybersecurity training are conducted
Third-Party / Supply Chain Cyber Risks	External penetration leading to cascading risks	Contracts require suppliers to pass cybersecurity assessments or hold ISO 27001 certification
		Information service providers are subject to annual audits to verify compliance with the Company's cybersecurity requirements and relevant certifications
		External system access rights must be applied for and granted on a time-limited basis
		Supplier data exchange mechanisms and encryption measures are regularly reviewed
Personal Data and Privacy Protection Gaps	Employee and customer data leakage and regulatory non-compliance	Personal data access control procedures and data encryption principles have been established
		Employees handling personal data complete compliance training annually
		Access logs are retained and subject to periodic internal audit sampling

2025 Cybersecurity Status

No major cybersecurity incidents occurred in 2025, indicating that the existing cybersecurity management mechanisms have maintained a basic level of protection effectiveness.

Information Security Awareness Training and Education

Favite believes that information security does not rely solely on technical controls, but must be implemented through employee awareness and daily operational behavior. In 2025, the Company continued to conduct information security training and awareness programs to support employees in

identifying phishing emails, malicious links, abnormal login activities, data misuse risks, and personal data protection issues. The Company strengthened information security capabilities through the following initiatives:

- **General Information Security Training:** All employees are required to complete information security and personal data protection training, with course content adjusted according to operational needs.
- **Secure Development Training for Engineers:** Developers are required to complete secure coding training. Only those who pass the assessment are allowed to participate in core system development projects.

Implementation Results

Training Program	2025 Results
Information Security Awareness Campaigns	4 sessions completed, 100% coverage
New Employee Training	2 sessions completed, 18 participants trained, 100% completion rate
Advanced Security Training for Security Personnel	10 sessions completed, 12 participants trained, total 36 training hours
Phishing Simulation and Awareness Strengthening	Conducted phishing simulation exercises and awareness assessments to optimize future training content 4 additional sessions completed, 163 participants trained, total 489 training hours

To date, no material cybersecurity incidents have occurred. There have been no operational losses or customer data breaches resulting from information security events, demonstrating the effectiveness of the existing security management framework and maintaining strong customer trust.

The Company has established a structured information security incident reporting and response process. Employees are required to immediately report any suspected data leakage, system anomalies, malware intrusion, or phishing emails to the IT Department or Information Security Task Force. Upon receiving a report, the responsible unit conducts initial assessment, incident classification, emergency response actions, root cause analysis, and corrective action tracking. All incident records are incorporated into internal audits and reviewed by management as part of governance oversight.

Supply Chain Information Security Management

As system connectivity, data exchange, and external service collaborations with suppliers continue to increase, Favite has incorporated supply chain information security into its overall information governance framework. In 2025, the Company established confidentiality and access control requirements for information system-related suppliers. External vendors who require access to

Company systems or sensitive data must sign non-disclosure agreements in advance and comply with defined authorization scopes, usage periods, and data classifications.

In 2025, Favite completed the signing of non-disclosure agreements with 11 key suppliers and continued to develop its supplier cybersecurity management framework. Moving forward, the Company will progressively implement supplier cybersecurity self-assessments, integrate cybersecurity clauses into contractual management, and conduct reviews of information exchange and encryption controls for critical suppliers. These initiatives aim to reduce risks of data leakage, unauthorized access, and supply chain infiltration caused by third-party services.

1-5.3 Data Privacy and Protection

In an increasingly digital and data-intensive operating environment, data privacy and personal data protection have become a key dimension of corporate governance responsibility. Favite follows the requirements of the Personal Data Protection Act and references the principles of the ISO/IEC 27001 information security management system to progressively establish a privacy protection framework, ensuring that data remains secure, compliant, and traceable throughout its lifecycle, including collection, processing, storage, transmission, access, and deletion.

Privacy Governance System and Accountability Structure

The Company's cybersecurity dedicated unit is responsible for overall information security and privacy protection governance. At the execution level, the Information Technology Department and Human Resources Department are responsible for different aspects of implementation:

- The Information Technology Department is responsible for system access control, data encryption, backup management, anomaly monitoring, and retention of operational logs.
- The Human Resources Department is responsible for authorization, access review, archival, and deletion processes of employee personal data, as well as maintaining relevant audit records.

Through clear role allocation and cross-functional collaboration, Favite integrates personal data and sensitive information protection into daily operations. The Company continuously reviews data retention scope, access permissions, and actual usage to reduce risks of misuse, unauthorized access, or data leakage.

Data Classification, Access Control, and Audit Management

Data Access Rights and Governance Control

In accordance with the Personal Data Protection Act and information security management principles, Favite adopts the core principles of least privilege, classification-based management, and traceable logging. In 2025, the Company classified personal data, customer data, operational confidential information, and system access rights based on data sensitivity and business requirements. Access permissions are dynamically adjusted according to job changes, departmental needs, and annual review results.

Data Encryption, Protection, and Deletion Mechanisms

To ensure confidentiality and integrity during data collection, transmission, and storage, the Company has progressively implemented layered encryption and segregated system architecture:

- Confidential information is stored in a dedicated server environment protected by MDR systems, with role-based authentication and access control mechanisms applied.
- The Company also conducts periodic data inventory reviews and disposal processes. Data that has expired or is no longer required is deleted or anonymized according to established procedures to prevent residual risk.

Third-Party Data Processing and Cross-Functional Data Sharing

For external vendors, partners, and internal cross-department data exchange scenarios, Favite applies the principles of prior authorization, purpose limitation, time-bound access, and audit logging. In 2025, external parties requiring access to Company systems or sensitive data must sign non-disclosure agreements in advance and comply with defined authorization scope, usage period, and data classification requirements. Internal cross-department data access also requires managerial approval, and all access records are retained for traceability, audit, and accountability purposes.

Access Logging and Audit Trail Management

All personal data access and download activities automatically generate system logs, which are reviewed by the Information Technology Department or Human Resources Department to monitor access control compliance and detect abnormal behavior. Going forward, the Company will progressively enhance the visualization and automation of access log monitoring based on risk scenarios, further strengthening its data protection and compliance framework.

Information Security Incident Handling Process and Reporting Mechanism

Employees who identify suspected data leakage, unauthorized system access, malware intrusion, phishing emails, or other information security anomalies must immediately report the incident in accordance with internal procedures. The Information Technology Department or Information Security Team will conduct initial assessment, incident classification, response actions, root cause analysis, and follow-up improvement tracking.

Stage	Responsible Unit	Management Focus in 2025
Anomaly Detection and Reporting	All employees; Information Technology Department or Information Security Team as reporting channel	Immediate reporting of suspected data leakage, abnormal access, phishing emails, or system anomalies upon detection
Incident Reception and Preliminary Assessment	Information Security Team	Incident classification, logging, impact assessment, and determination of response severity level
Incident Response and Mitigation	Emergency Response and Incident Management Team	Implementation of containment measures such as system isolation, backup restoration, privilege suspension, escalation reporting, or system shutdown depending on severity
Post-Incident Analysis and Improvement	Emergency Response and Incident Management Team; Information Technology Department	Root cause analysis, preventive measures development, and tracking of corrective actions and system improvements
Record Retention and Management Reporting	Information Technology Department; Management	Preservation of incident records for internal audit review and management oversight, with escalation to the Board of Directors when necessary

2025 Information Security Performance

Information Security Measure	2025 Performance
ISO 27001 Information Security Management	Continued to maintain the ISO 27001 Information Security Management System as the foundation for information security governance and auditing.
Enterprise Backup System	Daily backups of core systems were maintained, achieving a backup success rate of 100%.
Cybersecurity Monitoring and Threat Detection	Anomaly detection and notification mechanisms were deployed across core systems. MDR monitoring identified no major security incidents.
Internal and External Information Security Audits	Completed 1 internal audit and 2 external consultant assessments, with no material findings identified.
Multi-Factor Authentication and Access Control	Multi-factor authentication was implemented for cloud-based and remote access services. There were 0 incidents involving credential compromise or data leakage.
Disaster Recovery Exercise	Completed 1 recovery exercise using an alternate system environment, achieving the Recovery Time Objective (RTO) target within 4 hours.
Supply Chain Information Security Collaboration	Completed non-disclosure agreement execution with 11 core suppliers.
Number of Personal Data Security Incidents	0 cases (maintaining a zero personal data breach record).
Employee Privacy Awareness Coverage Rate	100%.
Social Engineering Exercise Email Open Rate	One social engineering exercise was conducted, covering 100% of target employees. The email open rate was 62.98%. Exercise results, including email open rates, click-through rates, and reporting performance, were reviewed to assess employees' cybersecurity risk awareness and to support future optimization of cybersecurity awareness programs and training initiatives.

To address areas where existing controls and technologies require further enhancement, the Company has prioritized resource assessment and practical feasibility analysis in planning future improvements. Favite is currently evaluating the feasibility of introducing intelligent monitoring and digital anomaly detection technologies and will continue refining risk management processes and protection strategies for critical systems based on available resources and recommendations from external consultants.

At the same time, the Company recognizes that its data governance and privacy protection framework still requires further enhancement. Opportunities remain to strengthen policy maturity, implementation effectiveness, and cross-functional coordination mechanisms. Going forward, Favite will prudently evaluate the adoption of data processing tools featuring automated identification, encryption, and anonymization capabilities in response to operational requirements and evolving regulatory expectations. The Company will also continue monitoring the development and applicability of emerging technologies, including zero-trust architecture and blockchain-based solutions.

Chapter 2: Advancing Toward a Greener Future

Favite continues to advance environmental sustainability through greenhouse gas inventory management in accordance with ISO 14064-1:2018, energy conservation initiatives, water-use efficiency enhancement, resource recycling, and environmental regulatory compliance. These efforts form the foundation of the Company's environmental sustainability strategy and support the establishment of a measurable, traceable, and continuously improvable environmental management framework. The Company also recognizes climate change as both an operational risk and an opportunity for innovation. Through cross-functional collaboration, environmental sustainability considerations are gradually being integrated into daily operations and value chain management. This chapter outlines Favite's management strategies, implementation measures, and 2025 performance related to climate change response, greenhouse gas management, energy efficiency, water resource management, waste reduction, and resource circularity, demonstrating the Company's ongoing commitment and actions toward green operations and sustainable development.

2-1 Climate Change Response Actions

Climate change has become a long-term challenge faced by businesses worldwide. Extreme weather events, energy price volatility, increasingly stringent carbon management regulations, and growing customer expectations for low-carbon supply chain disclosures may all affect operating costs, supply chain stability, customer relationships, and market competitiveness. Although Favite is not part of a carbon-intensive industry, the Company regards climate change as a key issue in sustainability governance and operational resilience management.

In 2025, Favite continued to reference the recommendations of the TCFD and the disclosure principles of IFRS S2 in progressively developing its climate change management framework across four dimensions: Governance, Strategy, Risk Management, and Metrics and Targets. Building upon its greenhouse gas inventory program, the Company continues to enhance its understanding of operational emissions and strengthen its ability to respond to climate-related risks through energy management, operational adaptation measures, supply chain collaboration, and the development of low-carbon technologies and products.

Four Pillars	2025 Response and Management Strategy
Governance	Favite's Board of Directors and senior management oversee sustainability development and climate-related risk management. The Sustainability Task Force coordinates implementation across departments. In 2025, the Company continued to review greenhouse gas management, energy and resource efficiency, environmental regulatory compliance, and ESG performance, using the results as a basis for management improvement and resource allocation.
Strategy	The Company manages climate-related risks and opportunities across different time horizons, including short-term (1–3 years), medium-term (3–5 years), and long-term (more than 5 years). In 2025, Favite focused on low-carbon operations, energy efficiency improvement, greenhouse gas inventory management, and environmental regulatory compliance. The Company also monitored the potential impacts of carbon management regulations, customer requirements for low-carbon supply chains, energy price fluctuations, and extreme weather events on operational sites and service delivery.
Risk Management	The Sustainability Task Force coordinated departmental participation in climate risk assessments. Based on operational characteristics, energy consumption, regulatory trends, and customer expectations, the Company identified transition risks, physical risks, and market opportunities. In 2025, key areas of focus included electricity price fluctuations, carbon fees and energy taxes, customer requirements for carbon-related disclosures, and the potential impacts of extreme weather events such as typhoons, heavy rainfall, and high temperatures on business operations.
Metrics and Targets	In 2025, the Company adopted energy consumption, water consumption, waste generation, resource recycling performance, greenhouse gas emissions, and emissions intensity as key environmental and climate management indicators. Favite also conducted its 2025 greenhouse gas inventory in accordance with ISO 14064-1:2018, providing the foundation for future emissions hotspot analysis, energy-saving initiatives, and carbon reduction target setting.

2-1.1 Governance

In response to the transition pressures and physical risks associated with climate change, Favite, Inc. has gradually integrated climate-related issues into its corporate risk governance framework. At the Board level, the Sustainable Development Committee serves as the highest decision-making and oversight body for climate-related matters. The Committee is responsible for reviewing climate-related policies, overseeing greenhouse gas management performance, and monitoring the implementation of climate response strategies. The Sustainability Task Force serves as the central coordinating body for execution. Led by a senior executive convener, the Task Force coordinates cross-functional actions and data integration, and reports sustainability and climate-related progress to the Board of Directors at least once annually.

The Sustainability Task Force consists of several specialized teams that address climate-related issues from the perspectives of environmental management, workforce readiness, product design, and regulatory compliance. Through this structure, the Company strengthens cross-departmental participation and enhances the integration of climate-related risk management across the organization:

Unit / Level	Responsibilities
Board of Directors	■ Ultimate decision-making authority for climate-related risk governance ■ Responsible for reviewing and approving climate strategies and management policies

Unit / Level	Responsibilities
	■ Regularly oversees the Sustainability Committee and monitors progress on climate-related initiatives
Sustainability Task Force	■ Led by a senior executive convener to coordinate and advance sustainability and climate-related initiatives ■ Serves as the execution hub for cross-functional coordination on climate governance ■ Responsible for reviewing major sustainability issues, climate risk responses, and greenhouse gas management performance ■ Reports climate and sustainability progress to the Board of Directors at least annually
Environmental Sustainability Task Force	■ Assists in identifying climate-related issues (e.g., greenhouse gases, energy efficiency, water resources) ■ Provides baseline data and departmental feedback to support risk identification and management ■ Contributes insights and data support on supplier environmental requirements and external carbon disclosure trends ■ Assists in identifying potential impacts of climate-related issues on the supply chain
Corporate Social Responsibility Task Force	■ Assesses potential climate-related risks to employee health, safety, and workforce allocation ■ Supports the development of workplace resilience measures (e.g., remote work and shift arrangements) ■ Promotes climate-related workplace training and internal communication mechanisms
Product Sustainability Design Task Force	■ Evaluates potential climate-related risks and requirements affecting product design ■ Promotes product decarbonization, energy efficiency, and sustainable material usage ■ Supports low-carbon product innovation strategies and R&D resource integration
Corporate Governance Task Force	■ Monitors climate-related policies, regulatory developments, and market trends ■ Assists in assessing potential impacts of climate issues on operating costs, supply chain, and investment decisions ■ Provides analytical input and risk insights to support decision-making by the Sustainability Task Force

Through a top-down governance structure and cross-functional collaboration platform, the Company is able to simultaneously advance strategic planning, risk response, and operational implementation in relation to climate change, thereby progressively strengthening its systematic climate governance capability.

2-1.2 Strategy

In accordance with the IFRS S2 and TCFD climate-related disclosure frameworks, the Company continues to assess the potential impacts of climate change on its business model, products and services, value chain, and financial performance. In 2025, the Sustainability Task Force coordinated relevant functional units to identify climate-related risks and opportunities associated with the Company's operations, based on operational sites, energy consumption, supply chain collaboration, customer low-carbon requirements, and product technology development trends. These risks and opportunities are managed across short-, medium-, and long-term horizons.

The scope of reporting covers Favite, Inc.'s primary operational sites, including the Hsinchu Headquarters, Taichung Office, and Tainan Office. It also extends to upstream suppliers, logistics

and transportation, equipment delivery, downstream customers, and potential climate-related impacts during the product use phase. The Company regards climate-related issues as a key strategic element of operational resilience, and integrates inventory results, risk identification outcomes, and annual management actions into subsequent business decision-making and sustainability improvement processes.

Time Horizon

Time Horizon	Period	Strategy
Short-term	1-3 years	Establish a structured climate governance approach, inventory data sources and current energy/resource usage, and implement initial carbon accounting and preliminary risk identification processes to strengthen the organization's climate resilience foundation.
Medium-term	3-5 years	Expand the scope of carbon management systems, deepen energy efficiency management across supply chain and equipment, introduce climate risk response measures, and integrate ESG performance into overall management systems.
Long-term	Over 5 years	Develop low-carbon transition strategies and climate-related investment initiatives, strengthen disclosure systems and disaster-resilient infrastructure capabilities, and progressively align with long-term net-zero transition pathways.

Financial Impact Level

Financial Impact Level	Threshold
High	Impact exceeding NT\$10 million, or significantly affecting annual revenue or cost structure.
Medium	Impact approximately between NT\$1 million and NT\$10 million.
Low	Impact below NT\$1 million.

Analysis of Climate-Related Risks

Based on the 2025 identification results of climate-related risks and opportunities, Favite, Inc.'s key climate-related risks are categorized into transition risks and physical risks. Transition risks primarily arise from carbon regulatory requirements, energy price volatility, customer demands for low-carbon supply chains, product energy efficiency competition, and cost pass-through within the supply chain. These factors may affect operational costs, product competitiveness, and procurement strategies. Physical risks are mainly associated with typhoons, heavy rainfall, power outages, voltage instability, extreme heat, and abnormal temperature and humidity conditions. These events may impact operational sites, equipment testing processes, logistics and shipment activities, and the storage stability of optical components.

Item	Type	Boundary /Entity	Risk	Impacted Stakeholders					
				Emp.	Cust.	Suppliers	Investors	Gov. Agencies	Fls
Carbon fee implementation and electricity price increase in Taiwan	Transition – Regulatory	Company / Financial	The implementation of carbon pricing and electricity tariff adjustments in Taiwan will directly increase electricity and operational costs for the Zhubei headquarters, Taichung office, and Tainan office.	○	○	-	●	●	-
Net-zero procurement requirements from end customers	Transition – Market	Product / Customers	Tier 1 semiconductor customers are implementing green supply chain assessments. Failure to meet carbon reduction requirements or energy efficiency standards may result in order loss.	-	●	○	●	●	○
Raw material price volatility in upstream supply chain	Transition – Market	Supply Chain	Carbon compliance costs from upstream suppliers of metal components and optical parts are passed through the supply chain, increasing procurement costs and compressing profit margins.	-	-	●	●	○	-
Cost of low-carbon technology transformation	Transition – Technology	R&D / Financial	If competitors successfully develop lower-energy and more compact AOI equipment earlier, Favite may face risks to its technological leadership and market share.	●	○	-	●	-	-
Tightening sustainability disclosure regulations	Transition – Regulatory	Corporate / Governance	Strengthened disclosure requirements from regulatory authorities, including TCFD and greenhouse gas inventory requirements, may increase compliance, consulting, and assurance costs.	●	-	-	●	●	●
Obsolescence of legacy technologies and inventory	Physical – Acute	Operations / Logistics	Accelerated customer transition toward next-generation low-carbon and advanced packaging processes may result in write-offs of legacy equipment and components.	-	●	○	●	-	●

▪ Note: In the stakeholders columns, “●” indicates stakeholders that are significantly affected, while “○” indicates stakeholders that are indirectly affected or affected to a lesser extent.

▪ Abbreviation Notes for Stakeholder Headings

- ♦ Emp. = Employees
- ♦ Cust. = Customers
- ♦ Investors = Shareholders/Investors
- ♦ Gov. Agencies = Government Agencies

• FIs = Financial Institutions

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	Investors	Gov. Agencies	FIs
Promotion of paperless operations and digital workflows	Product / Service	Product / Customers	Introduction of electronic approval systems (BPM) and online maintenance request systems reduces paper consumption and improves cross-site operational efficiency across Zhubei, Taichung, Tainan, and Shanghai.	●	●	○	●	●	-
Modularization of equipment design	Product / Service	Service / Customers	AOI equipment is designed with a modular architecture, enabling partial replacement and maintenance, reducing full-machine disposal and lowering material waste in production and repair processes.	-	●	-	●	○	-
Employee climate adaptation and flexible work arrangements	Resilience	Employees / Workplace	Establishment of remote work (WFH) and flexible shift systems in response to extreme heat and heavy rainfall risks, ensuring employee safety while maintaining continuity of core software development and customer support operations.	●	-	-	●	-	-
Development of carbon data response and inventory capability	Resilience	Company / Governance	Early development of internal carbon inventory, data collection, and response mechanisms enhances supplier response efficiency to customer ESG requirements and strengthens communication with stakeholders.	○	○	○	●	●	●
Integration of AOI with energy-efficient smart production systems	Energy Efficiency	Supply Chain / Customers	Integration of AOI with the YMS system enables machines to enter standby mode when upstream and downstream processes are idle, supporting the development of smart and energy-efficient production lines.	○	●	●	●	●	-

Creation of a green and healthy workplace	Resource Efficiency	Business Model / Product	Implementation of health promotion, employee care programs, and workplace environment improvements reduces turnover and absenteeism, enhancing organizational resilience against external disruptions.	-	●	●	●	○	-
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▪ Note: In the stakeholders columns, "●" indicates stakeholders that are significantly affected, while "○" indicates stakeholders that are indirectly affected or affected to a lesser extent.

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Climate Resilience Assessment and Scenario Analysis

In 2025, Favite conducted a preliminary climate resilience assessment based on the results of its climate-related risk and opportunity identification process. The assessment examined the resilience of the Company's strategy and operations under two primary scenarios: low-carbon transition pressures and physical impacts from extreme weather events. The low-carbon transition scenario focused on the potential impacts of carbon pricing, electricity tariff increases, customer requirements for low-carbon supply chains, product energy-efficiency competition, and the pass-through of compliance costs from suppliers. The extreme climate scenario evaluated the potential effects of typhoons, heavy rainfall, power outages, extreme heat, and abnormal temperature and humidity conditions on operating sites, equipment testing activities, logistics and product delivery, and customer services.

The Company has completed a qualitative and semi-quantitative prioritization of climate-related risks based on their likelihood and potential impact. Going forward, Favite will continue to enhance the depth of its climate scenario analysis and gradually incorporate financial quantification to support resource allocation decisions and long-term strategic planning.

Scenario Type	Potential Scenario	Key Resilience Assessment Focus	2025 Management Foundation
Low-Carbon Transition Scenario	Carbon pricing, electricity tariff increases, customer low-carbon supply chain requirements, and more stringent product energy-efficiency standards	Assessment of the Company's greenhouse gas inventory capability, energy management practices, energy-efficient product design, supply chain data collection, and ability to respond to customer ESG requirements	Completed the annual greenhouse gas inventory and external verification, with purchased electricity identified as a primary focus area for carbon reduction management
Extreme Climate Scenario	Increased frequency and intensity of typhoons, heavy rainfall, power outages, extreme heat, and abnormal temperature and humidity conditions	Assessment of disaster preparedness at operating sites, equipment testing stability, data backup capability, logistics continuity, and uninterrupted customer service capability	Established foundational management mechanisms, including data backup, incident reporting, equipment maintenance, and disaster recovery procedures
Market Opportunity Scenario	Accelerated customer adoption of high-efficiency, intelligent, and low-carbon manufacturing and inspection solutions	Assessment of the Company's capabilities in AI-powered inspection, AOI systems, YMS solutions, equipment modularization, and low-carbon service offerings	Continued investment in AI-powered inspection technologies, advanced packaging inspection and metrology solutions, and high-efficiency equipment development

2-1.3 Risk Management

During the reporting year, Favite recognized climate change as a significant risk factor affecting both operational resilience and sustainability governance. In 2025, with reference to the climate-related disclosure frameworks of IFRS S2 and TCFD, the Sustainability Task Force coordinated relevant departments to identify, assess, prioritize, and monitor climate-related risks and opportunities. To address the IFRS S2 disclosure requirements regarding the financial effects of climate-related risks and opportunities, Favite conducted a preliminary assessment of their potential impacts on the Company's operations and financial performance based on the results of the climate risk and opportunity identification process. At the current stage, the Company primarily applies qualitative and semi-quantitative assessment approaches. For areas where financial data is available, quantitative tracking mechanisms are being progressively established to support future climate strategies, resource allocation, and management decision-making.

Risk and Opportunity Identification Process

Favite has established a systematic climate risk and opportunity identification process as an important reference for sustainability management. Although the framework is still under development and data collection efforts are ongoing, the Company has identified potential transition risks, physical risks, and climate-related opportunities through cross-functional collaboration and stakeholder engagement.

The process consists of the following five stages to ensure that risk management and opportunity development are carried out in an orderly manner and effectively integrated into corporate strategic decision-making.

Stage	Management Process	Implementation Details	2025 Management Focus
1	Topic Identification	Referencing IFRS S2, TCFD, climate-related regulations, customer low-carbon supply chain requirements, industry trends, and the Company's operational characteristics to establish a climate-related risk and opportunity inventory.	Identified transition risks, physical risks, and market opportunities covering regulations, energy, supply chains, products, logistics, and operational sites.
2	Cross-Functional Assessment	The Sustainability Task Force coordinates relevant departments to collect information on energy consumption, greenhouse gas emissions, logistics and product shipments, supplier management, customer requirements, and product technologies.	Assessed the impacts of climate-related issues on R&D, sales, procurement, general affairs, information technology, finance, and quality assurance functions.
3	Impact Assessment and Prioritization	Evaluated risks and opportunities based on likelihood, severity of impact, financial implications, business disruption risks, and stakeholder concerns, and prioritized material risks and opportunities.	Prioritized climate-related regulations, energy costs, customer ESG requirements, extreme weather events, and supply chain cost pass-through risks.
4	Response Strategy Development	Developed management measures according to the nature of identified risks and opportunities, including greenhouse gas inventories and verification, energy management, data backup, supplier management, low-carbon product design, and customer information disclosure support.	Incorporated assessment results into energy management, greenhouse gas inventory management, product development, and supply chain management initiatives.
5	Ongoing Monitoring and Reporting	Regularly reviewed changes in climate-related risks and opportunities and disclosed relevant information through sustainability reporting and management review meetings.	Gradually established a climate risk and opportunity tracking register to document mitigation measures, responsible departments, and implementation progress, providing a basis for future review and decision-making by the Board of Directors and management.

Material Climate Risks and Response Strategies

Based on the results of the 2025 climate risk assessment, the Company identified key climate-related risks with relatively higher potential impacts and developed corresponding management measures to mitigate potential financial impacts.

Item	Type	Impact Description	Financial Impact Level	Potentially Affected Financial Items	2025 Assessment	2025 Response Strategy
Carbon Fee Introduction & Electricity Price Increase	Transition Risk – Regulatory	Taiwan progressively introduced carbon pricing mechanisms and adjusted industrial electricity tariffs, which increased operational and energy costs at the Company's facilities in Zhubei, Taichung, and Tainan.	High	Operating expenses; manufacturing costs; energy costs; carbon compliance costs	The Company completed annual GHG inventory and continuously monitored carbon fee policy developments, electricity tariff adjustments, and energy consumption trends. Due to the strong linkage between carbon pricing, electricity tariffs, and actual production activities, no separate quantitative financial breakdown was disclosed.	The Company implemented transformer optimization to reduce electricity consumption, strengthened energy management practices, enhanced GHG inventory processes, and integrated electricity cost and carbon data into future financial tracking.
Customer Net-Zero Procurement Requirements	Transition Risk – Market	Semiconductor and electronics customers strengthened ESG supplier evaluations, which affected order acquisition and supplier ratings when energy efficiency and carbon management performance were insufficient.	High	Revenue; order acquisition; customer retention cost; R&D and service costs	Major customers increasingly integrated ESG performance, carbon disclosure, and energy efficiency into procurement decisions. The impact was highly correlated with pricing, product performance, delivery, and service quality; therefore, no standalone quantification of climate-related financial impact was disclosed.	The Company strengthened ESG communication with customers, improved product energy efficiency design, enhanced service quality and disclosure transparency, and integrated cross-functional ESG governance across sales, R&D, and quality assurance teams.
Raw Material Price Volatility	Transition Risk – Market	Suppliers passed on increased costs driven by carbon compliance, energy prices, and logistics fluctuations, affecting procurement costs and gross margins.	High	Procurement costs; manufacturing costs; gross margin; inventory cost	Prices of precision components, optical parts, steel materials, mechanical parts, and outsourced modules were affected by energy costs, carbon costs, exchange rates, and global logistics fluctuations. As cost drivers are multi-factorial, carbon-related cost impact was not separately quantified. Supplier evaluation, localization ratio, and key material sourcing management were used as monitoring indicators.	The Company continued supplier evaluation and risk assessment, conducted key material risk mapping, diversified supply sources, applied procurement negotiation and demand forecasting, and expanded local sourcing to enhance supply chain resilience.
Low-Carbon Technology	Transition Risk –	Failure to keep pace with energy-efficient, intelligent, and	Medium–High	R&D expenses; capital expenditures; product	Low-carbonization, AI inspection, energy-efficient design, and smart manufacturing	The Company continued investment in AI inspection,

Transition Cost	Technology	low-carbon inspection technologies may weaken competitiveness and increase R&D and technology upgrade costs.		development cost; revenue	demand continued to drive R&D investment. As R&D projects serve multiple purposes, carbon-related R&D cost could not be fully separated; therefore, R&D trends, project direction, and technological outcomes were used for assessment.	equipment efficiency improvement, modular product design, and energy-saving solutions. A classification mechanism for low-carbon-related R&D projects will be further developed.
Sustainability Disclosure Regulatory Tightening	Transition Risk – Regulatory	Increasing regulatory and customer requirements on ESG disclosure, GHG inventory, third-party assurance, and climate risk management increased administrative and compliance costs.	Medium–High	Administrative expenses; consulting fees; assurance costs; internal labor cost; IT system cost	Sustainability reporting, GHG inventory, assurance processes, regulatory tracking, and ESG questionnaire responses increased internal workload and external professional costs. As costs are distributed across multiple categories, climate-related administrative cost impact was not separately disclosed.	The Company completed GHG inventory and assurance, revised sustainability reporting procedures, and strengthened ESG governance, data management, and internal control systems.
Obsolescence of Legacy Technology & Inventory Risk	Transition Risk – Market	Rapid transition to next-generation low-carbon and high-efficiency equipment may lead to inventory obsolescence, slower turnover, or impairment risks.	Medium–High	Inventory; inventory impairment loss; asset impairment; R&D redesign cost	Customer technology upgrades may affect demand for legacy equipment and components. Inventory impairment assessment is based on aging, order visibility, substitutability, and market demand; therefore, no single climate-related factor was used for impairment estimation.	The Company accelerated modular and platform-based product design, enhanced component reuse and interchangeability, and strengthened inventory lifecycle management to reduce obsolescence risk.

Note: Impact level definition:

- High: May significantly impact revenue, orders, gross margin, R&D competitiveness, customer qualification, or operational continuity.
- Medium: May lead to localized cost increases, process adjustments, project delays, or additional management resources.
- Low: Limited impact, primarily managed through routine monitoring, training, or standard procedures.

Climate Opportunities Identification and Development Strategy

In the context of global net-zero transition and the green economy transformation, the Company proactively identified innovation opportunities arising from low-carbon transition. The Company enhanced its R&D capabilities and responded to international sustainability disclosure trends, aiming to transform climate-related challenges into drivers of business growth.

Item	Type	Impact Description	Financial Impact Level	Potentially Affected Financial Items	2025 Assessment	2025 Response Strategy
AOI Integrated with Production Line Energy-Saving System	Products & Services	The AOI system was integrated with the YMS platform to enable production line monitoring, machine sleep mode control, abnormal alerting, and efficiency optimization, thereby enhancing smart manufacturing and energy management capabilities for customers.	High	Enhanced product value-added, increased customer engagement, strengthened order competitiveness	As customer demand for smart manufacturing, low-carbon production lines, and energy efficiency increased, AOI solutions with energy management and system integration capabilities improved product differentiation and customer adoption willingness. However, the impact was jointly driven by pricing, performance, delivery, and customer implementation plans and was not separately quantified as revenue contribution.	The Company continued integrating AOI systems with intelligent management platforms, strengthened equipment monitoring and production efficiency functions, and incorporated customer energy-saving requirements into product development and service design.
Modular Equipment Design	Resource Efficiency	Modular design improved component interchangeability, maintainability, and service efficiency, reducing full-machine replacement and minimizing maintenance downtime and material waste.	High	Improved service efficiency, reduced maintenance cost, optimized product lifecycle management	Modular design reduced maintenance complexity and improved component reuse flexibility. Financial benefits were gradually reflected in maintenance costs, spare parts inventory, labor efficiency, and service quality, but a full quantitative model had not yet been established.	The Company continued implementing modular and platform-based design in next-generation equipment, improving component standardization and reuse, and using maintenance records and customer feedback as optimization inputs.
Carbon Data Management and Customer Response Capability	Resilience	The Company established GHG inventory systems, energy data management, and ESG questionnaire response mechanisms to enhance responsiveness to customer ESG requirements and supplier evaluations.	High	Customer retention, strengthened trust, reduced order acquisition barriers	Major customers increasingly incorporated carbon data disclosure and ESG performance into supplier evaluation. The Company's capability in carbon data management improved customer trust and cooperation stability; however, the impact was mainly reflected in qualification maintenance and communication efficiency rather than	The Company enhanced carbon data management systems, improved ESG response processes, and strengthened cross-functional coordination across sales, R&D, QA, and supply chain functions.

					directly quantifiable revenue effects.	
Paperless and Digital Process Optimization	Products & Services / Resource Efficiency	BPM electronic approval workflows, online repair systems, and digital cross-site operations reduced paper usage and improved process efficiency and transparency.	Medium –High	Reduced operating expenses, improved administrative efficiency, lower process management costs	Digital transformation improved documentation traceability, shortened approval cycles, and enhanced cross-site collaboration efficiency. However, cost savings were not separately quantified.	The Company continued promoting BPM systems, process digitization, and workflow standardization to reduce paper dependency and improve operational efficiency and governance quality.
Climate Adaptation and Flexible Work Model	Resilience	Remote work, distributed collaboration, and IT security mechanisms were implemented to maintain operational continuity during extreme weather events such as typhoons and heavy rainfall.	Medium –High	Reduced operational disruption risk, maintained R&D and service continuity	Extreme weather conditions could impact commuting, operations, and customer support. Flexible work arrangements reduced disruption risk and ensured continuity of key functions, but avoided-loss financial impacts were not separately quantified.	The Company strengthened remote work infrastructure, secure access systems, and communication backup mechanisms, and activated flexible arrangements during extreme weather conditions to ensure business continuity.
Green and Healthy Workplace Development	Resource Efficiency / Resilience	Occupational safety, health promotion, workplace improvement, and employee engagement initiatives enhanced workforce stability and organizational resilience.	Medium –High	Reduced turnover cost, lower recruitment and training costs, improved organizational stability	Workplace safety and employee well-being improved retention and reduced occupational risk exposure. Financial benefits were reflected in turnover, absenteeism, and productivity indicators, but were not fully quantified in a cost-saving model.	The Company continued strengthening occupational safety and health management systems, employee engagement programs, training initiatives, and workplace improvement measures to enhance organizational resilience.

Greenhouse Gas Emissions Management

Although Favite, Inc. is primarily engaged in the R&D, system integration, equipment sales, and technical services of automated optical inspection (AOI) systems and is not classified as a high-carbon or energy-intensive manufacturing industry, the Company has proactively established a greenhouse gas (GHG) inventory and management mechanism. This serves as a foundation for future energy efficiency improvement, operational optimization, and responses to customer requirements for low-carbon supply chains.

In 2025, Favite, Inc. completed its annual organization-level GHG inventory in accordance with ISO 14064-1:2018. The inventory boundary covered the Zhubei Headquarters, Taichung Office, and Tainan Office, with operational control as the basis for organizational boundary definition. Through this annual inventory process, the Company further identified energy consumption

patterns, direct emissions, and other indirect emissions across its operating sites. The results were used as a key basis for energy management, emission hotspot analysis, and the formulation of decarbonization strategies.

Greenhouse Gas Inventory Methodology

Item	2025 Description
Inventory Standard	Conducted in accordance with ISO 14064-1:2018 Greenhouse Gas Quantification and Reporting Standard.
Organizational Boundary	Defined based on operational control approach.
Inventory Scope	Covered Favite, Inc. Headquarters, Taichung Office, and Tainan Office.
GHG Categories	Included the seven greenhouse gases defined under ISO 14064-1:2018: 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).
Calculation Method	- Primarily based on the emission factor approach: Activity data × Emission factor × Global Warming Potential (GWP) = CO₂e - Emissions sources include direct emissions and indirect emissions (e.g., purchased electricity) with traceable data sources. - Calculation references Environmental Protection Administration (EPA) greenhouse gas inventory reporting platform methodologies and emission factors under the "GHG Emission Factor Management Guidelines." GWP values are applied based on the selected database version to convert all GHGs into CO₂e. Unit: metric tons per year (tCO₂e/year).
Base Year	2024 is used as the base year for future emissions tracking and performance comparison.
Assurance Status	Scope 1 and Scope 2: Reasonable assurance level. Scope 3-6: Limited assurance level. External assurance provider: AFNOR Asia Ltd.

Current Status and Risk Analysis of Greenhouse Gas Emissions

The Company completed its latest organization-level greenhouse gas (GHG) inventory in accordance with ISO 14064-1:2018, in order to further understand its actual emissions profile and identify potential climate-related risks.

TCFD Risk Category	Potential Risk Scenario and Impact Description	Financial Implications and Potential Challenges	Climate Risk Management and Response Measures
Policy and Regulatory Risk (Strengthened Compliance Requirements)	In alignment with the Financial Supervisory Commission (FSC) Sustainable Development Roadmap and IFRS S2 requirements, GHG inventory and assurance obligations for listed companies are gradually expanding. Although the Company is not directly subject to carbon fee regulations under the Climate Change Response Act, it remains exposed to indirect carbon pricing effects through its supply chain.	- Ongoing budget allocation is required for carbon accounting systems, consulting services, and third-party assurance costs. - Exposure to indirect carbon cost pass-through from upstream suppliers and electricity pricing.	- Early adoption of ISO 14064-1 organizational GHG inventory with internal audit validation of data quality. - Continuous monitoring of domestic and international carbon pricing policies and incorporation of potential carbon costs into long-term financial planning.

TCFD Risk Category	Potential Risk Scenario and Impact Description	Financial Implications and Potential Challenges	Climate Risk Management and Response Measures
Market and Reputational Risk (Supply Chain Decarbonization Pressure)	International customers and key partners are strengthening Scope 3 emissions management to achieve net-zero commitments, requiring suppliers to disclose emissions data, carbon footprints, or participate in initiatives such as CDP.	Insufficient transparency or weak decarbonization performance may result in lower supplier evaluation scores, potential loss of key customer contracts, or reduced access to international projects.	1. Established a cross-functional sustainability team to respond to ESG and carbon disclosure requirements from global customers. 2. Integrated low-power and high-efficiency “green design” principles into R&D processes to enhance competitiveness.
Market and Technological Risk (Structural Increase in Energy Prices)	Driven by global energy transition and domestic electricity tariff adjustments, combined with increasing demand for renewable energy procurement (green electricity), overall energy costs and green premiums are expected to rise.	Operations and EDA R&D server infrastructure are highly dependent on grid electricity; structural electricity price increases may directly raise energy expenses and potentially compress long-term profitability.	1. Gradual replacement of high-energy-consuming HVAC systems and legacy IT servers to improve energy efficiency. 2. Implementation of office energy-saving practices and evaluation of Renewable Energy Certificate (T-REC) procurement based on operational needs.

Greenhouse Gas Emission Sources

Favite, Inc. operates primarily in R&D, office-based activities, equipment testing, system integration, and customer services. As a result, direct emissions are relatively limited. In 2025, the primary source of emissions remained purchased electricity, covering energy consumption from lighting, air conditioning, IT equipment, testing environments, and general operations. Direct emissions mainly originated from fuel consumption of company-controlled vehicles, as well as refrigerant leakage from office equipment and air-conditioning systems.

Category	Major Emission Sources	2025 Applicability
Scope 1 / Category 1: Direct GHG Emissions	Direct emissions from company-controlled fuel consumption and refrigerant leakage.	Included in the GHG inventory.
Scope 2 / Category 2: Indirect Energy Emissions	Purchased electricity, including office buildings, IT equipment, testing environments, and common areas.	Included in the GHG inventory and represents the primary emission source.
Scope 3 (Categories 3–6): Other Indirect Emissions	Transportation, purchased goods and services, capital goods, and other value chain activities.	Gradually included in accordance with inventory and assurance boundaries; Category 4 emissions were disclosed in 2025.

Annual Greenhouse Gas Inventory Results

In 2025, Favite, Inc. reported total Scope 1 and Scope 2 greenhouse gas emissions of 632.2569 tCO₂e, representing a decrease compared to 703.3937 tCO₂e in 2024. The reduction was primarily attributable to lower indirect energy emissions. Scope 2 emissions amounted to 557.7744 tCO₂e in

2025, remaining the Company's primary emission source. This indicates that purchased electricity continues to be the key focus area for future decarbonization and energy efficiency improvement initiatives.

Inventory Scope	2024 Emissions	2025 Emissions	2025 Management Approach
Scope 1 (Category 1): Direct Emissions	68.8606 tCO ₂ e	74.4825 tCO ₂ e	Direct emissions remain relatively limited, mainly from fuel consumption and refrigerant leakage. The Company will continue to reduce emissions through equipment maintenance and operational management.
Scope 2 (Category 2): Indirect Energy Emissions	634.5331 tCO ₂ e	557.7744 tCO ₂ e	Purchased electricity is the primary emission source. The 2025 reduction reflects initial improvements in electricity consumption management.
Scope 1 + Scope 2 Total	703.3937 tCO ₂ e	632.2569 tCO ₂ e	Total emissions decreased by approximately 10.1% year-over-year. Future mitigation efforts will focus on office energy saving, equipment efficiency, and electricity management.
Emission Intensity	1.05 tCO ₂ e / NT\$ million	1.37 tCO ₂ e / NT\$ million	Despite a reduction in absolute emissions, intensity was affected by changes in revenue scale and operational structure. The Company will continue to monitor both operational efficiency and carbon efficiency.
Scope 3 (Categories 3–6) Indirect Emissions	671.6835 tCO ₂ e	2045.5659 tCO ₂ e	The increase reflects improved data completeness and expanded coverage of value chain activities. The Company will further refine emission source categorization to enhance year-over-year comparability.

Note: The data above were calculated in accordance with the ISO 14064-1 organizational GHG inventory standard. Scope 2 emissions were converted using the latest annual electricity emission factor published by the Ministry of Environment and Taiwan Power Company.

Favite, Inc. identified purchased electricity as its dominant emission source. Accordingly, energy efficiency improvement and electricity management have been prioritized as key decarbonization strategies. Through continuous GHG inventory processes, data transparency, and energy-saving initiatives, the Company aims to progressively reduce its operational carbon risk. In addition, the Company's high-precision, automated, and intelligent inspection technologies support customers in improving yield efficiency and reducing rework and resource waste, thereby extending its role in enabling low-carbon transformation across the value chain rather than limiting carbon management to internal operations alone.

2-1.4 Indicators and Targets

Favite, Inc. refers to the IFRS S2 Climate-related Disclosures framework and identifies greenhouse gas emissions, energy efficiency, climate risk management, ESG data responsiveness, and information transparency as key indicators for climate management. In 2025, the Company completed its annual organization-level greenhouse gas inventory,

covering the headquarters, Taichung Office, and Tainan Office. The inventory was conducted in accordance with ISO 14064-1:2018 and serves as the foundation for subsequent decarbonization management, emission hotspot analysis, and climate performance tracking. Considering current operational feasibility, the Company's management focus is placed on fundamental areas, including electricity consumption data management, emissions data consolidation, cross-functional risk awareness enhancement, external ESG response capability, and clarity of information disclosure. Moving forward, the Company will gradually expand the scope of indicators and data completeness in line with regulatory developments and stakeholder expectations. While maintaining operational feasibility and avoiding excessive administrative burden, the Company will continue to strengthen its climate management system and build a solid foundation for long-term carbon management and disclosure practices.

Management Aspect	2025 Targets	2025 Implementation and Review	2026 New Targets
Carbon Emissions Management	Complete annual greenhouse gas (GHG) inventory and establish a continuously trackable carbon emissions database.	The Company completed its annual GHG inventory in accordance with ISO 14064-1:2018 and engaged a third-party organization for external verification. Total Scope 1 and Scope 2 emissions decreased compared to 2024, indicating initial effectiveness in overall emissions management.	Continue annual GHG inventory and external verification, using the 2025 results as the foundation for subsequent decarbonization management, with priority given to energy-saving initiatives related to purchased electricity.
Electricity Efficiency	Establish electricity consumption records and energy-saving management practices to gradually reduce unit electricity consumption.	Inventory results showed that purchased electricity remained the primary emission source. Future energy-saving priorities should focus on office air conditioning systems, lighting, IT equipment, and testing environments.	Establish electricity consumption tracking mechanisms for key operating sites and adopt indicators such as electricity consumption per square meter or per unit of revenue to drive efficiency improvements.
Climate Risk Management	Establish a basic framework for climate risk identification and response.	The Company incorporated climate risks into governance, strategy, risk management, and metrics and targets disclosure in accordance with the IFRS S2 / TCFD framework, focusing on carbon regulations, energy price fluctuations, customer low-carbon supply chain requirements, and extreme weather impacts.	Expand climate risk assessment coverage to major operating sites and relevant departments, and further strengthen risk classification, response measures, and monitoring mechanisms.
ESG Responsiveness	Establish ESG customer questionnaire and data response procedures.	The Company improved the credibility of carbon-related information through GHG inventory and third-party verification, enhancing its ability to respond to customer requirements regarding carbon emissions and low-carbon supply chains.	Maintain ESG and carbon information response mechanisms for customers, strengthen supporting documentation management, and improve consistency, timeliness, and traceability of responses.
Data Transparency	Establish templates for sustainability and carbon data as well as supporting	The Company completed GHG data consolidation and third-party verification, improving data transparency compared to prior periods; however, Scope 3 emissions sources still require further refinement.	Improve supporting documentation lists for GHG, energy, water resources, waste, and supply chain environmental data, and gradually enhance the completeness of sustainability disclosures.

Management Aspect	2025 Targets	2025 Implementation and Review	2026 New Targets
	documentation lists.		
Other Indirect Emissions Management	Gradually assess the feasibility of Scope 3 data collection.	Scope 3 other indirect emissions were disclosed; however, the significant increase requires further clarification of major sources and variation drivers.	Identify major Scope 3 emission sources and establish data collection mechanisms for suppliers and purchased goods and services as a foundation for supply chain carbon management.

The Company continues to monitor the potential impacts of climate change on its operations and is gradually implementing foundational climate-related management practices within the constraints of available resources. As the Company is still in the early stage of system development, it has not yet established overly ambitious or highly quantitative targets. Instead, the current focus is placed on electricity management, carbon data tracking, risk identification, and disclosure readiness. Going forward, the Company will adjust its initiatives and management priorities in response to customer requirements, regulatory developments, and internal implementation capacity. On the basis of feasibility, the Company aims to steadily advance its carbon management practices and sustainable operations objectives in a structured and pragmatic manner.

2-2 Energy and Environmental Management

The operational profile of Favite, Inc. is primarily focused on R&D design and technical services. Although the Company is not classified as an energy-intensive manufacturing enterprise, environmental responsibility remains a core principle of its sustainable operations. The Company has established management systems for energy, water resources, and waste to enhance resource efficiency. In 2025, the Company continued to address environmental management from daily operational perspectives by implementing greenhouse gas (GHG) inventory and energy-saving initiatives, integrating environmental awareness into its management systems and employee practices. This section presents Favite, Inc.'s 2025 practices and performance in energy management, water resource management, and waste management, demonstrating its pragmatic approach toward green operations.

2-2.1 Energy Management

Energy consumption is the primary source of environmental impact and greenhouse gas emissions for Favite, Inc. In 2025, the Company's major energy use derived from purchased electricity,

covering office lighting, air-conditioning systems, IT equipment, servers, equipment testing environments, and common areas. Direct energy use, primarily from fuel consumption of company vehicles and minor equipment-related emissions, accounted for a relatively small proportion. To monitor energy consumption and carbon emission trends, Favite, Inc. consolidates electricity usage and direct emission data through its annual GHG inventory process. The results are used as a basis for energy efficiency improvement, emission hotspot analysis, and subsequent target setting. In 2025, Scope 2 emissions from purchased electricity remained the Company's major emission source, indicating that electricity management continues to be a key focus area for future energy conservation and carbon reduction initiatives.

Annual Energy Usage Overview

Item	2023	2024	2025
Total GHG Emissions (Scope 1, 2 & 3)	1461.711 tCO ₂ e	1375.077 tCO ₂ e	2677.8228 tCO ₂ e
Major Emission Sources	Electricity consumption (Scope 2) accounts for the largest proportion, primarily from production equipment, lighting, and air-conditioning systems	Electricity consumption (Scope 2) accounts for the largest proportion, primarily from production equipment, lighting, and air-conditioning systems	Electricity consumption (Scope 2) accounts for the largest proportion, primarily from production equipment, lighting, and air-conditioning systems
Emissions Intensity	3.3CO ₂ e / NT\$ million	2.1 tCO ₂ e / NT\$ million	5.8 tCO ₂ e / NT\$ million

Note: Emissions intensity is calculated as total greenhouse gas emissions divided by revenue.

Energy Efficiency Management Practices

In 2025, Favite, Inc. continued to focus on “daily electricity management, equipment efficiency improvement, and employee energy-saving awareness” as its key energy management priorities, and implemented practical energy-saving measures with immediate effectiveness. While a comprehensive energy management system has not yet been fully deployed, the Company has progressively enhanced energy efficiency through electricity consumption tracking, equipment usage review, and departmental behavior management.

Management Area	2025 Implementation Practices
Air-conditioning and Equipment Electricity Management	Office areas are operated with zone-based activation and time-based control according to actual usage needs to avoid unnecessary continuous operation. Equipment testing areas manage electricity consumption in accordance with actual testing schedules.
Lighting Energy Saving	The Company continues to promote LED lighting adoption and reduces unnecessary lighting consumption through natural lighting utilization, zoned lighting control, and “switch-off when not in use” awareness campaigns.

Management Area	2025 Implementation Practices
IT Equipment Management	Office equipment is selected with priority on energy efficiency. Computers, monitors, printers, and meeting equipment are encouraged to be powered off or switched to energy-saving mode during non-use periods.
Digital Process Optimization	The Company continues to promote electronic workflows and online processes to reduce paper printing, copier usage, and associated energy consumption.
Server Room and Backup Power Management	Stable operation of servers, UPS systems, and ventilation/heat dissipation equipment is maintained, with periodic inspections conducted to minimize energy waste caused by equipment abnormalities.

Employee Engagement and Behavioral Guidance

In addition to improvements in equipment and systems, effective energy management also relies on the collective participation of all employees in daily operations. In 2025, Favite, Inc. continued to promote internal communication and on-site reminders to encourage energy-saving behaviors.

These included powering off computers and air-conditioning systems before leaving work, switching off lights after meetings, minimizing unnecessary printing, using energy-saving modes for display screens, and proactively reporting abnormal energy consumption or equipment malfunctions.

The Company has also installed energy-saving reminders in common areas such as offices, pantries, and printing zones, integrating energy conservation awareness into the working environment and gradually enhancing employees' understanding of the relationship between energy use and carbon emissions.

Key initiatives currently implemented include:

Daily energy-saving reminders: Encouraging employees to power off computers and air-conditioning systems before leaving work, switch off lights immediately after meetings, and enable energy-saving display modes.

Visual cues and signage: Posting simple energy-saving notices in areas such as pantries and printing rooms to strengthen visual awareness and behavioral reinforcement.

Feedback and improvement participation: Encouraging employees to propose energy-saving ideas, which are regularly consolidated through suggestion channels or departmental supervisors.

Performance Achievements and Future Goals

In 2025, Favite, Inc. completed its annual organizational greenhouse gas (GHG) inventory and engaged AFNOR Asia Ltd. as an independent third-party assurance provider. Scope 1 and Scope 2 emissions were assured at a reasonable level, while other indirect emissions (Scope 3) were assured at a limited level, thereby enhancing the credibility of energy and carbon emissions data.

Overall, Scope 1 and Scope 2 combined emissions in 2025 decreased compared to the previous year, indicating initial effectiveness in managing indirect energy-related emissions. However, purchased electricity remains the Company's primary emission source, and emissions intensity increased due to changes in revenue scale, highlighting the continued need to strengthen electricity efficiency, data tracking, and energy-saving initiatives.

In 2026, Favite, Inc. will continue to review its energy management strategy based on annual GHG inventory results, with priority focused on the following three areas:

1. Improving the completeness of electricity consumption data across all operating sites;
2. Implementing energy-saving improvements for air-conditioning systems, lighting, IT equipment, and testing environments;
3. Establishing more defined energy efficiency indicators, such as electricity consumption per floor area, electricity intensity per revenue unit, and electricity consumption trends at key sites, to further strengthen the energy management system.

Through integrated efforts in data tracking, equipment improvement, and employee engagement, the Company will continue to reduce carbon emissions associated with energy use and steadily advance its low-carbon operational objectives.

2-2.2 Water Resource Management

The Company's water supply is sourced primarily from the municipal water system. None of its operating sites use groundwater, and no alternative backup water sources are currently utilized. In 2025, total water consumption amounted to 6,478 m³, representing an increase of 1,261 m³ (approximately 24.17%) compared with 5,217 m³ in 2024. The increase was primarily attributable to higher water consumption at the Zhubei headquarters, which was associated with expanded business operations, increased order volume, greater office activities, and higher equipment operating demand. By contrast, water consumption at the Taichung and Tainan offices declined or remained relatively stable, indicating that water usage at each location continued to be influenced by operational activities, facility utilization, and workforce allocation.

The Company's current water resource management priorities include reviewing water allocation following the relocation of the Taihe facility, repairing water pipelines at the Huanbei facility, optimizing cooling tower operations, and promoting water conservation in daily operations. Moving forward, without compromising operational efficiency or equipment reliability, the Company will

continue to implement water conservation initiatives and gradually evaluate the introduction of water consumption monitoring and data recording mechanisms across its operating sites. These efforts will strengthen water-use traceability, improve the identification of abnormal water consumption, and establish a more robust management foundation to enhance water-use efficiency and support future external disclosures.

Year / Location	Zhubei Headquarters	Taichung Office	Tainan Office	Total Water Consumption (m ³)
2023	4,410	112	175	4,697
2024	4,898	116	203	5,217
2025	6,245	42	191	6,478

Note: Unit: cubic meters (m³). Based on municipal water billing, 1 unit of water is approximately equivalent to 1 cubic meter (m³).

Water Resource Management Measures

The Company's water demand is mainly concentrated in basic sanitary facilities, cleaning operations, and partial auxiliary cooling use in production processes. The Company does not have self-owned wells or high-intensity industrial water sources. To reduce unnecessary water consumption in daily operations, the Company has gradually conducted practical water-use assessments since 2023 and has promoted water-use behavior management and water-saving awareness through employee initiatives and on-site inspections. At the current stage, water-saving practices mainly include leakage repair, cooling tower efficiency improvement, and guidance on usage habits. In the future, the Company will evaluate whether to establish regional water consumption recording or basic monitoring mechanisms as a preliminary preparation for long-term water-saving management and data disclosure.

Recommendations for Water Resource Management Measures

Management Aspects	Implementation Measures
Basic Water Use Behavior Management	■ Posting water-saving reminders in restrooms and pantries (e.g., “turn off water after use,” “report leakage immediately”) ■ Encouraging employees to use sensor-based faucets and reduce unnecessary water running time ■ Cleaning staff implementing fixed-quantity cleaning and avoiding continuous water flow
Application of Non-Contact Water-Saving Equipment	■ Installation of press-type faucets in washbasins ■ Installation of pressure-reducing valves in pantries and public restrooms, and further evaluation of air-atomizing water-saving devices ■ Gradual replacement of toilets with dual-flush water-saving systems
Facility Maintenance and Inspection	■ Regular inspection of water pipes, valves, and equipment in restrooms and pantries ■ Prevention of leakage and delayed maintenance of aging equipment that leads to water loss ■ Evaluation of water-intensive facilities such as cooling towers and washing equipment for potential water-saving upgrades
Water Usage Data Recording and Monitoring	■ Monthly recording of total water consumption and establishing a basic usage tracking log ■ Comparing year-on-year and month-on-month water usage trends as a basis for behavioral improvement ■ Evaluating the establishment of simple sub-metering for key areas (e.g., pantry areas and restrooms)
Employee Participation and Cultural Advocacy	■ Issuing internal ESG e-newsletters promoting low-carbon lifestyles and reduction of disposable consumables ■ Sharing water-saving knowledge and awareness through internal monthly meetings and ESG communication groups ■ Establishing departmental water-saving rankings or incentive programs to enhance participation motivation

Employee Engagement and Awareness Enhancement

The Company considers that employee daily usage habits are also an important factor in the effectiveness of water resource management. Through site observation and daily initiatives, the Company continues to promote water-saving awareness and behavioral improvement internally. Key practices include:

Visual reminders and on-site notices: Water-saving reminders and simple leakage reporting guidance are placed in pantries, restrooms, and public areas to reduce visual fatigue and improve proactive reporting rates.

Promotion of simple behavioral changes: Such as turning off water taps, shortening water usage time, and reducing unnecessary cleaning frequency, so that water conservation can be implemented through details.

Encouragement of self-brought and waste reduction actions: Promoting the habit of bringing personal water bottles, indirectly reducing the use of paper cups and water consumption from drinking facilities.

Collection of suggestions and feedback: The Company is currently considering integrating an ESG suggestion box mechanism to encourage employees to provide water-saving observations and improvement suggestions as a reference for future optimization.

Future Planning and Operational Integration

Currently, the Company has not yet implemented a comprehensive smart water resource management system, but it has paid attention to practical approaches to water management in office and facility environments domestically and internationally. In the future, the Company will gradually evaluate feasible implementation pathways based on operational conditions and site characteristics. Planned directions include:

Basic water consumption recording and trend monitoring: Prioritizing evaluation of main meter water usage and simple sub-area flow recording methods as a basis for anomaly detection and behavioral guidance.

Feasibility study of cooling water or cleaning water recycling and reuse: Conducting inventory of existing equipment and water pipeline configurations to identify possible improvement areas.

Preliminary wastewater discharge quality review: Conducting an inventory of non-production wastewater discharge points and confirming compliance conditions.

Water management indicator design: Gradually developing tracking indicators such as annual water consumption change rate and per capita water intensity, and incorporating them into environmental performance evaluation mechanisms.

2-2.3 Waste Reduction and Resource Circulation

In response to limited resources, the development of the circular economy, and increasing stakeholder expectations regarding environmental management transparency, the Company's business model is not characterized by the generation of large quantities of process waste. Waste is primarily generated from office activities, equipment testing, warehouse packaging, logistics shipments, and general administrative operations.

In 2025, Favite, Inc. continued to strengthen waste classification, recycling and reuse, and waste disposal tracking management. Through office recycling programs, reuse of packaging materials, digitalized processes, centralized consumables management, and cooperation with qualified waste disposal contractors, the Company reduced the generation of general waste and improved resource recycling efficiency. The Company has also gradually improved its waste data collection methods to enhance the completeness and traceability of future waste-related disclosures.

Waste Classification Management Measures

At present, the Company has established waste classification guidelines for office areas and general facility waste and has engaged qualified waste disposal contractors for subsequent treatment. For certain special resources, such as electronic equipment and packaging materials, preliminary inventories and recycling feasibility assessments have also been initiated. The Company will continue to refine classification categories and information recording practices based on the nature of waste generated and applicable treatment requirements.

To improve waste management transparency and completeness, the Company has implemented the following classification management practices according to different 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

As the Company's operations primarily focus on equipment design and system integration, waste generation is relatively limited. Nevertheless, the Company has implemented the following waste reduction initiatives in its daily operations as an initial practice to improve resource-use efficiency:

Management Aspect	2025 Implementation Measures
Reuse of Packaging Materials	Reusable cartons, foam materials, cushioning materials, and packaging materials are collected and reused for sample delivery, temporary storage of parts, and product shipment packaging to reduce the consumption of single-use packaging materials.
Test Materials and Consumables Management	Engineers and testing personnel verify specifications and parameters prior to testing to reduce repeated testing and consumable disposal. Reusable cables, connectors, and mechanical components are prioritized for reuse.
Classification of Discarded Components	Metal parts, plastic parts, cartons, and reusable materials are separately collected in warehouses and testing areas to prevent recyclable resources from being mixed with general waste.
Packaging Improvement with Suppliers	The Company communicates with suppliers to reduce excessive packaging and prioritizes the use of recyclable, returnable, or reusable packaging materials.
Paper Reduction and Digitalization	The Company continues to promote electronic approval systems, online document circulation, digital meeting materials, and digital internal forms to reduce paper consumption and printing-related materials.
Reduction of Single-Use Items	Employees are encouraged to bring their own water bottles, tableware, and stationery. The use of paper cups, bottled water, and disposable supplies in meetings and public areas is reduced.
Centralized Management of Office Supplies	Stationery, spare supplies, and consumables are centrally requested and distributed to reduce duplicate purchases and idle waste.

Internal Administrative Waste Reduction Culture

Since 2023, Favite, Inc. has progressively promoted internal waste reduction initiatives by focusing on daily administrative processes and workplace practices to enhance employees' awareness of responsible resource use. Although the Company does not generate significant volumes of manufacturing waste, office operations still involve the consumption of paper, office supplies, food packaging, and meeting-related materials. Accordingly, the Company has gradually fostered a resource conservation culture through practical and feasible measures.

Annual Waste Statistics

Year	Facility	Total Waste Generated (t)	Recyclable Waste Collected (t)	Hazardous Waste (t)	General Waste (t)	Recycled Metal Waste (t)	Recycling Rate (%)
2023	Zhubei Headquarters	17.818	1.195	0	16.59	0.033	6.9%
2024	Zhubei Headquarters	21.929	3.826	0	18.103	0.185	18.3%
2025	Zhubei Headquarters	40.329	5.884	0	34.255	0.19	15.1%
	Taichung Office	0.265	0	0	1.799	0	0%
	Tainan Office	2.948	0	0	19.599	0	0%

Note: The recycling rate is recommended to be calculated as:

$(\text{Recyclables Recovered} + \text{Recycled Metal Scrap}) \div \text{Total Waste Generated} \times 100\%$.

If recycled metal scrap is already included in recyclables recovered, double counting should be avoided.

Building upon its existing waste classification and recycling management framework, the Company continued promoting paper reduction, packaging reuse, centralized consumables management, and recyclable waste segregation. The Company also continued requiring all waste disposal and recycling activities to comply with applicable regulations and engaged qualified waste disposal and recycling service providers as its primary partners to minimize the risk of improper disposal or untraceable waste flows. Current management practices include:

Management Item	Implementation Target
Legal Waste Collection and Disposal	Maintain a 100% compliance rate for outsourced waste collection, disposal, and recycling service providers.
Hazardous Waste Management	Ensure that any hazardous waste generated is 100% properly classified, stored, reported, and disposed of in accordance with regulatory requirements.
Data Integrity	Establish waste tracking records for the Zhubei Headquarters, Taichung Office, and Tainan Office.
Recycling Rate	Gradually improve the recycling rate based on 2025 performance and prioritize reducing the disposal of recyclable materials as general waste.
Packaging Reuse	Continue promoting the reuse of cartons, foam materials, cushioning materials, and pallets, while working with suppliers to reduce packaging materials.
Administrative Waste Reduction	Continue promoting digital workflows, paperless meetings, and the reduction of single-use items.

Overall, the Company's waste management practices have evolved from basic waste segregation and compliant disposal toward data-driven monitoring and resource circularity. Going forward, the Company will continue advancing waste management beyond the question of whether waste is properly handled to focus on how waste generation can be reduced, how recycling rates can be improved, and how waste flows can be more effectively tracked, thereby strengthening transparent and verifiable environmental management practices.

Chapter 3: Co-Creating Sustainability Together

3-1 Value Chain and Sustainable Supply Chain Management

Corporate sustainability extends beyond internal operations and must encompass the entire value chain associated with products and services. As a provider of Automated Optical Inspection (AOI) equipment, AI-powered inspection platforms, and high-precision metrology solutions, Favite, Inc. serves as an integrated midstream participant within the precision equipment industry value chain. Upstream, the Company collaborates with suppliers of optical components, mechanical parts, electronic control modules, information technology equipment, software services, and outsourced processing services. Downstream, the Company serves customers in high-tech manufacturing industries, including display panels, semiconductor and packaging/testing, PCB/IC substrates, and Micro LED/Micro OLED applications.

Value Chain Stage	Key Participants
Upstream Suppliers	Suppliers of optical components, lenses, lighting systems, machined mechanical parts, electronic control modules, industrial computers, servers, testing fixtures, packaging materials, logistics services, and external information services.
Core Operations	Favite, Inc.' s R&D and design activities, AI algorithms, optical/mechanical/electronic/software integration, equipment testing, quality management, customer project management, and after-sales services.
Downstream Customer Applications	High-tech manufacturing customers in display panels, semiconductor and packaging/testing, PCB/IC substrates, and Micro LED/Micro OLED industries.
After-Sales and Service	Equipment installation, maintenance services, software upgrades, troubleshooting, spare parts supply, and technical support services.

In 2025, Favite, Inc. continued to focus its supply chain management efforts on the principles of responsible procurement, risk diversification, local collaboration, and sustainable partnership development. In addition to maintaining existing supplier evaluation mechanisms covering quality, delivery performance, and cooperation effectiveness, the Company gradually incorporated environmental protection, labor and human rights, occupational health and safety, business integrity, information security, and privacy protection considerations into supplier management practices. Through systematic supplier evaluations, identification of critical suppliers, diversification of supply sources, and sustainability commitment requirements, the Company seeks to work

collaboratively with supply chain partners to reduce operational risks and strengthen the overall resilience of the value chain.

3-1.1 Sustainable Supply Chain Management

Favite, Inc. continues to promote responsible supplier management and incorporates the environmental, social, and operational impacts of procurement activities into its management considerations. In addition to quality, pricing, delivery performance, and supplier cooperation, the Company is gradually expanding its focus to include suppliers' sustainability performance. In 2025, the Company continued strengthening supply chain responsibility management through supplier evaluations, contractual requirements, confidentiality agreements, critical supplier identification, and routine communication mechanisms.

Core Sustainable Supply Chain Strategies

The Company's current supply chain strategy focuses on the following key areas:

Strategic Area	Management Approach
Localized Supply Chain Development	Prioritize collaboration with suppliers in Taiwan and the Asia-Pacific region that demonstrate stable delivery performance, technical support capabilities, and maintenance service capacity, thereby reducing transportation, customs clearance, and geopolitical risks.
Supply Chain Risk Diversification	Promote dual-sourcing and diversified procurement strategies for critical components, technical modules, and long lead-time materials to reduce dependence on single-source suppliers.
Sustainable Supplier Management	Gradually incorporate environmental protection, labor and human rights, occupational health and safety, business integrity, information security, and privacy protection into supplier management requirements to establish a foundation for sustainable collaboration.
Quality and Delivery Reliability	Conduct annual supplier evaluations to continuously monitor quality performance, delivery reliability, and supplier cooperation as the basis for procurement decisions and subsequent improvement initiatives.
Collaborative Growth and Improvement	Strengthen long-term partnerships with frequently engaged or strategically important suppliers through regular communication, quality reviews, and improvement tracking activities.

Supply Chain Resilience and Diversified Procurement

To reduce the potential impact of single-source procurement and external disruptions on business operations, Favite, Inc. continues to implement dual-sourcing and diversified procurement strategies. The Company evaluates supply risks associated with critical components and services based on factors such as material criticality, supplier substitutability, delivery lead times, quality stability, and technical support capabilities. Where feasible, alternative sources of supply are established to enhance supply chain resilience.

In 2025, the Company continued to build upon the supply chain risk diversification framework established in previous years by reviewing the supply stability of highly critical materials and long-term supplier partnerships. Through dual-sourcing arrangements, the Company can maintain

flexibility in the supply of critical materials in the event of quality issues, delivery delays, or force majeure events affecting primary suppliers. Diversified procurement also helps expand the supplier network, strengthen cost negotiation capabilities, and increase flexibility in managing supply chain risks.

Indicator	2024	2025
Dual-Sourcing Procurement Ratio	44.8%	32.93%
Diversified Procurement Ratio	41.2%	60.18%
Identification of Alternative Sources for Critical Materials	Initial management framework established	Initial management framework further developed and gradually implemented

3-1.3 Local Procurement

The Company continues to promote local procurement and domestic supplier collaboration, prioritizing partnerships with suppliers capable of providing local delivery, processing, assembly, testing, or maintenance support. By increasing the proportion of domestic sourcing, the Company is able to shorten communication and lead times, enhance flexibility in design changes, and reduce risks associated with long-distance transportation, foreign exchange fluctuations, and cross-border logistics disruptions.

Annual Local Procurement Ratio

Year	Annual Local Procurement Ratio
2023	46.1%
2024	53.6%
2025	38.44%

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.

In 2025, the proportion of shipments for new-generation industrial equipment increased. Due to higher requirements for precision levels, more components were sourced from overseas suppliers, resulting in a decrease in the local procurement ratio.

3-1.4 Identification and Tiering of Key Suppliers

Given the Company’s involvement in high-precision optical inspection, imaging systems, mechanical engineering, and integrated hardware-software solutions, certain components have low substitutability. Supply disruptions or quality issues may significantly impact delivery and customer satisfaction.

Key suppliers are identified based on:

Identification Criteria	Description
Procurement Amount and Cooperation Frequency	Suppliers with a high proportion of annual procurement value or those engaged in long-term and frequent cooperation.
Technical Substitutability	Suppliers providing components or services with high technical barriers, limited alternative sources, or original manufacturer authorization.
Quality Impact	Suppliers whose products or services directly affect equipment precision, stability, inspection efficiency, or customer delivery quality.
Delivery Sensitivity	Suppliers whose delays may result in project schedule disruptions or customer delivery risks.
Level of Information and Confidentiality Access	Partners involved in the exchange of company systems, technical data, customer information, or other sensitive information.
Sustainability Risks	Suppliers potentially exposed to environmental compliance, labor rights, occupational health and safety, business ethics, information security, or privacy-related risks.

Supplier Evaluation System

The Company continues to maintain a supplier grading system covering top 20 suppliers and key material suppliers, evaluating quality, delivery performance, cooperation, and ESG questionnaire results with weightings of 40%, 40%, 10%, and 10% respectively. Evaluation results serve as a basis for procurement decisions and supplier improvement programs.

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.

Annual Supplier Evaluation Results

The evaluation results for 2023 to 2025 indicate that all suppliers included in the assessment consistently achieved an “A-grade” standard, representing 100% of evaluated suppliers. This result

reflects the Company's stringent requirements for supplier selection and day-to-day communication management, while also demonstrating a high level of maturity and reliability among long-term partners in terms of supply stability and responsiveness.

3-1.5 Supplier Sustainability Assessment and Responsible Procurement Requirements

To respond to stakeholders' expectations regarding responsible supply chains, Favite, Inc. continued to advance the establishment of its supplier sustainability management system in 2025. ESG requirements are being progressively extended beyond traditional quality and delivery assessments to incorporate environmental, social, and governance dimensions. The Company has conducted preliminary evaluations and plans to launch pilot programs in the near future, targeting selected key suppliers to conduct ESG sustainability questionnaires, thereby gradually enhancing the effectiveness of sustainable supply chain management.

ESG Dimension	Supplier Management Requirements	2024	2025
Environment	Compliance with environmental regulations and reduction of pollution, waste, and resource consumption; suppliers with ISO 14001 or equivalent environmental management systems are encouraged.	Supplier awareness and communication conducted	Environmental compliance, packaging reduction, resource recycling, and energy conservation included in supplier sustainability self-assessment items
Labor and Human Rights	Compliance with local labor laws; prohibition of child labor, forced labor, and discrimination; respect for fundamental labor rights.	Supplier awareness and communication conducted	Supplier commitment statements or self-assessment forms implemented to establish basic human rights and labor condition requirements
Occupational Health and Safety	Provision of a safe working environment and compliance with occupational health and safety regulations to reduce operational risks.	For high-risk or on-site suppliers, gradually required submission of OHS management records or improvement reports	Same requirement maintained and further strengthened for high-risk or on-site suppliers
Ethical Conduct	Compliance with anti-corruption, anti-bribery, and conflict-of-interest standards to ensure transparency and fair competition.	Formal policy planned; suppliers expected to sign commitment documents	Integrity commitment statements promoted; violations of ethical conduct classified as major cooperation risks
Information Security	Suppliers accessing company systems, technical data, or customer information must comply with confidentiality and access control requirements.	Supplier awareness and communication conducted	Non-disclosure agreements signed with 11 key suppliers; supplier cybersecurity self-assessment mechanism under planning
Privacy Protection	For suppliers handling personal or sensitive data, data must be used, stored, and disposed of according to authorized scope.	Supplier awareness and communication conducted	Minimum access authorization and audit trail mechanisms implemented to reduce data leakage risks

Phased ESG Supplier Evaluation Plan

Time Horizon	Plan Content
Short-term (1–2 years)	Establish a basic sustainable supplier assessment mechanism and conduct pilot implementation starting with key suppliers. Define preliminary sustainability evaluation criteria. Conduct ESG baseline screening for key suppliers and require suppliers with established cooperation history to sign an Integrity Commitment Letter and a Corporate Social Responsibility Self-Assessment Form.
Medium-term (3–5 years)	Expand the scope of sustainability assessments to cover suppliers accounting for the top 60% of annual procurement value. Require non-compliant suppliers to improve identified gaps in environmental, labor, or governance areas. Integrate environmental, social, and governance criteria into supplier evaluation and initiate the development of a green procurement policy.
Long-term (5–10 years)	Fully implement sustainable supply chain management to ensure supplier compliance with international sustainability standards, and integrate sustainability monitoring into supply chain performance indicators. Establish a sustainable supply chain risk early-warning and alternative sourcing mechanism.

In 2025, the Company focused its supplier improvement management on three key priorities:

First, continuing the existing quality, delivery, and cooperation performance evaluation system to ensure supply stability;

Second, gradually introducing ESG self-assessment and commitment mechanisms for key suppliers;

Third, strengthening confidentiality agreements, access authorization controls, and cybersecurity risk communication for suppliers involving company information systems, sensitive technical data, or customer information.

Supplier ESG Improvement Initiatives

Given that most suppliers are small and medium-sized enterprises, their overall ESG management systems are still in the early stages of development. In general, Favite, Inc. is transitioning its supply chain management from traditional procurement practices toward a value chain approach that integrates quality stability, operational resilience, and sustainability responsibility.

Current implementation priorities include:

- Initial adoption of responsible business standards: Encourage suppliers to sign Integrity and Corporate Social Responsibility commitment letters to strengthen awareness and commitment to environmental and social compliance.
- Gradual capability building and record improvement: For suppliers with incomplete data or insufficient compliance records, provide communication and technical support to strengthen workplace management, operational documentation, and basic internal audit mechanisms.
- Establishment of basic tracking and improvement requirements: For suppliers with lower initial assessment results, define key improvement areas and reasonable improvement

timelines, and monitor progress through document submission, feedback reporting, or on-site review.

- Development of a progressive ESG evaluation system: Gradually expand ESG coverage based on annual cooperation status and risk levels, and progressively link improvement progress with continued cooperation conditions.

3-2 Customer Relationship Management

Management Approach	Material Topic: Customer Relationship Management
Policies and Commitments	Favite, Inc. has long been engaged in the field of Automated Optical Inspection (AOI). The Company recognizes that the stable operation of precision equipment is central to customers' production line competitiveness. Accordingly, the Company is committed to establishing a comprehensive customer support system, adopting a dual-track approach of proactive service and digital marketing to strengthen customer stickiness and ensure uninterrupted customer operations. 1. Existing Customers: Strengthening Technical Support and Operational Resilience For existing customers, the Company provides services and products that emphasize responsiveness and reliability to ensure optimal production line uptime. (1) Rapid Response Mechanism Favite, Inc. has established service locations in major global customer regions to provide mobile support services. During normal business operations, the Company ensures on-site arrival within 2 hours upon receiving a service request to minimize downtime losses. A 24/7 on-call mechanism has been established, ensuring dedicated personnel support during nighttime, weekends, and public holidays, with a commitment to arrive on-site within 4 hours. This "zero-latency" service model demonstrates the Company's commitment to customer operational continuity. (2) Strategic Spare Parts Inventory Management To mitigate supply chain fluctuations and reduce maintenance waiting time, the Company has established "safety stock and dedicated spare parts warehouses" at each service location. Through an accurate material forecasting system, core components and consumables can be supplied immediately, enabling one-stop replacement services and significantly improving maintenance efficiency. 2. Incremental Customers: Precision Marketing and Multi-Channel Expansion For potential market development, Favite, Inc. adopts a dual strategy combining digital transformation and physical engagement to build a complete customer lifecycle management system. (1) Market Intelligence and Potential Customer Development The marketing department organizes high-impact industry exhibitions and technical seminars to precisely reach decision-makers in the semiconductor and display industries. After exhibitions, structured documentation and follow-up mechanisms ensure timely engagement by the sales team to provide customized technical solutions. (2) Integrated Digital Communication Platforms The Company operates interactive official social media channels and a multilingual website, regularly publishing forward-looking product information and industry trends, and provides "real-time inquiry" forms. Through digital footprint analysis and email inquiry systems, all customer feedback is ensured to be accurately addressed by technical teams, reducing communication friction and enhancing brand digital influence.
Positive Impacts	The Company proactively addresses customer needs and pain points by providing effective solutions. Regular internal project review meetings and customer visits are conducted to verify resolution effectiveness, thereby strengthening customer relationship management, improving satisfaction and loyalty, enhancing word-of-mouth effects, and increasing sales revenue and market share.
Negative	Competitors in the market may disseminate inaccurate or misleading information, potentially causing

Management Approach	Material Topic: Customer Relationship Management
Impacts	existing or prospective customers to develop negative perceptions regarding product performance, technology direction, or service stability. This may increase customer retention difficulty and communication costs.
Remediation and Mitigation Measures	1. Establishment of evidence-based communication standards: For customer concerns, on-site testing and proof-of-concept validation are prioritized, with customer technical teams invited to participate directly to build trust based on empirical results. 2. Strengthening stakeholder trust: For key bids or strategic customers, direct communication channels between management teams are established to prevent distortion of information during transmission.
Targets	Short-term (by end of 2026):
	1. Establish a database of existing and potential customers, with at least 50 new potential customer leads added annually; send digital greeting cards and invitations during key holidays and exhibitions. 2. Establish a business service email system with a 24-hour response mechanism. 3. Establish official corporate social media platforms (Facebook, LinkedIn, YouTube, WeChat Official Account) and publish promotional content for key holidays, corporate events, and exhibitions. 4. Publish information on the Company's major awards and industry certifications via website and social media platforms to enhance brand image. 5. Maintain customer satisfaction at or above 90%.
	2025 performance
	1. All short-term targets achieved, with a 100% achievement rate. 2. Regular customer satisfaction surveys were conducted.
	Medium-term (by end of 2028):
	1. Re-purchase rate of key customers (accounting for more than 15% of cumulative sales) reaches over 80% (based on order acquisition). 2. Secure at least 8 equipment orders from semiconductor or advanced substrate manufacturing customers. 3. Maintain customer satisfaction above 90 points.
	Long-term (by end of 2031):
	1. Establish a comprehensive customer retention mechanism integrating historical data and development trajectories. 2. Maintain key customer re-purchase rate above 80% (based on order acquisition). 3. Revenue from semiconductor-related equipment accounts for 50% or more. 4. Maintain customer satisfaction above 95%.
Responsibility	Equipment Development Business Group – Sales Department After-sales Service – Customer Service Department
Resources	1. Sales department consists of Sales Division I (4 personnel), Division II (3 personnel), Division III (3 personnel), and Marketing Department (3 personnel), responsible for new customer development and existing customer relationship maintenance. 2. Dedicated personnel allocated in the Customer Service Department. 3. Marketing and entertainment budget exceeding NT\$4 million.
Evaluation Mechanism for the Effectiveness of Management Approach	1. Annual customer satisfaction survey with response rate $\geq 80\%$ and average satisfaction ≥ 85 points. 2. Participation in at least 3 major industry exhibitions annually. 3. On-call service mechanism during warranty period: response within ≤ 2 hours and on-site arrival within 4 hours, with 100% compliance rate. 4. Business inquiry email response within 48 hours with 100% compliance rate. 5. Social media platforms (Meta, LinkedIn, YouTube, WeChat): at least 12 updates per year and total views reaching 15,000.
Evaluation Results of the Management Approach	1. Annual customer satisfaction survey achieved 100% response rate, with a 2025 average satisfaction score of 96.4. 2. Participation in 4 major exhibitions. 3. On-call service during warranty period: average response time of 1.5 hours, 100% on-site arrival within 4 hours. 4. Customer inquiry email response within 24 hours with 100% compliance rate.

Management Approach	Material Topic: Customer Relationship Management
	5. Social media updates reached 47 posts with total views of 53,000.
Complaint Mechanism and Communication Channels	1. Website complaint form: https://www.favite.com/complaints/ 2. Email: sales@favite.com 3. Phone: (03)554-5988

As customers increasingly demand higher levels of precision, stability, customization capability, delivery efficiency, and responsiveness in after-sales support for inspection equipment, customer relationship management has evolved beyond post-sales service maintenance. It has become a critical source of product development, quality improvement, technology enhancement, and long-term value creation. Through multiple channels, including customer satisfaction surveys, project meetings, business visits, exhibition interactions, email communication, official websites, and social media platforms, customer feedback is collected and systematically transformed into inputs for internal product improvement, technical support enhancement, spare parts management, and service process optimization.

3-2.1 Customer Satisfaction and Service Mechanisms

Favite, Inc. continues to regard customer feedback as a key driver for product and service optimization. In 2025, the Company maintained its customer satisfaction survey system to collect feedback from existing customers regarding product quality, equipment stability, delivery performance, engineering support, after-sales service, and overall cooperation experience. Survey results are incorporated into internal improvement actions. To systematically manage customer needs and feedback, the Company has established a Customer Satisfaction Survey System, a Customer Relationship Management Process, and a Technical Response Coordination SOP, with the aim of delivering an optimal service experience.

Customer Satisfaction Survey

The Company continues to implement a customer satisfaction questionnaire mechanism targeting existing customers. The digital survey covers dimensions such as overall service experience, product stability, and responsiveness of engineering support. According to survey results, Favite, Inc. maintains an average satisfaction score above 85 points. Most customers express positive recognition of equipment precision and customized support. Key feedback areas primarily focus on the responsiveness of after-sales technical support and the flexibility of spare parts supply, which have been incorporated as key improvement priorities for relevant departments.

To enhance the efficiency of customer feedback handling and service quality improvement, the following process is implemented:

Process Stage	Implementation Approach
Questionnaire Design	Designed in alignment with ISO 9001 quality management principles, covering product quality, delivery performance, technical support, after-sales service, communication efficiency, and overall satisfaction.
Target Selection	Focused on existing customers, key accounts, and annual project customers.
Feedback Collection	Collected through online surveys, business interviews, customer meetings, exhibition interactions, and email communication.
Result Analysis	Consolidated by sales, customer service, quality assurance, and relevant departments to identify key customer concerns and service bottlenecks.
Improvement Tracking	Assign responsible units to address issues related to delivery, quality, spare parts, maintenance, or technical support, and track improvement progress.
Feedback Closure	Where necessary, sales or customer service teams communicate improvement outcomes to customers to ensure feedback is translated into concrete actions.

In 2025, the Company continued to capture customer needs through annual surveys, project-based interviews, exhibition interactions, and daily service records. A structured management process—comprising feedback collection, issue classification, responsibility assignment, improvement tracking, and result communication—has been implemented to enhance service transparency and responsiveness.

Customer Feedback and Closed-Loop Management

To improve customer issue handling efficiency, Favite, Inc. has established a cross-functional customer feedback and technical issue resolution mechanism. When customers raise product anomalies, service requests, delivery issues, or technical improvement suggestions, the request is first received by the sales or customer service window and then routed to relevant departments—including engineering, quality assurance, R&D, or production—based on issue type. The Company continuously tracks the progress of corrective actions.

The Company adopts a service response principle of initial reply within 24 working hours. For critical or urgent cases, responsible units will initiate real-time coordination to minimize risks of equipment downtime or project delays.

Management Stage	Implementation Content
Customer Feedback	Customers may submit issues via sales contacts, customer service email, telephone, exhibition interactions, social media platforms, or project meetings.
Issue Logging	Customer service or sales personnel record issue details, occurrence time, equipment model, impact scope, and customer requirements.
Issue Classification	Issues are categorized into quality, delivery, maintenance, spare parts, operation, software, or technical application-related types.

Management Stage	Implementation Content
Responsibility Assignment	Issues are assigned to QA, engineering, R&D, customer service, or production units. Cross-department meetings are convened when necessary.
Corrective Action	Root cause analysis, anomaly resolution, spare parts replacement, software correction, operational guidance, or process improvement is performed.
Closure and Follow-up	Confirm resolution results, retain service records, and feed relevant cases back into internal quality improvement processes when applicable.

Through this closed-loop management mechanism, Favite, Inc. ensures that customer feedback is not treated as isolated cases but as continuous improvement inputs. This approach helps prevent recurrence of similar issues while enhancing customer experience and product reliability.

Customer Satisfaction and Feedback Performance

Year	Customer Satisfaction Score	Customer Complaint Resolution Rate	Description
2023	87.4	100%	Satisfaction exceeded the target of 85 points. Customers provided positive feedback on product quality and technical services.
2024	98	100%	Significant improvement in satisfaction, reflecting enhanced recognition of service quality, product stability, and engineering support.
2025	96.4	100%	Customer satisfaction remained at a high level above the annual target. Compared to 2024, a slight decrease was observed, mainly due to higher customer expectations for real-time technical support and spare parts flexibility. These issues have been incorporated into subsequent service optimization efforts.

Customer Service and Technical Support

Favite, Inc. provides a comprehensive customer support system covering pre-sales requirement assessment, project collaboration during implementation, and after-sales maintenance services. The objective is to help customers reduce equipment deployment risks, improve equipment utilization rates, and shorten troubleshooting time. As the Company's products primarily consist of high-precision, customized, and project-oriented inspection equipment, customer service relies heavily on cross-functional collaboration among the Sales, R&D, Engineering, Quality Assurance, and Customer Service departments.

In 2025, the Company continued to strengthen the following service mechanisms:

Service Stage	Management Approach
Pre-sales Technical Consultation	Sales and engineering teams jointly assess customer inspection requirements, production line conditions, accuracy requirements, and application scenarios to recommend suitable equipment and technical solutions.
Project Collaboration During Implementation	Through project meetings, progress tracking, and requirement confirmation, the Company monitors equipment design, testing, delivery, and customer-side implementation progress.

Service Stage	Management Approach
After-sales Maintenance Services	On-site maintenance, remote technical consultation, equipment troubleshooting, and regular maintenance services are provided to minimize customer equipment downtime risks.
Spare Parts and Maintenance Management	Maintenance inventory and spare parts management mechanisms are established to enhance service responsiveness and maintenance reliability.
Technical Issue Tracking	For customer-reported issues or improvement requests, a structured process is established for issue registration, responsibility assignment, resolution reporting, and improvement tracking.
Customer Feedback Integration	Customer suggestions and feedback are incorporated into R&D, quality assurance, and product management processes as references for product enhancement and new feature development.

The Company will continue to strengthen the implementation and tracking of its feedback mechanisms, transforming customer suggestions into actionable and traceable improvement initiatives. Regular reviews of key service process milestones are also conducted to enhance the quality of customer interactions. Through internal collaboration and system integration, Favite, Inc. continues to strengthen its overall capability to respond effectively to customer needs.

3-3 Product and Service Quality and Safety

Management Approach	Material Topic: Product Quality and Innovation
Policies and Commitments	Provide high-quality, reliable, and safe equipment to ensure customers receive products with excellent cost-performance value while maintaining production quality. Deliver quality equipment that meets customer requirements and complies with customer procurement specifications, safety requirements, and technical specifications to ensure operational safety and production quality.
Positive Impacts	Product innovation and technology development require relatively high levels of R&D investment and testing costs, which may increase operating expenses in the short term and place additional demands on R&D personnel and project management.
Negative Impacts	Insufficient internal and external communication and inadequate testing and verification during the early stages of new product development or technology implementation may increase customer adoption risks and reduce customers' willingness to procure new solutions.
Remediation and Mitigation Measures	Added an optical inspection instrument and increased optical verification personnel. Cross-functional meetings are convened as needed. Adoption risks are analyzed and corresponding mitigation measures developed. Verification testing effectiveness is assessed, and verification department testing SOPs are revised accordingly.
Targets	Short-term (by end of 2026):
	Development of next-generation advanced packaging and wafer inspection equipment in compliance with SEMI standards and obtaining technical qualification from key customers.
	2025 performance
	Advanced packaging and wafer inspection equipment were successfully developed in compliance with SEMI standards and obtained technical qualification from key customers.
	Medium-term (by end of 2028):
	Continuously adjust and update products in response to evolving SEMI requirements and obtain SEMI certification as efficiently as possible.
	Long-term (by end of 2031):
	Continue rolling adjustments in response to annual updates to SEMI requirements and obtain SEMI certification at the earliest possible stage.

Management Approach	Material Topic: Product Quality and Innovation
Responsibility	Quality Assurance (incoming inspection and in-process inspection) Customer Service (final checklist verification) Cross-functional collaboration among departments (static inspection throughout the manufacturing process)
Resources	Human Resources: Four dedicated personnel Financial Resources: Investments in administration, testing, equipment verification, and related activities
Evaluation Mechanism for the Effectiveness of Management Approach	R&D project completion rate exceeds 90%. Product verification pass rate exceeds 90%. Customer complaint response rate reaches 100%. Customer satisfaction regarding product quality exceeds 90 points. Corrective action completion rate reaches 100%.
Evaluation Results of the Management Approach	Four R&D projects were completed during the year, achieving a completion rate of 100%. One product verification project was conducted during the year, achieving a pass rate of 100%. Customer complaint response rate reached 100%. Product quality survey results showed a customer satisfaction score of 100 points. Corrective action completion rate reached 100%.
Complaint Mechanism and Communication Channels	Sales Department Email: sales@favite.com

As the Company continues to invest in AI-enabled intelligent platforms, 2.5D/3D advanced packaging inspection, high-precision metrology, and fine-line inspection technologies, product quality management has evolved from traditional equipment inspection into an integrated quality assurance approach that combines optics, mechanical engineering, electrical control systems, software, AI algorithms, and customer process requirements.

In 2025, Favite, Inc. continued to strengthen product design reviews, incoming material inspections, in-process self-inspections, final shipment inspections, supplier quality management, and customer feedback handling mechanisms in accordance with the principles of the ISO 9001 Quality Management System. These efforts ensure that delivered equipment complies with customer specifications, operational safety requirements, and applicable market regulations.

3-3.1 Quality Management System and Process Control

Since its establishment, Favite, Inc. has implemented an ISO 9001 Quality Management System and established a comprehensive quality control framework covering design, procurement, manufacturing, and product delivery. Through design reviews, standard operating procedures, critical process controls, testing and verification, shipment reviews, and after-sales feedback, the

Company ensures consistency, reliability, and traceability throughout the entire product lifecycle, from design to delivery.

The Company will continue to advance the following quality management initiatives:

- Confirm customer specifications, operating environments, safety requirements, and applicable market compliance requirements during the product development stage to reduce subsequent design changes and operational risks.
- Conduct specification, dimensional, appearance, and documentation inspections for critical components, optical parts, mechanical components, and electrical control modules.
- Ensure process stability through assembly self-inspections, critical dimension measurements, functional testing, and anomaly recording.
- Perform appearance, functionality, cleanliness, packaging specification, documentation, and customer requirement verification prior to shipment.
- Promote supplier self-inspection management to improve delivery quality performance.
- Annually review and update product release criteria and acceptable quality thresholds, while conducting root cause analysis, corrective and preventive actions, and improvement tracking for quality issues to prevent recurrence.

Multi-level Quality Inspection Process

To ensure a high level of product stability and consistency, Favite, Inc. has established standardized inspection procedures in accordance with its ISO 9001 Quality Management System. Quality control measures are implemented throughout all stages, including design, incoming inspection, manufacturing, system integration, shipment, and after-sales service. Through this approach, quality management has progressively shifted from post-production inspection toward design-stage prevention and proactive quality assurance.

Control Stage	Main Inspection Items	Management Mechanism
Design Review	Customer specifications, equipment functionality, operational safety, regulatory requirements, and the suitability of materials and components	Sales, R&D, Engineering, and Quality Assurance departments jointly confirm requirements and establish specification documents and design review records.
Incoming Material Inspection	Dimensions, specifications, appearance, and documentation of raw materials, critical components, optical components, mechanical parts, and electrical control modules	Verification is conducted against drawings, specifications, and supplier documentation. Non-conforming items are returned, isolated, or recorded through the supplier nonconformance management process.
Process Self-Inspection	Critical dimensions, straightness, positioning accuracy, circuit connections, mechanical assembly, and functional checkpoints during assembly	Inspections and records are conducted in accordance with standard operating procedures, with additional review by Engineering or Quality Assurance personnel when necessary.
System Integration Testing	Optical imaging, motion control, software interfaces, AI inspection functions, electrical control stability, and safety protection systems	Functional testing and complete system verification are performed to confirm that equipment performance meets customer requirements.

Control Stage	Main Inspection Items	Management Mechanism
Final Product Shipment Inspection	Appearance, cleanliness, packaging, accessories, nameplate labeling, document completeness, and customer shipment specifications	Verification is conducted against shipment inspection checklists prior to delivery, and shipment release records are retained.
Customer Installation and Acceptance	Equipment installation, operational training, functional verification, parameter adjustment, and customer-side testing results	Engineering or Customer Service teams assist customers during implementation, and acceptance results and customer feedback are incorporated into subsequent improvement activities.

3-3.2 Quality Management of Key Suppliers

Favite, Inc.'s products involve high-precision optics, precision mechanical components, electrical control modules, industrial computers, software systems, and customized components. Supplier quality therefore directly affects product stability and delivery reliability. In 2025, the Company continued to strengthen upstream quality assurance capabilities through supplier evaluations, incoming material inspections, nonconformance corrective action tracking, and key supplier management.

The Company has progressively incorporated ISO 9001 quality management capabilities, self-inspection records, process SOPs, 5S management practices, nonconformance handling procedures, and continuous improvement capabilities into the assessment criteria for key suppliers. For suppliers providing critical materials or highly technical products and services, corrective action requirements may be initiated in response to quality issues. Improvement effectiveness is verified through supplementary documentation, technical communication, and follow-up reviews.

The Company classifies suppliers into four categories based on audit results: Excellent, Qualified, Conditionally Qualified, and Unqualified, with corresponding cooperation strategies and improvement requirements. Suppliers classified as Unqualified are required to submit corrective action reports within a specified period and undergo follow-up audits to ensure that identified issues are effectively addressed and closed.

The audit categories and corresponding follow-up actions are 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 is suspended. Requalification is permitted only after corrective actions are completed and a follow-up audit is passed within six months.

Audit Results Data and Annual Performance Analysis

Based on recent quality audits and supplier performance data, overall supplier quality performance has remained stable, with audit qualification rates consistently maintained above 85%.

Year	Incoming Defect Rate (%)	Supply Chain Quality Audit Pass Rate (%)
2024	0.01%	100%
2025	0.01%	100%

3-3.3 Product Safety and Regulatory Compliance

During the product design and project development stages, Favite, Inc. ensures that business, R&D, engineering, and quality assurance teams jointly review customer requirements, application environments, product specifications, and applicable regulations. Based on product type, target market, and customer requirements, the Company establishes a regulatory mapping and safety compliance verification mechanism.

As Favite, Inc.'s products primarily consist of high-precision automated optical inspection and metrology equipment, product safety management focuses on electrical safety, mechanical structural stability, grounding protection, moving part safeguarding, operational warning systems, software control stability, emergency stop mechanisms, and on-site installation safety.

International Product Safety Standards and Compliance Mechanisms

The Company also evaluates the applicability of relevant regulations and standards such as TS, BSMI, CE, RoHS, REACH, and SEMI, depending on customer requirements and target markets. Where necessary, the Company supports testing, documentation preparation, and certification or marking verification. A compliance review process is embedded in the early design stage. At the initial development phase, the sales and engineering teams jointly determine whether specific customer or regional regulatory requirements apply to the product. The Company then conducts compliance assessments and implements necessary measures, including testing, documentation, and certification support.

Regulation / Standard	Description and Applicable Context
CE (European Conformity Mark)	Complies with EU directives on low voltage, machinery safety, and electromagnetic compatibility (EMC), enabling products to be marketed within the European Union.
TS (Domestic Type Approval)	Applicable to specific machinery equipment subject to domestic regulatory inspection requirements.
RoHS (Restriction of Hazardous Substances)	Controls the use of hazardous substances such as lead and mercury in electrical and mechanical products.
REACH (Registration, Evaluation, Authorization and Restriction of Chemicals)	Regulates substances of very high concern (SVHC) to ensure compliance with EU chemical safety and import requirements.
SEMI (Semiconductor Equipment Standards)	Applied based on specific semiconductor equipment customer requirements; not mandatory and implemented according to individual customer specifications.

Regulation / Standard	Description and Applicable Context
Customer-specific requirements	Implemented according to project specifications, procurement conditions, or customer quality requirements, including corresponding design, testing, and documentation reviews.

Regulatory Compliance by Product Market

- To ensure compliance with regulations and technical standards in the Taiwanese market, Favite, Inc. conducts TS type testing and BSMI product certification for selected models. All relevant products have passed the required inspections and obtained necessary certifications prior to market release, ensuring full regulatory compliance.
- The Company's products are currently primarily sold in Taiwan, and certification processes for international markets such as Europe (CE) and North America (UL, FCC) have not yet been implemented. However, if future export plans arise, the Company will assess regulatory requirements based on market demand and customer specifications, and will carry out necessary compliance procedures, including testing and certification labeling, to ensure adherence to applicable international standards.

Product Safety Management Mechanism

To reduce safety and quality risks during customer use, Favite, Inc. conducts product safety and functional verification prior to mass production or formal shipment. The evaluation covers functional safety, electrical stability, material and component compliance, labeling completeness, and accuracy of shipment documentation, ensuring that all necessary risk controls are completed before delivery.

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: verification of structural strength, electrical stability, and grounding design to ensure operational safety requirements are met.
 - Material verification: review of material certificates (e.g., MSDS), composition specifications, and durability test reports.
 - Regulatory labeling verification: confirmation that product labeling and markings comply with destination market requirements (e.g., CE marking where applicable).

Regulatory Compliance Workflow

Process Stage	Key Review Items	Document Output
Design Initiation	Customer specifications, market requirements, regulatory applicability, and safety risk assessment	Customer specification documents, design review records, regulatory compliance checklist

Process Stage	Key Review Items	Document Output
Prototype & Trial Production	Materials, structural integrity, electrical safety, functional stability, and test results	Test records, material documentation, design change records
Sample Validation	Safety compliance requirements, customer-specific requirements, performance and safety testing	Validation reports, customer confirmation records
Shipment Approval	Appearance, packaging, labeling, documentation, user manuals, and recall readiness confirmation	Shipment release records, product traceability records, inspection checklists
Customer Deployment	Installation safety, operator training, system calibration, and acceptance results	Installation records, service reports, customer acceptance documentation

Upon completion of all stages, products must be reviewed and approved by the Quality Management and Product Review Committee. Only after final approval is granted may products proceed to mass production and market release.

Incident Handling and Product Recall Management

Through the gradual refinement of the product anomaly handling and customer feedback tracking process, the Company ensures that any post-shipment product issues can be promptly identified, classified, addressed, and improved. When customers report equipment anomalies, functional issues, component failures, or safety concerns, the request is received by the sales or customer service window and escalated to relevant departments, including engineering, quality assurance, R&D, or supplier management, depending on the nature of the issue. For major incidents that may affect product safety, customer operations, or regulatory compliance, the Company activates a cross-functional response mechanism. Depending on the severity of the event, actions may include repair, replacement, suspension of shipment, customer notification, or product recall. Root cause analysis is conducted for all significant incidents, and corrective and preventive actions are implemented to mitigate recurrence risks.

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.

2025 Product Quality and Safety Performance

No product recalls or regulatory violations related to product health and safety occurred in 2025.

Overall, the Company's product quality and safety management has evolved into an integrated system across departments, supply chains, and the product lifecycle. Moving forward, the Company will continue to enhance product reliability, regulatory compliance, and service quality, strengthening its role as a long-term partner in customer process quality and yield improvement.

Chapter 4: People-Centered Corporate Spectrum

4-1 Talent Retention and Development

Management Approach	Material Topic: Talent Retention and Development
Policies and Commitments	Favite, Inc. establishes a systematic talent development and career cultivation framework in accordance with the "Corporate Sustainability Best Practice Principles" and the "Education and Training Management Procedure." The Company provides appropriate training and development opportunities tailored to different functions and job levels, thereby strengthening employee competency growth and organizational cohesion. The Company also complies with relevant regulations, including the Labor Standards Act, Employment Service Act, and Act of Gender Equality in Employment, to ensure fair employment practices and talent retention mechanisms, fostering a workplace culture characterized by growth and retention incentives.
Positive Impacts	Through the planning of annual education and training programs as well as competency-based training initiatives, employee skills and work efficiency are effectively enhanced, thereby reducing turnover rates and onboarding costs while stabilizing operational continuity.
Negative Impacts	Talent attrition and high turnover rates lead to inefficiencies in human resource utilization and business disruptions, which may adversely affect operational stability and business development.
Remediation and Mitigation Measures	The Company has established a competency-oriented training and promotion system to strengthen employee learning records and career development planning. Through annual performance interviews and training tracking mechanisms, individualized development guidance is provided. The internal promotion rate is also enhanced to stabilize key talent and technical capabilities.
Targets	Short-term (by end of 2026):
	- Full participation in mandatory training programs with a 100% attendance rate in 2026 and a training satisfaction score of 4.5 or above (out of 5). - Management competency training: at least one professional training session per year for supervisors, with a participation rate of 90% and average satisfaction of 4.5 or above (out of 5). - Professional competency training: at least one session per department per quarter, totaling at least four sessions annually, covering 100% of departments (each department participating at least once). - Internal engagement activities: six employee engagement events planned for 2026, with at least 360 total participant attendances and an average satisfaction score of 4.6 or above (out of 5).
	2025 performance
	- Mandatory statutory training completed (including gender equality, integrity management, insider trading prevention, and occupational safety and health). The attendance rate reached 97% due to overseas business trips or leave; make-up training will continue in 2026. - Management competency training: one session conducted (Problem Analysis and Problem Solving), with 100% participation and an average satisfaction score of 4.60. - Internal engagement activities: nine sessions conducted, with an average satisfaction score of 4.65 (out of 5) and 949 total participant attendances.
	Medium-term (by end of 2028):
	- Sustainability and regulatory training accounts for 5% of annual training programs, with 100% participation. - Technical training accounts for 15% of annual training programs, with 90% participation among required employees. - Establish the "Favite Learning Development Map" and digital learning platform, achieving 100% learning coverage. - Establish at least two industry-academia collaborations to attract new talent and strengthen practical

Management Approach	Material Topic: Talent Retention and Development
	training. - Conduct at least two large-scale internal events annually, with employee participation exceeding 95%. Long-term (by end of 2031): - Provide at least one systematic training program annually for all mid- and senior-level managers (target coverage: 100%), accumulating over 80 management training sessions by 2030, with an average satisfaction score of 4.5 or above (out of 5). - Establish a clear job-grade competency and promotion system, increasing internal promotion rate to over 30% by 2030, with employee satisfaction regarding career development reaching 4.5 or above. - Achieve 90% utilization rate of the "Favite Learning Development Map" platform and promote proactive learning participation rate of 30%, with cumulative learning hours exceeding 10,000 hours.
Responsibility	Sustainability Development Committee – Corporate Social Responsibility Task Force Human Resources Department
Resources	Human resources: 4 personnel (including one additional hire) to achieve medium-term targets Financial resources: NT\$3 million per year (mainly for recruitment and human resource development)
Evaluation Mechanism for the Effectiveness of Management Approach	- ISO 9001 external audit: conducted annually; continuous certification maintained with corrective action tracking and improvement completion rate monitoring - Training satisfaction survey: conducted after each session with 100% response rate; average satisfaction target of 4.5; training coverage at least 80% annually (or adjusted by job category) - Labor-management and occupational safety meetings: quarterly, totaling 8 meetings per year; 100% response rate for proposals and 95% closure rate for improvement actions - Performance evaluation and career development reviews: quarterly; 100% participation in self-assessment and supervisor evaluation with at least 95% traceability rate - Grievance and communication channels: open year-round with 100% case handling and response rate; cases are tracked and categorized
Evaluation Results of the Management Approach	- ISO 9001 external audit was successfully passed in 2025 with continued certification. - A total of 175 internal and external training sessions were conducted in 2025, with an average satisfaction score of 4.67 (out of 5). Employee engagement activities included 9 sessions with an average satisfaction score of 4.65 (out of 5). - Four labor-management meetings and occupational safety and health committee meetings were held in 2025, with 100% proposal response and closure rates. - Four rounds of performance evaluations were conducted in 2025 with a 100% response rate. - No grievance or whistleblowing cases were reported in 2025.
Complaint Mechanism and Communication Channels	Internal website / Company official website: https://www.favite.com/complaints/

4-1.1 Talent Structure Overview

Favite, Inc. operates in the automatic optical inspection (AOI) equipment industry, which relies on interdisciplinary talent across optics, mechanics, electronics, software, AI algorithms, quality management, and customer service. The Company regards workforce stability and functional continuity as a critical foundation for technological transformation and continuously adjusts its organizational structure in accordance with operational strategies, customer requirements, and product R&D directions.

As of 2025, the total number of employees was 210, including 73 direct employees and 137 indirect employees. The average employee age was 40.7 years, and the average length of service was 8.83 years. Compared with 2024, the total workforce slightly decreased, while the average tenure increased, indicating that the Company has maintained a certain level of talent stability during industrial transformation and operational adjustment. As of March 31, 2026, the total number of employees was 209, and the average tenure further increased to 9.03 years.

In the future, the Company will optimize its overall workforce structure and sustainability capacity through the following directions:

- Identify key competencies and succession pipelines to strengthen knowledge transfer from senior employees;
- Enhance talent attraction and onboarding strategies for younger generations through industry-academia collaboration and internship programs;
- Establish a competency-based training system and career development roadmap;
- Promote gender and age diversity to enhance organizational inclusiveness and innovation flexibility;
- Implement digital human resource management systems to improve efficiency and decision-making accuracy.

Employee Overview

As of 2025, Favite, Inc. had a total of 210 employees worldwide, primarily located in Taiwan. There were 176 employees in Taiwan and 34 employees in other Asia-Pacific regions, with nationalities including Taiwan and China. All employees are full-time, with no use of dispatched, contract-based, or temporary labor, demonstrating the Company's commitment to long-term talent development and organizational stability.

In terms of gender distribution, male employees accounted for 84%, while female employees accounted for 16%. Although the overall composition remains male-dominated, the Company has initiated diversity and equal opportunity policies to strengthen female participation and retention as a foundation for improving gender balance in the workplace in the future.

Employment Type	Total	Taiwan												Asia-Pacific			
		Hsinchu				Taichung				Tainan							
		Male		Female		Male		Female		Male		Female		Male		Female	
		No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Full-Time Employees	210	98	46%	27	13%	6	3%	0	-	41	20%	4	2%	32	15%	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	210	98	46%	27	13%	6	3%	0	-	41	20%	4	2%	32	15%	2	1%

Note: Human resources statistics as of December 31, 2025.

Educational Background Distribution of Employees

The majority of employees at Favite, Inc. hold a university degree or above, reflecting the Company's emphasis on professional capabilities and technical expertise. More than 70% of the total workforce possess a bachelor's degree or higher. Employee expertise spans multiple disciplines, including optical engineering, electromechanical integration, information technology applications, and business administration, demonstrating strong professional support across R&D, manufacturing, and customer service functions. The Company will continue to strengthen knowledge depth and technological advancement capabilities through internal training programs and external learning resources.

Year	2024				2025			
Education Level	Female Employees	Male Employees	Total (Persons)	Percentage	Female Employees	Male Employees	Total (Persons)	Percentage
Doctorate	0	1	1	0.5%	0	1	1	0.5%
Master's Degree	7	62	69	32.5%	10	60	70	33.3%
Bachelor's Degree	17	69	87	40.6%	17	69	86	41.0%
Associate Degree	5	36	41	19.3%	5	34	39	18.6%
High School or Below	1	14	15	7.1%	1	13	14	6.7%
Total	30	182	212	100%	33	177	210	100%

Note: Human resources statistics as of December 31, 2025.

Employee Age Structure

The Company's overall workforce is primarily concentrated in the 30–50 age group, accounting for approximately 76% of total employees, reflecting a stable and mature technical and operational team foundation at Favite, Inc. This age distribution contributes to accumulated experience and process stability; however, it also highlights the need for early planning of succession management and generational transition strategies. In response to the declining proportion of employees under 30 compared to the previous year, the Company will strengthen the recruitment and retention of younger talent through internship programs, youth recruitment initiatives, and a mentorship system, thereby enhancing talent pipeline development and cultural integration for the younger generation.

Gender	≤ 29 Years Old	30–50 Years Old	≥ 51 Years Old	Total	Percentage
Male	22	133	22	177	84.3%
Female	3	26	4	33	15.7%
Total	25	159	26	210	100.0%
Percentage	12%	76%	12%	100%	-

Note: Human resources statistics as of December 31, 2025.

Proportion of Management-Level Employees

Management positions are primarily held by middle- and senior-level employees, most of whom have over ten years of experience within the Company. This reflects the Company's emphasis on experience retention and continuity of organizational culture. Going forward, the Company will continue to promote gender diversity and leadership succession strategies. Through junior- and mid-level management talent development programs and initiatives for female leadership empowerment, the Company aims to gradually increase female participation in management roles, with a target of reaching 15% female managers by 2030.

Year	2024				2025			
Category	Male	Female	Total	Percentage	Male	Female	Total	Percentage
Senior Management (Director level and above)	8	2	10	27%	7	3	10	24%
Middle Management (Manager level)	18	1	19	51%	16	2	18	44%
Junior Supervisors (Section/Team Leaders)	8	0	8	22%	13	0	13	32%
Total	34	3	37	100%	36	5	41	100%
Share of Total Management Positions	92%	8%	100%		88%	12%	100%	

Note: Human resources statistics as of December 31, 2025.

Departmental Workforce Distribution

In alignment with the Company's overall workforce planning strategy, human resources are primarily allocated to technology R&D and project support functions, supplemented by sales and marketing, quality assurance, and administrative support units. The departmental workforce structure reflects the concentration of core organizational capabilities and the allocation of supporting resources, serving as an important reference for future expansion and organizational adjustments.

Year	2024		2025	
Department	Headcount	Percentage	Headcount	Percentage
Technology & R&D	86	41%	85	40%
Sales & Project Management	11	5%	12	6%
Quality Assurance & Production Support	79	37%	77	37%
Administrative & Back-office Functions	36	17%	36	17%
Total	212	100%	210	100%

4-1.2 Career Development and Promotion Pathways

Talent Recruitment

Favite, Inc. places strong emphasis on employees' long-term career development and continuous capability building. Talent acquisition, assignment, development, performance evaluation, and promotion are regarded as key components of human capital management. In response to rapid advancements in AI-enabled inspection, advanced packaging, next-generation display technologies, and high-precision metrology, the Company continues to strengthen workforce resilience through public recruitment, competency-based training, industry-academia collaboration, internal knowledge transfer, and fair promotion mechanisms.

In 2025, the majority of employment arrangements consisted of full-time positions. In addition to professional competence and practical experience, recruitment decisions also take into account work attitude, communication skills, teamwork, and organizational fit, ensuring alignment between new hires, technological development needs, and corporate culture.

Recruitment and Hiring Mechanisms

Each year, the Company reviews its recruitment plan based on operational scale, project requirements, and workforce structure changes. Recruitment channels include external job platforms, employee referrals, and campus recruitment activities. The current hiring process

includes resume screening, departmental interviews, managerial approval, and background checks when necessary. The Company continues to optimize interview and evaluation procedures to enhance consistency and fairness. Given the nature of its business and functional requirements, candidates with relevant work experience are prioritized during recruitment to enhance immediate operational capability and improve training efficiency. New hires are primarily engaged in R&D and project support functions. In addition to technical skills, recruitment also emphasizes work attitude, communication ability, and teamwork to strengthen organizational integration and workforce quality.

Fair and Inclusive Employment Policies

Favite, Inc. complies with applicable labor laws and regulations, including the Labor Standards Act, the Act of Gender Equality in Employment, and the Employment Service Act. Recruitment, employment, compensation, training, performance evaluation, and promotion are all based on job requirements, professional capability, and work performance, without discrimination on the basis of gender, age, religion, marital status, ethnicity, physical or mental condition, or other non-job-related factors.

Due to the characteristics of the precision equipment and engineering technology industry, the Company's workforce remains predominantly male and STEM-oriented. Nevertheless, Favite, Inc. continues to enhance workforce diversity and inclusion through fair recruitment practices, career development programs, female leadership development, cross-generational communication initiatives, and a friendly workplace environment.

Indicator	Definition	2023	2024	2025
Female Employee Ratio (%)	Number of female employees / total employees	14%	14%	16%
Female Manager Ratio (%)	Number of female managers / total management staff	11%	8%	12%
Non-STEM New Hire Ratio (%)	Share of new hires without electrical, electronic, or computer science background	29%	20%	28%

New Employee Hires

In 2025, the Company's new employee recruitment sources primarily consisted of external recruitment platforms, indicating that the Company currently focuses on attracting candidates with industry experience and professional backgrounds through open recruitment channels. The Company will continue to conduct annual data analysis and review recruitment strategies, hiring effectiveness, and workforce structure changes as a basis for further optimization of talent management practices.

Gender	Year	Number of New Hires	≤ 29 Years Old	30–50 Years Old	≥ 51 Years Old	New Hire Rate (%)
Male	2024	10	4	4	2	5%
Female		5	1	4	0	2%
Total		15	5	8	2	7%
Male	2025	25	8	17	0	12%
Female		4	0	4	0	2%
Total		29	8	21	0	14%

Note 1: New hire rate = Annual new hires ÷ total employees at year-end × 100%

Note 2: Total number of employees at the end of 2025 was 210.

Industry-Academia Collaboration and Youth Talent Development

Favite, Inc. continues its long-term collaboration with the Department of Physics at Chung Yuan Christian University through the establishment of the “Favite Employment-Oriented Academic Program.” By integrating industry experience into academic education, the program helps students bridge the gap between academic learning and practical industrial applications at an earlier stage. In 2025, the Company continues to regard industry-academia collaboration as a key foundation for youth talent development and the long-term talent pipeline. Going forward, depending on operational needs and partnership conditions with academic institutions, the Company will evaluate opportunities to expand internship programs, thesis and research collaborations, industry training initiatives, and campus lectures, with the aim of attracting high-potential young talent. Although no technical internship positions were offered in 2025, the Company is currently in active discussions with higher education institutions to strengthen its future talent pipeline.

Competency Development and Training Mechanism

Training System Design

The Company develops its annual training plan based on organizational development needs, functional requirements, and employees’ job responsibilities. The current training framework includes the following categories:

- **New Employee Training:** Provides new hires with an understanding of company policies, operational procedures, information systems, and departmental functional requirements, serving as the foundation for organizational integration and job adaptation.
- **Professional Competency Training:** Designed for technical, sales, and project support personnel, covering design processes, testing practices, and job-related technical courses.
- **Mandatory Training:** Conducted in accordance with regulatory requirements and internal management needs.

- Training programs are adjusted based on job grade, departmental characteristics, and operational requirements to ensure balanced development of professional knowledge, job skills, and basic management capabilities.

Year	2023 (Hours)	2024 (Hours)	2025 (Hours)
Training Category			
New Employee Training	56	112	144
Professional Training	1409	923	1190
Mandatory Training	1043.5	1316.5	1357.5

From the training structure, it can be observed that the Company currently places primary emphasis on strengthening professional competencies, while gradually enhancing regulatory compliance and management-related learning. For new employees, a foundational onboarding program and departmental probation training mechanism have been established to support rapid adaptation to organizational culture and professional requirements. For managerial staff, a tiered training system and practical management programs have been introduced, complemented by quarterly performance reviews and post-training satisfaction surveys to support training planning and effectiveness evaluation.

Going forward, the Company will continue to adjust training priorities and resource allocation in response to operational needs, project characteristics, and workforce structure.

Learning Resources and Development Support

In addition to formal training programs, Favite, Inc. continuously promotes employee development through internal technical knowledge sharing, project review sessions, external professional courses, and structured documentation of internal know-how. These initiatives support continuous learning and cross-functional knowledge exchange across the organization. Each department is encouraged to arrange external training, tool-specific instruction, regulatory compliance courses, or project-based learning activities based on operational needs. The Company also promotes the systematic documentation of frequently encountered technical issues, project templates, operational manuals, and improvement cases, serving as reference materials for both new and existing employees. Furthermore, internal learning activities and external training support mechanisms are implemented to facilitate continuous learning and knowledge transfer.

Learning Method	Description
Internal Learning Activities	Departmental technical sharing sessions, project retrospectives, problem-solving discussions, and cross-functional exchanges.
External Courses and Professional Development	Training programs arranged based on job requirements, including professional tools, management skills, regulatory compliance, and technology trends.
Project-Based Learning	Practical competency development through customer projects, equipment deployment, troubleshooting, and R&D testing activities.
Mentorship by Supervisors and Senior Staff	On-the-job guidance, knowledge transfer, and probation feedback to support onboarding and talent development.

Overall, the Company's current competency development framework focuses on supporting onboarding adaptation, strengthening professional capabilities, and building internal knowledge accumulation. The system will continue to be optimized in accordance with operational needs and organizational development priorities.

Annual Training Performance

In 2025, total technical training hours reached 4,644.5 hours, with a total of 1,248 training participations (person-times).

	Male				Female				Total
Unit: Hours	Hsinchu	Taichung	Tainan	Asia-Pacific	Hsinchu	Taichung	Tainan	Asia-Pacific	
Management-level Training Hours	1067.3	22.5	298.0	14.5	392.8	--	--	--	1795.0
Average Training Hours per Person	41.0	22.5	37.3	14.5	78.6	--	--	--	193.8
Non-management Training Hours	1365.0	109.5	587.0	25.0	661.0	--	86.0	16.0	2849.5
Average Training Hours per Person	19.0	21.9	17.8	0.8	30.0	--	21.5	8.0	119.0
Total Training Hours	2432.3	132.0	885.0	39.5	1053.8	--	86.0	16.0	4644.5
Average Training Hours per Person	24.8	22.0	21.6	1.2	39.0	--	21.5	8.0	138.2



4-1.3 Talent Retention Strategy

A stable and professionally robust workforce forms the foundation for the Company's technological innovation, customer service capability, product quality, and long-term operational resilience. In response to the rapid development of AI-enabled inspection systems, advanced packaging metrology, and next-generation display applications, the Company continues to enhance talent retention and organizational stability through comprehensive measures, including competitive compensation, career development pathways, training programs, internal promotion mechanisms, family-friendly policies, and employee engagement initiatives.

In 2025, the Company's total workforce reached 210 employees, with an average length of service of 8.83 years, increasing from 7.95 years in 2024. This trend demonstrates that, even during industry transformation and operational adjustments, the Company has maintained the stability and continuity of its core talent base. Going forward, the Company will continue to reduce risks of generational transition and key-position gaps through critical competency mapping, knowledge transfer mechanisms, management development programs, and cross-functional project assignments, thereby ensuring the continuity of core technologies and customer service capabilities.

Workforce Stability and Tenure Structure

The workforce structure of Favite, Inc. is characterized by a relatively high proportion of employees with mid- to long-term service tenure, reflecting a stable organizational foundation.

Length of Service	2024		2025	
	Number of Employees	Percentage	Number of Employees	Percentage
Less than 1 year	14	6.6%	24	11.4%
1–3 years	51	24.1%	29	13.8%
4–10 years	87	41.0%	89	42.4%
Over 11 years	60	28.3%	68	32.4%
Total	212	100%	210	100%

To better understand workforce mobility, the Company continuously monitors annual turnover rates and conducts exit interviews, turnover cause classification, and departmental feedback analysis.

The results are used as a basis for optimizing talent retention strategies, compensation and benefits, managerial communication, and career development systems. In recent years, overall turnover rates have remained relatively stable at a low level, indicating a high degree of employee alignment with the Company's culture and working environment. The Company will continue to

strengthen internal communication and development opportunities to mitigate the risk of involuntary turnover.

Employee Retention Performance

Year	Total Turnover Rate	Retention Rate of New Employees (Within 2 Years)	Male Retention Rate (Within 2 Years)	Female Retention Rate (Within 2 Years)
2024	15%	60%	56%	67%
2025	14%	43%	43%	--

Note: Retention rate is calculated based on employees still employed as of December 31, 2025.

Overall, the Company's workforce turnover over the past two years has remained stable. However, retention of new employees still shows room for improvement. The Company will continue to leverage workforce data analysis and system reviews to refine retention strategies and enhance onboarding support and job allocation mechanisms.

Historical Turnover Rate

	Year	Age Group	2024	2025
Number of Leavers	Male	≤29	4	5
		30~50	22	20
		≥51	1	3
	Female	≤29	0	0
		30~50	4	2
		≥51	1	0
	Total		32	30
Annual Turnover Rate (%)		15%	14%	

Note: Turnover rate is calculated as: Annual number of leavers / Number of employees at year-end.

The Company will continue to monitor turnover trends across different gender and age groups. If turnover is concentrated within specific age cohorts, further analysis will be conducted to assess potential drivers such as career transitions, industry cycles, family responsibilities, retirement planning, or organizational restructuring. If turnover is concentrated within specific job functions or departments, the Human Resources Department will work together with relevant managers to review workload allocation, compensation competitiveness, managerial communication, and career development opportunities, serving as a basis for subsequent talent retention improvements.

Internal Promotion Mechanism

The Company encourages internal talent development by providing opportunities for employees to take on greater responsibilities through project assignments, cross-functional collaboration,

managerial mentoring, and structured training programs. These initiatives are designed to enhance employees' confidence in career development and strengthen organizational commitment. For key functions such as advanced engineering, technical management, quality management, and customer project execution, the Company continues to promote knowledge transfer and succession planning. Mechanisms such as senior management coaching, onboarding support for newly promoted supervisors, project post-review sessions, and internal technical knowledge sharing are implemented to reduce operational risks associated with critical position vacancies.

Internal Promotion Rate

Gender	Promotion Rate (2025, by Gender)	Share of Same-Gender Employees	Share of Total Promotions	Description
Male	14.69%	17.93%	83.87%	Due to the industrial job structure, technical, R&D, engineering, and equipment-related roles are still predominantly occupied by male employees.
Female	15.15%	16.13%	16.13%	The Company will continue to enhance fair promotion practices, leadership development, and cross-functional exposure to expand opportunities for female and diverse talent.
Total	14.76%	17.61%	100%	Promotions are based on performance, competencies, job requirements, and development potential.

Given the engineering-intensive nature of the AOI and precision equipment industry, technical R&D, equipment maintenance, and project management roles remain predominantly male, which in turn influences the overall promotion structure. The Company remains committed to fair and merit-based promotion practices, providing equal career development opportunities based on employee capability, performance, and potential. Through management training, project assignments, and mentoring programs, the Company will continue to increase the participation of female and diverse talent in leadership positions.

Family-Friendly Support and Parental Leave

The Company provides parental leave in accordance with applicable regulations, ensuring that employees' long-term career development is not adversely affected by family responsibilities. Over the past three years, a total of 12 employees applied for parental leave without pay. In 2025, all male and female employees who were scheduled to return to work successfully resumed their positions upon completion of their parental leave, resulting in a 100% return-to-work rate. In addition, the Company offers an enhanced paid benefit, the "Vitality Leave," which exceeds regulatory requirements. Employees become eligible for one day of paid leave after 90 days of

continuous service, with entitlement granted at the beginning of each year. This policy supports flexible rest arrangements and promotes employee well-being and work–life balance.

Parental Leave Application and Return-to-Work Rate

Year	Category	Eligible Applicants	Actual Applicants	Application Rate	Expected Returnees	Actual Returnees	Return-to-Work Rate	Retention After One Year (Headcount)	Retention Rate
2024	Male	15	5	33%	2	2	100%	0	0%
	Female	6	5	83%	2	0	0%	0	--
2025	Male	17	8	47%	2	2	100%	2	100%
	Female	5	4	80%	1	1	100%	1	100%

Notes:

1. Eligible employees refer to those who have taken maternity or paternity leave within the past three years (2023–2025).
2. Expected returnees refer to employees scheduled to return in 2025 after taking parental leave between 2023 and 2025.
3. Actual returnees refer to employees who returned to work in 2025 after parental leave.
4. Where no applications or returns occurred during the reporting period, retention rate is indicated as “N/A” .

4-1.4 Comprehensive Compensation System

Favite, Inc. believes that a fair, competitive, and incentive-based compensation system is a critical foundation for attracting, retaining, and developing key talent, as well as a core mechanism supporting sustainable operations and organizational performance enhancement. The Company’s compensation policy is based on job responsibilities, professional competencies, performance outcomes, organizational contributions, and market salary levels. It is further aligned with annual operating results and financial resources. The compensation structure and reward mechanisms are regularly reviewed to ensure both external competitiveness and internal equity.

Compensation Policy and Management Principles

Favite adopts the principles of “paying based on position,” “determining salary based on capability,” and “rewarding based on performance.” A structured and differentiated compensation system has been established through job grading frameworks, salary band design, performance evaluation mechanisms, and market benchmarking. The Company periodically reviews the rationality of compensation across job categories, levels, tenure, and performance results. Considerations also include key talent retention, market supply and demand for technical roles, and overall business performance. The compensation system is continuously optimized in a rolling manner to support corporate growth and talent development.

Compensation and Incentive Structure

Favite provides a diversified and performance-driven reward system. The compensation structure includes fixed salary, year-end bonuses, performance bonuses, employee remuneration, project or sales incentives, patent bonuses, and various non-monetary incentives, balancing both short-term motivation and long-term retention.

Item	Description
Fixed Salary	Determined based on job responsibilities, job grade, professional competencies, work experience, and market salary levels, serving as the stable compensation foundation.
Year-end Bonus and Performance Bonus	Granted based on annual operating results, departmental performance, and individual performance outcomes.
Employee Remuneration	Distributed in accordance with the Articles of Incorporation, relevant regulations, and Board of Directors' resolutions, enabling employees to share in the Company's operating results.
Project or Sales Incentives	Granted based on project outcomes, business performance, technical breakthroughs, or significant contributions to enhance immediate motivation.
Patent Bonus	Provided to encourage innovation and intellectual property development, rewarding patent proposals, applications, and approvals.
Non-monetary Incentives	Includes public recognition, training opportunities, career development, cross-functional assignments, and leadership development programs to support long-term employee growth.

Market Benchmarking and Compensation Competitiveness

To maintain overall compensation competitiveness, the Human Resources function conducts annual salary structure reviews, referencing peer companies in the same industry, organizations of similar scale, and key job market benchmarks. These are integrated with internal talent reviews, departmental needs, and management decisions to inform annual salary adjustments, salary band revisions, and reward allocation. For critical technical roles, core R&D personnel, and high-potential employees, flexible adjustment mechanisms and targeted incentive schemes are retained to enhance retention, respond to labor market dynamics, and strengthen core technological competitiveness.

Annual Salary Adjustment Data

Indicator	2023	2024	2025
Overall Salary Adjustment Rate (%)	3%	4%	4.8%

Compensation of Non-managerial Full-time Employees

Year	2023 年	2024 年	2025 年
Number of Non-managerial Full-time Employees	184	169	168
Average Salary of Non-managerial Employees (NT\$ thousand)	909	978	1,012
Median Salary of Non-managerial Employees (NT\$ thousand)	774	866	892

Fair Pay and Gender Pay Review

Favite, Inc. upholds the principle of equal pay for equal work. New hire salaries and salary adjustments are determined based on job responsibilities, professional competencies, work experience, performance outcomes, and market benchmarks, without discrimination based on gender, age, marital status, religion, ethnicity, sexual orientation, or disability. In accordance with the Act of Gender Equality in Employment, the Company ensures equal pay and equal treatment for employees performing the same or equivalent work. Any differences arising from tenure, performance, rewards, or other legitimate non-gender-related factors are considered reasonable.

In 2025, gender-based annual compensation ratios for managerial and non-managerial employees were 1:1.33 and 1:0.83 respectively. These differences are primarily attributable to job structure, seniority distribution, professional background, and the proportion of managerial roles, rather than gender-based discrimination. The Company will continue to strengthen compensation fairness through job grading reviews, salary band management, performance system calibration, and leadership development mechanisms, thereby enhancing equal opportunities for diverse talent development.

In addition, Favite respects gender diversity and family equality. Employees in same-sex marriages are entitled to the same marriage leave and benefits as those in opposite-sex marriages, reinforcing the Company's commitment to diversity, equity, and inclusion.

Position Level	2023 Female-to-Male Salary Ratio	2024 Female-to-Male Salary Ratio	2025 Female-to-Male Salary Ratio
Non-managerial Employees	0.78: 1	0.75: 1	0.83: 1
Section-level Supervisors	0.88: 1	-	-
Manager-level Supervisors	0.70: 1	0.83: 1	0.8: 1
Senior Management (Director Level and Above)	1.07: 1	1.23: 1	1.06: 1

Employee Compensation and Profit Sharing

Favite, Inc. values the sharing of operating results with employees. In accordance with Article 19 of the Articles of Incorporation, when the Company records annual profits, 10% of such profits shall be allocated as employee compensation, of which no less than 20% shall be distributed to frontline employees, in compliance with applicable regulations. Through

this institutional mechanism, the Company returns business performance to employees, thereby strengthening employee engagement and organizational identification. In 2025, the Company completed the allocation and disclosure of employee compensation. The relevant amounts and distribution arrangements were executed in accordance with the Public Information Observatory and shareholders' meeting reports. The distribution is determined with comprehensive consideration of job grade, performance, project participation, and overall contribution, ensuring both fairness and motivational effectiveness. The Company will continue to monitor compensation growth and sharing mechanisms for frontline employees in response to governance expectations regarding pay transparency and talent retention.

Indicator	Definition	2023	2024	2025
Total Employee Compensation Appropriation (NT\$)	Compensation allocated from annual earnings, in accordance with Board resolution and Article 235 of the Company Act	0	6,192,273	0
Employee Compensation Distribution Coverage Rate (%)	Number of employees receiving compensation / total employees	-	100%	-

Compensation System Development

In response to increasing competition for talent and evolving sustainability governance expectations, Favite, Inc. will continue to enhance its compensation framework with a focus on the following priorities:

- Establish a more comprehensive compensation structure and market benchmarking mechanism to ensure external competitiveness for key functions and core talent.
- Strengthen competency-, performance-, and contribution-based compensation and salary adjustment practices to improve transparency and consistency in compensation management.
- Integrate sustainability objectives, talent development outcomes, and organizational performance into compensation planning, and progressively evaluate the adoption of longer-term incentive programs to support the Company's medium- and long-term growth.

Favite, Inc. will continue to support talent retention, performance enhancement, and organizational growth through a fair, reasonable, and motivating compensation system. By promoting profit-sharing, innovation incentives, and diverse development opportunities, the Company aims to strengthen employees' sense of participation in and commitment to the Company's long-term development.

4-2 Inclusive and Happy Workplace

Favite, Inc. believes that sustainable business success is built not only on technological innovation and operational performance, but also on respect for employees' human rights, dignity, and well-being. Guided by the principles of human rights protection, diversity and equality, health and well-being, and work-life balance, the Company is committed to fostering a fair, inclusive, non-discriminatory, and supportive workplace where employees of different genders, generations, professional backgrounds, and family structures can thrive in a safe and respectful environment. In 2025, Favite, Inc. continued to promote human rights protection, equal employment opportunities, sexual harassment prevention, labor-management communication, employee health care, and diversified employee benefits. Through training programs, grievance channels, the Employee Welfare Committee, labor-management meetings, and occupational safety and health management mechanisms, the Company embedded respect and care into its daily operations and management practices. The Company also continued to provide benefits exceeding statutory requirements, including enhanced leave programs, group insurance, overseas business travel insurance, regular health examinations, health consultation services, marriage, funeral, and childbirth subsidies, birthday and holiday gift vouchers, employee travel subsidies, club activity subsidies, departmental gatherings, business travel accommodations, and free parking for vehicles and motorcycles. These initiatives are designed to strengthen employee support, enhance workplace well-being, and foster organizational cohesion.

4-2.1 A Diverse and Equitable Workplace

Favite, Inc. respects and protects the fundamental human rights of employees, suppliers, contractors, customers, and other stakeholders. Drawing on the principles of the United Nations Guiding Principles on Business and Human Rights (UNGPs), particularly the framework of "Protect, Respect and Remedy," the Company integrates human rights considerations into its daily operations and management systems. In 2025, the Company continued to monitor human rights risks that may arise from its business activities. Key areas of focus included anti-discrimination, anti-bullying, prohibition of child labor, prohibition of forced labor, sexual harassment prevention, workplace violence prevention, working hours and compensation management, occupational safety and health, personal data protection, and employee physical and mental well-being.

Through mechanisms covering risk identification, risk assessment, prevention and mitigation, grievance and remedy, as well as monitoring and disclosure, Favite, Inc. strives to minimize potential adverse human rights impacts while enhancing the effectiveness and transparency of its management practices.

Human Rights Protection

Favite recognizes that the dignity and rights of every employee should be respected and protected equally. Human rights protection is not merely reflected in policies and procedures but is embedded in the Company's corporate culture and day-to-day management practices. Accordingly, the Company continues to enhance employees' and managers' awareness and understanding of human rights issues through training programs, policy communication, and practical engagement. In 2025, the Company continued to implement phased human rights awareness and training programs covering gender equality, anti-discrimination, anti-bullying, prevention of sexual harassment, whistleblower protection, ethical business conduct, information security, occupational safety and health, and trade secret protection, thereby strengthening employees' awareness of workplace respect and compliance responsibilities.

Year	2022	2023	2024	2025
Target Audience	All employees, senior staff	New employees	All employees	All employees, new employees, and directors
Course Content	Ethical Business Conduct; Prevention of Insider Trading; Building a Friendly Workplace – Workplace Communication and Coordination; Information Security; Occupational Safety and Health	Ethical Business Conduct; Prevention of Insider Trading; Information Security; Occupational Safety and Health	Anti-discrimination, Anti-bullying and Sexual Harassment Prevention Awareness; Ethical Business Conduct; Prevention of Insider Trading; Occupational Safety and Health; Information Security	Anti-discrimination, Anti-bullying and Sexual Harassment Prevention Awareness; Ethical Business Conduct; Prevention of Insider Trading; Occupational Safety and Health; Information Security
Completion Rate	100%	98%	99%	99%

Management Aspect	2025 Management Practices
Non-discrimination and Equal Treatment	Employment, compensation, training, performance evaluation, promotion, and career development decisions are based on job requirements, professional competence, and work performance. No differential treatment is permitted based on gender, age, religion, marital status, ethnicity, or any other non-job-related factors.
Prohibition of Child Labor and Forced Labor	All employment practices comply with applicable labor laws and regulations. Any form of child labor, forced labor, debt bondage, or involuntary labor is strictly prohibited.
Working Hours and Compensation Management	All employees are employed under formal employment contracts. Working hours, leave, compensation, and overtime management are implemented in accordance with the Labor Standards Act and relevant regulations.
Prevention of Sexual Harassment and Workplace Violence	The Company has established prevention, complaint-handling, and disciplinary procedures for sexual harassment and unlawful workplace conduct, providing reporting channels and investigation mechanisms to protect the rights and privacy of all parties involved.
Diversity, Equity and Inclusion	The Company promotes an inclusive workplace culture that respects diverse gender identities, generations, professional backgrounds, and family structures. Employees in same-sex marriages are entitled to the same marriage leave and related benefits as employees in opposite-sex marriages, demonstrating the Company's commitment to equality and inclusion.
Grievance and Remedy Mechanisms	Multiple accessible reporting and grievance channels have been established, including physical suggestion boxes, internal website feedback channels, corporate website reporting channels, and formal grievance procedures, ensuring employees can raise concerns safely, confidentially, and without fear of retaliation. For cases involving human rights violations, discrimination, sexual harassment, workplace violence, or other inappropriate conduct, the Company follows established investigation and resolution procedures. Where necessary, appropriate support resources, including medical assistance, psychological counseling, legal consultation, or other referral services, are provided to ensure effective remedy and protection for affected individuals.

4-2.2 Employee Well-being and Benefits

Health Promotion and Cultural Engagement

Favite believes that employee health, well-being, and life support are fundamental to sustainable business development. Guided by the principles of health promotion, employee well-being, family-friendly practices, and work-life balance, the Company strives to create a workplace environment that supports both physical and mental well-being while strengthening organizational cohesion. Through these efforts, employees are empowered to pursue performance excellence while feeling supported, respected, and valued.

In 2025, Favite continued to provide benefits and care programs beyond regulatory requirements through health examinations, health consultation services, group insurance, employee welfare subsidies, club activities, and family-friendly initiatives. By integrating preventive healthcare, health awareness promotion, and flexible support mechanisms, the Company helps employees balance work, family responsibilities, and personal well-being.

Health Promotion

Favite adopts a preventive approach to employee health management. In accordance with workplace health protection requirements, the Company provides regular health examinations,

professional health consultations, and follow-up care programs to help employees monitor their health conditions and reduce potential health risks. Health-related information covering balanced nutrition, stress management, exercise habits, workplace wellness, and low-carbon lifestyles is also periodically disseminated through internal communications and the Favite Wellness Newsletter to enhance health awareness and self-care capabilities.

In addition to health awareness initiatives, the Company promotes employee participation in sports activities, wellness programs, and employee clubs to encourage regular exercise, relieve work-related stress, and strengthen cross-departmental interaction. In 2025, one health promotion event was organized with 134 participant attendances and a total investment of NT\$271,206. Employee clubs, including the badminton club and reading club, also contributed to fostering a workplace culture characterized by belonging, collaboration, and mutual support.

Employee Benefits

Favite continues to provide competitive and employee-oriented benefits covering insurance protection, healthcare support, lifestyle assistance, and team engagement to enhance overall employee well-being, retention, and talent attraction. The Company fully funds group insurance programs covering life insurance, accident insurance, hospitalization medical insurance, and cancer insurance. Employees traveling overseas for business are additionally covered by business travel accident insurance. In 2025, a total of 236 beneficiaries were covered, with an investment of NT\$876,823.

In terms of healthcare support, the Company provides regular health examinations exceeding legal requirements. Eligible employees may participate regardless of age. In 2025, 156 employees completed health examinations, representing a completion rate of 98%, with total subsidies amounting to NT\$786,000. Professional nurses, occupational physicians, and healthcare specialists also provided health monitoring, nutrition counseling, stress management, and workplace health consultation services, benefiting 47 employees during the year, including one high-risk follow-up case.

Benefits Category	Management Measures	2025 Performance
Insurance Protection	The Company fully funds group insurance covering life insurance, accident insurance, hospitalization medical insurance, and cancer insurance. Business travelers are additionally covered by business travel accident insurance.	236 beneficiaries; total investment of NT\$876,823.
Health Examinations	Regular health examinations exceeding legal requirements are provided to all eligible employees.	156 participants; 98% completion rate; total subsidy of NT\$786,000.
Health Consultation Services	Professional nurses and occupational physicians provide health monitoring, nutrition counseling, stress management, and workplace health consultation services.	47 consultation sessions; 1 high-risk follow-up case.
Health Promotion Activities	Sports and health promotion programs are organized to encourage healthy lifestyles.	1 event; 134 participant attendances; total investment of NT\$271,206.
Employee Clubs	Support is provided for employee clubs, including the badminton club and reading club, to promote interaction and work-life balance.	2 clubs; 29 participants; total subsidy of NT\$41,568.
Employee Welfare Subsidies	Travel subsidies, employee activities and competitions, department gatherings, birthday gifts, holiday gifts, and marriage, funeral, and childbirth assistance are provided.	Family Day travel subsidy: 105 participants; NT\$1,279,000. Department gatherings: 2 events; NT\$301,587. Birthday and holiday gifts: NT\$517,174. Marriage, funeral, and childbirth assistance: NT\$25,900.

Employee Clubs and Cultural Engagement

Favite believes that employee well-being stems not only from work-life balance but also from meaningful connections and interactions among colleagues. Through the Employee Welfare Committee, the Company supports employee clubs and engagement activities, encouraging employees to participate in sports, reading, and recreational interests outside of work. These initiatives help promote physical and mental well-being, facilitate cross-departmental interaction, and strengthen corporate culture.

In 2025, Favite continued to encourage employees to establish and participate in clubs based on their interests. Through financial subsidies, activity support, and internal promotion, the Company strives to foster a workplace environment characterized by warmth, engagement, and team cohesion. The badminton club and reading club serve as examples of these efforts. In 2024, club participation reached 30 employee attendances with total subsidies of NT\$30,845. In 2025, participation totaled 29 employee attendances, while subsidies increased to NT\$41,568, demonstrating the Company's ongoing commitment to supporting a healthy, positive, and collaborative workplace culture.

Year	2024		2025	
	Participation (person-times)	Budget Allocated (NTD)	Participation (person-times)	Budget Allocated (NTD)
Badminton Club, Book Club	30	\$30,845	29	\$41,568

Family-Friendly Workplace

Favite recognizes that employees have different needs at various stages of life. To support employees in balancing work responsibilities, family commitments, and personal well-being, the Company provides flexible work arrangements, remote work options, reserved parking spaces for pregnant employees and employees with injuries, nursing rooms, parental leave without pay, and leave benefits that exceed statutory requirements.

Management Area	Measures	2024	2025
Flexible Working Hours	Employees may apply for alternative work schedules to accommodate family transportation responsibilities, caregiving needs, health conditions, or personal circumstances.	72 applications	73 applications
Remote Work	Employees may apply for remote work arrangements due to health and safety considerations, family caregiving responsibilities, commuting difficulties, or unexpected circumstances, subject to approval procedures.	4 applications	3 applications
Reserved Parking for Pregnant and Injured Employees	Dedicated parking spaces are provided in locations close to office buildings.	2 spaces	2 spaces
Breastfeeding Rooms	Available for employees with children under two years of age. Nursing and milk-expression breaks are provided in accordance with applicable regulations and are treated as working hours.	2 users	0 users
Parental Leave Without Pay	Employees with at least six months of service may apply before each child reaches the age of three.	3 applicants; 2 returned to work and 1 scheduled to return in 2025	3 applicants; 2 returned to work and 1 scheduled to return in 2026
Vitality Leave	Additional paid leave provided beyond legal requirements.	Utilization rate: 100%	Utilization rate: 99%
Marriage, Funeral, and Childbirth Assistance	Financial assistance is provided for marriage, childbirth, and bereavement events.	NT\$51,400	NT\$25,900

Expanded Family-Friendly Initiatives in 2026

To further strengthen its family-friendly culture and employee well-being initiatives, Favite introduced a range of enhanced benefits in 2026 under four key themes: onboarding support, family care, personal development, and social contribution. New programs include paid vitality leave available upon onboarding, paid volunteer leave, paid personal development leave, paid family care leave, and enhanced leave entitlements for marriage, prenatal examinations, paternity leave, and

maternity-related appointments beyond statutory requirements. In addition, employees with children aged 0–6 years are eligible for a family-friendly childcare allowance of NT\$2,500 per child per month, providing tangible support for balancing parenting and work responsibilities.

2026 Family-Friendly Initiative	Description	Implementation Status (as of March 2026)
Paid Family Care Leave	Supports employees caring for first-degree relatives (parents and children) or spouses. Employees are entitled to 8 hours of paid family care leave annually, which may be taken in 0.5-hour increments.	25 employees utilized the leave, totaling 164.5 hours.
One Additional Day of Paternity and Prenatal Examination Leave	In addition to the statutory 7 days, the Company provides 1 extra day, bringing the total entitlement to 8 days. Leave may be taken in 0.5-hour increments.	Utilized by 3 employees.
One Additional Day of Prenatal Examination Leave	In addition to the statutory 7 days, the Company provides 1 extra day, bringing the total entitlement to 8 days. Leave may be taken in 0.5-hour increments.	Utilized by 1 employee.
Family-Friendly Childcare Allowance	Employees with children aged 0–6 years receive a childcare subsidy of NT\$2,500 per child per month.	23 employees and 32 eligible children received subsidies totaling NT\$225,000.

4-3 Employee Health and Safety

In the course of daily operations, the Company recognizes that a sense of safety is derived not only from system safeguards, but also from respect for the dignity of every employee. By fostering a workplace that ensures both physical and psychological well-being, the Company strengthens occupational safety and health management, prevents workplace harassment, and establishes a clear grievance reporting mechanism, enabling employees to be both protected and heard in the workplace. Safety is not only about equipment and facilities, but also about organizational culture; a friendly workplace is reflected in every interaction.

Management Approach	Material Topic: Employee Health and Safety
Policies and Commitments	The Company is committed to building a safe, healthy, and equitable workplace in accordance with applicable laws and regulations, and continuously promotes systematic management and diversified health promotion initiatives to safeguard employees' physical and mental well-being and career development. The Company fully complies with relevant regulations, including the Labor Standards Act, Act of Gender Equality in Employment, Occupational Safety and Health Act, and Regulations of Labor Health Protection. In addition, internal policies and procedures such as the Occupational Safety and Health Regulations, Emergency Response Management Procedure, Prevention Plan for Occupational Unlawful Infringement, and Regulations for Prevention of Sexual Harassment, Complaint Handling, and Disciplinary Measures are implemented to strengthen risk identification, hazard prevention, and workplace safety culture.
Positive Impacts	The provision of a safe and healthy working environment, supported by comprehensive management systems, effectively reduces occupational accident risks, enhances employees' sense of security, and improves attendance stability.
Negative Impacts	Inadequate management of occupational safety and health may result in occupational injuries, leading to increased care costs, legal liabilities, and operational disruptions, thereby affecting corporate

Management Approach	Material Topic: Employee Health and Safety
	reputation and operational stability. In addition, insufficient occupational health management may reduce employee retention and increase turnover risk. From a health perspective, failure to continuously address employees' physical and mental well-being may lead to excessive stress or overwork, affecting productivity and organizational cohesion.
Remediation and Mitigation Measures	The Company has established an ISO 45001 occupational health and safety management system and conducts regular risk assessments and safety drills. Diversified health promotion initiatives, including health examinations, psychological and nutritional consultations, and stress-relief activities, are implemented to strengthen employees' health management and stress resilience, with the goal of achieving zero occupational accidents and high health satisfaction.
Targets	Short-term (by end of 2026):
	■ ISO 45001 Certification: obtain certification in 2026. ■ Health promotion and safety awareness activities: conduct 6 sessions in 2026. ■ Occupational health services: provide 50 counseling sessions in 2026.
	2025 performance
	■ ISO 45001 was implemented and certified in 2025. ■ A total of four occupational health and safety promotion activities were conducted. ■ 92 employee consultations were recorded under occupational health services.
	Medium-term (by end of 2028):
	■ Maintain ISO 45001 certification annually. ■ Each employee participates in at least two health and safety activities per year. ■ Continuously optimize hazard identification and risk assessment processes, eliminating over 80% of potential workplace risks.
	Long-term (by end of 2031):
	■ Sustain zero occupational accident goal through strengthened management and training. ■ Establish an integrated health management system to provide personalized health consultation services using employee health data.
Responsibility	Sustainable Development Committee – Corporate Social Responsibility Task Force Human Resources Department President's Office – Industrial Safety & Health
Resources	Human resources: one additional staff member was added in 2025. Financial resources: NT\$2,500,000 (for staffing, activity expenses, etc.). 2026 Occupational Health and Safety Management Plan: NT\$1,174,540.
Evaluation Mechanism for the Effectiveness of Management Approach	■ The Company passes ISO 45001 external audits annually and completes recertification to ensure the continued effectiveness of the management system. ■ All occupational safety and health training courses are evaluated through satisfaction surveys, with an average score maintained above 4. ■ Labor-management meetings and Occupational Safety and Health Committee meetings are held quarterly to facilitate two-way communication and implementation of improvement actions. ■ Employee feedback channels, including email boxes and complaint mechanisms for sexual harassment and occupational unlawful infringement, are established to ensure diversified communication and grievance mechanisms. ■ All health promotion activities are evaluated through satisfaction surveys, with an average score maintained above 4. ■ The annual employee health examination completion rate is required to reach 95% or above.
Evaluation Results of the Management Approach	1. ISO 45001 certification was obtained through third-party audit in 2025. 2. The average satisfaction score for occupational safety and health training was 4.79 (out of 5). 3. Four labor-management meetings and Occupational Safety and Health Committee meetings were held in 2025, with a 100% response and closure rate of proposals. 4. Zero complaints or whistleblowing cases were recorded in 2025. 5. The average satisfaction score for health promotion activities reached 4.50 (out of 5). 6. The employee health examination completion rate reached 98%.
Complaint	Complaint submission link: Internal website / Company official website:

Management Approach	Material Topic: Employee Health and Safety
Mechanism and Communication Channels	https://www.favite.com/complaints/

4-3.1 Occupational Safety and Health Management

The Company provides a safe and healthy working environment for all employees, suppliers, customers, and other stakeholders. In compliance with domestic and international occupational safety and health laws and standards, the Company has established an Occupational Safety and Health Management Plan, which is approved by the governance level and implemented accordingly. The Company conducts regular hazard identification and risk assessments to proactively identify potential risks that may affect employee health and safety. Comprehensive workplace inspections are carried out annually, covering physical environment, equipment safety, and psychosocial well-being. Safety standards are systematically updated and optimized to ensure all operational environments comply with occupational safety and health requirements. In addition, a cross-functional Safety Committee has been established to monitor safety performance, develop improvement actions, and continuously enhance risk control capabilities based on annual review outcomes. Employee participation and feedback mechanisms are also critical. The Company provides accessible safety reporting channels to enable timely reporting of safety issues and participation in improvement initiatives.

Occupational Hazard Identification and Risk Prevention

Through regular hazard identification and risk assessments, the Company implements appropriate risk control measures for high-risk work areas and equipment operations, including machinery safety protection, signage management, and zoned monitoring systems, to reduce accident risks.

Prevention Mechanism	Description
Work Risk Identification Form and Inspection Mechanism	The occupational safety unit and department supervisors jointly conduct annual on-site risk assessments and record findings in a corrective action tracking log.
Task-Based Risk Control System	A permit-to-work system is implemented based on risk levels, including high-altitude work, hot work, and confined space entry. Personnel must complete relevant training and obtain an approved work permit before execution.

Occupational Injury Prevention Mechanism

To prevent occupational injuries and enhance on-site operational safety, the Company has established a comprehensive risk prevention mechanism combining engineering controls, procedural management, and safety training for various high-risk processes. The Company also

develops corresponding Standard Operating Procedures (SOPs) and emergency response procedures based on different types of operations to ensure consistent and effective risk control.

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 regards contractors as an integral part of its occupational safety and health management system and implements stringent safety management controls for all contractor personnel entering the facility. All contractors engaged in construction, equipment installation, or maintenance activities within the site are required to comply with the following control measures:

Management Category	Control Measures
Pre-Entry Control	Contractors are required to complete occupational safety and health training, including facility rules and basic environmental, health, and safety (EHS) knowledge.
	Contractors must submit a personnel roster and sign the "Pre-Work Hazard Notification Form" and the "Contractor Safety, Health, and Environmental Commitment Letter."
Work Permit Control	High-risk activities, including hot work, working at height, confined space entry, and lifting operations, must be subject to a work permit application.
	Work may only proceed upon approval of the relevant permits and supporting documentation.
On-Site Supervision	The Industrial Safety & Health unit and project supervisors conduct regular and ad hoc site inspections of contractor activities.
	Compliance with PPE usage, hazard communication, and work area segregation is verified.
Personal Protective Equipment (PPE)	All personnel are required to provide and properly wear appropriate PPE, including safety helmets, protective eyewear, and safety harnesses.
	Violations may result in recorded penalties or termination of work authorization.
Emergency Response	All contractors must comply with the Company's emergency response plan and be familiar with evacuation routes and assembly points.
	In the event of an incident, immediate reporting and cooperation in investigation are required.
Incident Reporting and Disciplinary Action	In the event of a safety incident, contractors must report immediately, assist in root cause investigation, and implement corrective actions.
	Severe violations may result in termination of cooperation and inclusion in a watchlist.

2025 Performance:

No major occupational accidents occurred during the year. All workers successfully completed entry safety training and passed required qualification checks.

Despite a comprehensive safety management system, minor disabling injury risks may still occur. In such cases, the Company promptly activates emergency response procedures and provides necessary medical assistance, psychological support, and long-term rehabilitation plans to ensure comprehensive care for affected employees. In addition, each incident is thoroughly investigated to identify root causes, and corrective actions are implemented based on investigation findings.

Occupational Injury Statistics and Analysis

The Company regularly recorded and analyzed occupational injury incidents. For each case, a root cause analysis was conducted, and corrective mechanisms were implemented accordingly.

Improvements were made across multiple dimensions, including work procedures, equipment safety, site management, and employee training, to enhance overall workplace safety resilience.

In 2025, the Company continued to uphold the goal of “zero major occupational accidents” and systematically managed and mitigated potential risks through the following key measures:

- **Data-driven monitoring system:** Statistical analysis was conducted based on injury type, affected body part, and lost workdays to serve as management indicators and training priorities.
- **Disabling injury monitoring indicators:** The frequency rate (FR) and severity rate (SR) of disabling injuries were tracked as key occupational safety performance indicators and improvement benchmarks.
- **Strengthened preventive mechanisms:** Root causes of incidents and near-miss events were reviewed quarterly. An anomaly reporting system and cross-functional response mechanism were implemented to enhance risk awareness and response efficiency.

To reduce recurring incidents, the Company also focused on:

- **Workplace redesign:** High-risk areas were optimized through improved workflows, redesigned layouts, and additional safety protection equipment.
- **Employee reporting and feedback:** Frontline employees were encouraged to report risk alerts and provide improvement suggestions, which were incorporated into regular safety reviews.

Year	2023	2024	2025
Total Workdays	48,664	46,357	43,121
Total Work Hours	389,312	370,856	344,968

Gender		Male	Female	Total	Male	Female	Total	Male	Female	Total
Occupational Injuries	Number of Disabling Injuries	0	0	0	0	0	0	0	0	0
	Total Lost Workdays	0	0	0	0	0	0	0	0	0
Commuting Accidents	Number of Disabling Injuries	1	1	2	2	0	2	0	0	0
	Total Lost Workdays	11	2	13	6	0	6	0	0	0
Total	Total Injured Cases	1	1	2	2	0	2	0	0	0
	Total Lost Workdays	11	2	13	6	0	6	0	0	0

In 2025, the overall absenteeism rate was 1.5%.

Year	2022	2023	2024	2025
Sick Leave and Personal Leave Absenteeism Rate	2.3%	1.6%	1.4%	1.5%
Occupational Injury Absenteeism Rate (including commuting accidents)	0.1%	0.1%	0.1%	0.0%
Overall Absenteeism Rate	2.4%	1.8%	1.6%	1.5%

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	18	100%
Emergency Response and Evacuation Drills	Simulated fire, earthquake, and chemical spill scenarios	4	72	100%
ISO 45001 Guidance and Consultancy Training	Introduction to ISO 45001 occupational health and safety management system requirements and consultant-led guidance sessions	12	105	98%

Note: All training sessions were conducted by certified instructors. Learning outcomes were evaluated through written assessments and practical drills.

2025 Occupational Safety and Health Certification Training Statistics

Certification Name	Number of Certifications (Headquarters)	Number of Certifications (Taichung Office)	Number of Certifications (Tainan Office)	Total
Occupational Safety and Health Affair Manager	10	1	7	18
Class-2 Occupational Safety and Health Management Personnel	3	0	1	4
First Aid Personnel	4	0	1	5
Fire Prevent Manager	2	0	1	3
Forklift Truck Operator	4	0	0	4
Crane Operator	15	0	0	15

Certification Name	Number of Certifications (Headquarters)	Number of Certifications (Taichung Office)	Number of Certifications (Tainan Office)	Total
General Labor Safety and Health Education and Training (6 hours)	87	6	17	110

*All certifications are currently valid within their effective periods.

As of 2025, the Company holds a total of 159 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.

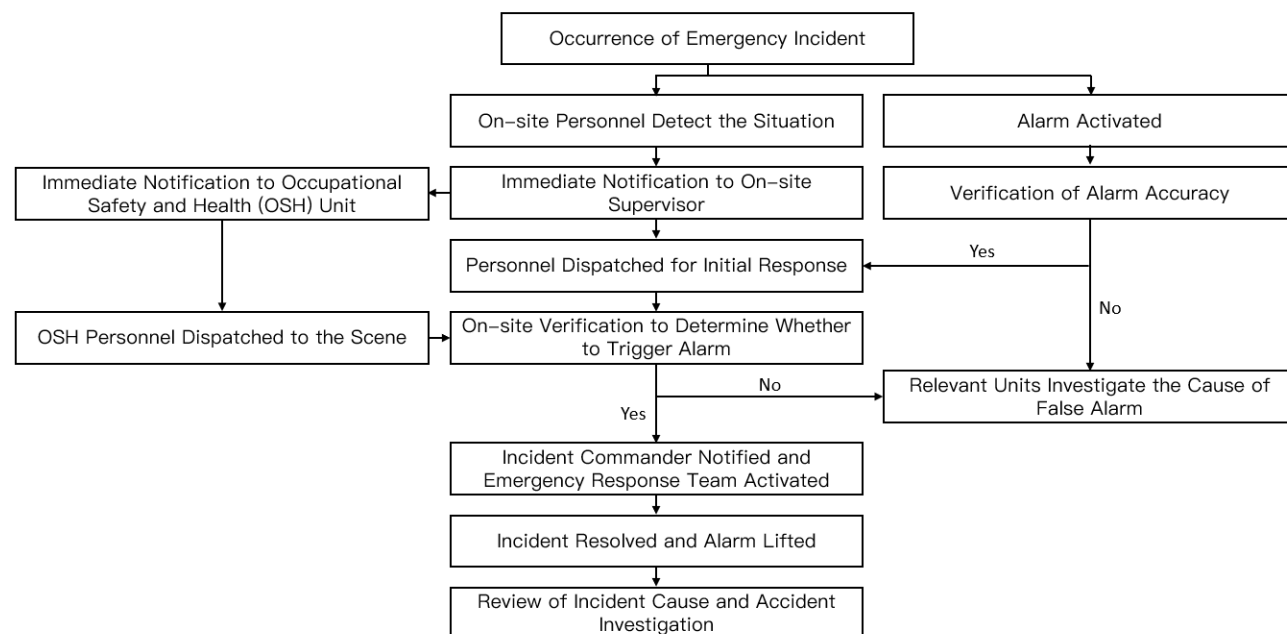
Emergency Response and Employee Care Mechanism

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.

Strengthening Communication and Feedback Mechanisms:

For different hazard scenarios, including fire incidents, chemical spills, and machinery failures, the Company has established emergency response plans and conducts at least one simulation drill annually to ensure that employees can respond promptly and take appropriate actions.

A comprehensive reporting mechanism and workflow have been established as illustrated below:



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.
- In the event of a major incident, dedicated consultation channels are made available to identify and monitor potential psychological risks.
- A return-to-work support program is implemented, offering flexible working arrangements and phased reintegration plans to assist employees in resuming their duties smoothly.

Workplace Sexual Harassment Prevention Measures

The Company is committed to establishing a zero-tolerance workplace, ensuring that all employees can work in an environment free from gender discrimination, harassment, and workplace bullying.

This commitment is implemented through three key pillars: policy establishment, grievance mechanisms, and training and awareness.

Grievance and Prevention Mechanisms

Dedicated Complaint Channels

- The Company has established dedicated reporting hotlines, email complaint channels, and internal website submission systems to ensure employees can file complaints in a safe and confidential environment.
- Designated internal personnel are responsible for handling cases, ensuring that all employees receive fair investigation and response without pressure or risk of retaliation.

Workplace Sexual Harassment and Discrimination Investigation Committee

- The Company has established a "Sexual Harassment Investigation Committee" responsible for case investigation. Investigation reports are submitted to the "Sexual Harassment Complaint Handling Committee." The committee includes HR, legal personnel, and external professional advisors, with female representation of no less than 50% to ensure fairness and professionalism in the process.
- Investigations are initiated within seven days after case acceptance, and all cases are committed to being resolved within two months to ensure timely and fair handling.

Type of Incident	2023	2024	2025	Cases Resolved	Unresolved Cases	Key Improvement Measures
Gender Discrimination	0	0	0	0	0	-
Other Discrimination	0	0	0	0	0	-
Workplace Bullying	0	0	0	0	0	-
Sexual Harassment	0	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

Transparent Handling Process and Disciplinary Mechanism

Fair Investigation and Privacy Protection

- During the investigation process, the Company ensures that the identities and privacy of both complainants and respondents are strictly protected. All case-handling procedures are kept strictly confidential to prevent retaliation or any form of undue influence.
- If misconduct is confirmed after investigation, the Company shall impose disciplinary actions in accordance with the “Sexual Harassment Prevention Measures, Complaint and Disciplinary Regulations” and the “Work Rules.” The most severe penalty may result in termination of employment in accordance with Article 12 of the Labor Standards Act.
- Depending on the severity of the confirmed violations, disciplinary actions may include, but are not limited to:
 1. Educational counseling
 2. Formal warning
 3. Administrative disciplinary action
 4. Disciplinary measures (demotion, suspension, or termination of employment)

The Company will continue to strengthen internal monitoring and review mechanisms to ensure that all complaints are properly handled. Through internal education, the Company aims to enhance employees’ understanding of gender equality and workplace respect, thereby reinforcing corporate values and safeguarding fairness and safety in the workplace. All employees are entitled to develop in an environment characterized by respect, inclusion, and psychological safety, free from retaliation or unfair treatment.

Gender Equality and Workplace Harassment Prevention Training

The Company conducts training and awareness programs on workplace sexual harassment prevention and gender equality to ensure that employees understand their rights and the Company's policies. In 2025, a total of nine sessions were conducted, with 89 participants. Training topics covered the following areas:

	2023	2024	2025
Course Content	Workplace Sexual Harassment and Illegal Workplace Harassment (Bullying) Prevention; Decoding Workplace Harmful Behaviors! Prevention of Illegal Workplace Harassment	Building a Friendly Workplace under the Labor Standards Act – Introduction to the Latest Gender Equality Employment Act and Case Studies of Workplace Harassment; Workplace Sexual Harassment and Other Illegal Workplace Harassment Prevention; Occupational Safety and Health Education Training (General Employees)	Workplace Sexual Harassment and Other Illegal Workplace Harassment Prevention and Occupational Safety and Health Training (General Employees); Workplace Sexual Harassment and Other Illegal Workplace Harassment Prevention and Occupational Safety and Health Training (Managers); Board-Level Gender Equality Training – Sexual Harassment Prevention: Employer Compliance Responsibilities and Countermeasures; Prevention of Workplace Violence and Illegal Harassment

The Company has already covered a majority of employees through policy communication and training programs. Going forward, it will continue to strengthen internal supervision and review mechanisms to ensure that all complaints are appropriately addressed, further enhancing transparency and fairness of the system. To reinforce workplace diversity and equality, the Company will continuously promote internal training on gender equality and workplace respect. In addition, the Company will further optimize anonymous reporting channels and psychological support mechanisms related to workplace safety and employee well-being, enabling employees to report concerns or misconduct safely without fear of retaliation or discrimination. The Company remains committed to building a workplace that is respectful, inclusive, and secure, supporting the stable growth and long-term development of all employees.

4-3.2 Employee Health and Safety

The Company recognizes that employee health is the foundation of stable operations and sustainable development. Over the long term, it has been committed to creating a healthy, safe, and friendly workplace. Each year, the Company continuously enhances its health promotion strategy

through the analysis of health examination results and employee feedback interviews, and implements a cyclical health management framework to strengthen system design, service processes, and resource allocation. This approach ensures that employees can tangibly experience corporate care and support in their daily work.

Physical and Mental Health Care Program: Comprehensive Support and Care

To provide more tailored health management, the Company has established a tiered health management system. Regular health examinations are conducted, and differentiated health assessments are provided based on job nature and occupational risk levels to ensure alignment between employees' health conditions and job requirements.

Annual Health Examinations:

The Company provides all employees with annual health examinations that exceed statutory requirements. The examination items include blood pressure, cardiovascular disease screening, liver and kidney function, blood glucose metabolism, hematology and cancer-related screening, and chest X-rays. In 2025, additional enhanced screening items were introduced, including cardiovascular blood tests and ultrasound examinations, enabling employees to better understand their health trends and identify potential risks at an early stage.

Health Risk Classification and Follow-Up Management:

For abnormal examination results, the Company has established a health risk classification mechanism. Employees receive necessary medical referrals and follow-up care. On-site medical personnel provide individualized health consultations and continuous care services.

2025 Performance:

In 2025, a total of 156 employees participated in the health examination program, achieving a coverage rate of 98%. The Company provided subsidies totaling NT\$786,000. This initiative not only enables early detection of potential health issues but also reflects the Company's strong commitment to employee health and well-being.



Well-being Initiatives for a Happy Workplace

To foster a workplace culture that balances physical and mental well-being with work efficiency, the Company continuously implements workplace health promotion programs. On-site occupational physicians and occupational health nurses are available to provide timely and individualized health advice and consultation services for employees.

A total of 47 health consultation sessions were provided during the year, covering areas such as mental health management, stress coping strategies, exercise and nutritional guidance, as well as work-life balance planning. These services support employees in strengthening their health awareness and self-care capabilities from multiple dimensions.

Through face-to-face engagement and professional counseling, occupational health personnel are able to promptly assess employees' physical and mental conditions and provide practical recommendations and follow-up support. This enables employees to maintain stable and healthy well-being even under high work demands, thereby fostering 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	1 employee identified with high risk of illness induced by abnormal workload		Risk Levels for Workload-Induced Health Risks: High Risk: 1 employee Medium Risk: 74 employees Low Risk: 82 employees Employees with Abnormal Annual Health Examination Results: 96 employees Middle-aged and Senior Employees Identified as Work Fitness Risk Groups: 4 employees
	Zhubei HQ: 1	Central and Southern Offices: 0	
Doctor Consultation and Health Guidance	1. 100 employees required doctor consultation		
	Zhubei HQ: 74	Central and Southern Offices: 26	
	1.1 100 employees under observation or follow-up checks		
	Zhubei HQ: 74	Central and Southern Offices: 26	
	1.2 0 employees requiring medical attention		
	Zhubei HQ: 0	Central and Southern Offices: 0	
	2. 100 employees requiring health guidance		
	Zhubei HQ: 74	Central and Southern Offices: 26	
	2.1 60 received health guidance		
	Zhubei HQ: 52	Central and Southern Offices: 8	
Work Time or Task Adjustment	1. 0 employees required work hour adjustment 2. 0 employees required task reassignment		None
Health Checkups, Management, and Promotion	1. 167 employees required health checkups		Cardiovascular Risk Classification: High: 3, Medium: 15, Low: 138 Metabolic Syndrome: 36 diagnosed, 81 high-risk, 39 normal Hypertension: 91 Hyperglycemia: 22 Hyperlipidemia: 88 Health Risk Levels: Level 4: 34, Level 3: 62, Level 2: 48, Level 1: 12
	Zhubei HQ: 76	Central and Southern Offices: 91	
	1.1 156 employees actually received checkups		
	2. 100 employees required regular follow-up management (annual checkup tracking)		
	3. 290 instances of health promotion activity participation (annual total)		
Effectiveness Evaluation and Improvement	1. Health checkup participation rate: 91.2% 2. Health promotion activity satisfaction: 4.5 (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.

2025 Occupational Health Service Program Performance

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	
Maternal Health Protection Management	1	0	1	0	1	0	0	0	0	0	100%
Health Management for Employees at Risk of Overwork-Related Illnesses	1	0	1	0	1	0	0	0	0	0	100%
Health Management for Employees at Risk of Musculoskeletal Disorders	1	0	0	0	0	0	1	0	0	0	100%
Health Management for Middle-aged and Senior Employees with Work Fitness Risks	4	0	3	0	0	0	1	0	0	0	100%
Individual Health Consultations	2	0	2	0	0	0	0	0	0	0	100%
Hypertension	44	47	19	24	19	24	3	0	22	23	48.9%
Hyperglycemia	7	15	4	8	4	8	0	0	3	7	54.5%
Hyperlipidemia	32	56	15	25	15	25	2	1	15	30	47.1%

4.3.3 Employee Communication and Engagement Mechanism

Employees' voices are a key driver of organizational growth, management enhancement, and sustainable development. In 2025, the Company continued to uphold the principles of open communication, timely response, respectful participation, and continuous improvement in employee communication management. Through Labor-Management Meetings, the Employee Welfare Committee, the Occupational Safety and Health Committee, departmental meetings, internal suggestion mailboxes, grievance channels, and various employee engagement activities, the Company maintained diverse and accessible two-way communication platforms. Favite considers effective employee communication to be the foundation of organizational trust. Communication extends beyond policy dissemination and information sharing; it also serves as an essential process for understanding employee needs, building team consensus, and continuously improving management practices. By actively listening to and responding to employee feedback, the Company strives to provide a safe, respectful, and inclusive environment where employees feel comfortable expressing their opinions. Employee feedback is incorporated into initiatives to enhance employee

benefits, improve the workplace, strengthen training programs, and refine management practices, thereby fostering employee engagement, a sense of belonging, and organizational cohesion.

Diverse Communication Mechanisms

The Company respects and safeguards employees' rights to freedom of association and collective consultation in accordance with applicable laws and regulations, while maintaining mutual trust through structured communication mechanisms. Although no collective bargaining agreement has been established, the Company convenes regular Labor-Management Meetings in accordance with legal requirements and collects and responds to employee feedback through multiple channels, including the Employee Welfare Committee, the Occupational Safety and Health Committee, physical suggestion boxes, the internal website mailbox, and the corporate website reporting mailbox.

Communication Channel	Scope of Communication	2025 Management Focus
Labor-Management Meetings	Labor conditions, working hours, leave, compensation and benefits, and employee rights	Convene meetings regularly and follow up on meeting resolutions to facilitate effective labor-management communication.
Employee Welfare Committee	Employee benefits, employee activities, club subsidies, festive events, and employee support programs	Collect employee feedback on welfare needs as a basis for enhancing employee benefit programs.
Occupational Safety and Health Committee	Workplace safety, health promotion, working environment, and risk prevention	Discuss occupational safety and health management issues to reduce workplace safety and health risks.
Departmental Meetings and Supervisor Communication	Work assignments, project progress, departmental requirements, and improvement suggestions	Respond promptly to employees' work-related needs through routine management communication.
Grievance and Suggestion Channels	Discrimination, sexual harassment, workplace violence, employee rights concerns, and other suggestions	Handle, investigate, respond to, and follow up on cases in accordance with established procedures while protecting the privacy of complainants.
Internal Communication and Awareness Programs	Health promotion, training programs, and sustainability initiatives	Strengthen employee engagement and reinforce corporate culture through internal communication and participation activities.

晶彩科技數據決策系統

員工意見信箱

Favite

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晶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 ☐ 總務 ☐ 人資 ☐ 法律與倫理 ☐ 無專人處理由申訴

*主旨

*內容

聯絡人姓名 聯絡人電話 申訴人

聯絡人信箱

* 在信箱申訴，執行難程連號不連獲董事決議留下相關聯絡資訊，其餘意見可匿名
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送出

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重要提醒：

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2. 我們接受匿名舉報，但為了更好地進行調查，我們將邀請您提供調查之事實（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。

晶彩公司承諾：

1. 關於您的舉報資料，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。
2. 您所提供的舉報資料，包括姓名、電話、電子郵件等，晶彩公司將嚴格保密，並作為調查資料進行處理。

您與晶彩科技的關係 (必填)

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

請列明本案所涉及之晶彩人員姓名及單位名稱 (必填)

您是否知悉知此舉報行為? (必填)

請選擇知悉原因 (如事件相關、淨零金額、等) (必填)

During the reporting year, the Company strengthened communication and dialogue with employees through a variety of formal and informal communication mechanisms. These channels were used to discuss a wide range of matters relating to employee rights and interests, including, but not limited to, the following:

Communication Channel	2024	2025
Internal Announcements	More than 15 announcements issued	More than 16 announcements issued
Quarterly Labor-Management Meetings	Four Labor-Management Meetings were convened	Four Labor-Management Meetings were convened, with a 100% implementation rate for all recommendations and resolutions.
Quarterly Employee Welfare Committee Meetings	Six meetings held	Seven meetings held
Quarterly Occupational Safety and Health Committee	Four meetings held	Four meetings held
Departmental Meetings	More than 40 meetings held	More than 40 meetings held
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	136 sessions conducted, with 1,487 participants and 5,152 training hours	175 sessions conducted, with 1,248 participants and 4,644.5 training hours
Employee Engagement Activities	Seven activities held, attracting 549 participants, with an average satisfaction score of 4.60/5.00	Nine activities held, attracting 949 participants, with an average satisfaction score of 4.65/5.00
Internal E-Newsletter (Favite Wellness e-News)	12 issues published	--
Employee Feedback Mailbox	0 complaints received	0 complaints received

Building a Culture of Trust, Dialogue, and Confidentiality

The Company maintains physical anonymous suggestion boxes, as well as grievance and reporting channels through the internal website and the corporate website. All submissions are collected, reviewed, and responded to by designated personnel, ensuring that employees can express their opinions and raise concerns in a confidential and pressure-free environment without fear of retaliation. All employee feedback is incorporated into the Company's internal analysis and governance improvement processes and is regularly reported to management, thereby strengthening organizational responsiveness, transparency, and continuous improvement.

The Company will continue to enhance the transparency and responsiveness of its employee communication mechanisms while progressively establishing a centralized database to track employee feedback, grievance cases, and corrective actions. In addition, an employee satisfaction survey was conducted in December 2025, achieving a 100% response rate. The survey results will serve as an important reference for understanding employee needs, evaluating management effectiveness, and continuously improving workplace well-being.

Chapter 5: Shared Value Through Collective Light

Creating Shared Value Together: Extending the Reach of Technology, Amplifying the Impact of Care

Favite, Inc. believes that corporate value is reflected not only in technological innovation and manufacturing excellence, but also in the positive impact the Company creates for people, society, and the environment. The Company regards social inclusion as one of its core sustainability strategies, responding to local needs, investing in public welfare and educational initiatives, and encouraging employee participation to steadily expand its unique social impact.

Since 2020, the Company has established a structured framework for public welfare and community engagement by bringing together employees, business partners, and local communities. Guided by the three pillars of systematic implementation, meaningful action, and compassionate engagement, the Company has continuously expanded its sustainability footprint through computer donations, support for disadvantaged groups, charitable fundraising, and volunteer service initiatives.

5-1 Public Welfare Participation and Social Connection

Favite, Inc. believes that a company's influence should be measured not only by its market presence, but also by its ability to direct resources to where they are most needed. From supporting education in rural communities, social procurement, and assistance for disadvantaged groups to community educational programs and employee volunteer activities, the Company continues to leverage its expertise and resources to respond to the needs of educational institutions, social welfare organizations, and local communities.

In 2025, building upon its long-standing commitment to social responsibility, the Company structured its community engagement efforts around three key dimensions:

- 1) Investing resources to support education and disadvantaged communities;
- 2) Expanding social impact through the participation of employees and their families; and
- 3) Strengthening connections with local communities and the environment through community engagement initiatives.

5-1.1 Supporting Education and Passing on Technical Expertise

Bringing Technology into Education and Inspiring the Next Generation

For Favite, Inc., education represents the most enduring form of social contribution and the foundation of sustainable industry development. Fields such as optical inspection, AI image recognition, smart manufacturing, and semiconductor applications require long-term talent cultivation and extensive practical experience. The Company recognizes that exposing students to real industrial environments at an early stage helps narrow the gap between academic learning and industry practice while strengthening the talent pipeline for Taiwan's high-tech industries.

Favite, Inc. has maintained a long-term partnership with Chung Yuan Christian University by donating optical inspection components to its Semiconductor Materials and Advanced Optics Research Center, with a total value exceeding NT\$10 million. The donation included more than 200 items, such as telephoto lenses, linear guide rails, stepper motors, and servers, which support students' practical training in optical inspection systems. The university has acknowledged that these resources contribute to cultivating future professionals in optical inspection technologies and advancing the development of Taiwan's optical inspection industry.

According to the Company's official ESG disclosures, its educational initiatives include donations with a cumulative value exceeding NT\$16.7 million, industry-academia collaborations with two universities, support for one rural elementary school, participation in one campus recruitment event organized by an industry association, and the delivery of Automated Optical Inspection (AOI) lectures introducing fundamental optical inspection technologies to students. In 2024, the Company also donated eight laptop computers to Taiping Elementary School in Guanxi Township, Hsinchu County, helping improve digital learning resources for students in rural areas.

In 2025, Favite, Inc. continued transforming its industrial expertise into educational resources. Through campus lectures, industry-academia collaborations, and the donation of equipment and components to support hands-on instruction, the Company seeks not only to introduce students to advanced technologies but also to deepen their understanding of how these technologies are applied, validated, and responsibly utilized in real-world industrial settings.

5-1.2 Public Giving and Social Care

Small Actions, Lasting Warmth

Caring for society does not require abundance; it begins with a willingness to give in everyday moments. Favite, Inc.'s philanthropic actions sometimes take the form of scholarships, sometimes charitable gifts, sometimes computer donations, and sometimes employees and their families spending weekends volunteering in the community. Although these actions may appear small, they consistently bring warmth to those in need.

In 2025, Favite continued to support disadvantaged groups through charitable procurement and local educational assistance. The Company purchased charity products from the Little Willy Syndrome Care Association of the Republic of China and the Nantou County Little Trouble Angels Association, with a total value of NT\$24,200, which were distributed to employees as goodwill gifts. In addition, the Company continued to provide scholarship donations to the Taihe Village Office in Zhubei City, with each donation amounting to NT\$10,000, made twice in 2025, thereby supporting local underprivileged students in their educational journey.

These philanthropic contributions represent more than resource allocation; they embody a form of companionship. For children, scholarships signify recognition and encouragement. For social welfare organizations, charitable procurement provides essential support for continued operations. For Favite employees, each choice of charitable product, each donation, and each act of volunteering strengthens a corporate culture grounded in care and responsibility.

The Quiet Light of Favite Employees

Favite's social engagement is not only driven by corporate initiatives but also by the everyday goodwill and voluntary actions of its employees. Stories shared on the Company's official ESG platform highlight the personal reflections of Faviters: some believe that acts of kindness can create meaningful change, some express willingness to help others even in small ways, and others practice sustainability and care through second-hand exchanges, resource reuse, and charitable donations. These genuine voices transform social engagement from a corporate policy into an integral part of Favite's culture.

The Company believes that the true excellence of Favite employees is not only reflected in precision engineering and technological capability, but also in their willingness to extend a helping hand when needed. Whether it is Welfare Committee members selecting charitable products, engineers participating in beach cleanups, families joining company family day activities, or

employees working alongside community members during neighborhood cleaning events, these actions collectively demonstrate that the true depth of corporate culture comes from individuals who are willing to do a little more for others.

5-2 Community Engagement and Environmental Actions

Every Act of Kindness: A Gentle Dialogue with Society

Favite, Inc. is headquartered in Zhubei City, Hsinchu County. The Company's relationship with the local community extends beyond that of a business location; it is a shared connection built on co-living, co-stewardship of the environment, and shared responsibility for future generations. In 2025, Favite, Inc. continued to respond to local needs through scholarships, street cleaning, beach cleanup, river cleanup, and energy-saving initiatives, fostering closer interaction between corporate resources and the surrounding community.

For Favite, community engagement is not a one-time outreach activity, but an ongoing commitment to return to the place where the Company operates, to understand community needs, and to respond in a steady and sincere manner. The Company aims to work together with local residents, schools, social welfare organizations, and employees' families to contribute to the continuous improvement of the community in which it operates.

5-2.1 Implementation of Environmental Responsibility

Although Favite, Inc. is not a high-energy-consuming or high-polluting manufacturing enterprise, the Company recognizes that environmental responsibility should not be limited to internal energy-saving measures or reporting metrics. It should also be translated into practical actions that engage employees, families, and the community. In 2025, the Company continued to promote environmental initiatives under the principle of "accessible in daily life and open to all participation", including Earth Hour participation, beach cleanups, river cleanups, and street cleaning activities. According to Favite's ESG disclosures, the Company has participated in Earth Hour activities once per year over the past two years, achieving approximately 24 kWh of electricity savings per event. In addition, the Company has carried out a total of seven environmental maintenance activities, including beach cleanups, river cleanups, tree maintenance, and street cleaning. The Company also promoted environmental education through internal communications and social media engagement.

A total of seven environmental sustainability e-newsletters were issued via the internal “Favite Wellness e-News,” reaching more than 200 views, and five climate-related interactive quizzes were posted on the Company’s Facebook page, generating over 900 participant interactions.

In 2025, Favite participated in beach cleanup activities at the Qigu Sandbar in Tainan, river cleanup activities in the Hsinchu region, and a community street cleaning event in cooperation with Taihe Village in Zhubei City, where the Company’s headquarters is located. These activities enabled employees to step outside the office and directly experience the needs of coastal areas, rivers, and urban environments, transforming environmental education from written communication into lived understanding through hands-on participation and collaboration.

Period	Activity Theme	Purpose	Outcomes
March 2025	Earth Hour Initiative	Promoted energy conservation awareness through electricity-saving actions and interactive social media engagement.	198 online interactions; 24 kWh electricity saved
April 2025	Tainan Beach Cleanup	Protected marine ecosystems through hands-on coastal waste removal.	9 employees and 15 family members participated; 225 liters of waste collected
May 2025	Hsinchu River Cleanup	Strengthened awareness of local waterway conservation and environmental stewardship.	8 employees and 13 family members participated; 57.05 kg of waste collected
December 2025	Taihe Village Street Cleaning	Collaborated with local community to maintain neighborhood cleanliness.	17 employees participated; 81.7 kg of waste collected

5-2.2 Family Day and Employee Inclusion

Because of You, Favite Shines Brighter

2025 marked an important year for Favite, Inc. On August 23, the Company held its “Favite Family Day” at Lihpao Land, Taichung, inviting employees and their families to participate. The event included amusement park experiences, followed by an evening gala banquet at Fullon Hotel, where lucky draw activities, live band performances, and shared gatherings were arranged to express appreciation for employees’ long-term dedication and the support of their families.

This event was more than an employee benefit; it reflected the essence of the Company’s culture. Through Family Day, Favite, Inc. enabled employees’ families to better understand the meaning and value of their work, while also ensuring that employees felt their families were seen and valued by the Company. More importantly from a sustainability perspective, Favite integrated social responsibility into the event by selecting souvenirs sourced from social welfare organizations, including marigold hand soap from the Nantou County Little Trouble Angels Association and mosquito repellent spray from the Little Willy Syndrome Care Association of the Republic of China.

Through this approach, a large-scale employee event was combined with charitable procurement, transforming moments of celebration into acts of support for disadvantaged groups.

The laughter, companionship, and gratitude shared on this day represent one of the most meaningful landscapes of Favite's people. The Company believes that Favite's excellence is not only reflected in its products and technologies, but also in every family who chooses to walk alongside it, every employee who contributes their effort, and every thoughtful decision that brings care into event design.

Period	Activity Theme	
February 2025	New Year Banquet	Expressed appreciation for employees' contributions and strengthened team cohesion for the year ahead.
February 2025	Sports Day	Fostered health, vitality, and cross-departmental interaction through sports activities.
March 2025	Earth Hour Initiative	Raised awareness of low-carbon living and climate responsibility through energy-saving engagement.
April & May 2025	Beach & River Cleanup Activities	Engaged in environmental protection through hands-on coastal and river restoration efforts.
May & September 2025	Educational Scholarship Donations	Supported disadvantaged students and strengthened community engagement.
May 2025	Mother's Day Event	Recognized family roles and caregiving contributions, demonstrating corporate care.
July 2025	Health Checkups	Supported employee well-being through preventive healthcare and health management.
August 2025	Family Day	Strengthened family understanding of work value and integrated social responsibility through charitable souvenirs.
December 2025	Street Cleaning Activity	Collaborated with Taihe Village community to maintain neighborhood cleanliness and local harmony.
Throughout 2025	Training and Industry-Academia Programs	Supported talent development through education, training, and technical knowledge sharing.

Local Industry Support and Collaboration

Favite, Inc.'s local engagement is reflected not only in its philanthropic contributions and community initiatives, but also in its day-to-day operational decisions. While certain components required for its products—such as optical components, mechanical processing, electrical control modules, and system integration services—are partially sourced from the global supply chain, the Company continues to prioritize local suppliers that demonstrate stable quality, strong technical collaboration capability, and reliable delivery performance. Through long-term partnerships, Favite, Inc. supports the development of Taiwan's precision manufacturing ecosystem and small- and medium-sized suppliers.

In 2025, by strengthening long-term trust-based relationships with domestic suppliers, the Company enhanced design flexibility, shortened communication and delivery cycles, reduced cross-border logistics risks, and mitigated potential supply chain disruptions. At the same time, procurement

resources were redirected into the local industrial chain, thereby supporting regional employment, technical exchange, and industrial resilience.

For Favite, Inc., local collaboration is not merely a procurement decision, but a way of advancing together with regional industry partners. When suppliers are able to respond more efficiently to R&D and customer requirements, and when collaboration partners are able to enhance their technical capabilities through joint projects, a stronger cycle of shared value and mutual growth is created between the Company and the local industry ecosystem.

Overview of Social Participation Outcomes

Favite, Inc. continues to establish a data-driven management approach for social participation by tracking outcomes across charitable donations, volunteer engagement, educational support, environmental initiatives, and employee inclusion activities. According to the Company's ESG social participation disclosures, total participation in social initiatives reached 242 person-times, with a cumulative value of charitable donations and in-kind contributions exceeding NT\$848,485. The Company has supported more than 10 social welfare organizations. In addition, volunteer activities have been conducted across 5 events, involving 49 employees and 37 family members, contributing a total of 106 volunteer service hours.

Category	Key Initiatives
Charitable Procurement	In 2025, charitable products were purchased from the Little Willy Syndrome Care Association and the Nantou County Little Trouble Angels Association, with a total value of NT\$24,200.
Local Educational Support	Scholarship donations of NT\$10,000 were provided twice in 2025 through the Taihe Village Office in Zhubei City.
Total Participation	242 person-times accumulated.
Total Value of Donations and Contributions	Exceeded NT\$848,485 in total.
Supported Organizations	More than 10 organizations supported cumulatively.
Educational Donations	Cumulative value exceeded NT\$16.7 million.
Industry-Academia Collaboration	2 universities engaged in partnerships.
Rural School Support	1 rural school supported.
Volunteer Activities	5 volunteer events conducted.
Volunteer Participation	49 employees and 37 family members participated cumulatively.
Volunteer Hours	Total of 106 hours contributed.
Environmental Actions	7 initiatives including beach cleanups, river cleanups, tree maintenance, and street cleaning.
Earth Hour Participation	Participated in 2024 and 2025; 24 kWh of electricity saved per event.
Environmental E-Newsletter	7 issues published, reaching over 200 views.
Social Media Engagement	5 interactive sustainability quizzes published in 2025, generating over 900 interactions.

A Journey of Light: Where Every Small Act Becomes Meaningful

In 2025, Favite, Inc. placed countless small yet genuine acts of care across education, community, the environment, and family. Throughout the year, the Company entered campuses to share industry experience with students exploring their future paths; stepped onto coastlines and streets to take part in environmental protection; supported local educational assistance and charitable organizations to bring resources to those in need of care; and fostered employee-family engagement through Family Day, Mother's Day activities, sports events, and health initiatives—together forming the most heartfelt landscape of Favite's people.

The excellence of Favite's people is reflected not only in precision manufacturing and quality assurance at customer sites, but also in every act of participation, contribution, and willingness to go the extra step. When employees and their families bent down together to clean beaches, when charitable souvenirs were delivered into employees' hands, when scholarships reached local communities, and when Family Day unfolded with shared laughter, what we observed was not merely a series of events, but a collective embodiment of everyday kindness in action.

The Company believes that sustainability is not a distant concept or slogan, but a series of choices made every year and every day. Looking ahead, Favite, Inc. will continue to move forward with steady steps and sincere intention alongside employees, families, schools, communities, suppliers, and all partners. The Company will continue to create value through technology while extending care to places where it is needed most—ensuring that every small light becomes both a driving force for Favite's people and a gentle imprint of shared social value.

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, 2025 to December 31, 2025.
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 material changes in operations; therefore, no restatement of information was required.
2-5	External assurance	N/A	-	No external assurance has been conducted to date.
Activities and workers				
2-6	Activities, value chain and other business relationships	About Favite, Inc.	15	
2-7	Employees	4-1 Talent Retention and Development	163	
2-8	Workers who are not employees	4-1 Talent Retention and Development	163	
Governance				
2-9	Governance structure and composition	1-1 Solid Foundations of Corporate Governance	54	
2-10	Nomination and selection of the highest governance body	1-1 Solid Foundations of Corporate Governance	54	
2-11	Chair of the highest governance body	1-1 Solid Foundations of Corporate Governance	54	
2-12	Role of the highest governance body in overseeing the management of impacts	1-1 Solid Foundations of Corporate Governance	54	
2-13	Delegation of responsibility for managing impacts	1-1 Solid Foundations of Corporate Governance	54	
2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance Structure	24	

GRI Topic	Disclosure	Corresponding Chapter	Page Number	Reason for Omission / Explanation
		and Implementation Mechanisms		
2-15	Conflicts of interest	1-1 Solid Foundations of Corporate Governance	54	
2-16	Communication of critical concerns	Stakeholder Identification and Engagement	32	
2-17	Collective knowledge of the highest governance body	1-1 Solid Foundations of Corporate Governance	54	
2-18	Evaluation of the performance of the highest governance body	1-1 Solid Foundations of Corporate Governance	54	
2-19	Remuneration policies	1-1 Solid Foundations of Corporate Governance	54	
2-20	Process to determine remuneration	1-1 Solid Foundations of Corporate Governance	54	
2-21	Annual total compensation ratio	1-1 Solid Foundations of Corporate Governance	54	
Strategy, policies and practices				
2-22	Statement on sustainable development strategy	Sustainability Governance Structure and Implementation Mechanisms	25	
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	96	
2-26	Mechanisms for seeking advice and raising concerns	4-2 Inclusive and Happy Workplace	174	
2-27	Compliance with laws and regulations	1-2 Compliance and Ethical Business Practices	74	
2-28	Membership associations	About Favite, Inc.	16	
Stakeholder Engagement				
2-29	Approach to stakeholder engagement	Stakeholder Identification and Engagement	32	
2-30	Collective bargaining agreements	4-2 Inclusive and Happy Workplace	180	

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	Material Topic Identification Process	39	
	3-2	List of material topics	Material Topic Identification Process	39	
Illuminating Sustainable Governance					
Material Topic: Corporate Sustainability Governance					
GRI 3: Material Topics 2021	3-3	Management of material topics	Material Topics Management Approach	54	Concrete governance strategies and sustainability objectives.
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	1-1 Solid Foundations of Corporate Governance 4-2 Inclusive and Happy Workplace	54 174	Description of diversity within the Company' s governance bodies and workforce.
GRI 204: Procurement Practices	204-1	Proportion of spending on local suppliers	1-3 Operational Performance	84	
GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	1-2 Compliance and Ethical Business Practices	74	
GRI 205: Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	1-2 Compliance and Ethical Business Practices	74	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	205-3	Confirmed incidents of corruption and actions taken	1-2 Compliance and Ethical Business Practices	N/A	No confirmed incidents of corruption were identified; not applicable.
Material Topic: Financial Performance					
GRI 3: Material Topics 2021	3-3	Management of material topics	Material Topics Management Approach	84	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	84	Disclosure of the organization' s generated and distributed economic value.
GRI 207: Tax 2019	207-1	Approach to tax	1-3 Operational Performance	84	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	84	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	96	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	96	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	96	
GRI 403: Occupational Health and Safety 2018	403-2	Hazard identification, risk assessment, and incident investigation	1-4 Risk Management	96	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	107	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	1-5.2 Information Security Risk Identification and Protection Measures	109	The Company did not receive any complaints regarding customer privacy breaches.
Co-Creating Sustainability Together					
Material Topic: Customer Relationship Management					
GRI 3: Material Topics 2021	3-3	Management of material topics	Material Topics Management Approach	150	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	1-5.2 Information Security Risk Identification and Protection Measures	109	The Company did not receive any complaints regarding customer privacy breaches.
Material Topic: Product Quality and Innovation					
GRI 3: Material Topics 2021	3-3	Management of material topics	Material Topics Management Approach	155	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	3-3 Product and Service Quality and Safety	156	
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	3-3 Product and Service Quality and Safety	156	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	3-3 Product and Service Quality and Safety	156	

GRI 417: Marketing and Labeling 2016	417-2	Incidents of non-compliance concerning product and service information and labeling	3-3 Product and Service Quality and Safety	156	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	3-3 Product and Service Quality and Safety	156	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	163	
GRI 201: Economic Performance 2016	201-3	Defined benefit plan obligations and other retirement plans	4-1 Talent Retention and Development	164	
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	4-1 Talent Retention and Development	164	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	4-1 Talent Retention and Development	164	
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	180	
GRI 401: Employment 2016	401-3	Parental leave	4-2 Inclusive and Happy Workplace	180	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	4-2 Inclusive and Happy Workplace	180	
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	4-2 Inclusive and Happy Workplace	180	
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	1-1 Solid Foundations of Corporate Governance 4-2 Inclusive and Happy Workplace	54 180	

Material Topic: Employee Health and Safety

GRI 3: Material Topics 2021	3-3	Management of material topics	Material Topics Management Approach	186	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	4-3 Employee Health and Safety	188	
GRI 403: Occupational Health and Safety 2018	403-2	Hazard identification, risk assessment, and incident investigation	4-3 Employee Health and Safety	188	

GRI 403: Occupational Health and Safety 2018	403-3	Occupational health services	4-3 Employee Health and Safety	188	
GRI 403: Occupational Health and Safety 2018	403-4	Worker participation, consultation, and communication on occupational health and safety	4-3 Employee Health and Safety	188	
GRI 403: Occupational Health and Safety 2018	403-5	Worker training on occupational health and safety	4-3 Employee Health and Safety	188	
GRI 403: Occupational Health and Safety 2018	403-6	Promotion of worker health	4-3 Employee Health and Safety	188	
GRI 403: Occupational Health and Safety 2018	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4-3 Employee Health and Safety	188	
GRI 403: Occupational Health and Safety 2018	403-8	Workers covered by an occupational health and safety management system	4-3 Employee Health and Safety	188	
GRI 403: Occupational Health and Safety 2018	403-9	Work-related injuries	4-3 Employee Health and Safety	188	
GRI 403: Occupational Health and Safety 2018	403-10	Work-related ill health	4-3 Employee Health and Safety	188	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	4-3 Employee Health and Safety	188	

Voluntary Disclosure Indicators

Topic	Disclosure		Corresponding Chapter	Page Number	Reason for Omission / Explanation
GRI 302: Energy	302-5	Reductions in energy requirements of products and services	2-1.3 Risk Management	124	
GRI 301: Materials	301-1	Materials used by weight or volume	2-1.3 Risk Management	124	
GRI 301: Materials	301-2	Recycled input materials used	2-2.3 Waste Reduction and Resource Circulation	140	

Topic	Disclosure		Corresponding Chapter	Page Number	Reason for Omission / Explanation
GRI 302: Energy	302-1	Energy consumption within the organization	2-2.1 Energy Management	134	
GRI 302: Energy	302-2	Energy consumption outside of the organization	2-2.1 Energy Management	134	
GRI 302: Energy	302-3	Energy intensity	2-2.1 Energy Management	134	
GRI 302: Energy	302-4	Reduction of energy consumption	2-2.1 Energy Management	134	
GRI 303: Water and Effluents	303-3	Water withdrawal	2-2.2 Water Resource Management	137	
GRI 303: Water and Effluents	303-4	Water discharge	2-2.2 Water Resource Management	137	
GRI 303: Water and Effluents	303-5	Water consumption	2-2.2 Water Resource Management	137	
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	2-1.3 Risk Management	124	
GRI 305: Emissions	305-2	Energy indirect (Scope 2) GHG emissions	2-1.3 Risk Management	124	
GRI 305: Emissions	305-3	Other indirect (Scope 3) GHG emissions	2-1.3 Risk Management	124	
GRI 305: Emissions	305-4	GHG emissions intensity	2-1.3 Risk Management	124	
GRI 305: Emissions	305-5	Reduction of GHG emissions	2-1.3 Risk Management	124	
GRI 306: Waste	306-2	Management of significant waste related impacts	2-2.3 Waste Reduction and Resource Circulation	140	
GRI 306: Waste	306-3	Waste generated	2-2.3 Waste Reduction and Resource Circulation	140	
GRI 306: Waste	306-4	Waste diverted from disposal	2-2.3 Waste Reduction and Resource Circulation	140	
GRI 306: Waste	306-5	Waste directed to disposal	2-2.3 Waste Reduction and Resource Circulation	140	

SASB (Sustainability Accounting Standards Board) Content Index

Disclosure Topic	Code	Metric	Category	2025 Performance	Corresponding Chapter
Product Security	TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	Discussion and Analysis	Favite, Inc. maintained its Information Security Management System (ISMS) in accordance with ISO/IEC 27001:2022, continuously strengthening data backup, access control, endpoint protection, cybersecurity awareness training, and incident reporting mechanisms. No material cybersecurity incidents or confirmed customer data breaches occurred during 2025.	1-5.2 Information Security Risk Identification and Protection Measures
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	As of the end of 2025, the Company employed 210 people globally, including 177 males (84.3%) and 33 females (15.7%). Management positions totaled 41, comprising 36 males (88%) and 5 females (12%). The Company currently manages workforce diversity based on gender and nationality/operating region. Diversity statistics by race are not currently collected. Gender-disaggregated data for technical employees are planned to be incorporated into the HR reporting system beginning in 2026.	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	The Company's primary products are B2B automated optical inspection and metrology equipment. Revenue is not currently classified based on IEC 62474 declarable substances; therefore, the corresponding percentage cannot be disclosed. Nevertheless, material and hazardous substance risks are managed in accordance with customer specifications and applicable regulatory requirements.	N/A
	TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	Quantitative	The Company's products do not fall within the primary categories of end-user electronic products covered by EPEAT. Accordingly, no applicable revenue can be reported.	N/A
	TC-HW-410a.3	Percentage of eligible products, by revenue, certified to an energy efficiency certification	Quantitative	The Company's primary products are not consumer electronic products eligible for ENERGY STAR or equivalent energy	N/A

Disclosure Topic	Code	Metric	Category	2025 Performance	Corresponding Chapter
				efficiency certifications. Accordingly, no applicable revenue can be reported.	
	TC-HW-410a.4	Weight of end-of-life products and e-waste recovered; percentage recycled	Quantitative	As the Company's business primarily consists of customized equipment and after-sales maintenance services, a comprehensive tracking system linking end-of-life product recovery volumes with product sales has not yet been established.	N/A
Supply Chain Management	TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	Quantitative	The Company has not yet adopted the RBA Validated Audit Process (VAP) or an equivalent audit framework; therefore, the corresponding audit percentages cannot be reported. In 2025, supplier evaluations and audits were conducted through the Company's internal supplier management system, covering 25 supplier evaluations and 3 supplier audits. No high-risk suppliers were identified. Environmental protection, labor and human rights, occupational health and safety, information security, and privacy protection have been progressively integrated into supplier management practices.	N/A
	TC-HW-430a.1	Tier 1 suppliers'	Quantitative		
		(1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent,		As the Company has not implemented the RBA VAP, no RBA priority or other non-conformance rates are available for disclosure. Based on the Company's internal supplier evaluation and audit process, the corrective action completion rate for supplier findings reached 100% in 2025, and no material high-risk suppliers were identified.	N/A
		(2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances		The Company's products primarily comprise optical components, lenses, light sources, precision mechanical parts, electrical control modules, industrial computers, testing fixtures, and packaging materials. As a result, the Company does not rely heavily on any single restricted critical mineral. To mitigate material sourcing risks, the Company adopts a diversified sourcing strategy, evaluates alternative materials, prioritizes local procurement where appropriate, and strengthens the management of key suppliers.	N/A
Materials Sourcing	TC-HW-440a.1	Description of the management of risks associated with the	Discussion and Analysis	The Company's products do not rely heavily on any single restricted critical mineral. Supply chain risks associated	N/A

Disclosure Topic	Code	Metric	Category	2025 Performance	Corresponding Chapter
		use of critical materials		with critical materials are mitigated through supplier diversification, alternative material evaluations, local sourcing, and strategic management of key suppliers.	

Activity Metric			Category	2025 Performance
Number of units produced by product category	TC-HW-000.A		Quantitative	Flat Panel Display (FPD, including Micro LED/OLED): 67% of revenue; Semiconductor and IC Substrate-related applications: 33% of revenue. (As customer orders frequently include equipment upgrades, retrofits, and software integration services in addition to new equipment manufacturing, revenue contribution is considered a more representative performance indicator than production volume.)
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

This index has been prepared in accordance with the Climate-related Financial Disclosure Guidance for TWSE/TPEX-Listed Companies issued by the Financial Supervisory Commission (FSC), Taiwan. The relevant disclosures have been incorporated into Section 2-1 Climate Change Response Actions, with additional explanations provided below where applicable.

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	117
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	117
	Describe the financial impact of extreme climate events and transition activities.	2-1 Climate Change Response Actions	117
	If scenario analysis is used to assess climate resilience, describe the scenarios, parameters, assumptions, analytical factors, and major financial impacts.	A preliminary scenario-based assessment was conducted during the reporting year. However, the Company has not yet established a comprehensive quantitative financial scenario model. The methodology will be further enhanced in response to regulatory developments, data availability, and customer requirements.	-
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	117
Metrics and Targets	If internal carbon pricing is used as a planning tool, disclose the pricing methodology.	The Company has not adopted internal carbon pricing, carbon offsets, or renewable energy certificates (RECs) as management tools during the reporting year. Their feasibility will be evaluated based on future regulatory requirements, customer expectations, and cost-benefit considerations.	-
	Disclose Scope 1, Scope 2, and Scope 3 (if applicable) greenhouse gases and related risks.	2-1 Climate Change Response Actions	117
	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	117
	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	Carbon offsets and RECs have not been utilized by the Company to date.	-

Thematic Area	TCFD Recommendations	Corresponding Chapter	Page Number
	achieve the targets, disclose the sources and quantities of offsets or RECs.		
	Disclose the greenhouse gas inventory and assurance status.	2-1 Climate Change Response Actions	117

Independent Third-Party Verification Statement

2025

Favite Inc.

INDEPENDENT ASSURANCE STATEMENT

Sustainability Report

Certification by



亞瑞仕國際驗證股份有限公司
ARES International Certification Co., Ltd.

Statement No. 000-697/V3-42AG7

Independent Assurance Statement

Statement No. 000-697/V3-42AG7

This Independent Assurance Statement by ARES Certification Co., Ltd. on Favite Inc. ESG Sustainability Report of 2025.

ARES International Certification Co., Ltd. and Favite Inc. are mutually independent organizations. In addition to the assessment and verification of 2025 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 ESG Sustainability Report 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, 2025 to December 31st, 2025.
- 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.

ARES INTERNATIONAL's Opinion

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 2025 are presented correctly. The performance indices disclosed in the report demonstrate Favite Inc.'s efforts to identify and meet stakeholder expectations.

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.

Verification Method

In order to collect evidences related to conclusions, we implemented the following tasks:

- 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.

Conclusion

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:

- **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 organization 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.

GRI Standards

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.

SASB Standard and TCFD

Favite Inc. provides declaration of compliance with the SASB and TCFD. Based on the results of the review, we confirmed that the relevant ESG Sustainability indicators referred to SASB standard and TCFD in the report have been completely disclosed, partially disclosed or omitted. In our professional opinions, this declaration covers the Sustainability topics of Favite Inc.

Assurance Level

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.

Responsibility

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.

Ability and Independence

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 fairtrade guidelines.

On behalf of the assurance team

July 24, 2026

ARES International Certification Co., Ltd. (ARES Certification Group)

Taiwan, Republic of China

Signed by

賴通倫

Lead Verifier

Calvin Chen

C.E.O
Calvin Chen



AA1000
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