



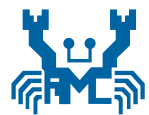
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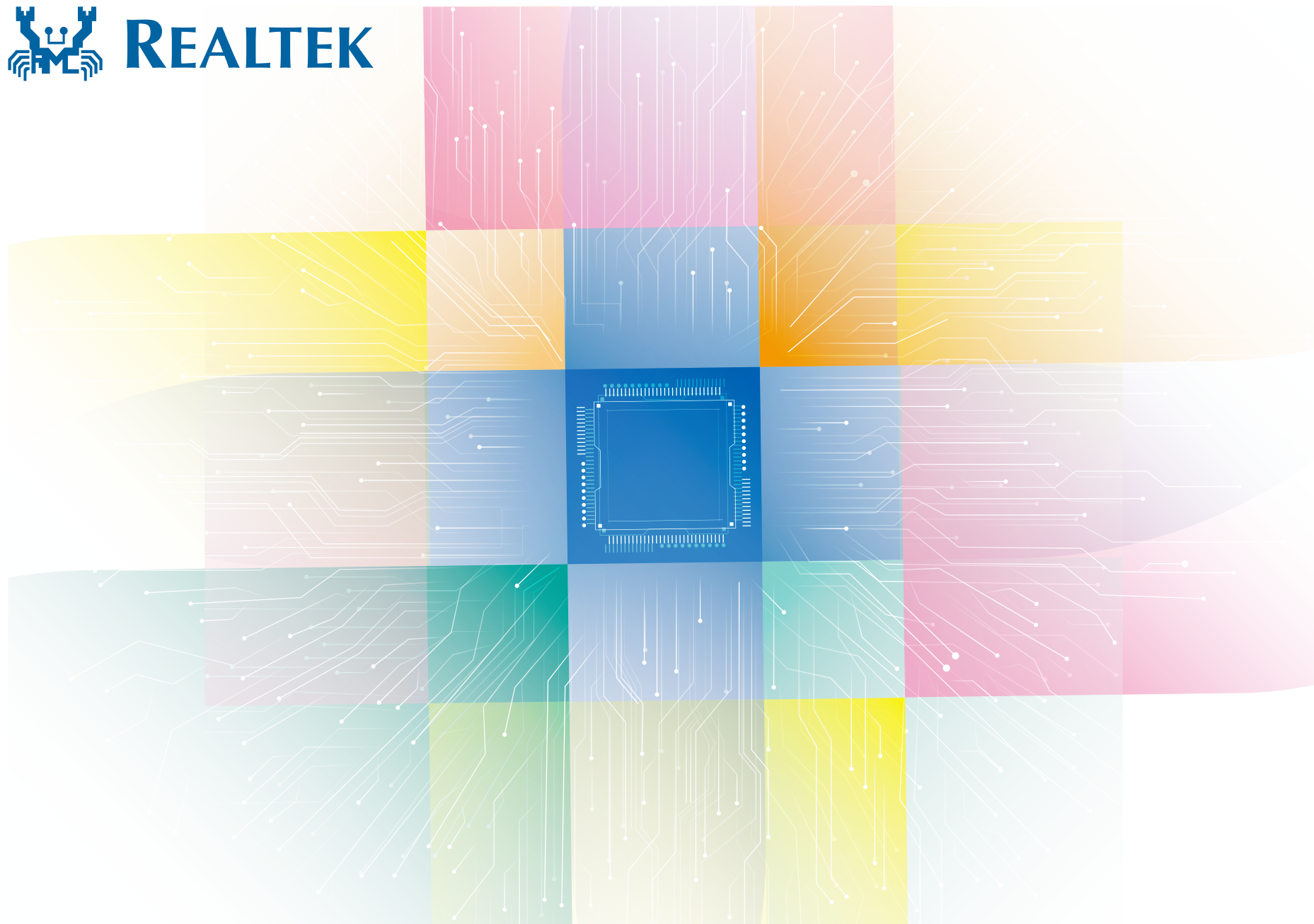
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2024
ESG Report



REALTEK





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About This Report

Our 2024 Sustainability Report is the 9th iteration of our public disclosure of topics concerning Environmental, Social, and Governance (ESG) initiatives at Realtek Semiconductor Corp. (hereinafter referred to as Realtek Semiconductor or Realtek). This report was created to transparently convey our sustainability efforts to our stakeholders, serving as an important channel for fostering two-way communication.

Reporting Period

Data presented in this report covers January 1 to December 31, 2024, being consistent with our FY2024 financial report. This report was approved by the Board and issued in August 2025, and the full content is publicly available in the Sustainability Development section of the Realtek official website. Realtek publishes this report annually to disclose our sustainability progress and achievements.

Reporting Principles

This report was prepared in accordance with the 2021 GRI Standards issued by the Global Reporting Initiative (GRI). It also referred to the Taiwan Stock Exchange Corporation's "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies", the Sustainability Accounting Standards Board's (SASB) disclosure standards for the semiconductor industry, the Financial Stability Board's (FSB) Task Force on Climate-related Financial Disclosures (TCFD), and the United Nation's (UN) Sustainable Development Goals (SDGs).



Non-Financial Information

Standards

- GRI Standards
- Task Force on Climate-related Financial Disclosures
- SASB Standards for the Semiconductor Industry
- AA1000 AccountAbility Principles
- United Nations Sustainable Development Goals (SDGs)
- CDP disclosure on Climate Change & Water Security
- DJSI CSA Semiconductor and Semiconductor Equipment Industry
- Responsible Business Alliance Code of Conduct (RBA)
- MSCI ESG Index

External Assurance

- AA1000AS v3 Type II Moderate standards assured by TUV NORD Taiwan
- ISO 14064-1 Greenhouse Gas Inventory verified by BSI



Financial Information

Standards

- Regulations Governing Information to be Published in Annual Reports of Public Companies
- Regulations Governing the Preparation of Financial Reports by Securities Issuers

External Assurance

- PwC Taiwan

Report Scope

Our 2024 Sustainability Report contains information about Realtek Semiconductor Corporation (including operations in Hsinchu and offices in Taipei and Tainan). Most of the data presented in this report does not cover the subsidiaries included in the consolidated financial statements, and information that covered Realtek worldwide subsidiaries would be stated otherwise; it is expected that important information of Realtek's global operations will be incorporated progressively in the future. Through the materiality assessment process, Realtek defines the material topics and identifies the environmental, social, and governance risks and opportunities that could impact our operation, enabling us to manage and disclose the information of the most important topics and to deliver the result of our ESG efforts.

The financial data disclosed in this report has been audited by PwC and is consistent with our 2024 Annual Report. All financial figures throughout the report are stated in New Taiwan Dollars (NTD) unless specified otherwise.

Note: Regarding the organization-wide financial figures, please refer to our [2024 Annual Report](#). The certified public accountants, Li, Tien-Yi and Cheng, Ya-Huei, have been contracted with Realtek since March 2022 and February 2020, respectively.

Restatements of Information

Compared to the Realtek 2023 ESG Report, the following data and definitions have been revised:

1. According to the result of ISO 14064 verification, the 2023 GHG emissions need to be revised. Scope 1 emission at the Realtek No. 3 Office in 2023 is corrected from 161.1306 tCO₂e to 161.1308 tCO₂e; Scope 2 emission at the Realtek No.1 Office in 2023 is corrected from 18,988.5969 tCO₂e to 18,988.5696 tCO₂e; the total amount of Scope 1 and 2 emissions in 2023 is revised from 27,217.6428 tCO₂e to 27,217.6155 tCO₂e.
2. In terms of water resources, we changed the definition of water withdrawal for better clarity, which no longer involves water recycled from AC units(including condensation and chilled water), leading to revision of 2022 and 2023 total water withdrawal.

Management Methods

In 2024, Realtek has established the "Regulations on Realtek's Sustainability-related Information Management" in compliance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" released by the Financial Supervisory Commission, and the amendment of "Evaluation Items for Assessing the Effectiveness of Internal Control Systems of Public Companies" and "[Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies](#)." The information and statistical data in this report were provided by the ESG representatives across business units and departments, reflecting our ESG practices. The sustainability information collected underwent a thorough review and verification process conducted by the ESG representatives, ESG center, and top-level managers to ensure its accuracy and credibility. After being approved by the President, the final report was presented and issued with the Board's approval.

External Assurance

This report has been externally verified by the third-party assurance agency, TUV NORD Taiwan, in accordance with the AA1000 AccountAbility Principles: Inclusivity, Materiality, Responsiveness, and Impact. Based on the review, it fully conforms with AA1000AS v3 Type II Moderate standards. Our full assurance statement can be found in the appendix of this report.

Contact

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Realtek Semiconductor-
 Corporate Sustainability
 Development Special
 Zone Website

Message from Our President

To all partners and friends who have been actively engaging with the sustainable development of Realtek:

2024 marked the 38th anniversary of Realtek Semiconductor Corporation. Building on our groundbreaking technological advancements, we have achieved record-breaking sales this year—setting a new benchmark for success. We extend our sincerest gratitude toward all our partners and friends for their continued support and their contributions that boost Realtek's development and growth in all aspects.

Sustainable development is a core value that Realtek consistently strives to improve. Realtek recognizes that sustainable operations are inseparable from a stable and diverse environment. Therefore, we keep paying attention to international initiatives related to corporate sustainability and try to establish or refine corresponding operation management policies that align with domestic and international standards. All the impactful sustainable issues are systematically investigated to create the sustainable action policies and our future goals both in the short term and in the long run. Through the optimization of management mechanisms and effective performance evaluation, various sustainable projects are moved forward. The 2024 Realtek ESG Report serves as a summary to our practices and development, presented with the utmost sincerity to our dearest partners.

Innovation, Sound Management, and Corporate Governance

Ethical management and innovation are part and parcel of our sustainable development. Adhering to the belief of “self-confidence, trust in people, teamwork, innovation, and vitality”, we implement stable operations through sound management. In addition, Realtek continuously focuses on technological and product innovation to strengthen our existing market leadership, while actively expanding into emerging application markets. With the collective efforts of our employees, Realtek Group made a record-high consolidated revenue of NT\$113.39 billion for the full year of 2024, up 19.14% from the previous year; gross profit was NT\$57.16billion, up 40.28% from the previous year; net profit after tax was NT\$15.29 billion, up 67.07% from the previous year; and earnings per share were NT\$29.92, marking a steady growth in both revenue and profitability!

This year, our achievements have been recognized through a series of prestigious awards. At Computex Taipei 2024, our RTL8730E chip won the Best Choice Golden Award, while the 2.5GBASE-T1 MACsec Ethernet Transceiver (RTL9021AS), Automotive AI Audio (ALC5575), Wi-Fi 7 4x5 Single-Chip Solution (RTL8934AR) all won the Best Choice Category Award. Moreover, Realtek's 5GbE Ethernet Controller (RTL8126-CG) won the 33th Taiwan Excellence Award; our Automotive AI Audio (ALC5575) equipped with an artificial neural network processing acceler-

ator was recognized as the Best IP/Processor of the Year at 2024 EE Awards Asia; the AIoT Home Center SoC(RTL8730E) also garnered the Innovative Product Award 2024 from the Hsinchu Science Park Administration in Taiwan. We continue to invest in innovative research and development, strengthening our intellectual property by steadily increasing both domestic and international patents, pending and granted. Driven by persistent effort, we have been recognized on Clarivate's “Top 100 Global Innovator” list for three years in a row and made Newsweek's list of the Most Trustworthy Technology Hardware Company, both showcasing our competitiveness and longstanding commitment to innovation.

For the past thirty-eight years, Realtek has been committed to sound and ethical management. Through meticulous corporate management and strategic planning, we implement corporate governance by integrating various professional units within the organization. This ensures that all aspects of our operations align with our responsibilities for sustainable development. Our practices include implementing legal compliance and risk management, enhancing the transparency of information disclosure, safeguarding shareholder rights, strengthening the functions of the Board, respecting and protecting human rights, and maintaining active communication with our stakeholders on various ESG issues. Corporate governance and ethical integrity are the cornerstones of our pursuit of corporate sustainability and represent our core responsibilities. We will continue our diligent efforts to report on our progress and achievements.

Fulfilling the Green Commitment

While pursuing revenue and profit growth, Realtek also actively supports international net-zero emission initiatives. In 2024, Realtek signed the commitment letter for the Science Based Targets initiative (SBTi) and, in alignment with its guidelines, established science-based reduction targets, including short-term and long-term goals. These targets are scheduled for submission to the SBTi for review in 2026. Through rigorous target setting and execution, the company aims to achieve net-zero emissions by 2050.

Regarding the use of renewable energy, we are actively planning and implementing green power generation projects. We have installed solar power systems at Hsinchu No.1, No.2, and No.3 Offices to reduce the environmental impact of our operations. Furthermore, we have set a goal to achieve RE50 by 2030 and RE100 by 2050.

For green products, Realtek incorporate energy-saving and environmental principles into the design process. This approach drives innovation and supports steady growth, while simultaneously reducing product power consumption and increasing its durability. By minimizing energy and resource consumption throughout the product lifecycle, we make a tangible contribution to global energy conservation. To foster a culture of environmental sustainability and realize our goals, we actively promote environmental advocacy and provide training to ensure company-wide engagement in environmental responsibility.

Talent Strategy and Corporate Culture

Realtek is in a knowledge and technology intensive semiconductor IC design industry, where talent and intellectual property are the most important resources. These are the driving force behind the company's advancement and cornerstone of deepening our sustainable competitiveness. Over the years,

Realtek has continuously pursued talent development strategies to enhance innovation and optimize the organizational competitiveness to respond to short-, medium-, and long-term operational and strategic development needs. Our human resource policy is based on valuing and respecting talent. Safety and happiness are as important as work quality. We stress "learning and development to strengthen organizational effectiveness," and promote "innovation and service to achieve the full participation and value creation for all."

In terms of talent cultivation and development, we use the six major field academies of Realtek Corporate University to develop sustainable education and training plans, covering organizational development learning and employee self-breakthrough education and training structures, cultivating all employees' knowledge, skills, attitudes, and the core qualities of sustainable innovation and organizational culture. In terms of improving work life, Realtek integrates various employee welfare matters to afford a friendly workplace environment, promote high-quality organizational environment renovation, create team collaboration and vitality. To encourage employees to actively contribute to the company's success, Realtek launched the Employee Stock Purchase Plan (ESPP) in the first half of 2025. In addition, Realtek provides employees health care services and environmental testing projects to create a safe and reliable working environment.

Realtek's corporate culture is defined by self-confidence and trust in people, teamwork, innovation, and vitality. Self-confidence is derived from professionalism; trust in people is manifested through sharing, belief in the team, and helping others. Teamwork stems from coordinating with and supporting the team spontaneously of their own volition. Innovation involves actively pursuing leading-edge breakthroughs and actively create new value, new fields, and new opportunities. Vitality is about proactivity and passion. We believe this organizational culture provides Realtek employees with a shared vision and direction, enabling the organization to focus and align its efforts, and build a unique and sustainable competitive advantage.



Giving Back to Our Communities

Fulfilling corporate social responsibility is one of Realtek's established operational goals. We plan to carry out social care projects, take into account diversity, inclusion, and specific needs, and continue to integrate resources such as funds, manpower and supplies to practice corporate social citizenship participation. In 2024, we launched the "Realtek Charity and Sustainability Three-Year Plan". This plan is structured around five main themes: the Growth of Children and Safety of Women and Children Project, Rural Education Development and Growth Care Project, Social Mutual Assistance and Benevolent Action Project, Academic Research and Social Institutions Sponsorship Project, and Realtek Visionary Future and Creativity Hope Initiative.

In terms of public welfare project planning, Realtek reaffirmed the commitment to Rural Education Development and Growth Care Project by expanding the donation of educational magazines to 37 rural schools. This initiative aims to foster knowledge acquisition and create opportunities for learning. In terms of broader social support, Realtek actively supports domestic performing arts groups, as well as the cultivation of artistic and cultural talents, promoting the development of local arts and culture. In 2024, we sponsored programs totaling over NT\$5.35 million, demonstrating our commitment to advancing cultural development. As part of another mutual aid initiative, Realtek launched the "2024 Crab Family Earth Care Beach Cleanup Action Plan", bringing together Realtek executives, employees, interns, and volunteers from the Wilderness Conservation Association. Participants engaged in environmental education seminars and beach cleanup activities. Through collective action, participants deepened the understanding of Realtek's sustainability vision, rooted the awareness of sustainable development responsibilities, and jointly stimulated and created positive impact.

Last but not least, Realtek understands the expectations and needs of various stakeholders and employs them to plan a blueprint for sustainable development. We will adhere to the positive, rigorous and prudent approach, continue to promote sustainable development, and achieve sustainable operation through practical actions. We would like to express our gratitude to our partners for their continuous interest to Realtek, and to work with us to support global sustainable development initiatives.

Realtek remains committed to contributing wholeheartedly to both corporate and global sustainable development, embedding sustainability thinking into the mindset of every member of the organization. By integrating the organization-wide participation with operational policies and objectives, we work together to achieve and advance Realtek's sustainability goals and commitments!

Realtek's Corporate Sustainability Development Goals and Commitments

Commitment to sustainability goals, honesty, and integrity

Implementation of green energy policies and environmental responsibility

Sustainable talent development and a safe environment

Active cooperation on service and quality requirements

Innovation and R&D to enrich the world and improve convenience

Continued progress to warm the hearts of more people

Realtek Semiconductor Corp.
President

External Recognition and Awards



REALTEK

Realtek's Award Record

Named 'All-Asia Executive Team' by Institutional Investor

In 2024, Realtek was honored by Institutional Investor - for the 4th consecutive year, being recognized as one of the Best Asia Executive Team in the Asia Semiconductor Small and Mid-Cap sector, including Best CEO, Best IR Professional, Best IR Team, and Best IR Program.



Best Choice Golden Award & Best Choice Category Award

At Computex Taipei 2024, our RTL8730E chip won the Best Choice Golden Award, and Realtek's 2.5GBASE-T1 MACsec Ethernet Transceiver (RTL9021AS), Automotive AI Audio (ALC5575), and Wi-Fi 7 4x5 Single-Chip Solution (RTL8934AR) won the Best Choice Category Award.

Top 100 Global Innovator

Driven by persistent effort, we have been recognized on Clarivate's "Top 100 Global Innovator" list for three years in a row. We strive to be the enabler of a smart, connected world, and aim to create greater value for our customers and end users through a holistic and sustainable strategy. To develop multifaceted solutions with higher speed, lower power consumption, and seamless integration, we continue to drive technology breakthroughs and optimize our products, accelerating the advancement of the entire industry.



IT Matters: Best Employers Award

Realtek was honored with the 2024 IT Matters: Best Employer Award, showcasing our effort in cultivating IT talent and in promoting IT technologies, and making a positive impact on society.

Our efforts in the IT field not only drive digital transformation and create new business models, but also contribute to the growth of the IT community, creating an ideal working environment for IT professionals.

CES 2024 Innovation Awards

Realtek’s Edge AI Human Sensing USB Camera Controller (RTS5866) won the CES 2024 Innovation Awards, highlighting its groundbreaking advancement in Edge AI USB Camera technologies. The chip integrates an Edge AI processor and image-processing engine into a single chip, meeting consumer expectations by delivering exceptional image quality for PC embedded camera while introducing human-oriented AI features, improving the human-machine interaction and extending battery life.



Taiwan Excellence Award



Realtek’s 5GbE Ethernet Controller (RTL8126-CG) was recognized as the 33th Taiwan Excellence Award. This product elevates network speeds to 5Gbps, providing fast and stable support for high-resolution audio and video, gaming, and data transmission across multiple devices. Its power consumption has been reduced by approximately 50% compared to competing products, and can be further lowered to around 500mW when EEE mode is activated. This low-power design not only complies with the EEE energy-saving standard but also reduces the carbon footprint, fully embodying Realtek's commitment to environmental sustainability.

Best IP/Processor of the Year at 2024 EE Awards Asia

Our Automotive AI Audio(ALC5575) equipped with artificial neural network processing accelerator was recognized as the Best IP/Processor of the Year at 2024 EE Awards Asia. The ALC5575 is equipped with an AI accelerator unit developed in-house by Realtek, introducing advanced AI audio technology to in-vehicle infotainment systems and delivering a novel audio experience for drivers and passengers. Having passed AEC-Q100 Grade 3 and CarPlay audio performance certifications, the ALC5575 is the optimal choice for automotive audio solutions.



Innovative Product Award 2024



The IoT Home Center (RTL8730E) received the Innovative Product Award 2024 from the Hsinchu Science Park Administration in Taiwan. The Realtek RTL8730E integrates Wi-Fi 6 dual-band and Bluetooth 5.3 dual-mode technologies, providing excellent connectivity and ultra-low standby power consumption. By adopting a low-power manufacturing process and a new platform architecture, the RTL8730E achieves high-performance computing while maintaining extremely low power consumption, making it an excellent choice for smart applications.

Outstanding Performance of Realtek Employees

21th Hsinchu District Outstanding Manager Award



Shun-Te Tseng

Senior Director /
Connected Media Business Group

113th Outstanding Employee Award of Hsinchu Science Park



Tim Chen

Senior Director /
Communications Network
Business Group



Yao Chuang

Director /
Computer Peripherals Business



Sam Chen

Deputy Director /
Supply Management Center



Edward Jih-Nung Lee

Director /
Corporate Technology Center



Ingrid Fu

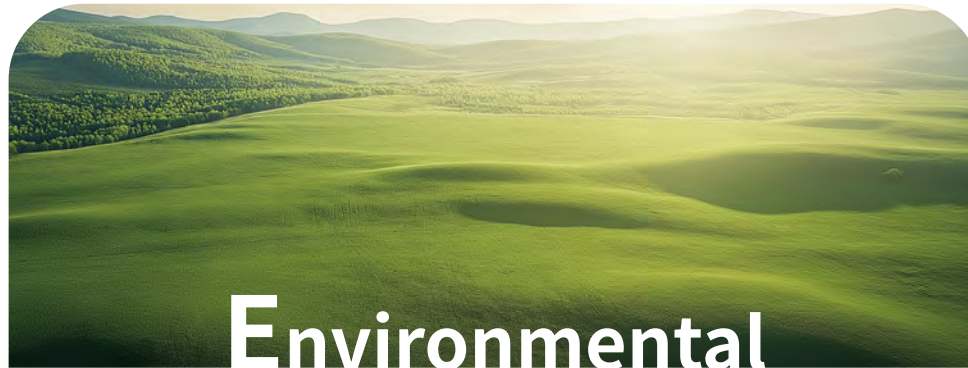
Director /
Finance Division



William Wang

Manager /
Smart Interconnect Business Group

Realtek's 2024 Sustainability Performance Highlights



Environmental

Group-Wide
Completion of
ISO 14064-1:2018

Completed
ISO 50001
for the Realtek No.2 Office

Achieved **5.34%**
Electricity Saving Rate

Achieve
6.60%
Water Saving Rate

SBTi
Commitment Letter Signed

Hazardous Industrial
Waste Recycling Rate:
100%

88% Execution of
Biodiversity Initiatives
Among Tier 1 Suppliers

566.28 kg of Waste
Cleaned up on Crab
Family Earth Care Beach
Cleanup Action Plan

Full Compliance with
ISO 14067
Across All Products



Social

Ranked 2nd in the
**Average Wage List of
TWSE Companies**
announced by TWSE

Selected as a Constituent
Stock of the 2024
**Taiwan High
Compensation 100
Index**

Kept selected as a
Constituent Stock in
**TWSE RA Taiwan
Employment
Creation 99 Index**

Group-Wide Employee Welfare
Expenses exceeded
NT\$ 100 million

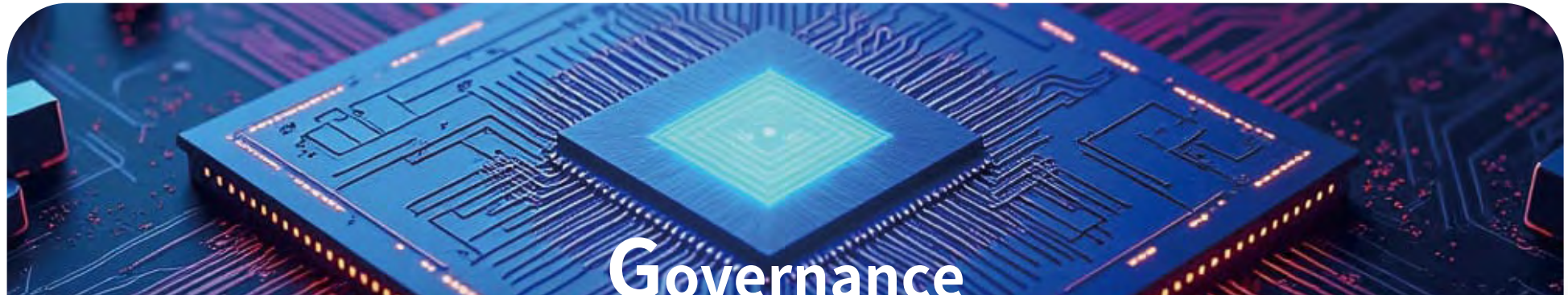
Average training hours per
employee was **18.9**, a
10 % increase from the
previous year

**No customer,
supplier, or employee
privacy complaint**

In 2024, Realtek has
contributed more than
**NT\$ 10 million in
Charitable Donations**

**In 2024, Realtek
invested more than
NT\$ 5.35 million in
Domestic Art
Development**

Established **the Realtek
Kindergarten**, affiliated
with the Employee Welfare
Committee



Governance

Group-Wide Revenue Reached
NT\$ 113.394 billion

Group-wide R&D Expenditure
NT\$33.544 billion

Named **All-Asia Executive Team**
by Institutional Investor for **4 Consecutive Years**

Awarded by Clarivate for 3 consecutive years
Top 100 Global Innovator Award

Ranked 6th
for the Number of Invention Patents
Granted to Domestic Corporations

Recognized by
**Best Choice Golden Award &
CES 2024 Innovation Awards**

Honored by
IT Matters: Best Employer Award

Named 2024
Taiwan FINI 100 Companies
By Taiwan Institute of Directors

100%
Supplier Adherence to Realtek
Supplier Code of Conduct

About Realtek

Realtek Semiconductor Corporation, founded on October 21, 1987, is one of the world's top 10 leading fabless IC design houses, headquartered in the Hsinchu Science Park, Taiwan. Realtek takes IC R&D and innovative design as its corporate positioning. From product R&D and circuit design to manufacturing collaboration, testing, and sales, our company is dedicated to driving innovation and transformation, achieving the goal of "New Technologies, New Products, New Applications, New Values, and New Markets".

Since its founding, Realtek has achieved steady breakthroughs and growth, driven by forward-thinking strategic planning and the concerted efforts of all employees. We adhere to our established objectives, continuously advancing the development and innovation of products and technologies. Our R&D efforts cover a wide range of electronic products for applications in connected media, communications network, computer peripherals, multimedia, and smart interconnect. Realtek has a professional, comprehensive, and technologically superior team of IC R&D experts. Equipped with advanced innovative R&D technologies, exceptional knowledge of manufacturing systems, and a keen understanding of market trends and customer needs, we provide customers with high-performance, high-quality, and competitive comprehensive products and solutions.

In 2024, there were no significant changes to Realtek's industry, value chain, or other business relationships due to major mergers and acquisitions or other reasons.

The crab is Realtek's corporate symbol—distinctive and recognizable. It represents resilience, agility, and fearlessness, reflecting our commitment to overcome challenges and continuously pursue excellence, providing greater global service, making outstanding and lasting contributions to innovative technology.

Self-confidence

Self-confidence is derived from professionalism

Trust in people is manifested through sharing, belief in the team, and helping others

Trust in people

Teamwork

Teamwork stems from coordinating with and supporting the team spontaneously of their own volition

Innovation involves actively pursuing leading-edge breakthroughs and actively creating new value, new fields, and new opportunities

Innovation

Vitality

Vitality is about proactivity and passion

Chairman	Chiu, Sun-Chien	President	Yan, Kuang-Yu
Company Type	Publicly Listed Company	TWSE Ticker	TWSE 2379
Date Established	October 21st, 1987	Industry	Semiconductor, IC design
Main Products	Connected Media ICs, Communications Network ICs, Computer Peripheral ICs, Multimedia ICs, Smart Interconnect ICs		
Headquarters	No. 2, Innovation 2nd Road, Hsinchu Science Park		
Workforce	7,532		
Paid-in Capital	NT\$5.13 billion (2024)	Consolidated Revenue	NT\$113.39 billion (2024)

About Realtek Semiconductor Corp

Products and Services

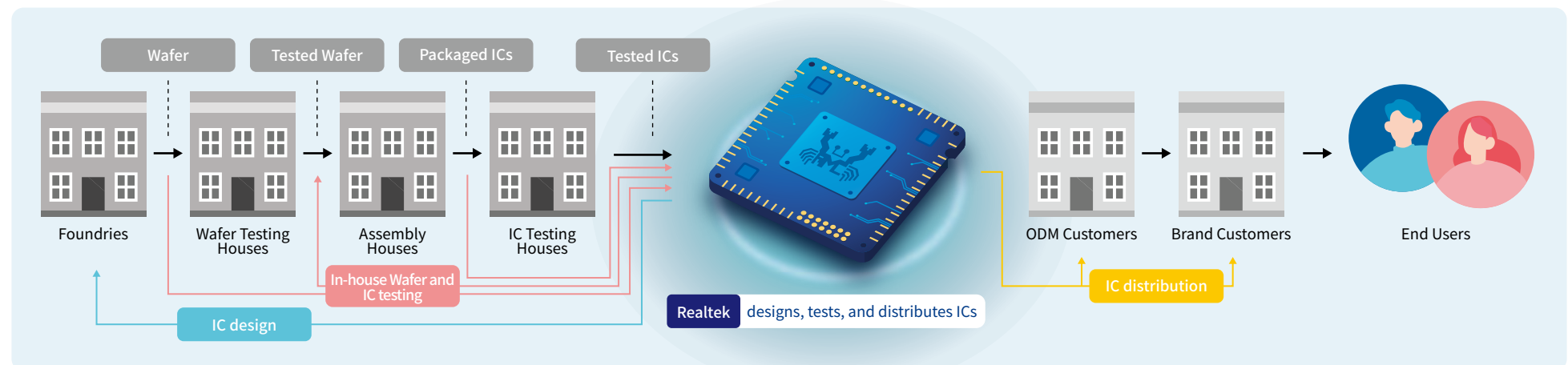
Services and Applications	Products	
 Connected Media & Communications Network	Ethernet Controller IC Ethernet Switch Controller IC Broadband Network Controller IC Wireless LAN Controller IC Bluetooth Controller IC	IoT Controller IC Automotive Ethernet Controller IC Set-Top Box Controller IC SSD Bridge Controller IC
 Computer Peripheral & Smart Interconnect	PC Audio Codec Controller IC Webcam Controller IC USB Type-C Controller IC	Card Reader Controller IC Embedded Controller IC USB 3.2 / USB4 Hub Controller IC
 Multimedia	LCD monitor scaler IC Video interface translator ICs LCD TV SoC	

Semiconductor Industry Chain

As a world-class IC design house positioned in the upstream of the semiconductor industry supply chain, Realtek entrusts the manufacturing of its professional chip and circuit designs to leading foundries, followed by packaging and testing by assembly and testing houses. The final products are provided by Realtek to global end-user electronics brand customers.

Throughout the process from product R&D and design, manufacturing, packaging and testing to sales, Realtek prioritizes core business competitiveness. Realtek is dedicated to upholding high-quality standards in supply chain operations, in order to deliver the best innovative products, along with comprehensive professional solutions and services to our customers. We maintain close and long-term partnerships with upstream, midstream, and downstream industry partners, enabling us to continuously deliver high-quality, high-performance, and competitive products and services. Through deep technical collaboration, we work together to enhance both product value and industry competitiveness.

Realtek's Value Chain



Global-Positioning

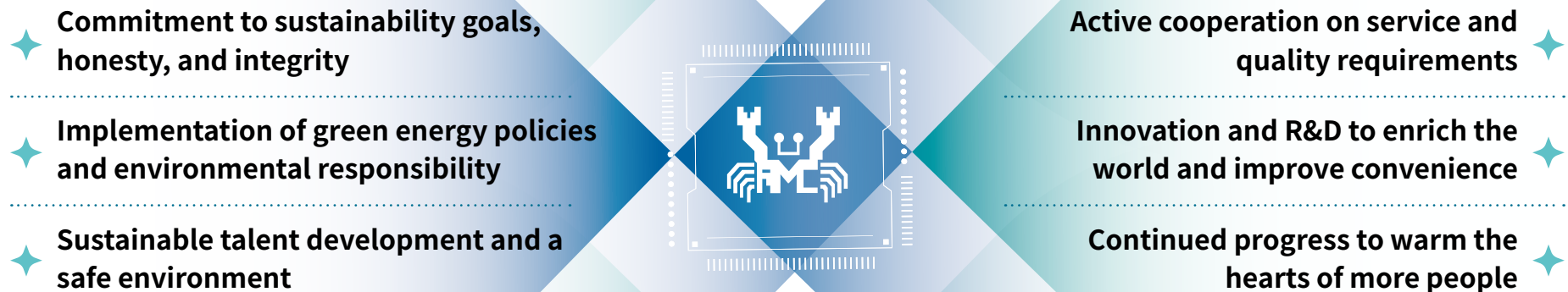
Realtek provides global customers with professionally designed IC products and solutions. Headquartered in Taiwan, the company has also established overseas subsidiaries in key global locations, including 14 countries and regions such as China, the United States, Germany, Japan, Singapore, Malaysia, Vietnam, India, and Korea, and is committed to providing customers with timely, professional, and comprehensive product services and solutions. Concurrently, through close collaboration with professional supply chains and distributors, Realtek serves customers globally and achieves mutual growth with renowned brands from around the world.



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Realtek—the Leader of Sustainable Development

Realtek's Sustainable Development Commitment



ESG Management Framework

Adhering to the core spirit of sustainable development, Realtek sticks to its philosophy of corporate sustainable operations. The organizational structure is led by the Board as the highest guiding level and the President's Office as the highest management level. They oversee the progress of key issues across corporate governance (economic), environmental, and social (including human rights) aspects. Furthermore, under the President's Office, the ESG Center holds both ad-hoc and regular cross-departmental meetings to address various topics, including corporate governance, R&D innovation, talent development, green operations, and D&I.

The Board, acting in a supervisory and guiding capacity, oversees and approves proposals concerning sustainable governance. It continuously reviews the implementation of sustainability strategies and plans, enabling the team to timely adjust to align with the company sustainable operation goals, thereby fulfilling the Board's supervisory responsibilities. The ESG Center convenes quarterly meetings, attended by management executives and the ESG representatives from each department. These meetings identify material sustainability issues and impacts, align sustainability strategies, track execution progress, and collaboratively develop blueprint for sustainable development. Annually, the ESG Center submits proposals concerning the performance of sustainability implementation, work plans, and key stakeholder concerns along with corresponding responses, which are then reported to the Board by the President. The performance of sustainability initiatives from September 2023 to August 2024 was reported to the Board on October 30, 2024. In 2024, Realtek has not encountered any incidents with significant impacts related to material issues.

To integrate its sustainability policies and objectives into operations, Realtek aligns with a range of domestic and international standards, frameworks, and rating systems. These include the GRI Standards, TCFD, SASB, and SA8000:2014. The company also follows the sustainability reporting rules set by TWSE, adhere to the RBA Code of Conduct, CDP, S&P Global Ratings, and MSCI ESG Ratings. These references collectively support Realtek to advance and develop its sustainable strategy and management practices.

Matters Reported to the Board in 2024



Realtek's Achievements in Sustainable Development



Stakeholder Communication Report



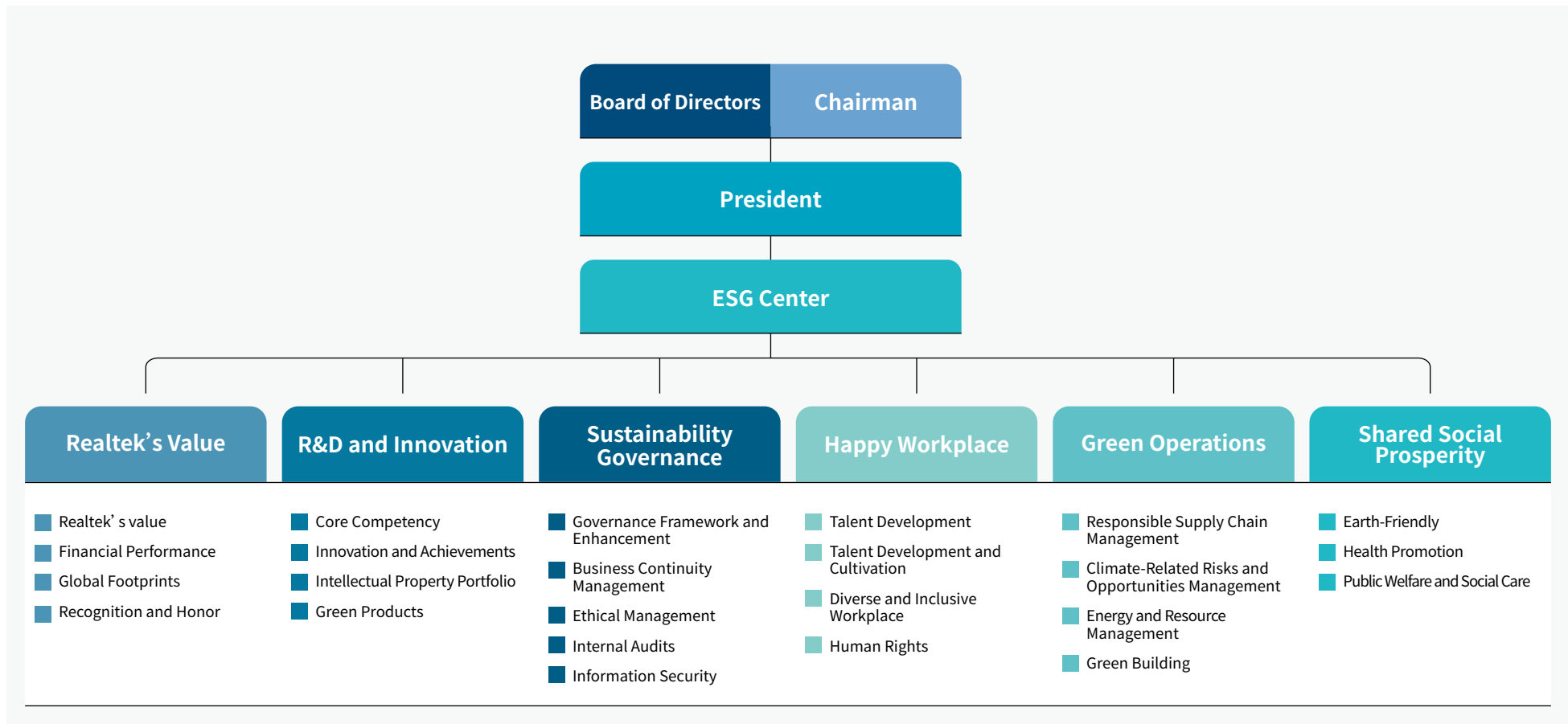
Progress and Status of Ethical Management



Amendment of the "Procedures for Ethical Corporate Management and Guidelines for Conduct"



Realtek ESG Framework



Stakeholder Engagement

Stakeholders Identification

To understand the actual and potential impacts of our operational activities on various stakeholders, Realtek places great importance on stakeholder feedback. Through diverse communication channels and mechanisms, we continuously listen to and comprehend the sustainability issues that concern our stakeholders and are committed to balancing and meeting the expectations and needs of all parties. Realtek references the five principles of the AA1000 Stakeholder Engagement Standard (SES)—Dependency, Responsibility, Influence, Diversity of Perspective, and Tension. In line with the GRI Standards' definition of stakeholders as “an individual or group whose interests are or could be affected by the organization's economic activities,” we assess the stakeholders who are actually or potentially affected by each sustainability issue. We also take into account the major stakeholder categories identified by industry peers as a reference to comprehensive review and evaluate our approach.

Based on comprehensive discussions among the ESG representatives and top-level management, Realtek identified its key stakeholder groups for 2024, which fall into six main categories: customers, employees, suppliers, government agencies, investors, and external rating agencies.

Stakeholders Engagement

For the first five key stakeholders—customers, employees, suppliers, government agencies, and investors—we employ various communication methods, including one-way, two-way, one-to-many, or many-to-one interactions, and distribute sustainability questionnaires to understand their priorities of sustainability issues related to Realtek. For external rating agencies, we proactively engage by participating in physical and online seminars, analyzing their rating criteria, and communicate through questionnaire responses and letters to gain insights into their concerns about Realtek. Detailed information about our overall stakeholder engagement is provided below. Stakeholder communication is reported to the Board annually. The stakeholder communication for 2023-2024 was reported to the Board on October 30, 2024.




Customers

Realtek pursues excellence in product and service quality, offering customers total solutions through a holistic quality system to enhance their satisfaction. Furthermore, we value long-term partnerships with our customers and are dedicated to meeting their needs by providing comprehensive product services to create win-win outcomes.

Channels	Frequency	Supporting Documents	Key Concerns	Realtek Response
ESG and RBA-Related Questionnaires	Annually	Customer Audit Records	<ul style="list-style-type: none"> Information Security Innovative R&D and Patents Risk Management Customer Relationship Management Sustainable Supply Chain Management Ethical Management 	<ul style="list-style-type: none"> CH1: Sustainable Governance CH2: Innovation Value CH4: Sustainable Value Chain
Customers Quality Control Audit	Ad hoc	Customer Audit Records		
Business Meeting	Weekly	Meeting Minutes		
Customers' GP/ Environmental Requirements	Ad hoc	Customer Specification Records		
Customer Satisfaction Survey	Annually	Customer Response Records		
Customer Supplier Conference	Annually	Meeting Content		
Distributor Meeting	Monthly	Meeting Minutes		
Customer RMA	Ad hoc	RMA Records		
In-person interview	Ad hoc	Interview Records		

2024 Highlights


- A monthly average of over 100 surveys from customers regarding green product/environmental requirements.
- Underwent at least 11 customer quality audits.
- 100% compliance with the GP/environmental requirements of our customers.
- A monthly average of over 80 business meetings.
- Customer satisfaction survey results with a satisfaction rate of over 91.7%.
- Attended over 80 customer-hosted supplier conferences.
- Conducted more than 400 customer visits on average each month.





Employees

Realtek firmly believes that professionals across all fields are the most vital asset for sustainable business operations. By strengthening training programs and employee welfare measures, we foster strong employee relations and fulfill our corporate social responsibility. These efforts support talent development, broaden participation, accelerate innovation and growth, and enhance service capabilities—effectively leveraging professional expertise to drive Realtek’ s sustainable development.

Channels	Frequency	Supporting Documents	Key Concerns	Realtek Response	2024 Highlights
Realtek Organizational Communication Meetings (Labor-Management Meetings)	Quarterly	Meeting Minutes	<div><div>Talent Recruitment and Retention</div><div>Talent Development and Cultivation</div><div>Occupational Health & Safety</div><div>Employment Relationship</div><div>Innovative R&D and Patents</div></div>	<div><div>CH2: Innovation Value</div><div>CH5: Inclusive and Happy Workplace</div></div>	<div><div>4 Realtek Organizational Communication Meetings (labor-management meetings) were held.</div><div>4 Employee Welfare Committee meetings were held throughout the year.</div><div>Held 9 Newcomers’ Training Camps.</div><div>Held 1 Realtek Managerial Staff Seminar.</div><div>Conducted the 2024-2025 Employee Engagement Survey with 1,477 of our people participated.</div><div>In total, 146 applications for childbirth subsidies were received, with a total payout of NT\$175,200.</div><div>Organized 24 employee welfare activities, with a total attendance of 14,229.</div><div>Dedicated personnel handled employee feedback and took immediate action, while ensuring the confidentiality of all reported information.</div><div>4 meetings of the Occupational Health & Safety Committee were convened throughout the year.</div></div>
Employee Performance Interview	Semi-Annually	Employee Performance Evaluation Records			
Employee Welfare Committee Meeting	Quarterly	Meeting Minutes			
Internal Promotion Channels	Ad hoc	E-mail, posters, announcements, etc.			
Realtek Forum	Ad hoc	Realtek Forum System Platform			
Realtek New Employee Training Camp	Ad hoc	New Employee Training Camp Course Materials			
Realtek Managerial Staff Seminar	At least annually	Meeting Manuals			

<div>  <div> <div>Supplier</div> <div> Suppliers across various fields are important business partners in Realtek's pursuit of sustainable operations. Through deep collaboration focused on enhancing product quality, technological capabilities, and overall competitiveness, Realtek strives to build a sustainable supply chain and achieve a win-win outcome. </div> </div> </div>						
Channels	Frequency	Supporting Documents	Key Concerns	Realtek Response	2024 Highlights	
Document Review	When new suppliers join	Supplier Evaluation Form	<div> <div>Sustainable Supply Chain Management</div> <div>Customer Relationship Management</div> <div>Economic performance</div> <div>Information Security</div> <div>Climate Change Response</div> </div>	<div> <div>CH1: Sustainable Governance</div> <div>CH2: Innovation Value</div> <div>CH3: Green Operations</div> <div>CH4: Sustainable Value Chain</div> </div>	<div> <div>Held 493 regular supplier meetings</div> <div>ESG risk assessment of 29 key suppliers</div> </div>	
Supplier Questionnaire	Annually	Supplier Questionnaire Response Record				
Regular Supplier Meetings	weekly or monthly	Meeting Minutes				

<div>  <div> Government Agencies </div> </div> <div> Government policies and guidelines are one of the reference factors for Realtek's business operations and strategic planning. Realtek maintains open communication channels with government agencies, adheres to relevant regulations, and actively aligns with policy directives to implement corporate governance standards and fulfill its corporate governance responsibilities. </div>					<div>2024 Highlights</div> <div> <div>Announced 48 items of material information on the Market Observation Post System.</div> <div>Reported 12 Occupational Health & Safety information to the competent authority.</div> <div>Participated in 34 government agency meetings, informational sessions, and lectures.</div> </div>
Channels	Frequency	Supporting Documents	Key Concerns	Realtek Response	
The Market Observation Post System	Ad hoc	Announcement	<div>Innovative R&D and Patents</div>	<div>CH1: Sustainable Governance</div> <div>CH2: Innovation Value</div> <div>CH3: Green Operations</div> <div>CH5: Inclusive and Happy Workplace</div>	
Related Policy	Regular and ad-hoc	Announcements, press releases from government agencies, and official correspondence	<div>Human Rights Management</div> <div>Energy and Emissions</div>		
Government Official Website	Monthly	Filing System	<div>Talent Recruitment and Retention</div>		
Public Policies and Regulations	Semi-annually	Compliance Checklist	<div>Talent Development and Cultivation</div>		

<div>  <div> Investor </div> </div> <div> Value creation for shareholders and investors is one of the key core objectives of sustainable corporate operations. In the highly knowledge-intensive and dynamic IC design industry, Realtek strives to stay ahead by maintaining strong innovation and R&D momentum, closely monitoring international political developments, and analyzing global semiconductor industry trends. Through two-way communication and engagement with stakeholders and external rating agencies, Realtek identifies the issues of concern to investors and shareholders. Based on these insights, the company devises internal improvement plans to enhance various ESG sustainability indicators, ultimately achieving sustainable growth. This not only reflects corporate value but also strengthens the confidence of investors and shareholders. </div>					<div>2024 Highlights</div> <div> <div>Over 250 domestic investor meetings</div> <div>15 domestic and international investor forums</div> </div>
Channels	Frequency	Supporting Documents	Key Concerns	Realtek Response	
Annual General Meeting	Annually	Handbook for the Shareholders' Meeting and Meeting Minutes	<div>Economic performance</div> <div>Ethical management</div> <div>Innovative R&D and Patents</div> <div>Corporate Governance and Compliance</div> <div>Sustainable Supply Chain Management</div>	<div>CH1: Sustainable Governance</div> <div>CH2: Innovation Value</div> <div>CH4: Sustainable Value Chain</div>	
Quarterly Operating Results Briefing (Investor Conference)	Quarterly	Financial and Business Information for the Investor Conference on the Market Observation Post System			
Monthly Revenue Announcement	Monthly	The Market Observation Post System, Corporate Website			
Institutional Investor Interviews	Ad hoc	In-person meetings or call with investors			
Domestic and International Investment Forums	Ad hoc	Financial and Business Information for the Institutional Investors' Conference from the Market Observation Post System			

<div> <div> External Ratings Agencies </div> </div> <p>The core elements of sustainable corporate operations can be categorized into three dimensions: corporate governance (economic), environment, and society (human rights). By leveraging professional reports published by various international rating agencies, Realtek steadily identifies key areas for enhancement and improvement, thereby strengthening its ESG indicators. The company aims to seize opportunities while minimizing the environmental impact from business operations and development, creating a win-win outcome. Additionally, Realtek stays up-to-date with the latest sustainability trends and focus areas to formulate its strategic direction for corporate sustainability.</p>						
Channels	Frequency	Supporting Documents	International Sustainability Rating Agencies	Realtek Response	2024 Highlights	
Seminars and conferences organized by rating agencies or relevant organizations	Ad hoc	Online/Physical Meeting Records	<div> <div></div> DJSI </div> <div> <div></div> CDP </div> <div> <div></div> MSCI </div>	<div> <div></div> For details on Realtek's sustainable management practices and achievements, please refer to our website and the ESG Report. </div>	<div> <div></div> Participated in at least 6 online seminars and 2 physical seminars. </div> <div> <div></div> Published the ESG Report both in Chinese and English. </div>	
Email	Ad hoc	Email Records				
ESG Report Disclosure	Ad hoc	Downloads from the official website				
Rating Agencies' Official Websites / Questionnaire Platforms	Ad hoc	Records of Communication on Issues				

Stakeholder Engagement and Interaction Channels

Realtek has established a "Stakeholder Engagement" section on its official website to provide communication and inquiry channels for various stakeholders. For any questions, suggestions, or grievances regarding Realtek's sustainable development , stakeholders can engage in with the ESG Center via the dedicated email address: RT_ESG@realtek.com. In 2024, the dedicated ESG mailbox received over 300 valid messages, including inquiries about social participation and collaboration on environmental protection projects. No environmental or social grievances or incident reports were received during the year.

In addition, for issues concerning different aspects such as corporate governance, products, information security, and human rights, corresponding consultation and grievance channels have been established. Realtek ensures the remediation of grievance cases in accordance with company regulations. The grievance procedures and issue management are disclosed in the respective sections of the report.






Spokesman

Mr. Yee Wei Huang
TEL : +886-3-528-0211
FAX : +886-3-577-6047
EMAIL : investors@realtek.com

Stakeholder Engagement Channels

Deputy Spokesperson & Investor Contact

Ms. Ivy Chen
TEL : +886-3-528-0211 Ext : 11316
FAX : +886-3-577-6047
EMAIL : investors@realtek.com

Category	Consultation, Grievance, and Reporting	Case Handling Process
 Corporate Governance	 Audit Unit Reporting Mailbox: audit@realtek.com  Corporate Regulation : Regulations Governing Realtek Internal (External) Personnel Whistleblowing on Illegal or Immoral Behaviors	<p>The audit unit will convene the relevant units to investigate, review, and handle the incident in accordance with its content, ensuring the identity confidentiality and safety of the whistleblower. For detailed explanation, please refer to ethical management.</p>
 Product Information	<div>  Technical Support </div> <div>  Sales Contacts </div>	<p>Relevant matters are addressed by dedicated specialists for specific regions and products. Please refer to Customer Relationship Management column for details.</p>
 Information Security	 Security Reporting Mailbox: security@realtek.com  An extension and email address have been established for employees to report corporate information security issues.  Privacy Protection Mailbox:realtek_privacy@realtek.com  Company Regulations: Information Security Risk Management Framework, Privacy Policy, Personal Data Management Procedures	<p>The information security team initiates the vulnerability remediation procedure in accordance with the company's internal information security reporting process and reports to the higher authorities. For detailed explanation, please refer to Information Security Management.</p>
 Human Rights	 Internal President's Mailbox  Internal Forum  Workplace Harassment/Sexual Harassment Complaint Hotline: (03)5780211#11535  Grievance Fax:(03)5785249  Grievance Mailbox:Prevent@realtek.com  Corporate Policies: Declaration on Preventing Workplace Illicit Infringement, Realtek Semiconductor Human Rights Policy, Realtek Semiconductor Labor Policy	<p>Upon receipt of a complaint, an investigation will be conducted confidentially to ensure the safety of the complainant. If the case is substantiated by the investigation, disciplinary action will be taken. For a detailed explanation, please refer to the sections on Human Rights Management and Active Listening Channels.</p>

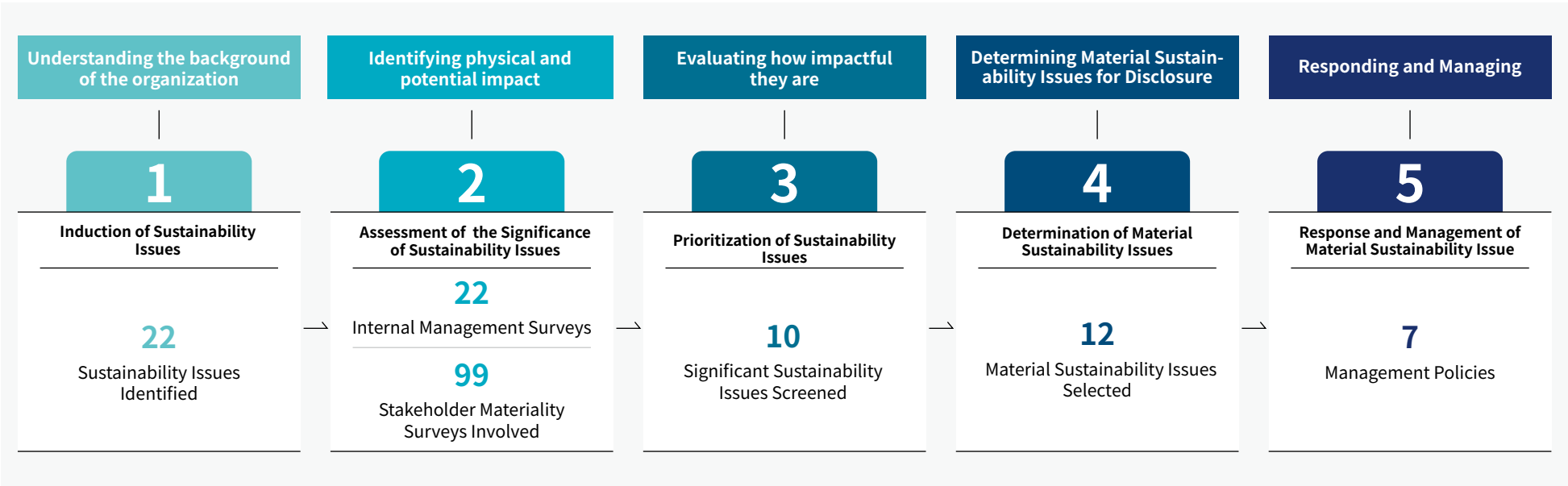
Material Sustainability Issue Analysis

Identification Procedure

Realtek conducted its 2024 material issues analysis process in accordance with the disclosure principles of GRI 3: Material Topics 2021 from the GRI Standards, and with reference to the principle of Double Materiality proposed by the EU and IFRS S1 issued by the IFRS Foundation.

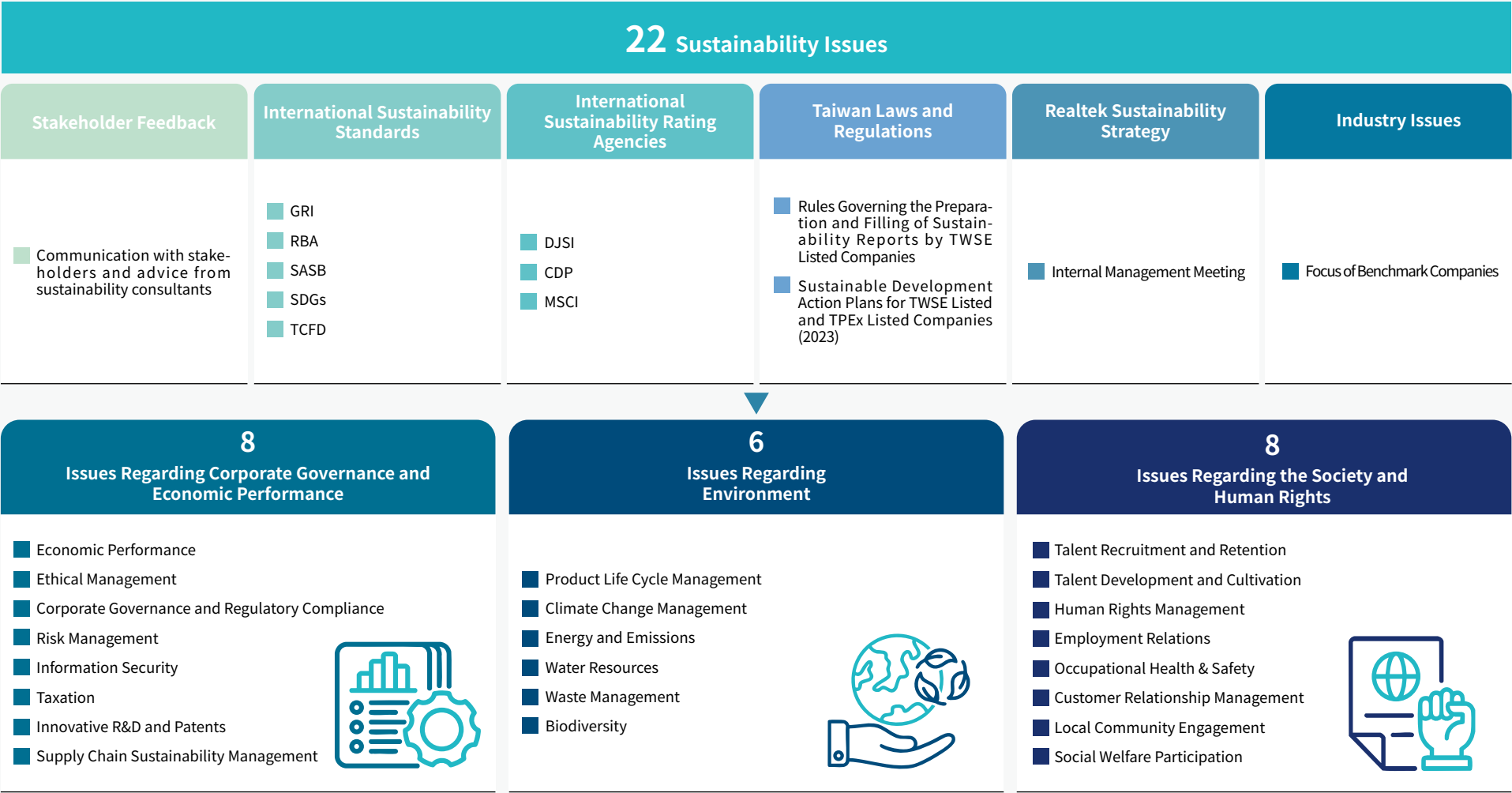
Realtek's material issue analysis process begins with identifying and analyzing 22 sustainability issues, assessing the impact of each on the company's operations and sustainable development across the environmental (E), social (S), and governance (G) dimensions. The sustainability focus areas of concern of internal and external stakeholders are identified through a questionnaire survey. Finally, Realtek's the top management and ESG representatives comprehensively evaluate and prioritize the issues to determine the material issues for 2024. The detailed steps are as follows:

Material Issue Analysis Process



01
Induction of Sustainability

Realtek refers to various domestic and international regulations , international sustainability standards, assessments from global sustainability rating agencies, Realtek’s sustainability strategy, key focus areas of benchmark companies, and the content of communications with stakeholders during the period. This process led to the consolidation of 22 sustainability issues relevant to Realtek, which serve as the survey topics for identifying our material issues.



02

Assessment of the Significance of Sustainability Issues

By referencing the latest macroeconomic, environmental, and social factors, opinions from external experts, and the results of the 2023 sustainability issue analysis, Realtek comprehensively assesses the significance of the impact of each sustainability issue for 2024. Working with executives and 22 ESG representatives, and guided by GRI 3: Material Topics 2021 and double materiality, we analyzed each issue's impact on external dimensions, including corporate governance, environment, and society, incorporating both quantitative and qualitative assessments of the impacts, the degree of impact on internal operations, and the separate calculation of scores for positive and negative impacts. Additionally, internal and external viewpoints are effectively integrated through a survey questionnaire on the concerns of stakeholders.

22 Internal Management Surveys

Assessment of the Significance of Sustainability Issues

Assessment of the Significance

Actual Impacts

Assessing the significance of actual impact events during the reporting year.

Potential Impacts

Assessing the significance of potential impact events that may occur in the future.

External

Actual external impacts on the economy, environment, and society

- Assess the likelihood and magnitude of **positive impacts**.
- Evaluate the likelihood, extent of harm, and its potential for remediation.

Internal

Actual internal impacts on our operations

- Evaluate the extent of harm or benefit toward our operations.

The Magnitude of Positive Impacts

The extent of positive impacts from both inside and outside our operations.

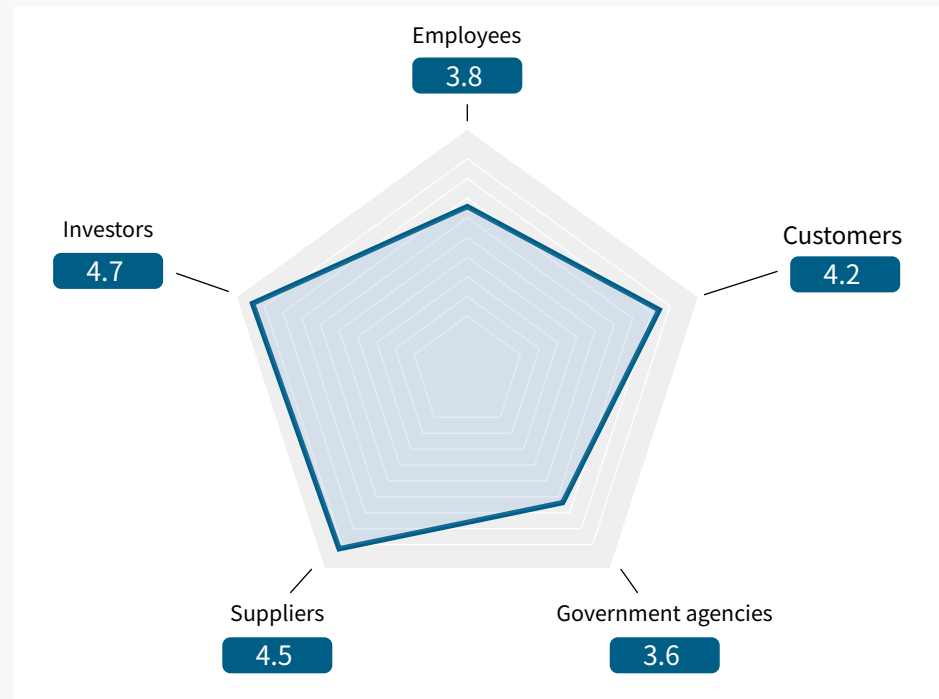
The Magnitude of Negative Impacts

The extent of negative impacts from both inside and outside our operations.

Note: The expected timeframe for potential occurrence is as follows: Short-term (1 year); Mid-term (2-4 years); Long-term (5 years or more).

99 Stakeholder Materiality Surveys

Stakeholder Concern Scores for Sustainability Issues



Note:

For the stakeholder group "External Rating Agencies," the annual sustainability questionnaires used for their ratings are considered to represent their focused sustainability issues. Therefore, no separate questionnaires are distributed to them to identify their topics of concern.

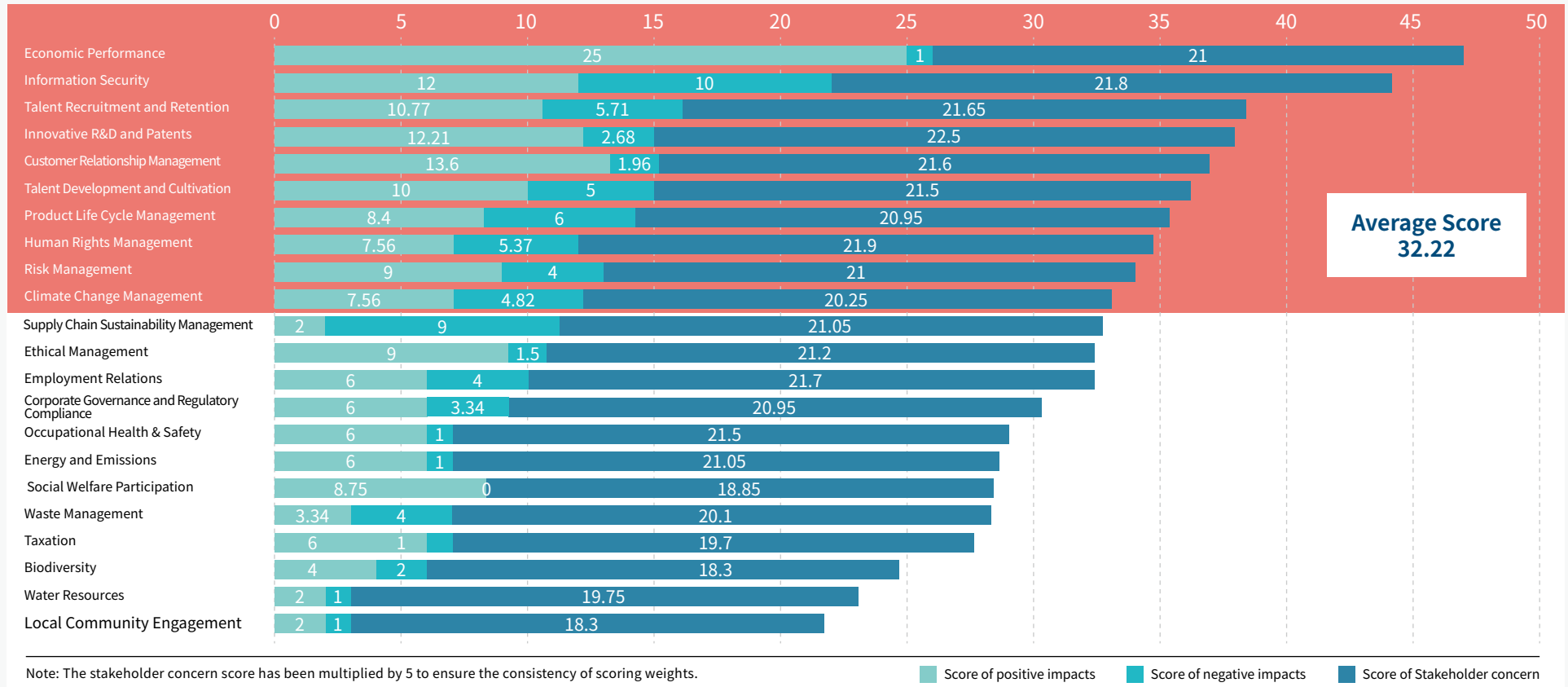
03

Prioritization of Sustainability Issues by Impact Significance

The significance of the impact of sustainability issues is comprehensively calculated based on “positive” and “negative” scores, along with stakeholder “concern” scores. After ranking the issues by the significance of their impact, a threshold is set: issues with a total score exceeding the average serve as the basis for selecting material issues. Finally, 10 significant sustainability issues were identified as the items for the 2024 sustainability assessment.

10 Material Sustainability Issues

Ranking of Sustainability Issues



04

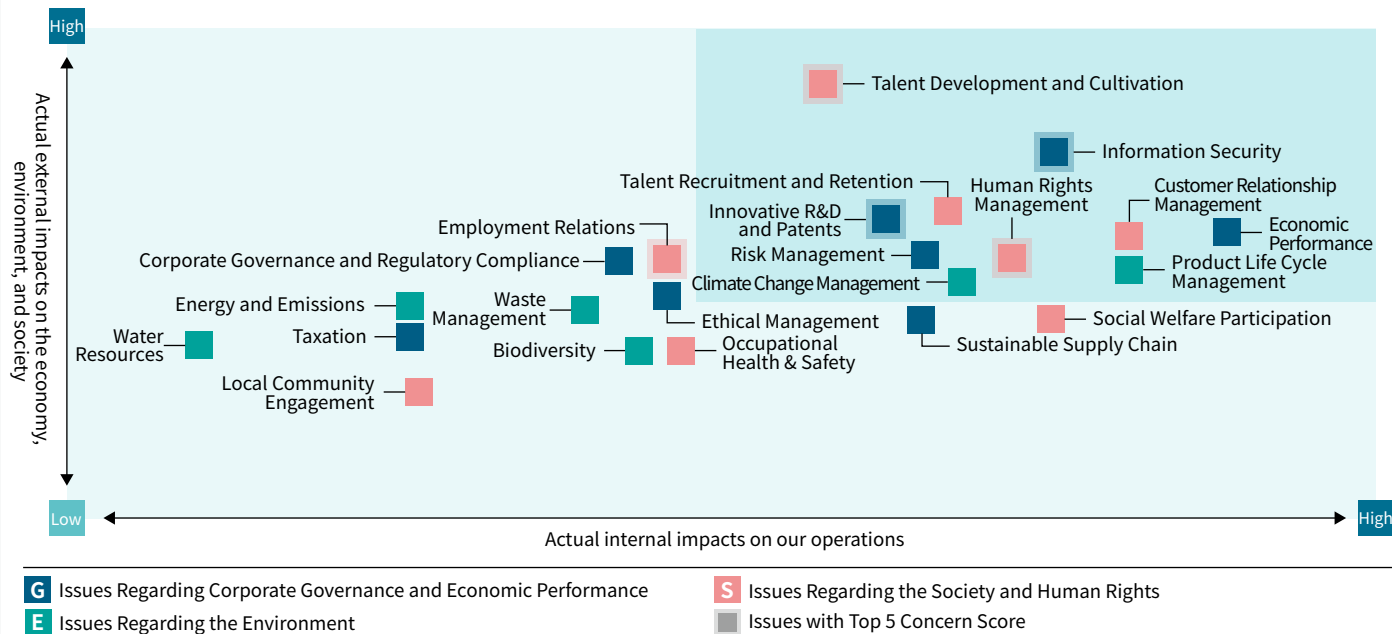
Determination of Material Issues

Realtek has designated ten material sustainability issues with scores exceeding the average as its priority issues for reporting this year. Additionally, considering the company's sustainability strategy and the opinions of external sustainability experts, the ESG representatives and senior management have jointly designated "Supply Chain Sustainability Management" and "Energy and Emissions" were included in the material sustainable issues.

In 2024, Realtek identified a total of 12 material issues, including Economic Performance, Information Security, Talent Recruitment and Retention, Innovative R&D and Patents, Talent Development and Cultivation, Product Life Cycle Management, Human Rights Management, Risk Management, Climate Change Management, Supply Chain Sustainability Management, and Energy and Emissions.

12 Material Issues

Material Issues Matrix



2023 Material Sustainability Issues	2024 Material Sustainability Issues
Innovative R&D and Patents	Economic Performance
Economic Performance	Information Security
Information Security	Talent Recruitment and Retention
Talent Recruitment and Retention	Innovative R&D and Patents
Energy and Emissions	Customer Relationship Management
Product Life Cycle Management	Talent Development and Cultivation
Talent Development and Cultivation	Product Life Cycle Management
Ethical Management	Human Rights Management
Risk Management	Risk Management
Supply Chain Sustainability Management	Climate Change Management
Climate Change Management	Supply Chain Sustainability Management
	Energy and Emissions

Deleted New Moving Down Moving Up

Note: "Ethical Management," a material issue in 2023, has not been included for the current year as its significance has decreased and its total score did not exceed the average score. Conversely, "Customer Relationship Management" and "Human Rights Management" have been added as new material issues this year due to their increased significance and total scores surpassing the average score.

05

Material Issues Response and Management

7 Management Policies



Corporate
Governance



Supply Chain
Sustainability
Management



Information Security
(including privacy
protection)



Customer
Relationship
Management



Innovative R&D
and Patents



Talent
Recruitment and
Development



Climate Change
Strategies (including
energy policy)

For the 12 selected material issues, management policies are created for each following approval by management. This ESG report discloses Realtek's management actions, targets, and results concerning each sustainability issue. For the content of the management policies, please refer to the relevant chapters.

List of Material Issues

Material Issues	GRI Theme(Indicators) and Sustainability Standards Alignment	Key Stakeholders Affected					Management Policies	Response Chapter	2024 Goals	Status
		Employees	Customers	Investors	Suppliers	Government Agencies				
 Economic performance	GRI 201 Economic Performance (201-1, 201-4)	★	★	★	★	★	Corporate Governance	Operational Performance Risk Management	Grow both in Revenue and Profit	Achieved
									Remain no significant fines (a fine exceeding NT\$1,000,000) incurred for violations of laws or regulations.	Achieved
 Risk Management	Custom Material Issue	★	★	★	★	★			Implement training courses for new Realtek employees (including E-courses) and courses on corporate governance and regulations, achieving a 100% execution rate.	Achieved
									Each functional department maintains the responsibility of first-line risk management in daily work, conducts analysis, monitoring, and prevention of related risks within the department's responsibility, ensuring that risk control mechanisms and procedures can be effectively implemented.	Achieved

ESG Management Framework

Stakeholder Engagement

Material Sustainability Issue Analysis

Material Issues	GRI and Sustainability Standards Alignment	Key Stakeholders					Management Policies	Response Chapter	2024 Goals	Status
		Employees	Customers	Investors	Suppliers	Government Agencies				
Information Security	<div>GRI> 418 Customer Privacy</div> <div>FSC> Regulations Governing Establishment of Internal Control Systems by Public Companies</div> <div>DJSI> Information Security</div> <div>TWSE> Disclosure of Information Security Management in a Dedicated Chapter</div>	★	★		★	★	Information Security	Information Security Management	<div>Certified with ISO 27001 Information Security Management</div> <div>Certified with TISAX(Trusted Information Security Assessment Exchange)</div> <div>Conduct annual information security training for new employees</div>	<div>Achieved</div> <div>Achieved</div> <div>Achieved</div>
	<div>Custom> Material Issue</div> <div>DJSI> Innovation Management</div> <div>SASB> Intellectual Property Protection & Competitive Behavior</div>	★	★	★			Innovative R&D and Patents	Innovation Value Product Quality Management	<div>Establish an internal innovation incentive mechanism, designed with substantial monetary rewards to promote innovation</div> <div>Annual R&D expenses account for over 25% of revenue</div> <div>Achieve the target for the number of invention patents granted to domestic legal entities.</div> <div>Participate in international exhibitions and product award competitions to enhance the visibility of new products and showcase their quality.</div>	<div>Achieved</div> <div>Achieved</div> <div>Achieved</div> <div>Achieved</div>
	<div>GRI> 416 Customer Health and Safety</div> <div>DJSI> Product Management</div> <div>SASB> Product Life Cycle Management</div> <div>CDP> Low-Carbon Products</div> <div>TWSE> Sustainability Disclosure Indicator No.5</div>		★		★	★			<div>Regularly launch products with an energy efficiency improvement of over 5%</div> <div>Continuously obtain and maintain product-related external certifications</div> <div>Ensure product designs comply with safety standards to reduce the potential safety risks users may face during use.</div>	<div>Achieved</div> <div>Achieved</div> <div>Achieved</div>

ESG Management Framework

Stakeholder Engagement

Material Sustainability Issue Analysis

Material Issues	GRI and Sustainability Standards Alignment	Key Stakeholders					Management Policies	Response Chapter	2024 Goals	Status
		Employees	Customers	Investors	Suppliers	Government Agencies				
Climate Change Management	GRI 201 Economic Performance (201-2)								Submit the Commitment Letter to the SBTi	Achieved
	DJSI Climate Strategy									
	TCFD Climate-related Financial Disclosures		★	★	★	★			Install rooftop solar power generation systems at Taiwan operating sites	Achieved
	TWSE Disclosure of Climate-Related Information in a Dedicated Chapter									
	TWSE Sustainability Disclosure Indicator No.1								Achieve 10% renewable energy of its total electricity consumption across the group by 2025	Milestone Achievement
Energy and Emissions	GRI 302 Energy (302-1, 302-3, 302-4)						Climate Strategy	Green Operations	Achieve an annual electricity saving rate of 6% or more	Not Achieved
	GRI 305 Emissions (305-1~305-5)									
	CDP GHG Emission Reduction								Reduce per capita water withdrawn by 1% compared to the previous year	Not Achieved ^{Note}
	MSCI Clean Energy Opportunities	★	★		★	★				
	DJSI Environmental Policy and Management System								Achieve a water saving rate of no less than 5% in offices	Achieved
	SASB GHG Emissions, Energy Management in Manufacturing Processes									
	TWSE Sustainability Disclosure Indicator No.1								Achieve a recycling rate of no less than 90% for waste ICs and wafers	Achieved
Supply Chain Sustainability Management	GRI 204 Procurement Practices							Responsible Supply Chain	Obtain ISO 14067 Carbon Footprint Certification	Achieved
	GRI 308 Supplier Environmental Assessment									
	GRI 407 Freedom of Association and Collective Bargaining	★	★		★	★	Supply Chain Sustainability Management	Promoting Green Supply Chain	Monitor key suppliers' compliance with Realtek's ESG management standards	Achieved
	GRI 408 Child Labor									
	GRI 409 Forced or Compulsory Labor									
	GRI 414 Supplier Social Assessment								Continuously conduct regular supplier evaluations	Achieved

Note: The increase in per capita water withdrawn resulted from the full commissioning of facilities at the Realtek No. 3 Office, which include an employee cafeteria and shower facilities.

ESG Management Framework

Stakeholder Engagement

Material Sustainability Issue Analysis

Material Issues	GRI and Sustainability Standards Alignment	Key Stakeholders					Management Policies	Response Chapter	2024 Goals	Status
		Employees	Customers	Investors	Suppliers	Government Agencies				
Supply Chain Sustainability Management	<div>SASB Raw Material Procurement</div> <div>MSCI Controversial Sourcing</div> <div>DJSI Supply Chain Management</div> <div>TWSE Sustainability Disclosure Indicator No. 6</div>	★	★		★	★	<div>Supply Chain Sustainability Management</div>	<div>Responsible Supply Chain</div> <div>Promoting Green Supply Chain</div>	<div>Continuously conduct due diligence investigation and management of conflict minerals</div> <div>Continuously implement IC Packaging Material Recycling</div> <div>Continuously track key suppliers' carbon footprint data</div>	<div>Achieved</div> <div>Achieved</div> <div>Achieved</div>
									<div>Conduct Customer satisfaction survey: Achieve 80% or higher satisfaction level</div>	<div>Achieved</div>
	<div>Custom Material Issue</div>	★	★	★	★		<div>Customer Relationship Management</div>	<div>Customer Relationship Management</div>	<div>Provide complete and accurate responses to ESG questionnaires from external stakeholders</div> <div>Obtain TISAX (Trusted Information Security Assessment Exchange)</div> <div>Obtain "Road vehicles — Cybersecurity engineering" (ISO/SAE 21434) certification</div> <div>Obtain Medical Device Quality Management System (ISO 13485) certification</div>	<div>Achieved</div> <div>Achieved</div> <div>Achieved</div> <div>Achieved</div>
	<div>GRI 202 Market Presence (202-2)</div> <div>GRI 401 Employment (401-2, 401-3)</div> <div>GRI 402 Labor/Management Relations</div> <div>GRI 405 Diversity and Equal Opportunity (405-1, 405-2)</div> <div>DJSI Talent Recruitment and Retention</div>	★				★	<div>Talent Recruitment and Retention</div>	<div>Inclusive and Happy Workplace</div>	<div>Maintain a turnover rate below 7%</div>	<div>Achieved</div>

ESG Management Framework

Stakeholder Engagement

Material Sustainability Issue Analysis

Material Issues	GRI and Sustainability Standards Alignment	Key Stakeholders					Management Policies	Response Chapter	2024 Goals	Status
		Employees	Customers	Investors	Suppliers	Government Agencies				
Talent Recruitment and Retention	GRI 404 Training and Education									
	MSCI Human Resources Development	★	★			★			Continuously raise the average training hours for all employees, with an increase of more than 5% compared to the previous year	Achieved
	DJSI Human Resources Development									
Human Rights Management	GRI 406 Non-discrimination						Talent Recruitment and Retention	Inclusive and Happy Workplace		
	GRI 407 Freedom of Association and Collective Bargaining									
	GRI 408 Child Labor	★	★		★	★			No Human Rights Complaint Incidents	Achieved
	GRI 409 Forced or Compulsory Labor									

Note:

- The table above is arranged according to the sequence of chapters on the management policies in the ESG Report.
- Corresponding sustainability initiatives or regulations: DJSI - Semiconductors & Semiconductor Equipment, MSCI - Semiconductors & Semiconductor Equipment, SASB - Semiconductors, TWSE Sustainability Disclosure Indicators - Semiconductors.

Sustainable Governance

1

Governance Structure	38
Operational Performance	42
Ethical Management	43
Risk Management	46
Information Security Management	51

◆ Accomplishments at a Glance

Consolidated Revenue **NT\$ 113.39 billion**

Realtek was honored by Institutional Investor in the small and mid-cap category of the Asia technology/semiconductor sector

Named All-Asia Executive Team for 4 consecutive years

Included in Sustainability-Related Index
MSCI Taiwan Select ESG Sustainability High Yield Top 30 Index

Director Performance Evaluation **Excellent**

Information Security Drill **8 times**

Education and Training Courses on Ethical Management

The total training hours amounted to 223.75 hours, with a total of 1,045 participants

Named Taiwan FINI 100 Companies in 2024

Corresponding
SDGs



**Suggested Stakeholders
for Reading**

Customers, Employees, Suppliers, Government Agencies, External Rating Agencies, Investors



Material Issues

Economic Performance, Risk Management, Information Security



Corporate Governance Management Policy

Material Sustainable Issues

Economic performance Risk Management

Negative Impact (Impact) Explanation

- In 2024, there were no actual negative impacts related to economic performance and risk management.
- Changes in Corporate Management, if lacking monitoring and continuous enhancement of corporate governance strategies and methods, can carry various predictable and unpredictable risks and impacts, including loose operational management, slow innovation and R&D, reduced product market share, thereby affecting profitability and overall business results. In 2024, our company experienced no such negative impacts.

Positive Impact (Benefits) Explanation

- Through sound board operations and corporate governance strategies that adhere to regulatory guidelines, along with robust risk management mechanisms, the company ensures stable operations, ethical management, financial management, risk prevention, and management responsiveness to climate change risks. These measures enhance the overall resilience and competitiveness of the company's operations, safeguarding shareholders' interests. Furthermore, in the areas of R&D, patents, and technology development, the company seizes opportunities arising from global market changes and innovation breakthroughs, maintaining its leading position.

Policy/Commitment:

- Adhering to the principle of seeking innovation and changes, achieving the goals of "New Technologies, New Products, New Applications, New Values, and New Markets"
- Ethical Corporate Management Policy
- Risk Management Policy

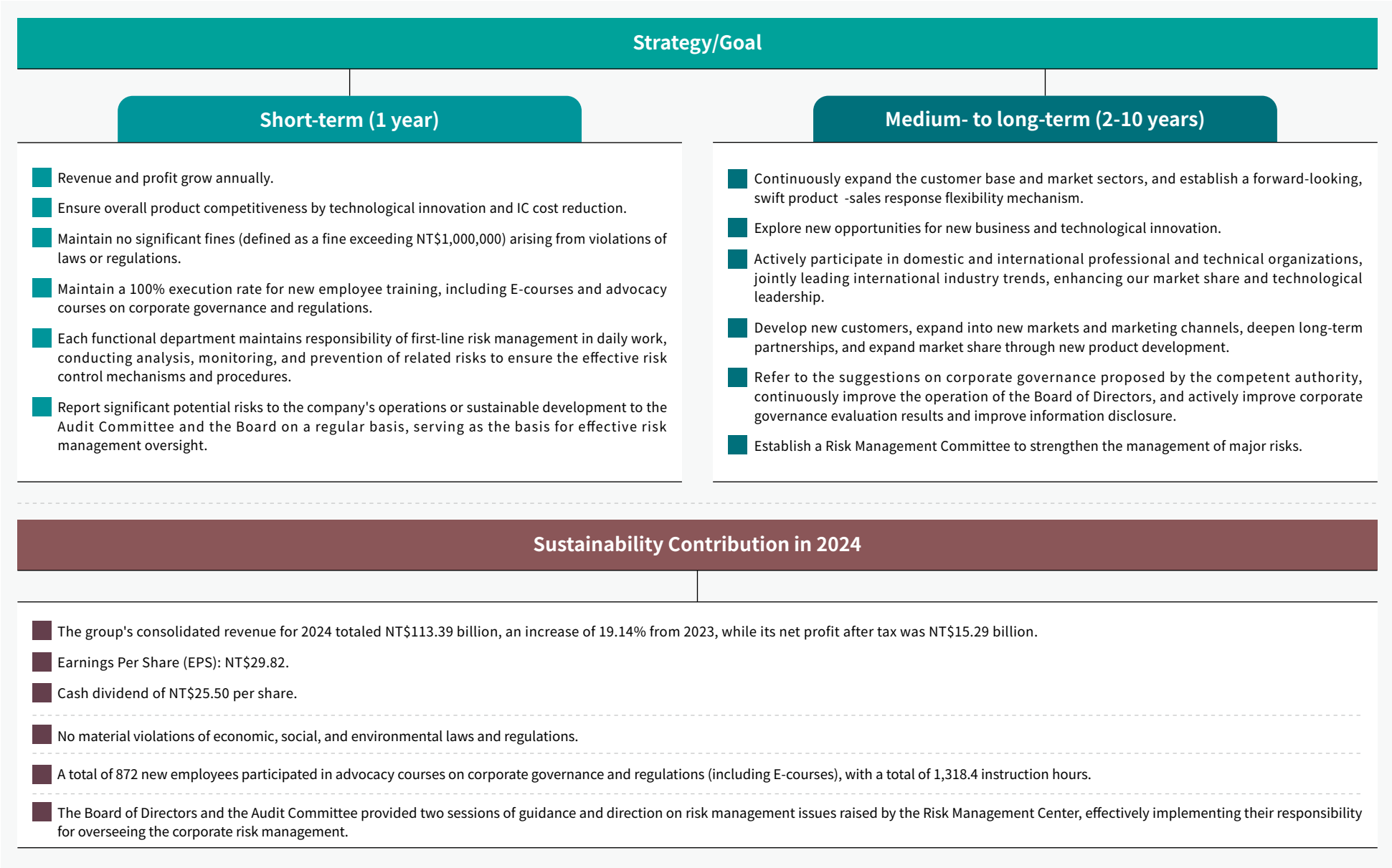
Management Responsibility / Evaluation Mechanism

Board of Directors, Top-Level Management, Internal Audit Unit

- Internal Control System

Communication/Complaint Channels

- Please refer to **Stakeholder Engagement** for detailed information.





Information Security Management Policy

Material Sustainable Issues

Information Security Management

Negative Impact (Impact) Explanation

- In 2024, there were no significant negative impacts or losses on operations, reputation, or goodwill caused by information security incidents. Additionally, there were no complaints from employees, suppliers, or customers due to violations of information security.
- Despite continuous investment in information security management mechanisms and resources, the possibility of cybersecurity incidents remains, which could lead to situations such as system operation interruptions, product vulnerabilities, information leakage, or improper usage, potentially affecting corporate reputation or operations. In 2024, there was no negative impact from information security.

Positive Impact (Benefits) Explanation

- Through continuous enhancement of information security management mechanisms and investment in cybersecurity resources, Realtek is committed to protecting its information assets, reducing potential cybersecurity risks, and strengthening corporate resilience. These efforts ensure compliance with regulatory and standard requirements, thereby boosting the confidence of stakeholders, including customers, investors, and suppliers, in collaborating with and investing in Realtek.

Policy/Commitment

- Information Security Policy
- Information Security Risk Management Framework.

Management Responsibility/Evaluation Mechanism

- The Information Security Steering Committee**
- Conduct annual internal audits and management review meetings.

Communication/ Complaint Channels

- Please refer to **Stakeholder Engagement and Information Security Management** for detailed information.

Strategy/Goal

Short-term (1 year)

- Continuously maintain the validity of our ISO 27001 and TISAX (Trusted Information Security Assessment Exchange) certification, as well as implement internal and external audits.

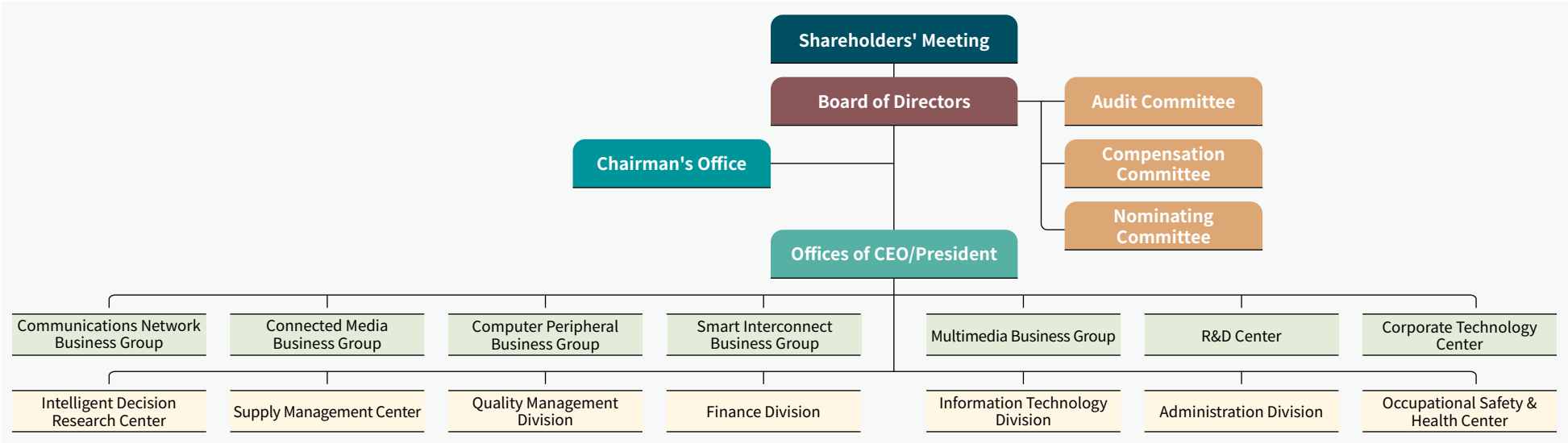
Medium- to long-term (2-10 years)

- Integrate domestic and international information security standards and regulations with ISO 27001 to promote business and operational development within the company.
- Continuously enhance information security risk management.

Sustainability Contribution in 2024

- Obtained and maintained the ISO 27001 international information security management certification.
- Obtained TISAX certificate.
- 100% of new employees participated in information security training.

Governance Structure



Board Governance Structure

Realtek considers organizational operations, industry business models, and long-term development needs when selecting board members based on basic qualifications, values, professional knowledge and skills (including expertise in environmental protection, social responsibility, corporate governance, and other aspects of corporate sustainability) to ensure a diversified composition of board members. The term of Realtek's directors is three years (the current term runs from May 30, 2024, to May 29, 2027). To enhance its oversight function and strengthen its management mechanism, the Board has established functional committees such as the Audit Committee, Remuneration Committee, and Nominating Committee.


The current (13th) Board is composed of 9 directors, including 1 female director and 3 independent directors. Their independence complies with the relevant provisions of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". The members of the Board have an average tenure of 11.5 years and an average age of 60. More than half of the members are also shareholders. Vice Chairman, Mr. Yung-Fang Huang, serves as the Chief Executive Officer (CEO), and Director Mr. Kuang-Yu Yen, acts as the President, steadily enhancing overall operational efficiency and decision-making execution. The specific management objective of Realtek's Board diversification policy focuses on 8 core competencies: operational judgment, accounting and financial analysis skills, business management skills, crisis handling skills, industry knowledge, international market outlook, leadership, and decision-making capability. For each competency, at least 5 directors must possess it, and each individual Board member must possess at least 4 of these 8 competencies. Currently, both the Board and its individual members meet the management objectives of the diversification policy. For the qualifications and competencies of individual Board member, please refer to [page 27 of Realtek's 2024 Annual Report](#).

Board of Directors Functions

The Board of Directors diligently carries out corporate governance responsibilities by overseeing operational strategies of the Company's management and evaluating business performance. At the same time, the Board listens to the strategic recommendation from the management team at the operating level and takes into account the viewpoints of stakeholders, providing professional and objective opinions with a high level of self-discipline and prudence to ensure the implementation of sustainable development. The Board is presided over and operated by Chairman Sun-Chien Chiu to strengthen corporate governance. It holds at least one meeting per quarter where each unit presents proposals to the Board on important topics such as corporate governance, economy, environment, social issues, and risks. In 2024, a total of 6 meetings were held, with an average attendance rate of 96.4% for Board members.

Board members of Realtek attended external continuing education courses in accordance with the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies” . Through continued learning, the Board members strengthen their professional competencies, keep abreast of evolving perspectives on corporate governance and sustainability, thereby reinforce corporate governance and promoting sustainable corporate development. In 2024, the themes of the Board's external training courses covered a range of professional topics, such as "Embracing AI and Sustainable Transformation: Executive Compensation Management and Talent Development," "The 20th (2024) International Corporate Governance Summit: Focusing on Governance Priorities and Leveraging Talent Advantages," "International Trends and Challenges in Financial Cybersecurity Supervision," "Analysis and Practices of the Taskforce on Nature-related Financial Disclosures (TNFD)," "International Trends and Practices in Anti-Money Laundering and Countering the Financing of Terrorism," "Corporate Governance Forum: ESG and Corporate Sustainable Operations," "2024 Cathay Sustainable Finance & Climate Change Summit," and "Carbon Credit Trading Mechanisms and Carbon Management Applications". The directors collectively participated in these courses for a total of 57 hours.

Functional Committee



Audit Committee


Composed of 3 independent directors

6 meetings held in 2024

Attendance rate: 94.4%

Authority and Responsibility

To perform supervisory duties and exercise the powers specified by the “Securities and Exchange Act” , “the Company Act” , and other laws and regulations, including matters involving the personal interests of directors, material asset or derivative transactions, annual and semi-annual financial reports, and other important matters as specified by the Company or competent authorities. The Audit Committee meets regularly with the Company's certified public accountants, and reviews their appointment, independence, and performance.



Remuneration Committee


Composed of 3 independent directors

3 meetings held in 2024

Attendance rate: 100%

Authority and Responsibility

To evaluate the linkage between the remuneration of directors and managers and the company's business performance; to establish and periodically review the policies, systems, standards, and structures related to the achievement of the performance objectives and remuneration of directors and managers. The function of Remuneration Committee is to perform duties diligently with focus on sound management and then propose related recommendations to the Board for consideration.



Nominating committee

Composed of 3 independent directors

5 meetings held in 2024

Attendance rate: 100%

Authority and Responsibility

To establish the standards for the required professional knowledge, skills, experience, and gender diversity, as well as the independence of Board members, and based on these standards, to search for, review, and nominate director candidates; to construct and develop the organizational structure of the Board and its committees; to conduct performance evaluations for the Board, individual directors, and committees; and to establish and regularly review succession plans for directors and Top-level managers.

Remuneration Policies for Directors and Managers

The policy, standards, and structure of performance evaluation and salary compensation for Realtek’s directors and managers are set and periodically reviewed by the Remuneration Committee, aiming for a balance between sustainable operation and risk control. The Remuneration Committee holds at least 2 meetings annually to discuss director compensation, manager compensation, manager salary adjustments, and manager bonuses.

The remuneration of directors and employees is carried out in accordance with the company’s articles of incorporation. That is, if the company makes a profit in a year, no more than three percent should be set aside for directors’ remuneration, and not less than one percent for employees’ remuneration. The remuneration of directors includes directors’ remuneration and business execution expenses; the remuneration of managers includes salaries, bonuses, and retirement pensions, etc., which are regularly disclosed in the annual report each year. The remuneration of directors is formulated in reference to the results of the performance evaluation of the Board; the remuneration of managers is formulated in reference to performance evaluation indicators such as years of work and position, performance, contribution to company operations, industry level, and company profitability. The remuneration of directors and managers is approved by the Remuneration Committee in consideration of performance evaluation results, company performance, and future risks, and is proposed to the Board after resolution. After approval by the Board, it is implemented, and the remuneration of directors and employees is reported at the shareholders meeting.

To ensure that the decisions and actions of director and manager align with the company’s overall ESG goal, the Remuneration Committee and the Board review and adjust remuneration policies regularly in accordance with actual operations and relevant laws and regulations. In practice, the Remuneration Committee regularly evaluates the ESG performance of directors and managers using various indicators, including green product innovation, carbon emission reduction, resource utilization efficiency, ecological protection, employee welfare, occupational health and safety, social philanthropy, corporate governance, information security management, and risk management mechanisms. The results of these ESG performance evaluations are incorporated into the calculation of base salaries and bonus coefficients .The Board supervises the implementation of this policy and adjusts and optimize it based on the company’s circumstances and sustainability goals. The remuneration policy incentivizes the board members and managers to remain committed to sustainable development, enhancing the company’s reputation and competitiveness while attracting ESG-focused investors and partners. Ultimately, this achieves a win-win outcome that balances economic benefits with social impact. For related information, please refer to [pages 10-14 of Realtek’s 2024 Annual Report](#).

Variable compensation for Realtek’s president is determined based on performance indicators that reflect the company’s financial status, operational efficiency, and strategic progress. Followings are the performance indicators relevant for our president’s variable compensation:



Financial Metrics
Weighting: 30% - 50%



Operational Metrics
Weighting: 50% - 70%

The structures focus on long-term incentives and performance-based rewards that extend over three to five years. Followings are the components and strategies used to align our president’s compensation with long-term performance:

Long-Term Incentive Plans (LTIPs)	
The plans set performance targets over a three to five-year period. These targets include financial metrics like revenue growth, profitability, and Return on Equity. The plans also set deferred Compensation. Portions of our president’s compensation are deferred and paid out over several years, often based on long-term performance metrics. This encourages our president to focus on sustainable growth rather than short-term gains.	
Performance-Based Bonuses	
Bonuses vest only after a specific performance period, usually 3 to 5 years, ensuring that the president remains focused on long-term objectives. The bonuses are linked to achieving specific long-term goals, such as entering new markets, achieving sustainability targets, or significant R&D milestones.	
Retention Incentives	Clawback Provisions
Additional bonuses awarded for staying with the company for a set period, often tied to long-term performance metrics. These bonuses help ensure stability in leadership.	The clawback provisions allow the company to reclaim bonuses or virtual equity awards if it is later discovered that performance metrics were not actually met, or if there was misconduct or financial restatement.

Operational Performance

Since its establishment, Realtek has maintained steady growth and profitability. Despite challenges such as the 1997 Asian Financial Crisis, the 2008 Global Financial Crisis, and the outbreak of COVID-19 in 2020, and geopolitical changes and the impact of the global economic environment that led to weakened end-market demand in 2023, we have continuously invested in innovative R&D across various technologies and IC design fields. Our focus remains on enhancing product value and providing optimal solutions and services. In 2024, through the concerted efforts of all our employees, the consolidated annual revenue reached a new high of NT\$113.39 billion, a 19.14% increase from the previous year. Gross profit was NT\$57.16billion, an increase of 40.28% from the prior year, while net income after tax was NT\$15.29 billion, an increase of 67.07% from the previous year. Earnings per share were NT\$29.82, achieving significant growth in both revenue and profit.

Economic Value of Realtek Group's Production and Distribution in the Past Three Years

Unit: NT\$ 100 million

Item / Year	2022	2023	2024
Operating Revenue	1,117.90	951.79	1,133.94
Operating Costs	571.55	544.31	562.32
Gross Profit	546.35	407.48	571.62
Operating Expenses	389.11	340.93	436.60
Operating Income	157.24	66.55	135.02
Non-Operating Income and Expenses	11.98	28.90	28.40
Net Income before Tax	169.22	95.45	163.41
Income Tax Expenses	7.18	3.92	10.50
Net Income (Loss) for the Year	162.04	91.53	152.92
Cash Dividend	26.00	15.00	25.50
Earnings Per Share (NT\$)	31.62	17.85	29.82

- Note:
- Dividends for the current year are distributed in the following year. For example, dividends for 2023 are distributed in 2024. Cash dividends do not include cash distributed from capital surplus.
 - The financial data disclosed in this report has been audited by PwC and is publicly disclosed financial information. As of December 31, 2024, the tenure of the certified public accountants providing audit services to the Company is as follows: CPA Li, Tien-Yi, appointed on March 30, 2022, has provided audit services for 2.76 consecutive years; CPA Cheng, Ya-Huei, appointed on February 21, 2020, has provided audit services for 4.86 consecutive years.
 - Financial data is rounded to two decimal places; therefore, slight discrepancies may occur in total values due to rounding.

Realtek Group's 2024 Economic Performance

Consolidated revenue

NT\$ 113.39 billion

Consolidated gross profit

NT\$ 57.16 billion

Consolidated net income

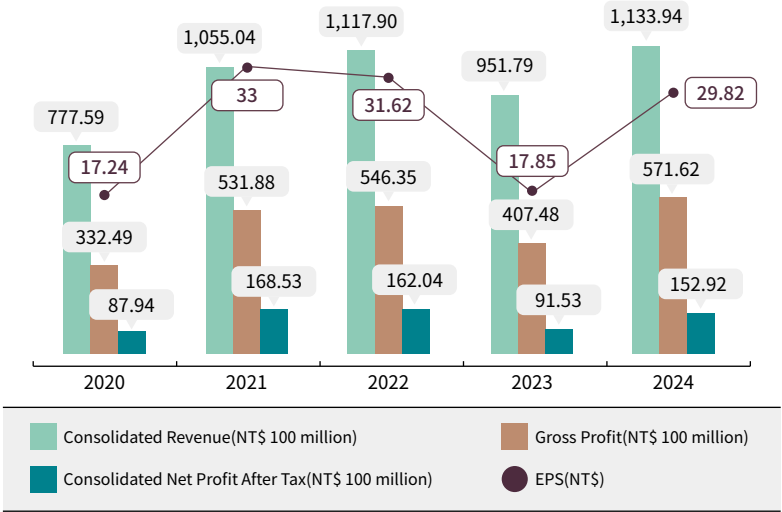
NT\$ 15.29 billion

Earnings per share

NT\$ 29.82

According to Omdia, Realtek ranked 7th by revenue among global IC design houses in 2024.

Operational Results for the Past 5 Years



Ethical Management

Ethical Corporate Management Policy

Ethical corporate management is a requirement for achieving sustainable operations and building collaborations. We therefore consider acting in good faith, abiding by the law, and behaving morally to be core values of the Company's ethical corporate management system. These are standard practices that all Company personnel shall follow when interacting with people or handling Company affairs. Each person must fully participate in and comply with these practices. All members of the Realtek team, no matter their level or position within the Company, and in all work situations, shall:

A

Engage in commercial activities following the principles of fairness, honesty, faithfulness, and transparency

B

Abstain from directly or indirectly providing, accepting, promising, or requesting improper benefits

C

Abide by internal rules or other corporate practice ordinances that are related to ethical corporate management.



Ethical corporate management is the root of a company's efforts to build cooperation and create win-win situations. We believe that strict adherence to rules and implementation of ethical corporate management practices are necessary ingredients for achieving sustainable operations while fostering mutually beneficial relationships with our customers.

Realtek has established comprehensive internal management policies to ensure its operations comply with relevant laws and regulations. In 2024, the “Group Tax Policy and Management Guidelines” and the “[Procedures for Investigating Whistleblowing Cases by the Task Force](#)” were newly established. Through the implementation of these internal policies, the company aims to enhance operational efficiency and risk management, safeguard the rights and interests of stakeholders, promote corporate culture and sustainable development, and ensure the company's long-term, stable growth. For the detailed content of Realtek's key internal policies, please refer to [the Corporate Governance section on the Realtek official website](#).

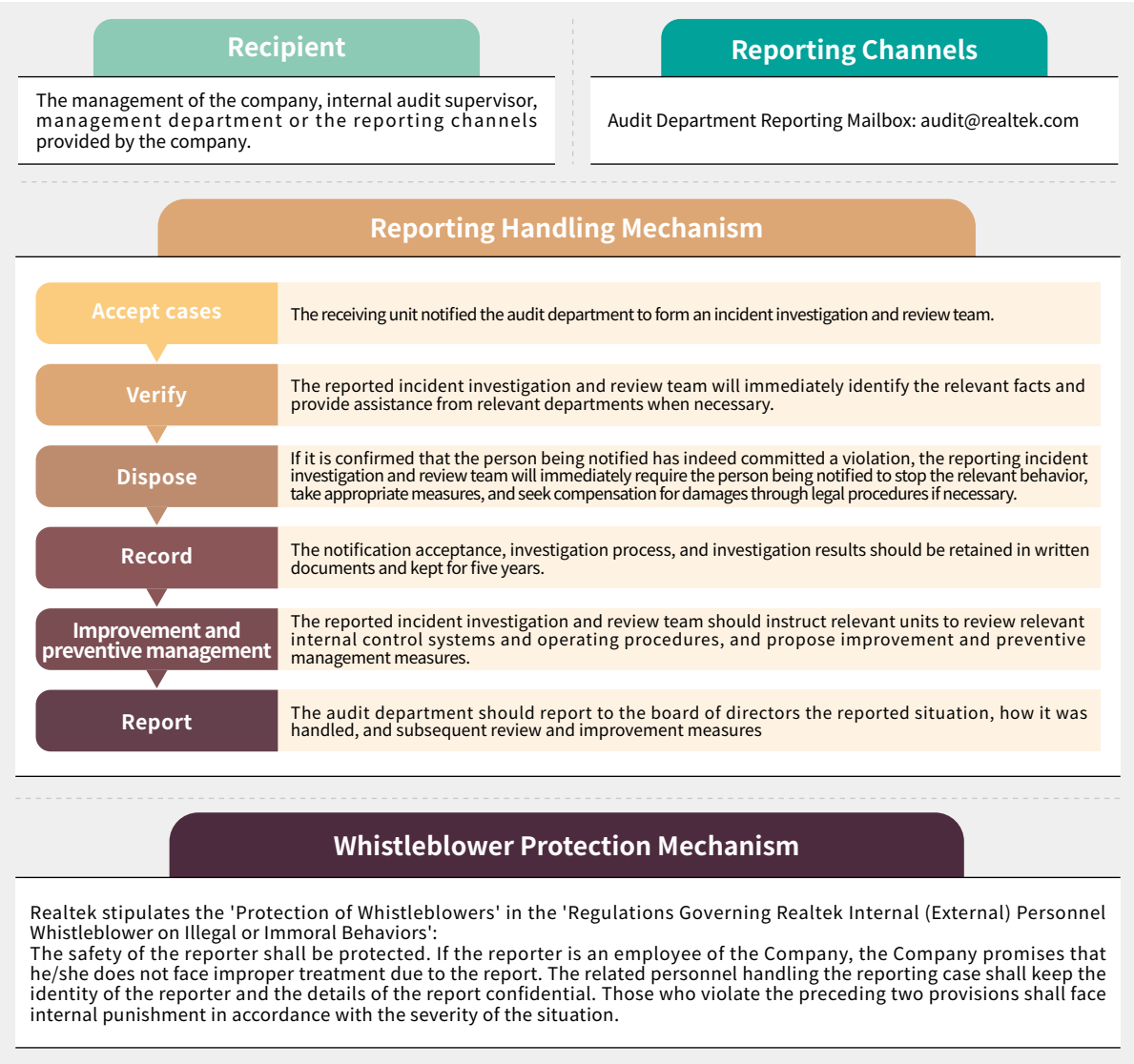
Realtek firmly believes that only by adhering to and implementing ethical conduct can sustainable business operations and win-win situations with customers be achieved. Realtek follows the “Principles of Corporate Governance for TWSE/ GTSM Listed Companies”, the “Corporate Governance Evaluation Indicators” of the Taiwan Stock Exchange Corporate Governance Center, and has established important internal policies such as the “Ethical Corporate Management Policy”, “Ethical Corporate Management Best Practice Principles”, “Procedures for Ethical Management and Guidelines for Conduct”, “Employee Code of Conduct”, and “Code of Ethical Conduct”. From the Board to the management level, we actively implement the commitment to ethical management policy, strictly carry out ethical management practices in internal management and business activities, and require all employees to fully participate and comply. Information related to ethical management is disclosed on Realtek official website, providing management, employees, and stakeholders with understanding, ensuring the implementation of the company's ethical management philosophy, preventing conflicts of interest, avoiding improper benefits and infringement of confidentiality, and maintaining fairness in competition and transactions. Article 10 of Realtek's “Ethical Corporate Management Best Practice Principles” clearly prohibits bribery and improper benefits. Realtek and its directors, managers, employees, mandataries, and Substantial Controllers may not, in the course of conducting business, directly or indirectly offer, promise, request, or accept any form of improper benefits from clients, agents, contractors, suppliers, public officials, or other stakeholders. Realtek's “Board Meeting Rules” stipulate that when a meeting item is related to the director's own interests, he/she should explain his/her interests and recuse himself/herself. If there is a risk of harm to the company's interests, he/she may not participate in the discussion and vote and may not represent other directors in exercising voting rights. For the execution of director recusal, directors' positions in other companies, and shareholding status, please refer to pages 4-5 and 17 of Realtek's 2024 Annual Report. In 2024, Realtek was not involved in any legal proceedings related to violations of anti-competitive regulations.

In response to the Corporate Governance 3.0 Sustainable Development Blueprint and Article 17 of the 'Corporate Governance Best-Practice Principles for TWSE Listed and TPEX Listed Companies', to strengthen the management of related party transactions and regulate financial business transactions between the company, related parties and shareholders, Realtek has established the 'Procedures for Financial Transactions between Related Parties'. It is used to strengthen the prevention of irregular transactions, improper benefit transfers in purchase and sale transactions between related parties, acquisition and disposal of assets, endorsements, guarantees, and loans. Furthermore, Realtek does not provide any contributions or expenditures to any political campaigns or organizations, lobbying groups, tax-exempt entities, or other groups aimed at influencing political movements, public policies, and legislation. No political contributions were made in 2024.

To implement Realtek's Code of Ethical Conduct and the concept of ethical management, and to encourage stakeholders to report any discovered violations of integrity and ethics, the 'Regulations Governing Realtek Internal (External) Personnel Whistleblowing on Illegal or Immoral Behaviors' have been established.

This includes the standard operating procedures for investigating reported items, subsequent measures to be taken after the investigation is completed, and related confidentiality mechanisms, to ensure that the reporting channel is unimpeded and the privacy of the whistleblower is protected. In 2024, there were no complaints or reports of Realtek's operations or employees violating ethical conduct or engaging in any illegal activities, and there were no instances of corruption or bribery at all operational locations.

Procedures for handling whistleblowing cases



Whistleblower Protection Mechanism

Realtek stipulates the 'Protection of Whistleblowers' in the 'Regulations Governing Realtek Internal (External) Personnel Whistleblower on Illegal or Immoral Behaviors':
The safety of the reporter shall be protected. If the reporter is an employee of the Company, the Company promises that he/she does not face improper treatment due to the report. The related personnel handling the reporting case shall keep the identity of the reporter and the details of the report confidential. Those who violate the preceding two provisions shall face internal punishment in accordance with the severity of the situation.

Fostering an Ethical Culture

Realtek continuously conducts education and training on ethical management for its employees and managerial staff. These initiatives include the new employee training camp and management seminars, with content covering the company's ethical management policies, the employee code of conduct, and reporting mechanisms for unethical behavior. These efforts aim to raise employees' awareness of ethical management, effectively promote the company's commitment to ethical management, and ensure its implementation in daily operations. Employees (including contractors) can apply for courses anytime via e-learning materials. In addition, Realtek regularly arranges integrity-related awareness programs and training for current board members, managers, and all employees. In 2024, we provided trainings on ethical management totaling 223.75 hours, with a total of 1,045 participants and a 100% attendance of newcomers. Among these trainings, the total hours dedicated to Insider Trading Prevention trainings amounted to 43.83 hours, with 526 participants attending the sessions. In addition, in 2024, 100% of our key suppliers signed the Realtek Semiconductor Corp. Code of Conduct, which contains ethics and management system.

Target Audience	Training on Anti-Corruption	Communication/Training Results
Board of Directors	All 9 directors of the current (13th) Board have signed the “Ethical Management Advocacy Handbook.”	100% Participation
	All current directors have completed training on the “Regulations for the Prevention of Insider Trading.”	100% Participation
Managerial Staff	Integrity and ethics advocacy courses are arranged as part of managerial staff seminars.	173 people
New Employees	All new employees are required to complete the e-learning course on anti-corruption.	100% Participation
	The new employee training camp curriculum includes advocacy sessions on ethics and integrity.	
All Employees	Ad hoc anti-corruption advocacy (poster displays, intranet announcements)	100% Participation

Internal Audits

The internal audit unit of Realtek is an independent operational unit under the Board of Directors. Internal audit officers shall regularly compile audit results and report regularly in Board meetings, and reports to the chairman and president on an as-needed basis. Realtek’s internal audit unit is staffed with dedicated audit personnel, including Audit Manager and Audit Specialists, who undergo continuing trainings annually to ensure their competence. Annual audits, which are carried out based on plans approved by the Board, shall ensure the effectiveness of self-evaluation and internal controls executed by internal units and subsidiaries. Based on the self-evaluation reports, the audit unit issues a statement on internal control mechanisms to the Board and the Company president. Based on the audit results, a declaration of internal control was issued for 2024, confirming the design and implementation of the internal control are effective and compliant with all laws and regulations.

Risk Management

Risk Management Policy

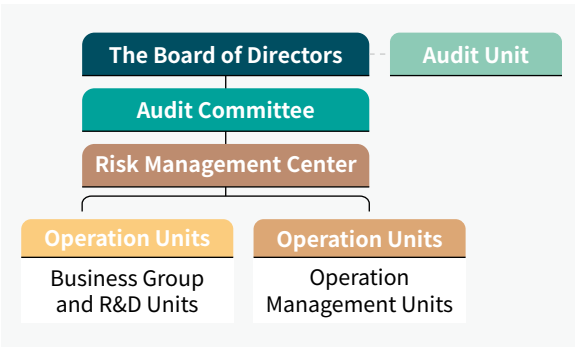
To implement corporate governance duties, maintain sustainable operations, and grasp the internal and external economic, social and environmental risks that the Company faces, each department of Realtek must act within its authority to identify and clarify risks with the potential to disrupt corporate operations or sustainable development. Latent risks shall be monitored and preventive measures shall be implemented in order to strengthen risk management, enhance systematic response capabilities, and achieve risk control objectives, thus safeguarding shareholders' rights and interests, enhancing competitiveness, and establishing a foundation for sustainable operations and development.



Risk Management Organizational Framework and Responsibilities

To effectively manage risks that could cause operational uncertainties for the company, Realtek has established the “Risk Management Policy” and the “Risk Management Methods and Procedures.” In July 2024, in response to the revised requirements of the competent authority's “Risk Management Best-Practice Principles for TWSE and TPEX listed Companies,” the Board and the Audit Committee approved the amendments which define the Board of the Directors as the highest governance body, the Audit Committee is the highest supervisory body, with the Risk Management Center responsible for promoting and executing risk management. Furthermore, the independent internal audit unit under the Board is responsible for conducting internal audits to ensure the risk management system is consistently and effectively executed. Through our risk management procedures such as risk identification and clarification, contingency control, monitoring and prevention, and consolidated reporting, combined with preventive measures and systematic strategies, we aim to enhance stability and resilience in the face of risks, ensuring business continuity and sustainable development.

Risk Management Organization Structure



Level	Responsibilities
Board of Directors	The Board of Directors is the highest governance unit of the company’s risk management. The Board’s risk management objectives include upholding compliance with laws and regulations as well as promoting and implementing the Company’s overall operational risk management goals. In addition, The Board needs to clearly understand the risks that could impact sustainable operations and ensure the effectiveness of risk management.
Audit Committee	The Audit Committee is the highest supervisory unit of the company's risk management. It is responsible for reviewing risk management policies and major risk management matters planning, as well as the implementation of risk management and supervising the improvement of risks control. It reports the operational status and implementation results of risk management to the Board of Directors at least once a year.
Risk Management Center	The Risk Management Center is responsible for formulating quantitative or qualitative measurement standards based on the characteristics of the risks that serve as the basis for risk analysis. It also reviews and controls the risk assessment and response command of various plans and projects initiated by the accountable department through the operational risk management meetings chaired by the president or relevant operational executives. It reports the operational status of risk management to the Audit Committee at least once a year.
Audit Unit	An independent department under the Board of Directors executes internal audits to assist the Board and management in inspecting and reviewing the deficiencies of internal control mechanisms as well as measuring the operational effectiveness and efficiency while providing timely improvement recommendations. These measures ensure the continued implementation of internal control mechanisms and serve as a basis for related reviews and amendments.
Operational Units	While carrying out everyday duties, personnel from each operational unit shall serve as the first line of defense in risk management. They shall analyze, monitor, and prevent risks that are related to their departments while ensuring that risk control mechanisms and procedures are effectively implemented, and should regularly report the implementation status of risk management for various risks to the Risk Management Center.

Risk Assessment and Management

Realtek's risk management scope covers risks related to strategic planning, operational management, financial operations, and hazard events, while also incorporating climate change-related risks. We reference the Enterprise Risk Management (ERM) framework, through which the Risk Management Center implements a management process of risk identification, measurement, monitoring, response, reporting, and disclosure. Annually, based on the identification results of material sustainability issues, we conduct systematic risk assessments and identification to select key risk management topics, monitor potential risks, and implement preventive measures. This ensures Realtek's business continuity and mitigates the potential impact of these risks.

Based on the type of risk, Realtek's operational units implement corresponding risk management measures, and the company promotes risk control and prevention across all employees. Each operational unit regularly submits information to the Risk Management Center to ensure the timely identification of significant potential risks that could affect operations or sustainable development. The Risk Management Center consolidates this information and reports to the Audit Committee and the Board at least once a year, providing a basis for oversight and guidance. On October 30, 2024, the Risk Management Center submitted the results of the identification of material risk issues to the Audit Committee and the Board for approval; the Audit Committee and the Board also held two oversight and guidance meetings on these material risk issues to strengthen relevant mechanisms and continuously optimize preventive measures, ensuring the company's overall operational stability and sustainable development.

Risk Management Procedures



Risk Identification

1

- Each operational unit shall, within its scope of authority, identify the sources and types of potential risks faced by the company.



Risk Assessment

2

- After each operational unit identifies its potential risks, the Risk Management Center formulates quantitative or qualitative measurement standards based on the characteristics of these risks, serving as the basis for risk analysis.



Risk Monitoring

3

- Each operational unit should monitor the potential risks associated with its business. When the assessed level of risk indicates a potential for damage, the unit should propose countermeasures and report both the risks and the countermeasures to the Risk Management Center.



Risk Response

4

- The Risk Management Center is responsible for assessing and responding to risks for various operational plans and projects, as well as assessing and directing the response to risks reported by each operational unit.
- After assessing and consolidating risks, each operational unit should take appropriate response measures for the potential risks they face, such as risk identification and clarification, assessment reports, and implementation of response and control plans.



Risk Reporting and Disclosure

5

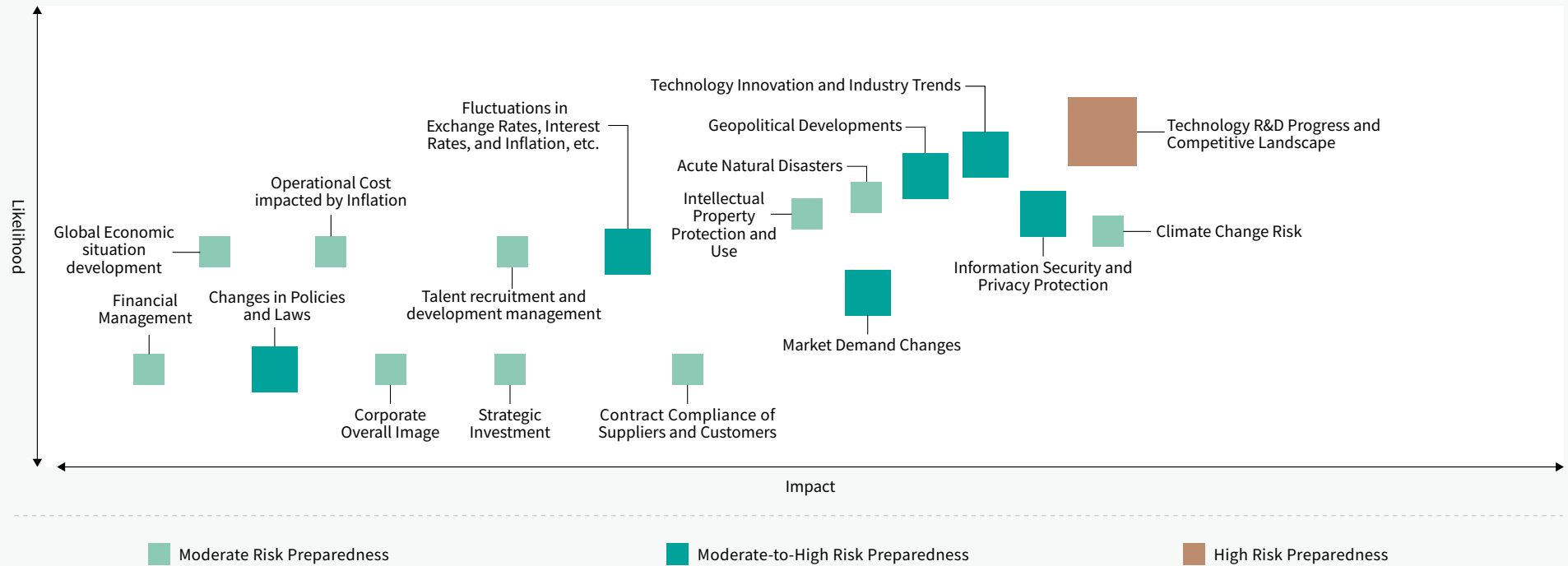
- Each operational unit submits risk management information to the Risk Management Center.
- The Risk Management Center periodically (at least once a year) reports significant potential risks affecting the company's operations or sustainable development to the Audit Committee.
- The Audit Committee periodically (at least once a year) reports to the Board.



Audit Unit

Oversee and evaluate the authority levels and management practices across operational units, ensuring alignment with corporate governance standards. Foster a strong risk-aware culture by assessing and reinforcing the effectiveness of risk management implementation among all employees.

2024 Realtek Risk Matrix



2024 Realtek Material Risk Management Issues and Response Strategies

Risk Category Risk Issues	Impact	Response/Mitigation Measures	Opportunity Benefits
Strategic Risk Geopolitical Developments Risk (Emerging Risk)	<p>The ongoing trade war among major global powers has led various nations to impose import and export restrictions, plunging the global economy into a state of conflict. While this has had a significant impact on many industries, it also creates new opportunities, which are set to create a new paradigm for future global economic and trade competition.</p>	<ul style="list-style-type: none"> Establish sites in various locations and regularly review geopolitical issues at our and our partners' operational sites to adapt to changes in regional regulations and market demands, thereby enhancing the efficiency of our market response. Ensure compliance with regional laws and regulations, as well as product specification requirements. Diversify our product planning, continuously introduce new products and new applications, and expand into niche markets in response to regional laws and regulations,. 	<ul style="list-style-type: none"> Leverage our local sites to understand and comply with the laws and regulations of each region, thereby avoiding violations and penalties. Respond swiftly to the diverse specification demands caused by trade conflicts, break through market challenges, and achieve outstanding results.
Strategic Risk Technology Innovation and Industry Trends	<p>In recent years, demand for semiconductor end-use applications has undergone significant shifts. s The outperforming sectors include those related to AI, automotive, and defense and aerospace. Among these, AI and automotive applications are considered the two primary areas that will continue to drive the growth of the semiconductor industry in the coming years. The advancements and changes in these fields will have a profound impact on our company's future growth opportunities.</p>	<ul style="list-style-type: none"> Stay ahead of competitors by launching various new technologies with AI capabilities for communications network, computer peripherals, and multimedia, while continuously building advanced core technologies through advanced processes . Develop dedicated AI accelerators and Neural Processing Units (NPU) to secure a significant market position in intelligent devices and edge computing. Conduct R&D on mid-to-high-end automotive networking switches and communication ICs, providing key connectivity technology for automotive and humanoid robot applications. Actively introduce computer peripheral and multimedia technologies into the automotive market. Achieve win-win outcomes by providing comprehensive product services or co-developing new products with customers. 	<ul style="list-style-type: none"> Proactively track new technological trends and deploy in advance, providing our partners with advanced technologies and products. Maintain a leading position of technological innovation and industry trends, ensuring sustainable development and growth.
Strategic Risk Technology R&D Progress and Competitive Landscape	<p>In a market characterized by intense competition and highly uncertain product lifecycles, failing to launch new technologies and products in a timely manner could directly impact the company's product competitiveness, leading to loss of market share and profoundly influencing future revenue growth.</p>	<ul style="list-style-type: none"> Introduce and integrate Electronic Design Automation (EDA) tools with built-in AI functions to accelerate the IC design process, shorten the product development cycle and enhance productivity. Integrate Large Language Model (LLM) technology into design workflows to enhance overall debugging capabilities and shorten product verification cycles. Continuously enhance team coloration efficiency by developing new IT tools through the Plan-Do-Check-Act (PDCA) methodology. Maintain close cooperation with foundries and implement robust global supply chain management to respond quickly to market changes and demands. 	<ul style="list-style-type: none"> Enhance development efficiency, launch new products that meet customer needs in a timely manner, increase product competitiveness and market share, and strengthen brand influence and technological leadership.

Risk Category Risk Issues	Impact	Response/Mitigation Measures	Opportunity Benefits
Operational Management Risk Information Security and Privacy Protection	Despite the continuous investment in information security management mechanisms and resources, security incidents may still occur, leading to the interruption of information systems, product vulnerabilities, information leakage, and improper use, thereby impacting corporate reputation or operations.	<ul style="list-style-type: none"> Realtek values information and communication security, personal data, and customer privacy. It has established the Realtek Information Security Steering Committee and the Corporate Security Center, and formulated the "Information Security Risk Management Framework" to identify information security risks, propose response measures, and review and supervise the implementation of information security policies. 	<ul style="list-style-type: none"> By continuously strengthening our information security management mechanisms and investing in information security resources, we are committed to protecting the company's information and communication assets, mitigating potential security risks, and enhancing corporate resilience. This commitment ensures compliance with legal and standard requirements, thereby increasing the confidence of stakeholders, including our customers, investors, and suppliers, in partnering with and investing in Realtek.
Hazardous Incident Risk Climate Change Risk	Adhering to the international trend of carbon reduction and the shared responsibility to protect the planet will increase operating costs. Additionally, to meet customer requirements for green products and renewable energy utilization, R&D and electricity costs will also increase.	<ul style="list-style-type: none"> Increase the proportion of renewable energy use. Improve equipment energy efficiency. Construct the new campus in accordance with green building standards. Continuously invest in green product design and R&D. Implement sustainable supply chain management. 	<ul style="list-style-type: none"> The company continuously invests in the R&D and design of green products, increases the proportion of renewable energy used, and has implemented the ISO 50001 Energy Management System to reduce corporate greenhouse gas emissions and enhance equipment energy efficiency, thereby mitigating the impacts of global warming and climate change. These initiatives not only align with global trends and regulatory requirements but also create opportunities for collaboration between customers and Realtek, encouraging supply chain partners to collectively address the issue of climate change.
Hazardous incident Risk Acute Disasters and Business Interruption Risk	Potential natural disasters or emergencies, such as pandemics, earthquakes, fires, and typhoons, may impact employee health, damage equipment, and even disrupt the operations of internal and supplier production lines. This would consequently affect the company's operations and order delivery.	<ul style="list-style-type: none"> Establish the 'Realtek Business Continuity Plan' and the 'Disaster Recovery Plan for Wafer, Purchased Component, and Outsourced Testing Capacity' to prevent and assess the risk of supply disruptions and strategically adjust our supply chain layout based on global market supply and demand, thereby ensuring continuous operations and the sustainable development of the entire supply chain. Implement a systematic supplier management mechanism to stabilize the supply of product raw materials to prevent operational impacts from delivery delays, thereby ensuring stable cooperative relationships with our customers. Comply with government epidemic prevention measures, effectively control infectious diseases, and maintain company operations. 	<ul style="list-style-type: none"> Establish emergency response mechanisms in advance to enhance resilience against natural disasters or unforeseen incidents. Add new and replacing existing equipment to improve resource utilization efficiency, thereby enhancing competitiveness and laying the foundation for sustainable business operation and development. In the event of a risk alert or an actual occurrence, execute the Business Continuity Plan to effectively mitigate the impact on the company's normal production and product delivery. This ensures the stability of various mechanisms and maintains continuous operations, thereby reducing the impact of the crisis and minimizing losses for our customers. Diversify suppliers to significantly enhance the flexibility and resilience of the supply chain, enabling the company to recover its operations more quickly in the face of disasters and reducing the risks of production halts and supply disruptions. Effective disaster response strategies and reliable supply chain management can strengthen the company's market competitiveness, attracting more customers and partners.

Information Security Management

To protect the information security of its employees, customers, investors, and partners, and to support the company's vision of sustainable and steady operation and development, Realtek is committed to developing and continuously improving its information security strategies. This is to avoid risks such as theft, improper use, leakage, or destruction of information assets due to human negligence, deliberate actions, or natural disasters. Realtek has established an 'Information Security Risk Management Framework' and continuously improves its risk management by strengthening governance strategies, personnel training, conducting assessments and reviews, and formulating supporting measures. This creates a solid, secure, and trustworthy digital environment for the company, serving as a solid foundation for its sustainable operation. In 2024, no major information security incidents occurred, and there were no complaints from employees, suppliers, or customers due to violations of information security-related regulations.

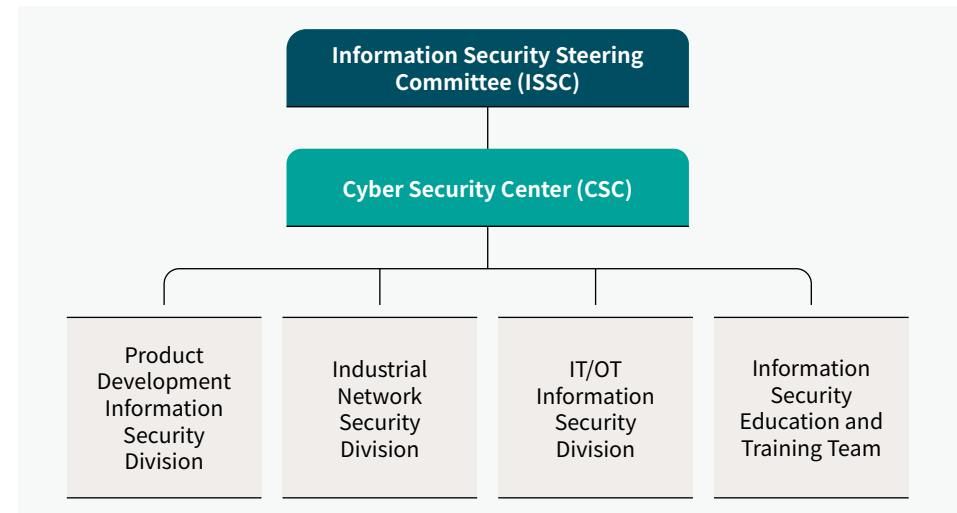
Information Security Management

(1) Information Security Steering Committee

To implement and enhance information security governance strategies, Realtek established The Realtek Information Security Steering Committee, responsible for reviewing the establishment and execution of information security policies. The Information Security Steering Committee is chaired by the President, with first-line managers from each unit serving as ex-officio members. The committee holds at least one meeting annually and reports the overall execution of information security to the Board.

To implement and enhance information security risk management, Realtek has established the Corporate Security Center (Cyber Security Center, CSC) and appointed a Chief Information Security Officer (CISO). The Center oversees the Product Development Security Department, Industrial Network Security Department, IT/OT Security Department, Security Education Team, and following international information security standards such as ISO 27001 information security management and TISAX automotive industry trusted information security assessment, it coordinates the formulation and implementation of information security policies and all information security protection measures to ensure that information security management achieves the goals of confidentiality, integrity, and availability.

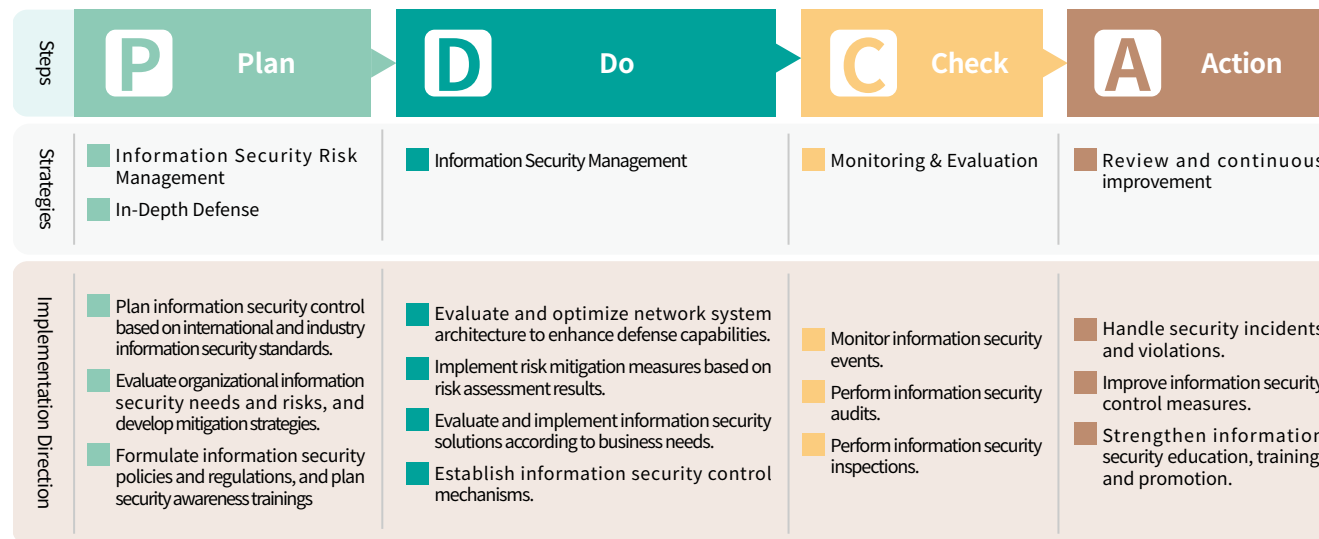
Cyber Security Risk Management Framework



(2) Realtek Information Security Risk Management and Continuous Improvement Framework

Since Realtek is an IC design company, its business involves IC research and development, manufacturing, sales and offering of software applications and IP development for IC products. Through information technologies such as various communications, instrumentation and information systems, it interacts with the upstream and downstream of the industry chain and working closely with customers on product development and delivery, Realtek maintains organizational information security by formulating and implementing information security management mechanisms.

As our operations expand and cyber threats grow more sophisticated, it is no longer possible to guarantee complete protection against serious cyber-attacks, even with multiple layers of defense. To address this, Realtek continuously and actively manages information security risks by assessing the materiality and significance of risks, corresponding improvement benefits. The company follows the Plan-Do-Check-Act (PDCA) cycle to continuously strengthen information security management system, supporting the requirements for business development.



Realtek introduced ISO 27001 and TISAX in 2023 and passed the TISAX third-party assessment in 2024. For ISO 27001, Realtek will implement an internal audit and a third-party external audit annually; as for the TISAX assessment, we will conduct an internal audit once a year and a third-party external audit every three years to further enhance the reliability of the information security management system.

ISO 27001:2022 Information Security Management System



Validity Period: March 8,
2024 - March 7, 2027

TISAX Trusted Information Security Assessment Exchange



Validity Period: May 23,
2024 - December 27, 2026

Customer Privacy Protection Mechanism

To ensure the privacy and personal data protection of our customers, partners, and employees, and to establish standardized procedures for the collection, processing, and use of personal data, the Company has formulated a “[Privacy Policy](#)” and “Personal Data Management Procedures.” A dedicated privacy protection mailbox (realtek_privacy@realtek.com) is available for stakeholders to report or provide feedback on privacy and personal data protection issues. In 2024, we strictly complied with personal data protection regulations. The personal data collected was used solely for its intended purpose and was not used for other purposes or secondary use. Additionally, no complaints regarding breaches of customer privacy were received in 2024

Specific Management Plans and Resources Invested in Realtek Information Security Management

(1) Specific Management Plan

Information Security Risk Items	Risk Statement	Countermeasures	Results
Network management security	In the face of new and diverse external network attack threats, if protective measures are not perfect, it may cause the company's important information system services to be interrupted, sensitive information to be leaked or stolen, and thus cause operational losses.	Firewall Control <ul style="list-style-type: none"> Control access behavior through the firewall and update firewall firmware and backup. Regularly review firewall policies and vulnerability risks. Regularly back up firewall rules and settings, and update firewall firmware. 	<input checked="" type="checkbox"/> Strengthen the access security of internal and external networks and block malicious traffic in real time.
		Malicious Threat Defense <ul style="list-style-type: none"> Proactively identify threats and block inappropriate transmission behaviors such as external malware, phishing, and zombie computer command and server control. Collect threat intelligence and convert it into defense policies. 	<input checked="" type="checkbox"/> Active detection and defense, reducing malicious program attacks.
Product Security	Prevent the leakage and improper use of product development intellectual property or sensitive information.	<ul style="list-style-type: none"> Hold regular meetings to respond to known problems and prevent recurrences, propose improvement measures for risks with a high probability of occurrence, improve information security control of the product development environment, and comply with intellectual property requirements. 	<input checked="" type="checkbox"/> Product research and development network segment isolation and protection, and the correct use of core process control technologies to achieve goals such as information protection, authority control, contract compliance, flow records, software quality, and software security.
	Avoid product security vulnerabilities causing damage to customers and goodwill.	<ul style="list-style-type: none"> Following the company's information security reporting process, initiate vulnerability correction and response procedures and report to superiors. 	<input checked="" type="checkbox"/> Improve product vulnerability management and processing efficiency
	Protect customer confidential information to avoid damage to customers and goodwill.	<ul style="list-style-type: none"> Adopting a contract compliance system. Legal authorization procedure. Secure communication transmission. Account access control. Network segmentation. Dedicated storage area. Backup and redundancy mechanisms for critical information systems. 	<input checked="" type="checkbox"/> Implement a customer sensitive information protection mechanism.

Information Security Risk Items	Risk Statement	Countermeasures	Results
Computer Security Management	Computer viruses are changing with each passing day, and ransomware viruses are emerging in an endless stream. If the computer management and control configuration is not perfect, it will harm computer security and important data will be leaked, destroyed or encrypted, which will cause serious losses to the company's operations.	Personal Account and Password Management <ul style="list-style-type: none"> Password changes are mandatory on a regular basis, and password rules must be fairly complex 	<ul style="list-style-type: none"> Strengthen personal account passwords to mitigate the risk of unauthorized use of personal computers.
		Implementation of Managed Computers <ul style="list-style-type: none"> Administrator privileges for endpoint devices will be controlled by professional administrators, restricting general users to essential functions and prohibiting the installation of any unauthorized software. 	<ul style="list-style-type: none"> Prevent users from making unauthorized modifications to the system environment or installing potentially malicious software.
		Antivirus software <ul style="list-style-type: none"> Centrally controlled by the anti-virus server and automatically sends updated virus definition files to the user's computer. 	<ul style="list-style-type: none"> Effectively block and prevent computer viruses, enhancing information service security.
		Endpoint Detection and Response (EDR) <ul style="list-style-type: none"> Real-time monitoring of endpoints computer through EDR, and risks detection of abnormal threats to endpoint computers. Collect malicious programs and ransomware threat intelligence and convert it into defense policies. 	<ul style="list-style-type: none"> Improve the understanding of security incident threats, and quickly identify and respond to security incidents to mitigate risks.
Information System Management	Prevent improper use of sensitive, personal, and business information.	<ul style="list-style-type: none"> Legal authorization procedure. Multi-factor authentication is implemented. Secure Communication Transmission. Access control. Backup and redundancy mechanism for critical information systems. Regular vulnerability scans are performed on important information systems. 	<ul style="list-style-type: none"> Ensuring authorization principles and availability to prevent data leakage. Identifying vulnerabilities, assessing risks, remediating issues, and strengthening defenses help to mitigate potential security threats.
File Management	Prevent improper use of sensitive, personal, and business information.	<ul style="list-style-type: none"> Adopt Document Management System (DMS) Implement Digital Rights management (DRM) 	<ul style="list-style-type: none"> Ensure the principle of minimum authorization to avoid data leakage.
Personnel Information Security Awareness and Capability	Insufficient awareness of information security can easily lead to deception, misdirection, and malicious infringement, causing the company to suffer losses.	<ul style="list-style-type: none"> Execute social engineering drills Execute information security training and learning effectiveness assessment Execute information security advocacy 	<ul style="list-style-type: none"> Strengthen staff alertness and information security awareness, and comply with information security regulations.
	Information security personnel need to continue to improve their professional skills to grasp threat trends and protect enterprises from reducing information security risks.	<ul style="list-style-type: none"> Encourage participation in expert seminars and information security certification exams 	<ul style="list-style-type: none"> Continuously improve the professionalism of information security personnel and contribute to organizational information security work.

(1) Resources dedicated to information security management

2024 Information Security Measures Implementation Results	
<div> </div> <div>Information Security Management</div>	<ul style="list-style-type: none"> Maintained ISO 27001 international information security management certification. Established and revised 62 information security guidelines, with continuous improvements to address information security risks and practical implementation. Submitted a total of 12 monthly reports on the implementation and effectiveness of information security to top-level managers. The Information Security Committee held one meeting to review the effectiveness of information security policy formulation and implementation. The overall status of information security governance was reported to the Board once. Conducted 10 cybersecurity drills. Conducted 206 cybersecurity inspections. Information security audits were conducted regularly, revealing no material deficiencies. No major information security incidents occurred that adversely affected operations or reputation, nor were any complaints filed by employees, suppliers, or customers due to information security violations.
<div> </div> <div>Strengthened staff's awareness and capabilities of information security</div>	<ul style="list-style-type: none"> All new employees underwent information security training, with a total of 526 participants. Conducted 5 information security training sessions. Conducted 14 product security training courses. Conducted a total of 23 announcements and awareness campaigns on information security measures.
<div> </div> <div>Product Security Management</div>	<ul style="list-style-type: none"> Continuously optimized the product security development process, including vulnerability scanning, penetration testing, and patching mechanisms. Implemented a product vulnerability disclosure and reward program. Implemented product sign-in and sign-off procedures, along with workflows for monitoring and tracking vulnerability resolution progress, to enhance product quality and security. Established product threat models to mitigate security risks.

Innovation Value

2

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◆ Accomplishments at a Glance

Total number of patent applications filed and granted worldwide across the Group

In 2024, the number of patents increased by 906, bringing the total number to 11,118

Selected by Clarivate as one of the “Top 100 Global Innovators” **For three years in a row**

Executed 48 industry-academia collaborative research projects, and invested more than **NT\$50 million.**

2024 R&D investment reached **NT\$33.54 billion**

The R&D spent for Realtek's innovative products accounted for **over 29% of total revenue**

Participated in more than **11 international** conferences and exchanges

Collaborated with 11 academic and research units

Ranked 6th among Taiwanese enterprises for the number of domestic patents granted

Corresponding
SDGs



Suggested Stakeholders
for Reading

Customers, Suppliers, Government Agencies,
External Rating Agencies



Material Issues

Innovative R&D and patents, Product Lifecycle
Management



Innovation R&D and Sustainable Product Management Policy

Material Sustainable Issues

Innovative R&D and Patents, Product Lifecycle Management

Negative Impact (Impact) Explanation

- No relevant negative impacts in 2024.
- Innovative R&D and patent portfolio are key factors for Realtek to maintain its competitiveness. Without a comprehensive Intellectual Property Portfolio and intellectual property protection strategy, there may be litigation disputes that affect product listing and customer service, and may result in a decline in the company's profitability.

Positive Impact (Benefits) Explanation

- Realtek has a strong R&D innovation capacity and owns technical patents in multiple countries. In product design, in addition to valuing safety and environmental friendliness, it also considers performance and power consumption. While meeting customer needs, it continues to expand its leading competitive advantage in the market, creating operational growth and profit, and enhancing shareholder value.

Policy/Commitment:

- Realtek is committed to continuously satisfying the needs of customers with innovative products and services. Upholding the principle of constant innovation and change, the company aims to achieve the goal of 'New Technology, New Products, New Applications, New Value, and New Markets'.

Management Responsibility / Evaluation Mechanism

Business Units, R&D Center, Corporate Technology Center, Quality Management Department

- Each business unit reviews R&D progress and results on a weekly basis, and visits customers and suppliers occasionally to track market trends, ensuring that product functions meet market and customers demands.
- The R&D Center and the Corporate Technology Center independently develop technologies and acquire licensed technologies, holding regular meetings to discuss the application of these technologies and manage cost-efficiency.
- In accordance with various management systems, the Quality Management Department conducts regular meetings to ensure product quality.

Communication/Complaint Channels

- For details, please refer to [Stakeholders Engagement](#) and [Innovation Value](#).

Core Competencies Intellectual Property Strategy Innovative Achievements Professional Exchange

Strategy/Goal

Short-term (1 year)

- Regularly launch products with energy-saving efficiency of 5% or higher.
- Establish an internal innovation incentive mechanism to stimulate internal momentum with a substantial bonus design.
- Annual R&D expenses account for more than 25% of revenue.
- Continuously increase the number of invention patent applications and certifications by domestic legal entities.
- Maintain the validity of external product certifications.
- Ensure product design complies with safety standards to minimize potential safety risks for users.
- In addition to maintaining the existing market share, expand the overall market share by launching new products and offering various sales combinations and distribution strategies.

Medium- to long-term (2-10 years)

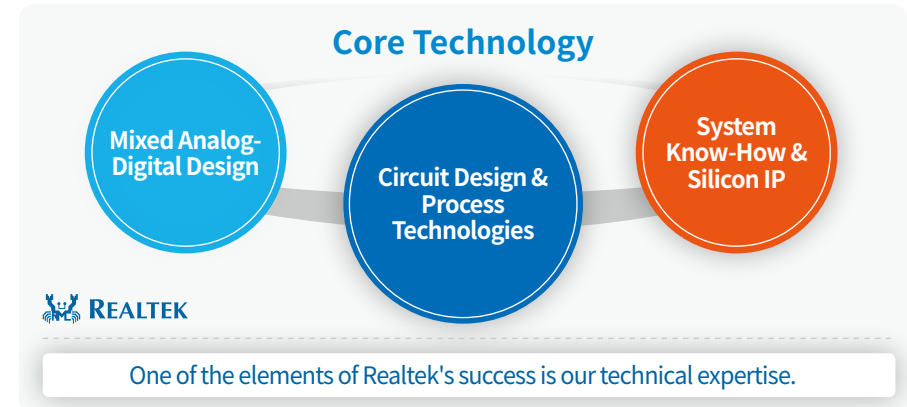
- Strengthen technology penetration and patent layout, expand R&D innovation and lead in innovative patents.
- Maintain and strengthen R&D capabilities, continuously introduce innovative products and technologies to maintain competitive advantages in the market.
- Participate in and promote international standards, obtain relevant product market and technical information in advance, and ensure that product design, R&D, and listing can meet Time-to-Market.
- Regularly evaluate and improve the company's performance in innovation R&D, product safety, environmental protection, and user health to ensure continuous improvement.
- Participate in the screening and evaluation of verification platforms of relevant standard organizations, making Realtek products the benchmark for interoperability testing of various products.

Sustainability Contribution in 2024

- Contributed 50% of total revenue from clean technology products.
- Held two sessions of a program designed to encourage employees to share their intellectual value, totaling 4 hours and 394 participants.
- Allocated NT\$33.54 billion in annual R&D expenditure, representing 29.6% of total revenue.
- Filed 2,601 patent applications formally.
- Compiled with all health and safety regulations concerning products and services.
- Ensured 100% compliance with regulations on hazardous substances and customer requirements.
- Participated in over 11 international exhibitions and product evaluation conferences.

Core Competencies

Fueled by continuous innovation, Realtek is one of the leaders in shaping industry trends and technological advancements. The company has successfully developed a wide range of integrated circuits that are innovative and leading across various fields. Realtek's expertise in innovation is rooted in its specialized and profound system knowledge and integration capabilities. From the product R&D stage, Realtek adopts a systems-thinking approach, leveraging its proficiency in mixed-signal (digital and analog) design and circuit expertise to integrate key components—such as Microcontroller Units (MCUs), Digital Signal Processors (DSPs), Reduced Instruction Set Computer (RISC) microprocessors, Phase-Locked Loops (PLLs), and memory—to create System-on-Chip (SoC) solutions. Furthermore, Realtek incorporates various forms of embedded AI accelerators into these solutions to enhance the functionality and performance of audio, video, and connectivity, ultimately delivering the best solutions to customers. Realtek also expands the application of AI in its daily operations, from assisting with product development to increasing business processes efficiency. In addition, beyond its robust capabilities in system development and IC design, Realtek possesses specialized expertise in process applications, ensuring the maintenance of high product quality and reliability standards.



R&D Direction and Vision

Realtek takes an application-oriented approach to product R&D and design integration from an end-application standpoint, adopting a systematic mindset to integrate R&D planning, technology development, product manufacturing, and customer service. Its goal is to become a driving force in the smart world. Realtek continuously innovates, breaks through technical bottlenecks, and optimizes product design to develop comprehensive solutions with higher speeds and greater integration. While seizing new opportunities driven by Generative AI in edge computing and cloud servers, Realtek invests resources into developing more competitive products for markets such as networking communications, consumer electronics, personal computers and peripherals, automotive, and other emerging applications, promoting the upgrade of technical specifications in mainstream markets and expanding niche application markets.

Vision

- Adhere to system concepts to provide customers with total solutions, including software, hardware, and design services.
- Strengthen the cultivation of core technologies, including embedded processors, embedded memories, analog/ digital mixed-mode IC design, radio-frequency IC design, system design, and advanced process technologies.
- Starting from the application side, Realtek delivers SoCs that integrate video, audio, and communication elements.
- Develop high-speed, wired, wireless, and broadband network products. Use this as a platform to develop higher speed, higher resolution multimedia products.

Intellectual Property Strategy

Realtek focuses on innovative technologies and breakthroughs in various fields, possessing leading technologies supported by a multinational patent portfolio and keeping pace with mainstream global R&D advancements. Realtek is committed to the development of new technologies and applications. By the end of 2024, the company's cumulative number of domestic and international patents filed and granted reached 11,118, achieving the annual target. According to the 2024 Top 100 Domestic Corporations by Number of Patents Granted ranking published by the Taiwan Intellectual Property Office (TIPO), Realtek ranked 6th with 262 invention patents granted. Realtek has consistently invested resources in research, solidifying its technological advantages in the international IC design market. With its outstanding capabilities in technological innovation capabilities and substantial R&D capacity, Realtek was named a “Top 100 Global Innovator” by Clarivate for the third consecutive year in 2024, a recognition of its innovation achievements by international professional assessments. The continuous investment in R&D funding and the achievement of tangible, exceptional results demonstrate Realtek's commitment and success in developing innovative technologies. This brings boundless prospects and opportunities for success to its core business, customers, and technology partners.



In 2024, the Realtek Group's total R&D expenditure amounted to **NT\$33.544 billion**.



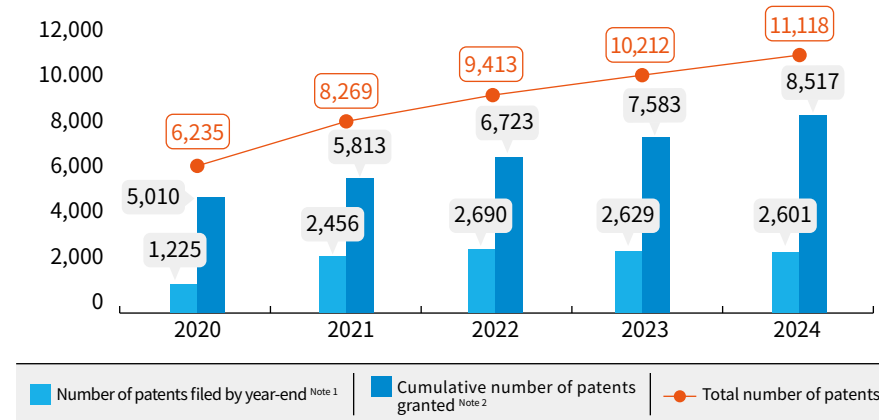
In 2024, Realtek ranked 6th among domestic corporations in terms of the number of granted patents published^{Note}

Note: Data source from the Intellectual Property Office, Ministry of Economic Affairs.



Since its establishment, the Group has accumulated a total of **11,118** global patent applications and granted patents as of 2024.

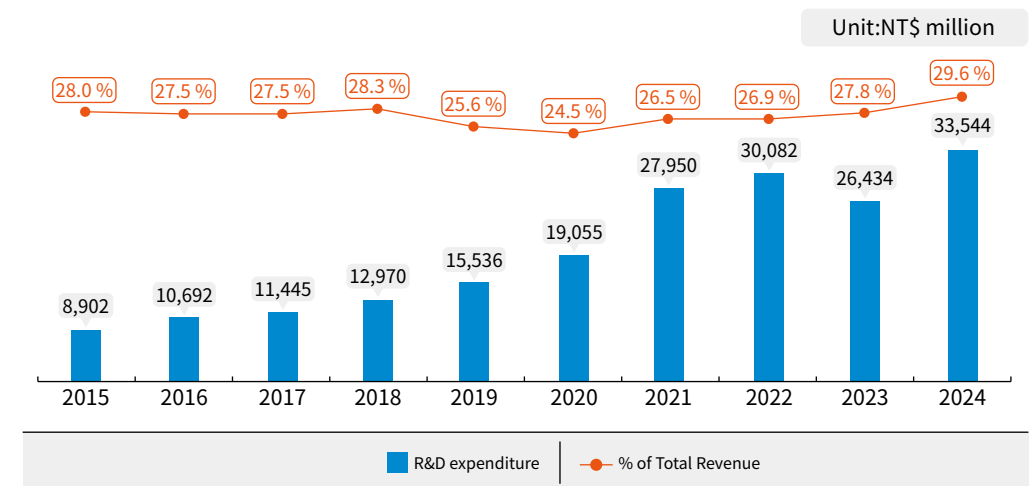
Realtek Group's R&D Patent Portfolio over the Past Five Years



Note:

- The number of pending patent applications is calculated as of December 31, 2024.
- The number of granted patents is calculated based on the publication date.

Realtek Group's R&D Spending as a Percentage of Revenue by Year



Innovative Achievements

Innovative Energy-Efficient Products and Total Solutions




Realtek is an expert in the research and design of integrated circuit (IC) products, backed by strong capabilities in manufacturing and system-level knowledge. Through highly integrated designs, Realtek provides customers with innovative and proprietary specifications, full-featured, high-performance, low-power, and competitive solutions. In 2024, Realtek continued to provide comprehensive solutions and drive innovation across its product applications. For more information on our latest achievements, please refer to the [News](#) section on Realtek's official website.

Given the widespread applications and vast number of IC products in electronic devices, we firmly believe that constantly developing more energy-efficient IC products will contribute to reducing the global carbon emissions of electronic devices. We aim to help mitigate global warming by leveraging on our core expertise in IC design. Realtek's clean tech product strategy involves regularly launching products that are more energy-efficient and consume less power than previous generations, while expanding the application of IC chips in energy-saving and carbon reduction fields. From the early stages of IC product development, we integrate energy-saving and environmental principles into the design process, enhancing low-power consumption designs tailored to various usage scenarios, effectively reducing the energy consumption of new-generation energy-saving products. Upholding the commitment to provide global users with innovative, high-performance, and environmentally friendly solutions is the core spirit of Realtek's product design philosophy.

In 2024, Realtek invested approximately NT\$23.5 billion — accounting for 70% of its total R&D expenditure — in the development of clean technology products. Revenue contributed from clean technology products accounted for 50% of the company's total revenue. Realtek continues to successfully develop multiple new-generation products that reduce both power consumption and size compared to previous generations. For instance, the power consumption of its Multi-Gigabit Ethernet Controller is reduced by 22% to 40% compared to its predecessor, demonstrating even greater energy efficiency during extended periods and high-volume data transmissions. This fully embodies our commitment to energy saving and environmental friendliness, while providing end-users with an improved experience.

Realtek's Clean Tech Product	2024 Result	2027 Goal
% of Total Revenue	50%	55%
% of R&D Expenditure	70%	75%

Introduction to Innovative Energy-Saving Products in 2024

Solution	Innovative Energy-Saving Products	Product Applications
 <p>PC Solution</p>	Edge Computing Human Sensing USB Camera Solution	Realtek has achieved another breakthrough in the field of edge computing with the development of its second-generation 3-in-1 single-chip solution, which integrates a USB interface, a Neural Processing Unit (NPU), and a high-performance image processing engine. This solution not only meets the high-end image quality requirements for laptop embedded cameras but also significantly enhances the convenience of human-computer interaction through people-centric intelligent human-sensing capabilities. It also contributes to power savings and extended battery life.
 <p>Networking Communication Solution</p>	5-Gigabit Ethernet Controller (RTL8126-CG)	Realtek's RTL8126-CG increases network speeds to 5Gbps, providing fast and stable support for high-resolution video and audio, gaming, and data transmission between multiple devices. In 2024, the RTL8126-CG has been widely adopted in high-end motherboards to meet growing network demands. This product is particularly suitable for creators handling multimedia files; the high 5GbE bandwidth significantly enhances the transmission efficiency of large data files over internal networks, markedly boosting productivity in high-bandwidth scenarios such as video editing and 3D rendering. Its power consumption is approximately 50% lower than competing products, and with EEE mode enabled, the power consumption is further reduced to approximately 500mW, significantly reducing the device's energy requirements. The built-in RealWoW technology provides remote wake-up and self-diagnostic functions, enhancing data stability and making it a trusted green networking solution for users worldwide.
	xPON and Wi-Fi 7 Solution	The advantage of Realtek's xPON solution lies in its compatibility with Realtek's own Wi-Fi ICs and its support for the latest Wi-Fi 7 technology, offering customers a variety of Wi-Fi 7 specifications, such as BE3600, BE6500, and BE7200. Furthermore, Realtek's latest xPON solution integrates the company's powerful Switch and PHY solutions to enable more versatile xPON Ethernet configurations, such as 2.5GbE/5GbE/10GbE. Its power consumption management has also been significantly improved to align with future international power standards, such as CoC 9.0 or later versions.
 <p>Consumer Electronics Solution</p>	Low-Power Wi-Fi Solution	Realtek's low-power IP camera solution, designed with high-efficiency, energy-saving chipsets, provides a reliable and energy-saving option for smart home devices. Realtek's innovative technology meets the market demand for low-power camera devices, further bringing more possibilities to IoT applications.
	New-Generation AIoT Home Center SoC (RTL8730E)	The Realtek RTL8730E integrates new-generation Wi-Fi 6 dual-band and Bluetooth 5.3 dual-mode technologies, providing reliable connectivity while minimizing standby power consumption. This new-generation SoC, provided in a new low-power platform, utilizes a low-power process to deliver high computing performance while maintaining its low power consumption feature. Additionally, this product features wireless sensing and smart voice technologies, enabling the RTL8730E to not only understand a user's needs but also automatically detect user presence in a room. This represents a further step toward fully automated smart home experiences. The RTL8730E also includes the functionality to create a wireless home theater, allowing users to enjoy high-fidelity, low-latency audio and video streaming experience.

2024 Product Highlights: Dynamic Low Blue Light Technology LCD Controller



In 2021, the United Nations General Assembly adopted, for the first time, the resolution “Vision for Everyone: accelerating action to achieve the SDGs,” committing to providing eye health care by 2030 for the 1.1 billion people worldwide living with preventable vision loss, thereby formally incorporating eye health into the SDGs. The resolution emphasizes that vision is not merely a health issue but is also closely tied to education, employment, and poverty. It calls on all nations and vision care professionals to work together to ensure everyone can enjoy good vision and a brighter future by 2030, thereby advancing global sustainable development.

With the growing global focus on eye health and the increasing efforts to prevent avoidable vision loss, consumers are placing greater value on the eye-care features of displays. Many modern displays are equipped with an eye-care mode that significantly suppresses blue light to reduce eye fatigue and protect vision, but this often comes with a yellowish tint, sacrificing image quality.

To address this issue, Realtek has developed an innovative solution, the Realtek Dynamic Low Blue Light technology (RTD272x series), designed to maintain both visual comfort and accurate color reproduction simultaneously. Users can select the Realtek Dynamic Low Blue Light eye-care feature from the display's settings menu. The system analyzes the current on-screen content, dividing it into zones and evaluating if the blue light hazard in each zone exceeds the safety standard. If a zone exceeds the standard, the blue light in that zone is suppressed to a compliant level; otherwise, no adjustment is made.

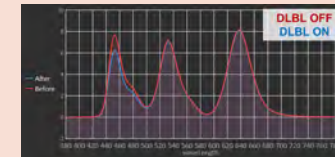
This technology preserves original colors to the maximum extent possible while adhering to eye-care standards. Through hardware-based processing, it ensures a zero-latency response, leaving dynamic images undisturbed. This approach provides a high-quality user experience while simultaneously caring for the user's eyes.



Conventional Solution (Yellowish)



Realtek DLBL



The dynamic adjustment of Realtek Dynamic Low Blue Light maintains low blue light levels while preventing any noticeable yellow tint.

Professional Exchange

Engagement with External Organizations

Realtek actively participates in global professional organizations. Through mutual learning and exchanges, the company expands multilateral relationships, shares professional experience and market insights to enhance corporate competitiveness and industry visibility. Realtek also collaborates with international organizations to jointly establish technical standards and regulations in relevant fields. By leveraging its outstanding research and development capabilities, Realtek strengthens its global influence. Realtek is a member of the following external professional organizations:

Domestic Organizations

Organization	Membership Level
National Taiwan University SoC Center	Cooperative Member
Tze-Chiang Foundation of Science & Technology (TCFST)	Corporate Member
Taipei Computer Association	General Member
NTHU IC Design Technology Center	Diamond Member
Smart Car Electronics SIG of the IDA, MoEA	Partner Member
Taiwan IC Industry & Academia Research Alliance (TIARA)	Cooperative Member
Taiwan Semiconductor Industry Association (TSIA)	Group Member
Institute for Biotechnology and Medicine Industry	Group Member
National Cheng Kung University Innovation Headquarters	Gold Member
Market Intelligence & Consulting Institute (MIC)	Corporate Member
Topology Research Institute (TRI)	Corporate Member
DIGITIMES Inc.	Corporate Member

Foreign Organizations

Organization	Membership Level
Citrix	Access Membership
CompactFlash Membership	Affiliate
Distributed Management Task Force, DMTF	Participation
HDMI Forum	Member
Institute of Electrical and Electronics Engineers, IEEE	Enterprise Member
JEDEC Solid State Technology Association, JEDEC	Special New Member
Microsoft Developer Network, MSDN	Visual Studio Enterprise
Mobile Industry Processor Interface Alliance	Contributor Membership
NVM express, NVMe	Adopter
PC/SC Work group	Member
Peripheral Component Interconnect Special Interest Group, PCI SIG	Standard Member
RISC-V International Association	Strategic Membership
SD Association General	Member
Serial ATA International Organization, SATA-IO	Contributor
Sony Memory Stick License	Member
IBTA(InfiniBandsm Trade Association)	Member
The International Society for Optics and Photonics, SPIE	Enterprise Member
Trusted Computing Group	Adopter
UHD Alliance Contributor University of New Hampshire InterOperability Laboratory, UNH-IOL	Member
USB Implementers Forum, USB-IF	Member
Valued Camera eXperience Forum, VCX Forum	Regular Corporate Member
Video Electronics Standards Association, VESA	Member
Wi-Fi Alliance Contributor	Membership
OPEN Alliance SIG	Promoter Member

Meetings of International Standard Setting Organizations

Realtek constantly participates in and promotes setting of international standards, which enables the Company to gain knowledge on the product market and technical trends in advance. Joint collaboration, communication and achieving early consensus on standards helps products adhere to international standards and continuously raise our R&D capabilities

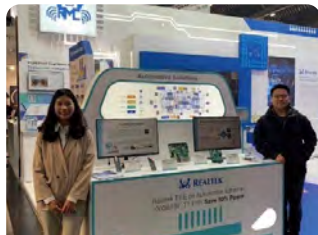
- Participate in international exhibitions and product evaluation conferences to increase the exposure of new products, presenting innovative technologies and R&D results to the outside world.
- Participate and promote the formulation of International Indicators, obtain relevant product market and technical information in advance, so that products can meet the Time-to-Market timing.
- Participate in the selection and evaluation of related standard organization’ s verification platforms, making Realtek products the benchmark for interoperability testing of various products.
- Regularly hold product launches and technical seminars based on regional market needs, or establish direct relationships with brand owners to discuss the design architecture of branded original products, deepening mutual cooperation.

Participation in the Formulation of International Technical Standards and Specifications.

Organization and Meeting Names	Purpose and Results
IEEE (Institute of Electrical and Electronics Engineers)	IEEE 802.11 Working Group & IEEE 802.3 Working Group: Participated in the development of communication protocol standards, and provided suggestions and opinions.
USB-IF (USB Implementers Forum)	IEEE Automotive Ethernet TechDay: Participated in the IEEE annual Automotive Ethernet TechDay to showcase a series of automotive Ethernet products.
	USB-IF USB4 Working Group: Participated in USB-IF's USB4 group discussions and suggestions, improving USB4 specifications.
	USB-IF Ethernet Connection Speed Interrupt Transfer Data Expansion Definition: Participated in the formulation of the NCM (Network Control Model) specifications defined by USB-IF's CDC (Communication Device Class), enhancing the transfer performance of Ethernet between the host and the USB device.
	USB-IF Certification: Participated in optimizing the test methods of Ellisys/Lecroy/MQP/GRL Compliance analyzers (USB-IF certification), improving the accuracy of USB specification testing.
WFA (Wi-Fi Alliance)	Participated in the formulation of Wi-Fi specifications and testing regulations, provided suggestions for Wi-Fi product certification standards, and participated in technical development meetings.
BT-SIG (Bluetooth Special Interest Group)	Formulated Bluetooth specifications and testing regulations, provided Bluetooth product BQB certification standards, and participated in technical development conferences.
Automotive Ethernet Congress	Announced applications of multi-point connection devices for vehicular networks based on 10Base-T1S, in collaboration with internationally renowned software, hardware, and IC companies. Showcased the advantages of interconnected Ethernet and related product series.
MIPI FTF Meeting	Participated in discussions to jointly define the recording interface for computers, mobile devices, and accessories.
IBTA (InfiniBandsm Trade Association)	Developed ROCE-related functions and implemented technical optimization for high-speed network performance.
RISC-V International Association	Obtained the technical license for RISC-V and participated in RISC-V related specification development.
VESA (Video Electronics Standards Association)	Participated in the development of HDMI standards .

International Exchange

Realtek continuously participates in global technical conferences and events to showcase its latest R&D achievements and innovative solutions to the world, thereby enhancing the visibility of new products. By integrating international R&D trends and experience, Realtek consistently strengthens its product competitiveness and contributes to the advancement of global technology. In 2024, Realtek participated in at least 11 domestic and international conferences, bringing forward-thinking perspectives and R&D energy. Through cross-disciplinary sharing and in-depth dialogue, the company focused on intelligent, low-power, and high-performance IC design. Additionally, by engaging in the specification-setting processes of international standards organizations and collaborating with global experts, Realtek accelerates the implementation of AI, IoT, and high-speed transmission technologies.



Embedded World,
Nuremberg, Germany



Korea Electronics Show, KES,
Seoul, Korea



Japan Automotive Software
Platform and Architecture
Kyoto, Japan



IEEE 2024 Ethernet & IP @
Automotive Technology Day
Detroit, United States

Industry-Academia Cooperation Research Plan

In 2024, Realtek collaborated with top academic institutions and researchers both domestically and internationally to jointly launch 48 industry-academia collaborative research projects, investing over NT\$50 million in R&D funding. Concurrently, the company continued to provide scholarships and grants to encourage outstanding students to diligently pursue their studies and unleash creative thinking to drive advance technological breakthroughs. Furthermore, through this collaboration, Realtek worked with various sectors to cultivate more specialized and outstanding talent, while strategically develop our key talent pipeline. In 2024, Realtek sustained its collaboration with the College of Interdisciplinary Industry-Academia Innovation at NTNU. During the summer, workshops such as the "AIoT Smart Internet of Things Workshop" and the "Winning with AI: Artificial Intelligence Cloud Collaboration Workshop" were held respectively at Kaohsiung Municipal Sanmin Senior High School, Taichung Municipal Dajia Senior High School, and National Taiwan Normal University. Through this collaboration, Realtek provided more advanced technical support to the educational environment, helping teachers and students master core AIoT skills and further stimulating creativity and innovation.

Realtek believes that such collaborations not only cultivate AI talents with practical capabilities but also promote the application and popularization of AI technology across industries. this accelerates the expansion of AI in the education sector and provides strong support for both academic research and industrial applications.

11 Academic / Research Institutes

- National Taiwan University
- National Yang Ming Chiao Tung University
- National Tsing Hua University
- National Cheng Kung University
- National Taiwan University of Science and Technology
- National Taiwan Normal University
- Chang Gung University
- Chung Yuan Christian University
- Academia Sinica
- University of Twente (Netherlands)
- Interuniversity Microelectronics Centre (Imec, Belgium)

Collaborated on 48 research and development projects

- IC Backend Physical Design
- RISC-V random generation and verification quality improvement
- Hearing Loss Model Processing Technology
- R&D featuring robustness and low computational resources
- Embracing the Internet of Things: The AIoT Plan
- Artificial Intelligence/Deep Learning: Audio and video signal processing, Network Traffic Research, and Information Processing from Edge Devices to the Cloud.
- Analog Integrated Circuit Design: Energy Harvesting and High-Performance Power Management, High-Frequency, Low-Power Circuits, High-Speed & High-Resolution Analog-to-Digital Conversion, High-Performance Audio Amplifiers, High-Speed Serial Communication Transmission, Biomedical Sensing Circuits.
- Digital IC Design: Pre-Distortion Compensation Technology
- Packaging Design: Fan-Out Panel-Level Multi-Chip, Microwave Package Internal Antenna Optimization
- Signal, Power, and Electromagnetic Interference Integrity Design

Investment in Research Funds

Over NT\$50 million

CH 3

Green Operations

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◆ Accomplishments at a Glance

Group-Wide Completion of ISO 14064-1:2018.

Carbon Reduction and Net Zero Target Setting: **SBTi Commitment Letter Signed.**

Hazardous Industrial Waste Recycling Rate Achieved **100%**.

Water Saving Rate Reached **6.6%**.

Invested **over NT\$200 million** in Clean Technology for Operations.

ISO 50001 Energy Management System Certification Completed by **the Realtek No.1 & No.2 office.**

2024 Energy Management Results: **Carbon emissions were reduced by 1,282.4 tCO₂e; the overall electricity saving rate reached 5.34%.**

The solar power system generated **1.26 million kWh, reducing carbon emissions by 597 tCO₂e.**

Corresponding
SDGs



**Suggested Stakeholders
for Reading**

Customers, Suppliers, Government Agencies,
External Rating Agencies, Investors



Material Issues

Climate Change Management
Energy and Emissions



Climate Strategy Management Policy

Material Sustainable Issues

Climate Change Management, Energy and Emissions

Negative Impact (Impact) Explanation

- In 2024, there were no actual significant adverse impacts resulting from major climate change or major energy and emissions.
- If no attention is paid to climate change risks and proactive actions such as energy management and greenhouse gas management are not taken, it will not be possible to ensure a shared responsibility to protect the earth; nor will it be able to comply with policy regulations (e.g. the "Corporate Governance 3.0-Sustainable Development Blueprint", "Sustainable Development Roadmap for Listed Companies", and "Sustainable Development Action Plan for Listed Companies (2023)" issued by the Financial Supervisory Commission), and meet the expectations of customers and stakeholders, affecting the company's reputation and long-term cooperation intentions of customers. In the long run, the company will inevitably face the additional operational costs due to the impacts of climate change such as rising energy prices, raw material shortages, and extreme weather disasters. In 2024, Realtek experienced no significant negative impacts.

Positive Impact (Benefits) Explanation

- The company continues to invest in the research and design of green products, increase the proportion of renewable energy use, set carbon reduction targets aligned with the Science Based Targets initiative (SBTi), and implement the ISO 50001 energy management system to reduce the company's greenhouse gas emissions and improve equipment energy efficiency, mitigating the impact of global warming and climate change. By meeting the expectations of stakeholders and regulatory requirements, the company simultaneously creates opportunities for customers to cooperate with Realtek, as well as drive supply chain partners to jointly prioritize climate change issues.

Policy/Commitment:

Environmental Policy, Energy Policy

- Reduce Scope 1 and Scope 2 carbon emissions by 50% by 2030^{Note}.
- Achieve 50% renewable energy usage by 2030 and 100% by 2050.
- Achieve net-zero emissions by 2050.

Note: Scope 1 and Scope 2 greenhouse gas emissions will be reduced by 50% compared to the 2021 base year.

Management Responsibility / Evaluation Mechanism

Factory Affairs Department, Supply Management Center, and Information Technology Department

- The Factory Affairs Team reports to the president on energy and GHG inventory related matters every month, and holds bi-weekly energy-saving meetings to monitor the progress of energy-saving initiatives. An annual management review meeting is held in accordance with the ISO 50001 Energy Management System to confirm the results of energy-related implementation

Communication/Complaint Channels

- For detailed information, please refer to [Stakeholder Engagement](#), [Green Operations](#).

Climate Change Actions

GHG Management

Energy Management

Water Resource Management

Waste Management

Environmental Conservation

Strategy/Goal

Short-term (1 year)

- By 2025, achieve the total installed solar power generation capacity of 1549kW at Taiwan operational sites.
- By 2025, increase renewable energy share to 10% of the entire group's energy consumption.
- Ensure the annual electricity saving rate will exceed 6%.
- Reduce the per capita water intake by 1% compared to the previous year.
- Implement the RO water recycling and reuse project at the Realtek No.1 Office in Hsinchu in 2025.
- Achieve the water saving rate of no lower than 6%.
- Ensure the IC and wafer waste recovery rate is not less than 90%.
- Limit the amount of general industrial waste to no more than 27kg per NT\$100 million in revenue.
- Join the Science Based Targets initiative (SBTi) and pass certification.
- Reinvest over NT\$130 million in clean technology for corporate operations.

Medium- to long-term (2-10 years)

- By 2030, achieve 50% renewable energy share across the group.
- By 2030, reduce scope 1 and scope 2 carbon emissions by 50% ^{Note}.
- Fulfill annual carbon reduction targets in accordance with SBTi requirements.
- Continue to promote renewable energy power generation equipment projects.
- Continuously increase the purchase of green electricity.
- Continuously self-examine and implement various measures through six major energy-saving directions to monitor and manage carbon emissions.
- Reinvest at least NT\$550 million in clean technologies for operations.

Note: Scope 1 and Scope 2 greenhouse gas emissions will be reduced by 50% compared to the 2021 base year.

Sustainability Contribution in 2024

- The total solar installed capacity at the operational sites in Taiwan has reached 1,005 kW, with a projected total solar installed capacity of 1,549 kW by 2025.
- The electricity savings rate reached 5.34%.
- The water savings rate reached 6%.
- Waste IC and wafer recycling rate reached 100%.
- Investment in clean technology for corporate operations exceeded NT\$200 million.

Climate Change Actions

GHG Management

Energy Management

Water Resource Management

Waste Management

Environmental Conservation

Realtek Environmental Policy

1

Follow and realize the environmental protection regulations and other relevant rules.

2

Promote resource saving and recycling to decrease the overuse and enhance effective usage.

3

Stress on pollution prevention to reduce industrial waste.

4

Make staff aware that it's their responsibility to protect the environment.

5

Determined to accomplish steady improvement and prevent ecological destruction.



Climate Change Actions

Since 2020, Realtek has adopted the framework of the "Task Force on Climate-related Financial Disclosures" (TCFD), assessing the opportunities and risks the company faces from climate change based on the four core elements of governance, strategy, risk management, and metrics and targets. In 2024, the Risk Management Center will build upon the 2023 results of "TCFD Opportunities and Risks" identification, reassessing the likelihood and impact scale of climate-related issues in accordance with industry trends, regulatory changes, and operational growth. Through evaluation and discussion among top-level managers, the ESG Center, and the Factory Affairs Department, we have updated the primary climate change risks and potential opportunities and further formulated corresponding goals and strategies for each.

Moreover, Realtek has planned to adopt the International Financial Reporting Standard (IFRS) S1 general requirements for disclosure of sustainability-related financial information and S2 climate-related disclosures by 2025. This will be facilitated by a cross-departmental project team to achieve more comprehensive identification and quantification of the financial impact of climate issues. Furthermore, the company has officially committed to the Science Based Targets initiative, SBTi (SBTi) and has begun to develop emission reduction targets that align with the SBTi guidelines.

- The Board serves as the highest oversight authority.
- The President's Office serves as the highest level of management, responsible for oversight and guidance.
- The ESG Center is responsible for reviewing and tracking the international development trends of climate change actions.
- The Risk Management Center is responsible for executing the TCFD risk assessment process.

- By 2025, achieve a 10% renewable energy share of the entire Group.
- By 2030, reduce Scope 1 and Scope 2 carbon emissions by 50% ^{Note}.
- Achieve 50% renewable energy of the Group's energy consumption by 2030, and 100% by 2050.
- Achieve the net-zero carbon emissions target by 2050.

Note: Scope 1 and Scope 2 greenhouse gas emissions will be reduced by 50% compared to the 2021 base year.



- Increase the proportion of renewable energy use.
- Improve equipment energy efficiency.
- Construct new offices in accordance with green building standards.
- Continuously invest in R&D for green product designs.
- Implement sustainable supply chain management.

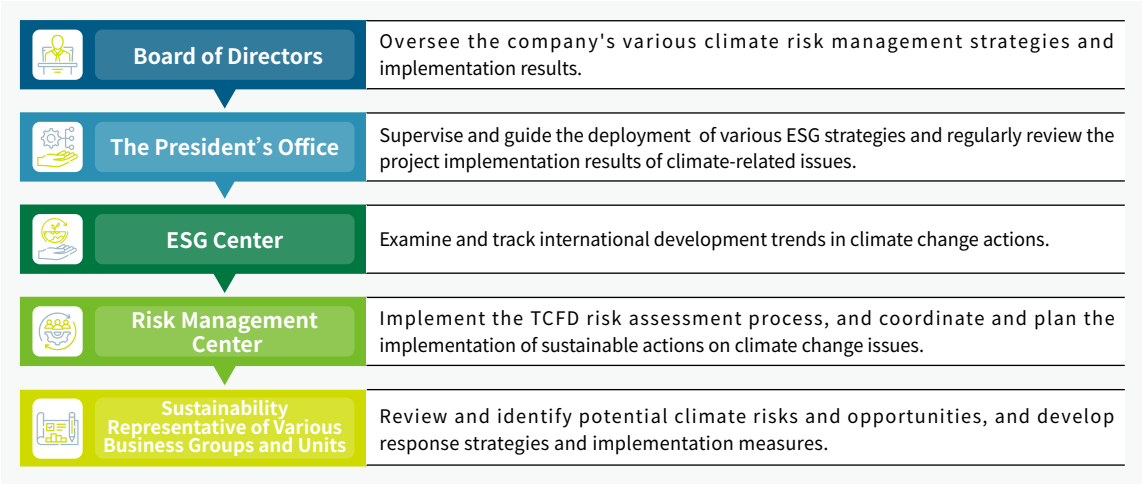
- Introduce climate change-related opportunity/risk management processes.
- Identify and assess climate change-related risks/opportunities through cross-departmental meetings, assessing the impact on finance and formulating response strategies.

Governance

Realtek consistently monitors and tracks international trends, customer needs, and climate change information released by the government. In order to more effectively manage the potential impact of climate change and sustainability supply chain-related issues on operations, regular cross-departmental meetings are held to discuss important issues related to climate change. In addition, Realtek's climate sustainability governance policy is continually reviewed, evaluated, and optimized. Realtek's climate governance structure is led by the Board, which provides the highest level of oversight. The President's Office serves as the highest management level, responsible for supervision and guidance. The ESG Center reviews and tracks developing trends in international climate change initiatives. Guided by the TCFD framework, the Risk Management Center executes climate-related risk assessments and coordinates the planning and implementation of various climate action projects. All information regarding climate impact events and their identification results are fully disclosed in this ESG Report. Upon its completion, the report is submitted to the President for review and then to the Board for approval before being publicly released. This ensures that our measures in response to the challenges of climate change are continuously refined and receive support from the highest level of governance.

Realtek, based on the global warming estimation scenarios provided by the Intergovernmental Panel on Climate Change (IPCC) of the United Nations, identifies relevant transition risks, physical risks brought about by extreme climate, and quantifies financial impacts. It then formulates corresponding adaptation and mitigation strategies to ensure dynamic information is captured and implementation is carried out. In addition, the responsible unit holds energy-saving meetings every week to monitor the progress of energy saving, reports energy and greenhouse gas inventory related implementations to top-level managers monthly, and regularly reports the implementation progress of greenhouse gas inventory and verification schedule to the Board every quarter. Other climate change-related implementations (such as progress of carbon reduction plans, green energy construction or purchasing green electricity, etc.) are reported to the Board in the fourth quarter of each year to achieve effective communication and governance across all levels of the company.

Climate Change Governance Framework



Strategy

Realtek regularly discusses and evaluates climate-related issues in the ESG Committee's meetings. With reference to the "Shared Socio-Economic Pathways (SSP)" methodology proposed in the Sixth Assessment report (AR6) by the UN's Intergovernmental Panel on Climate Change (IPCC), we conduct analysis under three climate scenarios, including SSP1-1.9 (Note 1), SSP2-4.5 (Note 2), and SSP5-8.5. (Note 3) Based on the results of the climate scenario analysis, we select SSP1-1.9 to evaluate the impact of climate change on the overall operation of Realtek under the ideal scenario where temperature rise is controlled at 1.5°C. We clarify the existing measures, response options, the form, feasibility and sources of obtaining quantified financial impact data, and compile the risks and opportunities of climate change that may affect Realtek; we follow the TCFD framework to identify climate-related transition risks, physical risks and opportunities, and analyze the issues related to Realtek's operations. The potential impact, opportunities, financial impact and response strategies for climate change transition risks (regulatory requirements, changes in market preferences) and physical risks (supply disruptions, increased severity of extreme climate events, rising average temperatures, changes in rainfall patterns and climate patterns, rising sea levels) are shown in the table below. The main operational locations covered by the relevant response measures include Office I, Office II, and Office III in the Hsinchu Science Park, and offices in Taipei and Tainan.

Note:

1. Equivalent to a scenario where the temperature increase is limited to below 1.5° C.
2. Equivalent to a scenario where the temperature increase is limited to below 2° C.
3. Equivalent to scenarios with a temperature increase exceeding 1.8° C and 3.4° C.

Climate Change Actions



GHG Management

Energy Management

Water Resource Management

Waste Management

Environmental Conservation

Climate-Related Risks and Opportunities		Climate Impact Events	Potential Financial Impact	Strategies in Response
 Transition Risk	Policies and Legal Requirements	Government regulations or Agreement requirements	<ul style="list-style-type: none"> Increased operating costs due to regulations on the use of renewable energy by large electricity users. Impact of ESG investments, limiting investor willingness, leading to a decrease in company market value. Information disclosure costs increase due to The Action Plan for Sustainable Development for Listed Companies (2023), and our country's regulatory requirements for aligning with IFRS. Levying of carbon fees leading to increased operating costs. 	<ul style="list-style-type: none"> In 2024, the scope of the ISO 50001 Energy Management System was expanded to include the Realtek No.2 Office. Since 2024, Realtek Headquarters' rooftop solar power generation systems have had a total installed capacity of 1,005 kW. In 2024, 1.26 million kWh of electricity was generated, leading to a carbon reduction of 597 tCO₂e. Based on our mid-to-long-term carbon reduction targets and considering the electricity demands for future facility expansions, we plan to additionally purchase 1 million kWh of renewable energy in 2025 to ensure that renewable energy constitutes 10% of the entire group's energy consumption. Complying with the information disclosure regulations of the "Sustainable Development Action Plans for TWSE and TPEX Listed Companies", IFRS sustainable related financial information disclosure standards are adopted. Active cooperate with the Financial Supervisory Commission to strengthen company governance regulations. The ESG Report discloses relevant information following the SASB indicators.
		Increase in Energy Costs	<ul style="list-style-type: none"> Industrial electricity prices have raised by 12%, with electricity costs expected to increase by about 17.7 million/year. 	<ul style="list-style-type: none"> Plan energy storage equipment to reduce peak loads and fill the valleys, smoothing the power load curve , alleviating peak electricity tightness, and expand energy-saving measures.
	Reputation	Shifts in Market Preferences	<ul style="list-style-type: none"> Shifts in market preferences have led to increased customer demand for green product designs , resulting in to higher costs. 	<ul style="list-style-type: none"> Continuously improve green product design (reducing power consumption and reduce area). Enhance product performance .
 Physical Risk	Immediate/Long-term	Supply Chain Disruption	<ul style="list-style-type: none"> Disruption of raw material supply. Increased cost of sustainable energy transition in the supply chain. 	<ul style="list-style-type: none"> Actively carry out sustainable supply chain management, establish a second supplier mechanism to avoid production interruptions or supply shortages. Strengthen Business Continuity Management (BCM).
		Increased Severity of Extreme Weather Events such as Typhoons and Floods	<ul style="list-style-type: none"> Operations are affected or disrupted, leading to increased operating costs. 	<ul style="list-style-type: none"> Purchase relevant disaster insurance. Establish emergency response procedures and install additional disaster prevention equipment to reduce the probability of operational interruption and potential losses.

Climate Change Actions

GHG Management

Energy Management

Water Resource Management

Waste Management

Environmental Conservation

Climate-Related Risks and Opportunities		Climate Impact Events	Potential Financial Impact	Strategies in Response
 Physical Risk	Immediate/Long-term	Rising Average Temperature	<ul style="list-style-type: none"> The need for air conditioning operation increases due to high temperatures, leading to increased electricity consumption and increased operating costs. 	<ul style="list-style-type: none"> The ISO 50001 Energy Management System and energy monitoring system were implemented in 2023 to clearly track energy consumption, with the management scope expanded to Hsinchu No.2 Office in 2024. Replace the outdated chiller equipment with new systems. Expand new facilities in accordance with green building standards.
		Changes in rainfall (water) patterns and climate patterns	<ul style="list-style-type: none"> Droughts caused by extreme weather, affecting water demand, leading to increased operating costs. 	<ul style="list-style-type: none"> Adjust operational water usage and strengthen related water-saving measures according to water tracking and factory water monitoring. Install additional rainwater, condensate and RO water recovery equipment. Raise consensus on water conservation among all employees through water conservation announcements and actual actions.
		Rising Sea level	<ul style="list-style-type: none"> Floods caused by sea level rise increases insurance expenditure, leading to increased operating costs. 	<ul style="list-style-type: none"> Procure relevant disaster insurance.
 Climate Opportunity	Market	Attract ESG Investment Funds	<ul style="list-style-type: none"> Attract ESG investments to enhance corporate reputation and market value. Enhance the trust of customers, thereby improving competitiveness and reputation. 	<ul style="list-style-type: none"> Joining the SBTi demonstrates a commitment to carbon reduction and aligns with international trends.
	Market and Services	Shifts in Market Preferences, Increased Market Share	<ul style="list-style-type: none"> Increasing customer trust to enhance competitiveness and reputation, increase orders. 	<ul style="list-style-type: none"> Introduce green product design (reduce power consumption and reduce area). Accelerate sustainable transformation across the supply chain.
	Resilience	Uninterrupted Operation, Enhancing Customer Trust	<ul style="list-style-type: none"> Improve the reliability and resilience of the supply chain. 	<ul style="list-style-type: none"> Actively carry out sustainable supply chain management. Introduce Business Continuity Management (BCM). Optimize the power system, uninterrupted power supply to server room and servers.

The Financial Impact of Climate Change

In order to promote and achieve the goal of limiting the temperature rise within 1.5°C, we have developed and implemented various corresponding strategies such as energy saving measures, installation of solar power generation facilities, implementation of sustainable supply chain management and energy management system based on the results of our scenario analysis on climate-related risks and opportunities. We assessed the potential financial impact of the key strategies, including the increase in air-conditioning costs, the costs of upstream supplier transition, the costs of setting up new solar power generation facilities, and the management and communication costs on sustainability issues. Although the short-, medium- and long-term financial impact caused by various climate issues may lead to an increase in expenses and management costs, the financial impact is less than 1% of net revenue after quantitative assessment. Realtek also plans to introduce science-based techniques by 2025, in line with the IFRS progression, to enhance its existing climate risk assessment and more comprehensively quantify potential financial impacts.

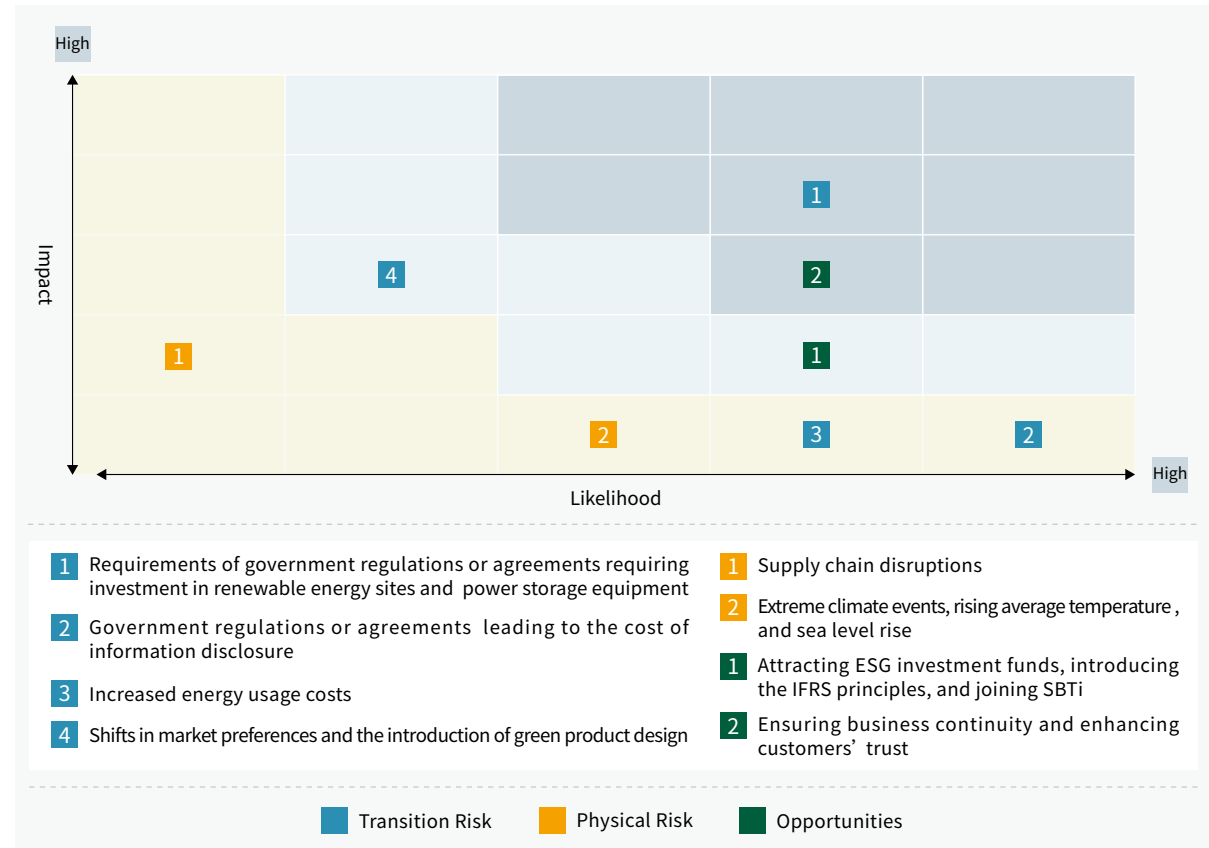
Risk Management

Realtek's climate-related risks and opportunities assessment in 2024 set a short-term timeframe for 2025, mid-term timeframe for 2026 to 2028 and long-term timeframe for 2029 to 2035. In accordance with the global temperature control target of limiting the temperature rise to 1.5°C proposed by IPCC AR6, we evaluated the degree of relevance between the various development strategies of each business operation and climate related issues. It identified the potential impact of climate related risks and opportunities on operations and the probability of occurrence, further developed the climate-related risks and opportunities matrix of Realtek, formulating the climate-related risks and opportunities response strategies.

Climate Risk Identification and Management Procedure



Climate Change Risk and Opportunity Matrix



Objectives and Targets

In our corporate sustainability strategy, addressing climate change is an indispensable issue. Realtek continuously monitors and identifies the potential impacts and risks that climate change may pose to our operations, and formulates corresponding management policies and response plans. Concurrently, to mitigate the impacts and proactively respond to international sustainability initiatives toward achieving net-zero emissions, Realtek has announced the significant goal of reaching net-zero carbon emissions by 2050. This target is aligned with the "Net-Zero Pathway White Paper" published by the Taiwan Semiconductor Industry Association (TSIA), of which we are a member. Furthermore, we have also set more ambitious renewable energy targets, planning for the entire group to achieve a 50% renewable energy share by 2030 and 100% by 2050. While continuing to develop low-carbon products, Realtek also plans to enhance its investments in clean technology for its operations, gradually reducing carbon emissions by optimizing industrial operations and equipment automation, constructing and certifying office buildings to meet green building standards, increasing the use of alternative energy, enhancing waste pollution prevention and control, improving sustainable water practices, and implementing carbon-reduction target management across our supply chain.

2025 Goals	<ul style="list-style-type: none"> Achieve 10% share of renewable energy for the entire group. Optimize the power supply backup systems across all facilities. Initiate adoption of IFRS Standards Obtain green building certifications for Realtek Biomedical Park No. 1 Office. Invest at least additional NT\$130 million in clean technology for operations.
2030 Goals	<ul style="list-style-type: none"> Reduce Scope 1 and Scope 2 carbon emissions by 50% <small>Note</small>. Achieve a 50% share of renewable energy for the group-wide energy use. Diversify types of renewable energy used. Invest at least additional NT\$550 million in clean technology for operations.
2050 Goal	<ul style="list-style-type: none"> Achieve a 100% share of renewable energy for the entire group. Achieve Net-Zero for the entire group.

Note: Scope 1 and Scope 2 greenhouse gas emissions will be reduced by 50% compared to the 2021 base year.

GHG Management

Greenhouse gas emissions are the most direct factor contributing to climate change. Realtek's Hsinchu operational sites began voluntarily inventorying and managing emissions in 2019. Since 2022, Realtek has conducted its GHG inventory in accordance with ISO 14064-1:2018 and has passed third-party verification. The inventory scope covered all operational sites in Taiwan (the Realtek No.1, No. 2, the Taipei office, and the Tainan office), three sites in China (Suzhou, Hefei, and Shenzhen), and Singapore. In 2023, this was further expanded to the entire Realtek Group by establishing an internal GHG inventory system and completing GHG inventories for 16 global sites (with the addition of the Realtek No.3 Office, Shanghai, 2 sites in the U.S., Japan, South Korea, Vietnam, and Malaysia). This process allows for the tracking of the entire group's Scope 1 to Scope 3 emissions. This Scope 3 range includes processes from downstream suppliers, such as wafer manufacturing and back-end packaging and testing. The Scope 3 emissions data automatically link to the Enterprise Resource Planning (ERP) system to generate the whole picture of GHG emissions data from the supply chain.

In 2024, Realtek's total greenhouse gas emissions amounted to 703,606 tCO₂e. This included Direct GHG Emission (Scope 1, Category 1) of 1,362 tCO₂e, accounting for 0.19% of the total. These emissions comprised stationary sources (diesel for emergency generators), mobile sources (gasoline for company vehicles), and fugitive emissions (refrigerants, septic tanks, and fire extinguishers). As Realtek has no manufacturing processes, there were no process emissions. Indirect GHG Emission from energy (Scope 2, Category 2) was 30,046 tCO₂e, primarily from purchased electricity, accounting for 4.09% of total emissions. Other indirect GHG emissions (Scope 3, Categories 3 and 4) were 672,198 tCO₂e, representing 95.54% of the total. Within Scope 3 emissions, Category 4.1, "Purchased Goods and Services," is a key emission source for the IC design industry and the largest source within Realtek's overall inventory. Realtek will continue to refine its IC design, advancing towards next-generation products with smaller dimensions and lower power consumption to meet the SBTi's target requirements for Scope 3 reductions.

Realtek Group's GHG Emissions for the Past Two Years

Unit : tCO₂e

Year	2023				2024			
Locations	Domestic	Overseas	Total	Proportion	Domestic	Overseas	Total	Proportion
Scope 1 (Category 1)	1,143	889	2,037	0.4%	655	707	1,362	0.19%
Scope 2 (Category 2)	26,074	2,925	28,999	5.5%	25,149	4,897	30,046	4.27%
Scope 1 + Scope 2 (Category 1 + Category 2)	27,217	3,814	31,036	5.9%	25,804	5,604	31,408	4.46%
Scope 3 (Category 3)	12,127	2,401	14,528	2.8%	13,648	2,351	15,999	2.27%
Scope 3 (Category 4)	380,826	100,980	481,806	91.4%	478,560	177,639	656,199	93.26%

- Note:
- The GHG emission data covers the Realtek Group's 16 global sites.
 - Scope 1 includes diesel, gasoline, refrigerants, septic tanks, and fire extinguishers; Scope 2 includes purchased energy; Scope 3 (category 3) includes upstream and downstream transportation and distribution, as well as employee commuting and business travel; Scope 3 (Category 4) includes purchased goods, emissions from upstream activities, waste disposal, etc; and Scope 3 (Category 5) include the emissions from the use of sold products .
 - Global Warming Potential (GWP) is referenced from the IPCC 2021 Sixth Assessment Report.
 - Sources of conversion factors: IEA emission factors, the Ministry of Environment's Greenhouse Gas Emission Factor Management Table (Version 6.0.4), and the Greenhouse Gas Emission Factors announced on February 5, 2024.
 - The electricity carbon emission factor is calculated using values published by the respective countries and announced by the Bureau of Energy, Ministry of Economic Affairs, Taiwan.
 - Emission data is rounded to the nearest whole number.

Realtek Taiwan GHG Emissions

Unit: tCO₂e

Scope		Site	2021	2022	2023	2024
Direct GHG Emission	Scope 1	Realtek No. 1 Office	503.6568	562.1255	648.2767	298.1083
		Realtek No. 2 Office	158.4161	299.3630	290.9894	173.0714
		Taipei Office	—	10.8288	36.9039	10.7453
		Tainan Office	—	6.1683	6.2709	6.2488
		Realtek No. 3 Office	—	—	161.1308	166.7499
Energy Indirect GHG Emission	Scope 2	Realtek No. 1 Office	19,426.2904	19,992.9092	18,988.5696	17,457.6096
		Realtek No. 2 Office	4,832.8532	5,479.8940	5,265.2496	4,856.9832
		Taipei Office	—	121.0044	120.8769	120.6820
		Tainan Office	—	60.5797	60.9868	61.9347
		Realtek No. 3 Office	—	—	1,638.3609	2,652.4092
Scope 1 + Scope 2			24,921.2165	26,532.8729	27,217.6155	25,804.5424
Company Revenue (NT\$ millions)			105,504.00	111,789.79	95,179.28	113,393.70
GHG Emission Intensity (tCO ₂ e / NT\$ Million Revenue)			0.2362	0.2373	0.2860	0.2276
Number of Employees in Taiwan			4,645	4,943	5,209	5,408
GHG Emission Intensity (tCO ₂ e / Number of Employees in Taiwan)			5.3652	5.3678	5.2251	4.7716

- Note:
- For 2023, the Scope 1 value for the Realtek No. 3 Office was revised from 161.1306 tCO₂e to 161.1308 tCO₂e; the Scope 2 value for the Realtek No. 1 Campus was revised from 18,988.5969 tCO₂e to 18,988.5696 tCO₂e; and the total value for Scope 1 and 2 was revised from 27,217.6428 tCO₂e to 27,217.6155 tCO₂e. Scope 1 includes diesel, gasoline, refrigerant, septic tanks, and fire extinguishers; Scope 2 includes purchased electricity.
 - Scope 1 includes diesel, gasoline, refrigerant, septic tanks, and fire extinguishers; Scope 2 includes purchased electricity.
 - Global Warming Potential (GWP) is referenced from the IPCC Sixth Assessment Report (2021).
 - The source for the conversion factors is the latest Greenhouse Gas Emission Factor Management Table Version 6.0.4 and the Greenhouse Gas Emission Factors announced on February 5, 2024, by the Ministry of Environment.
 - The electricity carbon emission factor is calculated based on the figures published by the Bureau of Energy, Ministry of Economic Affairs.
 - The greenhouse gas emission intensity calculation covers only the sum of Scope 1 and Scope 2 emissions from Realtek's sites in Taiwan.

In accordance with Taiwan's Climate Change Response Act, this inventory has identified four types of greenhouse gases. For Realtek in 2024, the primary source of emissions was HFCs, representing 75.59% of the total emissions. The remaining 24.41% was composed of CO₂, CH₄, and N₂O.

Emission Type	Direct Emission (tCO ₂ e)	Proportion
CO ₂	58.7518	4.31%
CH ₄	273.4124	20.07%
N ₂ O	0.4659	0.03%
HFCs	1,029.8305	75.59%
PFCs	0.00	0%
SF ₆	0.00	0%
NF ₃	0.00	0%
Total	1,362.4606	100.00%

Note:

Realtek's nitrogen oxide (NOx) and sulfur oxide (SOx) emissions are sourced from company vehicles and emergency generators. As the emission volume and proportion are low, they are excluded from the statistics.

Energy Management

Energy Use Efficiency

Energy Management Policy

1

Implement an energy management system to minimize management system risks.

2

Ensure the provision of necessary information and resources to achieve relevant objectives and indicators.

3

Comply with national laws and obligations.

4

Engage all staff in continuous improvement of the management system to enhance sustainability.

5

Commit to promoting green procurement to achieve long-term business sustainability.

6

Raise awareness among employees about energy conservation.



As a professional IC design house, Realtek's primary operational energy consumption stems from purchased electricity, fuel for emergency generators, and gasoline for official vehicles. The company does not operate heating equipment such as coal-fired, gas-fired, or boiler systems, nor is it involved in high-energy-consumption production processes like smelting or polymerization. In 2024, Realtek's renewable energy consumption significantly increased to 4,533.19 GJ, while its non-renewable energy consumption decreased, effectively offsetting the rise in electricity demand from its operational expansion. Realtek continues to implement various effective measures, including enhancing overall electricity efficiency, adopting an energy management system, installing solar power and energy storage equipment, and purchasing green power, to steadily progress towards its goal of achieving net-zero carbon emissions by 2050.

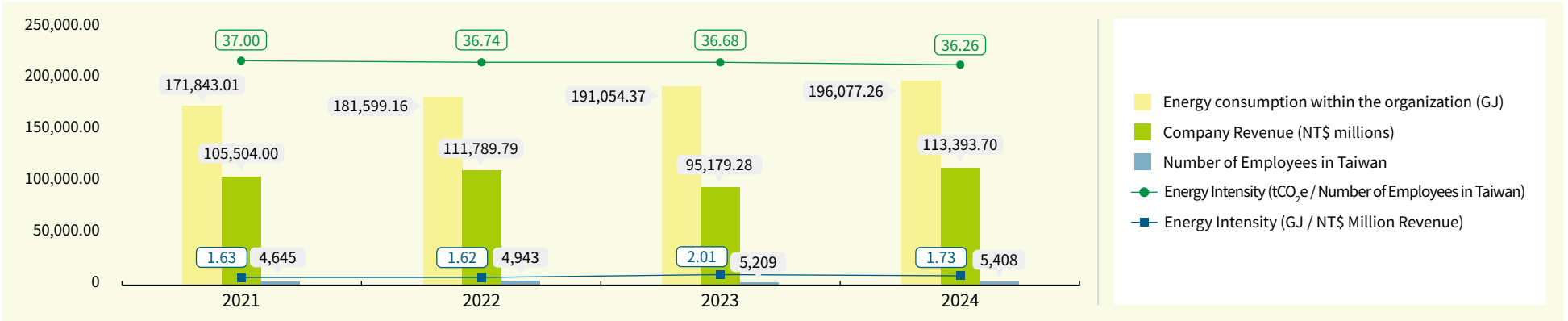
Energy Consumption at Realtek's Taiwan Sites over the Past Four Years

Unit: GJ (Gigajoules)

Item		2021	2022	2023	2024
Non-Renewable Energy	Gasoline	58.62	68.26	529.65	253.18
	Diesel	206.94	175.48	511.45	388.86
	Electricity	171,577.44	181,355.42	189,361.23	190,902.03
Total Non-Renewable Energy Consumption		171,843.00	181,599.16	190,402.33	191,544.07
Renewable Energy	Self-Generated Electricity	0	0	652.04	4,533.19
Total Energy Consumption		171,843.00	181,599.16	191,054.37	196,077.26

- Note:
1. Data Source: Data for purchased electricity is based on actual consumption from electricity bills; data for gasoline and diesel is based on the company's internal fuel level records; and data for self-generated electricity is from the solar inverter cloud system.
 2. The energy conversion factors are primarily based on the Table of Unit Calorific Values for Energy Products from the 2021 Energy Statistics Handbook by the Bureau of Energy, MoEA: 3,598.24 kJ/kWh; Gasoline: 32,635.20 kJ/L; Diesel: 35,145.60 kJ/L.
 3. Realtek's energy usage data covers the No.1, No.2, and No.3 Office, and Realtek Biomedical Park No. 1 Office in Hsinchu, as well as the Taipei and Tainan offices.

Realtek's Energy Intensity over the Past Four Years



Multi-pronged Approach to Energy Conservation to Increase Energy Efficiency

Realtek is committed to enhancing energy efficiency and actively implements energy-saving and carbon-reduction policies. The Factory Affairs Department serves as the primary responsible unit, overseeing the company's energy management and efficiency improvement. Realtek completed the establishment of its energy management system platform in 2022; subsequently, the Realtek No.1 Office was certified to the ISO 50001 energy management system standard in 2023, followed by the Realtek No.2 Office in 2024. The company verifies its energy performance by conducting energy reviews, establishing energy baselines, setting energy performance indicators, objectives, targets, and action plans, and incorporating relevant methodologies and the International Performance Measurement and Verification Protocol (IPMVP).

Realtek has set a 2030 target to achieve a 50% renewable energy proportion, as well as an energy management goal to reduce electricity consumption by 1% annually. Through the intelligent management of electricity consumption data, we can effectively analyze, improve, and verify the energy consumption of various systems, such as power systems, IT data centers, lighting systems, air conditioning systems, gas systems, and testing area equipment – thereby actively implementing energy management.

Realtek No.1 &No.2 Office

ISO 50001 : 2018 Energy Management System



Validity period: 2023.11.23~2026.11.22



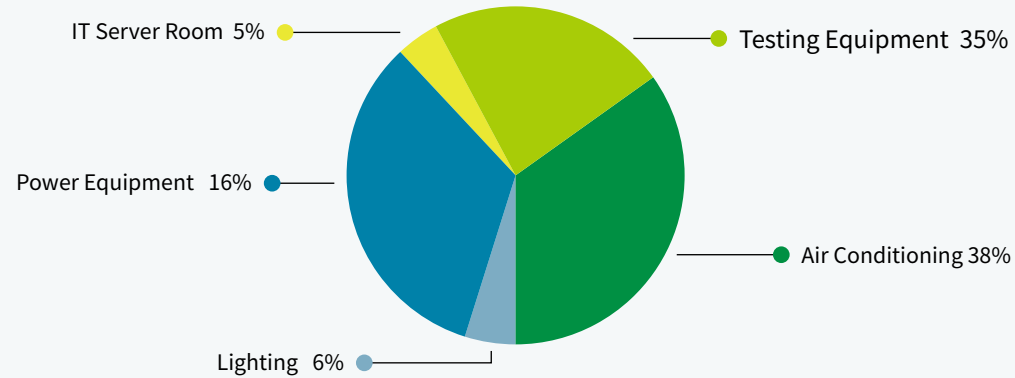
In 2024, Realtek's Factory Affairs Department, in collaboration with the Supply Management Center, Information Technology Department, and R&D Center, continued to implement energy saving and carbon reduction measures. A total of 26 energy-saving initiatives were proposed, including improvement to air conditioning, lighting, and compressors, as well as the optimization of server room air conditioning. With a total investment of approximately NT\$ 44,149 thousand, these efforts achieved an overall electricity saving rate of 5.34%, with a total savings of 2,705,480 kWh in 2024, resulting in an estimated savings of NT\$ 12,446 thousand in electricity expenses. This is also equivalent to a reduction of 9,734.97 GJ in thermal emissions and translates to a carbon emission reduction of 1,282.40 tCO₂e, comparable to the carbon absorption capacity of 3.3 Da-an Forest Parks.

Note: Based on the Council of Agriculture's calculation that one hectare of forest absorbs 15 metric tons of carbon annually, the Da-an Forest Park (25.8 hectares) can absorb 387 metric tons of carbon annually.

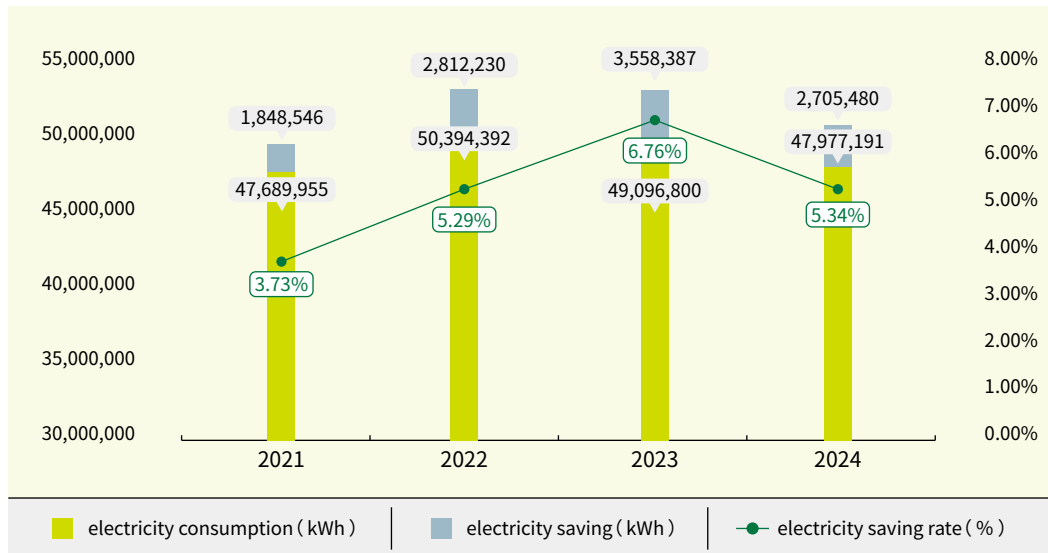
Category	Item	Energy Savings		Carbon Reduction	Electricity Savings
		(kWh)	(GJ)	(tCO ₂ e)	(NT\$ Thousands)
IT Server Room	PUE Value Reduction, Air Conditioning System Optimization	132,083	475.27	62.61	608
Testing Equipment	Machine Power Efficiency Improvement	943,408	3,394.61	447.18	4,340
Air Conditioning	Replacement of old Chiller motor with new models and variable frequency control	1,024,902	3,687.84	485.80	4,715
Lighting	Improvement of lighting in the campus and parking areas, smart lighting energy-saving	162,640	585.22	77.09	748
Power Equipment	Power factor improvement, UPS efficiency improvement, harmonic improvements, and elevator upgrades	442,447	1,592.03	209.72	2,035
Total		2,705,480	9,734.97	1,282.40	12,446

- Note:
- The electricity carbon emission factor for this report is based on the 2024 coefficient of 0.474 kg CO₂e/kWh, provided by the Energy Administration, MoEA.
 - Electricity cost savings are calculated based on the 2024 average electricity rate of NT\$4.6 per kWh.
 - The energy-saving data herein covers the Realtek No.1 and No.2 Offices, which is consistent with the scope of the ISO 50001 certificate.
 - The calculation for the energy savings of the IT system is derived from a comparison between the power consumption of the rack cabinets and their ancillary equipment and that of a traditional server room.
 - The electricity savings from the replacement of testing equipment are calculated by comparing the average monthly power consumption of the equipment for the year with its average monthly consumption in the fourth quarter of the previous year.
 - A baseline for the air conditioning system is established using electricity consumption data from the year prior to equipment replacement. The final figure is then derived by comparing this baseline with the system's electricity consumption for the current year.
 - The energy savings for the lighting and power systems are calculated as the difference between the specifications before and after the replacement.

2024 Energy Saving and Carbon Reduction Project



Realtek Electricity Saving Rate for the Past 4 Years



Chiller Project

The chilled water air conditioning system is a major energy-consuming equipment for Realtek, accounting for approximately 30% of the total electricity consumption across all operations. Since 2022, Realtek has been measuring the performance indicators of chillers and gradually replace aging chillers with new, high-efficiency chillers. This project is expected to reduce the power consumption per refrigeration ton (KW/RT) from 0.75 to 0.5, effectively improving the efficiency of chillers and saving electricity. In 2024, Realtek completed the full replacement of chillers at the Realtek No.1 Office, with a total investment of NT\$30 million, and accumulated electricity savings reaching NT\$4.6 million.



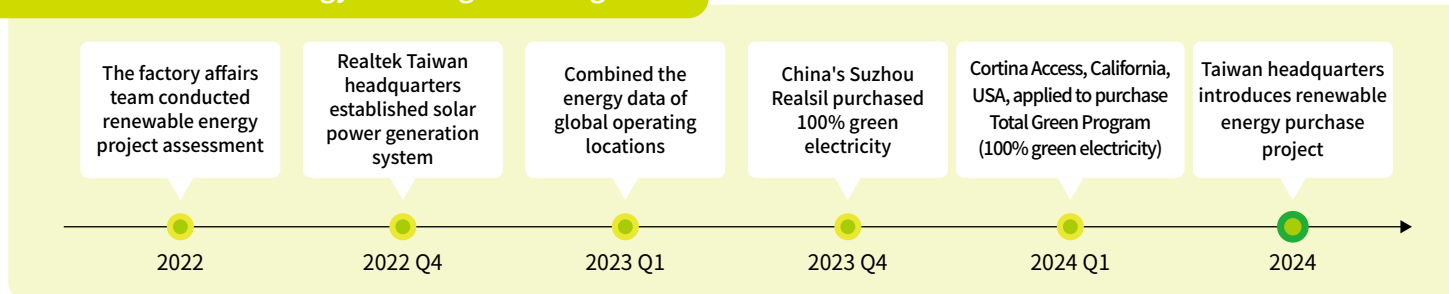
Realtek Green Energy Strategy and Management

Renewable energy development is a critical issue in the global energy transition. To effectively reduce Realtek Group's carbon emissions worldwide, Realtek has set a target for the entire group to reach 50% renewable energy usage by 2030. We compile energy usage data from all operational sites to seize opportunities for renewable energy usage. In 2023, Realtek's subsidiary in Suzhou, Realsil, completed the contract to purchase International Renewable Energy Certificates (I-REC), enabling the site to use 100% renewable energy starting from 2024. Realtek's US subsidiary, Cortina Access, also applied for the Total Green Program with the local electricity company, San Jose Clean Energy, in 2024 to achieve the goal of 100% green power usage.

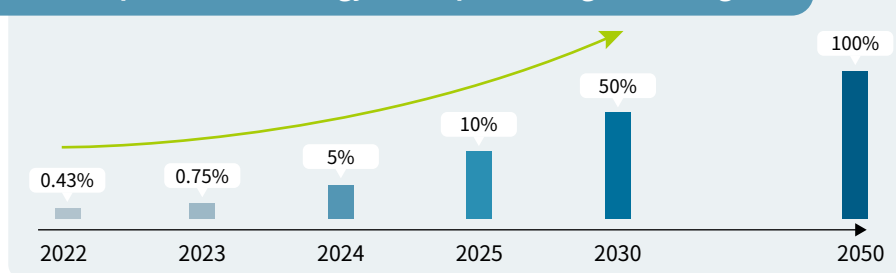
Furthermore, Realtek's headquarters is actively installing green energy generation equipment, adopting a self-generation and self-consumption model for electricity. Solar panels are installed on the rooftops of its various Taiwan sites, with the converted solar power used for daily operations. The green power installation project is expected to invest NT\$98.2 million, divided into four phases, and is expected to achieve an installed capacity of 1,549 kW by 2025, generating approximately 1.9 million kWh of green electricity annually, equivalent to a reduction in carbon emissions of approximately 956 tCO₂e. In 2024, power generation reached 1,259,834 kWh, representing a carbon reduction of 597 tCO₂e. Through the proactive use of renewable energy, we effectively reduce greenhouse gas emissions.

Note: Calculated based on 3 hours of power generation per day for 360 days per year, using the 2024 electricity emission factor of 0.474 kg CO₂e/kWh.

Realtek Renewable Energy Planning Path Diagram



Realtek Group Renewable Energy Development Target Planning Path



Supporting the National Green Energy Industry

Realtek actively supports Taiwan's 2050 net-zero transition, investing NT\$50 million in a five-year green bond (Bond Abbreviation: P13 Taipower 6A; Code: B903ZV) issued by Taiwan Power Company. Realtek received green bond accreditation from the Taipei Exchange on August 15, 2024. In alignment with government policy to develop green energy, the proceeds from this bond are allocated to the development of offshore wind power, smart grid systems, and the solar power grid projects.

Realtek Green Buildings

To promote corporate sustainability and environmentally friendly principles, Realtek has set clear green building targets. Since 2020, all newly purchased and constructed offices are required to meet green building certification standards. Building on the principle, these new offices must obtain Taiwan's EEWH Green Building certification and the U.S. LEED Green Building certification. To achieve this goal, Realtek adopts these two standards in the very beginning of site construction. This involves incorporating green building concepts, which include the use of structural concrete with added blast-furnace slag cement, double-glazed Low-E glass curtain walls, drywall lightweight partition walls, interior finishes with green building materials, Level 1 energy-efficient variable frequency chillers, water-saving fixtures in restrooms, and LED lighting fixtures, among other green building measures. In terms of green building investments, related investment expenses reached over NT\$50 million in 2024. From 2020 to 2025, the cumulative investment in green buildings for our plants and offices will exceed NT\$210 million, including investments in green building real estate, the self-construction of green building plants, and the use of environmentally friendly green building materials.

In terms of green building certifications, the Realtek No. 3 Office obtained the EEWH Bronze and LEED Gold certifications in 2023; Realtek Biomedical Park No. 1 Office received the EEWH Gold candidate certificate in October 2022 and plans to obtain both the EEWH Gold and LEED Gold certifications in the first half of 2025.

Realtek Green Building Sustainability Goals

Adopt the EEWH (Taiwan) and LEED (US) green building design standards.

Find a balance between environmental protection and cost effectiveness, and efficiently reduce the buildings' GHG emissions.

Improve energy and water use efficiency.

Reducing energy consumption and environmental burdens generated during the construction and usage phases of buildings.

REALTEK

Strategies for Raising the Efficiency of Building Energy Consumption

Simulate and analyze building energy consumption and energy-saving methods.

Maintain comprehensive control over lighting and air conditioning systems.

Adopt natural lighting and energy-saving lighting design.

Use of energy-saving and monitoring system with air conditioning equipment.

Use of renewable energy.

Reuse of recycled cooling water and rainwater.

Water Resource Management

Most water resources in the operation of Realtek are used by employees for general purposes. The water resources data are collected from the operational headquarters of Realtek (i.e. Office I and Office II). Realtek’s operational headquarters is in Hsinchu Science Park. The water comes from Hsinchu’s Baoshan Reservoir. To evaluate water risk levels, Realtek adopts the World Resources Institute’s ‘Aqueduct Water Risk Atlas,’ which shows the total water intake and water consumption percentage from areas with high or extremely high baseline water stress are both zero. Additionally, Realtek does not extract groundwater or use seawater, indicating a low potential impact on the local water resources. Moreover, all industrial wastewater and general wastewater produced within the Hsinchu Science Park are collected by the sewage system and piped to the Science Park’s wastewater treatment plant for processing before being discharged into the Keya River through a dedicated pipeline. The treated water exceeds the national discharge standards and is discharged into the Keya River without causing any adverse effects on the ecological environment and water quality. In 2024, Realtek reported 83.84 ML of general wastewater discharge to the Hsinchu Science Park Administration. The company did not have any discharge from process wastewater and did not pose any risk of environmental impact from wastewater or effluent spills.

In 2024, the total water withdrawn was 171.65 million liters, sourced from municipal water (98.8%) and reclaimed rainwater (1.2%). This figure represents a 12.51% increase in annual total water withdrawn compared to the previous year. The increase is attributed to the official commencement of operations at the Realtek No.3 Office, which includes an employee cafeteria and sports shower facilities. ince there is no process water usage across the entire group, water demand is solely for daily employee needs. Therefore, water consumption increases in line with employee growth.

2024 Realtek Taiwan Water Withdrawn

Municipal Water Withdrawal	169.60 ML	93.4 %
Rainwater collected and recycled water from air conditioning systems	11.99 ML	6.6 %

Water Usage at Realtek's Taiwan Sites in the Past Three Years

Unit: Million Liters (ML)

Year		2022	2023	2024	Change from the previous year
Water Withdrawn	Surface Water (Rainwater)	2.48	1.8	2.05	13.90%
	Third-Party Water Supply (municipal water)	127.10	150.77	169.60	12.49%
	Total Water Withdrawn	129.58	152.57	171.65	12.51%
Water Discharge	Total Water Discharge	96.03	91.88	83.84	-8.75%
Water Consumption	Total Water Consumption	33.55	60.69	87.81	44.69%
Recycled Water	Volume of Water Recycled from AC System	9.32	9.43	9.94	5.41%

Note:

- 1,000 m³ = 1 ML.
- Municipal water: The third-party water supplier is the Taiwan Water Corporation.
- Wastewater is primarily treated by a third party, the Hsinchu Science Park Wastewater Treatment Plant.
- All water withdrawn is freshwater (≤ 1,000 mg/L Total Dissolved Solids).
- The amount of rainwater collected is an estimated value, calculated by multiplying the statistical rainfall from the meteorological agency by the rooftop rainwater collection area of the Realtek No.1 Office.
- For 2024, water resource usage data for the Taipei and Tainan offices has been included. The water consumption and wastewater volumes are estimated values; wastewater discharge is estimated to be 80% of the total water withdrawn, with the remaining 20% constituting water consumption.
- The calculation of total water withdrawn for 2024 excludes recycled water; therefore, the disclosed data for 2022 to 2023 have been adjusted in accordance with the same calculation logic.

Water Conservation Actions

Realtek has a long-standing focus on water resources and environmental issues, and is dedicated to continuously optimizing water recycling and reuse. Our ongoing water conservation projects include the reuse of recycled water, rainwater harvesting, and the reclamation of water recycled from AC units (including condensation and chilled water). In 2024, our water savings totaled 11.99 million liters, resulting in a water conservation rate of 6.60%, thereby continuing to meet our target of over 5%. Realtek has raised its water conservation rate target to 6% for 2025, with the goal of reaching 7% by 2030. Moreover, an optimization of the RO system at the Realtek No.1 Office is scheduled for Q1 2025. This will involve repurposing backwash water as makeup water for the cooling system, which is projected to save over 4 metric tons of municipal water daily. Furthermore, Realtek will continue to assess water conservation measures at the No.2 and No.3 Offices to enhance the overall water conservation rate.

Water Conservation Rate at Realtek's Taiwan Sites for the Past Three Years

Unit: Million Liters (ML)

	2022	2023	2024
Total Water Consumption	138.89	162.00	181.59
Total Number of Employees in Taiwan	4,943	5,209	5,408
Water Used per Person	0.028	0.031	0.034
Water Saved	11.79	11.23	11.99
Water Saving Rate	8.49%	6.93%	6.60%

Note:

1. Water used per person is calculated by dividing total water consumption by the total number of employees at Realtek's Taiwan sites (5,408 as of December 31, 2024).
2. The calculation of water saved includes rainwater harvesting and reclaimed water from air conditioning systems (including condensation and chilled water).
3. Water Saving Rate = Water Saved / Total Water Consumption.
4. The 2024 calculation excludes recycled water from the total water withdrawn. The total water consumption is the combination of total water withdrawal and water recycled. Accordingly, the disclosed data for 2022 to 2023 has been adjusted based on the same calculation logic.



Waste Management

As a fabless IC design house, Realtek focuses on IC design and sales, outsourcing its product manufacturing to professional foundries. The waste from the Taipei and Tainan offices is classified as general waste, which is handled by the respective office building's property management in compliance with legal regulations. Waste from the Hsinchu site includes domestic waste and industrial waste (comprising both hazardous and non-hazardous industrial waste). In 2024, the Hsinchu site generated approximately 634.68 metric tons^{Note¹} of domestic waste, of which 161.42 metric tons^{Note²} were effectively recovered and recycled, achieving a recycling rate of 25.43%. A total of 28.99 metric tons of industrial waste was generated, consisting of 9.30 metric tons of hazardous waste and 19.69 metric tons of non-hazardous industrial waste, all of which is periodically disposed of off-site.

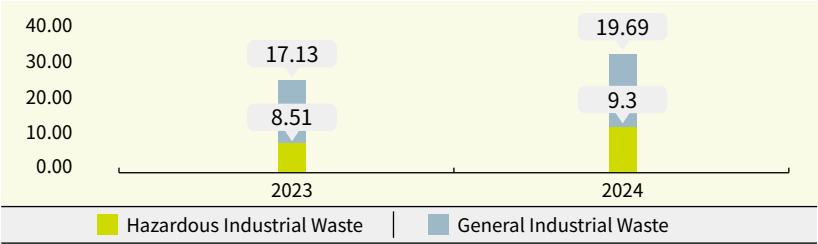
In addition to continuously developing smaller integrated circuits to reduce end-of-life product waste, Realtek also places great importance on minimizing its own waste generation and implementing robust recycling management. Realtek fully adheres to the provisions of the Waste Disposal Act and the regulations of the Hsinchu Science Park, with monthly waste statistics and reporting. As Realtek does not have its own production lines, its hazardous industrial waste primarily consists of outsourced ICs and wafers identified as defective during in-house inspection. The Company continues to implement source reduction and storage management, establishing dedicated areas for the centralized storage of waste ICs to prevent soil pollution. Furthermore, all the hazardous waste is sent to certified processors for overseas recycling and treatment, with proper reporting and tracking as required by law. The annual recycling rate has consistently exceeded 90% over the years, reaching 100% in 2024^{Note³}. The non-hazardous waste is regularly removed by licensed waste collectors, while general industrial waste is sent to government-approved incineration plants for energy recovery and resource reuse. For domestic waste, Realtek actively promotes resource recycling and reuse such as using recycled paper for product packaging cushioning, converting all food waste into pig farming, and utilizing coffee grounds for plants, energy recovery, and reusing waste paper to produce recycled paper. We actively promote the achievements and the concept of resource recycling and reuse during newcomers' orientation. Realtek also encourages employees to continuously consider actions beneficial to environmental protection and resource utilization in their daily lives, working together towards a greener environment.

Note:

1. "Domestic waste" is calculated based on the average daily per capita generation rate of 1.38 kg, as announced by the Ministry of Environment for 2024. The formula for the total amount is as follows: Number of employees at Realtek No. 1 Campus, Realtek No. 2 Campus, and Realtek No. 3 Campus (5,272) × 12 (months per year) × 22 (assuming 22 working days per month) × 0.33 (for an 8-hour workday) × 1.38.
2. The items of recycled waste are physically weighed; therefore, the total quantity of waste for recycling and reuse can be calculated. Furthermore, statistics on the recycling and reuse of domestic waste exclude heat recovery from incineration.
3. All hazardous industrial waste is sent abroad for recycling and treatment by certified disposal agencies.



Total Industrial Waste at Realtek's Hsinchu Site Over the Past Two Years



2024 Realtek Hsinchu Sites Industrial Waste Generation Statistics

Hazardous Industrial Waste		
Items	Weight (tons)	Approach
Waste electronic components, scraps, and defective products	9.30	Recycling (Offshore Processing/ Recycling of Copper and its Compounds)
Subtotal	9.30	—
General Industrial Waste		
Items	Weight (tons)	Approach
General Industrial Waste	4.59	Incineration Including energy recovery
Used paper	3.45	
Used Plastic	11.65	
Subtotal	19.69	—
Total	28.99	—
General Household Waste		
Items	Weight (tons)	Approach
General Domestic Waste	Our reuse initiatives include using all food waste for pig farming, repurposing discarded OA partitions, utilizing coffee grounds for plant composting, and reusing waste inverters	Reuse
	Recycling of paper products, waste wooden pallets, branches and fallen leaves, paper meal boxes, PET bottles, iron and aluminum cans, waste toner cartridges, etc	Recycling and Reuse
	Other Domestic Waste	Incineration (including energy recovery)
	Total	—
	634.68	—

Items	2024 Management and Goals	2024 Results	Short- and Medium-Term Objectives (2025-2028)
General Industrial Waste	Annual unit revenue generation does not exceed 27 kg/NT\$100 million	The actual generation per unit revenue was 17.36 kg/ NT\$100 million.	The annual generation per unit revenue does not exceed 27 kg/NT\$100 million.
Hazardous industrial waste	The annual recycling rate of hazardous industrial waste is no less than 90%.	The recycling rate of hazardous industrial waste reached 100%.	The recycling rate of hazardous industrial waste shall be no less than 90%.
Total Investment Amount in Pollution Prevention and Control	An amount of NT\$55,000,000 or more has been budgeted for investment projects related to pollution prevention and control in 2024.	In 2024, the total actual investment amounted to NT\$71.12 million, covering various related investment items such as waste recycling (including energy recovery), reuse and recycling, environmental maintenance work, and ISO environmental quality system certification.	The annual budget for pollution prevention and control related investment is no less than NT\$ 55 million
Domestic waste	<div> <div>Monthly statistics are kept on the total volume of recycled domestic resources, with plans to strengthen sorting, reuse, recycling, and reuse promotion.</div> <div>Advocacy for energy saving and environmental protection in procurement, and reduction of single-use products.</div> </div>	<div> <div>Paper meal boxes, tin/aluminum cans, PET bottles, and paper and cardboard boxes, totaling 49.47 metric tons, were 100% recycled.</div> <div>The recycling and reuse rate of domestic waste is 25.43%.</div> <div>Reuse and Recycling Management Results:</div> <div>Reuse</div> <div>total of 105.43 metric tons.</div> <div>Recycled and Reuse</div> <div>total of 161.42 metric tons.</div> <div>Energy Recovery</div> <div>other general domestic waste totaled , converted into 253.12 megawatt-hours (MWh) of renewable electricity through incineration.</div> </div>	<div> <div>Paper meal boxes, metal cans, PET bottles, and paper and cardboard were 100% recycled.</div> <div>Annual reuse of non-hazardous waste is not less than 90 metric tons.</div> <div>Annual recycling of non-hazardous waste is not less than 1,000 metric tons.</div> <div>Annual reuse of non-hazardous waste is not less than 1,300 metric tons.</div> </div>

Environmental Conservation

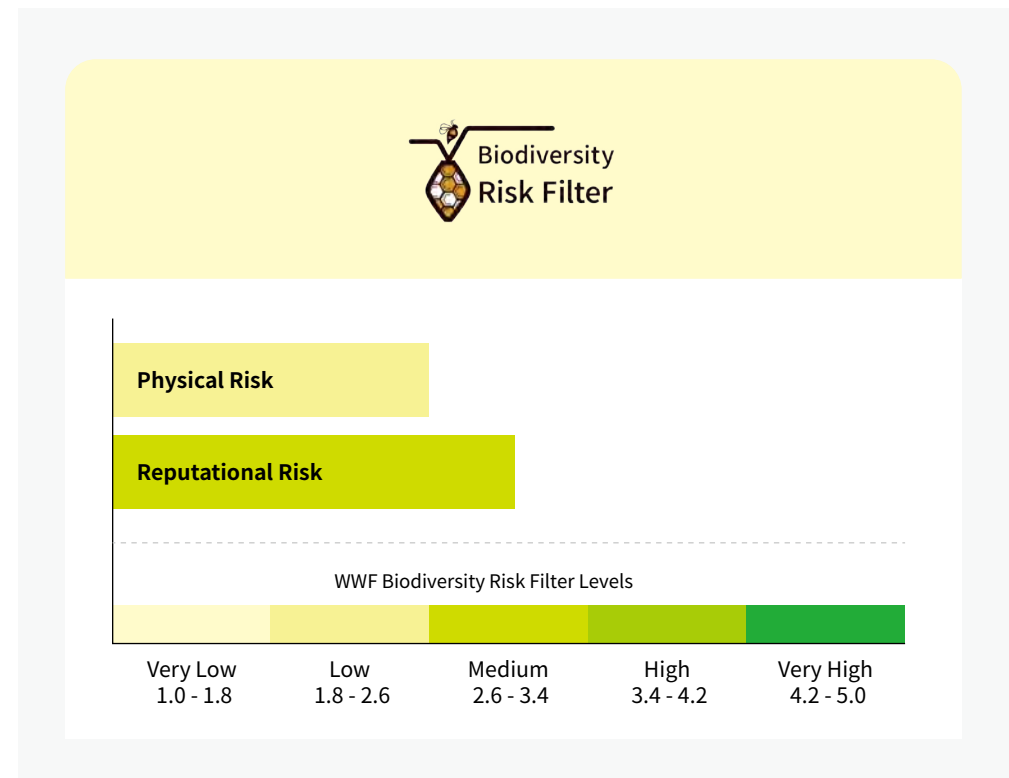
Realtek is deeply aware that reducing pollution and consumption of nature, and protecting ecosystems and the living environment of animals and plants is one of the key issues for global sustainable development. Therefore, we have long been concerned about environmental protection and promoting love for nature. We actively understand and value the 'Convention on Biological Diversity' and the 'Kunming-Montreal International Biodiversity Framework' approved by the 15th United Nations Convention on Biological Diversity (CBD, COP15), and have formulated the “[Realtek Semiconductor Biodiversity Statement](#).” We hope to promote environmental protection, species and habitat conservation, forest protection, and other issues through the goals of Realtek's sustainable governance strategy, together with supply chain partners and stakeholders, to jointly promote the continuation of biodiversity, contributing to the long-term future of the world and the next generation of this land.

In 2024, we utilized international biodiversity risk assessment tools, including the Biodiversity Risk Filter from the Worldwide Fund for Nature (WWF), the Discover Protected Areas and OECMs provided by Protected Planet, and the World Database on Protected Areas (WDPA) from the International Union for Conservation of Nature (IUCN), to confirm that none of Realtek's main operational sites are located within key biodiversity conservation areas. Furthermore, during the initial planning phase, all Realtek operational sites are subject to comprehensive assessments against relevant environmental regulations. The selected production sites are in industrial development zones permitted by the local government and are not within areas designated as protected or preserved local habitats.

Additionally, according to the blueprint of Ecologically Sensitive Areas of the National Ecological Green Network from the Ministry of Agriculture, we have found that part of the Realtek No. 1 Office is located within an Ecologically Sensitive Area, and our Tainan office is situated in the Southern Chianan Plain Wetland Conservation Corridor. Moving forward, we will coordinate with the national ecological conservation promotion strategy to continuously monitor and engage in biodiversity-related actions.

Biodiversity Risk Filter

A biodiversity risk assessment was conducted for Realtek's operational sites, specifically addressing the pressures related to natural resource supply, ecosystem services, natural disaster mitigation, cultural values, biodiversity, environmental resources, socio-economic factors, and other reputational aspects. The results indicated that Realtek's Taiwan sites are, on average, classified as low-risk in terms of physical risk, while the average reputational risk is assessed as medium.



2024 Environmental Conservation Highlights

Roots & Legacy: Learning from Old Trees



Project Investment

Since 2022, Realtek has continuously sponsored OldTree Environmental Protection Foundation with a total amount of NT\$1.72 million. Through this partnership, we have co-organized more than 40 sessions of the “Old Tree Story House” and “Happy Storyteller” events, benefiting more than 1,700 schoolchildren.

Purpose and Actions

Realtek's commitment to environmental responsibility guides its long-term dedication to the execution and goals of environmental protection and environmental education initiatives. Realtek participates in the OldTree Environmental Protection Foundation (hereinafter referred to as the OldTree Foundation), which has long been devoted to the promotion of tree conservation education and value inheritance. Through campus-wide initiatives, this activity continuously shares the beauty of nature and the historical value of precious old trees with students.

OldTree once again invited Realtek to collaborate on the “Happy Storyteller” Program on Tree Loving for 2024 & 2025. This program will select storybooks aligned with the themes of tree loving and protection to impart the preciousness and value of trees, nature, and the earth to students, guiding and accompanying them to discover treasures within the campus environment. This program also constitutes the fifth major theme, “Realtek Visionary Future and Creativity Hope Initiative,” in the “Realtek Charity and Sustainability Three-Year Plan (2024-2026).”



2024 Crab Family Earth Care Beach Cleanup Action Plan



Project Investment

A total of 79 Realtek managers, employees, and interns participated in a 1-hour environmental education lecture titled “Plastics in the Ocean,” followed by a 2-hour beach cleanup activity at Hsinchu Fishing Port North Dike.

Purpose and Actions

To deepen our interns' understanding of ESG and encourage them to pay attention to environmental protection issues and take action, Realtek aligns with the “Realtek Biodiversity Statement,” by enabling interns to experience Realtek's corporate culture and environmental protection practices. This collaborative effort is designed to achieve the SDGs for sustainable oceans and conservation.

Realtek invited lecturers from the Society of Wilderness (SOW), Taiwan to conduct environmental education sessions focusing on plastic reduction and ocean-related topics. These sessions aimed to educate participants on reducing the use of single-use plastic products in their daily lives, encouraging them to bring their own reusable eco-friendly bags and tableware, and personally contribute to mitigating plastic pollution and protecting marine environments. The initiative also sought to instill correct environmental awareness among participants, fostering good habits of plastic reduction starting from their daily routines.

Additionally, the association's volunteer team led Realtek employees in groups to collect coastal waste. The total weight of waste collected during the beach cleanup activity amounted to 566.28 kilograms. Subsequent waste removal was completed with the assistance of the Hsinchu City Sanitation Department, and the International Coastal Cleanup (ICC) data cards were uploaded to the “CleanOcean” website with the assistance of the Society of Wilderness.



Sustainable
Value Chain

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✦ Accomplishments at a Glance

Supplier Code of Conduct Signing Rate:
100%

The proportion of non-conflict minerals
used **100%**

Satisfaction rate based on customer
satisfaction surveys **91.7%**

A total of **94** responses were submitted to external stakeholders' ESG questionnaires via our dedicated ESG Questionnaire Response Performance Management System

Products that have obtained ISO 14067 carbon
footprint certification **100%**

Key Suppliers Social Responsibility Management
Performance compliance rate **86%**

Tier-1 Key Supplier Biodiversity Assessment
compliance rate **88%**

Corresponding
SDGs



Suggested Stakeholders
for Reading

Customers, Suppliers, Government Agencies,
External Rating Agencies, Investors



Material Issues

Supply Chain Sustainability Management
Customer Relationship Management



Supply Chain Sustainability Management Policy

Material Sustainable Issues

Supply Chain Sustainability Management

Negative Impact (Impact) Explanation

- In 2024, there was no actual negative impact on supply chain sustainability management.
- Realtek's key suppliers are all benchmark partners in the semiconductor field with comprehensive sustainability management mechanisms, and the occurrence rate of sustainability-related risks is relatively lower. If a sustainability negative impact occurs, it may raise concerns about product delivery, product quality, and product safety, and the impact will cover Realtek and stakeholders at all levels. However, Realtek regularly evaluates suppliers, and suppliers have complete risk response plans in the face of shocks, with corresponding comprehensive remedial mechanisms, which can effectively alleviate negative impacts. In 2024, Realtek experienced no related negative impacts.

Positive Impact (Benefits) Explanation

- Realtek actively manages key suppliers, continuously focusing on quality management, environmental protection, and sustainability, requiring and collaborating with suppliers to comply with relevant regulations and standards, supervising suppliers to actively carry out sustainability actions and measures, and engaging with suppliers to jointly promote sustainability measures and performance, ensuring that all measures are beneficial to long-term development.

Policy/Commitment

- Established a Supplier Sustainability Management Policy, incorporating ESG indicators into supplier evaluation and audit items.
- Established the 'Realtek Group Supplier Code of Conduct'.

Management Responsibility / Evaluation Mechanism

Supply Management Center

- The Supply Management Center regularly conducts supplier evaluations and meetings in accordance with relevant supplier management methods and procedures, and provides feedback in a timely manner. The results of supplier management are regularly reported to the executive management.

Communication/Complaint Channels

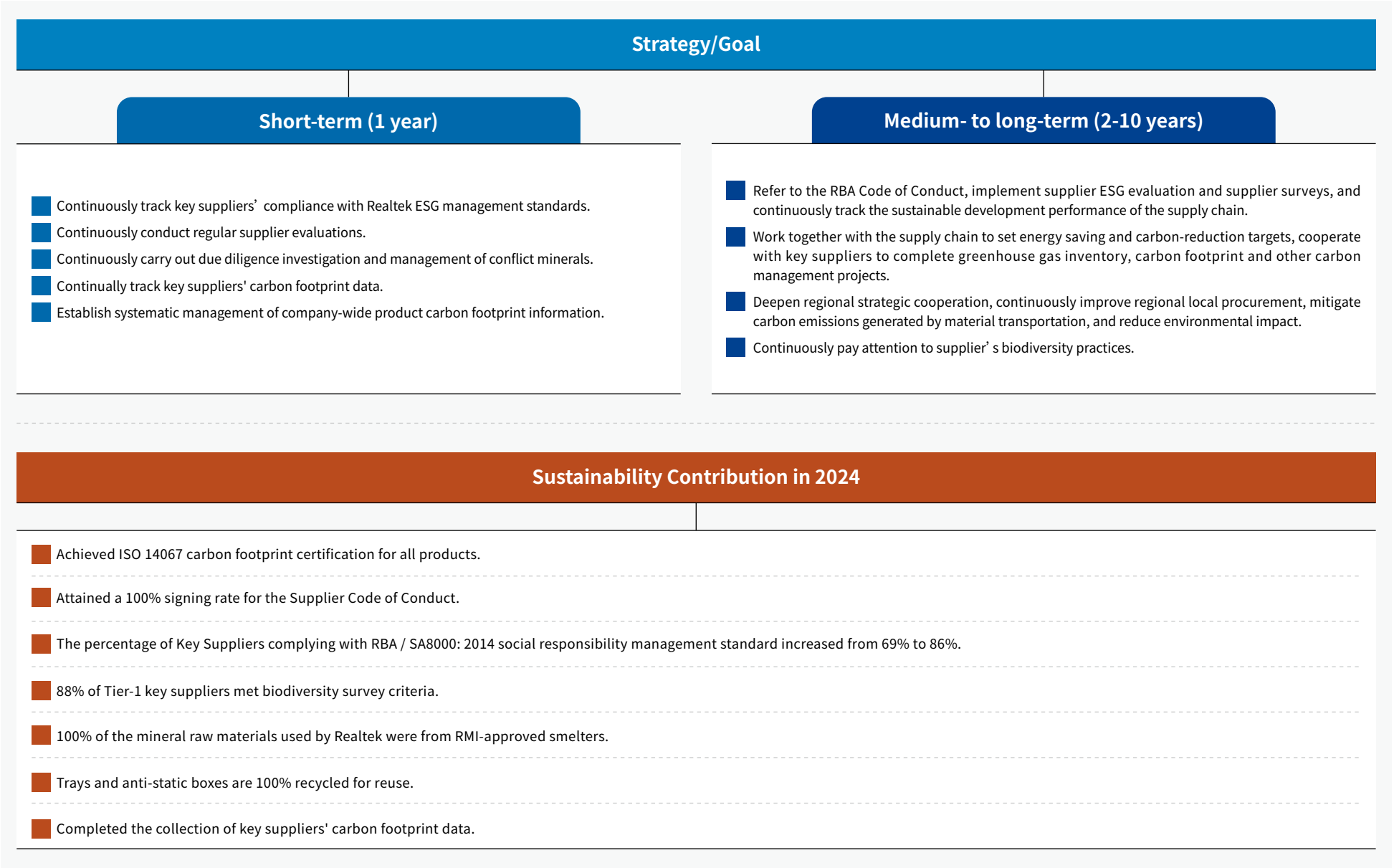
- Please refer to [Stakeholder Engagement](#) and [Sustainable Value Chain](#) for detailed information.

Responsible Supply Chain

Promoting Green Supply Chain

Product Quality Management

Customer Relationship Management





Customer Relationship Management Policy

Material Sustainable Issues — **Customer Relationship Management**

Negative Impact (Impact) Explanation

- In 2024, there was no material negative impact on customer relations.
- Realtek maintains long-term partnerships with its key customers and has established a comprehensive customer relationship management mechanism, resulting in a relatively low incidence of negative impacts. Should customers lack sufficient understanding of the technologies and solutions provided by Realtek, or encounter issues during use without timely support, they might turn to alternative suppliers, affecting Realtek's market presence and reputation. To mitigate such risks, Realtek ensures timely support and resolution through regular satisfaction surveys, diverse communication channels, and rapid response mechanisms. In 2024, Realtek experienced no related negative impacts.

Positive Impact (Benefits) Explanation

- Realtek establishes a comprehensive customer relationship management system. Through diverse communication channels and efficient issue resolution, the company enhances customer experience and satisfaction. Strong customer relationships foster loyalty and reputation, further expanding sales opportunities and strengthen market influence. Customer feedback also drives the improvements in R&D and service quality, enabling the development of long-term, stable, and mutually beneficial partnerships. Furthermore, Realtek engages in deep and ongoing collaboration with customers to explore sustainability trends and market opportunities, jointly advancing toward a future of inclusive and sustainable growth.

Policy/Commitment

- Realtek Ethical Corporate Management Best Practice Principles.
- Quality Management Commitment

Management Responsibility / Evaluation Mechanism

Business Units and Quality Management Department

- Customer satisfaction surveys are conducted annually to gather feedback and understand customers' requirements regarding Realtek's products and services.

Communication/Complaint Channels

- Please refer to **Stakeholder Engagement and Customer Relationship Management** for detailed information.

Responsible Supply Chain

Promoting Green Supply Chain

Product Quality Management

Customer Relationship Management

Strategy/Goal

Short-term (1 year)

- Achieve customer satisfaction level of 80% or higher in satisfaction surveys.
- Maintain 100% response rate for the “ESG Questionnaire Response Management System”.
- Continue to develop new products to deepen and broaden relationships with customers and partners.
- Continue to implement various quality management systems.
- Enhance ongoing communication with customers regarding sustainable business development.
- Collaborate with key customers to assist in integrating product logistics support systems and provide optimal marketing services to build customer trust and fulfill customer needs.

Medium- to long-term (2-10 years)

- The satisfaction level from customer satisfaction surveys reached 80% or higher.
- Develop AI functionalities for TVs, collaborating with customers to redefine televisions as central hubs for home audio-visual, entertainment, and information.
- Continuously increase and stabilize product market share while maintaining excellent quality, and establish a global service and technical network.
- Establish long-term, stable, and mutually beneficial partnerships with customers to achieve diverse and sustainable development.

Sustainability Contribution in 2024

- Achieved a customer satisfaction level of 91.7% or higher in the customer satisfaction questionnaire.
- Responded to 94 external stakeholders' ESG questionnaires via the dedicated ESG Questionnaire Response Management System, achieving a 100% response rate.
- Passed the TUV Nord third-party assessment for the TISAX.
- Obtained Dekra third-party certification for the Automotive Cybersecurity Engineering Management System (ISO/SAE 21434).
- Obtained ISO 13485 certification for the Medical Devices Quality Management System.

Responsible Supply Chain

Realtek firmly believes that sustainable operation is a core value of its business. Therefore, it has integrated the three critical aspects of quality management, environmental protection, and sustainable development into its sustainable supply chain management strategy to ensure that both the company and its supply chain achieve sustainable development together. Realtek requires suppliers^{Note} to sign the “Realtek Supplier Code of Conduct,” periodically assesses their sustainability performance, and has established an annual ESG risk assessment mechanism for key suppliers. Considering the impact on society and natural resources, Realtek mandates that suppliers comply with relevant laws and standards and refrain from using raw materials sourced from Conflict-Affected and High-Risk Areas (CAHRAs). Through long-term partnerships and professional specialization, Realtek collaborates with its supply chain partners. In the spirit of corporate sustainability and in alignment with the SDGs, the company jointly establishes diverse global partnerships and taking concrete actions to fulfill its commitment to sustainable development.

Note: The term 'suppliers' in this chapter refers to outsourced processing suppliers (including foundries, packaging and testing facilities, and memory manufacturers), excluding general service providers

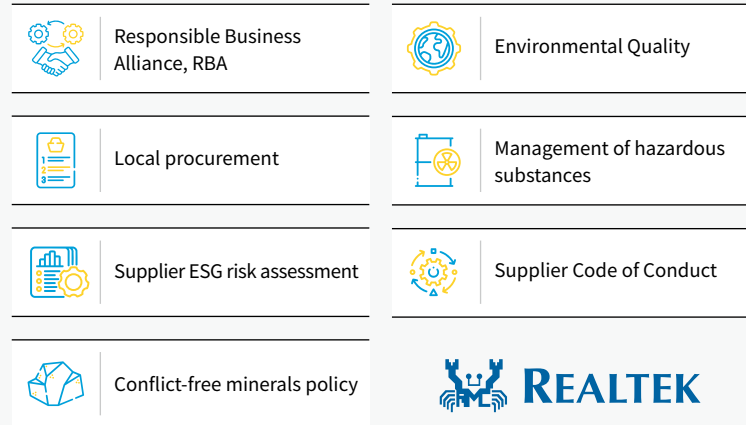
Supplier Code of Conduct


Realtek places great importance on responsible supply chain management and is committed to promoting safe working environment for its supply chain partners, ensuring workers are treated with respect and fairness, and upholding environmental protection and ethical standards. To this end, with reference to international standards such as the “Responsible Business Alliance (RBA)” , the “United Nations Guiding Principles on Business and Human Rights (UNGPs)” , the International Labour Organization's “Declaration of Fundamental Principles and Rights at Work” , and the “United Nations Universal Declaration of Human Rights” , the company has formulated the “Realtek Supplier Code of Conduct.” This code requires suppliers to fulfill their responsibilities across five key aspects: labor rights, health and safety, environmental protection, ethical norms, and management systems. Suppliers are also required to fully comply with the laws and regulations of their respective countries or regions. Through this Code, Realtek communicates its stance on these five aspects and requires supply chain partners to jointly adhere to these requirements for business responsibility.

In addition to continuously enhancing the sustainable management of existing suppliers, Realtek requires all new suppliers to sign the “Realtek Supplier Code of Conduct” or provide their own corporate codes of conduct, the RBA Code of Conduct, and a conflict-free mineral declaration upon onboarding. This measure ensures the implementation of responsible supply chain management, demonstrates Realtek's firm commitment and proactive actions, and promotes adherence to the highest standards among supply chain partners in areas such as labor rights, health and safety, environmental protection, and ethical norms. Realtek had no new suppliers in 2024, and the signing rate of the “Realtek Supplier Code of Conduct” among existing suppliers was 100%. For the detailed contents of the “Realtek Supplier Code of Conduct,” please refer to the official website of Realtek.

Note: If the supplier has completed the Responsible Business Alliance certification, it is deemed to have signed the Realtek Supplier Code of Conduct.

Realtek Sustainable Supply Chain Management Framework



RBA Code of Conduct		UN Guiding Principles on Business and Human Rights		ILO Declaration on Fundamental Principles and Rights at Work		UN Universal Declaration of Human Rights		
<div> REALTEK Realtek Supplier Code of Conduct</div>								
Environment		Social		Economic				
Emissions / Pollution	Energy/ Water Resources	Labor	Health and Security	Ethics	Management Systems			
Environmental Permits and Reports	Water Resource Management	Free Choice of Career	Occupational Safety	Business Integrity	Company Commitment			
Pollution Prevention and Resource Reduction	Energy consumption and GHG emissions	Young Workers (Child Labor)	Emergency Preparedness	No Improper Advantage	Management Accountability and Responsibility			
Hazardous Substances		Working hours	Occupational injury and illness	Disclosure of Information	Legal and Customer Requirements			
Solid Waste		Wages and Benefits	Industrial Hygiene	Intellectual Property	Risk Assessment and Risk Management			
Air Emissions		Humane treatment	Physically Demanding Work	Fair Business, Advertising, and Competition	Improvement Objectives			
Substance Control		Non-discrimination	Machine Safeguarding	Protection of Identity and Protection Against Retaliation	Training			
		Freedom of association	Public Health and Accommodation	Health and Safety Information	Responsible Sourcing of Minerals	Communication		
					Privacy	Worker Feedback, Participation, and Grievances		
						Audits and Assessments		
	Corrective Action Process							
	Documentation and Records							
				Supplier Responsibility				

Supply Chain Sustainability Management Procedures

Key Suppliers

To make supply chain responsibility management more representative, Realtek focuses its supply chain management efforts on 'key suppliers'. In defining key suppliers, Realtek ranks its partners (including foundries, packaging and testing facilities, and memory manufacturers) from high to low based on annual processing costs, with the cumulative amount accounting for over 90% of outsourcing processing costs. Those whose cumulative amount accounting for over 75% of outsourcing processing costs are defined as ‘Tier-1 Key Suppliers’. 'Key suppliers' provide Realtek with crucial products, services, or materials, directly affecting Realtek's product quality, production efficiency, and customer satisfaction, and they are vital to operational activities. In 2024, Realtek had a total of 29 key suppliers(comprising 8 Tier-1 Key Suppliers), including 6 foundries, 9 packaging facilities, 5 testing facilities, and 9 memory manufacturers.

Key suppliers play an important role in Realtek's supply chain and are crucial to Realtek's business operations and sustainable development. Realtek is committed to building long-term partnerships with key suppliers based on mutual trust, mutual benefit, and mutual assistance, to achieve success and long-term sustainable operations for both parties. Through rigorous management policies, Realtek ensures product quality and reliability, promotes technical cooperation and innovation, implements environmental and social responsibilities, and establishes stable supply and risk control mechanisms to maintain its R&D capabilities and competitive advantage. In the face of ever-changing market demands, Realtek collaborates with its key suppliers to integrate professional expertise and resources, safeguarding its brand reputation while jointly pursuing mutual success and long-term sustainable operations.

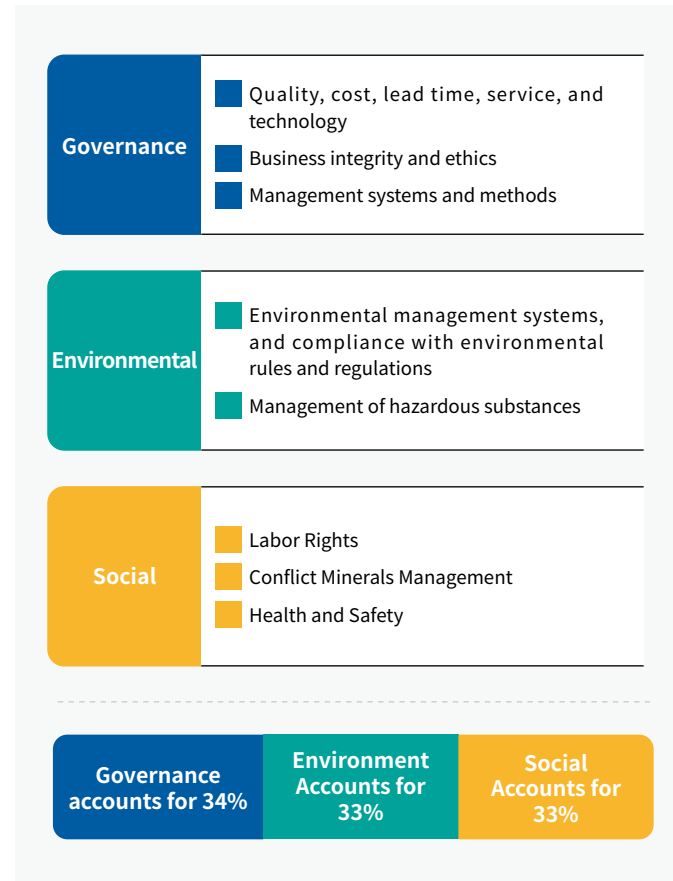
Supplier Management Mechanism

As a key supplier in the global semiconductor industry, Realtek works collaboratively with supply chain partners to build a responsible supply chain, which is one of the key indicators of Realtek's sustainability management. Realtek has established management procedures for suppliers, such as “Supplier Evaluation Method” , “Supplier Comparison Method” , and “Supplier Quality Audit Method” , and conducts supplier evaluations, audits, comparisons and other risk assessments. Realtek, with its rigorous attitude and sustainable thinking, examines and aids every partner in the supply chain, hoping to grow together with suppliers, strengthen corporate governance, care for and value colleagues, enhance environmental protection awareness, and work together to create a sustainable business model.

Supply Chain Sustainability Management Procedure									
1	New Supplier Evaluations	2	Supplier Monthly Meeting	3	Quarterly Supplier Evaluation	4	Annual ESG Risk Evaluation for Key Suppliers	5	Annual Audit of Packaging and Testing Suppliers
<p>ESG criteria are incorporated into the assessment of key areas such as supplier product quality, quality systems, environmental management systems, social responsibility management systems, and supplier human rights.</p> <p>Suppliers are required to sign the following documents</p> <p>Quality Assessment Questionnaire, Environmental Quality and Hazardous Substance Management Assessment Questionnaire, Conflict Minerals Questionnaire, and to comply with the “Realtek Supplier Code of Conduct”. New suppliers undergo a series of evaluations to ensure compliance with Realtek’s environmental product material requirements. Only after confirming receipt of a complete Product Material Declaration are they eligible to be listed as GP (Green Partner) suppliers.</p>		<p>Supplier meetings are regularly held to report on quality, environmental management, delivery schedules, and product development progress, offering timely advice and assistance to maintain long-term cooperative relationships. Meetings with key suppliers are convened monthly, while those with non-key suppliers are held irregularly as needed.</p>		<p>Key suppliers are assessed through collective evaluation every quarter, grading them based on the quality of their supply. Feedback, guidance, and assistance are provided to suppliers who score below standard, aligning with the strategic goals of sustainable supplier management.</p> <p>Evaluation criteria include</p> <p>quality consistency, on-time delivery, responsiveness, processing costs, environmental management, and technical capabilities, among others.</p> <p>The evaluation results are categorized into four levels</p> <p>A, B, C, and D. If a supplier is rated C or D, Realtek will proactively coach and assist them in making improvements. If a supplier is rated D three times consecutively or fails to achieve at least level B five times consecutively, their qualification to cooperate with Realtek will be temporarily suspended.</p>		<p>Governance (Economic), Environment, and Society (Human Rights) are the three main aspects of our ESG risk evaluation for suppliers. We conduct an annual ESG risk evaluation using the certifications obtained by key suppliers, ensuring that they all have the philosophy and concrete actions for sustainable operation.</p>		<p>Realtek conducts an annual audit of packaging and testing suppliers to understand the actual implementation level of their quality. If any deficiencies are identified during the audit, the supplier is immediately asked to propose an appropriate improvement plan, with specific methods, improvement time, and items set out, and to follow up continuously.</p> <p>In addition to on-site audits, Realtek also pays attention to the specific management actions and implementation of their green products to ensure compliance with domestic and international regulations, working together to achieve sustainable development goals.</p>	
Step 01 New Supplier Evaluations									
Step 02 Evaluations of Samples / Test Product									
Step 03 On-site Evaluations / Second Evaluations									
Step 04 Qualified Suppliers									

Annual ESG Risk Assessment of Key Suppliers

Realtek evaluates supplier's ESG risks based on three major dimensions: Governance, Environment, and Social. A broad scope of management criteria aims to ensure that key suppliers embrace sustainable operations concepts and take concrete actions, Realtek envisions collaborating with supplier partners to build a sustainable business model.



Key Supplier Certifications in 2024

Dimension	Management Standards	Foundries		Packaging Companies		Test Companies		Memory Manufacturers		Total	
		Companies	6	Companies	9	Companies	5	Companies	9	Companies	29
		Certified	Propotion	Certified	Propotion	Certified	Propotion	Certified	Propotion	Certified	Propotion
Governance	ISO 9001 Quality Management System	6	100%	9	100%	5	100%	9	100%	29	100%
	IATF 16949 Automotive Quality Management System	6	100%	9	100%	5	100%	4 ^(Note)	100%	24 ^(Note)	100%
Environmental	ISO 14001 Environmental Management System	6	100%	9	100%	5	100%	9	100%	29	100%
	QC 080000/ SONY GP Hazardous Substance Management	6	100%	9	100%	5	100%	9	100%	29	100%
Social	ISO 45001 Occupational Safety and Health Management	6	100%	9	100%	5	100%	7	77 %	27	93%
	RBA / SA8000 Social Responsibility Management	6	100%	8	88%	5	100%	6	66%	25	86%

Note: Excludes five design companies where IATF16949 is not applicable.

Responsible Supply Chain

Promoting Green Supply Chain

Product Quality Management

Customer Relationship Management

Realtek assigned a weighted score to the three dimensions of ESG categories and evaluate suppliers based on ESG certification obtained. Suppliers were classified into three levels: green light (80-100 points), yellow light (60-79 points), and red light (59 or fewer points). Among our key suppliers, 27 scored a green light, 2 scored a yellow light, and none scored a red light. The 2024 ESG risk assessment results were all satisfactory, with no suppliers identified as having a negative impact on corporate governance, the environment, or social aspects. Furthermore, for suppliers without RBA / SA8000 certification, labor and ethical management questionnaires are used to further assess their risks and management practices. Regarding social responsibility management performance under RBA / SA8000, the number of compliant suppliers increased in 2024 by one foundry, two packaging plants, and two memory manufacturers, raising the total compliance rate from 69% to 86%. This shows our supply chain partners' strong and ongoing commitment to social responsibility, with a clear focus on labor rights, safe working conditions, and ethical practices.

Key Supplier ESG Risk Assessment Results in 2024

Risk Evaluation Results	Foundries	Packaging Companies	Testing Companies	Memory Manufacturers	Total	Percentage
Green Light (80-100 points)	6	9	5	7	27	93 %
Yellow Light (60-79 points)	0	0	0	2	2	7 %
Red Light (below 59 points)	None					

Realtek highly values suppliers' commitments and actions in biodiversity management, and expects to jointly promote sustainable development through collaboration. The following are its expectations for Tierone key suppliers regarding biodiversity management:

Establish a biodiversity policy	Formulate guidelines and strategies for protecting biodiversity.
Implement environmentally friendly actions	Minimize the impact on the ecological environment during operations.
Promote restoration and conservation programs	Support habitat protection, greening initiatives, and marine ecological conservation.
Ensure transparency and reporting	Regularly disclose the results and impact assessments of biodiversity actions.

In 2024, to deepen its environmental responsibility and protect ecosystems, Realtek added a biodiversity-related management survey item for its Tier 1 key suppliers. The survey assesses the implementation of biodiversity protection and management measures. Realtek expects its suppliers to gradually establish biodiversity policies, implement environmentally friendly actions, promote restoration and conservation plans, and regularly disclose the results and impact assessments of their biodiversity actions. The survey results indicate that among the 8 Tier 1 key suppliers in 2024, 3 have signed or published biodiversity-related policies/declarations, and 6 have initiated relevant restoration and conservation plans. In total, 88% of Tier 1 key suppliers have implemented biodiversity-related measures. Realtek will continue to encourage, support, and evaluate suppliers' participation in ecological restoration, tree planting, and carbon reduction initiatives. Together with its supply chain partners, Realtek aims to actively protect ecosystems while pursuing growth and development, contributing to a sustainable future.

Key Material Risk Management

Supplier's Business Continuity Plan (BCP)

Realtek has established the “Realtek Business Continuity Plan” and the “Foundry & Purchased Equipment & Outsourced Testing Capacity Disaster Recovery Plan”. Based on global market supply and demand, the company prevents and assesses the risk of material shortage, and strategically adjusts the supply chain layout to ensure the continuous normal operation of the business and the sustainable development of the overall supply chain. At the same time, through a systematic supplier management mechanism, the company stabilizes the raw materials of products to avoid operational impacts caused by delivery delays, ensuring stable customer relationships. In response to government water and electricity restrictions, Realtek actively reduces dependence on water and electricity, ensuring stable operations in the campuses. In 2024, Realtek's overall operations and shipments were stable. The water supply and electricity usage in the campuses operated normally. In line with the government's water restriction policy, the company flexibly adjusted water-saving measures without causing any disturbance to daily routines and production operations.

Supplier Conflict Mineral Reporting System

Upload the CMRT and EMRT issued by RMI.



The system compares the uploaded CMRT and EMRT to supplier data certified by RMI



Production of the conflict minerals report.



Notify each responsible unit for supervisory management.

Management of Key Materials

Production Plan and Supply Stability

Realtek actively selects and establishes long-term stable relationships with suppliers with stability, by setting up an effective Business Continuity Management plan with suppliers, jointly coping with potential risks, and promoting the integration and perfection of the supply chain upstream and downstream.

Maintaining Quality and Reliability

Through strict quality management processes and monitoring mechanisms, Realtek ensures that key materials meet quality standards to meet our requirements for product reliability.

Risk Management

Realtek, through understanding the supplier's own Business Continuity Management methods, periodically assesses the resilience and recovery ability of the supply chain to different risks and disasters, reducing potential operational risks. In addition, in order to reduce risks and uncertainties in the supply chain, Realtek has established a second supplier mechanism, which can quickly maintain stable supply by the second supplier when the main supplier cannot provide the required products or services, to avoid production interruptions or supply shortages.

Conflict-Free Mineral Management

In order to strengthen the human rights management in supply chain, Realtek has required suppliers to sign a “Conflict Free Minerals Policy Statement” since 2010, Realtek also follows the due diligence procedures outlined by the Organization for Economic Cooperation and Development (OECD) to ensure that the materials used in the products provided by suppliers do not come from conflict-affected and high risk areas (CAHRAs).

Realtek utilizes the Conflict Minerals Reporting Template (CMRT) and the Extended Minerals Reporting Template (EMRT) issued by the Responsible Minerals Initiative (RMI) for conducting due diligence on conflict minerals including tin, tungsten, tantalum, gold, cobalt, and mica. This process ensures that the mineral sources are in compliance with smelters, refiners, or countries recognized by the RMI. Realtek has also established an automated supplier conflict minerals reporting system, requiring suppliers to regularly update their information. The system enables responsible departments to effectively access comprehensive information. In 2024, 100% of suppliers submitted conflict minerals-related information through the management system in compliance with RMI requirements.

Responsible Supply Chain

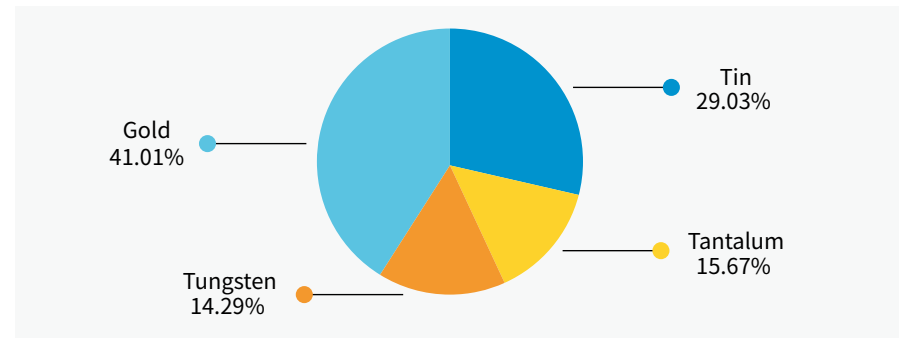
Promoting Green Supply Chain

Product Quality Management

Customer Relationship Management

Realtek uses tin, tungsten, tantalum, and gold from 217 smelters in 40 countries. 100% of our suppliers use smelters with RMI certification. The company prohibits minerals from non-government, or illegal military factions in areas or neighboring countries controlled by the Democratic Republic of the Congo. In the future, Realtek will continue to refrain its suppliers from procuring any conflict minerals as part of our commitment to supporting human rights and sustainable operations. This will completely prevent the use of conflict minerals that come from areas associated with serious human rights abuse, illegal trade, or the financing of violence.

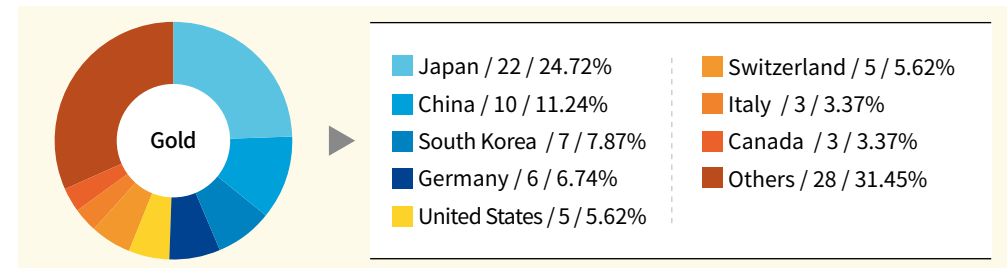
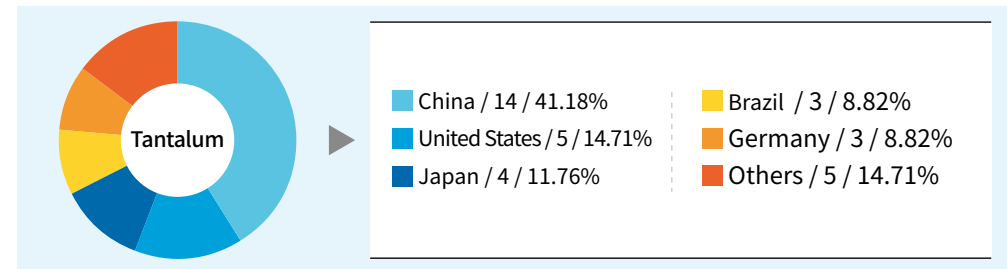
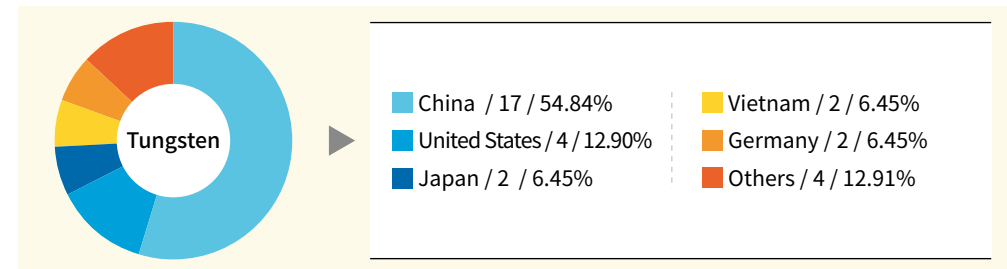
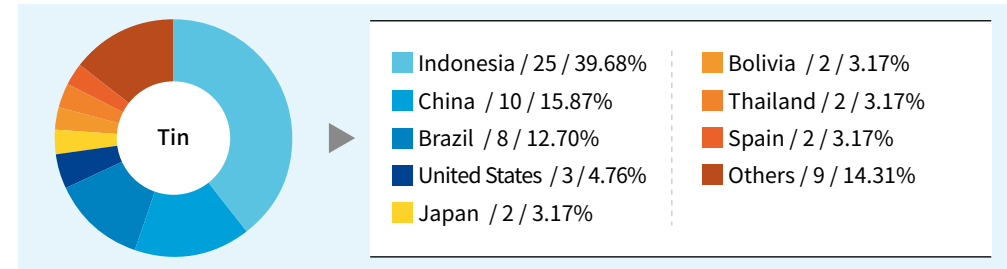
CMRT Smelter Ratio



Survey Items	RMI Certified					
	CMRT				EMRT	
Mineral Type	Tin	Tungsten	Tantalum	Gold	Cobalt	Mica
Number of Smelters by Type	63	31	34	89	42	0
Total Smelters	217				42	0
Number of RMI Certified Smelters	217				42	0
Certified Rate	100%					
Smelter Countries, by Type	17	9	10	31	12	0

Note: CMRT v6.4 (Conflict Minerals Reporting Template) and EMRT v1.3 is issued by the Responsible Minerals Initiative (RMI).

Distribution of the Four Major Mineral Resources in Realtek Products



Promoting Green Supply Chain

Carbon Reduction Management of Key Suppliers

Realtek is committed to mitigating the impact of climate change, working with supply chain partners to continuously improve low-carbon operational capabilities. In order to achieve the goal of reducing greenhouse gas emissions, Realtek requires key supplier partners to commit to reducing carbon intensity by at least 2% annually, regularly tracking and reviewing the carbon reduction measures taken by key suppliers, and working closely with key suppliers to jointly promote the carbon reduction process.

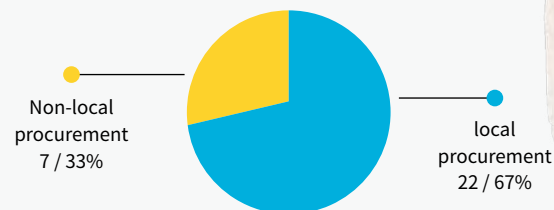
The following are Realtek's requirements for key suppliers in terms of carbon reduction measures

- Suppliers achieve an annual carbon intensity reduction of 2% or above.
- Suppliers continue to obtain ISO14001 environmental management system certification.
- Suppliers continue to obtain ISO14064-1:2018 management system for GHG emissions inventories certification.
- Encourage key suppliers to use renewable energy.
- Suppliers incorporate climate risks into their Business Continuity Plan (BCP).

Local Procurement

Realtek adheres to the spirit of local procurement, reducing logistics and transportation costs, and reducing carbon emissions from long-distance or air transportation. This also helps to reduce the risks and uncertainties in the supply chain. In 2024, Realtek maintained 67% local procurement across 29 key suppliers.

Realtek 2024 Key Supplier Breakdown by Local Procurement Ratio and Supplier Count



Product Carbon Footprint

In 2024, Realtek fully launched the systematic product carbon footprint modeling and management initiative, covering greenhouse gas emissions across all stages, including raw material procurement, manufacturing, packaging, testing, and transportation. With the guidance of external consultants, the Company obtained a third-party verification statement for the ISO 14067 product carbon footprint covering all products. By accurately identifying carbon emission hotspots across the entire product lifecycle, Realtek collaborates with key suppliers to continuously optimize production and supply chain processes. This approach not only meets customer demand for low-carbon products but also drives the semiconductor industry toward a more environmentally friendly and sustainable future.



ISO 14067 Product Carbon Footprint

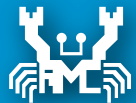
Validity Period:
2023.11.23~2026.11.22

ISO 14067 Product Carbon Footprint Certification



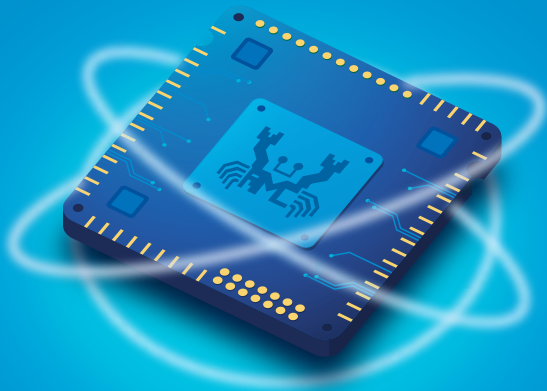
Packaging Recycling

Considering the negative environmental impact of discarded packaging materials, Realtek promotes and implements a circular packaging program for its supply chain. For cassettes, IC trays, and electrostatic discharge (ESD) boxes used to transport semi-finished and finished products, contracted processing suppliers are responsible for coordinating with professional cleaning service companies to collect, clean, and recondition materials. After cleaning, these materials are 100% reused. This practice reduces the use of single-use packaging and proactively prevents waste generation. This initiative reinforces Realtek's commitment to environmental responsibility and the development of a sustainable, circular supply chain.



REALTEK

IC Packaging Recycling process



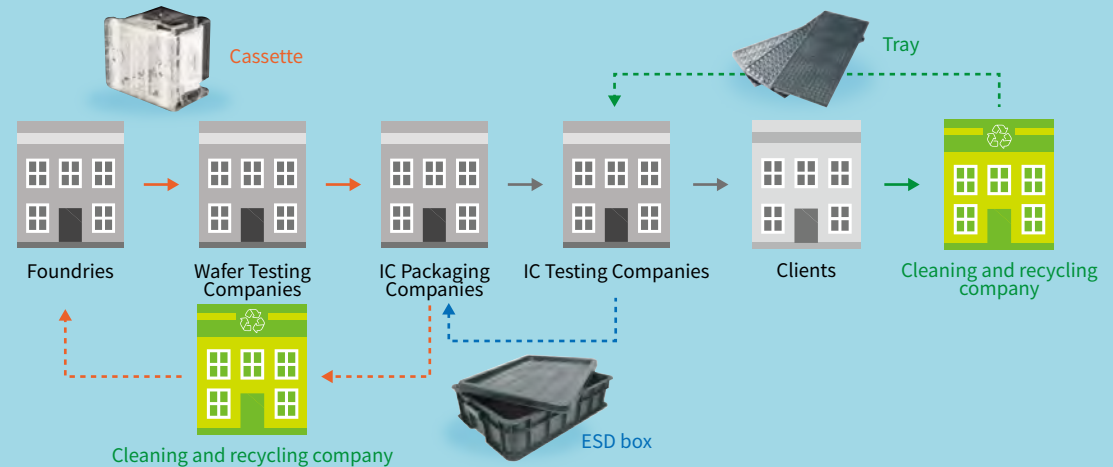
An electrostatic discharge (ESD) box is a container designated to hold IC trays, offering anti-static protection and suitable for use in various settings such as cleanrooms, shipping, and point-to-point transfers. Realtek has implemented a standardized daily collection and recycling process for ESD boxes, reducing the use of single-use packaging materials.

The actual recovery steps are described as follows:

Warehouse personnel remove the IC trays from ESD boxes outside the cleanroom and deliver them to the production line for testing.

ESD boxes are then collected outside the cleanroom and centrally managed by warehouse personnel in accordance with the labeling provided by the ESD box manufacturer.

ESD boxes are collected by the packaging plant's logistics vehicles and returned to the packaging plant for circular use on a daily basis.



Product Quality Management

Quality Policy

It is the responsibility of Realtek to continuously satisfy customers' needs with innovative products and services.



Realtek's Commitment to Quality Management

Product Planning



In product planning, particular attention is placed on seizing innovation opportunities to create business opportunities for customers.

Product Design



In product design, particular attention is placed on enhancing technological capabilities to provide high-value-added products.

Production Control



In production control, particular attention is placed on continuous, systematic improvement to enhance product quality.

Marketing



In account services, particular attention is placed on timely service to ensure customer satisfaction.

Training and Development



In training and development, particular attention is placed on quality systems that emphasize our concept based approach to quality systems.

Realtek values the needs and feedback of its customers and has established a rigorous quality management system. In 1995, Realtek led the industry by becoming the first IC design house in Taiwan to achieve ISO 9001 Quality Management Systems certification, and it continues to actively expand product applications and enhance its quality system. In 2008, to enhance the durability and reliability of its IC products, Realtek obtained ISO 17025 laboratory quality management system certification. Through stringent reliability testing procedures and advanced inspection techniques, the company tests and simulates product lifespan under consumer usage scenarios and analyzes their tolerance in extreme environments. The company also conducts comprehensive assessments of the product's performance under various operating conditions. By leveraging these testing procedures and inspection techniques, the company ensures that all products meet the highest quality standards before shipment.

Since 2015, Realtek has consistently planned and implemented various quality management systems and processes to meet the application requirements of products across different fields. The company places strong emphasis on safety, environmental protection, and user health throughout the product design and development stages. For example, in the case of automotive products with exceptionally high safety standards, Realtek has obtained ISO 26262 certification for functional safety in road vehicles, passed the external audit of the IATF 16949 automotive quality management system, and achieved Automotive SPICE (ASPICE) compliance for embedded software development. In 2024, the Company further obtained the TISAX and the ISO/SAE 21434 cybersecurity engineering certifications. These achievements ensure the cybersecurity throughout the vehicles' design, production, and operational phases, safeguarding against potential cyberattacks and preventing unauthorized access to or manipulation of vehicle data and systems. In 2024, to ensure its medical devices comply with internationally recognized quality and safety standards, Realtek successfully obtained ISO 13485:2016 certification for Medical Device Quality Management Systems. Realtek will continue to strengthen its in-depth research and rigorously implement quality management practices to ensure that all its products consistently maintain the highest quality over the long term. In 2024, Realtek fully complied with all health and safety regulations pertaining to its products and services.



TISAX Assessment

Valid until:2026.12.27



ISO/SAE 21434 Network Security Engineering

Valid until:2027.7.3



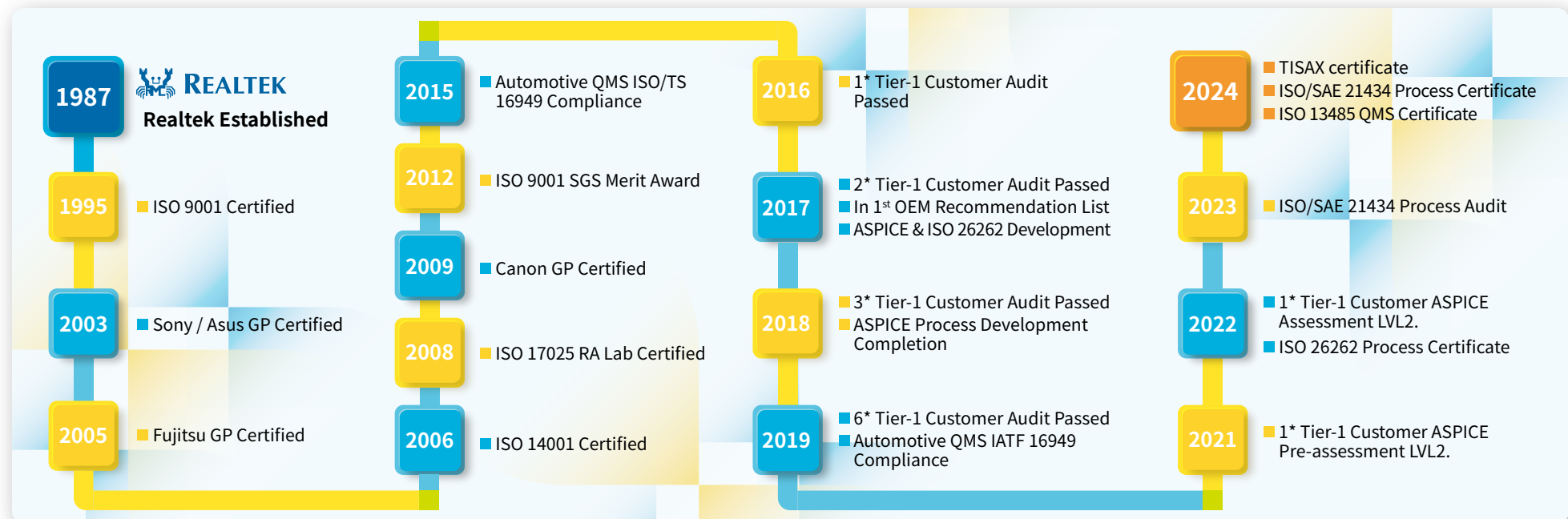
ISO 13485 : 2016 Medical Device Quality Management System

Valid until:2027.11.5

Regarding environmental protection and user health, Realtek sets stringent standards for the raw materials used in production and rigorously adheres to the various environmental and quality requirements established by international initiatives. This approach ensures that its products do not contain components harmful to human health or detrimental to the environment. Realtek maintains the effectiveness of its Environmental Management System (ISO 14001:2015) and continuously enhances the green design of its products across their entire Product Life Cycle to minimize negative environmental impacts and improve overall environmental performance. Furthermore, we are committed to complying with international environmental regulations and implementing certifications for green raw materials and products. Realtek successfully phased out all halogenated products in 2017, achieving 100% compliance with lead-free and halogen-free standards, as well as hazardous substance requirements stipulated by the EU and Japan for the electronics industry. We also comply with the EU's Restriction of Hazardous Substances (RoHS) Directive. Over the past five years, Realtek has not incurred any fines related to violations of hazardous substances in its products.

Product Material Regulations/Specifications	Realtek Management Achievements
HF	In 2017, the company completely phased out halogenated products, achieving 100% halogen-free status.
RoHS	No EU RoHS exemption clauses are applied, ensuring 100% compliance with lead-free requirements.
SONY SS00259	As a certified SONY Green Partner, Realtek's environmentally friendly products fully comply with SONY's material requirements.

Quality Management System Requirements - Milestones



Customer Relationship Management

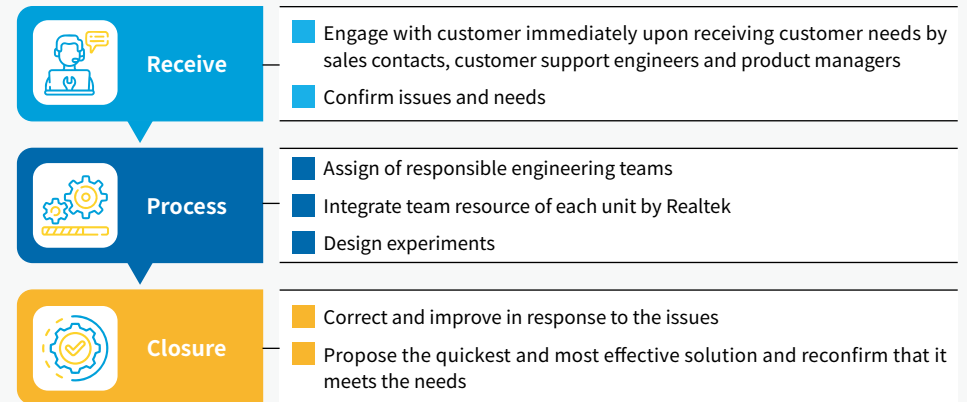
Realtek's "Ethical Corporate Management Best Practice Principles" incorporate provisions to prevent any harm caused by its products or services to stakeholders, with the goal of safeguarding the rights, health, and safety of consumers and other stakeholders from direct or indirect impact. Customer satisfaction is a crucial foundation for enhancing customer relationships. Realtek listens to and discusses customer needs, expectations, and feedback through online and in-person meetings or visits, and engages in continuous professional communication with customers. The company collects feedback through systematic customer satisfaction surveys, which are carefully reviewed to understand their opinions. The company proactively reaches out to customers to provide explanations and understand the underlying reasons, actively grasps customer and market needs, and closely align these insights with our R&D and innovation goals. Furthermore, customer survey reports are prepared on a case-by-case basis and submitted to relevant managers for review and approval, serving as a reference for quality enhancement and customer relationship development.

An annual customer satisfaction survey is conducted to understand customer feedback and requirements for Realtek's products and services. Customer suggestions for product optimization are carefully reviewed and relevant improvement plans are developed. In 2024, Realtek collected a total of 74 customer satisfaction questionnaires (with a total response rate meeting the annual target of 85.1%), among which 91.7% of customers rated Realtek's overall performance as satisfactory or above. In addition to the satisfaction survey system, customers can also submit their needs and feedback through various channels such as product technical support mailbox and customer service window. Once the case is filed, Realtek proactively contacts the customer and understands the problem in detail. For technical issues, Realtek assists customers in immediately contacting the global distributors and FAE (Field Application Engineer) resource team to confirm the actual situation of the problem and design experiments. Through the cooperation mechanism of multiple departments, the abnormal conditions of the product platform are discovered in time, and Realtek's professional software and hardware engineering team provide rapid support, gather customer feedback, propose the most effective solutions, and carry out corrections and improvements.

Moreover, Realtek launched the "ESG Questionnaire Response Performance Management System" in 2023. Through the electronic platform and system database, the ESG Center at Realtek has control over the ESG survey and questionnaire requirements of external stakeholders such as customers and investment institutions. In coordination with various responsible units, the company responds to the questions of stakeholders and promotes sustainable actions. Realtek actively responds to external expectations regarding its sustainable development, identifying key issues and the direction for sustainable business development accordingly. In 2024, Realtek further integrated AI applications into the ESG Questionnaire Response Performance Management System to optimize the efficiency, accuracy, and consistency of responses to external customers. Simultaneously, through gap analysis and tracking and improvement procedures, the company continuously enhances its sustainable development. In 2024, the company responded to a total of 94 ESG questionnaire surveys requested by external stakeholders.

Realtek's customer relationship management not only focuses on the promotion of products and technology, but also values the establishment of long-term, robust, and mutually beneficial relationships. Through effective communication and interaction, the company jointly explores corporate social responsibility and market opportunities to realize a diverse and sustainable future.

Customer Relationship Management Process



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Inclusive and Happy Workplace

CH 5

◆ Accomplishments at a Glance

Employee Welfare Expenses Allocated by the Employee Welfare Committee

Exceeded NT\$113,900,000

Named as a Constituent Stock in **Taiwan High Compensation 100 Index for 8 Consecutive Years**

A **10%** increase of average hours of training per employee from the previous year

Health Check-up Projects: **4,434** individuals examined with **93%** completion rate

Employee turnover rate for the past six years were **less than 7%** ;
2024 turnover rate: **5.07%**, which is lower than the industry average

Corresponding
SDGs



Suggested Stakeholders
for Reading

Customers, Suppliers, Employees



Material Issues

Talent Recruitment and Retention,
Talent Development and Cultivation,
Human Rights Management



Negative Impact (Impact) Explanation	
<div> <p>In 2024, the Occupational Safety and Health Center dealt with two reported cases of workplace misconduct. Both cases were formally filed and resolved, ensuring that there were no adverse effects on our efforts in talent attraction and retention, as well as talent development and training.</p> <p>Talent is Realtek's most crucial core asset. Strong corporate competitiveness, attractive compensation and benefits, human rights protections, healthy work environment, organizational culture, and effective management collectively create competitive advantages for attracting talent and launching comprehensive recruitment and retention strategies. Talent retention and development are vital strategies for sustaining competitiveness. If the company fails to provide sufficient professional training and facilitate cultural integration after hiring, it may lead to stagnation in individual growth and hinder corporate development. In such cases, it may be difficult for the company to maintain overall competitive advantage and can result in higher employee turnover. Therefore, Realtek must continually adjust internal talent management policies, including competitive compensation and benefits, effective performance management policies, and opportunities for talent development and promotion. These adjustments must consider environmental status, organizational development status, talent psychological status, and competitor strategic measures. If talent development and retention strategies fail and member relations do not promote development, it will be difficult to improve employee engagement and retention rates, adversely affecting the company's next-stage expansion and sustainable growth. In 2024, Realtek experienced no related negative impacts.</p> </div>	
Positive Impact (Benefits) Explanation	
<div> <p>Realtek is committed to establishing a comprehensive advantage in talent attraction by providing fair and open opportunities for employment and talent development. For recruitment, Realtek actively sets up recruitment channels both domestically and internationally, and has developed a robust internal employee referral system. Over the years, Realtek has maintained a strong presence on campuses, recruiting fresh graduates into the IC design industry. In terms of talent development, Realtek's education and training system, constructed through the six colleges of Realtek Corporate University, offers diverse, immediate, and well-structured professional education and training. This system helps employees enhance innovative R&D, organizational development, and management knowledge across various fields. Realtek emphasizes personalized course planning for job development, enhancing professional and managerial competencies, and actively cultivates internal successor talents in various specializations. This approach creates a win-win alignment between the organization and its talents, continuously strengthening overall organizational competitiveness. Through strategic and proactive talent cultivation and development, combined with a comprehensive employee relationship experience and human rights protection framework, Realtek successfully achieves high rates of talent attraction and retention. The company's strong operational performance, competitive compensation and benefits policies further solidify its image as a desirable employer in both academic and professional job markets, promoting organizational cohesion and a strong commitment to continuous development.</p> </div>	

Policy/Commitment

Realtek regularly reviews and monitors its human resource goals, strategies, and human rights policies, fostering continual reengineering of human resources and strategic service management. Its commitment is to cultivate an equal, inclusive, and diverse workplace. Through robust education, training, and welfare policies, the company establishes a supportive work environment and strong employee relations. This foundation promotes sustainable human resources development and enhances knowledge collaboration, service interaction, and growth momentum among all Realtek employees.

Management Responsibility / Evaluation Mechanism

Administration Division - Human Resources Management Department, each department supervisor

Regularly review employee turnover rates, employee communication, post-course feedback and assessments, the performance of employee performance appraisal mechanisms, employee engagement surveys, and human rights due diligence.

Communication/Grievance Channels

Please refer to [Stakeholder Engagement, Human Resources, Human Rights Management, and Employee Care and Benefits](#) for detailed information.

Strategy/Goal

Short-term (1 year)

- Continuously increase the average training hours for all employees, aiming for an increase of over 5% compared to the previous year.
- Maintain a turnover rate below 7%.

Medium- to long-term (2-10 years)

- Continuously expand talent training programs to achieve the goals of participating in organizational innovation, team collaboration, and sustainable Realtek talent development.
- Expand recruitment channels to attract diverse talents and optimize the workforce structure.
- Increase the proportion of foreign employees by 2%.
- Continuously provide a competitive compensation system, incentive mechanisms, and comprehensive employee benefits programs.
- Implement RBA VAP certification.

Sustainability Contribution in 2024

- The average training hours per person were 18.9 hours, a further increase of 10% from the previous year.
- The employee turnover rate for 2024 was 5.07%.
- There were no human rights complaint incidents in 2024.

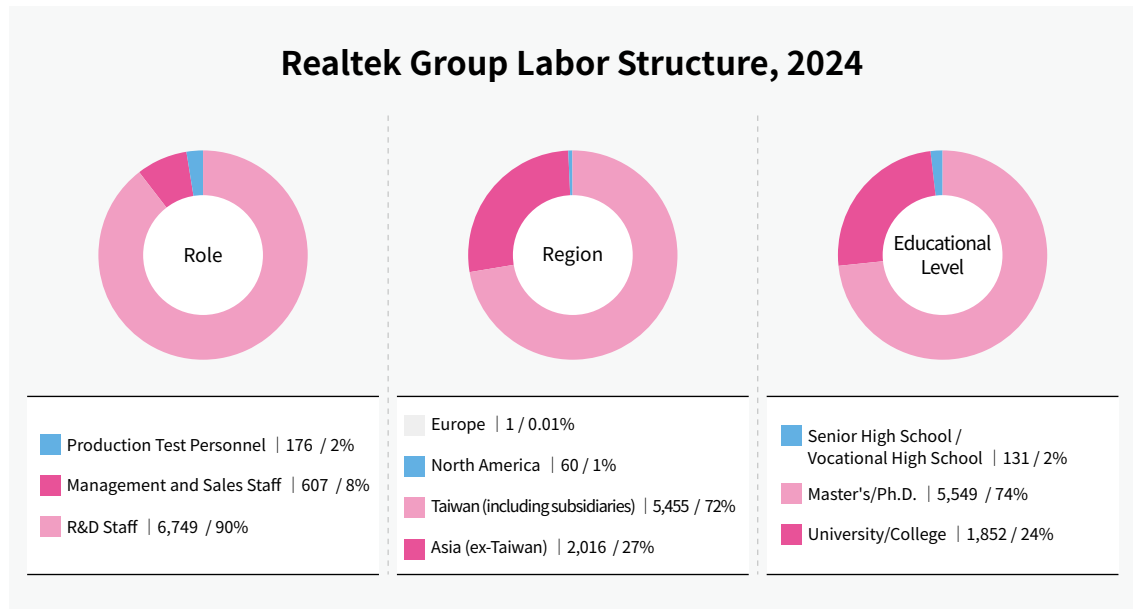
Human Resources

Realtek is a knowledge innovation and technological research and development enterprise. Professional talents are its key assets for achieving sustainable operations and core competitiveness. Realtek closely heeds changes in the employment market and continues to welcome outstanding talents to join the Big Crab Family through a fair and just selection and appointment mechanism. The company respects the distinct work traits and capabilities associated with various fields, assigns talent to suitable positions while providing continuing learning environment for professional knowledge and technical cultivation, enabling all employees to apply their professional skills and competency effectively and jointly promote and enhance Realtek's sustainable operational development. Realtek firmly believes that its comprehensive talent development framework enables organization-wide participation. This, in turn, fosters the robust innovative growth and service momentum of the Crab Family. With this foundation, Realtek continues to drive R&D breakthroughs and maintain its leadership in the IC design industry, renowned for excellent quality, proactive speed, and in-depth services.

Talent Structure

With its main operations based in Taiwan, Realtek has a total of 16 operating locations worldwide. In 2024, the Group's total global headcount was 7,532, with over 73.67% of employees holding master's or doctoral degrees. Employees outside of Taiwan account for approximately 27.58% of the total workforce. At Realtek's operating locations in Taiwan, there are 5,408 employees, comprising 5,262 permanent employees and 146 contract employees. Foreign employees account for approximately 0.57% of the Taiwan workforce. In terms of gender distribution, approximately 80.12% of employees are male and 19.88% are female, with over 79.09% of employees in Taiwan holding master's or doctoral degrees. In 2024, there was significant growth in the number of permanent, male, and female hires. Over the last 4 years, there have been no significant changes in employee composition resulting from major mergers, acquisitions, or layoffs.

Realtek Group Labor Structure, 2024



Note:

- Headcount reference date is December 31, 2024.
- Percentage of people in each group = Number of people in the group / total number of people in the category.

Human Resources

Talent Cultivation

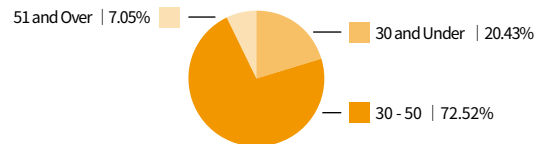
Human Rights Management

Employee Care and Benefits

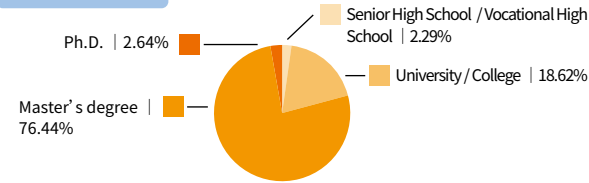
Healthy Work, Peaceful Life

Realtek Labor Structure in Taiwan, 2024

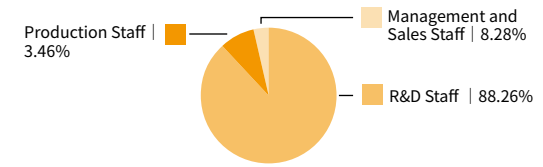
Age



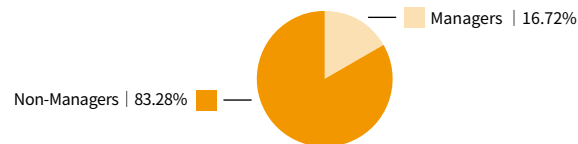
Educational Level



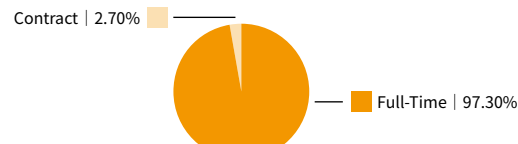
Role



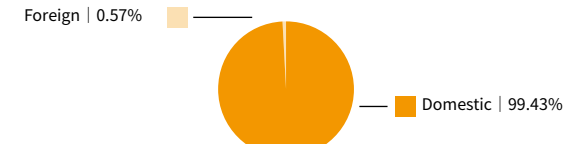
Position



Employment Type



Nationality



Subtotal by Gender



4,333 / 80.12%



1,075 / 19.88%

Total

5,408 / 100.00%

Note:

- Headcount reference date is December 31st, 2024.
- Realtek does not have temporary or part-time workers.

- In the position category, “Managers” are people in the rank of deputy manager or above (excluding project managers).
- Percentage of people in each group = Number of people of the designated gender in the group/ total number of people in the category.

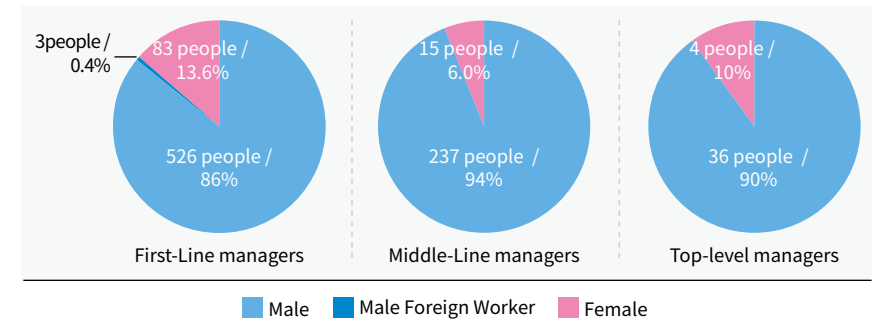
Diverse Workforce

Realtek is committed to cultivating a workplace of gender equality, diversity, and inclusion, and prohibits any differential treatment based on race, ethnicity, color, nationality, religion, gender, or age. Regarding the gender ratio, due to the nature of the industry and the talent pool in STEM fields, the overall gender composition of our workforce is predominantly male. As of 2024, female employees constituted 19.88%. Among the management staff, female managers accounted for 11.28%, a notable increase from the previous year. In 2024, foreign employees comprised 0.57% and employees with disabilities comprised 0.86% of our workforce. Realtek will actively create a more diverse, friendly, and inclusive work environment to attract a wider range of professional and diverse talent, thereby enhancing its organizational development opportunities and competitiveness.

Note: For the shortfall in meeting the required quota for employing persons with disabilities, a differential subsidy has been paid to the Employment Fund for Persons with Disabilities managed by the competent authority, in accordance with the People with Disabilities Rights Protection Act.

Workforce Diversity at Realtek Taiwan for the Past 3 Years

Year	Female Employees	Male Employees	Total Headcount
2022	966 19.54%	3,977 80.46%	4,943
2023	1,028 19.74%	4,181 80.26%	5,209
2024	1,075 19.88%	4,333 80.12%	5,408



Note:

1. Definition of First-Line managers: Personnel in managerial positions at or below the department level.
2. Definition of Middle-Line managers: Managerial personnel at the department level.
3. Definition of Top-Level managers: Personnel in managerial positions at the business unit level and above. In 2024, 100% of Top-Level managers were locally employed.

Partners of Non-Employed Workers

Realtek had a total of 210 non-employed workers in Taiwan in 2024, accounting for approximately 3.74% of the total number of employees (including employed and non-employed workers) of Realtek, who were mainly engaged in supporting services, including cleaning work, security tasks, troubleshooting computer problems, EDA tool debugging support, providing high-quality group catering and other non-business activities. All of them were indirectly employed through contractors. In accordance with the management measures for contractors of Realtek, the supervision and management responsibilities were jointly implemented by Realtek and contractors to ensure that the salary rights and interests of non-employed workers comply with regulations. There was no significant fluctuation in the composition and number of relevant personnel in 2024 from the 198 individuals in 2023.

Category	Duties	Number of People
Cleaning personnel	Responsible for environmental cleaning of the production factories and office areas of Realtek, working 8 hours a day.	46 people
Security Personnel	Maintaining the security of the production factories and office areas of Realtek, on duty in shifts.	13 people
Information Technology Personnel	Assisting Realtek's employees in troubleshooting computer problems and other information support services.	7 people
Catering service staff	Provision of meal services and the sale of daily necessities at Realtek's main operational sites.	74 people
EDA Room personnel	Assisting in EDA tool debugging support services.	70 people

Note: Headcount as of December 31, 2024.

Talent Attraction and Retention

Professionals in all fields and levels are Realtek’s most important assets. Therefore, Realtek continuously plans and provides good remuneration packages and comprehensive employee benefits to stimulate the organization’s talent innovation, development energy, and competitive advantages. Simultaneously, Realtek also sets up fair performance evaluations and incentive programs to create a working environment that effectively guides Realtek employees to continuously improve, focus on career development, and encourage long-term retention!

Diverse Talent Pipeline Development Strategy

'Talent' is Realtek's most important asset and the cornerstone of success. In accordance with our business strategy, operational development direction, and human growth trends, we formulate talent layout plans, integrate global resources, and deeply cultivate domestic and international talent recruitment channels. In addition to Realtek's official talent recruitment website, we also cooperate with domestic largescale human resource banks and talent consulting companies, and actively participate in many on-site recruitment events held by colleges and universities and government agencies at home and abroad. At the same time, the company has also established an employee referral reward system and a key talent database to recruit outstanding talents at home and abroad through diversified talent recruitment channels, accumulating long-term human capital for the company and solid reserves for R&D innovation capabilities and energy.

2024 Realtek Taiwan New Employees

Gender	Male			Female		
Age	Number of New Hires (A)	Total Headcount (B)	New hire rate (%)	Number of New Hires (A)	Total Headcount (B)	New hire rate (%)
Under 30	232	860	26.98%	60	245	24.49%
30-50	127	3,155	4.03%	47	767	6.13%
51 and over	7	318	2.20%	0	63	0%
Total Number of New Hires	473					
Total Number of Employees	5,408					
Total New Hire Rate (%)	8.75%					

- Note:
1. New Hire Rate (%) = (Number of new hires in a specific category for the year (A) / Total number of employees in that category for the year (B)) x 100.
 2. The number of new hires does not exclude those who left during the period.
 3. The number of new hires does not include interns with a two-month internship.



Retention Plan

Realtek recognizes that talent is a key element for sustainable business development. Therefore, the company implements its labor policies and provides comprehensive education and training courses, employee care programs, competitive salary and welfare, and continuously creates the best learning and working environment to deliver an exceptional employee experience, strengthening its talent development and retention strategies to achieve competitive talent growth and retention goals. In terms of environment, systems, and organizational integration, new employees are provided with thorough onboarding training, introductions to the company environment, experiential learning and immersion in the organizational culture, newcomer interviews, and daily guidance and sharing from mentors, supervisors , and colleagues. These initiatives help new employees swiftly become part of the Big Crab family. Additionally, Realtek pays attention to the comprehensive development and needs of employees' work and life. In order to enhance employees' work-life balance and health awareness, the Company continues to strive and invest resources to organize various beneficial programs and exciting activities, including health promotion lectures, corporate events, community activities and incentive measures, to promote the physical, mental, and spiritual health of employees, enhance morale, strengthen work efficiency. These measures nurture healthy employees who become part of a healthy corporate structure, and enhance the energy and morale of the entire organization. Realtek has a comprehensive and appealing performance management and compensation system. Annually, the company conducts performance reviews and provides rewards based on annual salary and bonuses plans to recognize employees' achievements.. At the same time, combined with various welfare policies and initiatives introduced annually by the Realtek Welfare Committee, the company offers employees a holistic welfare experience through comprehensive systems, environments, and benefit initiatives to continuously enhance engagement and satisfaction. Realtek's employee retention plan is a core human resources strategic initiative that focuses on closely monitoring turnover trends and continuously enhancing talent development and retention strategies to ensure the organizational team grows and remains competitive. In 2024, the employee turnover rate was 5.07%. Over the past 6 years, the employee turnover rate has consistently remained below 7%, which is lower than the industry average.

2024 Realtek Taiwan Departing Employees

Gender	Male			Female		
Age	Number of Departures (A)	Total Headcount (B)	Employee Turnover Rate (%)	Number of Departures (A)	Total Headcount (B)	Employee Turnover Rate (%)
Under 30	52	860	6.05%	20	245	8.16%
30-50	148	3,155	4.69%	38	767	4.95%
51 and over	15	318	4.72%	1	63	1.59%
Total number of Departures	274					
Total Number of Employees	5,408					
Total Turnover Rate (%)	5.07%					

Note:

1. Turnover Rate (%) = (Number of departures in the category for the year (A) / Total number of employees in the category for the year (B)) x 100.
2. The number of employee departures includes voluntary and involuntary separations, as well as retirements.
3. The number of departing employees excludes interns with two-month internship.

In 2024, the Employee Benefit Expenses in Taiwan
Exceeded NT\$113.9 million.

Named as a constituent stock of the 2024 Taiwan
“High Compensation 100 Index”^{Note}

Note: Information is sourced from the Taiwan Stock Exchange.

Fair Compensation and Promotion Mechanisms

Realtek adopts uniform baseline indicators to achieve professional management goals. Using fair remuneration mechanisms and standardized evaluation formulas, the Company establishes 'Rules Governing Promotions, Salary Adjustments, and Annual Performance Reviews'. Rigorous mechanisms are in place to maintain fair remuneration and promotion mechanisms that foster an equitable work environment. A performance feedback mechanism provides two-way communications channels and procedures for management and employees, enabling both parties understand performance results and organization expectations clearly. Consistent salary standards, salary adjustment review indicators, as well as performance review and promotion guidelines are applied to all Realtek employees of both genders in every position to ensure gender equality. During the hiring process, we ensure there is no discrimination based on race, ethnicity, skin color, social class, lineage, religion, physical condition, gender, sexual orientation, pregnancy, marital status, trade union membership, political stance, age, etc. in the standard of remuneration offered. Everything is implemented to ensure a fair remuneration system. For information regarding the compensation of Realtek's full-time, non-managerial employees, please refer to the [Market Observation Post System](#).

In 2024, the average annual base salary for Realtek's entry-level employees in Taiwan was 2.43 times the minimum wage in Taiwan for female employees and 2.86 times for male employees. For the year 2024, the ratio of the annual total compensation of the highest-paid individual to the median annual total compensation of other employees (excluding the highest-paid individual) was 22.18. In 2024, the annual total compensation of Realtek's highest-paid individual decreased by 6.61%, while the median annual total compensation for other employees (excluding the highest-paid individual) increased by 25.21%. The ratio of the percentage increase in the annual total compensation of the highest-paid individual to the median of the percentage increase in annual total compensation for other employees (excluding the highest-paid individual) was -0.26.

2024 Realtek Taiwan: Ratio of Average Annual Salary to Average Base Salary for Female/Male Employees

Position	Average Annual Salary		Average Base Salary	
	Female	Male	Female	Male
Top-level managers	1.11	1	0.94	1
Middle-Line managers / First-Line managers	0.84	1	0.89	1
General Staff	0.81	1	0.88	1
Test Technicians	1.00	1	1.02	1

Note:

1. The annual salary in this table includes base salary, bonuses, and employee remuneration, etc.
2. The base salary in this table is the fixed, recurring salary paid monthly.
3. At Realtek, salary standards are identical for female and male employees who have no prior work experience and hold the same rank and position.
4. The Company's salary standards do not differ based on gender; differences in salary among all employees are primarily determined by factors such as education, experience, seniority, job position, job rank, and performance.

Human Resources

Talent Cultivation

Human Rights Management

Employee Care and Benefits

Healthy Work, Peaceful Life

● Performance Evaluation

Realtek conducts two performance reviews each year that include feedback mechanisms and two-way communications. The 360-degree performance feedback evaluation tool is available, offering a diverse feedback channel for supervisors and employees. The fair and comprehensive review serves as a basis for salary raises, promotions, incentives, and bonuses for all employees. The company also provides highly competitive salary levels and a comprehensive welfare system to let employees share the operational results with the Company. In 2024, both male and female employees underwent performance evaluation at a rate of 100% (including contracted employees but excluding new hires who have been employed for less than 3 months).

Performance Appraisal System	Assessment Subjects	Frequency	Methods
Performance Appraisal	All employees	Twice a year	Supervisors and employees set clear goals and measurable performance indicators, review goal achievement and self-assessment results during appraisals, and supervisors provide feedback. 360-degree evaluations may be used when necessary.
Promotion	Employees promoted to managerial positions	Annually	Evaluations are conducted by the employee's direct supervisors or relevant senior managers, focusing on attitude, ability, performance, contribution, etc., and review suitability for promotion based on organizational planning and needs.
Agile Assessment	All employees	At least once a month	After supervisors and employees set clear goals and measurable performance indicators, supervisors regularly review progress toward goals, providing timely guidance and feedback, and, when necessary, take corrective actions to ensure departmental objectives are met.

● Career Development

To cater to the career development needs of talents and contribute to organizational growth, Realtek implements a dual-track system for career promotion and development planning. Taking into consideration the diverse interests and professional orientation of employees, they can develop towards specialized technical R&D professional engineering jobs/administrative professional project jobs or R&D management jobs/administrative coordination management jobs.

Pension System

Realtek established pension plans for regular employees in accordance with the 'Labor Standards Act' and the 'Labor Pension Act'. The company also formed a Supervisory Committee for Labor Retirement Reserve to oversee the monthly allocation of retirement reserve funds, ensuring the rights of employees to claim their pensions in the future. In compliance with the 'Labor Pension Act', Realtek contributes at least 6% of each employee's monthly salary to their Individual Account of Labor Pension at the Bureau of Labor Insurance. Employees can choose to receive their pensions as monthly payments or in a lump-sum payment, based on the balance and accumulated income in their individual accounts.



Principles of Long-Term Reward and Incentive Distribution

Realtek has formulated a long-term reward and incentive program aimed at promoting the company's long-term development, enhancing employee loyalty, stimulating employee potential, improving employee satisfaction, attracting, and retaining talents, fostering teamwork, and addressing market changes and challenges. This program applies to mid-to-high-level executives and other employees whose performance evaluations and years of service meet the requirements of the program. The current long-term reward and incentive program operates on a rolling basis, with a distribution period of three to five years in principle, covering around 70% of full-time employees.

In addition, Realtek has implemented an incentive program titled “Incentive Project for Sharing Intellectual Value” to encourage employees to propose innovations in R&D or improvements in organizational management and share their results. This fosters the impactful influence of organizational knowledge value and creates a positive cycle of selfless sharing and mutual support. Furthermore, Realtek has set up a technical data center that offers a rich collection of renowned domestic and international journals, papers, books, and standard documents to encourage reading and knowledge innovation. The company also provides patent R&D guidance and offer patent authorship bonuses to motivate Realtek employees to pursue comprehensive innovation in R&D technologies.

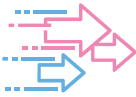

Principles





Performance-Oriented Principles	<ul style="list-style-type: none"> The distribution of rewards is directly linked to employee performance, ensuring that employees' efforts and achievements are appropriately rewarded. Realtek establishes clear and quantifiable performance indicators, such as revenue growth, profit margin improvement, R&D project completion rates, and ESG target achievements, to accurately assess employee performance.
Fairness and Equity Principle	<ul style="list-style-type: none"> Realtek ensures fairness and equity in the distribution of rewards, avoiding any form of bias or discrimination. Reward amounts are determined based on employees' responsibilities, contributions, and performance, ensuring that every employee feels a sense of fairness from the company.
Sustainability Principle	<ul style="list-style-type: none"> Reward distribution considers the company's long-term development strategies and goals, including various ESG-related indicators, to avoid over-issuing rewards for short-term performance that may impact the company's financial health and long-term competitiveness. Realtek encourages employees to focus on the company's long-term development, aligning their personal goals with the company's objectives to jointly promote sustainable growth.
Flexibility Principle	<ul style="list-style-type: none"> Realtek adjusts reward distribution standards and methods in a timely manner based on the company's operational development and industry conditions to ensure the effectiveness of the incentive program. Currently, incentives are primarily in the form of cash rewards, with reference to market and industry trends to maintain competitiveness. In the future, we will evaluate the feasibility of stock options or restricted shares as incentives at appropriate times.
Shared Responsibility and Risk Principle	<ul style="list-style-type: none"> Realtek links employee bonuses with the Company's operational risks, allowing employees to bear corresponding responsibilities and risks while enjoying incentivized compensation and benefits. Through the establishment of risk control indicators, the Company guides its employees to focus on the Company's risk management and the quality of business development.
Continuous Incentive Principle	<ul style="list-style-type: none"> Realtek ensures that reward incentives are sustainable, motivating employees to maintain their work enthusiasm and creativity over the long term. Realtek achieves this by setting multi-layered reward incentives, such as long-service awards, special contribution awards, and project achievement awards, to recognize employee achievements at different stages.

Talent Cultivation

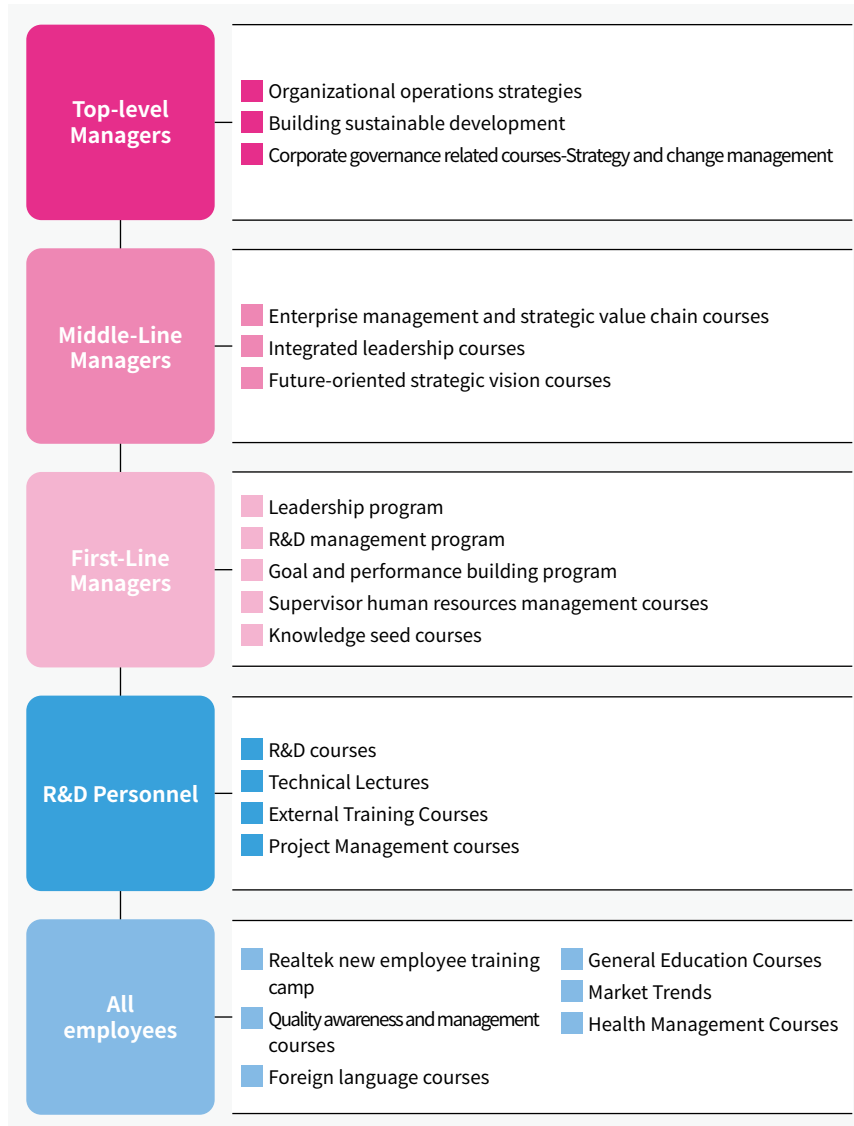
Realtek Corporate University

Realtek Semiconductor has established the Realtek Corporate University, which is specifically responsible for planning and implementing various educational training and employee learning development affairs according to the dynamic needs of organizational development and employee self-learning and development. The Realtek Corporate University comprises six major colleges, including the Speedy Induction Academy, R&D Innovation Academy, Management Leadership Academy, Experiential Cognition Academy, Learning Organization Academy, and the Realtek Internship Creativity Academy. Through the sustainable educational training plan developed by the six major colleges of Realtek Corporate University, two major educational training frameworks for organizational development learning and employee self-breakthrough development learning are simultaneously constructed. From permanence to innovation to sustainability, from organizations, groups, to individuals, from management to technology to psychology, from organizational competitiveness to system development, to employee self-learning, all are presented in the six major colleges of Realtek Corporate University with strategic connections and development context of knowledge, skills, attitudes, sustainable innovation, and organizational culture.

Realtek Corporate University	Academy	Introduction
	 <div>Speedy Induction Academy</div>	<p>Realtek provides New Employee Orientation Training and New Employee Training Camp to strengthen professional skills, organizational experience, and integration. These programs support organizational development objectives by offering Hands-on R&D Professional Technical Courses and technical courses, organizational communication, self-development cognition, inspirational courses, and comprehensive field courses. Topics covered include information security, energy conservation and environmental protection, fire safety, Realtek ESG sustainable development, integrity and ethics, anti-corruption and anti-bribery, prevention of insider trading, and patent regulations. These efforts help new employees quickly integrate into the Realtek team's work life and culture. In 2023, the overall satisfaction score for Realtek's new employee training camp reached 9.51 out of 10. Notably, the overall satisfaction score for the 2024 Realtek's Orientation Camp reached 9.59 out of a possible 10 points.</p>
	 <div>R&D Innovation Academy</div>	<p>In 2024, the Realtek Curriculum Planning Committee, composed of internal R&D experts and department representatives, planned a total of 287 R&D professional courses. During the annual seminars, domestic and international R&D and technology experts and scholars were invited to engage in in-depth exchanges. This included the SoC Center of NTU, the Industry-Academia Collaboration Alliance of NTHU's IC Design Technology R&D Center, the College of Artificial Intelligence and Green Energy of NYCU, the Industry-Academia Innovation Headquarters of NCKU, the Industrial Development Bureau of MoEA, the Tsung Cho-hung Industrial Science Foundation. In 2024, a total of 338 courses were launched, accumulating 2,485 hours of instruction, thereby solidifying Realtek's goal of developing core R&D professional knowledge.</p>

Realtek Corporate University	Academy	Introduction
	 <p>Management Leadership Academy</p>	<p>Realtek plans courses designed to help employees strengthen their managerial skills, leadership abilities, and promote excellent management across the entire organization. The curriculum includes courses focused on managerial roles, leadership competencies, and organizational development management. Additionally, supervisor seminars and training sessions offer an interactive, two-way learning and discussion platform for supervisors and general employees alike. This approach enhances the development and management effectiveness of key business areas throughout the organization. In 2024, a total of 42 courses were offered, with 2,519 participations and 145 course hours. The overall post-course feedback rating was 9.45.</p>
	 <p>Experiential Cognition Academy</p>	<p>Through problem-solving, goal achievement, or individual cognitive experiences, we cultivate employees' diverse comprehensive abilities needed in the workplace, inspire self-management and enhance organizational dynamism, create self-initiated task teams, thereby promoting all members' improvement and continuous strengthening of team organizations.</p>
	 <p>Learning Organization Academy</p>	<p>Providing broader learning opportunities connected to work fields, realizing the interactive learning between individuals and organizations, including individual spontaneous contributions and needs, team community interaction opportunities, new knowledge and cross-disciplinary learning, and the "Inspiring Employee to Brainstorm and Share Program", etc. At the same time, we also cooperatively launch foreign language training programs with external educational institutions, providing employees with external learning resources to enhance foreign language communication skills.</p>
	 <p>Enterprise Internship Creativity Academy</p>	<p>Realtek has established the Enterprise Internship Creativity Academy to provide a comprehensive curriculum for its interns, encompassing exclusive interdisciplinary courses, ESG-related courses and practical involvement, and career counseling, while also featuring a dedicated mentor system and other supportive measures. In addition to systematic courses for professional learning and practical application within each intern's respective field, in 2024, a total of 8 courses were launched, registering 353 training participations and 19.5 hours of instruction. The overall post-course feedback rating was 9.6 points (out of 10).</p>

Realtek Corporate University Course Framework



Diverse Learning Project at Realtek

External Training	Realtek provides external training and business trip expense reimbursements, supporting all employees (including contract staffs) for continuous learning and professional development. This support includes participation in international standards conferences, membership organization meetings, domestic and international technical exchange seminars, university credit courses, master's degree programs for working professionals, and online APP platform courses.
Joint Training Program	In 2024, Realtek's joint training program collaborates with educational institutions, offering over 300 courses, including 36 from foreign language institutions, 243 from industry-specific technical engineering and professional institutions, 10 government-sponsored courses, and 19 taught by domestic and international professors. These courses are designed to equip Realtek with the latest technical R&D knowledge, insights into industry trend developments, and academic research achievements.
E-learning courses	Realtek offered a total of 287 e-learning courses delivered by internal instructors. These courses were developed based on the annual training plan, discussions by the Realtek R&D training course planning committee, organizational development needs, technical professional requirements, and evolving market dynamics. This ensures that the courses not only boost organizational development and technical expertise but also keep up with changing market trends.

Realtek Corporate University 2024 Accomplishment

1	A total of 965 courses were offered, including 221 external training courses.	2	A total of 3,823.1 hours of courses were provided.
3	The total training hours amounted to 100,313	4	The average training hours per person reached 18.90 hours, a further increase of 10% from the previous year.
5	Management Leadership courses: 42 courses, totaling 145 hours, with 2,519 participants	6	R&D courses: 24 courses, totaling 77.5 hours, with a cumulative attendance of 3,058 .
7	In 2024, Realtek Taiwan's total cost in education and training exceeded NT\$4.77 million, with an average training cost per person of approximately NT\$900.		

Education and Training Accomplishments

Category	Item	Male	Female	Subtotal
Training for New Hires	Hours	7,060.40	2,052.40	9,112.80
	Attendees	943	275	1,218
	Average hours per attendee	7.49	7.46	7.48
R&D Personnel	Hours	79,322.00	17,043.60	96,365.60
	Average hours per attendee	20.58	20.47	20.56
Management and Sales Personnel	Hours	1,926.10	1,804.50	3,730.60
	Average hours per attendee	8.09	8.96	8.49
Production personnel	Hours	127.30	89.50	216.80
	Average hours per attendee	1.11	1.33	1.19
All employees	Hours	81,375.40	18,937.60	100,313.00
	Average hours per attendee	19.11	18.01	18.90

Note: Average training hours per person = Total training hours in the category /Total number of employees in the category (calculated as the average of the total number of employees at the end of 2023 and the end of 2024).

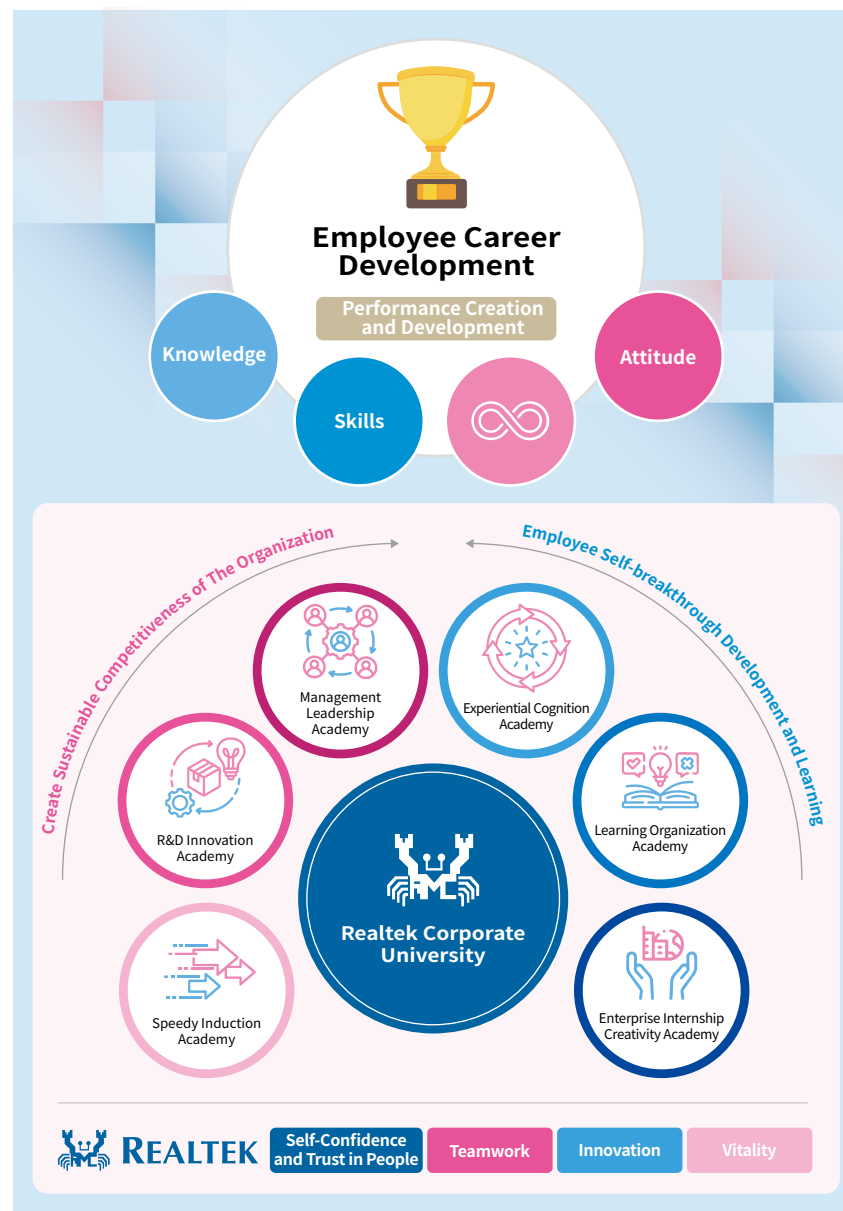
Employee Self-Growth and Learning Development

In terms of employee self-growth and learning development (IDP, Individual Development Plan), in addition to the planning and structure of the entire organizational level to personal self-learning, Realtek Semiconductor also synchronizes the established performance management and development system of the company to launch a dual-track system for employee development paths. This is in order to achieve the goal of dynamic P-O Fit Development, and simultaneously create opportunities for the development of the organization and employees.

A comprehensive educational training and performance management plan forms the guiding framework for supporting employees' self-growth and learning. Talent strategy and training development under this performance management system are key drivers for organizational and talent development. In planning assessments and creating learning resources, Realtek considers diverse, systematic, and specialized needs. It integrates new knowledge, connects product innovation technology with broad management directions, and emphasizes active, convenient knowledge creation and acquisition—core principles of Realtek Corporate University in supporting employee development. Leveraging comprehensive training strategies alongside environmental and resource support, Realtek expands internally created learning resources. Facilities like the Realtek Technical Data Center and the Electronic Library and Reading Pavilion offer employees accessible spaces and channels for immediate, autonomous, and unrestricted learning. The exclusive digital information system of Realtek Corporate University provides employees with basic learning, advanced education, reinforced learning, and further research learning for problem-solving, realizing the practice of learning, personalized responsible learning (employees choose their own course combinations), and problem-solving-oriented learning.

Learning sometimes needs guidance and planning and suggestions. In the framework strategy and policy of Realtek's education and training, in addition to continuously providing comprehensive guidance and development framework guided by professional units and units' own fields, there is also a tutor system, post-course assignments for students, and teacher problem solving and related small reward mechanisms; at the same time, there are also training mechanisms for supervisors to assign professional jobs, vision and development needs under the planning of the organization's big framework for education and training. In the experiential cognition academy course of Realtek Corporate University, it provides employees with experiential learning for self-enlightenment, self-adjustment, self-observation and self-exploration and experience. In the classroom, each student can build and develop cognition beneficial to their own career and job roles and beneficial to the organization's robust positive process development through personal experience, thinking, communication and adult mental learning. As for the courses in the Learning Organization Academy, it provides individuals, groups, and organizations with broader and expanded learning education and training mechanisms. All learning resource creation or learning opportunities can come from individual spontaneous contributions and needs, can also be regular and irregular team learning opportunities, or new knowledge and interdisciplinary learning under the education and training plan, realizing the active/passive diffusion learning, comprehensive functional learning, beneficial individual career brainstorming and development between individuals and organizations, creating the independence of talent and complex diverse brain thinking; the 'Realtek Encourages Employee Brain Value Sharing' project under the Learning Organization Academy, is beneficial to share innovative knowledge, innovative spirit, problem-solving, risk prevention or any content of knowledge, technology, service that is beneficial to share the organization through personal professional or insightful publication, or team creation of new knowledge publication, helping employees to realize their own learning and creation, self-construction development and service, and self-realization of exclusive knowledge palace.

The emphasis on communication needs, participation in planning, and strengthening innovative fields to gradually accumulate talent and organizational competitive advantage is the most important strategic basis for Realtek's construction of education and training content. Therefore, the continuous development with employees, the effective observation, discussion and communication results of internal and external environments, innovative products and technical needs are the basis for Realtek's education and training planning! For example, the R&D Education and Training Development Committee, Realtek's Education, Training and Cultural Activities Department holds at least two R&D innovation and technology development education and training needs discussion meetings every year. The participating committee members fully represent their respective departments/fields and employees in specialized task areas, focusing on professional issues, technical development, and problem-solving should possess comprehensive capabilities for in-depth discussions, and create corresponding R&D education and training courses for the year - for example, in 2024, the R&D professional education and training committee in 2024 has planned more than 300 R&D education and training courses. Realtek will maintain the spirit of organizational innovation and talent development, through the education and training planning framework, open and flexible mechanisms, actively guide each employee to ensure in innovative technology, R&D management, quality management, risk management and personal professional fields, to achieve the goals of promoting talent cultivation, professional team development, and organizational competitiveness development!



Employee Development Project Results and Details

Project	Realtek AI Technology Seminar	Leadership Development Program for Middle-Line and First-Line Managers
Plan Objectives and Description of Benefits	In 2024, the “Realtek AI Technology Seminars” were approved for launch by the Realtek Curriculum Planning Committee. A total of 9 professional technology seminars on AI were conducted, achieving a 100% course completion rate. These seminars focused on technical aspects such as Machine Learning (ML), Deep Learning (DL), Natural Language Processing (NLP), and Computer Vision. Through this platform, professional experts in the AI field were invited to deliver lectures, providing personnel and management with insights into current industrial technology development directions and applications. This enabled personnel to continuously enhance their professional technical skills, strengthening their knowledge and capabilities in applying AI technology within the semiconductor industry from multiple dimensions (learning methods, application types, technical domains), thereby allowing Realtek to maintain strong technological competitiveness.	In 2024, 9 sessions of development program courses for middle and first-line managers were conducted. One of these sessions was taught by senior executives. The goal was to develop current and future managers to support succession planning, career growth, and talent retention. This program includes a series of high-performance technology management courses covering topics such as team motivation, innovation capabilities, negotiation skills, talent development, and customer relations. Through the strategic planning of learning and development competency courses, we aim to strengthen the systematic, purposeful, future-oriented, and comprehensive functions of its educational training, thereby continuously expanding the overall organizational competitiveness.
Impacts and Results	<ul style="list-style-type: none"> Leveraging AI technology tools and applications to drive semiconductor technology capabilities, Realtek's net revenue from integrated circuit products in 2024 increased by 19.04% compared to 2023. Leveraging intelligent assistive tools to enhance development efficiency, thereby reducing labor costs and resource consumption. Enhance the AI application and operational performance of all employees. The average satisfaction score for the annual lectures was 9.01. 	<ul style="list-style-type: none"> In 2024, among program participants who demonstrated strong performance, 103 managers received promotions, achieving a promotion rate of 19%. The retention rate of participating program members was approximately 98.15% by the end of 2024. The average course satisfaction score was 9.51.
Participation	<ul style="list-style-type: none"> Target: R&D, Technical Development Engineer (A total of 1,382 participations in the plan) Percentage of total company headcount: 25.56% 	<ul style="list-style-type: none"> Target: Middle-Line managers and First-Line managers. A total of 542 people participated in the program, representing 10.04% of the company's total headcount.

Intercollegiate Cooperation to Implement Social Responsibility

Realtek Corporate University established the “Enterprise Internship Creativity Academy” , a forward-looking concept plan to provide Realtek’ s enterprise internship partners with dedicated cross-field courses related to accelerating the learning of professional fields, industry awareness and organizational interaction. In addition, Realtek also provides ESG-related courses and physical participation for trainees, conveying the concepts of sustainable development, social participation, environmental conservation, and the fulfillment of corporate social responsibility. We hope to expand the cooperation with all employees in various fields to strengthen and implement the goal of professional social responsibility and corporate social responsibility through the participation and exchange of young students!

Education collaboration is one of the key topics to sustainable contribution to the society and is one of the directions for the long-term resources of Realtek. The “Enterprise Internship Creativity Academy” comprehensively manages and innovates the development of Realtek’ s internship program, internship study, career professional consultation assistance, evaluation, etc. The goal is to cultivate specific majors and integrated functions of student development, and is to continuously give back to the society, cultivate potential talents in the campus, expand the scope of ESG in R&D and education cooperation in the campus.

In 2024, the Realtek internship program recruited a total of 44 interns. Through the design of curriculum courses for comprehensive functional development and the adherence to the compulsory training system, the trainees were promoted to combine academic knowledge with practical R&D expertise to achieve the goal of professional comprehensive efficiency. Moreover, through a dedicated mentor system, individual guidance is provided for different academic fields, helping intern students to understand the R&D process and practical operations of the semiconductor industry, and achieving the goal of effective learning and cultivating semiconductor talents.



The overall satisfaction score of the Realtek internship program in 2024 was 9.6 points (full score of 10), with total training hours reaching 1,319. Realtek Semiconductor hopes to make inter-school technology R&D talents better understand the professional knowledge of the semiconductor industry through the internship program, and also hopes to stimulate their learning interest and research momentum, so as to cultivate comprehensive functions such as R&D innovation, technology management and positive ideas, and contribute to the cultivation and development of future science and technology talents of the country.

Internship Program Specialty Areas

Digital IC Design	Design for Testability (DFT)	Physical IC Design
Analog IC design	AI Design and Development	Algorithm development
RF IC Design	System Design	Memory Design
Digital IC Verification	Software Design	Telecommunication System Design



The Unique Feature of Realtek's Internship Program: Green IC Course –Demonstrate CSR Through ICs



Led by Senior Vice President Alston Lin of the R&D Center, the Green IC courses have been held for three consecutive years. These courses introduce interns to Realtek's ESG sustainable development achievements, which integrate with its core R&D and design business, as well as the incorporation of green elements and thinking into innovative R&D for IC design, thereby broadening the interns' perspectives on the IC design field.



Human Rights Management

To protect the legal rights of employees, Realtek complies with the local labor regulations at each of our operating locations around the world. It adheres to the spirit and basic principles of human rights protection set out in international human rights conventions, such as the “International Bill of Human Rights”, the “UN Global Compact”, and the “International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work”. We adhere to the standards and spirit of the “RBA Code of Conduct” when formulating the “Human Rights Policy of Realtek Semiconductor” and “Realtek Semiconductor Labor Policy” to disclose policies and commitments, goals, mitigation measures and complaint channels on human rights-related issues, fully expressing our commitment to protecting human rights as well as the dignified treatment and respect of all employees, including contract employees.

We strictly prohibit unreasonable labor constraints on employees. We do not employ forced or bonded labor (including debt bondage), nor do we engage in the employment of involuntary or exploited labor, or individuals subjected to slavery or trafficking. Measures are taken to ensure that human resources policies do not contain discrimination based on gender, race, socioeconomic status, age, and marital and family status. We uphold equal and fair treatment in employment, including hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities. Additionally, we strictly adhere to the policy of not employing employees under the age of 18 (inclusive).

We enhance our employees' human rights awareness through internal training courses and workshops. In 2024, our training courses on human rights policy included sessions at the Realtek's new employee training camp (with 100% participation) and workshops for managerial personnel, totaling 149.9 hours. It fully expresses our commitment to protecting human rights as well as the dignified treatment and respect of all employees(both full-time employees and contractors), customers, suppliers, and business partners.

The Human Rights Policy of Realtek Semiconductor is implemented through the following guidelines

1 Protection of Free Labor Rights

2 Abolition of Child Labor and Underage Workers

3 Providing Safe Working Environment and Legal Remuneration

4 Attaching Significance to Employee's Physical and Mental Health

5 Promoting Responsibility of Equality and Security

6 Supporting Freedom of Association

7 Realtek Semiconductor Human Rights Policy

**Realtek Semiconductor
Human Rights Policy**



Realtek Semiconductor Labor Policy

1 Protect the rights and interest of employees

2 Provide a Healthy Work Environment

3 Comply with national labor laws and regulations

4 Advocate equality, safety, and accountability.

5 Value employee training and development

6 Promoting corporate engagement and responsibility

Human Rights Due Diligence

In accordance with its human rights due diligence management procedure, Realtek annually conducts risk identification. This is carried out by the ESG Center, which uses questionnaires to evaluate the current status of human rights management and the significance of risks for all responsible units at its Taiwan operating sites. Consequently, management measures for significant risks and corrective actions are established. Through continuous monitoring and tracking of improvements, Realtek safeguards the legal rights and interests of its employees, fosters an environment that values and respects human rights, and ensures the implementation of human rights management throughout its business operations.

Realtek's Human Rights Management Process and Identification Results

STEP 01

Formulate, review, and update Realtek's human rights policy and commitments.

We have established the following human rights-related policies and commitments, all of which are disclosed on the official Realtek website for all stakeholders to download, read, and understand:

1Realtek Semiconductor Human Rights Policy

2Realtek Semiconductor Corp. Employee Code of Conduct

3Written Statement on the Prevention of Unlawful Infringement in the Workplace

4Sustainable Development Best Practice Principles

5Regulations Governing Realtek Internal (External) Personnel Whistleblowing on Illegal or Immoral

6Procedures for Investigating Whistleblowing Cases by the Task Force

7Realtek Supplier Code of Conduct

STEP 02

Screen the List of Human Rights Risk Issues

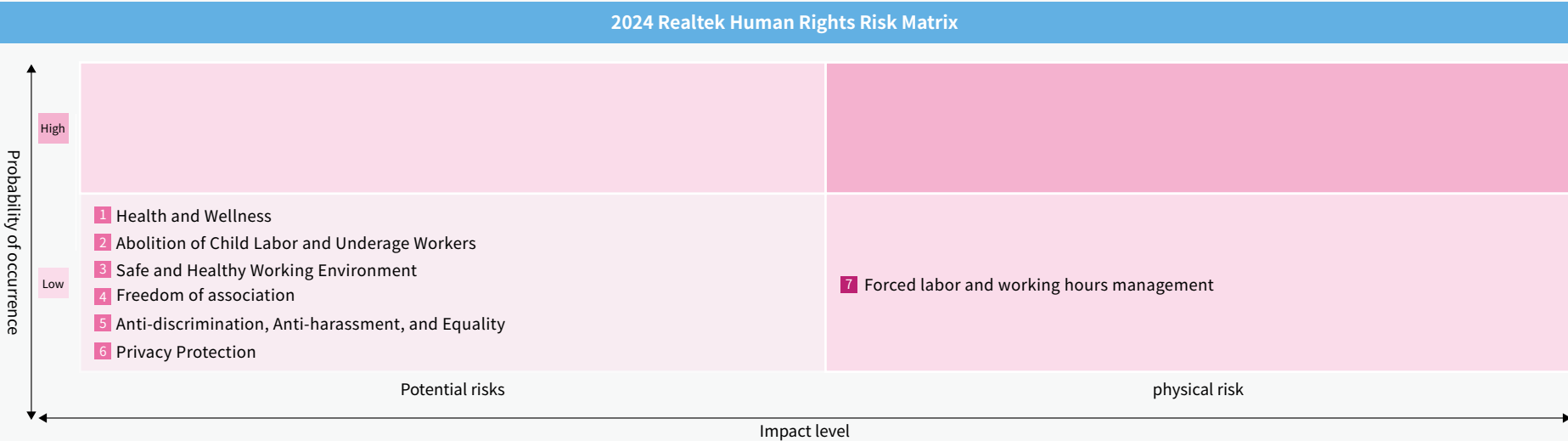
With reference to legal and regulatory requirements, international initiatives and guidelines, human rights risk issues relevant to the industry value chain, the UN's list of human rights issues, and recommendations from consultants and experts, Realtek has compiled a total of seven fundamental human rights issues.

Material Human Rights Issues	
Issues	Implication
Privacy Protection	Reasonable protection of information and privacy of stakeholders, and compliance with legal and regulatory requirements on privacy and data security in the collecting, using, storing, processing, transmitting and sharing of personal information.

Material Human Rights Issues	
Issues	Implication
Anti-Discrimination, Anti-Harassment, and Equality	<ul style="list-style-type: none"> Providing a work environment free of harassment and discrimination. Prohibit any discrimination or harassment against any condition during recruitment and employment. Employees are not subjected to any discriminatory examinations. Employees are not subjected to unequal treatment based on age, gender, sexual orientation, nationality, race, religion, pregnancy, marital status, political stance, etc.
Forced Labor and Working Hours Management	<ul style="list-style-type: none"> No forced or compulsory labor and no forced, involuntary, enslaved, or human trafficking or smuggled people as labor. Working hours should not exceed the maximum limit required by international standards and local labor laws. Any overtime must be voluntary.
Freedom of Association	<ul style="list-style-type: none"> We respect the rights of all employees in organizing and participating in trade unions, collective bargaining and peaceful assembly selected by them, and should respect employees' rights to avoid such activities and establish harmonious labor-management interaction.
Abolition of Child Labor and Underage Workers	<ul style="list-style-type: none"> Comply strictly with the various labor laws and regulations issued by the government, the Company strictly implements the policy of preventing child labor, and only employs employees who are over the age of 18 (inclusive). Ensure full compliance with international standards of social responsibility and the relevant government regulations.
Safe and Healthy Working Environment	<ul style="list-style-type: none"> Safeguarding the welfare, health, hygiene, and safety of employees within their work environment, and upholding their reasonable and relevant rights and interests. Unreasonable employment restraints on employees are prohibited. Promote environmental safety policies and disseminate relevant regulations to enhance safety awareness among all employees.
Health and Wellness	<ul style="list-style-type: none"> Identify, assess and control hazards to employees who are engaged in heavy physical duties, and develop procedures to prevent, manage, track and report work related injuries and occupational diseases.

STEP 03

Identify Human Rights Risks



With reference to the external audit certification guidelines of the RBA Code of Conduct (RBA VAP Standard V8.0.1), Realtek’s relevant responsible units for each human rights issue identify risks and management practices, and conduct a risk assessment for human rights issues related to company operations based on the principle of materiality. According to the identification results of the 2024 Realtek Human Rights Risk Matrix, human rights issues including privacy protection, anti-discrimination, anti-harassment, and promotion of equality, freedom of association, prohibition of child labor and young workers, safe and healthy working environment, and health and wellness are all considered low-potential risks. In contrast, “forced labor and working hours management” presents a higher probability of occurrence and impact, and is therefore identified as a primary human rights issue.

Recognizing the critical importance of managing human rights issues, Realtek proactively strengthens its approach by establishing risk management policies or strategies for each issue, along with devising mitigation and remediation measures. Through continuous monitoring and management, the company refines its practical actions concerning human rights to foster a friendly work environment for all employees. In 2024, Realtek received no complaints concerning discrimination, child labor, or forced and compulsory labor. Two cases of unlawful infringement in the workplace were reported by employees during the year. Both were handled as dedicated cases in accordance with the regulations and procedures of the "Prevention Plan for Unlawful Infringement Suffered in the Course of Duty," and have since been concluded.

STEP 04
Carry out Mitigation and Adjustment Measures on Human Rights Issues

Human Rights Issues	Target of Impact	Precautionary Measures	Mitigation Impact / Enhancement Measures
Privacy Protection	All employees at Realtek's Taiwan sites & Supplier & customers	<ul style="list-style-type: none"> Strengthen security protection measures for the collection, processing, and management of employee personal data, such as advisory watermarks and access restrictions, to prevent unauthorized use, theft, and disclosure. To provide front-end users with first-line security protection and detection, and reporting mechanisms. Regularly conduct cybersecurity education courses and cybersecurity drills. Announcement and promotion of information security policies and measures. Set up access control and encryption protection for personal information database system. Dedicated printers are set up in restricted areas to strengthen and protect personal information. Implement encryption protection setting for biographical files. 	<ul style="list-style-type: none"> Enhancing the grasp of threats from information security incidents, and quickly identifying and responding to information security incidents to mitigate risks.
Anti-Discrimination, Anti-Harassment, and Equality	All employees at Realtek's Taiwan sites	<ul style="list-style-type: none"> All employees are required to comply with human rights regulations as mentioned above. The relevant contents of these regulations are made public on Realtek's official website to facilitate awareness and easy access for all employees. Furthermore, every new employee is required to complete human rights-related training courses. Regularly conduct labor risk assessments and identification, monitor and manage the current situation, and develop proactive enhancement measures to address necessary issues. To maintain labor-management relations, promote cooperation, and enhance work efficiency, Realtek has enacted the Regulations for Organizational Communication Meetings, which mandate the participation of business unit management representatives and employee representatives in regular and irregular Organizational Communication Meetings (labor-management meetings). 	<ul style="list-style-type: none"> An EAP assistance plan for employee care is in place to provide employees with psychological counselling-related services. Providing 'Resources for Handling Workplace Illegal Infringement Incidents' and implementing related prevention plans. Effective communication and complaint channels are implemented for all employees to maintain diversified communication channels and ensure employees can fully reflect their opinions in a timely manner and receive effective feedback, while protecting whistleblowers from retaliation.
	Suppliers	<ul style="list-style-type: none"> Require all key suppliers to sign and comply with the Supplier Code of Conduct. Establish an ESG risk assessment mechanism for suppliers, regularly carry out audits on existing suppliers, and incorporate suppliers' sustainable performance into the projects of order configuration and long-term cooperation consideration. Based on RBA 8.0, a supplier questionnaire covering labor and ethical management has been developed to confirm the risks and management practices of suppliers who have not yet obtained RBA certification. 	<ul style="list-style-type: none"> In the event of a major human rights issue occur with suppliers, the Company may re-evaluate the cooperation with the supplier, and provide advice and assistance in a timely manner.

Human Rights Issues	Target of Impact	Precautionary Measures	Mitigation Impact / Enhancement Measures
Forced Labor and Working Hour Management	All employees at Realtek's Taiwan sites	<ul style="list-style-type: none"> Set up the Realtek Semiconductor Labor Policies to protect the labor rights of employees. Clearly state that no involuntary, exploitative and under-18 years of age can be hired, and forced labor and any form of humiliating or inhumane treatment of employees is prohibited. Set up appointment and check-in procedures for new employees, and fully explain the rights, obligations and benefits of the employees through the employment notice to maintain an equal and transparent employment relationship. Formulate working hours management measures, set up overtime declaration systems, stipulate that employees' consent is required for overtime work, and provide overtime pay or compensation leave mechanism to maintain the normal working hours and rights of employees. A standard employment contract is signed, and employees have the right to terminate the labor contract freely, subject to the regulation of the law. In accordance with RBA VAP items, the responsible unit assesses gaps and risks, and formulates improvement plans. 	<ul style="list-style-type: none"> An EAP assistance program is in place to provide employees with psychological counselling-related services. Provide effective and smooth communication and complaint channels for employees, ensure that our employees can reflect their opinions in a timely manner and receive effective feedback. work adjustments. Enhancing the work hour management system, strengthening relevant education and training, and optimizing work task allocation, to mitigate working hour risks. Leveraging the overtime approval system, the overtime status of employees is monitored in real-time, and department managers are notified to provide timely assistance to those working extended hours, facilitating appropriate work adjustments.
	Suppliers	<ul style="list-style-type: none"> Require all key suppliers to sign and comply with the Supplier Code of Conduct and the Conflict Minerals Statement. Establish an ESG risk assessment mechanism for suppliers, regularly carry out audits on existing suppliers, and incorporate suppliers' sustainable performance into the projects of order configuration and long-term cooperation consideration. A supplier labor and ethical management questionnaire was designed based on RBA 8.0 to assess the risks and management status of suppliers who have not obtained RBA certification. Regular supplier communication meetings are held to provide timely suggestions and assistance. 	<ul style="list-style-type: none"> Regularly conduct supplier audits in accordance with the CoC, strengthen the conflict minerals management system, and require suppliers to certify that the raw materials used in their products are not sourced from conflict mineral areas. In the event of material human rights incidents involving a supplier, Realtek may re-evaluate subsequent cooperation with the supplier and provide timely advice and assistance.
Freedom of Association	All employees at Realtek's Taiwan sites	<ul style="list-style-type: none"> Set up the Realtek Human Rights Policies to support and emphasize the freedom of association. Emphasize that talents are the Company's important assets, care about all employee organizations, promote labor-management cooperation, and establish harmonious labor management interaction. 	<ul style="list-style-type: none"> Hold organization communication meetings (labor-management meetings) and Employee Welfare Committee meetings on a quarterly basis, while representatives of the Company and representatives of employees will participate and hold ad hoc communication meetings
	Suppliers	<ul style="list-style-type: none"> Require all key suppliers to sign and comply with the Supplier Code of Conduct. Established an ESG risk assessment mechanism for suppliers, regularly carry out audits on existing suppliers, and incorporate suppliers' sustainable performance into the projects of order configuration and long-term cooperation consideration. Regular supplier communication meetings are held to provide timely suggestions and assistance. A supplier labor and ethical management questionnaire was designed based on RBA 8.0 to assess the risks and management status of suppliers who have not obtained RBA certification. 	<ul style="list-style-type: none"> In the event of a major human rights issue occur in suppliers, the Company may downgrade or temporarily cancel the cooperation with the supplier, and provide advice and assistance in a timely manner.

Human Rights Issues	Target of Impact	Precautionary Measures	Mitigation Impact / Enhancement Measures
Abolition of Child Labor and Underage Workers	All employees at Realtek's Taiwan sites	<ul style="list-style-type: none"> Explicit regulations prohibit the employment of individuals under the age of 18, to safeguard the rights and interests of minors. Procedures are established for the recruitment and onboarding of new employees, and the verification of new employees' personal information is strengthened to prevent the erroneous employment of child labor. Do not employ student workers. 	<ul style="list-style-type: none"> Improve mechanisms and remedial measures to prevent the misuse of child labor; and formulate policies prohibiting retaliation against whistleblowers and implement internal whistleblowing mechanisms. Timely assistance is provided to address instances of child labor misuse, mitigating human rights risks.
	Suppliers	<ul style="list-style-type: none"> Require all key suppliers to sign and comply with the Supplier Code of Conduct and the Conflict Minerals Statement. Establish an ESG risk assessment mechanism for suppliers, regularly carry out audits on existing suppliers, and incorporate suppliers' sustainable performance into the projects of order configuration and long-term cooperation consideration. A supplier labor and ethical management questionnaire was designed based on RBA 8.0 to assess the risks and management status of suppliers who have not obtained RBA certification. Regular supplier communication meetings are held to provide timely suggestions and assistance. 	<ul style="list-style-type: none"> If a supplier experiences a material human rights incident, Realtek reserves the right to re-evaluate subsequent cooperation projects with the supplier and provide timely suggestions and assistance.
Safe and Healthy Working Environment	All employees at Realtek's Taiwan sites	<ul style="list-style-type: none"> An Occupational Safety and Health Committee is established to regularly review relevant occupational safety and health issues. Establish procedures to prevent, manage, track, and report work-related injuries and occupational diseases, and actively address potential occupational safety risks. Continuing to promote audits of the ISO 45001 to create a safe working environment. Regularly provide safety and health education and training, and continuously conduct qualified first aid personnel training. 	<ul style="list-style-type: none"> Management performance is regularly calculated based on the various factors listed in the performance evaluation standards, in order to achieve continuous improvement objectives for occupational safety and health.
	Contractors	<ul style="list-style-type: none"> Measures, including the "Construction Site Safety and Health Management Regulations" and "Procedures for Accident Notification, Handling, and Investigation Management", have been formulated to ensure work safety within the plant area. Regularly provide occupational safety and health education and training to inform personnel of relevant hazards and precautions during operations. 	<ul style="list-style-type: none"> Regularly supervise the safety and health performance of outsourcers and contractors, and implement evaluations, guidance, and immediate corrective actions to prevent any safety and health hazards from occurring within the plant.
Health and Wellness	All employees at Realtek's Taiwan sites	<ul style="list-style-type: none"> Provide free health examination services exceeding statutory requirements, and launch a dedicated health examination program for Realtek employees. 	<ul style="list-style-type: none"> An EAP assistance program is in place to provide employees with psychological counselling-related services. Regular monthly health campaigns are conducted to help employees acquire new health knowledge.

Remediation Plan for the Misuse of Child Labor

1. Should the misuse of child labor be identified, the child must be immediately removed from their workstation. An immediate assessment of the nature of their work and the environment must then be conducted to determine any potential risk to their physical and mental health.
2. If, after evaluation, there is a risk to their physical and mental health, they should be immediately sent to a medical institution for a health examination. If it is confirmed that the illness or disability is work-related and requires treatment, the costs shall be borne by the company.
3. If the child laborer is found to be in good health, then the termination procedures shall be duly completed.
4. If instances of child labor are identified, potential issues within the recruitment and employment process should be investigated, and immediate corrective and preventive measures should be taken.

Employee Care and Benefits

Diverse Channels for Communication

Realtek highly respects the characteristics, perspective, and voice of each employee while encouraging a culture of open, sincere, and constructive communication throughout the Big Crab Family. To support these goals, we build a timely, two-way “employee communication” channels and hold both quarterly organizational communications meetings (labor-management meetings) and Employee Welfare Committee meetings. Realtek adheres to the principle of equal in speech, listen to and value diverse thoughts and opinions within the team. Employees can express their professional or constructive feedbacks and freely through various effective communication channels. Based on the situation, the Company responds to or provides support according to different needs, building and maintaining a sustainable workplace that is friendly, thus promoting positive and harmonious relationships.

Communication and Opinion Reflection

Realtek values the opinions and rights of all its employees and maintains smooth and complete channels for employee feedback to ensure seamless two-way communication.

Direct Communication Methods

Employee Communication Channels

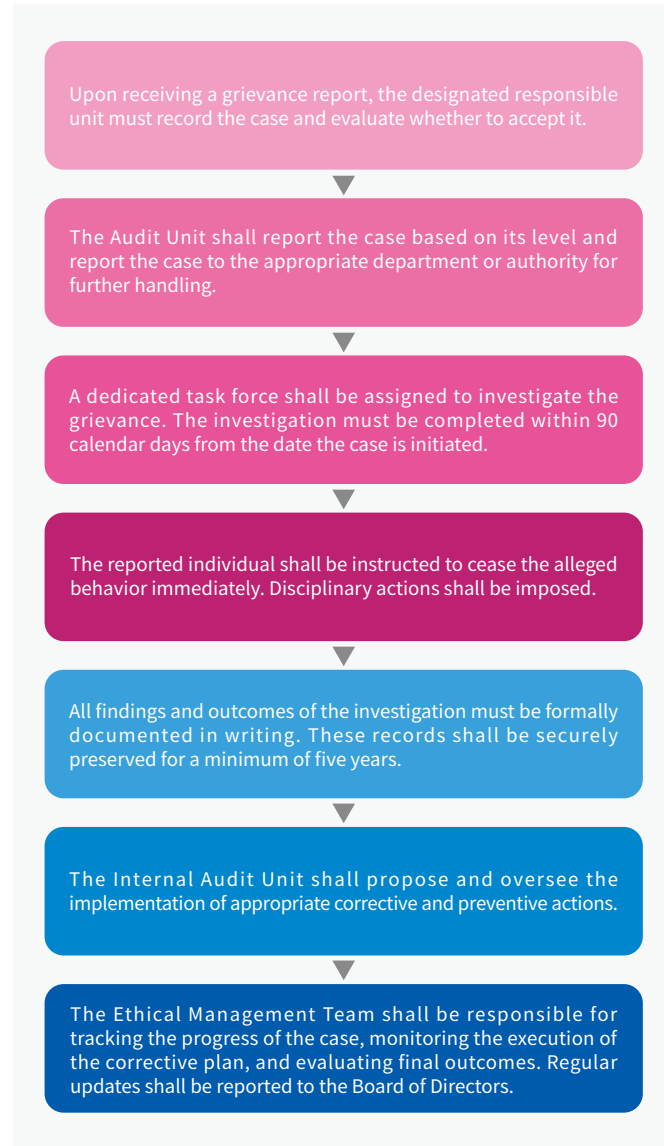
- Realtek Organizational Communication Meetings.
- Realtek Employee Welfare Committee.
- Employee performance interview.
- Realtek Employee Engagement Survey.
- Discussion sessions for new employees, Exit Interviews
- Realtek’s new employee training camp: supervisor Q&A time
- Discussions and seminars for Realtek’s managers.
- Direct unit supervisor, managers at all levels.
- Designated contacts and supervisors

Feedback Channels

(All are subject to the whistleblower protection mechanism.)

- The President's Mailbox
- Intranet Discussion Forum
- Internal whistle-blowing procedures (whistle-blower protection mechanism)
- Hotline and Mailbox for Consulting and Reporting Workplace Harassment

Grievance Procedure Process



Realtek Employee Engagement and Comprehensive Work Environment Survey

Realtek firmly believes that employees are the key factor in achieving sustainable operations. To gain a more in-depth and comprehensive understanding of our employees' work-life experiences and voices, and thereby accurately enhance employee satisfaction and commitment, Realtek conducts the "Realtek Employee Engagement and Comprehensive Work Environment Survey" for all employees at its Taiwan operational sites every two years. The survey results were analyzed by groups based on gender, age, tenure at Realtek. The overall employee engagement score reached 86.2% across the three main domains of "Personal Engagement," "Personal Development, Benefits, and Compensation," and "Workplace Experiences." We also conducted further analysis on dimensions such as Job Satisfaction, Purpose, Happiness, and Stress. The results indicate that 89.69% of our employees understand their work objectives, are satisfied with their work experience, and are willing to recommend others to join Realtek.

Following the completion of the "Realtek Employee Engagement and Comprehensive Work Environment Survey," a task force will convene interdepartmental meetings as per established plans. During these meetings, all indicators across the three key dimensions of "Personal Work Recognition and Engagement," "Personal Development, Benefits and Compensation," and "Workplace Environment and Factory Service Experience" will be thoroughly discussed. Strategies will be devised to maintain and enhance system services for high-scoring indicator groups. For those indicators that fall outside of the high-score range, in-depth problem-solving discussions will be conducted, and phased enhancement plans will be developed and systematically implemented through concrete adjustment actions. Furthermore, the task force will leverage the "Realtek Organizational Communication Meetings" platform to provide detailed reports on survey results to committee members, fostering deep discussions. These meetings facilitate the exchange of ideas across different units and levels, strengthening consensus among all employees, enhancing understanding of issues, and supporting the sequential promotion of subsequent business endeavors. Continuing efforts, the task force will seek broader engagement and exploration of employee engagement solutions to foster a work-life environment where employees feel satisfied, supported, and committed, aiming to create sustainable and win-win competitive goals. Additionally, in terms of employee engagement achievements, Realtek's Singapore subsidiary also conducted an anonymous survey with an external organization in March 2025 to gather feedback from employees regarding their experiences at the company. The survey achieved a remarkable score of 76, significantly outperforming the Singaporean corporate average of 49, earning the "Great Place to Work" certification.

Realtek is committed to closely monitoring and aligning employee engagement with organizational development. Each year, in addition to conducting the "Realtek Employee Engagement and Comprehensive Work Environment Survey," Realtek engages in various projects, activities, and occasions, deploying effective surveys, face-to-face interviews, and group focus discussions. This allows Realtek to promptly understand and communicate employee needs and suggestions. Through constructive interactions and discussions, coupled with problem-solving efforts, these engagements positively reflect in every process and individual result, while overall advancing the outcomes of the survey. Realtek will continually focus on monitoring the dynamics of industry and societal trends and changes in employee engagement metrics. The company is dedicated to developing and enhancing strategies that respond to sustainable outcomes, embodying Realtek's distinctive team-based, innovative, and dynamic work culture.



Realtek Singapore
Pte Ltd

2024-2025 Realtek Employee Engagement and
Comprehensive Work Environment Survey Result

Employee Engagement Index **86.2%**

Employee Assistance Program (EAP)

Realtek's Employee Relations Development and the Occupational Safety and Health Center are responsible for implementing employee counseling and assistance mechanisms, promoting employees' workplace adaptability and mental health. In addition to discussing the workplace adaptability of new employees, a series of individual consultations and support services are also provided, such as the 'Employee Assistance Programs' (EAP), which offer employees professional services related to career work-life, family parenting, emotional relationships, mental health, management consulting, legal consulting, and other comprehensive services. This is done through comprehensive employee assistance planning to achieve the goal of employee care!

Realtek collaborates with the professional mental health counseling organization “Yulian Management Consulting Co., LTD” and “Cheng Kuan Attorneys-at-Law” to provide employees with free “legal advice helpline” and “psychological counseling services”. Through comprehensive and diverse assistance plans, we aim to take care of our employees' physical and mental health and offer consultations on work-life related topics. At the same time, the Realtek Occupational Safety and Health Center also enhances organizational safety, occupational safety, health promotion services, mental health care, and prevention of workplace violations through various project plans and communication assistance mechanisms. These efforts aim to optimize the working environment and benefits at Realtek.

Employee Assistance Program		
Psychological Consultations	On-site Consultation with Professional Consultants	Video, Telephone, and Email
	50.5	366
Number of legal consultations	41	
Total Consultations in 2024	457.5	
The overall satisfaction of employees utilizing EAP professional counseling consultants for on-site psychological counseling reached a score of 4.78 ^{Note} .		

Note: The maximum score is 5 points.

Work-Life Balance

Most people seek to achieve a balance between work, health, and family life. Realtek therefore attaches great importance to improving the work-life balance and health awareness of employees. Therefore, we have been paying long-term attention to and continuously planning and implementing related promotion programs for all employees (including contract employees). For example, we offer a variety of themed Realtek intellectual life series lectures, hold various team innovation vitality activities and sports events, set up Realtek Vital and Energetic Sports Center and libraries, establish various clubs, and regularly provide health promotion and disease prevention related lectures and information sharing. In terms of our employees' life welfare, the company also plans a variety of programs every year to take care of employees' health, improve work morale, create a healthy and energetic work culture, and build a healthy physique and long-term competitiveness for sustainable corporate operations.



Club Activities



2024 Realtek Cup Badminton Championship



2024 Realtek Cup Basketball Championship

Realtek features 39 clubs voluntarily organized by employees, spanning diverse categories such as sports, arts and culture, and learning and intellectual enrichment. These clubs offer employees opportunities to expand their social networks and explore personal interests, creating a vibrant and fulfilling work-life experience. The Realtek Employee Welfare Committee provides annual subsidies for these clubs and organizes a series of Realtek Cup Championships. In 2024, the Realtek Cup Championships included basketball, volleyball, badminton, tennis, softball, board games, and Tai Chi, comprising a total of 7 tournaments with 649 participants. Through these competitions, Realtek aims to cultivate team spirit and promote camaraderie among colleagues.

■ 39 Clubs

■ The Realtek Cup comprised a total of 7 events, with 649 participations

Realtek Vital and Energetic Sports Center

Realtek has set up the 'Realtek Vital and Energetic Sports Center I', which includes the Realtek Joy Reading Hall, Employee Learning Development Center, Employee Care Center, Realtek EAP Research and Development Center, CSR Professional Planning Center, Employee Counseling Center, Parent-Child Game Room, Fun Leisure Area, Basketball Game Area, Stress Relief Massage Room, Nursing Room and Medical Area, etc. In 2023, we expanded and newly opened the 'Realtek Vital and Energetic Sports Center II', with the aim of health, happiness, and vitality, and built a comprehensive sports and leisure venue with a total of 1,279 pings, which includes seven major halls, namely, Sports Physical Training Area, Comprehensive Court (Basketball, Badminton, Volleyball), Table Tennis Room, Billiard Area, Rhythmic Yoga Room, Parent-Child Fun Area, Game Area. The hall regularly offers various sports courses and invites external fitness coaches to guide employees on how to correctly use equipment and related fitness information. In 2024, the total number of visits to the Realtek Vital and Energetic Sports Center I was approximately 120,300. The Realtek Vital and Energetic Sports Center II offered a total of 1,360 sports classes, with approximately 13,000 participants.

Sports Physical Training Area



Realtek Vital and Energetic Sports Center I



Realtek Vital and Energetic Sports Center II

■ Realtek Vital and Energetic Sports Center: The total number of person-times used was approximately 120,300

■ A total of 1,360 sports classes were conducted, with 13,000 participations

Company-Wide Activities

In addition to the annual End-of-Year Celebration Party, one of the most important all-staff events of Realtek is the 'Realtek Family Day'. We invite all employees to bring their relatives and friends to join this grand event. Realtek Family Day consists of five main activities: (1) Realtek Ironman Triathlon and Sports Competitions, (2) Realtek staff team fun competition group activities, (3) Big Crab, Little Crab amusement facility experiences and parent-child challenge activities, (4) Realtek funfair activities, and (5) an all-inclusive gathering and award ceremony for senior employees to create an exclusive 'team, innovation, vitality' atmosphere for the Crab Family. Among them, the award ceremony for senior employees, which has been grandly held on Family Day for many years, is to honor and thank our senior partners for their continuous efforts and dedication over the years. The aim is to continually affirm and encourage employees, and together create the unique cohesion of the Crab Family! The 38th-anniversary Family Day saw the participation of approximately 6,237 individuals, including employees, their families and friends, and teachers and students from four rural schools. In the various competitions, 300 employees formed teams to participate.

Realtek 38th Anniversary Family Day: Passionate Vitality and Sustainable Well-being as the Crab Family Charges Forward



Realtek Employee Welfare Committee

To enhance organizational vitality and improve employee experiences and welfare, Realtek has established the Employee Welfare Committee (hereinafter referred to as the Welfare Committee). This includes all employees (full-time employees and contract employees) who enjoy the same Employee Welfare Committee benefits. The Realtek Welfare Committee holds regular meetings annually to plan and establish various employee welfare policies, including a series of intellectual life lectures throughout the year, and organizes diverse types of activities. These activities are diverse, interesting, and profound, covering a range from investment finance, arts and humanities, astrology, interpersonal relationships, leisure activities, life skills, to sports competitions and parent-child interactions. It is hoped that through the planning and implementation of the Employee Welfare Committee's activities, the content and positive feelings of employees' work life will be enriched and they will experience the power of full organizational support!

The Realtek Employee Welfare Committee, guided by the principle of 'The Crab Family Unites, Benefits Shared by All', has implemented various welfare policies with the dedicated efforts of the project planning team and all committee members. In addition to co-hosting large-scale events with the company that all employees can participate in, the committee held 24 fun and educational themed events in 2024. These included 'Hope Cinema', 'Realtek Intellectual Life Lecture Series', 'Little Crab Story House', and 'Realtek Cup Series Championships', among other exciting and fun themed activities, promoting the enjoyment of work and life among employees. We actively create organizational momentum at Realtek. Through innovative and breakthrough activities, Realtek and the family members of the Crab Family experience Realtek's benevolent charm together, creating a unique cohesion within the Big Crab Family!

2024 End-of-Year Celebration Party: The Realtek Big Team Surpasses and Advances Innovation



Employee Welfare Measures and Investment

In 2024, Realtek Semiconductor and the Realtek Employee Welfare Committee provided over NT\$113.9 million to support the operation of the employee welfare and related activities. During the course of the Company's continuous expansion of innovation competitiveness and constant growth in operating results, all employees can continue to feel and enjoy the Company's well-intentioned welfare policies and environment.






Benefit Categories	Benefit Item	Content
Financial Benefits	Compensation and Welfare Policy	Distributed in accordance with the Company's compensation and welfare policies. Includes year-end bonuses, performance bonuses, Dragon Boat Festival and Mid-Autumn Festival bonuses, wedding gift, childbirth subsidies, funeral subsidies, department funds, business travel allowances, business travel fuel allowances, etc.
	Festival Vouchers	E-vouchers are issued for festivals (Labor Day, Dragon Boat Festival, Mid-Autumn Festival) and birthday celebrants, employees can choose a variety of channels according to personal consumption preferences.
	Crab Family Fund	Monthly distribution of electronic gift vouchers that enriches their work-life experience.
	Cafeteria benefit plan	The Employee Welfare Committee decides the amount of welfare benefits that each employee can apply for each year.
	Employee Purchase Vouchers	Discounted vouchers are available for employee purchase, and E-vouchers are introduced to promote environmental protection and offer employees a variety of brand channels. Additionally, the function of APP voucher transfer and voucher return is added to enhance convenience.
	Meal Allowance	Subsidizing employees' meals, and daily lunch and dinner meals from various meal counters are provided.
	Parking Spaces	The Company offers sufficient parking spaces for cars and scooters and charging facilities for electric vehicles.
Facility Benefits	Living facility services	The office park is equipped with a Starbucks Realtek store, a 7-11 convenience store, a FamilyMart, a Xiao-Yu store, and an intelligent vending area.
	Childcare Services	The Company has a professional breastfeeding room and provides nursery-schooling services.
	Sporting facilities and environment	Realtek Vital and Energetic Sports Center I was established in Office I, and Realtek Vital and Energetic Sports Center II was established in Office II and Office III. The facilities include various fitness equipment, basketball, volleyball, badminton courts, billiards, table tennis, basketball machines, as well as shower rooms and toiletries.






Benefit Categories	Benefit Item	Content
Facility Benefits	Magazine reading room	Contains a diverse selection of technology, management, finance, family, and health magazines for employees to read.
	Pleasure Reading House and Pleasure Reading Inn	The company has set up comfortable reading rooms in the Office I, Office II and Office III with books and multimedia contents updated every month and available to employees for free.
Activity Benefits	Prize drawings at Family Day and the end-of-year banquet	The Company and the Employee Welfare Committee organize money and prize drawings.
	Leave type	Includes annual leave, flexible leave, maternity leave, paternity leave (including for maternity tests), sick leave, marriage leave, bereavement leave, pandemic prevention leave, and volunteer leave, etc.
Other Health and Project Benefits	Employee Assistance Program (EAP)	Includes psychological counseling, legal advice, stress-relieving massages, and at least one annual Employee Assistance Program seminar.
	Group Insurance	Realtek provides free group insurance to employees. Each employee's spouse and children can also enroll in the group insurance at the Company's cost.
	Business Travel Insurance	Realtek provides domestic and international business travel insurance.
	Health Check-up	<ul style="list-style-type: none"> The Company commissions a high-quality medical team to provide an annual health check for all employees. Besides general items such as blood tests and urine tests, the examination goes beyond legal requirements to include more advanced tests such as abdominal ultrasounds, electrocardiograms, and cancer screening, etc. Employees' family members can also have a health check at a discounted cost, and both employees and their families are welcome to request additional self-paid tests.
	Health consultations with resident physician	Approximately nine sessions are held monthly, with a professional physician stationed on-site to provide three hours of consultant service per session.
	Airport VIP Lounge	Negotiate with airlines for special offers and provide a wide range of VIP services.

List of Employee Welfare Activities in 2024

In 2024, a total of 14,229 participations were recorded in Realtek's employee welfare activities.

The 2024 Little Crab Story House event, held over two days, comprised a total of 8 sessions with 268 children in attendance.

Activity Name	Photos
Realtek Cinema <ul style="list-style-type: none"> The Marvels Wish Inside Out 2 Bad Boys: Ride or Die 	
Realtek Intellectual Life Lecture Series <ul style="list-style-type: none"> Travel Guide: The Countries You Have Never Visited 8 Key Trends and Changes to Watch in the 2024 Automotive Market! Discover Your Personal Style! Craft Your Professional Image in Seven Seconds! Intergenerational Real Estate Market Forum: Hsinchu Real Estate Trends – A Comprehensive Guide Practical Makeup Skills Course: Build Your Radiant Image! HOME RUN! The Power of Perseverance in Dreams 	 
Realtek 2024 Little Crab Story House Event <ul style="list-style-type: none"> The Employee Welfare Committee organizes the 'Little Crab Story House' parent-child event every year, inviting professional and friendly Story House sisters to Realtek to tell stories to the little crabs, which is deeply loved and enthusiastically participated by many parents and children! Through interesting, lively and inspiring stories, it brings educational and meaningful parent-child activities to the little and big crabs. 	 

Activity Name	Photos
<div>2024 Realtek Cup Series Championships</div> <div> <div> Basketball Game Volleyball Game Tennis Game Badminton Game </div> <div> Softball Game Tai-Chi Game Board Game Match </div> </div>	 
<div>STARBUCKS Realtek No. 2 Office Branch</div> <div> <p>In 2024, Starbucks opened a branch on the 1st floor of Realtek's Hsinchu No. 2 Office, offering employees meals from this renowned chain with employee benefits that are more favorable than the market price, thereby enhancing employee welfare.</p> </div>	
<div>Exclusive for Realtek Employees: Co-branded Backpack</div> <div> <p>Realtek Group has provided its employees at global locations with a Realtek exclusive co-branded backpack, created in collaboration with the well-known brand FUTURE LAB. (Future Laboratory). This backpack integrates multifunctional practicality suitable for business, leisure, and sports activities.</p> </div>	 

Happy Crab Family

Realtek values the needs of its employees throughout the various stages of their lives and is delighted to see them smoothly and securely advance toward life's major milestones as part of the Realtek family.

Social Activities

Realtek partnered with the NTU Hospital Hsinchu Branch to foster a happy workplace environment. In 2024, we co-hosted two singles networking events, providing opportunities for employees from both organizations to interact and form friendships while expanding their social circles. Through themed experiential activities, participants can meet new friends and potentially find suitable partners, helping single colleagues achieve personal happiness. We will continue to plan and launch family-friendly initiatives and promote work-life balance, building upon our concrete achievements in these areas.



Insurance Program for Employees and their Dependents

In addition to statutory Labor and Health Insurance, Realtek provides employees with comprehensive group insurance benefits, with premiums fully paid by the company. This coverage includes life insurance, accident insurance, accidental medical insurance, hospitalization insurance, cancer insurance, and health insurance for statutory communicable diseases, offering employees complete and thorough protection. To extend this care to employees' families, the spouses and children of full-time employees can also be enrolled in the group insurance plan, with premiums fully covered by the company. Additionally, employees have the option to enroll their parents in hospitalization and cancer insurance at preferential rates. Realtek not only cares for its employees but is also committed to the health, protection, and well-being of their families, aiming to create the best employee experience and foster a harmonious, cohesive environment, with a strong focus on family health insurance and support for their lives.

Parenting Support

To provide new parents at Realtek with more time to spend with their newborns, starting in 2024, the company has extended maternity leave from 8 to 12 weeks, exceeding the standards stipulated in the Act of Gender Equality in Employment. The company also implements a comprehensive parental leave system, for which both male and female employees can apply through established procedures, enabling them to dedicate their full attention to caring for family members. In addition, the childbirth subsidy has been raised from NT\$1,200 to NT\$10,000 per birth to encourage employees to have children, demonstrating tangible support for their family care needs.

Number of Employees Applying for Unpaid Parental Leave	33
Reinstatement Rate	88.2%
Retention rate	81.8%
Total Number of Maternity Allowances Issued	146

Realtek Taiwan Parental Leave Statistics

2024			
Male	Items	Female	Total
361	Number of Employees Eligible for Unpaid Parental Leave in 2024 (A) ^{Note}	58	419
10	Number of Employees that Used Unpaid Parental Leave in 2024 (B)	23	33
8	Total Number of Employees Expected to Be Reinstated in 2023 after Using Unpaid Parental Leave in 2024(C)	9	17
6	Total Number of Employees Reinstated after Using Unpaid Parental Leave in 2024 (D)	9	15
6	Total Number of Employees Reinstated after Using Unpaid Parental Leave in 2023 (E)	5	11
4	Total Number of Employees Still with the Company 12 Months after Returning from Unpaid Parental Leave in 2023 (F)	5	9
75.0%	Reinstatement Rate after Using Unpaid Parental Leave in 2024 (D/C)	100.0%	88.2%
66.7%	Retention Rate after Using Unpaid Parental Leave in 2024 (F/E)	100.0%	81.8%

Note:
【Number of Employees Eligible for Unpaid Parental Leave in 2024: A】 According to the employee group insurance, the condition for employees' children is set to those born after January 1, 2022 (inclusive). If both parents are employees of the company, their children can only be insured by either the father or the mother, so there won't be a problem of double-counting employees' children.

Realtek places great emphasis on the care during pregnancy, postpartum, and infant care of our employees. From the moment a female employee announces her pregnancy until one year after the birth, our Occupational Safety and Health Center provides comprehensive 'Maternal Protection' health care. In addition to offering services such as professional consultations with our factory doctor after prenatal check-ups, we also have a well-established system for maternity leave. We offer guidance on health education during pregnancy and postpartum self-care and childcare to help pregnant employees fully understand important knowledge and skills for pregnancy care, postpartum physical and mental health, and childcare. At the same time, the company also provides clean, safe, comfortable, and private breastfeeding rooms, offering a friendly and stress-free environment for breastfeeding for new mothers. In 2024, Realtek had a reinstatement rate after unpaid parental leave of 88.2%.

Regarding family care, to enable our employees to balance their career development and childcare needs, the Realtek Employee Welfare Committee's affiliated kindergarten established by the Realtek Employee Welfare Committee will officially open and begin enrollment in 2025. This kindergarten provides safe and professional childcare services, allowing parent employees to focus on their work with peace of mind, while ensuring their children can grow in a suitable educational and care environment. This truly implements a comprehensive family-friendly policy.

Realtek Kindergarten

Realtek supports employees in balancing family care with career development. The Realtek Kindergarten, established by the Employee Welfare Committee, is planned to have a total of 5 classes, including large, middle, small, and two toddler classes. It targets children of Realtek employees aged 2 to 6 and will commence operations and enrollment in February 2025.

The Realtek Kindergarten, affiliated with the Employee Welfare Committee, staffs each class with two teachers. All staff, including the principal, professional teachers, and childcare providers, hold university degrees or above in early childhood education-related fields, allowing employees' preschool-aged children to grow in a safe, high-quality, and reliable learning environment. Furthermore, the kindergarten's childcare hours are flexibly designed to align with employees' work schedules, offering free extended childcare services, and enabling employees to focus on their work tasks with peace of mind.



Healthy Work, Peaceful Life

A Safe, Healthy Workplace

Realtek Occupational Safety and Health Policy

1

Emphasis on occupational safety and health is one of the company's management priorities.

2

Eliminate hazards and reduce occupational safety and health risks with the goal of achieving zero accidents.

3

Based on decrees and other requirements, we will continue to improve occupational safety standards.

4

It is the basic responsibility of the company to provide a safe and healthy working environment with the participation and consultation of workers



Occupational Safety and Health Committee



Realtek established the Occupational Safety and Health Committee in accordance with Article 23 of the 'Occupational Safety and Health Act.' The President serves as the Chairman and the committee has 14 members, including six labor representatives (42.9%), and convenes quarterly review of occupational safety and health issues. Realtek is in the IC design industry, and no employees engaged in high-risk work or roles that have a high risk of certain diseases. We continue to make improvements in occupational safety topics and procedures based on domestic and foreign legislation,

we actively and attentively create a safe and reliable working environment for all employees. In 2024, the OSH Committee held 4 meetings. Important resolutions included organizing health promotion activities, offering a subsidized self-paid flu vaccination program, reminding employees of pandemic prevention measures, and distributing free medical-grade masks to employees.

Comprehensive Occupational Health and Safety Management Systems

Realtek passed the ISO 45001 Occupational Health and Safety Management Systems document review and external audit in 2021, covering Realtek Office No.1 and all company-related workers entering and exiting the factory area. Through standardized and systematic management, we are actively building a healthy and safe working environment.

ISO 45001 Occupational Health and Safety Management System



Validity period: 2024.12.15~2027.12.15

● Hazard Identification, Risk Assessment, and Incident Investigation

Realtek complies with industry-related laws such as the 'Occupational Safety and Health Act' and 'Labor Standards Act', and follows the ISO 45001 'Hazard Identification and Risk Evaluation Management Procedures' and 'Incident Reporting, Handling, and Investigation Management Procedures'. We identify all potential hazards that could cause physical or psychological harm due to the nature of work or working environment, and adopt effective measures to assess, monitor, eliminate, avoid, and prevent potential risks, improving according to the PDCA management system.

In 2024, according to the results of the hazard identification and risk evaluation management procedures, all risks at Realtek were low. The only cases involved employees experiencing discomfort during pregnancy, for which follow-up maternal assessments and health education were fully implemented. In addition, in the 'Written Declaration for the Prevention of Unlawful Harassment in the Workplace', the company has stipulated that 'The company will never disadvantage employees who stop working or retreat to a safe place due to the risk of endangering their body or life when performing their duties.' We actively construct a safe, healthy, and zero-hazard-risk working environment. In 2024, there were no occupational accidents or legal litigation incidents caused by employee health and safety hazards.

Risk Level- Risk Nature- Mitigation Measures

Risk level	Risk Nature	Mitigation Measures
5	Extremely High Risk (Unacceptable)	Immediately review the completeness of existing protection measures and promptly implement engineering or management improvement plans, operational controls, or enhance contingency capabilities.
4	High Risk (Unacceptable)	Immediately review the completeness of existing protection measures and implement engineering or management improvement plans, operational controls, or enhance contingency capabilities within a reasonable timeframe.
3	Moderate-to-High Risk (Temporarily Acceptable)	Temporarily acceptable, but attention must be paid to whether more effective protection measures or appropriate operational procedures, controls, and safety measures can be adopted. It has been decided in the risk identification and evaluation meeting that this should be listed as an item for improvement. Review the completeness of existing protection measures and implement engineering or management improvement plans, operational controls, or enhance contingency capabilities within a reasonable timeframe.
2	Moderate Risk	Temporarily acceptable level of risk
1	Low Risk	Acceptable



Safety and Hygiene Training for Catering Contractors

● Education, Training and Safety & Hygiene Management for Contractors and Subcontractors

Realtek has long focused on maintaining the safety and hygiene of all workers in the workplace. In addition to regularly providing employees with safety and hygiene education training, and continuously implementing qualified first aid personnel training, the OSH Center conducts safety and hygiene education training for all outsourcing and contracting firms entering the Realtek campus. This is to ensure they adhere to relevant safety and hygiene regulations and to reduce the safety risks within the campus. The OSH Center informs them of the relevant hazards during operations and constantly supervises the safety and hygiene performance of outsourcing and contracting firms. They also execute evaluations and guidance, immediate improvement actions, to avoid any safety and hygiene hazards within the factory. In 2024, a total of 722 participants attended occupational safety and health-related education and training; 3 regular and ad-hoc training sessions were conducted for outsourcers and contractors.

Occupational Safety Performance

The Occupational Safety and Health Center defined supervision and measurement methods for operations and activities that may pose an unacceptable level of safety and health risk. At the end of each quarter, management performance is calculated using the factors listed in the performance evaluation standards to realize the goal of improving safety and health. These measures ensure safe practices and effective risk control among all members of the Company. In the past seven years, there was no violations of any employee health and safety regulations.

0 Occupational Accidents

0 Occupational
Disease Cases

0 Violations of Employee Health and
Safety Related Regulations

Emergency Response Plan

In 2024, Realtek conducted 2 emergency response drills, with 68 people participating in the first half of the year and 58 in the second, for a total of 126 participants and a 98% completion rate. The drills included hands-on operation of descent devices and fire hydrants, along with casualty transport exercises by the first-aid and rescue teams. A review meeting was convened immediately after each drill to discuss the findings. The purpose of these drills is to enhance employees' familiarity with emergency response procedures, enabling them to react appropriately by strictly adhering to standard operating procedures in the event of an unforeseen emergency. The objective is to minimize potential damage, or even prevent it entirely.



● Electric Vehicle Fire Rescue Drill

To create a safe and worry-free working environment for all employees, Realtek takes into account the environment, location, and equipment of each campus, as well as the uniqueness of electric vehicle charging piles in fire emergency response in the parking lot. Starting from 2022, we have implemented drills for rescuing electric vehicles on fire, fully implementing the emergency response plan. In 2023, Realtek even invited external experts to guide the training for responding to electric vehicle fires, and purchased professional fire blankets to meet the fire rescue needs of the charging piles. Through practical drills and simulations, we enhance the experience of responding to emergency disasters, creating a comprehensive worry-free working environment. In 2024, in addition to continuing the EV fire rescue training, Realtek has incorporated evacuation drills to further strengthen its emergency response scenario simulations.



Emergency Incident Response Team Drill Procedures

Immediately notify the fire department



Mobilize the Emergency Response Team



The evacuation squad directs employees to safe areas


The firefighting rescue squad uses fire extinguishers to begin
putting out flames

Fire extinguisher, fire hydrant, descent devices, and rescue
simulations


Review and Improvement

Health Promotion and Employee Care

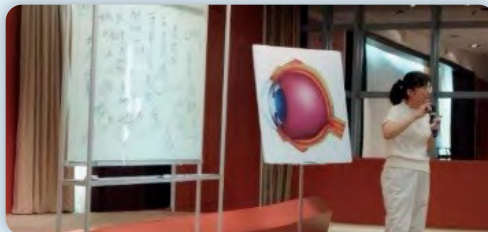
Monthly Health Promotion

The Occupational Safety and Health Center issues monthly health promotions that are designed and published based on seasonal characteristics, important health and medical topics, and recent public health issues (such as healthy diet, new pharmaceutical information, and disease awareness). The purpose is for all Realtek employees to absorb more knowledge and practices that are beneficial to themselves, their teams and their families, bringing greater health and joy to their work and family lives. Realtek continues to advocate health protection information through printed materials and remind employees to look after their physical and mental well-being with a proper diet, regular exercise, and stress relief while they are busy at work.

Monthly Health Promotion Materials



Health Lecture: Eye Care for a Lifetime



2024 Summer Slimming Challenge

In 2024, addressing the long-standing concerns of all regarding metabolic syndrome and fatty liver issues, the OSH Center specifically designed a special weight loss program, Summer Slimming Challenge. This initiative aims to encourage everyone to manage or control their weight through healthy means, thereby mitigating potential health problems or harm caused by obesity-related factors and proactively preventing chronic diseases.

The Summer Slimming Challenge adopted a team-based competition format focusing on healthy weight loss by forming groups. A total of 10 teams participated, with 8 members per team, regardless of gender, and cross-departmental collaboration was encouraged. The activities lasted for 12 weeks. To achieve the weight loss goal in a healthy and safe manner, Healthy Slimming Group Consultation sessions were also arranged during the activity period, covering three major themes: Diet Lectures, Weight Loss Treatment, and Weight Management. In terms of results, the total initial weight of all participating teams before the competition was 6,874.1 kg. After the 12-week period, the total weight measured was 6,481.9 kg, resulting in an overall weight reduction of 392.2 kg. The top three weight loss winning teams were awarded by the President at the company's Family Day that year, as a form of encouragement.

Furthermore, to broaden the collective focus of all Realtek employees on weight loss and obesity prevention, during the Summer Slimming event, the OSH Center further organized opportunities for all personnel to engage in 4 major experiential activities:

1 | Weight Loss Lecture

This lecture aimed to help employees understand and recognize the health threats posed by obesity, and to provide multi-faceted weight control methods, allowing employees to evaluate and choose appropriate weight loss methods for themselves. The course participation rate was 73.2% (82/112).

2 | InBody Test

This instrument-based testing allowed employees to understand and monitor eight key indicators of their own body, including body weight, BMI, body fat percentage, body fat mass, fat-free mass, muscle mass, body water percentage, and bone mass. Two sessions were held, with participation rates of 101% (86/85) and 106% (90/85), respectively.

3 | Offered 10 sessions of a fat-burning exercise class

To encourage employees to develop a regular exercise habit weekly, experience the benefits of aerobic exercise in relieving work stress and promoting physical and mental well-being, with an attendance rate of 87%.

4 | Publication of 4 weight loss e-magazine issues

These e-magazines will integrate monthly health themes, providing comprehensive health knowledge on diet, exercise, and medication. They will also incorporate information on domestic sports events to further encourage employees to adopt regular eating and exercise habits in their daily lives.

In its ongoing commitment to caring for and assisting employees on their journey to better health, Realtek's OSH Center will continue to plan a series of activities, working hand-in-hand with employees to encourage active participation.

Selecting Quality Medical Teams to Conduct Annual On-Site Health Checks

Realtek places great emphasis and care on the health status of its employees and their families. We offer annual free health check-up services to our employees, which exceed legal requirements. We safeguard the health of our employees and their families, continually researching and updating our check-up items. We have added optional health check-up items to meet the individual health concerns of our employees, ensuring comprehensive health care for their well-being. Furthermore, we rigorously select quality medical teams for check-ups, systematically planning and implementing professional medical team visits for on-site check-up activities. A dedicated team properly maintains and manages all health check-up related information of our employees. From initial preparation, explanation, and liaison, to the consultation, appointment, and professional communication during the check-up process, as well as subsequent health seminar organization and result statistical analysis, we aim to provide timely responses and services to all their questions and concerns. In 2024, a total of 4,434 employees participated in these health check-ups, achieving an attendance rate of 93% and a satisfaction score of 4.61 out of 5. These results showcase Realtek's sustained dedication and commitment to the health of its employees and their families.

When an employee's health examination results with major abnormalities, we arrange for the resident physician to provide consultations and provide tailored advice based on the individual's health history and situation before and after re-examination. The health office regularly conducts follow-up tracking and care while reminding employees to go for follow-up clinical visits and report tracking data. The tracking support helps keep employees physically and mentally healthy. Realtek expanded its resident physician program with NTUH Hsinchu Branch to held nine on-site session monthly and provided three-hours of consultant service per session. In 2024, a total of 386 employees joined the consultations.

New Plans for Employee Health Checks in 2024

- Added two new cancer screenings and thyroid screening.
- PSA prostate cancer screening (for male employees)
- CA153 breast cancer screening (for female employees)



Flu Vaccination

During the flu peak season in autumn and winter, the best protection is through vaccination. In October 2024, an event was also organized for employees to receive flu vaccinations, and a total of 417 employees were vaccinated at their own expense. The OSH Center also reminds employees to maintain a proper daily routine and adopt regular exercise habits to enhance their personal immunity.

Injury and Illness Follow-up Care

Realtek prioritizes the physical and mental well-being of its employees. Therefore, when employees face health issues, we also provide follow-up care and support for injuries and illnesses. Cases requiring such follow-up include accidents during the commute to and from work, medical incidents, and other care-related events. When necessary and permissible, Realtek's on-site physicians conduct consultations, either in person or by telephone. In coordination with professional nursing staff at each campus, they provide continuous care and monitoring to understand the employee's injury, illness, and recovery status, offering comprehensive healthcare support and medical advice.

In addition to providing employees with professional advice and psychological support during treatment, the company offers comprehensive assistance, including information and resources on insurance and social programs. This support is intended to facilitate their prompt recovery, alleviate their burdens and negative impacts, and mitigate the impact of accidents. In 2024, the absenteeism rate due to personal leave, sick leave, and occupational injury leave was 0.459%¹, totaling 6,150.55 leave days.

Note:

Absentee rate calculation: [Number of absentee days / Total days scheduled to be worked]x 100. Absentee days include work-related injury leave, sick leave, and personal leave. The total number of work days in 2024 is 248.

Social Inclusion & Shared Prosperity

CH
6

Realtek Charity and Sustainability Three-Year Plan 149

◆ Accomplishments at a Glance

Investment Amount in Social Participation Reached
NT\$ 10,801,300

Realtek Crab Family Earth Care Action Plan: Removed **566.28 kilograms** of trash from the coast

Sponsored the "Old Tree Story House" and the "Happy Storyteller" event held by the OldTree Foundation with a cumulative total of **NT\$1,716,800**, spanning **over 40 sessions**

New Sustainability and Shared Prosperity Project: Established **Realtek Charity and Sustainability Three-Year Plan**

Invested more than **NT\$ 5.35 million** to support the cultivation and development of art and culture

Charitable Project to Promote Reading for Rural Children: **Expanded from 33 to 37 rural schools, reaching 267 classes**

Corresponding
SDGs



Suggested Stakeholders
for Reading

Customers, Suppliers, Employees

Realtek Charity and Sustainability Three-Year Plan

The goal of “Shared Prosperity” is the consensus in respect of all Realtek employees’ concerns and actions

Realtek has long been supporting and participating in various social care and charitable activities. Since 2008, Realtek has continuously been promoting social welfare affairs through a special social welfare program called “Realtek supports charity with a smile”, actively planning and engaging in various social welfare activities. The company’s employees stand united in their efforts to promote social inclusion, launching a series of socially impactful and educational public welfare initiatives. In 2010, Realtek established the “Realtek Corporate Social Responsibility Center.” This center is tasked with systematically organizing resource allocation which allows the company to channel more substantial resources and energy into broadening social care initiatives while fulfilling corporate social responsibility.

Realtek Charity and Sustainability Three-Year Plan

In 2024, Realtek launched the “Realtek Charity and Sustainability Three-Year Plan”, a new project aiming at giving back to the communities. This plan is structured around five main themes: the Growth of Children and Safety of Women and Children Project, Rural Education Development and Growth Care Project, Social Mutual Assistance and Benevolent Action Project, Academic Research and Social Institutions Sponsorship Project, and Realtek Visionary Future and Creativity Hope Initiative. The plan serves as the guiding principle for Realtek’s philanthropic initiatives, sustainably advancing a series of Social Inclusion & Shared Prosperity programs to jointly build a warm and mutually supportive society and realizes the vision of a support network for shared prosperity.



The Growth of Children and Safety of Women and Children Project

In the project series dedicated to “The Growth of Children and Safety of Women and Children Project,” Realtek focuses on and supports children, teenagers, and women who have encountered changes, faced financial difficulties, or experienced violence. Realtek hopes that within the scope of this project, it can provide proper care, education, psychological, and various forms of support to those facing these situations, ensuring they can grow and develop healthily in a safe and stable environment, and empowering them to restart and move forward! The company plans to promote the safety of women and children and family harmony through charitable donations and collaboration with social welfare organizations that focus on related issues, achieving societal stability and harmony.

- Donation to the Hsinchu Ren-Ai Children's Home.
- Donation to St. Teresa Children Center, an institution operated by Sisters of St. Teresa.
- Donation to the Taiwan Fund for Children and Families.
- Donation to the Garden of Hope Foundation.
- Donation to the Modern Women Foundation.
- Donated to the Eden Social Welfare Foundation in support of its service program for underprivileged children.



Rural Education Development and Growth Care Project

In adherence to the philosophy that a good education program takes a long time to develop, Realtek promotes its education missions and remains steadfast in its belief that education has profound influence to the sustainable development of students, society and country. Education has therefore always been one of the social welfare projects that Realtek has long attached importance to. To support education for indigenous children in Hsinchu County, Realtek provides scholarships, and assistance to four rural schools (Shih Lei Elementary School, Yu Feng Elementary School, Xin Guang Elementary School, and Hsiu Luan Elementary School) to enrich their educational resources. Long-term investment and enrichment of educational resources in remote campuses will enable children to thrive in a secure learning environment. The company also hopes that the students will continue to give back to the community and work together to promote mutual aid and love, which will lead to a positive social cycle in the country.

Each year, Realtek invites all teachers and students from four indigenous schools in Hsinchu (Shih Lei Elementary School, Yu Feng Elementary School, Xin Guang Elementary School, and Hsiu Luan Elementary School) to join the vibrant and diverse Realtek Family Day event for a day of extracurricular fun and learning. This gathering is a time for joy and shared laughter. In addition, Realtek is committed to continuously supporting the “Education Support Fund for 4 Indigenous Schools.” Through this scholarship program, the company aims to expand learning opportunities and inspire students to pursue their education with diligence and enthusiasm.

- Sponsorship for development funds for school operations and learning resources at rural elementary schools in Hsinchu (Shih Lei Elementary School, Yu Feng Elementary School, Xin Guang Elementary School, and Hsiu Luan Elementary School).
- Sponsorship for the Shuang Si Elementary School (Baoshan Township, Hsinchu County) basketball team.

Realtek Charity and Sustainability Three-Year Plan



Charitable Project to Promote Reading for Rural Children – Stage 6

Since 2018, On the issue of education and expanding learning opportunities, Realtek has been actively committed to a series of charitable reading projects aimed at children in rural areas. Through the initiative of delivering high-quality monthly publications to rural elementary schools, the company aims to encourage students to embrace reading, cultivate effective learning habits, and broaden their reading interests and horizons. This initiative seeks to inspire and foster comprehensive learning and development opportunities for these children. In 2024, Realtek further expanded its rural care program, increasing the number of schools receiving donated educational magazines from 33 to 37, and raising the number of participating classes to 267. The Realtek project team also maintains ongoing communication with each school, to monitor students' use of the educational publications. This continuous engagement helps ensure accurate future resource allocation and budget planning.

In 2025, guided by the projects outlined in “Realtek Charity and Sustainability Three-Year Plan (2024-2026)”, Realtek will continue to focus on reading and education resource issues in rural schools. The company aims to promote sustainable knowledge development, guide children in developing reading habits, broaden their perspectives, stimulate intellectual development, and foster joyful learning and growth.

Social Mutual Assistance and Benevolent Action Project

Realtek places great importance on social care and mutual assistance, and has long been actively engaged in social welfare organizations. Through close collaboration with these organizations and experts from various sectors, Realtek leads its employees to participate in charity activities and collectively care for underprivileged groups. The social care projects highlight Realtek's prompt and proactive response to societal needs in 2024:

- Annually hold the "Realtek Crab Family Blood of Hope Program" in collaboration with the Hsinchu Blood Center. In 2024, two activities were co-hosted, with 240 participants donating blood to contribute to public health and well-being
- Sponsorship of the training facilities at the Hsinchu City Fire Department Education and Training Base
- Sponsorship of operations of the Friends of the Hsinchu County Fire Department
- Sponsorship of the Hsinchu Saint Joseph Social Welfare Foundation
- Sponsorship of Fr. Louis Dowd Social Welfare Foundation
- Donation to the Taiwan Foundation for Rare Disorders
- Donation to the Taiwan Hemophilia Society
- Donation to the Eden Foundation
- Donation to the Sunshine Social Welfare Foundation
- Donation to the Noordhoff Craniofacial Foundation



Realtek sponsored the training facilities at the Hsinchu City Fire Education Training Base



Realtek and the Hsinchu Blood Center hold the Realtek Crab Family Blood of Hope Program every year

Academic Research and Social Institutions Sponsorship Project

The progress of a nation and society depends on the commitment to breakthroughs and development by various professional R&D institutions, which drives innovation and growth across all sectors of society and industry to the benefit of people. To this end, Realtek has systematically sponsored academic research and development activities over the years, with the aim of benefiting all parties in co-creating a sustainable and prosperous future.



- Sponsorship for Industrial Technology Research Institute: 2024 International Symposium on VLSI.
- Sponsorship for 35th VLSI Design/CAD Symposium 2024 organized by the Taiwan IC Design Society.
- Sponsorship of the 27th International Conference of the Oriental COCOSDA organized by National Yang Ming Chiao Tung University.
- Sponsorship for students from National Yang Ming Chiao Tung University to participate in the 2024 International Solid-State Circuits Conference (ISSCC).
- Sponsorship of APCCAS 2024.
- Sponsorship for the Hsinchu City Corporate Managers Association.
- Sponsored the hospital history compilation project of the National Taiwan University Hospital Hsinchu Branch.
- Donation to Taita Jing-Fu Medical Foundation.
- Donation to the Cultural Foundation of National Taiwan University.

Realtek Visionary Future and Creativity Hope Initiative

The "Realtek Visionary Future and Creativity Hope Initiative" is an action plan that focuses on and develops diverse sustainable development issues. Through this initiative, Realtek aims to systematically expand its efforts in ways that are beneficial to society and the environment, while comprehensively enhancing its competitiveness. In 2024, Realtek increased its participation in activities and initiatives that support the development of culture and the arts. With a strategic approach, Realtek collaborates with art and public welfare organizations to promote the deep-rooted growth of culture and the arts through coordinated actions, helping related organizations achieve stable development. The goal is for the promotion of culture and the arts to gradually expand and have a positive impact on the nation and society. Moreover, the learning and development of children is a continuous commitment of the "Realtek Visionary Future and Creativity Hope Initiative." Realtek aims to integrate multiple resources and foster meaningful connections, hoping to make a meaningful contribution and demonstrate our unique strengths in this crucial area of hope and development.

In addition, Realtek also focused on environmental and biodiversity issues. In 2024, through a series of educational sustainable projects, Realtek launched several action plans, such as the "Realtek Crab Family Earth Care Action Plan" and participation in the "Old Tree Story House" and the "Happy Storyteller" event held by the OldTree Foundation. Below are the activities and results of the "Realtek Visionary Future and Creativity Hope Initiative," and the company hopes to connect with various partners to jointly build and uphold the shared vision and dreams of the initiative.

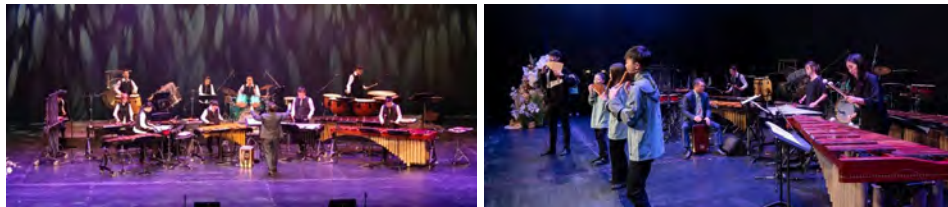
Realtek Charity and Sustainability Three-Year Plan

Support for the Rooting and Development of Culture and the Arts—Polar Light Percussion Group

In 2024, Realtek's sustainability initiative allocated over NT\$5.35 million to support domestic performing arts groups and nurture artistic talents, thereby promoting cultural development nationwide. This sponsorship plan includes supporting the operations and promotion of cultural performances by local performing arts groups. Among these efforts includes: supporting the annual operations of the Polar Light Percussion Group, aiding in their stable development and expanding their influence in the realm of art and cultural performance.



Polar Light Percussion Group Daily Practice and Rehearsal Records



Highlights from the Polar Light Percussion Groups performance



Realtek Crab Family Earth Care Action Plan— 2024 Crab Family Earth Care Beach Cleanup Action Plan

In response to the increasingly severe issue of marine environmental pollution and the immense threat that waste poses to marine ecosystems, Realtek collaborated with the Society of Wilderness in 2024 to organize environmental education seminars and beach cleanup activities. Based at the beach of Nanliao Fishing Harbor in Hsinchu, the company launched the “Realtek Crab Family Earth Care Beach Cleanup Action Plan”. This event brought together a total of 79 participants, including Realtek managers of all levels, employees, interns from the Tech Talent Creativity Program, and volunteers from the Society of Wilderness, to conduct the cleanup. This initiative yielded significant results, with the removal of 566.28 kilograms of coastal waste. For a detailed project description, please refer to the Environmental Conservation section in [Chapter 3: Green Operations](#).

Realtek Crab Family Earth Care Action Plan— Project with the OldTree Foundation

Since 2022, Realtek has continued its collaboration with the OldTree Foundation, with cumulative sponsorship for project activities amounting to NT\$1,716,800. This has supported the joint organization of over 40 sessions of the "Old Tree Story House" and "Happy Storyteller" activities. These collaborative projects focus on ecological education and storytelling about old trees as their core themes for shared learning experiences. Through engaging activities that combine learning with environmental interaction, more than 1,700 children have been guided to learn within a joyful natural setting. By educating them about nature and sharing values related to tree protection and forest conservation, these initiatives aim to instill an appreciation for environmentally friendly practices in young minds.

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Climate-related Information of Listed Companies	165
Third Party Assurance Statement/ Opinion Statement	167

Appendix

GRI Standards Index

Statement of use	Realtek Semiconductor Corp. has reported in accordance with the GRI Standards for the period from January 1, 2024, to December 31, 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	No applicable GRI Sector Standard

GRI 2: General Disclosures 2021

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Organization and Reporting Practices			
2-1	Organizational details	Introduction — About this Report	03
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2-2	Entities included in the organization' s sustainability reporting	Introduction — About this Report	03
2-3	Reporting period, frequency and contact point	Introduction — About this Report	03
2-4	Restatements of information	Introduction — About this Report	03
2-5	External assurance	Appendix — Third Party Assurance Statement	167
Activities and Workers			
2-6	Activities, value chain and other business relationships	Introduction — About Realtek	13
		CH4 Sustainable Value Chain	90
2-7	Employees	CH5 Inclusive and Happy Workplace — Human Resources	110
2-8	Workers who are not employees	CH5 Inclusive and Happy Workplace — Human Resources	110

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Governance			
2-9	Governance structure and composition	CH1 Sustainable Governance — Governance Structure	38
2-10	Nomination and selection of the highest governance body	CH1 Sustainable Governance — Governance Structure: Board Governance Structure	38
2-11	Chair of the highest governance body	CH1 Sustainable Governance — Governance Structure: Board Governance Structure	38
2-12	Role of the highest governance body in overseeing the management of impacts	CH1 Sustainable Governance — Governance Structure	38
		Realtek—the Leader of Sustainable Development — ESG Management Framework	17
2-13	Delegation of responsibility for managing impacts	Realtek—the Leader of Sustainable Development — ESG Management Framework	17
2-14	Role of the highest governance body in sustainability reporting	Introduction — About this Report	03
		Realtek—the Leader of Sustainable Development — ESG Management Framework	17
2-15	Conflicts of interest	CH1 Sustainable Governance — Governance Structure: Board Governance Structure	38
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2-16	Communication of critical concerns	Realtek—the Leader of Sustainable Development — ESG Management Framework	17
2-17	Collective knowledge of the highest governance body	CH1 Sustainable Governance — Governance Structure: Board of Director Function	38
2-18	Evaluation of the performance of the highest governance body	CH1 Sustainable Governance — Governance Structure: Board Performance Evaluation	40
2-19	Remuneration policies	CH1 Sustainable Governance — Governance Structure: Remuneration Policies for Directors and Managers	41
2-20	Process to determine remuneration	CH1 Sustainable Governance — Governance Structure: Remuneration Policies for Directors and Managers	41
2-21	Annual total compensation ratio	CH5 Inclusive and Happy Workplace — Human Resources	110
Strategy, Policies and Practices			
2-22	Statement on sustainable development strategy	Introduction — Message from Our President	05
2-23	Policy commitments	Realtek—the Leader of Sustainable Development — ESG Management Framework	17
		CH4 Sustainable Value Chain — Responsible Supply Chain	95
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Strategy, Policies and Practices			
2-24	Embedding policy commitments	CH1 Sustainable Governance — Ethical Management	43
		CH4 Sustainable Value Chain — Responsible Supply Chain	95
		CH5 Inclusive and Happy Workplace — Human Rights Management	125
2-25	Processes to remediate negative impacts	Realtek—the Leader of Sustainable Development — Stakeholder Engagement	19
		CH5 Inclusive and Happy Workplace — Human Rights Management	125
		CH5 Inclusive and Happy Workplace — Diverse Channels for Communication	125
2-26	Mechanisms for seeking advice and raising concerns	Realtek—the Leader of Sustainable Development — Stakeholder Engagement	19
		CH5 Inclusive and Happy Workplace — Human Rights Management	125
		CH5 Inclusive and Happy Workplace — Diverse Channels for Communication	132
2-27	Compliance with laws and regulations	CH1 Sustainable Governance	34
		CH2 Innovation Value	56
		CH3 Green Operations	67
		CH5 Inclusive and Happy Workplace	107
2-28	Membership associations	CH2 Innovation Value — Professional Exchange	64
Stakeholder Engagement			
2-29	Approach to stakeholder engagement	Realtek—the Leader of Sustainable Development — Stakeholder Engagement	19
2-30	Collective bargaining agreements	Not applicable. Collective bargaining agreements cover none of our employees since there is no trade union established. However, open and inclusive communication channels have been built to ensure every voice is heard. For details, please refer to CH5 Life and Career at Realtek — Diverse and Open Communication Channels	132

GRI 3: Material Topics 2021

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3-1	Guidance to determine material topics	Realtek—the Leader of Sustainable Development — Material Sustainability Issues	24
3-2	Disclosures on material topics	Realtek—the Leader of Sustainable Development — Material Sustainability Issues	24

GRI Standard Disclosures: Material Topics

GRI Standards Indicators			Corresponding Chapter / Explanation	Page Number
Material Sustainability Topic: Economic Performance				
GRI 3: Material Topics 2021	3-3	Management of material topics	Corporate Governance Management Policy	35
GRI 201 : Economic Performance 2016	201-1	Direct economic value generated and distributed	CH1 Sustainable Governance — Operational Performance	42
	201-4	Financial assistance received from government	In 2024, total monetary value of financial assistance received by the organization from government was NT\$ 160,508 thousand, and the scope was limited to operations in Taiwan.	-
Material Sustainability Topic: Risk Management				
GRI 3: Material Topics 2021	3-3	Management of material topics	Corporate Governance Management Policy	35
Material Sustainability Topic: Information Security				
GRI 3: Material Topics 2021	3-3	Management of material topics	Information Security Management Policy	37
GRI 418 : Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	CH1 Sustainable Governance — Information Security Management	51
			CH4 Sustainable Value Chain — Customer Relationship Management	106
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Material Sustainability Topic: Climate Change Management				
GRI 3 : Material Topics 2021	3-3	Management of material topics	Climate Strategy Management Policy	68
GRI 201 : Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	CH3 Green Operations — Climate Change Actions	70
Material Sustainability Topic: Energy and Emissions				
GRI 3: Material Topics 2021	3-3	Management of material topics	Climate Strategy Management Policy	68
GRI 302 : Energy 2016	302-1	Energy consumption within the organization	CH3 Green Operations — Energy Management	77
	302-3	Energy intensity	CH3 Green Operations — Energy Management	77
	302-4	Reduction of energy consumption	CH3 Green Operations — Energy Management	77
GRI 305 : Emissions 2016	305-1	Direct (Scope 1) GHG emissions	CH3 Green Operations — GHG Management	75
	305-2	Energy indirect (Scope 2) GHG emissions	CH3 Green Operations — GHG Management	75
	305-3	Other indirect (Scope 3) GHG emissions	CH3 Green Operations — GHG Management	75
	305-4	GHG emissions intensity	CH3 Green Operations — GHG Management	75
	305-5	Reduction of GHG emissions	CH3 Green Operations — Energy Management	77
Material Sustainability Topic: Supply Chain Sustainability Management				
GRI 3: Material Topics 2021	3-3	Management of material topics	Supply Chain Sustainability Management Policy	91
GRI 204 : Procurement Practices 2016	204-1	Proportion of spending on local suppliers	CH4 Sustainable Value Chain — Promoting Green Supply Chain	102

GRI Standards Indicators			Corresponding Chapter / Explanation	Page Number
Material Topic: Sustainable Supply Chain				
GRI 308 : Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	CH4 Sustainable Value Chain — Responsible Supply Chain	95
	308-2	Negative environmental impacts in the supply chain and actions taken	CH4 Sustainable Value Chain — Responsible Supply Chain	95
GRI 407 : Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	CH4 Sustainable Value Chain — Responsible Supply Chain	95
			CH5 Inclusive and Happy Workplace — Human Rights Management	125
GRI 408 : Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	CH4 Sustainable Value Chain — Responsible Supply Chain	95
GRI 409 : Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	CH4 Sustainable Value Chain — Responsible Supply Chain	95
			CH5 Inclusive and Happy Workplace — Human Rights Management	125
GRI 414 : Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	CH4 Sustainable Value Chain — Responsible Supply Chain	95
	414-2	Negative social impacts in the supply chain and actions taken	CH4 Sustainable Value Chain — Responsible Supply Chain	95
Material Topic: Customer Relationship Management				
GRI 3: Material Topics 2021	3-3	Management of material topics	Customer Relationship Management Management Policy	93
Material Sustainability Topic: Talent Recruitment and Retention				
GRI 3: Material Topics 2021	3-3	Management of material topics	Talent Attraction and Development Management Policy	108
GRI 202 : Market Presence 2016	202-2	Proportion of senior management hired from the local community	CH5 Inclusive and Happy Workplace — Human Resources	110
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	CH5 Inclusive and Happy Workplace — Human Resources	110
	401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	CH5 Inclusive and Happy Workplace — Human Resources	110
			CH5 Inclusive and Happy Workplace — Employee Care and Benefits	132
	401-3	Parental leave	CH5 Inclusive and Happy Workplace — Employee Care and Benefits	132

GRI Standards Indicators			Corresponding Chapter / Explanation	Page Number
Material Sustainability Topic: Talent Recruitment and Retention				
GRI 402 : Labor / Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Realtek complies with Article 16 of the Taiwan Labor Standards Act.	-
GRI 405 : Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	CH5 Inclusive and Happy Workplace — Human Resources	110
	405-2	Ratio of basic salary and remuneration of women to men	CH5 Inclusive and Happy Workplace — Human Resources	110
Material Sustainability Topics: Talent Development and Cultivation				
GRI 3 : Material Topics 2021	3-3	Management of material topics	Talent Attraction and Development Management Policy	108
GRI 404 : Training and Education 2016	404-1	Average hours of training per year per employee	CH5 Inclusive and Happy Workplace — Talent Cultivation	118
	404-2	Programs for upgrading employee skills and transition assistance programs	CH5 Inclusive and Happy Workplace — Human Resources	110
	404-3	Percentage of employees receiving regular performance and career development reviews	CH5 Inclusive and Happy Workplace — Human Resources	110
Material Topic: Human Rights Management				
GRI 3 : Material Topics 2021	3-3	Management of material topics	Talent Attraction and Development Management Policy	108
GRI 406 : Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	CH5 Inclusive and Happy Workplace — Human Rights Management	125
			CH5 Inclusive and Happy Workplace — Diverse Channels for Communication	132
GRI 407 : Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	CH4 Sustainable Value Chain — Responsible Supply Chain	95
			CH5 Inclusive and Happy Workplace — Human Rights Management	125
GRI 408 : Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	CH4 Sustainable Value Chain — Responsible Supply Chain	95
GRI 409 : Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	CH4 Sustainable Value Chain — Responsible Supply Chain	95
			CH5 Inclusive and Happy Workplace — Human Rights Management	125

SASB Alignment Index

Sustainability Disclosure Themes and Indicators in TECHNOLOGY & COMMUNICATIONS / Semiconductors

Topic	Code	Metric	Explanation	Page
Greenhouse Gas Emissions	TC-SC-110a.1	(1) Gross global Scope 1 emissions and (2) Amount of total emissions from perfluorinated compounds	(1) 1,362 tCO ₂ e (2) 0 tCO ₂ e; As Realtek is a fabless IC design house, there are no perfluorinated compound emissions.	75
	TC-SC-110a.2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	See CH3 Green Operations.	67
Energy Management in Manufacturing	TC-SC-130a.1	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	(1) 196,077.26 GJ (2) 97.4 % (3) 2.3 %	77
Water Management	TC-SC-140a.1	(1) Total water withdrawn, (2) Total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Realtek's total water withdrawn and water consumed from areas with high or extremely high baseline water stress are both 0%. For details, please refer to CH3 Green Operations—Water Resource Management.	83
Waste Management	TC-SC-150a.1	(1) Amount of hazardous waste from manufacturing, (2) percentage recycled	9.3 metric tons of hazardous waste Hazardous Waste Recycling Rate 100%	85
Workforce Health & Safety	TC-SC-320a.1	Description of efforts to assess, monitor, and reduce exposure of workforce to human health hazards	For details, please refer to CH5 Inclusive and Happy Workplace—Healthy Work, Peaceful Life.	142
	TC-SC-320a.2	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations	No violations of relevant laws occurred.	142
Recruiting & Managing a Global & Skilled Workforce	TC-SC-330a.1	Percentage of employees that require a work visa	0.1%	110

Topic	Code	Metric	Explanation	Page
Product Lifecycle Management	TC-SC-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Realtek's core operational expertise is IC circuit design. Production and manufacturing are then outsourced to leading semiconductor foundries. By signing relevant material assurance statements, verifying their material composition lists, and strictly managing suppliers, Realtek products contain IEC 62474 substances and 100% comply with restricted substance standards.	104
	TC-SC-410a.2	Processor energy efficiency at a systemlevel for: (1) servers, (2) desktops and (3) laptops	<ul style="list-style-type: none"> Realtek's core operational expertise lies in IC design, and it does not have system-level processor energy efficiency data. For more details on other energy-saving product designs, please refer to CH2 R&D and Innovation—Innovative Achievements. 	61
Materials Sourcing	TC-SC-440a.1	Description of the management of risks associated with the use of critical materials	For details, please refer to CH4, Sustainable Value Chain—Responsible Supply Chain.	95
Intellectual Property Protection & Competitive Behaviour	TC-SC-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	No violations of relevant laws occurred.	43
Activity Metrics	TC-SC-000.A	Total production	2,647,876 thousand ICs	-
	TC-SC-000.B	Percentage of production from owned facilities	Realtek's core operational expertise is IC circuit design, with manufacturing outsourced to leading semiconductor foundries, as it does not possess its own production facilities.	-

Sustainability Disclosure Indicators of the Semiconductor Industry

No.	Indicator	Annual Disclosure		
1	Total energy consumption, percentage of purchased electricity, utilization rate(renewable energy)	Total Energy Consumption	Percentage of Purchased Electricity	RE Utilization Rate
		196,077.26 GJ	97.4%	2.3%
2	Total water withdrawn, total water consumption	Total Water Withdrawn		Total Water Consumption
		171,650 m ³		95,700 m ³
3	Total hazardous waste generated and percentage recycled	Weight		Percentage Recycled
		9.3 tons		100%
4	Types of, number of employees in and rate of occupational accidents	No such incidents occurred at Realtek in 2024.		
5	Product Lifecycle Management Disclosure: including weights of scraps and electronic waste and percentage recycled ^(Note)	9.3 metric tons of hazardous waste 100% hazardous waste recycling rate		
6	Description of the management of risks associated with the use of critical materials	See CH4 Sustainable Value Chain		
7	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	No such incidents occurred at Realtek in 2023		
8	Production by product category	2,647,876 thousand units of ICs		

Note: Descriptions including the sale of scraps and the recycling and processing of waste shall be provided.

Climate-related Information of Listed Companies

1 Risks and opportunities posed by climate change to the Company and the relevant measures taken by and relevant countermeasures taken by the company

Project	Execution situation
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities	See CH 3 Green Operations
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term)	
3. Describe the financial impact of extreme weather events and transformative actions	
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system	
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described	Realtek, utilizing the IPCC's AR6, adopted the SSP to analyze three climate scenarios: SSP1-1.9, SSP2-4.5, and SSP5-8.5. Across short, medium, and long-term time horizons, under the ideal scenario of limiting global warming to 1.5° C, the primary financial impact of climate change on Realtek was assessed to be less than 1% of its net revenue
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks	In response to climate-related risks, Realtek has actively implemented energy transition strategies by installing solar panels on the rooftop of its Hsinchu operational headquarters. As of 2024, the total installed capacity is 1,005 KW, which has generated 1.26 million kWh of electricity, resulting in a carbon reduction of 597 tons of CO ₂ e. Furthermore, the company plans to purchase an additional 1 million kWh of renewable energy in 2025, aiming to increase the proportion of renewable energy for the entire group to 10% by 2025
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated	N/A
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified	See CH 3 Green Operations
9. Greenhouse gas inventory and assurance status (separately fill out in point 1-1 below)	See CH 3 Green Operations and the explanation below

1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO ₂ e), intensity (metric tons CO ₂ e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal year.								
Item / Year	Parent			Consolidated Entities			Total	Intensity
	Scope 1	Scope 2	Subtotal	Scope 1	Scope 2	Subtotal		(CO ₂ e/NT\$1 million)
2023	1,143.57	26,074.04	27,217.61	889.5	2,924.89	3814.39	31,032	0.286
2024	654.92	25,149.62	25,804.54	707.54	Market-Based	2,098.82	28,611	0.252
					Location-Based	4,896.05	31,408	0.277

1-1-2 Greenhouse Gas Assurance Information


Describe the status of assurance for the most recent 2 fiscal year as of the printing date of the annual report, including the scope of assurance, assurance institutions,assurance standards, and assurance opinion.				
Item / Year	2023		2024	
	Parent	Consolidated Entities	Parent	Consolidated Entities
Assurance Scope	Scope 1 & 2	Scope 1 & 2	Scope 1 & 2	Scope 1 & 2
The percentage of the investigation data disclosed in 1-1-1	100%	100%	100%	100%
Assurance Body	BSI		BSI	
Assurance Standards and Assurance Opinion	ISO 14064-1 : 2018 Assurance Level: For 2023, the external verification for Scope 1 and Scope 2 achieved a reasonable assurance level; the Indirect GHG Emission for Categories 3-4 was verified under the Agreed-Upon Procedures (AUP) level.		ISO 14064-1 : 2018 Assurance Level: For 2024, the external verification for Scope 1 and Scope 2 in terms of direct GHG emissions and indirect GHG emissions from imported Energy is reasonable assurance; other indirect GHG emissions(category 3 to 6) was verified under the (AUP) level.	

1-2 GHG Reduction Targets, Strategies, and Specific Action Plans



Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.
See CH 3 Green Operations

Third Party Assurance Statement/ Opinion Statement

Sustainability Report Assurance Statement

<div> <div>TUVNORD</div> <div> <h3>Assurance Statement</h3> <h4>Realtek Semiconductor Corp. Sustainability Report</h4> <p>TUV NORD Taiwan Co., Ltd. (hereinafter referred to as TUV NORD) was commissioned by Realtek Semiconductor Corp. (hereinafter referred to as REALTEK SEMICONDUCTOR) to perform the 2024 Sustainability Report Verification (hereinafter referred to as Sustainability Report) in accordance with the AA1000 Assurance Standard Version 3 and the GRI Sustainability Reporting Standards (GRI Standards) and related assurance standards.</p> <p>The Scope of Statement and Assurance Standards</p> <p>1) The scope of assurance is consistent with the scope of disclosure in Realtek Semiconductor 2024 Sustainability Report, which covers the period from 1 January 2024 to 31 December 2024.</p> <p>2) The verification of compliance with the AA1000 Principles of Accountability for Realtek Semiconductor is based on the AA1000 Assurance Standard, Third Edition, Application Type I that includes verification of the reliability of the information/data disclosed in the report.</p> <p>3) Sustainability Accounting Standards Board (SASB) Semiconductor Industry sustainability accounting metrics.</p> <p>4) Taiwan Stock Exchange Corporate Governance Rules Governing the Preparation and Filing of Sustainability Reports by TWSX Listed Companies, Sustainability Disclosure Indicators - Semiconductor Industry.</p> <p>Intended Users</p> <p>The intended users of this statement are the stakeholders of Realtek Semiconductor.</p> <p>Assurance Type and Level</p> <p>In accordance with the requirements of the AA1000 Assurance Standard Version 3, Type 2: Moderate of Assurance Level.</p> <p>Opinion Statement</p> <p>Realtek Semiconductor complies with the GRI sustainability reporting and AA1000 accountability principles of inclusivity, materiality, responsiveness and impact. The sustainability report presents the commitment of top management, the needs and expectations of stakeholders, to achieve sustainability performance indicators by stakeholders' engagement.</p> <p>We assure that Realtek Semiconductor complies with the SASB Semiconductor Industry sustainability accounting standards to disclose relevant metrics.</p> <div>Page 1 of 4</div> </div> </div>	<div> <div>TUVNORD</div> <div> <p>We assure that Realtek Semiconductor complies with Taiwan Stock Exchange Corporate Rules Governing the Preparation and Filing of Sustainability Reports by TWSX Listed Companies, Sustainability Disclosure Indicators - Semiconductor Industry.</p> <p>Methodology</p> <p>The verification is in accordance with the above stated assurance standards and the TUV NORD Sustainability Report Verification Agreement.</p> <p>Our verification includes the following activities:</p> <ul style="list-style-type: none"> Collect objective evidence of relevant performance metrics, as mentioned in the report. Assessment of expectations of local or external regulations, international standards as set forth in public opinion and/or expert opinion or reference to stock general considerations. Document review records and report content assessment in the context of GRI criteria application requirements. Interviews with managers and related staff on issues of concern to the company's stakeholders. Interviews with personnel involved in sustainability management, information gathering and report preparation. Review significant organizational developments and review internal and external audit findings. Review AA1000 (2018) Principles of Accountability and other compliance requirements. <p>Exclusion</p> <p>The results of the AA1000 accountability standard for (inclusivity, materiality, responsiveness and impact) in the report are not our focus.</p> <p>Inclusion</p> <p>Realtek Semiconductor identifies 4 stakeholders and their concerns via the questionnaire survey, and discloses materiality through stakeholder discussions, sustainability committee and experts. There are 12 material topics determined among the 22 sustainability topics including economic, governance, social, human rights and climate impact.</p> <p>Materiality</p> <p>Realtek Semiconductor complies with the GRI Guidelines, SASB Semiconductor Industry sustainability indicators disclosure related metrics and Taiwan Stock Exchange Corporate Rules Governing the Preparation and Filing of Sustainability Reports by TWSX Listed Companies, Sustainability Disclosure Indicators - Semiconductor Industry to fully disclose the company's material risks and opportunities, taking into account the extent of impact on the company and practice the materiality of the report.</p> <div>Page 2 of 4</div> </div> </div>	<div> <div>TUVNORD</div> <div> <p>Responsiveness</p> <p>Realtek Semiconductor Sustainability Report clearly illustrates the relationship between sustainability and organizational strategy and the performance metrics corresponding to the sustainability and their achievement status, and adequately addresses the main issues of concern to stakeholders.</p> <p>Impact</p> <p>Realtek Semiconductor Sustainability Report fully identifies materiality that reflects the significant economic, environmental, and social impacts on the organization. The company has established a robust process to monitor and measure the impact and establish short-, medium-, and long-term strategic planning through concrete governance.</p> <p>Reliability and quality</p> <p>The data and information in the report are sampling verified, and the accuracy of the sampling data is reliable.</p> <p>GRI Sustainability Reporting Standards</p> <p>Realtek Semiconductor Sustainability Report complies with the GRI 1 to GRI 3 materiality Standards and the GRI 200 Series, GRI 300 Series and GRI 400 Series topic standards, and meet the requirements for disclosure.</p> <p>Limitations</p> <p>The financial report of Realtek Semiconductor was certified by PwC, the accounting firm approved by the company.</p> <p>The data of carbon emission verification was verified by the third party, BSI.</p> <p>Independent Statements and Consequences</p> <p>TUV NORD Group is a leader in the supervisory, testing and certification. It operates businesses and provides services in more than 150 countries around the world. The services include management systems and product certification, quality, environmental safety, social and moral audits and training, corporate sustainability report assurance.</p> <p>TUV NORD and Realtek Semiconductor are mutually independent organizations, and there is no conflict of interest with Realtek Semiconductor or any of its affiliates or interested parties when performing the verification of the sustainability report. Regarding the sustainability report of Realtek Semiconductor, TUV NORD bases on the Realtek Semiconductor verification agreement, and does not assume any legal or other responsibility. Realtek Semiconductor is responsible for responding to any questions the intended users concerned.</p> <p>The verification team is composed of experienced staff members such as ISO 9001, ISO 14001, ISO 14064-1, ISO 26007, ISO 45001, SA 8000, ISO 50001, ISO 27001 etc., and has received the CSAP verification practice qualification certification of AA1000: AS v3 accountability training. The verification team is based on his qualification, extensive knowledge and experience in the industry to provide professional advice in this program.</p> <p>Sach WA General Manager</p> <p>Date of Statement: 2025.08.16 TUV NORD Taiwan Co., Ltd. Room A3, 9F, No. 83A, Sec. 2, Tin-Ren S. Rd., Taipei 10607 Taiwan, R.O.C.</p> <div>  </div> <div>Page 3 of 4</div> </div> </div>
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Greenhouse Gas Emissions Verification Opinion Statement

Opinion Statement

Greenhouse Gas Emissions Verification Opinion Statement

This is to verify that:


Realtek Semiconductor Corporation No. 2, Chuangxin 2nd Rd. Baoshan Township Hsinchu County 308008 Taiwan	瑞昱半導體股份有限公司 臺灣 新竹縣 寶山鄉 創新二路2號 308008
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Holds Statement No: GHGEV 819752

Verification opinion statement

As a result of carrying out verification and validation procedures in accordance with ISO 14064-3:2019, it is the statement for mixed engagement including reasonable assurance for verification activity as well as validation and agreed-upon procedures (AUP) contains the following:

- The Greenhouse Gas Emissions with Realtek Semiconductor Corporation for the period from 2024-01-01 to 2024-12-31 was verified and validated.
- The verified organization-level greenhouse gas emissions include direct greenhouse gas emissions 1,362,4606 tonnes of CO₂ equivalent and indirect greenhouse gas emissions from imported energy 30,045.6670 tonnes of CO₂ equivalent.
- Realtek Semiconductor Corporation has defined and explained its own process and pre-determined criteria for significance of indirect Greenhouse Gas Emissions and quantify and report these identified significant emissions accordingly.


 Managing Director BSI Taiwan, Peter Pu

For and on behalf of BSI:

Originally Issue: 2025-05-27 Latest Issue: 2025-05-27

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REALTEK ESG Report

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