



FITIPOWER INTEGRATED
TECHNOLOGY INC.

2023 Sustainability Report

TWSE:4961



CONTENT

1 Value Co-creation

1.1 About Fitipower	23
1.2 Product and Technology Innovation	26

4 Environmental Symbiosis

4.1 Green Policy and Management Framework	67
4.2 Green Product	71
4.3 Green office and Energy Resource Management	73

2 Responsibility Sharing

2.1 Business Performance and Taxation	34
2.2 Governance Regulations and Framework	37
2.3 Regulatory Compliance and Professional Ethics	45
2.4 Risk Management	47
2.5 Cybersecurity	51

5 Labor-Management Common Good

5.1 Human Rights, Diversity, Inclusion, and Communication	77
5.2 Talent Aggregation and Welfare	82
5.3 Employee Development and Retirement	91
5.4 Workplace Safety and Health Promotion	99

Introduction and Overview

About this Report	02
Message from the Chairman	04
Sustainability Vision and Management	06
Stakeholder Engagement and Materiality Analysis	13

Appendices

ESG Key Performance	115
GRI Index	119
SASB Index	126
TWSE Sustainability Disclosure Indicators – Semiconductor Industry	128
Third-Party Verification Statement	129

3 Partner Co-prosperity

3.1 Client Service	57
3.2 Supply Chain Management	62

6 Social Inclusion

6.1 Social Involvement and Investment	104
6.2 Fitipower Environmental Foundation	105

Introduction and Overview

About this Report	02
Message from the Chairman	04
Sustainability Vision and Management	06
Stakeholder Engagement and Materiality Analysis	13



About this Report

Report Overview and Publishing

This is the fourth Sustainability Report of Fitipower Integrated Technology Inc. (hereinafter referred to as “Fitipower,” “We,” or the “Company”). The report is published under the [Corporate Sustainable Development section](#) of our corporate website for stakeholders to download and read; addressing stakeholders’ expectations and needs. We will continue to disclose our ESG efforts and achievements regularly, demonstrating our commitment to sustainable business practices. The next report will be published in June 2025.

Editing Principle

This report has been prepared in accordance with the GRI Standards, issued by the Global Sustainability Standards Board, GSSB. We have adopted the eight principles of the GRI Standards (Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability context, Timeliness, and Verifiability) as the principles for information disclosure. Some disclosures are based on the Sustainability Accounting Standards Board (SASB), Semiconductor Industry Standards, ESG Information Disclosure (Semiconductor) by TWSE, and the Task Force on Climate-Related Financial Disclosures (TCFD) framework. An index of which is included in the Appendix to this report. In addition, the New Taiwan dollar (TWD) is the currency used in this report, while other non-financial quantitative data is presented in the form of internationally recognized measurement standards.


[More reports](#)


Information Assurance

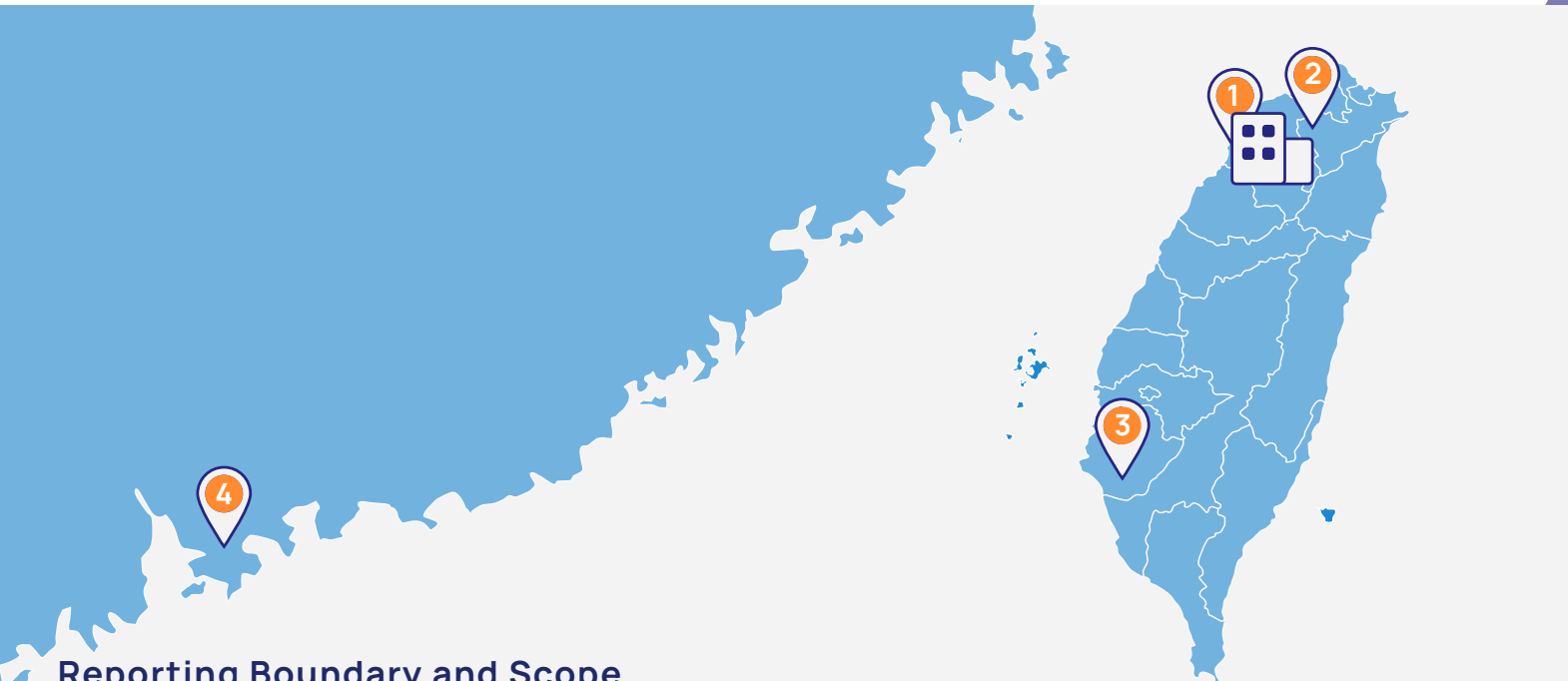
The content of this report has been announced and released following internal review and external assurance.

Internal review:

The report is confirmed by the members of the Company’s Sustainability Task Force, and submitted to the Sustainability Committee and the Board of Directors for review before publication.

External assurance:

- Non-Financial Information: We have commissioned an independent third-party verification organization, SGS Taiwan, to externally assure the information disclosed in this report. The assurance process follows the Type 2 Moderate Level of the AA1000AS v3 Assurance Standard, developed by the global nonprofit organization AccountAbility. The external assurance evaluates the inclusivity, materiality, responsiveness, and impact of the disclosed information in this report. For detailed assurance statements, please refer to the “Third-Party Verification Statement” in the appendix section.
- Financial information: The consolidated financial report has been audited in accordance with the International Financial Reporting Standards (IFRSs) by KPMG Taiwan. The financial reporting period covers the annual period from January 1 to December 31.



Reporting Boundary and Scope

The information disclosed in this report covers the period from January 1, 2023, to December 31, 2023. The scope of information encompasses Fitipower's headquarters and service locations in Gongdao 5th Road, Taipei, Tainan, and Shenzhen, accounting for 67.4% of the consolidated revenue. However, financial information (financial consolidated statements) includes data from other subsidiary companies; please refer to the **“Organizational Chart of Affiliates”** for details on the relevant entities. Additionally, certain product information includes products and applications from related subsidiaries; please refer to the explanations provided in each chapter for further details.



Headquarters

3F., No. 6-8, Duxing Rd., Hsinchu Science Park, Hsinchu City, Taiwan.



Service Location

- 1 3F., No. 180, Sec. 2, Gongdao 5th Rd., East Dist., Hsinchu City 30046, Taiwan (R.O.C.)
- 2 5F., No.73, Zhouzi St., Neihu Dist., Taipei City 11493, Taiwan (R.O.C.)
- 3 22F., No. 1-148, Zhonghua Rd., Yongkang Dist., Tainan City, Taiwan (R.O.C.)
- 4 High-tech Zone, Yuehai Street, Nanshan District, Shenzhen City, Guangdong Province Room 923, Fiyta Technology Building, No. 002, Gaoxin South First Road



Fitipower Integrated Technology Inc.

CONTACT US

We value the feedback from all stakeholders. If you have any recommendations or inquiries regarding Fitipower's sustainable practices or the content of this report, we sincerely welcome you to contact us through the following channels.



3F., No. 6-8, Duxing Rd., Hsinchu Science Park, Hsinchu City, Taiwan.



Mr. Just You, Sustainable Development Dept.



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[Stakeholders Section](#)



esg@fitipower.com



[Sustainability Report](#)

Message from the Chairman

To all partners and friends who pay continuous attention to the sustainability of Fitipower: In 2023, due to the interference of high inflation and high interest rates, wars, and geopolitical impacts, the global market will still be flooded with factors that are unfavorable for economic development. Although demand for consumer electronics remains weak and destocking remains a challenge, the semiconductor market is expected to recover in 2024, benefiting from the strong demand from emerging applications of artificial intelligence (AI).

Amidst these adverse factors and the anticipation of future trends, Fitipower continued the policy of organizational deployment and resource allocation, and extended it to the organization and product value chain of the Group. Through the vertical integration and horizontal division of labor between our domestic and overseas subsidiaries, we have localized and regionalized supply to cope with the trends of de-globalization and carbon reduction in products. On the client side, we have developed diversified and innovative products and are continuously expanding product applications in AIoT, automotive, e-paper, communications, and other fields to keep pace with market trends.

Although the industry is still in the adjustment period, Fitipower's consolidated revenue reached NT\$16.28 billion in 2023, and **its overall operating performance is still the third highest in history**. At the same time, we continued to gather R&D energy and made breakthroughs in the technology for each major product, with a total R&D investment of NT\$2.245 billion for the year, representing 13.8% of our revenue, **an increase of 1.4% compared to the previous year**.

In addition to facing the challenges of slowing market demand, we are also under increasing pressure from the rapid development of ESG! Given that the sustainable development goals set by Fitipower in 2021 are entering the next phase (with a short-term goal achievement rate of 93%), I convened a meeting of the Sustainability Committee at the end of this reporting period to further discuss the Company's future plans for 2024-2030. As a result, we have decided on a total of 68 short-term and 59 medium-to-long-term sustainable development goals.



R&D Achievements and Applications in 2023

TV panel

- High-resolution, high refresh rate, large-size driver ICs with innovative GAMMA voltage maintenance technology
- Ultra-low power consumption and large-size driver IC with quick recovery and common circuit technology

Graphics card

- High-power multi-phase output power control IC
- Power Mosfet driver IC for Dr.MOS

Laptop panels

- Variable refresh rate and timing control IC for ESG notebooks
- Innovative dynamic and energy-saving high-efficiency multi-channel UBRR power management IC

Monitor panel

- Developed 165Hz high refresh rate timing control IC for 4K ultra-high resolution large-size displays

E-books

- Color e-books → The industry's first multi-point non-serial anti-flicker gate scan driver IC development program for full-color e-paper

E-reader

- Color e-paper power management IC

Memory modules

- DDR5 PMIC

In recent years, various unforeseen risks have prompted the market to place greater emphasis on risk management. Fitipower has also continuously improved risk management in various fields. In this reporting year, we have obtained **4 ISO certifications** in one go, including the Automotive Quality Management System (ISO 26262), Environmental Management System (ISO 14001), Occupational Health and Safety Management System (ISO 45001) and Information Security Management Systems (ISO 27001). Currently, we are in the process of conducting the Task Force on Climate-Related Financial Disclosures (TCFD), and expect to publish the comprehensive report in early 2025. In the future, we plan to implement the Business Continuity Plan (BCP) and improve the Taskforce on Nature-related Financial Disclosures (TNFD).

Under the influence of “sustainable manufacturing,” the issues of “due diligence” and “net-zero transformation” have become increasingly urgent. As a fabless semiconductor company, Fitipower sees collaboration with outsourced suppliers as crucial in addition to actively introducing GHG inventory (the first third-party verification is expected to be conducted in 2025). During this reporting period, **the relevant IC used in the electronic paper field has completed the preliminary assessment and planning**. We will continue to actively communicate and cooperate with the outsourced manufacturers to request the relevant carbon emission assessment mechanisms (ISO 14067, ISO 14064), and gradually expand the carbon emission assessment of various major products to lay the foundation for net-zero carbon emissions.

Besides carbon management, Fitipower has also enhanced its supplier sustainability assessment mechanism, which was announced for implementation in early 2024. We have established our “Supplier Code of Conduct” and require our suppliers to follow and sign commitment letter. Beyond the existing management of “Conflict-Free Procurement” and “green materials” (compliance with green regulations such as RoHS and REACH), we have incorporated human rights, environment, ethics, and management systems performance into procurement evaluations and regularly review supplier ESG management situation.

Although the operations of Fitipower's industry have a limited direct impact on the environment, we know that we can do more! Beyond our own development and response, we also amplify our influence through our foundation by harnessing the power of society. In 2024, we will adhere to the guidelines of “talent cultivation,” “care for the disadvantaged,” “employee participation,” “external cooperation” and “green technology” and launch a series of environmental sustainability actions (for details of the activities, please refer to “[Fitipower Environmental Foundation](#)”). In terms of environmental promotion, we further promote “Environmental Sustainability” and “Social Inclusion” in people's daily lives at home and school to every corner of the rural areas through diversified media, such as physical lectures, exhibitions, handicrafts, visits, radio, YT channels and more, reaching people at different stages.

It is a great honor for the Company to **receive the 7th Taiwan Mittelstand Award from the Ministry of Economic Affairs** at the beginning of the year (2024), in recognition of the outstanding business performance of Fitipower! In recent years, Fitipower has also been committed to the balanced development of ESG. We plan to pass on this experience to our subsidiaries to accelerate the ESG development of each operating location at home and abroad. Fitipower will also actively participate in the sustainability rating of various fields to examine its deficiencies and make further improvements. I believe that Fitipower will continue to stand out in terms of financial performance, and it has also won the recognition of various stakeholders for its ESG performance – “Rooted in Taiwan, Looking towards the World!”



Young Lin
Chairman and
Sustainability Committee Chair



Sustainability Vision and Management



Targets and Achievements

2023 Targets (🎯 Achieved)





- Release the English version of all policies 🎯
- Set sustainable development targets for the next stage (2024-2030) 🎯

Short Term (2024–2026)

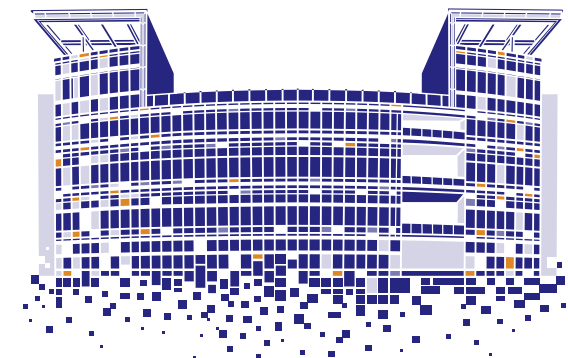
- Participate in at least one domestic sustainability evaluation to identify ESG maturity (2024–)
- Achieve 70% sustainability information disclosure coverage for consolidated entities (revenue ratio, 100% by 2025).

Medium to Long Term (2027–2030)

- Conduct EcoVadis evaluation (2027–)
- Increase market visibility and improve ESG score of Fitipower from credit rating agencies

<div style="text-align: center; margin-bottom: 10px;">  <p>Responsibility</p> </div> <ul style="list-style-type: none"> • Board of Directors • Sustainability committee • Sustainability unit 	<div style="text-align: center; margin-bottom: 10px;">  <p>KPIs</p> </div> <ul style="list-style-type: none"> • Sustainability score or evaluation status • Sustainability targets completion rate
<div style="text-align: center; margin-bottom: 10px;">  <p>Key Stakeholders</p> </div> <ul style="list-style-type: none"> • Stakeholders 	<div style="text-align: center; margin-bottom: 10px;">  <p>Communication Mechanism</p> </div> <ul style="list-style-type: none"> • Please refer to the “Key Stakeholders Communication Comparison Table” and match it with the key stakeholders mentioned above.

We deeply understand that optimizing non-financial management is the key to sustainable development, in addition to rapid business expansion and economic development. As the Company's operations boomed in 2021, the Board of Directors approved and the Chairman signed and issued the “Fitipower Sustainability Policy,” as the highest principle for the Company's sustainability. A dedicated ESG unit (Sustainable Development Dept.) was also formed to initiate various sustainability plans and actions. This policy is communicated to employees through daily publicity and newcomer training, while promotion to suppliers is through daily business meetings and they are requested to sign the supplier code of conduct to ensure that suppliers comply with the Company's sustainability policy. The policy is also published on the Company's official website for stakeholders to download and refer to. At the same time, we organized a sustainability forum to exchange sustainability trends with academic experts. The officials attending the forum were led by the Chairman to pledge to support the United Nations Sustainable Development Goals (UN SDGs) which are aligned with the Company's ESG vision, setting the direction for its sustainability.



Sustainable Management Strategy



Stakeholder Engagement

Value Co-creation

Adhering to sustainable operation, by innovating management, marketing, and technology, we constantly enhance market competitiveness, provide new and high-tech products and services integrating social wellbeing and environmental protection to realize our brand vision: Drive your heart, Power your life.



Responsibility Sharing

Under the premise of legal compliance and ethical corporate management, we will continue to strengthen the assessment and response of operational risks and opportunities; optimize external communication channels; establish a convenient, quick, accurate, and secure information network; and implement effective stakeholder communication and engagement to develop the core literacy and attitude required for sustainable development.



Partner Co-prosperity

In the after-sales service, quality, and safety of products, we seek total satisfaction and recognition of both clients and users. In employee human rights, integrity and ethics, and environmental protection, we further request for the development of a sustainable partnership with ESG interdependency with the supply chain.



EPS + ESG = Sustainable Business

Environmental Symbiosis

In response to international environmental challenges, such as climate change, we are enhancing our capacity for resource utilization and pollution prevention. With a green, innovative vision, we are promoting green offices and manufacturing, and lowering the environmental impact of our products throughout their lifecycle to cultivate green economic opportunities for the company.



Labor-Management Common Good

To ensure respect and dignity for employees, we care for employees and provide them with a quality, safe, and healthy work environment, value talent management and employee care, and attract worldwide elite talents to grow with the company.



Social Inclusion

By integrating corporate and employee resources, we actively engage in social contribution activities such as care for vulnerable groups and seed cultivation to show our corporate influence to promote social harmony and inclusion.



Employee



Client


Shareholder/
Investor


Supplier


Government
Agency

Academic
Institution


Association



Management Approach



Internal and External Communication

Understand stakeholders' needs and expectations, and continuously optimize communication and information disclosure channels.

- Establishment and continuous optimization of channels
- Information assurance and assurance reinforcement
- Consistency enhancement in information scope (financial and non-financial)



Internal and External Management

Perfect the management system in all aspects, conduct digital transformation to reduce costs and enhance efficiency, and use new methodologies to address weaknesses and implement risk control.

- In-depth ESG aspects
- Policies and SOP establishment
- Digital optimization and transformation
- Impact quantification and improvement



External Evaluation

Review management effectiveness through various domestic and international evaluations, and continuously improve.

- Brand value enhancement and continuous improvement

7

Key Stakeholders



See "Stakeholder Engagement" for details.

6

Major Sustainability Missions



Download "Fitipower Sustainability Policy."

20

Financial and Non-Financial Issues



See "Materiality Analysis" for details.

15

Key SDGs We Respond To



Fitipower's actions in support of the SDGs






Sustainability Management Framework

In a bid to achieve the vision of sustainability, Fitipower has established a dedicated unit for ESG (Sustainable Development Department), and a systematic sustainability management organization (as shown in the below figure) pursuant to its “Sustainable Development Best-Practice Principles” and “Sustainability Committee Charter.” The “Fitipower Sustainable Development Committee,” a functional committee under the Board of Directors, is chaired by the Chairman and includes the General Manager and four independent directors as members. It holds at least two meetings annually to strategize and plan future sustainable goals and actions, reporting the progress of sustainability initiatives to the Board of Directors, and the annual sustainable disclosure information is also released after the review and approval of the directors. To further effectively implement and communicate matters related to sustainable development, we have established a responsible team (ESG Executive Secretary) and five task forces under the Sustainability Committee, namely “Brand and Innovation,” “Corporate Governance,” “Partner Co-prosperity,” “Labor-Management Common Good and Social Inclusion” and “Environmental Symbiosis.” Through cross-departmental vertical integration and horizontal specialization, each team plays its role, ensuring the Company’s balanced development in environmental, social, and governance dimensions.

A total of two Sustainability Committee meetings were held in 2023. Given that the phased sustainability goals set in 2021 have come to an end and nearly all short-term goals have been achieved. On December 26 of the reporting year, we again passed the resolution of the Board of Directors to set short-, medium-, and long-term goals from 2024 to 2030 (part of the environmental goals will extend until 2050. For details on each goal, please refer to the Management Approach of each chapter).



Aligning with the UN SDGs

SDG	Fitipower's SDG Practice
	<ul style="list-style-type: none"> When there is a need for meal or gift box orders, we prioritize ordering products from Children Are Us Foundation (boxed meals and bakery) to support the employment needs of vulnerable groups and positively influence the job market of these groups. Hired visually impaired persons to offer massages to employees. This helped both the employment of a disadvantaged group as well as the physical and mental health of employees. In 2023, a total of 2,352 massages were provided to employees.
	<ul style="list-style-type: none"> In the procurement of employee meals and holiday gift boxes, we have chosen to purchase agricultural products from local small farmers, not only reflecting our commitment to local care but also enhancing the income of small farmers. Provide employees with food subsidies (including lunch and dinner), and employees only need to pay a small amount of expenses themselves.
	<ul style="list-style-type: none"> In addition to labor insurance and national health insurance that must be provided as required by law, we also offer employees group insurance (the coverage includes life insurance, accident insurance, hospitalization medical insurance, accident medical insurance, and cancer medical insurance) and travel safety insurance. Hired physicians and nurses to provide employees with one-on-one inhouse professional consultation. In 2023, a total of 192 consultations were applied. In compliance with local laws and regulations, we provide employees with annual health checks to take care of their physical health. In 2023, a total of 526 employees participated the health examinations. Other than holding health lectures from time to time, we also provide employees with a travel subsidy of NT\$20,000 (annual) to promote physical and mental health.
	<ul style="list-style-type: none"> Required the Board members to continue to participate in further education courses and provide courses on succession planning for senior managers. Sound career development path and diverse training and learning channels and resources. In 2023, the average training hours for our colleagues reached 14.6 hours, the training cost per person was NT\$1,287, and the number of in-house instructors was 80. The "SDGs Promotion Project – Making the World Better" in collaboration with the Taiwan Library, and the release of a sustainable booklist in response to the United Nations SDGs, serve as a reference for book selection for primary and secondary school students in Taiwan. Relevant promotional activities were continued. In 2023, two exhibitions, two "Lesson Plan Design Workshops," six demonstration reading corners in the libraries, six inclusive reading activities were held, and 52 episodes of "Big Ear Explorer" were broadcast, and five promotional videos on "Dr. Cong-Ning Huang's YouTube Channel" were made. In the "Campus Promoters for Environmental Sustainability" series of activities, we organize lectures on the environment, guided reading for children in remote townships, and summer camps, comprehensively nurturing students of all ages. Responding to the e-Reading Future event organized by e-paper partner, E Ink Holdings Inc.
	<ul style="list-style-type: none"> Committed to diversity and inclusion within the Board of Directors; with female directors accounting for 50% of all directors. Released the policies on human rights and diversity and inclusion, as well as the regulations for prevention and management of sexual harassment, thereby prohibiting any form of unequal treatment toward female employees. Promoted the "Maternal Health Protection Program," which includes specific measures such as birth allowance, exclusive parking spaces for pregnant employees, the right to unpaid parental leave, and breastfeeding rooms.




Aligning with the UN SDGs

SDG	Fitipower's SDG Practice
	<ul style="list-style-type: none"> Conducted drinking equipment testing, replacement of filters, and disinfection of cooling towers on a regular basis. Continued to communicate water conservation to employees and purchase equipment carrying the Water Conservation Mark.
	<ul style="list-style-type: none"> Provide excellent compensation for employees. In 2023, the median and average compensation of non-managerial staff were NT\$1.946 million and NT\$ 2.426 million, respectively, ranking the top among listed companies. We have multiple recruitment channels, including online talent recruitment platforms, social media, talent hunting agencies, recommendations from family and friends, industry-academia internship program, R&D substitute servicemen, talent expos, and talent matchmaking meetings. The new employee rate in 2023 was 9.3%, the employee turnover rate was 15.5%, and the key talent retention rate was 87%. We participated in the government's talent training program (The Youth's Employment Ultimate Program). In addition to fully returning the government's youth evaluation grants to the employees, we provided an additional matching bonus. The employees who participated in the Program and have been with the Company for two years can receive a total of NT\$216,000.
	<ul style="list-style-type: none"> Fitipower continues to enhance its R&D capabilities, thereby expanding product applications in the fields of communications, automotive, IoT and AI. In 2023, besides an R&D team of 182 members, we invested a total of NT\$2.25 billion in R&D, accounting for 13.8% of the overall revenue. We are committed to breakthroughs in the development of modular, highly integrated, low-energy, and high-efficiency technologies, which are expected to significantly contribute to energy saving and carbon reduction in end-electronic products. Based on the chip shipments in 2023, approximately 290,000 metric tons of carbon emissions can be reduced, including one newly designed energy-efficient products. Provided bonuses for patents, including bonuses for patent applications, bonuses for patent licensing, and bonuses for patent utilization to encourage colleagues to submit patent proposals. In 2023, there were five new patents approved, bringing the total number of valid patents to 77. Organize the automation competition to enhance the efficiency of business processes and reduce costs in each unit. In 2023, a total of 20 projects received awards, and a total of NT\$510,000 was awarded. Organized the "Fitipower AI Green Technology Sustainable Innovation Competition," leveraging Fitipower's expertise in chip design to inspire students' creativity and sustainability thinking. The competition aimed to integrate learning resources and information to implement smart and green product applications.
	<ul style="list-style-type: none"> In accordance with international human rights norms and initiatives, such as the UN's "Universal Declaration of Human Rights," we have released a human rights and diversity policy, which specifies that no differential treatment or discrimination is allowed in recruitment, employment, promotion, reward, and welfare due to their race, language, blood type, religion, political party, native place, gender, age, marital status, facial features, or other factors.

Aligning with the UN SDGs

SDG	Fitipower's SDG Practice
	<ul style="list-style-type: none"> The waste electronic components, scrap materials, and nonconforming products (including wafers and packaging materials) generated during Fitipower's operations are all entrusted to qualified contractors for clearance and treatment. Cartons and domestic waste are sorted before handing over to the park cleaning team for recycling and subsequent disposal. In 2023, the overall production of waste was approximately 34.6 metric tons, with an overall recycling rate of 57.3% To ensure that all of our products don't contain restricted substances or chemicals, and comply with the RoHS, REACH standards. Respond to green procurement initiatives. For procurement of cyber communication equipment, priority was given to products with a green label. In 2023, the ratio for green procurement of cyber communication equipment reached 98%. Continued to release a sustainability report and refined the quality of information disclosure. Through the "Campus Promoters for Environmental Sustainability" project organized by Fitipower's foundation to launch a series of circular economy activities. In 2023, we organized the activities of "Environmental Protection Booths," "Non-Pollution Materials Week," "Environmental Volunteers during Electrical Engineering Week," "Circular Second-hand Market," "Environmental Promotion for Children in Rural Areas," "Environmental Education Promotion for Senior High School Students," "Non-native Species Removal" and "Hand-making Trail."
	<ul style="list-style-type: none"> Established the "Fitipower Environmental Foundation" to gather social power and expand its influence and dedicated to the mission of "Circularity to Restore the Earth" based on the four core pillars of "Ecological Conservation," "Climate Change," "Circular Economy," and "Disaster Relief." Provide multiple options for the lunches of the employees. In addition to the meat diet containing rice or noodles, we supply vegetarian and fruit meals to take care of the employee's dietary health and reduce CO₂ emissions. Released the Company's GHG inventory planning schedule and gradually established the Company's operational carbon emission database used as a management basis for subsequent net-zero targets and actions. Planned to implement a comprehensive Task Force on Climate-related Financial Disclosures (TCFD) to understand the specific financial impacts used as a consideration for the planning of subsequent operational strategies. We plan to introduce the greenhouse gas inventory system (ISO 14064-1) as the basis for our carbon reduction management. Built the Product Carbon Reduction Platform to evaluate the carbon reduction benefits of the Company's energy-saving ICs at end-use as a reference for chip design.
	<ul style="list-style-type: none"> As part of the "Campus Promoters for Environmental Sustainability" series, we organized seminars on ocean sustainability and engaged in related discussions with students. A lecture titled "Climate Change - Blue Carbon Coral" will be held in 2023. Fitipower has sponsored the "Knowing Horseshoe Crab - Protecting the Horseshoe Crab" series of activities at the National Museum of Marine Science and Technology, which combines environmental education, with the restoration and release of the juveniles. In 2023, a total of 800 young horseshoe crabs were restored and released into their natural habitats.

Aligning with the UN SDGs

SDG	Fitipower's SDG Practice
	<ul style="list-style-type: none"> • We promote a “green office culture.” To reduce paper use, besides promoting used paper reuse, we progressively implemented the online approval system to replace traditional paper document approval, e-payroll system, and e-learning courses to reduce paper use. • Invested in the development of technologies associated with the application of products such as electronic paper and electronic labels to accelerate our paperless initiative, further reducing forest land loss. • “Removal of Exotic Species – Louisiana Crawfish” was organized by students of National Tsing Hua University in a series of “Campus Promoters for Environment” activities organized by Fitipower Environmental Foundation, to protect native species and biodiversity. • The “Hand-making Trail” activity organized by the Fitipower Environmental Foundation featured Fitipower volunteers along with students from Tsing Hua University and Yang Ming Chiao Tung University who maintain the trails in the mountains and forests by hand method using natural materials to reduce environmental impact.
	<ul style="list-style-type: none"> • Supported the Responsible Minerals Initiative (RMI) to ensure that 3TG minerals are acquired from RMI-certified smelters. In 2023, 37 suppliers' materials contained 3TG. According to the result of the investigation, all of the suppliers used 3TG minerals from RMI-certified smelters. • Provided courses related to ethical corporate management and integrity to enhance the quality of employees while also building a corporate culture. In 2023, the total training hours for employees reached 1,652 hours. • Complied with the requirements of the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies,” the “Personal Data Protection Act,” the “Trade Secrets Act,” and the “Fair Trade Act.” We also have internal regulations in place and regularly conduct audits and reports. In 2023, we did not receive any reports regarding violations of ethical corporate management and integrity and we did not violate any laws or regulations; no deficiencies were found in internal audits. • Established a full-time regulatory identification unit and assign responsible staff to solve legal problems. • Internal auditors shall maintain integrity and independence to carry out their duties objectively and impartially and periodically report the audit outcomes to the Audit Committee. • Established a comprehensive performance appraisal system. In addition to conducting two performance evaluations of employees each year, we have formulated the “Board of Directors Performance Evaluation Regulations” to ensure the sound operation of the Board of Directors.
	<ul style="list-style-type: none"> • Joint five industrial and academic organizations to facilitate the collaboration of the companies in the semiconductor industry and strengthen the overall development of the industrial system. In 2023, NT\$620,000 was invested. • Collaborated with domestic elite institutes of electronics by combining the industry-academia resources. Through knowledge and technology exchange, we accelerated the R&D, enriched the outcomes, and enhanced efficiency. We also provided students with future employment opportunities. In 2023, NT\$6.4 million was invested. • We connect with Taiwan's academic, medical, and educational institutions through the Fitipower's Foundation to invest in resources for relevant projects and activities to promote a vision of social inclusion and environmental sustainability. In 2023, NT\$3 million was invested.

Stakeholder Engagement and Materiality Analysis

STEP 1

Understanding Organizational Context

Stakeholders Selection

Fitipower follows the five principles of the AA1000 SES 2015 to assess stakeholders' dependency, responsibility, tension, influence, and diverse perspectives. We identify key stakeholders every two years. **This year, we continued with the previous year's results, selecting 7 stakeholder groups: employee, client, shareholder/investor, supplier, government agency, academic institution, and association.** On Fitipower and its key stakeholders, and the material issues, please see the "[Key Stakeholder Communication Comparison Table](#)" and "[Materiality and Sustainability Context of Material Issues](#)."

Fitipower values stakeholders' expectations. Through daily meetings, phone calls, feedback emails, and various business interactions, as well as referencing the "GRI Standards," "ISO 26000," and the "UN Global Compact," we identified and focused on **20 sustainability issues** for further investigation. These issues were assessed for their positive and negative impacts on economic, environmental, and social aspects. (For risks and opportunities of each material issue, please see the "[Materiality and Sustainability Context of Material Issues](#).") Additionally, we conducted a survey on key stakeholders' concerns, collecting a total of 333 questionnaires as the basis for the annual materiality analysis. Please see the "[Key Stakeholders Communication Comparison Table](#)" for details. In addition to the above standard procedures, we have also set up a "[Contact Person](#)" section on our website, providing a channel for communication with various business units. This channel is used for any questions, suggestions or complaints, maintaining good communication and sound interaction.

- For this year, there are four newly surveyed issues, namely, "Taxation," "Risk Management," "Information security," and "Biodiversity." After integrating the 18 issues surveyed in the previous year, the focus is now on 20 sustainability issues.

STEP 2

Stakeholder Engagement

STEP 3

Material Issues Identification

The management and ESG task force members evaluated the significance of positive and negative impacts on economic, environmental, and social aspects for the 20 focused issues based on their practical experience and professional expertise. Finally, we weighted and analyzed the "assessment results" to create a materiality matrix for positive and negative impacts. These results were then integrated with the "stakeholder concern survey results" to produce the final materiality analysis.

- Impact assessment: We conducted the survey with the X-axis as the issue's impact level and the Y-axis as the likelihood of occurrence (or frequency). A total of 39 assessment questionnaires were collected, including 23 from senior executives and 16 from ESG task force members.
- We made a nine-square grid distribution between the "impact level" and "likelihood of occurrence" of each issue. Issues classified as high-impact ($X > 4$) and likely to occur ($Y > 2$), as well as low-impact and above ($X > 2$) but frequent ($Y > 4$) issues, are defined as material issues with significant impacts. Both positive and negative impacts are identified through the union definition. Additionally, the issues in the top 25% in the stakeholder survey are directly defined as the Company's material issues.
- After verification by the President on the final identification results, **the 10 annual material issues were as follows: "R&D and Intellectual Property," "Supply Chain Management," "Talent Attraction and Retention," "Client Relationship Management," "Financial Performance," "Talent Cultivation and Development," "Green Products," "Legal Compliance," "Occupational Health and Safety," and "Taxation."** Please see the "[Material Issues Matrix](#)."

For this year, there are four newly surveyed issues, namely, "Taxation," "Risk Management," "Information security," and "Biodiversity." After integrating the 18 issues surveyed in the previous year, the focus is now on 20 sustainability issues. Two new material issues, "occupational health and safety" and "taxation," have been identified compared to the previous year. Changes in "indirect economic impact" remain a topic of ongoing concern. Please see the "[Materiality Identification Differences Table](#)" for detailed changes. For the importance, impact scope, and corresponding GRI topics of each material issue, see the "[Materiality and Sustainability Context of Material Issues](#)." The company's policies, commitments, goals, responsibilities, resources, and specific actions for each material issue are addressed in the respective chapters.

STEP 4

Materiality and Sustainability Context Description

Key Stakeholders Communication Comparison Table

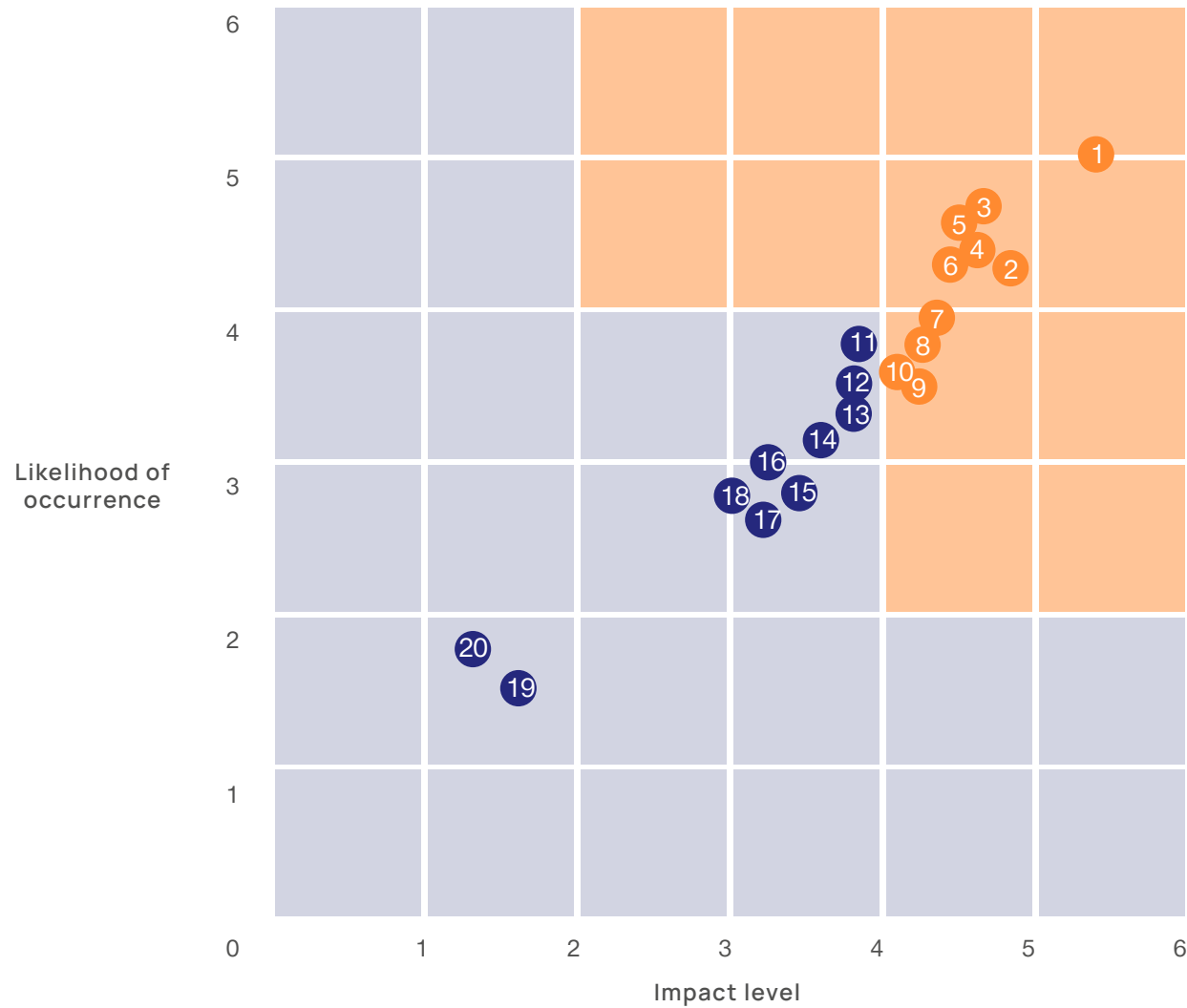
Stakeholder	Concerned Issues	Communication Method	Communication Frequency	Communication Performances
 Employee	<ul style="list-style-type: none"> Talent Attraction and Retention Talent Cultivation and Development Occupational Health and Safety Financial Performance R&D and Intellectual Property Human Rights Diversity and Equality 	Please refer to the "Multiple Communication Channels" under the chapter " Labor-Management Communication "		<ul style="list-style-type: none"> Provided 270 online and physical courses, with a total of 9,902 employee participants. Hold quarterly labor-management meetings, Welfare Committee meetings, and Occupational Health and Safety Committee meetings. Conduct annual evacuation drills. Announce the annual intellectual property management plan and the implementation status on the Company's official website.
 Client	<ul style="list-style-type: none"> Client relationship management (CRM) R&D and Intellectual Property Financial Performance Occupational Health and Safety Green Product 	Client relationship management (CRM) system Fitipower Website External communication emails Quarterly business review Client satisfaction survey Client meetings	Real-time Real-time Real-time Quarterly Yearly Aperiodically	<ul style="list-style-type: none"> The major client satisfaction rates were 93.57 (DDI) and 90.93 (PMIC), both achieving the annual target. The closure rate for client complaints was 100%.
 Shareholder/ Investor	<ul style="list-style-type: none"> Financial Performance Risk Management 	Investors section on the Company's website Annual financial report Annual general meetings (AGM) Investor conferences Market Observation Post System (MOPS)	Real-time Yearly Yearly Quarterly Real-time	<ul style="list-style-type: none"> One shareholders' meeting and four investor conferences were held. Held a total of 20 public forums for foreign invested and domestic brokerage firms. Organized 100 small seminars for legal entities.

Key Stakeholders Communication Comparison Table

Stakeholder	Concerned Issues	Communication Method	Communication Frequency	Communication Performances
 Supplier	<ul style="list-style-type: none"> Supply Chain Management Legal Compliance Green Product Risk Management Client relationship management (CRM) 	Quality meeting	Yearly	<ul style="list-style-type: none"> The expected number of major suppliers to be audited in 2023 was 24, with a 100% audit completion rate. 100% suppliers signed the "Restricted Substances Commitment Letter." 100% suppliers received a CMRT survey, and all of them met the criteria for responsible mineral sourcing. No complaints against suppliers for violating ethical corporate management or integrity were received.
		Supplier audit	Aperiodically	
		Daily meeting	Aperiodically	
		Whistleblower email (wb@fitipower.com)	Real-time	
 Government Agency	<ul style="list-style-type: none"> Water Management Waste Management Energy and Climate Change Anti-corruption Human Rights, Diversity and Equality 	Market Observation Post System (MOPS)	Real-time	<ul style="list-style-type: none"> The Fitipower Environmental Foundation was established and a series of environmental protection activities were launched. Corporate governance and material information were published on the Market Observation Post System (MOPS). Cooperated with the FSC and conducted a Corporate Governance Evaluation. Cooperated with the FSC and implemented the TCFD and, after reporting to the Board of Directors quarterly, announced the Company's GHG inventory plan and progress. Took part in Youth's Employment Ultimate Program of the Ministry of Labor.
		Official documents	Aperiodically	
		Oversights and audits of competent authorities	Aperiodically	
		Policy seminar symposium, and public hearing	Aperiodically	
 Academic Institution	<ul style="list-style-type: none"> R&D and Intellectual Property Indirect Economic Impact Talent Attraction and Retention Talent Cultivation and Development 	Fitipower Website	Real-time	<ul style="list-style-type: none"> Organized 15 campus recruitment events and 962 students made inquiries. A total of 13 industry-academia collaboration projects were initiated, benefiting 29 students. The Company collaborated with a total of 8 student clubs and departments to organize 8 environmental sustainability activities, as well as 3 sustainability lectures and hand-making trails.
		External communication emails	Real-time	
		Campus talent recruitment	Yearly	
		Industry-academia collaboration projects	Aperiodically	
 Association	<ul style="list-style-type: none"> Legal Compliance Waste Management Green Product Energy and Climate Change Cybersecurity 	General assembly	Depending on the org.	<ul style="list-style-type: none"> Participated in five industry associations. Participation in association's events.
		Seminar, etc.	Aperiodically	

Materiality Matrix

Positive Impact Matrix



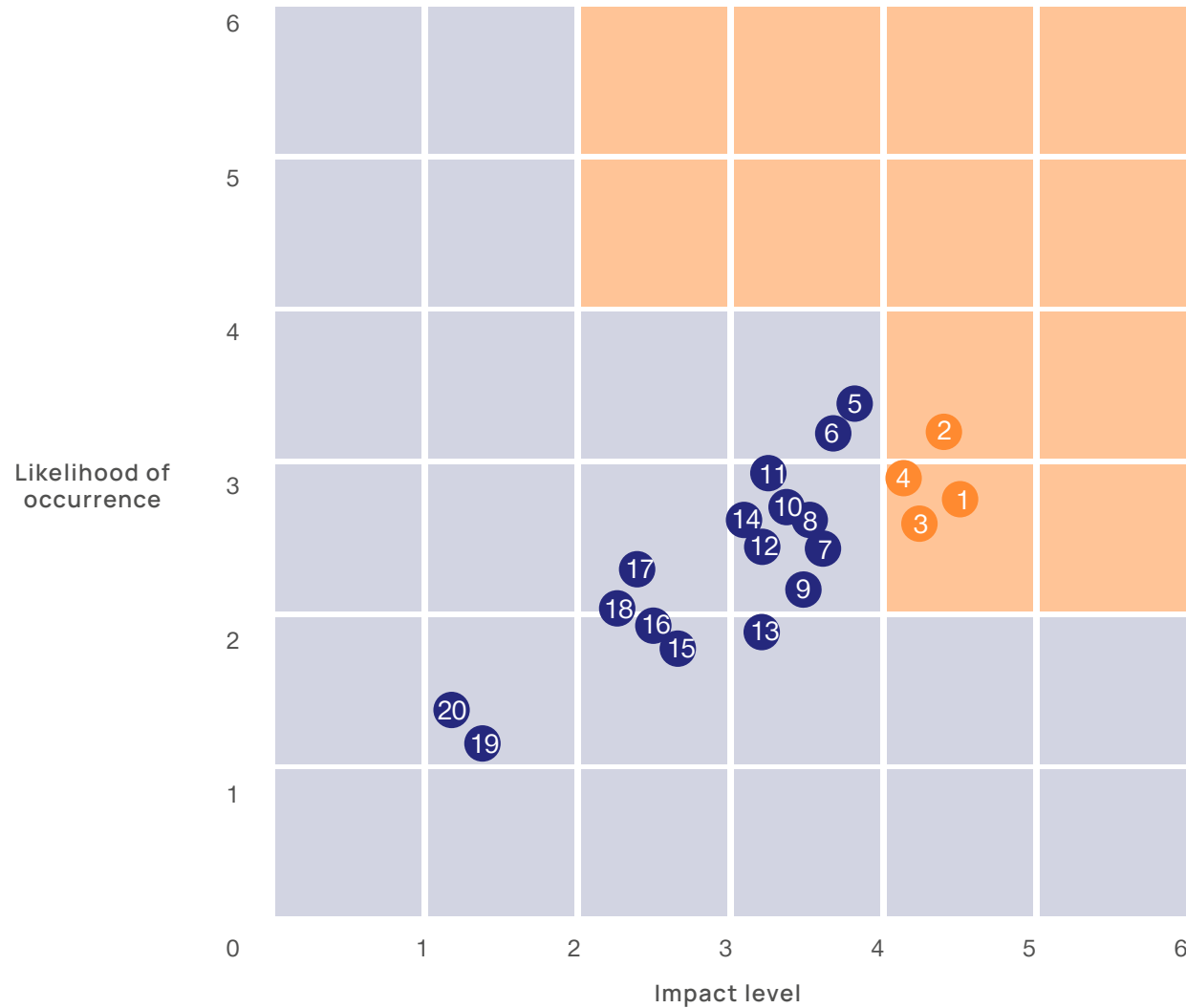
Material Issue

- ① R&D and Intellectual Property
- ② Supply Chain Management
- ③ Talent Attraction and Retention
- ④ Client relationship management (CRM)
- ⑤ Financial Performance
- ⑥ Talent Cultivation and Development
- ⑦ Green Product
- ⑧ Legal Compliance
- ⑨ Occupational Health and Safety
- ⑩ Taxation

Continuously Concerned Issue

- ⑪ Cybersecurity
- ⑫ Risk Management
- ⑬ Indirect Economic Impact
- ⑭ Human Rights, Diversity and Equality
- ⑮ Anti-corruption
- ⑯ Social Involvement and Public Policy
- ⑰ Energy and Climate Change
- ⑱ Waste Management
- ⑲ Biodiversity
- ⑳ Water Management

Negative Impact Matrix



Material Issue

- ① Client relationship management (CRM)
- ② Supply Chain Management
- ③ Financial Performance
- ④ R&D and Intellectual Property

Continuously Concerned Issue

- ⑤ Talent Cultivation and Development
- ⑥ Talent Attraction and Retention
- ⑦ Cybersecurity
- ⑧ Risk Management
- ⑨ Legal Compliance
- ⑩ Occupational Health and Safety
- ⑪ Green Product
- ⑫ Indirect Economic Impact
- ⑬ Taxation
- ⑭ Human Rights, Diversity and Equality
- ⑮ Anti-corruption
- ⑯ Waste Management
- ⑰ Energy and Climate Change
- ⑱ Social Engagement and Public Policy
- ⑲ Biodiversity
- ⑳ Water Management

Materiality Identification Differences Table

● Integrated and Renamed + Newly Included This Year ● Not Included This Year

Previous year

Material Issue	
○ R&D and Innovation	○ Economic Performance
○ Supply Chain Management	○ Labor-Management Relationship
○ Employment and Employee Benefits	○ Talent Cultivation and Training
○ Client Privacy	○ Green Product
○ Legal Compliance	● Indirect Economic Impact
Material topics	
GRI 201 Economic Performance	GRI 401 Employment
GRI 202 Market Presence	GRI 404 Training and Education
GRI 203 Indirect Economic Impact	GRI 414 Supplier Social Assessment
GRI 204 Procurement Practices	GRI 416 Client Health Safety
GRI 302 Energy	GRI 418 Client Privacy
GRI 308 Supplier Environmental Assessment	
GRI 402 Labor/ Management Relations	
GRI 405 Diversity and Equal Opportunity	



Changes in the reporting year

Material Issue	
● R&D and Intellectual Property	● Talent Cultivation and Development
○ Supply Chain Management	○ Green Product
● Talent Attraction and Retention	○ Legal Compliance
● Client relationship management (CRM)	+ Occupational Health and Safety
○ Financial Performance	+ Taxation
Material topics	
+ GRI 403 Occupational Health and Safety	
+ GRI 207 Tax	
+ GRI 406 Non-discrimination	
+ GRI 407 Freedom of Association and Collective Bargaining	
+ GRI 408 Child Labor	
+ GRI 409 Forced or Compulsory Labor	
+ GRI 411 Rights of Indigenous Peoples	



Materiality and Sustainability Context of Material Issues

\$ Economic
 🌿 Environmental
 👤 Social (crowd)
 ● Direct Impact
 ○ Indirect Impact

Material Issue	Significance to Our Operations	Significant Impact (Actual ! / Potential ?)								
		Positive	Negative							
 R&D and Intellectual Property	Fitipower is a professional IC design company, and providing clients with diverse and total solutions is the core driving force of our operations. We continue to invest resources in innovative research and development, maintain industry-academia collaboration and knowledge exchange, as well as effective intellectual property rights management, so that the Company's products will continue to be in a dominant position in the market.	National economic growth ! Enhancing our market ! Enhancing our brand value ! Enhancing product efficiency ! Enhance quality of life !	Cost pressures and losses ! Declining market share ? Legal penalty ? Technical unemployment ?	●	●	○	○	○	○	○
 Supply Chain Management	Fitipower is a fabless semiconductor company, and the back-end manufacturing and packaging/testing of our products are outsourced to specialized foundries. Stable product supply, delivery schedules, quality, and material control directly impact the Company's operating costs and revenues. With the sustainability risks to suppliers constantly surfacing, Fitipower must establish a comprehensive management system to ensure the supply of products and services is aligns with stakeholder expectations and relevant regulations, thus creating a sustainable product value chain.	Enhancing industry competitiveness ? Reducing production costs ? Expanding market share ? Reducing carbon footprint ? Promoting local employment ? Enhance corporate identity ?	Increasing operating costs ! Supply Chain Disruption ! Environmental Impact of Supply Chain Extension ! Arousing criticism society ?	○	○	○	●	○	○	
 Talent Attraction and Retention	"Employees are the most valuable assets of the organization." This is exceptionally true for the semiconductor design industry emphasizing ongoing advancements and requiring nonstop innovation and breakthroughs. By attracting key talents through a diverse workforce structure and a competitive compensation and benefits system, the company can continuously inject operational momentum.	Increasing productivity ! Enhancing competitiveness ! Create a happy life ! Enhancing social stability ? Enhancing our reputation and local employment ?	Rising labor costs ! Operational disruptions ? Causing a labor dispute ?	●	○			○	○	

Note 1: For the GRI issues and disclosure items, and report chapters corresponding to the material issues, please refer to the "[GRI Index](#)."

Note 2: For the corresponding ICON of major stakeholders, please refer to the "[Key Stakeholders Communication Comparison Table](#)."

Materiality and Sustainability Context of Material Issues

\$ Economic
 Y Environmental
 P Social (crowd)
 ● Direct Impact
 ○ Indirect Impact

Material Issue	Significance to Our Operations	Significant Impact (Actual ! / Potential ?)									
		Positive	Negative								
 Client relationship management (CRM)	With active client relationship management, we can better understand client needs and maintain an edge in market competition. Client privacy can directly affect a company's reputation, legal risks, and client relations, and have an absolute impact on business operations. Fitipower should be committed to ensuring the protection of client information and enhancing cooperation and trust to establish long-term stable cooperative relationships with clients.	\$ Enhancing client trust ! \$ Enhancing market share ? Y Promoting green products ! P Enhancing corporate identity ?	\$ Client attrition ? \$ Rising costs ! \$ Legal proceedings ? P Affecting our reputation ?	○	●	○	○				
 Financial Performance	The company's financial performance directly reflects its operational efficiency, financial health, and competitiveness. Only with a strong financial foundation can the company have the ability to withstand unknown risks and achieve corporate transformation. As a listed company on the TWSE, Fitipower's financial performance also indirectly affects the confidence and interests of its shareholders and investors, further posing challenges to the company's operations. Therefore, we must strive for the continuous financial growth in our operations.	\$ Increasing investment value ? \$ Enhancing economic vitality ? P Promoting employee welfare ? P Promoting social investment ?	\$ Investment loss and distrust ? \$ Economic instability ? Y Reducing environmental investment ? P Employment uncertainty ?	○	○	●	○	○			
 Talent Cultivation and Development	Employee development is the foundation for knowledge inheritance and radical innovation. We value the practical training and competence optimization of each employee and believe that adequate training resources, a conducive learning environment, and a fair promotion system provide a sound support for strengthening the R&D of the Company.	\$ Enhancing our competitiveness ! \$ Enhancing our productivity ! Y Green transition and development ! P Reducing unemployment ? P Enhancing social stability ?	\$ Rising training costs ! \$ Rising hiring costs ! P Social inequality ?	●	○		○	○	●	●	

Note 1: For the GRI issues and disclosure items, and report chapters corresponding to the material issues, please refer to the "GRI Index."

Note 2: For the corresponding ICON of major stakeholders, please refer to the "Key Stakeholders Communication Comparison Table."

Materiality and Sustainability Context of Material Issues

\$ Economic ♻️ Environmental 👤 Social (crowd) ● Direct Impact ○ Indirect Impact

Material Issue	Significance to Our Operations	Significant Impact (Actual ! / Potential ?)								
		Positive	Negative							
Green Product	Environmental regulations are becoming increasingly stringent, and the rise of green consumption and sustainability awareness has prompted brand clients to pledge their commitment to addressing the challenges of climate transition. For Fitipower, focusing on the research and development of green products is both our responsibility and opportunity. In addition to meeting market expectations and improving product competitiveness, we can also reduce environmental impacts and costs throughout the product life cycle.	<ul style="list-style-type: none"> \$ Innovation and market opportunities ! ♻️ Reducing product carbon footprint ! ♻️ Increasing resource efficiency ! 👤 Enhancing health and safety ! 👤 Promoting green education ! 	<ul style="list-style-type: none"> \$ Increasing production costs ! \$ Competitive pressure ? 👤 Pressure for industrial transformation ? 	●	●	○	●	○	○	○
Legal Compliance	The company's operations are subject to various regulations, such as fair trade, sales, environment, health and safety, labor, and requirements for listed companies. Non-compliance with relevant regulations could lead to significant financial and reputational losses, and even result in the termination of operations. Compliance is not only a fundamental requirement for our employees but a basic principle for the Company's sustainability. Only by doing so can Fitipower maintain a trustworthy relationship with all stakeholders and further promote its long-term development.	<ul style="list-style-type: none"> \$ Enhancing business collaboration and investment ? ♻️ Implementing environmental protection ! 👤 Product and service safety ! 👤 Promoting labor rights ! 	<ul style="list-style-type: none"> \$ Legal penalty ? 👤 Affecting our reputation ? 	○	○	○	○	●		
Occupational Health and Safety	Fabless semiconductors rely more on the input and output of employees. Providing employees with a safe and healthy working environment not only ensures the normal operation of the Company, but attracts talents and retains outstanding employees, positively impacting the Company's reputation.	<ul style="list-style-type: none"> 👤 Increasing workforce stability ! 	<ul style="list-style-type: none"> \$ Increasing operating costs ! \$ Legal fines ? \$ Production loss ? \$ Medical cost burden ? 👤 Affecting our reputation ? 	●	○	○	●	●	○	
Taxation	Taxes are one of the main operating costs of a company. Effective tax management can improve profitability, but it must also ensure compliance with tax laws to avoid legal penalties and maintain the company's reputation.	<ul style="list-style-type: none"> \$ Stabilizing the fiscal system ! \$ Reducing operating costs ! 👤 Promoting social welfare ! 👤 Promoting social justice ? 	<ul style="list-style-type: none"> \$ Affecting government revenue ? \$ Affecting market fairness ? \$ Legal penalty ? 👤 Arousing social discontent ? 👤 Increasing social injustice ? 👤 Damaging our image ? 			○		●		

Note 1: For the GRI issues and disclosure items, and report chapters corresponding to the material issues, please refer to the "GRI Index."

Note 2: For the corresponding ICON of major stakeholders, please refer to the "Key Stakeholders Communication Comparison Table."

1 Value Co-creation

1.1 About Fitipower	23
1.2 Product and Technology Innovation	26

Material Issues and Key Stakeholder



Employee



Client



Academic
Institution



Association



R&D and
Intellectual
Property



Green Product

Policy and Responses to SDGs



Adhering to sustainable operations, by innovating management, marketing, and technology, we constantly enhance market competitiveness, provide new and high-tech products and services integrating social wellbeing and environmental protection to realize our brand vision: Drive your heart, Power your life.



1.1 About Fitipower

Founded in 1995 in Hsinchu, Taiwan, Fitipower is a professional IC design company listed on the TWSE (TWSE: 4961) in 2018. We excel in R&D capabilities for analog, digital, and mixed signals. Our main product offerings include comprehensive solutions for panel DDICs and PMICs. We also provide various IC products including TCON and motor drivers. Through continuous research, development, improvement, and validation, our products have gained popularity among various global clients, with nearly 90% of our business from exports, primarily focused on the Asian market. In addition to our headquarters in Hsinchu, we also have offices in Neihu, Tainan and Shenzhen in order to provide immediate business and technical services to our clients. Looking to the future, Fitipower will continue to deepen R&D capacity and maintain steady operations with careful steps, hoping to become a world-class IC design house.

In an effort to further improve the Company's image and website functions, while improving the user experience, we have rebuilt our official website and established the Fitipower Environmental Foundation (please refer to the "[Social Inclusion](#)" for details). The new website features a comprehensive structure with multimedia sections, questionnaires, product inquiry forms, and other new functionalities, enabling stakeholders to easily and directly access necessary information and interact with us. This includes our company vision and mission, strategies and policies, products and services, employee benefits and recruitment, and ESG-related information.

Name	Fitipower Integrated Technology Inc.
Established Year	1995
Company Type	Public company (TWSE 4961)
Main Business	Professional design and integration of driver and power management ICs
Headquarters	3F., No. 6-8, Duxing Rd., Hsinchu Science Park, Hsinchu City, Taiwan
Chairman	Mr. Young Lin
President	Ms. Sophia Chiu
Capital	NT\$1.213 billion (2023/12/31)
Revenue	NT\$16.28 billion (2023)
Employee Count	579 employees (2023/12/31)



[Fitipower
Website](#)



[Fitipower Foundation
Website](#)



Our Vision and Mission

Vision

**Leading the Smart Life.
Driving the Carbon Reduction Era**



We believe in “embracing intelligent development while safeguarding the Earth’s growth, creating a better vision for future living.”

Core value

**Cient orientation, Integrity and Accountability, Proactiveness,
Continuous Improvement, Communication and Coordination**



We also expect our colleagues to uphold the five core values of “Cient orientation,” “Integrity and Accountability,” “Proactivity,” “Continual improvement,” and “Communication & Coordination.” Through effective communication, understanding, and meeting client needs, we approach challenges with a responsible attitude, take proactive actions, continuously seek improvements, and move forward towards our shared vision and mission.

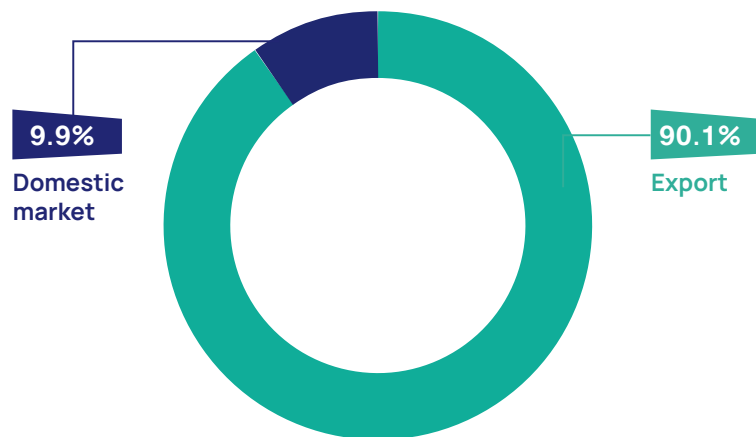
Mission

**To develop the IoT application field and drive the green efficiency of power management.
To provide solutions to market needs by cultivating R&D and human resources.**

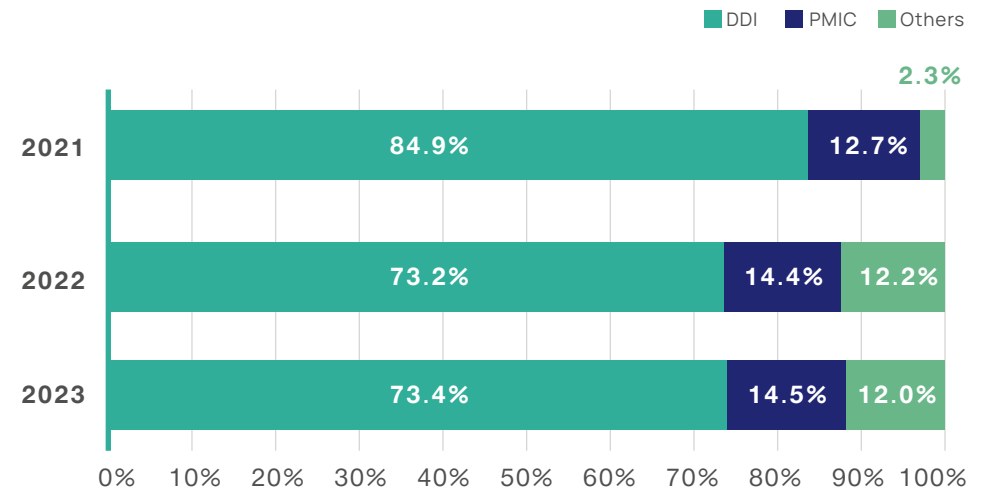


We are dedicated to the development of various ICs including DDIC and PMIC. In the future, we will integrate more R&D resources to develop edge computing, IoT, AI, automotive electronics, ePaper, and other product applications in conjunction with comprehensive one-stop services to meet the requirements of the clients and prospects. We are committed to the realization of smart and green life using innovative HMLs and integrated 5-sense interactions.

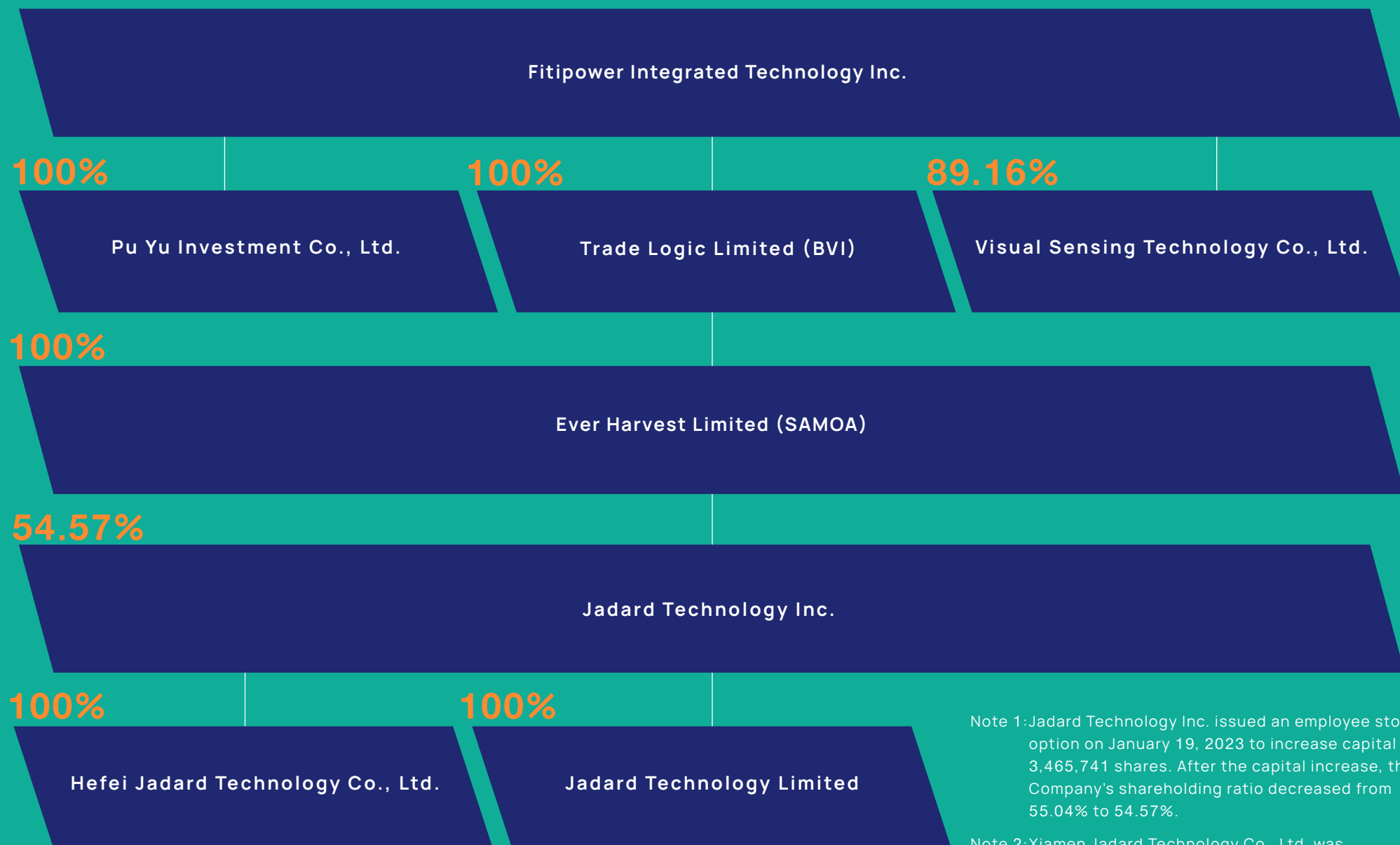
2023 Product Sales



Main Product Revenue



Organizational Chart of Affiliates



Note 1: Jadard Technology Inc. issued an employee stock option on January 19, 2023 to increase capital by 3,465,741 shares. After the capital increase, the Company's shareholding ratio decreased from 55.04% to 54.57%.

Note 2: Xiamen Jadard Technology Co., Ltd. was liquidated on December 12, 2023.

1.2 Product and Technology Innovation

2023 Targets (Achieved)

DDIC

- Develop applications for Mini/Micro LED, AMOLED products
- Develop lightweight, low power consumption (3.3V→1.8V), HD technology
- Enhance product energy efficiency

PMIC

- Develop advanced processes for smaller, high-efficiency, low-standby power consumption, and highly integrated products
- Promote green, energy-saving, and environmentally friendly trends
- Develop applications in the EV area (high voltage, high current and highly reliable PMICs and motor driver ICs)

Others

- Develop applications for eDP (better transmission efficiency, simplified circuits, reduced power consumption)
- Invest in AI product applications
- 12 new patent applications per year
- 2 industry-academia collaboration projects per year

Short Term (2024–2026)

DDICs

- Develop applications for Mini/Micro LED and AMOLED products
- Develop applications for color e-paper products
- Develop applications for high-resolution, high-refresh rate products
- Develop small-size driver IC products for integrated systems
- Develop applications for highly integrated panel PMICs
- Develop universal Pgamma technology for NB, adaptable to various panels

PMICs

- Develop high-performance computing (HPC)
- Develop DDR5 series PMIC
- Develop small-size, high-efficiency integrated converters

System on a Chip

- Develop high-definition, high-refresh rate, low-power sequence control ICs
- Develop high-efficiency PMIC for color P-paper
- Develop Micro LED PMIC for AR glasses

Sensing chip

- Provide smart home appliances/sweepers with higher performance and lower power consumption
- Develop smart home products with low power consumption detection effect

HCITA

- Develop AI chips and applications supporting CNN-based and Transformer

Others

- 12 new patent applications per year
- 2 industry-academia collaboration projects per year
- Digital optimization level 82%/84%/85%

Medium to Long Term (2027-2030)

- Develop multiple applications and comprehensive on-stop services in AI (generative AI), edge computing, IoT, automotive electronics, and ePaper to rapidly meet the demands of clients and prospects.
- Be committed to the realization of smart and green life using innovative HMLs and integrated 5-sense interactions
- 12 new patent applications per year
- 2 industry-academia collaboration projects per year
- Obtain TIPS/ISO 56005 certification
- Digital optimization level 90% (2030)



Responsibility

- R&D unit
- IP unit



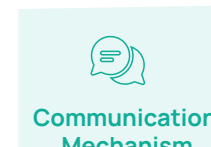
Key
Stakeholders

- Employee
- Client
- Academic Institution
- Association



KPIs

- Product development and mass production
- Acquisition and protection of patents



Communication
Mechanism

- Please refer to the “[Key Stakeholders Communication Comparison Table](#)” and match it with the key stakeholders mentioned above.

Targets and Achievements

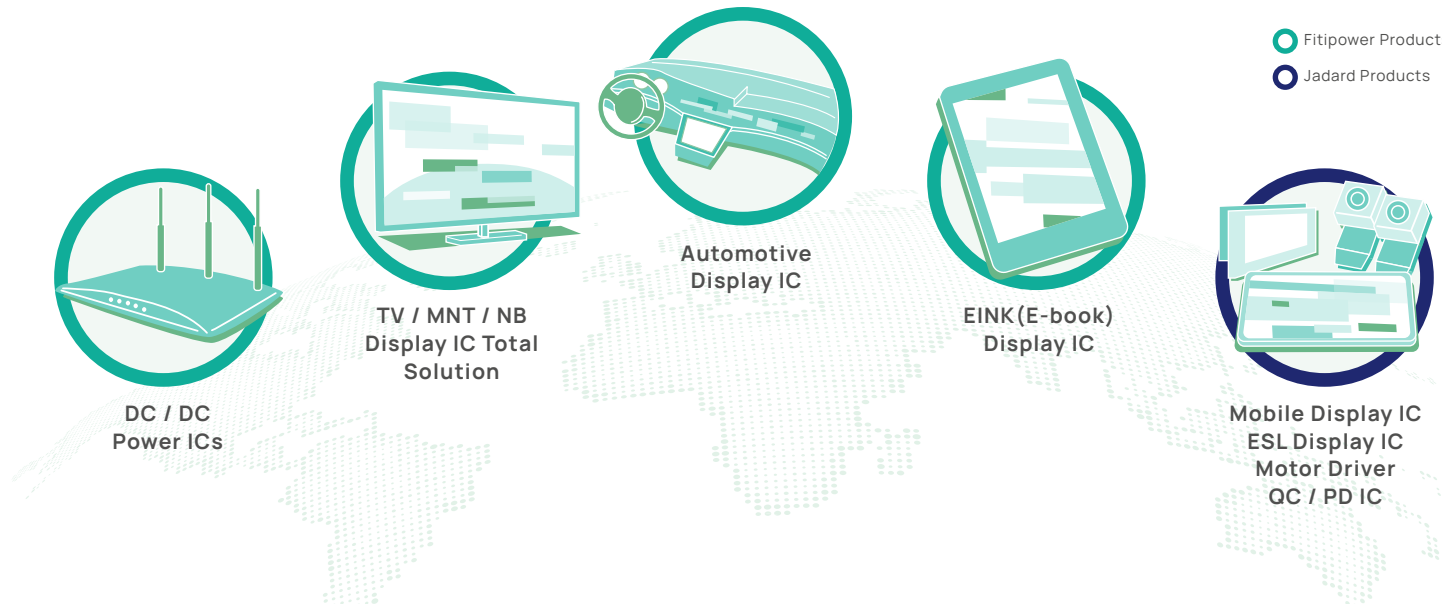
Driving the Evolution of Global Smart Living - Drive Your Heart

Due to the maturity and widespread adoption of 5G technology, the IoT applications have expanded, leading to unprecedented breakthrough growth in the display, sensing, and power control equipment markets. Faced with the future demands of IoT human-machine interaction, such as high resolution, diverse screen sizes, and experiential applications, Fitipower has been deeply involved in the DDICs field. Our product are widely used in smartphones, wearables, smart retail, smart services, smart manufacturing, smart security, and digital homes, earning recognition and adoption from leading global companies. As a leader in integrated driver IC technology, we possess independent design capabilities. Combining years of technological accumulation and research and development investments, we also consider the integration of our products into industries. We collaborate with professional semiconductor manufacturers and packaging companies, leading the era of AIoT, and continuously seeking human well-being with our core product technology.

Enabling Low Carbonization of Global Smart Living - Power Your Life

Fitipower specializes in PMICs, with key products including switching regulators, linear regulators, and integrated power management components. These are widely used in desktops, laptops, smartphones, smart TVs, set-top boxes, networking devices, and security systems. In 2007, we launched Taiwan's first 600V high-voltage White LED driver IC, becoming a leading supplier of power solutions for laptops, LCD TVs, and networking devices. As environmental awareness grows, improving power efficiency in electronic products has become increasingly important. We are dedicated to developing high-performance PMICs that enhance power supply while protecting the environment. We also fully cooperate with government energy conservation policies and follow the trend of EV development to engage in the R&D of high-voltage, high-current, and high reliability products.

Product Applications and Leading Technology



Total Solutions for Panel Driver ICs

The COVID-19 pandemic and net-zero pathway targets have been driving remote work and home learning, further improving the demand for laptops and monitors. As a means to maintain zero time lag in communication and reinforcing the effectiveness of virtual interaction, high-resolution graphics have become critical. Fitipower provides clients with various panel driver ICs and total solutions, and is also dedicated to comprehensive multi-IC energy-efficient solutions, optimizing power consumption of end products.

- Industry-leading Energy Star 8.0 and 9.0 mass production total solutions.
- Monitor low-voltage, high-frequency, low-power driver IC mass production, as well as notebook FHD dual gate low-power, high-integrity complete solution development.
- TV driver IC support tri-gate total solution and P2P high-speed interface directly to the SoC to support TCON less, reducing the number of ICs used per LCD TV.
- WVGA, WSGA, WXGA, FHD resolutions for medium size AV products have a single driver solution; and 4K resolutions have two driver solution, reducing the number of ICs used in small and medium size panels.

E-book DDICs

Fitipower is a major global supplier of global E-book DDICs. The imaging principle of e-Paper gives an effect similar to that of a paper-based display. It protects eyes from fatigue reading, and features zero power consumption in still display, with outstanding achievements in energy conservation and environmental protection. The lightweight and convenient-to-carry characteristics of e-readers also enhance the reading motivation of the students. The rise of distance learning has also boosted the overall demand for e-Paper readers. Moreover, e-Paper notebooks are another highlight in demand; they not only possess the above features but

help reduce paper consumption and conserve resources. Therefore, in response to market trends towards larger and more colorful displays, Fitipower has expanded its development from existing 6" to 10.3" and even 13.3", and is also developing color e-paper chips. With such a change, we will work hard to reduce the required driving voltage while optimizing flipping speed to ensure a design more favorable for saving power and friendly to the environment.

- Zero power consumption at still display with quick power on/off design.
- First in the industry to develop multi-power switching color eBook driver IC
- First in the industry to develop low-power multi-power switching cost-reducing four-color DDIC

Various PMIC ^{Note 1}

Fitipower's power ICs are manufactured using the BCD process (Bipolar-CMOS-DMOS), which features highly integrated MOS switches, mixed-signal, and analog components. Even under light loads, these ICs maintain high efficiency, allowing them to operate at 100% duty cycle during power voltage conversion. This enables clients to operate at low voltage differentials, resulting in cost and energy savings.

- Reduce output noise, enhance output stability and High PSRR.
- Ultralow quiescent current in the power-saving mode and deep-sleep mode to reduce power consumption and thereby enhance battery durability
- Dynamic voltage regulation allows voltage raise or reduction according to actual system uses and lowers voltage when the system is idle or running at a low speed to significantly reduce circuit power consumption
- Support the use of small inductors in high-frequency operation to reduce PCB sizes; and high integration and internal compensation circuits can save external components (MOS switches, compensation capacitors, etc.)
- We are capable of providing complete products for high-voltage automotive power ^{Note 2}, HPC high-current demand ^{Note 3}, and multi-phase high-wattage power applications ^{Note 4}. Additionally, we have successfully completed the optimal design solution for the next generation of color electronic ink screens ^{Note 5}.

Note 1: This includes products such as DC/DC buck ICs, boost ICs, low-dropout linear regulators, USB power switches, LED drivers, direct current (DC) motor drivers, and e-Paper power management ICs.

Note 2: High-voltage automotive power: AECQ-100 compliant, 40V/5A DC/DC buck IC.

Note 3: HPC high-current demand: 18V/12A, 18V/20A DC/DC buck IC.

Note 4: Multi-phase high-wattage power applications: DDR5 PMIC, VGA PWM controller, Dr.Mos.

Note 5: Color electronic ink screen: Multi-channel output PMIC.

ESL Display Driver IC^{Note 6}

The new retailing model has driven online-offline fusion and the real-time synchronous information displays have become an urgent need. These and brand-new consumption experiences, such as color development, facilitated the rapid growth of electronic shelf labels (ESLs) in recent years. ESL features low power consumption and is suitable to the applications of IoT, edge computing, and logistics, resulting in significant reduction of energy consumption and waste of resources. We provide total solutions ranging from 1.54" to 9.7" and develop new products with integrated energy harvesting technology. We also assist in the manufacturing of battery-free and consumable-free products.

- The industry's only chip with anti-shattering detection and active feedback mechanism, alerting merchants of damaged tags, reducing the waste of manual patrols for confirmation.
- Industry-leading sub-3-inch high-resolution driver IC, significantly enhancing display performance and greatly improving client satisfaction.
- Pioneering the development of integrated source acquisition technology in driver ICs, realizing the vision of Battery Free.
- The first to mass-produce four-color electronic label driver chips in the industry.
- Utilizing AI technology to develop automatic waveform adjustment for electronic labels, which, when mature, can significantly reduce the manpower and time required for electronic label mass production preparation.

Note 6: ESL is a Jadard product.

R&D and Patent

Facing constantly advancing technology and changing market demands, we ceaselessly accumulate R&D capacity based on our existing well-established technical foundation to continuously provide clients with comprehensive design services and products. In 2023, we had 182 R&D personnel and spent NT\$2.245 billion on the investment in R&D, accounting for 13.8% of total revenue, representing an increase of 1.4% compared to the previous year. In addition, as a means to encourage patent research and development, we have initiated the "Procedures for Patent Proposal Incentive." In 2023, 5 patents were approved and there were 77 valid patents approved domestically and internationally up to the end of the reporting period. In the future, we will expand the scope of patent deployment, increase R&D funds, and encourage patent invention to protect our R&D outcomes and intellectual property (IP) rights. We will also continue joining industrial and academic organizations to facilitate the collaboration of the companies in the semiconductor industry and strengthen the overall development of the industrial system.



Intellectual Property Management Plan
and Implementation Status in 2023

Our DDIC are mainly used on large-sized display systems (laptops, FTPs, and TVs) featuring multiple ICs in discrete architecture. Apart from processing synchronous data receiving from multiple ICs to deliver correct capacitance data to pixel partitions, it is necessary to consider the proximity of driving voltage capacity at IC connections to ensure display consistence^{Note 1}. In addition, IC combination among systems is also a focused design consideration. For example, transmission interfaces of different manufacturers and different specifications have different performance in signal integrity on different screen sizes. Therefore, it needs appropriate circuit compensation technologies to ensure complete data receiving to meet the application of different combinations. With respect to power management ICs, the main focus is on the 3C market such as networking and products that pursue high efficiency and low standby power consumption functions, as well as a series of new energy-efficient products. We also center on the development trends for electric vehicles, and develop product lines with high voltage, high current and high reliability.

Note 1: Circuit technologies covers multi-drop/P2P data transmission interface, high-thrust gamma buffer, offset cancellation to reduce channel buffer deviation, fan-shaped time-sharing driving, and gamma serial deployment symmetry optimization.

DDIC		PMIC	
<ul style="list-style-type: none"> Multiple ICs in discrete architecture IC collocation between systems 		<ul style="list-style-type: none"> HV COT voltage drop structure Multi-phase HC voltage drop structure 	
Computer and Display	TV	Network Communication Device	Electrical Vehicle
<ul style="list-style-type: none"> Low power consumption Anti-noise (GSM noise) and reduced noise emissions (Touch noise)^{Note 2} 	<ul style="list-style-type: none"> Larger size High resolution (8K/4K) High refreshing rate Enhanced buffer driving with narrow-bezel applications^{Note 3} Increased speed of data transmission interface^{Note 4} Electrical Vehicle 	<ul style="list-style-type: none"> Small size High efficiency Low power consumption High integration 	<ul style="list-style-type: none"> High voltage High current High reliability

Note 2: Circuit technologies include charge recycle, dynamic on/off, high PSSR bandgap LDO, differential mode noise cancellation, and signal dynamic amplitude adjustment.

Note 3: Circuit technologies for improved driving performance and narrow bezel applications include output impedance reduction technology, fast gamma charging, fan-shaped output compensation (FOC), and gate delay compensation (GDC).

Note 4: The transmission interface circuit technologies include adaptive EQ, offset calibration, automatic band selection, and high PSRR LDO for enhancing interface noise interference.

New Patents Attained in 2023

Patent number	Title	Content Description
TWI796006	Source drive circuit and display device	The invention relates to a source drive circuit and a display device. The source drive circuit comprises a gamma resistor string, a digital-to-analog conversion circuit and an output buffer circuit. The digital-to-analog conversion circuit obtains the gamma voltage from the gamma resistor string based on the data signal. The output buffer circuit provides the data line with an output driving voltage based on the gamma voltage. The output buffer circuit includes an input stage module, a gain stage module, and an output stage module. During the switching phase, the auxiliary input stage unit of the input stage module, the gain stage module, and the output stage module form a first unity gain amplifier for outputting a driving voltage based on the received gamma voltage. In the stabilization stage, the main input stage unit, the gain stage module, and the output stage module of the input stage module form a second unity gain amplifier for outputting a driving voltage according to the received gamma voltage.
CN114203084B	Source drive circuit and display device	The invention relates to a source drive circuit and a display device. The source drive circuit comprises a gamma resistor string, a digital-to-analog conversion circuit and an output buffer circuit. The digital-to-analog conversion circuit obtains the gamma voltage from the gamma resistor string based on the data signal. The output buffer circuit provides the data line with an output driving voltage based on the gamma voltage. The output buffer circuit includes an input stage module, a gain stage module, and an output stage module. During the switching phase, the auxiliary input stage unit of the input stage module, the gain stage module, and the output stage module form a first unity gain amplifier for outputting a driving voltage based on the received gamma voltage. In the stabilization stage, the main input stage unit, the gain stage module, and the output stage module of the input stage module form a second unity gain amplifier for outputting a driving voltage according to the received gamma voltage.
TWI824652B	Power converter, signal control method of integrated modules, and integrated modules	This application proposes a power converter, a signal control method for a plurality of integrated modules, and the integrated module. The power converter includes a plurality of integrated modules, wherein the plurality of integrated modules includes a first integrated module and a second integrated module connected in parallel and a module; the first integrated module includes a first trigger pin, the second integrated module includes a second trigger pin, and the first trigger pin is electrically connected to the second trigger pin; the first integrated module is used for generating the state trigger signal and the first pulse signal, and transmit the state trigger signal to the second integrated module through the first trigger pin; the second integrated module receives the state transmitted from the first integrated module through the second trigger pin and generating a second pulse signal by processing the state trigger signal.
TWI816387B	Construction method of a semantic distance map and related mobile device	A method for constructing a semantic distance map for a mobile device, including the steps of capturing an image; obtaining a single-point ranging result in the image; identifying the image to obtain an identification result from each of the obstacle in the image; and to determine the semantic distance map corresponding to the image according to the image, the single-point range result and the identification result for each of the obstacle of the image; wherein each pixel of the semantic distance map includes one obstacle information, including a distance between the mobile device and an obstacle, a type of the obstacle, and a probability of identifying the obstacle.
TWI812493B	Ranging device and ranging method	A distance measuring device includes a light source transmitter for emitting detection light, a sensor for sensing a reflected light to generate an image, and a sensor for performing calibration according to at least one feature lookup table and for outputting one calibration unit of a distance value by the image. The detection light is reflected from an object to form the reflected light, and at least one feature lookup table is pre-established according to a specific object. The ranging device can suppress imaging disturbances and distance disturbances to improve ranging accuracy.

Digital Transformation and Automation Competition

In the face of ever-changing digital technology, we conducted a company-wide digitalization (optimization) inventory in 2022 and performed a comprehensive evaluation of the business of each department. We also encouraging our colleagues to propose appropriate ideas on digitization. As of 2023, the overall digitization level was 79.6%, a significant increase of 21.9% compared to the previous year (57.7% in 2022). A total of 76 work items can still be further improved and planned.

In a bid to improve the internal management process and costs of the organization, we have increased work efficiency and ensure quality management. Fitipower regularly organizes "automation competitions" to encourage colleagues to develop automation ideas for the business and project they are responsible for. From ideation, proposal, implementation to application popularization, these initiatives become cross-departmental benchmarks. These competitions are divided into "design automation", "office automation", and "validation and production automation" (two sessions for each category are held every year). Up till now, it is in its 5th year. In 2023, a total of 53 teams participated in the competition and 20 projects were awarded with a total of NT\$510,000.

Award-Winning Projects in 2023

Category	Award	Project name	
		Session 1	Session 2
Design	Champion	<ul style="list-style-type: none"> Automation of FPGA flow 	<ul style="list-style-type: none"> RX Jitter Tolerance Automated Simulation Using MunEDA WiCkeD
	Distinctive	<ul style="list-style-type: none"> An automatic check of APR output signals couplings OTP table generation automation flow 	<ul style="list-style-type: none"> Critical routing wires auto checking Implement automated test samples with MATLAB and LUA Design Automation of DC-DC Converter Stability Check Automation of Registers' Default Value ECO Flow Automatic APR Output Signals Buffer Size Optimization
Validation and Production	Champion	<ul style="list-style-type: none"> DAC Generator & DRC Summary 	<ul style="list-style-type: none"> Auto ESL LUT tuning
	Distinctive	<ul style="list-style-type: none"> Smart TCON PDF Tuning & Auto-Check Tool Auto Generate PST Reference C source code Automated IC thermal simulation and analysis 	<ul style="list-style-type: none"> Automated verification of fast charging protocols (Source Power Test)
Office	Champion	<ul style="list-style-type: none"> Faster B2B - Data Transaction Automation 	<ul style="list-style-type: none"> INX Tainan Shipment Automatic Document Sending and Order System
	Distinctive	<ul style="list-style-type: none"> Shareholding trust - from complexity to simplicity / OKR - from gloom to bright Import/Export Automated Cloud Management System 	<ul style="list-style-type: none"> Automation of ZOOM meetings

2 Responsibility Sharing

2.1 Business Performance and Taxation	34
2.2 Governance Regulations and Framework	37
2.3 Regulatory Compliance and Professional Ethics	45
2.4 Risk Management	47
2.5 Cybersecurity	51

Material Issues and Key Stakeholder



Policy and Responses to SDGs



Under the premise of legal compliance and ethical corporate management, we will continue to strengthen the assessment and response of operational risks and opportunities and corresponding capabilities; optimize external communication and disclosure channels; establish a convenient, quick, accurate, and secure information network; and develop the core literacy and attitude required for sustainable operations.



2.1 Business Performance and Taxation

	2023 Targets (🎯 Achieved)	Short Term (2024–2026)	Medium to Long Term (2027-2030)
 Targets and Achievements	<ul style="list-style-type: none"> Shorten financial quarterly statement disclosure period to less than 30 days (excluding Q4) 🎯 	<ul style="list-style-type: none"> Publish financial quarterly statements within 30 days of the accounting quarter end, English version within 60 days Publish financial annual reports within 60 days of the accounting year end, English version within 90 days. Hold investor conferences within 7 days of financial quarterly statement disclosure, and annual financial report investor conferences by mid-February of the following year. 	<ul style="list-style-type: none"> Continuously optimize external communication channels, maintain good relationships with global capital markets, and enhance investor confidence. Seek suitable investment targets that support product business expansion based on industry trends and market conditions, creating investment value with a stable financial structure
 Responsibility	<ul style="list-style-type: none"> Management team/Board of Directors R&D unit Accounting unit Sustainability unit 	 KPIs <ul style="list-style-type: none"> Financial indicator and market capitalization Management strategy 	
 Key Stakeholders	<ul style="list-style-type: none"> Shareholder/ Investor 	 Communication Mechanism <ul style="list-style-type: none"> Please refer to the "Key Stakeholders Communication Comparison Table" and match it with the key stakeholders mentioned above. 	



Financial Performance

In 2023, due to the interference of high inflation, high interest rates, wars, and geopolitical impacts, the global market remained flooded with factors that are unfavorable to economic development. Although the demand for consumer electronics continued to be weak, destocking is remained a challenge. In the face of various unfavorable factors, Fitipower continued its policy of organizational deployment and resource allocation, and extended it to the organization and product value chain of the Group. Through the vertical integration and horizontal division of labor between our domestic and overseas subsidiaries, we have localized and regionalized supply to cope with the trends of de-globalization and carbon reduction in products. On the clients front, we have developed diversified and innovative products, including AIoT, automotive, e-paper, communications, and other product applications to keep up with market trends. The number of product services provided by Fitipower in 2023 reached 1.75 billion units (560 million units of DDICs; 1.08 billion units of PMICs; and 110 million units of other ICs). The total consolidated revenue for the entire year was NT\$16.29 billion with earnings per share of NT\$13.29.

Item	Subitem	2020	2021	2022	2023
Direct economic value generated	Net sales (NT\$ thousands)	10,879,700	22,868,238	19,680,425	16,286,520
	Income from financial investments (NT\$ thousand)	318	6,702	68,119	46,124
	Income from asset sales (NT\$ thousands)	0	43	0	1,118
Economic value distributed	Operating costs (NT\$ thousands)	9,027,152	12,794,460	13,272,318	11,757,297
	Employee compensation and benefits (NT\$ thousands)	1,072,231	2,337,095	2,532,201	2,175,538
	Payments to providers of capital (NT\$ thousands)	165,314	415,549	3,164,997	1,582,499
	Payments to government (NT\$ thousands)	107,504	1,410,441	700,997	442,510
	Community investments (NT\$ thousands)	0	200	20,000	3,000
Economic value retained	(NT\$ thousands)	507,817	5,917,238	58,031	372,918
Investment value	Return on equity	15.94%	60.39%	19.67%	13.64%
	Return on assets	9.71%	38.14%	13.22%	9.42%
	Gross margin	21.89%	46.63%	36.31%	32.43%
	Operating margin	7.29%	33.75%	19.66%	14.40%
	Profit margin	6.73%	27.94%	16.61%	14.53%
	EPS (NT\$)	4.07	33.83	16.49	13.29
	Cash dividend per share (NT\$)	2.5	17	8.5	10.64
	Market capitalization (NT\$100m)	205	526	215	312
	Capital expenditure (NT\$ thousand)	209,864	544,939	748,490	465,492
Others	Government grants (NT\$ thousand)	97,902	45,218	26,591	66,220

Note 1: Economic value retained refers to "direct economic value generated" less "economic value distributed".

Note 2: Market capitalization is based on the stock price as of December 31 of the respective year.

Note 3: The consolidated financial information covered all entities in the "Organizational Chart of Affiliates".

Tax management

Fitipower proactively monitors changes in tax regulations and possible tax risks in the regions where it operates. To further ensure the effective operation of the tax management mechanism, we have established tax policies and set up a tax management unit to effectively control tax risks. Routine tax administration and management are executed by the chief accounting officer, assisted by professional and experienced accounting personnel to fulfill the Company's tax obligations. The chief financial officer has the ultimate responsibility for tax management, and relevant tax disclosure information is reviewed by the accounting firm for accuracy. Furthermore, we enhance our professional knowledge through the professional services provided by the external tax consulting agencies, and actively participate in various tax incentives for innovation and investment.



Tax policy

- Business operations adhere to relevant regulations.
- Transactions between affiliated enterprises are based on Arm's Length Principle and internationally accepted transfer pricing guidelines announced by the OECD.
- Tax impacts are considered for all key operational decisions
- Tax havens are not used for tax avoidance purposes, nor is profit deliberately shifted to low-tax jurisdictions.
- The financial report information is transparent, and tax disclosures comply with relevant regulations and standards.
- Maintain effective communication channels with tax authorities.






Fitipower and its subsidiaries primarily operate in Taiwan, Hong Kong, and China. We continuously monitor tax risks in each operational region and develop countermeasures to ensure uninterrupted operations. The main tax risks include:

- Changes in tax laws may adversely affect business performance and increase corporate tax costs.
- Changes in tax laws or incentive measures may impact existing tax planning.
- A volatile economic environment, such as the tariff war between China and the United States, influences changes in international investment locations and related tax implications.

Recent Tax Payments

Year	2021	2022	2023
Tax paid (NT\$ thousand)	226,533	1,153,406	723,112

2.2 Governance Regulations and Framework

2023 Targets (🎯 Achieved)			
<div></div> <div>Targets and Achievements</div>	<ul style="list-style-type: none">• Corporate Governance Evaluation ranked 21% to 35% 🎯• Board meeting attendance rate ≥85% 🎯• Average study hours per director ≥ 6 hours 🎯• No significant defects in internal control project review 🎯		
	Short Term (2024–2026)		Medium to Long Term (2027-2030)
	<ul style="list-style-type: none">• Corporate Governance Evaluation ranked top 20%• Board meeting attendance rate ≥90%• Independent directors account for 1/2 of board seats; female directors account for 1/3• No significant defects in internal control project review		<ul style="list-style-type: none">• Corporate Governance Evaluation ranked top 5%• Selected for 1 corporate governance-related index• Board meeting attendance rate ≥90%• Independent directors account for 1/2 of board seats; female directors account for 1/3• No significant defects in internal control project review
<div></div> <div>Responsibility</div>	<ul style="list-style-type: none">• Board of Directors and related functional committees• Internal auditing (IA)• Management team	<div></div> <div>KPIs</div>	<ul style="list-style-type: none">• BoD performance evaluation• Annual internal audit report• Corporate governance evaluation
<div></div> <div>Key Stakeholders</div>	<ul style="list-style-type: none">• Employee• Government agency	<div></div> <div>Communication Mechanism</div>	<ul style="list-style-type: none">• Meetings of the BoD and Functional Committees (Compensation Committee, Audit Committee, Sustainability Committee)• Please refer to the “Key Stakeholders Communication Comparison Table” and match it with the key stakeholders mentioned above.

We understand the importance of an open and transparent corporate governance system, organization, and operation! To ensure that the powers and responsibilities of each governing body and individual are consistent, the Company has formulated relevant " [Internal Regulations](#) " and reasonably defined and allocated the power and responsibility relationship among all shareholders, the operation team, and stakeholders to implement corporate governance through the supervision and checks and balances of the management team. Regarding employee and director remuneration, we comply with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the TWSE or the Taipei Exchange", which are stated in the Company's Articles of Incorporation: "If the Company makes profit, it shall allocate no less than 5% as the reward for employees and no more than 1% as the reward for directors. However, the Company shall reserve an amount in advance to make up for accumulated losses." This is to protect the interests of all stakeholders and move towards the Company's sustainable management. In 2023, the pay ratio between the highest-paid individual and the median employee ^{Note 1} was between 7.3 and 14.6. In addition, we encourage Board members and our employees to take further education courses to ensure that the top governance team's judgments and decisions, as well as the practices of all units, align with the Company's operational goals, they stay informed about the trends and adaptations for international and industry changes.

Note 1: Employees excludes who have been employed less than 6 months and part-time employees.

In 2020, we participated in "Corporate Governance Evaluation" for the first time, which made us realize our deficiencies in information disclosures and systems, which we then addressed. Through the re-design of the Company's official website, we were able to improve the completeness of governance-related information disclosure. We have also established our Sustainability Committee and relevant regulations to improve the management process and mechanism. **In the 9th Corporate Governance Evaluation in 2023, Fitipower received recognition with a rating of 21% to 35%**, showcasing our progressive improvement in governance performance over the years. This reflects our advancements in corporate governance. In the face of global turbulence and unknown challenges, Fitipower will continue to improve our governance system.

Directors' Remuneration Ranges Table

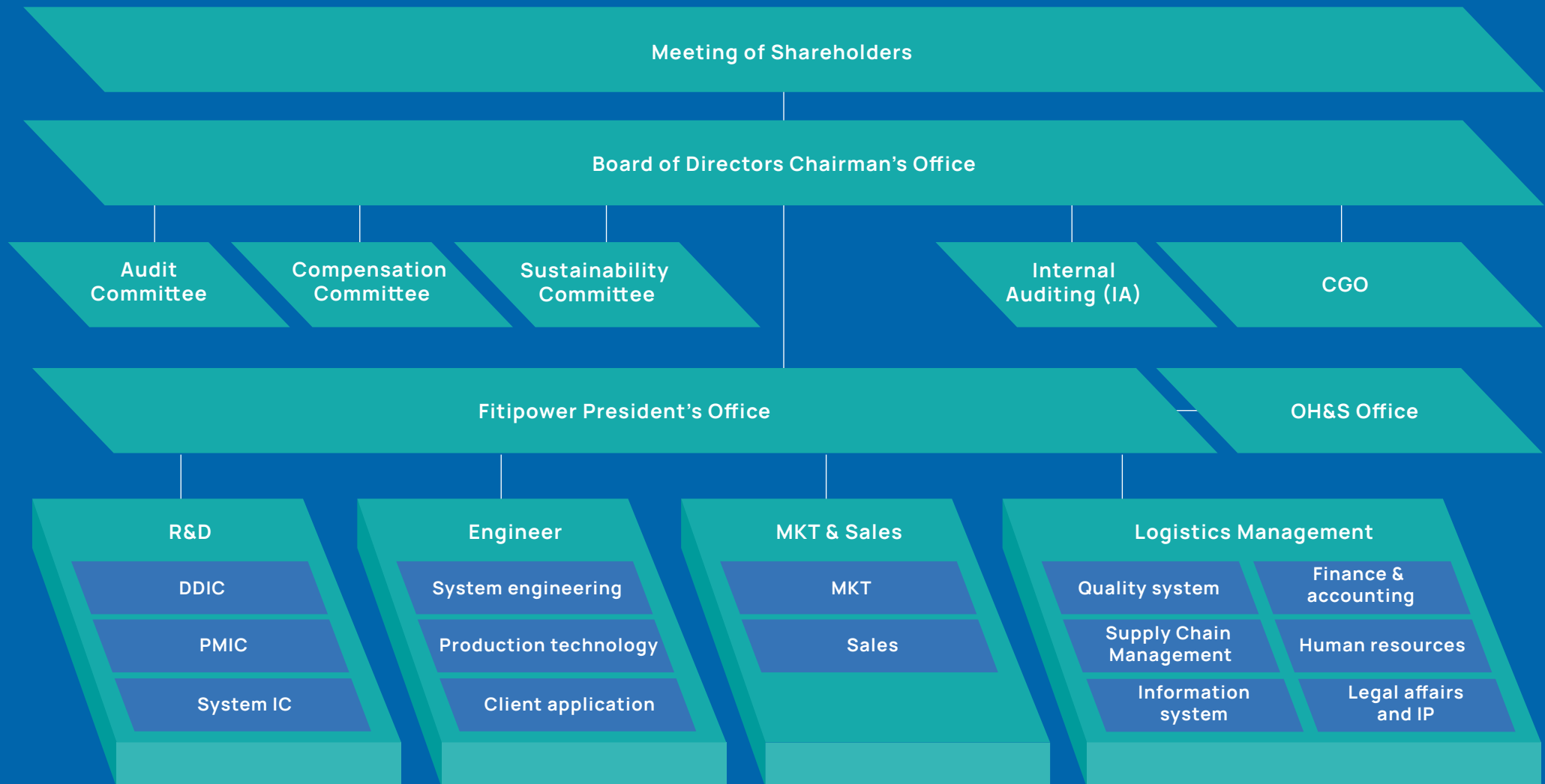
Below NT\$1,000,000	Nina Chen, Ted Yao, Michael Liu, Lydia Chin
NT\$10,000,000 - NT\$15,000,000	Sophia Chiu
NT\$15,000,000 - NT\$30,000,000	Young Lin

Corporate Governance-Related Continuing Education Courses

Target	Course Title	Total Training Hours
Board Member	<ul style="list-style-type: none"> • Sharing of Mergers and Acquisitions Practice - Focusing on Hostile Mergers and Acquisitions • Trade secret protection and insider trading prevention and response measures • Corporate sustainability governance Gender Equal Rights and Diverse Decision-Making • The impact of the latest tax law changes on business operations and the responses • 2023 Prospects for the global economy for the second half of the year • Corporate Governance and Securities Laws and Regulations • Domestic and foreign trends related to net zero transformation and corporate response strategies • Analyze business performance and risk prevention from financial statements 	42
CGO	<ul style="list-style-type: none"> • Using "Intellectual Property Management" to Improve Corporate Governance, Internal Control and Legal Compliance • Discussion on Practices of "Insider Trading" and "False Financial Reporting" and Countermeasures 	12
Accounting Officers	<ul style="list-style-type: none"> • Further Education Class for the Accounting Officers of the Issuers, Securities Firm and Stock Exchanges 	24
Internal Audit Officer	<ul style="list-style-type: none"> • How to use big data to strengthen audit operations • Policy Analysis of "Self-prepared Financial Statements" and "Sustainability Reporting" and Discussion on Key Practices of Internal Audit and Internal Control • Latest "Business Mergers and Acquisitions Act" and "Corporate Governance" Practical Case Analysis • Compliance audit of material financial and business activities 	24

Fitipower's governance organization (see following table) has a corporate governance officer and two corporate governance personnel, all appointed by resolution of the Board of Directors. Their main responsibilities include matters associated with meetings of the Board of Directors, Audit Committee meetings, Compensation Committee meetings, Sustainability Committee meetings, and shareholders' meetings; providing directors with the information they need to carry out their duties and assisting directors in complying with laws and regulations. Duties and implementation status of other related units are explained as follows:

Fitipower Organizational Chart



Board of Directors



Duty

- Establish important regulations, contracts, and processing procedures (including governance organization charters and council rules, disposal of assets, engaging in derivative trading, lending funds to others, processing procedures for major financial transactions such as endorsing or providing guarantees for others, internal control system, and effectiveness assessment, etc.)
- Resolve major matters (including management decisions and operational plans, capital increase and decrease, reinvestment, significant donations, etc.)
- Supervise the Company's operations and execution (such as financial performance, non-financial promotion status, etc.)
- Evaluate the performance and appointing/dismissing the Company's financial, accounting, and internal audit directors



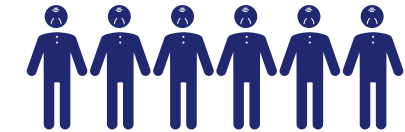
Member

After the new director Lydia Chin assumed post and the corporate director Gene Liu and William Lo resigned in 2023, Fitipower's board of directors consists of 6 directors, and their term of office expires in May 2024. The selection and succession of board members are in accordance with the "Articles of Incorporation" and the "Procedures for Election of Directors" with the candidate nomination system adopted. In addition to considering the professional and diverse core competencies of directors, we also attach importance to their conduct and integrity, as well as moral reputations and independence in order to achieve appropriate planning and effective supervision. The chairman and president are experts in the semiconductor and electronics industries. Independent Director Ted Yao chairs many investment companies with rich industrial experience and provides much field information for the Company. Independent Director Nina Chen has rich financial and accounting experience and a good knowledge of the semiconductor industry. Independent Director Michael Liu has extensive experience in the technology industry. Independent director Lydia Chin has legal expertise.

In addition, we have also formulated the "Board of Directors Performance Evaluation Regulations" to ensure that the operation of the Board of Directors is robust through internal and external evaluations as well as a number of measurement items, which will be served as a reference for the selection of directors. For details of the diverse composition of the Board members as well as their academic qualifications and abilities, please refer to "[Board of Directors](#)" on the Company's official website.



Females accounted for 50%



All directors are over 50 years old



Convention Frequency

The Committee must hold meetings at least once a quarter. Six meetings were held in 2023.

Attendance Rate

97.4%

Functional Committees under the BOD

Audit Committee



Duty

- Supervise the fair expression of the Company's financial statements
- Establish or amend the internal control system and ensure its effective implementation
- Select (or dismiss) and evaluate the independence of CPAs
- Control existing or potential risks of the Company
- Ensure compliance of the Company with related laws and regulations
- Oversee significant transactions involving assets, derivatives, fund loans, and guarantees
- Be in charge of the matters involving directors' interests

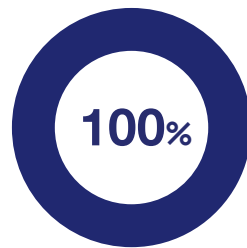
Fitipower's Audit Committee is composed of four independent directors elected by the shareholders' meeting, with terms concurrent with those of the BoD.



Member


Females accounted for 50%


All committee members are over 50 years old



Ratio of
independent directors

Convention Frequency

The Committee must hold meetings at least once a quarter. Six meetings were held in 2023. For more details, please refer to "[Audit Committee](#)" on our website.

Attendance Rate

95.2%

Compensation Committee



Duty

Assess the policy and system of the compensation for the directors, supervisors, and managerial officers in an objective and professional manner, and raise proposals to the Board of Directors as a reference for their decision.

- Establish and periodically review the annual and long-term performance goals for the Company's directors and managerial officers as well as the policy, system, standard, and structure of the compensation for them.
- Periodically assess the target achievement of directors and officers and establish individual compensation contents and amounts.

Fitipower's Compensation Committee is composed of three independent directors elected by the shareholders' meeting, with terms concurrent with those of the BoD.



Member


Females accounted for 33%


All committee members are over 50 years old



Ratio of
independent directors

Convention Frequency

The Committee shall hold at least two meetings every year. Extraordinary meetings may be held whenever needed. Four meetings were held in 2023.

For more details, please refer to "[Compensation Committee](#)" on our website.

Attendance Rate

91.7%

Sustainability Committee



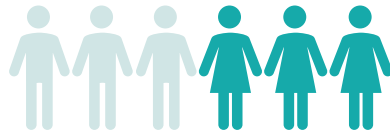
Duty

- Review the vision, policy, and goal for sustainable development, and establish and revise the regulations and rules of procedure related to sustainability.
- Identify the ESG risks and opportunities and determine countermeasures and related investments.
- Supervise the planning and implementation of ESG strategies for the Group.
- Supervise ESG performance and ESG information disclosure for the Group.
- Report to the Board the ESG working plans and implementation performance.
- Be in charge of other matters that have be resolved by the Board of Directors and assigned to the Committee.



Member

After the new independent director Lydia Chin was appointed in 2023, the composition of Fitipower's Sustainability Committee now includes the Chairman, President, and four independent directors, with terms concurrent with those of the BoD.



Females accounted for 50%



All committee members
are over 50 years old

33%

Employee
status



67%

Independent directors

Convention Frequency

The Committee shall hold at least two meetings every year. Extraordinary meetings may be held if needed. Two meetings were held in 2023. For more details, please refer to "[Sustainability Committee](#)" on our website.

Attendance Rate

100%

Internal Auditing (IA)



Duty

- Assess the internal control system of the Company and the soundness, reasonableness and effectiveness of each management system.
- Assess the efficiency of each department and unit of the Company in the implementation of the plans or policies and their specific assignments (Make sure the personnel formation of each unit, branch, and department is appropriate, there are proper records on transaction cycles, and the waste, fraudulence or inefficiency of any cash, securities or other assets is well controlled; conduct comparative analysis of the operating performance and review the business result in order to take effective countermeasures for the improvement of the efficiency).
- Review the audit and self-assessment reports submitted by each unit and subsidiary, and follow up their internal control deficiencies and improvement measures.



Member

We have an internal audit officer appointed by the resolution of the Board of Directors. The internal audit officer is responsible for the internal audit-related matters.

Internal audit process and frequency

Auditors conduct periodic audits according to the annual audit plan while unscheduled special audits are carried out in accordance with the instructions of the Company's top executive or the instructions authorized by him/her. All internal control deficiencies and abnormalities found during an audit are handled in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies." After the audit report is prepared, we submit the audit report and audit follow-up report to the Audit Committee prior to the end of the next month. In addition to reporting to audit business to the Audit Committee in a regular basis, the internal audit officer shall also attend the meeting of the Board of Directors for report.






Internal audit management process:

Percentage of deficiencies for which improvements have been made

No internal deficiencies were identified in 2023.



2.3 Regulatory Compliance and Professional Ethics






	2023 Targets (🎯Achieved)	Short Term (2024–2026)	Medium to Long Term (2027–2030)
 Targets and Achievements	<ul style="list-style-type: none"> No major legal violations 🎯 Establish internal and external grievance mechanisms 🎯 Establish annual compulsory courses (Integrity, Ethics, Insider Trading) 🎯 	<ul style="list-style-type: none"> No major legal violations 100% completion rate of annual compulsory courses on ethics and legal compliance 	<ul style="list-style-type: none"> No major legal violations 100% completion rate of annual compulsory courses on ethics and legal compliance
 Responsibility	<ul style="list-style-type: none"> Internal auditing (IA) Legal affairs unit Human resources unit 	 KPIs <ul style="list-style-type: none"> Violation and lawsuit 	
 Key Stakeholders	<ul style="list-style-type: none"> Employee Government agency Supplier 	 Communication Mechanism <ul style="list-style-type: none"> Please refer to the "Key Stakeholders Communication Comparison Table" and match it with the key stakeholders mentioned above. 	

To reinforce ethical corporate management and integrity and ensure legal compliance, we have formulated related internal ethical regulations in accordance with the "Ethical Corporate Management Best-Practice Principles for TWSE/ TPEX Listed Companies", the "Personal Data Protection Act", the "Trade Secrets Act", the "Fair Trade Act", and the "Securities and Exchange Act". (Please visit our official website to download more details on the "[Major Internal Rules](#)" on our official website and download more information.) The administrative management unit is responsible for the formulation and supervision of the ethical corporate management policy and preventive programs, and it regularly reports the implementation results to the BoD each year. In addition to requesting Board members and employees to follow the regulations, we conduct employee training and testing every year on a regular basis to improve their awareness of ethical corporate management and integrity. The total hours of training received by employees in 2023 was 1,652.

In terms of conflict of interest management, Fitipower has stipulated the recusal due to conflict of interest in the Rules of Procedures for the Board of Directors and the organizational charter of the Audit Committee. If committee members have an interest in a meeting agenda item that they or the juristic person they represent in the meeting, they shall explain the important contents of their interest relationship at the meeting. If there is a possibility of harm to the interests of the Company, they shall not participate in the discussion and voting, and shall recuse themselves from the discussion and voting and must not exercise voting rights on behalf of other directors. The Company has established the "Ethical Corporate Management Best Practice Principles," the "Code of Ethical Conduct," and the "Regulations Governing Finance and Business-Related Affiliates between Affiliated Parties," which also contain express regulations on the recusal due to conflict of interest of related stakeholders.

Fitipower has also set up an independent reporting mailbox (wb@fitipower.com) for internal and external personnel to use. If the responsible unit receives a report, it shall handle the report according to the Company's "Ethical Corporate Management Operating Procedures and Code of Conduct", and report the relevant facts to the department head or independent directors depending on the situation and the subject involved. After the investigation of the case, the responsible unit shall make a report to the board of directors on the reported situation, the handling method thereof, and the subsequent review and improvement measures. We encourage internal and external personnel to report unethical or improper conducts. Bonuses of no more than NT\$10,000 will be awarded based on the severity of the circumstances. The Company also promises to protect whistleblowers from being mistreated due to reporting. As for legal compliance, the responsible unit updates international regulations instantly according to laws. The Internal Auditing (IA) checks the legal compliance pursuant to the internal audit system. In 2023, the Company did not face any ethical corporate management violation cases nor did it identify any violations of laws or internal regulations (including and laws and regulations governing environment, health and safety, labor, marketing and promotion and product labeling, unfair competition).

2.4 Risk Management

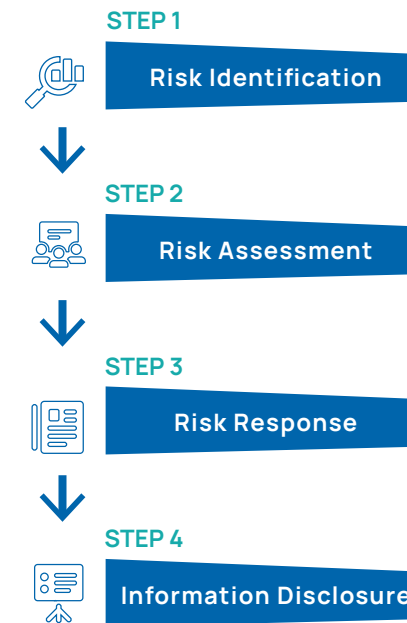
	Short Term (2024–2026)	Medium to Long Term (2027–2030)
Goals 	<ul style="list-style-type: none"> Implement ERM (2025-) Deepen the identification of climate risks and link to TCFD framework (2025~) Implement BCP (2025-) 	<ul style="list-style-type: none"> Deepen the identification of nature-related risks and link to the TNFD framework (2030)
Responsibility 	<ul style="list-style-type: none"> Risk management unit 	KPIs  <ul style="list-style-type: none"> Annual risk report
Key Stakeholders 	<ul style="list-style-type: none"> Shareholder/Investor Client Supplier Employee Government agency 	Communication Mechanism  <ul style="list-style-type: none"> Please refer to the “Key Stakeholders Communication Comparison Table” and match it with the key stakeholders mentioned above.

To ensure the sustainable operations of the Company, we must assess, effectively identify, measure, monitor and control risks when dealing with business matters, and control the risks within the acceptable level. We established the “Fitipower Risk Management Policy and Procedure” as the highest risk management guideline for the all departments and units.



[Fitipower Risk Management Policy and Procedures](#)

Risk management should be based on the Company’s business strategies and goals, considering factors such as business growth, risk, and return. We set risk standards, regularly assess and monitor various risk exposures, establish risk indicators and early warning mechanisms, and simulate future scenario changes as much as possible to guide management responses. Our risk management, in accordance with the Company’s relevant policies and internal control systems, involves each business unit identifying, analyzing, measuring, monitoring, responding to, and reporting risks based on their business-related risk characteristics and impact. These include the following four steps:










All management units must periodically assess and review risk issues. After the president makes professional judgments based on her extensive business experience, she consolidates these into critical risk issues. The development of preventive action, controls, and related alerts of these risks in business management are reported to the Board periodically.

Risk Type	Risk Item	Risk Description	Countermeasure
Environmental Risk	High-Risk Infectious Disease	After the COVID-19 pandemic, Taiwanese people faced the challenge of transforming their lifestyles and work behaviors. With the rapid mutation of the virus and from pandemic to endemic, we must be more cautious with respect to formulating pandemic prevention policies and responses to reduce the impact on our operations.	With the core determination of the continuous management of operations, Fitipower planned sound pandemic prevention measures. This included assigning contingency duty to departments at all levels, announced related SOPs, personnel training, resource allocation management and deployment of remote operations. Simultaneously, the company actively aligns with government policies, undertaking proactive actions and adapting its responses in a rolling manner.
	Climate Change	In response to climate change, major countries worldwide have declared their respective net-zero targets. Many international brands and businesses have taken action in line with these targets. As a key supplier of integrated chip solutions, Fitipower will directly encounter demands from both clients and governments, leading to increased associated costs and potentially even risks of collaboration cessation.	At Fitipower, we will continue to monitor international trends, client preferences and domestic policy requirements to help plan relevant targets and actions. In the short term, we will reinforce internal management systems, climate risk and carbon emission databases. For example, we will introduce TCFD, ISO 14064, ISO 14067 while also continuing to promote energy saving and carbon reduction measures, such as green office culture and green procurement. In the medium and long term, we will further plan and evaluate the use of renewable energy and carbon offset measures.
Human Resources Risk	Long Talent Cultivation and Turnover	It takes a longer time to develop R&D personnel for PMIC. In addition, as Taiwan started related R&D late, and digital design is the focus of R&D personnel cultivation, there are not many engineers with practical experience in the design and manufacture of mass-produced PMIC compared to other countries.	We attract and enhance the cohesion of outstanding talent with a well-established welfare and reward system to reduce employee turnover. In addition, we make active information exchange with academic and research institutions at home and abroad to develop a product R&D technology database.

Risk Type	Risk Item	Risk Description	Countermeasure
Operational Risk	Semiconductor Process Improvement	The semiconductor processes required for advanced PMIC, such as high voltage, BCD (Bipolar-CMOS-DMOS), and BiCMOS processes, are still immature in Taiwan and awaiting development in domestic wafer fabs. This is to enable competition with foreign manufacturers	We maintained close collaboration with leading wafer manufacturers to acquire first-hand technology and support. Besides hiring outstanding process R&D personnel, we also actively collaborated with wafer manufacturers to develop new processes and optimize process stability. Ultimately, we could enhance product specifications and competitiveness, stabilize yield rate, vertically integrate front-end wafer and back-end production outsourcing, and thereby secure sufficient and stable productivity to produce price-competitive PMIC.
	Rising Product Function Complexity	While interaction, connection, personalization, and convenient data access are the trends emphasized in the future smart lifestyle, being slim, lightweight, robust, and easy-to-carry; easy data reading; and integrated functions are the demands for future displays. While going green and energy-efficient has gradually become a major issue, IC design must evolve accordingly.	We will keep up with the most advanced technology and current market demand and engage in sound client interaction and communication to unfailingly capture future development trends and actual client needs.
	Capacity Supply Risk	With Fitipower's progress in different product lines, revenue growth is expected. Yet, due to industry supply-demand challenges, efforts are being made to prevent shipment delays caused by wafer and packaging capacity shortages.	We will continue to maintain close up- and down-stream cooperation to benefit long-term business expansion.
	Interest Rate Impact	The change in the interest rates may lead to the flow of investment funds to the products that produce more benefits due to the rising interest rates, and the loan interest rates of the Company may rise as a result.	Besides maintaining sound interaction with banks to acquire lower interest rates, we quickly adjusted fund utilization based on interest rate changes to lower the impact of interest rate changes on the losses caused. In 2023, our interest expenses were NT\$2,559 thousand, accounting for only 0.016% of the revenue, and there was no significant impact.

Risk Type	Risk Item	Risk Description	Countermeasure
Operational Risk	Exchange Rate Impact	The currency denomination of the company's imports and exports directly affects financial performance. For enterprises heavily reliant on exports, enhancing currency hedging instruments and improving forecasting and judgment capabilities for exchange rates are indispensable.	The Company's purchase and sales are mainly denominated in USD. Therefore, exchange rate risks will arise for sales and purchases denominated in currencies other than the functional currency. The Company undertakes forward exchange and foreign exchange swap transactions and other derivative financial instruments. The principle of foreign exchange risk management is that the transaction amount does not exceed the net foreign currency position generated by the operation, and the strategic goal of financial hedging is ensured. The exchange gain in 2023 totaled NT\$26,249 thousand, bringing positive slant to the Company's financial position.
	Currency Inflation Impact	Inflation has resulted in higher material costs.	Fitipower keeps an eye on raw material cost fluctuations and maintains good interactive relationships with suppliers and clients at all times to reduce the impact of inflation. In 2023, the Company didn't experience significant effects due to inflation.
	Concentration Procurement Risk	The concentration of procurement increases the risk of supply disruption.	Actively develop long-term cooperation with manufacturers, keep track on the production status, keep close contact, and maintain trading relations with at least two suppliers to ensure risk diversification.
	Concentration Sales Risk	Excessive reliance on a small number of clients or markets – when they are hit by market fluctuations, it will result in greater immediate impact on business operations.	The Company will continue to cultivate diversified markets and new accounts to reduce over dependency on one single client. In 2023, there were only one client who accounted for more than 10% of total sales. Overall, the Company has no significant risk of concentration of sales.
	Cybersecurity	The extensive use of such related infrastructure as mobile devices, IoT, cloud services, and teleworking and the digital transformation of enterprises as a result of technological advancement increase the information security risk to an even broader extent. Defective management not only causes damage to the company's own interests, but may also affect relationships with business partners.	Fitipower signs a mutual confidentiality agreement with all clients, and has established a comprehensive information security risk assessment and management system (ISO 27001) to ensure the achievement of and continuous improvements in related objectives. We continue to invest in resources on "external defense", "internal control", and "cybersecurity awareness" to enhance cybersecurity management.

2.5 Cybersecurity

 Targets and Achievements	2023 Targets (🎯 Achieved)	
	<ul style="list-style-type: none"> Implement ISO 27001 and obtain third-party certification 🎯 	
	Short Term (2024–2026)	
 KPIs	Medium to Long Term (2027–2030)	
	<ul style="list-style-type: none"> Maintain ISO 27001 validity Obtain ISO 27001 certification for subsidiary (Jadard Technology) 100% completion rate for information security education, and training 0 major information security incidents 	
	<ul style="list-style-type: none"> Achieve 100% ISO 27001 coverage 100% coverage and completion rate for employee information security education, promotion, and training. 0 major information security incidents 	
 Key Stakeholders	 KPIs	<ul style="list-style-type: none"> Cybersecurity training and exercise Client information leakage status
	 Communication Mechanism	<ul style="list-style-type: none"> Client Employee
 Responsibility		<ul style="list-style-type: none"> Information unit
 Communication Mechanism		<ul style="list-style-type: none"> Please refer to the “Key Stakeholders Communication Comparison Table” and match it with the key stakeholders mentioned above.

The extensive use of such related infrastructure as mobile devices, IoT, cloud services, and teleworking and the digital transformation of enterprises as a result of technological advancement increase the information security risk to an even broader extent. Defective management not only causes damage to the company's own interests, but may also affect relationships with business partners. Therefore, we sign a mutual confidentiality agreement with all clients, and protect the sensitive information of both parties through a rigorous process. We have formulated an information security policy in an effort to strengthen information security management and ensure the confidentiality, integrity and availability of information assets. In doing this, we are able to provide an environment for the continuous operation of the Company's information business, while also preventing internal or external intentional or accidental threats.



Cybersecurity Policy

Vision

Strengthen personnel awareness, prevent data breaches, implement routine maintenance, and ensure service availability

Goals

- Ensure the integrity and data accuracy of the Company's information management to prevent unauthorized modifications.
- Ensure that the continuous operation of the Company's information operation meets the requirements of the business service standards.
- Ensure that all employees understand their information security responsibilities to protect information assets and reduce the risk arising from information security incidents.
- Ensure the confidentiality of the Company's information assets and implement information access control where information can only be accessed by authorized personnel.
- Ensure that the Company's information operations are in line with regulatory requirements.



[Learn more](#)

To ensure the effective operation and implementation of various information management measures of Fitipower and to face potential risks, we began to establish a comprehensive information security risk assessment and management system, a Information Security Monitoring Center (SOC), and established an Information Security Committee in 2022. The Committee regularly reports the status of operations and planned actions to the Board of Directors to ensure the achievement of goals and continuous improvement. In 2023, the Company passed the certification of an impartial third party (SGS) and obtained the ISO 27001 certificate (Information Security Management System). Fitipower continues to implement management from the three major aspects of "external defense," "internal control," and "information security quality". During the reporting year, the Company did not receive any complaints regarding the breach of client privacy and information theft, leakage, and loss was reported. We implemented one information security drill (phishing drill) and arranged post-hoc training and tests for employees with insufficient information security awareness. All these employees have passed the post-hoc tests to ensure the effective implementation of the information security policies.



External Defense

Defend hacker attacks and virus threats.



Internal Control

Protect corporate intellectual property and trade secrets and strengthen internal cybersecurity.



Cybersecurity Awareness

Cybersecurity communication, education and training, and cybersecurity drills for employees to raise their cybersecurity awareness.

Cybersecurity Aspect	Cybersecurity Control Item	Related Operation	Audit and Verification
External Defense	Cybersecurity management	<ul style="list-style-type: none"> • Separate the intranet, internet, and DMZ network with firewalls • Periodically review/adjust firewall policies • Monitor intranet/internet access behavior and control (IPS, URL filter, sandbox) • Remote-connected HIP detection, 2FA identity verification 	Strengthen the security of intranet/ internet access
	Computer virus protection	<ul style="list-style-type: none"> • Complete protection mechanism from the gateway to end-users • Filtering and virus scan of emails and spam • Periodic vulnerability scan and system update of servers/computers • Virus protection and malicious behavior monitoring 	Strengthen the internal information environment and service security
Internal Control	Data protection and system/AP access control	<ul style="list-style-type: none"> • Control of internal data access privileges • Control of internal data output/transmission • Control and approval of user account privileges • Account privilege review and adjustment for personal change 	Ensure the internal data protection mechanism
	Information record protection	<ul style="list-style-type: none"> • SOC&DLP System has been built for the following • Control/logging of access to internal and external systems • Control/track logging of operation behavior • Control/logging/warning of abnormal events • Protection and preservation of related records 	Ensure the effectiveness, admissibility and legal compliance of records
	Information security event management	<ul style="list-style-type: none"> • Establish the handling SOPs for information security event 	Improve the procedure for handling information security events to reduce the possibility of such events and business impacts
Cybersecurity Awareness	Information security policy and training	<ul style="list-style-type: none"> • The management periodically reviews, establishes, approves, and announces information security policies • Improve the information security awareness of employees through training, e-learning, information security communication 	Ensure the applicability and effectiveness of the information security policy and enhance the information security literacy of employees

Cybersecurity PDCA Cycle

Information Security Committee

Cybersecurity Governance

- Legal compliance
- CSMS SOP

Promotion and Implementation

- Cybersecurity communication
- Cybersecurity education and training
- CSMS implementation



Risk Improvement

- Improvement of SOP
- Implementation of solutions

Risk Assessment

- Cybersecurity risk assessment and mechanism

Information Security Committee

Vice President Quincy Tsai serves as the convener, consisting of seven members including the chairman, president and relevant senior officers.

- Ensure that cybersecurity management and goal setting are established and aligned with the Company's business strategy.
- Review information security management-related matters.
- Coordinate resource allocation associated with the implementation of the CSMS.

Information Security Audit Team

- Formulate internal audit plans for cybersecurity
- Execute internal audit and track issue improvement

Executive Secretary

- Coordinate the Information Security Executive Team and Emergency Response Team to carry out cybersecurity tasks.
- Monitor, Manage and give early warnings about cybersecurity status and incidents.
- Assist and provide the recommendations for the improvement and self-audit in cybersecurity.

Emergency Response Team

- Organize and direct emergency response in the event of a major security incident.
- Coordinate the development, maintenance, revision and implementation of various disaster recovery processes.
- Conduct test drills for emergencies.
- Consolidate disaster scene evidence and evaluate disaster damage situation.

Information Security Implementation Team

- Identify information security-related regulations and contracts and establish relevant internal management regulations and systems.
- Execute matters resolved by the committees and information security-related activities.
- Discuss new information security products or technologies and organize information security-related education and training.
- Plan corrective measures and implement audit recommendations.

3 Partner Co-prosperity

3.1 Client Service

57

3.2 Supply Chain Management

62

Material Issues and Key Stakeholder



Client



Supplier



Client relationship
management (CRM)



Supply Chain
Management

Policy and Responses to SDGs

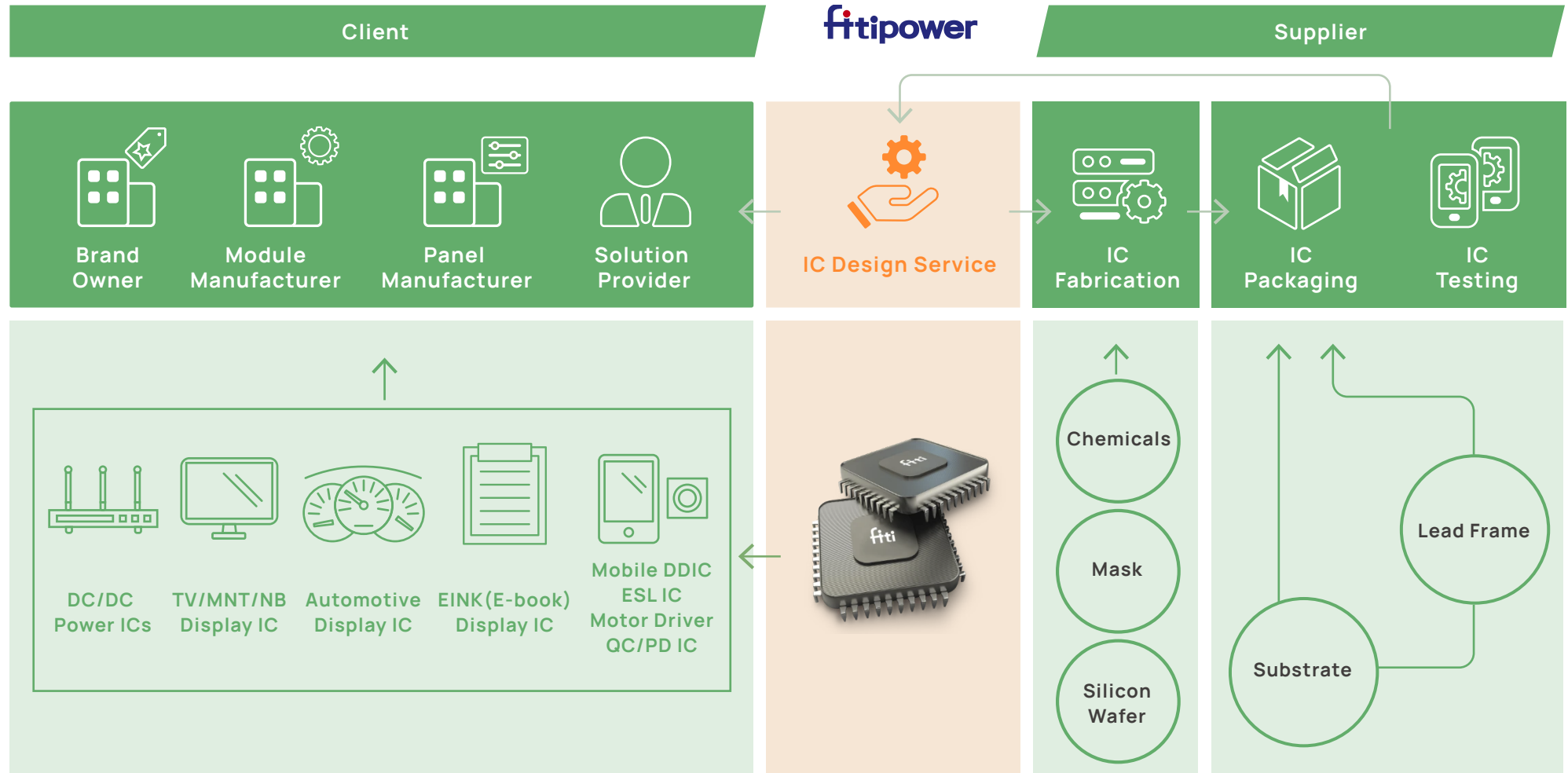


In the after-sales service, quality, and safety of products, we seek total satisfaction and recognition of both clients and users. In employee human rights, integrity and ethics, and environmental protection, we further request for the development of a sustainable partnership with ESG inter-dependency with the supply chain.








Fitipower Product Value Chain

We are a fabless IC design company and play an important role in the upstream of the IC industry. An IC product is fabricated in the process of IC circuit design, mask production, wafer making, IC packaging, and IC testing. Compared to IC manufacturing and IC testing. Fabless IC design houses are characterized low capital investments with high output value. We mainly engage in specification setting, layout design, and sales and after-sales services, while rear-end processes including mask production, wafer making, wafer testing, IC packaging, and final testing are outsourced to professional contractors, such as mask manufacturers, specialized foundries, and packaging and testing service providers.



3.1 Client Service

Targets and Achievements	2023 Targets (🎯 Achieved)	
	Short Term (2024–2026)	Medium to Long Term (2027–2030)
 Targets and Achievements	<ul style="list-style-type: none"> Client satisfaction > 83 points 🎯 0 incidents related to client infringement or information leakage. 🎯 	
	<ul style="list-style-type: none"> Client satisfaction > 85 points 100% client complaint resolution rate 0 client information leakage 	<ul style="list-style-type: none"> Client satisfaction > 87 points 100% client complaint resolution rate 0 client information leakage
 Responsibility	<ul style="list-style-type: none"> Sales unit Marketing unit R&D unit Engineer unit Quality control unit 	 KPIs <ul style="list-style-type: none"> Client satisfaction Client complaint and handling status Sales amount
 Key Stakeholders	<ul style="list-style-type: none"> Client 	 Communication Mechanism <ul style="list-style-type: none"> Please refer to the “Key Stakeholders Communication Comparison Table” and match it with the key stakeholders mentioned above.

As clients are our key partners, our quality is the backbone of their trust. Upholding “Integrity” is our commitment to clients; ‘innovation’ is the self-requirement; and ‘quality’ is our persistence in the products”; we provide total solutions for a wide range of products from DDICs to power source ICs. The applications of our products include displays of different sizes and the power management circuits of TVs, laptop computers, computer monitors, commercial displays, EPDs, and ESLs. Our clients include branded manufacturers, panel manufacturers, module manufacturers, and solution providers at home and abroad. We continue to provide stable and reliable product solutions that ensure both quality and safety. Pursuant to the requirements of ISO 9001 quality management system, we strictly control the whole product process through the spirit of PDCA. We run system and equipment electrostatic discharge (ESD) tests to verify all IC products to ensure their high antistatic capacity to prevent the impact of the statistic charge accumulated in the environment or substances on IC products to ensure product electrostatic safety. In addition, we also comply with other standards, such as AEC Q100 and UL Product IQ according to product characteristics and client requirements. We understand clients’ needs and suggestions via two-way communication outlets, including online feedback, technical exchanges, face-to-face visits and annual questionnaires so as to make further improvements and optimize products. For the information on the protection of client’s confidential and sensitive data, refer to the [“Cybersecurity”](#) section.

To fulfill our responsibility for product quality assurance, we have implemented and comply with the ISO 9001 standard and established the quality policy.



Quality Policy

Innovation

Outstanding design enhances product competitiveness.

Quality

Excellent quality enhances product stability.

Service

Professional services enhance client satisfaction.



[Fitipower Quality Policy](#)



[ISO 9001 certificate](#)

Quality Management Process

We establish the quality management program and believe that continuous quality improvement is the basis of quality management. In addition to products and services, our quality management covers all processes and supports for achieving the above outputs. Our quality management program covers the resources required for implementing quality management in development, production, and after-sales services. Through a series of processes and cycles, we achieve our continuous improvement quality management goal. We also implemented a series of quality training activities, including client complaint management procedures, internal audit management procedures, and correction and prevention management procedures to address the client's demand for the continual improvement of high-quality and high-specification products, encourage employees to insist on output quality to become frontline protectors.



Development

The development support team implements processes including market survey, client requirements verification, product process design verification, and product verification.



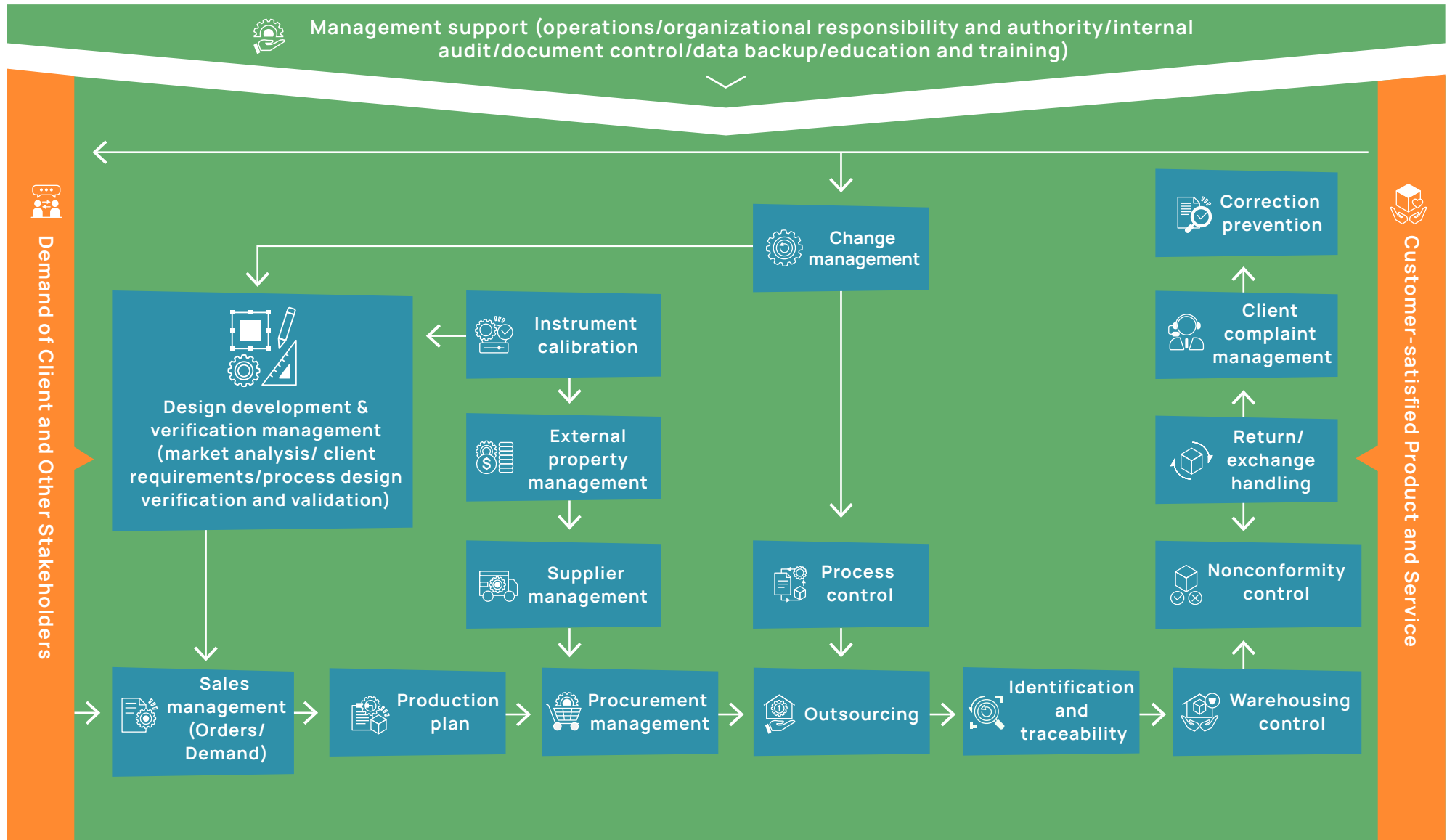
Production

The production support team implements processes including product plan, procurement, and warehouse control.



After-sales service

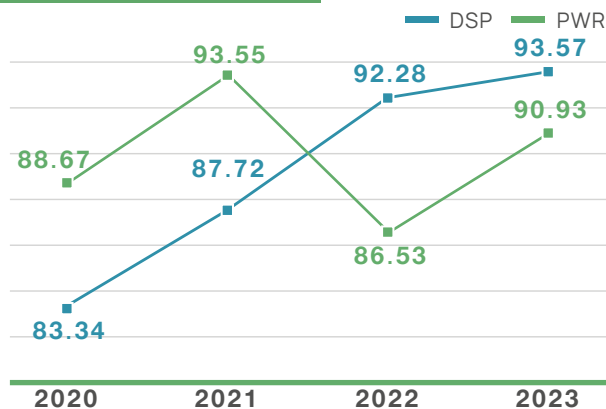
The management support team implements processes including warranty service, after-sales services, client feedback, nonconformity control, corrective and preventive action.



Client Satisfaction and Feedback

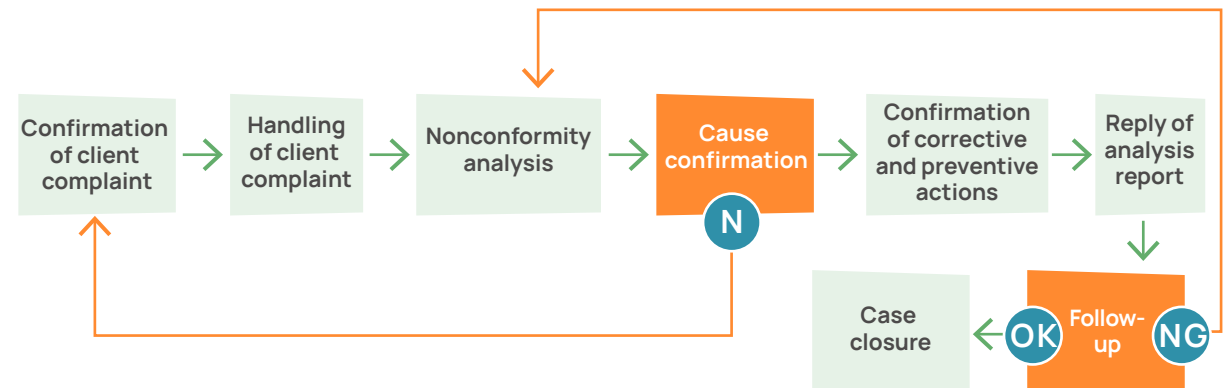
To ensure that the Company's products and services can meet the immediate needs and expectations of clients, we maintain a sustainable partnership. We have established a complete set of response procedures. Through various communication channels such as daily meetings, emails, QBR, and satisfaction surveys, each product project team comprehensively reviews the product concerns and improves and optimizes them. We conduct annual client satisfaction survey in four respects of sales services, technical services, client complaints, and product quality. 12 major clients participated in the survey in 2023 (6 DSP and 6 PWR clients). The satisfaction rates of DSP and PWR clients reached the target of 83 points, respectively 93.57 and 90.93 points. Through active communication and the continuous cooperation of resident personnel, the relevant pending improvement items are refined to greatly enhance the satisfaction of PWR clients; and for DSP, clients continue to give high recognition.

Key Client Satisfaction



Note: DSP is display driver IC ; PWR is power management IC






Fitipower understands that client feedback is an important foundation for the development of client relations. In view of this, we have established standard operating procedures for client complaints. All quality-related activities of the Company's products shipped, including product quality, packaging, shipping, and client failures are applicable. Grievance channels may be immediately reported to the person in charge of the complaint through email or phone. After receiving the complaint message, we will take the initiative to contact the client to further clarify the content of the complaint and conduct defective product analysis and subsequent procedures. We uphold the principle of solving client problems and demands in the shortest time in handling the client complaints. In 2023, we made positive communication and improvement with respect to the feedback of the clients, and improvement measures have been completed for all the feedback cases (a close rate of 100%). The contents of the feedback are summarized in the following table.



2023 Major Complaints and Improvements

Complaint	Solution	Effectiveness
Electrostatic discharge	Implement the following measures for IC of specific part numbers: <ul style="list-style-type: none"> • Enlarged Source Output RESD and 1st ESD size • Enlarged Clamp Cell ESD discharge time 	The ESD defect rate has decreased significantly.
Improvement of process particles (Fab particles)	<ul style="list-style-type: none"> • For STI defect & metal defect , the fab continues to propose improvement actions from the routine maintenance and process optimization screen. 	Both the FAB inline monitor and the metal defect analysis showed a significant decrease.
Improvement of process particles (Assembly particle)	<ul style="list-style-type: none"> • Require long-term improvement plans from outsourcing partners. • Regularly monitor key data from outsourced production lines. • Conduct regular and ad-hoc audits and inspections of production lines. • Request outsourcing partners to optimize cleanliness, structure, protection, and processes. 	Relevant client complaints have decreased significantly.

3.2 Supply Chain Management

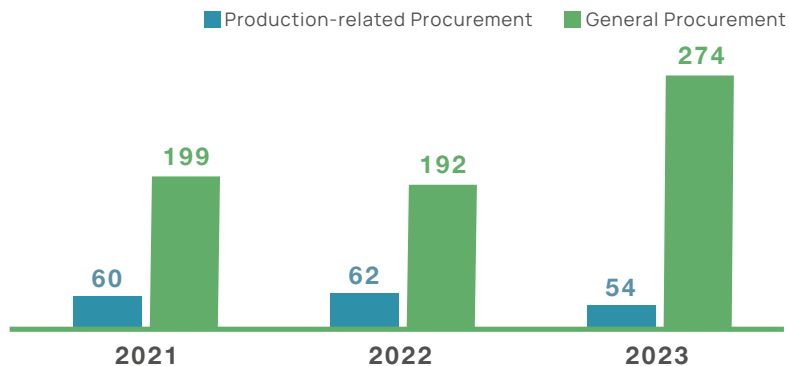
2023 Targets (🎯 Achieved)			
 Targets and Achievements	<ul style="list-style-type: none"> Local procurement rate >65% 100% of suppliers comply with conflict-free procurement 🎯 Integrate sustainability assessment items into supplier evaluation process 🎯 100% of the new suppliers implement RBA SAQ; existing suppliers to comply upon contract renewal 100% of the new suppliers sign the Sustainability Commitment; existing suppliers to comply upon contract renewal 		
	Short Term (2024–2026) <ul style="list-style-type: none"> 100% of suppliers comply with conflict-free procurement 100% of new suppliers sign sustainability commitment, with 75%/85%/95% compliance for existing suppliers 100% of suppliers perform sustainability assessments 	Medium to Long Term (2027-2030) <ul style="list-style-type: none"> 100% of suppliers comply with conflict-free procurement 100% of suppliers sign sustainability commitment 100% of suppliers perform sustainability assessments (including subsidiaries) 	
 Responsibility	<ul style="list-style-type: none"> Purchase unit Production management unit Engineer unit Quality control unit 	 KPIs <ul style="list-style-type: none"> Local procurement percentage Supplier compliance with responsible minerals procurement ratio Supplier sustainability assessment 	
 Key Stakeholders	<ul style="list-style-type: none"> Supplier 	 Communication Mechanism <ul style="list-style-type: none"> Please refer to the “Key Stakeholders Communication Comparison Table” and match it with the key stakeholders mentioned above. 	

Procurement Practices

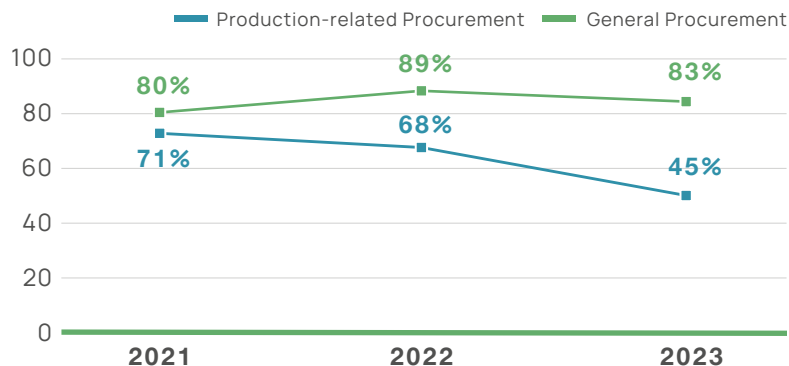
Our key suppliers are foundries and packaging and testing service providers. For the management of materials, refer to the “[Responsible Minerals Sourcing](#)” and “[Green Materials](#)” section. To reduce supply risk of key raw materials, we select the best suppliers based on the determination made in consideration of the specification, quantity, delivery date, transport conditions, payment terms, product quality, lead time, and other elements rather than purely the “lowest unit price” during the negotiation stage. In addition to maintaining stable relations with existing suppliers, we proactively develop new outstanding suppliers that have the awareness of sustainable development to avoid the risk of exclusive supply. (Refer to the “[Supplier Evaluation](#)” section.) Through regular weekly production and sales meetings and business discussions on future market conditions and changing demands, we addresses material shortages or limitations in wafer production capacity by timely transferring production and preparing materials. The Company establishes long-term cooperative agreements with wafer fabs, photomask manufacturers, and other suppliers to ensure production capacity and on-time delivery. Conversely, by accurately capturing client feedback and market trends, we adjusts inventory levels promptly. Simultaneously, Fitipower is committed to enhancing supply and production efficiency through local sourcing, which reduces product carbon footprints and enhances local employment opportunities. In 2023, we have engaged in transactions with 328 suppliers (274 for general procurement; 54 for production-related procurement). The total procurement expenditure was about NT\$6.3 billion, of which NT\$3 billion was for local

procurement, accounting for 47% of the total procurement (calculated by combining general procurements and production-related procurements), which has decreased significantly from the previous year. This is mainly due to the adjustment of the Company's procurement strategy to cope with the downward cycle of market sentiment.

Trading Suppliers Overview



Local Procurement



Note 1: General procurement includes instrument and equipment, hardware equipment and maintenance, parts and consumables, application software, testing service, etc.

Note 2: Production-related procurement: wafer, IC packaging and testing, flexible tape

Note 3: Statistic analysis of local procurement is based on the location of the supplier's place of registration.

Responsible Minerals Sourcing

We respect the basic human rights of all stakeholders; therefore, we have established the "Human Rights and Diversified Inclusion Policy" and "Conflict-Free Minerals Policy". We identify with and support the "OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Area" published by the Organization for Economic Cooperation and Development (OECD) and Responsible Minerals Initiative (RMI) and published the "Statement of Conflict-Free Minerals" and "Conflict-Free Minerals Policy". To keep track of the status of suppliers' responsible procurement, we request all suppliers to sign the "Fitipower Sustainable Supplier Commitment" and accept the Conflict Minerals Reporting Template (CMRT) and due diligence ^{Note} to ensure 3TG minerals (gold, tin, tantalum, tungsten) procurement are supplied from RMI-approved smelters. In 2023, a total of 37 production-related procurement suppliers were investigated, and the recall rate reached 100%. According to the survey results, 100% of suppliers use 3TG metals produced by RMI-approved smelters, with a total of 128 qualified smelters (gold: 41 ; tin: 37 ; tantalum: 25 ; tungsten: 25).

Note: Due diligence: Through all controls, we identify, verify, and assess supply chain risks to ensure no use of conflict minerals from conflict-affected and high-risk areas to avoid facilitating violation of human rights, money laundering, and financing of terrorism.



Statement of Conflict-Free Minerals

We are dedicated to detailed investigation to ensure that Au, Ta, W, Sn and other similar metals are not exploited from the conflict mines in the Democratic Republic of Congo through non-government army groups or other illegal groups or acquired through smuggling.



Conflict-Free Minerals Policy

- Avoid purchasing conflict minerals from conflict areas.
- Request suppliers to refuse using conflict minerals from conflict-affected areas.
- Request suppliers to ensure that their upstream and downstream suppliers comply with the conflict-free minerals request.
- Ensure no conflict minerals from conflict-affected areas through the strictest controls at the source.



[Fitipower Conflict Mineral Policy and Statement](#)



[List of smelters used in the supply chain of Fitipower \(2023\)](#)

Supplier Evaluation

To ensure that the quality of outsourced processes meets the requirements, we have established the "Supplier Management Procedures" as the principle basis for supplier management. According to the regulations, Fitipower must conduct annual regular audits and unscheduled audits of suppliers and contractors. The quality and production management department shall assign personnel to form an evaluation team to conduct online or physical audits; audit items include management systems, documents, and contracts, design and material control, process and equipment control, supplier management and material control, corrective action, human rights -related, and green products for a total of 13 major items. New suppliers are entered into the list of qualified suppliers only after they passed the evaluation test for collaboration (100% of new suppliers were screened using environmental and social criteria). Taking the new supplier evaluation as an example, the evaluation results are divided into 4 ranges: A , B, C, and D , and those rated at D level are unqualified manufacturers. We will end their cooperative relations and they can only be re-certified after six months.

In terms of the management of existing suppliers, Fitipower seeks to understand the internal management status of our partners through communication and regular assessment and survey with suppliers. Except for suppliers under specific conditions, see ^{Note 1}, we conduct ongoing regular assessments on an annual and quarterly basis for suppliers qualified for production-related procurements, and arrange audits from time to time as appropriate. Taking the annual evaluation as an example, the evaluation results are divided into 3 ranges: A, B, and C. The suppliers which are rated C are unqualified and we will terminate the cooperative relationship. After the improvements are completed, they will be treated as new suppliers for recertification. In 2023, we have planned for 24 suppliers to be included in the annual evaluation plan, with an actual completion rate of 100%; for the suppliers whose PMIC clients complaints related to abnormal product quality

in 2022, we have strengthened the management and completed improvements through the internal quality unit. Therefore, the audit evaluation results did not find any major defects or risks in the cooperative suppliers (The evaluation results of the 24 suppliers were all grade A).

Note 1: The average monthly workload in the past year was lower than 50% of the average for all suppliers for the same manufacturing process. If there is no occurrence of any quality anomaly, assessment can be made for the supplier to see if it can be excluded from the annual audit of the current year.

Recent Supplier Audits (Number of Suppliers)

Audit Method	2020		2021		2022		2023	
	DDIC	PMIC	DDIC	PMIC	DDIC	PMIC	DDIC	PMIC
Number of Documentary Audits	12	3	6	0	0	0	0	0
Number of Suppliers for On-site Audit	3	7	0	7	2	12	12	12
Number of Suppliers for Online Audit	0	0	8	2	10	0	0	0
Result	Grade A	14	10	13	1	12	12	12
	Grade B	1	0	1	8	0	0	0

Note 2: DDIC is a display driver IC, PMIC is a power management IC.

Note 3: No suppliers with major defects or high risks in recent years (no suppliers with evaluation result C).

Supplier Sustainability Assessment

In response to international trends and social concerns, Fitipower is continuously adjusting its policies to strengthen the sustainability management of its suppliers. In recent years, we have continued to amend the "Supplier Management Procedures" to improve evaluation and management other than quality items. In 2023, we formulated the "Fitipower Sustainable Supplier Commitment", "Fitipower Sustainable Supplier Code of Conduct", and "Fitipower Supplier Sustainability Risk Assessment Form", which were released in early 2024. Suppliers are required to understand the Company's Supplier Code of Conduct and sign the Letter of Undertaking. We also regularly conduct supply sustainability assessment questionnaires for a comprehensive economic, social, and environmental risk investigations to continuously track the sustainable development of suppliers and serve as the basis for evaluation considerations of Fitipower's supplier procurement. In the supplier evaluation item, the ESG-related certifications of suppliers and the requirements of the Responsible Business Alliance have been included. Through active communication and management, the state of suppliers achieving ESG standards-related certifications in 2023 has shown improvements in all aspects compared to the previous year.



[Fitipower Sustainable Supplier Code of Conduct](#)

Suppliers' ESG Certification Status

Aspect	Evaluation Standard	New supplier (%)	Existing Suppliers (%)
Economic	Quality Management System (ISO 9001)	100%	100%
	Other quality certification standards (IATF 16949, ISO 26262, ANSI/ESD S20.20)		
Environmental	Environmental Management System (ISO 14001)	100%	91%
	Other green certification standards (Sony GP, QC080000, ISO 14064)		
Social	Occupational Safety and Health Management System (ISO 45001)	100%	86%
	Other social certification standards (SA 8000, RBA)		

Note 1: Any certification obtained in any aspect is included in the statistics.

Note 2: The statistical scope includes the suppliers with production-related purchases in 2023, but excludes the manufacturing plants and agents that indirectly placed orders.

4 Environmental Symbiosis

4.1 Green Policy and Management Framework	67
4.2 Green Product	71
4.3 Green office and Energy Resource Management	73

Material Issues and Key Stakeholder



Green Product



Shareholder



Employee



Government
Agency



Supplier



Client

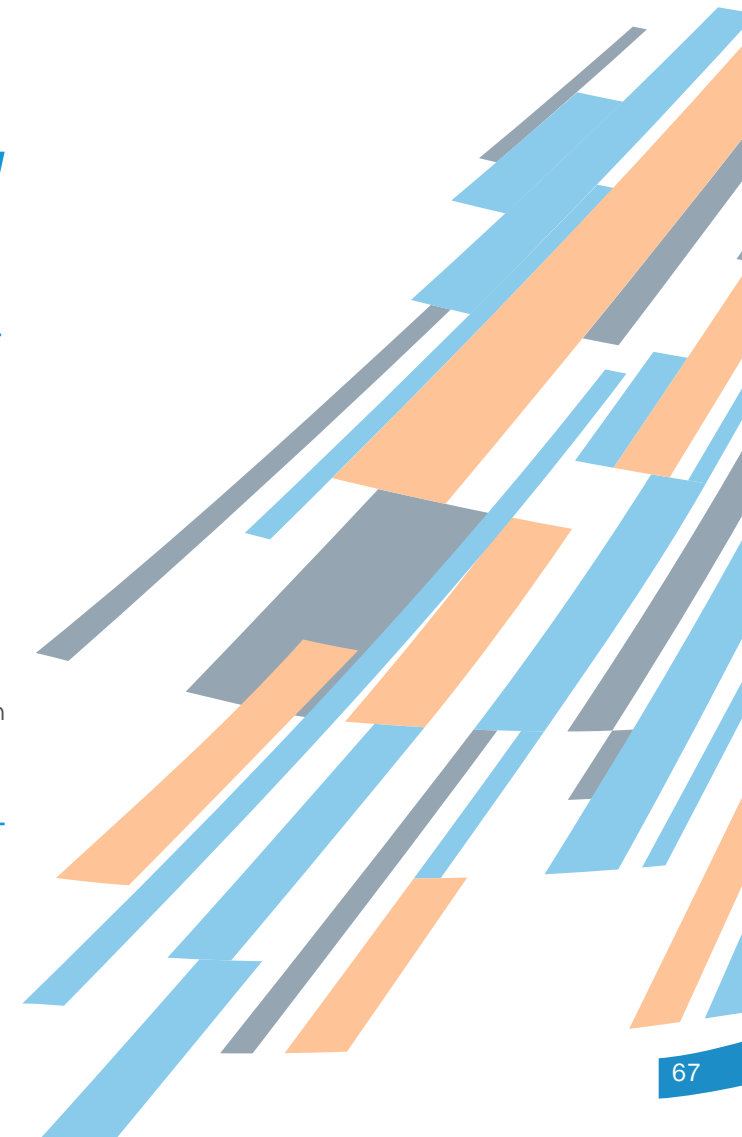
Policy and Responses to SDGs



In response to international environmental challenges, such as climate change, we are enhancing our capacity for resource utilization and pollution prevention. With a green, innovative vision, we are promoting green offices and manufacturing, and lowering the environmental impact of our products throughout their lifecycle to cultivate green economic opportunities for the company.



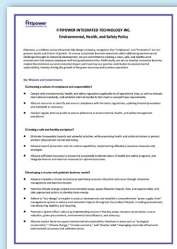
4.1 Green Policy and Management Framework



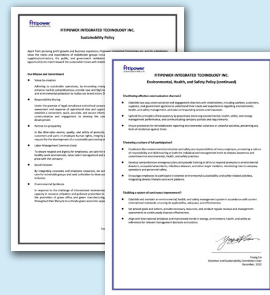
Since the release of the "[Fitipower Sustainability Policy](#)" in 2021 as the Company's overarching principle for sustainable operations, in order to further focus on the improvement of environmental sustainability and green operations, the Company successively plan the establishment of relevant management systems after the Company's "Environment, Safety and Health Policy" was approved for release by board resolution. The formal establishment of the "Fitipower Technology Environmental Sustainability Foundation" further reinforced the promotion of environmental sustainability and expansion of influence.

Fitipower has established the "Risk Management Policy and Procedures" to control the operational risks of all aspects of ESG. Please refer to the "[Risk Management](#)" chapter for details. Following international trends and the attention of the investment market, we aim to better understand the environmental impact of the Company's operating activities, products and services, as well as the climate impacts we will face in the future, and to further control related risks. We have established the environmental management system (ISO 14001) and quality management system (ISO 9001) as the principle of environmental risk management in the Company's operations to standardize and document the operating mechanism and process. In 2023, we conducted our first ISO 14001 of external audits, and successfully obtained an audit statement from a third-party organization. Additionally, following approval by the Board of Directors, a timetable for our greenhouse gas inventory was announced, and comprehensive climate-related and nature-related financial disclosures, and product carbon footprint are the next step in our action plan.

Fitipower Sustainability Policy

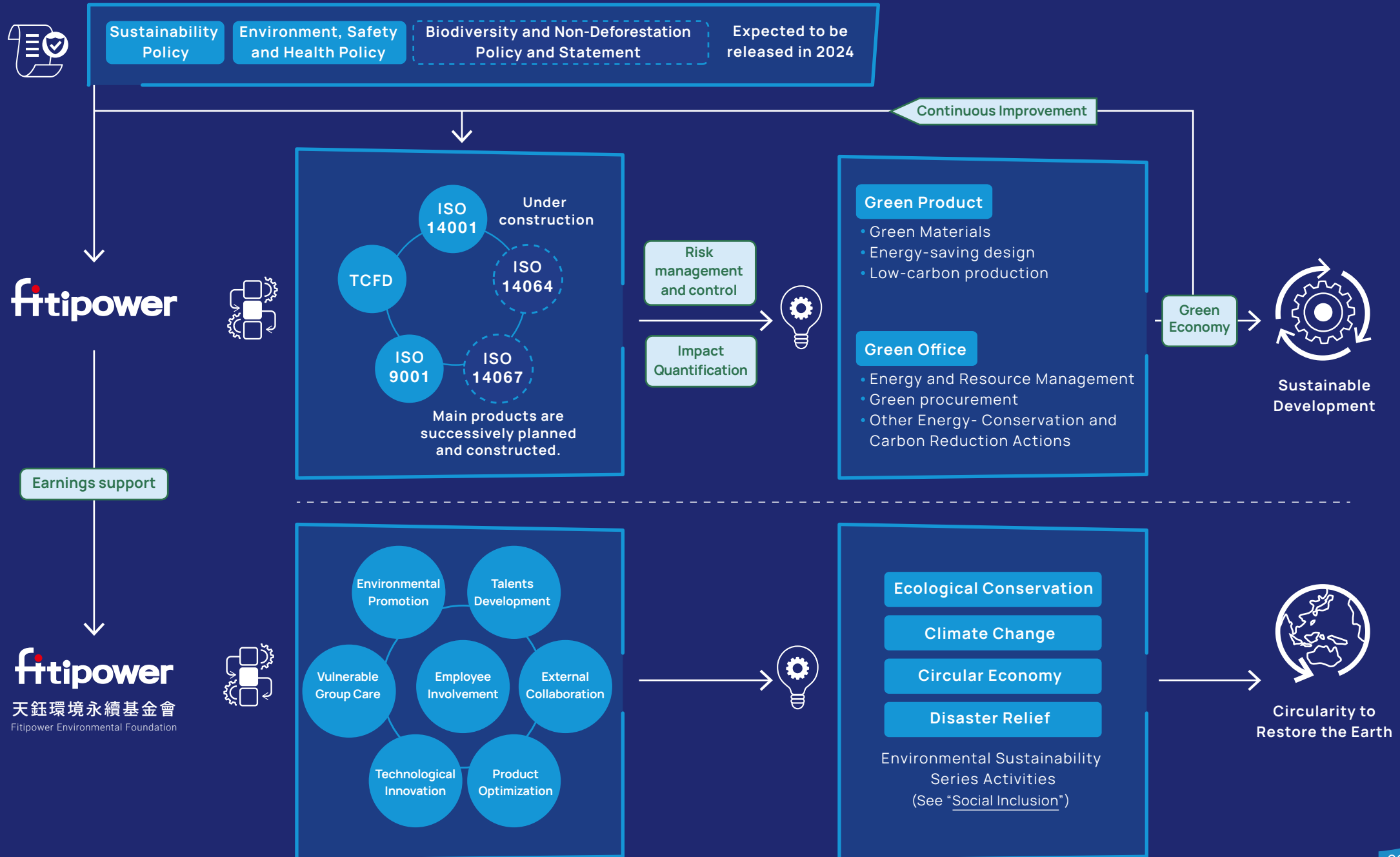

[Learn more](#)

Fitipower Environmental, Safety and Health Policy


[Learn more](#)

ISO 14001 certificate


[Learn more](#)









Task Force on Climate-Related Financial Disclosures

We initially adopted the TCFD (Task Force on Climate-related Financial Disclosures) framework to conduct climate-related financial disclosures. Furthermore, we will perform a comprehensive re-evaluation of climate risks and opportunities this year (2024). For the first time, we will conduct scenario assumptions and analysis, calculate their related quantitative financial impacts, and adopt countermeasures. We expect to release an independent report in Quarter 1 of 2025 on the related analysis results.



Governance	Strategy	Risk Management	Metrics and Targets
<p>Fitipower has established the Sustainability Committee responsible for overseeing climate-related matters. This committee formulates guiding principles for advancing climaterelated issues, which encompass the development of corresponding policies, strategies, and short-, mediumand long-term goals. Additionally, the committee supervises various departments in planning actions, regularly monitors the effectiveness of executions, and reports outcomes to the Board of Directors.</p>	<p>As a fabless semiconductor company, we must establish a comprehensive management system and focus on “Green Product” and “Green Office” in planning short-, medium- and long-term goals to effectively assess the risks and maximize the benefits (minimize impacts). With respect to “Green Product”, we continue to develop innovative products with high energy efficiency, low energy consumption and small footprint while also developing ecofriendly and smart living product applications. With respect to “Green Office”, we perform green procurement, and have replaced old and inefficient equipment and facilities, while expanding the application and introduction of digitalized systems. For more details, please see the “Green Procurement” chapter.</p>	<p>We have established a risk management policy and procedures and regularly report to the Board of Directors on implementation effectiveness. We plan to consolidate climate-related risks and conduct financial impact assessment. In the future, we will periodically review the changes in regulations and markets in terms of climate transition risks and opportunities and make timely responses and adjustments.</p>	<p>To manage and control climate-related risks, we must have complete data as a reference for assessment. Based on this, we are planning to establish a comprehensive management system and database. In addition to the ISO 14001 management system, in the short term we plan to implement ISO 14064-1 and a comprehensive TCFD; in the medium to long term, we plan to implement the introduction of product carbon footprint and the renewable energy usage planning. We will also set up related climate targets according to data evaluations for continuous improvement. For information platforms, we have also established a product carbon reduction benefit platform, and we are also planning to establish a product transportation carbon emissions assessment platform to facilitate the assessment of the carbon footprint of products. As for green procurement, we have set the proportion of green procurement for IT equipment at 80% by 2023, and will increase by 5% each year.</p>

4.2 Green Product

 Targets and Achievements	2023 Targets (🎯 Achieved)	
	<ul style="list-style-type: none"> 100% of the product materials meet the green standards of RoHS, REACH and HF. 🎯 	
	Short Term (2024–2026)	
 Targets and Achievements	<ul style="list-style-type: none"> 100% of the product materials meet the green standards of RoHS, REACH and HF. Carbon footprint assessment coverage for main products ≥ 5%/10%/15% 	
	Medium to Long Term (2027-2030)	
	<ul style="list-style-type: none"> 100% carbon footprint assessment coverage for main products (2029~) Reduce carbon emissions of main products by 5% annually (from 2030) 	
 Responsibility	<ul style="list-style-type: none"> Quality control unit Administrative management unit Information unit 	 KPIs
 Key Stakeholders	<ul style="list-style-type: none"> Client Supplier Employee 	 Communication Mechanism
		<ul style="list-style-type: none"> Product meet green standards ratio
		<ul style="list-style-type: none"> Please refer to the <u>"Key Stakeholders Communication Comparison Table"</u> and match it with the key stakeholders mentioned above.

We are a professional DDIC and PMIC design house and drive the realization of the green life while taking a leading role in the smart life by offering innovative products. In response to Fitipower's vision of "Leading a Smart Life - Driving Carbon Reduction Era", Fitipower insists on keeping abreast of the latest international environmental protection regulations and environmental protection directives of the sales regions through its quality and environmental management system (ISO 9001 , ISO 14001), and satisfies client satisfaction in green development requirements, committed to promoting product green design. We are dedicated to the design of green products and start from two major design facets of "green materials" and "energy conservation". The potential impact on the environment is taken into account at the design stage of the products. For this, we confirm with the R&D units, clients and suppliers in the hope to reduce the negative impact on the environment during the lifecycle of the products.

Driven by the national policy and the "Net Zero Transition" of our brand clients, apart from our own investment in the product design stage, we have also planned carbon reduction management in the outsourced production and manufacturing stage. In the short term, we will gradually inventory the annual carbon emissions of our main products, and require relevant suppliers to implement the product carbon footprint and carbon inventory mechanism (ISO 14067, ISO 14064). For the medium to long term planning, we will continue to work with our partners to perform related carbon measures and carbon offsetting in addition to the complete product evaluation scope. Ultimately achieve product carbon neutrality (manufacturing) by 2050. Moreover, during the product use stage, we carry out safety certification (IEC 62368 , UL 2367) for some power management chips and implement product labeling to reduce potential safety risks in product use.

Green Materials

To ensure that 100% of the material sources in all products comply with relevant international regulations and client requirements, including RoHS (RoHS 2), REACH, HF, PPW, TSCA, and CP65, and implement product shipping label. Fitipower has established the "Hazardous Substance Management Procedures", which requires all supplier partners to sign the "Environmental Restricted Substances Commitment and Guarantee." We have also established a full-time regulation identification unit and assign staff to solve problems in differing legal and regulatory requirements and languages, verify no product contains restricted substances or chemicals before distribution to the importing countries, and ensure compliance with the green directives of different countries. We have incorporated the targets for hazardous substances management in the annual target management table in our ISO 9001 management system. These targets are tracked at the management review meeting each year to check their achievement and implementation. At the meeting, targets for the following year will also be set. No violations of related green regulatory requirements occurred during the reporting period. In addition, we also provided training on green specifications and requirements for relevant personnel. In 2023, a total of 419 individuals participated in the training, and the total training hours reached 336 hours.

Note 1:RoHS, Restriction of Hazardous Substances Directive

Note 2:REACH, Registration, Evaluation, Authorization, and Restriction of Chemicals

Note 3:HF, Halogen Free

Note 4:PPW: Packaging and Packaging Waste

Note 5:TSCA, Toxic Substances Control Act

Note 6:CP 65, California Proposition 65

Energy-saving design

By combining Fitipower's expertise in chip design and integration, we are dedicated to pursuing breakthroughs in the development of highly integrated modular technology of high efficiency as

well as green innovative products to facilitate the energy saving and carbon reduction in the terminal electronic products. Therefore, we created the Product Carbon Reduction Benefit Platform to record the design of our energy-saving products and estimate their carbon reduction results*. Through data review and management, we further develop energy-saving products. In 2023, we estimated that 294,837 metric tons of carbon emissions can be reduced based on the shipment of energy-saving products, one of which is a new breakthrough in innovative green design.

Note: The annual carbon reduction volume is based on the assumption of the pattern generally used by consumers, then projected by the product shipment volume. The electricity emission coefficient is calculated by 0.495 kg CO₂e/kWh announced by the Bureau of Energy, Ministry of Economic Affairs.



Requirements of suppliers by Fitipower






- Acquire the certification for Environmental Management Systems (ISO 14001) and Hazardous
- Substance Process Management System (IECQ QC080000) Provide the "Fitipower Materials Composition Sheet" (including third-party testing reports and SDS) Sign the "Environmentally Restricted Substances Undertaking"



2023 Green Innovative Products

Innovative Product	Energy Efficiency Description
TV timing control IC	This product optimizes each functional area of the TCON IC and adds a clock gating circuit to reduce unnecessary clock signal transmission and thereby reduce power consumption in the circuit. Compared with the previous product, the energy consumption can be reduced by 150mW, about 37% energy saving.

4.3 Green office and Energy Resource Management

2023 Targets (🎯 Achieved)			
 Targets and Achievements	<ul style="list-style-type: none">Continuously shape a green office culture and execute related measures 🎯Green procurement rate for IT equipment ≥80% 🎯Water recycling rate ≥50% 🎯		
	Short Term (2024–2026)	Medium to Long Term (2027-2030)	
	<ul style="list-style-type: none">Implement ISO 14064 (2024) and obtain third-party certification (2025)Green procurement rate for IT equipment ≥85%/88%/90%100% green procurement rate for non-IT equipment (2025~)Waste recycling rate ≥55%Waste landfill rate < 5%	<ul style="list-style-type: none">100% coverage of ISO 14064 (including subsidiaries) and 100% assessment of Scope 3 items50% carbon neutrality for Scope 1 and 2 (2030, and 10% increase annually to reach carbon neutrality by 2035)Reduce 5% for Scope 3 emissions compared to 2027 (2030, and 5% decrease annually to reach carbon neutrality by 2050).Green procurement rate for IT equipment ≥95%100% green procurement rate for non-IT equipmentWaste recycling rate ≥60%Waste landfill rate < 1%	
 Responsibility	<ul style="list-style-type: none">Administrative management unitInformation unit	 KPIs	<ul style="list-style-type: none">Carbon emissions statusGreen procurement rateResource utilization
 Key Stakeholders	<ul style="list-style-type: none">Government agencyClientSupplierEmployee	 Communication Mechanism	<ul style="list-style-type: none">Please refer to the “Key Stakeholders Communication Comparison Table” and match it with the key stakeholders mentioned above.

Energy Management

Fitipower is a fabless semiconductor company, belonging to the low-energy consumption and low-pollution industry. Nevertheless, we know that we cannot stay out of the global green transition. Fitipower's energy is entirely purchased from external sources (Taiwan Power Company). In terms of greenhouse gas (GHG), in addition to the current self-inventory and assessment, third-party data assurance and Scope 3 inventory are expected. In the medium to long term, we will also plan for relevant carbon reduction and carbon offset measures, with Scope 1 and Scope 2 Carbon neutrality by 2035, and to achieve carbon neutrality in full scope for the year 2050. In addition, we have been committed to the promotion of the "green office culture" for many years, we will continue implementing concrete measures in energy management and green procurement. As statistical analysis shows a gradual decrease in power consumption and CO₂ emissions over the past four years. In the future, we will assess the implementation of the energy efficient improvement plans for the computer room.



Measures to Promote a Green Office Culture

- Old equipment replacement project such as the all lamps in the office areas were replace with energy saving LED lamps)
- IT equipment procurement meeting the green label (green procurement ratio in 2023 reached 98%, exceeding the annual objective of 80%)
- To reduce paper use, we promoted use of recycled paper, implemented the online approval system to replace traditional paper document approval, and installed the e-payroll system.
- All regular training courses are primarily based on online materials.
- Promotion of the green office plan.
- Waste sorting and resource recycling were conducted actively.
- In employee lunch, we supply vegetarian meals and fruit meals to take care of the employee's dietary health and reduce CO₂ emissions.

Energy Consumption and Intensity

Item	2020	2021	2022	2023
Electricity (GJ)	5,200	5,041	5,231	4,782
Energy Intensity (GJ/NT\$ million)	0.478	0.220	0.266	0.294
GHG Emissions (Metric ton CO ₂ e)	735	703	740	658

Note 1: The above information scope is based on the data of the headquarters locations.

Note 2: The energy conversion factor for joule conversion refers to the energy conversion factor for kilowatt-hours to gigajoules conversion. The conversion factor is 0.0036.

Note 3: The emission factor for electricity is based on the latest information published by the Bureau of Energy, Ministry of Economic Affairs (2023 uses 0.495kg CO₂e/kWh).

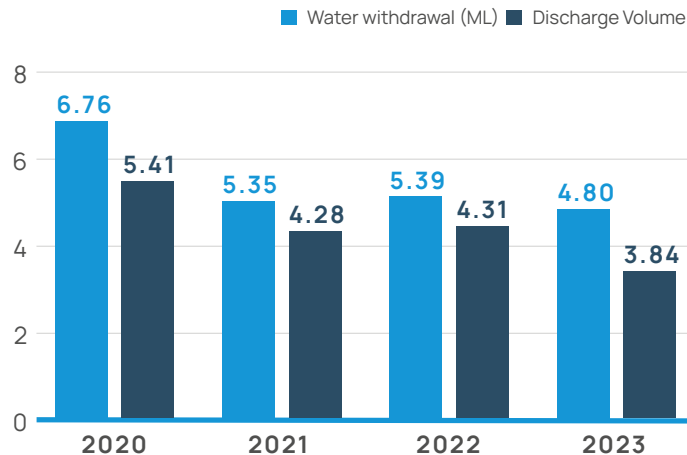
2023 Energy Saving Initiatives

Projects	Annual electricity savings (kWh)	Annual carbon reduction (tCO ₂ e)
Replacement of outdoor air-conditioning units in MIS data centers	73,221	36.2
The solder fume exhaust fan is changed to a mobile tin fume filter.	4,345	2.2

Water Management

According to a study released by the environmental think tank World Resources Institute in 2023, 25 countries, which are home to a quarter of the world's population, are facing "extremely high water stress". According to Aqueduct Water Risk Atlas developed by WRI's public database, all operating sites of Fitipower are located in "Low (< 10%)" water stress areas. Although our water conditions are positive and we do not engage in manufacturing, we continue to keep a close eye on water consumption to effectively grasp the impact accused by tight water conditions. In 2023, Fitipower's total water intake was 4.8 million liters. We consume tap water supplied by a third party (Taiwan Water Corporation). To ensure availability for all and the sustainable management of water, we constantly stress water conservation to employees and purchase equipment carrying the Water Conservation Mark. In the future, we will plan appropriate water recycling actions based on actual consumption.

Water Withdrawal and Discharge Situation



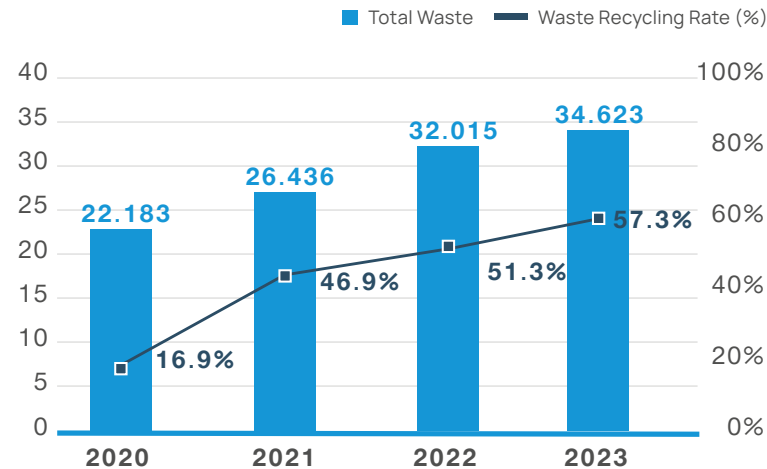
Note 1: The above information pertains to data from the headquarters, Duxing location.

Note 2: Calculated according to the Park's wastewater billing regulations; the discharge volume is 80% of the water consumption.

Waste Management

The 4R's (Reduce, Reuse, Recycle, Recover) spirit of the circular economy is the foundation of waste output and control at Fitipower. We have established a strict mechanism for waste flow control to ensure legal waste disposal. In business operations, we hire qualified contractors to scrap and perform online reports of production waste including electronic components, scraps, and nonconforming products (including wafer and packaging materials) after being stored in the temporary storage area in the building according to the waste removal plan. Cartons and domestic waste are sorted before handing over to the Park's cleaning team for recycling and subsequent disposal. In 2023, there were no pollution leakage or environmental protection penalty incidents, and the overall waste generated was approximately 34.6 metric tons. The overall recycling rate reached 57.3%, an increase of 6% from the previous year. Besides constantly implementing reduction at source and in-house waste recycling and reuse, we avoid the use of hazardous substances and reduce materials consumption by using green and innovative technology and have collaborated with the overall supply chain to reduce environmental load and thereby implementing the circular economy.

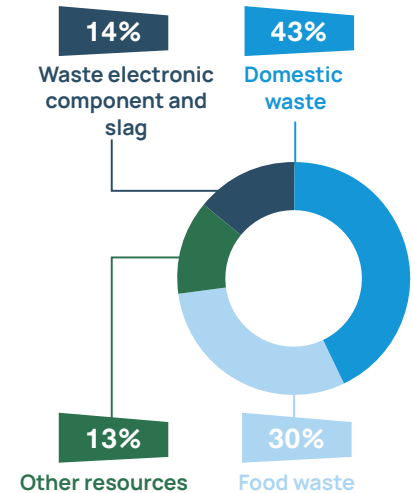
Recent Waste Generation and Recycling Situation (Unit: metric tons)



Note 1: The above information scope covers both the Duxing location and Gongdao 5th location.

Note 2: We found that there were methodological errors in estimating other resources recovery and kitchen waste, and related data were revised and traced back to 2020.

2023 Waste Category Distribution



5 Labor-Management Common Good

5.1 Human Rights, Diversity, Inclusion, and Communication	77
5.2 Talent Aggregation and Welfare	82
5.3 Employee Development and Retirement	91
5.4 Workplace Safety and Health Promotion	99

Material Issues and Key Stakeholder



Talent Attraction
and Retention



Talent Cultivation
and Development



Occupational
Health and Safety






Policy and Responses to SDGs

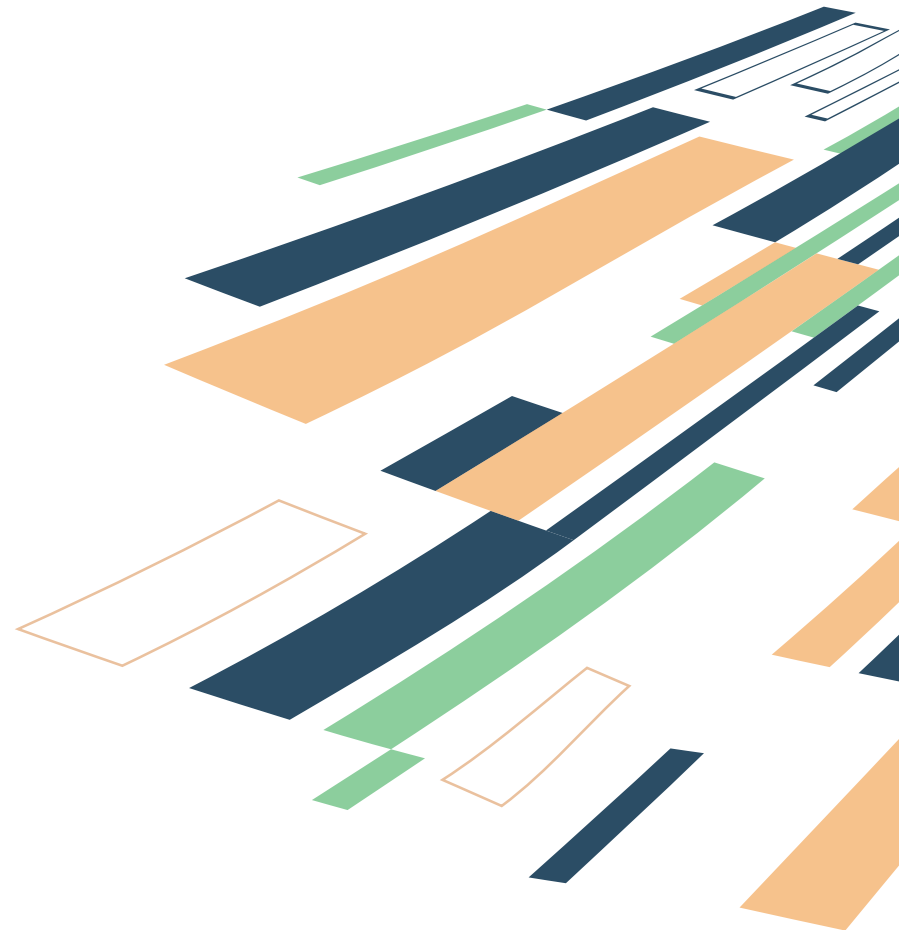


To ensure respect and dignity for employees, we provide them with a quality, safe, and healthy work environment, value talent management and employee care, and attract diverse outstanding talents to grow with the company.



5.1 Human Rights, Diversity, Inclusion, and Communication

 <p>Targets and Achievements</p>	<p>Short Term (2024–2026)</p> <ul style="list-style-type: none"> • Join RBA-ON and complete SAQ and improvement (2026) • Female employees ratio $\geq 20\%$ • Conduct first employee engagement survey (2025) • 100% resolution rate for employee communication incidents 	
	<p>Medium to Long Term (2027-2030)</p> <ul style="list-style-type: none"> • 100% improvement of RBA SAQ non-conformities (2027) • 100% RBA VAP implementation coverage for consolidated entities (2028) • RBA VAP ≥ 160 points (2030) • Female employees ratio $\geq 23\%$ • Conduct employee engagement survey (2028) • 100% resolution rate for employee communication incidents 	
 <p>Responsibility</p>	<p>• Human resources unit</p>	 <p>KPIs</p> <ul style="list-style-type: none"> • Employee engagement • Employee complaints
 <p>Key Stakeholders</p>	<p>• Employee</p>	 <p>Communication Mechanism</p> <ul style="list-style-type: none"> • Please see “Labor-Management Communication”



Human Rights and Diversified Inclusion Policy

"Employees" are the most important asset of an organization, therefore the management of "people" is critical to the sustainable development of enterprises. Fitipower adheres to the core concept of "mutual inclusion and respect for workplace value diversification" for its team management. Hence, we abide by the labor laws and regulations of our worldwide locations, and we formulate the "Human Rights and Diversified Inclusion Policy" in accordance with the UN Universal Declaration of Human Rights (UDHR), the United Nations Global Compact (UNGC), and the "Declaration of Fundamental Principles and Rights at Work" published by the International Labour Organization. This policy is signed and issued by the Chairman for the Company and its affiliated companies, partners, and others. We also support the spirit of Responsible Business Alliance (RBA) and Responsible Minerals Initiative (RMI), taking consistent actions to treat employees and business partners with dignity and request supply chain partners to follow suit. In 2023, we plan to develop and approve the "Fitipower Sustainable Supplier Code of Conduct", which will be promulgated and implemented in 2024, with the RBA spirit and requirements as the blueprint to implement human rights management in the supply chain.



The Commitment of Human Rights and Diversified Inclusion Policy

Diversity and Equal Opportunity

- Abide by the labor laws and regulations of worldwide locations and include the respect for economic, social, cultural, civil, and political rights and development.
- Ban child labor, prohibit forced labor and inhumane treatment, including harassment, abuse, corporal punishment, mental or physical coercion, or verbal abuse of workers.
- No engagement in differential treatment (including employment, wages, training, evaluation, and promotion) or discrimination of any form based on gender, sexual orientation, race, social status, age, marital status, language, ideology, belief, political affiliation, native place, place of birth, facial features, and mental or physical disabilities.

Safe and Healthy Environment

- Care for employee needs and attendance as well as supporting and helping employees maintain work-life balance.
- Eliminate factors affecting employee health and safety in the workplace, including abnormal workloads and overtime work.

Smooth and Secured Channels

- Provide diversified (including anonymous reporting) and open conversation channels for employees, suppliers, business partners, and other stakeholders to give feedback or report probable unethical behavior.
- Implement whistleblower protection to eliminate reprisal or retaliation of any form.
- Establish open management and respect freedom of association (including labor unions) to promote a harmonious and win-win labor-management relationship.

Collaborative and Win-Win Partnership

- Support international and social initiatives and organizations on human rights and take corresponding actions, including the RBA and RMI.

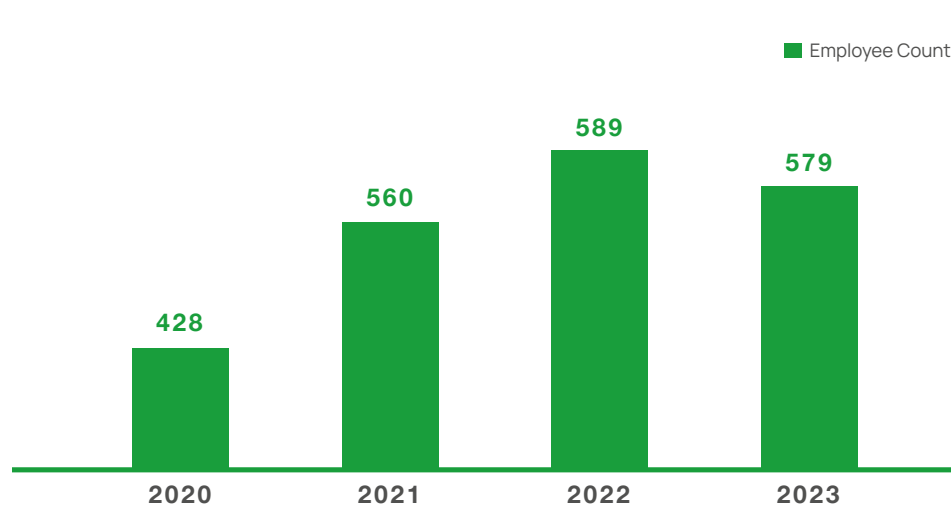
Total and Continuous Progress

- Periodically review, assess, and disclose related risks, practices, and impacts with respect to the social situations and stakeholder needs.

Manpower Diversity

We firmly believe that diversity is the key to the continuous growth and breakthrough of organizations, and we are committed to embodying the DEI values (Diversity, Equity, and Inclusion). We create and practice a corporate culture in which women participate in senior leadership, encourage the organization to continuously cultivate and promote more outstanding female leaders, and provide an inclusive and diverse work environment continuously building on these values, so that each partner can give full play to his/her potential in the organization. In 2023, President Sophia Chiu was recognized as one of the top 20 of the second "Taiwan's Best Public Female CEOs" by Harvard Business Review. She leads the organization with a unique and professional perspective by combining rich experience in technology R&D and outstanding female leadership continuing to create new value! Moreover, in the composition of the Board of Directors, the proportion of female directors has increased to 50%, an increase of 21% from the previous year. Please refer to the chapter "[Governance Regulations and Structure](#)" for details.

Fitipower places great emphasis on R&D innovation and the diversified deployment of talents. As of the end of 2023, we had a total of 579 employees, including 575 full-time employees (including R&D substitutes) and 4 contract employees; the average age of the employees was 38 years old. With 4.9 average years of service, they can quickly pass on their experience and technical guidance. The composition of employees is mainly in R&D and innovations, and engineering technicians, accounting for 75% of the overall workforce; the overall proportion of female employees accounts for 22%. For the IC design industry, where the main manpower demand lies in science and technology (especially electrical and electronics-related), Fitipower fully demonstrates practical action for diversity and inclusion. Fitipower's talent deployment has expanded to Taiwan and China, with overseas employees accounting for 5%. We also hire excellent local talents to create job opportunities for local people. The local employment rate reaches 99.1%, of which the local hiring rate for senior management is 100%. Furthermore, we have planned suitable positions to provide more opportunities for people with disabilities. During the reporting year, a total of five persons with disabilities were hired (in compliance with local regulations in Taiwan).

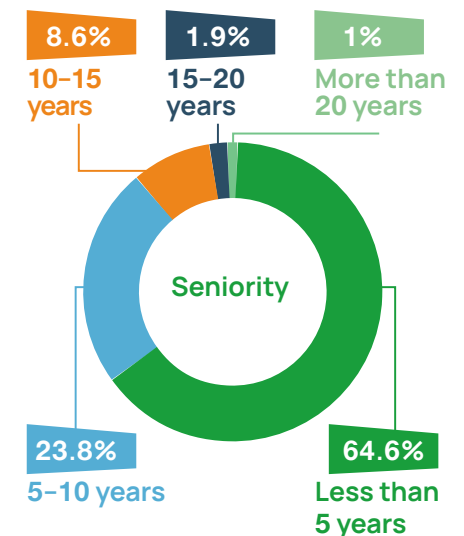
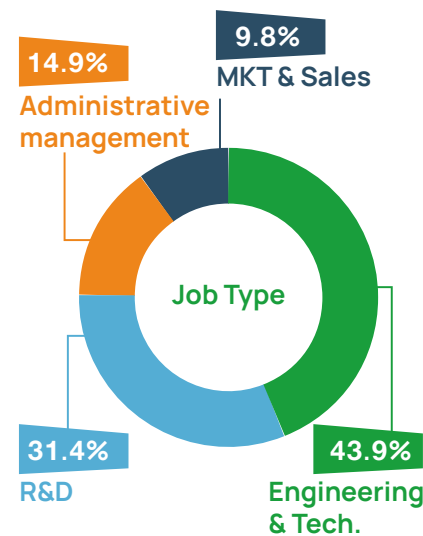
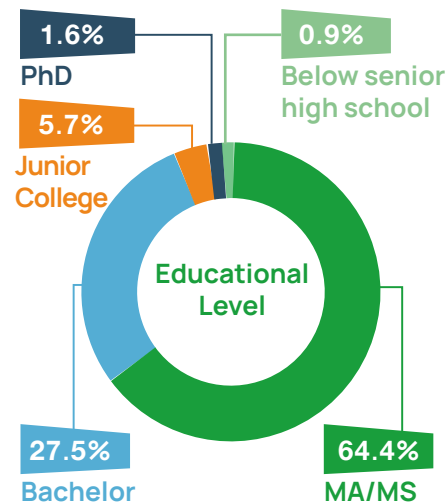
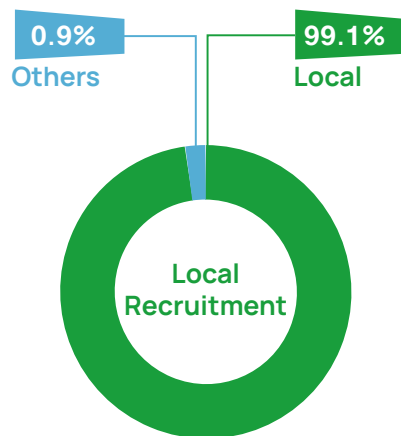


Employment Agreement	Type	Male	Female	Percentage
Permanent	Full-time	451	124	99.3%
	Part-time	0	0	
Temporary	Full-time	0	1	0.7%
	Part-time	1	2	

Type	Function	Gender Distribution (Number)		Age Group Distribution (Number)			Proportion of Disadvantaged Groups (Number)
		Male	Female	18-30	31-49	50 and above	
Job Type	R&D	96%(175)	4%(7)	31%(57)	65%(118)	4%(7)	0.5%(1)
	MKT & Sales	42%(24)	58%(33)	12%(7)	77%(44)	11%(6)	0%
	Engineering & Tech.	87%(220)	13%(34)	20%(52)	75%(191)	4%(11)	0%
	Adm. & Mgmt.	38%(33)	62%(53)	12%(10)	72%(62)	16%(14)	5%(4)
Employment Level	Senior manager	90%(38)	10%(4)	0%	64%(27)	36%(15)	0%
	Middle manager	82%(38)	18%(17)	0%	93%(87)	7%(7)	0%
	General staff	76%(337)	24%(106)	28%(126)	68%(301)	4%(16)	1%(5)
Total		579 persons					5 persons

Note 1: Senior manager means deputy director or above (including executive assistance); middle manager means managerial officers other than senior managers; General staff is non-management positions.

Note 2: Vulnerable groups means set or subset of persons with some specific physical, social, political, or economic condition or characteristic that places the group at a higher risk of suffering a burden, or at a risk of suffering a disproportionate burden of the social, economic or environmental impacts of the organization's operations. Vulnerable groups can include children and youth, the elderly, people with disabilities, ex-combatants, the internally displaced, refugees or returning refugees, HIV/ AIDS-affected households, indigenous peoples, and ethnic minorities.



Labor-Management Communication

Although we have not established a labor union, we have set up multiple complete two-way communication channels to ensure smooth exchange between the labor and management. We are committed to establishing harmonious labor-management relations and building an energetic work environment of diversity and equality for employees to demonstrate their talent and make continuous improvement, as well as helping every employee find the work-life enthusiasm and balance. During the reporting period, we completed the protection of labor human rights, including no report or complaint of workplace discrimination, no violation of the freedom of association and right to collective bargaining, no hiring child labor, no compulsory or forced labor, no significant labor-management disputes, no delay or accumulation of employee suggestions and complaints. In addition, to protect the right to employment and various labor conditions of employees, we promise to use minimum notice periods^{Note1} for termination of employment contracts pursuant to local laws and regulations when any material changes occur to the operation of the Company to minimize the impact on operations and employment.

Note 1: In Taiwan, the minimum notice period is 10 days for employees who have served more than three months but less than one year; 20 days for employees who have served more than one year but less than three years; 30 days for employees who have served more than three years; In China, three days during the probation period; 30 days after the expiration of the probation period.

Multiple Communication Channels



Real-time system

- iHome
- Human Rights Grievance Mailbox (fitivoice@fitipower.com)
- Electronic Bulletin



One-on-one interview

- Performance interview (Semiannually)
- Employment Termination Interview (At termination of employment)



Questionnaire

- Meal Satisfaction Survey (Monthly)
- Volunteer Activity Survey (Irregularly)



Multi-person meeting

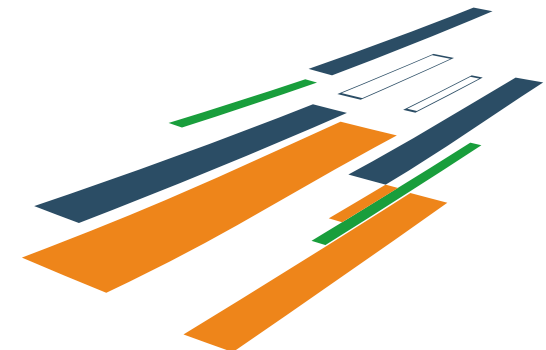
- CEO Talk (Irregularly)
- Manager Meeting (Every six months)
- Labor-Management Meeting (Quarterly)
- Employee Welfare Committee (Quarterly)
- OH&S Committee Meeting (Quarterly)
- New Employee Meeting (Every session)








Worker safety meeting



Welfare Committee meeting



5.2 Talent Aggregation and Welfare

 <p>Targets and Achievements</p>	<p>2023 Targets (🎯 Achieved)</p> <ul style="list-style-type: none"> Employee turnover rate < 16% 🎯 Key employee retention rate ≥ 87% 🎯 	
	<p>Short Term (2024–2026)</p> <ul style="list-style-type: none"> Employee turnover rate < 17%/ 16%/ 15% Key employee retention rate ≥ 86%/ 87%/ 88% Offer acceptance rate ≥ 70%/72%/74% 	
	<p>Medium to Long Term (2027-2030)</p> <ul style="list-style-type: none"> Employee turnover rate < 15% Key employee retention rate ≥ 90% (2030) Offer acceptance rate ≥ 75% (2030) 	
 <p>Responsibility</p>	<ul style="list-style-type: none"> Human resources unit Compensation committee 	 <p>KPIs</p> <ul style="list-style-type: none"> Salary survey Recruitment and separation of employee
 <p>Key Stakeholders</p>	<ul style="list-style-type: none"> Employee 	 <p>Communication Mechanism</p> <ul style="list-style-type: none"> Please see “Labor-Management Communication”

Recruitment and Retention of Talent

“Talent” is the driving force for R&D and operational growth. This is especially the case in this fast-changing IC design industry that pursues innovation and breakthroughs. Therefore, we continue to employ diverse recruitment channels, including online talent recruitment platforms, social media, talent hunting agencies, recommendations from relatives and friends, industry-academia internship programs, substitute R&D workers, talent expos, talent matchmaking meetings, and participating government agencies. We implement the “Youth’s Employment Flag Program” and offer competitive salaries to attract outstanding talents. We also actively operate the company’s official website and social media, so that stakeholders who are concerned about Fitipower can quickly obtain relevant information. In 2023, Fitipower employed a total of 54 persons, with male to female ratio of 1:5; new employee recruitment rate was 9.3%; and the overall job offer acceptance rate ^{Note 1} reached 85.7%, demonstrating its strong employer brand appeal. Under Fitipower’s policy of organizational deployment and resource allocation, we provide career opportunities with sufficient room for development and challenging work content. We welcome young people to join us. In the reporting year, young people under the age of 30 accounting for 44% of the overall new recruits.

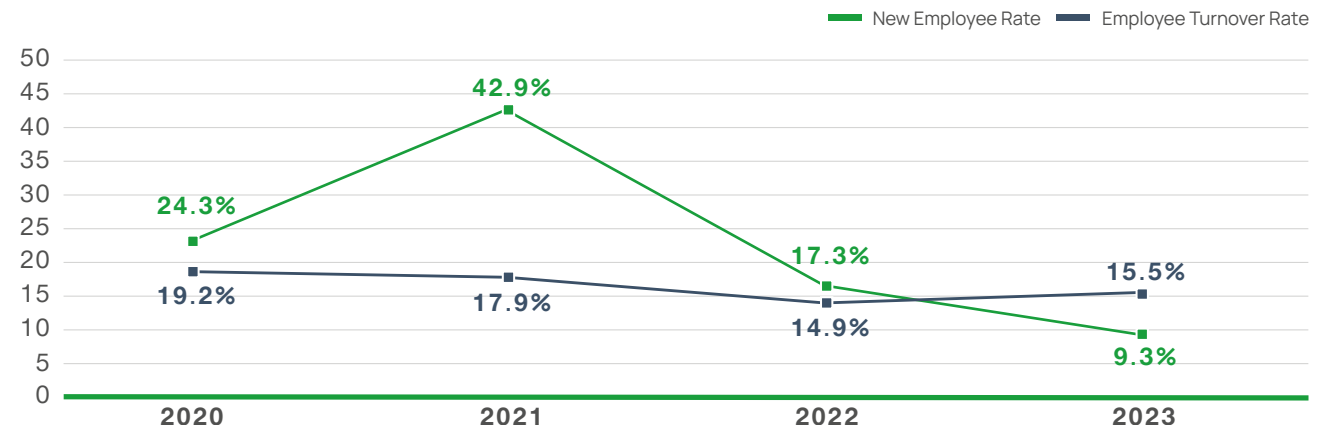
We care about the work-life balance of employees through multiple two-way communication channels in the hope to retain competent talents. A total of 90 employees resigned in 2023. The female to male ratio was 1:6.5; the overall turnover rate was 15.5%, which was better than the annual target of 16%. With the goal of maintaining a healthy turnover rate, we regularly review and strengthen retention measures and enhance the management of key talent ^{Note 2}. The 2023 key talent retention rate ^{Note 3} was 87%, in line with the annual target of 87%.

Note 1: Letter of engagement acceptance rate = $\frac{\text{Total number of letters of engagement accepted in the year}}{\text{Total number of letters of engagement issued in the year}}$

Note 2: Key talents are employees at the level of deputy director or above and employees at the level of senior R&D engineers.

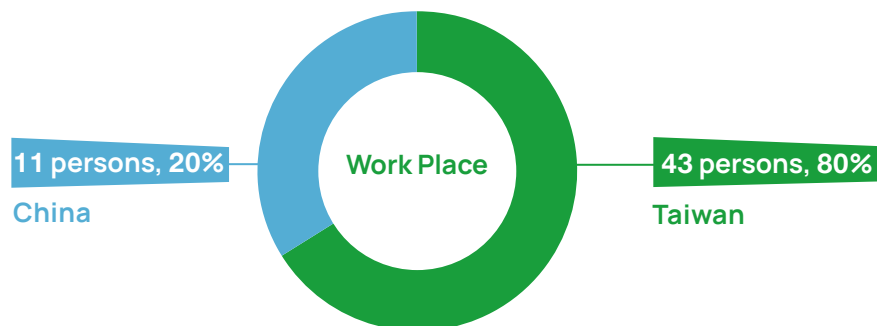
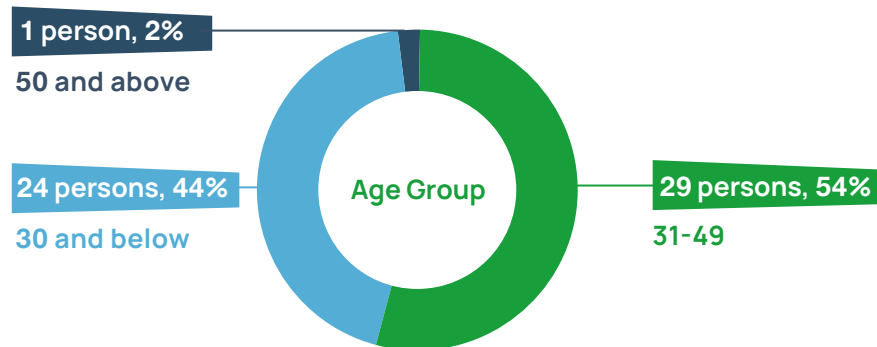
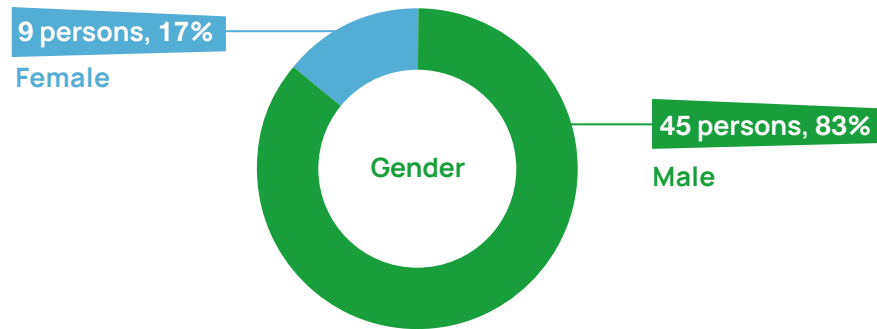
Note 3: Key talent retention rate: $\frac{\text{Number of key talents identified in the previous year still in service at the end of the year}}{\text{number of key talents identified in the previous year}}$

New Recruitment and Separation

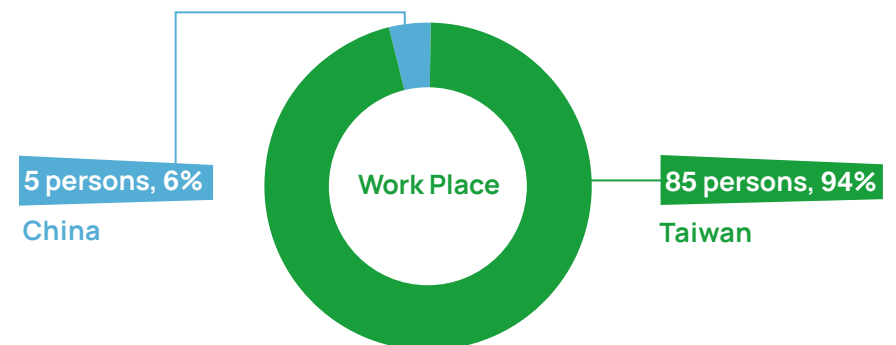
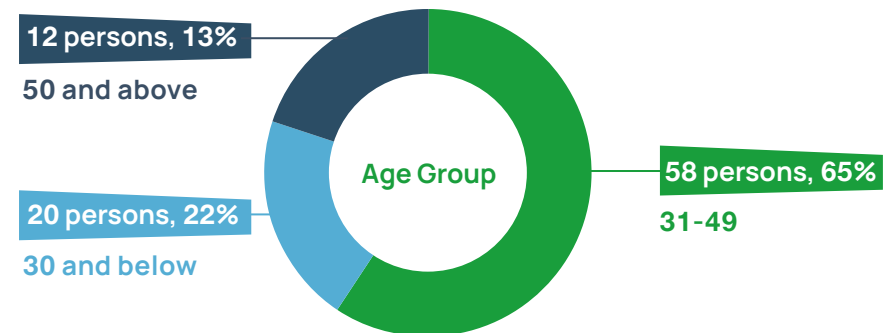
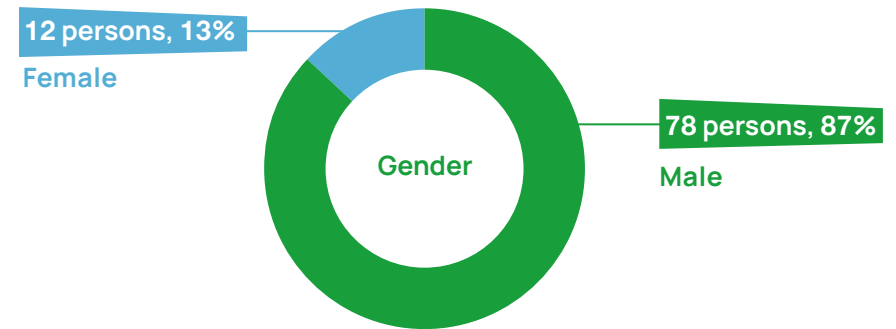


Note: $\text{Employee New Hire/Turnover Rate} = \left(\frac{\text{New Hires/Departures in the Year}}{\text{Total Employees at Year End}} \right) \times 100\%$

2023 New Recruitment



2023 Employee Separation



Recruitment Channel

High Referral Bonus

Faced with the imbalance and competition for semiconductor talent, Fitipower has implemented a recommendation system to recruit top talents. We provided high bonuses to encourage colleagues to vigorously promote talent, and introduced them to China locations during the reporting year. After the referee completes the interview process, the referrer will receive a referral bonus ranging from NT\$800 - NT\$1,500 (RMB200 - 400 for the China location). A referral bonus ranging from NT\$10,000 - NT\$50,000 (RMB2,000 - 10,000 yuan for the China location) will be granted for referring employees. Through this system, the Company is able to effectively reach out to suitable talent that meets the organizational culture and professional needs and to improve the operational efficiency of recruiting talent. In 2023, a total of 47 referrals passed the interviews through this mechanism, with 9 of them evaluated to be suitable for the positions after the probationary period. The recommendation and introduction bonuses totaled NT\$383,407 (estimated at the exchange rate of RMB 4.4).

Industry-Academia Collaboration

At Fitipower, we take a proactive approach to establish exchange channels with universities and has entered into a technology contract with National Yang Ming Chiao Tung University, National Chung Cheng University and National Cheng Kung University. By doing so, we are able to combine knowledge from the academic community and strengthen R&D momentum. In 2023, the Company made new collaboration with the Graduate School of Advanced Technology, National Taiwan University to recruit talents in the field of AI. During the industry-academia cooperation period, we provide professional technical guidance and support to the students. With the mentorship system adopted, we conduct regular care, enabling the students to familiarize themselves with the industry culture and explore career planning and future development, realizing the combination of learning and application during the study period. Furthermore, we also provide scholarships for outstanding students. Up to 2023, Fitipower accumulated five technical cooperation cases, and more than 10 students participated in the scholarship system.

Key Achievements in 2023

1. Establish a technical cooperation mechanism to accelerate solutions
 - Technical discussion meetings are held regularly with the professor leading the students to carry out technological exchanges and project tracking with Fitipower's experts.
 - Collaborating institutions in Taiwan: Electrical Engineering Dept. of NYCU, Institute of Computer Science and Information Engineering of CCU, Electrical Engineering Dept. of NCKU, Graduate School of Advanced Technology.
2. Offering scholarship programs to motive student research and attract campus talent
 - When more than 10 persons have signed up for scholarships, internal supervisors act as workplace mentors to give relevant technical advice, provide an industry perspective, and stimulate academic exchanges.
 - The scholarship system also encourages students to start services at Fitipower after graduation. A total of four production major students joined the Company and continued to study digital chip design and AI applications.
3. Integrating resources to achieve the combination of learning and application
 - 29 participants (supervising professors and students).
 - In 2023, a total of NT\$6.4 million was spent on the continuous integration of campus talent and technology

Student Feedback

- In 2023, a total of 167 feedback submissions were received from students on "Discussion Content Satisfaction" and "Enterprise Mentoring Satisfaction" all high scoring 4.8 points (out of 5).
- Student Yang of National Chung Cheng University Engineering Research Institute said: "I joined Fitipower's industry-academia program on the recommendation of my teacher, and I closely integrated my thesis with practical applications. During each meeting, in addition to receiving immediate feedback from supervisors on the research progress, we can also understand the benefits of our research results in the Company. The exchange of opinions and discussion during the meeting gave me an early understanding of the future work environment and atmosphere. At the same time, I have cultivated a tacit understanding with supervisors whom I have reached a consensus with. I will quickly adapt to workplace life after arriving on the job! "

Campus Talent Recruitment

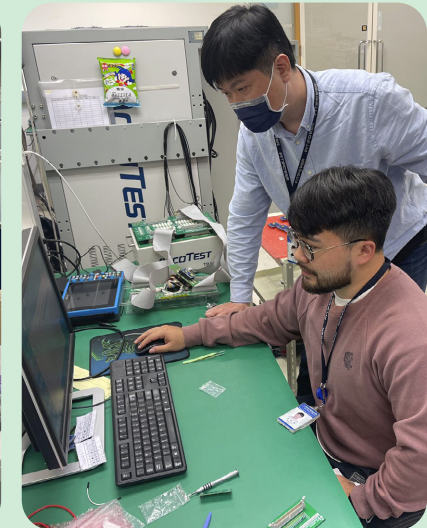
We began campus talent recruitment at National Taiwan University, National Yang Ming Chiao Tung University, National Tsing Hua University and National Cheng Kung University and attracted more than 300 students every year. Through on-site interviews, students can understand more and better how to choose their career, and we can discover potential student talents through close interaction with them, improve their identification with Fitipower, and establish a seed relationship with target talents to store more talents for the future in advance. In 2023, 15 recruitment events were held, including six physical campus expos and nine physical corporate presentations. In addition to introducing the Company, R&D executives of different units are invited to share their technical knowledge during each corporate conference. They also offer career advice and reminders as industry seniors to give the students a better understanding of the IC design industry.



Supported the Youth's Employment Ultimate Program with Double the Bonus

To enhance the youth hiring intention and proportion of businesses and provide youth with more practical workplace training, for youth aged 15–29 years without work experience or professional skills, the Ministry of Labor (MOL) organizes the employment before training “placement training” based on the resources and labor needs of businesses to enhance the matching rate of the job market.

Fitipower supported the government's youth talent vocational training plan and set short, medium and long-term learning goals according to the meticulous course content. This actually enabled participants to measure their own learning progress and eventually adapt to the ecosystem and pace of our industry, understand their own competence strengths and output corresponding value, and thereby contribute to the organizational goals. During the reporting period, a total of 20 colleagues were still training; 18 colleagues completed the training. In addition, we offer the Fitipower Youth Incentive Award, which provides double the government subsidy to employees who participate in the program and have been with the company for at least two years. This amounts to a total of NT\$216,000.



Salary Competitiveness

To offer employees reasonable and competitive compensation and welfare as well as gathering and retaining outstanding talent to work for the steady growth of the Company, we have established the “Salary Management Regulations” and “Performance Bonus Regulations” to govern the performance goals and the system, standard, and structure for the compensation. The regulations are communicated to employees through the new employee education and training and internal email for them to fully understand our wage system. The pay and welfare for the managerial officers must be subject to the approval of the Compensation Committee and Board of Directors to enhance the transparency of the Company’s governance and compensation. We implement the “Human Rights and Diversified Inclusion Policy” and place importance on the principle of equal pay for the same job. The pays for the employees are different depending on the professional capability, practical experience and the nature of the job, and it is guaranteed that gender is not the factor for the difference in salary.

Employees are salaried with a fixed pay and variable pay. The former is paid monthly at a standard referring to the standard in the industry and labor market and adjusted according to the position, nature of work, expertise, and market supply and demand. The latter includes the year-end bonus, employee profit sharing, and performance bonus. Through this dual pay system, we link wages and operational performance together to excite organizational momentum.

In 2023, the average amount of the overall pay for the employees was NT\$2.40 million. The average wage for the entry-level employees^{Note} was several times the local minimum wage. According to the information published on the MOPS, the median and average compensation of the full-time non-manager employees was NT\$2.426 million and NT\$1.946 million, respectively. The market investigation showed that our compensation for the employees was highly competitive.

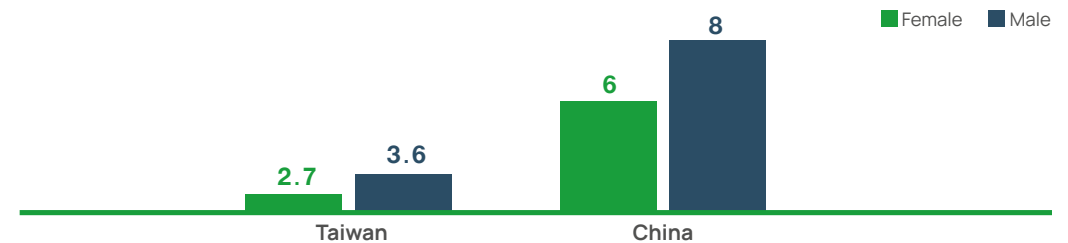
Note: The employees of Fitipower are classified into senior managers, middle managers and general staff employees. The latter means the employees other than managerial officers.

Employee Remuneration Distribution (Unit: NT\$ thousand)

Year	Average Pay of Employees (Annual salary)	Full-Time Non-Manager Employees (annual salary)	
		Average remuneration	Median salary
2020	1,678	1,657	1,365
2021	2,672	2,345	1,836
2022	2,736	2,958	2,225
2023	2,400	2,426	1,946

Note: The table shows the statistics on the MOPS and the data only indicate the pay of the employees in Taiwan.

Ratio of Average Salary of Entry-Level Staff to Local Minimum Salary



Note: The minimum wage in Taiwan and China is NT\$26,400 and RMB 2,200, respectively.

Ratio of Male to Female Pay and Salary in 2023

Job Type	Taiwan		China	
	Gender pay ratio	Gender salary ratio	Gender pay ratio	Gender salary ratio
R&D	1.23	1.05	N/A	N/A
MKT & Sales	2.05	1.51	2.33	1.62
Engineering & Tech.	1.01	1.04	0.52	1.00
Adm. & Mgmt.	1.20	1.24	N/A	N/A

Note 1: “N/A” refers to no employees of that category or gender, so the ratio could not be estimated

Note 2: The significant difference in the ratio of male to female in the marketing business category is due to the distribution of the nature of duties and experience. In this category, female employees are mostly responsible for entry-level positions, and male employees are the majority in senior and supervisory positions.

Well-Planned Welfare and Protection

In order to safeguard employee rights and enhance company morale, Fitipower offers a comprehensive welfare system for full-time employees. In addition to the fundamental rights mandated by legal regulations, such as labor and health insurance, paid leave, maternity leave, and childcare leave, we also provide a diverse array of welfare policies and systems.

Well-Established Welfare System and Measures

Type	Welfare Measures	
Bonus	Three-festival bonus*	Guaranteed basic salary of 14 months: In addition to the basic salary for 12 months, there are supplementary rewards of a half-month salary during each the Dragon Boat Festival and the Mid-Autumn Festival, and one month salary for the end of year.
	Operating bonuses*	In addition to the basic annual wage, we also have a profit-sharing scheme in place. Bonuses are distributed depending on the Company's operation and the performance appraisal of each employee.
	Referral Bonuses*	After an employee, referred by an internal colleague, completes the interview process, a referral bonus of NT\$800 to NT\$1,500 will be given according to the contents of duties. Where a new employee referred completes his/her probationary period, the internal colleague will be given another NT\$10,000 to NT\$50,000. The referral bonus in China is RMB 200-400 and RMB 2,000-10,000, respectively.
	Patent bonus	<ul style="list-style-type: none"> Patent application bonus: A bonus of NT\$10,000 will be granted when a case number is received from the competent authority for a patent application. Patent licensing bonus: A bonus of NT\$22,000 to NT\$46,000 will be received depending on the territory where the patent is granted. The total amount of the bonus for the same patent is NT\$90,000 at maximum. Patent utilization bonus: A utilization bonus equal to 5% of the net royalty will be granted if any patent of the Company is used effectively in the mutual licensing negotiation.
	Learning bonus	Any employee who finishes reading and shares the learning result on the internal learning platform of the Company may apply for a dining party fund of NT\$2,800 per person every year at maximum.
Allowance	Employee Stock Ownership Trust	Employees can freely choose their contribution amount (up to 20%) from their monthly salary to subscribe for company shares. The Company also provides bonuses according to the employee's personal performance (up to 200% of their contribution amount), and provide an early retirement system that is better than industry average.
	Meal allowance*	Employees are entitled to a lunch and dinner allowance and a variety of meal choices to encourage them to develop a balanced diet habit.
	Afternoon tea*	Free afternoon tea is provided biweekly for employees to relax a bit from work.
	Cash gifts on major festivals*	In Taiwan, the Company offers NT\$1,000 cash gifts on Labor Day and NT\$2,000 cash gifts on Dragon Boat Festival, Mid-Autumn Festival, and Christmas; in China, we provide employees with RMB 200 cash gifts each on Mid-Autumn Festival and the Dragon Boat Festival.

Well-Established Welfare System and Measures

Type	Welfare Measures	
Allowance	Marriage allowance	An allowance of NT\$8,000 can be applied for.
	Maternity allowance	Each child is subsidized by NT\$1,200.
	Funeral allowance	A grant of NT\$7,100/NT\$5,100 will be granted depending on the blood relationship and consanguinity (first-degree relatives/second-degree relatives).
	Hospitalization allowance	An allowance of NT\$2,000 can be applied for.
	Travel allowance*	Each year we fund NT\$20,000 for each employee. Employees with a service less than one year will be funded proportionally by quarter
Health	Insurance	Group insurance (covering life, accident, hospitalization, accidental medical, and cancer treatment) and travel insurance.
	Health consultation	One-on-one professional health consultation by nurses (four times a month) and physicians (once quarterly).
	Health checkup*	We provide employees with free annual health checkup to take care of the employee's physical health.
	Massage	Employees may apply for one massage service every 20 days to relax from a busy work schedule.
Event	Club event	Employees are encouraged to form sports and recreational clubs to exercise and develop interest to promote physical and mental health and relieve stress.
	Festival event*	Events including Fitipower Family Day, Mid-Autumn Festival Party, Christmas Party, and Year-end Reunion are organized to promote friendship and emotional exchange for a more intimate partnership among employees.
	Team building	We offer NT\$2,000 to each employee to fund the activities of the department.
Vacation	Original national memorial day	Compensatory leave is provided for the originally designated national holiday (7-day holiday) that has been canceled.
	Flextime	We offer flexible working hours (adjusted from the original 8:30 to a range of 8:30 to 9:30). Considering traffic congestion before weekends, the schedule on Fridays is adjusted to 8:00 to 9:30, implementing a humane management system.
	Fully paid sick leave	In addition to the statutory half-pay sick leave, we also give additional 5 days of full-pay sick leave each year.
	Advance special leave	Employees can advance their special leave of up to 56 hours.

Note: The items marked with * are the welfare measures for the employees in China.



Employee Activities



Employment Club Activities



Departmental Activities



Employee travel subsidies

2023 Parental Leave Status

Item	Taiwan			China		
	Male	Female	Total	Male	Female	Total
No. of Eligible Parental Leave Applicants in 2023 (a)	42	15	57	5	1	6
Actual No. of Parental Leave Applications in 2023 (b)	0	0	0	0	0	0
Parental Leave Application Rate for 2023 (b/a)	0%	0%	0%	0%	0%	0%
Projected Return-to-Work Count for Parental Leave in 2023 (c)	1	0	1	0	0	0
Actual Return-to-Work Count from Parental Leave in 2023 (d)	1	0	1	0	0	0
Parental Leave Return-to-Work Rate for 2023 (d/c)	100%	-	100%	-	-	-
Actual Return-to-Work Count from Parental Leave in 2022 (d)	0	0	0	0	0	0
No. of staff Continuing Employment for One Year after Return-to-Work from Parental Leave in 2022 (f)	0	0	0	0	0	0
Parental Leave Retention Rate (f/e)	-	-	-	-	-	-

5.3 Employee Development and Retirement

2023 Targets (🎯 Achieved)

- Annual average training hours per staff ≥ 6 hours 🎯
- Establish annual required courses (including ethics, human rights, ESG and cybersecurity)

Short Term (2024–2026)

- Annual average training hours per staff $\geq 10/12/14$ hours
- Internal trainer numbers $\geq 90/95/100$
- Internal promotion rate for managerial positions $\geq 70\%/71\%/72\%$

Medium to Long Term (2027-2030)

- Annual average training hours per staff ≥ 20 hours (2030)
- Internal trainer numbers ≥ 110 (2030)
- Internal promotion rate for managerial positions $\geq 75\%$ (2030)



Targets and Achievements



Responsibility

- Human resources unit



KPIs

- Average training hours and cost per staff
- Employee performance appraisal



Key Stakeholders

- Employee



Communication Mechanism

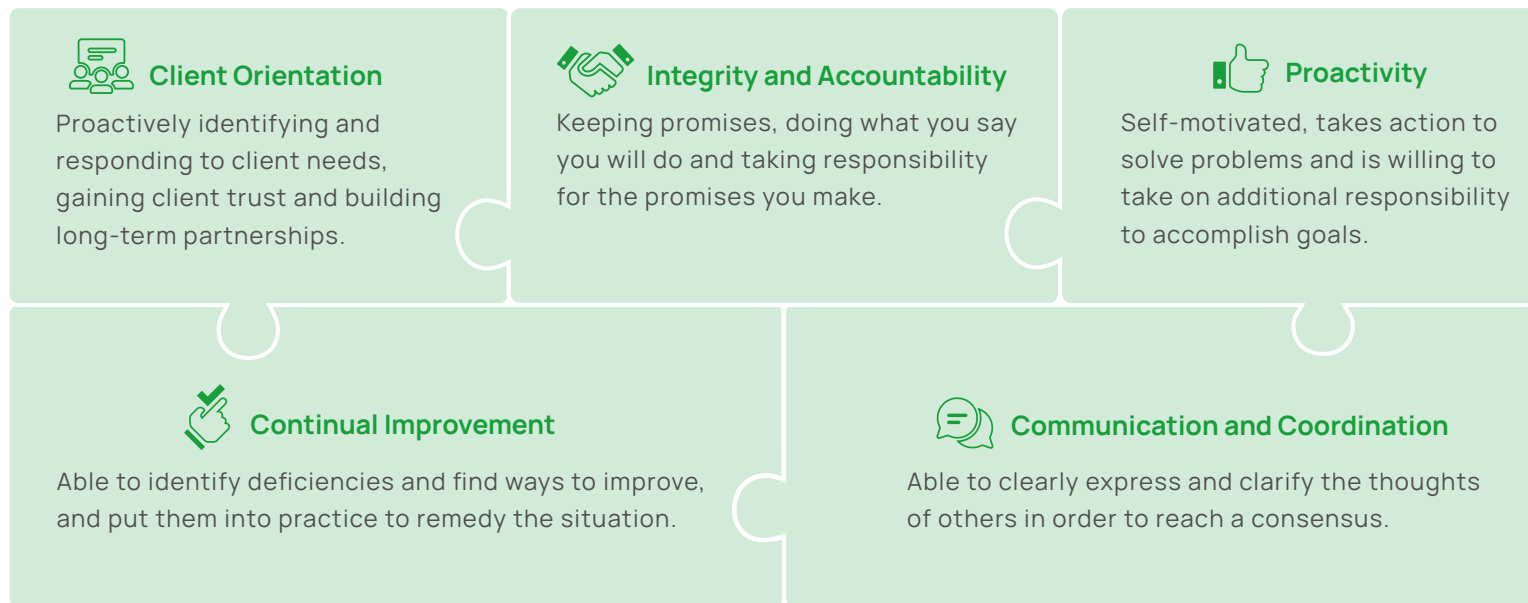
- Please see “[Labor- Management Communication](#)”

Diversified Training Systems for Employees

Fitipower firmly believes that “talent” is the key to the company’s operational growth! In addition to recruiting external elite talents, we also attach great importance to the development of internal employees. Fitipower respects employees’ willingness in choosing their career development paths (vertical development between professional and management^{Note 1}, and the possibility of enriching personal job experience through horizontal duty rotation). An Individual Development Plan (IDP) is tailor-made for an employee after a performance interview and taking into considerations his/her professional abilities and learning characteristics. We also regard “promotion” as a part of the implementation of diversity and inclusion in the organization, and provide fair and transparent promotion channels and opportunities to every dedicated partner.

Note 1: For the employees with outstanding performance who have the willingness to engage in management and have prepared for this proactively, we provide internal and external training courses for new, middle and senior managers to improve their management competency, stimulate their potential leading capability, and build a premium elite team.

We implement our organizational learning development strategies and individual occupational evaluation indicators based on five core competencies of “Client orientation,” “Integrity and Accountability,” “Proactivity,” “Continual improvement,” and “Communication and Coordination,” providing employees in-service training, off-the-job training and self-study in the hope that employees can continue improving their competencies and skills in their work achieving higher goals in their business and having a sense of accomplishment in their work.



Managers have the joint management functions of “communication and coordination,” “care and empathy,” “execution,” and “selection of talents” as supervisors. Each year, the key job functions are selected for core training developments in the management physical workshops to which supervisors are invited for discussion exchanges on the actual management scenarios using Fitipower cases. We then provide supervisors with feedback through multiple channels as an important reference for managers to develop leadership. We hope that with the effective leadership of supervisors, the team will continue to create great results! In 2023, “performance management” was selected as the key function of the year, and the internal performance system and tools were re-organized through the blended learning model (online micro-lectures and offline drills). The completion rate of all employees and supervisors reached 100%. The introduction of the new performance management platform transforms performance management knowledge into practical management and feedback for supervisors. It connects the three major aspects of target results, competency demonstration, and personal development plan to help supervisors and colleagues focus on organizational development goals and strengthen communication channel for the performance expectations between supervisors and colleagues, and provided the learning resources and work training required by the colleagues in a timely manner through the individual development plan, in order to improve the achievement of the organizational goals.



Communication and Coordination

Able to express ideas in a clear and methodical manner, depending on the counterparty. In addition to ensuring that the other party listens attentively and fully understands, they can correctly interpret, respond, and clarify the messages conveyed by others in order to reach consensus.



Care and Empathize

Be able to put himself/herself in others' shoes, express concern, be sensitive, and able to understand and feel the emotions and thoughts of others.



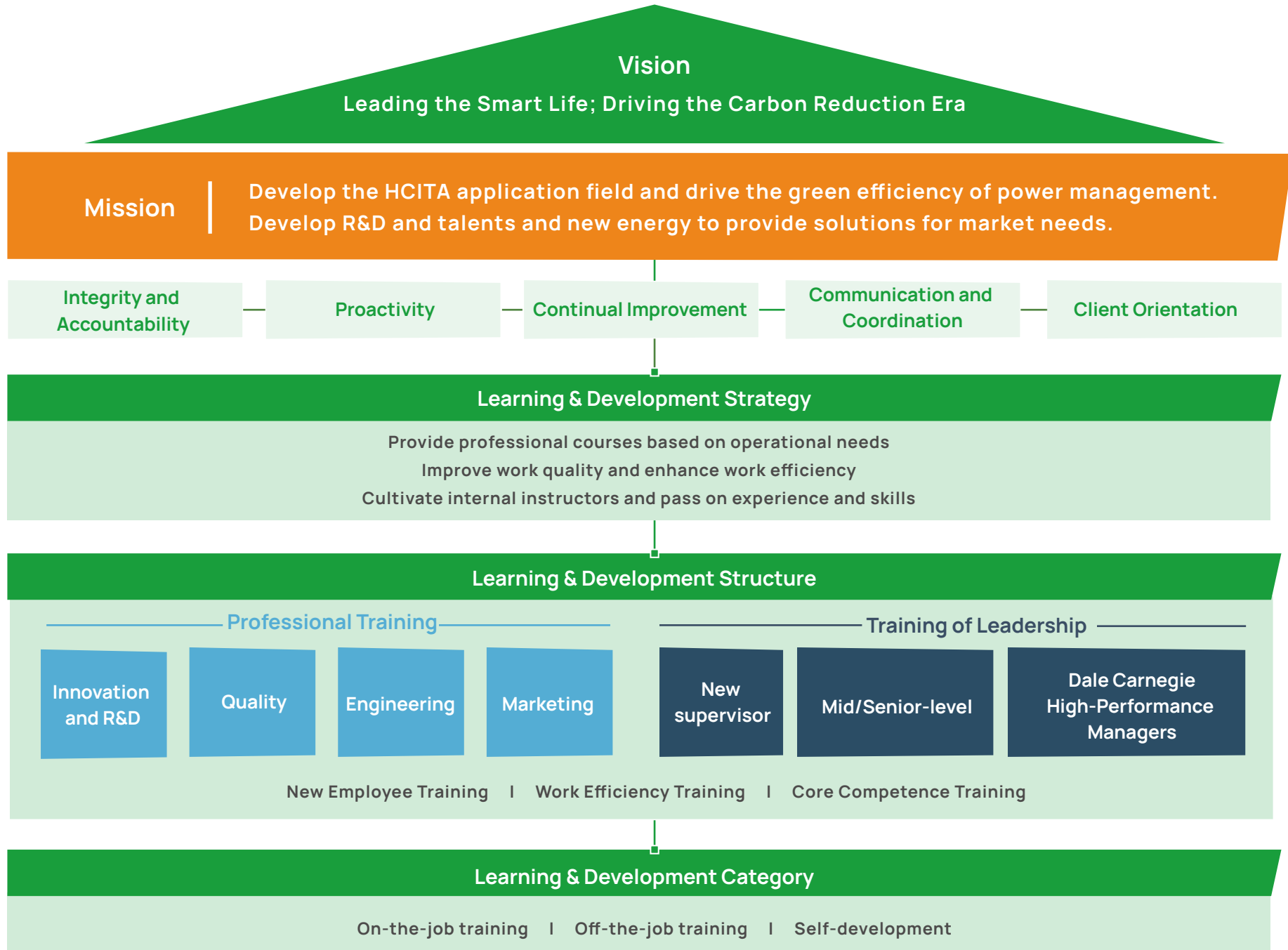
Execution Ability

Able to effectively implement organizational strategies or work plans according to certain operating procedures to achieve the established goals of the organization.



Talent Selection

When evaluating or selecting internal and external talents, ensure that the qualifications of talents are close to the requirements of the job.



iLearn Learning Platform and Training Hours

After the pandemic and the trend of diversification of training models, in addition to providing physical courses with face-to-face interaction, iLearn has been provided by the Group for digital learning platform to operate learning with a more user-friendly and multi-functional interface, providing supervisors and colleagues with one-stop learning experience. iLearn is a development blueprint for new employees, departmental professionals and management functions to autonomously develop and prepare talent power needed by the organization. iLearn also matches the employee's own career development expectations and provides relevant training resources and team assignments to achieve the spirit of unity in practice and training. Through the 3A (Anywhere, Anytime & Anyone) feature of iLearn platform, our employees are able to enrich themselves at any time during their spare time, facilitating the organization's overall learning effectiveness and atmosphere. In 2023, we further combined the building of organizational culture and used the learning platform as a medium to pass on the cultural values of Fitipower to supervisors at all levels.

- **Competitions:** Our innovation momentum comes from the process of tasks. We share the team achievements that won each automation competition and the Golden OK Award through iLearn, to facilitate cross-departmental best practices, promote the results of the methodology, form organizational synergy, and break the gap between units. promote collaboration and brainstorming in different domains.
- **Competence dictionary:** Fitipower's excellence comes from the company's exclusive talent DNA. Through the platform, supervisors and colleagues can clearly understand the core development functions of all levels, and performance evaluation is used as the supplement to implement the functions valued by the organization in the implementation of work, and gradually shape the culture and common values of Fitipower.
- **Culture Corner:** Every employee builds an organizational culture together. iLearn allows newcomers to quickly review important company activities, such as the CEO Talk and the annual Thanksgiving video, to underline the importance that Fitipower attaches to the interaction with employees and gives them a comprehensive record of cultural imprint.

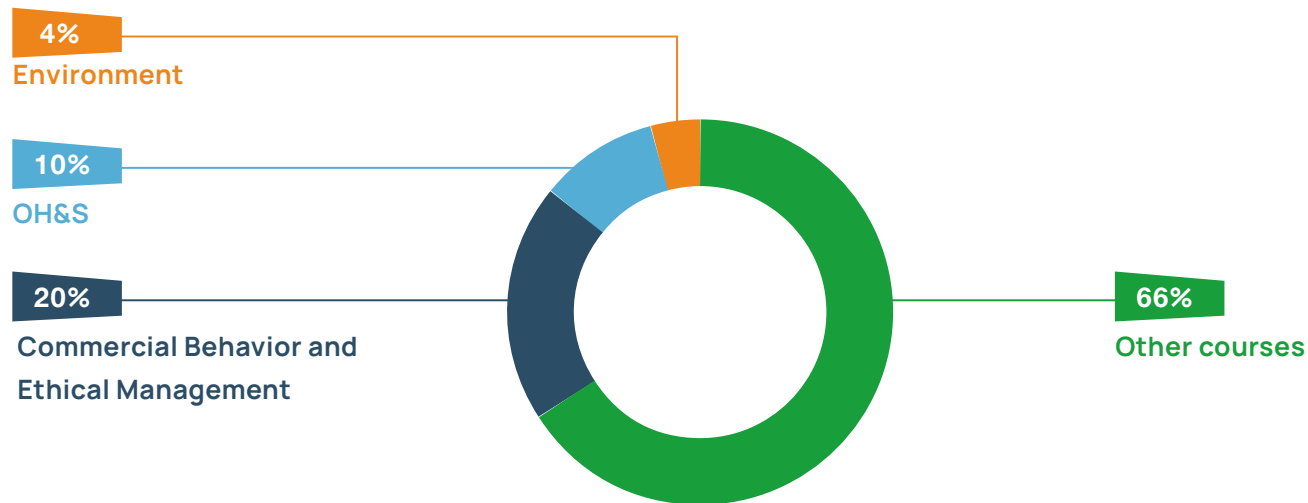
Besides providing employees with comprehensive internal education resources, we also encourage employees to participate in external training, such as funding management to take practical management courses, allowing officers to guide the team to make outstanding performance with effective leadership skills. Based on the statistical results, in 2023, a total of 270 technical practice courses were offered for further learning by employees; the total number of employee training hours reached 8,458 hours; the average training hours per colleague was 14.6 hours, an increase of 3 hours over the previous year; the per capita training cost was NT\$1,287, also a significant increase of 33% from the previous year (it was NT\$971 for the year 2022).



Average Annual Training Hours per Employee

	Item	Total Training Hours	Employee Count	Average Training Hours Per Staff
Gender	Male	7,175	452	15.9
	Female	1,282	127	10.1
Job Type	R&D	3,967	182	21.8
	MKT & Sales	426	57	7.5
	Engineering & Tech.	3,069	254	12.1
	Adm. & Mgmt.	996	86	11.6
Total		8,458	579	14.6

Distribution of Course Categories in 2023



Performance Management

In 2023, we focused on “performance management” and launched a series of performance projects: online micro-learning, topic-based workshops, and performance system upgrades. From training to application, we thoroughly re-evolved our performance and guided our employees to master the Fitipower OKR and an integrated approach to performance management. Through online micro-learning, we help all employees and new employees quickly grasp the key concepts and applications of Fitipower’s performance management. Special themed performance management workshops are held for supervisors. The actual performance goals of the units are used as the core themes in course discussions. Through guidance from lecturers and the trainees’ critical thinking, they redefine organizational goals, team goals, and member goals, and Fitipower encourages supervisors to deconstruct and reorganize the team’s core goals and key indicators from a new perspective.

Adhering to the spirit of application and practice as the foundation and learning and guidance as the supplement, we introduced a new performance system in 2023, re-examined the performance planning and evaluation process, and included the “joint functional behaviors” and “personal development plans” in the key processes of Fitipower’s performance evaluation. Through the new system, in addition to examining the extent to which employees have achieved annual goals, it is more important to reflect the organizational DNA of all employees through joint functional behaviors to demonstrate the core value of Fitipower’s talents. Furthermore, the individual development plan is used to provide more comprehensive feedback mechanisms on career intentions to promptly grasp the needs and expectations of colleagues on work achievement and career development, and effectively engage in dialogue with supervisors during performance interviews to reach consensus on team goals and individual sense of accomplishment at work.



Performance Management Workshop

Performance System

Initial Goal Setting and Final Evaluation (March)

- Supervisors help colleagues understand the Company’s direction, discuss and communicate to set team/individual annual goals aligned with the Company’s strategy.
- The manager evaluates the performance of the employee in the previous year and communicates with the employees about the result of the evaluation and constructive feedback to improve the development of their competency and professional skills.

Target implementation period (March - September; September - next March)

- The units of each department establish action plans and work schedules via the Weekdone system based on the OKR spirit and mechanism to manage goals and track the progress.

Mid-term performance review (September)

- Review the goals set at the beginning of the period and the implementation progress of the personal development plan, and focus on the tasks on the second half of the year again depending on the current operating strategies of the Company.
- Reviewed the goals set at the beginning of the period and the progress of the personal development plan, and focused on the work performance and development goals for the second half of the year again.
- Ensure the consistency of the goals and their effective achievement by providing continuous guidance and feedback to create the best organizational and personnel performance.

Employee Performance and Career Development Reviews in 2023

Job Type	Item	Male	Female	Total by Employee Category
R&D	Amount of the employees	175	7	182
	No. of employees accepted the appraisal	160	7	167
	Proportion of employees accepted the appraisal	91%	1%	75%
MKT & Sales	Amount of the employees	24	33	57
	No. of employees accepted the appraisal	18	32	50
	Proportion of employees accepted the appraisal	75%	97%	88%
Engineering & Tech.	Amount of the employees	220	34	254
	No. of employees accepted the appraisal	202	29	231
	Proportion of employees accepted the appraisal	92%	85%	91%
Adm. & Mgmt.	Amount of the employees	33	53	86
	No. of employees accepted the appraisal	29	47	76
	Proportion of employees accepted the appraisal	88%	89%	88%
Gender Total	Amount of the employees	452	127	579
	No. of employees accepted the appraisal	409	115	524
	Proportion of employees accepted the appraisal	90%	91%	91%

Note 1: Employees who are on leave without pay, employees under contract, those who have reported and served for less than three months in the year, and management personnel at or above the AVP level are excluded from the performance evaluation.

Succession and Retirement Planning

To ensure the stability of the organization's management, we place great importance on the implementation of the succession plans for our middle and senior managers ^{Note 2} and plan Dale Carnegie training on high performance of managers for them on a regular basis to develop the core competences needed for the organization. We comprehensively develop the potential succession team of middle and senior management based on the five facets of "Leadership and Care", "Reformation and Innovation", "Communication and Negotiation", "Strategy and Deployment", and "Performance and Supervision". In addition to in-depth training to enhance their professional competency vertically, their cross-team management capability and practical experience are improved by participating in horizontal job rotation to enhance their capability in the formation of the organizational teams and the management of the Company's resources. In addition, to help the candidates realize the visions, values, and missions of the organization, the top management acts as their trainer, talks to them on a regular basis, and evaluates the maturity of their thoughts, decisions, and judgments on the business operation to ensure they can continue leading the growth of the organization and create the corporate sustainable development values.

Note 2: Middle and senior managers refer to supervisors at the level of deputy director or above

Fitipower adheres to government laws and regulations in various regions, in accordance with the Labor Standards Act and the Labor Pension Act. All of our employees belong to the new pension system. We follow the salary contribution table approved by the Executive Yuan and contribute to the labor pension personal account established by the employee in the Labor Insurance Bureau. The Company legally bears a monthly contribution rate of 6% of the labor pension (employees may also contribute 0-6% individually), ensuring sufficient funds in the pension account for retirement payouts. The total amount of pension expenses allocated in 2023 was NT\$47,010,000.

In 2022, Fitipower introduced the Employee Stock Ownership Trust – employees had the option to contribute an amount from their monthly salary (up to 20% of their salary) with the Company rewarding and subsidizing the employees according to their personal performance (up to 200% of the amount of their contribution). There is a specified period (6 years) of the Employee Stock Ownership Trust as the Company guarantees that the value of their trust property will not be less than the self-withdrawal principal and the tax compensation of the public withdrawal principal. By doing this, not only do we retain outstanding employees, but we also help employees draw up their retirement plan through long-term and regular investment in financial instrument. The statistical results as of the end of 2023 showed that 48% of our employees participated in the plan, demonstrating strong enthusiasm and recognition from our employees.

5.4 Workplace Safety and Health Promotion

 Targets and Achievements	2023 Targets (🎯 Achieved)	
	<ul style="list-style-type: none"> Obtain ISO 45001 certification 🎯 0 work-related injuries 🎯 0 occupational case 🎯 	
	Short Term (2024–2026)	
 Responsibility	<ul style="list-style-type: none"> Maintain ISO 45001 validity 0 work-related injuries 	<ul style="list-style-type: none"> Abnormal rate of hypertension, hyperglycemia, and hyperlipidemia < 13%/12%/11% 0 occupational case
	Medium to Long Term (2027-2030)	
 Key Stakeholders	<ul style="list-style-type: none"> 100% ISO 45001 coverage (including subsidiaries) 0 work-related injuries 	<ul style="list-style-type: none"> Abnormal rate of hypertension, hyperglycemia, and hyperlipidemia < 10% 0 occupational case
	 KPIs	<ul style="list-style-type: none"> Occupational injury rate Employee health checkup and evaluation
 Communication Mechanism	 Employee	<ul style="list-style-type: none"> Please see “Labor-Management Communication”

Environment, Safety and Health Policy

In an effort to achieve the Company’s sustainability while facing the environmental challenges brought about by the development of civilization, we are committed to creating a clean, safe and healthy workplace. By doing this, we ensure that employees continue to exert their sustainable productivity safely and happily. Furthermore, we are fostering innovative business models to minimize the negative environmental impact of our operations and amplify our positive influence on environmental sustainability, further driving the Company’s green economic development and operational performance. Fitipower formulated its “Environment, Safety and Health Policy” aiming to achieve the organization’s EHS vision through the following six key missions: “Cultivate Law-Abiding Citizenship Quality,” “Create a Safe and Healthy Workplace,” “Develop a Circular Symbiotic Business Model,” “Provide Convenient and Smooth Communication Channels,” “Shap an All-Participation Corporate Culture,” and “Establish a Continuous Improvement Management System.” A total of 20 committed actions were undertaken to fulfill these missions. We also released a safety and health pledge video to demonstrate the commitment to corporate culture and determination of all employees.

Fitipower Safety and Health Declaration Video


[Learn more](#)

Occupational Health and Safety Management

Although Fitipower is a fabless semiconductor and the risk of accidents related to occupational safety is relatively low, we still attach great importance to the management of occupational safety and health. Besides promulgating the “Occupational Safety and Health Work Rules” and “Employee Code of Conduct,” we have introduced the ISO 45001 Occupational Safety and Health Management System to establish the Occupational Safety and Health Promotion Team covering several units from audit, human resource, production and management, materials, warehouse, information, quality to engineering and so on, whose management scope covers all workers in the workplace, and the certificate was obtained in this reporting year (2023) as planned. This management system specifies safe operation regulations for the duties of employees at all levels, hazard identification for the operations of each unit and on-site contractors, and emergency response procedures. The system implements hierarchical and prioritized management, and reviews the implementation status every year for continuous improvement. Moreover, we have established an Occupational Safety and Health Committee, chaired by the Chairman, to regularly hold the labor-management two-way communications on a quarterly basis and review the implementation status of the Committee. In terms of the management of highly communicable diseases, after the COVID-19 pandemic, Fitipower has established sound epidemic prevention measures to protect the health of employees and the continuous operation of the Company, including the assignment of response responsibilities for each department, standard response procedures for announcements, and personnel training, resource allocation management and remote operation deployment.



We place great importance on the details within the workplace and ensure the safety and health of every employee as well as the balanced development between work and life by implementing “external protection” and “personal healthcare.” “External protection” includes regular maintenance and inspection as well as unscheduled inspections. As for “Personal healthcare,” includes free health^{Note 1} checkup and medical consultation provided by physicians. Nurses and medical specialists conduct health education and

take follow-up actions in accordance with the results of the health checkup, and, if necessary, make on-site assessments of suspected work-related illnesses. This way, the workplace is not only a location of work, but also a platform on which in-depth interpersonal connections are established and high living quality is developed. In 2023, we invested NT\$84.82 million to support safety and health related initiatives. With regard to related Measures^{Note 2}, regular inspections did not reveal any safety hazard risks; improvements have been completed on 100% of the items found during irregular inspections; no duty-related injuries have occurred, and there were no incidents defined as “occupational diseases” according to local laws (FR, SR, and ODR were all 0). The employee absence rate was 0.9% (the absence rates for female and male employees were 1.2% and 0.8%, respectively).

Note 1: Fitipower provides employees with general health checks (including health checkups for senior managers). Since the employees do not engage in particularly hazardous operations regulated by law, no special health checkups are conducted.

Note 2: The safety and health related-measures included relevant training, regular inspections, unscheduled inspection and improvement, health checkups and promotion activities, purchase of personal protective equipment, physician/nurse consultation employee health checkups and related insurance.

External Protection

- Building safety inspection every two years
- Electrical safety testing every year
- Firefighting inspection every year
- Environmental monitoring (lighting, lead, carbon dioxide) – every six months
- Cooling tower disinfection, sterilization, and filter replacement every month
- Drinking Water Testing – Every 3 Months
- Irregular inspection

Personal Healthcare

- Employee health checkup – annually (a total of 526 employees participated in the health checkup plan in 2023)
- On-site consultation services for physicians and nurses once/quarter and four times/month, respectively (a total of 192 employees applied for one-on-one consultation in 2023)
- In-person massage services – Twice a week (a total of 2,352 employees received massages in 2023)
- Diverse nutritional meal choices (meat, vegetarian, low-calorie, fruit meals)
- Cleaning supplies such as hand wash, hand paper
- Personal protective equipment such as earplugs, masks, isolation gowns, respiratory protection equipment

To further shape a corporate culture of full participation and enhance employees' occupational safety and health accomplishment and emergency response capabilities, we have safety-related courses available on the iLearn learning platform for colleagues to learn. We also share health education-related information with colleagues on the electronic bulletin board from time to time. In 2023, the total number of occupational health and safety-related training hours was 864.7 hours, including 2 fire drills (AED, CPR; reporting, firefighting, and evacuation guidance).



Four Major Protection Plans for Employees



Illness Prevention Program for Abnormal Workloads

This prevention program has been established for shift work, night work, and long hours of work to prevent the Company's employees from contracting illnesses due to abnormal workloads. Employees are evaluated each year. For those who are classified as high-risk groups, we arrange for interviews with physicians for health guidance. We also assist in relevant protective measures according to the instructions. The final implementation effectiveness is then reviewed by the OH&S Committee, serving as an indicator for continuous improvement. There were no workers required for face-to-face interviews this reporting year. However, in response to the assessment results, it was suggested that 13 people suspected of having potential risks should undergo face-to-face interviews. In fact, a total of 10 employees were interviewed by the medical staff and received relevant health education.



Human Hazard Prevention Program

This program has been formulated in an effort to prevent the occurrence of work-related musculoskeletal hazards and injuries caused by unreasonable working environment, repetitive work and poor working posture. An evaluation is conducted in conjunction with the employee's annual health checkup. According to the results of the evaluation, relevant units and healthcare personnel form a team to facilitate improvement by formulating feasible improvement plans. An evaluation of the effectiveness of improvement will then be conducted. There were no workers assessed as "hazardous" in this reporting year, but there are still 10 employees whose assessment results are "suspected hazard," and 9 of the medical staff were actually consulted and interviewed, and no relevant staff needed to make job adjustments. More massage services can also be used to mitigate related hazard risks.



Maternal Health Protection Program

This program is established to protect female employees whose maternal health needs are considered during pregnancy, postpartum, and breastfeeding. This program is to assess workplace hazards and further implement grade level management. During the reporting year, a total of four maternal employees met the qualifications, and all of them underwent a doctor's consultation evaluation. No relevant employee needed to make a job adjustment after the evaluation. In addition to implementing the "Act of Gender Equality in Employment," we ensure the right to unpaid parental leave and the smooth return-to-work right of employees^{Note 1}. In addition to providing childcare subsidies, to show appreciation for the hard work of pregnant employees, we have allocated a dedicated parking space for pregnant employees to reduce their commuting inconveniences. We have also set up a breastfeeding space for employees who return to work after childbirth but still need breastfeeding.

Note 1: Any employee with a child under three years of age and completing six months of employment at Fitipower can apply for unpaid parental leave until their children reaches three years old. However, the maximum length of the parental leave must not exceed two years. In addition, employees can continue their social insurance through Fitipower during unpaid parental leave. Employees can continue to participate in the original social insurance.



Prevention Program Against Unlawful Violence in the Course of Performing Duties

The program is activated whenever possible or existing workplace violence or harassment is assessed to protect the Company's employees from illegal abuses that may cause physical or mental harm.

Apart from arranging to communicate with new employees during the new employee orientation, supervisors are also required to conduct regular self-assessments. Subsequent handling and counseling to parties involved in the matter.

6 Social Inclusion

Key Stakeholders



Employee



Academic
Institution



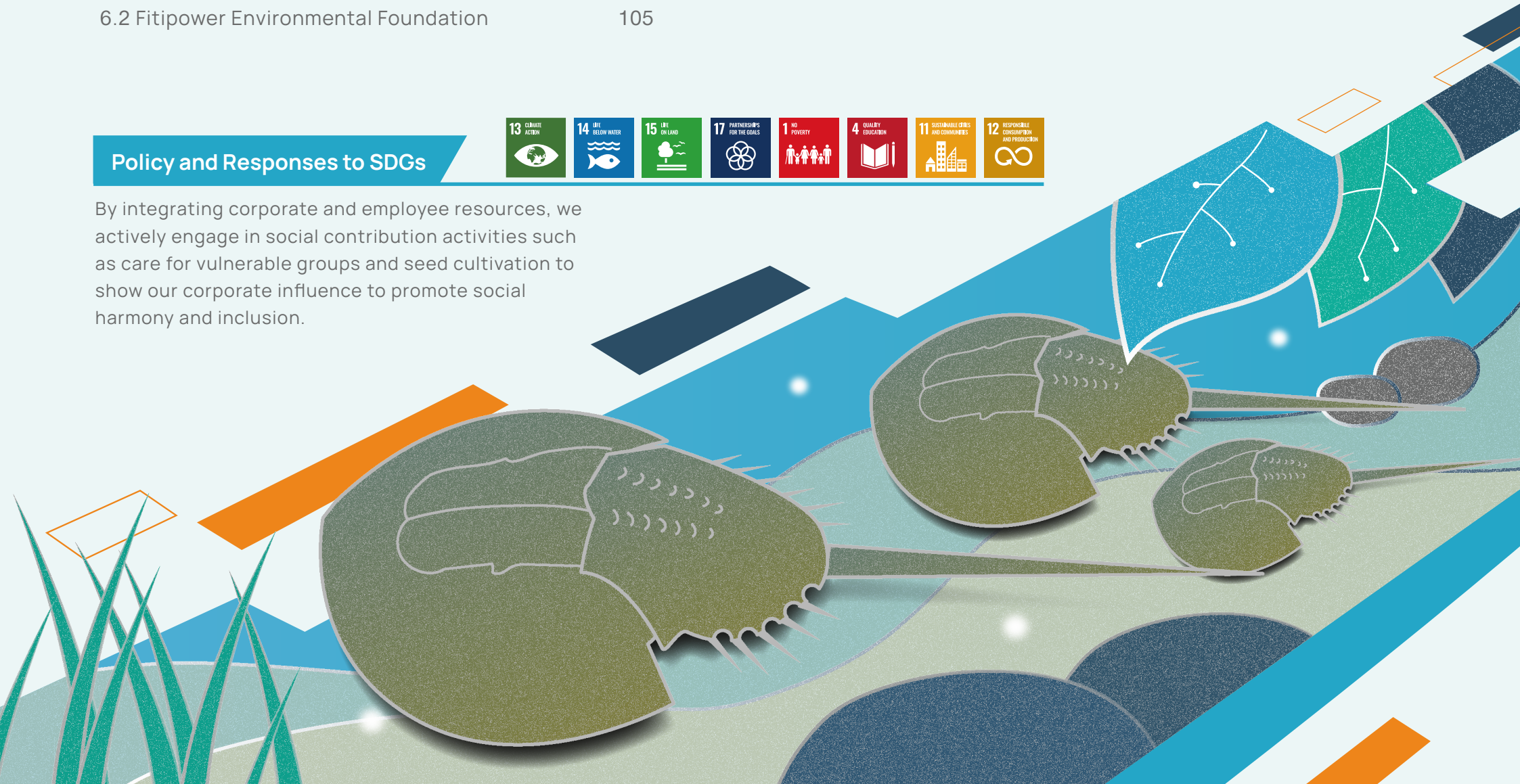
Association

6.1 Social Involvement and Investment	104
6.2 Fitipower Environmental Foundation	105

Policy and Responses to SDGs



By integrating corporate and employee resources, we actively engage in social contribution activities such as care for vulnerable groups and seed cultivation to show our corporate influence to promote social harmony and inclusion.



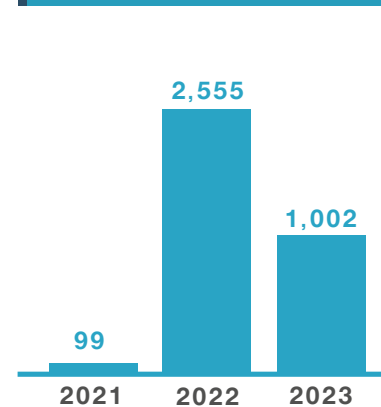
6.1 Social Involvement and Investment



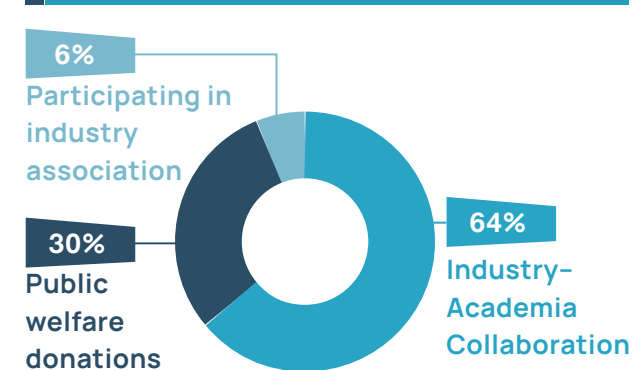
At Fitipower, we expect to gather the power of all walks of life to jointly strive for a balanced development of operational growth and social inclusion. We also continue joining industrial and academic organizations to facilitate the collaboration of companies in the semiconductor industry and strengthen the overall development of the industrial system. In terms of giving a hand in society – we have always done our utmost to offer help to the disadvantaged groups and committed to social care, including hiring people with disabilities to provide massages to our employees. This not only meets the employment needs of people with disabilities, but the health of our colleagues is also at the same time looked after. Meanwhile, our colleagues take the initiative to donate receipts to disadvantaged groups and order from "Children Are Us Foundation" for meals and bakery items to positively influence the

employment market for the disadvantaged, while at the same time purchasing products from small local farmers for employee meals or gift sets for festivals. We are committed to doing our best to sustainability cultivate the land of Taiwan. Furthermore, we have also formally established the foundation in 2022 to commit to environmental sustainability together with like-minded partners.

Recent Social Investment Status (NT\$10,000)



Investment in social engagement in 2022



Joining in External Organizations

IEEE Xplore®
Digital Library

台灣科學工業園區
科學工業同業公會
The Allied Association for Science Park Industries

TSIA 台灣半導體產業協會
Taiwan Semiconductor Industry Association

AITA 台灣人工智慧晶片聯盟
AI on Chip Taiwan Alliance

TDUA 台灣顯示器產業聯合總會
Taiwan Display Union Association

Note: All the above external participating organizations are ordinary members of Fitipower.

6.2 Fitipower Environmental Foundation



[Website](#)



[Channel](#)

Origin and Vision of the Foundation

In 2021, amidst the significant growth of our company's operations, we deeply understand the importance of balanced ESG development. We have decided to allocate more resources, aiming to establish the Fitipower Environmental Foundation (hereinafter referred to as the "Fitipower Foundation"). Through its establishment, we aspire to gather diverse efforts and assistance to expand our commitment to social integration and environmental co-existence. In the year 2022, Fitipower Foundation was officially established. Hsinchu is an important hi-tech base in Taiwan and the place where our headquarters is located. Hence, the Fitipower Foundation commences its efforts in Hsinchu and extends its reach across Taiwan, focusing on seven action directions: "Environmental Promotion," "Talent Development," "Vulnerable Group Care," "Employee Involvement," "External Collaboration," "Technological Innovation," and "Product Optimization." These actions drive environmental sustainability, aiming for "Circularity to Restore the Earth."

What "Circularity to Restore the Earth" pursues is not only a low pollution environment, but also an ark that ensures the co-existence of the living things. The Fitipower Environmental Foundation is committed to eliminating disasters to the environment and improving the awareness of co-existence with the environment. By promoting and encouraging participation to mitigate the impact of human beings and companies on the environment. The Foundation also give aid to the people who are affected by environmental disaster and need help in their life. We hope that the people having the same goal can join us to achieve the goal of sustainable Earth based on four core strategies of "Ecological Conservation," "Climate Change," "Circular Economy," and "Disaster Relief."

Core Strategies



Ecological Conservation

Take responsibility for sustainability of the ecological environment and natural resources in which different species and ecosystems develop.



Circular Economy

Ensure that each resource can be effectively utilized and recycled in the most valuable manner.



Climate Change

Pay attention to the climate and clean energy, green innovation and promotion, and the reduction of GHG emissions.



Disaster Relief

Help people impacted by natural disasters like storms, floods, earthquakes, and landslides.

Action Guidelines



Environmental
Promotion



Technological
Innovation



External
Collaboration



Talents
Development



Product
Optimization



Employee
Involvement



Vulnerable
Group Care

“Making the World Better” – SDGs Book Selection and Reading Promotion

“Making the World Better” is the first non-profit sustainable book reading promotion program in Taiwan organized by a library and sponsored by a foundation. In response to the UN 2030 SDGs and to cultivate the next generation's core literacy in reading and sustainable development, the Fitipower Foundation collaborated with the National Taiwan Library (NTL). They invited scholars and experts in sustainable development, education, special education, healthcare, child development, reading promotion, literature and arts, and socio-economic innovation to form a selection panel. Over more than six months, through initial, secondary, and final selections, the panel reviewed 2,250 books submitted by 133 publishers, ultimately selecting 120 books suitable for children aged 0-5 and 6-12. Of these, 45 books are for children aged 0-5, and 75 books are for children aged 6-12. The committee members wrote reviews for each book, categorizing them according to appropriate age groups and SDGs. On June 15, the results of the inaugural book selection were announced at a press conference, and the “Sustainable Development Book and Information Manual” was released. The manual also includes introductions to special resources from the NTL, echoing the philosophy of “Protecting Each Child's Equal Right to Read.” Additionally, an exhibition of the selected books was launched on the same day as the press conference. The exhibition featured the story behind “Making the World Better,” the creation story of the logo and key visual, and the SDGs focus rankings of the selected books. It also showcased special resources produced by the NTL, such as dual-view books, picture books with audio descriptions, EasyRead audiobooks, and electronic picture books in Taiwan Sign Language. During the exhibition period (June 15 to July 2), a total of 5,339 individuals participated.

Sustainable Development Book and Information Manual



[Sustainable
Development
Book and
Information Manual](#)



[Selected
Book List](#)

A Corner of the Sustainable Book List Exhibition



Selection Results Press Conference - Chairman Young Lin of Fitipower Foundation with Director Cui-Ying Tsao of NTL



In 2023, in order to embed sustainable education and expand its benefits, the Fitipower Foundation planned and conducted the teaching plan design workshops (2 sessions) with NTL and set up reading corners in various municipal libraries (6 demonstration sites); inclusiveness style reading promotion activities (6 events), and sponsored NTL to connect the sign language e-picture books for the hearing impaired with the library's accessible system (Taiwan Sign Language E-picture Book Interaction System). In addition, we have collaborated with National Education Radio, Commonwealth Education Media and Publishing, and cross-disciplinary artists Ballboss to continue the promotion of the SDGs in different media .

Improving children's well-being starts from the family, community, and city

Based on the three major aspects of sustainable development: "economic growth," "social inclusion," and "environmental protection," and using "education" as the implementation action, Commonwealth Education Media and Publishing, and the Taiwan Early Childhood Development Survey (KIT) team, works together with the Fitipower Foundation to provide early childhood development and education policy recommendations based on theoretical, representative, and complete child development materials and research results that are meaningful to the times and Taiwan's local culture. Various educational activities were introduced to promote knowledge to the general public through the well-known pediatrician, Eng-Ning Huang, and her channel. We look forward to exploring how the family, community, and city environment affects children's development through the implementation of this project, so that important local research can become the parenting policy of Taiwan's parents, enhance parents' parenting ability, and bring in the SDGs for promotion and continuation of the mindset of sustainable development.

[Learn more](#)

"It's Not Just a Picture Book, It's a _____" Crossover Image Storytelling Exhibition

The artist Ballboss, who has been selected for the two-time exhibition in Bologna, Italy, and is also a picture book author, theater director, and cross-field creator, was specially invited to curate the exhibition to go off the page of paper and boldly present various stories and imaginations. While reading the picture book, readers are welcome to experience the behind-the-scenes engineering of the rare, cross-disciplinary graphic storytelling to understand how the stories are created and their connotations. According to Chia-Ching Ye, Consultant Director of the Fitipower Foundation, a team that is cross-disciplinary and works toward all-round art development has been specially invited to curate the exhibition, enabling the public to enter the open public library space and enjoy first-class art exhibitions without having to buy tickets fulfilling their wishes. The artworks featured in the exhibition are diverse. The creators made good use of their profound cultural background and rich imagination to depict the local customs, history and culture of various parts of Taiwan, and explore many social issues worthy of attention. Moreover, the exhibition also subtly integrated the United Nations' Sustainable Development Goals (SDGs), which the world is most concerned about, including theme initiatives and streamlining of design materials. These are consistent with the mission of the Fitipower Foundation. The Fitipower Foundation sincerely hopes that such meaningful cooperation can continue now and in the future, including working with creators, publishing houses, and promoters to make good use of the sustainable "picture book creation base" to make the world a better place.

[Learn more](#)

Introducing children to SDGs through stories

With the “For a Better World Plan” initiated by National Taiwan Library, we also worked with the National Education Radio to improve children’s understanding of SDGs, by creating a great listening effect via multiple approaches, such as radio drama, interviews, dialogues. We created excellent listening effects for children to understand the 17 SDGs through stories and further cultivate their concern for social progress and environmental protection issues. We recorded a total of 52 episodes of the program about promoting the concepts of SDGs in the “Explorer with Big Ears” program hosted by Radio Broadcasting Golden Bell Award hosts Hsien-Chin Hsieh (Sister Chu) and Bai-Yen Huang (Brother Bai). The Consulting Director of Fitipower Foundation, Chia-Ching Ye, has also appeared in the program many times to help children understand basic concepts of SDGs through picture books.

[Learn more](#)

Lesson plan design workshop

A total of 237 people participated in two lesson plan design workshops for elementary school teachers, kindergarten teachers, librarians, reading volunteers, parents, and people from all walks of life who are committed to sustainable development in education. This course helps educators make use of the resources of the “Sustainable Development Library and Information Manual” and the selected books to include sustainable development-related topics on the reading list in the classroom, design interesting and inspiring lesson plans and teaching activities, and cultivate children’s awareness of sustainable development. At the same time, the online courses have been uploaded to the library’s online lecture hall and YouTube page for educators to take online learning at any time.

[Learn more](#)

Setting up reading corners and implementing inclusive reading promotion activities

Setup of demonstration sites for sustainable book reading corners at the National Taiwan Library and at the municipal libraries of Keelung City, Hsinchu City, Taichung City, Kaohsiung City, and Hualien County, and organization of the reading activities based on the concept of “Co-existence and Inclusiveness” with the selected library materials. The listening instructor (sign language interpreter) cooperates with the deaf instructor to bring synchronous sign language and listening to storytelling for an immersive reading experience, allowing each child to start exploring the world and enjoying the joy of reading, and protect children’s equality in reading rights and interests. A total of 237 persons participated in 6 sessions.

Fitipower AI Green Technology Sustainable Innovation Competition

As social collaboration becomes more and more complex, the promotion of education must evolve from simply “knowledge transfer” to one for students to “apply what they have learned.” By accelerating the implementation of STEAM education (Science, Technology, Engineering, Art, and Mathematics), students not only acquire knowledge but also possess the ability to solve difficult problems. In view of this, Fitipower organized the green creativity competition, combining its chip design expertise, to inspire students' creative thinking, integrate learning information and resources, and put their wisdom into practice. “Leading a Smart Life, Driving Carbon Reduction for a Generation” with the application of green living products!

A workshop was held in advance of the event. Fitipower Chairman Young Lin led the managerial team to encourage the competing teams to make good use of their technical capabilities and develop creative and feasible green technology solutions based on the hardware and software platforms of Fitipower, also explained the foundation's efforts in sustainable development and talent cultivation, the current status and future of Fitipower's AI technology development, and invited Professor Chih-Hung Chou, Deputy Convener of the AI Industry-Academia Alliance, to give a wonderful ESG lecture to share with the students on sustainability new future. On the day of the final, experts in Taiwan's AI industry, Prof. Bing-Fei Wu, Wei-Yen Wang, and Chih-Hung Chou, as well as the head of AI at Fitipower, were invited to form the judging panel to give the competing teams more professional and comprehensive feedback from different perspectives of the industry and academia. The teams that participated in this competition are very exciting and diverse in their creations, such as the mobility assistance solution of National Central University and the self-cleaning solar energy tracking system of National Chung Cheng University. Through creative thinking and technical practice, the students also met the sustainable development goals of this green technology and continued to inject vitality into the sustainable innovation of Taiwan's industries. Finally, the ICA LAB team, formed by the Institute of Electronic Control Engineering of National Yang Ming Chiao Tung University, stood out with the “Foreign Object Intrusion Detection System by Autonomous Drone Patrolling of Quadcopter Based on the Fitipower Software and Hardware Platform.” Its design concept and intention is based on the railway track inspection done by traditional manpower, with Fitipower's software and hardware platform as the foundation integrating the quadcopter and the self-developed algorithm which are used to realize the functions of autonomous inspection and foreign object detection, thereby, reducing the manpower requirement and improving the inspection efficiency and most importantly, it ensures the safety of rail transportation. The team won the inaugural championship and took home a prize of NT\$200,000.



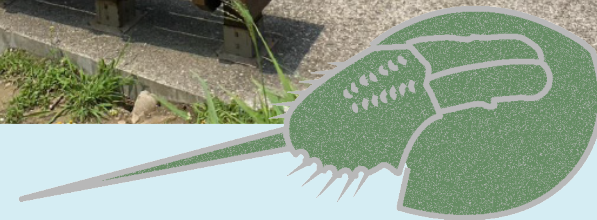
Knowing Horseshoe Crab – Teachers and Students Rehabilitate 800 Horseshoe Crabs Back to the Sea

The National Museum of Marine Science and Technology (NMMST) and the Kinmen Fisheries Research Institute have bred horseshoe crab seedlings. Then, with help from the school students or groups helping to raise and record the horseshoe crab seedlings, observe the natural habitat conditions, and finally release them into the wild depending on the conditions. In addition to effectively increasing the number of species in the wild of the horseshoe crab group, it has greatly enhanced the connection between the public and the horseshoe crab. Fitipower Environmental Foundation supports NMMST's continuous implementation of the Knowing Horseshoe Crab Citizen Science Action Plan, which aims to promote activities of environmental education, marine education, arts education, international education, gender equality, cooperative learning, community engagement, and international exchanges. By deepening the connection between the people and the land of Taiwan, more people will become concerned about ocean issues and ultimately promoting the goal of a sustainable ocean.

It was in its fourth year (in the reporting year) that the NMMST and Kinmen Fisheries Research Institute collaborated to organize the "Knowing Horseshoe Crab Citizen Science Action Plan." Teachers and students from each school began to help take care of the hatching of the horseshoe crab eggs and juveniles. The teachers and students of these schools started to take care of the allocated horseshoe crab eggs in September 2022. During the period, the students not only observed the development of the horseshoe crab eggs and the juveniles, but also paid attention to them. They changed the water and fed the food, and record the water quality, temperature, counting, and imaging to provide the researchers with the important basic data for artificial rehabilitation. In the end, they were successfully hatched and returned to the Aquarium, giving birth to nearly 800 horseshoe crab of 1 to 2-year-old infants.



Event Video



"Hand-making Trail" - Joining Hands with NTHU and NYCU to Volunteer for Trail Maintenance

Fitipower Foundation collaborated with the Taiwan Thousand Miles Trail Association (TMI Trail), which won the President's Culture Award, to organize two "Hand-making Trail" activities. The activities were led by Chairman Young Lin, CEO Cherry Pan, and Chief Advisor Chia-Ching Ye of Fitipower Foundation in person. Students from National Tsing Hua University and National Yang Ming Chiao Tung University were supported by 6 departments and 2 club organizations, as well as the employees of Fitipower who spontaneously participated. A total of 57 volunteers went to the Chating Ancient Trail in Hengshan Township, Hsinchu City to protect the mountains as environmental volunteers. Ming-Chien Hsu, Vice President of the TMI Trail, said that she brought back to Taiwan the skills and knowledge she learned from learning the Appalachian Trail in the United States and the experience accumulated from observing and accumulating in various countries. Under the guidance of the TMI Trail and with the assistance of the on-site workstation at Changzhixi Road, the volunteers engaged in manual maintenance of the trail by using "local materials," such as felling logs and scattered soil and gravel from local areas, and avoiding the use of large machinery, tools and foreign materials which impact the local environment. Fitipower Foundation believes that "mountain and forest trails are an important way for people to get close to nature." We hope to get close to nature without harming the ecological environment. This time, we invite young students and employees to roll up their sleeves and join the action. It is hoped that we join hands with partners in caring for environmentally sustainable development, caring for and maintaining the nature trails. On the other hand, we also hope that everyone can stay fit and protect the earth. Even if we are only a small part of the strength, we can still bring about a positive impact now and in the future.



Hand Care Outcome:

- Cleaning of moss on the stone steps of the ancient road: length 18m* width 1m
- 14 pile-driving grid check dams: width 120cm*height 30cm
- The upper layer of the wooden slope protection: length 410cm* height 90cm* width 60cm
- Lower layer of wooden slope protection: length 200cm* height 50cm* width 50cm
- One Bamboo Slope: length 450cm*height 30cm*width 30cm
- Stone masonry slope protection Place A: width 170cm* height 70cm* thickness 30cm
- Place B of stone masonry revetment: width 100cm* height 30cm* thickness 30cm
- 17 stone masonry control dams and 12 cross-wood check dams.
- Masonry curb 270cm
- 1st step of masonry stairs
- Trail cleaning: length 400cm* width 120cm
- Earthwork removal: 750cm*120cm*30cm



Event Video

Campus Promoters for Environmental Sustainability

With the increase in environmental awareness, many university students are keen on doing their part for the planet; however, they lack resources or do not know how to go about it. Starting from 2022, through continuous communication, the Fitipower Environmental Foundation operates a scheme that allows students to make a difference via action. We offer environmental sustainability-related courses, enabling students to further understand various environmental sustainability issues. We also provide funds for students to plan a series of environmental sustainability promotion activities on their own initiative. The undertaking of activities does not only spread environmental education on campus, but develop the student's capabilities and experience in organizing activities. Entering the second year of the program, we have driven the activities organized by students, such as second-hand goods market, ecofriendly straw promotion, used clothes market, beach cleanups, carrier bag promotion, and children's environmental education camp.



Environmental sustainability-related courses

- Circular Economy Business Model
- Talking about Carbon Sinks from the Perspective of Coral
- 100 Possibilities of Waste

Environmental sustainability activities organized by students

- Environmental Advocacy and Initiative Booths
- Department of Materials Science Night – Environmental Protection Week
- Volunteer plastic reduction and waste sorting
- Circular Second-hand Market
- Children's Environmental Education Program
- Children's Environmental Education Course (3-day summer camp)
- Electric Motor Startup Camp
- Removal of Exotic Species

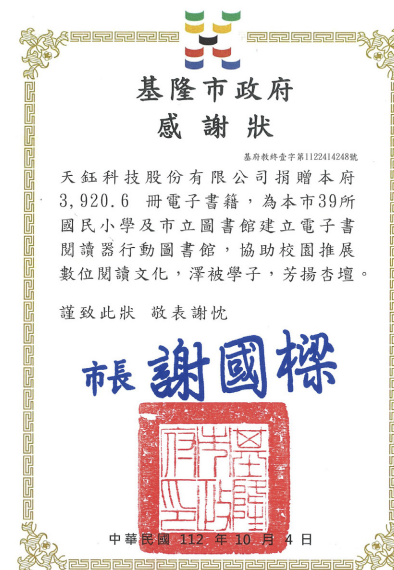


e-Reader for the Future

In response to E Ink Holdings Inc., Fitipower is collaborating with 22 partner companies in the ePaper ecosystem to build a mobile library with the e-book reader “e-Reader for the Future” for 39 elementary schools and 10 public libraries in Keelung City. We donated a total of 1,075 color e-book readers, each equipped with 102 high-quality reading materials suitable for beginners, intermediate, and senior grades. A total of nearly 110,000 e-books were donated. The total donation value exceeded NT\$29.11 million benefiting more than 15,000 schoolchildren in the city.

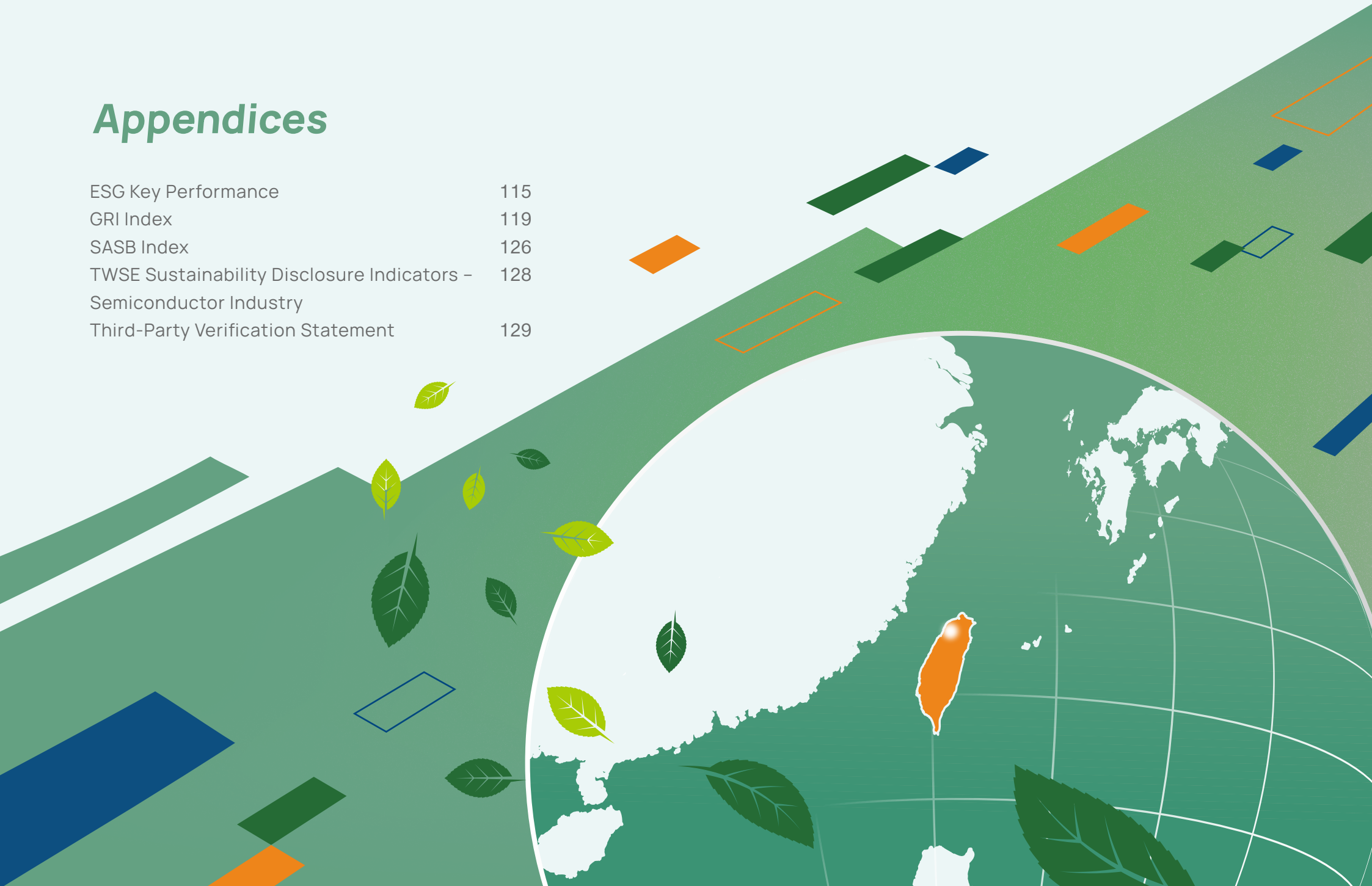
As a long-term partner of E Ink Holdings Inc., Fitipower is honored to participate in and support this meaningful project. Fitipower is collaborating with 22 partner companies in the ePaper ecosystem to build a mobile library with the e-book reader “e-Reader for the Future” for 39 elementary schools and 10 public libraries in Keelung City. We donated a total of 1,075 color e-book readers, each equipped with 102 high-quality reading materials suitable for beginners, intermediate, and senior grades. A total of nearly 110,000 e-books were donated. The total donation value exceeded NT\$29.11 million benefiting more than 15,000 schoolchildren in the city.

Fitipower has always been committed to promoting the SDGs and sustainable reading. The color e-readers donated to Keelung City this year were each preloaded with 102 excellent children’s books suitable for senior, middle, and elementary school children. Twenty-nine books on sustainable education were selected based on the United Nations Sustainable Development Goals (SDGs) to enrich the city government’s book collection. By deploying e-reader mobile libraries in various elementary schools across the city, Keelung’s books can help schoolchildren engage in learning in everyday life, establishing the concept of ESG sustainable development during the joint reading activity. Therefore, we will continue to work with E Ink Holdings Inc. to develop more ePaper products and applications, and continue to lay the foundation for sustainable development.



Appendices

ESG Key Performance	115
GRI Index	119
SASB Index	126
TWSE Sustainability Disclosure Indicators – Semiconductor Industry	128
Third-Party Verification Statement	129



ESG Key Performance

Environment					
Item	Unit	2020	2021	2022	2023
Product Material Meet RoHS, REACH and HF	%	100%	100%	100%	100%
New Innovative Product Design for Energy-Saving	Items	No statistics	7	6	1
Percentage of Green Procurement for IT Equipment	%	No statistics	No statistics	88%	
Energy (Electricity)	GJ	5,200	5,041	5,231	4,782
Energy Intensity	GJ/NT\$ million	0.478	0.220	0.266	0.294
GHG Emissions	tCO ₂ e	735	703	740	658
Water Withdrawal	Million Liter	6.76	5.35	5.39	4.80
Discharge Volume	Million Liter	5.41	4.28	4.31	3.84
Waste Production	Metric ton	22.183	26.437	32.015	34.623
Waste Recycling Rate	%	16.9%	46.6%	51.3%	57.3%
Percentage of Suppliers with Environmental Certifications	New Supplier	%	No statistics	92%	100%
	Existing Supplier	%	No statistics	90%	87%

ESG Key Performance

			Social				
Item			Unit	2020	2021	2022	2023
Total Workforce Count			Persons	428	560	589	579
Female Employee Proportion			%	23%	23%	22%	22%
Ratio of Salary of Entry-Level Personnel to Local Minimum Wage	Taiwan	Male	-	No statistics	3.4	3.6	3.6
		Female	-	No statistics	2.5	2.6	2.7
	China	Male	-	No statistics	6.7	7.2	8.0
		Female	-	No statistics	5.5	5.2	6.0
New Employee Rate			%	24.3%	42.9%	17.3%	9.3%
Employee Turnover Rate			%	19.2%	17.9%	14.9%	15.5%
Key Talent Retention Rate			%	No statistics	90%	90%	87%
Average Training Hours per Staff			Hours	2.1	6.7	11.6	14.6
Average Training Cost per Staff			NT\$	No statistics	827	971	1,287
Percentage of Suppliers with Social Certifications	New Supplier	%	No statistics	75%	100%	100%	
	Existing Supplier	%	No statistics	78%	81%	86%	
Percentage of Materials Meeting Responsible Minerals Sourcing			%	100%	100%	100%	100%
Social Investment			NT\$ 10 thousands	0	99	2,555	1,002
No. of Industry–Academia Collaboration Projects			Piece	0	0	12	12

ESG Key Performance

Governance					
Item	Unit	2020	2021	2022	2023
Corporate Governance Evaluation	-	80%–100%	36%–50%	21%–35%	21%–35%
Net Sales	NT\$ thousands	10,879,700	22,868,238	19,680,425	16,286,520
Capital Expenditure	NT\$ thousands	209,867	544,939	748,490	465,492
Government Tax Payment	NT\$ thousands	107,504	1,410,441	700,997	442,510
Government Subsidies	NT\$ thousands	97,902	45,218	26,591	66,220
Return on Equity	%	15.94%	60.39%	19.67%	13.64%
EPS	NT\$	4.07	33.83	16.49	13.29
Cash Dividend Per Share	NT\$	2.5	17.0	8.5	10.64
Timeliness of Financial Quarterly Statement (from the end of each quarter)	Days (Q1, Q2, Q3, Q4)	43, 45, 44, 89	44, 44, 42, 84	35, 34, 35, 54	27, 26, 25, 58
R&D Investment to Revenue Ratio	%	10.6%	9.5%	12.4%	13.8%
Number of New Patent Applications	Piece	3	2	5	16
Number of Valid Patents	Piece	71	69	72	77
BoD Attendance Rate	%	90.5%	92.1%	94.3%	97.4%
Independent Directors Ratio	%	42.9%	42.9%	42.9%	67%
No. of Internal Control Deficiencies	Piece	1	0	0	0
Training Hours on Business Practices and Ethics	Hours	No statistics	548	1,214	1,652
Violations of Business Practices and Ethics	Piece	0	0	0	0
Regulatory Violations	Piece	0	0	0	0
Significant Information Security Incidents	Piece	0	0	0	0

ESG Key Performance

Governance						
Item		Unit	2020	2021	2022	2023
Client Satisfaction	DSP	Score	83.34	87.72	92.28	93.57
	PWR	Score	88.67	93.55	86.53	90.93
Client Complaints Closure Rate		%	100%	100%	100%	100%
Local Procurement Rate		%	67%	71%	70%	47%
Percentage of Suppliers with Governance-related Certifications	New Supplier	%	No statistics	92%	100%	100%
	Existing Supplier	%	No statistics	98%	96%	100%

GRI Index

Statement of Use	Fitipower has reported in accordance with the GRI Standards for the period from January 1 to December 31 2023
GRI 1 used	GRI 1: Foundation 2021

GRI Standard / Other Sources	Disclosure	Chapter	Page	Omissions or Supplementary Explanations
General Disclosures				
GRI 2: General Disclosures 2021	2-1 Organizational details	About Fitipower	P23	Shall not be omitted
	2-2 Entities included in the organization's sustainability reporting	About this Report	P03	Shall not be omitted
	2-3 Reporting period, frequency and contact point	About this Report	P03	Shall not be omitted
	2-4 Restatements of information	Green office and Energy Resource Management	P75	We found that there were methodological errors in estimating other resources recovery and kitchen waste, and related data were revised and traced back to 2020.
	2-5 External assurance	About this Report Third-Party Verification Statement	P02 P129	Shall not be omitted
	2-6 Activities, value chain and other business relationships	About Fitipower Partner Co-prosperity	P23 P56	
	2-7 Employee	Human Rights, Diversity, Inclusion, and Communication	P79	
	2-8 Workers who are not employees	Human Rights, Diversity, Inclusion, and Communication	P79	
	2-9 Governance structure and composition	Governance Regulations and Framework Sustainability Vision and Management	P40 P08	
	2-10 Nomination and selection of the highest governance body	Governance Regulations and Framework	P41	
	2-11 Chair of the highest governance body	Governance Regulations and Framework	P41	
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Vision and Management	P08	

GRI Index

GRI Standard / Other Sources	Disclosure	Chapter	Page	Omissions or Supplementary Explanations
General Disclosures				
GRI 2: General Disclosures 2021	2-13 Delegation of responsibility for managing impacts	Sustainability Vision and Management	P08	
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Vision and Management	P08	
	2-15 Conflicts of interest	Regulatory Compliance and Professional Ethics	P46	
		As reported in the 2023 annual report, - Major shareholders - Suppliers that accounted for 10% or more of total purchases in either of the last 2 years		
	2-16 Communication of critical concerns	Sustainability Vision and Management	P08	
		Governance Regulations and Framework	P41	
	2-17 Collective knowledge of the highest governance body	Governance Regulations and Framework	P38	
	2-18 Evaluation of the performance of the highest governance body	Governance Regulations and Framework	P41	
	2-19 Remuneration policies	Governance Regulations and Framework	P38	
	2-20 Process to determine remuneration	Governance Regulations and Framework	P38	
	2-21 Annual total compensation ratio	Governance Regulations and Framework	P38	The total compensation of the individuals with the highest compensation and the median compensation of other employees in 2023 decreased from the previous year, so it is impossible to calculate the percentage of increase.
	2-22 Statement on sustainable development strategy	Sustainability Vision and Management	P07	

GRI Index

GRI Standard / Other Sources	Disclosure	Chapter	Page	Omissions or Supplementary Explanations
General Disclosures				
GRI 2: General Disclosures 2021	2-23 Policy commitments	Sustainability Vision and Management	P07	
	2-24 Embedding policy commitments	Sustainability Vision and Management	P08	
	2-25 Processes to remediate negative impacts	Regulatory Compliance and Professional Ethics	P46	
		Human Rights, Diversity, Inclusion, and Communication	P81	
	2-26 Mechanisms for seeking advice and raising concerns	Regulatory Compliance and Professional Ethics	P46	
	2-27 Compliance with laws and regulations	Regulatory Compliance and Professional Ethics	P46	
	2-28 Membership of associations	Social Involvement and Investment	P104	
	2-29 Approach to stakeholder engagement	Stakeholder Engagement and Materiality Analysis	P13	
	2-30 Collective bargaining agreements			We did not enter into any collective bargaining agreement.

Disclosure of Materiality Issues (Corresponding Relevant Material Topics)

GRI Standard / Other Sources	Disclosure	Chapter	Page	Omissions or Supplementary Explanations
Material Topics				
GRI 3: Material topics 2021	3-1 Process to determine material topics	Stakeholder Engagement and Materiality Analysis	P13	
	3-2 List of material topics	Stakeholder Engagement and Materiality Analysis	P16	
	3-3 Management of material topics			The policies, commitments, goals, responsibilities, resources, and specific actions for each material issue are reflected in the corresponding chapters of this report.
R&D and Intellectual Property				
GRI 3: Material topics 2021	3-3 Management of material topics	Product and Technology Innovation	P26	As it is an issue set by Fitipower, there is no corresponding topic.
Supply Chain Management				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Supply Chain Management	P62	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supply Chain Management	P64	Due to the nature of the industry and impact evaluation, Fitipower only select production-related suppliers for management.
	308-2 Negative environmental impacts in the supply chain and actions taken	Supply Chain Management	P64	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supply Chain Management	P64	Due to the nature of the industry and impact evaluation, Fitipower only select production-related suppliers for management.
	414-2 Negative social impacts in the supply chain and actions taken	Supply Chain Management	P64	

Disclosure of Materiality Issues (Corresponding Relevant Material Topics)

GRI Standard / Other Sources	Disclosure	Chapter	Page	Omissions or Supplementary Explanations
Talent Attraction and Retention				
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	Human Rights and Employees Communication	P79	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Talent Aggregation and Welfare	P123	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent Aggregation and Welfare	P88	
	401-3 Parental leave	Talent Aggregation and Welfare	P91	
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	Talent Aggregation and Welfare	P87	
Client Relationship Management (CRM)				
GRI 418: Client Privacy 2016	418-1 Substantiated complaints concerning breaches of client privacy and losses of client data	Client Service Cybersecurity	P57 P51	
Financial Performance				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Business performance and Taxation	P35	
	201-2 Financial implications and other risks and opportunities due to climate change	Environmental Policy and Management Framework	P70	
	201-3 Defined benefit plan obligations and other retirement plans	Employee Development and Retirement	P98	
	201-4 Financial assistance received from government	Business performance and Taxation	P35	

Disclosure of Materiality Issues (Corresponding Relevant Material Topics)

GRI Standard / Other Sources	Disclosure	Chapter	Page	Omissions or Supplementary Explanations
Talent Cultivation and Development				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Employee Development and Retirement	P95	
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Development and Retirement	P92	
	404-3 Percentage of employees receiving regular performance and career development reviews	Employee Development and Retirement	P98	
Green Product				
GRI 302: Energy 2016	302-5 Reductions in energy requirements of products and services	Green Product	P71	
GRI 416: Client Health Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Green Product	P71	
Legal Compliance				
GRI 416: Client Health Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Regulatory Compliance and Professional Ethics	P46	In 2023, there were no incidents of non-compliance concerning the health and safety impacts of products and services.
Occupational Health and Safety				
GRI 403 : Occupational Health and Safety 2018	403-1 Occupational Health and Safety Management	Workplace Safety and Health Promotion	P100	
	403-2 Hazard identification, risk assessment, and incident investigation	Workplace Safety and Health Promotion	P100	
	403-3 Occupational health services	Workplace Safety and Health Promotion	P100	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Workplace Safety and Health Promotion	P100	
	403-5 Worker training on occupational health and safety	Workplace Safety and Health Promotion	P100	
	403-6 Promotion of worker health	Workplace Safety and Health Promotion	P100	

Disclosure of Materiality Issues (Corresponding Relevant Material Topics)

GRI Standard / Other Sources	Disclosure	Chapter	Page	Omissions or Supplementary Explanations
GRI 403 : Occupational Health and Safety 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Workplace Safety and Health Promotion	P100	
	403-8 Workers covered by an occupational health and safety management system	Workplace Safety and Health Promotion	P100	
	403-9 Work-related injuries	Workplace Safety and Health Promotion	P100	
	403-10 Work-related ill health	Workplace Safety and Health Promotion	P100	
Taxation				
GRI 207: Tax 2019	207-1 Approach to Tax	Business performance and Taxation	P35	
	207-2 Tax governance, control, and risk management	Business performance and Taxation	P35	

SASB Index

Topic	Disclosure	Explanations or Corresponding Chapter
GHG Emissions	Total Global Emissions (Scope 1)	Related Scope 1 inventory was not conducted in 2023. As a fabless semiconductor company, Fitipower has no direct emission sources such as related manufacturing processes, plant facilities, or transportation vehicles, and refrigerants are for office-related uses only. It is planned to introduce inventory checks in 2024.
	T-SC-110a.1	
	Total emissions from perfluorinated compounds	Related Scope 1 inventory was not conducted in 2023. As a fabless semiconductor company, Fitipower has no direct emission sources such as related manufacturing processes, plant facilities, or transportation vehicles, and refrigerants are for office-related uses only. It is planned to introduce inventory checks in 2024.
	T-SC-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets
Energy management in the manufacturing process	Total energy consumed	Total electricity consumption in 2023 was 4,782 GJ.
	TC-SC-130a.1	Percentage grid electricity
		Percentage renewable
Water Management	Total water withdrawal and water consumed	According to Aqueduct Water Risk Atlas developed by WRI's public database, all operating sites of Fitipower are located in "Low (< 10%)" water stress areas.
	TC-SC-140a.1	Percentage of each in regions with High or Extremely High Baseline Water Stress
Waste Management	TC-SC-150a.1	Amount of hazardous waste from manufacturing, percentage recycled.
		As defined by the local law in Taiwan, waste electronic parts, scraps and defective products generated by Fitipower are non-hazardous waste in on-site storage and are hazardous waste in the treatment stage. The total waste electronic parts, scraps and defective products generated by Fitipower in 2023 was 4.785 metric tons, with a recycling ratio of 100%.

SASB Index

Topic	Disclosure		Explanations or Corresponding Chapter
Employee health and safety	TC-SC-320a.1	Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards	Please see " Occupational Health and Safety Management "
	TC-SC-320a.2	Total amount of monetary losses as a result of legal proceedings associated with employee safety and health violations	In 2023, there were no legal events due to employee health and safety violations at Fitipower
Recruiting & Managing a Global & Skilled Workforce	TC-SC330a.1	Percentage of employees that are foreign nationals and located offshore	The percentage of foreign nationals is 0.9% 5% are overseas employees
Product Life Cycle Management	TC-SC410a.1	Percentage of Revenue from Products Containing IEC 62474 Substances	0%. Please refer to the " Green Materials " Chapter for the relevant management policies.
	TC-SC410a.2	Overall system-level energy efficiency of processors: 1. Servers 2. Desktops 3. Laptops.	The Company is a professional IC design company, and this indicator is not applicable to our related products and services.
Materials Sourcing	TC-SC440a.1	Description of the management of risks associated with the use of critical materials	Please see " Supplier Management ."
Intellectual Property Protection & Competitive Behavior	TC-SC520a.1	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	We did not have any monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations in 2023.
General Disclosures	Disclosure		Explanations or Corresponding Chapter
Activity Metric	TC-SC-000.A	Total production	DDICs: 550,314,000 units PMICs: 983,586,000 units Other chips: 99,633,000 units
	TC-SC-000.B	Percentage of production from owned facilities	Fitipower is a fabless IC design house mainly engaging in IC R&D and design. The back-end manufacturing, packaging and testing processes are outsourced to professional fabs. Hence, the data of this index is zero.

TWSE Sustainability Disclosure Indicators – Semiconductor Industry

No.	Indicator	Indicator Type	Unit	Annual Disclosure Status
I.	Total Energy Consumption, Percentage of Externally Purchased Electricity, and Renewable Energy Use	Quantification	GJ, %	In 2023, Fitipower's total energy consumption was 4,799 GJ, and all energy was purchased from external sources (Taiwan Power Corporation). The Company has not used renewable energy, which has been listed as a future planning target and is subject to relevant assessment.
II.	Total Water Intake and Consumption	Quantification	m ³	In 2023, the total water intake was 4,799 cubic meters and the water consumption was 960 cubic meters.
III.	Weight of hazardous waste generated and percentage recycled	Quantification	Metric tons, %	As defined by the local law in Taiwan, waste electronic parts, scraps and defective products generated by Fitipower are non-hazardous waste in on-site storage and are hazardous waste in the treatment stage. The total waste electronic parts, scraps and defective products generated by Fitipower in 2023 was 4.785 metric tons, with a recycling ratio of 100%.
IV.	Describe the type of occupational disaster, the number of people involved, and the rate	Quantification	%	There were no occupational accidents in 2023.
V.	Disclosure of product life cycle management: weight including scrapped products and electronic waste, and the percentage recycled	Quantification	Metric tons, %	The total waste electronic parts, scraps and defective products generated by Fitipower in 2023 was 4.785 metric tons, with a recycling ratio of 100%.
VI.	Description of risk management associated with the use of critical materials	Quality	N/A	Please see " Supplier Management ."
VII.	Total amount of pecuniary losses as a result of legal proceedings related to the anti-competition regulations.	Quantification	Reporting currency	In 2023, there were no related legal proceedings, so there were no related losses.
VIII.	Output of Main Products by Product Category	Quantification	Varies by product type	DDICs: 550,314,000 units PMICs: 983,586,000 units Other chips: 99,633,000 units

Third-Party Verification Statement



ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE FITIPOWER INTEGRATED TECHNOLOGY INC.'S SUSTAINABILITY REPORT FOR 2023

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by FITIPOWER INTEGRATED TECHNOLOGY INC. (hereinafter referred to as Fitipower) to conduct an independent assurance of the Sustainability Report for 2023. The scope of assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standard v3 Type 2 moderate level to assess whether the text and data in accompanying tables contained in the report and complies with the GRI Standards and AA1000 Accountability Principles (2018) during on-site assurance (2024/02/19–2024/04/26) in Fitipower's headquarter. The boundary of this report includes Fitipower Taiwan and overseas operational and production or service sites' specific performance data included the sampled text, and data in accompanying tables, contained in the report presented. The assurance process did not include the evaluation of specific performance information outside the scope, such as climate-related financial disclosures (TCFD).

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

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all Fitipower's Stakeholders.

RESPONSIBILITIES

The information in the Fitipower's Sustainability Report of 2023 and its presentation are the responsibility of the directors or governing body and management of Fitipower. SGS has not been involved in the preparation of any of the material included in the Sustainability Report.

Our responsibility is to express an opinion on the report content within the scope of verification with the intention to inform all Fitipower's stakeholders.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance and standards including the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) GRI 1: Foundation 2021 for report quality, GRI 2: General Disclosure 2021 for organisation's reporting practices and other organizational detail, GRI 3: 2021 for organisation's process of determining material topics, its list of material topics and how to manages each topic, and the guidance on levels of assurance contained within the AA1000 series of standards.

TWLPP5008 Issue 2404

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard Options	Level of Assurance
A	SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)
B	AA1000AS v3 Type 2 Moderate Level (AA1000AP Evaluation plus evaluation of Specified Performance Information)

SCOPE OF ASSURANCE AND REPORTING CRITERIA

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

Reporting Criteria Options

1	GRI Standards (in Accordance with)
2	AA1000 Accountability Principles (2018)
3	SASB (Semiconductors)

- The evaluation includes AA1000 Assurance Standard v3 Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018).
- The evaluation of the reliability and quality of specified sustainability performance information in Fitipower's Sustainability Report is limited to determined material topics or those clearly marked in the report as conducted in accordance with Type 2 of AA1000AS v3 sustainability assurance engagement at a moderate level of scrutiny for Fitipower.
- The evaluation of the report against the requirements of GRI Standards, includes GRI 1, GRI 2, GRI 3, 200, 300 and 400 series claimed in the GRI content index as material and is conducted in accordance with the standards.
- The evaluation of the report against the SASB Disclosures and Metrics included in the Semiconductors (VERSION 2023-12) and conducted alongside an evaluation of accuracy assurance at moderate level of scrutiny.

ASSURANCE METHODOLOGY

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

LIMITATIONS AND MITIGATION

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

TWLPP5008 Issue 2404

Third-Party Verification Statement

STATEMENT OF INDEPENDENCE AND COMPETENCE

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

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

ASSURANCE/VERIFICATION OPINION

On the basis of the methodology described and the assurance work performed, we are satisfied that the disclosure with inclusivity, materiality, responsiveness, and impact information in the scope of assurance is reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria. We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

AA1000 ACCOUNTABILITY PRINCIPLES (2018) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity

Fitipower has demonstrated its commitment to stakeholder inclusivity through formalised commitment from the highest governing body. A variety of engagement efforts such as questionnaire and communication to employees, customers, investors, suppliers, CSR experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns.

Materiality

Fitipower has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders. It's recommended to use appropriate quantitative and thresholds to determine the significance, likelihood, and present and expected future impact of identified material sustainability topics.

Responsiveness

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback. Communications with stakeholders on an ongoing and timely manner are recommended to be delivered reasonable and viable responses.

Impact

Fitipower has performed processes to recognize and manage the organisation's impacts that are applied across the organisation under the governance of senior management. In the future, it can be considered to define a methodology with quantitative criteria or monetization to present the intensity of impact and prioritization.

TWLPP5008 Issue 2404

GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, Fitipower's Sustainability Report of 2023, is adequately in accordance with the GRI Universal Standards 2021 and complies with the requirements set out in section 3 of GRI 1 Foundation 2021, where the significant impacts on the economy, environment, and people, including impacts on their human rights are assessed and disclosed following the guidance defined in GRI 3: Material Topic 2021, and the relevant 200/300/400 series Topic Standard related to Material Topic have been disclosed. The report has properly disclosed information related to Fitipower's contributions to sustainability development. In the future, it can be considered to enhance the disclosure about implementation of due diligence through which Fitipower identifies, prevents, mitigates, and accounts for how it addresses its actual and potential negative impacts on the economy, environment, and people, including impacts on their human rights.

SASB CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Fitipower has referenced with SASB's Standard, Semiconductors, Version 2023-12 to disclose information of material topics that are vital for enterprise value creation. The reporting boundaries of the disclosed information correspond to the financial data reported in Fitipower's audited individual financial statements of 2023. Fitipower used SASB accounting and activity metrics to assess and manage the topic-related risks and opportunities, where relevant quantitative information was assessed for its accuracy and completeness to support the comparability of the data reported. It is recommended that regular monitoring of peer disclosure can help Fitipower better understand evolving expectations among investors and other stakeholders and ensure to provide comparable information.

Signed:

For and on behalf of SGS Taiwan Ltd.

Stephen Pao
Business Assurance Director
Taipei, Taiwan
8 June, 2024
www.sgs.com




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TWLPP5008 Issue 2404



2023 Sustainability Report

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