Stakeholder Communication and Materiality Analysis

STEP 01

Understanding Organizational Context (Stakeholders Selection)

Fitipower references the five principles of the AA1000 Stakeholder Engagement Standard 2015 (AA1000 SES 2015), evaluating each stakeholder's dependency, responsibility, tension/concern, influence, and diverse perspectives regarding our company to identify key stakeholders. This identification process is conducted every two years. This year's identification results include seven major stakeholder categories: employees, customers, shareholders/investors, suppliers, government agencies, academic institutions, and associations. For the contextual relationships between Fitipower's key stakeholders and material topics, please refer to the "Key Stakeholder Communication Comparison Table" and "Materiality and Boundary Description of Material Topics."

STEP 02

Stakeholder Engagement

Fitipower values stakeholder expectations and gathers their concerns and potential impacts through daily meetings, interviews, telephone consultations, suggestion boxes, and various business interactions. Referencing GRI Standards, ISO 26000, and the UN Global Compact, we focus broad sustainability content into 20 sustainability topics for investigation, assessing positive and negative impacts of each topic on economic, environmental, and social dimensions (for risks and opportunities of material topics, please refer to the "Materiality and Boundary Description of Material Topics"). Additionally, we conducted stakeholder concern surveys, collecting 384 questionnaires as the basis for annual materiality analysis. Topics of concern to each stakeholder group are detailed in the "Key Stakeholder Communication Comparison Table." Beyond these standard processes, we have established a "Contact Section" on our website providing communication channels with various business units for questions, suggestions, or grievances regarding any topics and foster good interaction through the relevant corresponding channels.

STEP 03

Material Topics Identification

Management executives and ESG task force members, based on practical experience and professional capabilities, conducted "Impact Significance Assessment Surveys" (evaluating positive and negative impact levels and likelihood of occurrence) for the 20 focus topics across economic, environmental, and social dimensions. Ultimately, we weighted and analyzed the "Impact Significance Assessment Results" with "Stakeholder Concern Survey Results" to create positive and negative impact materiality matrices.

- Impact Significance Assessment Survey: We collected 44 assessment questionnaires and compiled importance matrices (X-axis: weighted results of impact level and stakeholder concern; Y-axis: likelihood of occurrence)
- Material Topics Definition: Topics with high importance (X>660, X<-660) and high likelihood (Y>132) are defined as material topics with significant impact. The final set of material topics is defined as the union of those identified through both positive and negative impact assessments.
- Final identification results were approved by the General Manager, determining 11 annual material topics: "R&D and Intellectual Property," "Supply Chain Management," "Customer Relationship Management," "Talent Attraction and Retention," "Financial Performance," "Talent Cultivation and Development," "Green Products," "Occupational Health and Safety," "Legal Compliance," "Information Security," and "Indirect Economic Impact." Please refer to the "Material Topics Matrix."

STEP 04

Materiality and Sustainability Context Description

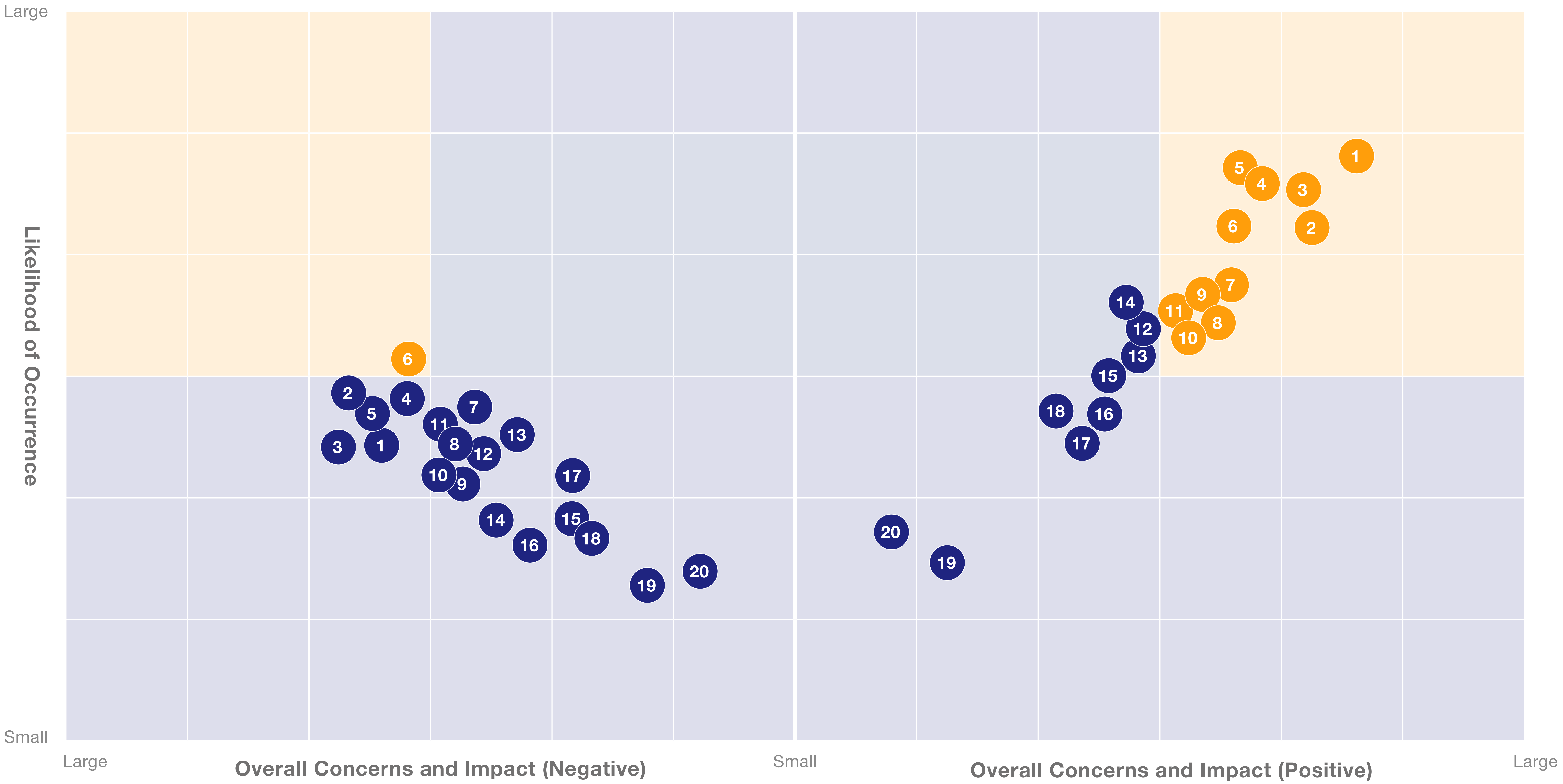
The identified material topics added "Information Security" and "Indirect Economic Impact" compared to the previous year, while "Taxation" became a continuously monitored topic. For detailed changes and corresponding GRI topics, please refer to the "Material Topics Identification Difference Table." For the significance and impact boundaries of each material topic in relation to the Company's operations, please refer to the "Materiality and Boundary Description of Material Topics."" Our policies, commitments, goals, responsibilities, resources, and specific actions for each material topic are addressed throughout the chapters of this report.

Fitipower Key Stakeholders Communication Comparison Table

Stakeholder	Topics of Concern	Communication Methods and Frequency		Communication Performance
Employee	• Talent Attraction and Retention • Talent Cultivation and Development • Occupational Health and Safety • R&D and Intellectual Property	Please refer to "Multiple Communication Channels" in Chapter "Labor-Management Communication"		• Provided online and in-person training with total employee participation reaching 8,960 participants. • Held quarterly labor-management meetings, Welfare Committee meetings, and Occupational Health and Safety Committee meetings. • Conducted 1 evacuation drill and 4 fire drills. • Published the annual intellectual property management plan and implementation status on the Company's official website
Customer	• Green Products • R&D and Intellectual Property • Customer Relationship Management • Supply Chain Management • Energy and Climate Change • Human Rights and DEI	Customer relationship management (CRM) system	Customer relationship management (CRM) system	• Major customer satisfaction scores of 93.29 (DDI) and 86.41 (PMIC), both achieving annual targets. • 100% customer complaint resolution rate.
		Fitipower website	Fitipower website	
		External communication mailbox	External communication mailbox	
		Quarterly business meetings	Quarterly business meetings	
		Customer satisfaction surveys	Customer satisfaction surveys	
		Customer meetings	Customer meetings	
Shareholder/ Investor	• Customer Relationship Management • Supply Chain Management • Financial Performance • Taxation • Information Security • Energy and Climate Change	Investors section on the Company's official website	Real-time	• Held 1 shareholders' meeting and 4 investor conferences. • Held 18 foreign and domestic brokerage public forums. • Conducted 60 small-scale institutional investor meetings.
		Annual financial reports	Annually	
		Annual shareholders' meetings	Annually	
		Investor conferences	Quarterly	
		Market Observation Post System (MOPS)	Real-time	

Stakeholder	Topics of Concern	Communication Methods and Frequency		Communication Performance
Supplier	• Customer Relationship Management • Supply Chain Management • Risk Management • R&D and Intellectual Property	Quality meetings	Annually	• Planned audits for 44 major suppliers in 2024, with a 100% completion rate. • 100% of suppliers signed the "Restricted Substances Commitment Letter." • 100% of suppliers completed CMRT surveys, all compliant with responsible mineral sourcing. • No supplier complaints received regarding ethical corporate management or integrity violations.
		Supplier audits	As needed	
		Daily meetings	As needed	
		Whistleblower mailbox (wb@fitipower.com)	Real-time	
Government Agency	• Legal Compliance • Taxation • Social Involvement and Public Policy	Market Observation Post System (MOPS)	Real-time	• Established the Fitipower Environmental Foundation and launched a series of environmental protection activities with national public educational institutions. • Published corporate governance and material information on the Market Observation Post System (MOPS) for public disclosure. • Cooperated with the Financial Supervisory Commission (FSC) in corporate governance evaluation operations. • Complied with FSC requirements for TCFD framework disclosure, providing quarterly climate-related information reports to the Board of Directors and announcing the company's greenhouse gas inventory plans and progress. • Participated in the Ministry of Labor's Youth Employment Flagship Program.
		Official documents	As needed	
		Regulatory supervision and audits	As needed	
		Policy/thematic seminars, forums, public hearings	As needed	
Academic Institution	• Talent Cultivation and Development • Talent Attraction and Retention • Occupational Health and Safety	Fitipower website	Real-time	• Conducted 17 campus recruitment or information sessions with total student consultations reaching 912 students. • 4 industry-academia cooperation projects benefiting 65 students • Collaborated with 9 student organizations and departments on 8 environmental sustainability activities, plus 2 sustainability lectures
		External communication mailbox	Real-time	
		Campus recruitment	Annually	
		Industry-academia cooperation projects	As needed	
Association	• R&D and Intellectual Property • Green Products • Indirect Economic Impact	Member assemblies	Varies by org.	• Participated in 9 industry association organizations (Fitipower: 5; JADARD: 4) • Active participation in association activities
		Thematic seminars and others	As needed	

Material Topics Matrix



Material Topics	
1 R&D and Intellectual Property	6 Talent Cultivation and Development
2 Supply Chain Management	7 Green Products
3 Customer Relationship Management	8 Occupational Health and Safety
4 Talent Attraction and Retention	9 Legal Compliance
5 Financial Performance	10 Information Security
	11 Indirect Economic Impact

Topics for Continuous Monitoring	
12 Risk Management	16 Anti-corruption
13 Human Rights and DEI	17 Energy and Climate Change
14 Taxation	18 Waste Management
15 Social Involvement and Public Policy	19 Biodiversity
	20 Water Resource Management

Material Topics Identification Difference Table

Change from Previous Year	Material Topics	Corresponding GRI Topics
No Change	• R&D and Intellectual Property (Self-defined topic, no corresponding GRI theme) • Supply Chain Management • Customer Relationship Management • Talent Attraction and Retention • Financial Performance • Talent Cultivation and Development • Green Products • Occupational Health and Safety • Legal Compliance	• GRI 204 Procurement Practices • GRI 308 Supplier Environmental Assessment • GRI 414 Supplier Social Assessment • GRI 201 Economic Performance • GRI 206 Anti-competitive Behavior • GRI 302 Energy • GRI 416 Customer Health and Safety • GRI 202 Market Presence • GRI 401 Employment • GRI 404 Training and Education • GRI 403 Occupational Health and Safety
Newly Included	• Information Security (Self-defined topic, no corresponding GRI theme) • Indirect Economic Impact	• GRI 203 Indirect Economic Impacts
Reclassified as Continuous Monitoring	• Taxation	• GRI 207 Tax

Note 1：For detailed indicators and report chapters corresponding to material topics and GRI topics, please refer to the "GRI Standards Index."

Introduction and Overview
1 Value Co-Creation
2 Responsibility Sharing
3 Partner Co-prosperity
4 Environmental Symbiosis
5 Labor-Management Common Good
6 Social Inclusion
Appendices

▶ Materiality and Boundary Description of Material Topics

$: Economic 🍃 : Environmental 👤 : Social

● : Direct Impact ○ : Indirect Impact

Material Topic	Significance to Fitipower Operations (Importance)	Significant Impact (Actual ❗/Potential ❕)								
		Positive	Negative							
R&D and Intellectual Property	As a professional IC design company, providing diverse and comprehensive solutions to customers is Fitipower's core operational driver. We continuously invest in innovative R&D through collaboration and knowledge exchange with industry and academia, along with effective intellectual property management, maintaining our products' competitive advantage in the market.	$ National economic growth ❗ $ Enhanced corporate market competitiveness ❗ $ Improved corporate brand value ❗ 🍃 Enhanced product efficiency ❗ 👤 Enhanced quality of life ❗	$ Cost pressure and losses ❗ $ Market share decline ❕ $ Legal penalties ❕ 👤 Technological unemployment ❕	●	●	○	○	○	○	○
Supply Chain Management	As a fabless semiconductor company, Fitipower's backend manufacturing and testing are outsourced to professional contractors. Supply stability, delivery schedules, quality, and material control directly affect operational costs and revenue. Facing increasing supply management uncertainties, Fitipower must establish robust management systems to ensure products and services meet stakeholder expectations and regulatory requirements, creating sustainable product value chains.	$ Enhanced industry competitiveness ❕ $ Reduced production costs ❕ $ Expanded market share ❕ 🍃 Reduced carbon footprint ❕ 👤 Promotion of local employment ❕ 👤 Enhanced corporate identity ❕	$ Increased operating costs ❗ $ Supply chain disruption risks ❗ 🍃 Environmental impact of supply chain extension ❗ 👤 Social criticism ❕	○	○	○	●	○	○	
Customer Relationship Management	Proactive customer relationship management helps us understand customer needs and maintain competitive advantages. Customer privacy directly relates to corporate reputation, legal risks, and customer relationships, significantly impacting operations. Fitipower should protect customer information security, strengthen cooperative trust, and promote long-term stable partnerships.	$ Enhanced customer trust ❗ $ Expanded market share ❕ 🍃 Promotion of green products ❗ 👤 Enhanced corporate identity ❕	$ Customer loss ❕ $ Increased costs ❗ $ Legal litigation ❕ 👤 Impact on company reputation ❕	○	●	○	○			
Talent Attraction and Retention	Employees are an organization's most important asset, particularly crucial in the rapidly evolving semiconductor design industry pursuing innovative breakthroughs. Through diverse workforce planning and competitive compensation and benefits, Fitipower attracts key talent to inject continuous operational momentum.	$ Increased productivity ❗ $ Enhanced competitiveness ❗ 👤 Creation of fulfilling lives ❗ 👤 Improved social stability ❕ 👤 Enhanced company reputation and local employment ❕	$ Increased labor costs ❗ $ Operational disruptions ❕ 👤 Labor disputes ❕	●	○			○	○	
Financial Performance	Corporate financial performance directly reflects operational efficiency, financial health, and competitiveness. Strong financial health provides resilience against unknown risks and enables corporate transformation. As a listed company on Taiwan Stock Exchange, Fitipower indirectly affects shareholder and investor confidence and rights, potentially creating operational challenges. Therefore, we must pursue continuous financial growth.	$ Increased investment value ❕ $ Enhanced economic vitality ❕ 👤 Promotion of employee welfare ❕ 👤 Promotion of social investment ❕	$ Investment losses and distrust ❕ $ Economic instability ❕ 🍃 Reduced environmental investment ❕ 👤 Employment uncertainty ❕	○	○	●	○	○		

Material Topic	Significance to Fitipower Operations (Importance)	Significant Impact (Actual ❗/Potential ❕)								
		Positive	Negative							
Talent Cultivation and Development	Employee development is the foundation of knowledge transfer and breakthrough innovation. Fitipower values practical training and skill enhancement for every employee. We believe providing excellent training resources, learning environments, and promotion systems supports our robust R&D capabilities.	$ Enhanced corporate competitiveness ❗ $ Enhanced corporate productivity ❗ Green transformation development ❗ Reduced unemployment rate ❕ Enhanced social stability ❕	$ Increased training costs ❗ $ Increased employment costs ❗ Social inequality ❕	●	○		○	○	●	●
Green Products	With increasingly strict environmental regulations and rising green consumption and sustainability awareness, brand customers are committing to climate transition challenges. For Fitipower, focusing on green product R&D design is both our responsibility and opportunity. Beyond meeting market expectations and improving product competitiveness, it reduces environmental impact and costs throughout product lifecycles.	$ Innovation and market opportunities ❗ Reduced product CFP ❗ Increased resource efficiency ❗ Enhanced health and safety ❗ Promotion of green education ❗	$ Increased production costs ❗ $ Competitive pressure ❕ Industry transformation pressure ❕	●	●	○	●	○	○	○
Occupational Health and Safety	Fabless semiconductors rely heavily on employee input and output. Providing a safe and healthy work environment not only ensures normal operations but can also attract and retain excellent talent with positive reputational impacts.	Enhanced workforce stability ❗	$ Increased operating costs ❗ $ Legal fines ❕ $ Production losses ❕ $ Medical cost burden ❕ Impact on corporate reputation ❕	●	○	○	●	●	○	
Legal Compliance	Business operations must comply with fair trade, sales, environmental, safety and health, labor conditions, and listed company regulations. Violations bring financial and reputational losses, potentially affecting operational continuity. Legal compliance is not only employees' basic competency but also core to corporate sustainability, maintaining good trust with stakeholders and promoting long-term development.	$ Enhanced business cooperation and investment ❕ Environmental protection implementation ❗ Product and service safety ❗ Improved labor rights ❗	$ Legal penalties ❕ Impact on company reputation ❕	○	○	○	○	●		
Information Security	Beyond personal data protection, information security concerns company confidential technology and customer data protection, directly affecting market competitiveness and product value chain trust. Strengthening information security management and obtaining international certifications can reduce operational risks, prevent cyberattacks, and ensure R&D results and stable corporate development.	$ Enhanced customer trust ❗ $ Promotion of digital transformation ❗ Reduced carbon footprint ❕	$ Increased operating costs ❗ $ Business interruption ❕ Social controversy ❕	●	●	○	○			
Indirect Economic Impact	Corporate investment and operations not only drive supply chain development but also affect industry transformation and local economies. Responding to policies and global economic changes while ensuring technological innovation, supply chain stability, and compliant operations helps enhance market competitiveness and long-term corporate growth.	$ Creation of business opportunities ❕ $ Industry transformation and economic growth ❕	$ Investment cost pressure ❗ $ Losses or low returns ❕		○	○	○	●		○

Note：For main stakeholder icon correspondence, please refer to the "Key Stakeholder Communication Comparison Table."