Stakeholder Engagement and Materiality Assessment

STEP 01

Understand Organizational Context (Stakeholder Identification)

With reference to the five principles of AA1000 Stakeholder Engagement Standard 2015 (AA1000 SES 2015), Fitipower assesses each stakeholder group's dependency on the Company, responsibility, tension/concern, influence, and diverse perspectives to identify key stakeholders. This identification is conducted every two years. The results for this year identified seven categories of key stakeholders: employees, customers, shareholders/investors, suppliers, government agencies, academic institutions, and industry associations. For the contextual relationship between Fitipower, key stakeholders, and material topics, please refer to the Key Stakeholder Communication Table and the Materiality and Boundary Table for Material Topics.

STEP 02

Stakeholder Engagement

Fitipower values stakeholder expectations of the Company. Through daily meetings and interviews, telephone interviews, suggestion mailboxes, and various business interactions, we understand stakeholders' areas of concern and potential impacts. At the same time, with reference to the GRI Standards, ISO 26000, and the United Nations Global Compact, we consolidated broad sustainability themes into 18 sustainability topics and conducted surveys to assess the positive and negative impacts of each topic on the economic, environmental, and social dimensions. For the risks and opportunities associated with each material topic, please refer to the "Materiality and Boundary Table for Material Topics". In addition, we conducted a concern-level survey for key stakeholders. A total of 258 questionnaires were collected as the basis for the annual materiality analysis. Stakeholder concerns are presented in the Key Stakeholder Communication Table. In addition to the standard process above, Fitipower has established a Contact Us section on the official website to provide communication channels with business units. Questions, suggestions, or grievances concerning any topic may be communicated and interacted with through the relevant channels.

STEP 03

Material Topic Identification

Based on practical experience and professional competence, management and ESG task force members assessed the significance and likelihood of positive and negative impacts on the economic, environmental, and social dimensions for the 18 topics of concern. We then weighted and analyzed the impact significance assessment results and the stakeholder concern survey results to prepare materiality matrices for positive and negative impacts.

- Impact significance assessment survey: A total of 33 assessment questionnaires were collected, and a materiality matrix was compiled. The X-axis represents the weighted result of impact level and stakeholder concern, and the Y-axis represents likelihood.
- Definition of material topics: Topics with high significance (X>495 or X<-495) and high likelihood (Y>99) are defined as material topics with significant impacts. The union of topics identified for positive and negative impacts is used.
- After approval by the President, the final identification results confirmed nine annual material topics: R&D and intellectual property, talent attraction and retention, customer relationship management, talent cultivation and development, supply chain management, information security, financial performance and taxation, regulatory compliance, and green products. Please refer to the Material Topics Matrix.

STEP 04

Materiality and Sustainability Context Description

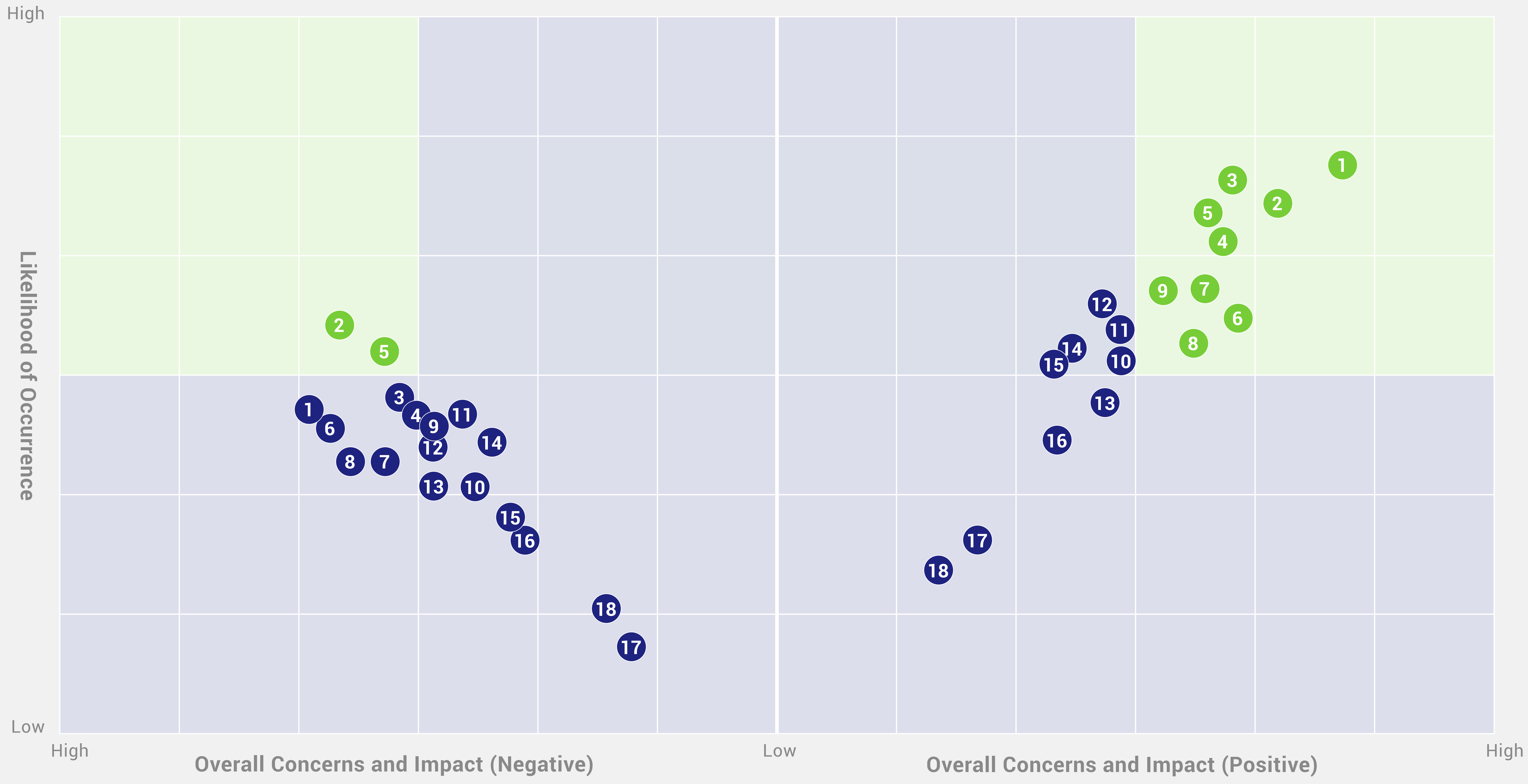
Compared with the previous year, two topics - occupational health and safety and indirect economic impacts - were no longer identified as material topics. For detailed changes, please refer to the Materiality Identification Difference Table. For the importance of each material topic to the Company's operations, impact boundaries, and corresponding GRI topics, please refer to the Materiality and Boundary Table for Material Topics. The Company's policies, commitments, targets, responsibilities, resources, and specific actions for each material topic are addressed in the relevant chapters of this report.

▸ **Fitipower Key Stakeholder Communication Table**

Stakeholders	Topics of ConcernTopic	Communication Method		Communication Performance
Employees	• Talent Attraction and Retention • Talent Cultivation and Development • Occupational Health and Safety • Information Security • R&D and Intellectual Property	Please refer to "Diverse Communication Channels" in the Labor-Management Communication section		• Provided online and in-person training with total employee participation reaching 10,187 participants. • Held quarterly labor-management meetings, Welfare Committee meetings, and Occupational Health and Safety Committee meetings. • Conducted 1 evacuation drill and 2 fire drills. • Published the annual intellectual property management plan and implementation status on the Company's official website
Customers	• R&D and Intellectual Property • Customer Relationship Management • Information Security • Supply Chain Management • Green Products	Customer relationship management (CRM) system	Real-time	• Major customer satisfaction scores of 92.6(DDI) and 95.7(PMIC), both achieving annual targets. • 100% customer complaint resolution rate
		Fitipower website	Real-time	
		External communication mailbox	Real-time	
		Quarterly business meetings	Quarterly	
		Customer satisfaction surveys	Annually	
		Customer meetings	Irregularly	
Shareholders/ Investors	• Customer Relationship Management • R&D and Intellectual Property • Financial Performance and Taxation • Indirect Economic Impacts • Supply Chain Management	Investors section on the Company's official website	Real-time	• Held 1 shareholders' meeting and 4 investor conferences. • Held 8 foreign and domestic brokerage public forums. • Conducted 65 small-scale institutional investor meetings.
		Annual financial reports	Annually	
		Annual shareholders' meetings	Annually	
		Investor conferences	Quarterly	
		Market Observation Post System (MOPS)	Real-time	

Stakeholders	Topics of ConcernTopic	Communication Method		Communication Performance
Suppliers	• Information Security • Customer Relationship Management • Supply Chain Management • Green Product	Quality meetings	Annually	• Planned audits for 43 major suppliers in 2025, with a 100% completion rate. • 100% of suppliers signed the "Restricted Substances Commitment Letter." • 100% of suppliers completed EMRT and 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 Agencies	• Legal Compliance • Financial Performance and Taxation • Indirect Economic Impacts • Waste Management • Occupational Health and Safety	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 BoD and announcing the company's GHG 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 Institutions	• R&D and Intellectual Property • Talent Attraction and Retention • Talent Cultivation and Development • Legal Compliance	Fitipower website	Real-time	• Conducted 15 campus recruitment or information sessions with total student consultations reaching 935 students. • 4 industry-academia cooperation projects • Collaborated with 12 student organizations and departments on 12 environmental sustainability activities
		External communication mailbox	Real-time	
		Campus recruitment	Annually	
		Industry-academia cooperation projects	Irregularly	
Associations	• R&D and Intellectual Property • Energy and Climate Change • Green Product	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
2. Talent Attraction and Retention
3. Customer Relationship Management
4. Talent Cultivation and Development
5. Supply Chain Management
6. Information Security
7. Financial Performance and Taxation
8. Legal Compliance
9. Green Products

Topics for Continuous Monitoring

10. Human Rights and DEI
11. Indirect Economic Impacts
12. Occupational Health and Safety
13. Business Ethics and Anti-Corruption
14. Energy and Climate Change
15. Social Involvement and Public Policy
16. Waste Management
17. Biodiversity
18. Water Resource Management

▶ Materiality Identification Difference Table

Change from Previous Year	Material Topics	Corresponding GRI Topics
No Change	• R&D and Intellectual Property (SASB) • Talent Attraction and Retention • Customer Relationship Management • Talent Cultivation and Development • Supply Chain Management • Information Security (SASB) • Financial Performance and Taxation • Legal Compliance (SASB) • Green Products	• GRI 202 Market Presence • GRI 401 Employment • GRI 405 Diversity and Equal Opportunity • GRI 418 Customer Privacy • GRI 404 Training and Education • GRI 204 Procurement Practices • GRI 308 Supplier Environmental Assessment • GRI 414 Supplier Social Assessment • GRI 201 Economic Performance • GRI 416 Customer Health and Safety
Newly Included	None	Not applicable
Reclassified as Continuous Monitoring	• Occupational Health and Safety • Indirect Economic Impacts	• GRI 403 Occupational Health and Safety • GRI 203 Indirect Economic Impacts

Note：For detailed indicators and reporting chapters corresponding to the GRI topics for material topics, please refer to the GRI Standards Index.

▶ Materiality and Boundary Description for Material Topics

Ⓢ : Economic 🍃 : Environmental 👤 : Social ● : Direct Impact ○ : Indirect Impact

Material Topic	Significance to Fitpower 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 ❕	●	●	○	○	○	○	○
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 ❕	●	○			○	○	
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 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 ❕	●	○		○	○	●	●
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 ❕	○	○	○	●	○	○	

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

: Economic : Environmental : Social ● : Direct Impact ○ : Indirect Impact

Material Topic	Significance to Fitpower Operations (Importance)	Significant Impact (Actual ❗/Potential ❕)								
		Positive	Negative							
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 ❕	●	●	○	○			
Financial Performance and Taxation	The Company's financial performance reflects its operating efficiency, financial soundness, and competitiveness, and supports its ability to respond to risks and operational transformation. As a listed company in Taiwan, Fitipower's financial performance also affects shareholders' and investors' confidence, rights and interests, and capital market valuation. Therefore, the Company is committed to sustaining growth in its financial operations. In addition, tax governance is a key foundation of ethical corporate management. Through compliant and responsible tax management, the Company reduces operational risks and supports long-term development for both the enterprise and society.	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 ❕	○	○	●	○	○		
Regulatory 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.	IEnhanced business cooperation and investment ❕ Environmental protection implementation ❗ Product and service safety ❗ Improved labor rights ❗	ILegal penalties ❕ IImpact on company reputation ❕	○	○	○	○	●		
Green Product	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 ❕	●	●	○	●	○	○	○

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