



2024

Sustainability Report



FORCELEAD



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Chairman, Forcelead
Technology Corp.

毛欽文

Vincent Mao

Hsinchu, May 2025

Message from the Chairman

Dear Stakeholders:

Forcelead successfully went public on the TPEX in December 2024, marking the beginning of a new chapter for the company. We sincerely thank all employees for their dedication and collaborative spirit. Despite a slowdown in the global automotive market, the rising demand for smart cockpits has allowed our automotive chip business to demonstrate outstanding economic performance. Looking ahead, we will continue to focus on R&D innovation, emphasize talent development and diversity & inclusion, with the vision of creating long-term corporate value.

• Environmental Sustainability Commitment

The global automotive supply chain is actively promoting carbon reduction to achieve the goal of net-zero emissions by 2050. Forcelead actively integrates green technology from chip design to manufacturing processes to address the challenges of climate change and global warming. In product technology, since 2016, we have applied zero-capacitor technology to display driver ICs, reducing capacitor usage in display modules and expanding our product lines. In 2018, we introduced RGBW technology, achieving reduced power consumption and enhanced contrast effects. In 2021, we launched automotive single-chip application ICs, significantly reducing the number of driver ICs compared to traditional display architectures. In 2024, specifically for the energy-saving market of electric vehicles and two-wheelers, we launched cost-effective RGBW display driver ICs, substantially reducing energy consumption. Regarding internal environmental sustainability commitments, the Company has proactively conducted greenhouse gas inventories since 2023 and plans to complete third-party verification of our Sustainability Report by 2025, implementing our sustainability commitments.

• People (including human rights) and Promoting Supplier Code of Conduct & Healthy Workplace

To jointly fulfill our corporate responsibilities together with our suppliers, we have adopted the "Responsible Business Alliance (RBA) Code of Conduct 8.0" as a reference and established a "Supplier Code of Conduct Commitment" pledge to manage new suppliers. Additionally, to actively promote healthy workplace initiatives, the Company internally encourages employee participation in various activities, creating a safe, healthy, and diverse & inclusive work environment.

• Risk Management and Corporate Governance

In risk management, we regularly convene risk management meetings and conduct reviews through the Board of Directors to strengthen risk control capabilities. One example is supply chain localization: demand for automotive chips is rapidly growing with the rise of new energy and smart vehicles. To reduce geopolitical risks in global international trade, we are moving toward localization of automotive chip production supply chains to enhance chip supply resilience. In corporate governance, to ensure greater rigor in the disclosure procedures for sustainability information, our Board of Directors has approved both the "Procedures for the Preparation and Assurance of Sustainability Reports" and an internal control system for "Management of the Preparation and Assurance of Sustainability Information."

• Looking Forward

Thank you again for your support of Forcelead. We firmly believe that sustainable development provides enterprises with the resilience to face challenges. We will continue to monitor global and Taiwan regional policy trends and work with supply chain partners to achieve a green, low-carbon vision. We commit to creating greater value for society, the environment, and all stakeholders, working together toward a sustainable future.

About the Report

Report Profile

2025 marks the second year that Forcelead Technology Corp. (hereinafter referred to as "Forcelead") has published its Sustainability Report (hereinafter referred to as "the Report"). This represents not only an important milestone in Forcelead's sustainable development journey, but also our commitment to continue publishing sustainability reports in the future. Through these reports, we aim to disclose our achievements in economy, environment, and people (including human rights) aspects to all stakeholders, responding to stakeholder feedback while advancing toward our vision of sustainable business operations. The Report is prepared by Forcelead's "Sustainability Promotion Team." Through daily operational communications and engagement with stakeholders, we collect and analyze ESG management practices to align with international sustainability standards. The content of the Report responds to the concerns of various stakeholders regarding Forcelead's investments and achievements in economy, environment, and people (including human rights) aspects.

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* Standard Compliance

This report is prepared in accordance with several international sustainability standards, including the Global Reporting Initiative (GRI) 2021 Standards and the Task Force on Climate-related Financial Disclosures (TCFD). In light of evolving sustainability disclosure trends, the report also adopts the standards of the Sustainability Accounting Standards Board (SASB) to determine framework material issues. Specifically, it follows the SASB standards for the Technology and Communications sector – Semiconductors industry, along with the sustainability disclosure indicators for the semiconductor industry as set forth by the Financial Supervisory Commission of Taiwan. GRI Sustainability Reporting Standards and SASB Sustainability Accounting Standards content indices are provided in the Appendix.

* Reporting Period, Boundaries, and Scope

The reporting period is from January 1, 2024, to December 31, 2024. The Report discloses Forcelead's various ESG strategy implementation results and performance for 2024, covering material issues of stakeholder concern and specific achievements in economy, environment, and people (including human rights) dimensions. The Chinese version of the report will be published by the end of August 2025 and made available on Forcelead's official website. The English version will be published by the end of December 2025 and made available on Forcelead's official website, with an annual publication frequency. The disclosure scope covers all operational activities of Forcelead, providing comprehensive disclosure of implementation performance in economy and people (including human rights) dimensions. The main operational base is located in Tai Yuen Hi-Tech Industrial Park, Zhubei City, Hsinchu County (also including the Tainan office). Environment data is primarily from Tai Yuen Hi-Tech Industrial Park, Zhubei City, Hsinchu County, with greenhouse gas and energy data covering the Tainan office.

The data in this Report is compiled through collaboration by the "Sustainability Promotion Team," comprising units including Human Resources and Administration, Quality Assurance, Marketing, Audit Office, Supply Chain Management, Information Technology, Finance and Accounting, and Sustainability & Investor Relations.

* Management Style

Internal management process for this report: The contents of this report were reviewed by the heads of each operational unit and subsequently submitted to the Chair of the Sustainability and Risk Management Committee for approval. After completing the internal review process, the report was presented to the Board of Directors for discussion and was officially approved and released upon resolution. The final version is published on Forcelead's official website.

* Report Quality

The Report is written based on stakeholder identification procedures using the inclusivity, materiality, responsiveness, and impact principles of the AA1000 AccountAbility Principle Standard (APS), and references issues of concern to competent authorities, stakeholders, and relevant sustainability rating agencies for supplementary information disclosure.

* External Verification and Assurance

The report was assured in June 2025 by DQS Taiwan Inc., in accordance with the GRI Universal Standards 2021, SASB SICS: Semiconductor Ver. 2023 indicators, and the TCFD disclosure framework. The assurance was conducted in accordance with AA1000 AS v3 2020 at a Type 2 moderate level. Specific sections of the SASB standards—TC-SC-110a.1, TC-SC-110a.2, TC-SC-130a.1, TC-SC-140a.1, and TC-SC-150a.1—were assured at a Type 2 high level in accordance with AA1000 AS v3 2020. The assurance statement can be found in the Appendix section of this report. DQS Taiwan Inc. is an independent third-party verification body that provided an objective and impartial conclusion on the Sustainability Report.

The 2024 financial data for Forcelead was sourced from publicly available information assured by Deloitte Taiwan.
Management systems: Forcelead has obtained and maintains valid certifications for ISO 9001 and ISO 45001 management systems.

* External Initiatives

Forcelead is committed to ensuring employees are treated with respect and dignity, work environments are safe and environmentally friendly, and ethical standards are followed. Currently, there are no external initiatives.

* Participation in External Initiatives Organization

Forcelead has not yet participated in any external organizations or associations.

* Grievance Mechanisms






Forcelead has established a "Reporting System" with complaint channels for employees, customers, suppliers, shareholders/investment institutions, and banks/financial institutions accessible through the complaint channel QR code. All complaints are handled confidentially, and stakeholders may also submit anonymous complaints.

* Contact Information

This Report is publicly available on Forcelead's official website for stakeholder review. If you have any questions or suggestions, please feel free to contact us.

- Contact Window	Sustainability Promotion Team
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- Company website	www.forcelead.com.tw/

* Forcelead's Grievance Mechanisms

	Employees	Human Resources and Administration
	Customers	Sales
	Suppliers	Supply Chain Management Quality Assurance
	Shareholders/ Investment Institutions	Sustainability & Investor Relations
	Banks/Financial Institutions	Finance and Accounting


→ Company's official website


→ Grievance Mechanisms

2024 Sustainability Performance Highlights

Aspect	Performance
Environment (E)	<ul style="list-style-type: none">Continued conducting the 2024 greenhouse gas inventory in accordance with ISO 14064-1:2018.Issued the “Declaration of Non Use of Environment Hazardous Substance” to suppliers, achieving a 100% signing rate in 2024.Supplier audits include environmental and CSR items. In 2024, 27 suppliers were audited with 0 environmental and CSR deficiency items.Regular review of existing suppliers' ISO 14001 Environmental Management Systems certification status in 2024: 30 suppliers total, 30 certified and qualified, 100% qualification rate.Annual RoHS and conflict minerals surveys for existing suppliers. 0 abnormal records in 2024.Green deposits with financial institutions totaling NT\$5 million.
People (S) (including Human Rights)	<ul style="list-style-type: none">According to the 2025 announcement by competent authorities of 2024 listed companies' full-time, non-supervisory employees, the "average salary" and "median salary" were NT\$2,723 thousand and NT\$2,570 thousand respectively, ranking 5th highest among TPEx-listed companies and among the top in all listed companies, demonstrating the Company's high competitiveness in talent compensation and recognition of employee value.Committed to providing quality education and training for employees. Total training hours were 1,292.79 hours, including 1,089.29 hours of internal training (including new employee education, professional training, and management training) averaging 3.11 hours/person, and 203.5 hours of external training averaging 8.14 hours/person. Total education and training hours increased by 44.76 hours compared to the previous year, up three percentage points from 2023.Employee safety is of utmost importance. There were no violations of occupational health and safety regulations in the past three years.2024 turnover rate of 4.03%, down 0.52% from 2023.Regularly purchases products from welfare and disadvantaged groups for meetings and afternoon tea (Children Are Us cookies/Hsinchu area), and initiated the "Send Love to Tribes" charity activity, cooperating with Children Are Us (Hsinchu area) to purchase love meal boxes for distribution to remote tribal elementary schools. This activity raised NT\$124,200, purchasing 207 charity meal boxes for 207 students at 3 elementary schools (Wufeng Township, Hsinchu County/Chunri Township, Pingtung County/Meinong District, Kaohsiung City) for the second semester of 2024.Continues to maintain "Badge of Accredited Healthy Workplace - Health Promotion Label" certification and received excellent ratings in tobacco prevention and health management.Held "Fat-Cutting Weight Loss Battle" event with 30 participants, total weight loss of 50 kg, and 48% reduction in body fat.
Economy (G)	<ul style="list-style-type: none">Board of Directors, Compensation Committee, and Audit Committee attendance rates all reached 100%, with female directors comprising 38%.Earnings per share for 2024 were NT\$15.37, with a cash dividend of NT\$12.65 per share, representing a payout ratio of approximately 82%.2024 local procurement ratio: 69%, four percentage points higher than 2023.Established a “Supplier Code of Conduct Commitment” aligned with version 8.0 of the RBA Code of Conduct, provided to new suppliers, who are required to sign a confirmation letter and comply with the code.Directors' ESG training totaled 48 hours.

1

Sustainable Development

1.1 ESG Sustainability Policy

1.2 Identifying Important Stakeholders

1.3 Identification of Significant Sustainability Issues

1.4 Defining Disclosure Issues and Scope

1.5 Management Approach for Material Topics

1.1 ESG Sustainability Policy

Forcelead firmly believes that actively listening to and responding to stakeholder voices is crucial in advancing sustainable development and fulfilling our corporate social responsibility. Therefore, in addition to transparently disclosing important information about corporate governance, environmental protection, employee care, and social responsibility through annual reports, sustainability reports, and our official website, we also collect opinions and feedback from all sectors through diverse communication channels, continuously improving our business model to ensure progress toward higher standards of sustainable development goals.

To comprehensively implement ESG, the Company has established a complete sustainability implementation framework covering three core dimensions: "Corporate Governance," "Environmental Sustainability," and "Social Responsibility," and formulated a "Corporate Sustainability Policy" to ensure sustainability concepts permeate internal and external operational activities. Through active education, advocacy, and training programs, Forcelead not only deeply instills sustainability values internally but also demonstrates the Company's commitment and determination to sustainable development to external stakeholders.

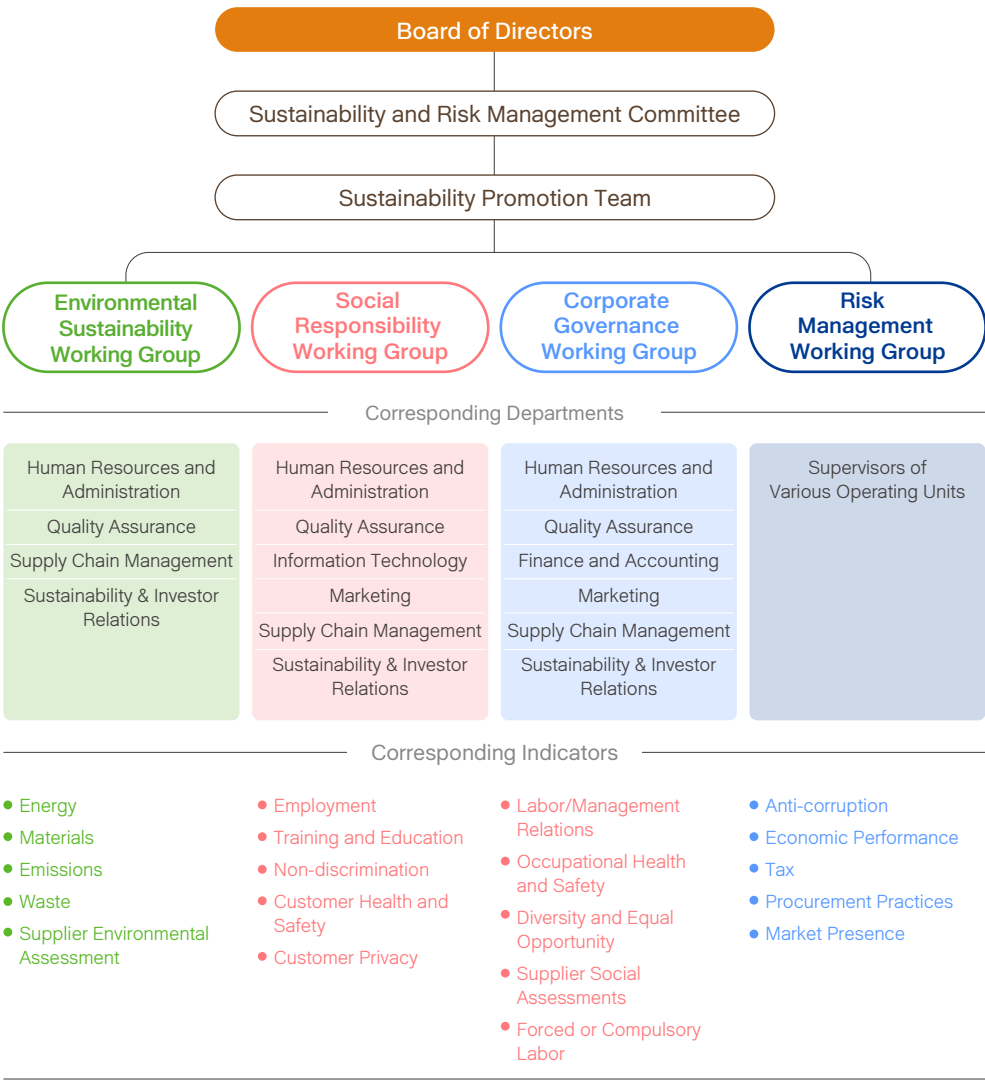
→ The complete content of Forcelead's "Corporate Sustainability Policy" is publicly available on the Company's official website. Please refer to: Corporate Sustainability Policy <https://www.forcelead.com.tw/index/esg/>

1.1.1 Sustainability Governance Structure

To promote corporate sustainability development and coordinate short, medium, and long-term sustainability development strategic directions, ensuring this sustainability report comprehensively covers economy, environment, and people (including human rights) dimensions, Forcelead first established the "Sustainability Promotion Team" in 2023 and produced the first Sustainability Report in October 2024. Given increasing emphasis on sustainable development, on December 18, 2024, Forcelead's Board of Directors approved the "Sustainability and Risk Management Committee Organization Regulations" and established the "Sustainability and Risk Management Committee" under the Board of Directors. More than half of the committee members are independent directors, meeting at least once annually and convening additional meetings as needed to manage risks that may affect sustainability development goals. By integrating risk management into operational activities and daily management processes, the committee assists the Board of Directors in decision-making and implementation of sustainability development and risk management work to achieve steady business operations and progress toward sustainable development goals.

Under the "Sustainability and Risk Management Committee," the "Sustainability Promotion Team" is established, which further sets up the "Corporate Governance Working Group," "Environmental Sustainability Working Group," "Social Responsibility Working Group," and "Risk Management Working Group." The "Corporate Governance Working Group," "Environmental Sustainability Working Group," and "Social Responsibility Working Group" are composed of representatives appointed by operational unit supervisors, belonging to respective working groups according to operational unit responsibilities, serving as implementation units for the Company's sustainability issue management and consolidating important stakeholders' attention and expectations for various sustainability issues. A Risk Management Working Group is established. It is composed of heads of operating units and is responsible for promoting and executing the Company's risk management efforts. The task force evaluates the potential negative and positive impacts (including opportunities) that sustainability issues may pose and formulates short-, medium-, and long-term management policies and objectives. It is responsible for planning, implementing, and overseeing risk management-related matters.

■ Figure 1-1 Sustainability Governance Structure



1.2 Identifying Important Stakeholders

The primary purpose of Forcelead's Sustainability Report is to respond to stakeholder concerns. Before understanding stakeholder issues of concern, we first reference the AA1000 SES stakeholder engagement standard, using the five dimensions of "dependency, responsibility, influence, diverse perspectives, and tension" from AA1000 SES to identify and select stakeholders. Forcelead's "Sustainability Promotion Team" sustainability committee members (experts, supervisors, and colleagues participating in ESG projects) identified the top five key stakeholders with the highest relevance to the Company as follows:



■ Table 1-1 Five-Dimension Assessment Results for Key Stakeholders

	Dependency	Responsibility	Influence	Diverse Perspectives	Tension	Average Score
Employees	4.00	4.00	3.80	3.90	3.90	3.92
Customers	3.80	3.90	3.80	3.70	3.90	3.82
Suppliers	3.70	3.90	3.40	3.50	3.70	3.64
Shareholders/Investment Institutions	3.20	3.40	3.20	3.00	3.20	3.20
Banks/Financial Institutions	3.10	2.90	3.00	2.10	2.40	2.70

Note: Scoring criteria—4: Extremely relevant, 3: Highly relevant, 2: Moderately relevant, 1: Low relevance, 0: Not relevant.

1.2.1 Engagement of Key Stakeholders

Forcelead communicates with stakeholders through diversified channels, conducting direct, two-way in-depth and broad exchanges with stakeholders to understand their issues of concern and needs. Through this approach, Forcelead consolidates and collects stakeholder concerns. Feedback on these issues helps Forcelead reduce risks in ESG development and significantly helps reduce actual or potential impacts on stakeholders. Forcelead will strive to respond to these issues as much as possible, maintaining long-term stable relationships with stakeholders.

■ Table 1-2 Key Stakeholder List and Their Communication Channels and Frequency

Stakeholder Group	 Employees	 Customers	 Suppliers	 Shareholders/Investment Institutions	 Banks/Financial Institutions					
Significance to Forcelead	Employees are Forcelead's most important assets, both company members and partners. Through colleagues' innovation and experience transfer, Forcelead continues to overcome industry changes and challenges.	Customers are Forcelead's important business partners. Adhering to customer-first philosophy, maintaining good communication channels and relationships with customers, fulfilling customer expectations and achieving customer satisfaction.	Forcelead is a fabless chip design company that outsources manufacturing to suppliers. Through close collaboration and coordination with mid- and downstream foundries and packaging/testing partners, while implementing sustainable development management models, we provide quality products and services, enabling Forcelead to successfully expand its business territory.	Assist shareholders and institutional investors in understanding Forcelead's operational status and strategic direction, strengthen their confidence in the Company, and encourage ongoing support while upholding the principle of integrity to protect their rights and interests.	Improve Forcelead's operating efficiency and reduce operational risks.					
Communication Channels and Frequency	Labor-management meetings	Quarterly	Phone	Daily and ad hoc	Supplier evaluations	Quarterly	Board of Directors, functional committee meetings	Quarterly	Company website	Ad hoc
	Grievance mailbox	Ad hoc	Email		Key supplier meetings	Ad hoc	Institutional briefings, institutional visits	Ad hoc	Sustainability report/Annual report	Annual
	Company-wide annual meeting	Annual	Meetings		Purchase orders with compliance requirements	When orders are issued	Shareholder's meetings	Annual	Contact visits	Ad hoc
	Performance appraisals	Semi annual	Video conferences	Annual	Email	Ad hoc	Company website / Market Observation Post System	Ad hoc		
	Phone & email	Ad hoc	Customer satisfaction surveys		Phone calls	Ad hoc	Investor relations service mailbox	Real-time		
	Employee Welfare Committee	Quarterly			Significant quality issue supplier meetings	When incidents occur	Sustainability report/Annual report	Annual		
	Education and training	Ad hoc		On-site factory inspections and work reports	Ad hoc					
	EAP employee assistance program	Ad hoc								
	Key Topics of Concern	<ul style="list-style-type: none">• Labor/Management Relations• Innovation Management• Economic Performance• Employment• Business Ethics	<ul style="list-style-type: none">• Customer Privacy• Innovation Management• Economic Performance• Supplier Environmental Assessment• Intellectual Property and Legal Compliance	<ul style="list-style-type: none">• Customer Privacy• Innovation Management• Anti-corruption• Supplier Environmental Assessment• Intellectual Property and Legal Compliance	<ul style="list-style-type: none">• Customer Privacy• Intellectual Property and Legal Compliance• Economic Performance• Innovation Management	<ul style="list-style-type: none">• Economic Performance• Supplier Social Assessments• Supplier Environmental Assessment• Intellectual Property and Legal Compliance• Innovation Management				

Stakeholder Group	 Employees	 Customers	 Suppliers	 Shareholders/Investment Institutions	 Banks/Financial Institutions
Responsible Department	Human Resources and Administration	Marketing	Supply Chain Management	Sustainability & Investor Relations	Finance and Accounting
2024 Communication Performance	<ul style="list-style-type: none">• 1 company-wide annual meeting held.• 5 labor-management meetings held.• 4 Employee Welfare Committee meetings held.• 12 EAP employee assistance program news releases• 2 performance appraisals.• Employee training hours totaled 1,292.79 hours, including 1,089.29 hours internal training (an average of 3.11 hours/person) and 203.5 hours external training (an average of 8.14 hours/person).	<ul style="list-style-type: none">• Q4 Customer Satisfaction Survey Form distributed to top ten end customers, overall satisfaction score of 95.45 points.• 100% customer complaint resolution rate.	<ul style="list-style-type: none">• Annual supplier audits of 27 suppliers with 0 environmental and corporate social responsibility deficiency items.• 1 New Supplier Code of Conduct Commitment signed.• Regular review of existing suppliers' ISO 14001 Environmental Management Systems certification status: 30 suppliers total, 30 certified and qualified, 100% qualification rate.• Annual RoHS and conflict minerals surveys for existing suppliers, 0 abnormal records.	<ul style="list-style-type: none">• Invited to participate in 1 institutional investor briefing held by securities firm.• Held shareholders' meeting in June.	<ul style="list-style-type: none">• Contact visits: 6 times• Bank ESG questionnaire responses: 2 times• Finance and Accounting Department participated in ESG forums: 1 event

1.3 Identification of Significant Sustainability Issues

Forcelead's Sustainability Promotion Team material issue identification process is shown in Table 1-3. Combining past operational experience with future competitive strategies, while referencing GRI Universal Standards, UN Sustainable Development Goals (SDGs), and SASB sustainability accounting standards, we selected 18 sustainability issues that could potentially impact company operations and stakeholders. Through various channels, we communicate and collaborate with these key stakeholders to collect their concerns about Forcelead's sustainability development. Based on the average scores, the top five stakeholder groups—employees, customers, suppliers, shareholders/investment institutions, and banks/financial institutions—were selected to receive "Sustainability Issue Impact Assessment Questionnaires" assessing their level of concern regarding various sustainability issues. These five stakeholder groups formed the basis for the next step: evaluating and ranking the materiality across 18 sustainability issues. This filtered out the top 8 sustainability issues that key stakeholders consider most impactful, serving as Forcelead's material issues for the 2024 Sustainability Report. Forcelead's future reports will continue to monitor relevant regulatory developments and gradually strengthen practical applications of "double materiality" that balances sustainability and financial perspectives for material topic disclosure, enhancing reporting transparency and international comparability.

■ Table 1-3 Material Issue Identification Process

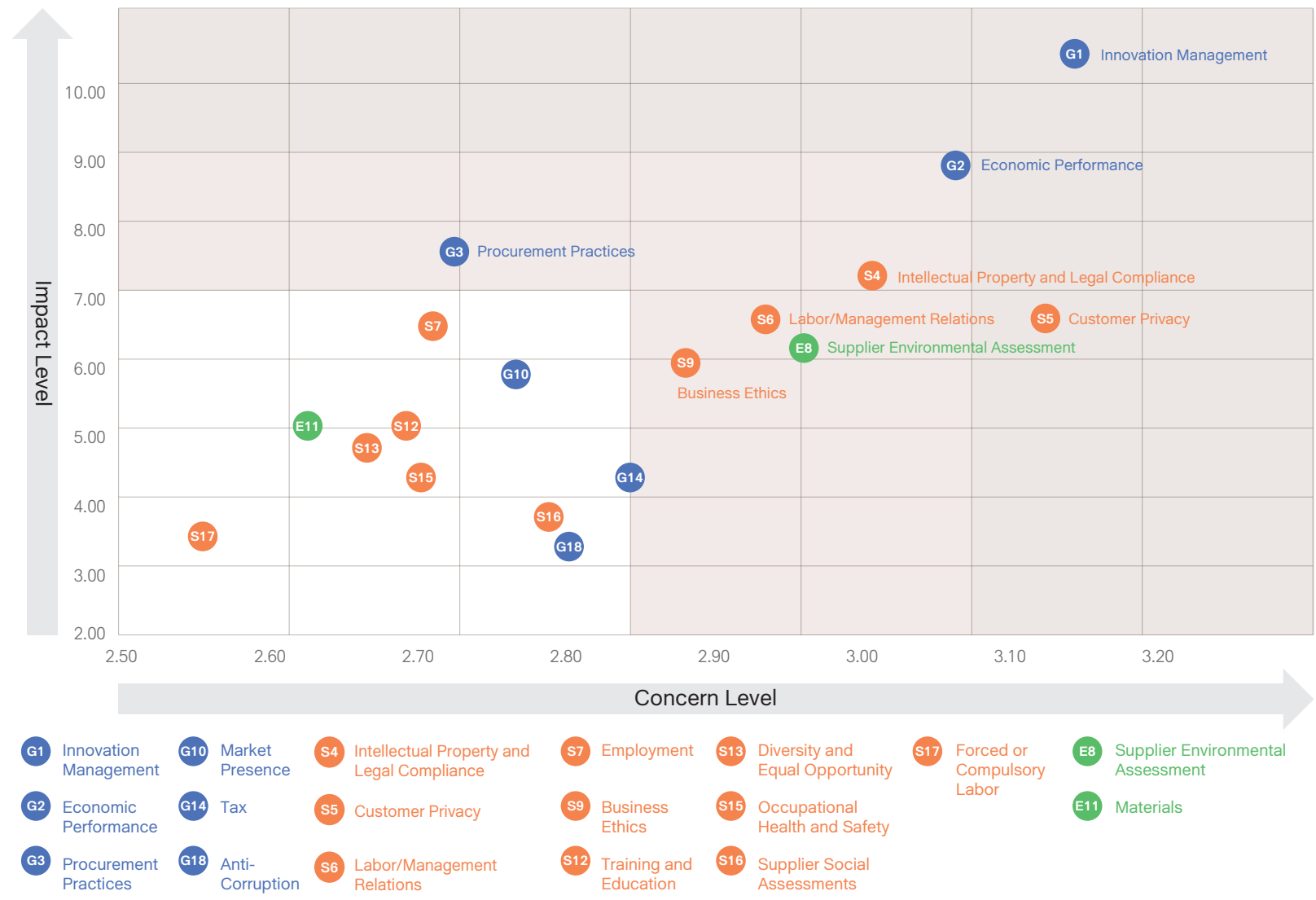
Step 1	Identify Five Key Stakeholder Groups	Using AA1000 SES stakeholder engagement standards for identification, focusing on the five principles of "dependency, responsibility, influence, diverse perspectives, tension" to identify the top 5 key stakeholders with highest relevance to Forcelead.
Step 2	Identify Industry Context: Semiconductor Industry	The industry was identified by referencing the GRI Standards (Universal Standards 2021) and the Sustainability Accounting Standards Board (SASB) disclosure topics relevant to the semiconductor sector.
Step 3	Identify Sustainability Issues: 18 Key Issues	Using GRI Standards Universal Standards 2021 edition's 31 topic standards as the foundation for collecting sustainability issues, after evaluating material and potential impacts on Forcelead, the "Sustainability Promotion Team" met to assess 28 topic standards and selected 18 sustainability issues with higher impact levels for the Company. Further surveying stakeholder concern levels for various sustainability issues allows stakeholders to express their needs for sustainability information.
Step 4	Engagement of Key Stakeholders	Through online questionnaire surveys targeting 5 key stakeholder categories, 107 valid questionnaires were collected, analyzing each key stakeholder category's concern levels for sustainability topics and summarizing priority material topics for communication. Stakeholders assessed the relevance of each issue to Forcelead from economy, environment, and people (including human rights) dimensions.
Step 5	Assess the Significance of Impacts	Based on questionnaire analysis of stakeholder "concern levels" and "Sustainability Promotion Team" assessment of "operational impact levels" for each topic in economy, environment, and people (including human rights) dimensions, create matrix charts and conduct materiality analysis, performing positive and negative impact analysis on sustainability issues.
Step 6	Confirm 8 Material Issues and SASB Indicators	The "Sustainability Promotion Team" ranked and analyzed sustainability issues, confirming through discussion results to disclose 8 material issues in the 2024 Sustainability Report (including 5 GRI topic standards and 3 company-defined issues), plus additional SASB semiconductor industry disclosure indicators.
Step 7	Report Disclosure and Management	Identify the impact of material issues on the value chain, further disclosing "Material Issue Management Approaches" as the reporting foundation. The contents of this report were reviewed by the heads of each operational unit and subsequently submitted to the Chair of the Sustainability and Risk Management Committee (CEO) for approval. After completing the internal review process, the report was presented to the Board of Directors for discussion and was officially approved and released upon resolution. The final version was published on our official website.

■ Table 1-4 Forcelead's 18 Sustainability Issues List

Economy	People (including Human Rights)	Environment
G1 Innovation Management	S4 Intellectual Property and Legal Compliance	E8 Supplier Environmental Assessment
G2 Economic Performance	S5 Customer Privacy	E11 Materials
G3 Procurement Practices	S6 Labor/Management Relations	
G10 Market Presence	S7 Employment	
G14 Tax	S9 Business Ethics	
	S12 Training and Education	
	S13 Diversity and Equal Opportunity	
	S15 Occupational Health and Safety	
	S16 Supplier Social Assessments	
G18 Anti-Corruption	S17 Forced or Compulsory Labor	

Forcelead collected stakeholder concern levels for various sustainability issues through 107 questionnaires, presented on a 0-4 scale (4 = extremely concerned, 0 = not concerned), compiling stakeholder concerns. The "Sustainability Promotion Team" analyzed the above topics for their operational impact levels and probability on the Company's economy, people (including human rights), and environment aspects, assigning impact levels 1-5 points (5 = highest impact, 1 = lowest impact) and probability (occurrence likelihood) 1-5 points (5 = highest probability, 1 = lowest probability). Multiplying these scores produces "Impact Level."

Material issues are mapped according to stakeholder concern for GRI sustainability issues and "Sustainability Promotion Team" assessed impact levels in the matrix chart depicted below at Figure 1-2.



The Sustainability Promotion Team, considering business strategies and economic, people (including human rights), and environment dimensions, plus government agencies, shareholders, external institutional sustainability guidance, and customer concerns and requirements, conducted comprehensive assessment discussions. Finally, 8 material issues were identified in the upper-right area of Figure 1-2: Economic dimension includes "Economic Performance," "Procurement Practices," "Innovation Management"; People (including human rights) dimension includes "Labor/Management Relations," "Customer Privacy," "Intellectual Property and Legal Compliance," "Business Ethics"; Environmental dimension includes "Supplier Environmental Assessment." Compared to the previous year, material issues removed "Market Presence, Employment, Diversity and Equal Opportunity, Emissions" and added "Innovation Management, Intellectual Property and Legal Compliance, Business Ethics, and Labor/Management Relations."

■ Table 1-5 List of Material Issues

GRI Material Issues

- Economy/GRI**
- Economic Performance/201
 - Procurement Practices/204
 - Innovation Management/Custom
- People (including Human Rights)/GRI**
- Labor/Management Relations/402
 - Customer Privacy/418
 - Intellectual Property and Legal Compliance/Custom
 - Business Ethics/Custom
- Environment/GRI**
- Supplier Environmental Assessment/308



1.3.1 Positive and Negative Impacts of Material Issues

The "Sustainability Promotion Team" selected 18 sustainability issues based on impact scale, scope, occurrence probability, and consideration of actual versus potential impacts. After stakeholder and expert engagement, 8 material issues were confirmed. The team assessed positive and negative impacts of these 8 material issues as follows:

■ Table 1-6 Material Issues Positive and Negative Impact Assessment List

Positive Impact Assessment	Material Issues/GRI	Negative Impact Assessment
<ul style="list-style-type: none">Increased revenue and profitability: Through technological innovation, product differentiation, and market expansion, the Company enhances revenue and gross margin, contributing to stronger financial stability.Growth in shareholder value: Consistent financial performance increases shareholder returns, boosts stock price, and strengthens investor confidence, attracting more institutional investors.Positive social and employee impact through sustained financial growth, providing stable employment opportunities, improving employee compensation and benefits, and increasing corporate investment in social responsibility including education, environmental protection, and charitable programs.	Economic Performance/ 201	<ul style="list-style-type: none">Poor financial performance may erode confidence among investors and employees, potentially affecting overall business operations.Foreign exchange and geopolitical risks: As an IC design company operating in global supply chains and markets, the Company may face impacts on revenue and supply chain stability due to currency fluctuations, trade wars, or export controls.Capital expenditure and investment risks from business expansion may bring financial burden; if market response falls short of expectations, profitability may be affected.
<ul style="list-style-type: none">In 2024, "local" procurement accounted for 69% of total with dedicated procurement units responsible for supply chain management.Local procurement promotes operational efficiency; prioritizing local supplier procurement can promote local employment development, establish long-term cooperation relationships, and increase supply chain stability. At the same time, adjusting suppliers according to customer locations also provides opportunities to reduce transportation carbon emissions.	Procurement Practices/ 204	<ul style="list-style-type: none">External procurement still needed to maintain supply stability, but external procurement is ensured through supplier evaluation and auditing.High supplier switching costs; if existing suppliers cannot meet demands, finding new suppliers requires re-certification and production process adaptation, potentially affecting product development timelines and increasing switching costs.
<ul style="list-style-type: none">Forcelead is a fabless IC design company focused on product design, R&D, and sales, with product design keeping pace with trends.Developing high-performance, low-power consumption chips can enhance market share and brand value.Innovative design reduces IC power consumption, improves energy efficiency, meets ESG standards, and satisfies market demand for green semiconductors.	Innovation Management/ Custom	<ul style="list-style-type: none">High R&D costs for new technologies; if market acceptance falls short of expectations, profitability may be affected.Intense industry competition; if innovative technology lags behind competitors, market share may decline.Long R&D cycles for innovative technology with uncertain technological maturity may delay commercialization.
<ul style="list-style-type: none">Enhancing employee trust and stability by providing advance notice before major operational changes that may affect employee rights (such as organizational restructuring, business transformation, production line adjustments), ensuring transparency and expectation management, reducing anxiety from uncertainty.Promoting good labor communication mechanisms through formal consultation and negotiation processes, ensuring operational decisions balance corporate development with employee welfare, making change processes more acceptable and improving employee satisfaction and corporate loyalty.	Labor/Management Relations/ 402	<ul style="list-style-type: none">Improper labor communication may cause negative effects; if enterprises fail to follow agreement-specified notice periods or ignore employee opinions, it may trigger employee protests, internal dissatisfaction, and even affect corporate reputation and brand image.Increased operational change costs; long-term negotiations and employee consultation mechanisms may bring additional time and administrative costs, potentially affecting enterprise response speed in industry competition.



Positive Impact Assessment	Material Issues/GRI	Negative Impact Assessment
<ul style="list-style-type: none">Enhancing customer trust and brand value by adopting strict data protection policies, ensuring customer data security, improving customer loyalty and corporate image.Data and confidentiality protection by strengthening internal intellectual property management and information security protection (such as chip design encryption, internal confidentiality control mechanisms), avoiding customer lists, technology leaks, and hacker attacks.	Customer Privacy/ 418	<ul style="list-style-type: none">Data breach risks; if customer data is leaked due to internal management negligence, hacker attacks, or supplier vulnerabilities, it may damage corporate reputation and face legal litigation and customer loss.Rising privacy compliance costs requiring continuous investment in information security technology, personnel training, and regulatory monitoring to ensure compliance with local privacy regulations, increasing corporate operational costs.
<ul style="list-style-type: none">Patent portfolio strengthens market competitiveness through active application and deployment of key technology patents, enhancing technological barriers and ensuring market leadership.Licensing and cooperation create new business opportunities through patent licensing and technology cooperation, expanding revenue sources and reducing R&D costs.	Intellectual Property and Legal Compliance/ Custom	<ul style="list-style-type: none">Patent litigation risks; competitors may file patent infringement lawsuits, leading to high litigation costs and potential damages, affecting corporate finances and reputation.Regulatory changes affecting business; global semiconductor export controls may affect market expansion and supply chain strategies.
<ul style="list-style-type: none">Enhancing customer and supply chain cooperation relationships through fair trading and integrity management, establishing long-term stable supply chain partnerships, improving cooperation efficiency and market competitiveness.Improving employee loyalty and corporate culture by creating transparent, fair work environments, attracting and retaining excellent talent, increasing employee satisfaction and work efficiency.	Business Ethics/ Custom	<ul style="list-style-type: none">Reputation damage affecting competitiveness; major ethical controversies may cause stock price volatility, market share decline, affecting long-term corporate development.Supply chain ethical risks; if suppliers are involved in improper labor conditions (such as forced labor, child labor issues), it may affect corporate ESG ratings and customer trust.
<ul style="list-style-type: none">New suppliers must sign the "Supplier Code of Conduct Commitment." Only those meeting and passing evaluation standards can become qualified suppliers, with annual RoHS and conflict minerals surveys for existing suppliers.Enhanced supply chain sustainability competitiveness by ensuring suppliers comply with environmental regulations and sustainability standards (such as ISO 14001, RoHS), reducing environmental risks and enhancing supply chain resilience.Supplier audits include environmental and corporate social responsibility (CSR) items, strictly screening and managing suppliers' environmental compliance status, ensuring compliance with global environmental regulations and avoiding fines or reputation damage from supplier violations.	Supplier Environmental Assessment/ 308	<ul style="list-style-type: none">Supplier environmental violation risks; if suppliers face penalties for environmental violations (such as illegal emissions, excessive water use), it may affect company supply stability and trigger brand reputation crises.Rising supply chain costs; requiring suppliers to meet higher environmental standards (such as carbon footprint management, water resource protection) may increase material and production costs, affecting overall supply chain costs.

Forcelead's "Sustainability Promotion Team" assessed positive and negative impact levels based on current performance, existing systems and strategies for these material issues, and formulated corresponding negative impact response strategies to ensure sustainable corporate development and competitive advantages, detailed in Table 1-7.

■ Table 1-7 Material Issues Positive and Negative Impact Levels and Response Strategies

Positive Impact Level	Material Issues GRI	Negative Impact Level	Response Strategy for Negative Impacts
13.4	Economic Performance 201	7.5	<ul style="list-style-type: none">Strengthen financial transparency by regularly publishing financial reports and annual reports to communicate company operational status to the market.Introduce excellent R&D teams to develop cost-effective application ICs, expand high-margin or long-term stable income businesses to reduce dependence on single products or markets.Co-develop according to customer needs, increase customer stickiness, customize optimal specification products for customers to maintain long-term cooperation.Adopt exchange rate hedging strategies to reduce the impact of exchange rate fluctuations on revenue and costs.Dynamically adjust capital expenditure based on market trends and company operational conditions, flexibly adjusting investment scale to ensure financial stability.
9.7	Procurement Practices 204	3.7	<ul style="list-style-type: none">Closely cooperate with local suppliers to jointly improve effective management of environmental and social responsibilities while reducing international supply chain disruption risks.Strengthen supplier evaluation systems, regularly assess supplier on-time delivery rates, product quality, and services to ensure supply chain stability.Supplier backup plans: establish cooperation with multiple suppliers to ensure rapid switching to alternative suppliers when main suppliers encounter problems, reducing production interruption risks.
15.0	Innovation Management (Custom)	9.3	<ul style="list-style-type: none">Co-develop with key customers to ensure technology meets market demands, improve commercial success probability, and avoid reputation damage, product liability claims, and market share decline due to poor product quality design that impacts company operational performance.Establish cross-departmental cooperation mechanisms to accelerate product-to-market transformation efficiency, avoiding product launch delays due to disconnection between R&D and marketing departments.
9.2	Labor/ Management Relations 402	4.0	<ul style="list-style-type: none">Convene labor-management meetings to regularly review labor law changes and discuss company-related activities and labor issues to promote communication and consensus between both parties.Regularly convene occupational safety and health committee meetings according to regulations, regularly review work environments and propose improvement plans.Establish employee complaint channels, providing anonymous suggestion boxes or online communication platforms to ensure employees have safe feedback channels for timely handling of employee concerns.Strengthen psychological support and employee care, providing psychological counseling and employee assistance programs (EAP) during change processes to reduce employee anxiety and resistance, improving adaptability.
11.4	Customer Privacy 418	4.2	<ul style="list-style-type: none">The internal audit unit conducts annual "Legal and Regulatory Compliance" audits, reporting audit results and improvement tracking to the Audit Committee and Board of Directors.Employee security awareness training to strengthen employee awareness of phishing attacks, social engineering attacks, and other risks, avoiding data leaks due to internal management negligence.Reduce unnecessary data collection and storage to lower compliance costs and risks.

Positive Impact Level	Material Issues GRI	Negative Impact Level	Response Strategy for Negative Impacts
11.7	Intellectual Property and Legal Compliance (Custom)	4.7	<ul style="list-style-type: none">Establish integrity management violation reporting mechanisms; no intellectual property and legal compliance violation reports received in 2024.Form internal patent and legal teams to regularly monitor competitor patent layouts and prevent potential litigation.Employee compliance training to ensure business, R&D, and procurement teams understand international regulatory requirements, avoiding inadvertent violations of export controls.
12.4	Business Ethics (Custom)	3.6	<ul style="list-style-type: none">The internal audit unit conducts annual "Legal and Regulatory Compliance" audits, reporting audit results and improvement tracking to the Audit Committee and Board of Directors.Increase investment in compliance-related resources to ensure compliance with global business ethics and regulatory requirements, investing additional resources in internal auditing and supervision.
11.1	Supplier Environmental Assessment 308	5.0	<ul style="list-style-type: none">Conduct annual supplier risk assessments covering economic, environmental, and people (including human rights) aspects. Based on assessment results, determine supplier risk levels with medium-high risk suppliers undergoing on-site audits.Supplier audits with self-assessment and audit items including: quality, processes, environment, CSR.Through supplier-provided material testing reports and conflict minerals surveys, conduct thorough inventory and management to ensure company products comply with latest international and customer environmental regulations and responsibilities.

Note: Referencing the GRI Standards, the "degree" of impact can be determined by the following characteristics:

- Scale: The magnitude of positive or negative impact severity.
- Scope: The breadth of the impact. (e.g., number of people affected or extent of environmental damage).
- Each material issue should be rated based on both the degree of positive and negative impacts and the likelihood of occurrence:

Impact Level

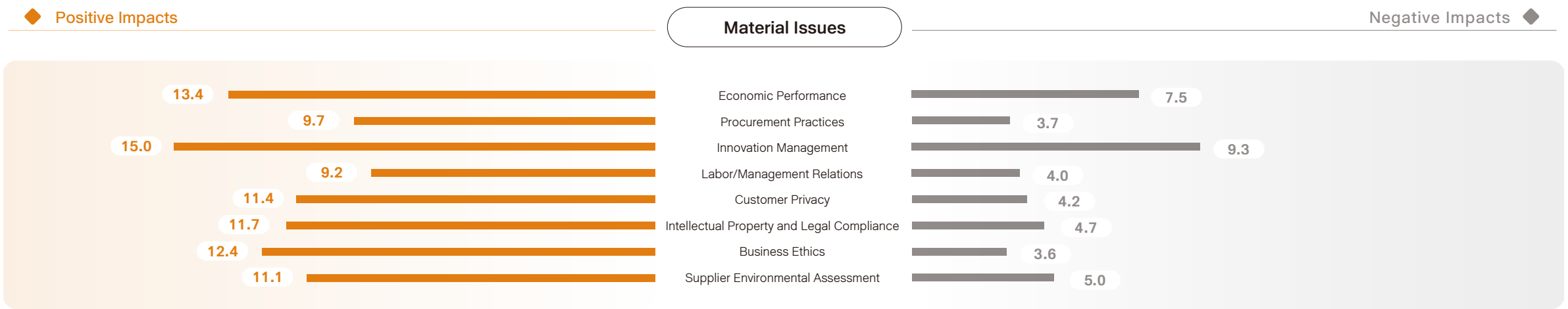
Impact Level = Occurrence Probability * Impact Degree

Occurrence Probability

0: Impossible
1: Low likelihood (probability ≤ 25%)
2: Moderate likelihood (25% ≤ probability ≤ 50%)
3: Slightly high likelihood (50% ≤ probability ≤ 75%)
4: Very high likelihood (probability > 75%)
Already occurred (e.g., material damages or compensation incurred)

Impact Degree

1: Minor impact
2: Low impact
3: Moderate impact
4: High impact
5: Severe impact



1.4 Defining Disclosure Issues and Scope

The United Nations proposed 17 Sustainable Development Goals in 2015, hoping to become a blueprint for global sustainable development by 2030, with enterprises as an indispensable key role. Forcelead supports the UN Sustainable Development Goals, combining company development strategies. Many of the identified material issues correspond with SDGs. Besides hoping to contribute to corresponding SDG sustainability goals, we can also influence upstream and downstream stakeholders in the value chain. The relationship between material issues' value chain impacts, GRI topics, SASB indicators, and corresponding SDGs is shown in Table 1-8.

■ Table 1-8 Material Issues and Standards Correspondence Table

Aspect	Material Issues	Value Chain			Corresponding GRI Topics & SASB Indicators	Corresponding SDGs
		Upstream/Suppliers	Forcelead	Downstream/Customers		
GRI Economy	- Economic Performance	●	●	●	GRI 201	<div><div></div><div></div><div></div></div>
	- Procurement Practices	●	●		GRI 204	
	- Innovation Management	●	●	●	Custom Topics TC-SC-410a Product Lifecycle Management	
GRI Environment	- Supplier Environmental Assessment	●	●		GRI 308 TC-SC-440a.1 Materials Sourcing	<div><div></div><div></div></div>
GRI People (including Human Rights)	- Labor/Management Relations		●		GRI 402	<div><div></div></div>
	- Customer Privacy		●	●	GRI 418	<div><div></div></div>
	- Intellectual Property and Legal Compliance	●	●	●	Custom Topics TC-SC-520a.1 Intellectual Property Protection & Competitive Behaviour	
	- Business Ethics	●	●	●	Custom Topics	

1.5 Management Approach for Material Topics

This year's report discloses management approaches for 8 material issues, including policies, commitments, management responsibilities, short, medium, and long-term goals, action plans/management methods, 2024 achievements, tracking and review mechanisms, and stakeholder engagement.

Material Issue	
Business Ethics	<div>Policy</div> <div>In accordance with the principles of "Procedures for Handling Material Inside Information and Prevention of Insider Trading," "Ethical Corporate Management Best Practice Principles," "Procedures for Integrity management and Guidelines for Conduct," and "Reporting System" to ensure internal and external company activities comply with business ethics-related standards.</div>
	<div>Commitment</div> <div>Through sound corporate governance systems, strengthen corporate reputation and brand value, implement integrity management and transparent governance, promote corporate culture of integrity management, follow good business ethics and core principles of sustainable development, meet stakeholder expectations, enhance trust from investors, customers, and supply chain partners, and improve corporate competitiveness.</div>
	<div>Management Responsibility</div> <div>Human Resources and Administration</div>
	<div data-kind="parent" data-rs="2">Goal</div> <div>Short Term</div> <div><ul style="list-style-type: none">Plan and improve annual education and training courses for new employees and all staff, strengthening advocacy for integrity management behavior.</div>
	<div data-kind="ghost"></div> <div>Medium to Long-term</div> <div><ul style="list-style-type: none">Zero incidents of violations of social, economic, and environmental laws or regulations, employee corruption, and other material integrity management violations.Corporate compliance with high business ethics standards, improving ESG ratings, attracting international institutional investment, and enhancing long-term corporate value.</div>
	<div data-kind="parent" data-rs="2">Action Plans/ Management Methods</div> <div>Enhancing Positive Impacts</div> <div><ul style="list-style-type: none">Annual training sessions are conducted for all employees to reinforce the code of conduct and the Company's commitment to integrity.Continuously monitor and track corporate governance evaluation results, optimize corporate governance structure, and strengthen supervisory responsibilities of functional committees and the Board of Directors.</div>
	<div data-kind="ghost"></div> <div>Reducing Negative Impacts</div> <div><ul style="list-style-type: none">The internal audit unit conducts annual "Legal and Regulatory Compliance" audits, reporting audit results and improvement tracking to the Audit Committee and Board of Directors.Increase investment in compliance-related resources to ensure compliance with global business ethics and regulatory requirements, investing additional resources in internal auditing and supervision.</div>
	<div>2024 Achievements</div> <div><ul style="list-style-type: none">100% of new hires completed "Integrity Management Behavior Promotion" and "Advocacy for Procedures for Handling Material Inside Information" online education and training courses.Conducted advocacy for insiders and directors regarding stock trading blackout periods.Board of Directors, Compensation Committee, and Audit Committee attendance rates all reached 100%.No reported incidents of violations related to people (including human rights), economy or environment regulations, employee corruption, or other material breaches of integrity management in 2024.</div>
<div>Tracking and Review Mechanisms</div> <div><ul style="list-style-type: none">Hold regular board-level meetings with senior management to review the progress and effectiveness of corporate governance initiatives.</div>	
<div>Stakeholder Engagement</div> <div><ul style="list-style-type: none">Related stakeholders can provide feedback on the "Stakeholder" page of the official website.Integrity management violation reporting channel: MG_FReport@forcelead.com.tw</div>	

Material Issue

Innovation Management

Policy	Each business unit adheres to principles such as resource conservation, enhanced energy efficiency, energy saving and carbon reduction, reduced environmental toxicity, ease of assembly and disassembly, and material recyclability. These principles are embedded into every stage of the product lifecycle through green design thinking, and are reflected in the Company's tangible performance in promoting a circular economy.	
Commitment	Develop differentiated functionality and cost-effective products, enhance customer product value, and create win-win results.	
Management Responsibility	CEO Office	
Goal	Short Term	<ul style="list-style-type: none">Introduce RGBW automotive display driver ICs to motorcycle and projector markets.Introduce automotive display driver ICs with touch and display driver integration technology (TDDI) to automotive OEM markets.
	Medium to Long-term	<ul style="list-style-type: none">Focus on medium-sized automotive panel driver IC development, continue introducing first-tier brand clients, and expand market share in automotive display driver ICs.
Action Plans/ Management Methods	Enhancing Positive Impacts	<ul style="list-style-type: none">Emphasize product innovation, patent protection, and reduced product power consumption in R&D design, enhancing product value and bringing competitive advantages to customers.R&D drives revenue growth by investing in new technologies, creating differentiated products, and generating new business opportunities.
	Reducing Negative Impacts	<ul style="list-style-type: none">Co-develop with key customers to ensure technology meets market demands, improve commercial success probability, and avoid reputation damage, product liability claims, and market share decline due to poor product quality design that impacts company operational performance.Establish cross-departmental cooperation mechanisms to accelerate product-to-market transformation efficiency, avoiding product launch delays due to disconnection between R&D and marketing departments.
2024 Achievements	<ul style="list-style-type: none">Completed RGBW automotive display driver IC development.Completed automotive display driver IC with touch and display driver integration (TDDI) development.	
Tracking and Review Mechanisms	<ul style="list-style-type: none">Regularly convene R&D design review meetings, implement R&D design processes, and ensure product design quality.	
Stakeholder Engagement	<ul style="list-style-type: none">Regular customer visits to understand automotive market trends and customer special functional requirements, developing competitive products.	



Material Issue

Economic Performance

Policy	Create maximum value and long-term, sustainable, steady revenue, profit, and growth for the company.	
Commitment	With sustainable management philosophy and solid R&D capabilities, pursue long-term stable profitability, creating stable economic and corporate value to benefit all stakeholders including shareholders/investors, employees, customers, and suppliers.	
Management Responsibility	Board of Directors and management team.	
Goal	Short Term	<ul style="list-style-type: none">Continue maintaining positive profitability.Maintain stable profitability and steady dividend distribution to reward shareholders.
	Medium to Long-term	<ul style="list-style-type: none">Will deepen automotive sector expertise and develop automotive display driver ICs with touch and display driver integration (TDDI) to further enhance integration and customer experience of automotive display driver ICs, continuously develop diverse product portfolios and innovative technologies, improving long-term growth of company revenue and gross margins.Deploy global markets, become customers' best partner for automotive products, enhancing long-term investment value of the company.
Action Plans/ Management Methods	Enhancing Positive Impacts	<ul style="list-style-type: none">Continue expanding product applications, widely applied to consumer products, automotive center consoles, clusters, head-up displays, 3-by-1 air conditioning knobs, and various automotive sector products. Due to high technical barriers and long automotive lifecycles, overlay new projects on existing ones to increase revenue momentum.Continue optimizing production processes and monitoring procurement costs to improve company operational income.
	Reducing Negative Impacts	<ul style="list-style-type: none">Strengthen financial transparency by regularly publishing financial reports and annual reports to communicate company operational status to the market.Introduce excellent R&D teams to develop cost-effective application ICs, expand high-margin or long-term stable income businesses to reduce dependence on single products or markets.Co-develop according to customer needs, increase customer stickiness, customize optimal specification products for customers to maintain long-term cooperation.Adopt exchange rate hedging strategies to reduce the impact of exchange rate fluctuations on revenue and costs.Dynamically adjust capital expenditure based on market trends and company operational conditions, flexibly adjusting investment scale to ensure financial stability.
2024 Achievements	<ul style="list-style-type: none">2024 operating revenue of NT\$2.969 billion, revenue growth of 11.77%, achieving stable profit of NT\$589 million, continuing to maintain positive profitability.Maintained stable profitability and steady dividend payout ratio of 80% to reward shareholders.Listed on TPEX in December 2024.Ranked 799th in CommonWealth Magazine's 823rd issue, 2025 Top 2000 Survey manufacturing industry 2024 revenue ranking, improving 28 positions from 827th in 2023.	
Tracking and Review Mechanisms	<ul style="list-style-type: none">Senior management reviews operational status through cross-departmental monthly meetings.	
Stakeholder Engagement	<ul style="list-style-type: none">Related stakeholders can provide feedback on the "Stakeholder" page of the official website.	

Material Issue

Procurement Practices

Policy	Implement ESG responsibilities, ensure raw material procurement complies with sustainable management principles, and support local economic development.
Commitment	Based on sustainable management principles, considering localization, geographical risk diversification, and reduced transportation carbon mileage, Forcelead will actively develop local suppliers and deepen local cooperation relationships, advancing from source material procurement to subsequent outsourced manufacturing toward localization, jointly promoting sustainable development.
Management Responsibility	Supply chain management.
Goal	<div>Short Term</div> <ul style="list-style-type: none">Maintain and increase local procurement ratio when quality and delivery schedules permit.
	<div>Medium to Long-term</div> <ul style="list-style-type: none">Include customer locations in procurement considerations, shorten product transportation distances, and reduce carbon emissions.Actively develop localized upstream and downstream supply chains, reducing environmental impact during transportation.
Action Plans/ Management Methods	<div>Enhancing Positive Impacts</div> <ul style="list-style-type: none">Annually compile procurement totals and maintain local procurement ratios.
	<div>Reducing Negative Impacts</div> <ul style="list-style-type: none">Closely cooperate with local suppliers to jointly improve effective management of environmental and social responsibilities while reducing international supply chain disruption risks.Strengthen supplier evaluation systems, regularly assess supplier on-time delivery rates, product quality, and services to ensure supply chain stability.Supplier backup plans: establish cooperation with multiple suppliers to ensure rapid switching to alternative suppliers when main suppliers encounter problems, reducing production interruption risks.
2024 Achievements	<ul style="list-style-type: none">2024 local procurement ratio: 69%, four percentage points higher than 2023.Quarterly qualified supplier procurement unit evaluations, confirming procurement-related benchmarks meet established targets.
Tracking and Review Mechanisms	<ul style="list-style-type: none">Supply Chain Management unit supervises and tracks procurement practice-related policy implementation.
Stakeholder Engagement	<ul style="list-style-type: none">Related stakeholders can provide feedback through the "Stakeholder" page on the official website, selecting "Suppliers" contact information: ABN@forcelead.com.tw.

Material Issue

Intellectual Property and Legal Compliance

Policy	Responding to intellectual property management needs, the Company has established "Confidential Information and Intellectual Property Management Measures," "Patent Management Measures," and "Copyright Management Measures," regulating intellectual property rights protection, acquisition, utilization, and innovation incentives from all aspects. Through active management measures, the company encourages employee innovation, creates quality intellectual property, and thereby strengthens operational competitiveness.	
Commitment	The Company commits to complying with intellectual property-related laws and confidentiality agreements in all business activities, carefully evaluating and respecting others' intellectual property rights to reduce company breach and infringement risks.	
Management Responsibility	Human Resources and Administration, CEO Office.	
Goal	Short Term	<ul style="list-style-type: none">• Increase the number of patent application proposals.• Enhance employee awareness and knowledge of intellectual property protection through education and training
	Medium to Long-term	<ul style="list-style-type: none">• Continuously review and optimize internal intellectual property management systems, ensuring their appropriateness, completeness, and effectiveness. Simultaneously, enhance R&D capabilities, combine operational strategies to acquire key intellectual property rights, consolidate competitive advantages, and promote sustainable growth.
Action Plans/ Management Methods	Enhancing Positive Impacts	<ul style="list-style-type: none">• To improve company confidential information and intellectual property management, establish systems including "Confidential Information and Intellectual Property Management Measures," "Patent Management Measures," and "Copyright Management Measures."
	Reducing Negative Impacts	<ul style="list-style-type: none">• Establish integrity management violation reporting mechanisms; no intellectual property and legal compliance violation reports received in 2024.• Establish internal cooperation mechanisms to assist with intellectual property-related risks raised by R&D teams, preventing potential risks.• Employee compliance training: ensure colleagues understand intellectual property-related legal requirements based on business nature.
2024 Achievements	<ul style="list-style-type: none">• The Company accumulated 53 patents by 2024 and maintains 52 valid patents.• No intellectual property and legal compliance violations occurred, ensuring high discipline and responsibility in intellectual property protection and legal compliance.	
Tracking and Review Mechanisms	<ul style="list-style-type: none">• Establish regular reporting mechanisms for company patent proposal progress to patent proposal departments.	
Stakeholder Engagement	<ul style="list-style-type: none">• Integrity management violation reporting mechanism email: MG_FReport@forcelead.com.tw	

Material Issue

Customer Privacy

Policy	In accordance with "Customer Property Control Procedures" and "Confidential Information and Intellectual Property Management Measures" to protect customer rights policies.	
Commitment	<ul style="list-style-type: none">Forcelead regards protecting customer privacy and customer intellectual property security as the highest standard, adopting any necessary management policies and protective measures to prevent unauthorized use, disclosure, theft, and other behaviors, protecting important customer data and company reputation.Regarding employee personal data protection, Forcelead has established a "Personal Data Protection Regulations" in accordance with the "Personal Data Protection Act" and the "Enforcement Rules of the Personal Data Protection Act", aiming to build a comprehensive system for the management and protection of personal data applicable to all employees of the Company. Any personal data—including but not limited to customer information—collected or accessed by employees in the course of their duties must be handled and stored in accordance with Forcelead's internal regulations and guidelines on personal data usage, coordinated by the Human Resources and Administration Department with relevant units in collaboration with relevant departments to ensure proper implementation, oversight, and compliance across the organization.	
Management Responsibility	Information Security Committee, Human Resources and Administration	
Goal	Short Term	<ul style="list-style-type: none">Zero complaints about customer privacy violations and customer data loss.Ensure confidential information including personal data and customer privacy has reasonable protective measures.
	Medium to Long-term	<ul style="list-style-type: none">Zero complaints about customer privacy violations and customer data loss.Enhance employees' awareness of information security through education and training and information security announcements.
Action Plans/ Management Methods	Enhancing Positive Impacts	<ul style="list-style-type: none">Plan to implement personal data protection policy employee education and training for all colleagues.Email security policy— Outbound and inbound email virus scanning, automatic email backup.Server security policy— Regular file backups.Internet security policy— Firewall blocking and restricting suspicious websites.User-end security policy— Automatic updates and patches, restricting self-installation of software.
	Reducing Negative Impacts	<ul style="list-style-type: none">The internal audit unit conducts annual "Legal and Regulatory Compliance" audits, reporting audit results and improvement tracking to the Audit Committee and Board of Directors.Employee security awareness training to strengthen employee awareness of phishing attacks, social engineering attacks, and other risks, avoiding data leaks due to internal management negligence.Reduce unnecessary data collection and storage to lower compliance costs and risks.
2024 Achievements	<ul style="list-style-type: none">No material information security incidents involving customer information leaks occurred in 2024.	
Tracking and Review Mechanisms	<ul style="list-style-type: none">Establish transparent, secure customer data protection mechanisms with regular audits and improvements.	
Stakeholder Engagement	<ul style="list-style-type: none">Establish transparent, secure customer data protection mechanisms with regular audits and improvements, maintaining open communication with all stakeholders.Related stakeholders can provide feedback through the "Stakeholder" page on the official website, selecting "Customers" contact information: sales@forcelead.com.tw.	

Material Issue

Labor/
Management
Relations

Policy	In accordance with the principles of "Employee Handbook," "Personnel Selection and Appointment Measures," "Grading and Promotion Management Measures," "Sexual Harassment Prevention Measures, Complaint and Punishment Measures," "Employee Complaint Handling Measures," and "Occupational Safety and Health Handbook," clearly regulating labor relations, establishing management systems, improving organizational functions, and providing advance notice to employees before implementing major operational changes that may have material impact on employee rights, ensuring company-related operations comply with government regulations.	
Commitment	<ul style="list-style-type: none">When significant operational changes require termination of employment relationships with some employees, advance notice will be provided according to legal requirements at each operational location, with proper explanation and arrangements through internal communication mechanisms.Every member helps the company achieve sustainable development through effort, and the company will ensure every colleague receives appropriate rewards through effort.Reduce occupational disasters and protect employee safety and health, ensuring satisfaction for all company colleagues, customers, and related stakeholders, pursuing sustainable management.	
Management Responsibility	Human Resources and Administration	
Goal	Short Term	<ul style="list-style-type: none">Continue reducing turnover rate and improving recruitment rate, reducing employee turnover rate to 3%.Maintain zero occupational accidents and zero employee complaint cases.
	Medium to Long-term	<ul style="list-style-type: none">Establish company brand image and enhance talent attractiveness. Improve working conditions, protect labor rights and human rights, and promote occupational health and safety.Reduce employee turnover rate to 2.8%
Action Plans/ Management Methods	Enhancing Positive Impacts	<ul style="list-style-type: none">Actively participate in industry salary/benefit surveys, ensuring employee compensation and benefits exceed industry levels.
	Reducing Negative Impacts	<ul style="list-style-type: none">Convene labor-management meetings to regularly review labor law changes and discuss company-related activities and labor issues to promote communication and consensus between both parties.Regularly convene occupational safety and health committee meetings according to regulations, regularly review work environments and propose improvement plans.Establish employee complaint channels, providing anonymous suggestion boxes or online communication platforms to ensure employees have safe feedback channels for timely handling of employee concerns.Strengthen psychological support and employee care, providing psychological counseling and employee assistance programs (EAP) during change processes to reduce employee anxiety and resistance, improving adaptability.
2024 Achievements	<ul style="list-style-type: none">2024 turnover rate of 4.03%, down 0.52% from last year.2024 onboarding rate of 15.32%.No employee grievance or discrimination cases throughout the year.Passed ISO 45001 annual audit.	
Tracking and Review Mechanisms	<ul style="list-style-type: none">Through labor-management meetings and semi-annual performance interviews, understand employee internal needs and provide employee information and feedback.Through regular SGS audits and fire safety inspections, ensure workplace environment complies with regulations.Irregularly conduct industry surveys on employee benefits.	
Stakeholder Engagement	<ul style="list-style-type: none">Through labor-management meetings, mid-year/final performance evaluation interviews, company-wide annual meeting, and occupational safety and health committee meetings for feedback.Various grievance mailboxes on company system homepage.Related stakeholders can provide feedback through the "Stakeholder" page on the official website, selecting "Employees" contact information: MG_employee@forcelead.com.tw.	

Material Issue

Supplier Environmental Assessment

Policy	To reduce negative environmental impacts from supplier materials or outsourced manufacturing processes, Forcelead conducts audits according to "Supplier Management Procedure," with reference to RBA Code of Conduct. Audit content includes: product testing and quality, green products, transportation records, environmental safety and employee equality, and social responsibility clauses prohibiting child labor.	
Commitment	Forcelead formulates the Supplier Management Procedure and supplier environmental management methods based on international standards and customer specifications. Through document communication, evaluation, and auditing, relevant departments promote supplier environmental substance management, ensuring products comply with green environmental protection.	
Management Responsibility	Package & Outsourcing & Quality System Management Department	
Goal	Short Term	<ul style="list-style-type: none">Conduct quarterly and annual supplier evaluations and audits with 100% completion and qualification rates in 2025.Achieve 100% qualification rate for supplier regular ISO 14001 Environmental Management System certification reviews in 2025.Conduct annual supplier RoHS and conflict minerals surveys in 2025. Zero abnormal records.
	Medium to Long-term	<ul style="list-style-type: none">Conduct conflict minerals surveys for suppliers with high conflict minerals risks, continuously monitor upstream procurement sources to avoid obtaining controversial metal materials.Obtain supplier greenhouse gas inventory data and encourage ISO 14064-1:2018 greenhouse gas inventory verification.Partner with suppliers in greenhouse gas emission reduction, jointly developing low-carbon circular economy.
Action Plans/ Management Methods	Enhancing Positive Impacts	<ul style="list-style-type: none">Implement new supplier evaluation procedures, ensuring suppliers obtain quality and environmental management system certifications and comply with specifications.New supplier selection criteria include ISO 14001 Environmental Management Systems and must comply with Forcelead's environmental restricted substances and conflict minerals requirements.Quarterly supplier evaluations are conducted, covering delivery, quality, cost, engineering support services, and green product compliance.
	Reducing Negative Impacts	<ul style="list-style-type: none">Conduct annual supplier risk assessments covering economic, environmental, and social aspects. Based on assessment results, determine supplier risk levels with medium-high risk suppliers undergoing on-site audits.Supplier audits with self-assessment and audit items including: quality, processes, environment, CSR.Through supplier-provided material testing reports and conflict minerals surveys, conduct thorough inventory and management to ensure company products comply with latest international and customer environmental regulations and responsibilities.
2024 Achievements	<ul style="list-style-type: none">Starting in 2024, new suppliers must sign the "Supplier Code of Conduct Commitment." Only those meeting and passing evaluation standards can become qualified suppliers.Starting 2024, annual supplier risk assessments include ESG economy, environment, and people (including human rights) dimensions.2024 quarterly and annual supplier evaluations and audits achieved 100% completion and qualification rates.Supplier audits include environmental and CSR items. In 2024, 27 suppliers were audited with 0 environmental and CSR deficiency items.Regular review of existing suppliers' ISO 14001 Environmental Management Systems certification status in 2024: 30 suppliers total, 30 certified and qualified, 100% qualification rate.Annual RoHS and conflict minerals surveys for existing suppliers. 0 abnormal records in 2024.	
Tracking and Review Mechanisms	<ul style="list-style-type: none">According to Forcelead's "Supplier Management Procedure" and "Environment Substance Management Procedure," track supplier improvement effectiveness for corrective actions required for supplier negative impacts.	
Stakeholder Engagement	<ul style="list-style-type: none">Suppliers sign "Supplier Code of Conduct Commitment" and participate in annual sustainability risk assessments, communicating company sustainability goals to suppliers.	<ul style="list-style-type: none">Related stakeholders can provide feedback through the "Stakeholder" page on the official website, selecting "Suppliers" contact information: ABN@forcelead.com.tw.

2

About Forcelead

2.1 Company Profile

2.2 Business Development

2.3 Corporate Governance

2.4 Integrity Management

2.5 Intellectual property rights protection and competitive behavior



2.1 Company Profile

Forcelead Technology Corp. was established in December 2009, originally named Silicon Bridge Technology Corp., and was officially renamed to Forcelead Technology Corp. in March 2012. It is a professional chip design company, primarily dedicated to the research, development, design, and sales of display driver chips. In June 2021, after integrating Sitronix Technology Corp.'s automotive display business division, Forcelead's main products focus on automotive display drivers, application specific integrated circuit (ASIC) display drivers, and smart AIoT display drivers. In the automotive sector, applications include clusters, e-rearview mirrors, head-up displays, 3-by-1 circular controller knobs, center consoles, rear-seat touchscreens, rear-seat entertainment, and other automotive display driver IC applications. Through long-term cultivation, products have mass production records with Chinese, European, Korean, and American international automotive brands. Forcelead has become a leading manufacturer in the global automotive OEM and aftermarket small and medium-sized display driver market. Additionally, products are also adopted and mass-produced in smart AIoT applications, industrial applications, and customer-customized application specific integrated circuit (ASIC) applications.

Since its establishment, Forcelead has been backed by solid R&D capabilities, strong financial resources, and wafer production supply chain, providing customers with high-quality products and timely services, aiming to achieve customer satisfaction and create maximum corporate value. In December 2024, Forcelead was approved by the Taipei Exchange for listing and trading, with stock code 6996. As of the end of 2024, the total number of employees was 124, with headquarters located in Tai Yuen Hi-Tech Industrial Park, Zhubei City, Hsinchu County and an office in Tainan to provide immediate business and technical support to customers.

Entity of the Report	Forcelead Technology Corp.
Stock Code	6996
Chairman	Vincent Mao
Establishment Date	December 2009
Operation Sites	Headquarters located in Tai Yuen Hi-Tech Industrial Park, Zhubei City, Hsinchu County and an office in Tainan.
Service Markets	Products have mass production records with Chinese, European, Korean, and American international automotive brands.
Main products	Research, development, and sales of display driver chips and touch-integrated driver chips. Products mainly target automotive applications including clusters, e-rearview mirrors, head-up displays, 3-by-1 circular controller knobs, center consoles, rear-seat touchscreens, rear-seat entertainment, and various other automotive display driver IC applications.
Paid-in Capital	NT\$419,193,330
Number of Employees	124 (by the end of 2024)
Revenue Scale	Full-year 2024 revenue of NT\$2,969,215 thousand.

2.1.1 Vision and Mission

Forcelead is a professional IC design company that focuses on the automotive market as our main development axis, making us one of the few global display driver IC design companies with over 80% of revenue concentrated in automotive applications. With a professional and stable management team and excellent R&D team, the company focuses on display-related integrated circuit product development with innovative spirit, providing customers with comprehensive services through a complete product line. With the wave of autonomous driving and intelligent automotive electronic systems, automakers' demand for high-performance, high-reliability display driver ICs continues to increase. Forcelead will leverage our products' excellent performance in passing strict verification for safety and reliability to capture more development opportunities in the global competitive environment.

2.1.2 Strengths and Competitive Advantages

- Excellent R&D Team: Creating core autonomous technology
- Diverse Products and Excellent Service: Navigator in automotive driver chips
- Strong and Stable Supply Chain: Establishing long-term competitive advantages



Forcelead's Quality Policy

Achieve the highest level of customer satisfaction
with the most competitive cost and quality



2.2 Business Development

2.2.1 Business performance

■ **Table 2-1** Revenue, Gross Profit Margin, Operating Profit Margin, and Earnings Per Share

NT\$	2023	2024
Revenue (NT\$ thousand)	2,656,536	2,969,215
Gross Profit Margin (%)	36.04%	40.30%
Operating Expenses/Revenue (%)	17.41%	18.63%
Operating Profit Margin (%)	18.63%	21.70%
Non-operating Items (NT\$ thousands)	22,215	31,782
Net Profit (NT\$ thousands)	436,894	588,556
Net Profit Margin (%)	16.45%	19.82%
EPS (NT\$)	11.74	15.37

■ **Table 2-2** Cash Dividends, Dividend Distribution Ratio, and Direct Economic Value Generated and Distributed by the Organization

Year	Earnings Per Share (NT\$)	Cash Dividends per Share (NT\$)		Dividend Payout Ratio (Cash Dividend Per Share/Earnings Per Share)
		Cash dividends	Stock Dividend	
2023	11.74	10.31711283	NA	87.88%
2024	15.37	12.65057693	NA	82.31%

■ **Direct Economic Value Generated and Distributed by the Organization** Units: NT\$ thousand

Item	Basic Elements	2024
Direct Economic Value Generated	Operating Revenue	2,969,215
	Non-Operating Income and Expenses	33,772
Direct Economic Value Distributed	Operating Costs (Costs + Expenses - Employee Wages and Benefits - Taxes)	1,924,321
	Employee Wages and Benefits	401,112
	Payments to Providers of Capital ^(Note 1)	532,294
	Payments to Government ^(Note 2)	79,600
	Community Investments	0
Economic Value Retained		65,660

Note 1. Interest expenses and cash dividends for 2024 approved and distributed in 2025
Note 2. Income taxes actually paid in 2024 (corporate income tax, stamp tax)

2.2.2 Tax Governance

All Forcelead operations are conducted in compliance with the tax laws and regulations of the countries and regions in which the Company operates. Forcelead supports the government's tax policies that promote industrial innovation and economic growth. The Finance and Accounting Department coordinates daily tax filing and payment operations, various investment credit applications, including "SME R&D expenditure investment credits" and "Tax Credits for Corporate or Limited Partnership in Smart Machines, 5th Generation Mobile Networks and Cyber Security Products or Services." Tax personnel regularly participate in relevant tax courses or tax seminars held by competent authorities, supplemented by external tax consulting institutions providing professional advice. Tax disclosure information complies with financial/tax standards and is reviewed by accounting firms for reasonableness and accuracy. No material tax compliance violations occurred in 2024.

■ **Forcelead Tax Payment Status:**

Income Tax Related Information (Unit: NT\$ thousands)	2023	2024
Profit and Loss Before Tax (A)	517,097	676,143
Income Tax Expense (B)	80,203	87,587
Book Effective Tax Rate (B) ÷ (A)	15.51%	12.95%
Reasons for Tax Credits or Reductions (C)	<ul style="list-style-type: none">● Applicable under the "Act for Development of Small and Medium Enterprises."● Enjoy tax credits for R&D expenditure and investment in smart machines and information and cyber security products or services.	<ul style="list-style-type: none">● Applicable under the "Act for Development of Small and Medium Enterprises."● Enjoy tax credits for R&D expenditure and investment in smart machines and information and cyber security products or services.
Income Tax Paid (D)	70,315	79,248
Cash Effective Tax Rate (D) ÷ (A)	13.60%	11.72%

Note 1. No income tax payments outside of Taiwan.
Note 2. Book Effective Tax Rate = Current year income tax expense ÷ Current year profit and loss before tax;
Cash Effective Tax Rate = Current year income tax paid ÷ Current year profit and loss before tax

All business operations follow the Company's internal control procedures, including the identification, assessment, and management of tax risks arising from regulatory changes. The Audit Committee oversees the implementation of internal control systems related to accounting, taxation, and financial reporting processes.

2.2.3 Tax Commitments

Forcelead's Commitment



2.3 Corporate Governance

Forcelead has always attached great importance to social, environmental, and economic impacts. Based on the business philosophy of integrity, transparency, and responsibility, the company formulates integrity-based policies, emphasizes operational transparency, and continuously improves corporate governance structure. Following the Company Act of the Republic of China, Securities and Exchange Act, and other relevant laws, the Company establishes effective corporate governance structure and implementation standards to implement effective corporate governance operations, advance R&D innovation, fulfill ESG responsibilities, enhance corporate operating performance, and protect the rights and interests of investors and other stakeholders. The Company has established the "Corporate Governance Best Practice Principles," "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct," "Code of Ethical Conduct," and "Sustainable Development Best Practice Principles" to realize integrity principles and achieve good corporate governance.

Furthermore, Forcelead's achievements in the economic sphere should not be underestimated. Over the past few years, the Company's financial condition has remained stable with net profit growing consecutively for multiple years. This reflects Forcelead's sustainable operations, and after integrating Sitronix Technology Corp.'s automotive display business division in June 2021, the company has further expanded its territory and developed more promising markets.

Beyond the economic sphere, Forcelead also assumes responsibility in social and environmental aspects. The Company focuses on environmental protection and energy conservation in products, pays attention to employees and customer rights, and actively participates in public welfare activities. Additionally, Forcelead focuses on employee benefits, providing employees with fair compensation, safe and comfortable working environments, and comprehensive diverse training opportunities.

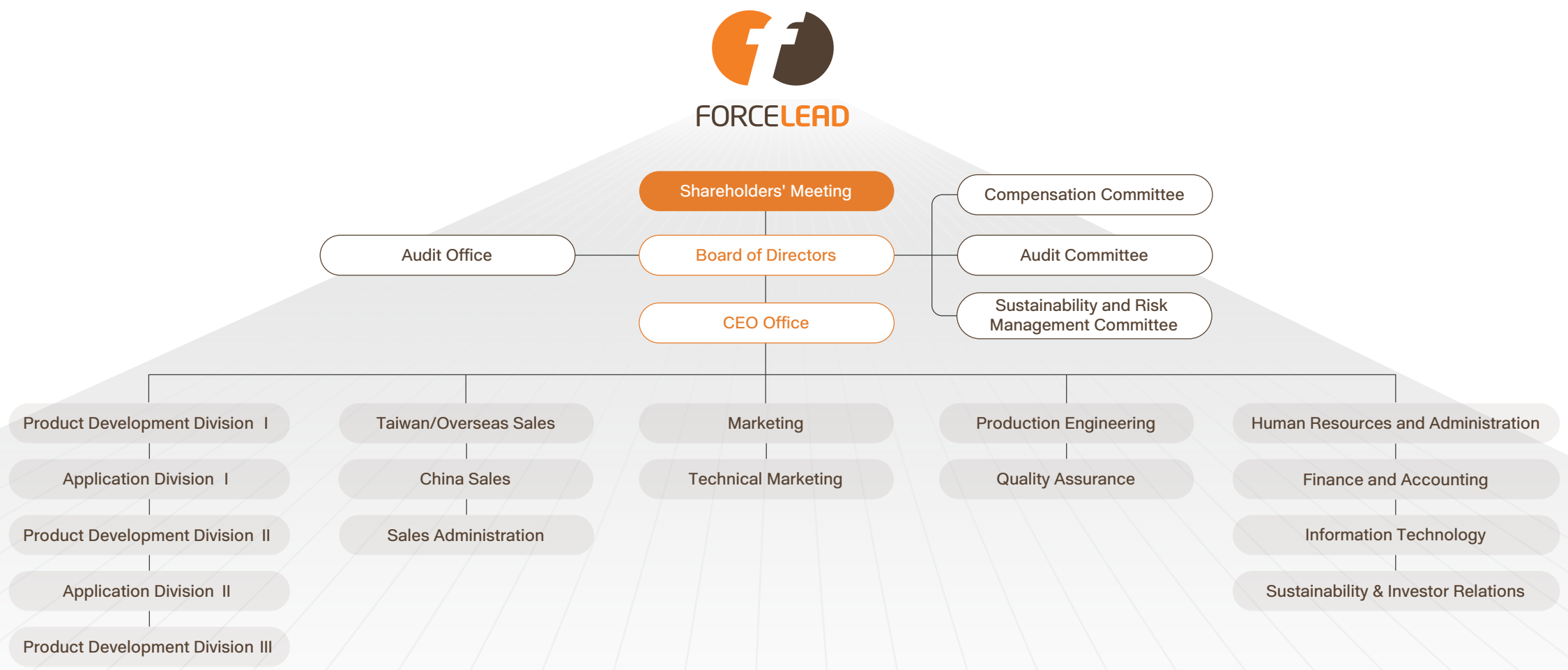
Facing future ESG sustainable development challenges, Forcelead will continue to commit to sustainable development, reduce environmental impact, continuously expand its market competitiveness, continuously launch innovative products, actively develop new markets, and achieve more accomplishments and contributions.

2.3.1 Governance Structure

The Board of Directors of Forcelead consists of industry professionals with extensive business management and technical development expertise. In accordance with regulatory requirements, the Company has established an Audit Committee, Compensation Committee, and Sustainability and Risk Management Committee to assist the Board of Directors in exercising internal control mechanisms, strengthening board functions, enhancing management team management, making information disclosure transparent, improving compensation systems, and implementing sustainability development strategies to fulfill corporate governance responsibilities.

Strategic objectives	2024 targets and performance
	<ul style="list-style-type: none">- The Board of Directors regularly refers to Audit Quality Indicators (AQIs) → to assess the independence and competency of certified public accountants.- Established the Sustainability and Risk Management Committee on December 18, 2024, and the Board of Directors approved Risk Management Policy and Procedure.- Board of Directors, Audit Committee, and Compensation Committee attendance rates all reached 100%.- In accordance with the "Information Security Management Guidelines for Listed and OTC Companies," established an information security organization and regularly reported information security management to the Board of Directors.
Short-term goals	<ul style="list-style-type: none">- Board of Directors and functional committees attendance rate not less than 90%.- No material regulatory violations.
Mid-term goals	<ul style="list-style-type: none">- Improve corporate governance evaluation ranking to top 6%-20%.- Continue to improve Board operations according to the Corporate Governance 3.0 Blueprint proposed by competent authorities.- No material regulatory violations.
Long-term goals	<ul style="list-style-type: none">- Continue to enhance management mechanisms of functional committees and strengthen Board corporate governance.- No material regulatory violations.- Implement external Board performance assessment.

For detailed information on the remuneration paid to directors, supervisors, the general manager, and deputy general managers, please refer to the 2024 Annual Report: Chapter II. Corporate Governance Report - II. Remuneration Paid during the Most Recent Fiscal Year to Directors, Supervisors, the Presidents, and Vice Presidents.



■ **Figure 2-1** Forcelead Corporate Governance Structure Chart 2025/03 Version

1. Board of Directors' Operations

The Board of Directors is the Company's highest governance unit, with main functions including appointing and dismissing the Company's managers and internal and external audit units, supervising company operating performance, and reviewing whether the Company's internal rules and regulations comply with legal requirements. The Company's Board operations are conducted in accordance with the "Rules of Procedure for Board of Directors Meetings."

The chairman of the highest governance unit is the Chairman (concurrently CEO), responsible for formulating operational strategies, operational management, and assessing the necessity and reasonableness of internal control. The Chairman concurrently serving as CEO is to strengthen decision-making efficiency and execution, reduce friction and misunderstanding between management levels, better grasp operational situations, promptly identify problems and make adjustments.

Currently, the Board of Directors consists of 8 directors, including 4 independent directors. The Company has established an "Audit Committee" and "Compensation Committee" composed of 4 independent directors and 3 independent directors respectively. They assist the Board of Directors in fulfilling its supervisory responsibilities regarding strengthening internal control mechanisms, appropriate expression of financial statements, effective implementation of company internal control, company compliance with relevant laws and regulations, and management of existing or potential company risks, and establish compensation for directors and senior management.

The Sustainability and Risk Management Committee is composed of at least 3 directors elected by the Board of Directors, with more than half being independent directors. Under the Committee, the "Sustainability Promotion Team" is established, which further sets up the "Corporate Governance Working Group," "Environmental Sustainability Working Group," "Social Responsibility Working Group," and "Risk Management Working Group." Under the direct supervision of the Chairman, it is a task organization composed of units including Human Resources and Administration, Quality Assurance, Marketing, Audit Office, Supply Chain Management, Information Technology, Finance and Accounting, Sustainability & Investor Relations, to jointly review and approve risk opportunities and material issue management identified in corporate governance, environmental, and social aspects covered in the report.

The current Board is the sixth Board of Directors, with a term from October 18, 2023, to October 17, 2026 (three-year term). For information about the sixth Board election, please refer to the Company website: Home >> Investors >> Corporate Governance >> Company Regulations >> Procedures for Election of Directors. Forcelead's Board of Directors nomination and selection criteria considers the perspectives of stakeholders (including shareholders) and evaluates nominees based on diversity, independence, and their potential to make a positive impact on Forcelead.

2024 Significant Issues Board Reporting Status:

Please refer to the Company's 2024 Annual Report, Chapter II. Corporate Governance Report - Corporate Governance Operation (9) Material Resolutions of Shareholders' Meetings and Board of Directors in Recent Years and Up to the Annual Report Publication Date 2. Major resolutions of the Board of Directors.

Table 2-3 Educational and Professional Background of Directors

Title	Name	Current Position	Education (Experience)
Chairman	Sitronix Technology Corp. Representative: Vincent Mao	<ul style="list-style-type: none">Chairman & CEO, Forcelead Technology Corp.Chairman & CEO, Sitronix Technology Corp.Chairman, Sitronix Holding International Limited.Director, mCore Technology Corp.Director, Sensortek Technology Corp.Director, INFSitronix Technology Corp.Chairman, Sitronix Investment Corp.Director, Sync-Tech System Corp.Director, Silicon Power Computer & Communications Inc.Independent Director, Compal Broadband Networks Inc.Director, ezGlobal Corp.Chairman & CEO, Seer Microelectronics Inc.Director, Fong Huang Innovation Investment Co., Ltd.Director, Fong Huang II Innovation Investment Co., Ltd.Director, Fong Huang III Innovation Investment Co., Ltd.Director, Fong Huang IV Innovation Investment Co., Ltd.Director, Fong Huang VI Innovation Investment Co., Ltd.	<div>International Business Management, EMBA, National Taiwan University</div> <div>Master's Degree in Electrical Engineering, National Cheng Kung University</div> <div>Department of Electrical Engineering, National Cheng Kung University</div> <div>General Manager, Sitronix Technology Corp.</div> <div>Market Planner, United Microelectronics Corp.</div>
Director	Sitronix Technology Corp. Representative: Wen-Yuan Kuo <small>(Note)</small>	<ul style="list-style-type: none">Deputy CEO, Forcelead Technology Corp.	<div>Institute of Electronics Engineering, National Tsing Hua University</div> <div>Department of Electrical Engineering, Chang Gung University</div> <div>Automotive Products Business Division Manager, Sitronix Technology Corp.</div>
Director	Sitronix Technology Corp. Representative: Chun-Sheng Lin	<ul style="list-style-type: none">Vice CEO & CRO, Sitronix Technology Corp.	<div>Department of Electronics, Feng Chia University</div> <div>R&D Department Executive Manager, Epson Taiwan Technology & Trading Ltd.</div>
Director	Kuan-Sheng Wang	<ul style="list-style-type: none">Chairman, United Management Consulting Co., Ltd.Director, ECOVE Environment CorporationIndependent Director, Quanta Storage Inc.Independent Director, Chime Ball Technology Co., Ltd.Chairman, Tsun Yuan Tang Investment Co., Ltd.Director, Lien-Jin Investment Co., Ltd.	<div>Massachusetts Institute of Technology (MIT) Sloan School of Management</div> <div>Department of Electrical Engineering, Rice University</div> <div>Department of Electrical Engineering, National Cheng Kung University</div> <div>Executive Director, Goldman Sachs Group Inc.</div>

Title	Name	Current Position	Education (Experience)
Independent Director	Chu-Sheng Lee	<ul style="list-style-type: none">Chairman and CEO, fm Capital Investment Corp. Ltd.Supervisor, Taiwan Top Technology Corp.Director, Global Channel Consulting Co., Ltd.	Master's Degree in Department of Chemical Engineering, National Taiwan University
			Department of Chemical Engineering, National Taiwan University
			CEO, Taiwan Top Technology Corp.
			General Manager,, Sensortek Technology Corporation
Independent Director	Jeng-Chun, Chen	<ul style="list-style-type: none">Director, CDIB Capital Innovation Accelerator Co., Ltd.	Innovation Sensing Business Division Manager, Sitronix Technology Corp.
			Business Administration EMBA, National Taiwan University
			Electrical & Computer Engineering, University of Michigan Ann Arbor
			Department of Electrical Engineering, National Taiwan University
			Chairman, Waystorm Co., Ltd.
			Chief Technology Officer, Accton Technology Corporation
Independent Director	Tsai-Chen Hsu	<ul style="list-style-type: none">Independent Director, Azion Corporation	Chief Technology Officer, Arcadyan Technology Corporation
			Ph.D. in Economics, Nankai University
			MS in Finance, George Washington University
			Accounting and Management Decision Group, EMBA, National Taiwan University
			Executive Director, Bank Julius Baer & Co., Ltd., Asia-Pacific Region
			Director, Bank of Singapore Limited, Hong Kong Branch
Independent Director	Yu-Min Yang	<ul style="list-style-type: none">Independent Director, Lotus Pharmaceutical Co., Ltd	Accounting and Management Decision Group, EMBA, National Taiwan University
			Department of Accounting, National Cheng Kung University
			Chief Financial Officer, DBS Bank(Taiwan) Ltd.
			Chief Accountant, Citibank (Taiwan) Ltd.

Note: Sitronix Technology Corp. has reassigned corporate representative directors effective March 12, 2025.

2. Director Training (Including ESG Courses)

To strengthen the professional capabilities of Board members, all 8 directors (including independent directors) completed more than 6 hours of training in 2024, with directors completing a total of 48 hours of ESG training. Other director training details can be found on the Market Observation Post System.

■ Table 2-4 2024 Director Training Status

Course Title	Hours	Number of Participants	ESG Courses
2024 Global Economic Trends, Risk Indicators and Response Strategies	3	1	○
2024 Cathay Sustainable Finance and Climate Change Summit	6	2	○
2024 Cathay Sustainable Finance and Climate Change Summit	3	1	○
Key Strategies for Enhancing ESG Performance	3	7	○
Opportunities and Challenges for Taiwanese Businesses in China	3	7	
Applications and Challenges of Generative AI from ChatGPT Perspective	3	1	
Director and Corporate Governance Officer Series - Carbon Credit Trading Mechanisms and Carbon Management Applications	3	1	○
Data Center Evolution: Development Trends of Silicon Photonics and AI Servers	3	1	
AI Risks and Considerations for Enterprises	3	1	
Corporate ESG Sustainability Governance Awareness and Content - Global Net-Zero Emissions Trends and Corporate Response Strategies	3	1	○
Insider Trading Prevention and Response Strategies	3	1	
Tax Money Laundering Risk Prevention - Eight Major National Money Laundering Risk Patterns	3	2	
Corporate Governance - Enterprise Information Security Management and Protection Strategies	3	1	○

3. Board Diversity Policy

Board Diversity: The Company's sixth Board of Directors consists of 8 directors (including 4 independent directors). Overall, they possess operational judgment, accounting and financial analysis, business management, crisis management capabilities, industry knowledge, international market perspective, leadership and decision-making abilities, with industry experience and professional capabilities spanning multiple industry sectors with complementary abilities.

The Company's directors demonstrate diversity, complementarity, and implementation, meeting the standards specified in Article 20 of the company's "Corporate Governance Best Practice Principles." Future diversity policies will continue to be adjusted based on Board operations, business models, and development needs, including but not limited to standards in two major areas: basic conditions and values, and professional knowledge and skills, to ensure Board members generally possess the knowledge, skills, and qualities necessary to perform their duties, providing different perspectives and contributions to further strengthen Board functions.



Table 2-5 Director Professional Knowledge

Core Diversity		Basic Conditions and Values								Diversified core competencies								
Name	Nationality	Gender	Have employee status (including the Group)	Age				Term of Office for Independent Directors (Years)		Operational judgment	Accounting and financial analysis	Business management	Crisis management	Industry Knowledge		International Market View	Leadership	Decision-making Ability
				41-50 Years Old	51-60 Years Old	61-70 Years Old	71-80 Years Old	Less than 3 years	Over 3 Years					Semiconductor-related	Finance and Legal Expertise			
<div>Director</div> Sitronix Technology Corp. Representative: Vincent Mao	R.O.C.	Male	V	-	-	V	-	-	-	V	V	V	V	V	V	V	V	V
<div>Director</div> Sitronix Technology Corp. Representative: Chun-Sheng Lin	R.O.C.	Male	V	-	-	V	-	-	-	V	-	V	V	V	-	V	V	V
<div>Director</div> Sitronix Technology Corp. Representative: Wen-Yuan Kuo	R.O.C.	Male	V	V	-	-	-	-	-	V	-	V	V	V	-	V	V	V
<div>Director</div> Kuan-Sheng Wang	R.O.C.	Male	-	-	-	V	-	-	-	V	V	V	V	V	V	V	V	V
<div>Independent Director</div> Chu-Sheng Lee	R.O.C.	Male	-	-	V	-	-	V	-	V	-	V	V	V	-	V	V	V
<div>Independent Director</div> Jeng-Chun, Chen	R.O.C.	Female	-	-	-	V	-	V	-	V	V	V	V	V	V	V	V	V
<div>Independent Director</div> Tsai-Chen Hsu	R.O.C.	Female	-	-	-	V	-	V	-	V	V	V	V	-	V	V	V	V
<div>Independent Director</div> Yu-Min Yang	R.O.C.	Female	-	-	-	V	-	V	-	V	V	V	V	-	V	V	V	V

Board Independence: The Company's Board consists of 8 directors (including 4 independent directors), with attention to gender equality in Board composition, including 3 female directors (38%), 5 directors without group employee status (63%), and 4 independent directors (50%, more than one-third of director seats). All directors have no spousal or second-degree kinship relationships, complying with Articles 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act. Each independent director meets the independence requirements specified in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."

■ **Table 2-6** Board, Individual Director Member, and Functional Committee Internal Performance Assessment

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Evaluation Method	Evaluation Items	Evaluation Results
Once a year	January 1, 2024 to December 31, 2024	The entirety of the Board of Directors	Board of directors internal self-assessment	Performance assessment of the Board of Directors: The level of participation in company operations, improvement of board decision-making quality, board composition and structure, director election and continuing education, internal controls, etc.	Please refer to pages 20-21 of the Company's 2024 Annual Report
		Individual board members	Board members self-assessment.	Individual Director Member Performance Assessment: Including understanding of company goals and missions, director responsibility awareness, degree of participation in company operations, internal relationship management and communication, director professionalism and continuing education, internal control, etc.	
		Functional committees <ul style="list-style-type: none">• Audit Committee• Compensation Committee• Sustainability and Risk Management Committee	Functional committees self-assessment.	Functional Committee Performance Assessment: Including degree of participation in company operations, functional committee responsibility awareness, enhancing functional committee decision-making quality, functional committee composition and member selection, internal control, etc.	

4. Audit Committee

In accordance with Article 14-4 of the Securities and Exchange Act and Article 4 of the "Regulations Governing the Exercise of Powers by Audit Committees of Public Companies," the company established the first Audit Committee on October 18, 2023, through a resolution of the extraordinary shareholders' meeting. The committee consists of four independent directors: Mr. Chu-Sheng Lee (convener), Ms. Jeng-Chun, Chen, Ms. Yu-Min Yang, and Ms. Tsai-Chen Hsu, with terms from October 18, 2023, to October 17, 2026. For Audit Committee operations, please refer to pages 22-25 of the Company's 2024 Annual Report.

5. Compensation Committee

The first Compensation Committee was established on November 1, 2023, consisting of three independent directors: Ms. Tsai-Chen Hsu (convener), Ms. Jeng-Chun, Chen, and Ms. Yu-Min Yang, with terms from November 1, 2023, to October 17, 2026. For the composition and operations of the Compensation Committee, please refer to pages 36-37 of the Company's 2024 Annual Report.

■ Table 2-7 Forcelead's Remuneration Policy

Category	Content
Director (Executive) Remuneration Policy	<p>Director remuneration includes remuneration, business execution expenses, and director bonuses. Independent directors receive fixed compensation annually based on industry standards for serving on compensation committee and audit committee; business execution expenses are transportation fees paid according to director attendance. Director remuneration is determined by the Board in accordance with Article 16 of the Company's Articles of Incorporation, based on their degree of participation in company operations and contribution value, referencing domestic and international industry standards. Director compensation is determined in accordance with Article 18-1 of the company's Articles of Incorporation, which stipulates that if the company is profitable in a given year, up to 1% shall be allocated as director compensation. However, if the company has accumulated losses, the amount needed to cover such losses shall first be reserved before allocating compensation based on the aforementioned percentage. The remuneration is determined based on: "Director Member Performance Self-Assessment Questionnaire," Board performance assessment outcomes, Board meeting attendance records, and Directors' participation in training programs. Remuneration proposals are reviewed by the Compensation Committee, approved by the Board of Directors, and subsequently reported to the Shareholders' Meeting. Details of the "Director Member Performance Self-Assessment Questionnaire" can be found in the 2024 Annual Report under: Chapter II. Corporate Governance Report - III Corporate Governance Operation - (I) Board of Directors' Operation.</p>
Senior Management Remuneration Policy	<p>Remuneration for managers including CEO, General Manager, and Deputy General Managers is determined by referencing industry standards for similar positions, including fixed Remuneration, operational bonuses, and employee bonuses. Fixed remuneration is based on the executive's position, responsibilities, and contribution to the Company. The operational bonus is tied to the Company's overall operational performance and is allocated based on a fixed percentage of profits. Employee remuneration is determined in accordance with Article 18-1 of the company's Articles of Incorporation, which stipulates that if the company is profitable in a given year, no more than 25% and no less than 1% of the profit shall be allocated as employee remuneration. However, if the Company has accumulated losses, the amount needed to cover such losses shall first be reserved before allocating remuneration based on the aforementioned percentage.</p> <p>In accordance with the evaluation items of the "Director and Manager Performance Assessment Measures," the Company conducts performance evaluations for executives twice annually, with evaluation indicators including goal achievement assessment and behavioral assessment. Starting from 2025, to incentivize executives to focus on long-term comprehensive performance and achieve sustainable operations, sustainability development strategies and goals will be linked to executive performance. The ESG sustainability development performance assessment targets four major indicators: "Innovation Management," "Sustainable Supply Chain," "Financial Performance," and "Climate Action/Energy Management," which are also incorporated into bonus and employee remuneration distribution considerations with a 5% weighting. Appropriate remuneration will be provided based on the above evaluation results, subject to review by the Compensation Committee and approval by the Board of Directors.</p> <p>In addition to the above, the Company minimizes the possibility of future operational risks, regularly reviews the remuneration system based on actual business conditions and relevant laws and regulations, and seeks a balance between corporate sustainable operations and risk management after comprehensively considering current corporate governance trends.</p>
Directors and Executives Remuneration Disclosure	<p>For information on directors' and executives' remunerations, please refer to the 2024 Annual Report: Chapter II. Corporate Governance Report - II Remuneration Paid during the Most Recent Fiscal Year to Directors, Supervisors, the Presidents, and Vice Presidents.</p>

6. Sustainability and Risk Management Committee

To assist the Board in decision-making and execution of sustainability development and risk management work, covering economic, environmental, and people (including human rights) aspects, the Committee conducts risk management policies, risk identification, and impact assessment for sustainability issues related to company operations, and formulates response strategies and action plans. The first Sustainability and Risk Management Committee was established on December 18, 2024, consisting of Chairman Mr. Vincent Mao (convener), Independent Director Mr. Chu-Sheng Lee, and Ms. Tsai-Chen Hsu, with terms from December 18, 2024, to October 17, 2026.

■ Table 2-8 Board of Directors and Functional Committee Responsibilities and Operations

Name	Duties	Operations
Board of Directors	<ul style="list-style-type: none">Actively implement supervisory responsibilities, holding regular quarterly meetings.It supports senior management in setting objectives aligned with the Company's mission and vision.Maintain good communication with management.Its powers are exercised in accordance with applicable laws, the Articles of Incorporation, and resolutions of shareholders' meetings.	<ul style="list-style-type: none">Board members undergo continuing education in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies" to enhance their understanding of regulatory updates and emerging issues, thereby strengthening corporate governance effectiveness.The Board of Directors holds at least 1 meeting per quarter. In 2024, a total of 6 meetings were held with 100% attendance rate of all directors.
Audit Committee	<ul style="list-style-type: none">Supervise appropriate expression of company's financial statements.Appointment and independence evaluation of certified public accountantsEffective implementation of internal control systems.Compliance with relevant laws and regulations.Control of existing and potential company's risks.	<ul style="list-style-type: none">To strengthen corporate governance and operate under the "Regulations Governing the Exercise of Powers by Audit Committees of Public Companies," Forcelead established the Audit Committee on October 18, 2023, with 4 members, all composed of independent directors, with clearly defined organizational procedures.The Audit Committee held 6 meetings in 2024 with 100% member attendance rate. The committee communicates fully with the internal audit department and CPAs twice a year.
Compensation Committee	<ul style="list-style-type: none">Revise and evaluate the Company's overall employee remuneration system.Regularly review manager performance assessments and remuneration principles.Evaluate remuneration for directors and managers.	<ul style="list-style-type: none">To implement corporate governance and improve the Company's directors and executives remuneration system, the Company established its Compensation Committee on November 1, 2023, in accordance with the "Regulations Governing the Appointment and Exercise of Powers by the Compensation Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange," with 3 members, all composed of independent directors, with clearly defined organizational procedures to supervise the Company's director and executive remuneration system, faithfully perform duties, and propose matters for Board review.The Compensation Committee held 4 meetings in 2024 with 100% attendance rate.
Sustainability and Risk Management Committee	<ul style="list-style-type: none">Formulate policies, governance structure, roles and responsibilities for promoting sustainability development and risk management.Review policies, management approaches, and specific implementation plans for sustainability development related issues proposed by the "Sustainability Promotion Team."Review and monitoring of the implementation and effectiveness of sustainability and risk management.	<ul style="list-style-type: none">The "Corporate Governance Working Group," "Environmental Sustainability Working Group," and "Social Responsibility Working Group" under the Committee are composed of representatives appointed by operational unit supervisors, belonging to respective working groups according to operational unit responsibilities, serving as implementation units for the Company's sustainability issue management and consolidating important stakeholders' attention and expectations for various sustainability issues.The Risk Management Working Group is established under the Committee. It is composed of heads of operating units and is responsible for promoting and executing the Company's risk management efforts. The task force evaluates the potential negative and positive impacts (including opportunities) that sustainability issues may pose and formulates short-, medium-, and long-term management policies and objectives. It is responsible for planning, implementing, and overseeing risk management-related matters.The Sustainability and Risk Management Committee meets at least once a year and may convene meetings as needed.

7. Audit Office

Forcelead has established an Audit Office reporting to the Board of Directors. In accordance with legal requirements, the Company has established an internal control system to assist the Board of Directors and executives in inspecting and reviewing various internal systems and processes, providing improvement recommendations when appropriate to ensure the Company's internal control system continues to be effectively implemented, and regularly reporting to the Board of Directors and Audit Committee to ensure independence and professionalism. Information about the Audit Office's organization and operations can be found at: <https://www.forcelead.com.tw/index/investors/corporate-governance/audit/>

Communication between Independent Directors and the Internal Audit Director:

- The Audit Director shall send the audit report of the previous month to the Independent Directors via E-mail every month and communicate as necessary.
- The important contents of the communication and interaction between the Independent Directors and the Internal Audit Director within the Audit Committee shall be recorded in the Audit Committee's proceedings.
- Other: In the event of material irregularities or matters where the independent directors, the Internal Audit Director, and the Accountants deem it necessary to communicate independently, a meeting may be held at any time from time to time to communicate with each other.
- In 2024, independent directors communicated with the Internal Audit Director 2 times, and independent directors expressed agreement with all report contents. Related information can be found in the Company's 2024 Annual Report "Chapter II . Corporate Governance Report IV. Corporate Governance Operations (II) Audit Committee Operations III. Communication between Independent Directors and Internal Audit Director and Accountants V. Summary of Communication between Independent Directors and Internal Audit Director and Accountants."

8. Legal Compliance

Forcelead establishes internal operating procedures in accordance with relevant local regulations and updates them promptly according to regulatory amendments by competent authorities to ensure operational compliance with legal requirements and avoid significant fines that could affect company operations due to regulatory violations. The internal audit unit also conducts regular audits on "compliance with laws and regulations" annually, with the results and follow-up improvements reported to the Audit Committee and Board of Directors. In 2024, Forcelead did not incur any significant fines or non-monetary sanctions due to violations of laws or regulations related to social, economy, or environmental issues.

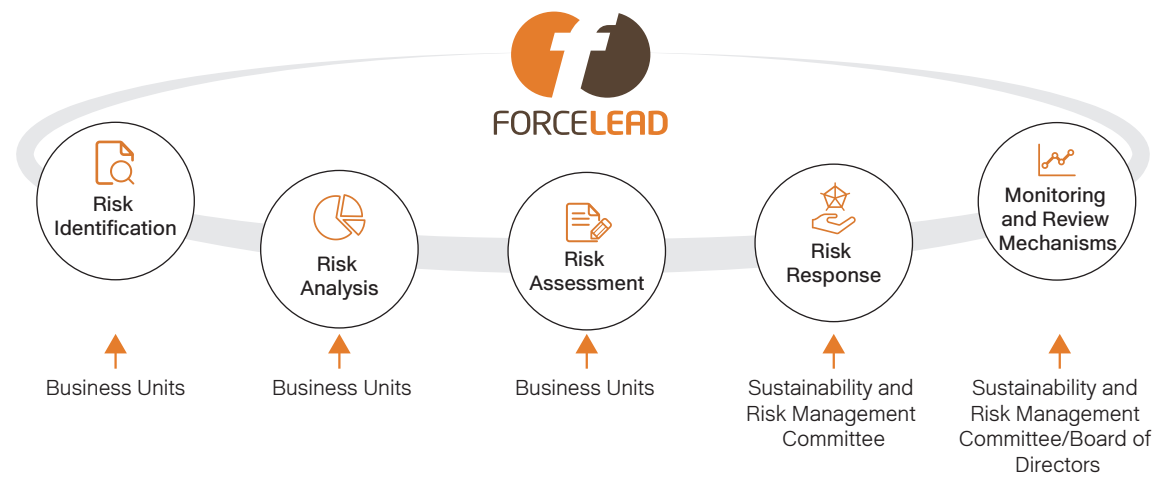
2.3.2 Risk Management

Forcelead has established "Risk Management Policy and Procedures" that define various risks according to the company's overall operational policies, prevent possible losses within acceptable risk ranges, and serve as reference for formulating business strategies, aiming to reasonably ensure achievement of company strategic goals, increase stakeholders' value, and achieve optimal resource allocation principles.

1. Risk Management Procedure

Forcelead has established a five-step risk management procedure that includes: risk identification, risk analysis, risk assessment, risk response, and monitoring and review mechanisms. This framework enables the Company to clearly understand the scope of each risk and to implement appropriate measures to ensure that risks are effectively managed. It also allows for the efficient allocation of limited resources toward key risk management activities.

■ Table 2-9 Risk Management Procedure



Process Step	Execution Details
Risk Identification	<ul style="list-style-type: none">● Risk identification adopts various feasible analytical tools and methods, based on past experience and information, considering internal and external risk factors and stakeholders' concerns, through "bottom-up" and "top-down" analytical discussions, combining strategic risks and operational risks to comprehensively identify potential risk events that may prevent the company from achieving its goals, causing company losses or negative impacts.
Risk Analysis	<ul style="list-style-type: none">● Mainly focuses on understanding the nature and characteristics of identified risk events, analyzing their probability of occurrence and degree of impact, and calculating risk values accordingly.
Risk Assessment	<ul style="list-style-type: none">● Each business unit should analyze the probability of occurrence and degree of impact of identified risk events, considering the completeness of existing related control measures, past experience, and industry cases, and calculate risk values accordingly.
Risk Response	<ul style="list-style-type: none">● Relevant response plans should be formulated for risk response, ensuring that relevant personnel fully understand and implement them, and continuously monitor the implementation of related response plans.● Consider corporate strategic goals, internal and external stakeholders' perspectives, risk appetite, and available resources to select risk response methods, ensuring risk response plans achieve balance between goal realization and cost-effectiveness.● The "Risk Management Working Group" holds regular annual risk management meetings to report the year's prioritized risk factors to all business units.
Risk Monitoring and Review	<ul style="list-style-type: none">● Risk monitoring and review mechanisms should be clearly defined in risk management procedures to effectively review whether risk management processes and related risk countermeasures continue to operate effectively, and incorporate related review results into performance measurement and reporting matters.● Risk management should be linked with key processes in the organization to effectively supervise and enhance the benefits of risk management implementation.● The "Risk Management Working Group" should consolidate risk information provided by each unit, regularly produce risk management related reports to the Sustainability and Risk Management Committee and Board of Directors, and establish dynamic management and reporting mechanisms to effectively supervise the effective implementation of risk management.● The Board of Directors serves as the highest supervisory body for risk management, ensuring that the risk management mechanisms are effectively implemented.

2. Risk Management Scope

The risks involved in Forcelead's various business activities include: "Strategic Risk," "Operational Risk," "Financial Risk," and "Other Emerging Risks." Risk factors newly added after annual assessment are added to the "Other Emerging Risks" category.

■ Table 2-10 Risk Management Scope

Risk Scope	Risk Factors
Strategic Risk	Industry changes
	Technology changes
	Business model changes
	Mergers and acquisitions
	Important domestic and foreign policy and legal changes (trade protectionism)
Operational Risk	Customer and supply chain management
	Intellectual property rights protection
	Talent development management (talent attraction/retention/development)
	Information risk
	Legal compliance risk
	Integrity risk
Financial Risk	Interest rates, exchange rates, inflation
	Tax
	Short-term investment market volatility risks in financial management
	Long-term investment operational standard management risks of invested companies
	Capital liquidity
	Credit and solvency
	High-risk/high-leverage financial investments and derivative trading
Other Emerging Risks	Climate change
	Natural disasters
	Occupational Health and Safety
	Large-scale epidemic risks

3. Risk Management Operation Status

Forcelead has actively promoted and implemented risk management mechanisms since 2023, reporting operations to the Board of Directors at least once annually. The most recent Board report date was December 18, 2024. The top six risk factors from the 2024 risk assessment results are available in the Company's official website risk management section. (<https://www.forcelead.com.tw/index/investors/corporate-governance/risk-management/>)

■ Table 2-11 Important Risk Factors and Control Mechanisms

Risk Identification		Risk Response, Supervision, and Review				
Risk Type	Risk Factors	Current Control Mechanisms	2024 Implementation Summary	Future Additional Control Mechanisms	Monitoring Frequency	Goal
Strategy	● Industry Changes	<div>1. Monitor industry technology development and product demand, regularly track latest industry dynamics, assess operational impact to formulate response strategies.</div> <div>2. Enhance R&D capabilities and apply for patents to protect intellectual property.</div> <div>3. Expand diverse markets to respond to industry changes.</div>	<div>1. Focus on new market applications, accelerate product timeline introduction through resource integration.</div> <div>2. Continuously update and enhance network and computer-related information security protection measures and equipment to ensure intellectual property safety.</div> <div>3. Internally enhance awareness and protection of intellectual property rights, reducing risks of infringing external intellectual property rights.</div>	<div>1. Strengthen intellectual property management, ensure core technologies and product designs are protected by patents.</div> <div>2. Track customer demand changes, conduct customer relationship management, and flexibly adjust product design and market strategies.</div>	Quarterly	<div>● Avoid legal risks and financial losses from potential intellectual property disputes.</div> <div>● Diversification strategy to avoid excessive product concentration in single technology or market.</div>
	● Technology Changes	<div>1. Strengthen cooperation with system manufacturers, improve future technology outlook, avoid disconnection from technology trends.</div> <div>2. Strengthen cooperation with module manufacturers and panel manufacturers, grasp existing mass production technology trends while understanding competitor dynamics to promptly adjust product development direction.</div> <div>3. Increase own R&D capabilities, improve product development processes and automation to enhance efficiency, save R&D personnel costs, shorten development timelines, and increase product completeness.</div>	<div>1. Regular visits (more than quarterly) to system manufacturers to understand future technology evolution trends and discuss how to assist system manufacturers in improving technology requirements.</div> <div>2. Regular visits (more than monthly) to panel and module manufacturers to grasp existing technology requirements and how to meet customer needs in terms of cost and production stability.</div> <div>3. Continuously introduce appropriate product development tools, including PERC, Totem, Composer software, to increase automation ratio, improve efficiency, and enhance completeness.</div>	<div>1. Regularly review whether communication frequency needs to be increased.</div> <div>2. Continuously review design process improvement effectiveness and make appropriate adjustments.</div>	Monthly	<div>● Ensure normal company system operations.</div>



Risk Identification		Risk Response, Supervision, and Review				
Risk Type	Risk Factors	Current Control Mechanisms	2024 Implementation Summary	Future Additional Control Mechanisms	Monitoring Frequency	Goal
Strategy	● Business Model Changes	1. According to "Supplier Management Procedure," evaluate, audit, and counsel suppliers to achieve competitive product quality strategic objectives.	1. In 2024, conducted supplier evaluations and audits quarterly according to schedules set by Quality Assurance Department, implemented supplier grading system to maintain product quality objectives. 2. As of August 21, 2024, supplier evaluations totaled 42 cases: Q1: 17 companies/Q2: 25 companies, evaluation results A-grade: 42 cases/B-grade: 0 cases/C-grade: 0 cases. 3. As of August 21, 2024, supplier audits totaled 12 companies, all audits passed.	1. All new suppliers must sign the "Supplier Code of Conduct Commitment." Only those meeting and passing evaluation standards can become qualified suppliers.	Quarterly	● Through clear management mechanisms, eliminate unqualified suppliers to avoid breach losses from partner companies due to deteriorating conditions or other factors preventing them from fulfilling obligations, achieving supply chain production and quality stability management goals.
	● Important Domestic and Foreign Policy and Legal Changes (Trade Protectionism)	1. Monitor relevant important policy development trends and collect regulatory changes as basis for adjusting company-related operational strategies, regularly assign professional personnel to receive relevant training, consult relevant professionals or institutions when necessary to promptly respond to market changes and take appropriate measures.	1. Signed intellectual property and legal consulting service contract with Invention Intellectual Property Office, providing company regulatory consultation and recommendations at any time. 2. Signed audit contract with Deloitte Taiwan, providing company financial and tax regulatory consultation and recommendations at any time.	1. Current control mechanisms operating smoothly; will adjust accordingly if adjustment needs are identified in the future. 2. Understand all directors' educational backgrounds and professional expertise, arrange director training courses of 6+ hours annually as required by regulations. 3. Monthly enhancement of insider trading violation and trading blackout period information dissemination to company insiders.	Quarterly	● Understand important domestic and foreign policy and legal changes (trade protectionism) and respond correctly. ● Understand stakeholders' issues and voluntarily issue corporate Sustainability Reports.
Operational	● Customer and Supply Chain Management	1. Capacity shortage situations affecting product delivery schedules. 2. Natural disasters such as earthquakes and typhoons affecting product delivery schedules.	1. According to Production Management Procedures, review product inventory rhythm weekly, negotiate capacity preparation with outsourcing based on FCST monthly, coordinate next year's capacity with various segments based on BP annually. 2. Immediately organize damage assessment when disasters occur, communicate optimal remuneration plans with customers.	1. Expand backup capacity for high-volume products to different FABs and backend processes.	Daily	● Exclude natural and man-made disasters, meet customer delivery schedules.
Financial Management	● Financial Management	1. Forcelead will continue to monitor inflation's impact on procurement costs, track upstream supply chain cost changes at all times, and take appropriate cost stabilization measures when necessary to reduce impact on company operations.	1. Closely monitor inflation and raw material price increases, estimate cost increases, purchase in advance, increase inventory to mitigate cost increase impacts; conversely, predict price declines and reduce inventory accordingly.	1. During inflation, pre-purchase materials at appropriate times to reduce initial impact. Long-term negotiations with customers for price adjustments or product upgrade solutions.	Weekly	● Reduce inflation's impact on raw material prices

2.4 Integrity Management

* Complaint and Whistleblowing Mechanisms

Forcelead integrates "Integrity Management" into the Company's core values as the guiding principle for corporate sustainable operations, ensuring that all directors, management team, and employees conduct themselves in accordance with the "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct," and "Code of Ethical Conduct" to meet ethical standards. In accordance with Articles 23 and 24 of Forcelead's "Ethical Corporate Management Best Practice Principles," the Company has established a "Reporting System" and "Disciplinary and Appeal System," clearly establishing Forcelead's reporting and complaint channels and investigation procedures to ensure effective implementation of the "Ethical Corporate Management Best Practice Principles." The Company publicly discloses the reporting email address (MG_FReport@forcelead.com.tw) on internal and external websites, with the Human Resources and Administration Department serving as the dedicated unit to manage and handle reports of violations of ethical conduct.

* Whistleblower protection

- The safety of the whistleblower should be protected. Any threats, intimidation, or other unlawful actions against the whistleblower should be reported to the relevant authorities for handling.
- The Company handles reporting cases confidentially, keeping the identity and content of reports confidential, and taking appropriate protective measures in accordance with law. Information that could identify whistleblowers shall not be disclosed or made public to unnecessary third parties, unless the whistleblower consents; when verifying facts with whistleblowers, this should be conducted without exposing their identity.
- The whistleblower shall not be dismissed, demoted, have their salary reduced, or have their legally, contractually, or customarily entitled rights or benefits harmed, nor shall they face any other adverse actions by the Company as a result of their whistleblowing. This does not apply when whistleblowers engage in illegal or improper behavior that is verified by the Company and disciplined according to relevant regulations.

* Integrity Training Programs

Forcelead conducts new employee training and online courses on integrity management-related topics, such as the "Procedures for Ethical Management and Guidelines for Conduct," "Procedure for Handling Material Inside Information" and "Insider Trading Regulations." These courses help employees understand the Company's integrity management principles and regulations, including the prohibition of insider trading or disclosing non-public information to others so as to prevent others from engaging in insider trading. In 2024, the online course "Integrity Management Behavior Promotion" was conducted, covering the Company's integrity code, integrity management policies, procedure for handling material inside information, insider trading prevention, trade secrets and intellectual property protection, and whistleblowing channels. The course presentation was uploaded to the internal training system. In 2024, the employees attended the integritymanagement courses organized by the Company:

Course Name	Number of Completed Trainings	Total Training Hours	Completion Rate
Integrity Management Behavior Promotion	116 people	58 hours	92%

* Prevention of Conflicts of Interest

Forcelead's directors, managers, and other stakeholders attending or present at Board meetings who have interests in agenda items that conflict with their own interests or those of the legal entities they represent, should explain the important content of such conflicts of interest at the Board meeting. If there is potential harm to company interests, they may not participate in discussions and voting, must recuse themselves during discussions and voting, and may not exercise voting rights on behalf of other directors. For related details, please refer to pages 18-20 of the Company's 2024 Annual Report.

* Communication on Key Issues

Each year, the Board of Directors establishes major strategies based on the rights and interests of various stakeholders, providing important guidance for sustainable management. Senior management also regularly reports key company matters—including financial performance, risk management, ESG, information security, integrity management, and internal controls—to the Board of Directors. These reports include quarterly updates on derivative transactions, financial statements, internal audit reports, annual risk management updates, information security, ethical business practices, and ESG performance. For detailed information regarding the 2024 key issues and communications, please refer to the 2024 Forcelead Annual Report sections titled "Operation of the Board of Directors," "Operation of the Audit Committee," "Operation of the Compensation Committee," "Corporate Governance Practices," "Sustainability Implementation," and "Implementation of Integrity Management."

2.5 Intellectual property rights protection and competitive behavior

Disclosure Topic: Intellectual Property Protection & Competitive Behaviour			
SASB Code	Index Item	2023	2024
TC-SC-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations (unit: NT\$)	0	0

2.5.1 Intellectual Property Management

Intellectual property rights are one of Forcelead's core competitiveness. Through proactive intellectual property management, the Company encourages employee innovation and is committed to creating high-quality intellectual property to strengthen operational competitiveness. Additionally, Forcelead respects others' intellectual property. Besides requiring employees to comply with confidentiality requirements of customers and suppliers, the Company carefully evaluates the development of others' intellectual property rights to reduce company breach of contract and infringement risks.

■ Table 2-12 Intellectual Property Management Content

Intellectual Property Management Plan	Execution Details
Trade secret management	<ul style="list-style-type: none">Plan trade secret protection related courses to strengthen colleagues' confidentiality awareness.
Patent Management	<ul style="list-style-type: none">Conduct patent searches in advance based on R&D unit needs regarding their R&D strategies and directions to facilitate subsequent patent portfolio application planning.
Trademark management	<ul style="list-style-type: none">Evaluates the necessity of trademark registration when entering new markets to ensure comprehensive trademark protection.

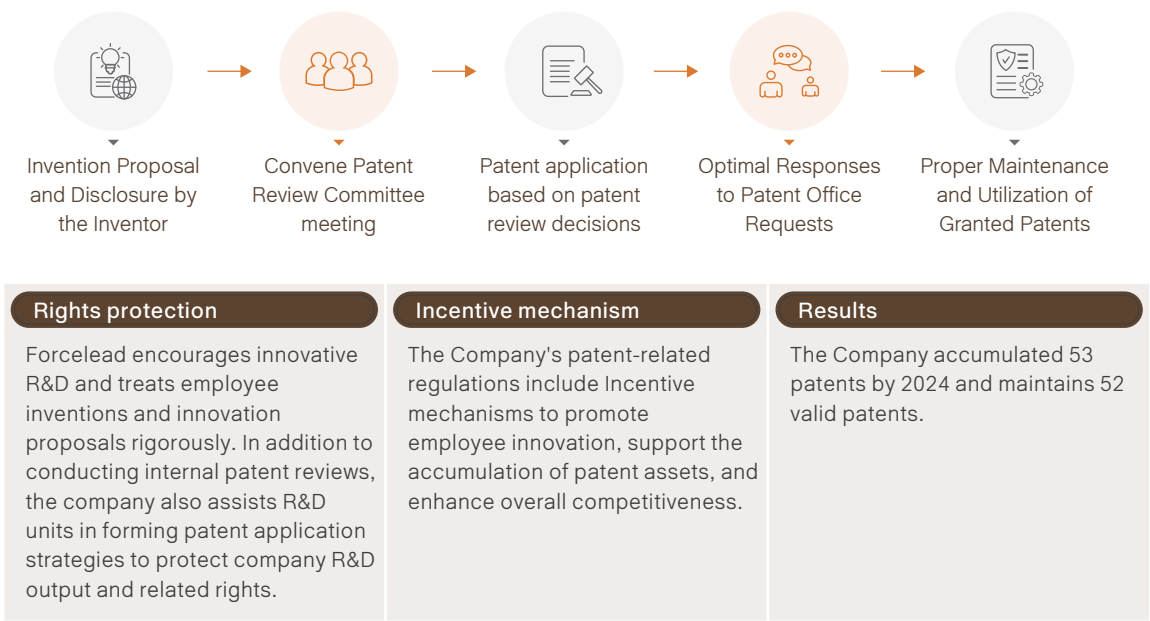
2.5.2 Trade secret management

Forcelead has established internal confidentiality measures for trade secrets and other sensitive documents. When disclosing such information externally or receiving trade secrets or confidential documents from outside parties, the Company requires the signing of non-disclosure agreements. Employees involved are also required to strictly comply with the confidentiality obligations outlined in these agreements.

■ Table 2-13 Confidentiality Measures Content

Management Project	Content
Confidentiality Measures Setup	<ul style="list-style-type: none">Implement account and password control measures for employee computers; lock trade secrets or other confidential documents and set passwords/permissions.
Confidentiality agreements	<ul style="list-style-type: none">Forcelead signs employment contracts with employees and enters into confidentiality agreements with customers and suppliers for relevant business matters. These agreements are designed to prevent the unauthorized disclosure of trade secrets or other confidential information by employees, customers, or suppliers.
Training	<ul style="list-style-type: none">Continued to promote and update e-learning programs for new employees of Forcelead to raise awareness and understanding of intellectual property protection. New employees should complete online new employee learning courses within two weeks of employment, covering intellectual property rights introduction and company patent application and incentive system introduction. In 2024, 100% of new hires at Forcelead completed the online onboarding training program.

2.5.3 Patent Management



3

Our Products

3.1 Product Introduction

3.2 Product Sales Overview

3.3 Innovation Technology

3.4 Sustainable Products

3.1 Product Introduction

SASB Activity Metric			
SASB Code	Metric	2023	2024
TC-SC-000.A	Total production	84,772	100,013
TC-SC-000.B	Percentage of production from owned facilities ^{Note}	0%	0%

Note: Forcelead is a IC design company whose main business activities are IC design and sales. We do not operate production lines and rely 100% on outsourced manufacturing.

Forcelead's main business focuses on the research, development, design, and sales of display driver ICs. Our products are primarily applied in two major fields: automotive display drivers and consumer electronics display drivers. Consumer electronics display driver products include application specific integrated circuit (ASIC) display drivers and AIoT display drivers.

■ Table 3-1 Key Applications of Forcelead's Main Products

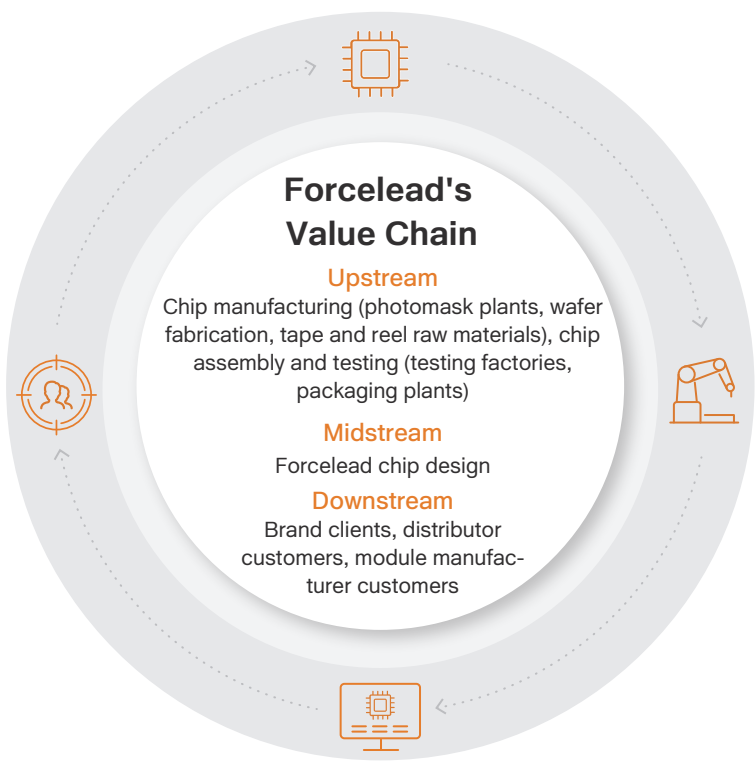
Product Categories	Key Applications and Functions
Automotive Display Driver ICs	Clusters, e-rearview mirrors, head-up displays, 3-by-1 circular controller knobs, center consoles, rear-seat touchscreens, rear-seat entertainment, and various other automotive display driver IC applications.
Consumer Electronics Display Driver ICs	Mobile phone displays, smart home appliances, smart healthcare, smart homes, security monitoring, smart retail (networked POS systems), industrial equipment, commercial instrumentation, and other driver IC applications.

* Key applications for automotive display driver ICs include :

- OEM Automotive Display Driver IC Solutions: Including independent control circuit technology for clusters, e-rearview mirrors, head-up displays (HUD), 3-by-1 circular controller knobs, center consoles, rear-seat touchscreens, rear-seat entertainment, and other display driver ICs. We incorporate high-brightness, low-power consumption technology to provide customers with comprehensive product solutions.
- Aftermarket Automotive Display Driver IC Solutions: Responding to the demand for upgrading older vehicle cabins to smart systems, including center console audio-visual upgrade accessories, e-rearview mirrors, navigation displays, active blind spot safety detection alerts, and other aftermarket automotive accessories. We also provide next-generation touch and display driver integration ICs (TDDI) for automotive center console systems and e-rearview mirror display markets.

* Key applications for consumer electronics display driver ICs include :

- AIoT Display: AIoT provides data information display applications for smart devices with networking capabilities. Products cover mobile phone displays, smart home appliances, smart healthcare, smart homes, security monitoring, smart retail (networked POS systems), industrial equipment, and commercial instrumentation. The Company also provides medium to large-size touch display driver ICs for smart networking and commercial market applications.
- Application Specific Integrated Circuit (ASIC) Displays: Based on specific customer requirements, we provide customized IC design services, including display driver IC solutions for handheld POS machines and smart home control panels.
- Others: Including display driver ICs and power charge pump ICs for mobile phone screens.



3.2 Product Sales Overview

3.2.1 Market analysis

■ **Table 3-2** Major markets for products and services

Unit: NT\$ thousand; %

Region	2023		2024	
	Sales Amount	Ratio	Sales Amount	Ratio
Domestic (Taiwan)	325,090	12.24	385,298	12.98
Export (Overseas)	2,331,446	87.76	2,583,917	87.02
Total	2,656,536	100.00	2,969,215	100.00

3.2.2 Market Conditions

* OEM Automotive Display Driver ICs:

Forcelead's OEM automotive display driver IC products have successfully penetrated major automotive brands in many countries including the EU, United States, China, Japan, and South Korea, achieving mass production. However, looking at the overall market scale, our current market share remains at a low baseline of approximately 4-5%. As displays serve as crucial human-machine interfaces, the future development of autonomous driving assistance technology will lead to more robust in-vehicle entertainment and information streaming applications, creating more market opportunities for display interfaces. For example, display technology trends toward decentralization include: high resolution, touch and gesture control, brightness enhancement and resolution improvements, low signal latency, and projection display technologies. These new applications, combined with diversified cabin design integration, power-saving requirements, safety circuit design, and total cost considerations, continuously drive innovation in display applications.

* Aftermarket Automotive Display Driver ICs:

The mainstream sizes for aftermarket automotive central displays are currently 9-inch and 10.1-inch, with HD (720x1280) resolution as the standard, using external touch panels with touch ICs to achieve touch functionality. Forcelead's aftermarket automotive display driver IC products have achieved high market share in this application market due to their high reliability and cost-effectiveness. In terms of technology and application trends, to achieve slimmer profiles, lighter weight, optimized display effects, and simplified supply chains, single-chip touch and display driver integration ICs (In-cell Touch TDDI) will replace external touch displays in the foreseeable future. Forcelead is actively investing in the development of automotive aftermarket center console touch and display driver integration ICs (TDDI).

* Consumer Electronics Display Driver ICs:

With advances in semiconductor mass production technology and widespread adoption, the overall trend in home appliances and electronic products has evolved from no display interfaces to simple display interfaces, and then upgraded to high-end HD display interfaces. The precision and richness of displayed information continue to increase, with larger display sizes and higher resolution development driving the upgrade to touch displays using integrated touch and display driver ICs. This trend is just beginning and brings growth potential for Forcelead's HD AIoT display driver ICs.





3.3 Innovation Technology

Forcelead focuses on the automotive market as our main development axis, making us one of the few global display driver IC design companies with over 80% of revenue concentrated in automotive applications. With the wave of autonomous driving and intelligent automotive electronic systems, automakers' demand for high-performance, high-reliability display driver ICs continues to increase. Forcelead will leverage our products' excellent performance in passing strict verification for safety and reliability to capture more development opportunities in the global competitive environment.

■ **Table 3-3** Recent Successful Technology and Product Development

Year	Successfully Developed Technology or Products	Key Applications and Functions
2020	<ul style="list-style-type: none">Automotive LTPS 6MUX panel display driver IC support	<ul style="list-style-type: none">LTPS panel 1-chip FHD solution
2021	<ul style="list-style-type: none">High cost-performance automotive HUD display driver IC3-by-1 automotive display driver IC	<ul style="list-style-type: none">Significantly reduce chip and peripheral component costsEffectively reduce end-customer costs by 2/3
2022	<ul style="list-style-type: none">Successfully developed and mass-produced first 12-inch 55 nm ASIC FHD display driver ICOptimized automotive LTPS 6MUX display driver IC solution	<ul style="list-style-type: none">Provide customers with cost-reduced RAM-embedded ASIC display driver IC solutionsFirst step in supply chain security deployment
2023	<ul style="list-style-type: none">aSi high-resolution automotive instrument single display driver ICOutdoor high-brightness visible automotive display driver IC	<ul style="list-style-type: none">Eliminate gate drivers, simplify customer sourcing risksOptimize costs and improve penetration of various outdoor automotive display panels
2024	<ul style="list-style-type: none">HUD safety performance enhancement chip (transparency detection)Two-wheeler high-reliability chipHigh cost-performance RGBW display driver IC (electric vehicle-motorcycle energy-saving specific)Rear central console and tablet display HD TDDI (resolution 800*1280)Next-generation industrial-grade power charge pump IC	<ul style="list-style-type: none">Improve driving safety, avoid abnormal image interference with driver visionEnhance screen brightness performance, reduce power consumption, increase outdoor visibilityAssist customers in upgrading products to integrated touch display solutionsSupport high voltage and improve stability

3.3.1 R&D Innovation and Investment

To drive sustainable growth and maintain its leading technological position, Forcelead has consistently invested in the development of key technologies and promoted the expansion of various products into new application fields. The following outlines the new products and services under development.

* Automotive Display Driver ICs

- Develop large-size display touch and display driver integration ICs (TDDI).
- Develop next-generation high-performance, low-cost integrated touch and display driver integration ICs (TDDI) for aftermarket central console systems and e-rearview mirror display applications.
- Develop next-generation outdoor high-brightness visibility and high-reliability display driver ICs for two-wheelers.
- Develop single-chip applications integrating multiple display interface conversion, bridge IC, and timing controller (TCON) IC functions.
- Develop low-latency automotive OLED display driver ICs.
- Focus on mainstream trends in automotive micro LED and its high contrast and high saturation technology development.

* Consumer Electronics Display Driver ICs

- Develop next-generation high-performance, low-cost dedicated integrated touch and display driver integration ICs (TDDI) for medium-size AIoT, industrial-like, and commercial niche markets.
- Target niche markets within AIoT to develop high-resolution, low-power display driver ICs that meet market size and application requirements.
- Develop integrated touch and display driver integration ICs (TDDI) with active pen and cascading functions for medium-size tablet markets.

■ **Table 3-4** Forcelead's Investments in R&D

Year	2023	2024
R&D Expenses (NT\$ thousand)	333,063	389,531
Percentage of Revenue (%)	12.54%	13.12%



3.4 Sustainable Products

Disclosure Topic: Product Lifecycle Management			
SASB Code	Metric	2023	2024
TC-SC-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	0%	0%
TC-SC-410a.2	Processor energy efficiency at a system-level for: (1) servers, (2) desktops and (3) laptops	Forcelead's products are not used in commercial servers or personal computers; therefore, this disclosure metric is not applicable.	

Each business unit within Forcelead adheres to principles such as resource conservation, enhanced energy efficiency, energy saving and carbon reduction, reduced environmental toxicity, ease of assembly and disassembly, and material recyclability. These principles are embedded into every stage of the product lifecycle through green design thinking, and are reflected in the Company's tangible performance in promoting a circular economy.

■ Table 3-5 Sustainable Product Design Achievements

Product Category	Design Focus
Zero-capacitor technology Zerocap®	Zero-capacitor technology is Sitronix Group's unique display driver technology. Forcelead also employs zero-capacitor technology in multiple chips, including the industry's first HD display driver IC designed with zero-capacitor technology. This technology replaces the traditional use of capacitors and resistors on the FPC of display modules. With this innovation, external capacitors and resistors are no longer required, enabling a streamlined display module design. This technology helps module manufacturers eliminate one SMD assembly step, reducing overall module costs, shortening production time, and mitigating the risk of component shortages. Forcelead's zero-capacitor solution is especially well-suited for compact mobile devices where space is at a premium.
Driving Technology	Many of Forcelead's chips utilize the Sitronix Group-developed series of circuit architectures that ground the VCOM common electrode, replacing traditional DC-level VCOM structures. This innovative approach not only enhances display quality and reduces flickering but also broadens the driving voltage range—significantly improving product reliability and durability.
Advanced Color Management Algorithms	To deliver superior display performance, Forcelead continues to advance its digital image processing technologies. Building on its existing foundation, the Company has developed and refined image enhancement features such as sharpness improvement, digital gamma adjustment, sunlight readability, and CABG for power saving—meeting customers’ high-end demands for display quality.
Image Compression	Image compression technology plays a crucial role in enhancing the competitiveness of display products—for example, by reducing chip size and lowering system power consumption. Forcelead has independently developed a range of unique image compression technologies to improve product integration and deliver higher-quality image compression.
Unique Power Management Structures	Multiple chips from Forcelead employ Sitronix Group's new patented power supply architecture. Through years of in-depth research into display driver fundamentals, we have moved beyond traditional power architectures and developed a patented, proprietary solution. This newly patented power architecture not only supports high power output demands but also eliminates the need for external capacitors, effectively reducing overall module production costs and helping module manufacturers improve product profitability.

4

Our Responsibility

4.1 Customer Service

4.2 Customer Privacy

4.3 Supply Chain Management

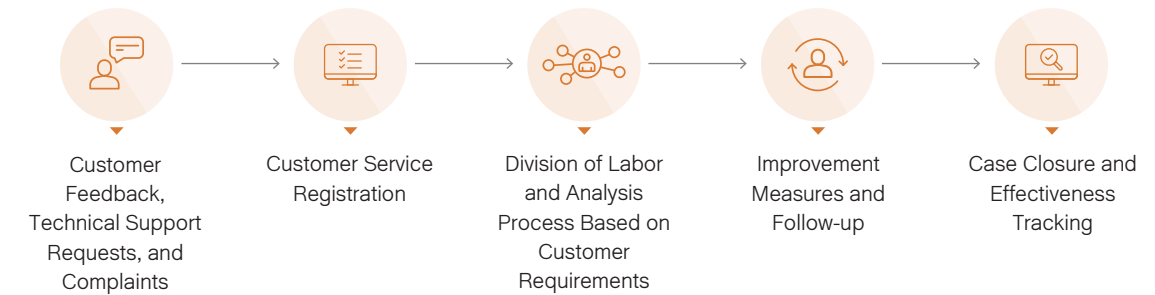
4.1 Customer Service

Forcelead is a professional chip design company whose products are primarily applied in two major fields: automotive display driver ICs and consumer electronics display drivers. Therefore, when developing new products, safety is the primary consideration for market introduction. Forcelead follows the requirements of the ISO 9001 quality management system in all aspects of product R&D, customer collaborative design, product promotion and sales, and mass production support, implementing process-oriented monitoring and evaluation. All automotive products have passed AEC-Q100 certification to meet customers' product requirements and expectations. For business and technical support, to ensure that customers worldwide can have their problems resolved immediately during product selection and implementation, Forcelead has established business and technical service centers in Hsinchu, Taipei, Shenzhen, and Shanghai, with highly agile business and technical service teams that can immediately go directly to customer sites to resolve issues in the first instance, meeting customers' service requirements and expectations.

4.1.1 Customer Complaint Management

As an IC design company, Forcelead sells products through distributors and has established "Customer Service and Complaint Handling Procedure" to regulate the execution policy for customer complaints, striving for the fastest resolution of customer issues. The technical service department provides immediate technical consultation and general problem resolution for end customers, while internally proposing corrective and improvement measures for customer dissatisfaction items. Customers can also report any issues through the company website's "FAE" or "Sales" mailboxes, with relevant departments notified to propose improvement measures to meet customer technical support needs and prevent complaints from recurring.

■ Forcelead's Customer Service and Complaint Handling Procedure



Committed to a customer-first service philosophy, Forcelead actively listens to customer feedback. Feedback is communicated internally through cross-functional discussions and translated into actionable improvement plans to ensure that customer voices are effectively addressed. Each year in Q4, Forcelead distributes a Customer Satisfaction Survey Form to its top ten end customers. Returned surveys are analyzed by the Quality Assurance department, and specific corrective actions are proposed by the relevant departments based on any dissatisfaction identified. These actions are then reviewed during the annual management review meeting to ensure continuous improvement in customer satisfaction. In 2024, the overall customer satisfaction score reached 95.45 points, surpassing the Company's performance target across all areas.

Forcelead Historical Customer Satisfaction Survey								
Item Survey Period	Product Quality	Delivery of Orders	Technical Support	Product Function	Service Attitude	Sales Ability	Total Satisfaction	Target Score
2022	91.33	95.83	89.17	93.33	95.67	96.67	93.67	85
2023	95.57	94.29	94.57	96.29	96.57	97.29	95.86	85
2024	93.60	95.00	95.30	95.00	97.00	96.8	95.45	85

■ Customer Satisfaction Feedback Loop



4.2 Customer Privacy

Forcelead regards protecting customer privacy and safeguarding customer intellectual property security as the highest standards, adopting all necessary management policies and protective measures to prevent unauthorized use, disclosure, theft, and other behaviors, thereby protecting important customer data and company reputation. The information department implements regular employee access control at fixed intervals annually, ensuring that only authorized personnel can access sensitive customer information, conducting regular access audits to ensure compliance in employee privilege usage, and deploying firewalls and intrusion detection systems to monitor and prevent unauthorized data access, preventing customer personal data or confidential information leakage.

2024 Quantitative Data and Management Indicators for Personal Data Protection Policy Investment:

Regarding internal advocacy, Forcelead has established and disclosed the "Personal Data Protection Regulations" with the Human Resource and Administration Department coordinating with relevant units to assist colleagues and unit-specific management in coordinating and implementing the company's personal data security protection and management. Forcelead has a series of mandatory employee training courses. Every new employee must pass the "Procedures for Handling Material Internal Information and Prevention of Insider Trading" training course assessment and sign the "Confidential Information and Intellectual Property Guarantee Letter" upon reporting to work, advocating employee confidentiality obligations and responsibilities to ensure understanding of the Company's strategy and emphasis on information security, including customer privacy. Besides preventing intentional active disclosure of company secrets and customer privacy, it also avoids passive information security breaches due to hacker intrusions that could cause company and customer privacy leaks. Related courses include:

- Integrity Management Behavior Promotion Integrity Management Behavior Promotion. Completed by 116 people ; total training hours: 58 hours; completion rate: 92%.
- Information Security: Annual email social engineering exercises.
- Information Security: Annual sharing of phishing email attack methods and cases.

In terms of proactive management, Forcelead clearly stipulates confidentiality rules in the employee handbook, requiring every employee to maintain confidentiality regarding company secrets including customer privacy, regardless of whether it falls within their business scope. Besides the employee handbook, there are related management regulations and standards for information security, company secrets, and customer privacy protection:

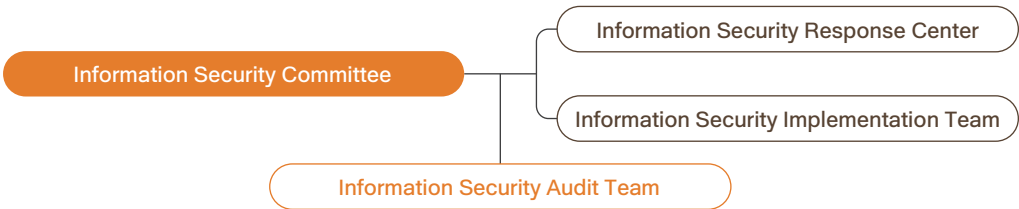
- Personnel Category: Employee Handbook
- Business Category, Personnel Category: Confidential Information and Intellectual Property Management Measures
- Business Category: Customer Property Control Procedures
- Corporate Social Category: Code of Ethical Conduct

Based on the execution results of the above training and management regulations: In 2024, there were no material information security incidents or complaint cases involving customer privacy violations or customer information disclosure.

4.2.1 Information Security Management

To ensure the implementation of information security management systems and information security policy execution, Forcelead manages according to "Information Security Management Procedures" and initiates and controls information security implementation through systematic management frameworks. The company conducts information security emergency response disaster recovery drills once annually to ensure information security effectiveness.

In September 2024, the "Information Security Committee" was established, with the General Manager as the convener, and subsidiary "Information Security Response Center," "Information Security Implementation Team," and "Information Security Audit Team" responsible for information security management, planning, supervision, and implementation. Regular meetings are held annually to review information security management-related matters and evaluate information security policy implementation, with annual reports to the Board of Directors. Additionally, Forcelead joined the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC) in 2023 to grasp possible information security incidents or vulnerabilities for early prevention, improvement, and management.



■ Table 4-1 Information Security Organization Structure and Responsibilities

Organization	Responsibilities
Information Security Committee	Convened by the General Manager with an Information Security Response Center and an Information Security Implementation Team established under it to manage, plan, oversee, and implement information security.
Information Security Implementation Team	Formed of members appointed by the convener of the Information Security Committee, who are responsible for the planning and execution of various information security operations.
Information Security Response Center	This unit is tasked with establishing appropriate solutions for unexpected information security incidents, collecting digital traces, and conducting incident forensics. It also compiles and manages the Risk Improvement Plan, with continuous tracking to ensure all improvements are fully implemented.
Information Security Audit Team	This team is either appointed by the Information Security Committee or supported by third-party professionals. It is responsible for evaluating the effectiveness of the Company's information security management system.

4.2.2 Information Security Policies and Management Approach

In order to ensure the confidentiality, integrity, and availability of Forcelead's information assets, and to comply with relevant regulations, we have implemented specific management measures. These measures aim to protect our assets from both internal and external threats, enhance the security and stability of our information and communication operations, provide reliable information services, and raise user awareness of information security, the detailed management measures are as follows:

■ **Table 4-2** Information Security Organization Structure and Work Responsibilities

Management Project	Implementation measures
Information Security Policy and Training Program	<ul style="list-style-type: none">Develop information security policies and enhance colleagues' awareness of information security through information security promotion.
Network Security Management	<ul style="list-style-type: none">Effectively manage the network environment and partition access control between internal and external network environments based on operational requirements and security levels.
System Access Control	<ul style="list-style-type: none">Based on the business needs of colleagues, formulate system access control policies, clearly define the access permissions of users and personnel, and properly control the recording process of changes for future reference.The office is separated from the research and development environment, blocking the direct access channels for confidential and sensitive information, and keeping key information confidential.
Terminal Device Management	<ul style="list-style-type: none">Information security management and control of servers, personal computers, other devices and other terminal devices, including software and hardware asset inventory, anti-virus, system Patch update, and sensitive data access control.
Data Protection	<ul style="list-style-type: none">Regularly schedule data preservation backup, including electronic files, documents, mails, server operating environment, personal computers, and network equipment.
Information security incident management	<ul style="list-style-type: none">Outsource information system vulnerability scanning and fix bugs for vulnerabilities.Generate solutions for unexpected information security incidents, collect tracks, identify such incidents, reduce the likelihood of occurrence and decrease the impact on operations.

Information Security Policies and Management Approach



4.2.3 Resources of Invested Information Security Management

The "Information Security Committee" holds regular meetings annually, with the most recent meeting on September 20, 2024, to review and examine implementation status. The most recent report to the Board of Directors was on December 18, 2024. Information security incidents in 2024 did not affect operations or reputation.

* Resources Invested in Information Security Management in 2024 :

- Carry out information & communication security education and training, and through information security publicity (12 announcements published in 2024) and social engineering drills (2 drills conducted in 2024), enhance the information security awareness of colleagues.
- The access to the network environment is effectively partitioned and controlled based on operational requirements and security levels.
- Terminal device information security control, including software and hardware asset inventory, endpoint protection software (anti-virus), and data leakage protection.
- Undergo information system vulnerability scanning (1 scan conducted in 2024) and fix bugs for vulnerabilities.
- Regularly schedule data preservation backup, including electronic files, documents, mails, server operating environment, personal computers, and network equipment.
- The Information Security Committee holds regular meetings annually (one meeting held in 2024) to review matters related to the information & communication security management of the Company and the implementation of the information & communication security policies.



Forcelead experienced no losses from material information security incidents in 2024.

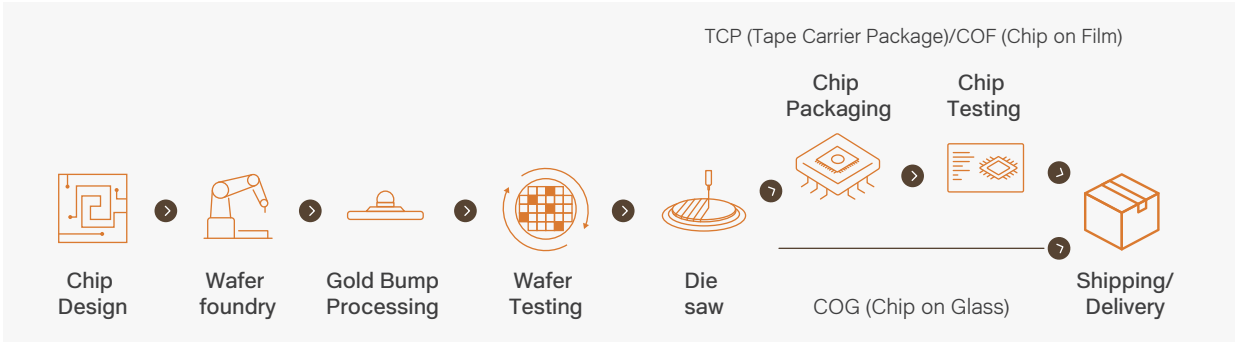
2024 Information Security Management Target Setting		Implementation
Information Security Risk Management	Information Security Training	100% of new employees included in information security training.
	Information Security Promotion	12 information security announcements published to strengthen employees' security awareness.
	Information Security Committee Reporting	Meeting held once annually.
Information Security Audit	Social Engineering Drill	All employees, 8.73% of colleagues participated in information security awareness training.
	Information Security Incident Handling	No security incidents, continuous auditing to ensure environmental safety.
	Penetration Testing	Completed penetration testing drills and patched vulnerabilities.

4.3 Supply Chain Management

4.3.1 Supply Chain Context

Forcelead is an upstream IC design company in the semiconductor industry, specializing in display driver ICs. The Company is responsible for chip design, including integrated circuit design and layout, while the subsequent supply chain mainly includes outsourcing wafer fabrication to professional wafer foundries. Subsequent processes such as wafer dicing, testing, and packaging are outsourced to specialized packaging and testing factories, as well as industrial waste disposal, and cleaning services providers. During chip product production, close cooperation with suppliers in the industry chain is required, forming professional division of labor and mutual cooperation partnerships. Suppliers are important working partners for Forcelead's operations, committed to guiding long-term cooperation with suppliers, hoping to build a stable and sustainable supply chain together. The Company not only considers suppliers' product technology, quality, and delivery schedules but also urges suppliers to fulfill social responsibilities, improve health, safety, and hygiene, protect the environment, and value labor rights, implementing proper risk management and business continuity planning. There were no significant changes to the supply chain in 2024.

■ Figure 4-1 Supply Chain Context



4.3.2 Supplier Selection Criteria

Most of Forcelead's primary suppliers are internationally renowned manufacturers, and maintaining long-term partnerships with them is critically important. For new supplier introduction, we reference the "Responsible Business Alliance (RBA) Code of Conduct 8.0" to establish Forcelead's "Supplier Code of Conduct Commitment" for new supplier evaluation. Audit content includes product testing and quality, green products, shipping records, environmental safety and employee equality, prohibition of child labor social responsibility clauses, ensuring new product process capability stability, and comprehensive understanding of supplier status. To ensure suppliers' stable ability to supply products and engineering services, we also conduct qualified supplier evaluations and regular audits of existing suppliers. If on-site audits cannot be conducted due to geographical or other factors, suppliers complete self-assessment questionnaires and provide relevant audit documents for Forcelead's review and approval. In 2024, among key or automotive suppliers, 27 suppliers were selected for priority self-assessment surveys (5 companies) and on-site audits (22 companies), all completed evaluations. Through improvement measures and continuous tracking, deficiencies were ensured to be corrected, with no suppliers classified as non-qualified.

■ Table 4-3 2024 Supplier Response Status

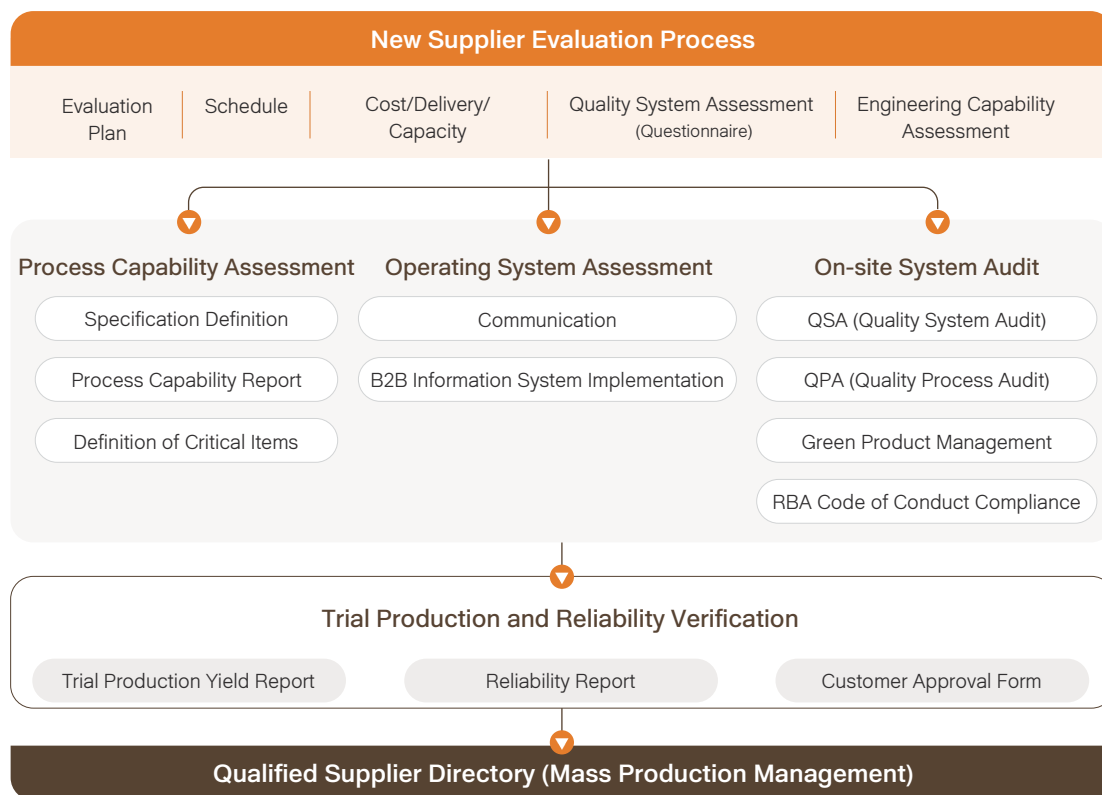
Description of the Status	Achievement Percentage
• Already a member of RBA or provide valid RBA verification, or provide a self-declaration of compliance with the RBA, or provide their own RBA compliance statements, or providing company-established supplier codes of conduct that generally cover RBA code requirements.	100%
• New suppliers signed Forcelead "Supplier Code of Conduct Commitment."	100%

* New Supplier Evaluation

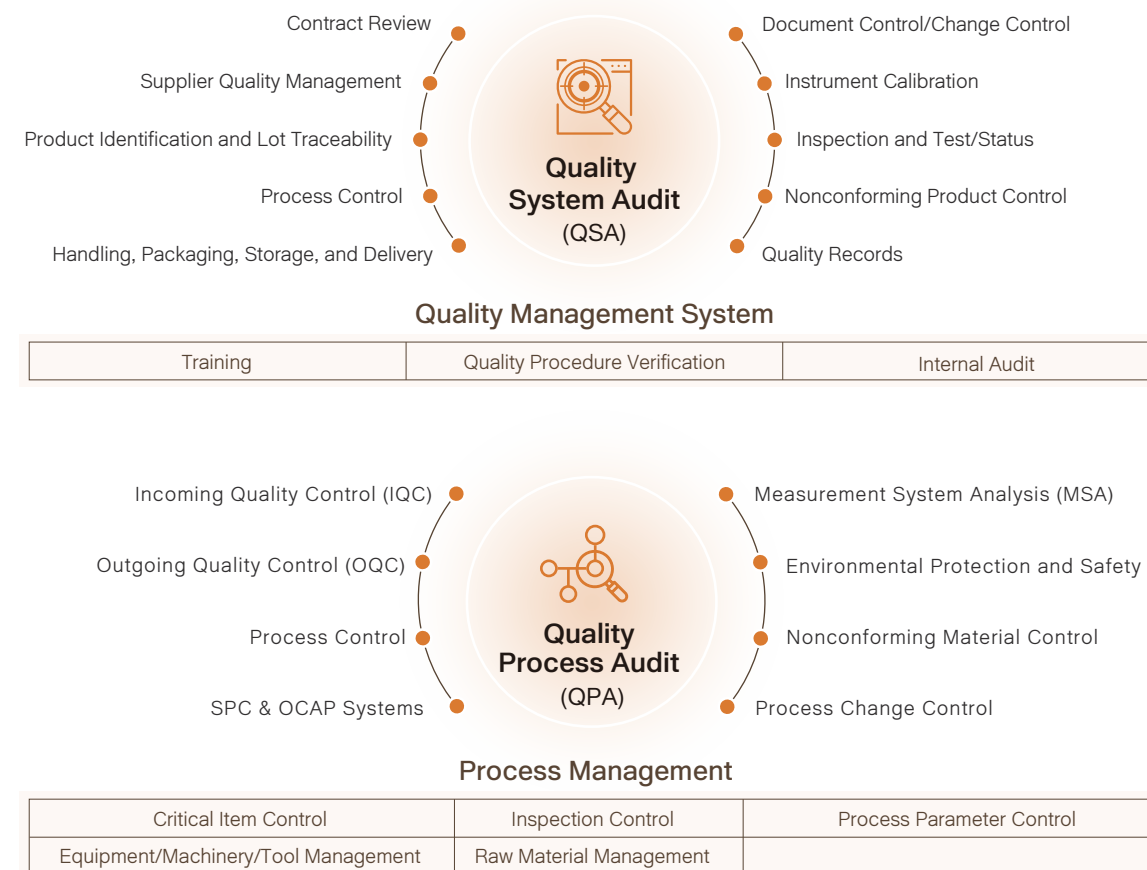
Forcelead follows "Supplier Management Procedure" with relevant departments forming evaluation teams to screen new suppliers with professional engineering capabilities and production requirements. Through evaluation teams including quality assurance, production engineering, production management, and occupational safety management units, audits are conducted based on "New Supplier Evaluation Report," "Quality Systems Audit Checklist," and "Quality Process Audit Checklist," referencing RBA codes of conduct. Audit content includes product testing and quality, green products, shipping records, environmental safety and employee equality, prohibition of child labor social responsibility clauses. Additionally, starting in 2024, all new suppliers must sign the "Supplier Code of Conduct Commitment." Only those meeting and passing evaluation standards can become qualified suppliers.

The new supplier evaluation process is detailed in Figure 4-2, and quality management system and process management audit items are referenced in Figure 4-3.

■ **Figure 4-2** New Supplier Evaluation Process



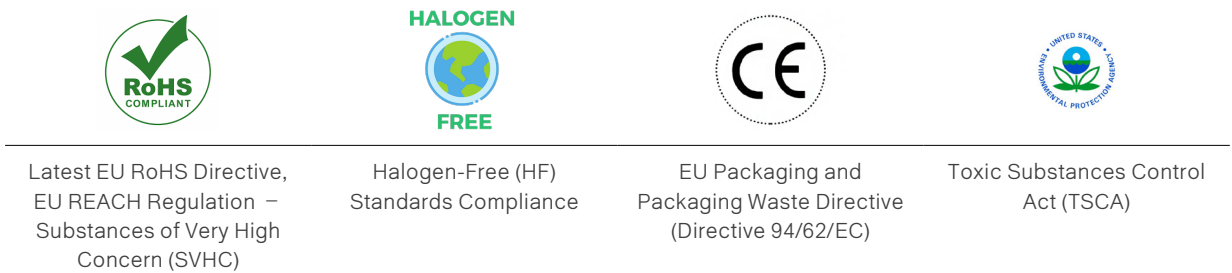
■ **Figure 4-3** Quality Management System and Process Management Audit Items



4.3.3 Supply Chain Management Standards

Forcelead establishes "Environment Substance Management Procedure" to strictly require suppliers to comply with international environmental standards, strictly controlling substances with high environmental impact. All product Bill of Materials (BOMs) and environmental testing reports are reviewed according to regulations to ensure that raw materials and packaging materials used meet customer environmental requirements and the latest international environmental standards.

■ **Figure 4-4** International Environmental Standards



Forcelead manages and promotes environmental substance control through relevant departments to ensure that its products comply with green and environmental standards. Through annual regular sampling and testing of purchased products, and clearly marking "RoHS GP" on product packaging labels to identify that all products comply with international environmental standards, we hope to provide customers with peace of mind and trust.

Forcelead regularly monitors international environmental regulations by consulting official websites of global environmental organizations, reviewing chemical policy advocacy sites and newsletters, and participating in environmental issue seminars. In addition, customer environmental requirements are actively collected and incorporated into the Company's Environmental Hazardous Substance Control Form. The updated list is shared with suppliers, along with corresponding surveys that are distributed and collected proactively. Suppliers are also required to provide substance testing reports annually to ensure full compliance with the latest international regulations and customer environmental standards.

Regular material testing reports: Suppliers must submit annual testing reports for RoHS-restricted substances and halogen-free (HF) compliance. These reports must cover the following substances: lead (Pb), cadmium (Cd), mercury (Hg), hexavalent chromium (Cr6+), polybrominated biphenyls (PBBs), polybrominated diphenyl ethers (PBDEs), bis(2-ethylhexyl) phthalate (DEHP), benzyl butyl phthalate (BBP), dibutyl phthalate (DBP), diisobutyl phthalate (DIBP), chlorine (Cl), and bromine (Br).

- **Environmental substance requirements disclosure:** Suppliers must provide updated investigation results and surveys regarding any new environmental substance requirements issued by international regulations or specific customers.
- **Hazardous Substance-Free Declaration:** Issued the “Declaration of Non Use of Environment Hazardous Substance” to suppliers, achieving a 100% signing rate in 2024.

4.3.4 Supplier Regular Management

To strengthen supplier management mechanisms, Forcelead has established a Supplier Management System Platform for internal teams to manage and evaluate suppliers from the initial onboarding audit of new suppliers to the periodic evaluations of qualified suppliers. By utilizing a clear and structured management system, Forcelead ensures the removal of unqualified suppliers and aims to maintain stable supply chain production and quality performance.

■ **Table 4-4** Key Supplier Certifications and Environmental Substance Management Compliance

	Item	2024 Certifications/ Compliance
Quality Management	ISO 9001 Quality Management System	100%
	IATF 16949 Automotive Quality Management System	100%
Environmental protection	ISO 14001 Environmental Management System	100%
Occupational Safety, Health, and Labor Rights Protection	ISO 45001 Occupational Health and Safety Management Systems	100%
Environmental Substance Management Standards	RoHS /HF/ REACH	100%

* Qualified Supplier Management

To ensure suppliers' stable ability to provide products and engineering services, we conduct quarterly evaluations of existing suppliers in areas including delivery, quality, cost, engineering services, and green products, with annual supplier audits.

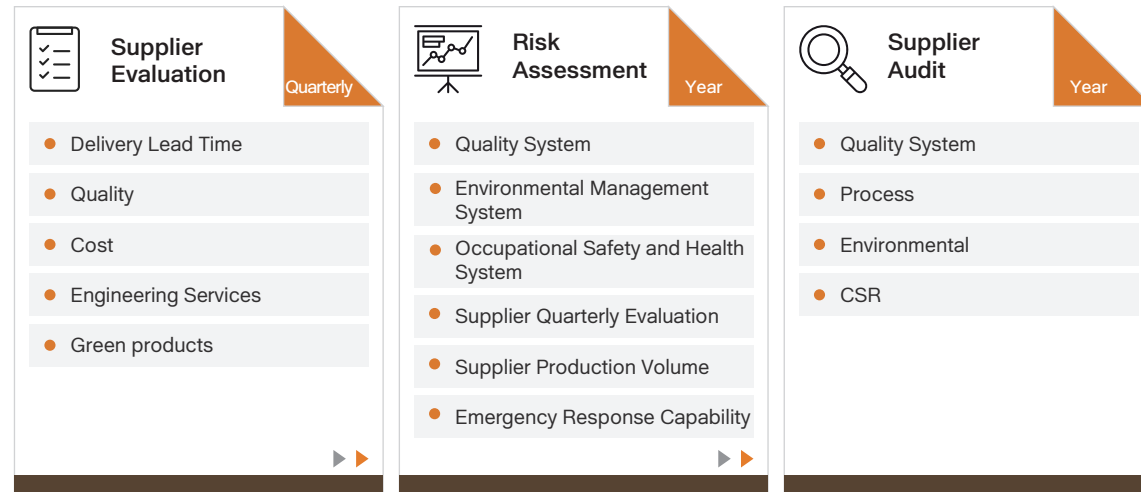
* Supplier Coaching and Guidance

Forcelead regularly holds routine meetings with suppliers or convenes ad-hoc meetings based on quality needs. Discussion topics cover quality and environmental management, production lead times, and product engineering development progress, aiming to review and identify areas for improvement. For suppliers who fail evaluations, a corrective action plan is required. After implementing improvements, the evaluation team will conduct a re-assessment. If the supplier still does not meet the qualification criteria upon re-evaluation, they will be removed from the Qualified Supplier List.

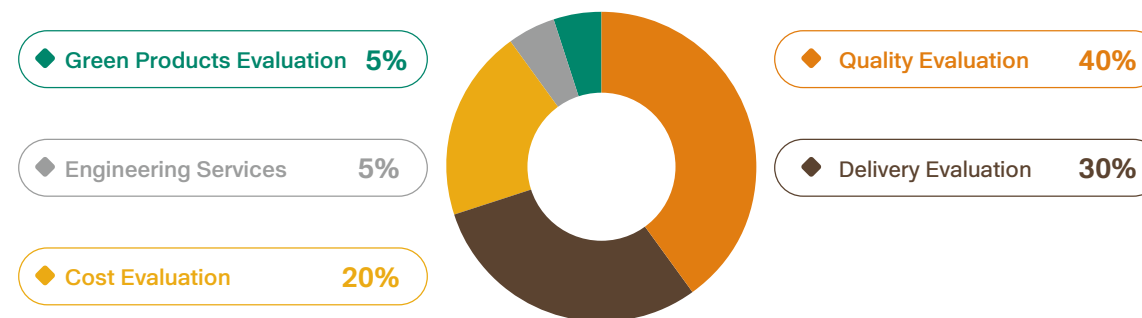
■ **Table 4-5** Qualified Suppliers Regular Evaluation Frequency

Qualified suppliers		Frequency
Raw Materials and Wafer Suppliers	Evaluation	Quarterly
	Risk Assessment	Annually
	Audit	Annually
Outsourced Processing Suppliers	Evaluation	Quarterly
	Risk Assessment	Annually
	Audit	Annually

■ **Figure 4-5** Qualified Supplier Regular Evaluation Items



■ **Figure 4-6** Supplier Quarterly Evaluation Item Weightings



■ **Table 4-6** Supplier Risk Levels and Audit Management

	Audit Content				Audit Method	
Supplier Risk Level	Quality System	Process	Environmental	CSR	Document Review	On-site Audit
81-100 points Low risk	V	V	V	V	V	
71-80 points Medium risk	V	V	V	V	V	V
<71 points High risk	V	V	V	V	V	V
	Measures Taken: Appropriately reduce outsourced quantities.					



■ Table 4-7 Qualified Supplier Classification

Audit Score	Evaluation Result	Actions Taken
90-100 points	Qualified	Listed in AVL qualified suppliers.
70-89 points	Conditionally Qualified	Re-audit within six months.
<70 points	Not Qualified	Complete all audit deficiency corrections within 3 months and arrange evaluation teams for re-examination of quality systems and on-site audits.

Starting in 2024, Forcelead conducts annual supplier risk assessments, incorporating ESG economic, environmental, and people (including human rights) aspects, classifying supplier risk levels as high, medium, and low risk. Suppliers evaluated as low risk require document review audits for the year. Medium risk suppliers require both document review and on-site audits by Forcelead, with scores above 90 points considered qualified. High risk suppliers, besides document review and on-site audits, have their outsourced quantities appropriately reduced by Forcelead.

■ Table 4-8 Supplier Risk Evaluation Criteria

Economy	Environmental	Social (including Human Rights)
<ul style="list-style-type: none">• ISO 9001, IATF 16949 Quality Management System Certification• Delivery Lead Time• Cost• Engineering Services• Outsourcing Production Volume Ratio• Supplier Emergency Response	<ul style="list-style-type: none">• ISO 14001 Environmental Management System Certification• Environmental Restricted Substance Testing and Investigation• Environmental Restricted Substance Abnormal Records	<ul style="list-style-type: none">• ISO 45001 Occupational Health and Safety Management Systems Certification

■ Table 4-9 Quarterly Evaluation Grade Standards

Level	Grade	Definition
A Grade	≥ 80 points	Approval
B Grade	79-65 points	Conditional Approval
C Grade	< 65 points	Dis-approval

Note: If a supplier receives a C Grade, the evaluation team must arrange a follow-up audit. If the supplier still fails to meet requirements upon re-evaluation, they will be removed from the qualified supplier list.

■ Table 4-10 Quarterly Evaluation and Annual Audit Management Results

2023 Audit Summary		Completion Rate	Qualification Rate
Raw Materials and Wafer Suppliers	Annual audit	100% (3 companies)	100%
	Quarterly evaluation	100% (2 companies)	100%
Outsourced Processing Suppliers	Annual audit	100% (16 companies)	100%
	Quarterly evaluation	100% (16 companies)	100%
2024 Audit Summary		Completion Rate	Qualification Rate
Raw Materials and Wafer Suppliers	Annual audit	100% (6 companies)	100%
	Quarterly evaluation	100% (6 companies)	100%
Outsourced Processing Suppliers	Annual audit	100% (21 companies)	100%
	Quarterly evaluation	100% (21 companies)	100%

4.3.5 Actions Taken for Negative Impacts of Suppliers

✱ Corrective Action Requirements for Suppliers

- When quarterly evaluation grade is B grade, the supplier must complete [Report of Poor Improvement for Qualified Supplier Evaluation] and be tracked until closure.
- When non-automotive product supplier quarterly evaluation grade is C grade, the supplier is classified as non-qualified, requiring evaluation teams to conduct re-examination of quality systems and on-site audits. If re-verification remains unqualified, removal from qualified supplier list.
- When automotive product suppliers or single suppliers are rated C grade, supplier guidance must be provided, with improvement implementation confirmation within one month after implementation. If improvement implementation and effectiveness fail to meet targets, Forcelead must notify customers and obtain customer approval before executing factory transfer plans, referencing "Escalation Management Procedures".

Qualified Supplier Suspension Conditions

- Annual audit scores are unqualified.
- When suppliers experience serious abnormalities causing material company losses, internal mass production management meetings decide whether to suspend.
- When production processes have serious risks that may affect product quality, internal mass production management meetings decide whether to suspend.
- Suppliers use prohibited substances.
- Suspended suppliers must be removed from qualified supplier lists. Removed suppliers must be audited like new suppliers for re-evaluation.
- No supplier negative impact suspension cases occurred in 2024.



5

Our Care

5.1 Human Rights Management

5.2 Recruitment and Retention

5.3 Education and Training

5.4 Health promotion program

5.5 Employee Relations

5.6 Social Impact

5.1 Human Rights Management

Forcelead recognizes and supports internationally recognized human rights norms and principles, including the "Universal Declaration of Human Rights", the "United Nations Global Compact", and the International Labor Organization's "Declaration on Fundamental Principles and Rights at Work". To fulfill corporate social responsibility (CSR) and implement human rights protection, the Company hereby formulates the human rights policies applicable to the Company and prevents any violation of human rights. We strictly abide by governmental laws and regulations concerning labor, occupational safety, and personal data protection. The scope of human rights protection encompasses, but is not limited to, employees, customers, suppliers, and partners. Based on the concept of ESG operations, we commit to implementing the following human rights policies. In 2024, Forcelead had no incidents of discrimination or human rights violations, and zero occupational injury reports.

■ **Table 5-1** Human Rights Initiatives and Improvement Measures

Category	Item	Implementation Process and Details
Diversity, inclusion, and equal opportunity	Human rights commitment	<ul style="list-style-type: none">• In the personnel recruitment, employment, promotion, rewards, and various welfare aspects, there shall be no discrimination based on race, language, blood type, religion, party affiliation, place of origin, gender, age, marriage, facial features, or other factors.• Except where job requirements necessitate otherwise, Forcelead is committed to hiring individuals with physical or mental disabilities without any form of discrimination.• In terms of personnel management, we attach great importance to the principle of "recruiting on the basis of intellectual ability, matching people to jobs" and do not use irrelevant personal characteristics as management assessment indicators.• No discrimination based on gender. Workers shall receive equal wages for equal work of equal efficiency.
	Management / Operation Guidelines	<ul style="list-style-type: none">• Policies such as the "Personnel Selection and Appointment Measures" and "Grading and Promotion Management Measures" have been established to uphold the above equality commitments.
	Improvement Measures	<ul style="list-style-type: none">• In accordance with government regulations and changes in the social environment, the work environment and associated regulations are continuously reviewed.• In the event of a verified violation of the Company's Human Rights Policy, appropriate corrective actions will be taken in coordination with management, and affected employees will have their rights restored.
Anti-discrimination and anti-harassment	Human rights commitment	<ul style="list-style-type: none">• A zero-tolerance policy is adopted towards any form of workplace discrimination and harassment. Effective and appropriate complaint and disciplinary mechanisms are established to create equal employment opportunities.
	Management / Operation Guidelines	<ul style="list-style-type: none">• Implement "Sexual Harassment Prevention Measures, Complaint and Punishment Measures" to ensure a working environment that is free from discrimination and harassment.
	Improvement measures	<ul style="list-style-type: none">• Publicly announced and disclosed on the Company's electronic bulletin.
Meet basic salary	Human rights commitment	<ul style="list-style-type: none">• In order to ensure the economic well-being of employees, the salaries of all employees are in line with and superior to the basic salary level stipulated by local laws and regulations, and social insurance is handled according to regulations.• On the premise of taking care of employees, and providing group insurance and related welfare and bonus distribution measures beyond legal regulations.
	Management / Operation Guidelines	<ul style="list-style-type: none">• Develop the 'Salary Operation Guidelines', where all colleagues' salaries are superior to the basic salary stipulated by laws and regulations.• Newly admitted personnel shall sign an admission notice before the registration date, which shall specify their salary to ensure that the agreed employment conditions comply with legal regulations.• The monthly salary is provided with project details and calculation methods to ensure that the payment content complies with laws and regulations.
	Improvement Measures	<ul style="list-style-type: none">• Every year, we refer to the salary level of our peers and regularly review the salary evaluation standards to ensure that the salary level is competitive in the market.

Category	Item	Implementation Process and Details
Reasonable Working Hours	Human rights commitment	<ul style="list-style-type: none">To promote a healthy work-life balance, Forcelead ensures that weekly working hours comply with legal requirements and offers leave policies that exceed those mandated by the Labor Standards Act.
	Management / Operation Guidelines	<ul style="list-style-type: none">A time and attendance management system is in place, and for employees with abnormal working hours, the system will issue reminders.
	Improvement Measures	<ul style="list-style-type: none">The system's reminder function is actively set and regularly reviewed and controlled.
Prohibition of human trafficking and forced labor	Human rights commitment	<ul style="list-style-type: none">Employees have the right to resign or terminate their employment.No use of forced, bonded (including debt bonding) or contractually bound labor, involuntary or exploitative prison labor, slavery or trafficking.Unless stipulated by law, employee identification cards, passports, work permits, and salaries shall not be withheld for any reason.
	Management / Operation Guidelines	<ul style="list-style-type: none">Forcelead enforces this commitment through the “Personnel Selection and Appointment Measures” and “Employee Termination Procedures.”
	Improvement Measures	<ul style="list-style-type: none">Regular audits of government regulations are conducted to ensure compliance with corporate social responsibility and ethical standards.
Prohibition of Child Labor	Human rights commitment	<ul style="list-style-type: none">We comply with the minimum legal working age requirements and do not employ child labor.
	Management / Operation Guidelines	<ul style="list-style-type: none">Recruitment forms provide age-related information, and candidates under the age of sixteen are not allowed to be interviewed.Newly hired employees must submit relevant identity documents on the day of their onboarding to confirm they are at least sixteen years old before being employed.
	Improvement Measures	<ul style="list-style-type: none">Regular audits of government regulations are conducted to ensure compliance with corporate social responsibility and ethical standards.
Healthy and Safe Workplace	Human rights commitment	<ul style="list-style-type: none">Caring for employee health is the Company's obligation. To ensure colleagues' health, Forcelead with comprehensive, free annual health check-ups. Post-examination, physicians are arranged for consultations, and employees can consult physicians about their health check-up results and receive health guidance.Providing a safe working environment for employees is the responsibility of the Company. Forcelead Technology Corp. has occupational safety and health business supervisors, emergency personnel, and fire protection teams in accordance with the law, continuously promoting a safe working environment and occupational disaster prevention.To safeguard the legitimate rights and interests of employees, Forcelead has an employee grievance mailbox and a special grievance mailbox for sexual harassment, so that all employees are free from the threat of workplace violence and sexual harassment.
	Management / Operation Guidelines	<ul style="list-style-type: none">The Labor Health Management Procedures, Fire Protection Plan, Employee Complaint Handling Measures, and Sexual Harassment Prevention Measures, Complaint and Punishment Measures shall be formulated and managed by relevant responsible units.
	Improvement Measures	<ul style="list-style-type: none">In compliance with government regulations, employee education and training, workplace inspections, and internal/external audits are conducted to review the company's environment, safety, and hygiene practices, ensuring a safe working environment.
Freedom of association and the right to collective bargaining	Human rights commitment	<ul style="list-style-type: none">Establish an Employee Welfare Committee (referred to as the Welfare Committee) and select employee representative members in accordance with the law to ensure the rights and interests of employees.Respect for employees' rights to freely organize and participate in labor unions, and engage in collective bargaining.
	Management / Operation Guidelines	<ul style="list-style-type: none">Welfare Committee meetings are held regularly, and the Welfare Committee plans employee welfare activities.
	Improvement Measures	<ul style="list-style-type: none">Designated units review and periodically monitor club events and financial reporting. Violations of employee rights or other legal breaches are subject to corrective action.

5.1.1 Human Rights Grievance Mechanism

Forcelead has established and implemented the Employee Complaint Handling Measures, which includes a dedicated grievance mailbox and a standardized grievance form to provide employees with accessible channels for complaints and suggestions. All employees have the right to report any unlawful incidents to safeguard their legal rights, promote workplace harmony, and foster sound Labor/Management Relations. All grievance cases are handled confidentially and not disclosed publicly. The Company also ensures that employees will not face any retaliation or unfair treatment as a result of filing a grievance.

5.1.2 Human Rights Protection Education and Training

■ **Table 5-2** Human Rights Protection Training

Course Type	Course Title	Description	Participants	Total Hours	Average Training Hours per Participant
Workplace bullying and sexual harassment prevention awareness	<ul style="list-style-type: none">• Workplace Misconduct Prevention Measures	Help employees recognize the signs of sexual harassment and other common forms of workplace misconduct, and understand how to respond to bullying and use the Company's complaint channels effectively.	108	54	0.50
Occupational safety training series	<ul style="list-style-type: none">• Hazardous Chemical Labeling and General Safety Guidelines• On-the-Job Safety and Health Education• General Workplace Safety Training• Fire Safety and Emergency Response Training	A range of occupational safety training programs is provided to address situations employees may encounter in the workplace. These include fire safety drills, first aid training, general occupational health and safety education, and safety training for supervisors responsible for workplace safety.	208	548.83	2.64

5.2 Recruitment and Retention

"Talent" is one of the most important assets of an enterprise, the foundation of ESG development, and the decisive key factor in enhancing enterprise competitiveness. Forcelead values every colleague and partner. We encourage colleagues to stimulate creativity, assist in developing individual and team potential, and provide employees with diverse learning and development opportunities. We also emphasize colleagues' physical and mental health and personal growth. We establish comprehensive remuneration and benefit plans, create a good work environment, and create shared enterprise value.

5.2.1 Recruitment Policy

Forcelead has formulated the "Personnel Selection and Appointment Measures." Personnel selection operation procedures are based on the principles of fairness, justice, openness, and reasonableness. During the selection process, selection results are not affected by applicants' race, language, blood type, religion, party affiliation, nationality, gender, age, marriage, physical appearance, or other discriminatory factors. Recruitment is conducted through a fair and transparent selection process. Once a candidate is confirmed for hire, a formal employment contract is signed to ensure their labor rights are protected.

Forcelead employees are not required to obtain additional work visas; therefore, there is no risk of talent loss due to visa expiration.

Disclosure Topic:Recruiting & Managing a Global & Skilled Workforce			
SASB Code	Metric	2023	2024
TC-SC-330a.1	Percentage of employees that require a work visa	0%	0%

5.2.2 Human Resources Distribution

Forcelead adheres to the principles of fairness and diverse employment, providing equal and diverse inclusive friendly workplace environments without using child labor, with suitability for positions as the main consideration, implementing employment diversity and fairness in remuneration and promotion opportunities. By the end of 2024, Forcelead had a total of 124 colleagues and partners, all of whom were domestic nationals, an increase of 12.7% from 110 at the end of 2023 and 31.9% from 94 at the end of 2022, showing steady expansion of human resources supporting the Company's continued development. Based on fulfilling corporate social responsibility, Forcelead is also committed to creating local employment opportunities to promote local economic development. As of the end of 2024, the proportion of local residents employed by Forcelead as senior management reached 100%.



■ Table 5-3 Employees Position and Age Composition Table

Total Number of Employees Hired (by Position and Age Group)					Total Employees Recruitment Ratio (by Position and Age Group)				
Year		2022	2023	2024	Year		2022	2023	2024
Senior/ Mid-level management	Under 30	0	0	0	Senior/ Mid-level management	Under 30	0.00%	0.00%	0.00%
	30-50	6	6	4		30-50	6.38%	5.45%	3.23%
	Over 50	2	6	10		Over 50	2.13%	5.45%	8.06%
First-line management	Under 30	0	0	0	First-line management	Under 30	0.00%	0.00%	0.00%
	30-50	11	12	11		30-50	11.70%	10.91%	8.87%
	Over 50	2	1	1		Over 50	2.13%	0.91%	0.81%
Engineering staff	Under 30	3	2	3	Engineering staff	Under 30	3.19%	1.82%	2.41%
	30-50	53	64	71		30-50	56.38%	58.18%	57.26%
	Over 50	1	2	4		Over 50	1.06%	1.82%	3.23%
Administrative staff	Under 30	2	4	4	Administrative staff	Under 30	2.13%	3.64%	3.23%
	30-50	13	12	15		30-50	13.84%	10.91%	12.09%
	Over 50	0	0	0		Over 50	0.00%	0.00%	0.00%
Entry-level staff	Under 30	0	0	0	Entry-level staff	Under 30	0.00%	0.00%	0.00%
	30-50	1	1	1		30-50	1.06%	0.91%	0.81%
	Over 50	0	0	0		Over 50	0.00%	0.00%	0.00%
Total		94	110	124	Total		100%	100%	100%

■ Table 5-4 Employees Position and Gender Composition Table

Total Employees Hired (by Position and Gender)				
Year		2022	2023	2024
Senior/Mid-level management	Female	0	1	1
	Male	8	11	13
First-line management	Female	4	5	4
	Male	9	8	8
Engineering staff	Female	11	10	14
	Male	46	58	64
Administrative staff	Female	14	14	15
	Male	1	2	4
Entry-level staff	Female	0	0	0
	Male	1	1	1
Total		94	110	124
Total Employees Recruitment Ratio (by Position and Gender)				
Year		2022	2023	2024
Senior/Mid-level management	Female	0.00%	0.91%	0.81%
	Male	8.52%	10.00%	10.47%
First-line management	Female	4.26%	4.54%	3.23%
	Male	9.57%	7.27%	6.45%
Engineering staff	Female	11.70%	9.09%	11.29%
	Male	48.94%	52.73%	51.61%
Administrative staff	Female	14.89%	12.73%	12.10%
	Male	1.06%	1.82%	3.23%
Entry-level staff	Female	0.00%	0.00%	0.00%
	Male	1.06%	0.91%	0.81%
Total		100%	100%	100%

Note: Senior/Mid-Level Management refers to department head level and above. First-Line Management refers to below department head level. Engineering Staff includes engineering, sales, R&D, and IT personnel. Administrative Staff includes finance, HR, and general affairs personnel.

■ Table 5-5 Employees Composition by Region

Total Number of Employees Hired (by Region)				
Year		2022	2023	2024
Headcount	Taiwan	94	110	124
Percentage	Taiwan	100%	100%	100%

Forcelead has 73% male employees and 27% female employees. R&D capability is Forcelead's core competitiveness, so in 2024, R&D personnel and technical personnel (including R&D and technical supervisors) accounted for 66.9% of total employees, an increase of 2.4 percentage points from 2023. In terms of work location distribution, 83% of employees work at the main business location in Zhubei Tai Yuen Hi-Tech Industrial Park, with other work locations distributed in Tainan and Taipei. The Company provides an excellent work environment for all outstanding talents to collaborate and grow together, accelerating product development schedules and technical support responsiveness, and unleashing innovative value. In 2024, the proportion of local full-time employees (Taiwanese nationals) employed by Forcelead was 100%.

■ Table 5-6 Employee Diversity

Employee Diversity						
Employee ethnicity composition	% of total employees			% of management positions		
	2022	2023	2024	2022	2023	2024
R.O.C. (Taiwanese)	100%	100%	100%	100%	100%	100%
Foreign national	0%	0%	0%	0%	0%	0%
Female Diversity Ratio				2022	2023	2024
Percentage of women in executive management (%)				0.00%	8.33%	7.14%
Percentage of women in total workforce (%)				30.85%	27.27%	27.42%
Percentage of women in all management positions (%)				19.05%	24.00%	19.23%
Percentage of women in STEM(Science, Technology, Engineering, and Mathematics) positions (%)				19.30%	14.71%	17.95%
Percentage of women in revenue-generating functions (%) ^(Note)				19.23%	17.20%	18.27%

Note: Revenue-generating functions include senior/mid-level managers, first-line managers, and engineers. Administrative and support functions (e.g., admin staff and entry-level support roles) are excluded.

■ Table 5-7 Employees Gender and Contract Type List

Employees by Contract Type				
Year		2022	2023	2024
Non-fixed term contract	Non-fixed term contract (female)	29	30	34
	Non-fixed term contract (male)	64	79	89
Fixed term contract	Fixed term contract (female)	0	0	0
	Fixed term contract (male)	1	1	1
Total		94	110	124

Note: In 2024, there was one male cleaning outsourced worker.

■ Table 5-8 Employment Type List

Employees by Employment Type			
Year	2022	2023	2024
Full-time (female)	29	30	34
Full-time (male)	64	79	89
Part-time (female)	0	0	0
Part-time (male)	1	1	1
Total	94	110	124

5.2.3 Employee Recruitment and Turnover

Forcelead recruits talent through diverse channels, expanding business reserve talent. The recruitment of new employees shows positive growth trends. In 2024, there were 19 new employees and 5 departing employees, with a turnover rate of 4.03%. Currently, the employee turnover rate remains stable. Forcelead conducts exit interviews with all departing employees to understand their voices.

■ Table 5-9 Turnover Rate Analysis

Turnover rate			
Year	2022	2023	2024
Number of employees who left	4	5	5
Total employees at year-end	94	110	124
Turnover rate	4.26%	4.55%	4.03%

Note: Turnover rate = Number of employees who left / Total employees at year-end



■ Table 5 10 New Hires and Employee Turnover Analysis

New Hires and Employee Turnover (by Gender)					
Year			2022	2023	2024
Headcount	New hires	Female	16	3	7
		Male	16	18	12
		Total	32	21	19
	Employee turnover	Female	1	2	3
		Male	3	3	2
		Total	4	5	5
Percentage	New hires	Female	50.00%	14.29%	36.84%
		Male	50.00%	85.71%	63.16%
	Employee turnover	Female	25.00%	40.00%	60.00%
		Male	75.00%	60.00%	40.00%
New Hires and Employee Turnover (by Age Group)					
Year			2022	2023	2024
Headcount	New hires	Under 30	5	4	4
		30-50	27	16	13
		Over 50	0	1	2
		Total	32	21	19
	Employee turnover	Under 30	1	2	1
		30-50	3	3	3
		Over 50	0	0	1
		Total	4	5	5
Percentage	New hires	Under 30	15.63%	19.05%	21.05%
		30-50	84.37%	76.19%	68.42%
		Over 50	0.00%	4.76%	10.53%
	Employee turnover	Under 30	25.00%	40.00%	20.00%
		30-50	75.00%	60.00%	60.00%
		Over 50	0.00%	0.00%	20.00%

New Hires and Employee Turnover (by Job Category)					
Year		2022	2023	2024	
Headcount	New hires	Senior/Mid-level management	0	2	1
		First-line management	3	0	0
		Engineering staff	18	14	14
		Administrative staff	10	4	4
		Entry-level staff	1	1	0
		Total	32	21	19
	Employee turnover	Senior/Mid-level management	0	0	0
		First-line management	0	0	1
		Engineering staff	2	2	3
		Administrative staff	2	2	1
		Entry-level staff	0	1	0
		Total	4	5	5
Percentage	New hires	Senior/Mid-level management	0.00%	9.52%	5.26%
		First-line management	9.38%	0.00%	0.00%
		Engineering staff	56.25%	66.67%	73.69%
		Administrative staff	31.25%	19.05%	21.05%
		Entry-level staff	3.12%	4.76%	0.00%
	Employee turnover	Senior/Mid-level management	0.00%	0.00%	0.00%
		First-line management	0.00%	0.00%	20.00%
		Engineering staff	50.00%	40.00%	60.00%
		Administrative staff	50.00%	40.00%	20.00%
		Entry-level staff	0.00%	20.00%	0.00%



New Hires and Employee Turnover (by Nationality)					
Year			2022	2023	2024
Headcount	New hires	R.O.C. (Taiwanese)	32	21	19
		Foreign national	0	0	0
		Total	32	21	19
	Employee turnover	R.O.C. (Taiwanese)	4	5	5
		Foreign national	0	0	0
		Total	4	5	5
Percentage	New hires	R.O.C. (Taiwanese)	100%	100%	100%
		Foreign national	0%	0%	0%
	Employee turnover	R.O.C. (Taiwanese)	100%	100%	100%
		Foreign national	0%	0%	0%

Note: 1. Forcelead defines employee turnover to include voluntary resignation, leave without pay, internal transfer within the group, end of fixed term contracts, retirement, and termination. Definition of new employees includes return from unpaid leave, internal group transfers, and conversion from contract to permanent employees.

Note: 2. Calculation method for proportion: (New hires / Total employees), (Employee turnover / Total employees)

5.2.4 Diverse Employee Benefits

Forcelead respects and values every partner. In addition to listening, we are also happy to share operational results with employees. We provide competitive salary and benefits to attract, motivate, and retain the best talent. We take care of employees' lives and families, enabling colleagues to balance work and life.

Salary and Benefits

- Competitive monthly salary.
- Year-end bonus of two months.
- Patent bonus (encouraging employees innovation).
- Referral bonus (encouraging employees to recommend outstanding talent).
- Bonus (allocated based on company profits, determined by individual performance, sharing operational results with employees).

Leave System

- Flexible leave exceeds the Labor Standards Act.
- Leave calculation method based on the Labor Standards Act.
- Additional engagement leave provided.

Leave calculation exceeds the Labor Standards Act.

- Establish the Employee Welfare Committee with monthly welfare fund allocation.
- Employee gym subsidy.
- Departmental dinner expense subsidies.
- Annual travel subsidies.
- Labor Day/Dragon Boat Festival/Mid-Autumn Festival/Spring Festival gift vouchers.
- Employee birthday gift vouchers.
- Wedding/funeral/celebration welfare subsidies.
- Twice-weekly visually impaired massage services.
- Summer solstice/winter solstice/Mother's Day and other sporadic activities.
- Snack cabinet and beverage bar setup

Health and Life Protection

- Annual fixed subsidy for employee health examinations, with qualified medical teams arranged to conduct employee health check-ups at the office.
- High-value life insurance, accident insurance, medical insurance, cancer insurance, critical illness and disability insurance, with employees able to purchase additional personal and family group insurance at preferential rates.
- Contract nurse and doctor on-site consultation services, providing employee health care and guidance.
- We have engaged visually impaired massage therapists to offer massage services to our employees, providing employees with opportunities for stress relief.
- Annual employee health promotion activities.

Employee Retirement System and Implementation

- The Company applies the new system according to the "Labor Pension Act," contributing 6% of salary monthly
- To employees' personal pension accounts at the Bureau of Labor Insurance. Employees may voluntarily submit pension deposits within 6% of their monthly income from professional practice. The employee's pension deposits voluntarily contributed by themselves may be deducted in full from his/her annual comprehensive income of the year.
- Forcelead's total employer pension contributions for 2024 were NT\$9,297 thousand.



5.2.5 Competitive Remuneration

Forcelead is committed to fostering a friendly workplace and offers a comprehensive remuneration and benefits system. This includes gender-neutral reward structures and equal promotion opportunities. Remuneration is tied to both Company performance and individual achievements, enabling employees to share in the Company's success. The Company has established the Salary Operation Guidelines based on principles of fairness and reasonableness. Through structured and systematized remuneration policies, Forcelead ensures competitive and equitable salary packages to retain top talent and support sustainable growth. New employees are educated on the Company's remuneration system through onboarding training and internal email announcements. Remuneration for managers is reviewed and approved by the Compensation Committee and the Board of Directors to enhance corporate governance and pay transparency.

Forcelead regularly reviews industry salary surveys and benefits practices to adjust remuneration and benefit levels accordingly. According to the Articles of Incorporation, if the Company is profitable in a given year, up to 25% and not less than 1% of the profit must be allocated for employee remuneration. Bonuses and rewards are distributed based on individual performance evaluations and contributions. According to the 2025 announcement by competent authorities of 2024 listed companies' full-time employees not holding managerial positions, the "average salary" and "median salary" were NT\$2,723 thousand and NT\$2,570 thousand respectively, ranking 5th highest among TPEx-listed companies and among the top in all listed companies, demonstrating the Company's high competitiveness in talent remuneration and recognition of employee value. Since the Company was newly listed on TPEx in December 2024, there are no year-over-year changes.

5.2.6 Parental Leave Without Pay Status

Forcelead is committed to helping employees balance work and family life by actively promoting gender equality in parental and paternity leave, in full compliance with local labor laws. Parental leave without pay is implemented in accordance with the Act of Gender Equality in Employment. Employees who have worked at the Company for at least six months are eligible to apply for parental leave until their child reaches the age of three. Each application must be for a minimum of six months, with a maximum duration of up to two years. During the leave period, Forcelead stays in touch with employees to provide support and care. Before the end of the leave, the Company helps arrange a smooth transition back to the workplace, ensuring a successful return to their original position. Forcelead had no applications for parental leave from 2022 to 2024.

■ Table 5-12 Parental Leave Without Pay Status

Parental Leave Analysis			
Year	2022	2023	2024
Maternity leave (female)	0	1	0
Paternity leave (male)	1	2	1
Parental Leave Without Pay (female)	0	0	0
Parental Leave Without Pay (male)	0	0	0

5.2.7 Employee Performance Management

Forcelead's "Performance Management" implements evaluation operations according to regulations. In addition to daily management records and promoting supervisor interview mechanisms to achieve objective evaluation, it further designs differentiated promotion, salary adjustment, and various bonus measures based on evaluation results to achieve the purpose of "distinguishing talent and developing talent." Forcelead implements employee performance interview systems twice a year. Except for employees whose probation period has not expired, all other formal employees participate in complete performance evaluation operations. Forcelead also complies with regulations to establish labor-management committees, convening labor-management meetings quarterly to consult worker opinions. In addition, grievance mailboxes are established to ensure transparent and smooth labor-management communication channels.

■ Table 5-13 Performance Evaluation System and Design

Evaluation Framework and Execution Results	System Details
System design	The performance evaluation system is tailored to employees' development stages within the Company: Probationary evaluation: Conducted upon the completion of the probation period or following a job transfer or role change. Annual evaluation: Conducted twice per year, at mid-year and year-end. Project-based evaluation: Carried out in response to significant achievements, or during promotion reviews. In 2025, a new policy was introduced linking senior management remuneration to ESG performance, aligning executive incentives with sustainability goals.
	Review of past performance: Managers and employees jointly assess goal achievement in the previous period and identify areas for improvement in work attitude and competencies relevant to the current role. Setting future objectives: Define future development plans based on required values, skills, and capabilities.
2024 Annual Performance Results	Excluding employees with less than three months of tenure, 100% of full-time employees participated in the performance evaluation process.



Performance Appraisal Process



5.3 Education and Training

Based on enhancing overall employee competitiveness, Forcelead provides employee training courses divided into external training and internal training. In addition to fully implementing various training measures, the company values employee feedback during training and uses individual employee education and training results as references for future promotions and job transfers. Forcelead values employee career development and has established "Procedures for Education and Training Management" to improve human resource quality, allocating annual budgets for internal and external education and training courses to enrich employee career skills. Talent cultivation and development are the foundation of Forcelead's sustainable development. We plan relevant management or professional field courses according to work requirements for employee continuing education. In addition to basic professional internal training, we also provide external continuing education opportunities, encouraging employees to achieve breakthroughs and development in professional fields while discovering self-worth and satisfying career development.

5.3.1 New Employee Education and Training

On the day of reporting, the Human Resources and Administration Department explains company-related management measures, employee codes of conduct, and other systems to new colleagues. The digital new employee training course covers information security, trade secrets and intellectual property confidentiality, sexual harassment and human rights-related unlawful infringement, company ethical policies, prohibition of insider trading, and other corporate governance and related sustainability information promotion.

5.3.2 Professional Competency Development Program

General education courses	Company policy concept promotion and introductory courses on company products, technology, and processes.
Project training	Education and training on project content for members of various project working groups.
Quality management	According to company operational development needs and implementation planning of various ISO management systems, arrange relevant system standard introduction courses.
Professional competency training	According to regulatory authorities and legal requirements, arrange fixed-hour continuing education courses for colleagues in specific competencies, such as occupational safety and health, financial accounting, internal auditing, quality management, etc.
Engineering technology training	Provide required training courses according to various professional competencies needed by R&D engineering personnel and different development stages of company products.

5.3.3 Talent Development Training Outcomes

The Company values employee career development and has established "Procedures for Education and Training Management" to improve human resource quality, allocating annual budgets for internal and external education and training courses to enrich employee career skills. In addition to valuing employee feedback during training, individual employee education and training results are also used as references for future promotions and job transfers.

■ Table 5-14 Talent Development Training Outcomes

Item	Number of Participants	Total Hours (hours)	Average Hours per Person (Total Hours/Number of People)	Site
Training for new employees	20	99.29	4.96	New employees training
Internal professional ability training	350	1,089.29	3.11	All employees: Apply in accordance with the job requirements of each operating unit
External professional ability training	25	203.5	8.14	All employees: Apply in accordance with the job requirements of each operating unit
Management Training	9	79	8.78	Management colleagues



5.3.4 Competency Development Blueprint

Facing operational growth needs, Forcelead values future talent capability reserves, ensuring suitable talent can fill positions when task assignments are needed, supporting rapid company development; focusing on company operational needs to complete the company talent pool; considering different development purposes, we provide complete cultivation plans to ensure overall high-quality talent strength and strengthen leadership and management capabilities of all management levels. This includes senior executive cultivation and development, supervisor leadership development, and professional capability development. Through establishing individual development plans, we assist supervisors and colleagues in continuously strengthening career sustainable development momentum under diverse and comprehensive education and training systems. Leadership and management capabilities at all levels. This includes senior executive cultivation and development, supervisor leadership development, and professional capability development.



5.4 Health promotion program

Disclosure Topic: Workforce Health & Safety			
SASB Code	Metric	2023	2024
TC-SC-320a.1	Description of efforts to assess, monitor, and reduce exposure of workforce to human health hazards	An annual risk assessment is conducted to identify and evaluate potential hazard factors within the office environment.	
		Carbon dioxide concentration levels in the office are measured semi-annually to ensure adequate air quality and ventilation.	
TC-SC-320a.2	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations (Units: NT\$)	0	0
		There have been no incidents of non-compliance with employee health and safety regulations.	

Employees are always the company's most important asset. Forcelead is committed to providing a good, safe, healthy, comfortable, people-oriented work environment. We obtained ISO 45001 Occupational Safety and Health Management Systems certification in 2020 and passed re-evaluation on November 26, 2023, with certification valid until November 26, 2026. Forcelead had zero workplace injury incidents in 2024.

In 2024, Forcelead continued to maintain "Badge of Accredited Healthy Workplace - Health Promotion Label" certification and received excellent ratings in tobacco prevention and health management. Held "Fat-Cutting Weight Loss Battle" event with 30 participants, total weight loss of 50 kg, and 48% reduction in body fat. We will continue to focus on colleague health, organizing relevant health promotion activities annually, continuously reviewing activity planning, improving colleague participation rates, and enhancing colleague health awareness. Forcelead received NT\$36,960 in subsidies for small and medium enterprise on-site health services from the Occupational Safety and Health Administration, Ministry of Labor.

To strengthen occupational disease prevention, we provide employees with comprehensive workplace health care:

- To prevent obesity and "the three highs" (hypertension, hyperglycemia, and hyperlipidemia) in employees, annual health checkup is conducted for all employees, followed by a consultation with a doctor. Employees can discuss the results of their health checkup with the doctor and receive health guidance.
- The Company provides on-site health services, including a designated doctor visit three times a year and a nurse visit three times a month, each session lasting two hours. In addition to routine health care and guidance, maternity health protection, and managing excessive workload, employees can also schedule consultations if they have any physical or mental health concerns.
- On-site nurses use employee health questionnaires to analyze potential personal health risks and assist employees with health management and promotion, preventing occupational injuries and the development of chronic diseases. Health risks are classified based on employee health checkup reports, with health interviews conducted according to the different risk levels.
- Employee health promotion activities are organized occasionally, and rewards are provided to encourage employees to improve their physical health.
- Provide maternal care and establish friendly childcare environment measures:



Pregnancy	Childbirth	Breastfeeding	Childcare
Establish physiological and psychological support	Reduce physical and mental stress	Friendly feeding environment with a focus on privacy and safety	Work-life balance
<ul style="list-style-type: none">Contract physicians and nurses provide on-site services for physiological and psychological care.	<ul style="list-style-type: none">Provide comprehensive group insurance covering spouse and children's insurance fees.Provide 6 days paternity leave, applicable within 30 days before and after spouse's delivery.	<ul style="list-style-type: none">Provide family care leave and parental leave without pay.Warm breastfeeding environment with aromatherapy and music for stress relief.Purchase bottle sterilizers, specialized cleaners, and breast milk refrigerators for the nursing room.	<ul style="list-style-type: none">Provide birth allowances and congratulatory gifts.

5.4.1 Risk assessment

To understand potential hazards of various work activities, through the hazard identification and risk assessment system established by the occupational safety and health management system, we invite all units to review annually, understand risk conditions of various operations, and formulate control measures to ensure colleagues can work in safe and healthy environments. An annual risk assessment is conducted to identify and evaluate potential hazard factors within the office environment. Forcelead is a professional chip design company with all operational spaces being office environments. Manufacturing operations are outsourced to professional foundries, so no hazardous chemicals are used in all operational activities, and there are no high-risk operations such as hot work or confined spaces.

Forcelead conducts semi-annual office carbon dioxide concentration testing. There have been no incidents of non-compliance with employee health and safety regulations in the past three years.

5.4.2 Occupational Safety and Health Participation, Consultation and Communication

Forcelead's Human Resources and Administration Department is the responsible unit for occupational safety and health. In accordance with the requirements of the Regulations Governing Occupational Safety and Health, a Class A occupational safety and health supervisor is appointed. The department is dedicated to providing a safe, hygienic, and healthy office environment. It is responsible for formulating, planning, and promoting safety and health management matters, continuously advancing a safe working environment and the prevention of occupational accidents. According to the "Occupational Safety and Health Act," quarterly occupational safety and health committee meetings (abbreviated as: Safety Committee) are held. Safety committee members all meet legal requirements (ten committee members with worker representatives comprising at least one-third), discussing goals, safety and health management plans, health management and health promotion topics in quarterly meetings, implementing evaluation and improvement.

5.4.3 Contractor Occupational Safety Management

Forcelead emphasizes workplace safety and environmental protection requirements. To protect contractor personnel, company colleagues, and maintain facility safety, we comply with occupational safety and health regulations. Contractor responsibilities and environmental safety and health matters must comply with regulations and Forcelead's Corporate Sustainability Policy, such as: industrial waste disposal companies must obtain qualified waste disposal certificates and environmental declarations.

To prevent occupational disasters in workplaces and protect employee safety and health, the Human Resources and Administration Department formulates safety and health work rules according to Article 34 of the "Occupational Safety and Health Act," including all Forcelead employees and contractors who must participate and enhance safety and health awareness among all colleagues.



5.4.4 Occupational Safety and Health Education and Training

Forcelead regularly conducts workplace safety education and training courses for all colleagues, including self-defense firefighting safety training, general safety and health education and training, hazardous chemical labeling and general knowledge rules, workplace unlawful infringement prevention measures, informing about possible office environment hazards, electrical safety, firefighting and first aid bandaging knowledge, traffic safety, etc., enhancing colleagues' awareness of safety and health.

■ **Table 5-15** Results of Education and Training for Occupational Safety and Health

Course Title	Target Audience	Teaching Method	Number of Participants	Total Training Hours
Hazardous Chemical Labeling and General Safety Guidelines	1. New R&D and QC staff 2. Colleagues using hazardous chemicals	E-learning	39	68.83
Workplace Misconduct Prevention Measures	All colleagues	E-learning	108	54
On-the-Job Safety and Health Education	Occupational safety and health members	E-learning	10	60
General Safety and Health Education	All colleagues	E-learning	127	324
Firefighting self-defense team members	Self-Defense Firefighting Education and Training	E-learning	32	96
Total			316	602.83



5.5 Employee Relations

5.5.1 Employee Communication

Forcelead values all employee partners' opinions, adheres to open supervisor leadership styles without hierarchical distinctions, and strives to create smooth two-way communication environments. Regular communication meetings are held, including: new colleague training, labor-management meetings (all employee opinions can be reflected through labor representatives), twice-yearly performance interviews, etc., ensuring smooth communication channels. Various electronic mailboxes are provided for employees to express opinions, enabling colleagues to make inquiries, suggestions, and complaints. Through two-way opinion exchange as a basis for improving and enhancing company management measures and helping colleagues solve problems, all cases are handled confidentially with dedicated personnel tracking improvement progress and results, ensuring harmonious two-way communication between colleagues and the company. We also have platforms for communication and mutual sharing, timely grasping colleague dynamics and needs, guiding colleagues toward positive behavior, motivating colleague morale, and maintaining harmonious labor relations. When significant operational changes require termination of employment relationships with some employees, advance notice will be provided according to legal requirements at each operational location.

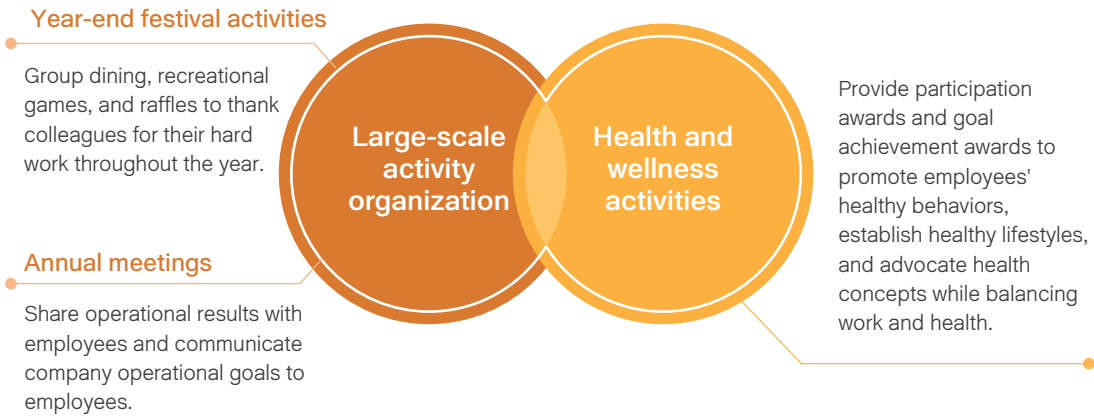
■ **Table 5-16** Open Communication Environment

Internal Communication Channels	Function
Internal company website	<ul style="list-style-type: none">• Electronic bulletin board• Information sharing• Health promotion
Dedicated email accounts	<ul style="list-style-type: none">• Sexual harassment grievance mailbox• Health consultation mailbox• Intellectual property consultation mailbox• Workplace violence grievance mailbox• Fraud reporting mailbox
Communication meetings	<ul style="list-style-type: none">• Labor-management meetings• Performance review discussions• Employee Welfare Committee meetings• Annual company meeting• New employee orientation

5.5.2 Employee Activities

Talent is the Company's most important asset. With healthy and happy employees, there are highly efficient enterprises. Forcelead is committed to providing employees with a vibrant workplace environment, adhering to the spirit of integrating welfare, fun, and health through diversified welfare facilities and activity designs, allowing colleagues to cultivate creativity and vitality in work and leisure activities.

To enable employees to appropriately relieve stress and promote physical health even when busy with work, we frequently organize various company-wide activities such as festival activities, family days, and sports competitions, extending care to employee families and fostering colleague sense of belonging. Forcelead has not yet established a corporate union, so there are no collective bargaining agreements



5.6 Social Impact

5.6.1 Support for Green Fixed Deposits in Financial Institutions

In response to the Green Deposit Program launched by the financial institutions, the financial institutions will use the deposit funds for green credit in renewable energy, energy conservation, pollution prevention and control, sustainable utilization of natural resources, waste and wastewater treatment, clean transportation, and green buildings to support the development of the green industry through concrete actions. Forcelead undertook green deposits with financial institutions totaling NT\$5 million in 2024.

5.6.2 Charitable Donation

Forcelead pays attention to social needs and environmental issues through charitable activities and environmental protection, encouraging employees to contribute their efforts to jointly fulfill corporate social responsibility and obligations, sharing and benefiting society together.

- The Company regularly purchases products from public welfare and disadvantaged groups for meetings and afternoon tea snacks (Children Are Us cookies/Hsinchu area).
- In 2024, we launched the "Send Love to Tribes" charity activity, cooperating with Children Are Us (Hsinchu area), purchasing love meal boxes and distributing them to remote indigenous elementary schools. This activity raised NT\$124,200, purchasing 207 charity meal boxes for 207 students at 3 elementary schools (Wufeng Township, Hsinchu County/Chunri Township, Pingtung County/Meinong District, and Kaohsiung City) for the second semester of 2024.
- To alleviate employee work stress, promote employee physical and mental health, and increase employment opportunities for people with disabilities, we specially hire visually impaired massage therapists to provide free massage services to employees during specially scheduled times each week.
- Material Donations - We also make occasional donations of old computers to the ASUS Foundation. We participated in ASUS's Reverse Logistics Recycling and Recycled Computer Donation - Love the Earth Project. Through this initiative, discarded information products are refurbished into recycled computers and donated to disadvantaged groups, helping to bridge the digital divide and reduce pollution, contributing to environmental protection. Cumulative donations by the end of 2024 reduced carbon dioxide emissions by 1.362 metric tons, which translates to about 113.497 fewer trees cut down (Source: ASUS Foundation).



6

Our Environment

- 6.1 Procurement of Raw Materials
- 6.2 Energy management
- 6.3 Climate Governance (TCFD)
- 6.4 Greenhouse Gas Emission Management
- 6.5 Water resource management
- 6.6 Waste management

6.1 Procurement of Raw Materials

6.1.1 Procurement of Raw Materials

Disclosure Topic: Materials Sourcing		
SASB Code	Metric	Description
TC-SC-440a.1	Description of the management of risks associated with the use of critical materials	Among the key raw materials, wafers are 100% outsourced and manufactured by wafer foundries. Although Forcelead does not directly use rare earth metals, platinum, or conflict minerals as specified by SASB standards, we require that critical raw materials used in outsourced processes comply with conflict minerals regulations. Therefore, the stability of raw material sourcing by our outsourced supplier remains an ongoing procurement risk concern for Forcelead. At the same time, we continuously monitor and manage supplier risks through regular supplier evaluations.

6.1.2 Raw Material Risk Management

Forcelead's manufacturing management team plans material stocking volumes based on inventory levels and supplier lead times, adhering to the principle of local sourcing. Procurement orders are placed accordingly, and supplier shipment progress is monitored to ensure sufficient material availability. Safety stock levels are adjusted in response to market demand. Regular supplier evaluations are conducted to minimize risks such as material shortages.

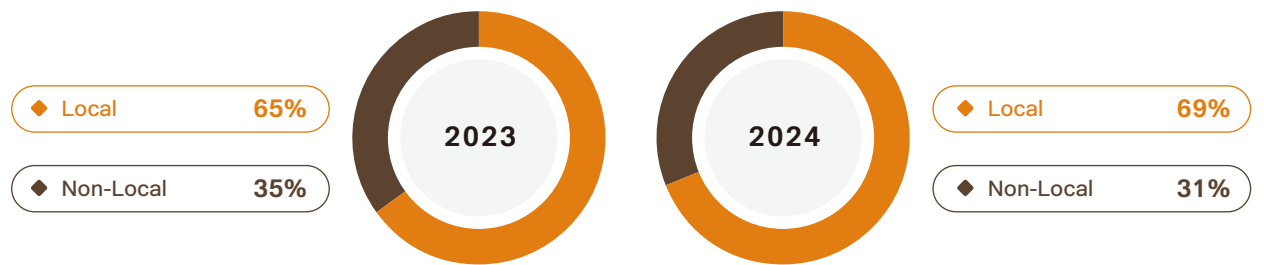
6.1.3 Conflict Minerals Management

Forcelead complies with the conflict minerals regulations in the Responsible Business Alliance (RBA) Code of Conduct, using the Conflict Minerals Reporting Template (CMRT) published by the Responsible Minerals Initiative (RMI) to survey suppliers, ensuring that metals used in products provided by suppliers do not originate from conflict zones in the Democratic Republic of Congo or neighboring countries. We continuously monitor upstream procurement sources to avoid using controversial metal materials. In 2023, there were no suppliers in violation or disqualified. In 2024, no suppliers were found in violation or disqualified.

6.1.4 Local Procurement Content

Forcelead supports local procurement at a certain ratio for raw materials/outsourced processing sources, implementing material localization to reduce unnecessary air and sea transportation costs, and lower the carbon footprint generated during transportation. In addition to fulfilling environmental responsibilities for energy saving and carbon reduction, this also directly reduces procurement costs. Therefore, Forcelead has a dedicated procurement unit responsible for the development and management of supply chain localization. In 2024, local procurement reached 69% of total raw material procurement, four percentage points higher than 2023.

■ Figure 6-1-1 Total Raw Material Procurement Ratio for 2023 and 2024



6.2 Energy management

Disclosure Topic: Energy Management in Manufacturing			
SASB Code	Metric	2023	2024
TC-SC-130a.1	(1) Total energy consumed	800.6350	927.4723
	(2) Percentage grid electricity	100%	100%
	(3) Percentage renewable	0%	0%

Note 1. Forcelead's total electricity consumption in 2024 was 257,631.1862 kWh. Using the conversion factor of 1 kWh = 3.6 × 10⁻³ GJ, this figure was converted into total energy consumption in GJ.

Note 2. As Forcelead does not operate any manufacturing equipment, 100% of energy consumption is attributed to electricity usage within office operations.

As a chip design company, Forcelead pays special attention to electricity consumption (as shown in the table below) due to the continuous power consumption characteristics of R&D experimental equipment, and formulates energy-saving plans accordingly. The energy consumption intensity of Forcelead for the past two years is summarized in Table 6-1, and energy-saving measures in Table 6-2. In 2024, the energy used was purchased non-renewable electricity, with consumption of 257,631.1862 kWh, an increase from the previous year, mainly due to the inclusion of the Tainan office in our inventory compared to last year, resulting in an increase in total electricity consumption.

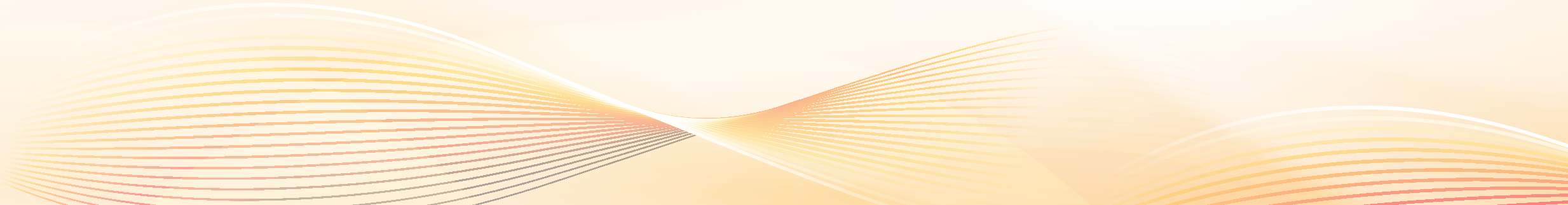
■ Table 6-1 Energy Consumption Intensity Table

	2023	2024
Purchased Electricity (kWh) (Indirect Energy Consumption)	222,403.6131	257,631.1862
Total Energy Consumption (MJ)	800,653.0072	927,472.2703
Operating Revenue (NT\$ million)	2,656	2,969
Energy Intensity (MJ/NT\$ million)	301.4507	312.3854

Note: Energy intensity is calculated by dividing the total energy consumption (GJ) by the Company's standalone operating revenue (in NT\$ millions).

■ Table 6-2 2024 Energy-Saving Measures

Item	Measures
1	Strengthen electricity management, regularly inspect and maintain electrical equipment to avoid waste.
2	Reduce the use of disposable items, encourage employees to use eco-friendly utensils, water bottles, etc.
3	Implement waste sorting and recycling to improve resource recovery rates.





6.3 Climate Governance (TCFD)

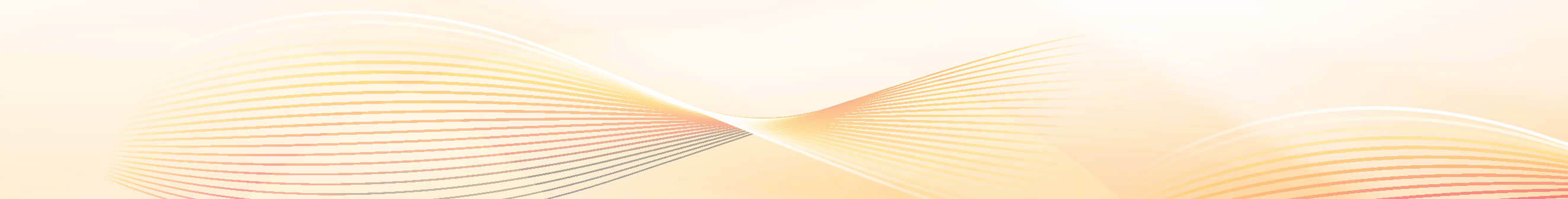
Current climate change is becoming increasingly severe, with frequent extreme weather events posing potential threats to corporate operations and finances. Forcelead refers to the Task Force on Climate-related Financial Disclosures (TCFD) framework to systematically assess the risks and opportunities brought by climate change. As a fabless IC design company without its own production lines, positioned in the upstream of the semiconductor industry chain, the climate risks faced by Forcelead mainly come from natural disasters caused by the greenhouse effect, such as water and electricity shortages, supply chain or logistics disruptions, equipment damage due to extreme weather, and rising raw material prices. These scenarios may adversely affect operations and increase the possibility of financial losses. On the other hand, climate change also contains transition opportunities, such as the global rise in environmental awareness and increasing market demand for green energy-saving products and sustainable design. Forcelead will continue to strengthen its attention to environmental issues, implement environmental regulatory requirements, and carefully identify and respond to climate-related operational and financial risks and potential opportunities.

Item 1

Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.

The "Sustainability and Risk Management Committee" established under the Board of Directors of the Company, is at the core of the ESG initiatives and consists of at least three members appointed by the Board of Directors with knowledge and competence in ESG operations: the Chairman of the Board of Directors as the convener and two independent directors. The Committee convenes at least once a year and may convene additional meetings as needed, responsible for formulating risk management policies, governance frameworks, roles and responsibilities, reviewing and tracking risk management implementation and effectiveness, and reporting to the Board of Directors. The Board of Directors, as the highest governance body, regularly receives reports from the Sustainability and Risk Management Committee and ensures strategic feasibility regarding the implementation of material ESG issues (including climate risk management results), while supervising the effective operation of the committee. The Risk Management Working Group under the Sustainability and Risk Management Committee is responsible for the Company's risk management promotion and implementation. At least once a year, each operating unit must identify and evaluate various risk factors such as climate, convene a risk management meeting focusing on high-concerned risks, and communicate risk information with each operating unit to review countermeasure strategies and the overall achievement status. The Sustainability and Risk Management Committee revised the "Risk Management Policy and Procedure" in 2024, continuing to incorporate climate change risk management into the Company's overall risk management process.

In addition, other functional committees are expected to be responsible for governing specific climate-related issues. This includes the Compensation Committee's plan to add ESG-related performance remuneration indicators for senior managers in 2025. Climate-related objectives and the extent of their achievement are integrated into the performance assessments and remuneration systems of senior managers in order to monitor and control the achievement of the objectives of climate-related issues. By linking the outcomes of the reward system to climate change management, the management is encouraged to operate the Company's business in a manner that is both profitable and sustainable for the Company. This approach will enable the Company to achieve its sustainability goals and create value for investors and stakeholders.





Item 2

Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).

Based on internal assessments and with reference to key suppliers’ conditions, the Company defines the short term as within 3 years, the medium term as 3 to 10 years, and the long term as over 10 years. The identified climate-related risks and opportunities across these timeframes, along with their potential business and financial impacts, and corresponding response strategies, are outlined as follows:

Timeframe	Risk	Issue Description & Business Impact	Potential Financial Impact	Response Strategy
Short Term (Within 3 years)	Physical Risk - Intensifying extreme weather events	Increased frequency of typhoons and heavy rainfall may prevent employees from reporting to work, affecting productivity. Droughts and water shortages may disrupt supplier operations, leading to production and delivery delays.	<ul style="list-style-type: none">Decline in revenue.Increase in procurement and transportation costs.	<ul style="list-style-type: none">A simulated scenario analysis is conducted using the TCFD risk management framework to examine the distribution of risks in the supply chain plant area.Regularly review whether suppliers have water monitoring systems and emergency response mechanisms in place.Reduce potential impacts of supply disruptions by building a geographically diversified supply chain.
Medium Term (3-10 years)	Transition Risk - Carbon taxes and fees	In response to the regulations established under the Climate Change Response Act, including the Regulations Governing the Collection of Carbon Fees, which were officially announced in 2024, it is anticipated that the relevant carbon fees may increase in the future. In addition, if suppliers increase their operating expenses to meet customized targets, such as the Regulations Governing Self-determined Reduction Plans, it will result in higher business costs for the suppliers.	<ul style="list-style-type: none">If Taiwan implements the "total volume control and carbon penalty" or "carbon tax" mechanism in the future, the financial cost will increase.If in the future the threshold for the carbon fee in Taiwan is lowered to a level where the Company is obligated to contribute to carbon fees, there will be an increase in financial costs.Increase in operating costs for suppliers of renewable energy power generation equipment.	<ul style="list-style-type: none">Closely monitor domestic and international regulatory developments, peer practices, and the carbon trading market.
Long Term (>10 years)	Transition Risk - Greenhouse gas emissions Net-zero emissions commitment	Both the Company and key stakeholders are focused on setting and achieving goals for greenhouse gas inventory and emission reductions. Suppliers are also expected to implement energy-saving and carbon-reduction measures.	<ul style="list-style-type: none">Increased operating expenses from purchasing energy-saving and carbon-reduction equipment.Rising costs of renewable energy certificates and carbon credits in the future.The increasing costs of equipment procurement incurred by suppliers which is then amortized to the products and services offered, resulting in higher production costs for the Company.	<ul style="list-style-type: none">The Company conducted a self-assessment greenhouse gas inventory in 2024 with reference to ISO 14064-1:2018. A follow-up external verification is scheduled for before Q3 2026, along with short-term greenhouse gas reduction targets. In the long term, we will follow the Executive Yuan's "Taiwan 2050 Net Zero Emission" goal and related green energy policies.The Company responds to financial institution green deposit programs, utilizing funds for renewable energy, energy conservation, and pollution control industries to support domestic green energy development. In 2024, green deposits totaled NT\$5 million. Green bond purchases are planned for 2025.Gradually replace high-energy-consuming equipment; consider internal carbon pricing and green electricity purchases.Review whether key suppliers have adopted ISO 14001 (environment) and ISO 50001 (energy) standards to support their total greenhouse gas emissions management.

Based on internal assessments and with reference to peer industry practices, the following climate-related opportunities have been identified and evaluated:

Timeframe	Opportunity	Expected Timing/Issue Description & Business Impact	Potential Financial Impact	Response Strategy
Short Term (Within 3 years)	Products and services	Promote low-carbon and green product design and manufacturing.	<ul style="list-style-type: none">Increased revenue from differentiated products.Reduced production costs.Increased R&D expenses.	<ul style="list-style-type: none">Continuously launch low-power and ultra-low-power chips to meet market and customer demand for energy-efficient products.Apply zero-capacitor technology in design to reduce materials and lower production costs.
Medium Term (3-10 years)	Enhancing Energy Efficiency	Electricity use affects greenhouse gas emissions; therefore, good energy efficiency serves as a guiding principle for the Company to recognize the actions and positions they need to take in energy conservation and carbon reduction.	<ul style="list-style-type: none">The decrease in total electricity use has resulted in a reduction in operating costs.	<ul style="list-style-type: none">Focus on the energy efficiency and the energy conservation measures in the industry.Assess the Company's current level of energy consumption, identify potential opportunities for energy savings and optimization, and implement an energy management strategies.
Long Term (>10 years)	Enhancing Corporate Resilience	Strengthening response strategies to address the diverse risks associated with climate change, thereby improving the Company's resilience and fostering customer trust.	<ul style="list-style-type: none">Reduce the potential loss of operating costs due to climate change risk.	<ul style="list-style-type: none">Continuously manage a sustainable supply chain, strengthen collaboration with diverse partners to improve the agility, efficiency, and resilience of the supply chain.

Item 3

Describe the financial impact of extreme weather events and transformative actions.

For the potential financial impact of extreme weather and transitional actions on the Company, see “Potential Financial Impact” in the Climate Risks, Climate Opportunities table in the preceding item.

Item 4

Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.

To strengthen corporate governance and implement effective risk management practices, the Company proactively identifies and manages uncertainties that may threaten its operations. In 2024, the Risk Management Policy and Procedure was approved by the Board of Directors. The Sustainability and Risk Management Committee authorized the Risk Management Working Group to take responsibility for promoting and coordinating risk management activities, including convening risk management meetings, communicating with business units, and compiling consolidated risk management reports.

The Risk Management Working Group holds regular meetings each year to engage with business units on risk-related information and to assess sustainability-related risks, including climate change risks. The status of risk management across various categories is reported to the Sustainability and Risk Management Committee and the Board of Directors. The most recent report to the Board was presented on December 18, 2024.



Risk Identification

- The Risk Management Working Group identifies risks in strategic, operational, financial, and other emerging areas based on experience and information, considering the concerns of internal and external stakeholders.
- Climate-related risk factors collected in 2024 include climate change and natural disasters. Forcelead will continue to monitor climate change issue development trends and add risk factors to be identified accordingly.

Risk Analysis

- After identifying risk factors, each operating unit analyzes their nature and characteristics, considering the completeness of current company control mechanisms, past experience, industry cases, monitoring frequency and targets, and scores them for "likelihood of occurrence" and "negative impact if it occurs." This product helps understand the risk's impact on the Company and serves as the basis for subsequent risk management.

Risk Assessment, Response, Supervision, and Review

- Based on the analysis results, all risks will be ranked and reviewed by representatives of business units and the CEO to determine key issues requiring priority action. This content is subsequently reported to the Sustainability and Risk Management Committee for approval.
- Each operating unit plans and implements subsequent risk response actions based on risk levels, continuously monitors, and regularly submits risk management operational status to the Risk Management Working Group.
- The Risk Management Working Group regularly reports risk management operational status to the Sustainability and Risk Management Committee for review, and the committee convener or designee reports to the Board of Directors at least once a year.
- The Board of Directors serves as the highest governance body for risk management. It supervises whether the risk management process and corresponding mitigation measures are functioning effectively and consistently. The results of these reviews are incorporated into performance evaluations and reporting items.

Item 5 If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.

As a fabless IC design company, Forcelead is more resilient and quicker to respond to climate risk in comparison to the manufacturing industry. Forcelead will continue to pay attention to the establishment of a database of parameters and material assumptions for scenario analysis by the task force set up by the Financial Supervisory Commission. The Company has outlined the current factors that need to be considered for future scenario analysis.

* Scenario, Parameters, Assumptions, and Analytical Factors

- The carbon fee unit price, which may fluctuate over time, takes into account the three secondary legislation concerning the carbon fee issued by the Ministry of Environment, along with related explanatory materials and presentations in 2024.
- The physical risk of the supply chain in the Taiwan region will be referenced to the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP).
- Greenhouse gas emission scenarios: Based on the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6), using Shared Socioeconomic Pathways (SSPs), particularly the low-emission scenario (SSP1-2.6) and the high-emission scenario (SSP5-8.5), to assess localized physical risks.
- Consideration should be given to the locations of each supplier's operations, including the carbon management and carbon market systems of their respective countries, production volumes, and transportation methods, as well as whether the finished products and their sales locations are subject to the Carbon Border Adjustment Mechanism (CBAM).
- Considering the complexity and uncertainty regarding how one risk may impact others, each risk factor is modeled independently and does not account for dependencies and offsets between risks.
- Timeframe for financial impact estimation: From 2027 through 2050, using the parameter assumptions outlined above.

* Main Financial Impacts

Carbon costs in terms of transition risks: Currently, the threshold of carbon fee under the Regulations Governing the Collection of Carbon Fees issued by the Ministry of the Environment of Taiwan is 25,000 tons, and the Company has not yet been included in the levy list. If the threshold is lowered to a level that requires the Company to pay the carbon fee 2030, the estimated cost will be calculated in accordance with the conclusion of the 5th Carbon Fee Rates Review Conference in 2024, which states: "By the year 2030, the carbon fee rate will align with international carbon pricing standards (NT\$1,200 to NT\$1,800 per ton of CO₂e)."

Assumed Scenario	Estimated Financial Impact in 2030
<ul style="list-style-type: none">• The carbon price is set at NT\$1,200 to NT\$1,800 per metric ton of CO₂e.• From 2025 to 2028, the emission reduction target is a 3% decrease compared to the baseline year of 2024. Starting in 2029, the target will decline by 1% annually, with projected carbon reductions estimated through 2030.• The 2030 revenue is projected based on the Company's individual company only financial statements for the year 2024.	<ul style="list-style-type: none">• The increase in operating expenses is estimated to account for approximately 0.005% to 0.007% of total revenue.

Item 6

If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.

In response to climate risks, the Company is committed to achieving net-zero emissions. We adopt a multi-faceted strategy that includes conducting greenhouse gas inventories, participating in international sustainability assessments, regularly evaluating climate-related risks (including transition risks), supporting decarbonization initiatives across the supply chain, and developing green, low-carbon products. Additionally, we convene internal risk management meetings annually to review and assess climate-related risks on a regular basis, including transition risks. Through proactive climate transition actions, we aim to protect the Earth’ s environmental carrying capacity and contribute to a sustainable ecosystem that enables coexistence and mutual prosperity.

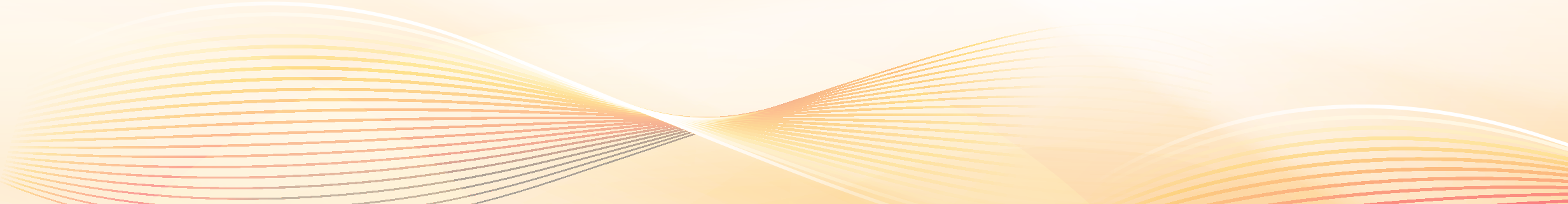
For details regarding our transition strategies for managing climate-related risks, please refer to the "Response Strategy" listed in Item 2: Climate Risks and Opportunities Table.

To identify and manage risks, the Company consistently references international assessment indicators, including Sustainalytics, the S&P Global Corporate Sustainability Assessment, and the governmental regulations. As part of our commitment to net zero, the Company completed its greenhouse gas inventory and third-party verification for 2023 ahead of schedule in 2024. Based on 2024 as the baseline year, we have set a short-term target to reduce combined Scope 1 and Scope 2 emissions by 3% between 2025 and 2028. We will continue monitoring our progress to ensure the reduction target is achieved. The Company expects to conduct an external verification of the 2025 annual greenhouse gas inventory in the third quarter of 2026, and will re-establish the reduction target depending on the status of verification. In addition, the Company has formed partnerships with various stakeholders to expedite the implementation of climate risk management and mitigation strategies, while also enhancing the semiconductor industry's zero-carbon green impact, and to steadily move towards the Executive Yuan's “2050 Net Zero Roadmap” .

Item 7

If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.

As of 2024, the Company has not yet implemented an internal carbon pricing mechanism. The Company will continue to monitor and assess developments in carbon trading markets and related tools, with plans to begin internal carbon pricing planning in the second half of 2025.





Item 8

If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.

For climate-related targets, the Company aims to strengthen emission reporting obligations and greenhouse gas reduction. For annual progress, compared to the greenhouse gas emission roadmap requirements for listed companies, our company completed the 2023 ISO 14064-1 greenhouse gas inventory ahead of schedule in Q2 2024, plans to complete the 2024 greenhouse gas inventory report in Q3 2025, and will continue annual self-assessments. We plan to commission the British Standards Institution (BSI) to complete verification of the 2025 greenhouse gas inventory report in Q3 2026. Please refer to Table 6-3 Greenhouse Gas Emissions (by Category) and Item 9 for greenhouse gas emission scopes, reduction planning timelines, and annual progress.

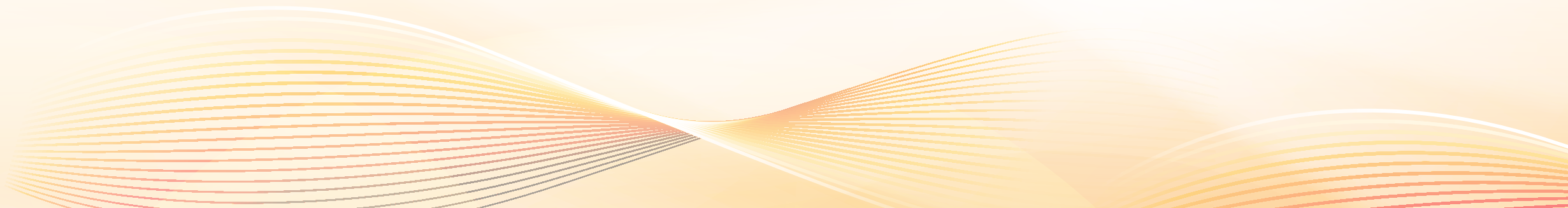
As a fabless IC design company, Forcelead does not operate manufacturing, packaging, or testing equipment, nor does it involve chemical-intensive processes. Its operations are primarily based in office spaces located in Hsinchu and Tainan. As a result, Scope 2 emissions constitute the majority of its total greenhouse gas emissions, with electricity usage concentrated in air conditioning, lighting, IT equipment, and laboratory instruments.

While the Company has not yet utilized RECs to offset its emissions, we continue to closely monitor market trends and peer practices. We are carefully evaluating the potential environmental impacts and benefits of adopting renewable energy options.

Item 9

Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan.

To continuously achieve international reduction trends, Forcelead has been conducting self-implemented greenhouse gas inventories since 2023, understanding the current situation to respond early and continuously estimating greenhouse gases generated by company energy use as a reference for subsequent energy-saving and carbon reduction performance. Through the Sustainability and Risk Management Committee for reduction tracking, we set combined Scope 1 and 2 greenhouse gas emissions with short-term (2025-2028) targets of 3% reduction compared to the baseline year (2024), then decreasing by 1% annually, aiming for a 5% carbon reduction target by 2030 compared to the baseline year. To achieve our goal of reducing electricity consumption from major sources such as HVAC systems, the Company has implemented several measures: adjusting chilled water outlet temperatures, operating chillers in parallel only when needed, raising indoor cooling temperatures, and using timers for system control. To encourage energy-saving behaviors, the Company has promoted practices such as enabling power-saving modes on office equipment, reducing screen standby times, and other initiatives. These measures have contributed to lowering overall greenhouse gas emissions. Furthermore, Forcelead is considering the gradual replacement of T5 fluorescent tubes with more energy-efficient LED lighting. With these ongoing carbon reduction efforts, total emissions are expected to continue declining. For achievement (implementation), 2024 greenhouse gas emissions (Scope 1 and 2) increased by approximately 11.11% compared to 2023, mainly due to the expanded scope including Forcelead's Tainan office and increased office personnel compared to the previous year, resulting in higher total electricity consumption.



6.4 Greenhouse Gas Emissions Management

6.4.1 Greenhouse Gas Emissions

Disclosure Topic: Greenhouse Gas Emissions			
SASB Code	Metric	2023	2024
TC-SC-110a.1	(1) Gross global Scope 1 emissions ^(Note) (Unit: metric tons CO ₂ e)	0.4192	0.4196
		0	0
	(2) Amount of total emissions from perfluorinated compounds (Unit: metric tons CO ₂ e)	Forcelead is primarily engaged in chip design, R&D, and sales. As the Company does not perform wafer fabrication, packaging, or testing key processes in semiconductor manufacturing there are no emissions of perfluorinated compounds.	
TC-SC-110a.2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Forcelead operates as a design-focused IC company, with office-based facilities accounting for the majority of energy consumption. Therefore, Category 2 (Scope 2) constitutes the largest portion of total emissions. Category 1 (Scope 1) emissions primarily stem from refrigerant leakage from HVAC systems. Future Category 1 (Scope 1) reduction measures may consider replacing chilled water systems to reduce carbon emissions.	

Note: The Global Warming Potential (GWP) values for each greenhouse gas are based on the Sixth Assessment Report (AR6) published by the Intergovernmental Panel on Climate Change (IPCC) in 2023.

Forcelead is a fabless IC design company focused on product design, R&D, and sales, with all operations conducted within office buildings. Manufacturing-related processes, such as wafer fabrication, packaging, and testing, are outsourced to specialized foundries and contractors. As a result, the Company does not generate significant air pollution, wastewater, solid waste, or direct greenhouse gas emissions. In response to international trends and Financial Supervisory Commission policy promotion, Forcelead has been conducting self-assessments since 2023 and was listed on the

TPEx in December 2024, tentatively setting 2024 as the baseline year. External verification of the 2025 greenhouse gas inventory is planned for Q3 2026, with baseline year and reduction targets to be re-established based on verification results. Additionally, to address climate change and achieve long-term carbon neutrality, Forcelead will carefully evaluate purchasing renewable energy and certificates to achieve "zero carbon emissions at office sites" by the end of 2050 and ultimately realize the long-term goals of comprehensive net-zero emissions and 100% renewable energy use. Forcelead's greenhouse gas inventory references ISO 14064-1:2018 standards. Please refer to Table 6-3 Greenhouse Gas Emissions (by Category) below for inventory content and data.

■ Table 6-3 Greenhouse Gas Emissions (by Category)

Forcelead Technology Corp. (headquarters)	2023		2024	
Greenhouse gas types	Total emissions (metric tons CO ₂ e)	Intensity ^(Note 3) (metric tons CO ₂ e per NT\$ million)	Total emissions (metric tons CO ₂ e)	Intensity ^(Note 3) (metric tons CO ₂ e per NT\$ million)
Scope 1 ^(Note 1)	0.4192	0.0002	0.4196	0.0001
Scope 2 ^(Note 1)	109.8674	0.0414	122.1172	0.0411
Scope 3 ^(Notes 1 and 2)	21.6399	0.0081	84.3205	0.0284
Total	131.927	0.0497	206.857	0.0696

Note 1. 2023 greenhouse gas inventory coverage includes headquarters - Forcelead Technology Corp. Hsinchu office. 2024 coverage includes headquarters (Forcelead Technology Corp. Hsinchu office) and Tainan office.

Note 2. 2023 Scope 3 covers Category 4: Purchased goods and services - indirect emissions from energy procurement. 2024 Scope 3 includes the above plus Category 3: Employee commuting.

Note 3. Intensity = Total CO₂ emissions / Forcelead's individual revenue (NT\$ million).

Note 4. During 2024 Forcelead's greenhouse gas self-inventory process, the 2023 carbon emission factor for Taipower (0.494 kg CO₂e/kWh) had not yet been released. Therefore, the Company used the 2022 factor (0.495 kg CO₂e/kWh) for its calculations. For data accuracy, 2023 was adjusted to the corresponding year's emission factor.

Direct Greenhouse Gas Emissions (by Gas Type) (Unit: metric tons CO ₂ e)					
Year	Carbon Dioxide (CO ₂)	Methane (CH ₄)	Nitrous Oxide (N ₂ O)	Hydrofluorocarbons (HFCs)	Total Greenhouse Gases
2023	0.0000	0.0000	0.0000	0.4192	0.4192
2024	0.0000	0.0000	0.0000	0.4196	0.4196

Note: Forcelead's direct greenhouse gas emissions only include HFCs from refrigeration equipment.

6.5 Water resource management

Disclosure Topic: Water Management			
SASB Code	Metric	2023	2024
TC-SC-140a.1	Total water withdrawn	1,092.3830 (metric tons)	1,284.3543 (metric tons)
		1.0924 thousand cubic meters (million liters)	1.2844 thousand cubic meters (million liters)
		Forcelead's main operations in Tai Yuen Hi-Tech Industrial Park, Zhubei City, Hsinchu County, source freshwater from third-party suppliers. According to the Aqueduct Water Risk Atlas by the World Resources Institute (WRI), these locations are not classified as areas of high or extremely high water stress. Therefore, the percentage of water sourced from water-stressed regions is 0%.	
	total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	0 thousand cubic meters (million liters)	0 thousand cubic meters (million liters)
		Forcelead is in the chip design industry without production or manufacturing involvement. There is no process-related water consumption through evaporation, transpiration, or consumption, so this item is not applicable.	

Forcelead primarily provides technical services with no large-scale water demand. Water needs are for building public domestic water use, using tap water as the water source, which will not cause significant environmental impact on water resources and water source ecological environments. Nevertheless, Forcelead actively promotes water conservation activities to achieve water resource protection goals through domestic water conservation, reducing tap water consumption. All water sources use tap water without groundwater or well water use. As a fabless IC design business, the office itself has no process wastewater discharge. In 2024, Forcelead did not violate any relevant regulations nor was penalized by regulatory authorities related to water discharge.

Forcelead's 2024 water consumption was 1,284.3543 metric tons with water intensity of 0.8896, compared to 2023 water intensity of 0.7566, an increase of approximately 17.58%, mainly due to increased total personnel at the Hsinchu office. The Company was newly listed on TPEx in December 2024, thus 2024 is set as the baseline year. When office locations change in the future, we do not exclude the possibility of changing the baseline year and will continue to review whether there are more appropriate water efficiency indicators.

■ **Table 6-4** Water Consumption and Intensity

Year	Water Consumption (metric tons)	Water Intensity (metric tons per m ² of floor area)
2023	1,092.3830	0.7566
2024 (baseline year)	1,284.3543	0.8896

Note: 1. Water consumption intensity = Water consumption (metric tons) / Floor area (m²).

Note:2. Inventory scope covers headquarters Hsinchu office.

The Company has been paying attention to energy conservation and environmental protection issues in water resources for a long time, and will continue to invest in multiple improvement measures. In terms of water-saving plans, we comprehensively implement water conservation in daily life, including the installation of sensing faucets, water-saving devices, and two-stage toilets, save appropriate water volume, and clearly mark water conservation propaganda at each water use point, in order to maximize the benefits of available water resources. The Company operates from an office building and is committed to the efficient use of water resources with the goal of achieving a 1% reduction in water intensity compared to the baseline year of 2024.

6.6 Waste management

Disclosure Topic: Waste Management			
SASB Code	Metric	2023	2024
TC-SC-150a.1	(1) amount of hazardous waste from manufacturing,	-	-
	(2) percentage recycled	<p>Forcelead outsources 100% of its product manufacturing and therefore does not generate hazardous industrial waste from its own operating activities. In terms of operational management, defective chips returned from contract manufacturers are handed over to licensed waste management service providers for appropriate classification, recycling, and final disposal.</p>	

6.6.1 Generation of Waste and Significant Waste-Related Impacts

To reduce the harmful impact of waste generated during operations on the environment, Forcelead classifies generated waste into domestic and small amounts of industrial waste, following relevant regulations by commissioning qualified waste treatment companies for processing, effectively controlling waste output and maximizing recycling and reuse concepts. The Company's waste comes from household garbage, which is divided into general waste, kitchen waste, and recyclable materials. Employees gather the waste in a temporary storage area. Then, the cleaning company confirms the recycling classification and transports it to the designated recycling area in the Tai Yuen Hi-Tech Industrial Park. The waste is then handled by a qualified waste disposal company, which takes it to the incineration plant for treatment. Industrial waste comes from defective product returns from outsourced manufacturers required for product development and testing, including general industrial waste and electronic waste (wafer, plastic/roll/film, discarded chips, gold-plated boards, etc.), commissioned by our company to qualified treatment companies. Quantity statistics come from recycling and transportation company disposal reports after loading and processing.

Forcelead is committed to environmental protection, monitoring waste generation amounts through annual performance review by the Sustainability and Risk Management Committee, and setting waste output targets toward resource circulation and zero waste. For implementation, the Company's 2024 waste intensity was 0.0018 (metric tons/NT\$ million), compared to 2023 waste intensity of 0.0023 (metric tons/NT\$ million), approximately 21.74% reduction. The Company was newly listed on TPEx in December 2024, thus 2024 is set as the baseline year. When office locations change in the future, we do not exclude the possibility of changing the baseline year.

■ **Table 6-5** Waste Output

Year	Domestic Waste (metric tons)	Industrial waste (metric tons)	Total Waste Weight (metric tons)	Waste Intensity (metric tons/NT\$ million)
2023	5.0640	0.9149	5.9789	0.0023
2024 (Baseline Year)	3.8902	1.5706	5.4608	0.0018

Note 1. The statistics for household waste are based on the total waste generation per phase in the Tai Yuen Hi-Tech Industrial Park, where our office is located, divided by the total number of people at the park, then multiplied by the Company's estimated number of employees.

Note 2. Waste Intensity = Total waste volume ÷ Forcelead individual revenue (in NT\$ million).

■ **Table 6-6** Industrial Waste Disposal Overview

Unit: metric tons

Category	Disposal Site	Main Types of Waste	Treatment Method	2023	2024
General industrial waste	Off-site	Wood, packaging scraps	Incineration (including energy recovery)	0.0470	0.1083
		Plastics, waste paper, stainless steel, iron	Recycling and Reuse	0.4149	0.8292
Hazardous industrial waste ^(Nottet)	Off-site	Electronic waste	Outsourced recycling and treatment	0.4530	0.6331
Total Industrial Waste Volume				0.9149	1.5706 ^(Note)
Industrial Waste Recycling Rate				94.86%	93.10%
Industrial Waste Intensity				0.0003	0.0005

Note 1. Forcelead is a fabless IC design company; all manufacturing processes are outsourced to professional foundries and assembly & testing service providers. The hazardous industrial waste reported originates from defective products returned by these outsourced manufacturers, rather than from Forcelead's own operational or manufacturing activities.

Note 2. Due to increased chip production by Forcelead in 2024, industrial waste total increased significantly (71.67% year-over-year).

Note 3. The data presented is based on Forcelead's internal compilation of recycling reports provided by waste disposal vendors and may differ slightly from government-reported figures.

Note 4. Industrial Waste Recycling Rate = Weight of waste categorized under "Recycling and Reuse" and "Outsourced Recycling and Treatment" ÷ "Total Industrial Waste Volume."

Note 5. Industrial Waste Intensity = Total industrial waste volume ÷ Forcelead standalone revenue (in NT\$ million).

“Resource Recycling and Zero Waste” is the ultimate goal of the Company's waste management program. Forcelead has established "Environmental Control Procedures" to implement resource recovery mechanisms for general waste and general industrial waste. Using strategies of total waste reduction and waste resource reuse, through cooperative manufacturer process technology improvements and raw material reduction and other upstream management measures, we reduce waste output to achieve the goal of 1% annual waste intensity reduction (using 2024 as baseline year). Efforts include strict waste sorting, food waste recycling, reducing the use of printing paper, minimizing disposable utensils and paper cups, and encouraging employees to use reusable utensils and water bottles. In 2024, Forcelead did not violate any relevant regulations nor was penalized by regulatory authorities.

7

Appendix

7.1 GRI 2021 Standards Index

7.2 SASB Standards Index: Semiconductor Industry Disclosure Topics & Metrics

7.3 Financial Supervisory Commission Sustainability Disclosure Indicators: Semiconductor Industry

7.4 Climate-Related Information for TWSE/TPEX-Listed Companies

7.5 External Assurance Statement

7.1 GRI 2021 Standards Index

Statement of Use	Forecelead reports the content covering the period from January 1, 2024, to December 31, 2024, in accordance with the GRI Standards.
GRI used	GRI 1 : Foundation 2021
Applicable GRI Sector Standard(s)	During the reporting period of this report, no applicable GRI Sector Standards were available.

GRI Standard	Disclosure Item	Corresponding Chapter / Description	Page
General Disclosures	The organization and its reporting practices		
	2-1 Organizational details	2.1 Company Profile	28
	2-2 Entities included in the organization's sustainability reporting	About the Report	4
	2-3 Reporting period, frequency and contact point	About the Report	4
	2-4 Restatements of information	No restatements of information	-
	2-5 External assurance	About the Report	4
		7.5 External Assurance Statement	95
	Activities and workers		
	2-6 Activities, value chain and other business relationships	2.1 Company Profile	28
		3.1 Product Introduction	46
		4.3 Supply Chain Management	54
	2-7 Employees	5.2 Recruitment and Retention	63
	2-8 Workers who are not employees	Outsourced workers (cleaning staff): 1 person	-
	Governance		
	2-9 Governance structure and composition	2.3 Corporate Governance	33
	2-10 Nomination and selection of the highest governance body	2.3 Corporate Governance	33
	2-11 Chair of the highest governance body	2.3 Corporate Governance	33
	2-12 Role of the highest governance body in overseeing the management of impacts	1.3 Identification of Significant Sustainability Issue	12
		2.3 Corporate Governance	33
	2-13 Delegation of responsibility for managing impacts	1.1 ESG Sustainability Policy	8
		1.5 Management Approach for Material Topics	19
	2-14 Role of the highest governance body in sustainability reporting	About the Report - Management Style	4
		2.3 Corporate Governance	33
GRI 2: General Disclosures 2021			

GRI Standard	Disclosure Item	Corresponding Chapter / Description	Page
GRI 2: General Disclosures 2021	2-15 Conflicts of interest	2.4 Integrity Management	43
	2-16 Communication of critical concerns	1.2 Identifying Important Stakeholders	9
		2.3 Corporate Governance	31
		2.4 Integrity Management	43
	2-17 Collective knowledge of the highest governance body	2.3 Corporate Governance	35
	2-18 Evaluation of the performance of the highest governance body	2.3 Corporate Governance	36
	2-19 Remuneration policies	2.3 Corporate Governance	37
	2-20 Process to determine remuneration	2.3 Corporate Governance	37
	2-21 Annual total compensation ratio	5.2 Recruitment and Retention The Company discloses information in accordance with relevant regulations and ensures that its compensation policies are competitive and fair within the market. Through a comprehensive compensation and performance evaluation mechanism, we ensure that the remuneration structures for senior management and Board members align with the Company's long-term development and the interests of shareholders. This report focuses on sustainability-related indicators; therefore, individual compensation details are not disclosed separately.	68
	Strategy, policies and practices		
	2-22 Statement on sustainable development strategy	Message from the Chairman	3
	2-23 Policy commitments	1.1 ESG Sustainability Policy	8
		5.1 Human Rights Management Please refer to Forcelead's official website: ESG > Corporate Sustainability Policy https://www.forcelead.com.tw/index/esg/	61
	2-24 Embedding policy commitments	1.1 ESG Sustainability Policy Please refer to Forcelead's annual report » The State of The Company's Performance of Social Responsibilities	8
	2-25 Processes to remediate negative impacts	1.3 Identification of Significant Sustainability Issue	16
		About the Report - Grievance Mechanisms	4
		2.4 Integrity Management	43
5.5 Employee Relation		72	
2-26 Mechanisms for seeking advice and raising concerns	About the Report - Grievance Mechanisms	4	
	2.4 Integrity Management	43	
	5.5 Employee Relation	72	
2-27 Compliance with laws and regulations	2.3 Corporate Governance No major violations in 2024.	31	
2-28 Membership associations	Forcelead has not yet participated in any external organizations or associations.	-	

GRI Standard	Disclosure Item	Corresponding Chapter / Description	Page
GRI 2: General Disclosures 2021	Stakeholder engagement		
	2-29 Approach to stakeholder engagement	1.2 Identifying Important Stakeholders	9
	2-30 Collective bargaining agreements	Forcelead has not yet established a corporate union, so there are no collective bargaining agreements. However, Forcelead holds regular labor-management meetings to ensure transparent and smooth labor-management communication channels.	-
Material Topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	1.3 Identification of Significant Sustainability Issue	12
	3-2 List of material topics	1.3 Identification of Significant Sustainability Issue	13
	3-3 Management of material topics	1.5 Management Approach for Material Topics	19
GRI Standard	Disclosure Item	Corresponding Chapter / Description	Page
GRI 201: Economic Performance 2016			
GRI 3: Material Topics 2021	Management of material topics	1.5 Management Approach for Material Topics	21
201-1	Direct economic value generated and distributed	2.2 Business Development	30
201-2	Financial implications and other risks and opportunities due to climate change	6.3 Climate Governance (TCFD)	77
201-3	Defined benefit plan obligations and other retirement plans	5.2 Recruitment and Retention	63
201-4	Financial assistance received from government	2.2 Business Development (R&D investment tax credits not disclosed) 5.4 Health Promotion Program	30 70
GRI 204: Procurement Practices 2016			
GRI 3: Material Topics 2021	Management of material topics	1.5 Management Approach for Material Topics	22
204-1	Proportion of spending on local suppliers	6.1 Procurement of Raw Materials	75
GRI 308: Supplier Environmental Assessment 2016			
GRI 3: Material Topics 2021	Management of material topics	1.5 Management Approach for Material Topics	26
308-1	New suppliers that were screened using environmental criteria	4.3 Supply Chain Management	54
308-2	Negative environmental impacts in the supply chain and actions taken	4.3 Supply Chain Management	56
GRI 402: Labor/Management Relations 2016			
GRI 3: Material Topics 2021	Management of material topics	1.5 Management Approach for Material Topics	25



GRI Standard	Disclosure Item	Corresponding Chapter / Description	Page
402-1	Minimum notice periods regarding operational changes	5.5 Employee Relations	72
GRI 418: Customer Privacy 2016			
GRI 3: Material Topics 2021	Management of material topics	1.5 Management Approach for Material Topics	24
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.2 Customer Privacy	52
Custom Material Topics: Business ethics			
GRI 3: Material Topics 2021	Management of material topics	1.5 Management Approach for Material Topics	19
Custom Material Topics: Innovation Management			
GRI 3: Material Topics 2021	Management of material topics	1.5 Management Approach for Material Topics	20
Custom Material Topics: Intellectual property and legal compliance			
GRI 3: Material Topics 2021	Management of material topics	1.5 Management Approach for Material Topics	23

7.2 SASB Standards Index: Semiconductor Industry Disclosure Topics & Metrics

Topic /code	Metric description	Category	Unit of measure	Corresponding chapter / description	Page
Greenhouse Gas Emissions					
TC-SC-110a.1	(1) Gross global Scope 1 emissions and (2) amount of total emissions from perfluorinated compounds	Quantitative	Metric tonnes (t) CO ₂ -e	6.4 Greenhouse Gas Emissions Management	83
TC-SC-110a.2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	n/a	6.4 Greenhouse Gas Emissions Management	83
Energy Management in Manufacturing					
TC-SC-130a.1	1. Total energy consumed, 2. percentage grid electricity and 3. ercentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	6.2 Energy Management	76
Water Management					
TC-SC-140a.1	1. Total water withdrawn, 2. Total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic metres (m ³), Percentage (%)	6.5 Water Resource Management	84
Waste Management					
TC-SC-150a.1	1. Amount of hazardous waste from manufacturing 2. percentage recycled	Quantitative	Metric tonnes(t), Percentage (%)	6.6 Waste Management	84
Workforce Health & Safety					
TC-SC-320a.1	Description of efforts to assess, monitor, and reduce exposure of workforce to human health hazards	Discussion and Analysis	n/a	5.4 Health Promotion Program	70
TC-SC-320a.2	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations	Quantitative	Presentation currency	0 5.4 Health Promotion Program	70
Recruiting & Managing a Global & Skilled Workforce					
TC-SC-330a.1	Percentage of employees that require a work visa	Quantitative	Percentage (%)	0% 5.2 Recruitment and Retention	63

Topic /code	Metric description	Category	Unit of measure	Corresponding chapter / description	Page
Product Lifecycle Management					
TC-SC-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	Percentage (%)	0% 3.4Sustainable Products	49
TC-SC-410a.2	Processor energy efficiency at a system-level for: (1) servers, (2) desktops and (3) laptops	Quantitative	Various, by product category	Not applicable 3.4 Sustainable Products	49
Materials Sourcing					
TC-SC-440a.1	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	6.1 Procurement of Raw Materials	75
Intellectual Property Protection & Competitive Behaviour					
TC-SC-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	Quantitative	Presentation currency	0 2.5 Intellectual Property Rights Protection and Competitive Behavior	44

Activity metric

	Code	Category	Unit of Measure	Corresponding chapter / description	Page
Total production	TC-SC-000.A	Quantitative	Chips (thousands of units)	3.1 Product Introduction	46
Percentage of production from owned facilities	TC-SC-000.B	Quantitative	Percentage (%)	0% 3.1 Product Introduction	46

7.3 Financial Supervisory Commission Sustainability Disclosure Indicators: Semiconductor Industry

No.	Indicator	Indicator Type	Annual Disclosure	Unit	Page
1	Total energy consumption, percentage of purchased electricity, utilization rate(renewable energy)	Quantitative	6.2 Energy Management	Gigajoules (GJ)/Percentage (%)	76
2	Total water withdrawn, total water consumption	Quantitative	6.5 Water Resource Management	Thousand cubic meters (1,000 m³)	84
3	Total hazardous waste generated and percentage recycled	Quantitative	6.6 Waste Management	Metric tons (t)/Percentage (%)	85
4	Types of, number of employees in and rate of occupational accidents	Quantitative	5.4 Health Promotion Program	Quantity/Percentage (%)	70
5	Product Lifecycle Management Disclosure: including weights of scraps and electronic waste and percentage recycled	Quantitative	3.4 Sustainable Products 6.6 Waste Management	Metric tons (t)/Percentage (%)	49 85
6	Description of the management of risks associated with the use of critical materials	Qualitative description	6.1 Procurement of Raw Materials	Not applicable	75
7	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	2.5 Intellectual Property Rights Protection and Competitive Behavior	Reporting currency	44
8	Production by product category	Quantitative	3.1 Product Introduction	Thousands of units	46



7.4 Climate-Related Information for TWSE/TPEX-Listed Companies

Item	Content	Corresponding Chapter	Page
1	Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	6.3 Climate Governance (TCFD)	77
2	Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	6.3 Climate Governance (TCFD)	78
3	Describe the financial impact of extreme weather events and transformative actions.	6.3 Climate Governance (TCFD)	79
4	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	6.3 Climate Governance (TCFD)	79
5	If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	6.3 Climate Governance (TCFD)	80
6	If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	6.3 Climate Governance (TCFD)	81
7	If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	6.3 Climate Governance (TCFD)	81
8	If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	6.3 Climate Governance (TCFD)	82
9-1-1	Greenhouse gas inventory information for the most recent 2 fiscal years.	6.4 Greenhouse Gas Emission Management	83
9-1-2	Greenhouse gas assurance information for the most recent 2 fiscal years.	7.4.1 Greenhouse Gas Assurance Information	94
9-2	Greenhouse gas reduction targets, strategies, and concrete action plans.	6.3 Climate Governance (TCFD)	82

7.4.1 Greenhouse Gas Assurance Information

The company is classified as a company with capital below NT\$5 billion and has no subsidiaries. According to the Sustainable Development Roadmap for TWSE/TPEX-Listed Companies, the company is required to disclose greenhouse gas inventory information at the following points in time :

1. In 2026, the company shall complete the 2025 greenhouse gas inventory and disclose the information in the annual report. In 2028, the company shall complete the 2027 greenhouse gas inventory along with the assurance results, and disclose both the inventory information and assurance results in the annual report.
2. The 2023 and 2024 greenhouse gas inventories are voluntary disclosures.

Forcelead Technology Corp.	2023	2024
Assurance institution	-	-
Assurance statement	-	-
Assurance opinion/conclusion	-	-

7.5 External Assurance Statement

<div></div> <div><h3>Independent Assurance Statement</h3><p>To the Management and Stakeholders of Forcelead Technology Corp.</p><p>DQS has been engaged by Forcelead Technology Corporation to provide independent assurance over the Sustainability Report 2024. The engagement took place in May 2025.</p><p>The objective of this assurance engagement was to independently express conclusions on underlying reporting processes and validate qualitative and quantitative claims, so as to limit misinterpretation by stakeholders and increase the overall credibility of the reported information and data.</p><p>Scope of assurance and standards</p><p>The assurance encompassed the entire sustainability report and focused on all figures, statements and claims related to sustainability during the reporting period January 2024 to December 2024.</p><p>The assurance engagement was performed in accordance of the AA1000 Assurance Standard (AA1000AS v3) and GRI Standards 2021 of Global sustainability standard board (GSSB), which consists of:</p><ul style="list-style-type: none">Evaluating the company's sustainability framework and processes using the inclusivity, materiality, responsiveness and impact criteria of the AA1000 AccountAbility Principles (AA1000AP 2018), andEvaluating the quality of the reported sustainability performance information – Economy, Environment and People (including Human Rights), the period from 1 January 2024 to 31 December 2024.Report scope: Financial information based on Forcelead Technology Corp. , the source of the 2024 financial data is public information confirmed by accounting firms. Non-financial information (economic, environmental, People (including human rights)) : Forcelead Technology Corp. Hsinchu and Tainan offices.Forcelead Technology Corp. is responsible for the issuance, response, performance data, case studies and the information related to management sustainability related data and information systems;The report is in accordance to the requirements of GRI Standards 2021, Sustainability Accounting Standards Board (SASB) Semiconductor sector, the sustainability indicators of Financial Supervisory Commission Semiconductor sector and Task Force on Climate-related Financial Disclosures (TCFD).<p>Level of assurance</p><p>A Type 2 Moderate Level of assurance under AA1000AS v3 2020 was provided for this engagement which contains Type 2 High Level for 5 disclosures of SASB Standards (SASB TC-SC-110a.1 ~ 110a.2 ~</p><div><div>DQS Taiwan Inc. 8F, 23, Yuan Huan West Road, Feng Yuan Dist., Taichung City, Taiwan 420014</div><div>document no.: TF-0065  www.dqsglobal.com</div></div></div>	<div></div> <div><p>130a.1 ~ 140a.1 ~ 150a.1). Information and performance data subject to assurance is limited to the scope described above.</p><p>Limitations</p><p>The assurance did not cover financial data, technical descriptions of buildings, equipment and production processes or other information not related to sustainability.</p><p>The assurance engagement is not a compliance audit and does not assess or evaluate compliance with applicable laws and regulations.</p><p>Independence and Competences of the Assurance Provider</p><p>The DQS Group is an independent professional services firm that provides assurance on sustainability disclosures under the Global Reporting Initiative (GRI), CDP and other specialized management and reporting mechanisms. Independent verifiers have not been involved in the development of the report or have they been associated with Forcelead Technology Corp. sustainability program, data collection or strategic processes.</p><p>DQS Group ensures that the assurance team possesses the required competencies, maintained neutrality and performed ethically throughout the engagement. Further information, including a statement of impartiality, can be found at: www.dqsglobal.com .</p><p>The management of Forcelead Technology Corp. was responsible for the preparation of the sustainability data.</p><p>Assurance Methodology</p><p>The assurance procedures and principles used for this engagement were drawn from the International Standard AA1000AS 2020 and methodology developed by DQS, which consists of the following steps:</p><ol style="list-style-type: none">Identifying statements and data sets, which are classified according to the relevant data owners and the type of evidence required for the verification process.Reviewing the Sustainability Report to determine whether the material topics identified during our procedures have been adequately disclosed.Carrying out interviews with key functional managers and data owners at Forcelead Technology Corp. office in 6F-9, No 5, Taiyuan 1st St., Zhubei City 302, Hsinchu County, Taiwan.Assessing the collected information and provide recommendations for immediate correction where required or for future improvement of the report content.<p>Evaluation of the adherence to AA1000 AccountAbility Principles</p><div><div>DQS Taiwan Inc. 8F, 23, Yuan Huan West Road, Feng Yuan Dist., Taichung City, Taiwan 420014</div><div>document no.: TF-0065  www.dqsglobal.com</div></div></div>	<div></div> <div><p>Inclusivity – People should have a say in the decisions that impact them</p><p>The stakeholder identification and engagement process are documented and implemented through the Forcelead Technology Corp. Sustainability program and the Report well brings out key stakeholder concerns as material aspects of significant stakeholders.</p><p>Materiality – Decision makers should identify and be clear about the sustainability topics that matter</p><p>The sustainability data included in the scope of the assurance engagement consists of sustainability performance indicators for sustainability topics that are considered material, through a materiality assessment. In accordance with the IFRS sustainability disclosure standards, it was recommended to use “Double Materiality” for the material topics disclosure.</p><p>Responsiveness – Organizations should act transparently on material sustainability topics and their related impacts</p><p>Forcelead Technology Corp. is responding to those issues that it has identified as material and demonstrates this in sustainability performance indicators. The organization and its stakeholders can use the reported sustainability information as a reasonable basis for their opinions and decision-making.</p><p>Impact – Organizations should monitor, measure and be accountable for how their actions affect their broader ecosystems</p><p>Forcelead Technology Corp. has implemented systems to monitor and measure its economic, environmental and social impacts through selected performance indicators based on the GRI standards. It was recommended the further report could set up a comprehensive and robust sustainability data reporting approach on ecosystems.</p><p>Conclusion</p><p>On the basis of a moderate assurance engagement according to the above-listed criteria, nothing has come to our attention that causes us to believe that the disclosures within the scope of this assurance engagement are materially misstated. The processes for collecting and consolidating the data are structured in such a way as to enable independent verification.</p><p>On behalf of the assurance team</p><p>June 14, 2025</p><p>Taiwan</p><div><div> Bob Chen Managing Director DQS Taiwan Inc.</div><div></div></div><div><div>DQS Taiwan Inc. 8F, 23, Yuan Huan West Road, Feng Yuan Dist., Taichung City, Taiwan 420014</div><div>document no.: TF-0065  www.dqsglobal.com</div></div></div>
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