

# 2024 ESG INSIGHT REPORT



***FocalTech***

# FocalTech Systems Co., Ltd.

## Sustainability Vision

FocalTech is a specialized fabless IC design company that is primarily engaged in R&D, design, and testing of integrated circuits. As an IC design company FocalTech focuses on human-machine interface innovation, believes in integrating corporate responsibility, environmental protection, and social welfare into its core business philosophy while maintaining steady corporate development.

FocalTech's 2024 Sustainability Report was reviewed and validated by an independent third-party institution, DQS Taiwan Inc. The report has been prepared in accordance with the GRI General Reporting Guidelines 2021 edition and references SASB standards and the TCFD framework.

## 2024 Highlights

Sustainable Development Committee	50%	12.5%	21.66%	100%
Established in 2025 to elevate sustainable related oversight to functional committee	Independent Directors on the Board of Directors	Female Board Representation	Electricity consumption reduction in 2024 compared to 2023.	Key suppliers obtaining ISO 14001 and 45001 certifications.

## Sustainable Management Strategies

Mission	Strategy	Actions & Initiatives
<b>Stable Development</b> <ul style="list-style-type: none"> <li>Leading the future of touch products</li> <li>Innovative display technologies</li> </ul>	Corporate Sustainability and Robust Governance	<ul style="list-style-type: none"> <li>Corporate Governance Evaluation</li> <li>Continuous enhancement of information security protection</li> <li>Continuous monitoring and control of risks</li> </ul>
	Innovative Value Breakthrough	<ul style="list-style-type: none"> <li>Smaller products with less energy consumption</li> <li>Reduced number of mask layers</li> <li>Wider promotion of IC integration for end-use applications</li> </ul>
<b>Sustainable Operations</b> <p>With the spirit of perseverance, beliefs in integrity, and a philosophy of innovation, FocalTech will fulfill our responsibilities to sustainability.</p>	Sustainable Prosperity with Partners	Collaborating with major supply chain partners in promoting carbon reduction measures
	Green Environmental Protection	<ul style="list-style-type: none"> <li>Net-Zero Emissions Goal by 2050 Implementing ISO 14064-1 and completing verification</li> <li>Formulating yearly electricity/carbon reduction targets and plans</li> </ul>
	Friendly Workplace	Establish training-based individual development plans (IDP)
	Giving Back to Society	<ul style="list-style-type: none"> <li>Supporting semiconductor institutes Industry-academia collaboration programs with universities and colleges</li> <li>Combined efforts by the Company and its employees to support the underprivileged</li> </ul>

## Certifications

All certification cover Taiwan Headquarters and ISO 26262 also covers Shenzhen Operations. Other FocalTech locations are business and technical support locations. For certification details see [FocalTech website](#).

Certification	Accreditation Body	Validity
ISO 9001 Quality Management System	TUV NORD	2024 - 2027
ISO 14001 Environmental Management System	TUV NORD	2023 - 2026
ISO 14064-1:2018 Greenhouse Gas Inventory	TUV NORD	2024
ISO 45001 Occupational Health and Safety	TUV NORD	2023 - 2026
ISO 26262 Functional Safety Management System	DEKRA Testing and Certification GmbH	2024 - 2027
ISO 27001 Information Security Management System	TUV NORD	2024 - 2027

# Environmental

## Goals & Achievement

Timeframe	Description	2024 Achievement
Short Term	Conduct climate change risk and opportunity analysis and take response measures based on TCFD and Financial Supervisory Commission requirements.	✓
	Taking 2024 as the baseline year, achieve 1% carbon reduction by 2025.	Ongoing
	For 2024 compared to 2023 : a goal of 2% reduction in annual electricity consumption in Taiwan. <b>Achieved 21.66% reduction.</b>	✓
	Maintain an annual schedule for ISO 14064-1 GHG inventory and third-party verification.	✓
	Collaborative suppliers complete ISO 14064-1 GHG verification.	Ongoing
Medium-term	Research and gather information about renewable energy certificates and green energy options.	Ongoing
	Screen potential green energy providers.	Ongoing
Long-term	Continue implementing and evaluating energy-saving and carbon reduction strategies to achieve preset targets.	Ongoing
	Evaluate the feasibility of replacing current grid electricity consumption with green electricity by 2040 to reduce Category 2 carbon emissions.	Ongoing
	Use renewable energy and improve energy efficiency.	Ongoing
	Achieve the Net Zero Emissions by 2050 goal.	Ongoing

## Climate Change Related Risk and Opportunity Analysis (TCFD)

Since 2022, we have followed the TCFD framework to build a climate change management system to promote climate-related strategies.

As of 2025/11/07 Climate Change Governance Pyramid:



## Management Action Plans

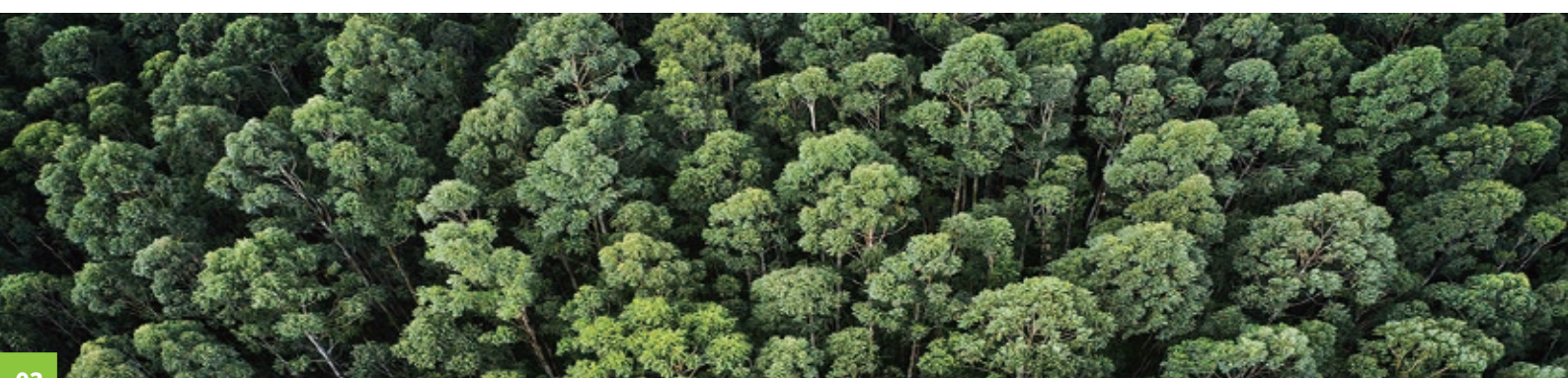
- Conduct climate change risk and opportunity assessment annually.
- Develop action plans based on the assessment results each year.
- Continuously monitor the effectiveness of the action plans.
- The Board oversees the team's planning and implementation.



## 2024 Short-, Medium-and Long-term Climate Risks

2024 Climate Change Risks	Financial Impact	Risk Level			Timescale		
		Low	Mid	High	Short	Med.	Long
<b>Transition Risk : Policies and Regulations</b>	Operating costs increase, causing reduction in profitability						
R1 Carbon fee collection		●				●	
<b>R2 Current regulatory compliance and disclosure requirements</b>				●	●		
R3 Requirements and regulations for existing products and services			●		●		
<b>Transition Risk : Technology</b>							
R4 Replacement of existing products and services with low- carbon commodities			●				●
R5 Costs of low-carbon technology transition (suppliers)			●			●	
<b>Transition Risk : Market</b>							
<b>R6 Customers make stricter demands on suppliers for ESG practices</b>				●		●	
<b>Transition Risk : Reputation</b>							
R7 Reputational risks stemming from non-compliance with environmental regulations		●				●	
<b>Physical Risk : Acute</b>							
R8 Intensified extreme weather events such as typhoons, floods, etc.		●				●	
<b>Physical Risk : Long-term</b>							
R9 Changes in rainfall (water) patterns and extreme changes in climate patterns			●			●	
R10 Global average temperature rise			●				●
R11 Global sea level rise			●				●

Climate Change Opportunities	Financial Impact	Risk Level			Timescale		
		Low	Mid	High	Short	Med.	Long
<b>Resource Efficiency</b>	Operating costs are reduced and profits are increased						
O1 Reduction in water withdrawal and water consumption		●				●	
O2 Opting for more efficient suppliers			●			●	
O3 Recycling and reuse			●			●	
O4 Improving green energy use in buildings		●					●
O5 Adopting more efficient modes of transportation	Operating costs slightly increase, but overall profits are enhanced		●			●	
<b>Market</b>							
<b>O6 Adopting new technology</b>				●		●	
<b>Product and Services</b>							
O7 Development of R&D and innovation in products and services			●				●
<b>Energy Source</b>							
O8 Transition to distributed energy resources (DERs)		●					●



## Climate-related risks and response measures

Market Risk	Legal Risk
<p>● <b>Description of risk :</b> Major customers (e.g., Apple) increasingly expect higher standards for supply chain sustainability, and market demand is shifting toward low-carbon and energy-efficient solutions or products. Failing to adhere to these standards could lead to lost sales and diminished brand trust.</p> <p>● <b>FocalTech's response :</b> Proactively develop low-carbon technologies and energy-efficient products, improve ESG performance, and work with major customers to promote carbon reduction plans to consolidate customer relationships and market competitiveness.</p>	<p>● <b>Description of risk :</b> More stringent global climate policies such as Taiwan's Climate Change Response Act, the EU's Carbon Border Adjustment Mechanism (CBAM), etc. have been enforced that require companies to disclose their carbon emissions and develop carbon reduction plans, which will increase compliance pressure and operating costs.</p> <p>● <b>FocalTech's response :</b> FocalTech responds to the increasingly stringent global climate policies and carbon management requirements by strengthening carbon inventory and information disclosure, formulating medium-/long-term carbon reduction goals, and implementing renewable energy plans to reduce operating risks and ensure compliance.</p>

## Climate-related opportunities and promotion strategies

Low-carbon technology innovation
<p>● <b>Opportunity :</b> In response to the rapidly growing global demand for energy-efficient and low-carbon products, FocalTech can explore emerging markets and enhance brand value through innovation in power management, energy storage and green products.</p> <p>● <b>Strategy implementation :</b> Increase investment in low-carbon technology R&amp;D, launch new products that meet international sustainability standards, and increase the market share of low-carbon products through marketing initiatives.</p>

## Greenhouse Gas Emissions

Beginning in 2024, we have adopted the emission intensity per in-production area unit as the primary metric for assessing GHG performance. In accordance with the ISO 14064-1:2018 standard, we have formally incorporated Categories 3 to 6 emission items into our inventory scope. Obtained ISO 14064-1:2018 third-party verification for 2023 and 2024.

The base year has been adjusted to 2024, as opposed to originally 2023, due to the adjustment in scope based on the Operating Procedures for Greenhouse Gas Inventory Management. The scope of inventory in 2024 expanded to include FocalTech Systems, Inc. and FocalTech Electronics Co.,Ltd. operating locations.

Long-term goal of achieving Net-zero by 2025				
GHG Emissions	Unit	2022	2023	2024
Taiwan Total	Metric tons CO <sub>2</sub> e	1,127.79	162,171.94	1,456.19
Scope 1		87.98	46.19	45.12
Scope 2		1,039.81	883.87	807.03
Scope 3		-	161,291.88	604.04
Other Regions Total		-	17,472.13	726.87
Scope 1		-	1,659.84	51.39
Scope 2		-	292.57	423.86
Scope 3		-	15,519.72	251.61
Combined GHG Intensity	Metrics tons CO <sub>2</sub> e / NT\$million revenues	-	13.24	0.15

Notes :

- The operational control method was adopted for emissions calculation.
- The greenhouse gases encompassed in the Center's inventory include CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, and NF<sub>3</sub>.
- Category 1 emission sources include fugitive emissions from fire extinguishers, refrigeration and freezing equipment, and air conditioners. For Category 2 emission sources, please refer to the electricity statistics of each location of operation. Categories 3-6 emissions encompass emissions from downstream transportation and distribution, employee commuting, and treatment of waste generated in operations.
- The GWP values stated in the IPCC Sixth Assessment Report (2021) were used in calculation.
- 2024 consolidated revenue was NT\$14.539 billion.
- Emission intensity formula: Total emissions (CO<sub>2</sub>e) ÷ NT\$ million of revenue.

## Energy Management

The Taiwan Server Room achieved 21.66% Energy Consumption Reduction for 2024 compared to 2023.

FocalTech has predominantly office-based operations. The main source of energy is purchased electricity. Currently, neither the Taiwan headquarters nor the mainland China subsidiaries use renewable energy.

After moving from a leased office to a self-owned office in June 2022, the Company adopted our own environmental initiatives for energy saving and carbon reduction. By installing programmable logic controller (PLC) control systems in the new office to integrate multiple systems, **a total of NT\$ 834,000 was invested in energy-saving equipment & facilities.**

### Measures taken in Taiwan headquarters :

- Employ a PLC system to monitor and keep temperatures (and associated humidity level) within a 24–25°C range in summer and 25–27°C in winter.
- In winter, use energy recovery ventilators (ERVs) to transfer heat from the outgoing warm indoor air to the incoming cold outdoor air.
- Modify existing ERVs to extract hot air from the server room and replenish the office area with cool air.
- Install LED panel lights: Electricity consumption was reduced by 35.27%.
- All windows in the west area are equipped with heat-insulating film and circulation fans. The set temperature of the IT room was raised from 22°C to 24°C.
- In 2024, by implementing a hot/cold aisle containment strategy in server room and adjusting vents to optimize airflow, server room's electricity consumption decreased by 21.66% compared to 2023.

### Measures taken in mainland China subsidiaries :

- Employ a PLC system to monitor and control temperature (and associated humidity level) at 26°C in summer, and deactivate the controller in winter.
- Reduce lighting hours and the number of lights in public areas.
- The server room temperature was raised from 20°C to 24°C.

Energy Consumption	Unit	2021	2022	2023	2024
Taiwan	GJ	633.42	732.85	6,077	6,124
Taiwan Energy Intensity	GJ/m <sup>2</sup>	0.0868	0.0550	0.456	-
Others	GJ	-	-	1,847	3,594
Other Regions Intensity	GJ/m <sup>2</sup>	-	-	0.247	-
Total Energy Intensity	GJ/million	-	-	-	0.668

## Water Resource Management

As the Company is not a manufacturing business, none of our operating locations are situated in regions with high or extremely high baseline water stress. The water consumed is from tap water and is for domestic use. The Company's water consumption does not cause significant environmental impact on water resources and the ecological environment of source water areas. No illegal pollution incidents occurred in 2024.

## Waste Management

No environmental penalties were imposed by the competent authorities in 2024.

FocalTech reduce waste and production costs through process improvement and operation management, and develop and opt for non-polluting and low-pollution design process. FocalTech outsources product manufacturing to external specialized wafer foundries and packaging and testing plants, while defective IC products are recycled through effective management procedures. All waste is recycled and reused by qualified waste removal and treatment vendors, who extract precious metals from the defective products, then enters a new production cycle, thus reducing resource waste.

FocalTech's general industrial waste includes other recyclable materials such as waste cartons, waste plastics. 10.47 kilograms of gold was recovered from 0.459 metric tons of waste ICs, achieving a recycling rate of 2.3%.

Waste Management	Unit	2022	2023	2024
Total Waste	Metric ton	3.468	2.001	38.67
General Waste		2.796	1.533	38.21
Wafer Waste		0.672	0.468	0.459

## R&D and Patents

R&D expenses in 2024 were 14.67% of total revenue	Patents Acquired	2021	2022	2023	2024
		704	759	923	979

## Clean Tech & Eco-Products

FocalTech incorporates environmental considerations from the very beginning of chip design and manufacturing. Through 'Green Innovation' in chip technology, we help the display panel and smart device industries achieve win-win outcomes in energy savings, efficiency improvements, cost reductions, and enhanced environmental value.

### Leverage AI to enhance operational efficiency

FocalTech employs AI big data analytics to shorten design cycles and reduce errors while integrating AI models into touch and fingerprint recognition algorithms to improve accuracy. FocalTech uses single-chip solutions to integrate both touch and pressure sensing capabilities; by integrating FocalTech's AI self-learning mechanisms, the touch solution can automatically adapt to an appropriate force based on user's habits, and continuously optimize palm touch identification to bring a truly customized experience to each laptop touchpad.



### Display Driver Chips (DDIC) Local Dimming Technology

The FT7780 is FocalTech's first automotive bridge IC developed for the mainstream 10"-28" automotive display local dimming systems. The controllable function sections ("zones") have been increased to an industry standard of over 1,000 zones to 1,560 zones to drive larger panels (applied in 28" panel displays).



### Touch and Display Driver Integration

- Integrating LCD panel with touch panel reduces touch module manufacturing processes and lowers production costs.
- In-Cell technology allows for thinner and lighter LCD product design particularly in high-end products.
- Removing the external touch module cover glass makes the display brighter and saves power consumption at the same brightness.
- Ultra-low power consumption AMOLED ID (TDDI) & DDIC for smart wearables.



### High Performance Touch Controller IC Technologies

**Low power consumption :** The seamless switching between full-screen common mode scanning and mutual-capacitive architecture effectively reduces power consumption and extends an end-product's uptime for a variety of operating modes. Low power consumption in wake-up gesture mode improves operating convenience and extends standby time.



### POLED Displays for Mobile Devices

#### Low power consumption :

The seamless switching between full-screen common mode scanning and mutual-capacitive architecture effectively reduces power consumption and extends an end-product's uptime for a variety of operating modes. Low power consumption in wake-up gesture mode improves operating convenience and extends standby time.

#### Reduced material consumption :

Based on the FT3681, the FT3383 is a touch IC with a smaller package designed for screens in the 4" range. The size has been reduced by 19% to match smaller devices, minimizing packaging material such as compound materials, PCB and gold wires.



## Sustainable Bond Investments

### NT\$9.75 million First Commercial Bank

Certified by the OTC Exchange, supporting renewable energy, carbon reduction, and environmental improvement projects.

### NT\$10 million E.Sun Commercial Bank

Certified by the Taiwan Stock Exchange, with proceeds allocated to renewable energy, energy technology development, and biodiversity conservation projects.

## Social

FocalTech values employee rights and interests, and is committed to building a friendly and equal work environment based on gender equality policies and a workplace culture of mutual respect. The Company offers market-competitive remuneration and benefits, and implements a variety of talent development measures to improve employee engagement and commitment for the organization's stable operation

### Human Rights Protection

FocalTech follows the principles of the Universal Declaration of Human Rights, UN Global Compact, UN Guiding Principles on Business and Human Rights, the International Labor Organization's Declaration of Fundamental Principles and Rights at Work, and other related international human rights conventions for protecting basic human rights.



No Child Labor



Non-Discrimination Policy



No Forced Labor



Occupational Safety & Safety



Gender Equality



Humane & Fair Treatment



Freedom of Association



Care for Vulnerable Groups

FocalTech is committed to inclusive recruitment and employment practices by adhering to the principles of fairness and openness without discrimination based on gender, age, race, religious beliefs or political affiliation to ensure every employee's equal employment opportunity. We have also formulated internal management directions in accordance with domestic labor and human rights laws and regulations to rigorously safeguard employee rights and interests.

To increase human rights awareness, FocalTech regularly promotes human rights and fair labor practices among all employees (including new hires and current employees), and incorporates the human rights policy into new employee educational training. **In 2024, 61 participants completed the human rights educational training in Taiwan, and 40 participants completed the training in FocalTech mainland China subsidiaries.**

**No human rights violations were reported in 2024.**

### Employee Composition

FocalTech is a high-tech specialized IC design company that requires expert personnel for our operations. Since talent cultivation is a difficult endeavor, the Company strives to reduce staff turnover and achieve talent sustainability through well-established benefits system and friendly work environment. **FocalTech was a awarded 2024 Shenzhen Best Employer Award for a growing enterprise.**

Composition	2022		2023		2024	
	Full-time	Contractors	Full-time	Contractors	Full-time	Contractors
<b>Total Employees (excl. Dispatch)</b>	<b>420</b>		<b>806</b>		<b>850</b>	
<b>Gender</b> Male	342	2	645	2	689	2
Female	75	1	158	1	158	1
<b>Region</b> Taiwan	414	3	428	3	443	3
Overseas	3	-	375	-	404	-
Dispatched Workers	3		-		-	

### Employee Diversity & Inclusivity

		2023	2024
<b>Employment of Persons with Disabilities</b>	<b>Total</b>	6	6
	Male	5	5
	Female	1	1
<b>Employment of Foreign Nationals</b>	<b>Total</b>	3	3
	Male	3	3
	Female	0	0

## Employee Turnover (Taiwan & Mainland China)

Turnover	2022	2023	2024
Turnover Rate %	23%	11%	7.9%
New Hires Total	88	81	113
Male	69	64	96
Female	19	17	17
Resigned Employees	98	89	67
Male	77	76	52
Female	21	13	15

## Salary Structure

FocalTech conducts employee salary adjustments based on each year's operating goal achievement status and the Company's overall profit performance, and is committed to providing compensation packages that surpass local legal and market standards. The Company conducts regular performance evaluations and career development reviews, then adopts the results as an important reference for individual promotion and career advancement.

Subsequent salary adjustments are made based on job content and individual employee performance, with no discrimination based on gender factors. With respect to entry-level employee compensation, standard salaries for the Company's non-managerial personnel (both male and female) are above local statutory minimums.

## Gender Pay Equality (Female:Male)

	2023	2024
<b>Taiwan</b>		
General Employees	1 : 1.27	1 : 1.27
Supervisors	1 : 1.34	1 : 1.45
<b>Mainland China</b>		
General Employees	1 : 1.17	1 : 1.17
Supervisors	1 : 1.19	1 : 1.19

## Employee Benefits Beyond Legal Requirements

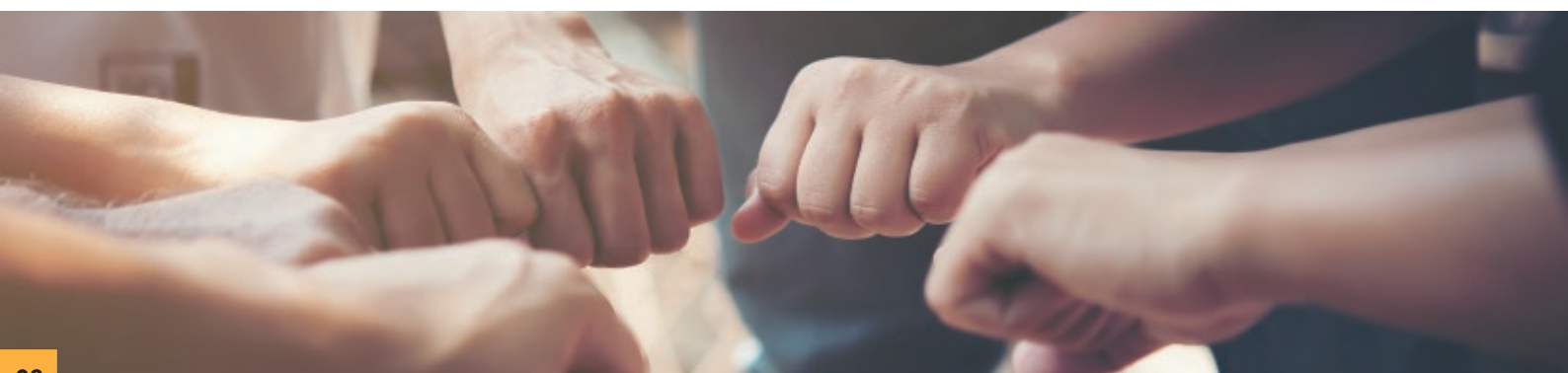
FocalTech has established our Employee Welfare Committee in accordance with the Directions on Employee Welfare Committee Establishment and Operations. The Committee holds regular meetings to discuss and implement a variety of benefit measures for employee well-being enhancement, and organizes a variety of activities to promote physical and mental health and positive interactions among employees to reinforce workplace cohesiveness. **In 2024, we spent approximately NT\$60 million on employee benefits, allowing 450 employees to access a variety of work-life benefits.**

## Statutory Welfare (Taiwan)

Labor Insurance and National Health Insurance	Pension contribution	Parental Leave and maternity leave
Annual leave	Regular health examination	Pregnancy checkup leave, pregnancy checkup accompaniment leave, and paternity leave

## Statutory Welfare(Mainland China)

Five Insurances (pension, health,maternity, unemployment, work-related injury) & Housing Provident Fund	Statutory Leave	Year-End Bonus
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## Additional Company Benefits

		Taiwan	Mainland China
Bridge holiday	The Company provides paid leave in addition to statutory requirements.	✓	
Year-end bonus	The Company provides employees with a year-end bonus, equal to two months' pay, depending on Company operating status.	✓	
Festival gift vouchers	Employees who have served the Company for at least three months receive gift vouchers for Lunar New Year, Labor Day, Dragon Boat Festival and Mid-Autumn Festival.	✓	✓
Wedding, celebration, funeral, and hospitalization subsidies	Include childbirth gift money, wedding gift money, funeral subsidies, hospitalization funds, and birthday gift vouchers.	✓	
Company trips	Annual company trips to domestic/overseas locations.	✓	domestic
Club activities	Club activities and gym use.	✓	✓
Festival activities	Festival activities in accordance with the yearly plan (for example, Mid-Autumn Festival BBQ, Engineers' Day, Family Day, tangyuan glutinous rice balls for winter solstice, etc.).	✓	✓
Work party allowances	Two meal gatherings every year to enhance relationships and exchanges between departmental employees.	✓	✓
Employee stock ownership	After having served in the Company for three months, employees are eligible to allocate a set percentage of their salary to purchase Company stock. The Company also provide matching funds equal to the employee's allocated amount to purchase the Company's stock, then deposits the stock into the employee's account.	✓	
Group insurance	Group insurance includes term life insurance/accident insurance/critical illness insurance.	✓	✓
Regular health exam	A company-wide employee health examination is held annually.	✓	✓
Health clinic / nursing room	Employee care facilities are provided.	✓	
Employee cafeteria	Comfortable dining area is provided.	✓	
Gym/yoga room	Multiple fitness facilities and a yoga studio are available.	✓	
Shuttle service / convenience store / clubhouse / park activity center / gym / swimming pool	A wide range of convenient services are provided to companies in the park.	✓	

## Parental Leave

		2022	2023	2024
Reinstatement rate	Total	50%	67%	100%
	Male	0%	0%	0%
	Female	50%	100%	100%
Number of employees who have reinstated and worked for a year as of current year	Total	1	1	2
	Male	0	0	0
	Female	1	1	2
Retention Rate	Total	50%	100%	100%
	Male	0%	0%	0%
	Female	50%	100%	100%

## Retirement Plan

Taiwan	Mainland China
<p>FocalTech has formulated the Directions on Employee Retirement Management in accordance with the Labor Standards Act to outline conditions, payment standards, application procedures related to employee retirement.</p> <p>Following the implementation of the Labor Pension Act on July 1, 2005, employees covered by the Labor Standards Act may choose to remain under its pension system (old system) or transition to the Labor Pension Act system (new system), with seniority under the old system preserved. For employees under the new system, the Company allocates 6% of their monthly salaries to individual labor pension accounts.</p>	<p>FocalTech pays pension insurance contributions monthly in accordance with national and local regulations. Contributions are shared between the Company and employees, with the Company paying 16% and employees 8% of their salaries. Payments are made to the local social insurance agency along with other required social insurance premiums.</p> <p>Upon reaching the statutory retirement age, the Company assists employees in applying for retirement benefits from the social insurance agency, which reviews and grants the basic pension.</p>

## Employee Stock Ownership Program (ESOP)

**After having served in the Company for three months, employees are eligible to allocate a set percentage of their salary to purchase Company stock.** The Company also provide matching funds equal to the employee's allocated amount to purchase the Company's stock, then deposits the stock into the employee's account. Additionally, in the past FocalTech has issued employee stock options and granted restricted stock to employees with vesting conditions.

## Employee Communication

**A total of 4 labor-management meetings and 6 cross-level communication meetings were held in 2024.**

FocalTech has established multiple communication pathways, such employee complaint channels, employee mailbox, labor-management meetings, welfare committee meetings, new employee support system, wellbeing resources sharing platform, etc. to build a bridge for conversation between the two sides. Through two-way communication, employees can feel free to share their opinions, and the Company can effectively respond to the feedback and translate suggestions into actionable policies. **FocalTech has maintained stable labor-management relations with no disputes in recent years.**

Employees can file a complaint to Human Resources and Administrative Unit by filling out the **"FocalTech Employee Complaint Form."** Based on the reported content, the Human Resources and Administration Unit will assess whether to convene the relevant units or form a committee to handle the matter in stages according to the Work Rules, and will take disciplinary actions depending on the severity of the situation. FocalTech ensures all personal information is handled with care.

## Occupational Health & Safety

FocalTech has established dedicated departments to implement ISO 45001 occupational safety and health management systems and formulated the Environmental and Occupational Safety and Health Policy to ensure compliance with regulations, prevent pollution, and achieve zero occupational accidents. The Company conducts regular internal safety risk assessments and commissions certification service providers for onsite audits, sharing results with customers. The new Zhubei office has been ISO 45001-certified since 2008 and undergoes annual external audits.

**ZERO incidents of injuries among the employees of FocalTech during work in 2024.  
LTIR is 0 for four consecutive years.**

FocalTech goes beyond regulatory requirements by conducting annual health examinations for all employees. Employees who are identified as high risk receive health assessments and recommendations from on site health service physicians on unreasonable workload, maternal health protection, prevention of human-induced hazards, consultation on infectious disease prevention and control, and protection against unlawful violations. We employ full-time, dedicated occupational health nurses to provide regular follow-up and care services, aiming to reduce the risk of major illnesses among employees and to assess potential occupational hazards.

## 2025 Goals

- Carry out all legally-required programs, across the board.
- Strengthen drills in response to a variety of emergency incidents, to enhance employee response capabilities.
- Increase the number of health promotion seminars to maintain employee physical and mental health.
- Strengthen onsite environmental management to maintain zero-occupational accident record.
- Maintain Badge of Accredited Healthy Workplace accreditation.

## Occupational Safety and Health Committee

In accordance with Article 23 of the Occupational Safety and Health Act, FocalTech has established a 10-member Occupational Safety and Health Committee which is responsible for planning and coordinating occupational safety and health related affairs, as well as reviewing and deciding on the implementation status of occupational safety and health of the plant. Employees may submit their feedback to labor representatives on relevant occupational safety and health issues or suggestions, or attend the committee meetings for communication.

## Occupational Health and Safety Training

FocalTech requires new employees to undergo 3-hour occupational safety and health education; and training every three years for current employees.

Training Courses	Description	Total Participants	Total Hours
New Employee Occupational Health and Safety Training	3-hr training for new employee	61	183
Occupational Health and Safety Retraining	Retraining for Health and Safety	8	41.5
Fire Evacuation Training	4-hour Fire self-defense drills	115	460
Pandemic Preparedness	1-hour Preparedness and Simulation Exercises	6	6

## Health Promotion and Maintenance

To promote a healthy workplace culture, FocalTech has obtained the Healthy Workplace Certification (2023-2025) from the Ministry of Health and the Workplace Sports Enterprise Certification (2023-2025) from the Ministry of Education. Health management programs promoted in 2024 are as follows:



### Health examinations and health anomaly management

FocalTech conducts employee annual health examinations at a frequency that exceeds statutory requirements, and incorporates the employees who have served in the Company for three months into the health examinations. The number of employees eligible for health examinations in 2024 was 431, 98.1% completed examinations.



### Onsite physician health consultation services

FocalTech voluntarily raised the onsite physician service frequency in 2024 by providing one health consultation session every two months as opposed to every three months required by law. 32 employees received physician consultations in 2024.



### Abnormal workload and ergonomic hazards prevention

Risk grading and analysis, along with individual follow-up monitoring are conducted for roles involving shift work, night work, long working hours, and other high workload positions. In addition, ergonomic hazards identification and care mechanisms are also activated for employees performing tasks involving repetitive motions, awkward postures, or other risk factors.



### Maternal health protection

FocalTech has developed maternal health protection plans based on maternity protection laws and regulations to provide workplace risk assessments and health consultations for pregnant and breast-feeding employees. There were three employees entering the prenatal period in 2024, for whom environmental assessments and physician consultations were all completed. The Company launched the Pregnancy Pack project on January 23, 2024. Three employees applied for and received the packs.



### Tobacco hazards prevention measures

We enforce a full indoor smoking ban, display "No Smoking" signs at all entrances, and provide no smoking-related items. Free smoking manuals are available through the administrative department.

For 2024, FocalTech also offered health promotion activities as follows:

Weight management competition	Health walking challenge: "Move your feet, improve your health"	Health Seminars
19 registered teams and 87 individuals	54 Participants	138 Participants (2 Seminars)

## Talent Cultivation

### 2024 Achievements

- Average training hours per person: 14.39 hours in Taiwan and 16.09 hours in Mainland China.
- Technical and Specialized Training: Participation increased by 17.4% in 2024 compared to 2023; 12 new courses were added, accounting for an additional 410 hours.

### Systematic employee training

A tiered approach is adopted by categorizing training targets into senior management, mid-level management, junior management, and general employees. Training blueprints and complete training plans developed for all departments, to enhance department members' specialized competence, management capabilities, and more. In addition, the Company also arranges opportunities for senior employees to transfer their practical experience to junior employees. Senior employees are also encouraged to step out of their comfort zones to learn new skills and improve their competitiveness to ensure the continuation of valuable experience.

The four major training category groups are as follows:

<b>Senior Management</b>	Strategic Leadership	<ul style="list-style-type: none"> <li>• Visionary leadership</li> <li>• Strategic leadership</li> <li>• Cross-center collaboration</li> </ul>
<b>Middle Management</b>	Organizational Leadership	<ul style="list-style-type: none"> <li>• Goal management</li> <li>• Key staff cultivation</li> <li>• Performance management</li> </ul>
<b>Entry-level Management</b>	Mission Leadership	<ul style="list-style-type: none"> <li>• Talent selection and cultivation</li> <li>• Team building</li> <li>• Execution</li> </ul>
<b>General Employees</b>	Personal Performance Technical Expertise Work Attitude	<ul style="list-style-type: none"> <li>• Problem solving</li> <li>• Proactive and active</li> <li>• Commitment to mutual trust</li> <li>• Achieving a win-win situation</li> <li>• Prioritizing the Company's interest</li> </ul>



### Key management succession planning

- FocalTech not only recruits outstanding senior managers but also continuously develops potential middle and senior management talents within the company. The future management team is strengthened through project assignments, regular meetings, and cross-departmental exchanges.
- Regular annual and monthly meetings are held by the top leaders and key management levels to discuss different aspects of the policy and assist in decision-making and judgment.
- The first-level supervisor of each product line is responsible for the strategy of each operation aspect of the product line, including specifications, technology, market, management, etc., to expand the dimension of management, increase experience, cultivate managers' thinking in all aspects, and accumulate experience in decision-making and judgment.

### Training System

The FocalTech e-Learning Platform allows employees to select courses from four course categories: Newcomer Training, General Education Courses, Management Knowledge, and Specialized Knowledge. The Company also makes in-person courses available online for employees to acquire new knowledge in a flexible way without being restricted by time and place.

The platform also plays an important role in delivering information and knowledge in a real-time manner to facilitate knowledge transfer within the Company, and provide a real-time communication channel for interdepartmental collaboration.

### Training Metrics

#### 2024 Training Hours for Personnel in Taiwan

Rank	Hours		Number of Participants		Average Number of Hours	
	Male	Female	Male	Female	Male	Female
<b>Total</b>	<b>4,966.5</b>	<b>1,452</b>	<b>366</b>	<b>80</b>	<b>13.57</b>	<b>18.15</b>
General Employees	2,767.50	1,162.5	227	65	12.19	17.88
Junior Executives	1,687.50	247	99	13	17.05	19.00
Mid-level and Senior Executives	472	42.5	34	2	13.88	21.25
Senior Executives	39.5	0	6	0	6.58	--

2024 Training Hours for Personnel in Regions Other than Taiwan

Rank	Hours		Number of Participants		Average Number of Hours	
	Male	Female	Male	Female	Male	Female
Total	3,089	856.5	609	183	5.07	4.68
General Employees	1,593.50	418.5	375	111	4.25	3.77
Junior Executives	483.50	101.5	120	28	4.03	3.63
Mid-level and Senior Executives	828	293.5	106	41	7.81	7.16
Senior Executives	184	43	8	3	23	14.33

Performance Evaluation

To implement employee performance evaluation, FocalTech’s HR department sets up performance indicators and conducts performance interviews and evaluations to review individual employee’s performance on a **bi-annual basis** in accordance with the Company’s Performance Management Regulations. It is conducted based on the principles of transparency and fairness without being influenced by gender, age, religion, or other factors not related to job performance and ensures all employees are treated fairly and given equal opportunities for promotion.

Employees who are underperforming receive performance feedback from their supervisors, enabling them to identify their performance gaps. Supervisors and employees then work together to develop a plan with clearly defined indicators and evaluation criteria to enhance performance.

Academic Talent Cultivation

In terms of talent cultivation and development, FocalTech’s total investment in cultivating semiconductor talent in Taiwan over the period from 2021 to 2024 has reached NT\$22.93 million. Partners include the National Tsing Hua University College of Semiconductor Research; National Yang Ming Chiao Tung University; National Taiwan University of Science and Technology; National Sun Yat-sen University; and more. Through such partnerships, we continuously encourage talent to go into the semiconductor industry.

Automotive Quality Management

FocalTech obtained ISO 26262 (Road vehicles–Functional safety) certification in 2024 for Taiwan region and will also promote ISO 26262 certification in Mainland China business sites.

We continued cultivation of automotive talent by working with ENCON Academy to conduct internal interactive training courses and help employees understand automotive VDA standards and regulations, through in-depth and easy-to-understand case studies. FocalTech successfully passed all automotive customers’ audits and reviews in 2024.

In 2025, we will strive to obtain the ASPICE (Automotive SPICE) certification, to comprehensively enhance our software development and process management capabilities.



Customer Focus

FocalTech conducts customer satisfaction surveys every year covering five aspects-quality, delivery time, service, technology, and overall evaluation-to collect opinions and feedback from existing customers. To continuously improve service performance, the Company will proactively conduct customer interviews to gain insight into the causes of dissatisfaction, and will develop improvement plans based on specific feedback items to respond to customers’ expectations.

	2022	2023	2024
Customer Satisfaction Survey Score	8.61	8.44	8.20

Notes: Full score is 10.

Sustainable Supply Chain Goals

Short-term Goal	Maintain 60% critical supplier completion rate for ISO 14064-1 verification
Mid-term Goal	90% of suppliers conduct self-initiated carbon inventory 80% of critical suppliers complete ISO 14064-1 verification
Long-term Goal	100% of critical suppliers complete ISO 14064-1 verification

## Achievement

Core Goals	2022	2023	2024
100% of new suppliers sign the Supplier Honesty and Integrity Commitment.	✓	✓	✓
100% of new suppliers sign the Corporate Social Responsibility Commitment.	✓	✓	✓
100% of new suppliers obtain ISO 9001 certification.	✓	✓	✓
100% of critical suppliers obtain ISO 14001 certification.	93%	93%	✓
Maintain 100% suppliers' compliance with RoHS, REACH and halogen-free regulations	✓	✓	✓
100% of raw materials are sourced from smelters approved by sustainability initiatives	✓	✓	✓
Complete 100% of critical supplier onsite audits	✓	✓	✓
75% of suppliers conduct self-initiated carbon inventory	N/A	✓	✓ 81%
50% of critical suppliers complete ISO 14064-1 verification	N/A	N/A	✓ 60%

## Suppliers with Relevant Certifications in 2024

**Total Suppliers: 26 | New Suppliers in 2024: 3 | Critical Suppliers\*: 5**

\*Critical supplier: Refers to a supplier with whom FocalTech has transactions accounting for 70% or more of total transaction value in a year.

Economic		Environmental		Social	Commitment Signing	
ISO9001	IATF16949	ISO14001	ISO 14064-1	ISO45001	Supplier Honesty and Integrity Commitment	Corporate Social Responsibility Commitment
Total Suppliers (26)						
100%	85%	92%	46%	85%	100%	100%
New Suppliers in 2024 (3)						
100%	33%	67%	33%	67%	100%	100%
Critical Suppliers (5)						
100%	100%	100%	60%	100%	100%	100%

## Commitment Signing

Corporate Social Responsibility Statement and the Supplier Honesty and Integrity Commitment are formulated by FocalTech in accordance with RBA requirements. These documents request our supplier partners to focus on and implement corporate social responsibility initiatives, such as creating a friendly work environment, ensuring workplace health and safety, environmental protection, and safeguarding labor rights and ethical business practices.

## Supply Chain Management

### Strategies

FocalTech has systemized and integrated our commitments into the Supplier Evaluation and Control Procedures based on our supplier management strategies. The supply chain management is carried out systematically through four stages: Supplier Evaluation; New Product Introduction; Periodic Management; and Continuous Improvement.

The Company adopts the following measures in supply chain management:

- **Requirements for raw material and consumable material sourcing :** Prioritize the procurement of products and materials that meet environmental and regulatory requirements, and ensure that the sources comply with legal standards.
- **Promotion of international certifications :** Require suppliers to obtain ISO 9001 quality management systems certification, and suppliers of specific industries to obtain ISO 14001 environmental management systems certification. In addition, encourage suppliers to implement ISO 45001 occupational safety and health management systems and the IECQ QC080000 hazardous substance process management system.
- **Introduction of the Responsible Business Alliance (RBA) standards :** Encourage suppliers to introduce the RBA Code of Conduct, and require them to sign the integrity and corporate social responsibility statements to clearly regulate their practices related to business ethics, labor human rights protection, safety and health, and environmental protection.
- **Continuous collaboration and advocacy :** Continuously encourage suppliers to adopt low-environmental-impact materials and processes, and value business ethics and social responsibility to move forward to the goal of sustainable development with FocalTech.

There were no significant changes in the supply chain due to violations of regulations in 2024.

## Supplier Management Flow

New Supplier Introduction	Qualified Suppliers for Mass Production	Unqualified suppliers
Basic information review	Quality management by objectives	Offer guidance & strengthen audits
Production capacity review	Qualified supplier registration management	
Quality system	Regular audit	Orders reduction
New supplier audit	Quality review meetings	
Engineering item evaluation / validation	Change management	Removal from the Qualified Supplier List
Reliability review	Anomaly management	
Green product assurance and document review	Continuous improvement	
Integrity and non-use of conflict materials	Maintain non-use of conflict materials	
Focus on ESG issues	Confirm ESG implementation status	

### New supplier introduction and audit

New suppliers must pass a multi-faceted evaluation before being listed as qualified suppliers, which encompasses evaluation items such as quality system management, engineering / technical capabilities, production quality control, environmental protection requirements, etc.

An audit team formed of the Company's quality control, engineering and procurement departments conducts on-site audits, which includes suppliers' green product (hazardous substance free, HSF) management systems. Suppliers are required to submit improvement reports for audit deficiencies with all the following standards being considered:

- Ensure product quality, safety and competitiveness
- Price reasonableness and delivery time compliance
- Environmental protection and legal compliance
- Human rights protection and labor safety and health
- Avoid sourcing activities involving areas of social conflict



**No ESG-related deficiencies were found in 2024 onsite supplier evaluations.**

### Qualified supplier management

Only the suppliers that have passed verifications and met FocalTech's requirements can be listed as qualified suppliers for mass production collaboration

### Documents that qualified suppliers must provide

- Quality related documents, including the Procurement Contract, Non Use of Environmental Hazardous Substance Guarantee, Confidentiality Agreement, FocalTech Quality Contract, as well as the **Corporate Social Responsibility Statement and the Supplier Honesty and Integrity Commitment formulated by FocalTech in accordance with RBA requirements.**
- All major suppliers are required to obtain ISO 9001 certification; those who have not been certified must submit a certification plan, or the purchasing department will supervise the supplier as it acquires ISO 9001 certification.

**For 2024, 100% of new suppliers signed the Corporate Social Responsibility Statement; and all 26 suppliers of COG packaging/testing plants and traditional testing plants obtained ISO 9001 certification (100% achievement rate).**

### Regular evaluations

Conduct evaluations every year on trading suppliers that meet material quality standards.

The audit items include quality management system, environmental evaluation criteria (including compliance with green product management requirements and obtaining ISO 14001 certification), and social evaluation criteria (obtaining ISO 45001 certification and RBA social responsibility management practices).

Set improvement deadlines ( $\leq 30$  days) for deficiencies identified in supplier audits. In 2024, we completed audits for 100% of new suppliers, and on-site audits for 100% of critical suppliers. In response to suppliers' relatively low environmental and social certification acquisition rate, FocalTech will continue helping suppliers obtain related certifications.

**No suppliers violated the Company's environmental or social evaluation criteria in 2024.**

### Supplier onsite audit

Related departments are convened to form an evaluation team to conduct an onsite evaluation on the supplier's manufacturing capabilities, quality management capabilities, product's compliance with the Environmental Controlled Substance Specification, corporate social responsibility compliance, and emphasis degree on ESG issues based on the items listed in the Supplier Evaluation Rating Table.

**The 2024 critical supplier onsite audit completion rate was 100%.**

Number and ratio of suppliers undergoing onsite audits in 2024	Number of critical suppliers	Number of suppliers
Onsite audits	5/5	16/16*
Onsite audit completion percentage	100%	100%

\* The data does not include unstable-volume suppliers as regulated by FocalTech's Outsourcing Management Regulations.

### Delisting Mechanism

- If a supplier violates RoHS, labor, ethics or other related laws/regulations, or demonstrates significant quality failure, or is not in compliance with performance standards for two successive quarters, the procurement department can submit a request to the President suggesting the removal of the supplier from the qualified supplier list and filling the role with a new supplier.
- If a supplier fails to maintain its compliance with requirements and is involved in major customer complaint incidents within two years in a row, it will be removed from the qualified supplier list after being reviewed and evaluated to maintain supply chain quality and stability.
- There were no such occurrences in 2024.

### Conflict Mineral Management

In compliance with the Responsible Minerals Initiative (RMI), established by the Responsible Business Alliance (RBA), FocalTech requires that all suppliers submit their Conflict-free Minerals Commitment to ensure non-use of raw materials extracted in conflict-affected areas, and sign a Corporate Social Responsibility Statement that includes a commitment not to use conflictminerals. **For 2024, 100% of raw materials are sourced from smelters approved by sustainability initiatives.**

**The achievement rate for non-use of conflict minerals in 2024 was 100%.**

To ensure all raw materials used in FocalTech's products are sourced from smelters certified by the RMI:

- All suppliers are required to undergo management systems audits, including conflict mineral management.
- The Conflict Minerals Reporting Template (CMRT) from RMI is used as the survey check list to request suppliers to disclose the usage of metals in the provided raw materials, including tantalum, tin, tungsten, gold (the so-called "3TG"), ensuring that none of these metals is extracted in conflict-affected areas. The survey will be carried out again when a new version of CMRT is available.
- We implement thorough due diligence through our origin traceability program.
- Non-use of rare earth metals : Upstream suppliers of the specific product list are verified and none of them use rare earth metals.

### Hazardous Substances Management

FocalTech has internally formulated our Management Regulations for Environmental Hazards and Hazardous Substances. These ensure that all our products comply with EU RoHS, REACH, WEEE, and other related international environmental regulations and customer requirements. In the initial product design phase, we require that suppliers disclose the ingredients and components of all raw materials, semi-finished products, packaging materials, consumables, etc., and provide material content reports. For substances that are clearly restricted by laws/regulations or by customers, even if they are not listed in these standards, we still demand rigorous compliance; and this serves as an important basis for supplier and material selection.

**The 2024 achievement rate for non-use of hazardous substances or compliance with hazardous substance restrictions (RoHS, WEEE, REACH, and halogen-free) was 100%.**

### Local Procurement

FocalTech evaluates supplier's geographical location to optimize supply chain deployment and balance supply chain efficiency with the environmental impact of transportation distance. We prioritize suppliers near major production sites and shipping hubsto enhance supply chain resilience and mitigate impact on the environment.

Region \ Year	Unit	2022	2023	2024
Taiwan	%	50	48	44
Other	%	50	52	56

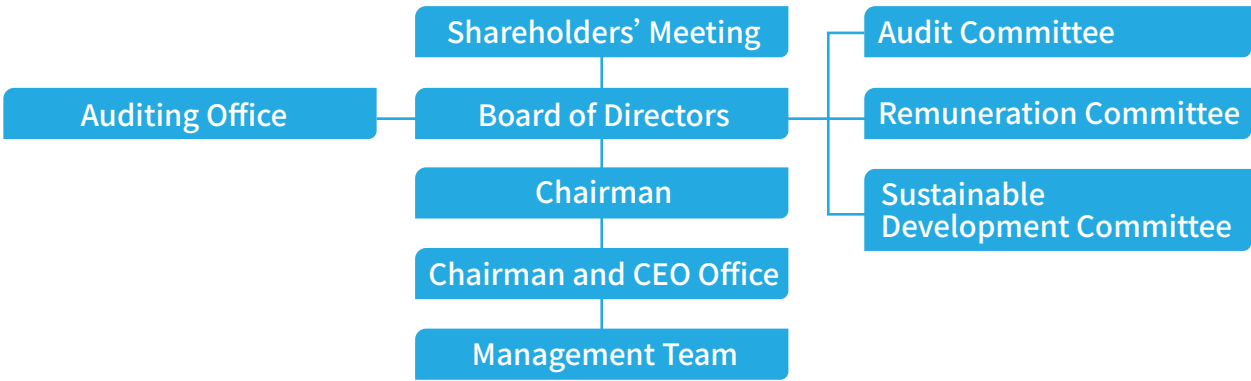
Green Procurement

In recent years, we have actively replaced old energy-consuming equipment in offices and factories, and purchased air conditioners, air compressors, refrigerators, desktop computers, laptops, LCD monitors, etc. with energy-saving labels.

	Unit	2022	2023	2024
Green Procurement	%	99.96	99.94	99.95

Governance

Organizational Chart



Board of Directors

FocalTech’s Board is 50% Independent, with 12.5% Female Representation.

The FocalTech board consists of 8 directors, including 4 independent directors. A total of 4 board meetings were held in 2024, with an average attendance rate of 93.75%.

Title	Director	Representative	First Elected	Gender	AC	RC	SDC	2024 Board Attendance
Chairman	Genda Hu		2015	M			C	100%
Director	GWAA LLC	Han-Ping Hsieh	2015	M				100%
Director	GWAA LLC	Jason Lin*	2023	M				75%
		Wei-Chieh*Chang (Jeff Chang)	2025	M				*
Director	Acer Incorporated	Chun-Sheng Chen (Jason Chen)	2022	M				75%
Independent Director	Chin-Tay Shih		2015	M	100%	C/100%		100%
Independent Director	Chan-Jane Lin		2015	F	C/100%	M/100%		100%
Independent Director	Hsing-Chien Tuan		2023	M	M/100%		M	100%
Independent Director	Chun-Hao Lai (Jim Lai)		2023	M	M/100%	M/100%	M	100%

AC Audit Committee RC Remuneration Committee SDC Sustainable\*\* Development Committee

C: Convener | M: Member

\*Note: GWAA LLC reassigned its representative from Jason Lin to Wei-Chieh Chang on March 28, 2025.

\*\*Note: The Board of Directors’ resolution on the establishment of the Sustainable Development Committee, November 7, 2025.

## Board & Executive Pay Disclosure

FocalTech discloses remuneration of directors, independent directors and top five management personnel in our annual report on an individualized basis, detailing remuneration components including remuneration, salary, pension, business execution expenses, bonus and special disbursements. For details, please see page 15 of the FocalTech 2024 Annual Report.

### Board Pay Disclosure

Title	Director	Representative	2024 Remuneration(NTD) <sup>Note</sup>
Chairman, CEO and President	<b>Genda Hu</b>		23,398,000
Director	GWAA LLC	<b>Han-Ping Hsieh</b>	1,269,000
Director	GWAA LLC	<b>Jason Lin</b>	10,922,000
Director	Acer Incorporated	<b>Jason Chen</b>	1,255,000
Independent Director	<b>Chin-Tay Shih</b>		1,454,000
Independent Director	<b>Chan-Jane Lin</b>		1,454,000
Independent Director	<b>Hsing-Chien Tuan</b>		1,366,000
Independent Director	<b>Jim Lai</b>		1,454,000

Note: Total for all companies mentioned in financial statements, includes sum of (i) remuneration of director (remuneration, pension, remuneration to directors, business execution expenses) and (ii) remuneration as an employee (salaries, bonus and special disbursement, pension and remuneration to employees).

### Top Management Pay Disclosure

Title	Name	2024 Remuneration(NTD) <sup>Note</sup>
CEO and President	<b>Genda Hu</b>	23,398,000
Executive Vice President, CFO, Spokesperson	<b>Wei-Chieh Chang</b>	11,462,000

Note: Total for all companies mentioned in financial statements, includes sum of salaries, pension, bonuses and special disbursement, remuneration to employees

## Functional Committees

### Audit Committee

The Audit Committee is composed of four Independent Directors, and holds at least one meeting every quarter. The Committee is primarily responsible for coordinating external and internal audit tasks, overseeing and inspecting the implementation of internal control and financial reporting, and evaluating and directing the Company's audit operations. The Committee held four meetings in 2024; the Committee member attendance rate was 100%.

### Remuneration Committee

The Remuneration Committee is composed of three Independent Directors, and holds at least two meetings every year. The Committee is primarily responsible for evaluating the remuneration and compensation policy and mechanisms for the Company's Directors and managers from an expert, objective standpoint, and submitting suggestions to the Board of Directors to assist the Board's decision making. The Committee held two meetings in 2024; the Committee member attendance rate was 100%.

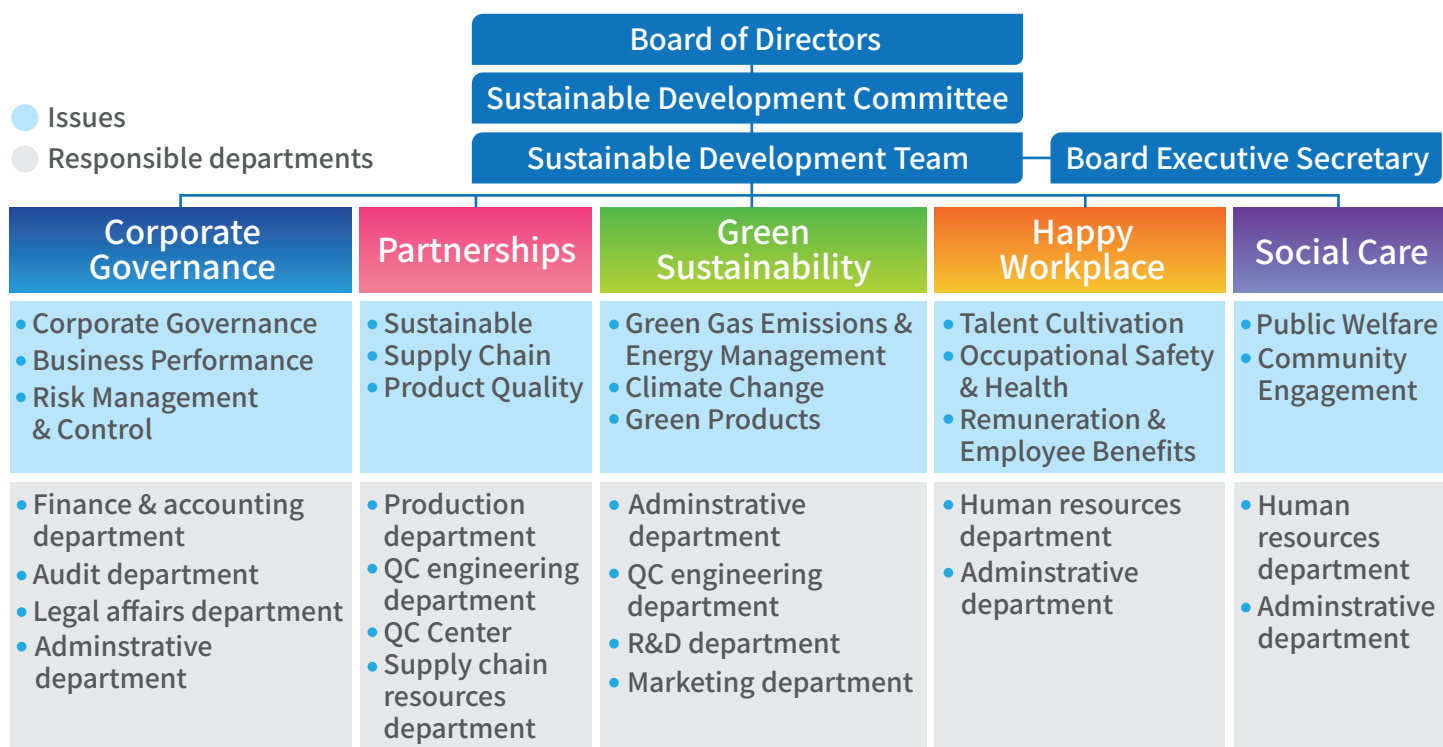
### Sustainable Development Committee

**On November 7, 2025, the Board of Directors resolved to establish the Sustainable Development Committee to further enhance the Company's ESG governance framework.**

In accordance with Sustainability Development Committee Charter, the Committee shall convene at least once a year to report to the Board on the execution results of the current year and the implementation plan for the following year.

Its main responsibilities include:

- 1 Participating in the formulation and review of the Company's sustainability policies, strategies, and management guidelines.
- 2 Overseeing sustainability-related matters and implementation plans, including the Company's sustainability report and greenhouse gas inventory.
- 3 Monitoring, reviewing, and revising the Company's sustainability performance and execution status.
- 4 Handling other matters delegated by the Board of Directors.



## Ethical and Integrity Management

To reinforce ethical management concepts, FocalTech conducts regular ethical-management-themed educational training, and incorporates integrity principles into new hires' pre-employment training focused on professional ethics, ethical conduct, and internal/external laws and regulations to strengthen employees' awareness of and commitment to business ethics.

FocalTech has formulated the Ethical Corporate Management and Professional Ethics Best Practice Principles, which is regularly monitored by the Board of Directors and the Audit Committee.

These Principles require that all managers and employees hold fast to the principles of honesty, transparency, and responsibility in performing their business duties; are strictly prohibited from directly or indirectly providing, promising, requesting, or accepting any form of improper benefits for any reason; and not engage in any act that would violate ethics, be illegal, or go against fiduciary duty, to maintain the Company's business integrity.

### Six Principles of the Ethical Corporate Management and Professional Ethics Best Practice Principles

- Prohibiting insider trading
- Prohibiting intellectual property infringement
- Prohibiting offering or accepting any bribes
- Prohibiting improper donations or sponsorships
- Prohibiting accepting or providing any unreasonable gifts, entertainment, or other improper benefits
- Compliance with recusal regulations to avoid conflicts of interest

### Self-Audit for Maintaining Ethical Operations and Business Ethics

- Could the act potentially create any negative impact on the Company's reputation?
  - Could the act potentially be interpreted as lacking impartiality in the performance of business duties
- In addition, we prohibit
- Making illegal political contributions
  - Engaging in unfair competition
  - Prejudicing the rights and interests, health and safety of stakeholders

### Regular Audits of Ethical Standards

The audit unit conducts regular audits and inspections of anti-corruption, conflict of interest, and business ethics compliance according to the annual plan, and reports the results to the Board of Directors. If any deficiencies are identified, the relevant departments must propose improvement plans, which will be followed up by the audit unit to ensure effective implementation.

### Business Ethics Audit Performance Indicators (KPIs)

Complete 100% of our global operations locations' internal business ethics audits annually.

Audit coverage includes employee compliance with the Code of Conduct, implementation of the anti-corruption policy, and supplier code of conduct.

For deficiencies identified during audits, relevant units are required to submit improvement plans within 30 days, which are tracked by the audit unit until full implementation.

Audit results and improvements are regularly reported to the Board of Directors and senior management to ensure continuous improvement in corporate governance and ethical standards.

There were no violations of business ethics and integrity, and no penalties were imposed due to environmental or social issues, in 2024.

## Implementation of Integrity Management in 2024

- The FocalTech Group conducted in-service employees' questionnaire survey to advocate and test employees' understanding of the Ethical Corporate Management and Professional Ethics Best Practice Principles, reaching a completion rate of 100%.
- Communicated the spirit of the Code of Business Ethics during new employee onboarding training; had 63 participants (Taiwan area).
- New employees' signing of the Code of Business Ethics on employment start day: 63 persons (Taiwan area).
- Communicated the spirit of the Code of Business Ethics during new employee onboarding training; had 40 participants (Mainland China area).
- New employees' signing of the Code of Business Ethics on employment start day: 40 persons (Mainland China area).
- Invited a senior investigator from the Hsinchu Field Office to deliver a September 13, 2024 lecture on trade secret management and share examples; had 34 participants.
- Issued notice for Directors' trading close period 15 or 30 days before Board meetings held on 2024/2/23, 2024/5/10, 2024/8/9 and 2024/11/13, in accordance with the Internal Material Information Disclosure Handling and Insider Trading Prevention Management Operation Procedures.
- No penalties were imposed by the competent authority for insider trading violations in 2024.
- Completed 19 in-production suppliers' system audits in 2024, including anti-corruption audits.

## Information Security – Confidentiality Integrity, and Availability

Obtained ISO 27001 certification in 2024, valid till 2027.

FocalTech has appointed the head of IT as the convenor, along with a Chief Information Security Officer and dedicated security staff, to safeguard company data, systems, and networks. This team oversees information security governance, supervises operations, and establishes policies that guide authority roles, employee training, hardware and software management, network security, and physical security measures. Implementation of information security risk management is regularly report to the Board of Directors.

FocalTech invested NT\$3.39 million in information security operations in 2024, to reinforce information security testing, upgrade information environment protection, and optimize management systems.

Duties / responsibilities and risk management procedures	Self-Audit for Maintaining Ethical Operations and Business Ethics
<p>The information security officer summarizes key risk factors based on annual risk assessment results, proposes improvement measures accordingly, and incorporates them into annual information security plans. The compiled risk data and information will be sent to the Sustainable Development Team for comprehensive integration, and then submitted to the Board of Directors for review and discussion based on the principle of materiality, ensuring that information security risks can be controlled and responded to in a timely manner.</p>	<ul style="list-style-type: none"> <li>• 12 company-wide information security promotion campaigns.</li> <li>• Data backup quarterly and implement remote backups.</li> <li>• Two disaster recovery exercises annually.</li> <li>• Two scans were conducted in 2024, tasks of which including server vulnerability scanning, vulnerability patching, and system vulnerability detection to prevent hacker attacks and data stealing through such vulnerabilities.</li> <li>• Total educational training hours in 2024: 214 hours.</li> <li>• Operating procedures have been formulated for managing personal information protection and computer information management and control under the Company's internal control systems.</li> </ul>

## Whistleblower System

FocalTech accepts anonymous reports, and strictly upholds non-retaliation & confidentiality policy. No incidents of corruption, bribery, or violations of anticompetitive behavior regulations occurred in 2024.

Dedicated email address : [whistleblower@focaltech-electronics.com](mailto:whistleblower@focaltech-electronics.com)

FocalTech provides a platform for all stakeholders to voice concerns, managed by the Audit Committee's convenor (Independent Director) and **Head of the Internal Audit Office**. Reports are handled confidentially, with a designated investigation team formed as needed. Whistleblower protection is strictly upheld, ensuring confidentiality and shielding whistleblowers from any retaliation, such as termination, demotion, pay reduction, or other adverse actions.