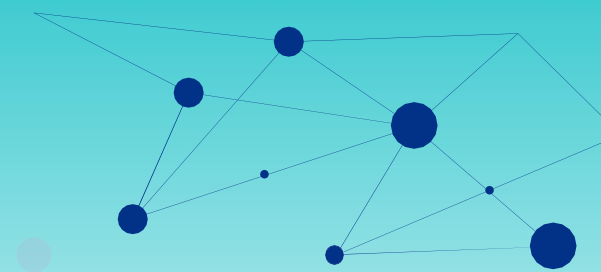




# 2024

SUSTAINABILITY  
REPORT

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# Letter from the Chairman



# Letter from the Chairman

Facing a rapidly changing global landscape, rife with geopolitical turmoil, economic instability, and the looming climate crisis, 2025 is destined to be a challenging and uncertain year for businesses, a crucial test of courage, resilience, and transformation capabilities. Forward Electronics, with its core values of "Innovation for the Future, Responsibility for Value, and Sustainability for Generations," is committed to promoting both operational and sustainable development, aiming to create a truly profound impact and value for customers, employees, shareholders, and society as a whole. On the path to environmental sustainability, we will fully respond to the global call for net-zero emissions, continuously deepen our greenhouse gas inventory, and remain committed to our long-term goal of achieving carbon neutrality by 2050. Furthermore, we will continue to expand the use of renewable energy, continuously upgrade energy efficiency in our plants, introduce low-carbon fuels, and incorporate carbon reduction concepts into product design from the outset.

In terms of social responsibility, Forward Electronics deeply understands that talent is the company's most valuable asset and is committed to building a diverse, equitable, and humane workplace. We continue to advocate "Green Living, Sustainable Development," encouraging every employee to act as a sustainability advocate in their daily lives. Simultaneously, Forward Electronics actively engages in social welfare, cares for disadvantaged groups, promotes the expansion of educational resources, and practices its corporate citizenship principles.

In the realm of corporate governance, facing international regulatory pressure and the growing investor focus on ESG performance, Forward Electronics continuously strengthens its corporate governance transparency, enhances risk management capabilities, actively promotes board diversity and gender equality, and established a Sustainability Development Committee in February 2025 to systematically plan short-, medium-, and long-term sustainability strategies and action plans. We also introduce third-party verification to ensure that the quality of information disclosure aligns with international standards, creating a trustworthy corporate model.

Looking ahead, Forward Electronics will continue to drive growth through technological innovation, actively expanding into emerging fields such as smart manufacturing and low-carbon technologies, upholding its ESG commitments, and charting a sustainable business blueprint for Forward. We firmly believe that only by achieving a balance between economic growth, environmental protection, and social prosperity can we leave a truly good legacy for future generations. We thank every stakeholder for their trust and support over the past year, which has enabled us to continuously surpass and grow amidst changes and challenges. In the future, Forward Electronics will continue to work hand in hand with you, with a mission of green electricity, smart living, and sustainable operation, to create a better future together.



Chairman  
Hong, Chi-Chang

# About Sustainability Report

2024 SUSTAINABILITY  
REPORT



# About Sustainability Report

## Foreword

Forward Electronics Co., Ltd. (hereinafter referred to as "Forward Electronics") publishes its first annual sustainability report. Adhering to the principles of transparency, openness, and sustainable development, Forward Electronics prepared its report in accordance with the Universal Standards 2021 released globally by the Global Reporting Initiative (GRI) in 2021. The report provides an overview of the company's economic, environmental, and social sustainability development, communicating with stakeholders and showcasing concrete sustainability performance.

## Report Framework and Writing Principles

Our 2024 Sustainability Report was prepared in accordance with relevant guidelines, frameworks, and regulations, with a focus on identifying the impact of various sustainability themes on the economy, environment, and society (including human rights). Through a significance analysis model, major sustainability themes were identified and prioritized, and related strategies, objectives, and measures were analyzed as the basis for information disclosure in the report. Relevant content and indicator indexes are detailed in the appendix.

Issuing unit	Guidelines/Frameworks/Initiatives/Regulations
The United Nations, UN	UN Sustainable Development Goals, SDGs
Global Sustainability Standards Board ( GSSB )	GRI Universal Standards 2021
International Sustainability Standards Board ( ISSB )	( Sustainability Accounting Standards Board, SASB )
Financial Stability Board ( FSB )	( Task Force on Climate-related Financial Disclosures, TCFD )
Taiwan Stock Exchange Securities Over-the-Counter Trading Center	In accordance with the "Code of Conduct for Sustainable Development of Listed Companies" and the "Procedures for the Preparation and Filing of Sustainable Reports by Listed Companies".

# About Sustainability Report

## Scope of Report and Period of Disclosure

This report covers the period from January 1, 2024 to December 31, 2024, and includes information on management policies, major themes, implementation plans, and performance. The disclosure scope focuses on Forward Electronics, encompassing economic, environmental, and social aspects. Financial data is sourced from Forward Electronics' consolidated financial statements for fiscal year 2024 (reporting period: January 1, 2024 to December 31, 2024, including Forward Electronics headquarters and all subsidiaries; see the "Subsidiaries Included in Consolidated Financial Statements" section of the "Annual Report of Forward Electronics Co., Ltd., 2024"). The disclosure scope covers the entire Forward Electronics Group; for environmental information, the disclosure scope covers Taiwan; for social information, the disclosure scope covers Taiwan. For more detailed information on related companies, please refer to the "Annual Report for 2024". There were no significant changes in organizational size, structure, ownership, or supply chain during this reporting period.

First publication date : August 2025

This publication date : August 2025

Next publication date : August 2026

Publication frequency : Annually

## Report Management Process and Issuance

Process	Execution method
Initial draft collection, internal data verification	Each responsible unit provides data, performance indicators, etc., and the sustainability promotion team conducts data verification.
Report Compilation	The Sustainability Promotion Team integrated, compiled, proofread, and revised the materials.
Internal review	The completed report was reconfirmed by each unit to ensure its completeness and accuracy.
External guarantee	Financial data is certified by KPMG accounting firm and is uniformly expressed in New Taiwan Dollars.
External guarantee	ARES International Verification Co., Ltd. was commissioned to conduct third-party verification in accordance with the AA1000AS v3 assurance standard, using Application Type 1 and Moderate Assurance as the verification basis to ensure that the contents of this report comply with the GRI guidelines.
Issuance Report	The final version of the sustainability report was confirmed by the heads of the relevant departments and submitted to the board of directors for approval before being publicly released.



# About Sustainability Report

## Information

Thank you for reading this report. If you have any questions or suggestions regarding this report or Forward Electronics, please feel free to contact us through the following methods. To fulfill our corporate social responsibility regarding information disclosure, we have also published this report on our official website for easy access.

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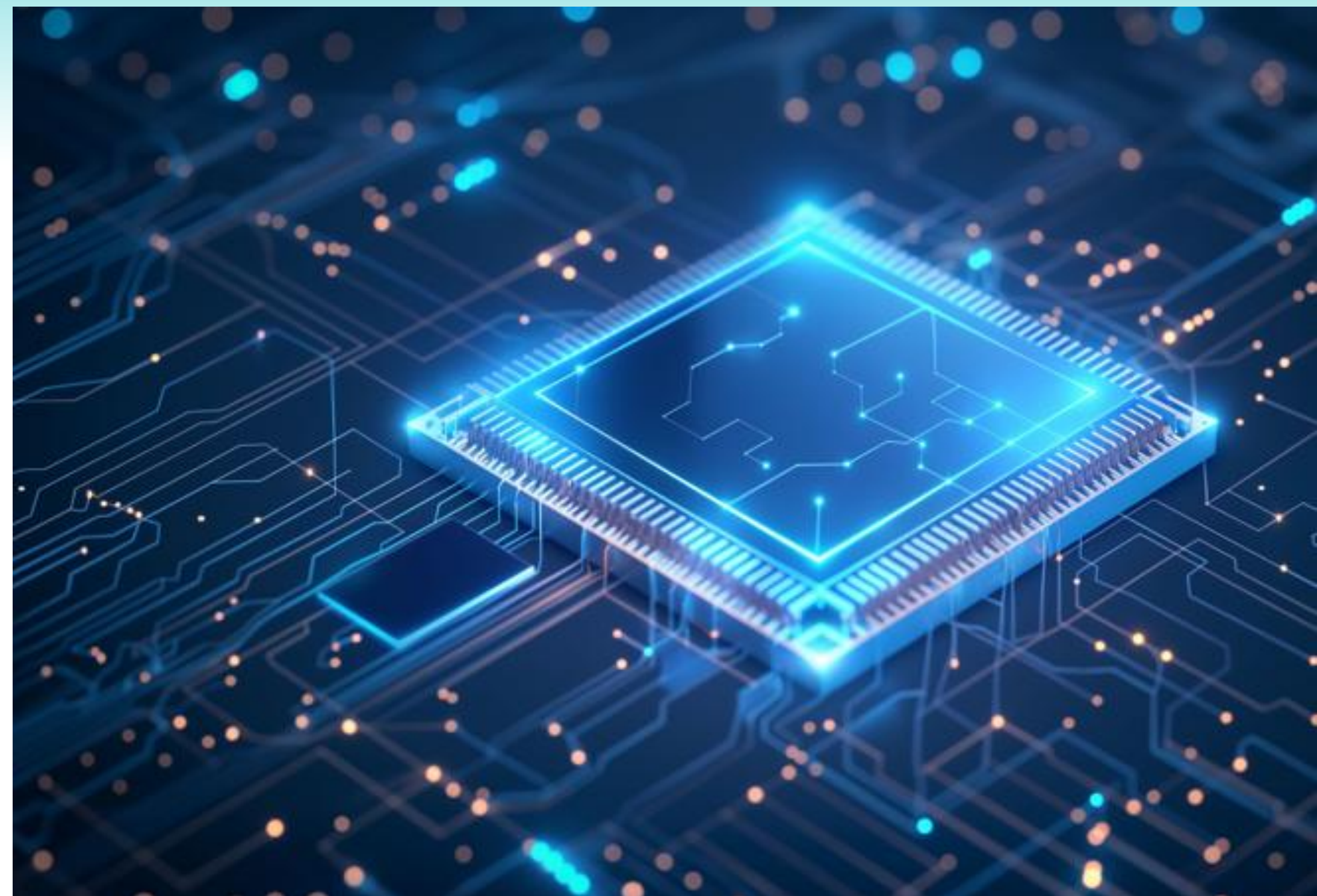
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# About Sustainability Report

Sustainable  
Performance

SDGs x ESG Performance

Oriented	SDGs	SDGs Actions
Environment	<div><div>13 氣候行動</div><div>17 促進目標實現之全球夥伴關係</div></div>	<ul style="list-style-type: none"><li>A greenhouse gas inventory will be conducted in 2024 in accordance with the international standard ISO 14064-1.</li><li>In 2024, the environmental management system underwent a renewal assessment in accordance with the international standard ISO 14001 and was successfully passed.</li><li>The products supplied by the main suppliers all comply with RoHS, REACH, ISO, IATF and other standards.</li><li>By adopting the Climate-Related Financial Disclosure (TCFD) framework, the company can effectively manage climate risks and enhance its climate resilience.</li><li>In 2024, our occupational health and safety management system underwent renewal accreditation according to international standard ISO 45001 and was successfully passed.</li></ul>
Social	<div><div>1 消除貧窮</div><div>3 良好健康與福祉</div><div>4 優質教育</div><div>5 性別平等</div><div>8 體面工作與經濟成長</div><div>10 減少國內及國際不平等</div><div>16 和平、正義與健全的司法</div><div>17 促進目標實現之全球夥伴關係</div></div>	<ul style="list-style-type: none"><li>In 2024, our quality management system underwent renewal accreditation according to international standard ISO 9001 and was successfully passed. Neither our company nor our major suppliers have experienced any significant risks or incidents of gender or racial discrimination, child labor, forced labor, or other violations of labor rights.</li><li>In 2024, we employed three employees with disabilities, exceeding the legal requirements.</li></ul>
Governance	<div><div>9 產業、創新與基礎設施</div><div>16 和平、正義與健全的司法</div><div>17 促進目標實現之全球夥伴關係</div></div>	<ul style="list-style-type: none"><li>There are 3 female directors, representing 37.5% of the total board.</li><li>No major cybersecurity incidents occurred in 2024, including violations of information security regulations, data breaches resulting in fines, or violations of personal data protection. Supplier assessments conducted in 2024 revealed no significant deficiencies or risks.</li><li>Customer satisfaction has remained above 90 points for three consecutive years.</li></ul>



# Material Topic Analysis

# Material Topic Analysis

## Stakeholder Identification

Forward Electronics, through its internal departmental interactions, identifies stakeholders based on their level of influence from the company's activities and services, referencing AA1000 SES (Stakeholder Information Standards) across five dimensions: dependency, responsibility, tension (attention), impact, and diverse perspectives. This assessment informs the formulation of key management policies and implementation plans to address stakeholder needs and expectations. The company continuously tracks market trends and reviews stakeholder groups annually. Following internal interviews in 2024, six key stakeholders were identified: government agencies, shareholders/investors, employees, customers, suppliers, and non-governmental organizations.

To comprehensively understand stakeholder concerns and their actual or potential impact on the company, we actively engage with stakeholders through various two-way, continuous communication channels, collecting and responding to their concerns. The company uses press releases, reports, and its website to inform stakeholders of the latest developments and provides balanced, objective, and accurate information to help them understand relevant issues, options, opportunities, and solutions. A diverse and well-functioning communication channel has been established. Every year, regular and ad-hoc communication is conducted with various stakeholders through various channels, including in-person/online meetings, dedicated unit communications, telephone, email, and a dedicated section on the official website. Feedback and concerns are collected, and appropriate responses are provided to address the issues of concern to each stakeholder group.



Dependency



Influence



Responsibility



Diverse perspective



Tension



# Material Topic Analysis

## Stakeholder Engagement

Each department communicates with stakeholders through routine business dealings, surveys, interviews, and analyses. Since the issues of concern to different stakeholders vary depending on the nature of the business, a diverse range of communication channels is used to effectively understand stakeholder needs and expectations, adjust operational management based on their perspectives, and provide appropriate responses to their key concerns.

Stakeholders	importance	Topics of Concern	Communication channels and frequencies	Communication Performance
Shareholders/Investors	To gain the support of shareholders/investors for the company's operations.	<ul style="list-style-type: none"><li>Integrity in business and anti-corruption</li><li>Operational performance</li><li>Corporate governance</li></ul>	Shareholders' Meeting (Annual)/Legal Representative Briefing (Annual)/Company Website & SpokespersonPublic /Information Observation Station (Real-time)/Telephone & Email Inquiries (Real-time)/Company Press Releases (Irregular)	<ul style="list-style-type: none"><li>Held 1 shareholders' meeting and 1 investor briefing.</li><li>Released 46 major announcements in both Chinese and English.</li><li>Published monthly revenue information 12 times.</li><li>Released 4 financial reports.</li><li>Regularly published financial revenue announcements on the company website.</li></ul>
Customers	To meet customer needs and provide professional products and services to enhance the company's business development and revenue.	<ul style="list-style-type: none"><li>Information Security</li><li>Customer Protection and Communication</li><li>Information Transparency</li><li>Service Quality</li><li>Corporate Governance</li></ul>	Regular customer satisfaction surveys (annually), a company website, a customer service hotline and email address, and dedicated personnel to handle customer service issues (on an immediate basis).	A total of 20 customer satisfaction surveys were conducted, with an average satisfaction score of 95.6.

# Material Topic Analysis

Stakeholders	importance	Topics of Concern	Communication channels and frequencies	Communication Performance
Employees	Attracting and cultivating outstanding talent enhances corporate competitiveness.	<ul style="list-style-type: none"><li>Talent Retention and Employee Care</li><li>Employee Rights and Diversity</li><li>Employee Development</li><li>Occupational Health and Safety</li></ul>	Labor-management meetings (quarterly), benefits meetings (quarterly), occupational safety and health meetings (quarterly), annual performance reviews (annual), internal and external training, company intranet, employee satisfaction surveys, etc. (irregularly)	<ul style="list-style-type: none"><li>The company's internal website published 53 announcements, including information on employee benefits, welfare committee news, important company operational information, education and training courses, environmental safety and health regulations, and annual performance management procedures.</li><li>In 2024, a total of 19 labor-management, welfare, and safety and health meetings were held.</li></ul>
Supplier	As an important partner of the company, we will provide better services and work together to create performance growth.	<ul style="list-style-type: none"><li>Information security</li><li>Sustainable development strategy</li><li>Corporate image</li><li>Information transparency</li><li>Supplier management</li></ul>	Supplier management and auditing, vendor service specialists, personal visits, phone calls, meetings, and emails (on an irregular basis).	<ul style="list-style-type: none"><li>Regular audits and evaluations of suppliers.</li><li>Suppliers sign relevant responsibility commitment letters, with 100% of major suppliers signing them.</li></ul>
Governmental Agencies	Follow government regulations, obtain government support, and cooperate with each other.	<ul style="list-style-type: none"><li>Regulatory compliance</li><li>Corporate governance</li><li>Risk management</li><li>Communication with regulatory authorities</li></ul>	Personal visits, telephone communication, official correspondence, company information reporting, email, etc. (on an irregular basis)	<ul style="list-style-type: none"><li>No major violations of laws and regulations occurred in 2024.</li><li>No corruption or breaches of integrity occurred in 2024.</li><li>Participation in policy discussions and seminars of the competent authorities.</li></ul>
NPOs/NGOs	In addition to pursuing their own profits, businesses should also consider the well-being of the public and work together to create a win-win situation.	<ul style="list-style-type: none"><li>Waste Management</li></ul>	Company website, telephone communication, email, etc. (on an irregular basis)	<ul style="list-style-type: none"><li>Company website (updated irregularly)</li><li>Various charitable activities (irregularly)</li></ul>

# Material Topic Analysis

## 1. Identification of Material Topics

The Fuhua Electronics Sustainability Task Force referenced multiple international sustainability frameworks, including the Global Reporting Initiative (GRI) Standards, the Responsible Business Alliance (RBA) Code of Conduct, the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, and the Sustainability Accounting Standards Board (SASB) guidelines. In addition, the Task Force considered the Taiwan Stock Exchange Corporate Governance Indicators and the Company's Sustainability Development Goals. Based on these frameworks and the relevance to Fuhua Electronics' business operations, the Task Force conducted a preliminary assessment to identify 23 sustainability topics across the economic, environmental, and social dimensions that are most pertinent to the Company's sustainable development.

## 2. Stakeholder Survey and Key Concerns

The Sustainability Task Force distributed both online and physical questionnaires to better understand the level of concern among key stakeholders regarding the 23 identified sustainability topics. The survey adopted a five-point Likert scale, where a score of 5 represented the highest level of concern and 1 the lowest. A total of 280 valid responses were collected and analyzed to serve as an important reference for identifying the Company's material sustainability issues.

## 3. Positive and Negative Impacts of Sustainability Topics on ESG Dimensions

Through interviews with senior management and internal evaluations, the Sustainability Task Force analyzed each sustainability topic from two perspectives: "likelihood of occurrence" and "magnitude of impact." This assessment aimed to determine the extent of positive and negative impacts that each topic may have across the environmental, economic, and social dimensions, providing a basis for prioritizing material issues and refining the Company's sustainability strategies.

## 4. Materiality Matrix and Identification of Key Issues

Based on the data collected from previous steps, the Sustainability Task Force developed a Materiality Matrix to visualize and analyze the relative significance of each topic.

Subsequently, department heads reviewed the matrix from a corporate strategic perspective, while external sustainability consultants provided recommendations to ensure the reasonableness and accuracy of topic positioning. Adjustments were made accordingly. After comprehensive evaluation aligned with international sustainability trends, the Task Force ultimately identified 10 material topics that are most relevant to Fuhua Electronics' sustainable development priorities.

## 5. Establishment of Management Policies and Targets for Material Topics

Based on the results of the materiality assessment, management policies and objectives were formulated for each material topic, and the Sustainability Task Force reported the outcomes to the Board of Directors. Going forward, the Company will review and update the management approaches and targets for material topics on an annual basis, ensuring alignment with evolving sustainability priorities and stakeholder expectations. The materiality identification process will also be periodically evaluated to enhance its effectiveness and efficiency. Through this ongoing review, Fuhua Electronics aims to assess both the positive and negative impacts of sustainability issues, enabling the management team to allocate resources effectively and providing internal and external stakeholders with transparent insights into the Company's sustainability performance.



# Material Topic Analysis

## List of Major Topics for 2024

### Corporate Governance and Risk Management

Implementing the “Corporate Governance Best-Practice Principles” and relevant legal regulations, along with sound operational practices, helps Fuhua Electronics establish a robust corporate governance framework and ensure stable business operations. Failure to uphold effective corporate governance or to emphasize ethical conduct could increase the risk of violating business integrity standards. Acts of corruption or bribery would not only breach compliance requirements but also cause severe damage to the Company’s reputation and stakeholder trust.

### Honest business practices and compliance with laws and regulations

Upholding integrity and ethical business conduct fosters public trust, sustains a positive corporate reputation, and reduces operational risks. Conversely, unethical behavior may damage the Company’s goodwill, erode customer confidence, and adversely affect business performance and long-term sustainability.

### Innovation and R&D

In an era of rapid technological advancement, proactively developing intellectual property strategies and expanding patent portfolios help Fuhua Electronics strengthen its competitive edge and enhance the added value of its products. Conversely, insufficient investment in research and development (R&D) may weaken the Company’s competitiveness, leading to a gradual loss of customers and market share.

### Information security and customer privacy

By implementing rigorous cybersecurity management policies and practices, we can protect the trade secrets and information of our employees and business partners, building stakeholder confidence. Failure to implement cybersecurity management effectively could lead to the leakage of sensitive and important information, impacting company revenue, business partnerships, and reputation. Our company will continue to refine its cybersecurity management system to ensure that internal and external cybersecurity risks are controlled.

### Quality Management

Rigorous quality management processes can effectively reduce product failure rates and improve customer satisfaction and brand trust, especially in high-reliability fields such as automotive electronics and medical electronics. However, if multi-layered inspection and rework processes are not designed properly, they can lead to lengthy processes, low production efficiency, and negatively impact overall shipment volume.

### Climate Change Response

Proactively addressing climate change enhances the Company’s ESG performance and helps attract sustainability-focused funds and institutional investors—a factor particularly critical for publicly listed electronics companies. However, extreme weather events may disrupt factory operations and logistics, causing work suspensions, power outages, and transportation interruptions, which in turn increase operational costs and pose risks to business continuity.

# Material Topic Analysis

## List of Major Topics for 2024(continued)

### Waste Management

Improving waste recycling rates reduces raw material consumption and environmental emissions, thereby lowering operating costs and environmental impact. Failure to implement legal regulations for waste management and tracking can easily lead to environmental pollution and damage to a company's image.

### Environmental laws and regulations

Waste generated during factory operations must be classified and managed in accordance with legal regulations, and disposed of by the company itself or by an agent in accordance with the law. This can prevent environmental pollution and help build a good corporate image. Conversely, improper disposal can lead to penalties from the competent authorities and damage the company's image.

### Talent recruitment and development

Employees are the company's most important asset, and the company attaches great importance to the recruitment and development of talent. In addition to continuously improving recruitment incentives, we also provide employees with the training needed for career development. In recent years, facing the impact of declining birth rates and labor shortages, even with recruitment and retention incentives, the risk of talent loss should not be underestimated.

### Employee Salary and Benefits

In the face of declining birth rates and labor shortages, companies need to improve employee compensation and benefits to attract and retain talent, enabling them to continue expanding their business. If a company's compensation and benefits are lower than those of its competitors, employee retention and morale will decrease, which is detrimental to the company's long-term development and innovation.

# Material Topic Analysis

Aspect	Material Topic	importance	GRI	Value Chain Impact			Chapter
				Upstream	Forward Electronics	Downstream	
Economic	Corporate Governance and Risk Management	To implement corporate governance principles, the company ensures transparency in external information disclosure and effectively monitors and strictly controls risks, aiming for sustainable development.	GRI 3-3 GRI 201-1 GRI 201-2 GRI 201-3	○	●	○	Corporate Governance
Economic	Honest business practices and compliance with laws and regulations	Integrity, honesty, and compliance with government laws are the core values of our company.	GRI 2-27 GRI 3-3 GRI 205-2 GRI 205-3	○	●	○	Corporate Governance
Economic	Innovation and R&D	We will continue to strengthen our competitive advantages in research and development and technology, invest in new products and applications, and improve energy efficiency and reduce environmental impact.	GRI 3-3	▲	●	○	About Forward Electronics
Economic	Information security and customer privacy	Cybersecurity incidents and data breaches can have negative impacts on companies, customers, and society as a whole, and may even result in economic losses such as litigation costs and compensation.	GRI 3-3 GRI 418-1	○	●	○	Corporate Governance
Economic	Quality Management	Only by meeting customer expectations can good product quality be achieved and market share maintained and expanded.	GRI 3-3	○	●	○	Sustainable supply chain
Environmental	Climate Change Response	Proactively addressing climate change not only helps reduce the impact of extreme weather events but also benefits the company's reputation for sustainability and environmental responsibility.	GRI 3-3 GRI 201-2	○	●	○	Environmental sustainability



# Material Topic Analysis

Aspect	Material Topic	importance	GRI	Value Chain Impact			Chapter
				Upstream	Forward Electronics	Downstream	
Environmental	Waste Management	We must continue to reduce waste and improve resource recycling rates to enhance the reuse of sustainable resources and reduce the impact on the environment.	GRI 3-3 GRI 306-1 GRI 306-2 GRI 306-3 GRI 306-4 GRI 306-5	○	●	○	Environmental sustainability
Environmental	Environmental laws and regulations	Complying with government environmental protection laws is an obligation for the electronics industry, and continuously improving beyond legal requirements is essential to meeting stakeholder expectations.	GRI 3-3 GRI 2-23 GRI 2-27	○	●	○	Corporate Governance
Social	Talent recruitment and development	Having high-quality talent is the most important asset of an enterprise. The company continuously strives to create a welfare system that surpasses the law, so that colleagues can be proud to be part of the company.	GRI 3-3 GRI 201-3 GRI 401-1 GRI 401-2 GRI 404-1 GRI 404-2		●	○	Friendly Workplace
Social	Employee Salary and Benefits	Only by continuously developing welfare systems that are superior to those stipulated by law can companies take care of employees' families and lives, enhance employees' sense of belonging and security to the company, and increase the success rate of recruitment and retention.	GRI 3-3 GRI 201-3 GRI 401-2		●	○	Friendly Workplace

# Material Topic Analysis

Material Topic		Corporate Governance and Risk Management
SDGS	sdg 16 peace justice and strong institutions	
GRI	GRI 3-3 、GRI201-1 、GRI 201-2 、GRI 201-3	
Policies or Commitments	Establish a transparent and responsible corporate governance structure, and adhere to the principle of honest operation to ensure the legality and ethics of all business activities.	
Indicators and Targets	<ul style="list-style-type: none"><li>Short-term goal (2025): In accordance with corporate governance assessment indicators and regulatory requirements, review and revise relevant corporate governance rules and regulations as needed.</li><li>Medium- to long-term goal (2025-2030): Continue to cooperate with regulatory authorities and laws to establish relevant systems and strengthen corporate governance and risk management.</li></ul>	
Validity tracking mechanism	<ul style="list-style-type: none"><li>Implement and continuously improve internal audit systems to ensure risks are controlled.</li><li>Improve the company's governance structure, with each functional committee fulfilling its specific responsibilities.</li><li>Conduct annual performance evaluations of the Board of Directors and each functional committee.</li></ul>	
Annual Actions and Performance	<ul style="list-style-type: none"><li>Establish a risk management team, which will report on its implementation at annual meetings and submit the results to the board of directors.</li><li>Conduct a triennial external performance evaluation of the board of directors and functional committees in 2024.</li><li>Continuously strengthen corporate governance measures and improve the company's governance ranking.</li></ul>	

# Material Topic Analysis

Material Topic	Honest business practices and compliance with laws and regulations
SDGS	sdg 16 peace justice and strong institutions
GRI	GRI 2-27 、 GRI 3-3 、 GRI 205-2 、 GRI 205-3
Policies or Commitments	Our company adheres to legal compliance to ensure that our business activities comply with all applicable laws and standards. We have integrated ethical conduct codes and guidelines into our business strategy, and implemented various anti-fraud measures to ensure honest business practices, thus fostering a transparent, open, and honest corporate culture.
Indicators and Targets	Short-term goals (2025) : <ul style="list-style-type: none"><li>• The company has not engaged in any acts of corruption or bribery.</li><li>• The company has not been penalized by government agencies for any illegal activities.</li></ul> Medium- to Long-Term Goals (2025-2030) : <ul style="list-style-type: none"><li>• Enhance integrity in business operations and promote anti-corruption awareness and training, 1-2 times per year.</li><li>• Comply with relevant laws and regulations to avoid major penalties.</li></ul>
Validity tracking mechanism	<ul style="list-style-type: none"><li>• Review all appeals through various channels, track their progress and outcomes, and conduct case analysis.</li><li>• The auditing unit regularly executes internal audit plans, completes audits, and reports to the board of directors upon completion.</li></ul>
Annual Actions and Performance	<ul style="list-style-type: none"><li>• Conduct training sessions on integrity and anti-corruption at least once a year.</li><li>• Report to the Board of Directors at least once a year on the integrity management policy and its implementation results.</li><li>• The implementation and enforcement of integrity management and anti-corruption measures are the responsibility of a dedicated unit under the Board of Directors.</li></ul>



# Material Topic Analysis

Material Topic	Innovation and R&D
SDGS	SDG 9 industry innovation and infrastructure
GRI	GRI 2-27、GRI 3-3、GRI 205-2、GRI 205-3
Policies or Commitments	Innovation and R&D are among the core values of Forward Electronics. Through the process of innovation and R&D, we establish differentiation, build market advantages, and create new product scenarios and applications.
Indicators and Targets	<p>Short-term goals (2025) :</p> <ul style="list-style-type: none"><li>• Cross-functional integration of software, hardware, and service processes improves product reliability.</li><li>• We value customer suggestions and feedback, and conduct market demand analysis.</li></ul> <p>Medium- to Long-Term Goals (2025-2030) :</p> <ul style="list-style-type: none"><li>• Combine product advantages with innovative technologies to achieve more diverse product applications.</li><li>• Manufacture products through innovative processes to meet new market specifications and requirements.</li></ul>
Validity tracking mechanism	<ul style="list-style-type: none"><li>• Regularly review all intellectual property rights to protect the company's R&amp;D achievements.</li><li>• Regularly update and analyze market feedback on products to plan future product applications.</li><li>• Regularly conduct educational training sessions on products and patents.</li></ul>
Annual Actions and Performance	<ul style="list-style-type: none"><li>• Planning and resource sharing to promote collaborative innovation across the industry chain.</li><li>• Encouraging employees to engage in invention and creation.</li></ul>

# Material Topic Analysis

Material Topic		Information security and customer privacy
SDGS	SDG 9 industry innovation and infrastructure	
GRI	GRI 3-3 、GRI 418-1	
Policies or Commitments	Forward Electronics will continue to monitor international climate change trends, emphasize greenhouse gas reduction, identify climate change risks and opportunities, formulate mitigation and adaptation actions, and implement energy conservation and carbon reduction actions.	
Indicators and Targets	<div>Short-term goals (2025) :</div> <div><ul style="list-style-type: none"><li>No information security incidents or personal data breaches have occurred.</li><li>We have strengthened employee cybersecurity education and training to raise the cybersecurity awareness of all employees, and regularly conduct social engineering drills.</li></ul></div> <div>Medium- to Long-Term Goals (2025-2030) :</div> <div><ul style="list-style-type: none"><li>No information security incidents or personal data breaches have occurred.</li><li>Plans to obtain ISO 27001 information security management system certification in the future.</li><li>Improve information security operating procedures, conduct ICT system inventory and risk assessment, and revise information security incident response and reporting procedures, etc.</li></ul></div>	
Validity tracking mechanism	<div><ul style="list-style-type: none"><li>Perform firewall checks regularly.</li><li>Conduct social engineering drills regularly.</li><li>Update and scan antivirus software on every computer in the company weekly.</li></ul></div>	
Annual Actions and Performance	<div><ul style="list-style-type: none"><li>No major cybersecurity incidents occurred, including violations of information security regulations, leaks of customer information, or fines.</li><li>One cybersecurity awareness campaign was conducted in 2024 to enhance employees' cybersecurity awareness.</li><li>Information system security was ensured, data backup and recovery mechanisms were strengthened, and disaster recovery drills were conducted regularly.</li></ul></div>	

# Material Topic Analysis

Material Topic		Quality Management
SDGS	SDG 9 industry innovation and infrastructure	
GRI	GRI 3-3	
Policies or Commitments	Forward Electronics prioritizes quality and ensures on-time delivery. We also provide reliable services at reasonable costs and continuously improve product reliability to enhance customer satisfaction. We have implemented the ISO 9001 quality management system and the IATF 16949 automotive product quality management system, and through ongoing education and promotion, we have comprehensively maintained product quality.	
Indicators and Targets	<p>Short-term goals (2025) :</p> <ul style="list-style-type: none"><li>Through regular internal and external audits of the QMS, we confirm that the operating procedures are consistent with the actual implementation.</li></ul> <p>Medium- to Long-Term Goals (2025-2030) :</p> <ul style="list-style-type: none"><li>Enhance the quality awareness of all employees through education and training.</li><li>All employees of the company have a concept of quality and a culture of taking responsibility for quality.</li><li>Prioritize the use of recyclable and highly recyclable materials in product development.</li></ul>	
Validity tracking mechanism	<ul style="list-style-type: none"><li>Internal quality audits are conducted, and audit results are recorded for continuous improvement.</li><li>External third-party audits are conducted, and audit results are recorded for continuous improvement.</li></ul>	
Annual Actions and Performance	<ul style="list-style-type: none"><li>Through annual third-party external audits, we understand whether quality management processes are being implemented, and based on the audit results and reports, we identify problems and develop corresponding improvement measures.</li><li>For raw materials supplied by suppliers, if any abnormalities are found, we conduct anomaly investigations and damage control, and carry out on-site audits of the suppliers.</li></ul>	

# Material Topic Analysis

Material Topic		Climate Change Response
SDGS	SDG 13 Climate action	
GRI	GRI 3-3 、 GRI 201-2	
Policies or Commitments	Forward Electronics will continue to monitor international climate change trends, emphasize greenhouse gas reduction, identify climate change risks and opportunities, formulate mitigation and adaptation actions, and implement energy conservation and carbon reduction actions.	
Indicators and Targets	<div>Short-term goals (2025) :</div> <div><ul style="list-style-type: none"><li>Set annual water and energy conservation targets, regularly track target achievement, and proactively address climate change-related risks.</li><li>Complete greenhouse gas inventory and verification for the company and its subsidiaries.</li></ul></div> <div>Medium- to Long-Term Goals (2025-2030) :</div> <div><ul style="list-style-type: none"><li>We conduct regular annual greenhouse gas inventory and verification for Forward Electronics and its subsidiaries.</li><li>We set annual carbon reduction targets based on the results of the annual greenhouse gas inventory.</li></ul></div>	
Validity tracking mechanism	<ul style="list-style-type: none"><li>Regularly track the progress of greenhouse gas inventory checks and report to the board of directors for control.</li><li>Conduct third-party external audits, record audit results, and continuously improve.</li></ul>	
Annual Actions and Performance	An annual greenhouse gas inventory plan has been established and verified by a third party.	



# Material Topic Analysis

Material Topic	Waste Management
SDGS	SDG 12 Responsible consumption and production
GRI	GRI 3-3、GRI 306-1、GRI 306-2、GRI 306-3、GRI 306-4、GRI 306-5
Policies or Commitments	Properly dispose of waste, reduce waste and related costs, create revenue value, and reduce the environmental impact of operations.
Indicators and Targets	<div>Short-term goals (2025) :</div> <ul style="list-style-type: none"><li>Regularly review and update waste management facilities to ensure they comply with standards and regulations.</li><li>Conduct external audits of the ISO 14001 environmental management system and recertify every three years.</li></ul> <div>Medium- to Long-Term Goals (2025-2030) :</div> <ul style="list-style-type: none"><li>Increase waste sorting and recycling rates to the target level.</li><li>Continuously improve waste treatment efficiency and effectiveness.</li></ul>
Validity tracking mechanism	<ul style="list-style-type: none"><li>Regularly conduct training and awareness campaigns to enhance employees' understanding and commitment to waste management.</li><li>Implement the ISO 14001 environmental management system, regularly record audit results, and continuously improve the system.</li></ul>
Annual Actions and Performance	<ul style="list-style-type: none"><li>Passed the ISO 14001 Environmental Management System external audit renewal in 2024.</li><li>Continued implementation of waste sorting and recycling to achieve waste reduction goals.</li><li>All company waste is 100% outsourced to qualified contractors for disposal, ensuring it is ultimately disposed of legally.</li><li>No waste leaks or pollution incidents occurred in 2024, and all waste disposal methods complied with laws and regulations.</li></ul>

# Material Topic Analysis

Material Topic		Environmental laws and regulations
SDGS	SDG 12 Responsible consumption and production	
GRI	GRI 2-23 、 GRI 2-27 、 GRI 3-3	
Policies or Commitments	Environmental protection and pollution prevention are the responsibilities of our company. We strictly abide by environmental laws and regulations in order to achieve a zero-violation goal. If any environmental deficiencies occur, we will follow up until they are rectified to avoid causing misunderstandings in the public.	
Indicators and Targets	<p>Short-term goals (2025) :</p> <ul style="list-style-type: none"><li>• The company has not been penalized by government agencies for environmental violations.</li><li>• Waste treatment facilities are regularly reviewed and updated to ensure compliance with standards and regulations.</li><li>• The ISO 14001 environmental management system undergoes external audits and is renewed every three years.</li></ul> <p>Medium- to Long-Term Goals (2025-2030) :</p> <ul style="list-style-type: none"><li>• Increase waste sorting and recycling rates to target levels.</li><li>• Comply with environmental laws and regulations to avoid major penalties.</li></ul>	
Validity tracking mechanism	<ul style="list-style-type: none"><li>• Regularly conduct training and awareness campaigns to improve employees' understanding of environmental laws and regulations.</li><li>• Implement an ISO 14001 environmental management system, regularly record audit results, and continuously improve the system.</li><li>• Regularly update and review environmental protection regulations to ensure company policy compliance.</li></ul>	
Annual Actions and Performance	<ul style="list-style-type: none"><li>• Passed the ISO 14001 Environmental Management System external audit renewal in 2024.</li><li>• Continued implementation of waste sorting and recycling to achieve waste reduction goals.</li><li>• All company waste is 100% outsourced to qualified contractors for disposal, ensuring it is ultimately disposed of legally.</li><li>• No waste leaks or pollution incidents occurred in 2024, and all waste disposal methods complied with laws and regulations.</li></ul>	

# Material Topic Analysis

Material Topic		Talent recruitment and development
SDGS	SDG 4 Quality education	
GRI	GRI 3-3、GRI 201-3、GRI 401-1、GRI 401-2、GRI 404-1、GRI 404-3	
Policies or Commitments	Talent is a crucial foundation for the company's operation and transformation. Therefore, the company attaches great importance to the recruitment and training of its employees, and provides them with comprehensive human resource development support, including training, career development and benefits, in order to improve their job satisfaction and work efficiency.	
Indicators and Targets	<p>Short-term goals (2025) :</p> <ul style="list-style-type: none"><li>Establish an employee satisfaction survey mechanism, conduct surveys regularly, and set a high standard for satisfaction scores.</li><li>Increase employee participation in education and training, ensuring that at least 80% of employees participate in training activities.</li></ul> <p>Medium- to Long-Term Goals (2025-2030) :</p> <ul style="list-style-type: none"><li>Expand the company's talent pool through internal promotions or transfers.</li><li>Establish a comprehensive performance evaluation system to achieve the company's operational and development goals.</li></ul>	
Validity tracking mechanism	<ul style="list-style-type: none"><li>Review the average hours and expenditure of education and training annually.</li><li>Regularly review employee performance and career development.</li></ul>	
Annual Actions and Performance	<ul style="list-style-type: none"><li>We continue to strengthen our campus outreach and recruit potential talent.</li><li>In 2024, our employees accumulated a total of 1,820 hours of training.</li><li>In 2024, 100% of our employees underwent performance appraisals.</li></ul>	

# Material Topic Analysis

Material Topic		Employee Salary and Benefits
SDGS	SDG 8 Decent work and economic growth	
GRI	GRI 3-3、GRI 201-3、GRI 401-2	
Policies or Commitments	Our company values talent above all else, retains employees through competitive salaries and benefits, fosters a friendly workplace with diverse communication, promotes an organizational culture of mutual benefit between employers and employees, and achieves the goal of sustainable business operations.	
Indicators and Targets	<p>Short-term goals (2025) :</p> <ul style="list-style-type: none"><li>• Annual labor-management communication meetings are 100% completed.</li><li>• Employee turnover rate is below 10%.</li><li>• Salaries and benefits remain at industry standards.</li></ul> <p>Medium- to Long-Term Goals (2025-2030) :</p> <ul style="list-style-type: none"><li>• 100% completion rate of annual labor-management communication meetings.</li><li>• Employee turnover rate between 5% and 10%.</li></ul>	
Validity tracking mechanism	<ul style="list-style-type: none"><li>• Conduct employee satisfaction surveys regularly.</li><li>• Conduct exit interviews with departing employees to analyze the reasons for their departure and facilitate improvements.</li></ul>	
Annual Actions and Performance	<ul style="list-style-type: none"><li>• The turnover rate in 2024 was 6.91%. To improve retention and reduce turnover, we will implement exit interviews for departing employees to identify specific improvement plans based on the reasons for their departure.</li><li>• There were 0 violations of occupational safety and health regulations.</li><li>• There were 0 violations of workplace misconduct regulations.</li></ul>	



# 1. About Forward Electronics

# About Forward Electronics

## 1.1 Company Profile

Since its establishment in 1970, Forward Electronics has focused on the research, development, manufacturing, and sales of electronic components. After more than 50 years of development, the company has become an important member of the global electronics industry supply chain, providing high-quality electronic component solutions to customers in consumer electronics, automotive electronics, industrial applications, and other fields.

Currently, the company's business covers key components such as backlight modules, liquid crystal display (LCD) modules, switches, variable resistors, sensors, and bit generators, and it continues to invest in intelligent and automated technologies to enhance product competitiveness. Fu Hua Electronics adheres to the philosophy of innovative R&D and sustainable operation, and is committed to development in environmental protection, energy management, supply chain optimization, and other aspects to ensure that the company maintains a competitive advantage in the global market. The company's shares were officially listed on the OTC market on March 1, 2004, with the stock code 8085. As of the end of 2024, its paid-in capital was NT\$1,399,830,000.

Optoelectronic products are the core business of our company, mainly including liquid crystal display (LCD) modules and backlight modules. Their applications cover:Automotive displays (instrument panels, center console screens, rear-seat entertainment systems).Medical displays (health monitors, medical imaging displays).Industrial displays (industrial control equipment, smart machine terminals).

Consumer electronics (notebooks, televisions, smart home appliances).

Market trends are driving the growth of the connected vehicle, autonomous driving, and new energy vehicle markets, leading to a continuous increase in demand for automotive display technology and boosting the backlight module market. The company is also actively investing in Mini LED backlighting and OLED display technologies to enhance its product competitiveness.

Company Name	Forward Electronics
Industry	Other Electronics
Stock Code	8085
Date of Establishment	August 31, 1970
Headquarters Location	Taipei
Paid-in capital (unit: NTD)	1,399,830,600
2024 Revenue (Unit: NTD)	596,257,000
Employees	217
Operating locations	Taipei City, New Taipei City, Kaohsiung
Main business	LED packaging and lighting applications, backlight modules and electronic components business

Product output in 2024		
Optoelectronic products	Electronic components	Electronic Applications
191,736,000	251,659,000	152,862,000

Unit: NTD

# About Forward Electronics

## ■ Electronic Components

Electronic component products cover switches, variable resistors, bit generators, and sensors, primarily used in:

- Audio-visual equipment and smart home appliances (TVs, audio equipment, digital cameras).
- Automotive electronics (power control, vehicle sensing).
- Industrial automation (control panels, robotic applications).

Market Trends Due to the widespread adoption of automation technology, smart home appliances, and AIoT products, the demand for high-precision switches and sensors is steadily growing. To address sustainability trends, Fuhua Electronics is committed to developing long-life, low-power, and environmentally friendly electronic components, such as waterproof switches and RGB programmable switches.

## ■ LED Lighting Applications

Forward Electronics' LED lighting products cover:

- Industrial and Commercial Lighting (Smart City Lighting, Outdoor Lighting).
- Professional Applications (Landscape Lighting, Stage Lighting).

Forward Electronics actively adopts smart lighting solutions and follows international market trends, developing LED lighting technology towards intelligence, energy saving, and high efficiency to enhance the company's product market competitiveness.

## ■ Sensors and Smart Control

Sensor technology is applied in:

- Automotive systems (position sensing, driver monitoring).
- Industrial control (robotic arms, precision measurement).
- Medical devices (physiological monitoring, health management)

With the diversified development of the Internet of Things (IoT), 5G, and Artificial Intelligence (AI), the application of smart sensors is becoming increasingly widespread. Fuhwa Electronics continues to research and develop technologies such as non-contact position sensors, magnetic sensors, and optical sensors, aiming to provide better core components for products such as drones and medical devices in the wave of AI and smart applications.

# About Forward Electronics

## 1.2 The interconnectedness of upstream, midstream and downstream industries

Taiwan's electronic component industry boasts a remarkably complete supply chain, vertically divided into upstream raw material suppliers, midstream electronics manufacturers, and downstream end-user application companies. The main products and services are shown in the table below.

Forward Electronics' supply chain can be divided into:

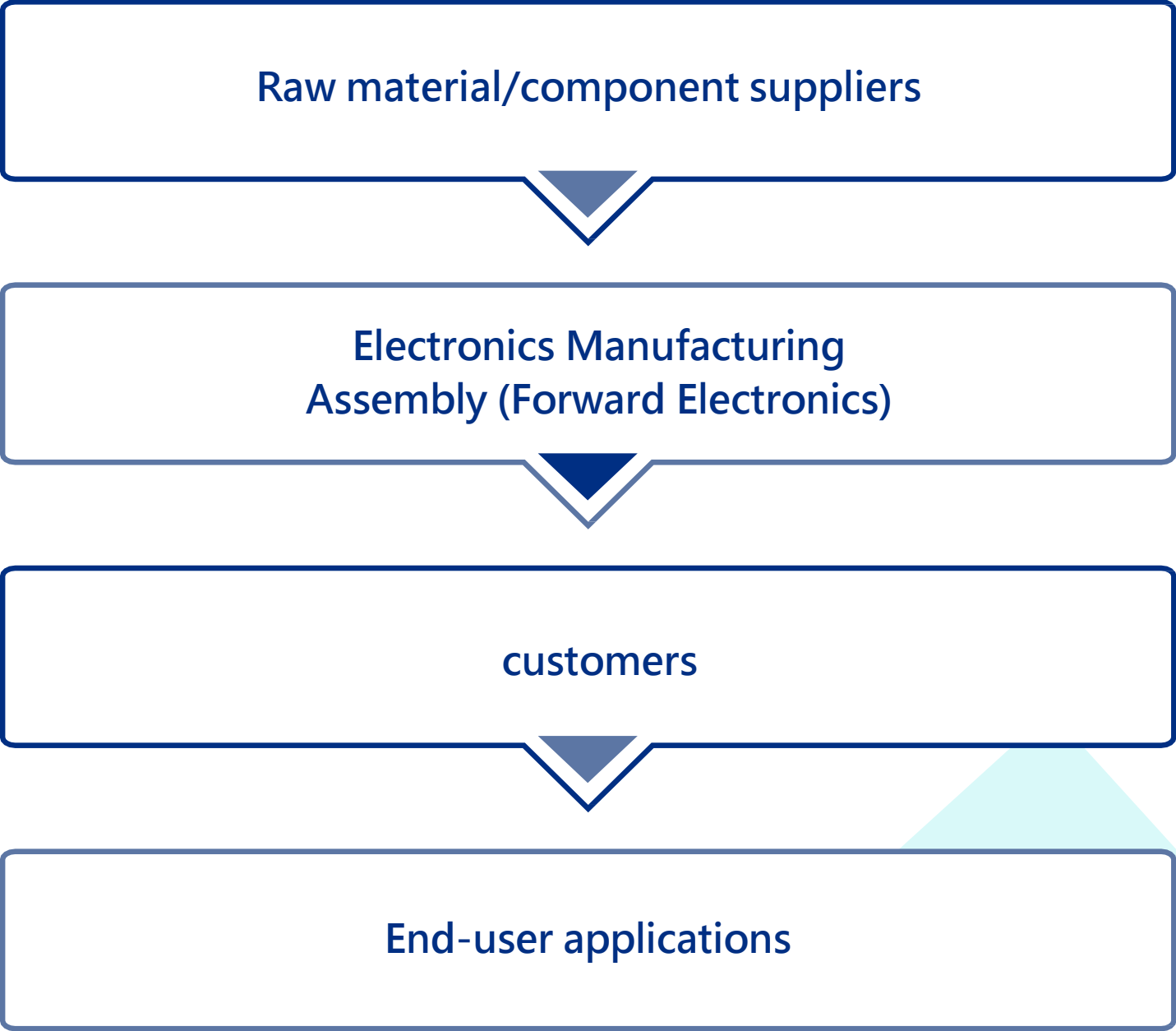
Upstream: Raw material and component suppliers, providing basic components such as metal materials, plastics, PCBs, LEDs, and optical films.

Midstream: Manufacturing and assembly, including product research and development, production, and testing, ensuring quality and efficiency.

Downstream: Brand owners and end-application manufacturers, covering markets such as consumer electronics, industrial equipment, and smart automotive systems.

### Electronic component industry structure

upstream, midstream and downstream industries	
Upstream industries	<ul style="list-style-type: none"><li>• Metallic materials</li><li>• Plastic materials</li><li>• Electroplating and special materials</li><li>• Optoelectronic and display materials</li></ul>
Midstream industries	<ul style="list-style-type: none"><li>• Raw material inspection</li><li>• Automated production</li><li>• Precision testing</li><li>• Intelligent warehouse management</li></ul>
Downstream industries	<ul style="list-style-type: none"><li>• Consumer electronics</li><li>• Automotive electronics</li><li>• Industrial and medical equipment</li></ul>





# About Forward Electronics

## 1.2.1 Development layout

Forward Electronics expands its diversified sales channels through a global market strategy:

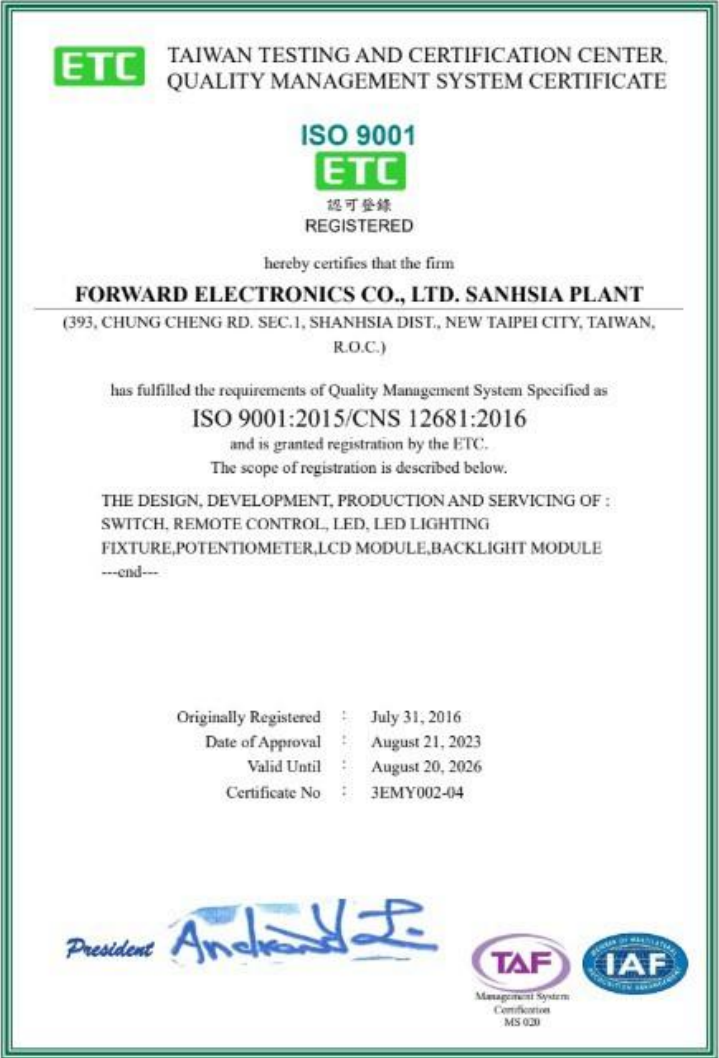
area	Market development direction
Taiwan	High-end product development and innovative technology application
China	Increase production line capacity and expand the automotive electronics market
USA	Introduction of intelligent vehicle and IoT application products
Europe	Energy-saving and smart display technologies

## 1.2.2 Quality First

Forward Electronics continuously improves and innovates its processes, products, and services, ensuring that its products are free of hazardous substances, and providing customers with the highest value and most competitive solutions.



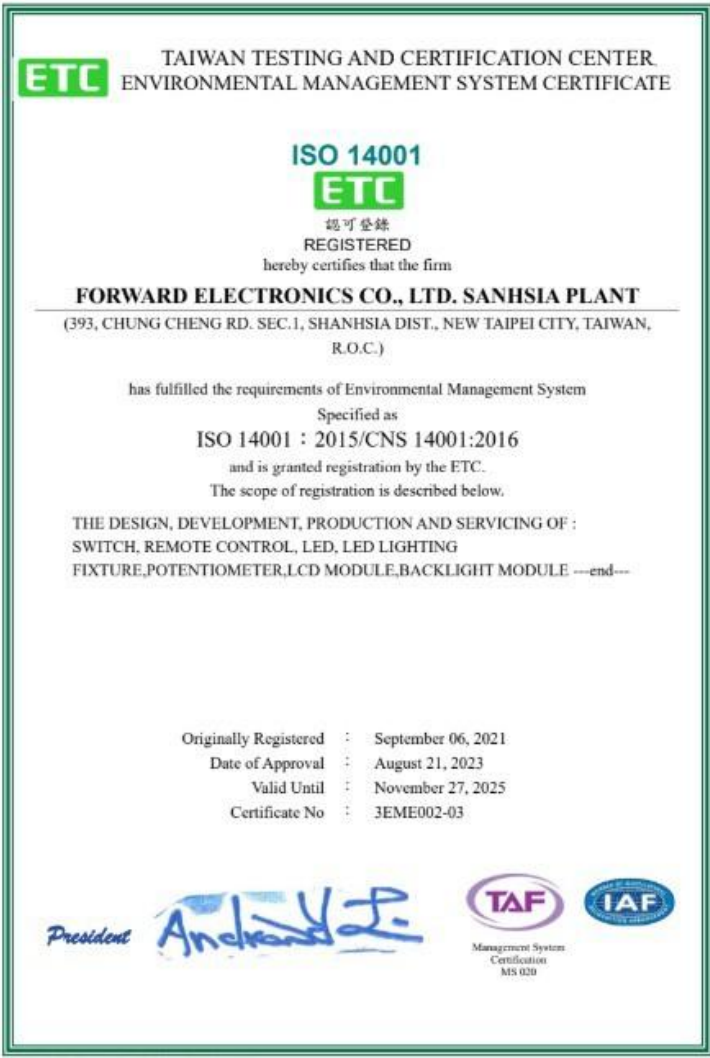
# About Forward Electronics



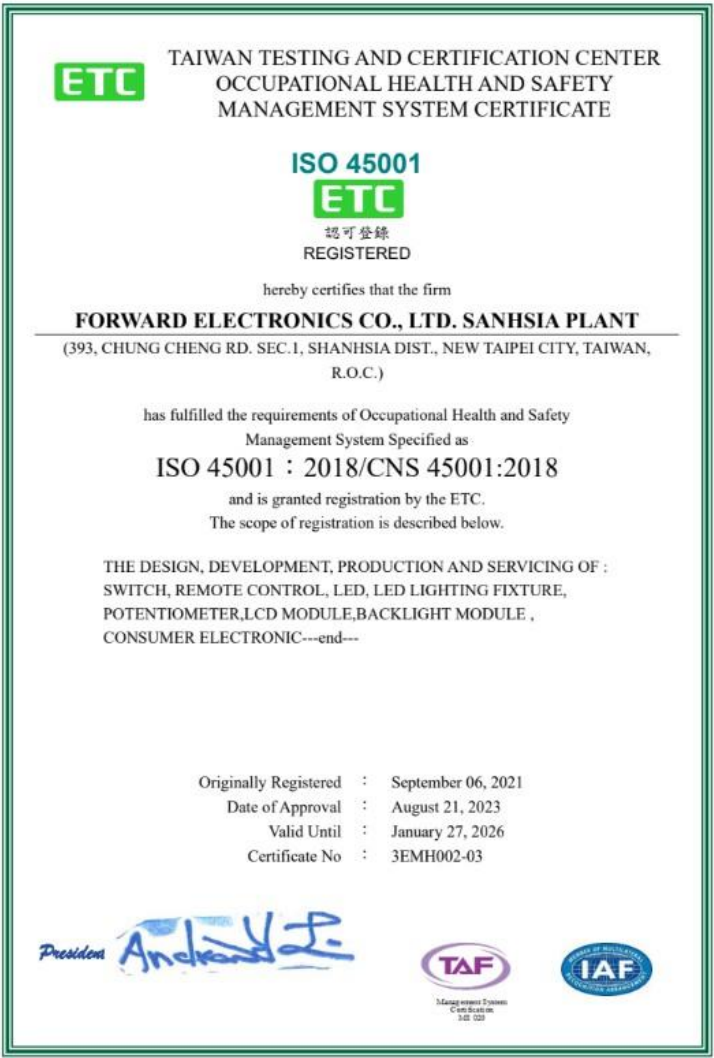
ISO 9001 : 2015



IAFT 16949 : 2016



ISO 14001 : 2015



ISO 45001 : 2018



# About Forward Electronics

## 1.2.3 Operational performance

Forward Electronics reported consolidated revenue of RMB 596 million and gross profit of RMB 27 million in 2024, with a net loss after tax of RMB 120 million and a loss per share of RMB 0.86. Despite external shocks such as global inflation and regional wars in 2024, overall revenue remained stable thanks to the efforts of all employees. The company will continue to expand its market and deepen its service scope.

Furthermore, driven by the increasing maturity of the Internet of Things (IoT), the company will increase the contribution of supply chain management and artificial intelligence systems in the future, making its revenue mix more diversified and further reducing the risk of market volatility. The company did not receive any government subsidies in 2024 and addresses stakeholder concerns by disclosing its financial performance and operational information in its annual reports each year.

### Financial Overview

2024 Financial Overview		Unit : NTD
Financial Statements		
Operating revenue(in thousands)		596,257
Gross profit(in thousands)		27,615
Operating profit (in thousands)		(187,428)
Net loss after tax (in thousands)		(120,351)
Profitability		
Gross profit margin (%)		(4.6)
Earnings Ratio (%)		(20.2)
Return on assets (%)		(3.2)
Return on equity (%)		(7.1)





# About Forward Electronics

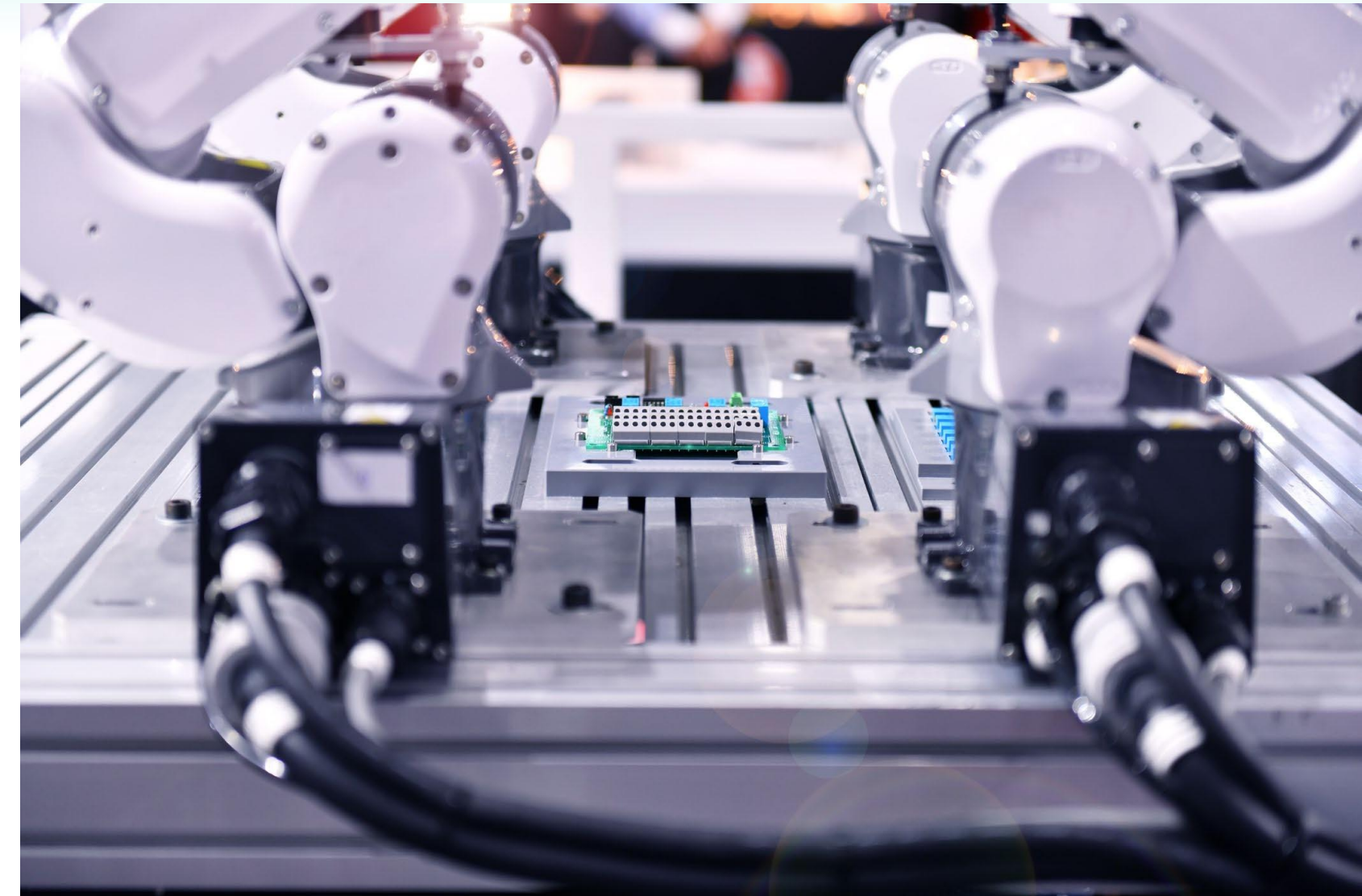
## 1.3 Tax governance

### Tax Policy

In response to international trends in tax governance, Forward Electronics adheres to the principles of transparency and responsibility in tax governance. Following local tax regulations and international anti-tax avoidance guidelines, the company implements standard transaction practices, avoids unreasonable tax planning, and has established a tax governance culture. This culture is implemented by designated responsible units that report to management to ensure the effective operation of the tax management mechanism and protect the interests of the company and its investors. The company's tax policies and code of conduct are as follows:

### Our Tax Commitments:

1. Honest tax declaration and fulfillment of taxpayer responsibilities.
2. Tax strategies comply with the tax laws and related legislative spirit of all operating locations.
3. All Group companies worldwide comply with local regulations and file tax returns on time.
4. We do not engage in cross-border tax arrangements through tax havens to evade taxes or shift profits.
5. Financial reporting is transparent, and tax disclosures are handled in accordance with relevant regulations and guidelines.
6. We establish a mutually respectful relationship with tax authorities based on mutual trust and transparency.





# About Forward Electronics

## 1.4 External initiatives

### Forward Electronics' response to international initiatives

Sustainable Development Goals	<ul style="list-style-type: none"><li>The United Nations' 17 Sustainable Development Goals (SDGs) advocate for the integration of sustainability indicators across social, economic, and environmental dimensions, working together globally to move towards sustainability.</li></ul>
Environmental	<ul style="list-style-type: none"><li>Climate Change Related Financial Disclosures (TCFD) help investors and policymakers understand an organization' s climate-related risks, opportunities, and financial impacts, enabling organizations to overcome transformation challenges.</li></ul>
social	<ul style="list-style-type: none"><li>Social Accountability 8000 (SA8000) ensures that supply chain partners' human rights, environmental, and ethical conduct comply with international standards.</li><li>The Responsible Business Alliance (RBA) ensures that supply chain partners provide safe working environments and that workers are treated with respect.</li></ul>
governance	<ul style="list-style-type: none"><li>The United Nations Convention against Corruption (UNCAC) aims to establish a sound governance system for preventing and eliminating corruption.</li></ul>

### Participating in external organizations

Public Association Organization Name and Participating Status	
	New Taipei City Industrial Association ( Member )
	China-Indonesia Cultural and Economic Association ( Member )
	Taiwan Carbon Credit Digital Economy Development Association ( Member )

## 2. Corporate Governance

# Corporate Governance

## 2.1 Corporate Governance Structure

### Corporate Governance Code

Forward Electronics, referencing the "Code of Conduct for the Governance of Listed Companies," has established its own "Code of Conduct for Corporate Governance" to protect shareholder rights, strengthen the functions of the board of directors, leverage the functions of the audit committee, respect the rights of stakeholders, and enhance information transparency. According to this code, the structure of the board of directors should be determined based on the company's scale of business development and the shareholding of major shareholders, taking into account the needs of practical operations, and should include at least five directors, with a diverse composition. At least three independent directors should be appointed, comprising no less than one-fifth of the total board seats. The selection of independent directors should ensure their independence and professionalism, and they may not change their status to non-independent directors during their term of office.

The company's board of directors currently has an audit committee and a remuneration committee. To improve oversight and strengthen management, the board may establish other functional committees, taking into account the company's size, business nature, and number of board members. Board members should faithfully perform their duties with the care of prudent managers, exercise their powers with a high degree of self-discipline and prudence, and continuously participate in corporate governance-related training courses to continuously improve their professional and legal knowledge.

### Election of Directors

Forward Electronics' internal "Director Election Regulations" clearly stipulate the nomination, qualifications, and election procedures and standards for director candidates. Fuhua Electronics' directors are elected through a candidate nomination system, with directors elected by the shareholders' meeting. Cumulative voting is used, with each share carrying the same number of votes as the number to be elected, allowing for the concentration of votes on one person or the allocation of votes among several. The voting rights of independent and non-independent directors are calculated separately according to the quota stipulated in the company's articles of association, with those receiving more votes elected in order of seniority. If two or more directors have the same number of votes, the election is decided by drawing lots; if a director is absent, the chairman draws lots on their behalf.



# Corporate Governance

## Organizational Structure

unit	Main duties
President	Formulate company operational goals, oversee the execution of all company business operations, and direct and supervise the handling of business by various units.
Audit Office	Audit the implementation of the company's internal rules and regulations, and provide suggestions for improvement.
Finance Department	Responsible for fund allocation, cash disbursement, taxation, accounting, cost calculation, and the design and management of accounting systems.
Human Resources Department	Responsible for establishing personnel systems and planning education and training, human resource development and management, liaising with government agencies on matters, coordinating labor relations, maintaining and repairing factory buildings, managing and maintaining machinery and equipment, and designing and installing water, electricity, refrigeration and air conditioning, telephone and fire protection pipelines.
AVC Business Department	Responsible for the research, development, manufacturing, and sales of products such as variable resistors, switches, LCD modules, input devices, digital video and LED lighting.
Information Center	Responsible for the evaluation and procurement of information hardware and software, planning of the information environment, establishment and review of information systems, development and management of information systems, control and supervision of information security, and information-related education and training.
Quality Assurance Department	Responsible for incoming material inspection, in-process inspection, finished product inspection, instrument calibration, document management center, and customer complaint handling.
Materials Department	Responsible for the procurement and import/export of materials and equipment, as well as customs clearance and other related work.
New Product Planning Course	Responsible for market research and technology sourcing before the introduction of new products, as well as initial development and sales expansion.
Safety and hygiene room	Responsible for matters related to environmental protection, industrial safety, medical care, and insurance; and handling the company's liaison with government inspection agencies.



# Corporate Governance

## 2.1.1 Composition and Operation of the Board of Directors

Forward Electronics' Board of Directors currently consists of eight seats, including six general directors and two independent directors (one independent director position is currently vacant). Directors are elected through a candidate nomination system, with all shareholders voting at the shareholders' meeting according to the board election procedures. Fuhua Electronics respects a policy of director diversity, selecting directors based on merit, possessing diverse and complementary capabilities across industries, and comprised of individuals with professional qualifications and experience in management, marketing, industry, accounting, and other fields. The term of office for the board is three years. The board holds at least one meeting per quarter. In 2024, a total of 13 meetings were held, with an overall attendance rate of 93.2%. The number of independent directors serving more than three consecutive terms has been reduced to continuously strengthen the board's structure and operation.

Management Objectives	Achievement Status
The number of independent directors exceeds one-third	In the planning stage
Independent directors' terms of office did not exceed three terms.	Achieved
There must be at least one director of different genders.	Achieved
No more than one-third of the directors should concurrently serve as company managers.	Achieved
Sufficient and diverse professional knowledge	Achieved

# Corporate Governance

## 2.1.2 Interest avoidance

According to the Board of Directors' Rules of Procedure and the Audit Committee's Organizational Procedures of Fuhua Electronics, directors or committee members who have a conflict of interest with themselves or their legal representatives regarding meeting matters should explain the key aspects of their conflict of interest at the time of discussion and voting, and should abstain from voting on behalf of other directors or committee members. Both of Forward Electronics' independent directors meet the independence requirements.

The Company has established the "Rules on the Scope of Duties of Independent Directors," which clearly stipulate that "if an independent director has any objections or reservations, they shall be recorded in the minutes of the board meeting," "the Company or the Board of Directors shall not obstruct, refuse or evade the performance of duties by independent directors," and "when an independent director deems it necessary to perform his or her duties, he or she may request the Board of Directors to appoint relevant personnel or hire experts to assist in the process," to ensure that independent directors can fulfill their duties and effectively enhance the operation of the Board of Directors and the Company's business performance.

Board of Directors	Audit Committee	Salary and Compensation Committee
8 directors	2 directors	2 directors and 1 committee member
13 meetings were held	13 meetings were held	3 meetings were held



# Corporate Governance

## 2.1.3 Board of Directors Diversity

Forward Electronics regularly discloses its board attendance and attendance rates. In 2024, the company's board of directors held 13 meetings, averaging one meeting per month, with an average attendance rate of 93.2%. According to the company's rules of procedure, board members who have a conflict of interest with any meeting matter must explain the significant aspects of their conflict of interest at the time of discussion and voting, and may not act as proxies for other directors or committee members.

The company values the professional knowledge, skills, and diversity of its board members, and emphasizes gender equality. The directors' professional knowledge and skills encompass management, leadership decision-making, industry experience, financial accounting, legal expertise, international perspectives, and ESG sustainability, providing more diverse viewpoints for the company's sustainable operation.



# Corporate Governance

Name	Nationality	Gender	Age Group	Business Management	Leadership Decision	Industry experience	Financial Accounting	Law	International Perspective	ESG
Hong Chi-Chang	R.O.C	Male	71-80	V	V	V	V		V	V
Wang GuangXiang	R.O.C	Male	71-80	V	V	V	V		V	V
Ho Jing-Ming	R.O.C	Male	61-70	V	V	V	V		V	V
Chang Yao-Yung	R.O.C	Male	61-70	V	V	V	V		V	V
Wang Ya-Hsuan	R.O.C	Female	41-50	V	V	V	V		V	V
Ma Jin-Yao	R.O.C	Female	51-60	V	V	V	V		V	V
*Shih, Yi-Chen	R.O.C	Male	41-50	V	V	V	V		V	V
*Chiu Ching-Yi	R.O.C	Female	41-50	V	V	V		V	V	V

Note 1: Hong Chi-Chang is the Chairman of the Board of Directors of the Company.  
Note 2: \* indicates that the director is an independent director.  
Note 3: Please refer to the Company's Annual Report for the operation of the Board of Directors and the background of its members.  
Note 4: Four directors resigned in 2024; three independent directors resigned; new directors are Ho Jing-Ming, Chang Yao-Yung, Wang Ya-Hsuan, and Ma Jin-Yao; new independent directors are Shih, Yi-Chen and Chiu Ching-Yi.  
Note 5: The Company emphasizes gender equality in the composition of its Board of Directors. There are 3 female directors, representing 37.5% of the board. All directors possess the professional knowledge required for the Company's business, demonstrating the Company's commitment to a diverse Board of Directors.



# Corporate Governance

## Board of Directors Performance Evaluation

In accordance with the "Board Performance Evaluation Method," the Board of Directors of Forward Electronics conducts annual internal performance evaluations of itself and its members. These evaluations consider aspects such as corporate decision-making effectiveness, professional functions, internal control, and corporate social responsibility, supplemented by self-assessment and external performance evaluations conducted every three years. The results are then compiled by the Board's administrative affairs unit and submitted to the Board.

The 2024 performance evaluation of the Board and functional committees was completed in December 2024 and submitted to the Board on February 24, 2025. The overall evaluation results indicate that the overall operation of the Company's Board of Directors is satisfactory, with a self-assessment score of 4.72, meeting the requirements for corporate governance. For detailed evaluation content and results, please refer to the "Board Operation Status" section of the Company's 2014 Annual Report.

### Board Meeting Procedures



## Board of Directors' Assessment of Implementation

Evaluation cycle : Annually (self-assessment) and Triennially (external evaluation)

During the evaluation period : January 1, 2024 ~ December 31, 2024

Scope of assessment : Performance evaluation of the Board of Directors, its members, and functional committees

Evaluation methods : Self-assessment by the Board of Directors, self-assessment by board members, and self-assessment by functional committee members

# Corporate Governance

Assessment content :

Board of Directors Performance Evaluation :

- Company Operations Participation Level
- Board Decision-Making Quality
- Board Composition and Structure
- Director Selection and Continuing Education
- Internal Control

Individual Board Member Performance Evaluation :

- Understanding of Objectives and Tasks
- Awareness of Directors' Responsibilities
- Level of Involvement in Company Operations
- Internal Relationship Management and Communication
- Professional Development and Continuing Education of Directors
- Internal Control

Functional Committee Performance Evaluation :

- Level of Involvement in Company Operations
- Perception of Functional Committee Responsibilities
- Quality of Functional Committee Decisions
- Composition and Selection of Functional Committee Members
- Internal Control



# Corporate Governance

## Number of Board Resolutions Discussed

Forward Electronics regularly discloses the attendance and percentage of its directors, and evaluates the board's performance annually in accordance with its internal "Board Performance Evaluation Method." In 2024, Fuhua Electronics' board of directors held 13 meetings, averaging one meeting per month, with an average attendance rate of 93.2%. A total of 72 resolutions were discussed at the board meeting in 2024. The 2024 board performance evaluation results can be viewed in full on the official website and in the annual report.

Types of proposals to be discussed at the 2024 Board of Directors meeting of Forward Electronics :

Types of proposals	
Business Management	Related Party Transactions
Commercial Transactions	Financial Accounting
Personnel Appointment and Removal	Internal control
Salary and Compensation	Revision of rules and regulations
Shareholders' Meeting and Election of Directors	ESG
72	

## Board of Directors Training

All directors of the Company meet the requirements of the "Guidelines for the Implementation of Continuing Education for Directors of Listed Companies". As of the end of 2024, there were 8 directors whose continuing education status was as follows. For details of each director's continuing education status, please refer to "2024 Annual Report, p. 46-47: Continuing Education Status of Directors in 2024").

Board of Directors Training Courses in 2024:

Total number of training sessions	25
Total training hours	75



# Corporate Governance

## 2.1.4 Functional Committee

### Compensation and Remuneration Committee :

The Company has established a Compensation and Remuneration Committee in accordance with the "Regulations Governing the Establishment and Exercise of Powers of Compensation and Remuneration Committees of Listed Companies or Companies Traded on Securities Dealer Premises." Committee members are appointed by resolution of the Board of Directors. Three meetings were held in 2024, with a total attendance rate of 100%.

The Compensation Committee shall exercise the care of good management and faithfully perform the following duties, and submit its recommendations to the Board for discussion: Establish and periodically review the Company's annual and long-term performance targets and compensation policies, systems, standards, and structures for its directors and managers; periodically assess the achievement of the Company's directors' and managers' performance targets and determine the content and amount of their individual compensation.

### Managerial Compensation Policy :

To ensure the company's sustainable operation and development, and to more closely link managerial compensation with company performance and shareholder interests, Fu Hua Electronics, in accordance with its articles of association, stipulates that managerial compensation is handled in accordance with Article 29 of the "Company Law," requiring a resolution passed by the Board of Directors with the approval of a majority of the attending directors. The managerial compensation structure includes salary, bonuses, and employee compensation; their compensation should be linked to performance, based on their contributions, seniority, responsibilities, industry standards, overall company operating performance, and the achievement rate of the manager's compensation policy. The performance evaluation and compensation rationality of managers are reviewed by the Compensation Committee and the Board of Directors, and the compensation system is reviewed from time to time based on actual operating conditions and the suitability of relevant laws and regulations.



# Corporate Governance

## Directors' remuneration policy :

In accordance with the Company's Articles of Association, the remuneration of Board members, including directors and independent directors, is determined by the Board based on the degree of participation and value of contribution of each director to the Company's operations, regardless of the Company's profit or loss, and at the usual industry standards. The Company has taken out directors' liability insurance and has no litigation cases, so the likelihood of directors assuming liability, obligations, or debts in the future is low.

## Audit Committee :

The Company has established an Audit Committee in accordance with the Securities and Exchange Act. The Audit Committee is composed of all independent directors and is responsible for exercising the powers stipulated in the Company Act, the Securities and Exchange Act, and other relevant laws. Committee members are appointed by resolution of the Board of Directors. All independent directors of the Company meet the prescribed qualifications, work experience, independence, and the number of independent director positions they hold. The Committee meets at least once per quarter and may convene meetings as needed. In 2024, a total of 13 meetings were held, with a 100% attendance rate.



# Corporate Governance

## 2.1.5 Board of Directors' Major Thematic Impact Assessment

To effectively manage and implement corporate governance, integrity management, and corporate social responsibility, our company has successively formulated and approved management regulations such as the "Code of Practice for Sustainable Development," "Code of Practice for Corporate Governance," "Operating Procedures and Code of Conduct for Integrity Management," and "Code of Ethical Conduct." Each functional unit, according to its responsibilities, implements relevant measures in accordance with company policies, and reviews the performance of each implementation every six months. Relevant units also closely monitor relevant international initiatives and standards, and review whether to revise relevant management regulations and operating procedures as needed.

In 2024, the Board of Directors held a total of 13 meetings, averaging at least once a month, to review corporate performance, discuss important ESG strategic issues and key themes and events, including economic, environmental, and social impacts, risks, and opportunities. When the Board of Directors makes resolutions on important matters, it takes into account economic, environmental and social themes and their impacts, risks and opportunities, as well as the opinions of stakeholders. The Board of Directors regularly hears reports from the management team and engages in dialogue with management. Management proposes company operating strategies to the Board of Directors, which assesses the risks and likelihood of success of the strategies, reviews the progress and results of the strategies regularly, and urges the management team to make adjustments.





# Corporate Governance

## 2.2 Honest business practices

Company Integrity Management Guidelines :

Standard Name	Policy Summary	Specific measures
Corporate Governance Practices	The Company shall comply with relevant laws and regulations and establish an effective corporate governance structure based on five principles: protecting shareholder rights, strengthening the functions of the board of directors, leveraging the functions of functional committees, respecting the rights of stakeholders, and enhancing information transparency.	<ul style="list-style-type: none"><li>• The company has an auditing unit that monitors internal control compliance in accordance with regulations and reports regularly to the Board of Directors.</li><li>• The company has a spokesperson and acting spokesperson, as well as an external communication mailbox, to actively communicate with all stakeholders and ensure transparency.</li><li>• The company's board of directors and functional committees rigorously oversee the company's operations.</li><li>• The company's website features a news section, an investor section, and a corporate governance section for stakeholders to access information.</li></ul>



# Corporate Governance

Standard Name	Policy Summary	Specific measures
Code of Conduct for Honest Business	Our mission, vision, values, and code of conduct are to adhere to laws and regulations, create a culture of integrity and friendliness in the workplace, maintain product quality and support sustainable development, honestly and proactively carry out the company's product promotion business, be responsible for the use of assets, ensure the integrity of financial information, protect trade secrets and personal information, avoid conflicts of interest, comply with international trade laws, prohibit insider trading, and uphold ethical integrity in all business activities.	In 2024, the company conducted a campaign to promote ethical business conduct (anti-bribery/anti-corruption) among all employees.
Honest Business Operation Procedures and Behavioral Guidelines	Based on the principles of fairness, honesty, trustworthiness, and transparency, company personnel shall not, in the course of performing business, directly or indirectly offer, receive, promise, or demand improper benefits in order to obtain or maintain profits, or engage in any other conduct that violates good faith, is illegal, or breaches fiduciary duties.	Regular and ad-hoc training sessions are conducted for current employees to promote honest business practices and anti-corruption measures, ensuring the implementation of regulations. There were no cases of penalties incurred due to improper exchanges of benefits in 2024.

# Corporate Governance

Standard Name	Policy Summary	Specific measures
Preventing Insider Trading Procedures	The company should establish a sound mechanism for handling and disclosing material information to prevent improper information leakage, prevent insider trading, and ensure the consistency and accuracy of information released by the company to the outside world.	The Company’ s directors, managers or employees provide training on insider trading prevention and conduct relevant training for directors at least once a year.
Procurement Management Regulations	The company's finance and accounting department, the supply chain production planning unit and demand or user departments of the purchasing department, the legal department responsible for reviewing and keeping purchase contracts, the purchasing units and demand units under the purchasing department, and the quality control department should all perform their respective duties in accordance with specific operating procedures in order to improve the company's efficiency in requisition, inquiry, negotiation, procurement, acceptance and payment.	Suppliers with a history of dishonest behavior will be subject to special assessment. Those found to have engaged in dishonest behavior will be refused business dealings. Money laundering and terrorist financing will also be subject to refusal of business dealings.

# Corporate Governance

## 2.2.1 Code of Conduct for Honest Business

Forward Electronics adheres to the "Code of Conduct for Honest Business Operations of Listed Companies" and related ethical guidelines, and has formulated "Operating Procedures and Guidelines for Honest Business Operations," which employees are required to follow. Every employee is required to sign a commitment letter regarding intellectual property protection, business information confidentiality, and integrity policies to prevent dishonest activities such as bribery, accepting bribes, improper political donations, improper charitable donations or sponsorships. The company regularly reports to the Board of Directors on the implementation of honest business operation policies and the prevention of dishonest behavior, and conducts educational training and internal briefings. In 2024, the company did not make any donations to political parties or groups, nor did it experience any bribery or corruption incidents.

### Internal Audit System

Internal Audit SystemOur company conducts internal audits in accordance with relevant regulations such as the "Internal Control System." In accordance with the annual audit plan approved by the Board of Directors, we conduct monthly audits of the operational processes and procedures of each unit within the company. Audit results are reported to the Board of Directors monthly, and the audit supervisor also reports to the Board of Directors each quarter on compliance with integrity management principles and the progress of any deficiencies. If necessary, the audit unit will request relevant departments to propose improvement measures and incorporate them into the tracking process.

### Directors' remuneration policy

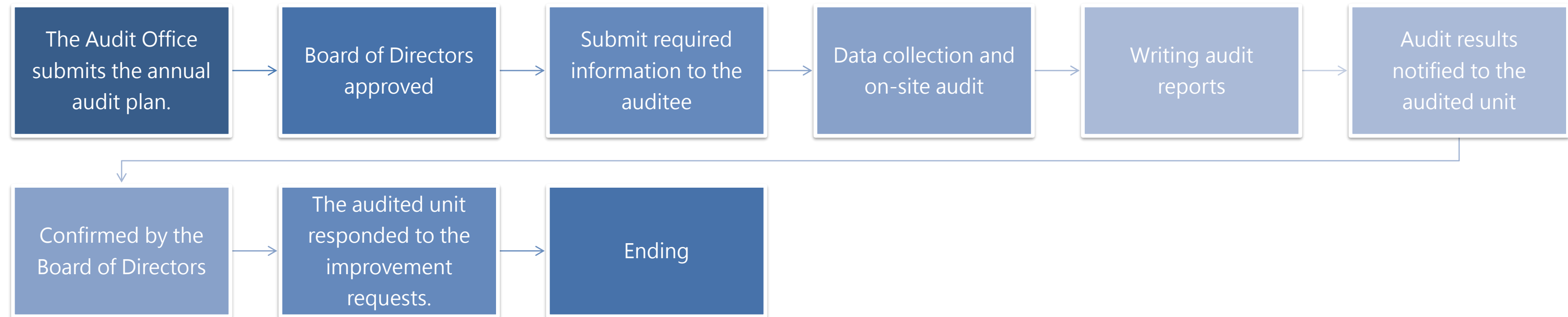
The company adheres to the "Code of Conduct for Honest Business Practices" and the "Operating Procedures and Code of Conduct for Honest Business Practices," requiring all employees to follow these guidelines. We have zero tolerance for corruption and will not tolerate any behavior that sacrifices company interests for personal gain, or accepts bribes, engages in fraud, abuse, waste, or misappropriation of company assets. We plan to formulate anti-corruption policies by 2025 to provide "Honest Business Practices Education and Training" for new employees and regular training and outreach to existing staff, emphasizing the importance of honest business practices and ethical conduct, and continuously implementing policies and management measures related to corporate integrity, anti-corruption, anti-bribery, and conflict of interest avoidance.

### Certain business operations require a board resolution

In accordance with the "Procedures for Lending Funds to Others" and the "Procedures for Acquiring or Disposing of Assets," all major operational policies, investment projects, acquisition or disposal of property, lending of funds, endorsement guarantees, bank financing, and other matters must be assessed and analyzed by the relevant competent departments and approved by the Board of Directors before they can be implemented.

## Corporate Governance

### Internal audit process





# Corporate Governance

## Complaint and Suggestion Channels

Honest and responsible business practices are the foundation of a company's sustainable operation. Therefore, we have established complaint and suggestion channels to encourage stakeholders to report, complain, or provide relevant suggestions regarding dishonest or corrupt practices, or any company operations that negatively impact the environment, economy, society, or human rights. Our company also provides dedicated complaint channels, including a complaint hotline, email, and employee suggestion box, to ensure timely communication and complaints.

Anti-corruption/Anti-bribery Online Reporting Email: [suhuang@fwd.com.tw](mailto:suhuang@fwd.com.tw)

Anti-corruption/Anti-bribery Online Reporting Hotline: (02)2673-0411 ext. 220

Workplace Sexual Harassment Reporting Email: [milly@fwd.com.tw](mailto:milly@fwd.com.tw) and [suhuang@fwd.com.tw](mailto:suhuang@fwd.com.tw)

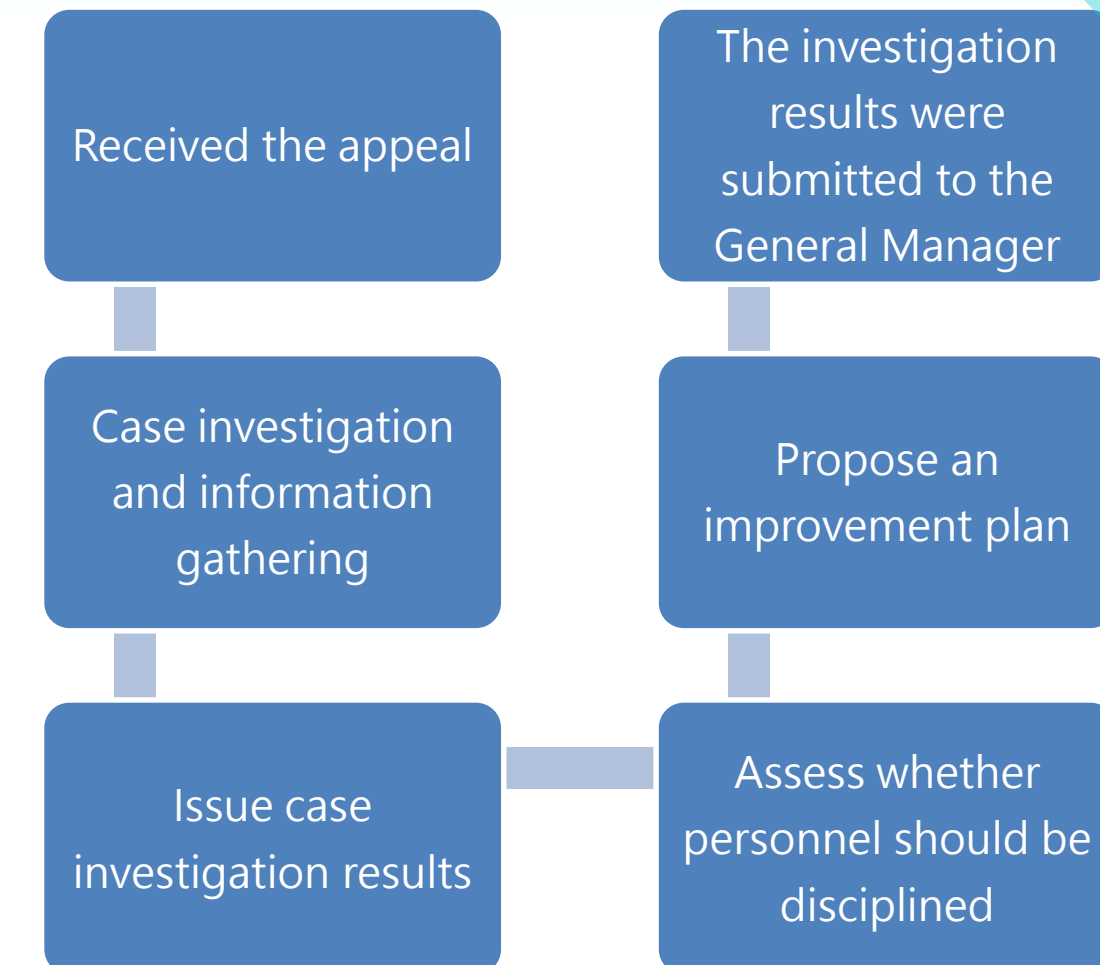
Workplace sexual harassment reporting hotline: (02) 2673-0411 ext. 202, 220

Workplace Violation Prevention Email: [hr@fwd.com.tw](mailto:hr@fwd.com.tw)

Workplace Violation Hotline: (02) 2673-0411 ext. 202, 362

Written Mail Address: No. 393, Section 1, Zhongzheng Road, Sanxia District, New Taipei City 237

For reports of illegal and harassing incidents to our company, we also offer the option of anonymous reporting. The receiving unit must keep the identity of the whistleblower and the incident confidential, and will not provide information to third parties unrelated to the investigation unless necessary, to avoid unfair or adverse treatment. The relevant protection system, case acceptance process, and standards for handling violations are clearly defined in the "Sexual Harassment Prevention Measures, Complaints and Punishments Regulations." In 2024, Forward Electronics did not receive any complaints or reports.



# Corporate Governance

## 2.2.2 Compliance with regulations

Forward Electronics adheres to all relevant local government regulations, conducting regular regulatory reviews and audits every six months to ensure compliance. For updates to financial and tax laws, the company consults with Anhou Jianye Certified Public Accountants and participates in regulatory update briefings held by the Taiwan Stock Exchange to understand the latest standards. The company has established an occupational safety and health and sustainability management system to ensure that environmental impacts and potential risks arising from all operational activities, products, and services are prevented and controlled. In 2024, the company did not experience any major incidents (fines exceeding NT\$1 million) resulting in penalties for violations of corporate governance, corruption, or fair trade laws. We will continue to actively fulfill our social responsibility, maintaining our goal of zero penalties, and providing regular regulatory compliance training and awareness sessions for our employees.

Our company defines a major incident as a fine exceeding RMB 1 million. In the event of a major incident, a special task force will be established to investigate the incident, report to the general manager, and arrange a special report, including response, follow-up, and improvement strategies. No major incidents have occurred in recent years.

Name of illegal regulations	Case	Statement of Reasons	Fine amount	Improvement measures
Waste disposal methods	1	Failure to label hazardous industrial waste with appropriate markings and the storage date of the generated waste as required.	NT\$ 60,000	Environmental training (2 hours)



# Corporate Governance

## 2.3 Risk Management

### 2.3.1 Risk Management Process

Our "Risk Management Team" is responsible for implementing risk management, taking appropriate measures within acceptable limits to prevent or reduce potential losses to protect the interests of stakeholders such as employees, customers, shareholders, and partners. This team continuously improves and reduces operational risks and regularly reports risk management results to the Sustainability Committee.

Our risk management process enables each department to clearly understand its associated risks, assess potential risk issues, and reduce or avoid their impact. Adhering to the principle of materiality and ISO 31000 risk management standards, the company has selected key risk areas, including governance risk, economic risk, social risk, and environmental risk, and established "Risk Management Operating Procedures" to regulate the responsibilities, methods, and processes of risk management. This aims to effectively identify potential risks in the process, assess the likelihood of risk occurrence and its impact on operations, and ensure that appropriate risk management operations are effectively implemented to meet risk management requirements.

Our risk management process enables each department to clearly understand its associated risks, assess potential risk issues, and reduce or avoid their impact. Adhering to the principle of materiality and ISO 31000 risk management standards, the company has selected key risk areas, including governance risk, economic risk, social risk, and environmental risk, and established "Risk Management Operating Procedures" to regulate the responsibilities, methods, and processes of risk management. This aims to effectively identify potential risks in the process, assess the likelihood of risk occurrence and its impact on operations, and ensure that appropriate risk management operations are effectively implemented to meet risk management requirements.





# Corporate Governance

## 2.3.2 Risk management issues

Fuhua Electronics has established a risk management organizational structure based on internal control systems. Internal auditing is responsible for verifying the performance of risk management duties by the implementing and responsible units. Structurally, the company categorizes risks into four main areas: economic, social, environmental, and corporate governance. Different implementing units are responsible for frontline risk management, analyzing and assessing potential risks, and taking corresponding measures in accordance with laws and regulations. The second line of defense is overseen by the General Manager to ensure the performance of duties by each implementing unit. Finally, internal auditing assesses each risk item and submits a report to the Board of Directors, serving as the third line of defense.

Risk aspect	Risky projects	Risk Statement	Response measures
Operational	human Resources	Talent recruitment is difficult / key personnel are lost	<div>1. Strengthen internal training to improve professional skills.</div> <div>2. Enhance the company's competitive advantages and attract talent.</div> <div>3. The company's articles of association stipulate that a certain percentage of the annual surplus will be allocated to adjust the salaries or distribute compensation to grassroots employees.</div>
Operational	Information security	<div>1. System outages can disrupt core company operations, potentially causing business interruptions or operational inconvenience.</div> <div>2. Inadequate firewall performance or outages can cause network and email disruptions, impacting external services, communication, and information security.</div> <div>3. Insufficient employee awareness of cybersecurity.</div>	<div>1. Develop backup plans and conduct regular backup availability tests to restore information services in the shortest possible time, ensuring system integrity and high availability, and providing uninterrupted information services.</div> <div>2. Regularly update firewall equipment to improve network transmission performance and provide better intrusion protection.</div> <div>3. Develop information security management policies, regularly review and implement these policies; and periodically use EIP announcements and other methods to conduct information security training for employees.</div>

# Corporate Governance

Risk aspect	Risky projects	Risk Statement	Response measures
Financial	Exchange rate and interest rate changes	<div>1. Exchange rate fluctuations lead to unstable exchange gains and losses, impacting the company's net profit and balance sheet.</div> <div>2. Rising interest rates increase financing costs, squeezing corporate profit margins.</div>	<div>1. Establish foreign exchange and interest rate hedging mechanisms, such as using derivative instruments like forward contracts, currency swaps, and interest rate swaps.</div> <div>2. Define exchange rate and interest rate risk tolerance levels and trigger points, and implement early warning management.</div>
Financial	Liquidity of funds	<div>1. Insufficient cash inflows pose a short-term funding risk, impacting operational sustainability.</div> <div>2. Inability to raise funds promptly to meet unexpected payment demands or market opportunities.</div>	<div>1. Strengthen the management of cash and cash equivalents, achieve centralized management of multiple currencies, and improve capital utilization efficiency.</div> <div>2. Sign standby credit lines with financial institutions to ensure the availability of emergency financing.</div> <div>3. Strengthen working capital management, accelerate accounts receivable turnover, and optimize inventory.</div>
Financial	Derivatives trading	<div>1. Volatility in derivatives prices can lead to an increase in unrealized gains and losses.</div> <div>2. Counterparty defaults may result in losses, further impacting financial stability.</div> <div>3. Currently, our company does not have any trading lines with any financial institutions.</div>	<div>1. Strictly limit the purpose of transactions to hedging only; investment and speculative transactions are prohibited.</div> <div>2. Regularly revalue and assess the risks of derivative products.</div> <div>3. Establish counterparty standards; cooperation is limited to financial institutions with good credit ratings.</div>

# Corporate Governance

Risk aspect	Risky projects	Risk Statement	Response measures
Legal compliance and integrity	Corporate Governance	Corporate governance risk assessment primarily focuses on the independence, diversity, and transparency of the board structure. The board should possess sufficient professional competence and objectivity to ensure that decisions are in the best interests of shareholders and stakeholders. Furthermore, the soundness of the internal control system and risk management mechanisms will also affect the effectiveness and sustainability of corporate governance.	<ol style="list-style-type: none"><li>1. Strengthen the independence and diversity of the board of directors and expand the professional fields of board members to enhance the objectivity of decision-making.</li><li>2. Establish and improve the internal control and risk management framework, and regularly review and evaluate internal audit reports to ensure the soundness of the corporate governance structure.</li><li>3. Formulate corporate governance policies, strengthen the accountability mechanisms for directors and senior management, and enhance public information disclosure to improve governance transparency.</li></ol>



# Corporate Governance

Risk aspect	Risky projects	Risk Statement	Response measures
Legal compliance and integrity	Anti-corruption and fraud	Anti-corruption and fraud risk assessments focus on the company's internal and external integrity and ethical practices, particularly the monitoring of fraud, bribery, and conflicts of interest in high-risk business units. Compliance management with suppliers and partners, as well as employee adherence to the company's integrity policies, are also important assessment items.	<div><div>1. Develop and promote company integrity policies, including anti-bribery, anti-fraud, and conflict-of-interest reporting systems, and provide regular employee training to enhance their awareness of ethical standards.</div><div>2. Establish an internal whistleblowing mechanism, ensure anonymous reporting and confidentiality, and impose strict penalties for violations to ensure effective enforcement.</div><div>3. Conduct regular reviews and internal audits of high-risk departments, and perform compliance reviews of suppliers and partners to ensure a clean and compliant supply chain.</div></div>
Legal compliance and integrity	Environmental regulations	Environmental regulatory risk assessment focuses on a company's compliance with local and international environmental protection regulations, including aspects such as pollution emissions, resource use, and waste management. Changes in new regulations and the transparency of the company's compliance process will impact its image and compliance costs.	<div><div>1. Through assessment and auditing of the "Pollution Prevention with Returns Program," prevent violations of regulations.</div><div>2. Track and respond promptly to regulatory changes, adjusting operational processes as necessary to comply with the latest regulations.</div><div>3. Increase data disclosure in ESG reports to ensure transparency, and regularly publish environmental performance data to meet stakeholder needs.</div></div>

# Corporate Governance

Risk aspect	Risky projects	Risk Statement	Response measures
Emerging risks and other hazardous events	Climate change	The potential losses caused by transformation risks and entity risks.	Following the TCFD, greenhouse gas emissions assessment and calculation, and various carbon reduction practices, we adopt two major strategies: "mitigation" and "adaptation" to address climate change. We also manage carbon emissions from products, processes, and feedstock to reduce carbon emissions.
Emerging risks and other hazardous events	Safety and hygiene	Potential risks in the manufacturing process (such as falls, coiling, and contact with chemicals) can easily cause occupational injuries to workers, resulting in work stoppages, fines, or hefty compensation.	<div>1. Maintain the effective operation of the occupational safety and health management system to continuously improve safety and health management performance.</div> <div>2. Implement work environment monitoring, conduct hazard identification and risk assessment, and establish safety and health work standards.</div>
Emerging risks and other hazardous events	Natural disasters	Climate emergencies or disruptions to public services could impact operations.	Mitigating the risk of loss of business assets caused by natural or non-natural disasters through disaster prevention measures, regular maintenance, and insurance.

# Corporate Governance

## 2.4 Information Security Management

### 2.4.1 Information Security Policies and Objectives

#### Information security policy

To protect the information security of our customers, suppliers, and employees, and to ensure uninterrupted company operations, we have formulated and published "Information Security Objectives and Policies" as the basis for our information security governance planning. From a corporate governance perspective, we promote the protection and management of information security to ensure the confidentiality, validity, integrity, and legality of our company's information assets are protected.

#### Information security goals

To protect critical information assets, improve service quality, and ensure the effective implementation of cybersecurity policies, our company has established the following cybersecurity objectives:

1. Maintain the effectiveness of the information security management system.
2. Ensure the security, integrity, and accuracy of information.
3. Ensure sufficient information security management resources.
4. Ensure the continuity and rapid recovery of critical business operations.
5. Strictly comply with information and communication security laws and regulations.

Confidentiality	Ensure that only legally authorized users can access information.
Integrity	Ensure that authorized users can access information and related assets in a timely manner when needed.
Availability	Ensure the accuracy and completeness of information and information processing methods.
Applicability	All personnel must comply with relevant laws (such as: trade secret law, copyright law, personal data protection law).



# Corporate Governance

## 2.4.1 Information Security Policies and Objectives

### Information Security Organizational Structure

Forward Electronics prioritizes information security management, establishing a dedicated Information Security Team responsible for information security protection, incident response, and post-incident recovery. This team aims to prevent information security incidents and minimize their impact on company operations and losses. The team's responsibilities encompass four main system architectures: network security, computer security, physical security, and a security monitoring platform. The team's duties include developing relevant policies and procedures, building and maintaining systems, regularly testing systems, conducting training and drills, and handling information security incidents. For example, Fuhua Electronics conducts quarterly phishing drills to assess and train employees' awareness of information security protection.

### Information security measures

Forward Electronics' information security management is planned, implemented, and maintained by the IT department to ensure compliance with regulations and customer requirements. The company has established an information security management system to protect the confidentiality, integrity, and availability of company and customer information, and to provide a secure production environment to ensure the company's business continuity. In addition, it has formulated operational continuity management procedures and implemented risk control and firewall mechanisms to prevent information leakage.

Our company actively applies for IP addresses and requires employees to adhere to confidentiality agreements to ensure information is not leaked. We undergo quarterly supplier evaluations and customer satisfaction surveys to review and improve cybersecurity quality. We also hold regular quality management meetings to track customer feedback and improvement progress. All company employees and contract workers must comply with information security policies, internet security controls, computer antivirus management, password principles, firewall policies, and information security management. To ensure information security, the company regularly conducts vulnerability scans and patches, enhances the information security awareness and knowledge of all employees, conducts regular cybersecurity training, disseminates relevant information security messages, and collects information security incident reports, promptly reminding all departments of precautions and protective measures. We also conduct regular cybersecurity drills to help employees grasp the latest information security trends and knowledge, strengthening their cybersecurity protection capabilities. Thanks to the attention and prevention efforts of all company employees, no cybersecurity incidents occurred in 2024. The company will continue to strengthen information security measures to ensure the security of its business and customer information.

# Corporate Governance

## 2.4.2 Information Security Incident Reporting Process

In the event of a suspected information security incident, the system management unit should, upon becoming aware of the incident, complete damage control and recovery within the specified timeframe, in accordance with the company's "Information Security Incident Reporting Management Procedure." Based on the actual handling situation, the cause of the incident should be analyzed, and corrective measures should be taken. The information security incident reporting process includes four main steps:

1. Reporting: When a suspected information security incident occurs, the system management unit should be notified. If the initial assessment confirms a suspected incident, the information department's reporting window should be contacted immediately.
2. Assessment Level: Incidents are classified into four levels. An information security response team meeting will be convened as needed.
3. Response and Handling: Implement impact and damage control measures, and retain records and data.
4. Investigation and Improvement: Complete the information security incident investigation, handling, and improvement report.

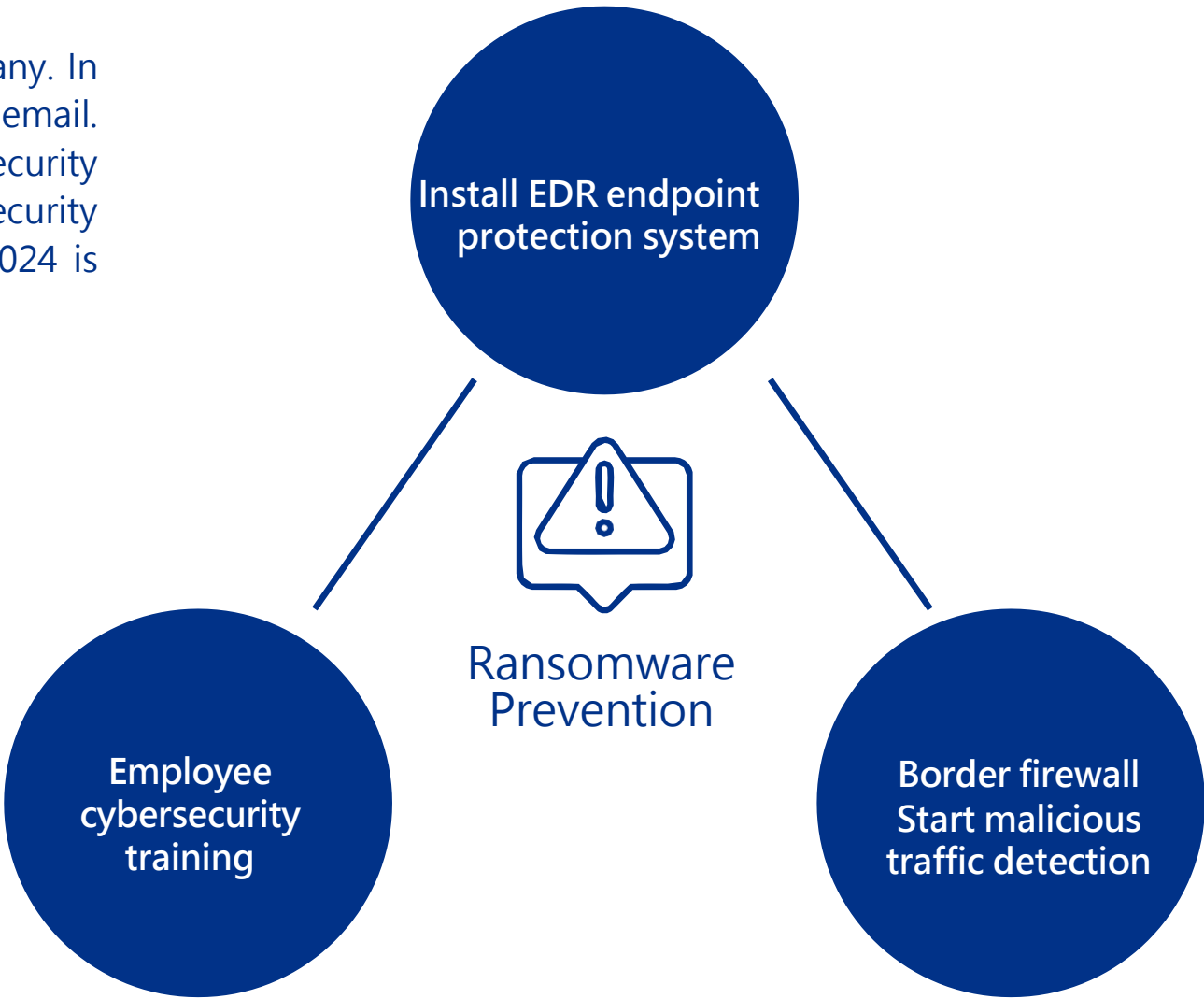


# Corporate Governance

## 2.4.3 Information security education and training

Forward Electronics provides basic information security training to new employees upon joining the company. In addition, existing employees receive regular information security briefings via the company intranet and email. These briefings cover topics such as information security policies, email security regulations, internet security guidelines, remote security procedures, and general information security knowledge (e.g., information security threat trends, social engineering awareness). The number of information security courses conducted in 2024 is detailed in the table below.

## Key Implementation Points for 2024





# Corporate Governance

## 2.4.4 Specific Measures for Information Security

To ensure the confidentiality, integrity, and availability of company information, Forward Electronics controls the following:

**Asset Management System :** Tracking computer assets, managing the authorization of application software and operating systems, and routine maintenance.

**Vulnerability scanning:** Perform vulnerability scans regularly and patch vulnerabilities and exploits.

**Social engineering drills:** Regularly send simulated phishing emails to detect and improve the cybersecurity awareness of company employees.

**Intrusion detection:** Detecting potential malicious activities on information systems or networks.

**Antivirus software:** Detects and blocks malicious software or viruses to prevent computer devices from being infected.

**Real-time monitoring and threat detection:** Real-time monitoring of firewall antivirus and endpoint server anomaly logs.

**Cybersecurity awareness:** Regularly announce cybersecurity measures and policies to raise cybersecurity awareness among company employees.

**Record Management System:** Collects network device data, traffic information, and system logs for correlation, comparison, and analysis.

**Cloud backup:** Enhances the security of company system backup data storage, and is more in line with the 3-2-1 backup principle.

# Corporate Governance

## 2.4.5 Information security goals achieved

Forward Electronics understands that information security continues to face threats and risks. The company has fully deployed appropriate information security protection mechanisms. In 2024, there were no major deficiencies in internal and external audits, nor were there any major information security incidents such as customer information leaks or fines. Details are shown in the table below.

Cybersecurity Incident Project	Case
Cybersecurity or network security violations	0
Data breach incidents	0
Cybersecurity breaches involving customer personal data	0
Number of customers and employees affected by the data breach	0
Fines imposed for information security-related incidents (NTD)	0



# 3. Sustainable Supply chain





# Sustainable supply chain

## 3. 1 Supply Chain Management

### 3.1.1 Value Chain Overview

Forward Electronics is a midstream electronic component R&D and manufacturing company. It sources key materials, chemicals, and metals from upstream suppliers, processes and manufactures them using production equipment, and then ships the finished products to downstream brand manufacturers and end-user application manufacturers, achieving vertical integration of the supply chain and providing customers with complete delivery services. The company continuously optimizes advanced component technologies, expands application scenarios, and strengthens its supply chain partnerships, encouraging suppliers and contractors to focus on ESG improvements. In recent years, it has invested in connected vehicle and IoT applications, performing exceptionally well in electronic components and backlight modules.

The company possesses extensive industry experience in both upstream and downstream supply chains, and actively promotes localized material supply and production, effectively shortening product delivery and quality control timelines. Furthermore, the company continuously strengthens partnerships through regular supplier negotiations, self-assessments, audits, and experience sharing, providing customers with higher-quality products and services. There were no significant changes in the supply chain relationships between the company and its upstream and downstream manufacturers and customers in 2024.

### 3.1.2 Quality Management

To ensure that all of our products do not pose any risks to user health and environmental safety, and to meet customer requirements and comply with the regulations and trends of controlled substances in various countries, our company has established hazardous substance management policies and related regulations, and implemented various management systems to provide the necessary resources for the processes and objectives required for management. We identify applicable regulations monthly and review product compliance before the regulations are officially announced, and incorporate them into the management system after the regulations are officially announced. Every year, we conduct effectiveness assessments on hazardous substance-related regulations and customer requirements for Hazardous Substance Free (HSF), from product research and development, manufacturing, production, storage, and shipment to raw material suppliers, to ensure that our products comply with the relevant regulations on prohibited and restricted environmental hazardous substances and customer requirements.

# Sustainable supply chain

### 3.1.3 Procurement Policy

Forward Electronics boasts a diverse and highly flexible product portfolio, applied in fields such as communication products, consumer electronics, mobile and wearable devices, automotive electronics, and medical equipment. Consequently, its suppliers are also diverse, with raw materials in the supply chain including metal components, electronic components, plastic components, and packaging materials, among others. In 2024, the company's local procurement ratio, defined by whether the company's "orders and receipts" and the supplier's "orders and shipments" were in the same geographical region, reached 96.88%, representing an increase of nearly 2% compared to the previous year.

### 3.1.4 Conflict Minerals Policy

Conflict minerals refer to tantalum, tin, tungsten, and gold obtained illegally through forced labor and child labor in the Democratic Republic of Congo and neighboring countries in the Central African Republic. These illicit metals are often a major source of funding for local armed insurgent groups to purchase weapons, fueling violence and conflict, and causing regional instability. Therefore, these metals are internationally known as conflict minerals. We proactively investigate and require specific material suppliers (tantalum, tin, tungsten, and gold) to provide written proof that they do not use minerals from conflict zones, demonstrating that the metals used in their products do not originate from areas of illegal military conflict. This supports conflict minerals policies and helps prevent problems such as labor oppression, coercion, child labor abuse, and environmental damage caused by illegal mining. Our company will continue to work with partners to safeguard these issues and fulfill our corporate social responsibility to prevent international inhumane and human rights violations, building a sustainable business.

Local procurement and green procurement ratio in the past two years

Year	2023	2024
Local procurement amount	152,998	193,168
Non-local procurement amount	7,848	6,032
total	160,846	199,200
Total purchase amount	95.12%	96.88%

(Unit: NT\$1,000)

# Sustainable supply chain

## 3.1.5 Supply Chain Risk Assessment

### New Supplier Selection

Forward Electronics evaluates new suppliers based on sustainability, quality, delivery time, price, and technical capabilities. Suppliers with sound market reputation and management systems are directly included as qualified new suppliers. Suppliers that do not meet the standards must improve within a specified period before being formally included. To mitigate risk and continuously improve the overall supply chain quality, when introducing new suppliers, in addition to supplier evaluation, contracts must clearly stipulate that suppliers must comply with relevant laws and regulations regarding operational performance management, corporate social responsibility, and information security management. If any violation is found to be serious, the company reserves the right to terminate the cooperative relationship with the supplier.

### Supplier ESG Management

We also strictly require suppliers or their subcontractors to comply with local labor, occupational safety and health, and labor laws and relevant international standards, and strictly prohibit the use of child labor and forced labor. We provide safe and hygienic working and living conditions, respect employee freedom, and prohibit any form of forced labor to ensure employee safety and health. Regarding labor-management cooperation, we respect employees' freedom of assembly and right to collective bargaining, provide a dignified and fair working environment, and strictly prohibit all forms of discrimination and harassment, respecting employees' basic human rights. We also arrange reasonable production plans, employee rest periods, and provide reasonable salaries and benefits to meet the basic needs of workers.

Our company also requires that procurement contracts and terms include relevant requirements and ensure that the parts used comply with RoHS/REACH requirements, conflict metal reports, and substances of very high concern forms. This ensures that the supplier's products, components, corporate governance, and worker human rights protections align with our business philosophy. For suppliers who fail to meet our requirements, we will actively assist and guide them in implementing improvement plans and fulfilling their responsibilities in improving employee health and safety, human rights, and corporate social responsibility. These measures help reduce supply chain risks. In the event of any violation of relevant regulations, our company reserves the right to terminate or cancel the contract, prompting supplier partners to work together to enhance corporate social responsibility.





# Sustainable supply chain

## 3.1.6 Supplier Audit

Our company conducts annual evaluations of existing suppliers based on internal procedures, assessing factors such as quality, delivery time, supply coordination, and cost competitiveness. This ensures suppliers meet our supplier standards and identifies potential supplier risks. Suppliers with deficiencies are required to submit corrective action and recurrence prevention reports within a specified timeframe. Failure to do so will result in being classified as an unqualified supplier. These evaluation reports are compiled and provided to the purchasing unit as a crucial basis for supplier management. The evaluation levels are divided into the following four categories:

**A - 90 points and above: Excellent manufacturers.**

**B - 89-80 points: Stable quality manufacturers.**

**C - 70-79 points: Unstable quality manufacturers.**

**D - Below 70 points: Consider immediately reducing purchase volume.**

Suppliers in grades C and D are those with less stable supply quality. For both, it is advisable to reduce the order quantity, arrange for quality control personnel to review and guide the supplier, and inform the purchasing unit at the same time. If no improvement is seen within the guidance period, the supplier will be removed from the list of qualified suppliers. If continued cooperation is required in the future, the supplier must be re-evaluated and reviewed before further transactions and purchases can be made.

At the end of each year, our company plans the annual supplier audit plan for the following year based on the supplier's delivery quality, cooperation, and material risks. For unforeseen events, the audit will focus on the specific issues identified. We form audit teams according to the audit plan to conduct on-site audits of the supplier's quality system, process system, and green products. Suppliers are required to correct and improve any identified issues. If audit problems persist or the supplier shows no willingness to improve, we will reduce business with them or even remove them from the list of qualified suppliers.

The annual on-site supplier audit plan, in addition to evaluating the supplier's process and quality management systems, also requires suppliers to conduct self-assessments on environmental protection, occupational safety and health, and labor rights (such as prohibition of child labor and forced labor). This aims to understand the supplier's risk management and response in environmental and social sustainability aspects, and encourages suppliers to contribute to social sustainability.

# Sustainable supply chain

Number of suppliers regularly evaluated		2023	2024
A		68	52
	B	0	0
	C	0	0
	D	0	0

Audit Types		2023	2024
On-site audit	Expected number of on-site audits	5	6
	Number of audits actually completed	6	6
	Achievement rate	120%	100%
Document review	Expected number of document reviewers	3	3
	Number of document reviews actually completed	3	2
	Achievement rate	100%	100%

# Sustainable supply chain

## 3.2 Customer Relationships

Forward Electronics focuses on product application and R&D, providing innovative and diversified services to meet the needs of all customers. The technical team is dedicated to implementing innovative, planned, and implemented technologies and solutions to reduce environmental impact, ensuring the company's overall sustainability in product design and supply chain management. The company has established management procedures and methods related to customer service to maintain the quality of customer service across all aspects. It also provides customers with multiple channels for feedback or complaints. Upon receiving relevant cases, the company will file and track them, discuss and improve policies with relevant departments, propose preventative measures for problem areas, and promptly respond to customers regarding processing progress and solutions. In 2024, there were no customer complaints related to violations of regulations or contractual requirements.

Forward Electronics highly values customer development and customer relationship maintenance. The company regularly conducts satisfaction surveys with key customers annually, setting the passing score at 80 points. The results and suggestions are compiled into a table and submitted to company management for review. Improvement plans are identified for areas with low customer satisfaction scores, and written responses are provided to customers. The company continuously improves product and service quality to address customer needs. In 2024, the score was 95.6 points, higher than the passing score.

Regular customer feedback and performance reviews are the main driving forces behind our continuous improvement in customer service, maintaining high efficiency, and ensuring quality control. As our customers' best partner, we are committed to staying abreast of trends and designing professional products to maximize customer satisfaction. Since our inception, we have consistently received recognition from our partners.

Customer satisfaction survey results for the past two years

Customer survey numbers	2023	2024
Number of replies	20	20
Recovery rate	100%	100%
Average customer satisfaction score	92.9	95.6



# 4. Environmental Sustainability



# Environmental sustainability

## 4.1 Climate Change Strategies

### 4.1.1 Climate Change Adaptation

Since the Industrial Revolution, the extensive use of fossil fuels has generated greenhouse gases such as carbon dioxide, causing the greenhouse effect and leading to global warming and climate change. This seriously threatens the survival of all life, and global attention to carbon management is gradually increasing. "Climate change adaptation" refers to adjustments made to natural or human systems to mitigate harm or create favorable opportunities in response to actual or anticipated climate shocks or their impacts. In responding to climate change, planning future greenhouse gas inventory and verification, and following the Task Force on Climate-related Financial Disclosures (TCFD) officially released by the Financial Stability Board (FSB) in 2017, climate-related financial risks and opportunities are disclosed through four frameworks: climate governance, identification and response strategies for climate-related risks and opportunities, risk management, and indicators and targets. This assesses the potential impact on operations, formulates response strategies and management policies, and reduces the risks of global climate change to business operations.

### Climate Change Governance

The Board of Directors is the highest-level oversight body for climate change governance within the Company, responsible for overseeing the management strategies developed by the Sustainability Working Group. The Sustainability Working Group is responsible for improving environmental management performance, developing low-carbon products, and managing environmental risks. It regularly conducts surveys and analyses of climate-related risks and opportunities to ensure the effective implementation of management strategies.

### Climate Risk Identification and Management Process

The Sustainable Development Working Group is responsible for collecting domestic and international climate change trends and regulatory changes, assessing climate-related risks and opportunities within the industry, compiling a list of climate-related risks and opportunities, and submitting it to the Board of Directors. For the identified high-risk opportunities, the Working Group will formulate management strategies and a climate risk management report, which will then be reported to the Board of Directors. Based on the climate risk management report, the Sustainable Development Working Group will implement the plan and regularly report the results to the Board of Directors.

# Environmental sustainability

## 4.1.2 Climate-Related Financial Disclosures (TCFD)

The Company discloses information such as "climate governance, strategy, risk management, and target indicators" based on the core elements of TCFD to assess climate-related risks and opportunities to the company's operations, formulate strategies and actions to address climate change, improve the transparency of disclosed information, and implement corporate climate governance.

TCFD Disclosure Framework	
governance	The Board regularly reviews climate change-related risks and opportunities – the Sustainability Working Group regularly reports to the Board on the assessment and management measures for climate change-related risks and opportunities.
Strategy	<ul style="list-style-type: none"><li>Develop short, medium-, and long-term climate risk and opportunity strategies through cross-departmental discussions.</li><li>Assess the impact of significant risks and opportunities on company operations and finances.</li><li>Conduct scenario analysis to identify risk and opportunity impacts under different climate change scenarios.</li></ul>
Risk Management	<ul style="list-style-type: none"><li>Establish management mechanisms and response measures for significant risks and opportunities, and report the implementation results to the board of directors and management team regularly.</li><li>Evaluate future feasible management measures and monetize the required resources to calculate financial costs.</li><li>Conduct regular educational training to deepen colleagues' understanding of climate change.</li></ul>
Indicators and Targets	Develop management objectives for climate change risks and opportunities, and regularly review progress and performance. Adhere to ISO 50001 standards for energy management to reduce energy consumption. Based on ISO 14064-1 principles, regularly review various potential carbon emission sources using the principle of materiality to determine the scope of the inventory.





# Environmental sustainability

## Governance – Revealing an organization's governance of climate-related risks and opportunities

Regularly report results to the Board: The Board of Directors serves as the highest decision-making body for the climate risk management mechanism, reviewing and guiding the company's climate strategy and progress toward climate-related goals.

Management of Major Issues: Management regularly reviews climate risk issues and incorporates them into the management of major issues, operating through the Sustainability Working Group.

## Risk Management: Revealing how organizations identify, assess, and manage climate-related risks

Referring to the ISO 31000 risk management guidelines, a risk quantification assessment methodology was established. Risk assessments were conducted through the operation of a risk working group to address risk monitoring and management. A sustainability working group was established, composed of department heads, whose operational status was reported to the board of directors regularly, and an annual review of greenhouse gas emissions was conducted.

## Risk Management: Revealing how organizations identify, assess, and manage climate-related risks

Based on the internal risk management timeline, short-term is defined as 1-3 years, medium-term as 3-5 years, and long-term as 5-10 years; stakeholder needs and climate change issues are collected, and the relevant risks and opportunities arising from climate change scenarios are assessed according to the TCFD framework.

## Indicators and Targets: Information of significant importance, revealing indicators and targets used to assess and manage climate-related risks and opportunities.

In response to global climate change and in line with international low-carbon trends, our company is discussing a transformation plan to manage climate-related risks, analyzing the extent and likelihood of their impact. As an energy user, over 70% of our greenhouse gas emissions come from purchased electricity. We implement energy conservation measures annually in accordance with energy-saving targets and plans set by energy users.

# Environmental sustainability

## Financial Impacts and Responses to Climate-Related Risks

Regarding climate risks/opportunities, our company identifies the types of risks/opportunities that may be encountered in affected areas, their potential financial or operational impacts, and formulates response measures for each risk/opportunity.

type	importance	Potential financial impact	Action Plan
transition risk	Taiwan's laws will become more stringent in the future, and additional carbon pricing/taxes will be added.	Future regulatory requirements may lead to other operating costs.	Actively promote energy conservation and carbon reduction within the enterprise, while continuously optimizing in accordance with the requirements of ISO50001.
transition risk	Increased raw material costs	Rising energy and other raw material costs have led to increased expenses and decreased profits.	Actively seek diverse suppliers to stabilize market procurement prices and continuously communicate with suppliers to stabilize procurement costs.
Physical Risk	The frequency or severity of extreme weather events is increasing.	Extreme weather events such as typhoons and torrential rains : <ul style="list-style-type: none"><li>• Employees are unable to work, impacting business operations.</li><li>• Logistics and transportation are disrupted, affecting production and delivery.</li><li>• Climate-related projects suffer reputational damage.</li></ul>	<ul style="list-style-type: none"><li>• Establish emergency response measures for labor shortages.</li><li>• Cooperate with multiple transportation companies across Taiwan to maintain a certain level of logistics capacity.</li><li>• Assess drought/flood risks in the company's location and develop and implement risk mitigation measures.</li></ul>
Physical Risk	Changes in weather patterns	Chronic climate change: rising average temperatures and sea level rise.	Enhance corporate responsiveness and the resilience of upstream and downstream supply chains to ensure the continuous operation of the supply chain.

# Environmental sustainability

Financial impact and response to climate-related opportunities

type	importance	Potential financial impact	Action Plan
resource efficiency	By examining business operations and management efficiency through climate change analysis, we can promote improvements in management efficiency.	Improve resource utilization efficiency and increase transportation capacity to increase operating revenue.	Implement energy efficiency improvement projects, replace old equipment and plant facilities, and other energy-saving and carbon-reduction measures.
resource efficiency	Adopt low-carbon energy use, reduce greenhouse gas emissions, switch to energy-efficient electrical appliances, and assess the feasibility of energy substitution/diversification.	Reduce carbon emissions, save on carbon reduction costs and lower operating expenses.	Assess the use of diverse energy sources to enhance energy supply resilience.



# Environmental sustainability

## 4.1.3 Climate Risk Scenario Assessment

Referring to the TCFD official risk list and other relevant information, our company's Sustainable Development Working Group assessed various climate risks and opportunities. Based on the RCP 8.5 climate scenario, we assessed the potential impacts of climate disasters. Furthermore, through publicly available climate models and charts such as the "Taiwan Climate Change Projection Information and Adaptation Knowledge Platform" and the "3D Disaster Potential Map," we analyzed potential physical climate disasters and assessed the possible impacts and effects under the most extreme climate conditions.

hypothetical situation	RCP 8.5
Estimated time: Mid-century	2050
base period	Average maximum cumulative rainfall over 24 hours from 1976 to 2005 (base period: 200 mm)
Climate-related data indicators	Rainfall variation: The average maximum cumulative rainfall over 24 hours for Taipei Headquarters and Sanxia Plant is around 240 mm.

Note: The reference data for this climate projection scenario comes from the "Taiwan Climate Change Projection Information and Adaptation Knowledge Platform" and the "3D Disaster Potential Map".

Forward Electronics' single-day maximum rainfall flooding potential map ▼



head office



New Taipei City Sanxia Plant



# Environmental sustainability

**Physical Scenario :** Based on the RCP 8.5 climate scenario, assess the potential impacts of climate disasters.

Regarding rainfall, the RCP 8.5 climate scenario estimates that the maximum daily rainfall in Taiwan by 2050 will be approximately 209.6 mm to 283.4 mm. According to the Central Weather Bureau's current rainfall classification, rainfall exceeding 200 mm in 24 hours is considered heavy rain, potentially causing local flooding or disasters. Taking the headquarters location as an example, analysis shows that even with 200 mm of rainfall in 24 hours, there is no direct or immediate risk of flooding in the headquarters and surrounding areas. While there is still the risk of employees needing to work from home during typhoons and product delivery delays, the overall impact on operations is minimal.

## Transformation Scenario - Electricity Costs

Based on a scenario analysis addressing relevant international and domestic regulations, estimate the financial impact of future electricity costs. Referring to Taiwan's "Intended National Contribution" (INDC) proposed in 2015, aiming to reduce greenhouse gas emissions (BAU) by 50% by 2030, if Taiwan's renewable energy share increases from 5.6% in 2019 to the 40% target outlined in the national energy policy by 2030, and given the higher cost of renewable energy in Taiwan, the unit price of electricity from Taiwan Power Company (Taipower) will rise, leading to a corresponding increase in our company's purchased electricity costs. Based on this scenario, we project the financial impact. Our company's electricity consumption in 2024 is 3,622,235 kWh, with an average cost of NT\$4.72 per kWh.

## Forward Electronics' single-day maximum rainfall flooding potential map ▼



Kaohsiung City Dafa Factory

# Environmental sustainability

## 4.1.4 Environmental Management Indicators and Objectives

Throughout the course of our business development, the environmental impact of various business activities cannot be ignored. Recognizing this, our company has comprehensively reviewed its internal management practices regarding environmental impacts. Simultaneously, external climate change and ecological alterations also present potential risks, opportunities, and benefits to our operations. For example, extreme weather events can lead to increased raw material prices, higher greenhouse gas emission costs, and operational disruptions caused by unstable water and electricity supplies. To address these risks and impacts, we have formulated corresponding management and response measures, including objectives and strategies for greenhouse gas emission management, energy management, water resource management, and waste management, to enhance our company's management and adaptation capabilities regarding climate change, energy resource use, and related issues.

In 2024, the Company did not incur any significant penalties for violating environmental regulations, and required all operating locations to strive to achieve environmental management objectives and continuously implement relevant action plans in carrying out their operations and internal management. Going forward, the Company will continue to evaluate methods for establishing dedicated units to address environmental risks, in order to further enhance its environmental governance responsibilities and its ability to respond to external risks.

Resource types	2024-2025	2026-2030	2050
Greenhouse gases	Greenhouse gas emissions per capita are decreasing year by year.	Increase carbon emission reduction targets year by year	Achieve net-zero emissions by 2050
energy	Per capita electricity consumption has been decreasing year by year.	Purchase energy-saving equipment to improve energy usage structure.	Planning Energy Monitoring System
Water resources	Per capita water consumption is decreasing year by year.	Continue to promote energy conservation and carbon reduction measures, optimize water use processes, and reduce water consumption.	Planning water resource recycling system
waste	Per capita waste production is decreasing year by year	Increase waste recycling rate	Creating a circular economy for waste



# Environmental sustainability

## 4.2 Energy Management

The Company's energy consumption primarily comes from lighting and air conditioning equipment in warehouses and offices, followed by diesel and gasoline. Given the continued expansion of the overall business, future energy consumption and greenhouse gas emissions are expected to increase. In response, the Company continues to implement more energy-saving measures and emission reduction strategies to reduce total energy consumption and greenhouse gas emissions. The Company's energy use is mainly based on purchased electricity. Other fuels include liquefied petroleum gas, gasoline, and diesel, primarily used in official vehicles and forklifts. Total energy consumption in 2024 was 14,039.54 GJ.

Energy usage in the past two years

Energy type	Unit	2023	2024
Gasoline energy consumption	kiloliter	2.30	4.55
Diesel energy consumption	kiloliter	20.19	20.13
Liquefied petroleum gas	kiloliter	4.82	5.62
Electricity consumption	KWH	3,633.32	3,622.24

Energy usage in the past two years

Energy type	Unit	2023	2024
Gasoline/Diesel	GJ	785.14	856.18
Purchased electricity	GJ	13,079.95	13,040.05
Liquefied petroleum gas	GJ	122.91	143.31
total	GJ	13,988	14,039.54
Renewable energy	GJ	0	0
Total energy consumption	GJ	13,988	14,039.54
Operating revenue	Million revenue	722.577	596.257
Energy intensity	GJ/Million revenue	19.36	23.55

Note 1: Calculation formula - 1 kWh of purchased electricity = 3600 kJ.  
Note 2: Calculation formula - 1 liter of diesel oil = 40,197.627985 kJ.  
Note 3: Calculation formula - 1 m³ of liquefied petroleum gas = 1,055.06 kJ.  
Note 4: Energy intensity = Total energy consumption / Annual operating revenue.  
Note 5: The energy conversion coefficient is sourced from the Ministry of Environmental Protection's Announcement on Greenhouse Gas Emission Coefficient Management Table 6.0.4.

# Environmental sustainability

## 4.3 Greenhouse Gas Management

The company reviews and adjusts its energy consumption annually, actively promoting greenhouse gas management and verifying actual emissions. Based on the current situation, we formulate specific improvement measures to achieve our CO<sub>2</sub> emission reduction targets. Practical actions include implementing energy-saving equipment, replacing lighting equipment with LEDs, and installing automatic shut-off devices. Through comprehensive planning and concrete actions, we demonstrate our commitment to environmental protection and mitigate the impact of climate change on our operational risks. In 2024, greenhouse gas emissions in Category I totaled 173.16 metric tons of CO<sub>2</sub>e, and emissions in Category II totaled 1,789.38 metric tons of CO<sub>2</sub>e, primarily from purchased electricity. The combined emissions from Categories I and II totaled 1,962.54 metric tons of CO<sub>2</sub>e, with a greenhouse gas emission intensity of 3.29 metric tons of CO<sub>2</sub>e per million New Taiwan Dollars (NTD) of revenue. Energy consumption mainly comes from lighting and air conditioning equipment in factories and offices.

The company has established a greenhouse gas inventory mechanism in accordance with the ISO 14064-1:2018 Greenhouse Gas Inventory Standard and the Greenhouse Gas Protocol published by the World Resources Institute (WRI). Starting in 2023, we will conduct annual inventory checks on greenhouse gas emissions from all office areas to fully understand the use and emission status of greenhouse gases and complete third-party verification.

### 4.3.1 Direct Emissions and Indirect Energy Emissions (Scope I and Scope II)

The company reviews and adjusts its energy consumption annually, actively promoting greenhouse gas management and verifying actual greenhouse gas emissions. Based on the current situation, we formulate specific improvement measures to achieve our CO<sub>2</sub>emission reduction targets. Practical actions include implementing energy-saving equipment, replacing lighting equipment with LEDs, and installing power extinguishing devices. Through comprehensive planning and concrete actions, we demonstrate our commitment to environmental protection and mitigate the impact of climate change on the company's operational risks. In 2024, greenhouse gas emissions from Scope I totaled 173.16 metric tons of CO<sub>2</sub>e, and emissions from Scope II totaled 1,789.38 metric tons of CO<sub>2</sub>e, primarily from purchased electricity. The combined emissions from Scope I and Scope II totaled 1,962.54 metric tons of CO<sub>2</sub>e, with a greenhouse gas emission intensity of 3.29 metric tons of CO<sub>2</sub>e per million New Taiwan Dollars in revenue. Energy consumption mainly comes from lighting and air conditioning equipment in factories and offices.

type	Unit	2023	2024
Scope 1	TCO <sub>2</sub> e	135.55	173.16
Scope 2	TCO <sub>2</sub> e	1,794.86	1,789.38
total	TCO <sub>2</sub> e	1,930.41	1,962.54
Emissions Intensity	TCO <sub>2</sub> e/Milli on revenue	2.67	3.29

Note 1: The main emission sources in Scope 1 are the combustion of natural gas, diesel, and gasoline, as well as energy consumption from the emission from sewage septic tanks and refrigerant equipment.  
Note 2: The main emission source in Scope 2 is the energy consumption from purchased electricity.  
Note 3: The emission coefficients for greenhouse gas emissions (CO<sub>2</sub> equivalent), the emission coefficients for electricity emissions, and the ratios to Global Warming Potential (GWP) are primarily calculated based on the Environmental Protection Administration's "Greenhouse Gas Emission Coefficient Management Table 6.0.4".  
Note 4: Greenhouse gas emission intensity = Scope 1 + Scope 2 / Current year's operating revenue.

# Environmental sustainability

## 4.3.2 Other Indirect Emissions (Scope 3)

The company conducted a significance assessment according to ISO 14064-1, and selected 5 categories for investigation. These categories were verified by a third party according to ISO 14064-1, as shown in the table below. Total emissions in 2024 amounted to 627.48 metric tons of CO<sub>2</sub>e. The highest carbon emission source remained "fuel and energy related activities," accounting for 58.76%, which will be planned as a major carbon reduction project in the future.

Type of Scope 3	Unit	2023	2024
C1 Procurement of goods and services	MTCO <sub>2</sub> e	51.16	84.38
C3 Activities related to fuel and energy	MTCO <sub>2</sub> e	368.5	368.74
C5 Operational waste	MTCO <sub>2</sub> e	99.33	80.46
C6 Business travel	MTCO <sub>2</sub> e	9.04	16.16
C7 Employee commuting	MTCO <sub>2</sub> e	89.04	77.74
Total emissions	MTCO <sub>2</sub> e	617.07	627.48

Note 1: The statistical method is the operational control approach, and the GWP value adopts the 2021 IPCC AR6.  
Note 2: The numbers in parentheses are based on the assessment tool classification of Category 3 of the Greenhouse Gas Inventory Protocol.  
Note 3: Data scope: Headquarters, major production sites.  
Note 4: Purchased goods and services only include a portion of purchased raw materials.



# Environmental sustainability

## 4.4 Water Resource Management

The stable operation of an enterprise is closely related to water resource supply. Water supply disruptions or price increases in the region will directly impact operating costs. Our company is not a high water-consuming industry, has no manufacturing plants or processes, and 100% of our water usage is for domestic use. Water intake and discharge comply with local government regulations, and all wastewater is piped into the municipal sewer system. There is no mutual impact from shared water resources. Our headquarters in New Taipei City is supplied with water by the Feitsui Reservoir, and our location is not in a water-scarce area.

According to the World Resources Institute's "Aqueduct Water Risk Atlas," Taiwan is classified as Low-Medium (1-2). Water sources throughout Taiwan have not been affected by water intake. However, in recent years, the global threat of extreme weather and frequent reports of water shortages in Taiwan's reservoirs have made our company aware of the importance of conserving water resources. We are actively implementing water risk management and adaptation measures to reduce the impact of water body shocks, enhance resilience in the face of unstable water supply, and ensure the sustainable use of water resources through water conservation measures.

Water source	Unit	2023	2024
Water consumption	cubic meter	78,968	75,192
per capita water consumption	cubic meter	338.92	346.51
Water intensity	cubic per million NTD revenue meter	162.57	189.59
Total water consumption	KL	78.97	75.19
Total Discharge	KL	78.97	75.19
Total water consumption	KL	0	0

Note 1: Water Intensity: Total Water Consumption / Revenue of Forward Electronics Headquarters.  
Note 2: Survey Boundaries: Water consumption per capita is estimated for the headquarters building and some areas.  
Note 3: Per Capita Water Consumption: Total Water Consumption / Total Number of Employees of Forward Electronics (Stock) Co., Ltd.  
Note 4: Total Water Consumption = Total Water Intake - Total Wastewater Discharge. Since 100% of the company's water use is for residential purposes, the total wastewater discharge is equal to the total water intake.

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## 4.5 Waste Management

Our company belongs to the other electronics industry, and its waste can be divided into non-hazardous waste (household waste, recyclable waste, and general industrial waste) and hazardous waste (mixed metal waste, i.e., electronic waste). To reduce waste generation, we minimize the use of disposable products in daily operations, implement waste sorting and resource recycling to enable resource reuse and achieve circular economy benefits; we avoid excessive packaging in product design, adopt green materials and green production, and continuously reduce, recycle, and render harmless waste to minimize environmental harm. The company is committed to continuously promoting green product design and waste management measures to minimize waste generation and improve the recycling and reuse of sustainable resources, achieving the goals of effective management and waste reduction.

Waste generated during operations, mainly including hazardous and non-hazardous waste, is handled by qualified local contractors; recyclable and household waste is sorted and handed over to qualified contractors for collection and recycling. Waste management focuses on recycling and reuse. Waste that cannot be recycled is incinerated (for energy recovery) and finally disposed of by landfill. In 2024, the amount of waste generated was 185.86 metric tons, of which 182.82 metric tons were non-hazardous waste and 3.04 metric tons were hazardous waste. We continue to promote source reduction and on-site waste recycling and reuse to reduce the environmental impact of production.

Our company is committed to implementing household waste sorting and recycling policies to further reduce the burden on the natural environment. Our main business is supplying electronic components; we do not generate significant waste or pollutants, and all our products are manufactured in accordance with relevant environmental laws and regulations. In addition to holding and renewing our ISO certifications annually, we also collaborate with our partners to support carbon reduction initiatives. Besides establishing internal waste management procedures and complying with the Ministry of Environmental Protection's "Waste Disposal Act," we also outsource collection and disposal to licensed companies to ensure that all general household waste and controlled industrial waste are properly handled. For controlled industrial waste, including discarded electronic components and mixed hardware waste, we strictly adhere to the relevant regulations of environmental authorities during the processing. We not only handle the waste physically but also report it online to ensure all procedures are transparent and legal. We believe that through these efforts, we can leave a better natural environment for future generations.

In 2024, the total weight of non-hazardous and hazardous waste from the Taiwan operating sites was 185.86 tons. All waste was handled by licensed contractors issued by the competent authority. Waste was initially stored on-site before being handed over to licensed contractors for disposal. Hazardous waste was monitored during transport at irregular intervals to ensure it was not improperly disposed of and pollute the environment. No waste leakage or pollution incidents occurred in 2024, and all waste disposal methods complied with laws and regulations.

# Environmental sustainability

To ensure that all waste is disposed of legally and effectively, each plant follows its internal waste management procedures, coordinating the bidding process for waste disposal. Based on the principles of openness, fairness, and impartiality, the legal qualifications of waste disposal companies are rigorously reviewed. Through this multi-layered screening process, the company selects the waste disposal company with the lowest risk for proper handling and record-keeping. The company regularly audits waste disposal companies to ensure they are responsible for the overall management and quantity statistics of all types of waste. All waste handled by outsourced companies is disposed of legally.

Waste Classified by Composition in 2024 (Unit: Metric Tons)

Waste Categories	2023	2024
Non-hazardous waste	180.05	182.82
Hazardous Waste	2.78	3.04
Total Waste	182.83	185.86

Waste Categories	Total Waste Disposal and Transfer Volume(Recycling, Reuse)	Total Direct Disposal Volume of Waste (Incineration, Landfill)
Non-hazardous waste	144.07	31.00
Hazardous Waste	0.3930	2.7765
Total Waste	144.463	33.7765

Note 1: Treatment Site: On-site (in-plant treatment), Off-site (outsourced treatment).  
Note 2: Treatment Method: Reuse (reused for the same original purpose), Recycling (made into new materials through reprocessing), Incineration (including energy recovery), Incineration (excluding energy recovery), Landfill, Other.  
Note 3: The identification of hazardous industrial waste and general industrial waste is based on Taiwan's Waste Disposal Act and Hazardous Industrial Waste Identification Standards.  
Note 4: Recycling Rate = Quantity of Reused and Recycled Waste / Total Waste \* 100%.



# Environmental sustainability

Waste classified by composition in 2024 (unit: metric tons)

Types of waste	Waste details	Annual processing capacity (tons)	Treatment site	Handling method	Classified by harmful/non-harmful	占比 ( % )
					Total	
Non-hazardous waste	general business waste	30	off-site	Incineration	0/30	16.83
Non-hazardous waste	Scrap single metal	83.979	off-site	recycling	0/83.979	47.12
Non-hazardous waste	Waste plastic	25.556	off-site	recycling	0/25.556	14.34
Non-hazardous waste	Waste activated carbon	11.85	off-site	recycling	0/11.85	6.65
Non-hazardous waste	waste wood	1	off-site	Physical	0/1.0	0.56
Non-hazardous waste	waste paper	22.685	off-site	recycling	0/22.685	12.73
Hazardous waste	Scrapped electronic parts and components	1.7425	off-site	recycling	1.7425/0	0.98
Hazardous waste	metal-containing printed circuit board (PCB) scrap and powdered solvent waste	1.034	off-site	recycling	1.034/0	0.58
		0.393			0.393/0	0.22
Total		178.2395				100
Recycling Rate		80.73%				

# Environmental sustainability

## 4.6 Climate Action

The impacts of global climate change are becoming increasingly severe, making carbon emission management and energy conservation/reduction crucial issues for corporate social responsibility. As a vital part of Taiwan's supply chain, Fuhua Electronics actively responds to climate action and is committed to integrating low-carbon and energy-saving technologies into manufacturing, warehousing, and supply chain management to promote sustainable development. We uphold the core principles of "green logistics, smart transportation, and sustainable operation," reducing carbon emissions and improving transportation efficiency through technological innovation and management optimization. We are dedicated to collaborating with supply chain partners to implement environmental policies and build a low-carbon, sustainable supply chain system.

To effectively implement environmental policies, our company has established a comprehensive energy conservation and carbon reduction management system, referencing international standards and industry best practices. This system comprises three core strategies: digital management, planned energy management systems, and green procurement, ensuring that business operations and environmental protection go hand in hand.

Action :

- Promote digital operations: Reduce paper documents and manual processes, and lower carbon footprint through electronic documents and data management systems.
- Replace business travel with video conferencing: Encourage the use of online conferencing systems between internal departments and clients to reduce unnecessary business trips and lower transportation carbon emissions.
- Planning for Energy and Environmental Management Systems: Future plans include implementing an ISO 50001 energy management system to continuously optimize energy efficiency. Continuously optimize the operation of the ISO 14001 environmental management system to mitigate environmental impact through daily operations.
- Prioritize environmentally friendly suppliers: Partner with suppliers holding ISO 14001 environmental management certification to reduce carbon emissions in the supply chain.
- Plan solar power generation systems: Install solar panels on the roofs of storage facilities to increase the proportion of renewable energy used and reduce the carbon footprint of electricity.
- Replace inefficient equipment: Prioritize the purchase of energy-saving lighting fixtures and smart cold chain equipment to reduce energy consumption during operation.



# 5. Friendly Workplace



# Friendly workplace

## 5.1 Human Rights Policy

Employees are one of Forward Electronics' most important assets. In addition to strictly adhering to all labor laws and regulations, we are committed to following even stricter standards in labor, health and safety, environment, ethics, and management systems, including international and customer conduct guidelines. We create a healthy and safe workplace environment for our employees to give full play to their strengths, provide competitive compensation and benefits, care for the physical and mental health of our colleagues, and plan a comprehensive talent training system to help our colleagues give full play to their strengths in their work. Furthermore, Fuhua Electronics has implemented the ISO 45001 Occupational Safety and Health Management System to strengthen the company's management performance in occupational safety and health, effectively protecting the physical and mental health of our employees.

Our company highly values labor rights and endorses and supports all UN international human rights conventions. We require our suppliers and partners to ensure that their operations do not violate fundamental human rights, so that all internal and external members of the company can be treated equally and with dignity. In 2024, our company had no cases of discrimination based on gender, race, or other factors, and we have never engaged in discrimination or human rights violations in hiring employees.

Specific Practices of Human Rights Policy :

- **Employment Principles** : In accordance with the employment management regulations, equal employment opportunities are provided regardless of race, gender, religion, color, nationality, age, political affiliation, sexual orientation, pregnancy status, disability status, or social background. All employees sign an employment contract on their first day of employment. Child labor under the age of 16 is prohibited, and young workers under the age of 18 must be provided with working conditions that meet legal requirements.
- **Legal Compliance** : We strictly adhere to relevant government laws and regulations and follow the requirements of the Responsible Business Alliance (RBA) Code of Conduct.
- **Forced labor is prohibited** : When an employment relationship is established, a written employment contract must be signed in accordance with the law. The contract must state that the employment relationship is established based on the mutual consent of both parties and that forced labor is prohibited. Forced overtime work is prohibited. If a colleague needs to work overtime due to official business, the colleague may request overtime voluntarily, and the number of overtime hours must not exceed the provisions of labor laws.
- **Working Hours** : Working hours must not exceed the maximum limits stipulated by local law, and the weekly working hours must not exceed 60 hours. Employees should be allowed at least one day of rest for every six working days. If adjustments to working hours are necessary, they must be made through labor-management consultation and consensus reached, provided that they do not violate any laws.
- **Anti-discrimination and anti-harassment**: Any form of discrimination, whether tangible or intangible, is prohibited. It is explicitly stated that race, religion, gender, belief, political stance, age, marital status, and zodiac sign will not be used as criteria for employee recruitment, evaluation, or promotion.
- **Healthy and safe workplace** : Providing a safe and healthy work environment, as well as necessary first aid facilities and emergency response mechanisms, eliminates risk factors in the work environment that may affect the health and safety of employees, and reduces the incidence of occupational accidents.
- **Respect for freedom of association** : We respect the basic human rights of our employees, promise them the right to freedom of assembly and collective bargaining, and provide diverse communication mechanisms and platforms to ensure harmonious and win-win labor relations.

## Friendly workplace

- Working Conditions : Salary assessment is based on the general salary market, company financial situation, and organizational structure. Overall compensation is determined according to each employee's individual professional functions, job responsibilities, performance, and achievement of company operational goals. Starting salaries are higher than the government's basic wage regulations. Salary standards comprehensively consider professional abilities and the position held as the basis for salary assessment. Wages paid to employees must comply with relevant wage laws, including those concerning minimum wage, overtime pay, and statutory benefits. Deductions from wages are prohibited as a means of disciplinary action.
- Prohibition of unlawful infringement : It is prohibited to treat employees unreasonably or inhumanely, including any form of sexual harassment, abuse, corporal punishment, mental or physical oppression or verbal abuse, as well as threats to do so.
- Personal Data Protection : Our company complies with laws and regulations concerning the protection of personal data, ensuring that the collection, processing, and use of personal data of employees, applicants, etc., comply with legal requirements, and safeguarding and protecting the rights and interests of personal data.
- Employee Care and Development : We offer market-standard salaries and benefits that exceed regulatory requirements, actively engage in employee health promotion activities, and allocate annual distributable surplus to employees.

# Friendly workplace

## 5.2 Employee Overview

Forward Electronics treats all employees equally and actively eliminates any potential workplace inequalities through diverse and equal rights measures, protecting the labor rights of every employee. Currently, the company does not have a labor union, but it has employee-elected labor representatives who conduct regular labor-management meetings for two-way communication, respecting all employees' freedom of association and collective bargaining rights. The content of each quarterly labor-management meeting includes important matters and informational announcements, ensuring that every employee is aware of the company's latest policies and how related issues are handled, thereby enhancing employee cohesion and dedication. New employees sign employment contracts upon joining the company, outlining their working conditions, and the company also protects workers' rights in accordance with all relevant labor laws.

### Employee Composition

As of the end of 2024, Forward Electronics had 214 employees, of whom 64.95% were female and 35.05% were male. The main human resources are located in Taiwan. In 2024, the proportion of women in supervisory positions was 3.27%, slightly lower than the proportion of men in supervisory positions at 10.75%, mainly due to differences in job attributes.

Forward Electronics' Employee Types by Region in 2024 (By Gender)

gender	Employee types							
	Management		Technicians		General staff		Total employees	
	Number of people	percentage	Number of people	percentage	Number of people	percentage	Number of people	percentage
male	23	10.75%	18	8.41%	34	15.89%	75	35.05%
female	7	3.27%	6	2.80%	126	58.88%	139	64.95%
total	30	14.02%	24	11.21%	160	74.77%	214	100.00%

Note 1: Calculations are based on employees on December 31, 2024 (or the last working day), excluding those on leave without pay at the end of the reporting period.  
Note 2: Management positions refer to managers (and above) and supervisors with management responsibilities.  
Note 3: The Sanxia Plant has 25 management positions, with 18 males (72%) and 7 females (28%).  
Note 4: The Dafa Plant has 5 management positions, with all 5 males (100%) and none females (0%).



# Friendly workplace

Forward Electronics' Employee Types by Region in 2024 (By Age)

Age	Employee types							
	Management		Technicians		General staff		Total employees	
	Number of people	percentage	Number of people	percentage	Number of people	percentage	Number of people	percentage
30<	0	0.00%	0	0.00%	5	2.34%	5	2.34%
30 - 49	14	6.54%	10	4.67%	84	39.25%	108	50.47%
>50	16	7.48%	14	6.54%	71	33.18%	101	47.20%
total	30	14.02%	24	11.21%	167	72.43%	214	100.00%

Forward Electronics' Employee Types by Region in 2024 (by Nationality)

Age	Employee types							
	Management		Technicians		General staff		Total employees	
	Number of people	percentage	Number of people	percentage	Number of people	percentage	Number of people	percentage
Nationality - Non-Indigenous	30	14.02%	24	11.21%	142	66.36%	196	91.59%
Nationality - Aboriginal	0	0.00%	0	0.00%	3	1.40%	3	1.40%
foreign nationality	0	0.00%	0	0.00%	15	7.01%	15	7.01%
total	30	14.02%	24	11.21%	160	74.77%	214	100.00%

# Friendly workplace

Forward Electronics' Employee Types by Region in 2024 (By Age)

Age	Employee types							
	Management		Technicians		General staff		Total employees	
	Number of people	percentage	Number of people	percentage	Number of people	percentage	Number of people	percentage
30<	0	0.00%	0	0.00%	5	2.34%	5	2.34%
30 - 49	14	6.54%	10	4.67%	84	39.25%	108	50.47%
>50	16	7.48%	14	6.54%	71	33.18%	101	47.20%
total	30	14.02%	24	11.21%	167	72.43%	214	100.00%

Forward Electronics' Employee Types by Region in 2024 (by Nationality)

Age	Employee types							
	Management		Technicians		General staff		Total employees	
	Number of people	percentage	Number of people	percentage	Number of people	percentage	Number of people	percentage
Nationality - Non-Indigenous	30	14.02%	24	11.21%	142	66.36%	196	91.59%
Nationality - Aboriginal	0	0.00%	0	0.00%	3	1.40%	3	1.40%
foreign nationality	0	0.00%	0	0.00%	15	7.01%	15	7.01%
total	30	14.02%	24	11.21%	160	74.77%	214	100.00%

# Friendly workplace

As of the end of 2024, all of Forward Electronics' employment complies with the Labor Standards Act or equivalent regulations of the locations where it operates. The company has 214 full-time employees with permanent contracts, and no contract or part-time employees.

## 5.2.2 Non-Employee Workers

As of the end of 2024, Fuhua Electronics has not introduced any temporary workers to address temporary manpower needs. Currently, all workers in the company are full-time employees.

Forward Electronics' Employee Types by Region in 2024 (by Contract)

Type	Nationality	Male	Female	Total	percentage
full-time employee	Nationality	67	132	199	92.99%
	foreign	8	7	15	7.01%
Temp worker	Nationality	0	0	0	0
	foreign	0	0	0	0
intern	Nationality	0	0	0	0
	foreign	0	0	0	0

Forward Electronics' Employee Types by Region in 2024 (by Education Level)

Education	Number of people
High school (inclusive) and below	154
Vocational college	24
University	33
Master	3
PhD	0
Total	214



# Friendly workplace

## 5.2.3 Employees and Departures

In 2024, there were 11 new employees (7 male and 4 female); of the 18 departing employees, 9 were male and 9 were female. Reasons for departure included career changes or incompatibility with job content and environment. The company will continue to strengthen training, enhance employee care, and provide comprehensive career development opportunities to encourage employee retention.

Statistics on the total number and proportion of new and departing employees by age group and gender

Age	Gender	New				Departures			
		2023		2024		2023		2024	
		Number of people	percentage	Number of people	percentage	Number of people	percentage	Number of people	percentage
<30	male	2	11.76%	3	27.27%	1	2.50%	2	11.11%
	Female	0	0.00%	0	0.00%	2	5.00%	0	0.00%
30 - 49	male	6	35.29%	4	36.36%	11	27.50%	4	22.22%
	Female	3	17.65%	3	27.27%	14	35.00%	7	38.89%
>50	male	4	23.53%	0	0.00%	4	10.00%	3	16.67%
	Female	2	11.76%	1	9.09%	8	20.00%	2	11.11%
Total	male	12	70.59%	7	63.64%	16	40.00%	9	50.00%
	Female	5	29.41%	4	36.36%	24	60.00%	9	50.00%
	Total	17	100.00%	11	100.00%	40	100.00%	18	100.00%

Note 1: New hire/departure ratio = Number of new hires/departures / Total number of employees in that age group and gender.  
Note 2: The onboarding statistics period is from January 1, 2024 to December 31, 2024.

# Friendly workplace

## 5.3 Compensation and Benefits

### 5.3.1 Compensation Policy

Forward Electronics offers competitive salaries to attract and retain talent needed for company operations. We also emphasize the diverse and equitable development of our employees, ensuring that basic salaries and compensation policies are not differentiated based on age, gender, or other factors. This aims to motivate employees and foster sustainable growth for the company. In 2024, the male-to-female salary ratio for management positions was 0.95:1; the ratio for general staff was 1.23:1. The main differences were attributed to factors such as seniority, education, experience, and professional skills.

We have established separate salary and performance management procedures to ensure that new employees understand the company's compensation system upon joining the company. We also have separate policies, systems, standards, and structures regarding performance targets and compensation, which will be adjusted as needed based on labor market conditions, overall economic and industry fluctuations, and government regulations. The compensation and benefits of managers and above must be submitted to the Compensation Committee and the Board of Directors for approval to enhance corporate governance and compensation transparency. The ratio of the highest-paid individual's total annual compensation to the median total annual compensation of all employees (excluding the highest-paid individual) is 6.55:1. The highest-paid individual's percentage increase in total annual compensation is significantly greater than that of other employees due to a promotion, with a ratio of 50:1 between them.

Employee salary information for the past two years (unit: NTD)

Employee Categories	2023	2024
Management positions (Male: Female)	1.14 : 1	0.95 : 1
Non-management positions (male: female)	1.21 : 1	1.23 : 1
Total Annual Compensation (Highest Individual Salary: Median of Other Employees)	4.18 : 1	6.55 : 1
Percentage increase in total annual compensation (Highest Individual Salary: Median of Other Employees)	1 : 1	50 : 1

Year	2023	2024
Total salary of full-time employees who do not hold supervisory positions	111,720,000	106,232,000
Average salary of full-time employees who do not hold supervisory positions	482,000	496,000
Median salary of full-time employees who do not hold supervisory positions	408,000	412,000

Ratio of standard salary for entry-level staff to local minimum wage

Gender	2023	2024
Male	1.68	1.72
Female	1.12	1.12



# Friendly workplace

## 5.3.2 Welfare System

Since its establishment, our company has always adhered to the principle of humanistic management. In addition to complying with the "Labor Retirement Pension Act" and the "Labor Standards Act," we actively provide employees with full respect and care, and continuously plan various welfare measures. Employees also enjoy the benefits of a shareholding trust. Other welfare measures include: a comprehensive paid annual leave, sick leave, maternity leave, and flexible leave system that surpasses the Labor Standards Act; labor insurance, health insurance, and comprehensive group insurance and dependent group insurance; regular employee health checkups; subsidies for marriage, childbirth, hospitalization, and funeral expenses; and birthday and holiday gifts (cash or vouchers).

Since its inception, our company has had an Employee Welfare Committee, which regularly organizes various trips, birthday celebrations, and afternoon tea activities to relax employees, enhance communication, and strengthen connections among them. These trips and hikes are also open to employees' families, providing opportunities for relatives and employees to get to know each other and interact. Our factory grounds also feature sports and leisure spaces such as basketball courts, table tennis, billiards, fitness equipment, and a karaoke room, encouraging employees to use them to maintain their health.

Benefit category	Specific measures
Salary and benefits	bonus
	Holiday gifts and gifts
	Welfare benefits
Health promotion activities	Medical insurance
	Health lecture
	On-site physician service
Friendly facilities	Leisure facilities
	Clinic/Breastfeeding Room
	Staff quarters
Other benefits	Tourism activities
	Further education subsidy
	Employee Stock Ownership Trust





# Friendly workplace

## 5.3.3 Parental Leave

In view of the continued decline in Taiwan's birth rate in recent years, and in order to alleviate the pressure on employees regarding childbirth and childcare, while fulfilling our social responsibility, our company provides substantial care and support to employees who require parental leave. In accordance with the "Gender Equality Act" and the "Regulations Governing Parental Leave," employees who have worked for six months may apply for parental leave before each child reaches the age of three. We provide employees with maternity bonuses and childcare allowances, and encourage employees to return to work after applying for parental leave. All matters related to employee parental leave will be handled in accordance with the relevant provisions of the "Gender Equality Act" and the "Regulations Governing Parental Leave."

Statistics on infant leave in 2024		
Item	Male	Female
Total number of employees entitled to parental leave in the current year (A)	1	6
Total number of employees who actually used parental leave in the current year (B)	1	4
Application rate (B/A)	100.0%	66.7%
The total number of employees who should return to work after maternity leave in the current year (C)	1	1
Total number of employees who actually returned to work after maternity leave in the current year (D)	1	0
return-to-work rate(D/C)	100.0%	0.0%
Total number of employees who returned to work after being on leave for childcare in the previous year (E)	1	3
The total number of employees who continued working for one year after being reinstated following a leave of absence for childcare in the previous year (F)	1	2
Retention Rate(F/E)	100.0%	66.7%

Note 1: Estimated based on the number of employees who took maternity or paternity leave in the past two years (2023-2024).  
Note 2: Employees who actually returned to work in 2023 and have been employed for at least one year since returning to work.



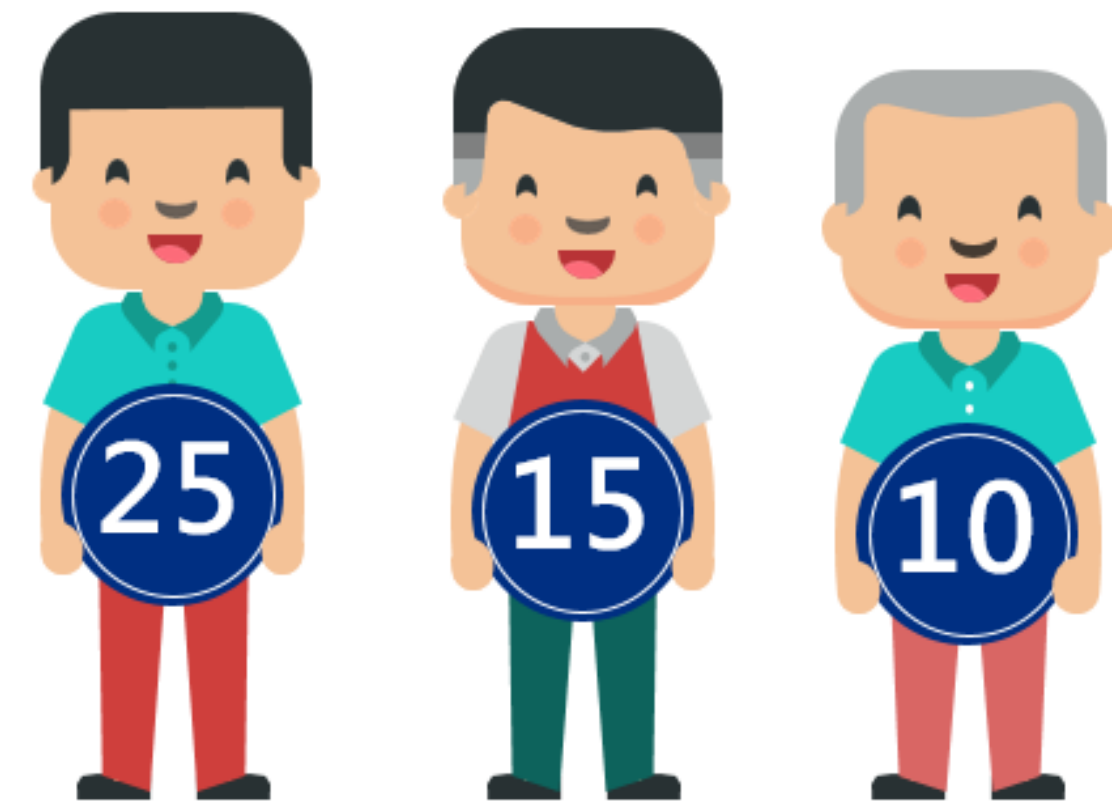
# Friendly workplace

## 5.3.4 Retirement system

In accordance with legal regulations, starting July 1, 2005, our company will contribute 6% of the monthly salary of new employees and existing employees who choose to apply the new retirement pension system to the Labor Insurance Bureau's individual retirement pension account. Simultaneously, for existing employees who chose the old retirement pension system and those who chose the new system, their years of service under the old system will be retained, and appropriate retirement reserves will be allocated to a special account at the Bank of Taiwan based on the original employee retirement pension payment standards. For employees transferred from organizational assignments to affiliated companies, their years of service will continue to be calculated, providing them with greater security and achieving the company's goal of talent mobility.

Statistics on the allocation of labor retirement funds	
Item/Year	2024
Old system pension contribution amount (NTD)	1,648,235
New pension contribution amount (NTD)	4,636,414

Retirement system
Employees who meet any of the following conditions may apply for voluntary retirement:
1. Those who have served for more than 15 years and are 55 years of age or older.
2. Have served in the position for more than 25 years.
3. Those who have served for more than 10 years and are 60 years of age or older.



# Friendly workplace

## 5.4 Human Resource Development

### 5.4.1 Diverse Training Channels

Forward Electronics has long been committed to talent development. Based on organizational and professional skills needs, and with a focus on both management and professional skills, we plan and implement relevant training programs to enhance employees' knowledge and skills, build a robust talent pool, and facilitate employee career development. Our annual training plan is based on employee training needs reflected in performance appraisals, areas that managers believe need strengthening in departmental work, and the overall training priorities of each R&D unit. By balancing the training needs of individuals, work, and the organization, we ensure that everyone receives comprehensive and diverse training within the company.

To provide better learning quality, post-class questionnaires and feedback are conducted after each class to inform future course improvements. Employees are also encouraged to participate in external training, including various seminars, professional training courses, and continuing education courses. The company provides subsidies to encourage continuous self-improvement among its employees.

Course content	Course description
Newcomer Training	The Human Resources Department will conduct general education and training courses, including company policies, environment, and systems, to help new employees understand the environment.
Professional Function Courses	Skills training to enhance professional competence, technical skills, and improve work efficiency.
Management Function Courses	Develop teamwork and project management skills among colleagues to achieve the company's overall operational goals. Courses include: project management and potential development.
Quality Management Course	Enhancing overall quality awareness and encouraging company-wide participation in quality activities will promote the production of products of the highest quality to meet customer needs.
Occupational safety and health training	Training to ensure the health and safety of colleagues and to comply with relevant national occupational safety and health regulations.

		Average hours	Total Hours
Gender	Male	1.5	888.0
	Female	1.4	1002.0
Position	Management	1.6	548.5
	Non-management positions	1.5	1271.5



# Friendly workplace

## Professional Certification Training

Based on a professional skills assessment and the specific needs of each department, our company assigns legally designated personnel to these positions. We arrange for them to undergo external training and skills certification to assist employees in obtaining certifications, thereby enhancing their skills and improving the company's competitiveness. The following specific job categories passed professional skills certification in 2024:

Course content	Number of people
Aerial work vehicle operator course (including refresher training)	1
AED Administrator Course (including refresher training)	1
Occupational Safety and Health Administrator Course (including refresher training)	1
Course for operators of forklifts with a load capacity of one metric ton or more (including refresher training)	2
Small boiler operator training course (including refresher training)	1
Forklift Operator Course	1
Fire safety management personnel course (including refresher training)	1
First aid personnel training (including refresher courses)	1
Radiation protection personnel courses (including refresher training)	1
Total	10



# Friendly workplace

## 5.4.2 Performance Appraisal System

Our company implements a performance-based compensation policy. We conduct regular performance appraisals for all employees, divided into three stages: annual goal setting, mid-year review, and year-end review. Performance reviews are also conducted through supervisor-colleague performance interviews, providing timely guidance and assistance to employees to improve their work skills, achieving effective two-way communication. The company also has a code of ethics, clearly defining the ethical matters that employees should follow and the responsibilities and obligations they should fulfill. Employee workplace behavior is also included in the performance appraisal standards, and clear rewards and punishments are given based on their performance. In 2024, all full-time employees, regardless of gender or job category, except those on probation, will undergo and complete their annual performance appraisals.

Employee Categories	2024		
	Number of people subject to performance appraisal	Number of people	Percentage subject to performance appraisal (%)
Management positions	29.5	31.5	13.98%
Non-management position	42	44.5	19.91%
Total	71.5	76	33.89%



Goal setting



Mid-year assessment



Year-end assessment

# Friendly workplace

## 5.5 Healthy and Safe Workplace

To safeguard employee safety and prevent occupational accidents, Forward Electronics has established an ISO 45001 Occupational Safety and Health Management System in accordance with the "Occupational Safety and Health Management Regulations" to implement occupational safety management. The Occupational Safety and Health Management System covers the company's Three Gorges Plant, Suzhou Fuhua Electronics Plant, and offices, regulating the activities of relevant workers in the workplace.

To prevent employees from suffering potential health or safety hazards, the company is committed to creating a safe and healthy workplace environment. During new employee training and on-the-job training, colleagues are informed that "when performing duties and discovering an immediate danger, one must stop work and retreat to a safe place without endangering the safety of other workers." A reporting process for occupational hazards and dangerous situations has been established, enabling workers to immediately report to their immediate supervisors.

Forward Electronics ISO 45001 Occupational Safety and Health Management System Certificate





# Friendly workplace

## 5.5.1 Occupational Safety and Health Policy

Forward Electronics is committed to complying with international conventions and the relevant provisions of the "Occupational Safety and Health Management Regulations." To safeguard workplace safety and employee health, Fuhua Electronics has established a sound occupational safety and health management system, ensuring the maintenance of occupational safety and health, and achieving the prevention of hazards and occupational injuries. This "Occupational Safety and Health Policy" implements four commitments: strict compliance with regulations, risk management, continuous improvement, and health promotion, with a goal of zero occupational accidents.

Based on the "Occupational Safety and Health Management Regulations" and related laws, the company has divided the key tasks regulated by the Occupational Safety and Health Act into five key areas. Using PDCA (Plan-Do-Check-Act) cyclical quality management, the company continuously conducts occupational hazard risk assessments and improves its occupational safety and health management system. Furthermore, each department has legally established occupational safety and health units, management personnel, and emergency medical personnel to comprehensively prevent the occurrence of occupational accidents.

Health promotion activities	Description
Occupational safety and health education and training	<ul style="list-style-type: none"><li>New employees receive occupational safety and health training, while existing employees receive training.</li><li>Occupational safety and health personnel, first aid personnel, or those with relevant occupational safety and health certifications receive relevant training in accordance with the Occupational Safety and Health Act, including refresher and retraining sessions.</li><li>Regular emergency response fire drills are conducted to help colleagues understand the operation of fire equipment, escape routes, evacuation, and first aid procedures.</li></ul>
Occupational hazard identification and risk assessment	Each year, conduct regular self-monitoring and record-keeping for workplaces with high hazard risks to prevent occupational injuries caused by physical hazards in the workplace.
Emergency Response and Handling	Establish accident handling procedures in accordance with ISO 45001, follow the procedures for reporting and handling emergency accidents, analyze the incident, investigate the cause of the accident, and review improvement measures.
Four major occupational health protection plans	Workplace risks such as "maternal health protection", "abnormal workload operation", "human-caused harm prevention plan operation" and "prevention of illegal harm suffered in the performance of duties" are all implemented in accordance with government regulations and guidelines.
Health promotion activities	The company employs on-site medical staff in accordance with the Occupational Safety and Health Act to conduct consultations or provide medical advice on issues raised during the annual health check-up.

# Friendly workplace

## 5.5.2 Occupational Safety and Health Education and Training

To improve employees' understanding of safety and health-related knowledge, our company conducts relevant training courses. The frequency, content, and duration of these training courses comply with legal requirements. Training courses include: safety and health education and training for new employees; general hazard awareness training; self-defense and fire-fighting drills and evacuation exercises; general occupational safety and health training; chemical management knowledge training; environmental safety and health regulations and fire safety knowledge; and practical training with fire extinguishers and other fire-fighting equipment. External training courses include: ISO14001/ISO45001 training; fire prevention management personnel training; first aid personnel training; occupational safety and health management personnel training; and training on machinery operation protection and radiation protection. Self-defense and fire-fighting drills and evacuation exercises are held regularly every six months to ensure that, in the event of an emergency, members can be quickly mobilized and appropriate actions taken to effectively control the disaster and mitigate losses. For workers who are not employed, safety and health education and training are provided before entering the factory through hazard notification, job safety analysis and safety tips. Safety supervision during the operation period is also provided to convey safety and health concepts and knowledge from time to time, so that they pay more attention to occupational safety and health.



2024 Education and Training Course	Expected number of trainees	Number of trainees	Training completion rate
General safety and hygiene education and training course (for newcomers)	9	9	100%
Education and training on hazardous chemical labeling and general rules	21	21	100%
Risk assessment (system training)	23	23	100%
In-service education and training for occupational safety and health supervisors	1	1	100%
Retraining for forklift operators with load capacities of one metric ton or more	1	1	100%
Radiation protection refresher training	1	1	100%
In-service training for organic solvent operations supervisors	2	2	100%
Workplace Injustice Prevention Course	12	12	100%
Employee Fire Safety and Disaster Prevention Emergency Response Training in the First Half of 2024	24	24	100%
Occupational Safety and Health Management Personnel Course (Refresher Training)	1	1	100%



# Friendly workplace

## Actively Preventing Occupational Hazards

To implement occupational safety and health management, Fuhua Electronics, referencing the "Technical Guidelines for Risk Assessment" and the ISO 45001 Occupational Safety and Health Management System, conducts quarterly occupational hazard identification and risk assessments, applies graded control measures, implements automated inspections, and supplements this with PDCA (Plan-Do-Check-Act) cycle quality management to continuously improve the occupational safety and health management system. To minimize occupational hazard risks, environmental monitoring is conducted periodically as required by law to assess and analyze chemical exposure in the workplace. Engineering controls are prioritized, followed by the development of Standard Operating Procedures (SOPs), the provision of protective equipment to designated personnel, and adherence to the competent authority's "Guidelines for the Prevention of Unlawful Harm in the Performance of Duties" to protect workers from intimidation, threats, or termination of employment contracts, safeguarding employee rights and mental and physical health. Environmental monitoring results in 2024 showed compliance with legal standards.

## Occupational Hazard Identification and Risk Assessment

Forward Electronics, referencing the "Technical Guidelines for Risk Assessment" and the ISO 45001 Occupational Safety and Health Management System, has established a hazard identification and risk assessment process. This process encompasses the identification of occupational safety and health risks arising from routine and non-routine operations and abnormal handling within the company. The assessed risks are then categorized and controlled. Annually, a routine occupational safety and health risk and opportunity assessment and information update are conducted for all company operations. In the event of new additions, changes, or alterations to internal operations, occupational accidents, false alarms, or legal updates, non-routine occupational safety and health risk assessments are conducted and revised accordingly. Furthermore, all identification personnel receive annual training on risk assessment implementation methods, acquiring relevant risk assessment methods and hazard control identification capabilities.





# Friendly workplace

## Contractor Occupational Safety and Health Management

To ensure the safety of our contractor partners, our company develops a comprehensive occupational safety and health management plan annually based on the contractors' safety and health management practices, implementing pre-disaster prevention. In the event of an accident, we ensure rapid occupational injury compensation and reconstruction, and guarantee workers receive immediate basic living support in the event of occupational injuries, thus mitigating various occupational risks for all three parties. To improve the occupational injury worker protection mechanism, starting in 2024, we require labor or contractors to purchase additional labor insurance and group insurance to ensure that all personnel working on-site benefit. Our company also assigns project management personnel to contractor construction sites. In the event of an accident, these personnel must immediately contact the project owner's personnel and request medical assistance, or, depending on the situation, call for external support.

In the event of a work-related injury, except for cases involving disability which will be subject to a separate accident investigation, all other incidents require the completion of a report and record-keeping. This allows for investigation and analysis of the cause of the incident and necessitates on-site or operational improvements. Furthermore, following the ISO 45001 Occupational Safety and Health Management System, our company conducts safety and health hazard education and training for contractors before construction work begins. This training ensures construction personnel understand the work environment, process safety regulations, emergency contact lines, and are familiar with the use of fire-fighting equipment.

## Occupational Safety and Health Internal Audit

Our company's core philosophy is disaster prevention and mitigation. Each unit conducts safety hazard identification for different job categories, categorizes and assesses the identified safety risks, and manages them according to different risk levels. Risks classified as high-risk or above based on hazard identification and risk assessment forms are prioritized for improvement, following the order of elimination, replacement, engineering controls, management controls, and personal protective equipment. Existing technical resources, capabilities, and available resources are considered when implementing effective risk reduction control measures. Medium-risk risks are included in management plans and annual targets for regular monitoring of improvement effectiveness. For risk reduction control measures, regular follow-up and verification of their effectiveness and countermeasures are conducted. In addition, a dedicated safety audit team conducts daily, monthly, and special safety audits of each plant area, including electrical safety, flammable material management, and fire safety, thereby promoting the implementation of safe production practices in each industrial park.





# Friendly workplace

## Emergency Response and Handling

In the event of a major emergency, the company's emergency response team will immediately notify relevant personnel via telephone of the time, location, and general situation, entering this information into the notification and processing system. After notification, the emergency response team should, as appropriate, cut off power, remove flammable and explosive materials, salvage important documents and property, and utilize the company's internal fire-fighting facilities for disaster relief. They should also remain vigilant for any suspicious activity and maintain the scene as much as possible before taking further action. In the event of loss or leakage of important or confidential information, the response team is responsible for remediation and follow-up, and will work with relevant departments to review and improve the situation. All workers who discover an emergency situation directly endangering personal safety during their work have the right to stop work or evacuate the workplace after taking possible emergency measures.

The company shall not reduce wages or benefits, dismiss, or terminate employment contracts with workers due to the aforementioned actions. In the event of an injury or death, the emergency hotline should be called immediately to assist in transporting the injured or deceased to the hospital. In the event of an occupational accident, occupational safety and health personnel, together with employee representatives, will conduct an accident investigation and follow-up in accordance with the accident handling and investigation management procedures, and determine the extent of damage and work-related injury based on the details of the accident. After the accident investigation is completed, approval must be obtained and improvement measures must be implemented. The responsible unit must continuously monitor and track the situation to reduce losses and prevent similar incidents from happening again. In response to disasters, our company has established a fire disaster response team, which is divided into a notification team, a firefighting team, a command team, a safety protection team, a rescue team, and an evacuation guidance team, in order to systematically face and handle fire disasters and minimize casualties and losses.

Group	Description
Notification team	<ul style="list-style-type: none"><li>• Report the incident to the fire department and confirm that a report has been made.</li><li>• Immediately broadcast and notify all personnel inside the premises.</li><li>• Contact relevant company personnel (according to the emergency contact list).</li><li>• Make appropriate announcements within the premises, taking care to avoid panic.</li></ul>
Firefighting team	<ul style="list-style-type: none"><li>• Guide local teams to carry out firefighting work.</li><li>• Use fire extinguishers and fire hydrants to extinguish the fire.</li><li>• Contact the fire department and provide assistance.</li></ul>
Emergency Evacuation Team	<ul style="list-style-type: none"><li>• Proceed to the floor where the fire originated and the floors above it, and relay the order to begin evacuation. Confirm and assist in opening emergency exits, and remove obstructions to exits.</li><li>• Operate evacuation equipment and serve as evacuation guides.</li></ul>
Safety and Security Team	<ul style="list-style-type: none"><li>• Immediately proceed to the fire area and close fireproof rolling doors and fire doors.</li><li>• Ensure emergency power supply and stop using boilers and other fire-related electrical facilities.</li></ul>
Ambulance crew	<ul style="list-style-type: none"><li>• The establishment of emergency medical stations.</li><li>• Emergency treatment for the injured.</li><li>• Contact firefighters and provide information.</li></ul>

# Friendly workplace

## 5.5.3 Four Major Occupational Health Protection Plans

Forward Electronics utilizes its "Four Major Occupational Health Protection Plans" to formulate corresponding measures to reduce workplace risks, ensuring the safety, health, and well-being of its employees, and creating a work environment that promotes physical and mental health.

- Occupational Hazard Prevention Plan : Implementing appropriate work scheduling and rest systems, establishing a system for automated Providing appropriate work equipment and tools, offering guidance on work posture, conducting regular occupational health checkups, and providing relevant training and advocacy to reduce the risk of injury to employees in repetitive tasks.
- Abnormal Workload-Induced Disease Prevention Plan : Implementing appropriate work scheduling and rest systems, establishing a system for automated notification and early warning of risk lists, and arranging physician interviews and specific guidance based on health management risk levels, as well as follow-up. Simultaneously providing training and counseling on fatigue management and stress management to ensure the physical and mental health of employees at work.
- Workplace Maternal Occupational Health Protection Plan : Recognizing the individual health suitability of mothers, conducting health hazard and job suitability assessments for female employees who are pregnant or less than one year postpartum, and taking health protection measures such as job adjustments or replacements when necessary.
- Prevention Plan for Unlawful Harm During the Performance of Duties : Implemented in accordance with the company's "Management Measures for the Prevention of Unlawful Harm During the Performance of Duties," and with the establishment of "Employee Complaint Handling Measures" and "Sexual Harassment Prevention Measures," the plan aims to protect every employee from workplace sexual harassment, workplace bullying, and other unlawful harm by establishing diverse and accessible complaint channels and handling mechanisms, and by strengthening regular public awareness campaigns.



# Friendly workplace

## 5.5.4 Occupational Injury and Occupational Disease Statistics

### Occupational Injuries and Occupational Diseases

Our company creates a healthy and safe workplace for its employees, establishes various standard operating procedures, prevents occupational injuries and occupational diseases, and conducts work environment monitoring at least once a year. In 2024, there were no occupational injuries or occupational disease cases. We are committed to continuously providing a safe and worry-free working environment for all workers, aiming to achieve zero occupational accidents and zero occupational diseases.

Item	2024
Total working days	44,230.5
Total working hours	353,844
Absence rate	2.08%

Statistical items	Male	Female	Total
Total working days	15496	28734.5	44230.5
Total working hours	123968	229876	353844
Occupational injury deaths	0	0	0
Occupational Fatality Rate	0	0	0
number of severe occupational injuries	0	0	0
Severity Rate	0	0	0
Recordable work-related injury	2	5	7
Recordable Injury Rate	16.13	21.75	19.78
near-misses	0	0	0
near-miss ratio	0	0	0

# Friendly workplace

## 5.5.5 Health Promotion Activities

In accordance with Articles 6, 20, 21, 23, 29, and 30-31 of the Occupational Safety and Health Act and Articles 10-12 of the Occupational Health Protection Regulations, our company has established relevant procedures, standards, management methods, and plans for the planning and implementation of occupational health protection measures. On-site occupational health management is conducted according to the 2024 "Health Service Plan. "

Our company has a medical room staffed with professional nurses and occupational health professionals providing on-site services, including personal health consultations, education, prevention, risk monitoring of health abnormalities, and medical assistance. All employee personal health service records and information are used solely for assessing whether employees are in a safe workplace environment and are not used for any other purpose. This information is properly kept and not disclosed by the health management unit. In 2024, there were no high-risk health hazards in the occupational health field service and factory inspection work environment. The main hazard was the human factors hazard of office computer operation. The focus will be on overload scales and human factors hazard prevention in the future.

Health promotion activities	Description	Number of participants
Employee Health Checkup - General Health Checkup	The company regards the health of its employees as an important asset and provides health checkups that exceed regulations, enabling employees to understand and monitor their physical condition, seek medical assistance in a timely manner, and continue to perform at their best in their work.	202
Employee health check - Job-specific health check	Health checks conducted on employees engaged in work involving specific hazards (dust, noise, organic solvents, ionizing radiation, etc.).	46
Health Promotion (Aromatherapy Stress Relief Course)	We invited professional instructors to conduct essential oil stress relief courses, using aromatherapy to help colleagues relieve neck and shoulder pain and improve work efficiency.	11
On-site services by occupational medicine physicians	We have hired occupational medicine physicians to be stationed at our factory to provide one-on-one health consultations and to offer work adjustment suggestions that comply with occupational safety and health regulations, based on the health conditions of our employees, in order to protect their health and improve their work efficiency.	24
Free influenza and COVID-19 vaccines	To safeguard the health of our employees, our company has arranged for the Three Gorges Health Center to provide vaccination services at our company during working hours, so that everyone can get vaccinated nearby and avoid the hassle of traveling.	30



# Friendly workplace

## 5.6 Harmonious Labor-Management Relationship

Our company highly values harmonious labor-management relations and communication among employees. We have established multiple communication channels to maintain smooth two-way communication, listening to and responding to employees' concerns. In addition to daily communication channels, we have built a comprehensive communication platform through regular communication meetings and employee complaint channels, ensuring seamless, transparent, and timely communication between the company and its employees. Employee suggestions and opinions are used as a basis for improvement, protecting the legitimate rights and interests of every employee. We hold quarterly labor-management meetings to provide a labor-management negotiation mechanism, ensuring employee rights. Meeting minutes are provided and placed in the company's dedicated labor-management area for colleagues to review.

There are no labor unions in Taiwan, and there were no major operational changes affecting employee rights in 2024. Our company values employee welfare and care, and maintains harmonious labor relations. Communication between labor and management is facilitated through employee feedback mailboxes, meetings, and emails, allowing employees to fully express their concerns and raise issues. This fosters a positive and interactive relationship between labor and management. Measures include an "Employee Feedback" mailbox, labor representative meetings, an Employee Assistance Program (EAP), and a sexual harassment prevention hotline. The company has posted an "Employee Feedback" mailbox on its internal website, allowing all employees to submit their opinions. The Employee Assistance Program (EAP) includes a mental health hotline with contracted professional and experienced psychologists and clinical psychologists to provide timely mental and physical health support to employees in need. Regular health seminars are also held to help employees achieve a work-life balance.

Our company promotes diversity, equity, and inclusion (DEI) and implements internal control procedures to comply with local labor laws. In the process of providing applicant information and conducting hiring assessments, we never discriminate based on race, class, language, ideology, religion, political affiliation, place of origin, gender, sexual orientation, age, marital status, appearance, facial features, or disability. We conduct our hiring process in accordance with the law to prevent any illegal discrimination. Employees who experience illegal discrimination or inequality can file a complaint through our complaint mailbox or employee suggestion box.





# Appendix



# Appendix

## Index Table of the GRI Sustainability Report Standards

GRI 1: Foundation 2021		
Use Statement: The content of the report period of 1/1/2024 to 31/12/2024 followed the GRI Standards.		
GRI No.	Disclosure Item	Chapter & Page
GRI 2 : 2021 General Disclosure		
GRI 2-1	Organizational details	About Forward Electronics
GRI 2-2	Entities included in the organization's sustainability reporting	About Sustainability Report
GRI 2-3	Reporting period, frequency and contact	About Sustainability Report
GRI 2-4	Restatements of information	N/A
GRI 2-5	External guarantee / Confirmation	About Sustainability Report
GRI 2-6	Activities, value chain and other business relationships	About Forward Electronics
GRI 2-7	Employee	5.2 Employee Overview
GRI 2-8	Non-employees workers	5.2 Employee Overview
GRI 2-9	Governance structure and composition	2.1 Corporate Governance Structure
GRI 2-10	Nomination and selection of the highest governance unit	2.1 Corporate Governance Structure
GRI 2-11	Chair of the highest governance unit	2.1 Corporate Governance Structure
GRI 2-12	Role of the highest governance unit in overseeing the management of impacts	2.1 Corporate Governance Structure
GRI 2-13	Delegation of responsibility for managing impact	2.1 Corporate Governance Structure
GRI 2-14	Role of the highest governance unit in sustainability reporting	About Sustainability Report
GRI 2-15	Conflicts of interest	2.1 Corporate Governance Structure
GRI 2-16	Communication of material concerns	Material Topic Analysis
GRI 2-17	Collective knowledge of the highest governance unit	2.1 Corporate Governance Structure

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## Index Table of the GRI Sustainability Report Standards

GRI No.	Disclosure Item	Chapter & Page
GRI 2-18	Evaluation of the performance of the highest governance unit	2.1 Corporate Governance Structure
GRI 2-19	Remuneration policies	2.1 Corporate Governance Structure
GRI 2-20	Process to determine remuneration	2.1 Corporate Governance Structure
GRI 2-21	Annual total compensation ratio	5.3 Compensation and Benefits
GRI 2-22	Statement on the sustainable development strategy	Letter from the Chairman
GRI 2-23	Policy commitments	2.2 Honest business practices
GRI 2-24	Embedding policy commitments	2.2 Honest business practices
GRI 2-25	Processes to remediate negative impacts	Material Topic Analysis
GRI 2-26	Mechanisms for seeking advice and raising concerns	Material Topic Analysis
GRI 2-27	Regulatory compliance	2.2 Honest business practices
GRI 2-28	Membership to associations	About Forward Electronics
GRI 2-29	guidelines to stakeholder engagement	Material Topic Analysis
GRI 2-30	Group agreements	5.6 Harmonious Labor-Management Relationship



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## Index Table of the GRI Sustainability Report Standards

GRI No.	Disclosure Item	Chapter & Page
GRI 3 : 2021 Material Topic		
GRI 3-1	Procedure to determine material topics	Material Topic Analysis
GRI 3-2	Material topic list	Material Topic Analysis
GRI 3-3	Material topic management	Material Topic Analysis
GRI 201: Economic Performance 2016		
GRI 201-1	Direct economic value generated and distributed by the organization	About Forward Electronics
GRI 201-2	Financial implications and other risks and opportunities due to climate change	4.1 Climate Change Strategies
GRI 201-3	Defined benefit plan obligations and other retirement plans	5.3 Compensation and Benefits
GRI 201-4	Financial assistance from the government	About Forward Electronics
GRI 204: Procurement Practices 2016		
GRI 204-1	Proportion of procurement expenditure from local suppliers	3.1Supply Chain Management
GRI 205: Anti-corruption 2016		
GRI 205-2	Communication and training on anti-corruption policies and procedures	2.2 Honest business practices
GRI 205-3	Confirmed corruption cases and actions taken	2.2 Honest business practices

# Appendix Index Table of the GRI Sustainability Report Standards

GRI No.	Disclosure Item	Chapter & Page
GRI 207: Tax 2019		
GRI 207-1	Tax Policy	1.3 Tax governance
GRI 207-2	Tax governance, control and risk management	1.3 Tax governance
GRI 207-3	Stakeholder communication and management on tax-related issues	1.3 Tax governance
GRI 207-4	Country-by-Country Report	1.3 Tax governance
GRI 302: Energy 2016		
GRI 302-1	Energy consumption within the organization	4.2 Energy Management
GRI 302-3	Energy intensity	4.2 Energy Management
GRI 302-4	Reduce energy consumption	4.2 Energy Management
GRI 303: Water and Effluents 2018		
GRI 303-1	Interactions with water as a shared resource	4.4 Water Resource Management
GRI 303-2	Management of water-discharge-related impacts	4.4 Water Resource Management
GRI 303-3	Water and effluents - Water consumption	4.4 Water Resource Management
GRI 303-4	Water discharge	4.4 Water Resource Management
GRI 303-5	Water consumption	4.4 Water Resource Management

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## Index Table of the GRI Sustainability Report Standards

GRI No.	Disclosure Item	Chapter & Page
GRI 305: Emissions 2016		
GRI 305-1	Direct (Scope 1) GHG emissions	4.3 Greenhouse Gas Management
GRI 305-2	Energy indirect (Scope 2 GHG emissions)	4.3 Greenhouse Gas Management
GRI 305-3	Other indirect (Scope 3) GHG emissions	4.3 Greenhouse Gas Management
GRI 305-4	GHG emissions intensity	4.3 Greenhouse Gas Management
GRI 306: Waste 2020		
GRI 306-1	Waste generation and significant waste-related impacts	4.5 Waste Management
GRI 306-2	Management of significant waste-related impacts	4.5 Waste Management
GRI 306-3	Waste generated	4.5 Waste Management
GRI 306-4	Waste diverted from disposal	4.5 Waste Management
GRI 306-5	Waste directed to disposal	4.5 Waste Management
GRI 307: ENVIRONMENTAL COMPLIANCE 2016		
GRI 307-1	Non-compliance with environmental laws and regulations	2.2 Honest business practices



# Appendix Index Table of the GRI Sustainability Report Standards

GRI No.	Disclosure Item	Chapter & Page
GRI 401: Employment 2016		
GRI 401-1	New employee hires and employee turnover	5.2 Employee Overview
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.3 Compensation and Benefits
GRI 401-3	Parental leave	5.3 Compensation and Benefits
GRI 403: Occupational Health and Safety 2018		
GRI 403-1	Occupational health and safety management system	5.5 Healthy and Safe Workplace
GRI 403-2	Hazard identification, risk assessment, and incident investigation	5.5 Healthy and Safe Workplace
GRI 403-3	Occupational health services	5.5 Healthy and Safe Workplace
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	5.5 Healthy and Safe Workplace
GRI 403-5	Worker training on occupational health and safety	5.5 Healthy and Safe Workplace
GRI 403-6	Promotion of worker health	5.5 Healthy and Safe Workplace
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.5 Healthy and Safe Workplace
GRI 403-8	Workers covered by an occupational health and safety management system	5.5 Healthy and Safe Workplace
GRI 403-9	Work-related injuries	5.5 Healthy and Safe Workplace
GRI 403-10	Work-related ill health	5.5 Healthy and Safe Workplace

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## Index Table of the GRI Sustainability Report Standards

GRI No.	Disclosure Item	Chapter & Page
GRI 404: Training and Education 2016		
GRI 404-1	Average hours of training per year per employee	5.4 Human Resource Development
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	5.4 Human Resource Development
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	5.4 Human Resource Development
GRI 405: Diversity and Equal Opportunity 2016		
GRI 405-1	Diversity of governance bodies and employees	2.1 Corporate Governance Structure 5.2 Employee Overview
GRI 405-2	Ratio of basic salary and remuneration of women to men	5.3 Compensation and Benefits
GRI 406: Non-discrimination 2016		
GRI 406-1	Incidents of discrimination and corrective actions taken	2.2 Honest business practices

# Appendix Task Force on Climate Related Financial Disclosures

▼ Risks and opportunities posed by climate change to the company and the company's corresponding countermeasures.

Item	Project	Implementation status
1	It outlines the board of directors' and management's oversight and governance of climate-related risks and opportunities.	The Board of Directors is the highest management level for climate governance at Forward Electronics, responsible for approving climate change response policies and confirming the company's overall climate-related goals annually. The Board has established a "Sustainability Working Group," convened by the Chairman, whose main responsibilities are to oversee the implementation of climate change governance work, hold at least one discussion meeting per quarter, and regularly report on progress and results to the Board.
2	Describe how the identified climate risks and opportunities affect the company's business, strategy, and finances (short, medium, and long term).	<p>Business, Strategic, and Financial Risks:</p> <ul style="list-style-type: none"><li>• Short-term: Extreme weather events cause raw material price fluctuations, compressing company profits.</li><li>• Mid-term: Increased frequency of extreme weather events can disrupt supply chain operations (e.g., typhoon holidays), increasing operating costs; equipment replacement and increased investment in R&amp;D.</li><li>• Long-term: Changing climate patterns lead to changes in the business environment and consumer habits; shifts in low-carbon and energy policies in various countries increase operating and investment costs.</li></ul> <p>Business, strategic, and financial opportunities:</p> <ul style="list-style-type: none"><li>• Short-term: A reassessment of company resources and equipment could improve internal management efficiency.</li><li>• Medium-term: Leveraging the circular economy to increase product added value.</li><li>• Long-term: Identifying promising future growth opportunities to diversify company revenue streams.</li></ul>
3	Explain the financial impact of extreme climate events and transitional actions.	<p>Potential Financial Impacts of Climate Risks:</p> <ol style="list-style-type: none"><li>1. Cap-and-trade regulations for greenhouse gases and carbon taxes/fees may increase operating costs.</li><li>2. Potential financial impacts of extreme weather events (typhoons, high temperatures, etc.): Supply chain disruptions, increased production costs, and decreased revenue.</li><li>3. Extreme weather events lead to increased electricity consumption, raising company operating costs and indirectly increasing carbon emissions.</li></ol> <p>Transformation Actions:</p> <ol style="list-style-type: none"><li>1. The company plans to implement a remote work mechanism in the future to reduce energy consumption and carbon emissions from employee commutes.</li><li>2. In response to extreme weather conditions, the company will introduce lower-energy-consuming equipment. Although there are investment costs, this will reduce energy consumption and carbon emissions.</li></ol>



# Appendix Task Force on Climate Related Financial Disclosures

Item	Project	Implementation status
4	Explain how the processes for identifying, assessing, and managing climate risks are integrated into the overall risk management system.	Each year, the Sustainability Working Group conducts assessments, develops adjustments and mitigation strategies, and submits the assessment results to the Board of Directors for approval. If the assessment results indicate a significant risk issue affecting the entire company, the Sustainability Working Group shall manage it and regularly track the progress of the response measures, and report the overall risk improvement actions to the Board of Directors to ensure consistency with the company's sustainability strategy.
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.	<p>Forward Electronics referenced the TCFD official risk list and other relevant information, and the Sustainable Development Working Group assessed various climate risks and opportunities. Based on the RCP 8.5 climate scenario, it assessed the potential impact of climate disasters and analyzed possible physical climate disasters through publicly available climate models and charts such as the "Taiwan Climate Change Projection Information and Adaptation Knowledge Platform" and the "3D Disaster Potential Map," assessing the potential impacts and effects under the most extreme climate conditions.</p> <p>Entity Scenario: Based on the RCP 8.5 climate scenario assumptions, while extreme weather events such as typhoons still pose risks of employees needing to work from home and product transportation delays, their impact on overall operations is minimal.</p> <p>Transformation Scenario: Electricity prices are projected to increase by an average of 10% in 2025. Considering the annualized impact of production scheduling time, electricity expenses are expected to increase significantly.</p>
6	If there is a transition plan for managing climate-related risks, describe the content of the plan, and the metric and target used to identify and manage physical risks and transformation risks.	In order to achieve net-zero emissions by 2050, the Company has formulated a future low-carbon transition plan, which will reduce direct emissions from operating activities (Scope 1), indirect emissions from energy use (Scope 2), and indirect emissions from the value chain (Scope 3).

# Appendix Task Force on Climate Related Financial Disclosures

Item	Project	Implementation status
7	If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Internal carbon pricing is still in the planning stage.
8	If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning schedule, 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.	Our company has not yet implemented an internal carbon pricing system, but will plan and prepare for its introduction in the future, depending on government regulations and international trends.
9	Greenhouse gas inventory and assurance status, and reduction targets, strategies and action plans.	Our company has completed the greenhouse gas inventory for 2013 and 2014 in accordance with ISO 14064-1 standard and obtained third-party verification.

# Appendix Sustainability Accounting Standards Board

Topic	No.	Disclosure Items	Section or Description
Product Security	TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	N/A
Employee Diversity & Inclusion	TC-HW-330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	5. Friendly workplace
Product Lifecycle Management	TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Not applicable. Our company does not use the IEC 62474 standard, but all raw materials used comply with EU regulations such as RoHS and REACH.
	TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	Our products are not end-user electronic products, therefore this does not apply.
	TC-HW-410a.3	Percentage of eligible products, by revenue, meeting ENERGY STAR®	Our products are not end-user electronic products, therefore this does not apply.
	TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	Our products are not end-user electronic products, therefore this does not apply.



# Appendix Sustainability Accounting Standards Board

Topic	No.	Disclosure Items	Section or Description
Supply Chain Management	TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	Our company does not import RBA.
	TC-HW-330a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority nonconformances and (b) other non-conformances	Our company does not import RBA.
Materials Sourcing	TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	The critical raw material supply chain is investigated to ensure that products are 100% free of minerals from conflict regions in their manufacturing process.
Activity Metric	TC-IM-000.A	Entity-defined measure of user activity	About Forward Electronics
	TC-IM-000.B	Area of manufacturing facilities	Sanxia Plant: 29,645 square meters; Dafa Plant: 1,851 square meters
	TC-IM-000.C	Percentage of production from owned facilities	100%



# Appendix sustainability Accounting Standards Board

No.	Disclosure Items		Unit	Section or Description
1	Total energy consumption, percentage of purchased electricity, and renewable energy utilization rate	Quantification	Billion Joules (GJ) Percentage (%)	4.2 Energy Management
2	Total water intake and total water consumption	Quantification	1,000m³	4.4 Water Resource Management
3	Weight of hazardous waste generated and percentage of recycling	Quantification	Metric tons (t) Percentage (%)	4.5 Waste Management
4	Explain the categories, number of people affected, and percentage of occupational accidents.	Quantification	Ratio (%) Number of people	5.5 Healthy and Safe Workplace
5	Product lifecycle management disclosure: including the weight of end-of-life products and electronic waste, and the percentage of recycling.	Quantification	Metric tons (t) Percentage (%)	4.5 Waste Management
6	Description of risk management related to the use of critical materials	Qualitative	N/A	The critical raw material supply chain is investigated to ensure that products are 100% free of minerals from conflict regions in their manufacturing process.
7	Total monetary losses resulting from legal proceedings related to anti-competitive conduct regulations	Quantification	Report on currency	0 (No violations of anti-competitive regulations in 2024)
8	Production volume of main products by product category	Quantification	It varies depending on the product type.	1.1 Company Profile



# Appendix Third-party verification statement

## Independent Assurance Opinion Statement Obtained from Forward Electronics' 2024 Sustainability Report


亞瑞仕國際驗證股份有限公司 ARES International Certification Co., Ltd.	亞瑞仕國際驗證股份有限公司 ARES International Certification Co., Ltd.	亞瑞仕國際驗證股份有限公司 ARES International Certification Co., Ltd.	亞瑞仕國際驗證股份有限公司 ARES International Certification Co., Ltd.
<p><b>Independent Assurance Statement</b></p> <p>Statement No. 000-697/V3-9EXUQ</p> <p><u><b>This Independent Assurance Statement by ARES Certification Co., Ltd. on FORWARD ELECTRONICS CO., LTD. ESG Sustainability Report of 2024.</b></u></p> <p>ARES International Certification Co., Ltd. and FORWARD ELECTRONICS CO., LTD. are mutually independent companies and organizations. In addition to the assessment and verification of 2024 ESG Sustainability report, ARES International has no financial relationship with FORWARD ELECTRONICS CO., LTD. The purpose of this Independence Assurance Statement (hereinafter referred to as Statement) is only to conclude that the relevant issues within the scope of the FORWARD ELECTRONICS CO., LTD.'s ESG Sustainability Report are guaranteed, but not for other purposes. Except for this Statement on the verified facts, for any use of other purposes, or any person who read this Statement, ARES International is not responsible or liable for any legal or other responsibility.</p> <p>This Statement is based on the conclusions made from the verification of the relevant information provided ARES International by FORWARD ELECTRONICS CO., LTD. Therefore, the scope of the verification is based on and confined to the content of these provided information, and ARES International shall consider that the contents of the information are complete and accurate.</p> <p>All concerning and questions about the contents or the relevant issues contained in this statement shall be answered by the FORWARD ELECTRONICS CO., LTD.</p> <p><b>The Scope of Assurance</b></p> <p>The agreed scope of assurance by FORWARD ELECTRONICS CO., LTD. and ARES International includes the following:</p> <ul style="list-style-type: none"><li>- The contents of the entire ESG Sustainability Report and all operating performance of FORWARD ELECTRONICS CO., LTD. from January 1st, 2024 to December 31st, 2024.</li><li>- According to the type 1 of application of the AA1000 Assurance Standard (v3), the assessed nature and degree of the FORWARD ELECTRONICS CO., LTD.'s compliance with the AA1000 Accountability Principles (2018) but excluding the verification of the reliability of the information or data disclosed in the ESG Sustainability Report.</li></ul> <p>This statement is prepared in Chinese and has an English version for reference. In the event of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.</p>	<p><b>ARES INTERNATIONAL's Opinion</b></p> <p>We summarize the contents of FORWARD ELECTRONICS CO., LTD.'s ESG Sustainability Report and provide a fair opinion of FORWARD ELECTRONICS CO., LTD.'s relevant operations and performance. We believe that the indices such as economic, social and environmental performance of 2024 are presented correctly. The performance indices disclosed in the report demonstrate FORWARD ELECTRONICS CO., LTD.'s efforts to identify and meet stakeholder expectations.</p> <p>Our verification activities are implemented by a team with the capacity for verifying in accordance with AA1000 Assurance Standard (v3), as well as planning and implemented this part of the activities to obtain the necessary information and data. We believe there are sufficient evidences provided by FORWARD ELECTRONICS CO., LTD. to show that its reporting method according to the AA1000 Assurance Standard (v3) and their self-statement are in line with the GRI standards.</p> <p><b>Verification Method</b></p> <p>In order to collect evidences related to conclusions, we implemented the following tasks:</p> <ul style="list-style-type: none"><li>- Implement the high-level management review for topics from external groups related to ESG Sustainability policy to confirm the appropriateness of the report in this statement.</li><li>- Discussions about stakeholder's engagement with the managers of FORWARD ELECTRONICS CO., LTD., however, we have no direct contact with external stakeholders.</li><li>- Interviews with employees related to ESG Sustainability management, report preparation and information provision.</li><li>- Review the critical developments related to organizations.</li><li>- Review the scope and maturity of systems related to financial and non-financial reports.</li><li>- Review the supporting evidences declared in the report, and the process management described in the report and its associated AA1000 Accountability Principles (2018) on the principles of inclusivity, materiality, responsiveness and impact.</li></ul> <p><b>Conclusion</b></p> <p>The detailed review results of the AA1000 Accountability Principles and the core disclosures of the "Global Reporting Initiative (GRI Standard)" for inclusivity, materiality, responsiveness and impact are as follows:</p>	<ul style="list-style-type: none"><li>- <b>The inclusivity</b> This report reflects that FORWARD ELECTRONICS CO., LTD. engages with its stakeholder through a variety of channels, such as internal and external communication mechanisms and the activities of stakeholders. This report covers topics of concern in stakeholders associated with FORWARD ELECTRONICS CO., LTD., fairly reports, and discloses economic, social, and environmental information. In our professional opinions, this report covers FORWARD ELECTRONICS CO., LTD.'s inclusivity issues.</li><li>- <b>The materiality</b> FORWARD ELECTRONICS CO., LTD. publishes the information related to ESG Sustainability to enable stakeholders to judge the FORWARD ELECTRONICS CO., LTD.'s management and performance. In our professional opinions, this report appropriately covers the material issues of FORWARD ELECTRONICS CO., LTD.</li><li>- <b>Responsiveness</b> FORWARD ELECTRONICS CO., LTD. responds to requests and opinions from stakeholders. The implementation methods include customer satisfaction surveys and communication mechanisms for numerous internal and external stakeholders. In our professional opinions, this report covers FORWARD ELECTRONICS CO., LTD.'s responsiveness topics.</li><li>- <b>Impact</b> FORWARD ELECTRONICS CO., LTD. developed and implemented processes to monitor, measure and account for how their actions affect the wider ecosystem, echoing all the aspects of this report demonstrated by their own management systems and capabilities issue content, and provide the comprehensive and balanced disclosure, such as the declaration of energy projects and carbon footprint verification. In our professional opinions, this report covers FORWARD ELECTRONICS CO., LTD.'s impact topic.</li></ul> <p><b>GRI Standards</b></p> <p>FORWARD ELECTRONICS CO., LTD. provides declaration of compliance with the GRI Standards. Based on the results of the review, we confirmed that the relevant ESG Sustainability indicators referred to GRI Standards in the report have been completely disclosed, partially disclosed or omitted. In our professional opinions, this declaration covers the Sustainability topics of FORWARD ELECTRONICS CO., LTD.</p> <p><b>SASB and TCFD standards</b></p> <p>FORWARD ELECTRONICS CO., LTD. provides declaration of compliance with the SASB and TCFD standards. Based on the results of the review, we confirmed that the relevant ESG Sustainability indicators referred to SASB and TCFD standards in the report have been completely disclosed, partially disclosed or omitted. In our professional opinions, this declaration covers the Sustainability topics of FORWARD ELECTRONICS CO., LTD.</p>	<p><b>Assurance Level</b></p> <p>According to the AA1000 Assurance Standard (v3), we verify this statement as a medium level of assurance, as in the scope and method described in this statement.</p> <p><b>Responsibility</b></p> <p>The responsibility of this ESG Sustainability report, as stated in this statement, is owned by the person in charge of FORWARD ELECTRONICS CO., LTD. The responsibility of ARES International is to provide professional opinions based on the described scope and method, and to provide an independent assurance statement for the stakeholders.</p> <p><b>Ability and Independence</b></p> <p>ARES International is composed of experts in a various field of management systems. The verification team is composed of members in the professional backgrounds with the qualifications of lead auditor trained in sustainable development, environmental and social management standards such as AA1000AS, AA1000AP, ISO 14001, ISO 14064-1, ISO 14067, ISO 45001 and ISO 9001. This independent assurance statement is based on the ARES International's fair trading guidelines.</p> <p><b>On behalf of the assurance team</b> <b>May 22, 2025</b> <b>ARES International Certification Co., Ltd. (ARES Certification Group)</b> <b>Taiwan, Republic of China</b></p> <p>Signed by  Lead Verifier C.E.O Calvin Chen</p> <p> <b>AA1000</b> Licensed Report 000-697/V3-9EXUQ</p>



# Appendix Third-party verification statement

Forward Electronics' 2024 greenhouse gas inventory results were verified by ISO 14064-1.

OPINION  
STATEMENT



**Greenhouse Gas Verification Opinion**  
**2024 Greenhouse Gas Emissions Information**

**FORWARD ELECTRONICS CO., LTD.**

No. 393, Sec. 1, Zhongzheng Rd., Sanxia Dist., New Taipei City 237406, Taiwan (R.O.C.)


Has completed the verification according to ISO 14064-3:2019 and meets the following standard requirements  
**ISO 14064-1 : 2018**


Direct emissions  
173.1622 tonnes of CO<sub>2</sub>e  
Indirect emissions  
2,416.8633 tonnes of CO<sub>2</sub>e  
Direct emissions and indirect emissions  
2,590.0255 tonnes of CO<sub>2</sub>e


Opinion No.: ARES/TW/I2504025G  
Date: 2025-04-08  
Version: 01

The opinion must contain the complete scope of verification, objectives, criteria and findings, otherwise the opinion is invalid.

Authorized by:







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OPINION  
STATEMENT



**溫室氣體查證意見聲明書**  
**2024年溫室氣體排放資訊**

**福華電子股份有限公司**

新北市三峽區中正路一段393號

經本公司依據 ISO 14064-3:2019 完成查證並符合下列標準要求  
**ISO 14064-1 : 2018**

直接溫室氣體排放量  
173.1622公噸二氧化碳當量  
間接溫室氣體排放量  
2,416.8633公噸二氧化碳當量  
直接與間接溫室氣體排放量  
2,590.0255公噸二氧化碳當量

Opinion No.: ARES/TW/I2504025G  
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意見中須含完整的查證範圍、目標、標準和調查結果，否則意見無效。

批准:







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