2025
SUSTAINABILITY REPORT

Contents

Introduction

Coretronic Corporation (hereinafter referred to as "Coretronic" or "the Company") has published its *Corporate Social Responsibility Report* annually since 2008. In 2020, the report was officially renamed the *Sustainability Report*. This is Coretronic's 18th report, presenting the Company's sustainability strategies, goals, and performance across the ESG pillars of Environment (E), Social/Human Rights (S), and Governance (G). Through this report, Coretronic aims to demonstrate its comprehensive sustainability achievements and commitment to becoming a sustainable enterprise to stakeholders.

Report Structure and Scope 2-2

- This report is structured into seven chapters: "Sustainable Operations", "Sustainable Development", "Corporate Governance", "Eco-Friendly Environment", "Sustainable Supply Chain", "Friendly Workplace", and "Social Engagement". These chapters disclose Coretronic's management approaches and performance on material topics of concern to its stakeholders.
- This report discloses information on entities (non-holding and venture capital companies) that engage in substantial production, in which Coretronic holds more than 50% equity, and that have significant economic/governance, environmental, and social/human rights impacts, and upstream/downstream relationships where Coretronic can exercise operational control. These include Coretronic's Taiwan plants (Headquarters, Chunan Plant, Tainan Plant 1, Tainan Plant 2), Coretronic's China plants (Kunshan plants: Coretronic Projection (Kunshan), Coretronic Optics (Kunshan); Wujiang plants: Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou)), and subsidiaries- Coretronic Intelligent Cloud Service and Coretronic Intelligent Robotics.
- Key subsidiary and Coretronic's own brand, Optoma Holding Limited (Optoma Corporation, Optoma Technology, Inc., Optoma China Co., Ltd., and Optoma Europe Limited), has published its own annual sustainability reports since 2023. Reports can be found at: https://region-resource.optoma.com/static-resource/BMD/Corporate/documentation/Sustainability%20Report/2025%20Optoma%20Sustainability%20Report.pdf.
- Key subsidiary, Young Optics Inc., has published its own annual sustainability reports since 2014. Reports can be found at: https://www.youngoptics.com/relationship-44-60-page93.
- The parent company and subsidiaries covered in the 2025 Sustainability Report together represent approximately 95% of the consolidated revenue in 2025.
- The main focus of this report is the sustainability performance of Coretronic's operations in Taiwan and China plants. Subsidiary sustainability performance is summarized in Chapter 8 – "Sustainability Performance of Subsidiaries". Subsidiaries not included within the scope of disclosure (please refer to Coretronic's 2025 Consolidated Business Report of Affiliates) are excluded because their daily operations do not have a significant impact on Coretronic's economic, environmental, and social (including human rights) aspects.
- The scope of SASB metrics disclosed in this report covers Coretronic's Taiwan plants (Headquarters, Chunan Plant, Tainan Plant 1, Tainan Plant 2), Coretronic's China plants (Kunshan plants: Coretronic Projection (Kunshan), Coretronic Optics (Kunshan); Wujiang plants: Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou)).

Report Preparation Principles

The content and structure of this report follow the Global Reporting Initiative (GRI) Standards 2021 and incorporate metrics from the Sustainability Accounting Standards Board (SASB). A GRI and SASB Content Index are provided at the end of the report. Financial figures in the report are presented in New Taiwan Dollars (NTD), with some figures originally in Renminbi (RMB) converted to NTD using the internal exchange rate as of December 31, 2025.

Reporting Period 2-3

- Coretronic publishes its sustainability report annually in both Chinese and English. These reports are made available on the Coretronic official website, the TWSE Market Observation Post System (MOPS), the ESG E-Newsletter, and the Coretronic Facebook fan page.
- **Reporting period of current report**: January 1 to December 31, 2025. Any information covering a period different from the reporting period is specifically disclosed in the relevant sections of the Report.
- **Publication date of previous report**: July 2025
- **Publication date of current report**: July 2026
- **Scheduled publication date of next report**: July 2027

Contact Information 2-3

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Report Management Process 2-5

This report is prepared in accordance with the "Sustainability Report Preparation and Verification Procedures" approved by the Board of Directors and is integrated into the Company's internal control processes. The content is drafted by various departments, with the ESG Team responsible for data verification, content planning, editing, and compilation. The compiled report is then reviewed by the ESG Committee and verified by an external third party. Finally, it is submitted to the Board of Directors for approval before being finalized and publicly disclosed.

Data Collection

- **2 Sustainability Report Editorial meetings were held.**
- **Drafts were prepared by each department, with department supervisors verifying data completeness and accuracy.**

Compilation

- **Coordinated by the ESG Team, which managed content planning, editing, and integration.**

Review

- **Internal Audit: ESG Team and ESG Committee**
  - •ESG Team: Verified accuracy of data and information.
  - •ESG Committee: Reviewed goals and performance of material topics.
  - •The Board of Directors has approved the "Sustainability Report Preparation and Verification Procedures"; the audit unit regularly reviews the implementation and compliance.
- **External Assurance: Conducted by Independent Third Parties**
  - •Sustainability Information: Assured by SGS Taiwan Ltd. with AA1000AS Type 2 High Level Assurance v3, covering both GRI and SASB frameworks.
  - •Financial Data: Based on the financial statements certified by Ernst & Young.
  - •Greenhouse Gas Data: Verified in accordance with ISO 14064-1 by SGS Taiwan Ltd.
  - •Product Carbon Footprint Data: Three of the Company's laser projector models have received B2B verification of ISO 14067 by TÜV Rheinland Taiwan Ltd., and two of the Company's LCD monitor models have received B2B verification of ISO 14067 by SGS-CSTC Standards Technical Services Co., Ltd.
  - •Other Sustainability-Related Management Systems: Certifications for ISO 9001, ISO 14001, ISO 27001, ISO 50001, ISO 45001, CNS 45001, ISO 13485, IATF 16949, and IEQC QC080000, and SA8000 have been verified by SGS Taiwan Ltd., SGS-CSTC Standards Technical Services Co., Ltd., Intertek Testing Services Ltd. (Shanghai), and TÜV NORD CERT GmbH.

Finalization

- **The report was submitted to the ESG Committee's executive representative and the Board of Directors for review. It was officially approved and finalized on July 27, 2026.**

International Financial Reporting Standards – IFRS S1 and S2

To ensure successful adoption of the IFRS Sustainability Disclosure Standards and to comply with regulatory requirements while enhancing the Company's information transparency, the Company is aligning with the "Taiwan's Roadmap to Align with IFRS Sustainability Disclosure Standards" released by the Financial Supervisory Commission (FSC) on August 17, 2023. As the Company's paid-in capital is NT$3.9 billion, below the NT$5 billion threshold, the IFRS Sustainability Disclosure Standards will first apply starting January 1, 2028 (implying that, in 2029, the relevant sustainability information will be disclosed in the sustainability section of the 2028 Annual Report in accordance with the IFRS Sustainability Disclosure Standards.) The Company will follow the guidance and related regulations issued by the competent authority. In Q4 2026, a cross-departmental "IFRS Sustainability Disclosure Standards Project Team" will be established with authorization from the Board of Directors. The team will be led by the Chief Financial Officer (CFO) and consist of members with expertise in sustainability, finance and accounting, risk management, legal affairs, and internal audit. The team will identify major differences and impacts between existing sustainability information and IFRS standards, verify consistency between reporting entities and consolidated financial statements, and draft an implementation plan. The CFO will report the execution status of these tasks to the Board of Directors in Q4 2026. Going forward, the CFO will provide quarterly updates to the Board regarding the implementation plan and its progress. The Company aims to complete the submission of the sustainability section of the 2028 Annual Report in Q1 2029.

Letter from the Chairman [2-22]

In 2025, the global economy experienced a complex and divergent development trend shaped by the intersection of high policy uncertainty and structural transformation. Adjustments to U.S. tariff policies, escalating geopolitical tensions, and continued financial tightening exerted multiple pressures on overall industrial growth momentum. According to the *Global Risks Report 2025* published by the World Economic Forum (WEF), policy flexibility and structural adaptability have become critical foundations for sustainable business operations. For Coretronic, the past year represented not only a severe test amid dramatic external volatility, weaker operating momentum, and short-term profitability pressures, but also an important opportunity for driving transformation. Despite the challenges posed by economic cycles, we have remained steadfast in our core values of “innovation, professionalism, and sustainability”, continuously strengthening our technological capabilities and long-term competitive advantages. I would like to sincerely thank all stakeholders for their unwavering support and partnership. Their trust has enabled us to demonstrate exceptional innovation resilience amid uncertainty and earn recognition as one of the Clarivate “Top 100 Global Innovators” for the third consecutive year. This achievement is especially meaningful in challenging times. It not only highlights our robust R&D capabilities but also inspires us to further enhance operational efficiency and fulfill our sustainability commitments with a more meticulous approach, thereby meeting the long-term expectations and trust of our stakeholders.

Deepening Climate and Nature Governance: Critical path from Carbon Reduction Achievements to Value Transformation

We firmly believe that climate change and natural ecosystems are no longer merely environmental issues; they have become key factors of long-term corporate resilience and value creation. In 2025, Coretronic demonstrated outstanding execution in its decarbonization effort. Absolute greenhouse gas emissions (Scopes 1 and 2) were reduced by 45% compared to the base year (2021), while Scope 3 emissions achieved a remarkable 88% reduction. These results continue to outperform the Science-Based Targets (SBT) pathway and demonstrate steady progress toward our “Net Zero Commitment”. In climate governance, we transformed climate-related risks and opportunities into measurable financial impact indicators for the first time, strengthening the linkage between business strategy and financial resilience through monetized assessments. At the same time, we formally adopted the TNFD framework and the LEAP approach in 2025 to systematically evaluate our dependencies and impacts on nature. In 2026, we will publish our first *TCFD & TNFD Report*, integrating both climate and nature-related topics. In the aspect of product sustainability transformation, we have established clear quantitative targets throughout the product life cycle based on our “Sustainable Raw Material Policy” and green product design guidelines. By incorporating recycled plastics and recycled metals, optimizing manufacturing energy efficiency, enhancing product performance, utilizing environmentally friendly packaging materials, and adopting sustainable aviation fuels for air transportation, we systematically reduce product carbon footprints at every stage. We have also introduced recyclable and easy-to-disassemble designs to extend product life cycles. Through these efforts, we aim to transform technological innovation into tangible competitive advantages and continue developing innovative solutions that deliver both economic value and environmental benefits.

Implementing Diversity and Inclusion: Building a Prosperous Social Network Across Borders and Generations

People have always been at the heart of Coretronic’s advancement towards sustainability. We are committed to creating an inclusive workplace that transcends national and generational boundaries. In 2025, we completed our first human rights due diligence assessment and living wage survey. We also pledged that 100% of employees at our Taiwan plants will earn salaries above the living wage by 2030. As for inclusion, we promote two-way knowledge exchange through the “Project-Three-Generation” and a reverse mentoring system while cultivating international management talent through the “Vietnam INTENSE MA Program”. We have also launched AI empowerment initiatives to strengthen employees’ digital competitiveness, transforming our R&D capabilities into 20 patented innovations and demonstrating organizational resilience through the integration of technology and multi-generational talent. Regarding social well-being, we extend our commitment to inclusion into community engagement. Through long-term partnerships with social enterprises, local universities, and nonprofit organizations, we continue implementing six major initiatives: “Light Pioneer”, “Elderly Smile”, “Love Followers”, “Dream Walkers”, “Light Wishes for the Rurals”, and “Farm the Hopes”. These programs leverage our core expertise to address pressing social issues. To bridge the digital divide, we have operated the “Light Pioneer” Program since 2016. In 2025, we further launched the “Future Light Camp 3.0” AI Education Program, guiding students in rural communities to show their creativity with generative AI tools while helping teachers enhance students’ digital literacy. In response to the challenges of a super-aged society, we expanded the “Elderly Smile” Program by introducing home-care services delivered by new immigrant caregivers through the “Warm Restaurant” initiative. This initiative not only supports elderly individuals living alone but also creates professional employment opportunities for new immigrants, embodying the value of cross-cultural inclusion. In addition, the “Warm Homes” initiative has improved residential safety for the elderly. From cultivating global talent internally to supporting new immigrants and elderly care externally, Coretronic continues to break down barriers of geography and background, creating a more resilient and compassionate society through practical action and fulfilling our commitment to sustainable development.

Embedding Sustainable Governance: From Performance Accountability to International Excellence

We regard sustainable governance as a core driver of corporate development. In 2025, we formally incorporated “Annual Material Topics” and “Sustainable Development Goals” into the compensation mechanisms of the Chairman, President, and Chief Financial Officer, thereby establishing a direct linkage between ESG performance and executive remuneration. This transformation toward “performance accountability” demonstrates our determination to integrate ESG into the core responsibilities of senior management and ensures that corporate decision-making remains closely aligned with long-term value creation. Supported by a strong governance foundation, we continue to receive recognition from leading international institutions. In 2025, we were included in the *S&P Global Sustainability Yearbook 2026* for the first time and received the “Industry Mover” Award, reflecting strong capital market confidence in the quality of our ESG disclosures. We also earned an EcoVadis “Gold Medal” for the first time, ranking among the top 2% of companies globally and further strengthening our sustainability competitiveness across the supply chain. In addition, we have ranked among the top 5% of the TPEx-Listed Companies in the “Corporate Governance Evaluation” for eleven consecutive years, providing strong evidence that Coretronic has successfully transformed its sustainability commitment into a resilient competitive advantage.

Looking ahead, Coretronic will continue investing in the development and transformation of core technologies, deepening our expertise in key optical components and advanced technologies while integrating AI-enabled intelligent applications. We remain committed to delivering innovative and competitive solutions to customers worldwide. In response to a rapidly changing environment, we will accelerate organizational transformation and operational optimization to enhance long-term resilience and adaptability. We will also take more concrete actions to address climate and nature-related issues by embedding low-carbon principles and circular design concepts throughout the entire product life cycle. At the same time, we will continue supporting global sustainability initiatives and uphold integrity-based governance as the cornerstone of our operations. Together with our stakeholders, we will implement diversity and inclusion, expand positive social impact, safeguard long-term value, and achieve our sustainable development goals.

Wade Chang,
Chairman and the Chair of ESG Committee, Coretronic Corporation

ESG Performance Highlights

E Environmental

100% ISO 14064-1 certified
All entities covered in this Report have been verified

45%
Absolute GHG (Scope 1 & 2) reduction rate compared to the base year (2021)

88%
Absolute GHG (Scope 3) reduction rate compared to the base year (2021)

16%
Renewable energy usage rate

CDP A List
Climate Change rating

Officially Published
TCFD & TNFD Report

S Social

NT$24.68 million
Total amount invested in social engagement and charity, accounting for 6.6% of the Company's annual profit

11,108 hours
Volunteer hours invested in social engagement and charity projects

71,022 participations
Beneficiaries impacted by the Company's social engagement initiatives

85.4%
New hire retention rate in Taiwan plants

3% ～ 5%
Average annual salary adjustment range at Taiwan plants

42 positions
Internship and industry-academia collaboration openings at Taiwan plants

G Governance/Economic

NT$370 million
Net profit after tax attributable to the parent company

7.4%
R&D expenditure as a percentage of consolidated revenue

Selected for ESG Indices
TPEx FactSet Climate Resilience Index and TPEx Compensation Index

100%
Completion rate of the mandatory ESG education course

100%
Completion rate of the mandatory ethical management course

100%
Supplier "Sustainability Commitment Statement" signing rate

Corporate Sustainability Recognition

S&P Global

- Included in the *S&P Global Sustainability Yearbook 2026*
- Recipient of the Industry Mover Award (Improved 32% compared to 2024)

EcoVadis

- Awarded the Gold Medal
- Ranked among the top 2% of companies assessed worldwide

CDP Ratings

- Received an A (Leadership Level) in Climate Change rating
- Received an B (Leadership Level) in Water Security rating
- Received an A (Leadership Level) in Supplier Engagement Assessment

Sustainalytics ESG Risk Rating

- Marked as “Low Risk” in Corporate ESG Risk Rating

Taiwan Index Plus Corporation (TIP)

- Awarded an AAA Rating in TIP Taiwan Sustainability Ratings

Clarivate

- Ranked 78th globally in Clarivate’s Top 100 Global Innovators

Taiwan Institute for Sustainable Energy (TAISE)

Asia-Pacific Sustainability Action Awards (APSAA)

- Gold—SDG 4: Quality Education

Taiwan Corporate Sustainability Awards (TCSA)

- Platinum Award—Corporate Sustainability Reporting Awards
- Taiwan’s Top 100 Sustainable Companies Award
- Transparency and Integrity Leadership Award
- Social Inclusion Leadership Award
- Talent Development Leadership Award

Global Corporate Sustainability Awards (GCSA)

- Bronze Class—Sustainability Reporting Award

Net Zero Label

- Gold Net Zero Label

Taiwan Stock Exchange (TWSE)

- Ranked among the top 5% of TPEx-listed companies in the Corporate Governance Evaluation

CommonWealth Magazine

- CommonWealth Excellence in Corporate Social Responsibility Award—Ranked 18th in the manufacturing sector for the large enterprise category
- Top 100—CommonWealth Talent Sustainability Award

Ministry of Labor

- Large Enterprise Award—National Talent Development Awards

Ministry of Environment

- Silver Award—National Enterprise Environmental Protection Award

Ministry of Economic Affairs

- Silver Medal for Invention—National Invention and Creation Award

Taiwan Display Union Association

- Gold Panel Awards—Outstanding Product Award in the Materials and Components Category

ESG Topics

E – Environmental Sustainability

Coretronic announced its "Net Zero Commitment" in 2022, committing to achieving net-zero emissions by 2050. In 2023, the Company submitted its Science Based Targets (SBTs) to the Science Based Targets initiative (SBTi), and these targets were officially validated by the SBTi in 2024. The approved targets commit to "Reduce absolute scope 1 and 2 GHG emissions 50.4% by 2032 from a 2021 base year, and reduce absolute scope 3 GHG emissions 30% within the same timeframe." The Company has actively developed and implemented climate action measures to mitigate the environmental impacts of climate change while proactively supporting domestic and international climate initiatives and contributing to global climate governance efforts.

In 2025, in addition to re-identifying climate-related risks and opportunities in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and further refining its climate adaptation strategies, Coretronic deepened its climate scenario analysis and, for the first time, comprehensively translated potential climate-related risks and opportunities into financial impact indicators. Through monetized assessments, the Company gained a more concrete understanding of the financial implications of climate risks, thereby strengthening the linkage between financial resilience and business strategy. Furthermore, the Company adopted the Taskforce on Nature-related Financial Disclosures (TNFD) framework and the LEAP approach to systematically analyze the dependencies and impacts of its operating sites on nature, enhancing organizational resilience to both nature- and climate-related challenges while reducing adverse environmental impacts.

The Company has responded to the CDP questionnaire for seven consecutive years and has achieved an "A" Leadership level rating for both Climate Change and Supplier Engagement categories for two consecutive years, demonstrating its outstanding sustainability performance. Coretronic also joined the Taiwan Climate Partnership (TCP) and the Taiwan Alliance for Net Zero Emissions (TANZE) in 2022. In 2025, the Company was awarded the "Gold Net Zero Label" from TANZE in recognition of its steadfast commitment to and achievements in sustainable development.

With regard to renewable energy investment and promotion, Coretronic regards renewable energy as a key driver of its net-zero transition. Since 2022, the Company has progressively installed and commissioned rooftop solar photovoltaic systems at its facilities. In 2025, it further expanded the Phase II solar power generation system at its Tainan Plant 2, which is expected to commence operation in 2026 and further increase renewable energy usage. In addition, the Company continues to increase its renewable energy ratio year by year through self-use solar power generation, green power wheeling, and the purchase of renewable energy certificates. In 2025, renewable energy consumption accounted for 16% of the Company's total annual electricity consumption, achieving its short-term target.

To achieve its net-zero goals, Coretronic has established a green product development strategy centered on the Sustainable Development Goals (SDGs), the SBT decarbonization pathway, the "Sustainable Raw Material Policy", and green product design guidelines. The Company has set clear short-, medium-, and long-term quantitative targets across every stage of the product life cycle. Through green design and manufacturing process optimization, it continues to promote technological innovation and energy-saving technologies while incorporating low-carbon materials, environmentally friendly packaging, and green transportation solutions. These efforts enable the Company to achieve both carbon reduction and enhanced product competitiveness.

At Coretronic, net-zero development strategy is at the core of its operations. The Company integrates a wide range of initiatives, including green products, renewable energy, energy saving and carbon reduction, circular economy, sustainable value chain, TCFD framework, and Science Based Targets, to drive a comprehensive sustainability transformation. On the path of sustainability, the Company continues to advance by implementing decarbonization actions while actively deepening green technology innovation to promote industrial upgrading and sustainable development. By steadily advancing along its established net-zero roadmap, Coretronic remains fully committed to realizing its net-zero vision.

- Responded to CDP questionnaire for 7 consecutive years
- Climate Change rating received A (Leadership level)
- Water Security rating received B (Management level)
- Supplier Engagement Assessment received A (Leadership level)

- Submitted a commitment letter to SBTi in 2022, committing to set emission reduction targets based on the SBT 1.5°C scenario
- Submitted science-based targets to SBTi for review in 2023. Reduction targets approved by SBTi in 2024: "Reduce absolute scope 1 and 2 GHG emissions 50.4% by 2032 from a 2021 base year, and reduce absolute scope 3 GHG emissions 30% within the same timeframe"

- Signed to support and implement the TCFD framework in 2020
- Conducted its first climate change risks and opportunities identification impact analysis in 2021. In response to the climate-related impact variability, the assessment is executed once every two years
- Published its first *TCFD Report* in 2022
- NEW Reassessed climate-related risks and opportunities in 2025 and introduced a scenario-based quantitative modeling approach to monetize potential financial impacts, forming the basis for the development of climate adaptation strategies

NEW

- Joined the TNFD Forum in 2025
- Formally adopted the TNFD framework in 2025 and progressively implemented the LEAP approach to assess nature-related dependencies and impacts
- Published its first *TCFD & TNFD Report* in 2026

- Promoting Taiwan's supply chain to align with international net-zero goals, combining the influence of alliance partners and actively cooperating with international climate advocacy organizations
- Joined as one of the first members in 2022, and renewed membership in 2025

- Followed the alliance's goal of "net zero emissions at office locations by 2030, and service sites by 2050"
- Awarded the "Green Net Zero Label" in 2022~2023, and the "Silver Net Zero Label" in 2024
- Awarded the "Gold Net Zero Label" in 2025

"Elderly Smile" Deepens Elderly Care, Advances Diversity and Inclusion

Taiwan officially became a "super-aged society" at the end of 2025. Compared with other vulnerable groups, elderly individuals living alone generally have access to relatively limited resources. In response, Coretronic launched the "Elderly Smile" Program in 2019 and has since partnered with multiple social enterprises and nonprofit organizations to address the growing care needs of seniors living alone. This year, through the "Warm Restaurant" initiative, we collaborated with Silver Gate to further introduce home-care and companionship services provided by new immigrants. This initiative not only enables a deeper understanding of the dietary habits and daily living conditions of elderly residents in Miaoli but also creates employment opportunities for new immigrant communities, thereby realizing the social value of diversity and inclusion. In addition, to provide more comprehensive support for the elderly, Coretronic initiated a new project in 2025, "Warm Homes", expanding beyond the existing focus areas of food, clothing, and education, the initiative now extends support to housing. Through home repairs and residential facility optimizations for elderly residents in rural communities, the project enhances living safety and comfort, improves overall quality of life, and helps create a more age-friendly and secure living environment for the elderly.

"Warm Restaurant": Partnering with New Immigrant Mothers to Care for the Elderly

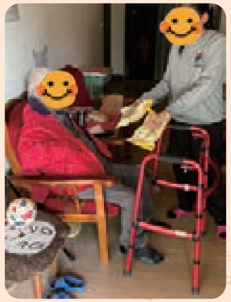
Since 2022, Coretronic has partnered with the social enterprise Silver Gate on the "Warm Restaurant" initiative, providing reliable meal delivery services to elderly individuals living alone. The Company also donates liquid nutritional supplements, white and brown rice, and sustainably sourced fish to the elderly in Miaoli on a monthly basis. In 2025, in addition to continuing to employ single mothers and part-time job seekers as meal delivery ambassadors, the initiative introduced home-care and companionship services for the first time. Five new immigrant mothers were hired to provide home-delivered meals and personalized care to 25 elderly individuals living alone through the Puding Community Development Association in Houlong Township, Miaoli County, and the Southern Miaoli New Immigrant Family Service Center. Beyond meal delivery, these caregivers engaged directly with seniors to better understand their daily living conditions and needs. Through the use of a mobile application-based "Online Meal Delivery Care System", they were able to report seniors' conditions in real time, enabling social workers to monitor needs more effectively and provide timely, targeted support, thereby enhancing the overall quality of care. At the same time, the initiative creates employment opportunities for people from diverse backgrounds and supports new immigrants in strengthening their economic independence, fully realizing the dual goals of elderly care and social inclusion.

"Warm Homes": Renovating Aging Homes and Rebuilding Safe Living Environments for the Elderly in Rural Communities

Many economically disadvantaged elderly individuals in Miaoli County continue to live in aging homes with significant safety concerns, such as leaking roofs, insufficient bathroom slip protection, and inadequate lighting, all of which increase the risk of falls and fire hazards. To help elderly individuals live more safely and comfortably, Coretronic partnered with the "Elder Welfare Concerned Association" in 2025 to initiate the first "Warm Homes" project. This initiative focuses on improving the living conditions of disadvantaged elderly individuals in rural areas of Miaoli County. The project included the installation of waterproof covers for water-heating equipment, construction of metal roofing structures, cleaning of water storage tanks, installation of additional piping systems, replacement of lighting fixtures, and provision of new bed frames and mattresses. Through these comprehensive improvements, the initiative significantly reduced household safety risks while enhancing sanitation, safety, and comfort. By restoring and improving these homes, Coretronic aims to ensure that "home" once again becomes a place of security, hygiene, and warmth for the elderly.

"Warm Restaurant" and "Warm Homes" Performance in 2025

Amount Invested	Beneficiary	Volunteer Engagement	Volunteer Hours
$ 1,540,098	33,573 participations	193 participations	8,428 hours



New immigrants have long become an indispensable part of the Houlong community. We sincerely thank Coretronic and Silver Gate for helping new immigrant women transition from recipients of support to service providers and caregivers for elderly members of the community, truly putting the principles of Diversity, Equity, and Inclusion (DEI) into practice. Moving forward, we will continue to connect with more local resources and promote social service initiatives that integrate both "cultural inclusion" and "technological applications". Our goal is to make Miaoli a welcoming and friendly community for people of all backgrounds and generations.

–Southern Miaoli New Immigrant Family Service Center

We are deeply grateful to Coretronic and the Elder Welfare Concerned Association. In the past, the water coming from the faucets in my home was always dark and dirty. I had to collect the water in pots and let the sediment settle before I could use it. Since the installation of new water supply pipelines and the cleaning of the water tank, I can finally use water safely and conveniently. My quality of life has improved tremendously.

–Elderly Beneficiary, Yuanli Township, Miaoli County

ESG Topics

S – Social Inclusion

"Future Light Camp 3.0" Uses AI Education to Bridge the Urban–Rural Digital Divide

Since launching the "Light Pioneer" Program in 2016, Coretronic has implemented a series of initiatives in rural schools across Miaoli County, including the "High-tech Adventure", "Digital Interactive Classroom", "Future Light Camp 1.0", and "Future Light Camp 2.0". Through these efforts, the Company has leveraged its core products and collaborated with local universities to help narrow the digital divide and educational inequalities arising from disparities between urban and rural communities. Building upon the foundation established by the "Future Light Camp 2.0", Coretronic partnered with the Volunteer Team from the Department of Information Management at National United University and Papacode to launch the new "Future Light Camp 3.0", a three-day AI education camp. The first camp was held in 2025 at Fujih Elementary School, where students were introduced to the fundamentals of Generative AI (GAI) and related tools. Guided by volunteers through one-on-one mentoring, each participant completed a unique "AI Creative Storybook" project. Two additional camps are scheduled to be held during the first half of 2026.

"Future Light Camp 3.0" Performance in 2025

Amount Invested	Beneficiary	Volunteer Engagement	Volunteer Hours
$ 53,029	58 participations	65 participations	412 hours

1. Understanding Large Language Models (LLMs) and Story Script Creation: Students were introduced to the fundamental concepts of GAI and the proper use of Large Language Models (LLMs). Using Chat Everywhere, they learned how to create story scripts, fostering creativity, critical thinking, and written communication skills.

2. Transforming Creativity into Visual Images: Students learned image-generation techniques and principles of visual presentation. Based on their story scripts, they used Canva AI to generate illustrations in a variety of artistic styles, bringing their ideas to life through visual storytelling.

3. Creating Narration Audio Files: Using TTSMaker, students converted their story scripts into narrated audio recordings with different voice tones and styles, while also practicing storytelling and presentation skills.

4. Integrating Content and Producing Personalized Videos: Students imported their AI-generated images and narration files into Canva and took on the role of video editors, arranging storybook images, subtitles, and audio to create their own multimedia presentations.

5. AI Creative Storybook Showcase: Each student independently completed a 1.5-minute "AI Creative Storybook" and participated in a project showcase and judging event. Together, the students and volunteers selected winners for the "Most Popular Award", "Best Creativity Award", "Best Aesthetics Award", "Best Humor Award", and "Best MVP Award". The activity encouraged students to gain a sense of accomplishment and creative inspiration through their work while enhancing their digital literacy and AI application skills.

Harnessing Diversity, Sustaining Tomorrow: Empowering a Multigenerational Workforce Through AI to Create a Sustainable Workplace with DEI Values

Coretronic firmly believes that people are the Company's most valuable asset. As a result, talent development has long been embedded into both its management system and sustainability strategy. The Company has established comprehensive employee development programs, digital learning platforms, industry-academia collaboration initiatives, and internal instructor systems to promote skills enhancement, knowledge transfer, and cross-functional collaboration. This long-standing commitment has earned Coretronic the Large Enterprise Award at the "2025 National Talent Development Awards" from the Ministry of Labor and the "Talent Development Leadership Award" at the Taiwan Corporate Sustainability Awards (TCSA), demonstrating the Company's strong commitment to cultivating and developing talent. Looking ahead, Coretronic will continue to build upon its R.I.S.E. corporate culture by leveraging dual-career development pathways and global job rotation programs to further strengthen workforce resilience and capabilities. Together with all employees, the Company remains committed to fostering a sustainable workplace that embraces diversity, inclusion, and intergenerational collaboration.

Committing to a Living Wage and Implementing SDG 8: Decent Work and Economic Growth

Coretronic is committed to ensuring that 100% of employees at its Taiwan plants earn salaries above the local living wage by 2030. Between 2023 and 2025, the Company conducted a comprehensive wage review covering all employees at its Taiwan plants, using the *Report on the Survey of Family Income & Expenditure* published by Taiwan's Directorate-General of Budget, Accounting and Statistics (DGBAS), Executive Yuan as a reference. The Company also regularly reviews living wage benchmarks and employee compensation levels to ensure that salaries are sufficient to cover essential living expenses, including food, clothing, housing, transportation, healthcare, and education. The review results indicated that the minimum wages paid by Coretronic consistently exceeded the local living wage standard and complied with all applicable legal requirements. Through these concrete actions, the Company continues to uphold its commitment to employment equity and the provision of a living wage.

Integrating AI and the Competency Academy to Enhance Training Capabilities

In 2025, Coretronic's Taiwan plants adopted a dual-track learning approach through the "Core Competency Academy" and the "AI Empowerment Program". By leveraging AI and digital tools, the Company created an intelligent learning ecosystem and, through competency assessments, developed more systematic and in-depth learning and development programs for employees.

- AI-Driven Innovation: To address the rapid evolution of AI technologies, the Company invited managers with extensive hands-on AI experience to deliver large-scale AI-focused seminars. Employees were also encouraged to establish department-level AI learning groups. These initiatives ultimately led to the creation of 20 AI-related patents, many of which have already been applied to product development, transforming technological capabilities into valuable intellectual property assets for the Company.
- Core Competency Academy: The Academy conducts gap analyses of employees' professional and core competencies to develop tailored learning and development plans. In addition, employee training and teaching hours are incorporated into promotion criteria, fostering a positive cycle of both organizational and individual growth.

Team-Building Activities to Foster Intergenerational Inclusion

To create an inclusive and welcoming workplace where employees from different generations can better understand one another, Coretronic continues to promote a wide range of cross-departmental, cross-generational, and cross-nationality activities aimed at strengthening team cohesion:

- Project-Three-Generation: The program incorporates both the principles of "teaching and learning through mutual growth" and a "reverse mentoring approach". In addition to managers and mentors providing guidance and sharing practical experience with interns from Yuan Ze University, interns are encouraged to actively share emerging technologies and fresh perspectives. This facilitates two-way knowledge and technology exchange within the organization and strengthens overall talent development.
- "Hi Buddy, My Buddy: Let's Play Board Games Together": Fifteen employees from the cross-departmental technical R&D centers participated in this event. Through collaborative board games and experience-sharing sessions led by supervisors, participants enhanced intergenerational communication and strengthened team cohesion. The event achieved an average satisfaction score of 9.6 (out of 10).
- "Slither Into Success" Team-Building Activity: This activity transformed the complex requirements of the SA8000 Social Accountability Standard into an interactive game, enabling employees to gain a better understanding of SA8000, human rights, and DEI concepts through engaging competitions while fostering teamwork and organizational cohesion.
- "We RISE! Corporate Culture Camp": In collaboration with the Industrial Academy of Yuan Ze University, this team-building program helped summer interns gain a deeper understanding of the Company's RISE culture while promoting industry-academia collaboration. The program received an average satisfaction score of 4.8 (out of 5).
- "National Chin-Yi University of Technology INTENSE MA Program": To support sustainable talent development and internationalization strategies, the Company cultivated five Vietnamese students as future global talent. Participants are guaranteed employment opportunities with the Company for two years after graduation and may subsequently be assigned to managerial positions at the Company's Vietnam plant, gradually building a diverse, multinational management talent pipeline.
- "Employee Children Tour" Program: To strengthen employees' sense of belonging and identification with the Company, employees and their family members were invited to visit the workplace. During the event, employees' children participated in DIY activities such as building rainbow guns and decorating multifunctional Year of the Snake-themed mechanical photo frames while learning about optics and linkage mechanisms. The program also showcased the Company's innovative projection and imaging products, as well as the "Elastic Trampoline" developed by its subsidiary, uCare Medical Electronics, helping children better understand their parents' contributions and achievements in the workplace. A total of 39 employees and family members participated in the event, which received an average satisfaction score of 9.8 (out of 10). Following the event, many parents reported having more shared topics of conversation with their children, while the children gained a better understanding of their parents' work, successfully strengthening family bonds.

Chapter 1

Sustainable Operations

01

1.1 Company Introduction 2-1, 2-6

Coretronic Corporation was established on June 30, 1992, in the Hsinchu Science Park. Since its founding, the Company has positioned itself as a "provider of innovative display system integration solutions". It was the first manufacturer of LCD backlight modules in Taiwan and pioneered the development and mass production of the world's smallest and lightest VGA single-panel LCD projectors and XGA DLP projectors. Integrating technologies such as optics, mechanics, electronics, thermal management, software, materials, and precision mold processing, it ushered in a new era for Taiwan's display systems and laid the foundation for the Company's future development niche. The Company's customers include brand manufacturers of projection equipment, televisions, notebooks, and automotive displays, with products marketed in over 70 countries and regions worldwide.

Founding Date	June 30, 1992
Capital	NT$3.9 billion
Chairman	Wade Chang
President	Sarah Lin
Number of Employees	4,143[1]
Headquarters	No. 11, Lixing Rd., Hsinchu Science Park, Hsinchu City 300094, Taiwan
Major Global Locations	Taiwan, China, United States, Europe, Vietnam
Listed on TPEx	1999 (5371.TWO)
2025 Revenue	Approximately NT$39.6 billion

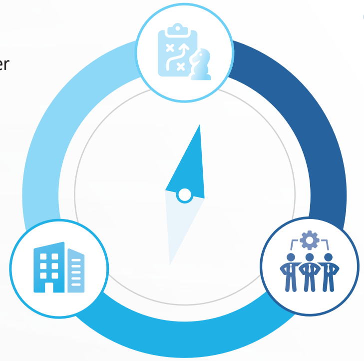
1：The number of employees at Coretronic's Taiwan and China plants (Kunshan and Wujiang plants)

Management Philosophy 2-23, 2-24

Coretronic adheres to the philosophy of "focusing on core business and prudent operation", continuously researching and innovating. On the other hand, through a vertical integration strategy, it has mastered key patents and core technologies, making Coretronic not only the leader in digital projector and LCD backlight module technology in Taiwan, but also among the top global developers and manufacturers of similar products.

Company Philosophy

- Professional manufacturer of innovative display system solution
- Technology leader in digital display systems
- Focus on core business, stable operation



Business Commitment

- Towards Customers: Commitment to quality and professional service
- Towards Employees: Pursue growth and unleash potential
- Towards Society: Rooted in Technology and sustainable operations

Corporate Culture R Responsibility I Innovation S Superiority E Entrepreneurship

Products and Services

Visual Solutions Products

DLP digital projectors, laser TVs, interactive modules, smart connectors, image stitching and blending processors, intelligent imaging solutions, embedded projection systems, ultra-short throw laser TVs, mobile micro projectors, wearable display optical modules, and in-vehicle projection systems

Energy Saving Products

Backlight modules, light guide plates, optical components, touch modules, single-/dual-direction privacy displays, front-light energy-saving displays, large-size tiled displays and integrated solutions, double-sided displays, display multimedia applications, industrial and medical displays, and medical diagnostic devices

Milestone

1992
Establishment and Listing

- Established

2002
Expansion Momentum

- Established Optoma Corporation—Own brand marketing
- Established Young Optics Inc.—Optical components manufacturing

2017
Transformation and Diversification

- Established uCare Medical Electronics Co., Ltd.—Intelligent health and sports care solutions
- Established Champ Vision Display Inc.—Innovative intelligent display solutions
- Acquired Calibre UK Limited
- Coretronic System Engineering Corporation renamed as Coretronic Intelligent Cloud Service Corporation—Smart retail/Intelligent Business/Public space media solutions
- Established Coretronic Intelligent Robotics Corporation—Intelligent unmanned aerial vehicle and autonomous mobile robot solutions
- Established Innospectra Corporation—Spectrometer and cloud service platform

1999

- Listed on TPEx market

2004

- Established Young Lighting Technology Inc.—Optical components manufacturing

2005

- Established Young Green Energy Co.—Power supply and other electronics components manufacturing

2010

- Established Coretronic System Engineering Corporation—Multimedia integration services
- Established Coretronic Culture and Arts Foundation

2018

- Established Nano Precision Taiwan Limited—Precision optical components and optical films
- Merged subsidiary Young Lighting Technology Inc.

2019

- Established Coretronic MEMS Corporation—MEMS technology, components, modules and solutions
- Established Coretronic Reality Incorporation—AR (Augmented Reality)/MR (Mixed Reality) solutions

2020

- Established Coretronic Vietnam Company Limited—Backlight and LCD module manufacturing

2021

- Established Coretronic Intelligent Logistics Solutions Corporation—IoT smart networking, AMR system integration and lightweight solutions
- Established Coretronic Robotek (Kunshan) Corporation—Smart warehousing and smart factory solutions
- Established Coretronic Technology (BRVT) Company Limited—Vietnam LCD backlight module R&D, manufacturing and sales operations

Participation in Industry Associations [2-28]

Coretronic maintains a politically neutral stance and refrains from engaging in any political campaigning or making political contributions. From 2021 to 2025, the Company did not make any political contributions and was not involved in any political or policy-influencing donations. The Company only joined industry associations and non-profit organizations and actively participated in the development of public issues and the formulation of relevant industrial policies. Areas of focus included E–environmental sustainability, S–human resources and social engagement, and G–industrial development and economic and trade cooperation.

In addition, the Company stays abreast of the relationship between public policies and climate goals and has established management and review procedures to ensure that the Company's positions and climate commitments remain aligned with the Paris Agreement. During the evaluation process, the Company comprehensively considers information from multiple parties to maintain objectivity and completeness in its assessments. If any policy position is found to be inconsistent with the Company's objectives, the Company will adopt appropriate measures in accordance with internal handling principles, such as communication, public statements, or other actions depending on the circumstances. When necessary, such matters will be reported to the Environmental Protection Committee for final review by senior management. Relevant information will also be publicly disclosed according to its nature, while maintaining positive two-way communication with stakeholders. Coretronic will also participate in public hearings and other government policy consultation meetings and actively evaluate and support relevant industry associations and advocacy organizations in order to leverage positive influence on climate-related issues.

List of Participated Associations

Unit: New Taiwan Dollars (NT$)

Focus Area	Association Name	2025 Participation Role	2025 Fee [Note]
E–Environmental Sustainability	Taiwan Alliance for Net Zero Emissions (TANZE)	Member	105,000
	Taiwan Climate Partnership (TCP)	Member	50,000
	NEW Wetlands Taiwan	Other	50,000
	Kunshan Economic and Technical Development Zone Work Safety and Environmental Protection Association (KSTBA)	Member	8,972
	NEW TNFD Forum	Member	0
S–Human Resources and Social Engagement	NEW Hsinchu City Human Resources Management Association (HCHRMA)	Member	10,000
	Kunshan Human Resources Association	Member	6,729
	Social Innovation Partnership Group	Member	0
G–Industrial Development and Economic & Trade Cooperation	Society for Information Display (SID) Taipei Chapter	Member	100,000
	Taiwan Display Materials & Devices Association (TDMDA)	Member	30,000
	Suzhou Wujiang District Foreign Investment Enterprise Association	Director	22,430
	NEW Wujiang Intelligent Manufacturing Association	Member	22,430
	Taiwan Photonics Society (TPS)	Member	10,000
	3D Interaction & Display Association (3DIDA)	Director	8,000
	The Allied Association for Science Park Industries	Member	0
	Taiwan Optoelectronic Semiconductor Industry Association (TOSIA)—Smart Display and MicroLED SIG	Member	0
	Suzhou Wujiang District Taiwan Compatriots Investment Enterprises Association	Member	9,869
	Kunshan Taiwan Compatriots Investment Enterprises Association	Member	8,972
	China Chamber of International Commerce, Suzhou Chamber	Vice Chairman	0
Total			**442,402**

Note: Amounts not originally denominated in New Taiwan Dollars in this table were converted into New Taiwan Dollars based on the exchange rate as of December 31, 2025.

Public Affairs Participation Expenditures

Unit: New Taiwan Dollars (NT$)

Category/Year	2022	2023	2024	2025
Industry Unions, Trade Organizations, or Tax-Exempt Organizations	498,425	366,276	361,835	442,402
Lobbying for Interest Groups	0	0	0	0
Contributions to Local, Regional, or National Political Campaigns or Candidates	0	0	0	0
Other Expenses and Contributions, e.g., Ballot or Referendum-Related	0	0	0	0
Total	**498,425**	**366,276**	**361,835**	**442,402**

Global Sites 2-1, 2-6

Coretronic's headquarters is located in the Hsinchu Science Park in Taiwan. Its major production sites consist of 13 plants, including the Headquarters in the Hsinchu Science Park; the Chunan Plant in the Chunan Science Park of the Hsinchu Science Park; Tainan Plant 1 and Tainan Plant 2 in the Southern Taiwan Science Park; the Wujiang plants (Coretronic Optotech (Suzhou) and Coretronic Optics (Suzhou)) in Suzhou City, Jiangsu Province, China; the Kunshan plants (Coretronic Projection (Kunshan), Coretronic Optics (Kunshan), Technology Service (KunShan) Co.,Ltd., and Vimax (Kunshan) Co., Ltd.) in Kunshan City, Jiangsu Province, China; the Ningbo Plant (Coretronic (Ningbo) Co., Ltd.) in Ningbo City, Zhejiang Province, China; Plant 1 (Coretronic Vietnam Company Limited) and Plant 2 (Coretronic Technology (BRVT) Company Limited) in Vietnam.

In addition, to promote its brand and provide more timely customer service, its subsidiary and proprietary brand, Optoma Holding Limited (Optoma), has established customer service and marketing offices in Taiwan, the Americas, Europe, China, Australia, and India.

Site	Location
Headquarters	Taiwan: Hsinchu
Branches	Taiwan: Tainan
Production Sites of Visual Solutions Products	Taiwan: Hsinchu / China: Kunshan
Production Sites of Energy Saving Products	China: Suzhou, Ningbo Taiwan: Miaoli, Tainan Vietnam
Optoma Operation, Customer Service and Marketing Sites	Taiwan: New Taipei City Americas: United States Europe: United Kingdom, Netherlands, France, Germany, Norway, Spain China: Shanghai Australia, India
Coretronic Intelligent Cloud Service Operation Sites	Taiwan: Hsinchu
Coretronic Intelligent Robotics Operation, Customer Service and Production Sites	Taiwan: Hsinchu, Miaoli

1.2 Operating Overview 3-3

Material Topic
Economic Performance

GRI Topic
Economic Performance

Topic Boundary

Coretronic's Taiwan and China plants (Kunshan plants, Wujiang plants), Coretronic Intelligent Cloud Service, Coretronic Intelligent Robotics

Topic Importance

Economic/governance is one of the three pillars of ESG. Therefore, Coretronic aims to pursue the greatest interests of all shareholders and employees, and fulfill the mission of "technology rooted, sustainable operation".

Strategy

Uphold the mission of being a leader in digital display system technologies, deepen innovation in display technologies and solutions, and focus on comprehensive solutions for cloud services, artificial intelligence, and various smart application scenarios.

Evaluation Mechanism

- Maintain the top 5% ranking among the TPEx-listed companies in corporate governance evaluation
- Maintain existing customer relationships and expand new customer bases to increase market share
- Enhance core technologies and develop new technologies while continuously building patent portfolios
- Achieve revenue and profit budget targets and expand product gross margins

Performance

Material Topic & SDGs	2025 Target	2025 Performance	Achievement Status	2026 Target	2027–2028 Target
Economic Performance	Greater than 18%	Driven by the continued downturn of the global macroeconomic environment, changes in product mix, and exchange rate fluctuations, the consolidated gross profit margin for 2025 was 17.3%	×	Greater than 15%	•Promote global expansion •Accelerate the development of new business ventures within the Group
	Greater than 2%	Reflecting the gross profit decline caused by changes in product mix and exchange rate fluctuations, the consolidated net income after tax for 2025 was NT$358 million, with net income attributable to shareholders of the parent company at NT$372 million, and a net income margin of 0.9%	×	Greater than 1.5%	

- Consolidated operating revenue amounted to NT$39.577 billion
- Consolidated income before income taxes amounted to NT$473 million
- Earnings per share (EPS) were NT$0.95

Achievement Status and Responsive Measures

Affected by instability in the geopolitical and economic environment (including wars, inflation, U.S. tariffs, and exchange rate fluctuations), global economic growth momentum slowed, resulting in operational declines in the Company's two major product lines. Changes in product mix and exchange rate fluctuations led to a decline in overall gross profit margin. Although some emerging businesses turned profitable, most remain in the R&D or small-volume shipment stage, causing the Company's overall operating performance for 2025 to fall short of expectations.

- Energy Saving Products: In response to supply chain restructuring and tariff barriers caused by geopolitical factors, the Company has continued strengthening manufacturing capacity at its Vietnam plants to meet customer demand. In addition, it has expanded OLED module production capacity in China to accommodate more large-size display business. The Company also launched high-performance front-light modules suitable for e-paper and reflective displays to expand into outdoor signage and education markets. At the same time, it is actively developing switchable privacy displays for drivers and passengers. Overall shipment volume for the year is expected to show growth.
- Visual Solution Products: According to market research forecasts, consumer demand stimulated by the FIFA World Cup is expected to slightly increase sales of home entertainment projectors in 2026. Commercial and education projectors are expected to decline slightly due to partial substitution by large-size LCD displays. The Pro AV projection market is expected to gradually stabilize as the global economy moderately recovers. New automotive projection products, including interior and exterior projection solutions, as well as next-generation projection devices for logistics applications, are slated to enter the mass production phase. Overall shipment volume of visual products is therefore expected to increase throughout the year.

Consolidated Financial Statements 201-1, 201-4

Unit: NT$ Thousand

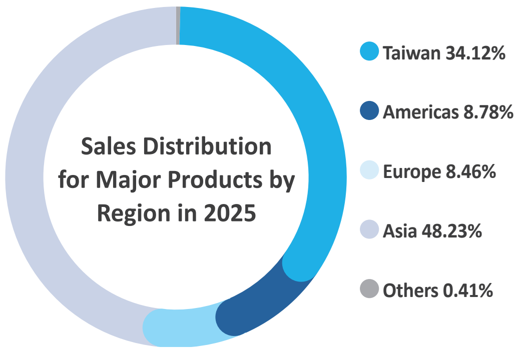
Item	2022	2023	2024	2025
Operating Revenue	49,783,157	39,491,708	39,668,943	39,576,665
Operating Costs	40,328,961	31,620,007	32,618,778	32,746,991
Operating Expenses	7,303,574	6,941,031	6,861,913	6,960,701
Gross Profit (Loss)	9,454,196	7,871,701	7,050,165	6,829,674
Operating Income (Loss)	2,150,622	930,670	188,252	(131,027)
Non-operating Income and Expenses	1,022,358	657,708	690,169	604,089
Net Income After Taxes	2,413,434	1,202,029	657,846	357,637
Earnings per Share (NT$)	6.03	3.56	2.10	0.95
Capital Expenditures	2,239,760	1,822,817	2,683,062	3,138,037
Employee Salaries and Benefits	8,972,782	7,492,636	6,926,768	7,130,274
R&D Expenses	3,056,452	2,901,998	2,856,039	2,914,592
Total Assets (End of Year)	55,857,815	55,603,904	56,877,985	58,958,825
Total Capital (End of Year)	22,729,545	23,484,289	24,396,869	24,523,695
Total Market Capitalization (End of Year)	22,246,825	27,955,149	36,595,832	33,624,375
R&D Tax Credits	1,261,806	1,239,670	1,213,812	1,503,366
Tax Credits (Utilized Amount)	93,255	19,720	22,917	54,730
Government Subsidies	110,394	202,665	103,811	164,751
Income Tax Expense	759,546	386,349	220,575	115,425
Income Tax as a Percentage of Operating Revenue (%)	1.52	0.98	0.55	0.29

Analysis of Financial Income, Expenditure and Profitability

Item		2022	2023	2024	2025
Financial Structure	Debt to Asset Ratio (%)	55.10	53.87	53.58	55.22
	Long-term Capital to Property, Plant and Equipment Ratio (%)	340.92	293.81	286.44	227.82
Solvency	Liquidity Ratio (%)	155.63	135.23	147.68	122.10
	Current Ratio (%)	112.27	102.06	114.83	95.96
	Interest Coverage Ratio	10.30	4.86	3.11	1.84
Profitability	Return of Assets (%)	4.49	3.09	2.05	1.42
	Net Profit Margin (%)	10.51	6.02	3.43	1.52
	Pretax Income to Paid-in Capital Ratio (%)	81.15	40.63	22.47	12.10
	Net Profit Margin (%)	4.85	3.04	1.66	0.91
	Earnings per Share (NT$)	6.03	3.56	2.10	0.95
Others	Cash Dividends per Share (NT$)	4.5	3.0	1.5	0.5
	P/E Ratio	10.38	20.81	44.03	105.05
	Dividend Yield (%)	7.19	4.05	1.62	0.5

Market Analysis 2-6

- According to market research firms, the global shipment of large-size LCD panels for 2025 is estimated to be 705 million units. Coretronic's total shipment of energy-saving products in 2025 was 30.83 million units, accounting for approximately 4.37% of the global market share.
- The global projector market shipment in 2025 was approximately 4.31 million units. The Company's shipment of visual solutions products in 2025 was 620,000 units, accounting for approximately 14.5% of the global market share.
- Ranked NO.1 in global DLP projector market share.



Tax Management

Policy

On February 26, 2024, the Board of Directors approved the establishment of the "Tax Policy and Management Guidelines", with the following policies:

- Comply with tax regulations in all operating locations and adhere to international tax standards.
- Do not utilize tax havens or engage in tax planning for the purpose of tax avoidance.
- Related-party transactions follow the arm's length principle and are conducted in accordance with the transfer pricing guidelines and benchmarking analysis issued by the Organisation for Economic Co-operation and Development (OECD).
- All major decisions of the Company take tax implications into consideration and follow internal control procedures to assess and manage tax risks.
- Disclose tax-related information in accordance with legal and regulatory requirements.
- Establish transparent and trustworthy relationships with tax authorities in the jurisdictions where the Company operates.
- Tax personnel are required to enhance their professional knowledge through internal and external training and participation in tax seminars.

Tax Risk Management

As a globally operating company, the Company complies with the tax laws of all jurisdictions in which it operates. In response to international tax developments and regulatory compliance requirements, the Company has established tax policies and management procedures to implement sound tax governance and risk control. Upholding the principles of sustainable corporate development and social responsibility, the Company aims to ensure the effective operation of its tax management system. To address risks related to tax operations, we are committed to enhancing tax-related professional competencies through continuous talent development and training to ensure our team has the capability to manage tax matters. For unfamiliar or complex tax issues, we proactively consult and communicate with the relevant tax authorities and, when necessary, engage or seek advice from external professional consultants. This ensures full compliance with tax regulations and reporting obligations, helping mitigate the risk of legal penalties, financial losses, or reputational damage arising from non-compliance.

Tax Governance

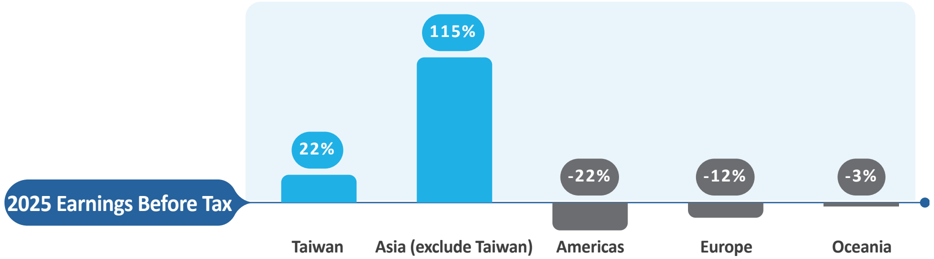
The Board of Directors serves as the highest authority for tax management, responsible for approving and ensuring the effective implementation of the Company's tax governance policies. The Chief Financial Officer (CFO) oversees supervision and strategic decision-making, while day-to-day tax affairs are carried out by the Tax and Insurance Department. When the Company and its subsidiaries handle tax filings, responsibilities must be delegated appropriately and obtain proper approval. All filings must be thoroughly reviewed, with supporting documentation properly examined and retained. For major transactions and decisions, potential tax implications must be carefully assessed, and external professional advisors may be consulted when necessary. In addition, tax personnel enhance their professional competence through internal and external training and seminars to stay updated on the latest tax regulations and developments.

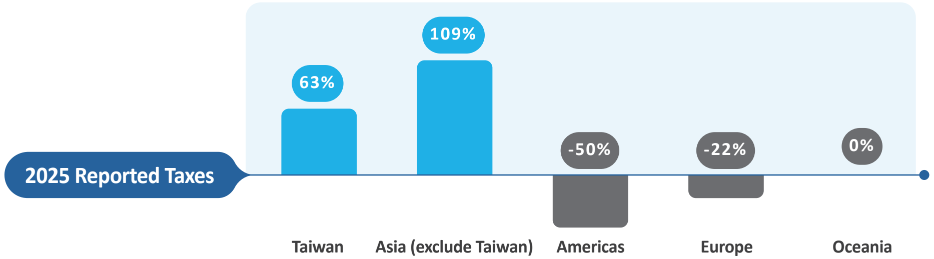
Tax Performance

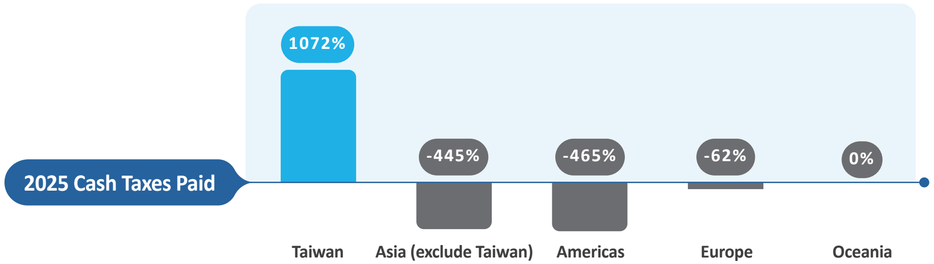
Unit: NT$ Thousand

Item/Year	2023	2024	2025
Earnings Before Tax	1,588,378	878,421	473,062
Reported Taxes	386,349	220,575	115,425
Effective Tax Rate (%)	24.3	25.1	24.4
Cash Taxes Paid	608,512	421,665	4,935
Cash Tax Rate (%)	38.3	48.0	1.1

Note: The decrease in the cash tax rate for 2025 was primarily driven by reduced profits in China plants, lower quarterly income tax payments, and the utilization of R&D tax incentives.







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1.3 Innovative R&D[3-3]

Material Topic
Innovative R&D Management

GRI Topic
Economic Performance

Topic Boundary

Coretronic Taiwan, and China plants (Kunshan plants and Wujiang plants)

Topic Importance

Continuous innovation, research and development are key factors for an organization's continuous improvement and sustainable development.

Strategy

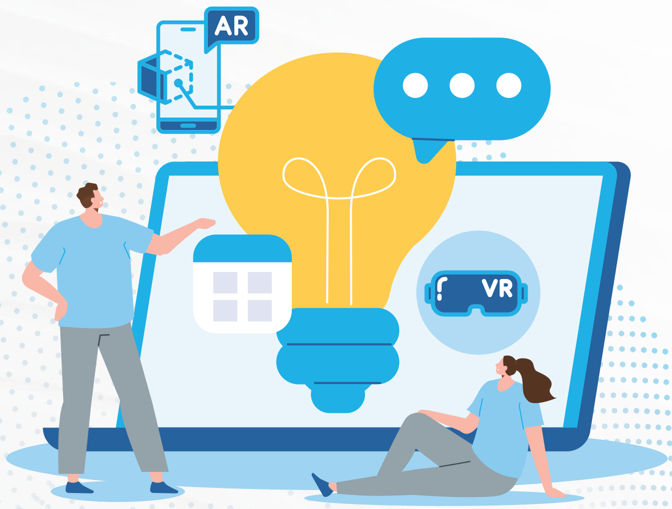
- Establish a Technical Director's office under the supervision of the President and set up innovation and R&D units such as technical directors/technical centers/R&D departments under the management of each business group, responsible for the evaluation and development of advanced technologies and processes.
- Deepen core optical technologies, and expand into key components, semi-systems/system products and module core technologies, as well as intelligent context applications across application domains.
- Deepen core technologies for energy-saving displays by developing new edge-lit light guide plates, direct down-lit light guide mirrors, special optical control films, and Mini LED BLM/Display to create thin, compact, energy-saving, privacy protection (anti-peeping), and high-value application products with high dynamic contrast.
- Deepen core image processing technologies by developing fully automatic adjustment technologies for contrast, brightness, and color to enhance cost competitiveness and improve user experience.
- Focus on the R&D of high-brightness, wide color gamut, and high-resolution solid-state light source projection products for home and large commercial venues, integrating intelligent technologies with artificial intelligence, deep learning, computer vision, IoT, and cloud computing to improve user experience.
- Based on core projection optical engine technologies and through the active implementation of vertical integration strategies to secure key patents and core technologies, develop differentiated applications including Pico projectors, optical engines for AR/VR/MR glasses, automotive projection systems, and smart devices.
- Develop real and virtual projection technologies for automotive applications to create differentiated smart cockpit display products, including direct down-lit light guide mirrors, special optical control films, and compact application products for both in-vehicle and exterior automotive projection.

Evaluation Mechanism

- The R&D team proposes an annual R&D plan, KPIs, and budget draft at the year-end meeting, which are approved by the business group manager and the general manager before execution. KPI evaluations are conducted at the mid-year and year-end review meetings during the implementation year. At the same time, CIIP (Control, Item, Improve, and Plan) is promoted to manage important issues and strengthen horizontal communication and integration.
- New technology development launches N-Project for personnel mobilization, integration, and development in a project-based manner, and checks are carried out in accordance with project schedules and goals.
- Actively seek various government R&D and technology subsidies to develop more innovative R&D technologies.
- Employees are encouraged to submit proposals to increase the number of high-quality patents, which are included in annual KPI execution, tracking, and evaluation.

Performance

- There were 747 R&D personnel, of which the total number of R&D personnel in Taiwan accounts for 39% of the total number of employees in Taiwan.
- The group's R&D expenditure is NT$2.91 billion, accounting for 7.4% of consolidated operating revenue.
- Ranked 88th in the 2025 Top 100 Invention Patent Applications by Taiwanese Legal Entities
- Ranked 78th in the Clarivate Top 100 Global Innovators™ list



Targets

【2026】

- Deepen core optical technologies to expand optical components, system products, and semi-system products across diverse applications, thereby enhancing product value and competitiveness while consolidating global competitive advantages in display and imaging technologies.
- For backlight module technologies, deeply integrate existing lithography and ultra-precision processing technologies, while continuously developing various new edge-lit light guide plates and special optical control films/components to create a wide range of high-value display products featuring lightweight and compact designs, energy efficiency, privacy protection, and high dynamic contrast.
- For high-contrast front-light module technologies, complete the development of multiple product sizes tailored to different optical requirements and move them into mass production.
- Continue developing semi-system and integrated system products that combine exterior component design and manufacturing for tablets, notebooks, automotive displays, and head-up displays (HUDs), while providing brand customers/system integrators, and panel customers with optimal design, manufacturing, and global after-sales services through a highly flexible business model.
- Overcome the brightness limitations of 1-DLP and increase the upper limit of component energy density.
- Deepen strategic deployment in the high-end market by continuously advancing the development of 3-DLP and high-brightness 1-DLP models, expanding Pro-AV high-end engineering applications.
- Deepen edge computing capabilities by developing AI devices equipped with edge computing functions to further improve development precision and production yield rates.
- Strengthen information security and connectivity by developing remote-control cybersecurity technologies for specialized application scenarios and enhancing the stability of multi-device applications.
- Strengthen proprietary technology R&D by developing distinctive FPGA image algorithms, actively expanding into non-traditional projector application markets, and providing comprehensive solutions tailored to end-user needs.
- Mass-produce monochrome and full-color projection optical engines for Micro LED smart glasses.
- Mass-produce in-vehicle real-image projection products and exterior vehicle DGP (Dynamic Ground Projection) products, while developing AR and PHUD projection products for smart cockpits.
- Continue promoting energy-saving and carbon-reduction development processes and requirements.

【2027–2028】

- Uphold the mission of leading digital display system technology by advancing innovative display technologies and solutions, focusing on comprehensive solutions across cloud services, artificial intelligence, and various smart applications.
- Deepen core competencies in optics and thermal management to expand into cross-application optical components, system products, and semi-systems, thereby increasing product value and price competitiveness, and strengthening global leadership in display and imaging technologies.
- Develop cutting-edge and forward-looking display products based on latent market demand, positioning in niche markets.
- Continuously develop optical component technologies for OLED display products to expand business beyond the LCD sector, while developing Micro LED backlight modules and display products.
- Leveraging the advantages of DLP technology to deepen high-resolution, high-brightness, and smart terminal high-end engineering applications, and by accelerating simulation-based product design and diversified application development, the Company not only strengthens its position in Pico projector applications for AIoT and AI robots, but also actively expands into metaverse applications.
- Develop AI deep learning devices equipped with edge computing capabilities to improve production and development precision and efficiency, while integrating IoT technologies with big data collection and remote-control applications.
- Leverage technological leadership to further enhance image uniformity and optimize color consistency while maintaining high cost-performance competitiveness, comprehensively strengthening AI-smart use scenarios and continuously launching high-quality, high-value products to meet customer needs.
- Continue developing innovative products including Micro LED smart glasses projectors, automotive projection systems, and projection products for smart cockpits.
- Incorporate ESG concepts into product design by adopting energy-efficient and low-power consumption designs, and selecting recyclable, degradable, and reusable materials to reduce negative environmental impacts.
- Improve repair convenience through modular design and standardized module interfaces (such as power boards and optical engines), thereby reducing the frequency of full-unit replacement and extending product life cycles.
- Optimize the “Smart Repair” system by utilizing big data and AI diagnostics to reduce waste from parts repair and carbon emissions caused by personnel travel for maintenance services.
- Optimize standby and low-power consumption technologies by implementing power management aligned with global energy efficiency labeling regulations (Grade A to Grade G), thereby reducing standby power consumption of products.

Visual Solutions PR1-1

Dedicated to becoming a world-class provider of integrated imaging solutions, Coretronic Visual Solutions Business Group has invested over two decades of R&D efforts into various projection display technologies, image processing technologies, high-efficiency and high-energy-density light source technologies, AR wearable display technologies, virtual image display technologies, high-power and high-efficiency power supply technologies, system thermal management technologies, noise and vibration control technologies, as well as high-efficiency optical components and system integration. In recent years, the market for SSI (solid-state illumination) products has gradually matured. Coretronic has introduced advanced technologies including image recognition, artificial intelligence, and cloud services, to maintain its competitive advantage in solid-state light sources and 4K/8K ultra-high-definition projection products. The Company aims to jointly develop cutting-edge projection display solutions for the AIoT era alongside its customers.

Key Technologies

- Introduced laser light source modules and ultra-wide color gamut RGB pure laser blending technology into mainstream laser projectors, ultra-short throw commercial/education projectors, and 8K high-resolution ultra-short throw wireless laser projectors to enhance system efficiency and color performance, demonstrating the advantages of low-cost and high-performance products.
- Developed embedded projection modules for AI home robots and integrated AI technologies to meet requirements such as anomaly detection and environmental adaptability.
- NEW Developed picking-guidance projection modules for smart logistics vehicles.
- Continuously developed intelligent technologies by deeply integrating mobile phones and AI to optimize automatic adjustment and dimming functions in projectors, integrating AI features such as natural voice control, personalized light sculpture projection, and smart desktop applications to offer users a seamless, intelligent, and personalized projection experience.
- Developed dual-color laser mainstream projectors based on the Multi-Color Light Architecture (MCLA™) technology, achieving an optimal balance between brightness and color performance, providing consumers with more cost-effective projector options.
- Continued pursuing projector miniaturization and noise reduction by enhancing the heat dissipation efficiency of thermal modules, water cooling systems, and cooling fans while optimizing vibration and noise reduction designs.
- Developed new 1-DLP Passive 3D display technology for use in large public venues.
- Applied digital simulation technology to continuously improve component and system design to enhance efficiency and reduce costs.
- Developed automotive real-image projection and smart cockpit AR projection products, and commenced pilot production of in-vehicle real-image projection and exterior vehicle DGP (Dynamic Ground Projection) products.
- Independently developed and manufactured critical components such as phosphor wheels, actuators, and thermal modules.
- NEW Developed intelligent camera calibration technologies that utilize AI-based computing to achieve automatic multi-projector calibration, ensuring visual consistency and seamless image blending.
- Developed monochrome and full-color Micro LED smart glasses projection optical engines and waveguides, and commenced pilot production of monochrome optical engines.

Product Innovation

- The release of new-generation projectors with low-latency (<1 ms) and variable refresh rate (VRR) features, a breakthrough for 1-DLP projection technology in the gaming and simulation training markets.
- Mass production of commercial and educational projectors equipped with next-generation blue laser light sources, offering users higher cost-performance products to replace traditional mercury lamp projectors and achieve energy-saving and carbon reduction goals.
- Optimization of the 6,000–8,000 lm entry-level Pro-AV laser projector series to continuously improve product performance, reliability, color rendering, and price competitiveness.
- Mass production of 20,000 lm large-scale smart-controlled public display projectors.
- NEW Mass production of ultra-short-throw laser projectors with smart touch technology.
- Mass production of embedded projection modules for integration into gaming machines.
- Mass production of mobile pico projectors integrating smart projection, smart speakers, and ambient lighting functions.
- Mass production of AR glasses optical engine modules.
- Mass production of 4K ultra-short throw laser TVs equipped with next-generation laser phosphor and ultra-wide color gamut RGB pure laser blending technology.
- NEW Development of high cost-performance portable blue laser commercial/educational projectors and mass production of high-performance blue laser Pro-AV projectors, with product housings made from 50% post-consumer recycled (PCR) plastics.

Energy Saving Products PR1-1

In response to market trends toward ultra-thin, narrow-bezel, high-resolution, high-contrast, and energy-efficient displays, Coretronic continues to advance its core technologies in light guide plates, display technologies, and system integration to strengthen product competitiveness. At the same time, by further advancing core optical technologies and continuously optimizing manufacturing processes and microstructure designs, the Company is expanding into cross-application optical components, semi-system, and system-level products, thereby enhancing product added value and price competitiveness while reinforcing its global competitive advantage in display and imaging technology.

- Injection Light Guide Plates (LGPs): Development of the updated IML series and light guide plates fabricated using precision processing techniques, paired with specially designed optical films, delivering 50%–70% higher efficiency than conventional laser LGPs.
- Roller Stamping High-efficiency LGPs: Continuously optimize manufacturing processes and microstructure designs to develop new ultra-thin and high-efficiency light guide plates and optical films using PC and PMMA materials. These products feature low internal stress, anti-adhesion, mold-free fabrication, optical efficiency comparable to injection molding, and high production capacity, with thicknesses as thin as 0.3 mm, making them suitable for high-end notebook computers.
- Energy Star 9.0-Compliant Monitors: Developed mass-producible high-efficiency thick light guide plates (LGPs) for displays sized 30.9 inches and below, increasing efficiency by 15%–25% compared to existing LGP products.
- HDR Technologies:

  (1)Mass-produced Mini LED local dimming and scanning backlight modules for narrow-bezel gaming notebooks and display monitors. By integrating self-developed optical alignment light bars, proprietary microstructure diffusion plates, optical structures, and LED designs, the HDR Mini LED local dimming and scanning backlight modules achieve strong competitiveness in optics, image quality, and thickness. Development efforts continued toward thinner backlight modules, narrower bezels, higher optical efficiency, reduced optical film usage, and lower LED consumption to create high-value display products featuring thin and compact designs, energy efficiency, privacy protection, and high dynamic contrast. Applications include gaming consoles, tablets, notebook computers, industrial monitors, automotive head-up displays and touch displays, high-end medical and gaming monitors, AIO monitors, slim smart TVs, and smart home display modules. Product development for reflective panels and high-contrast front-light e-paper displays with energy-saving and carbon-reduction benefits has also entered the mass production stage.

  (2)In response to market demand, product development has shifted from traditional BLUs to integrated system and semi-system products combining display panel components for tablets, laptops, and automotive HUDs. This flexible approach enables optimal design, production, and global service offerings for brand companies, system integrators, and panel customers.
- Privacy Display Technology:

  (1)Continued development of the sixth-generation privacy-protection notebook display module using in-house LGP, BLU, special LCD panel, film, and processing core technologies to provide a thinner and more effective privacy solution. The technology is currently in the pilot production stage and has gained customer approval for project initiation.

  (2)First-generation technology has entered mass production to meet customer needs.

  (3)To address next-generation OLED display privacy requirements, sample pilot production and testing have been completed. The technology has also been extended into automotive and industrial control applications, and project discussions are currently underway with multiple potential customers.
- Automotive and Industrial Control Applications:

  (1)In response to the growing demand for large-scale/high-brightness/high-contrast display in automotive applications, the Company has successfully developed standard and irregular-shaped LCD with 2mm–4mm OD, dynamic 2D dimming, and low light leakage, incorporating optical structures, diffusion films, and LED designs. Collaborations with customers are ongoing.

  (2)Upgraded automotive application technologies have enabled the development of single/dual-direction privacy display technologies for automotive center information displays (CID) and passenger displays. Drivers can dynamically switch viewing angles based on driving scenarios, reducing safety risks caused by light interference while driving. Second-generation products have already entered mass production, while next-generation automotive privacy enhancement solutions, such as zoned privacy technologies, have completed multiple new designs and prototypes and are currently being promoted to several customers.
- By integrating in-house components such as Open Cells, light guide plates, and touch panels through a vertically integrated production model, the Company has successfully secured orders from international customers. Open Cells used in privacy technologies are also integrated with in-house panel cutting and polarizer lamination processes, enabling one-stop production services from front-end processing to LCD module assembly.
- Backlight Module Technologies: Deeply integrated existing lithography and ultra-precision processing technologies while continuously developing various new edge-lit light guide plates and special optical control films/components to create high-value display products featuring compact designs, energy efficiency, privacy protection, and high dynamic contrast.
- For more details on reduction of environmental impact, please refer to Section 4.4 "Green Products" in this report.

Intellectual Property 3-3

Coretronic develops annual product and technology development roadmaps aligned with its business objectives. Patent strategies are executed in both qualitative and quantitative dimensions, with dynamic adjustments made to the targeted countries, number of applications, and types of patents based on product categories and technology levels. The Company executes varying degrees of patent portfolio deployment, reviews pending patent technologies and claims, and proposes complementary technical designs and innovations. Patent applications are submitted in a timely manner in accordance with the specific patent systems and priority claims of different countries, filling gaps in the Company’s overall patent layout.

For key products or technologies where the Company holds an insufficient number of patents, R&D personnel are initially encouraged to actively apply for patents across various technological domains (e.g., optics, mechanics, heat dissipation, materials, software, electronic control, etc.) and different product components or modules. This approach helps establish comprehensive protection. Once a sufficient patent volume is achieved, the focus shifts to enhancing patent quality. Furthermore, to ensure that the technologies used in products are patent-protected, patent engineers participate in product development processes to identify valuable technologies and file corresponding patent applications. For critical technologies and components, the Intellectual Property Department creates patent maps to help R&D units identify unpatented areas and inspire the development of complementary technologies to close patent gaps.

Patent Protection Measures

- Dedicated Unit: In accordance with the “Patent and Technology Development Incentive Regulations”, the Intellectual Property Department is responsible for managing patent applications and maintenance, and annually evaluates whether granted patents should be maintained or disposed of.
- Incentive System: Established a “Patent Heroes Leaderboard” to announce the number of patent proposals and approved patents, along with the proposers and patent details of each business group, on the Company’s internal website each month. The incentives include proposal rewards, patent grant rewards, patent application rewards, trade secret application rewards, competition rewards, encouragement, and special significant benefits rewards. In 2025, more than NT$2.4 million in patent bonuses were awarded.
- Education and Training: In 2025, the Company organized courses including “Software Patent Application Practice: How to Prepare Appropriate Patent Application Evaluation Forms”, “2025 Fundamental Patent Course”, “Patent Related Knowledge Training”, “Patent Drafting Experience Sharing”, and “Patent Proposal LEVEL UP”. Employees seeking to enhance the value of their patent proposals were invited to participate, with a total of 128 participants.

Acquisition/Disposal of Intellectual Property

The Company has established the “Operating Instructions for the Acquisition or Disposal of Intangible Assets and Licensing” to regulate the principles for the acquisition and disposal of intangible assets, including patents, trademarks, copyrights, trade secrets, etc., and specify the procedures and handling methods for acquiring intangible assets from third parties or disposing of the Company’s intangible assets to third parties.

Technical Trade Secret Management

The Company has established the “Technical Trade Secret Document Management Regulations” to govern the levels, usage, and management methods of technical trade secrets.

Patent Management Strategy and Goals

The Company reports intellectual property matters to the Board of Directors on a regular basis and continuously improves its patent management system to enhance automation, reduce manual operations, and improve information accuracy for effective case tracking and management. In collaboration with the R&D units, Coretronic conducts technology patent portfolio reviews to assess the value of its intellectual property. In 2025, the Company completed the optimization and official launch of the electronic approval process for annual patent fee evaluations. By integrating the “Internal Patent Search System Platform” with the “Approved Patent Evaluation Platform”, the system provides business units with patent value-related information from market, legal, and technical perspectives, serving as a reference for decisions on whether to continue maintaining patents.

Patent Performance

In 2025, the Company filed 243 patent applications and was granted 231 patents worldwide. In addition to being recognized for the second consecutive year in the Clarivate “2025 Top 100 Global Innovators™”, Taiwan plants also delivered outstanding performance: 30 invention patents were officially granted and announced, ranking 74th among the “Top 100 Domestic Legal Entities for Invention Patent Grants” in Taiwan. 29 invention patent applications were filed, ranking 88th among the “Top 100 Domestic Corporate Invention Patent Applications in 2025” in Taiwan. A total of 42 patents across the three patent categories (invention, utility and design) were officially granted and announced, ranking 85th among the “Top 100 Domestic Corporate Patent Grants Across Three Patent Categories in 2025” in Taiwan.

01 1.4 Customer Relations 2-29

Coretronic values customer feedback, and therefore establishes diverse and real-time communication channels, including dedicated customer service mailboxes and units, conducting ad-hoc client meetings and phone interviews, annual customer satisfaction surveys, participation in quarterly business review meetings (QBR) and domestic and international exhibitions. This allows Coretronic to fully understand customer needs in areas such as innovation and R&D, product quality, work environment, and work safety, in order to enhance customer satisfaction and effectively reduce customer complaints. In recent years, driven by the global wave of sustainability, customers have placed more emphasis on suppliers' sustainability practices and compliance than before. To promptly and proactively respond to multifaceted client demands regarding ESG audits, surveys, and inquiries, and fully showcase the Company's commitment and performance in sustainable development, increase information transparency, and strengthen customer relationships, a "Customer ESG Communication Strategy" was established in 2023. In addition, the Company achieved an outstanding score of 93 in a major projector brand customer's "Supplier ESG Scorecard" evaluation and received perfect scores of 100 in the customer's "Supplier RBA Audits" for two consecutive years. These achievements earned strong recognition from the customer, successfully enhancing customer trust in the Company's products and sustainability performance, consolidating customer relationships, and fostering future cooperation opportunities.

Customer ESG Communication Strategy

✓ Establish a dedicated point of contact for each customer, responsible for tracking key customer ESG event schedules, assigning and coordinating customer ESG audit questionnaires and surveys, monitoring progress, and consolidating responses.

✓ Prepare an annual ESG performance presentation and report the ESG execution status and performance to the customer during the Quarterly Business Review (QBR).

✓ Participate in customer-hosted supplier conferences, communicate face-to-face with customers, and understand the customers' ESG strategies, management policies, goals, and important schedules for the upcoming year.

✓ All information provided to customers must be reviewed and confirmed by the ESG Department to ensure consistency and accuracy in external communications.

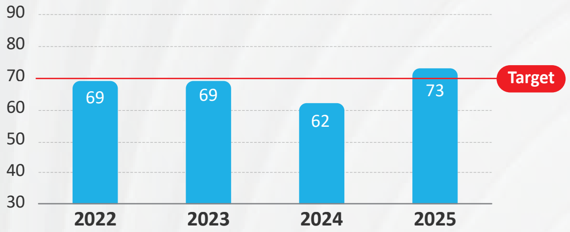
Annual Customer Satisfaction Survey

Business Group	Visual Solutions Business Group	Energy Saving Business Group
Evaluation Targets	Customers whose annual transaction amount accounts for more than 5% of annual sales	Customers with transactions in the current year
Evaluation Items[1]	Logistics management, technology, quality, customer service	Sales, design, quality
2025 Score	73[2], **an increase of 11 points** compared to 2024	89, **same** as in 2024
Full Score/Passing Score	100/70 (Overall customer satisfaction score in 2025 was 81, achieving the annual target)	

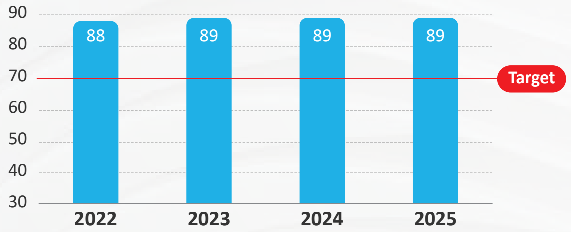
1: In 2024, following recommendations from the ISO 9001 external audit, the Visual Solutions Business Group removed the "Price/Cost" evaluation category due to the customer satisfaction regarding product pricing, which was considered highly subjective. Evaluation categories in 2022–2023 included logistics management, technology/quality, customer service, and price/cost; evaluation categories in 2024–2025 included logistics management, technology, quality, and customer service.

2: Starting from 2025, the Visual Solutions Business Group has conducted customer satisfaction surveys by product category, including projectors and AR optical engine modules.

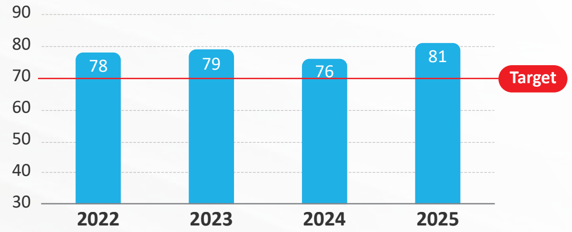
Customer Satisfaction of Visual Solutions Business Group



Customer Satisfaction of Energy Saving Business Group



Overall Customer Satisfaction



▶ Management Policy

Visual Solutions Business Group

- In response to customer feedback, the responsible business units have proactively engaged in communication and initiated internal reviews, proposing corresponding solutions to secure customer recognition.
- Starting from 2025, the Visual Solutions Business Group has conducted customer satisfaction surveys by product category (projectors and AR optical engine modules) to collect customer feedback and more accurately identify market and product trends. In response to the "perception gap" reflected by projector customers, the Company will continue enhancing customer satisfaction through strengthened two-way communication and optimized service quality.

Energy Saving Business Group

- Regular or ad hoc meetings are held to ensure customer feedback is effectively addressed.
  ✓ Total number of customer complaints: 127 cases; improvement rate: 100%
- Quality control mechanisms for supplier audits, enhanced packaging protection design, and effective management of supplier materials and engineering quality have been established to ensure shipment rate targets are met. In 2025, the shipment rate was 100%, achieving the target (95%).

1.5 Quality Management

In accordance with IECQ QC 080000, international regulatory trends, and customer requirements, the Company has established the ISO document "Green Product Specification Operating Procedure", which clearly defines prohibited and restricted hazardous substances in products (such as the 10 substances restricted under RoHS, 253 REACH SVHCs, substances listed in REACH Annex XVII, and other regulated substances under applicable regulations). For compliant and halogen-free "green raw materials", the system assigns specific part number identifiers to facilitate priority selection by R&D teams during the product design stage, ensuring that components and packaging materials comply with international regulations and customer requirements.

In response to the issue of Per- and Polyfluoroalkyl Substances (PFAS), which has become a major concern among customers, the Company has initiated supply chain investigations and management measures and has committed to fully phasing out and substituting PFAS before 2040. In terms of management practices, the Company conducts annual hazardous substance risk assessments for all products, covering customer-designated and customer-supplied materials. For customer-designated and customer-supplied materials, the Company actively promotes a risk reporting mechanism. If hazardous substances are identified, the Company will proactively provide risk reports and assist customers in evaluating alternative solutions, while respecting customers' final decisions regarding their designated and supplied materials.

In 2025, no incidents of non-compliance with health and safety regulations related to products and services occurred, and green raw material procurement amount accounted for 92% of total raw material procurement amount.

Hazardous Substance Management Commitments

- Conduct annual hazardous substance risk assessments for all products to ensure they do not pose risks to human health or the environment.
- Ensure that 100% of the Company's products comply with prohibited/restricted hazardous substance requirements, international regulations, and customer requirements.
- Continue investing R&D resources and budgets to gradually substitute and phase out high-risk hazardous substances.
- Establish target timelines for the complete phase-out and substitution of prohibited/restricted hazardous substances and review progress toward these targets annually.

Hazardous Substance Management Procedure

Hazardous Substance Management System
- Established the "Hazardous Substance Process Management(HSPM) Committee"
- Built the Green Product Management System (GPMS)
- Introduced IECQ QC 080000 Hazardous Substance Process Management System

Creating a Clean Green Supply Chain
- Adopt the "Green Product Specification Operating Procedure" as the procurement standard for raw materials.
- Require suppliers to sign the "Green Product Commitment Statement" to promote the green supply chain.
- Control nearly 400 hazardous substances; ensure tested materials meet specifications.

Auditing and Quality Control
- Audit product manufacturing processes to ensure compliance with internal regulations.
- Review validity of inspection reports issued by third-party testing organizations.
- Conduct regular hazardous substance risk assessments to ensure customer health and safety.

Hazardous Substance Education and Training
- China plants designated "Hazardous Substance Management" as a mandatory training course for new employees, with a total of 592 employees completing the training. Wujiang plants organized an "IECQ QC 080000 Hazardous Substance Management" training course, with 7 participants completing the program and total training time reaching 84 hours.
- Taiwan plants organized a "GP Fundamental Course" , with a total of 264 participants trained. In addition, the "IECQ QC 080000 Internal Auditor" training course is conducted once every two years, with 69 participants completing the training and total training time reaching 414 hours.

International Hazardous Substance Management Performance

Key Regulatory Items	Compliance Status
Restriction of Hazardous Substances (RoHS) Directive	100% compliant
Halogen-free requirements	100% compliant
EU Registration, Evaluation, Authorization, and Restriction of Chemicals (EU REACH)	100% compliant
Material Declaration for Products of and for the Electrotechnical Industry (IEC 62474)	100% compliant
Montreal Protocol	100% compliant
U.S. Toxic Substances Control Act (TSCA)	100% compliant
Persistent Organic Pollutants (POPs) Regulation	100% compliant
Per/Polyfluoroalkyl Substances (PFAS)	• The Company requires suppliers to proactively disclose whether their materials contain PFAS. If PFAS is confirmed to be present, the R&D unit will evaluate and screen alternative materials and coordinate with customers regarding subsequent material selection. • The Company plans to completely phase out and substitute PFAS by 2040.

Note: In response to domestic and international regulations, the Company regularly updates its hazardous substance management policies, and the related requirements cover the substances subject to declaration as listed in IEC 62474.

Hazardous Substance Risk Assessment

The Company conducts annual hazardous substance risk assessments for all products. Specific practices are as follows:

1. Reference to International Standards: The Company identifies hazardous substances of major concern in accordance with relevant regulations such as the "EU REACH Regulation" and the "Restriction of Hazardous Substances (RoHS) Directive". The Company continuously tracks products regulated under the "RoHS Directive" and the "EU REACH Regulation". In 2025, the percentage of revenue generated from products non-compliant with the "EU REACH Regulation" and the "RoHS Directive" was 0%.

2. Hazardous Substance Identification: The Company independently developed and established a "Green Product Management System (GPMS)", which incorporates a hazardous substance reduction and management system. Green material management is conducted in accordance with the "Green Product Specification Operating Procedure".

3. Supply Chain Management: Materials, components, and semi-finished products provided by suppliers are required to comply with hazardous substance control requirements for green products and must be accompanied by homogeneous material testing reports issued by third-party organizations.

4. Hazardous Substance Risk Assessment and Analysis: By analyzing hazardous substances within the product mix, the Company identifies potentially hazardous substances contained in products, such as heavy metals, persistent organic pollutants, and toxic chemicals, to ensure that the Company's products do not pose risks to human health or the environment.

Gradual Phase-Out of Hazardous Substances

2008
- Achieved full compliance with the EU "Registration, Evaluation, Authorization and Restriction of Chemicals (EU REACH)" Regulation

2013
- Prohibited the use of hazardous substances regulated under the "Stockholm Convention"

2019
- Achieved full compliance with the "Restriction of Hazardous Substances (RoHS)" Directive

2021
- Prohibited the use of hazardous substances regulated under the EU "Regulation on Persistent Organic Pollutants (POPs)"
- Prohibited the use of Class I Specified Chemical Substances under Japan's "Chemical Substances Control Law (CSCL)"

2025
- Prohibited the use of Perfluorooctane Sulfonic Acid (PFOS)
- Prohibited the use of Perfluorooctanoic Acid (PFOA)
- Prohibited the use of Perfluorohexane Sulfonic Acid (PFHxS) and its salts
- Prohibited the use of Undecafluorohexanoic Acid (PFHxA) and its salts

2040
- Substitute Per- and Polyfluoroalkyl Substances (PFAS) with alternative materials
- Prohibit the use of Per- and Polyfluoroalkyl Substances (PFAS)

Chapter 2

Sustainable Development

02

2.1 Sustainability Goals and SDGs 2-23, 2-24

- Vision: Coretronic stands as a beacon of direction and optimism, utilizing light to illuminate the economy and society; creating a green environment that ensures everyone has access to a sustainable and bright future.
- Policy: Coretronic adheres to the "RBA Code of Conduct", "Universal Declaration of Human Rights (UDHR)", "United Nations Global Compact (UNGC)", "United Nations Guiding Principles on Business and Human Rights (UNGPs)", and "International Labour Conventions". Focusing on the Company's core businesses, Coretronic's sustainability strategies are divided into three categories based on the United Nations' Sustainable Development Goals (SDGs), the top 10 global risks identified by the World Economic Forum (WEF), TCFD, TNFD, the Science Based Targets Initiative (SBTi), the CDP, international sustainability trends, social needs, and stakeholder concerns: Environmental (E), Social (S), and Governance/Economic (G). Through the ESG Committee, Environmental Protection Committee, Firefly Volunteer Team and other relevant groups, joint effort is displayed to formulate, promote, and execute corresponding projects and strategies. Coretronic is hoping to combine the Company's core technologies and join hands with stakeholders to create a mutually beneficial and sustainable partnership between the Company and society.
- Management Policies: "Sustainable Development Best Practice Principles", "Material Topic Identification Process", "Sustainability Report Preparation and Verification Procedures", "RBA Code of Conduct Management Handbook", "Environmental Sustainability Policy", "Net Zero Commitment", "Water Resource Management Policy", "Carbon Neutrality Commitment", "Biodiversity Conservation and No Gross Deforestation Commitment", "Plastic Reduction Commitment", "Sustainable Raw Material Policy", "Conflict Minerals Policy", "Human Rights and Social Responsibilities Policy", "Occupational Safety and Health Policy", "Corporate Governance Best Practice Principles", "Ethical Corporate Management Best Practice Principles", "Operating Procedures and Guidelines for Ethical Management", "Codes of Ethical Conduct", "Risk Management Policy", "Privacy Policy", "Tax Policy and Management Guidelines", "Supplier Conflict of Interest Management Regulations".
- Implementation Status of United Nations' Sustainable Development Goals (SDGs)

SDG	Goals	Strategies	Performance	Corresponding Sections in this Report
2 ZERO HUNGER	End hunger, achieve food security and improved nutrition and promote sustainable agriculture.	Support sustainable food production systems	Purchased over **19 metric tons** of organic vegetables for employees' meals	7.1 Public Welfare Concerns
			Procured more than **1.9 metric tons** of sustainably caught fish and locally produced rice for meal programs serving disadvantaged elderly individuals in senior community dining halls, and donated **1,432 servings** of liquid nutritional food and **21,635 meals**	7.4 Elderly Smile
3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well- being for all at all ages.	Reduce the risk of occupational accidents and diseases	• Achieved an annual health examination participation rate of **99%** • Achieved an annual special operations health examination participation rate of **100%**	6.6 Health Care
		Improve healthcare capacity	Provided **215** online health classes and remote medical consultation services to **10** cultural health stations in Miaoli, benefiting a total of **31,326** participants	7.4 Elderly Smile
4 QUALITY EDUCATION	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	Digital divide bridging	Organized **10** sessions of the "High-tech Adventure" program and the "Future Light Camp" 1.0, 2.0, and 3.0, with a total of **284** teachers and students from rural areas participating	7.2 Light Pioneer
		Pursue educational equality	Total training hours at Taiwan plants increased by **27.8%**, and total training attendances increased by **36.8%**; total training hours at China plants increased by **9.4%**	6.5 Talent Cultivation
			• Sponsored **four** senior students from Cheng Shiu University and Feng Chia University with scholarships totaling **NT$225,000** • Sponsored the Jinping Elementary School choir in Jianshi Township, Hsinchu County by providing scholarships and competition-related funding totaling **NT$370,000**	7.3 Dream Walkers
7 AFFORDABLE AND CLEAN ENERGY 8 DECENT WORK AND ECONOMIC GROWTH	Ensure access to affordable, reliable, sustainable and modern energy for all.	Increase the use of renewable energy	Through the construction of solar power systems, green power wheeling, and the purchase of renewable energy certificates, the use of renewable energy has increased to **16%**	4.1 Nature and Climate Management
		Develop energy-efficient products	• Continued optimization of projector optoelectronic designs, estimated to **save 47.75 million kWh of electricity** and **reduce 22,633 metric tons of CO_2e emissions annually** • EX/EU laser projector series models achieve **55%** energy savings compared to equivalent lamp-based models NEW Laser light source projectors adopted the new UX platform, achieving a **19%** improvement in energy-saving efficiency compared with the previous-generation EX platform • Developed high-efficiency backlight modules, reducing energy consumption by **5.6%** • Optical Luminance Optimization Technology for Backlight Units is expected to save approximately **1.43** million kWh of electricity annually and reduce **679 metric tons of CO_2e** emissions • Three laser projectors and two LCD monitors obtained **ISO 14067** certification	4.4 Green Products

SDG	Goals	Strategies	Performance	Corresponding Sections in this Report
8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	Promote equal pay for equal work	The ratio of average salaries between male and female employees was **1:0.986** at Taiwan plants, **1:0.933** at Kunshan plants, and **1:0.952** at Wujiang plants	6.3 Compensation and Benefits
		Increase employment opportunities	**66** job openings provided at the Taiwan plants; collaborated with **16** schools through industry-academia partnerships and offered **42** internship opportunities	6.5 Talent Cultivation
		NEW	**20** unemployed individuals, single mothers, and new immigrant mothers trained to become meal delivery ambassadors	7.4 Elderly Smile
		Provide quality compensation NEW	• The average annual salary adjustment rate at Taiwan plants ranged from **3% to 5%** • The minimum wages paid to all employees at Taiwan plants **exceeded** the living wage standard and complied with statutory minimum wage requirements	6.3 Compensation and Benefits
NEW 10 REDUCED INEQUALITIES	Reduce inequality within and among countries	Ensure equal opportunity and eliminate discrimination	• The percentage of female employees serving in managerial positions was **31.2%**, and the percentage of female employees in STEM-related positions was **31.8%** • Established a "Senior Employee Rehire Program" and rehired **two** retiring employees	6.3 Compensation and Benefits
		NEW	• Hired **five** new immigrant mothers as meal delivery ambassadors	7.4 Elderly Smile
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption and production patterns.	Reduce waste NEW	• Waste generation intensity decreased by **56%** compared to the base year (2021) • The waste recycling rate was **65%**	4.2 Waste Management
			Organized "Share Love • Save Earth" event, donating a total of **2,088** second-hand items, reducing **610 kg** of waste and cutting **1,257 kg** of carbon emissions	7.1 Public Welfare Concerns
		Increase the usage rate of low-carbon materials and packaging NEW	• **50%** post-consumer recycled (PCR) plastic utilized in product housings, accounting for **13%** of mainstream and commercial projectors' annual shipments • Recycled metals were used in optical engines, thermal modules, and supporting metal plates, accounting for **100%** of the annual shipments of mainstream projectors. • Paper products with FSC certification or recycled pulp utilized in shipping cartons, covering **99%** of the annual projector shipments • Eco-friendly cushioning materials utilized in **95%** of mainstream and smart projectors' annual shipments • Recycled aluminum materials adopted in newly developed laptop models, with an adoption rate of **3.3%**	4.4 Green Products
		Promote sustainable education	The "Annual Sustainability Course" was designated as a mandatory course for all employees, achieving a completion rate of **100%**	2.2 Sustainable Governance
			23 environmental education events centered around the "Green Living Practice Program"	4.5 Green Enterprise
13 CLIMATE ACTION	Take urgent action to combat climate change and its impact.	Enhance supply chain climate change risk awareness	SBT Target–"Reduce absolute scope 1 and 2 GHG emissions **50.4%** by 2032 from a 2021 base year, and reduce absolute scope 3 GHG emissions **30%** within the same timeframe." has been approved by the SBTi	4.1 Nature and Climate Management
		Reduce greenhouse gas emissions NEW	• All scopes covered in this Report have obtained ISO 14064-1 verification • Absolute greenhouse gas emissions (Scope 1 and Scope 2) decreased by **45%** compared to the base year (2021) • Absolute greenhouse gas emissions (Scope 3) decreased by **88%** compared to the base year (2021)	
		Reduce electricity consumption	Electricity intensity decreased by **3%** compared to the base year (2021)	
		Enhance supply chain climate change risk awareness	The Annual Supplier Meeting and sustainability seminars was held with participation from **138** suppliers	5.3 Green Alliance
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.	Increase employee awareness of ethical management	The "Awareness on Business Integrity Course" was designated as a mandatory course for all employees, with both the training completion rate and the signing rate of the "Ethical Corporate Management Best Practice Principles" reaching **100%**	3.4 Ethical Management
		Increase employee awareness of human rights NEW	• The "Human Rights Training" was designated as a mandatory course for all employees, with both the training completion rate and the signing rate of the "Human Rights and Social Responsibilities Policy" reaching **100%** • Taiwan plants conducted a human rights due diligence assessment for the first time and implemented mitigation and remediation measures for **three** material human rights issues	6.2 Human Rights Management
17 PARTNERSHIPS FOR THE GOALS	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.	Collaborate with stakeholders on sustainable projects	RBA audits were conducted for **57 Tier-1 suppliers** and **85 Tier-2 suppliers**. Through online platforms and the annual supplier conference, the Company provided related training and guidance programs to assist suppliers in correcting non-conformities and establishing more resilient sustainability management systems	5 Sustainable Supply Chain
			Collaborated with **10** suppliers on the "Waste Recycling Program"	5.3 Green Alliance
			Collaborated with **seven** social enterprises on the "Farm the Hopes", "Love Followers", and "Elderly Smile" programs	7.1 Public Welfare Concerns 7.4 Elderly Smile
			Collaborated with **four** local universities on the "Light Pioneer" and "Dream Walkers" programs	7.2 Light Pioneer 7.3 Dream Walkers

2.2 Sustainable Governance

2-9, 2-12, 2-13, 2-14, 2-23, 2-24

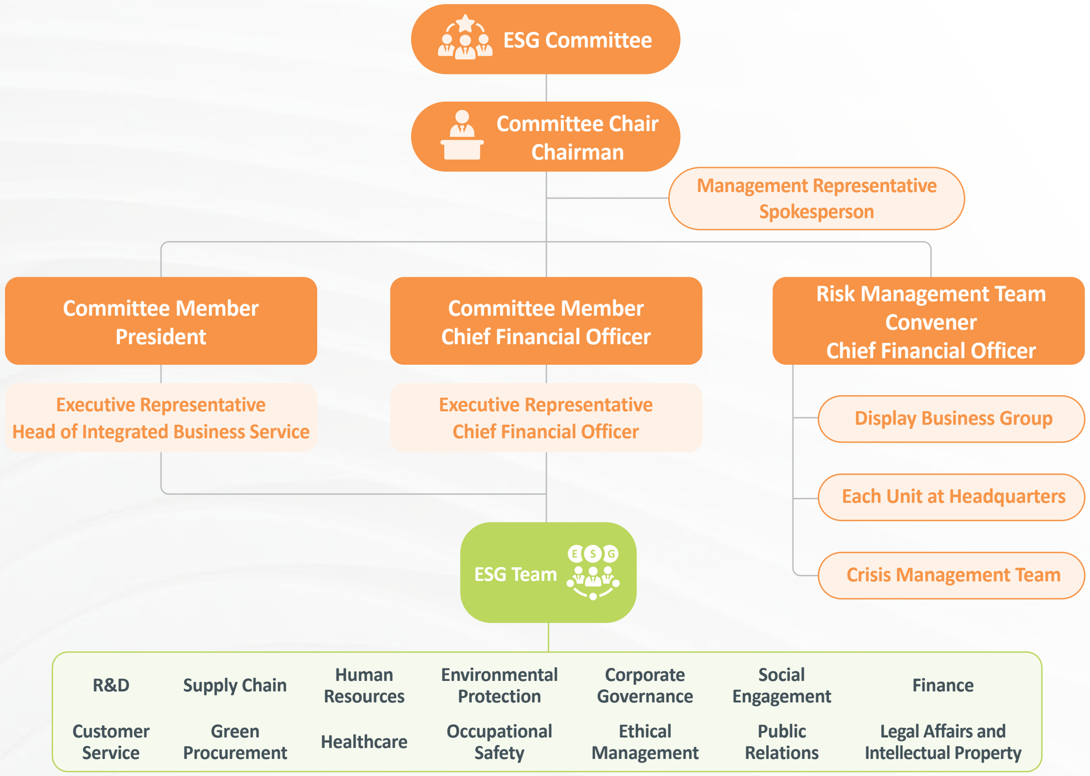
ESG Committee

To promote sustainable development, Coretronic established the "Corporate Social Responsibility Management Committee" in 2008, which was renamed the "ESG Committee" in 2020. Following the "Sustainable Development Best Practice Principles" approved by the Board of Directors, the Chairman serves as the "Chief Commissioner" of the ESG committee, with the President and Chief Financial Officer (CFO) as "Committee members". The "Management Representative" role is assumed by the Spokesperson. The ESG Committee also authorizes "Executive Representatives" from governance/economic, social, and environmental departments to assist in advancing ESG-related initiatives.

Currently, the ESG Committee operates as an independent organization. In 2025, in addition to approving the "Material Topics for the Annual Sustainability Report", the *Annual Sustainability Report*, the "Articles of Incorporation", the "Executive Compensation Proposal", the "Regulations Governing the Compensation and Performance Evaluation of Directors and Executives", the "Corporate Governance Best Practice Principles", and the "Risk Management Policy", the Board of Directors also regularly reviewed reports from the management team (including ESG implementation status), examined the implementation status of sustainability plans and targets, and urged the management team to make adjustments when necessary.

Operation

- The ESG Committee members and executive representatives review the implementation status and results of sustainability initiatives through quarterly presentations and hold quarterly meetings with the ESG team. Executive representatives and ESG team members attend these meetings to track and review the annual sustainability report, domestic and international sustainability ratings and awards, and the achievement status of annual material topics, thereby formulating sustainability plans and targets for the following year.
- The management representative reports the progress of the annual sustainability plan execution each quarter to the Chief Commissioner, committee members, and executive representatives, and presents the annual sustainability performance, along with the key focus areas and plans for the following year, during the annual group meeting.
- The Chief Financial Officer (CFO), both an ESG Committee member and executive representative, provides an annual report to the Board of Directors. The report includes updates on the implementation results of sustainability projects, TCFD, TNFD, various environmental indicators, SBT carbon reduction targets and roadmap, renewable energy strategies, and the future direction for sustainable development. In addition, quarterly updates on the execution of greenhouse gas inventory activities are reported to the Board of Directors.
- ESG Team members establish sustainability policies in accordance with international standards and government regulations and strengthen the execution of sustainability strategies through internal and external training programs.
- Annual material topics are identified by the ESG Team following the Material Topic Identification Process and are reassessed every two years. The material topics for each year are submitted to the Board of Directors for approval.



Sustainable Cultivation

Through participation in internal and external training courses, the issuance of a quarterly ESG e-newsletter, and the sharing of ESG knowledge and activities on electronic and physical bulletin boards, Coretronic seeks to enhance employees' ESG awareness and understanding, ultimately integrating ESG concepts into daily business operations. At the same time, photos and videos from sustainability activities are compiled and disseminated through various channels, including the official website, social media platforms, and Wikipedia, to promote sustainability values and achievements to stakeholders. In 2025, a total of **4,112** attendances were recorded for sustainability-related internal and external training courses, with total training expenses exceeding **NT$370,000**.

Key Courses

- Annual Mandatory ESG Course–"Leading Sustainability, Shaping the Future": To strengthen sustainability awareness among all employees, the Company planned an annual mandatory sustainability course. The course covered key sustainabil ity terminology and definitions, the Company's two major sustainability organizations and their responsibilities, stakeholders and material topics, domestic and international initiatives, and sustainability policies and declarations. Employees were also trained on concepts related to green products and product life cycles. A total of **3,840** employees attended the course and passed the post-course assessment (passing score: 80), achieving a completion rate of **100%**.
- NEW "ISO 14067:2018 Product Carbon Footprint Lead Verifier": To equip members of the Green Product Team and ESG Team with sufficient knowledge and practical skills in product carbon footprints for application in product design and management, the Company invited instructors from SGS to conduct in-house training courses. The training covered interpretation of ISO 14067 requirements, product carbon footprint calculation methods, procedures, and verification techniques. A total of **31** participants completed the course and obtained ISO 14067 Product Carbon Footprint Lead Verifier certification, with total training time reaching **744** hours.
- NEW "TNFD Nature-related Financial Disclosure Sharing Session": Through participation in nature-related forums and seminars involving industry, government, and academia, and through independent study of official TNFD guidance documents, the ESG Department introduced TNFD implementation approaches and tools to members of the Environmental Protection Committee and ESG Team and planned the implementation timeline. A total of **20** participants attended the training, and the Company plans to officially publish its *TCFD & TNFD Report* in 2026.
- NEW "CDP Questionnaire Analysis Course–General Module, Water Security Module, and Climate Change Module": In response to major revisions to the CDP questionnaire and to strengthen disclosure capabilities and assessment performance, the Company assigned **2** employees to participate in the "CDP Questionnaire Analysis Course" organized by the Business Council for Sustainable Development Taiwan (BCSD Taiwan). In 2025, the Company achieved an "A List" Leadership Level rating in the "Climate Change" category and a "B List" Management Level rating in the "Water Security" category.

2.3 Material Topic Identification 2-12, 2-14, 2-23, 2-24, 3-1

According to the GRI Universal Standards 2021 under the Global Reporting Initiative (GRI) Standards system, specifically GRI 3: Material Topics 2021, companies are required to conduct due diligence and disclose in their Sustainability Reports the processes for identifying, preventing, mitigating, and explaining how they address their actual and potential negative impacts on the economy, environment, and people (including human rights). This process must be documented to ensure consensus and approval within the Company's sustainability-related organizations and serve as the standard procedure for future material topic identification.

In 2024, the Company followed the above "GRI Standards" to establish its Material Topic Identification Process and conducts the process once every two years. The principle of "impact level" was used to assess whether a topic qualifies as material. The process involved evaluating the positive and negative impacts, the scope of impact, and the likelihood of occurrence for each topic. In 2025, the Company reviewed and managed the 13 material topics identified in 2024 and incorporated the "13 Material Topics for 2025" into the Company's biennial risk identification process, including risk identification, potential risk analysis (likelihood of occurrence and degree of impact), and risk mitigation measures. The implementation status and results of risk management are regularly reported to the Audit Committee and the Board of Directors every year. Following assurance by an external verification body, the Board of Directors approved the "Material Topics for the 2025 Sustainability Report" on March 16, 2026. The approved content includes the material topic identification process and the 13 material topics.

Understand Organizational Context

Identify Stakeholders

Based on dependency, responsibility, influence, diverse perspectives, and tension, 5 categories of stakeholders that have the greatest impact on Coretronic were identified.

Collect Sustainability Issues

Sources: Sustainability Standards and Guidelines (GRI, RBA, TCFD, TNFD, SBTi, CDP, SASB), United Nations Sustainable Development Goals (SDGs), World Economic Forum (WEF) Global Risks Report (Top 10 Global Risks), United Nations Global Compact (UNGC), International Human Rights Conventions, Benchmarking Sustainable Companies/ Optoelectronics Industry/ Stakeholder Concerns.

Identify Actual and Potential Impacts

Identify Impact Categories of 23 Sustainability Issues

Identify the impact of sustainability issues on the Company

Identify impact categories on economy, environment, and people (including human rights):

- Actual and Potential
- Positive or Negative
- Short-term or Long-term
- Intended or Unintended
- Reversible or Irreversible

Assess the Significance of Impacts

Unidirectional Quantitative Survey

914 annual ESG Surveys
16 annual identification and evaluation of material topics surveys

Bidirectional Qualitative Survey
2 Interviews

Assess sustainability issues' impact level and likelihood of occurrence

Prioritize Material Topics

- High positive/negative impact level
- High likelihood of occurrence

1. Discussion and prioritization by ESG Team
2. Assurance by an independent external assurance provider
3. Approval by the Board of Directors

13 material topics

Review and Manage

Establish management approaches for material topics and review annually

Incorporate annual material topics into the Company's risk identification surveys to facilitate risk identification, risk analysis, and the development of risk mitigation measures

Conduct the material topic identification process once every two years

Understanding Organizational Context

Stakeholder Identification and Engagement 2-29

The Company distributed surveys to 222 mid-level and senior managers and ESG team members, requesting them to identify nine categories of stakeholders—employees, shareholders/investors, customers, suppliers/contractors, government, local communities, external rating agencies, non-governmental organizations, and media, based on the five assessment criteria outlined in the AA1000 Stakeholder Engagement Standard (AA1000 SES 2015): dependency, responsibility, influence, diverse perspectives, and tension. Respondents were also asked to identify the five stakeholder groups with the greatest influence on Coretronic based on their level of importance. Ranked from highest to lowest, the five most influential stakeholder groups were customers, employees, shareholders/investors, suppliers/contractors, and government.

We actively assess stakeholders' needs and expectations of Coretronic through Annual Material Topics Surveys, Chinese/English Sustainability Report, Chinese/English Annual Report, Chinese/English TCFD & TNFD Report, ESG Quarterly E-Newsletter, official website, Facebook fan page, YouTube channel, Wikipedia, ESG mailbox, and the following various communication channels, which serves as important references for formulating the Company's sustainability policies and related plans.

Stakeholders	Importance to the Company	Main Communication Channels and Frequency	2025 Engagement Results	Topics of Concern	Corresponding Sections in this Report
Customers	Customer satisfaction with the Company's products and services is critical to our sustainable operations.	• Customer satisfaction surveys (annually) • Business review meetings (quarterly) • Customer service mailbox (as needed) • Customer ESG audit questionnaires (quarterly/annually) • Supplier conferences hosted by customers (annually)	• Average customer satisfaction score for Visual Solutions: 73 points • Average customer satisfaction score for Energy Saving Products: 89 points • The "Supplier RBA Audit" conducted by a major projector brand customer achieved a perfect score of 100 for the second consecutive year; the "ESG Scorecard" received a score of 93.03, representing an increase of 12.16 points compared to 2024 • For detailed communication results, please refer to Chapter 1.4 Customer Relations of this Report	• Sustainable supply chain management • Green process and product management • Waste management	5 Sustainable Supply Chain 4.4 Green Products 4.2 Waste Management
Employees	Employees are the Company's important assets and the key driving force behind its continuous growth and sustainable operations.	• Labor-management meetings at each plant (quarterly) • Employee Welfare Committee meetings (quarterly) • Occupational Safety and Health Committee meetings (quarterly) • Employee suggestion surveys (annually) • General affairs service satisfaction surveys (semi-annually) • New employee forums (quarterly) • Internal and external company websites, APP, and Line platform (as needed) • Physical employee/8585 mailbox: 8585@coretronic.com (as needed) • Employee 8585 hotline: +886-3-5772000 #8585 (as needed) • Departmental forums and communication meetings (as needed) • EAP (Employee Assistance Program) services (as needed) NEW Employee Welfare Committee AI customer service and AI HR assistant (as needed)	• 16 labor-management meetings held at Taiwan plants; 2 labor-management meetings at Wujiang plants held • 13 Employee Welfare Committee meetings held • 24 Occupational Safety and Health Committee meetings held • Annual employee opinion survey conducted • Two general affairs service satisfaction surveys conducted • Four new employee forums held • 58 complaints recorded • 20 departmental forums and communication meetings held • EAP services utilized 32 times • Received the "2025 National Talent Development Awards" Large Enterprise Award from the Ministry of Labor, Executive Yuan • Received the TCSA "Talent Development Leadership Award" • Ranked among the Top 100 in the "CommonWealth Talent Sustainability Award" • Received the "2025 Happy Enterprise"—Silver Award from the 1111 Job Bank • For detailed communication results, please refer to Chapter 6.4 Communication Channels of this Report	• Compensation and benefits • Friendly workplace • Labor-management relations • Occupational Health and Safety	6.3 Compensation and Benefits 6.4 Communication Channels 6.7 Safe Working Environment

Stakeholders	Importance to the Company	Main Communication Channels and Frequency	2025 Engagement Results	Topics of Concern	Corresponding Sections in this Report
Shareholders / Investors	Shareholders and investors are the owners of Coretronic, and the Company is responsible to them.	• Shareholders' meeting (annually) • Earnings conference (quarterly) • Financial reports (monthly/quarterly/annually) • Spokesperson hotline: +886-3-5772000 #7170 (as needed) • Stock affairs hotline: +886-3-5772000 #1542 (as needed) • Investor Relations mailbox: ir@coretronic.com (as needed) • Participation in investor forums (as needed)	• One shareholders' meeting held • Four earnings conferences held • 279 news exposures • 54 material information announcements in Chinese and 54 in English published • Ranked in the top 5% among TPEx-listed companies in the 11th Corporate Governance Evaluation • Ranked in the top 11%–20% among TWSE/TPEx-listed electronics companies with market capitalization over NT$10 billion in the 11th Corporate Governance Evaluation. • Achieved an "A" rating in the MSCI ESG Ratings • Received a "Low Risk" rating in the Sustainalytics ESG Risk Rating • Received the TCSA "Transparency and Integrity Leadership Award" • For detailed communication results, please refer to Chapter 3.1 Corporate Governance of this Report	• Economic performance • Information security • Climate change	1.2 Operating Overview 3.3 Information Security and Privacy Protection 4.1 Nature and Climate Management
Suppliers / Contractors	Stable support from suppliers and contractors is critical to the company's ability to continuously deliver quality products and services.	• Violation of professional ethics complaint mailbox/ hotline: 8215@coretronic.com (as needed) • Supplier/Contractor Sustainability Commitment Statement (as needed) • RBA audits (annually) • Conflict minerals surveys (annually) • Financial risk assessments (annually) • Regular audits (quarterly/annually) • Supplier conferences (annually) • Outstanding Supplier Awards (annually) • Contractor agreement organization meetings (as needed) • Supplier Circularity Alliance (as needed) • Green Product Management System (as needed)	• Achieved "A list" (Leadership Level) in CDP Supplier Engagement Assessment • 100% signing rate for the "Supplier/Contractor Sustainability Commitment Statement" • 142 suppliers underwent RBA audits • 99% response rate of conflict minerals survey • Five suppliers underwent financial risk assessments • 122 suppliers underwent annual audits • 282 suppliers underwent quarterly reviews • One annual supplier conference held, with 138 suppliers participating • Presented "Energy Saving and Carbon Reduction Contribution" Award", "Sustainability Award", "Model Award", and "Outstanding Performance Award" to 27 suppliers • 70 contractor agreement organization meetings held • 10 suppliers joined the Circular Economy Alliance, achieving a recycling rate of 99% • For detailed communication results, please refer to Chapter 5 Sustainable Supply Chain of this Report	• Green process and product management • Talent cultivation • Sustainable supply chain management	4.4 Green Products 6.5 Talent Cultivation 5 Sustainable Supply Chain
Government	All operational activities of the Company are subject to review and supervision by relevant government regulations.	• Participation in regulatory public hearings, seminars, training courses, and forums (as needed) • Participation in government-hosted ESG competitions (annually)	• No major legal violations occurred • Selected as a constituent of the TPEx 200 Index, TPEx 50 Index, TPEx High Dividend Yield Index, TPEx Compensation Index, and TPEx FactSet Climate Resilience Index • Ranked in the top 5% among TPEx-listed companies in the 11th Corporate Governance Evaluation • Ranked in the top 11%–20% among TWSE/TPEx-listed electronics companies with market capitalization over NT$10 billion in the 11th Corporate Governance Evaluation • Received the Silver Award in the "National Enterprise Environmental Protection Award" from the Ministry of Environment, Executive Yuan • Received the "2025 National Talent Development Awards" Large Enterprise Award from the Ministry of Labor, Executive Yuan • Received the Silver Medal in the "National Invention and Creation Award—Invention Category" from the Ministry of Economic Affairs • Received the "Buying Power—Social Innovation Products and Services Procurement" Shared Value Award from the Small and Medium Enterprise Administration, Ministry of Economic Affairs • Awarded "Outstanding Green Procurement Enterprise" by Hsinchu City and Tainan City governments • Received the "Badge of Accredited Healthy Workplace—Health Promotion" and "AED Safe Place Certification" from the Ministry of Health and Welfare	• Climate change • Friendly workplace • Green process and product management	4.1 Nature and Climate Management 6.3 Compensation and Benefits 4.4 Green Products

Collect Sustainability Issues

Referring to standards and guidelines such as the GRI Standards, Responsible Business Alliance (RBA) Code of Conduct, TCFD, TNFD, Science Based Targets initiative (SBTi), Carbon Disclosure Project (CDP), Sustainability Accounting Standards Board (SASB) Sustainability Indicators, United Nations Sustainable Development Goals (SDGs), top 10 global risks identified by the World Economic Forum (WEF), United Nations Global Compact (UNGC), and International Human Rights Conventions, as well as the key sustainability topics of benchmark companies in the sustainability field, the optoelectronics industry, the electronics manufacturing industry, and stakeholder concerns, Coretronic compiled a list of annual sustainability issues to serve as the core framework for the development of surveys and interviews.

Identify Actual and Potential Impacts

Following the definition of "impact" under the GRI Universal Standards (2021), Coretronic identified the actual and potential impacts of its 23 sustainability issues on the economy, environment, and people (including human rights). This assessment covers impacts that may be actual or potential, positive or negative, short-term or long-term, intentional or unintentional, and reversible or irreversible.

Assess the Significance of Impacts

Using the Company's daily operations as the reference background, Coretronic evaluated the 23 sustainability issues by scoring the positive impact level (benefit), negative impact level (severity), and the likelihood of occurrence for both positive and negative impacts.

- **Unidirectional Quantitative Survey:** Responses were collected from 222 mid-level and senior managers and ESG team members through the "Annual ESG Survey", as well as from 692 stakeholders. In addition, responses were collected from 16 ESG Committee members through the "Annual Identification and Evaluation of Material Topics Survey".
- **Bidirectional Qualitative Survey:** Conducted two rounds of interviews with the ESG Team under the ESG Committee.

Prioritization and Approval of Material Topics

Screening of Material Topics

1. Based on the results of the "Annual ESG Survey" and the "Annual Identification and Evaluation of Material Topics Survey", the Company screened each sustainability issue by evaluating its positive and negative "impact level" and "likelihood of occurrence".
2. Sustainability issues with both a high positive impact level and a high likelihood of occurrence (both scores ≥ 8.5) were selected as "Positive Impact Topics", while issues with both a high negative impact level and a high likelihood of occurrence (both scores ≥ 8.5) were selected as "Negative Impact Topics".

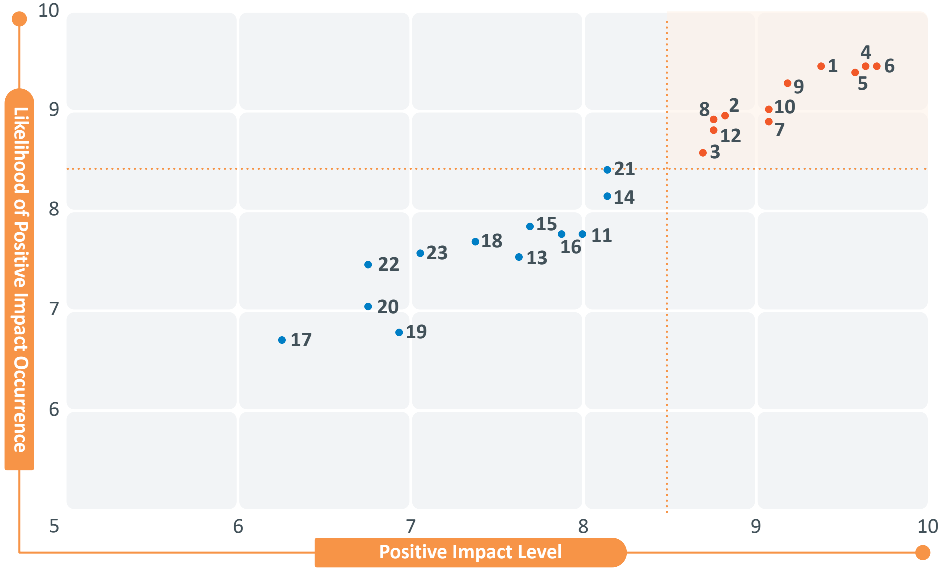
Prioritization of Material Topics

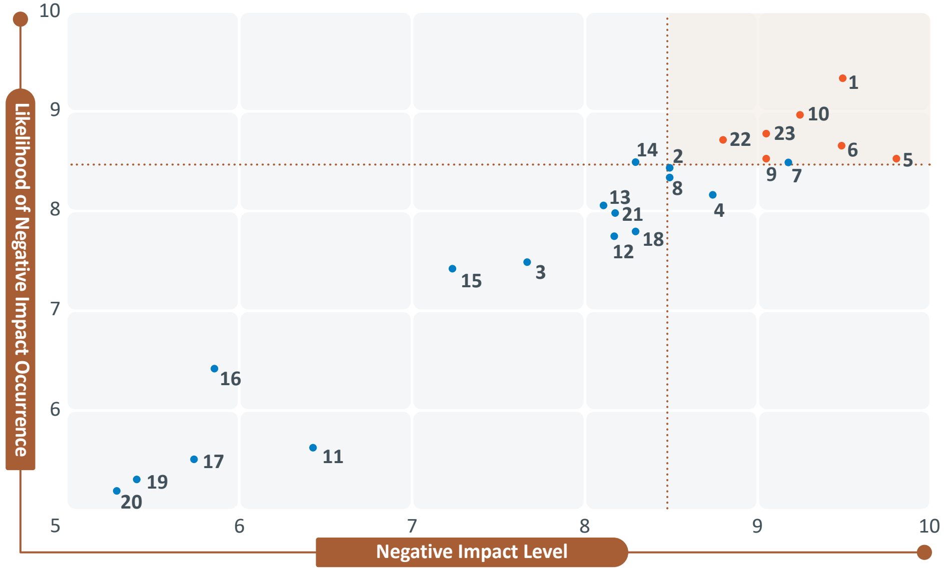
1. The weighted total scores for negative impact level (with an additional weighting of 0.1 for people-related issues) and the scores for positive impact level were each ranked from highest to lowest.
2. Material topics were first prioritized based on the weighted total scores for negative impact level.
3. Positive impact topics were then added to the ranking, with priority still given to topics with higher negative impact weighted scores; in the case of a tie, the topic with the higher positive impact score was prioritized.

Approval of Material Topics

1. Interviews were conducted with members of the ESG Team under the ESG Committee to discuss the Company's actual operational performance for the previous year and the implementation of management strategies, after which the annual material topics were determined.
2. The material topics were verified in collaboration with an external assurance body.
3. The material topics were submitted to the Board of Directors for approval and were formally approved on March 16, 2026, as the "Material Topics for the 2025 Sustainability Report".
4. Relevant targets and strategies were established for each material topic.

Material Topics Identification Results [3-2]





▲ Sustainability issues with both a "positive impact level" score and a "likelihood of positive impact occurrence" score ≥ 8.5, or both a "negative impact level" score and a "likelihood of negative impact occurrence" score ≥ 8.5, are identified as the material topics for the year. ▲

Economic Aspect | Environmental Aspect | People (Human Rights Aspect)

1 Compensation and Benefits	7 Labor-Management Relations	13 Anti-Discrimination	19 Local Procurement
2 Friendly Workplace	8 Green Process and Product Management	14 Waste Management	20 Water Resource Management
3 Talent Cultivation	9 Climate Change	15 Raw Materials Management	21 Customer Relationship Management
4 Innovative R&D Management	10 Information Security	16 Diverse Workforce Composition	22 Prohibition of Forced Labor
5 Occupational Health and Safety	11 Social Welfare and Participation	17 Biodiversity	23 Prohibition of Child Labor
6 Economic Performance	12 Sustainable Supply Chain Management	18 Anti-Corruption	

【Top 3 Positive Impact Issues】

Positive Issues
6 Economic Performance
4 Innovative R&D Management
5 Occupational Health and Safety

【Top 3 Negative Impact Issues】

Negative Issues
5 Occupational Health and Safety
1 Compensation and Benefits
6 Economic Performance

【13 Material Topics for 2025】

	Material Topics
1	5 Occupational Health and Safety
2	1 Compensation and Benefits
3	6 Economic Performance
4	10 Information Security
5	23 Prohibition of Child Labor
6	9 Climate Change
7	22 Prohibition of Forced Labor
8	7 Labor-Management Relations
9	4 Innovative R&D Management
10	2 Friendly Workplace
11	8 Green Process and Product Management
12	12 Sustainable Supply Chain Management
13	3 Talent Cultivation

Material Topics Boundary 2-2, 2-6

This Report is based on the organizational structure of affiliated companies and the internal supply chain (as shown in the diagram below) from the 2025 Consolidated Business Report of Affiliated Companies, serving as the foundation for the identification of material topics. It further identifies material topics for companies with substantial production, in which the company holds more than 50% ownership, have a significant economic, environmental and social impact on the Company, have upstream or downstream relationships with the Company, and where the Company is able to control the operations of non-controlling and venture capital investees.

The scope of this Report includes: Coretronic's Taiwan plants (Headquarters, Chunan Plant, Tainan Plant 1, and Tainan Plant 2); Coretronic's China plants (Kunshan plants: Coretronic Projection (Kunshan) and Coretronic Optics (Kunshan); Wujiang plants: Coretronic Optotech (Suzhou) and Coretronic Optics (Suzhou)); and subsidiaries, including Coretronic Intelligent Cloud Service and Coretronic Intelligent Robotics.

Furthermore, for identifying material topics outside the organization, we selected stakeholders with high importance and high relevance to the Company's daily operations from five stakeholder groups, including customers, and suppliers/contractors, to conduct the identification.

Visual Solutions Products

Components
Coretronic Optics (Kunshan) (Optical Engine)

System Assembly
Coretronic Projection (Kunshan) (Projectors)
Taiwan-Tainan Plant 2 (Projectors)

Sales
OEM / ODM: Coretronic (Projectors)
Own Brand: Optoma Holding Limited (Projectors)

Energy Saving Products

Components
Third-Party Suppliers

Assembly
Coretronic Optotech (Suzhou) (Backlight Modules, LCD Modules, Displays)
Coretronic Optics (Suzhou) (Backlight Modules, LCD Modules, OLED Modules, Touch Modules)
Taiwan-Tainan Plant 1 (Backlight Modules)

Sales
OEM / ODM: Coretronic (Backlight Modules)

- Coretronic Intelligent Robotics: Develops, manufactures, and sells intelligent unmanned aerial vehicles (UAVs)
- Coretronic Intelligent Cloud Service: Provides enterprise customers with consulting, planning, deployment, and software development solutions for "Cloud Infrastructure", "Cloud Operations and Maintenance", and "Cloud Applications"

Material Topics	Specific Topics	Boundary / Corresponding Sections	Within the Organization: Coretronic (Taiwan / China)	Within the Organization: Coretronic Intelligent Cloud Service	Within the Organization: Coretronic Intelligent Robotics	Outside the Organization: Customer	Outside the Organization: Supplier Contractor
Occupational Health and Safety	Occupational Health and Safety	6.6/6.7	●	●	●	-	●
Compensation and Benefits	Market Presence	6.3	●	●	●	-	-
	Diversity and Equal Opportunity	6.3	●	-	-	-	-
Economic Performance	Economic Performance	1.2	●	●	●	-	-
Information Security	Customer Privacy	3.3	●	●	●	-	-
Prohibition of Child Labor	Child Labor	6.2	●	●	●	-	●
Climate Change	Energy	4.1	●	●	●	-	-
	Emissions	4.1	●	●	●	-	-
Prohibition of Forced Labor	Forced or Compulsory Labor	6.2	●	●	●	-	●
Labor-Management Relations	Labor/Management Relations	6.4	●	●	●	-	-
Innovative R&D Management	Economic Performance	1.3	●	●	●	-	-
	Innovative R&D Management		●	●	●	-	-
Friendly Workplace	Employment	6.1/6.3	●	●	●	-	-
Green Process and Product Management	Energy	4.4	●	-	○	-	●
	Emissions	4.4	●	○	○	-	●
Sustainable Supply Chain Management	Supplier Environmental Assessment	5.1/5.2	●	○	○	-	●
	Supplier Social Assessment	5.1/5.2	●	○	○	-	●
Talent Cultivation	Training and Education	6.5	●	●	●	-	-

●: Material and fully disclosed in this Report; ▲: Partially disclosed; ○: Information not fully collected and cannot be disclosed; -: Not applicable

Material Topics Management Approaches [3-3]

Environmental Aspect

Base Year: 2021

Material Topics and SDGs	Significance	Impact	Strategies	Indicators	Goals for 2025	2025 Performance	Achievement Status[1]	Short-Term Goals (2026–2028)	Mid-Term Goals (2029–2031)	Long-Term Goals (2032–2034)	Mitigation Measures Corresponding Sections
Climate Change	Robust mitigation and adaptation strategies can enhance organizational climate resilience and reduce the impacts of climate change	**Positive, actual** In the face of the impacts brought about by climate change, actively manage climate-related risks and opportunities, thereby strengthening the Company's operational resilience	• SBT targets and roadmap • Establishment of solar power systems • Implementation of ISO 50001 • "Environmental Sustainability Policy" • Participation in domestic and international environmental initiatives • Establishment of an internal carbon pricing mechanism • Implementation of carbon reduction actions and measures	Absolute reduction ratio of greenhouse gas emissions (Scope 1 and Scope 2)	18.3%	45%	✓	32.1%	45.8%	59.6%	4.1 Nature and Climate Management
				Absolute reduction ratio of greenhouse gas emissions (Scope 3) NEW	10.9%	88%	✓	19.1%	27.3%	35.5%	
				Electricity intensity reduction ratio	7%	3%	✗	10%	13%	16%	
				Renewable energy usage ratio as a percentage of annual electricity consumption	15%	16%	✓	21%	27%	33%	
Green Process and Product Management	Implementing green processes and developing green products to align with international trends and customer requirements	**Positive, potential** Leading sustainability through innovation by integrating green thinking into technology development and manufacturing processes to reduce product environmental impact and create new profit opportunities for the Company	• Establishment of Green Product Team within each business group • Self-developed and deployed product carbon footprint platform • Regular self-audits and reviews of product carbon footprint emissions • Implementation of ISO 14067 verification for designated products upon customer request • Adoption of green design, raw materials, and manufacturing solutions • Adoption of IECQ QC 080000	Product carbon footprint inventory	• Complete the establishment of product carbon footprint platform • Conduct carbon footprint self-audits for specific products • Obtain ISO 14067 verification for five products	• Completed the establishment of product carbon footprint platform and conducted system verification for mass-produced models • Conducted carbon footprint self-audit for 14-inch backlight module • Obtained ISO 14067 verification for five products	✓	• Launch product carbon footprint platform • Conduct carbon footprint self-audits for new products	Conduct carbon footprint self-audits for all products	Conduct carbon footprint self-audits for all products	4.4 Green Products
				Shipment ratio of mainstream and commercial projectors using post-consumer recycled (PCR) plastic	10%	13%	✓	15%	30%	40%	
				Shipment ratio of mainstream projectors using recycled metals NEW	70%	100%	✓	75%	95%	99%	
				Shipment ratio of mainstream and smart projectors using eco-friendly cushioning materials	66%	95%	✓	74%	75%	76%	
				Shipment ratio of projectors using FSC-certified or recycled pulp cartons	50%	99%	✓	75%	92%	93%	
				Power consumption reduction ratio for high-efficiency backlight modules	5%	5.6%	✓	10%	10%	10%	
				Adoption rate of recycled aluminum materials in newly developed laptop models	3%	3.3%	✓	4%	6%	6%	

1: For details of reasons for not achieving the set goals and corresponding response measures, please refer to Section 4.1 Nature and Climate Management of this Report.

Social Aspect

Material Topics and SDGs	Significance	Impact	Strategies	Indicators	Goals for 2025		2025 Performance	Achievement Status[2]	Goals for 2026	Goals for 2027	Goals for 2028	Mitigation Measures Corresponding Sections
Occupational Health and Safety	Providing employees with a safe working environment and maintaining their physical and mental health to enable them to work with peace of mind and achieve outstanding results	**Negative, actual** Workplace hazard incidents may affect the Company reputation, decrease stakeholders' trust in the Company and increase the Company's personnel and operating costs	• "Occupational Safety and Health Policy" • Review occupational injury incidents regularly and propose preventive improvement measures • Conduct disaster response drills	Number of major occupational injury cases	0 cases		0 cases	✓	0 cases	0 cases	0 cases	6.7 Safe Working Environment
				Lost-Time Injury Frequency Rate (LTIFR) for employees	< 1.5		1.11	✓	< 1.50	< 1.50	< 1.50	
				Lost-Time Injury Frequency Rate (LTIFR) for contractors	< 1.5		0	✓	< 1.50	< 1.50	< 1.50	
			• Implement the Wisdom Generation[1] Worker Health Protection Program, Health Risk Assessment and Management, and Health Screening • Organize health education seminars and professional medical consultation services	Wisdom Generation Workplace Health Satisfaction Score	Taiwan	80 points	96 points	✓	80 points	80 points	80 points	6.6 Health Care
				Number of health promotion activities held	China	8 events	17 events	✓	10 events	10 events	10 events	
Compensation and Benefits	A sound compensation and benefits package is the core foundation for employees to live and work happily	**Positive, actual** Offer competitive market-level compensation to effectively recruit and retain target talents	• Comprehensively evaluate past performance and future potential, refer to market competitiveness and internal job balance, and provide a motivating level of compensation	Number of annual salary structure reviews	1 time		1 time	✓	1 time	1 time	1 time	6.3 Compensation and Benefits
				Number of annual salary adjustments	1 time		1 time	✓	1 time	1 time	1 time	
				Number of promotion salary adjustments	2 times		2 times	✓	2 times	2 times	2 times	
Information Security	A comprehensive information security management and customer privacy protection policy effectively enhances customer trust, making long-term cooperative relationships more solid and close	**Negative, actual** Yet to establish a robust information security management system, may lead to the leakage of confidential information of the Company and its customers, consequently damaging company reputation	• In accordance with ISO 27001, improve information security mechanisms from six major aspects: network security, host security, application system security, equipment security, operational analysis, and information security management	ISO 27001 coverage ratio (companies within the scope of this Report)	Taiwan	100%	100%	✓	100%	100%	100%	3.3 Information Security and Privacy Protection
				Number of network service interruptions in data rooms	Taiwan	≤ 4 times	0 times	✓	≤ 4 times	≤ 4 times	≤ 4 times	
				Number of critical business system service interruptions	Taiwan	≤ 2 times	0 times	✓	≤ 2 times	≤ 2 times	≤ 2 times	
				Number of important system vulnerability scans performed annually	Taiwan	1 time	1 time	✓	1 time	1 time	1 time	
				Number of important system data backups performed annually	Taiwan	2 times	2 times	✓	2 times	2 times	2 times	
				Number of social engineering drills conducted	Taiwan	2 times	2 times	✓	2 times	2 times	2 times	

Material Topics and SDGs	Significance	Impact	Strategies	Indicators	Goals for 2025	2025 Performance	Achievement Status[2]	Goals for 2026	Goals for 2027	Goals for 2028	Mitigation Measures Corresponding Sections
Prohibition of Child Labor	To safeguard the physical and mental well-being and healthy development of minors, the employment/use of workers under the age of 16 is strictly prohibited	**Negative, potential** The use of workers under the age of 16 not only violates regulations but also requires the Company to bear related costs for the child's medical care and education	• Sign the "Human Rights and Social Responsibilities Policy" • Establish internal procedures to ensure robust prevention and remediation mechanisms • Conduct human rights education and training to raise awareness among all employees • Establish a dedicated Social Responsibility Team and conduct third-party verification to ensure implementation effectiveness	Signing rate of the "Human Rights and Social Responsibilities Policy"	100%	100%	✓	100%	100%	100%	6.2 Human Rights Management
				Number of incidents involving the employment/use of child labor	0 cases	0 cases	✓	0 cases	0 cases	0 cases	
				Number of Social Responsibility Team meetings	Taiwan 2 times	4 times	✓	2 times	2 times	2 times	
				Annual labor and human rights risk assessment coverage	Entire Group	Coretronic (Taiwan, China, and Vietnam plants)	✕	Coretronic (Taiwan, China, and Vietnam plants)	Coretronic (Taiwan, China, and Vietnam plants)	Coretronic (Taiwan, China, and Vietnam plants)	
Prohibition of Forced Labor	Prohibiting forced labor ensures a safe and secure work environment while protecting employees' rights and interests	**Negative, potential** Forced labor violates workers' autonomy, causes harms to their health, and undermines the Company's long-term operational performance	• Sign the "Human Rights and Social Responsibilities Policy" • Establish internal procedures clearly defining the scope of forced labor and providing employee communication channels • Conduct human rights education and training to raise awareness among all employees • Establish a dedicated Social Responsibility Team and conduct third-party verification to ensure implementation effectiveness	Signing rate of the "Human Rights and Social Responsibilities Policy"	100%	100%	✓	100%	100%	100%	6.2 Human Rights Management
				Number of forced labor incidents	0 cases	0 cases	✓	0 cases	0 cases	0 cases	
				Number of Social Responsibility Team meetings	Taiwan 2 times	4 times	2 times	2 times	2 times	2 times	
				Annual labor and human rights risk assessment coverage	Entire Group	Coretronic (Taiwan, China, and Vietnam plants)	✕	Coretronic (Taiwan, China, and Vietnam plants)	Coretronic (Taiwan, China, and Vietnam plants)	Coretronic (Taiwan, China, and Vietnam plants)	

Material Topics and SDGs	Significance	Impact	Strategies	Indicators	Goals for 2025		2025 Performance	Achievement Status[2]	Goals for 2026	Goals for 2027	Goals for 2028	Mitigation Measures Corresponding Sections
Labor-Management Relations	Companies and employees have to work together to create a positive labor-management relationship of mutual trust	**Positive, potential** Positive labor-management relations can promote mutual trust, reduce communication costs, and improve operational efficiency	Continuously communicate in a two-way and protected manner with colleagues through various channels, and actively address issues	Number of employee suggestion surveys conducted annually	At least 1 time		1 time	✓	At least 1 time	At least 1 time	At least 1 time	6.4 Communication Channels
				Number of labor-management meetings	Taiwan	4 times per plant	4 times per plant	✓	4 times per plant	4 times per plant	4 times per plant	
				Number of topic-based forums held	Wujiang	2 times	6 times	✓	2 times	2 times	2 times	
					Kunshan	4 times	5 times	✓	4 times	4 times	4 times	
Friendly Workplace	Creating a more friendly workplace atmosphere to promote work-life balance	**Positive, actual** Employees working in a friendly workplace can enhance their sense of belonging and confidence in the Company, and improve work efficiency	Provide diversified welfare programs, making every effort to create a happy workplace that employees would appreciate	Number of HR-related awards or certifications obtained	Taiwan	At least 1 time	• Received the "2025 National Talent Development Awards" from the Ministry of Labor, Executive Yuan • Received the "2025 Happy Enterprise"—Silver Award from the 1111 Job Bank • Received the TCSA "Talent Development Leadership Award"	✓	At least 1 time	At least 1 time	At least 1 time	6.3 Compensation and Benefits
				New hire retention rate	Taiwan	85%	85.4%	✓	85%	85%	85%	
				Number of employee care and welfare events	Kunshan	6 times	21 times	✓	6 times	6 times	6 times	
				Number of employee care events	Wujiang	4 times	5 times	✓	4 times	4 times	4 times	
				Satisfaction score for employee care activities		9.5 points	9.6 points	✓	9.5 points	9.5 points	9.5 points	
Talent Cultivation	Build a diverse and evolving training system to continuously enhance the competitiveness of employees and supervisors	**Positive, actual** A comprehensive and diverse training mechanism effectively improves employee competitiveness, work efficiency, and goal achievement	Continue building a well-rounded career roadmap and learning blueprint to cultivate management talent	Number of annual training needs survey	1 time		1 time	✓	1 time	1 time	1 time	6.5 Talent Cultivation
				Average training hours per employee	Taiwan	22 hours	40.7 hours	✓	24 hours	26 hours	28 hours	
					China	9 hours	15 hours	✓	9 hours	9 hours	9 hours	

1: The "Wisdom Generation" refers to employees aged over 45.
2: For details of reasons for not achieving the set goals and corresponding response measures, please refer to Section 6.2 Human Rights Management of this Report.

Economic Aspect

Material Topics and SDGs	Significance	Impact	Strategies	Indicators	Goals for 2025	2025 Performance	Achievement Status[1]	Goals for 2026	Goals for 2027–2028	Mitigation Measures Corresponding Sections
Economic Performance	The Company aims to pursue the greatest interests of all shareholders and employees, and to achieve the mission of "technology-rooted, sustainable operations"	**Positive, actual** Good economic performance, increasing stakeholders' trust and willingness to invest in the Company	• Deeply cultivate innovative display solutions, and focus on comprehensive solutions for cloud services, artificial intelligent and various intelligent domains • Steady profitability, sustainable operations	Consolidated gross profit margin annual budget	More than 18%	Due to continued global economic downturn and changes in product mix and exchange rate fluctuations, the 2025 consolidated gross profit margin was 17.3%	✕	More than 15%	• Advance global expansion • Promote development of new business units within the Group	1.2 Operating Overview
				Net profit attributable to parent company shareholders annual budget	More than 2%	Due to gross margin decline from product mix changes and exchange rate fluctuations, the net profit attributable to parent company shareholders in 2025 was 0.9%	✕	More than 1.5%		
Innovative R&D Management	Continuous innovation and R&D are key drivers for organizational advancement and sustainable corporate development	**Positive, actual** Develop products with high-tech contexts, increasing product sales	Deeply cultivate core technologies and expand key technologies in cross-application domains	Strengthen the global competitive advantage in display technology	• Develop more advanced and forward-looking display products • Develop products aligned with emerging AIoT application trends	• Mass-produced highly energy-efficient LGPs and mini LED backlight modules, improving efficiency by 15%–25%, while advancing the mass production of reflective panels and front-light modules for e-paper displays • Mass-produced 6th-generation privacy notebook modules, automotive CID and passenger displays supporting dynamic viewing angle switching to enhance safety, and completed the development and promotion of next-generation OLED display privacy solutions • Mass-produced AI smart projection products with deep integration of AI technologies, incorporating voice control, intelligent geometric correction, personalized light projection, and smart edge blending to improve operational convenience and commercial application efficiency • Utilized AI algorithms to optimize fan and thermal management systems, improving photothermal conversion efficiency and design precision under low-noise, energy-saving, and lightweight conditions, thereby shortening development cycles and enhancing product lifespan and stability	✓	• Continue expanding into smart glasses, automotive projection, and smart cockpit products, providing customers comprehensive design with brand and system, integration manufacturing, and after-sales solutions • Develop edge computing and AI devices to enhance information security, application stability, and production efficiency, while incorporating energy-saving and carbon-reduction designs to create high-value products with low environmental impact	• Continue deepening core display and optical technologies, develop high-end display products, and integrate cloud services, AI, and edge computing applications to continuously launch high-quality, high-value-added products and strengthen global competitive advantages • Focus on smart space, the metaverse, smart cockpits, and Pico projector applications to promote niche and forward-looking products that meet market demand • Integrate ESG concepts into product design through modular design, smart repair systems, and low-power-consumption technologies to extend product lifecycles and reduce carbon emissions and resource waste	1.3 Innovative R&D
				R&D expenditure as a percentage of consolidated revenue	6%	7.4%	✓	6%	6%	
			Protect intellectual property rights	Actively apply for invention patents	Ranked among the "Top 100 Domestic Corporate Invention Patent Applications" in Taiwan	• Ranked 88th among the "Top 100 Domestic Corporate Invention Patent Applications" in Taiwan • Ranked 78th in Clarivate's Top 100 Global Innovators™	✓	Ranked among the "Top 100 Domestic Corporate Invention Patent Applications" in Taiwan	Ranked among the "Top 100 Domestic Corporate Invention Patent Applications" in Taiwan	
Sustainable Supply Chain Management	Pursuing "sustainable prosperity" with supplier partners is a critical element of corporate sustainability	**Positive, potential** Implementing sustainable supply chain management can reduce risks and ensure continuous business operations	Follow standards, conduct risk assessments, perform regular audits, provide training and coaching, hold annual supplier conferences, and recognize outstanding suppliers	Supplie/Contractor Sustainability Commitment Statement signing rate	90%	100%	✓	95%	95%	5.2 Responsible Supply Chain Management
				Number of Tier-1 suppliers undergoing annual RBA audits	50 suppliers	57 suppliers	✓	50 suppliers	50 suppliers	

1: Please refer to Section 1.2 Operating Overview of this Report for explanations of unmet goals and corresponding response measures.

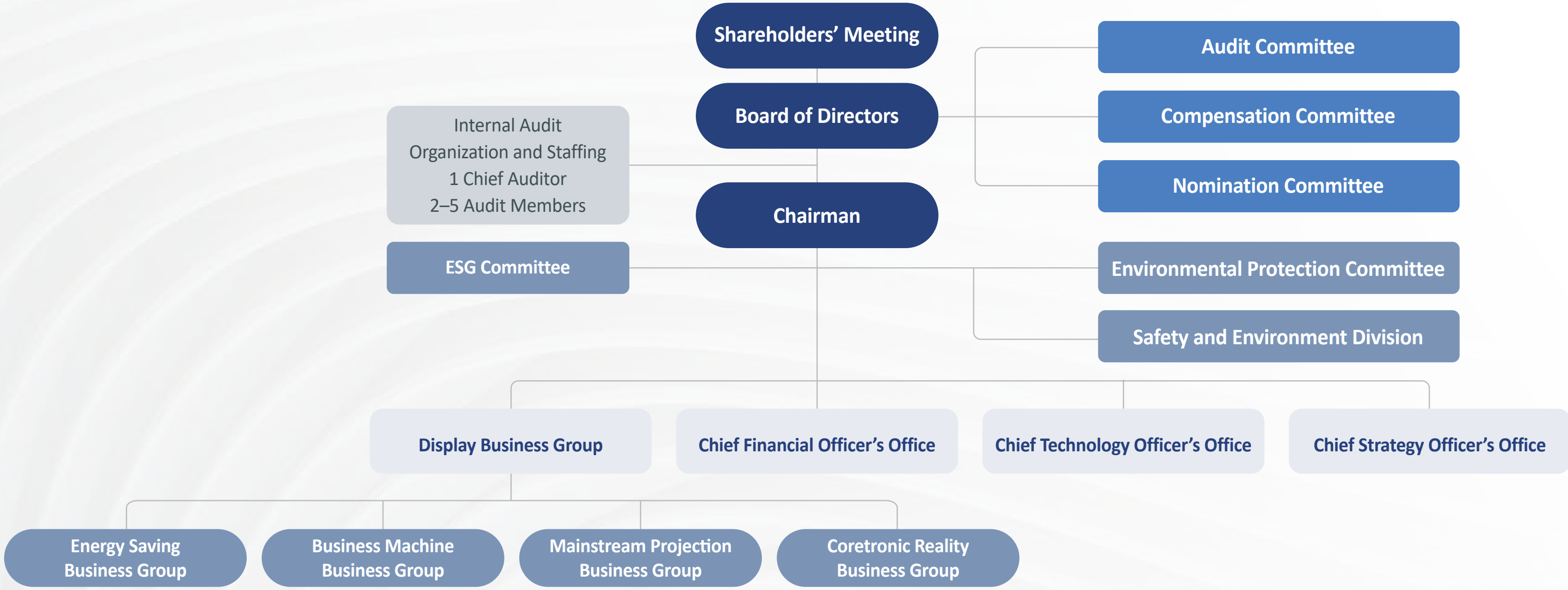
Chapter 3

Corporate Governance

3.1 Governance Organization

Coretronic adheres to the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" as the guiding framework for its corporate governance operations. The Company complies with applicable laws and regulations regarding corporate governance and internal management mechanisms. It ensures operational and financial information transparency, safeguards shareholders' rights, and enhances oversight and management of the Company's operations through the Board of Directors. In addition, Coretronic has established an Audit Committee, a Compensation Committee, and a Nomination Committee to assist the Board in fulfilling its responsibilities.

To safeguard the rights of shareholders, Coretronic not only discloses the Company's financial information and corporate governance information through the company website and the Market Observation Post System (MOPS) but also appoints a spokesperson and a deputy spokesperson to handle shareholder suggestions or disputes. The Company has implemented a spokesperson system and assigned dedicated personnel to collect and disclose company information, fulfilling its legal obligations and responsibilities for information disclosure.



Board of Directors [2-9, 2-12, 2-16, 2-19]

The Board of Directors is the highest governing and decision-making unit for major operational decisions of the Company. Its responsibilities include appointing and supervising the Company's management, monitoring operational performance, preventing conflicts of interest, and ensuring that the Company complies with various laws, corporate charters, and resolutions of the shareholders' meeting in exercising its powers and striving to maximize shareholders' interests.

The Board of Directors convenes at least once per quarter, during which the Company's management team presents reports on operational performance. The Board then deliberates on future business strategies and significant policies.

The Board has established three functional committees (the Audit Committee, the Compensation Committee, and the Nomination Committee). Matters resolved by these committees are submitted to the Board for discussion, allowing the Board to perform its oversight responsibilities more effectively and enhance shareholder value. Additionally, according to the "Regulations Governing Procedure for Board of Directors Meetings", key material matters related to governance, economic, social, and investment issues must be approved by the Board. In 2025, the Board approved a total of 37 resolutions, among which seven resolutions were related to sustainable governance, including the "Material Topics for the 2024 Sustainability Report", the *2024 Sustainability Report*, the "Articles of Incorporation", the "Executive Compensation Proposal", the "Regulations Governing the Compensation and Performance Evaluation of Directors and Executives Proposal", the "Corporate Governance Best Practice Principles", and the "Risk Management Policy".

Board Members [2-9, 2-10, 2-11]

Title	Name	Gender	Age	Years of Service as Independent Director	Main Educational Background and Experience	Current Position at Coretronic	Attendance Rate	Term of Office
Chairman	Wade Chang	Male	71–80	-	• Master of NTU-Fudan EMBA, National Taiwan University • Chairman, Coretronic Corporation	Managerial Officer	100%	June 18, 2025–June 17, 2028
Director	Representative of Hsun Chieh Investment Ltd.: Hsin-Chieh Hsu	Male	51–60	-	• Master in Business Administration, Tunghai University • Senior Vice President, Hsun Chieh Investment Ltd.	None	100%	
Director	Representative of HannStar Display Corporation: Yu-Chi Chiao	Male	61–70	-	• Doctor of Business Administration, City University of Hong Kong • Doctor of Business Administration, Fudan University • Chairman, HannStar Display Corporation	None	83%	
Director	Han-Ping D. Shieh	Male	71–80	-	• Ph.D. in Electrical and Computer Engineering, Carnegie Mellon University, USA • Life Chair Professor, National Yang Ming Chiao Tung University	None	100%	
Independent Director	Hsing-Yi Chow	Male	61–70	6–9 years	• Ph.D. in Business, Indiana University-Bloomington, US • Emeritus Professor of Department of Finance, National Chengchi University	None	100%	
Independent Director	Audrey Tseng	Female	61–70	Less than 6 years	• Master of Business Administration, Executive MBA of National Taiwan University and Fudan University • Advisory Committee Member, Bio-Taiwan Committee	None	100%	
Independent Director	Hung-Pin Ku	Male	41–50	Less than 6 years	• Bachelor of Laws, National Taipei University • Lawyer, Ku Hung-Pin Law Firm	None	100%	

According to the "Directors Candidate Nomination System" stated in the Company's Articles of Incorporation, directors are elected at the shareholders' meeting from the list of nominated candidates. In accordance with the Company's "Corporate Governance Best Practice Principles", the composition of the Board of Directors should consider diversity. Apart from the Company's President not being allowed to serve as a board director, appropriate diversity guidelines should be formulated based on the Company's operations, business model, and development needs, which should include but not be limited to the following two major aspects:

1. Basic Criteria and Values: Gender, age, nationality, and culture.
2. Professional Knowledge and Skills: Professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional expertise, and industry experience

Specific management objectives and achievements of the Company's diversity policy:

Category	Management Objectives	Achievement Status
Concurrent Positions	Directors who concurrently serve as managerial officers of the Company shall not exceed one-third of the total number of board members	Achieved
Gender	Addition of a female director	Achieved
Term of Office	The maximum term of independent directors shall not exceed nine consecutive years	Achieved
NEW Meeting Attendance	The attendance rate of each director at Board meetings should reach 75% or above	Achieved

1 seat

Female Director Ratio 14%

3 seats

Independent Director Ratio 43%

Average Attendance Rate of Directors 98%

Board Meetings Convened 6 times

Conflict of Interest Avoidance [2-15]

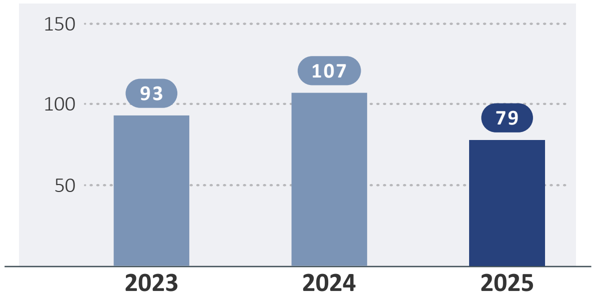
The Company's "Regulations Governing Procedure for Board of Directors Meetings" include provisions regarding directors' conflict of interest avoidance. If a director has a conflict of interest with respect to any matters discussed at a meeting, either personally or on behalf of the legal entity represented by the director, the director shall explain the material aspects of such interest relationship during the relevant Board meeting. Where there is a concern that such interest may be detrimental to the interests of the Company, the director shall not participate in the discussion or voting on the matter and shall recuse himself or herself during the discussion and voting process. Such director may also not exercise voting rights on behalf of another director. Mr. Wade Chang, Chairman of the Company, concurrently serves as a managerial officer due to his expertise in business management, leadership decision-making, and forward-looking industry insights, which have significantly contributed to the Company's operational development. While providing professional opinions at Board meetings, he also complies with the aforementioned conflict of interest avoidance provisions applicable to directors. In addition, the Company has established three independent director seats. Independent directors are expected to provide recommendations based on their professional expertise and experience. When discussing any proposal, the Board of Directors shall fully consider the opinions of independent directors, and the reasons for their approval or objection shall be recorded in the Board meeting minutes. None of the Board members have cross-shareholding relationships with major suppliers.

Director Training Courses [2-17]

To enhance all directors' capabilities and competencies in sustainable operations and corporate governance, and to strengthen the Board's oversight of sustainability-related strategies, risks, and opportunities, the Company not only arranges regular director training courses each year, but directors also actively participate in external training programs. In 2025, the total training time completed by all directors reached 79 hours. Sustainability-related courses included, but were not limited to, the following. For information on other training programs attended, please refer to pages 38–39 of the 2025 Annual Report:

- Integrity and Responsibility in ESG Investing: Strengthening Market Confidence and Investment Value
- Sustainability Equals Innovation: Value Management Trends Amidst Net-Zero Challenges
- How the Board Responded to the 12 ESG Risk Issues
- Benchmark Actions in the Era of Co-Governance
- Latest Insider Trading Topics Essential for Corporations
- Current Global Economic Conditions and Corporate Risk Response
- Latest Developments in Corporate Governance and the Responsibilities of Directors, Supervisors, and Managerial Personnel
- Corporate Governance: Corporate and Directors/Supervisors' Duties and Responsibilities under the Securities and Exchange Act
- 2025 Corporate Governance Forum: Corporate Governance in Times of Change

Annual Directors' Training Hours



Board Performance Evaluation [2-18]

The Company's Board of Directors has established the "Regulations for Performance Assessment of Board of Directors" in April 2018, revised in October 2019 and disclosed on the Company's website. An internal evaluation of the performance of the Board of Directors, individual directors, and each functional committee is conducted annually through a self-assessment questionnaire. The designated unit is responsible for conducting the evaluation, with the evaluation period spanning from January 1 to December 31, 2025. The results are then submitted to the Board of Directors. Additionally, an external performance evaluation of the Board of Directors is conducted by an independent third-party professional institution at least once every three years and reported to the Board. The most recent external evaluation was conducted in 2023 and disclosed in the *2023 ESG Report*.

The results of the 2025 internal evaluations were reported to the Board of Directors in February 2026 and will serve as a reference for continuously enhancing the functions of the Board, functional committees, determining individual director compensation, and nominating directors for reappointment.

Subject	Board of Directors	Individual Directors	Compensation Committee	Audit Committee	Nomination Committee
Self-Evaluation Criteria	• Level of participation in company operations • Enhancement of board decision-making quality • Composition and structure of the board • Director selection and continuing education • Internal control	• Understanding of company goals and mission • Awareness of director responsibilities • Level of participation in company operations • Management and communication of internal relationships • Director expertise and continuing education • Internal control	• Level of participation in company operations • Awareness of committee responsibilities • Enhancement of committee decision-making quality • Committee composition and member selection • Internal control	• Level of participation in company operations • Awareness of committee responsibilities • Enhancement of committee decision-making quality • Committee composition and member selection • Internal control	• Level of participation in company operations • Awareness of committee responsibilities • Enhancement of committee decision-making quality • Committee composition and member selection
Overall Result	**4.6** out of 5	**4.6** out of 5	**5.0** out of 5	**4.9** out of 5	**5.0** out of 5

Functional Committees 2-9, 2-19, 2-20

Committee Name	Audit Committee	Compensation Committee	Nomination Committee
Established	2010	2012	2020
Members	Composed of three independent directors (Hsing-Yi Chow, Audrey Tseng, and Hung-Pin Ku)		
Responsibilities/ Review Items	• Formulation or amendment of the internal control system • Assessment of the effectiveness of the internal control system • Procedures for handling significant financial and business activities • Matters involving conflicts of interest of directors • Major asset or derivative transactions • Major lending of funds, endorsements, or provision of guarantees • Public offering, issuance, or private placement of equity securities • Appointment, dismissal, or compensation of certified public accountants • Appointment or dismissal of financial, accounting, or internal audit officers • Financial reports signed or sealed by the Chairman, managers, and accounting managers • Other major matters as stipulated by the Company or the competent authority	• Regularly review the "Organizational Regulations of the Compensation Committee" and propose amendments • Establish and periodically review the policies, systems, standards, and structure of annual and long-term performance goals and compensation for the Company's directors and managers • Regularly assess the achievement of performance targets by directors and executives, and determine their individual compensation packages	• Based on the required professional knowledge, skills, experience, gender diversity, and independence standards for directors and senior executives, identify, review, and nominate candidates for directors and senior managers • Conduct performance evaluations of the Board, each committee, and each director, and assess the independence of independent directors • Review the appointment and dismissal of senior executives • Other matters delegated to this committee by resolution of the Board of Directors
Number of Meeting Held	5	2	1
Average Attendance Rate	100%	100%	100%
Term of Current Committee Members	June 18, 2025–June 17, 2028		

Linkage Between Executive Compensation and Sustainability Performance 2-18, 2-19

To strengthen the integration of corporate operations and sustainability, and to align with domestic and international evaluation and award standards, the Company officially incorporated sustainable development into executive performance indicators in 2024 and reported the initiative to the Compensation Committee, thereby implementing a linkage between executive compensation and ESG performance evaluation. Sustainability performance indicators include governance (such as corporate governance evaluations, product R&D and patent portfolio development, and sustainable supply chain management), environmental aspects (such as green product design and R&D, and the utilization rate of low-carbon materials), and social aspects (such as social inclusion projects, achievement of talent development goals, and diversified communication channels).

Starting in 2025, the Company officially incorporated the "Annual Material Topic Management Targets" and "Sustainable Development Targets" into the compensation mechanisms for the Chairperson of the ESG Committee (Chairman of the Board) and committee members (the President and CFO). The Company also designed dedicated sustainability performance weighting mechanisms based on each executive's functions and responsibilities, thereby establishing a concrete linkage between ESG performance and senior executive compensation.

Senior Executives	Performance Indicators	Implementation Method
Chairman, President, CFO	Financial and Strategic Indicators (85%)	• Economic performance
	Sustainability Indicators (15%)	• Green supply chain and green product R&D • Implementation of social inclusion projects • Top 5% ranking in Corporate Governance Evaluations • Achievement rate of annual material topic targets
Chief Technology Officer, Chief Strategy Officer	Financial and Strategic Indicators (85%)	• Economic performance • Innovative R&D management
	Sustainability Indicators (15%)	• Patent and technology strategy planning • Top 5% ranking in Corporate Governance Evaluations
Business Group Supervisors	Financial and Strategic Indicators (85%)	• Economic performance • Innovative R&D management
	Sustainability Indicators (15%)	• Green product R&D and the introduction of energy-saving, material-reduction, and recycled-material development initiatives • Participation in customer ESG activities • Talent development, public welfare sponsorship, social inclusion, and diversified communication • Ensuring that suppliers' manufacturing processes and materials comply with environmental regulations • Top 5% ranking in Corporate Governance Evaluations

03

3.2 Risk Management

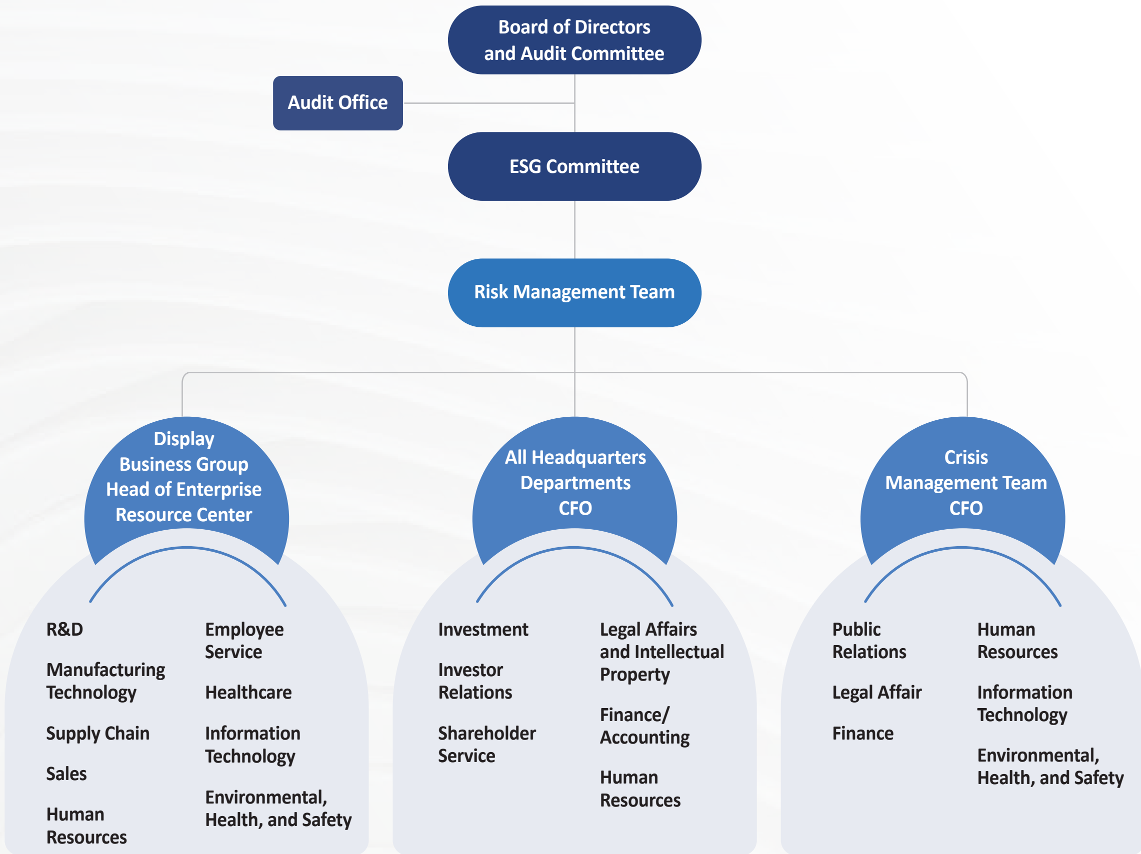
Risk Management Policy

To identify and manage potential internal and external risks that may impact the Company's operations, the Company has established a "Risk Management Policy". Based on this policy, risk factors are identified and prioritized to define the scope of risk management. In accordance with the latest standards and professional practices in internal auditing, the Company monitors potential risks and implements preventive measures to strengthen risk management, enhance crisis response capabilities, and achieve risk control objectives. These efforts further enhance shareholder value, maintain competitiveness, and establish a solid foundation for sustainable operations.

Risk Management Organization

The "Risk Management Team" integrates various risk management units under the ESG Committee, with the Chief Financial Officer (CFO) overseeing the operations of the Risk Management Team. In accordance with the "Risk Management Policy" approved by the Board of Directors in 2025, the Company conducts risk factor identification and risk control activities to enhance the efficiency of coordination, self-assessment, and execution within the risk management organization. The operational status for 2024 was reported to the 2nd meeting of the 12th Board of Directors on July 28, 2025. The responsibilities at each level of the risk management organization are described below:

Organization Level	Responsibilities
Board of Directors and Audit Committee	Formulate risk management policies, frameworks and culture, and ensure the effectiveness of risk management mechanisms.
Audit Office	According to the Company's internal control and audit plan, regularly audit each business unit to ensure that risk management is effectively implemented, and based on the audit results, prepare an audit report and track improvements.
ESG Committee/ Risk Management Team	Implement the Board of Directors' risk management resolutions, coordinate cross-departmental risk management interactions and communication, be responsible for operational decision planning, and evaluate medium and long-term investment benefits, in order to mitigate strategic risks. • Display Business Group: Carry out routine risk management activities and conduct self-assessments of risk control activities. • All Headquarters Departments: Financial risk assessment, human resource allocation and response, execution of various insurance operations, media public relations and external liaison matters, review and establishment of legal compliance and intellectual property rights. • Crisis Management Team: The objectives of crisis management include setting management goals, identifying, analyzing, assessing, preventing, responding to, and recovering from potential crises.



Risk Management Scope

Based on changes in the global economy, finance, environment, and industry conditions, and in alignment with the Company's sustainable operation objectives, annual material topics, and stakeholder concerns, the Company classifies its risk identification scope into six major categories: enterprise risk, financial risk, information security risk, operational risk, human capital risk, and emerging risk.

Enterprise Risk

- Geopolitical Volatility
- Rapidly Changing Market Trends
- Increasing Competition
- Political Risk and Uncertainty
- Disruptive Technologies
- Economic Slowdown or Slow Recovery
- Commodity Price Risk or Scarcity of Materials
- Failure to Innovate or Meet Customer Needs
- Failure to Implement/Communicate Strategy
- Damage to Reputation or Brand

Operational Risk

- Product Liability/Recall

Information Security Risk

- Cyberattacks or Data Breach

Financial Risk

- Exchange Rate Fluctuation

Human Capital Risk

- Skills Gap
- Failure to Attract or Retain Top Talent

Emerging Risk

- State-Based Armed Conflict
- Misinformation and Disinformation
- Economic Inequality
- Adverse Outcomes of AI Technologies
- Social Polarization

Risk Management Courses

In 2025, the Company incorporated multiple risk-related training courses into mandatory training courses for all employees to strengthen risk management awareness in daily operations. Board members were also encouraged to continuously participate in external risk-related training courses to enhance their oversight function regarding corporate risks. Total attendances across all risk management-related training courses reached 53,416.

Category	Risk Item	Topic	Title	Participants
Enterprise	Rapidly Changing Market Trends	Risk Management	Current Global Economic Conditions and Corporate Risk Response; Benchmark Actions in the Era of Co-Governance; How the Board Responded to the 12 ESG Risk Issues	Board members
Emerging	Misinformation and Disinformation	Information Security	Information Security Awareness, Policies, and Defensive Concepts; Phishing and Impersonation Scams	All employees
Emerging	Environmental Pollution	Climate Change	ISO 14001; ISO 45001; CNS 45001; ISO 14064-1; Environmental Education Learning Activities	
Information Security	Data Privacy (including GDPR) Requirements/Non-Compliance	Information Security	Coretronic Privacy Policy Awareness; Corporate Trade Secret Protection	
Human Capital	Harassment/Discrimination	Workplace Safety	Prevention of Workplace Discrimination and Harassment; Focus on Women's Rights; Workplace Respect and Safety	

Risk Identification and Management Process

To strengthen the risk management mechanism and identify internal and external risks that may affect operations, the Company initiated its biennial risk identification process at the end of 2025. Through four systematic steps (identification, assessment, analysis, and response), the Company establishes pre-emptive evaluation and response measures to achieve proactive risk control. Relevant management results are reported to the Board of Directors annually.

For risk identification, the Company referenced Aon's *Global Risk Management Survey* and, after comprehensively considering trends in the global economy, finance, environment, and industry developments, the Risk Management Team initially identified 39 general risks across five major categories: corporate, financial, information security, operational, and human capital risks. In addition, based on the top 10 global long-term risks, top 10 corporate long-term risks, and top 5 Eastern Asia long-term risks identified in *The Global Risks Report 2025* published by the World Economic Forum (WEF), the Company further identified 12 emerging risks.

Subsequently, supervisors of relevant operating units and senior management conducted a two-stage evaluation and discussion based on "likelihood of occurrence" and "impact level". The results were used to develop a risk matrix, which serves as the core basis for subsequent risk control and resource allocation.

Risk Identification

- Based on industry characteristics and international trends, the Risk Management Team initially identified 39 general risks and 12 emerging risks, and subsequently developed a risk identification survey.

Risk Assessment

- Phase 1: A first-stage risk assessment was conducted by 296 supervisors of relevant operating units. Based on experience relating to general risks and future 10-year trends relating to emerging risks, the likelihood of occurrence and impact level were evaluated and scored, resulting in the selection of the top 20 risk issues (including 15 general risks and 5 emerging risks).
- Phase 2: A second-stage risk assessment was conducted by 19 senior executives of the Group, who evaluated and scored the likelihood of occurrence and impact level for the top 20 risk issues.

Risk Analysis

- Through the risk assessment process, the likelihood of occurrence and impact level are multiplied to calculate a risk value, which is then used to classify risks into high-, medium-, and low-risk levels and establish a risk matrix.
- In addition to risk levels, risk appetite is also incorporated into the overall ranking process to determine the priority risk items requiring attention and response.

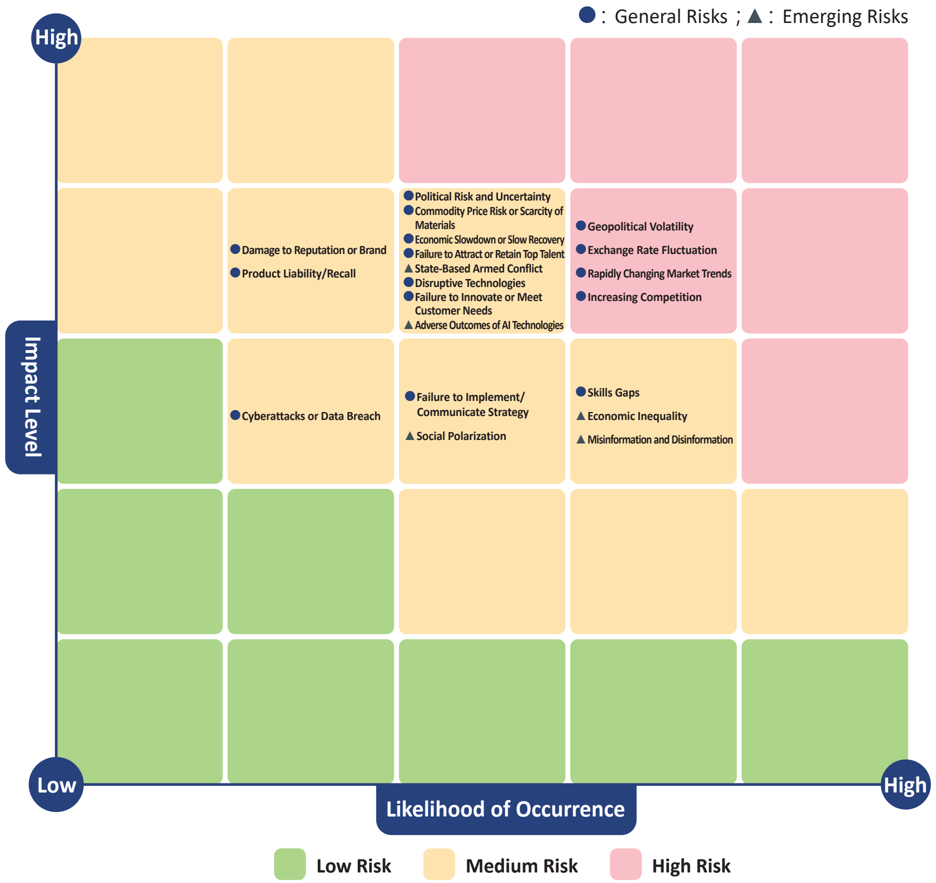
Risk Response Measures

- Corresponding treatment and response strategies are adopted based on different risk levels and categories to mitigate the likelihood of occurrence and impact level of risks.

Risk Matrix

The Company determines the risk level of each risk issue by comprehensively evaluating its "impact level" and "likelihood of occurrence", while also aligning the assessment with the Company's risk appetite. Risks are categorized into three levels: high, medium, and low. To ensure rigorous risk control, the Company includes highly impactful extreme events, such as fatalities, complete operational disruptions, major financial losses, or severe damage to brand reputation, within the scope of medium-risk (or above) management, even when the likelihood of occurrence is extremely low and exceeds the organization's risk appetite. This approach strengthens preventive measures and dynamic monitoring mechanisms.

In 2025, through the risk identification survey, the Risk Management Team comprehensively evaluated likelihood, impact, and risk appetite, identifying a total of 20 key risk issues. These consisted of 15 general risks (including 4 high-risk issues and 11 medium-risk issues) and 5 emerging risks that may emerge over the next 10 years. For key risks requiring priority attention, the Company has established corresponding risk mitigation measures and contingency plans to reduce potential impacts and ensure operational resilience.



Risk Issues and the Corresponding Material Topics

Risk Issue	Corresponding Annual Material Topic	Risk Level
Geopolitical Volatility	Sustainable Supply Chain Management	High
Exchange Rate Fluctuation	Economic Performance	High
Rapidly Changing Market Trends	Economic Performance	High
Increasing Competition	Economic Performance	High
Skills Gaps	Talent Cultivation	Medium
Political Risk and Uncertainty	Sustainable Supply Chain Management	Medium
Commodity Price Risk or Scarcity of Materials	Economic Performance, Innovative R&D Management	Medium
Economic Slowdown or Slow Recovery	Economic Performance	Medium
Failure to Attract or Retain Top Talent	Compensation and Benefits, Talent Cultivation, Friendly Workplace	Medium
State-Based Armed Conflict	Sustainable Supply Chain Management	Medium
Misinformation and Disinformation	Information Security	Medium
Economic Inequality	Compensation and Benefits	Medium
Disruptive Technologies	Innovative R&D Management	Medium
Failure to Innovate or Meet Customer Needs	Innovative R&D Management	Medium
Adverse Outcomes of AI Technologies	Information Security	Medium
Failure to Implement/Communicate Strategy	Economic Performance	Medium
Social Polarization	Labor-Management Relations, Friendly Workplace, Compensation and Benefits	Medium
Damage To Reputation or Brand	Economic Performance	Medium
Product Liability/Recall	Green Process and Product Management	Medium
Cyberattacks or Data Breach	Information Security	Medium

Risk Management Strategy

Risk Aspect	Key Risk Issues	Control Focus	Mitigation Measures
Economic/ Enterprise	Geopolitical Volatility	• Closely monitor changes in international politics, economics, and regulations, and incorporate geopolitical risks into the overall risk assessment and governance framework. • Identify potential impacts on operations, supply chains, investment deployment, and markets, while strengthening cross-departmental information integration and decision support.	• Diversify markets and supply sources to enhance supply chain resilience and operational flexibility. • Strengthen regulatory compliance, sanctions, and trade control management mechanisms to mitigate the risk of violations and operational disruptions. • Establish business continuity and scenario response plans to reduce the impact of unexpected geopolitical events on the Company.
	Rapidly Changing Market Trends	• Continuously monitor industry developments, customer demands, and changes in the competitive environment, and incorporate market trend risks into strategic and risk management decisions. • Strengthen cross-departmental information integration and data analysis capabilities to enhance early warning and response to market changes.	• Maintain flexibility in product and solution portfolios, and promote innovation and business model adjustments to respond to market changes. • Diversify markets and customer structures to reduce dependence on a single market or product. • Establish agile decision-making and resource allocation mechanisms to reduce the impact of rapid market changes on operations and finance.
	Increasing Competition	• Continuously monitor industry competition dynamics and peer strategies, and incorporate competitive risks into the Company's strategy and risk management framework. • Analyze differentiated advantages in products, services, and market positioning to support senior management decision-making and resource allocation.	• Continue to strengthen R&D innovation and service optimization to enhance product and brand competitiveness. • Diversify product portfolios and market deployment to reduce dependence on a single market or customer segment. • Strengthen market intelligence collection and rapid response capabilities to maintain stable operations and long-term value.
Financial	Exchange Rate Fluctuations	• Regularly monitor exchange rate changes of major operating and transaction currencies and assess the impact of exchange rate fluctuations on finance and cash flow. • Establish internal foreign exchange risk policies and authorization procedures.	• Use derivative financial instruments (such as forward contracts and options) for hedging. • Optimize the allocation of revenue and procurement currencies to reduce exposure to a single currency. • Adjust pricing strategies to transfer part of the exchange rate risk. • Strengthen financial forecasting and sensitivity analysis.

Emerging Risk Management Strategy

Key Risk Issues	Description	Potential Economic Impact	Mitigation Measures
State-Based Armed Conflict	Military confrontations or warfare between sovereign states arising from political, territorial, resource, or ideological factors not only affect the conflict zones themselves, but may also directly or indirectly impact the operations and strategies of enterprises in non-conflict regions through the globalized system. This represents a high-impact, multi-dimensional, and difficult-to-predict systemic risk.	• Affect operations through supply chains, energy, raw materials, and international trade. • May lead to supply disruptions, logistics interruptions, and increased operating costs. • Fluctuations in market demand may affect business performance.	• Continuously monitor international developments and incorporate them into the overall risk management framework. • Diversify supply sources and strengthen supply chain resilience. • Implement regulatory compliance measures and establish business continuity and contingency mechanisms.
Misinformation and Disinformation	False, misleading, or intentionally manipulated information may spread rapidly through digital and social channels, affecting stakeholder trust, corporate reputation, and market confidence, while also influencing their business operations and decision-making processes.	• Affect stakeholder trust, corporate reputation, and market confidence. • May cause short-term fluctuations in stock prices and revenue, as well as customer loss. • Increase public relations, compliance, and operating costs, thereby harming long-term value.	• Strengthen information governance and external communication management, and promptly monitor and respond to risks. • Promote cross-departmental collaboration, transparent disclosure, and establish crisis response mechanisms.

Key Focus for Future Implementation

The Company will identify responsible units for managing major and emerging risk issues and require each responsible department to develop management strategies and implement risk control measures. At the same time, we will continue to implement risk identification, analysis, and monitoring within the scope of risk management, strengthening crisis prevention, emergency response, and rapid post-crisis recovery capabilities to enhance the overall effectiveness of risk management.

Material Topic

Information Security

GRI Topic

Customer Privacy

3.3 Information Security Management 3-3, 418-1

Topic Boundary

Coretronic Taiwan, China plants (Kunshan plants, Wujiang plants), Coretronic Intelligent Cloud Service, Coretronic Intelligent Robotics

Topic Importance

A comprehensive information security management and customer privacy protection strategy effectively enhances customer trust, thereby strengthening and deepening long-term partnerships.

Strategy

Establish an internal information security management system based on ISO/IEC 27001 and NIST standards to plan, execute, and review internal information security activities. These activities and their outcomes are verified to identify potential deficiencies in the Company's information security, followed by timely correction, tracking, confirmation, and continuous improvement.

Evaluation Mechanism

An internal information security management SOP has been established based on the ISO/IEC 27001 standard. Using the four major control categories and 93 control measures defined under ISO/IEC 27001 as a foundation, the Company strengthens information security across six major aspects: network security, host security, application system security, equipment security, operations analysis, and information security management. Risk mitigation has been systematized and data-driven to build a defense-in-depth architecture and enhance overall information security. The system has obtained third-party certification.

Performance

Indicator	2025 Target		2025 Performance	Achievement Status	2026 Target	2027 Target	2028 Target
ISO/IEC 27001 Coverage Ratio (Companies within the scope of this Report)	Taiwan	100%	100%	✓	100%	100%	100%
Number of Data Center Network Service Interruptions	Taiwan	No more than 4 incidents	0 incidents	✓	No more than 4 incidents	No more than 4 incidents	No more than 4 incidents
Number of Critical Business System Service Interruptions	Taiwan	No more than 2 incidents	0 incidents	✓	No more than 2 incidents	No more than 2 incidents	No more than 2 incidents
Number of Regular Vulnerability Scans for Critical Systems per Year	Taiwan	Once	Once	✓	Once	Once	Once
Number of Regular Backups for Critical System Data per Year	Taiwan	Twice	Twice	✓	Twice	Twice	Twice
Number of Social Engineering Drills	Taiwan	Twice	Twice	✓	Twice	Twice	Twice

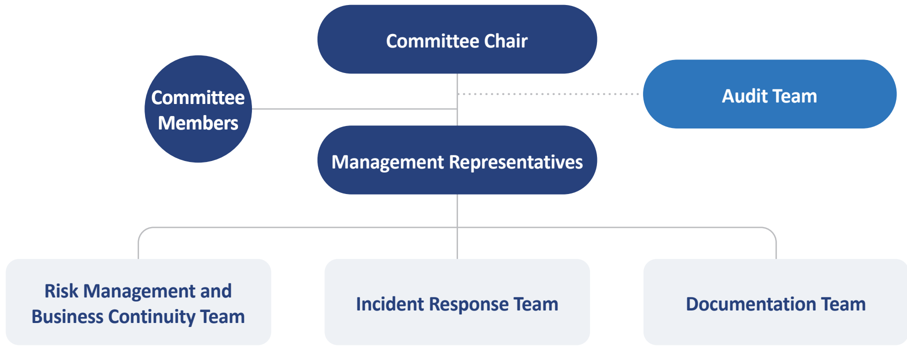
- Completed the ISO/IEC 27001:2022 surveillance audit, revised 4 documents, and added 1 new document, for a total of 34 documents
- Set up an external application system firewall to enhance protection against external threats
- Held information security and social engineering courses with a total of 5,641 attendances
- Continued to strengthen host-level cybersecurity by implementing a centralized jump server login architecture and two-factor authentication
- Conducted 8 business continuity drills to ensure the accuracy of response processes and procedures
- Established a host vulnerability scanning system to regularly scan, track, and patch detected vulnerabilities, achieving a 100% remediation rate
- No incidents of customer privacy infringement or major information security breaches

To implement sustainable development and protect the Company's confidential information and customer privacy, the Company established the "Information Security Management Committee" in 2012. The committee is responsible for formulating information security policies and establishing communication mechanisms to effectively prevent data theft, tampering, loss, or leakage. In addition to ensuring the confidentiality, integrity, and availability of information, the Company also complies with the ISO/IEC 27001 standard and other relevant information security regulations.

Information Security Management Committee

The Company established the "Information Security Management Committee" in December 2012. The committee is responsible for reviewing information security governance policies, overseeing the implementation of information security management, establishing a comprehensive information security protection mechanism, enhancing employee awareness of information security, and conducting regular assessments of information security risks. Since 2020, the committee has reported its implementation status to the Board of Directors annually.

The committee is chaired by the Vice President or a person appointed by the Company's President (hereinafter referred to as the Committee Chair). Members consist of first-level supervisors from each department who assist the Chairperson in managing operations and maintenance. Each department's management representative is responsible for supervising and managing tasks related to the committee within their respective units. Additionally, the committee has established a Risk Management and Business Continuity Team, an Incident Response Team, and a Documentation Team. (For the organizational structure, please refer to the diagram on the right.)



Information Security Policy

The Company formulates the following information security policies based on ISO 27001 and NIST standards, and in accordance with internal management needs:

- Each unit under the Information Management Center maintains an inventory of relevant information assets and designates asset owners. Risk assessments are conducted based on asset classification. For risks exceeding acceptable levels, appropriate risk management measures are implemented to effectively mitigate risks, and various control measures are continuously enforced.
- Personnel must undergo necessary assessments before employment and sign relevant operational regulation documents. Upon transfer or resignation, all assigned information assets must be returned. Both new and current employees are required to participate in information security training to enhance awareness and understanding of information protection.
- Access control protocols and rules for carrying items in and out of the company buildings and information security control zones must be strictly followed.
- Employees are strictly prohibited from privately installing network equipment that connects the external network to the Company's internal network. Firewalls, demilitarized zones (DMZ), and necessary security facilities must be established for both internal and external networks. Critical equipment should have proper backup or monitoring mechanisms to maintain availability. Employees' personal computers must have antivirus software installed and virus definitions regularly updated. The use of unauthorized software is prohibited.
- Employees are responsible for safeguarding and properly using their individual accounts, passwords, and access privileges. System administrators must regularly review and verify user permissions. Data from critical systems must be backed up regularly, and recovery tests must be conducted.
- Security controls should be incorporated in the initial phase of system development. For outsourced development, enhanced controls and contractual information security requirements must be enforced.
- If an employee encounters an information security incident, it must be reported immediately and handled according to the Information Security Incident Handling Procedure to prevent escalation. Cooperation with responsible departments is required to resolve the issue.
- Employees must follow proper review and verification procedures in daily operations to ensure data accuracy. Supervisors are responsible for ensuring compliance with information security policies and strengthening employees' awareness of information security and relevant regulations.
- The Company reviews its information security policies regularly to respond to changes in regulations, technologies, and business needs. The Information Security Management Committee adjusts objectives accordingly to ensure the effectiveness of information security practices.
- If, due to business requirements, the introduction of new technologies, or shortages in manpower or equipment, it is deemed necessary after evaluation to outsource development or maintenance services, or to obtain external manpower resources or equipment, such arrangements shall be implemented in accordance with the "Information Outsourcing and Project Management Procedure". The process flow is illustrated below:

Information Security Incident Reporting Channels

If employees of the Company, application system administrators, or personnel of outsourced vendors identify any suspected information security vulnerabilities or incidents, they shall immediately report them via the "Complaint Channel for Stakeholders and Employees' Violations of Professional Ethics" mailbox (8215@coretronic.com). The information security contact person of the relevant unit shall then complete an "Information Security Incident Report Form" and report the incident to the "Incident Response Team". The reporting process is illustrated below:

Information Security Incident Reporting and Classification	Incident Handling	Post-Incident Recovery	Case Closure and Continuous Improvement
• The information security contact person of the relevant unit shall complete an "Information Security Incident Reporting Form", assess the incident severity level, as well as the scope of impact, and then report the incident to the "Incident Response Team". • Level 1 and Level 2 information security incidents: Normal operations shall be restored within the tolerable interruption period. If necessary, the committee Chair shall assess whether to convene an "emergency response meeting". • Level 3 and Level 4 information security incidents: Such incidents must be reported to the "Information Security Management Committee", and the "Incident Response Team" shall convene an "information security emergency meeting". If necessary, the Chair of the committee shall determine whether to convene an "emergency response meeting" and determine, in accordance with applicable regulations, whether the incident constitutes a major information security incident before reporting it to the relevant competent authorities.	• Assess the impact of the information security incident on business operations and implement damage control measures. • Backup of system records and audit trails to facilitate evidence collection.	• Perform environment reconstruction, system recovery, and scanning operations as necessary or feasible. • Level 1 and Level 2 information security incidents: Complete post-incident recovery operations within 72 hours of incident reporting. • Level 3 and Level 4 information security incidents: Complete post-incident recovery operations within 36 hours of incident reporting.	• Complete the investigation, handling, and corrective actions of the information security incident within one month.

Information Security Risk Identification

- Policy: Based on the four major control categories and 93 control measures of ISO/IEC 27001, we strengthen information security across six key areas: network security, host security, application system security, equipment security, operations analysis, and information security management. The risk mitigation process is systematized and data-driven to establish a defense-in-depth architecture for enhancing overall information security strength.
- Annual Targets: Annual information security management targets are set, with evaluation metrics tailored to each target. Using data- driven indicators and standardized procedures, we identify non-compliant or significant risk issues, propose improvement measures, and include them in follow-up tracking.
- Vulnerability Scanning: To respond to the rapidly evolving cyber threats, we regularly conduct vulnerability scans on systems supporting our services. All detected vulnerabilities are fully resolved within three months.

Information Asset Inventory Process

01 Information Asset Inventory Briefing
- Introduce the purpose and methodology of the information asset inventory
- Explanation of fields in the information asset inventory form
- Items to pay attention for information asset inventory

02 Asset Inventory and Consultation & Guidance
- Asset owners conduct inventories and assess the CIA values of assets
- Consultants provide consultation or guidance to colleagues during the inventory process

03 Verification of Submitted Data
- Verify the completeness and accuracy of the completed information asset inventory forms and provide suggestions for adjustments

04 Complete Information Asset List
- Confirm the content of the information asset inventory and complete the information asset list, which will serve as an input for risk assessment

Information Security Risk Identification Process

01 Assets Identification	02 Risk Assessment	03 Risk Treatment	04 Business Impact Analysis	05 Business Continuity Management	06 Business Continuity Planning
Asset Inventory ▼ Asset Level Identification Information Systems Classification and Ranking	Identify Threats and Vulnerabilities ▼ Identify Risk Levels ▼ Risk Assessment	Evaluate Treatment Options ▼ Implement Treatment Options ▼ Effectiveness Measurement			

Information Security Education and Training

- Information Security Training: Organized the Group's mandatory information security training courses for the second half of 2025, including "Information Security Awareness, Policies, and Defensive Concepts" and "Phishing and Impersonation Scams". Employees were required to complete the full course videos and achieve a score of 80 or above on the post-training assessment in order to complete the courses, with a total of 3,604 employees completing the training. Additional courses included "Welcome Aboard: Information Security for New Employees", "Good Information Security Practices", "Email-Based Social Engineering Attacks", and "Network Information Security and Computer Usage Guidelines", with a total of 5,641 training attendances.
- Security Announcements: Information security awareness announcements were issued periodically to remind employees of relevant risks, to prevent recurrence that could cause operational losses for the Company. In 2025, a total of 7 such announcements were made.

Information Security Measures

- Established a defense-in-depth information security architecture to enhance protection across six major aspects: network security, host security, application system security, equipment security, operations analysis, and information security management.
- Strengthened the information security protection architecture by upgrading the forensic analysis platform to ensure no vulnerabilities exist in the defense system.
- Maintained real-time synchronization with international threat intelligence centers, continuously updated threat intelligence, and utilized a proactive alert analysis engine to effectively block malicious connections and actively hunt suspicious behavior. This is further supported by information security experts conducting forensic investigations to enhance hacker defense capabilities.
- In response to updates of externally provided service systems, since 2020, the Company has conducted at least one platform vulnerability scan and one social engineering drill each year. In 2025, two email social engineering drills were conducted for all employees across the Company.

Key Focus for Future Implementation

The Company will continue to deepen information security governance and strengthen its overall information security protection framework, advancing toward systematic, intelligent, and continuously improving information security management. Through the establishment of a comprehensive defense-in-depth architecture, the Company will integrate network, host, application system, and equipment security management, while introducing intelligent monitoring and automated analysis mechanisms to collect and analyze various system logs and security incident information in real time. These efforts will enhance abnormal behavior detection and risk early-warning capabilities, enabling the Company to identify potential information security threats at an early stage and implement protective measures promptly.

At the same time, the Company will continue monitoring global cybersecurity threat trends, strengthen threat intelligence collection and analysis capabilities, and regularly conduct vulnerability scans and social engineering drills to enhance overall information security protection capabilities and employees' information security awareness. In addition, the Company will continue expanding the certification scope of the ISO/IEC 27001 Information Security Management System. Through systematic management processes and regular audit mechanisms, the Company will implement continuous improvement and risk control measures to ensure the security of information assets and the stability of operations.

Privacy Protection 418-1

Coretronic and its affiliated companies attach great importance to personal data management and privacy protection and have established a "Privacy Policy" in accordance with the relevant regulations of each operating location, serving as the Group's highest guiding principle for privacy protection. At every stage of the collection, processing, use, and retention of personal data, the Company strictly complies with this policy and applicable laws and regulations to ensure effective implementation of privacy protection measures. The scope of this policy covers the Company and its subsidiaries, branches, affiliated companies, as well as suppliers, service providers, consultants, contractors, and other third-party partners entrusted by or cooperating with the Company. In 2025, there were no incidents involving violations of customer privacy or major information security incidents.

Management Mechanism

When users access the Company's websites, applications, or services, the Company may use cookies or similar technologies to collect users' IP addresses, browser types, and operating systems in accordance with applicable regulations governing the collection, processing, and use of such information. To comply with government regulations, the Company informs users of the purposes of data collection at the time of collection to ensure information transparency. For certain categories of specific data collection, the Company follows stricter requirements and maintains sufficient and lawful justification for such collection activities.

Unless otherwise specified by special agreement, personal data will be retained for five years. During the data retention period, users have the right, under lawful conditions, to inquire about, review, obtain copies of, supplement, or correct their personal data. Users may also refuse to provide or request deletion of related information. Coretronic has incorporated privacy and personal data protection into its corporate risk management framework, with relevant matters jointly managed by the various units under the Office of the CFO. In addition, internal and external audits are conducted on a regular and irregular basis to ensure that personal data protection measures and related procedures comply with applicable laws, regulations, and management systems.

Reporting Channels and Training

Coretronic has set up a "Complaint Channel for Stakeholders and Employees' Violations of Professional Ethics" mailbox (8215@coretronic.com) and complaint hotline (for Taiwan plants, please call +886-3-5772000, ext. 8215; for China plants, please call +86-512-6382-8588, ext. 6220) on its official website and internal portal. Coretronic employees and external parties may anonymously report concerns through the above mailbox and complaint hotline. Relevant cases will be investigated confidentially by an independent auditing unit, and the identity of whistleblowers will be kept strictly confidential. If violations of the Privacy Policy and related regulations are verified, management will make decisions based on the investigation report and impose internal disciplinary actions or pursue legal action in accordance with applicable disciplinary measures. In 2025, no complaints regarding violations of the Privacy Policy and related regulations were received.

In addition, to strengthen employees' awareness of privacy protection, the "Coretronic Privacy Policy Awareness Course" was incorporated into the Group's mandatory training curriculum in 2025. Training sessions were conducted from October to November at Taiwan, Kunshan, and Wujiang plants. The number of employees required to attend was 3,840, and all 3,840 employees completed the training, achieving a completion rate of 100%.

03

3.4 Ethical Management

Coretronic is committed to upholding the high standards of business ethics and requires all members of the Company to act with honesty and integrity to safeguard the Company's assets, interests, and reputation, as well as to protect the rights and interests of all stakeholders. To this end, the Company has established the following policies and guidelines: "Ethical Corporate Management Best Practice Principles", "Operating Procedures and Guidelines for Integrity Management", "Codes of Ethical Conduct", "Responsible Business Alliance (RBA) Code of Conduct Management Handbook", and "Supplier Conflict of Interest Management Measures". These serve as ethical standards for all Coretronic personnel and suppliers, strictly prohibiting obtaining improper benefits (including inappropriate entertainment, kickbacks, bribery, and hospitality) through one's position, as well as any conduct that could impair the Company's reputation or competitiveness.

Whistleblowing Mechanism [2-25, 2-26]

Coretronic has set up a "Complaint Channel for Stakeholders and Employees' Violations of Professional Ethics" mailbox (8215@coretronic.com) and complaint hotline (for Taiwan plants, please call +886-3-5772000, ext. 8215; for China plants, please call +86-512-6382-8588, ext. 6220) on its official website and internal portal. Coretronic employees and external parties may use the above email and hotlines to seek advice or report any ethical misconduct related to Coretronic's integrity mechanisms. An independent audit unit of the Company will conduct confidential fact-finding investigations, and the identity of the whistleblower will be kept strictly confidential. The investigation report will be submitted to the management for resolution, and the handling results of the reported matter will be subject to internal disciplinary action or prosecution in accordance with disciplinary measures. In 2025, no complaint cases were received at Coretronic's Taiwan plants and China plants. Going forward, the Company will continue implementing anti-corruption policies and fostering a corporate culture of integrity and ethical business conduct.

Anti-Corruption Policy for Suppliers

All qualified Coretronic suppliers, except those that are listed companies already registered in Taiwan/the place of establishment and their subsidiaries with more than 50% ownership, affiliates of the Group, those that have announced compliance with relevant integrity commitment treaties on their official websites, those that have signed procurement contracts containing integrity commitment clauses, those with annual transaction amounts below a certain amount, customer-designated suppliers, and phased-out suppliers, must sign the "Integrity Commitment" to ensure fair and transparent trading practices between both parties. Any supplier found in violation of anti-bribery or anti-corruption principles and causing damage to the Company will be held liable in accordance with the terms of the signed Integrity Commitment, and necessary legal actions will be taken. The signing rate of the "Integrity Commitment" reached 100% in 2025.

Internal Audit

All companies within the Group are included within the scope of internal audits. The audit unit conducts audit operations in accordance with the internal audit plan and regularly reports audit activities to the Audit Committee and the Board of Directors. In accordance with regulatory requirements and the principles governing the preparation of internal audit plans, audit years for each company are scheduled and incorporated into the internal audit plan. In 2025, the audit coverage rate for the companies within the scope of this report was 80%. The remaining 20% not audited consisted of Coretronic Intelligent Cloud Service and Coretronic Intelligent Robotics, which, according to the rotational audit schedule, are planned to be audited in 2026 and 2027, respectively.

Internal Control Self-Assessment

Each unit and subsidiary conducts an annual self-assessment of its internal control system and prepares a self-assessment report. The audit unit then reviews these self-assessment reports together with the status of improvements made regarding internal control deficiencies and irregularities identified by the audit unit. These results serve as the primary basis for the Board of Directors and the President to evaluate the overall effectiveness of the internal control system and to issue the Internal Control System Statement.

Implementation Status and Achievements of Ethical Management

- The Board of Directors approved the "Ethical Corporate Management Best Practice Principles", agreeing that the Company's human resources unit will be responsible for formulating and implementing ethical business policies and prevention programs.
- The implementation effectiveness of ethical management is regularly reported to the Board of Directors on an annual basis.
- A dedicated "Employee Code of Ethics" section is available on the EIP (employee-exclusive information portal), which includes related regulations on the Code of Integrity, whistleblowing channels, and case sharing.
- The Board of Directors not only fulfills its fiduciary duties but also supervises implementation to enhance the effectiveness of ethical management.
- As of the end of 2025, the Company had not identified any incidents involving conflicts of interest, money laundering, or insider trading.
- "Integrity Reminder Cards" were distributed to all employees at Taiwan plants.
- The Company's Chief Auditor obtained the "Certified Internal Auditor" certification issued by The Institute of Internal Auditors–Chinese Taiwan (IIA Taiwan).
- 2025 Anti-Corruption Training–"Awareness on Business Integrity Course": This course was designated as a mandatory training course for all employees. The course content included the "Ethical Corporate Management Best Practice Principles", "Code of Conduct for Employees", "Trade Secret Protection", and "Insider Trading Regulations and Case Analysis". Employees were required to complete the full course videos and achieve a score of 80 or above on the post-training assessment to complete the course. In addition, all employees were required to sign the "Ethical Corporate Management Best Practice Agreement". Training sessions were conducted from October to November at the Taiwan, Kunshan, and Wujiang plants. The number of employees required to attend was 3,840, and all 3,840 employees completed the training, achieving a completion rate of 100%. The signing rate for the "Ethical Corporate Management Best Practice Agreement" also reached 100%.

Chapter 4

Eco-Friendly Environment

Material Topic

Climate Change

GRI Topic Energy

GRI Topic Emissions

4.1 Nature and Climate Management 3-3

Topic Importance

- Global warming and climate change have impacted the environment. Limited energy resources are increasing operational costs for businesses, making the implementation of energy-saving measures essential to address the impacts of climate change.
- In response to the impacts and challenges of climate change, and in compliance with government regulations under the "Greenhouse Gas Reduction and Management Act", the Company aims to become green factories by continuously advancing its four major green action plans.

Strategy

Science Based Targets (SBTs) and roadmap, installation of solar power generation systems, adoption of ISO 14001 and ISO 50001, establishment of the "Environmental Sustainability Policy", participation in domestic and international environmental initiatives, and implementation of carbon reduction actions and measures

Evaluation Mechanism

The Safety and Environment Division and the Factory Affairs Department establish annual targets, budgets, and plans, which are submitted to the Environmental Protection Committee for review. Control measures and corresponding action plans are then implemented in accordance with ISO 14064-1 (Greenhouse Gas Inventory), ISO 14001 (Environmental Management System), and ISO 50001 (Energy Management System).

Topic Boundary

Taiwan plants (Coretronic, Coretronic Intelligent Cloud Service, Coretronic Intelligent Robotics), China plants (Kunshan plants: Coretronic Projection (Kunshan), Coretronic Optics (Kunshan); Wujiang plants: Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou)), and suppliers/contractors

Performance

Base Year: 2021

Indicator	2025 Target	2025 Performance	Achievement Status	Short-Term Target (2026–2028)	Mid-Term Target (2029–2031)	Long-Term Target (2032–2034)
Absolute Reduction of Greenhouse Gas Emissions (Scope 1 and 2)	18.3%	45%	✓	32.1%	45.8%	59.6%
NEW Absolute Reduction of Greenhouse Gas Emissions (Scope 3)	10.9%	88%	✓	19.1%	27.3%	35.5%
Reduction of Electricity Intensity	7%	3%	✗	10%	13%	16%
Renewable Energy Consumption as a Percentage of Annual Electricity Consumption	15%	16%	✓	21%	27%	33%

- The Taiwan plants, Wujiang plants, and Coretronic Projection (Kunshan) have all passed the ISO 14001 Environmental Management System and the ISO 50001 Energy Management System certification.
- The Taiwan plants, Wujiang plants, and Kunshan plants have all passed ISO 14064-1 Greenhouse Gas (GHG) Inventory verification.

To effectively mitigate the significant economic, social, and environmental impacts of extreme climate events, Coretronic adopted the TCFD framework in 2020 to assess climate-related risks. Centered around low-carbon products and green operations, the Company has formulated energy-saving and carbon reduction strategies to help curb the greenhouse effect. At the same time, to ensure that operational activities do not damage biological habitats and to reduce dependence on and consumption of natural resources, the Company adopted the Taskforce on Nature-related Financial Disclosures (TNFD) framework in 2025 to systematically analyze the dependencies and impacts of its operational sites on the natural environment. In response to the Paris Agreement, the Company established carbon reduction targets based on the Science-Based Targets initiative (SBTi) absolute reduction roadmap under the "1.5°C warming" scenario. In 2022, the Company publicly announced its "Net Zero Commitment" and submitted its commitment letter to the SBTi. In 2023, the Company submitted its SBT carbon reduction targets: **Reduce absolute Scope 1 and 2 GHG emissions 50.4% by 2032 from a 2021 base year, and reduce absolute Scope 3 GHG emissions 30% within the same timeframe**. These targets were approved by the SBTi in 2024. To achieve net zero by 2050, Coretronic is actively reducing fossil fuel use, increasing renewable energy adoption, transitioning to innovative low-carbon technologies, and incorporating the environmental cost of carbon emissions into business planning through internal carbon pricing and other diversified measures.

In 2025, the Company conducted its greenhouse gas inventory following the ISO 14064-1:2018 standard, identifying emission sources for Scope 1 through Scope 3. The organizational boundary for this inventory includes facilities under operational control at Taiwan plants (Headquarters, Chunan Plant, Tainan Plant 1, and Tainan Plant 2) and China plants (Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), Coretronic Projection (Kunshan), and Coretronic Optics (Kunshan)).

Nature and Climate Management Framework

Core Element	Management Strategies and Actions	2025 Implementation Status
Governance	• The Board of Directors regularly reviews nature-related dependencies, impacts, risks, and opportunities, as well as climate change-related risks and opportunities. • The ESG Committee regularly reports nature- and climate-related strategies and implementation results to the Board of Directors. • The Environmental Protection Committee and Sustainable Energy Committee are responsible for setting goals and plans and executing related strategies in coordination with the TCFD Team and TNFD Team. • Participate in domestic and international initiatives.	• The **ESG Committee** is led by the Chairman, and the committee member and executive representative–the CFO (Chief Financial Officer) reports to the Board of Directors annually on sustainability project implementation results, TCFD, TNFD, various environmental indicators, SBT carbon reduction targets and roadmap, renewable energy strategies, and future sustainability development directions. In addition, greenhouse gas inventory implementation status is reported to the Board of Directors on a quarterly basis. • The **Environmental Protection Committee** is chaired by the head of the Taiwan Public Administration Center. Its subordinate **Sustainable Energy Committee** and **EPC Team** are responsible for setting short-, medium-, and long-term environmental goals and strengthening strategy implementation. • The **TCFD Team** is convened by the head of the Taiwan Public Administration Center and conducts climate-related risk and opportunity assessments every two years. It develops response strategies and solutions based on the assessment results to mitigate negative impacts and enhance organizational climate resilience. • The **TNFD Team** is convened by the head of the Taiwan Public Administration Center and is responsible for conducting nature-related dependency and impact assessments and formulating response strategies and solutions to reduce negative impacts on nature. • The Company signed and supported TCFD, joined the TNFD Forum, the "Taiwan Climate Partnership" and the "Taiwan Alliance for Net Zero Emission", responded to CDP Climate Change and Water Security questionnaires, set SBT targets based on the 1.5°C scenario, submitted them to SBTi, and received SBTi approval in 2024. • In 2025, the Company updated its "Biodiversity Conservation and No Gross Deforestation Commitment" and "Environmental Sustainability Policy", both were signed and announced by the Chairman.
Strategy	• Assess the Company's nature-related dependencies and impacts through overlay analysis and the Biodiversity Risk Filter (BRF) developed by the World Wildlife Fund (WWF). • Identify short-, medium-, and long-term climate-related risks and opportunities through cross-departmental discussions. • Assess the potential operational and financial impacts of significant climate-related risks and opportunities on the Company. • Conduct scenario analysis and evaluate SBT carbon reduction targets.	• Priority was given to coordinate overlay analysis for the Company's directly operated sites, with future expansion planned for all Group operational sites and value chains. • The WWF BRF was used to identify items with high biodiversity dependency and impact within direct operations. Based on the Science-Based Targets for Nature (SBTN) AR3T framework (Avoid, Reduce, Regenerate, Restore, and Transform), the Company established nature-related targets and action guidelines. • The Environmental Protection Committee, together with relevant units, established short-, medium-, and long-term environmental sustainability targets and identified short-, medium-, and long-term climate risks and opportunities. Scenario simulation quantitative models were then introduced based on the identification results to conduct monetary assessments of potential financial impacts and formulate climate adaptation strategies. • Developed low-carbon technologies and designed energy-efficient, low-power green products. • In alignment with the Paris Agreement goal of "limiting global warming to below 2° C", the Company adopted the 1.5° C scenario for setting absolute emission reduction targets under the Science-Based Targets (SBT) framework. • Established SBT carbon reduction targets, strategies, and roadmap.

Core Element	Management Strategies and Actions	2025 Implementation Status
Risk Management	• Utilize the TNFD and TCFD frameworks to identify the Company's nature- and climate-related risk identification processes. • Incorporate nature- and climate-related risk identification and assessment into enterprise risk management processes. • Develop corresponding response plans based on the results of climate risk identification and prioritization.	• Adopted the TNFD LEAP methodology to progressively identify nature-related dependencies and impacts at the Company's Taiwan and China plants, with future expansion planned for all Group operational sites and value chains. • Beginning in 2026, the Company will publish an annual *TCFD & TNFD Report*. • Assessed the types of potential operational and financial impacts associated with climate-related risks and opportunities. • Incorporated nature- and climate change-related risk topics into the overall risk management process and annual material sustainability topics to comprehensively identify, assess, and manage nature- and climate-related risks.
Metrics and Targets	• Establish nature- and climate -related management indicators. • Conduct regular GHG inventories in accordance with ISO 14064-1. • Review and manage energy performance regularly in line with ISO 50001. • Set environmental management targets and periodically review progress and actual performance. • Plan and implement product carbon footprint inventory.	• Committed to achieving No Net Loss and progressing toward a Net Positive Impact by 2050, while simultaneously achieving the No Deforestation target. • Established targets for the usage rate of recycled raw materials, environmentally friendly cushioning materials, and packaging materials, and regularly reviews implementation results to reduce product impacts on the natural environment. • Set environmental performance indicators including absolute GHG emissions, electricity intensity, waste recycling rate, water consumption, and renewable energy usage rate, with quarterly and annual reviews to reduce environmental impacts. • Since 2016, GHG emissions have been verified annually; from 2020, the scope of inventory has expanded to Scope 3, using ISO 14064-1:2018, followed by implementation of emission reduction measures based on the inventory results. • Taiwan plants, Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), and Coretronic Projection (Kunshan) have implemented the ISO 50001 Energy Management System, effectively reducing absolute GHG emissions through energy-efficient equipment upgrades and other energy conservation measures. • The SBT carbon reduction targets, "Reduce absolute Scope 1 and 2 GHG emissions 50.4% by 2032 from a 2021 base year, and reduce absolute Scope 3 GHG emissions 30% within the same timeframe", were approved by SBTi in April 2024. The Company is gradually progressing toward SBT and 2050 Net-Zero targets through solar power generation system installation, production process optimization, increased renewable energy usage, equipment upgrades, and low-carbon product development. • Solar power system capacity at the Headquarters, Chunan Plant, Tainan Plant 1, and Tainan Plant 2 reached 1,376.06 kW, generating 1,112 MWh of electricity in 2025. Combined with green power wheeling, total renewable energy usage reached 1,256 MWh. The installed capacity of solar power generating systems at the China plants totaled 6,549 kW, generating 4,791 MWh of electricity in 2025 and adding 2,093 MWh from renewable energy certificates, resulting in total renewable energy usage of 6,884 MWh. Together, Taiwan and China plants used or traded a total of 8,140 MWh of renewable energy, accounting for 16% of annual electricity use and exceeding the short-term target. Phase II of the Tainan Plant 2 solar project completed the installation of a 460.35 kW solar power generation system in December 2025 and is scheduled to commence operation in 2026, with expected annual electricity generation of 567 MWh. The Company will continue progressively increasing renewable energy usage targets in the future. • Three laser projector models and two LCD monitor models have passed ISO 14067 verification, serving as benchmarks for the Company's development of future sustainable products. • The Company established a green product development strategy and completed the construction of a product carbon footprint inventory platform, while conducting system validation for mass-production models. In the future, carbon footprint inventories will be prioritized for newly developed products, enabling identification of carbon emission hotspots during the product design and development stage. Through technological innovation, material substitution, and performance optimization, environmental impacts can be reduced and incorporated into next-generation product development standards, thereby providing more environmentally friendly and energy-efficient green products to meet customer needs. For details, please refer to Section 4.4 Green Products of this Report.

NEW Taskforce on Nature-Related Financial Disclosures (TNFD)

Coretronic formally adopted the TNFD framework in 2025 and progressively introduced the LEAP (Locate, Evaluate, Assess, Prepare) assessment approach to systematically identify, assess, and manage nature-related dependencies, impacts, risks, and opportunities. The Company joined the TNFD Forum to stay informed of the latest international sustainability and nature-related financial disclosure trends. To ensure that biological habitats are not damaged and to reduce the consumption of natural resources, the Company has taken action from the source by comprehensively optimizing production processes and adopting recycled raw materials to reduce the ecological impacts of raw materials. Coretronic also actively collaborates with value chain partners to achieve biodiversity goals and progressively incorporates nature-related issues into operational decision-making in order to develop more comprehensive environmental conservation strategies.

In addition, to preserve biodiversity and eliminate deforestation activities, Coretronic established the "Biodiversity Conservation and No Gross Deforestation Commitment", which was personally signed and announced by the Chairman. By adopting the SBTN AR3T framework (Avoid, Reduce, Restore and Regenerate, and Transform), the Company actively implements ecological conservation actions to strengthen the resilience and adaptive capacity of natural systems, reduce the environmental impacts of operational activities, and commit to achieving No Net Loss and progressing toward a Net Positive Impact by 2050, while simultaneously achieving the No Deforestation target.

LEAP Assessment Steps and Process

In accordance with the TNFD disclosure framework, the Company has adopted the LEAP methodology to conduct systematic and integrated disclosure of nature-related information. Considering that dependencies on and impacts to natural capital may vary depending on geographical location and business operation characteristics, related targets and strategies will be planned and adjusted according to different scenarios and conditions. The current scope of analysis primarily focuses on the Company's own operations. Going forward, the Company will continue strengthening the assessment and management of nature-related issues and progressively expand the assessment scope to include the value chain in order to enhance overall risk oversight and management effectiveness.

LEAP Assessment Step	Locate	Evaluate	Assess	Prepare
Description	Identify ecologically sensitive areas	Identify dependencies and impacts on nature	Assess nature-related risks and opportunities	Response and disclosure
Implementation Status	• Overlay biodiversity mapping data to identify high-risk ecosystems. • Identify key areas with potential impacts on nature or high dependency on natural capital.	• Analyze the degree of operational dependency on natural capital and the potential positive and negative impacts generated. • Conduct qualitative and quantitative assessments on key nature-related issues. • Identify material nature-related impact items and establish prioritization sequences.	• Utilize the WWF Biodiversity Risk Filter (BRF) to conduct biodiversity-related physical and reputational risk assessments. • Opportunity-related assessments are planned to be completed by 2028.	• Adopt the SBTN AR3T framework to formulate corresponding management measures, action plans, and strategies. • Establish targets, indicators, and tracking mechanisms, and continuously review implementation performance. • Publish the *TCFD & TNFD Report*.

- **Locate (L)**

In accordance with the recommendations under the Locate (L) phase of the TNFD LEAP methodology, Coretronic prioritized the identification of whether its directly operated plants are located within ecologically sensitive areas. The assessment process utilized a Geographic Information System (GIS) and referenced protected area mapping data designated under Taiwan and international biodiversity-related regulations and conservation programs. The assessment scope covered Taiwan's legally protected areas, including national parks, nature reserves, wildlife reserves, major wildlife habitats, protected natural areas, national natural parks, and important wetlands, as well as non-statutory conservation areas such as conservation corridors within the National Ecological Green Network. The assessment also incorporated protected area data from the International Union for Conservation of Nature (IUCN), including Category Ia Strict Nature Reserves, Category Ib Wilderness Areas, Category II National Parks, Category III Natural Monuments, Category IV Habitat/Species Management Areas, Category V Protected Landscapes/Seascapes, and Category VI Protected Areas with Sustainable Use of Natural Resources, to evaluate the environmental impacts of the Company's operational sites in Taiwan and China and areas within a two-kilometer radius surrounding those sites.

The analysis results indicated that none of the Taiwan or China plants are located within overlapping statutory or internationally protected areas. However, Tainan Plant 1 and Tainan Plant 2 are located within conservation corridors of the National Ecological Green Network. In response, the Company will continue monitoring ecological environmental changes and developments in relevant conservation policies within the area, while appropriately assessing the potential impacts of operational activities on surrounding ecosystems and strengthening monitoring and management measures to reduce impacts on nature.

- **Evaluate (E)**

Following completion of the plant location analysis, the Company further utilized the Biodiversity Risk Filter (BRF) developed by the World Wildlife Fund (WWF) to conduct biodiversity-related physical and reputational risk assessments for the sites within the reporting boundary of this report. Based on the longitude and latitude coordinates, industry characteristics, and operational criticality of each operating site, the Company identified its dependencies and impacts on the natural environment. Assessments covered a total of 33 biodiversity-related physical and reputational risks across eight major categories, including "Provisioning Services", "Regulating and Supporting Services—Empowerment", "Regulating Services—Mitigation", "Cultural Services", "Biodiversity Pressures", "Environmental Factors", "Socioeconomic Factors", and "Other Reputational Factors". The overall analysis results indicated that the Company's biodiversity-related issues included one very high-risk item, three high-risk items, and the remainder categorized as medium or low risk. Among these, the "Pollution" indicator was assessed as a "Very High Risk", primarily due to the assessment tool that determines risk levels using a composite index methodology. Considering that the Company's operations are located within science parks and that comprehensive emission control mechanisms have already been established, all operations comply with applicable regulatory requirements, and risk management measures have been effectively implemented through environmental management practices.

No.	Risk Indicator	Risk Severity	Risk Categories
1	Pollution	Very High	Physical Risk: Pressure on Biodiversity
2	Tropical Cyclones	High	Physical Risk: Regulating Services–Mitigation
3	Extreme Heat	High	Physical Risk: Regulating Services–Mitigation
4	Labor/Human Rights	High	Reputational Risk: Socioeconomic Factors

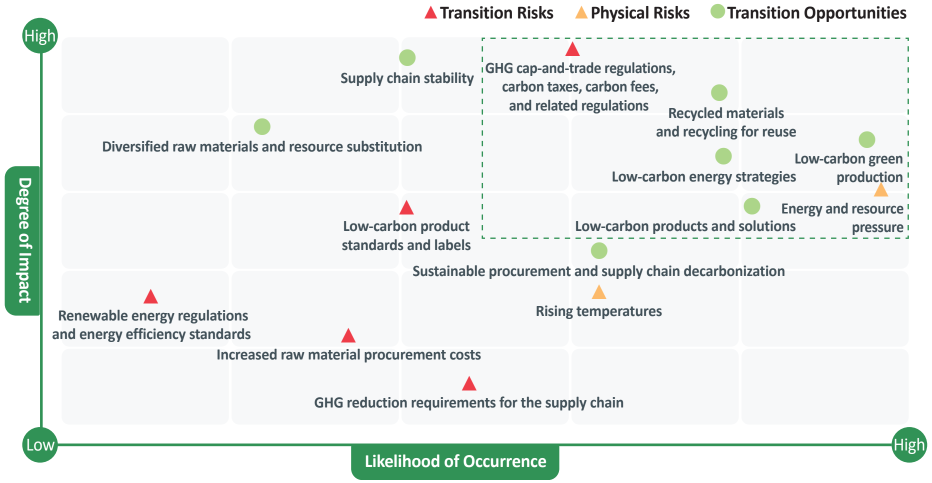
- **Prepare (P)**
  To respond to the identified nature-related dependencies, risks, and impacts, the Company follows the SBTN AR3T framework (Avoid, Reduce, Restore and Regenerate, Transform) as the core principle for managing nature-related issues. Based on this framework, the Company plans internal resource allocation and action strategies, systematically evaluates the effectiveness and feasibility of various action plans, and regularly tracks targets and management performance to reduce the impacts of operational activities on the natural environment and enhance the Company's natural resilience.

AR3T Framework	Nature-Related Issue	Action Strategies
Avoid	Pollution	• None of the plants fall under regulated entities for air pollution control regulations; however, the management practices exceed regulatory requirements. In addition to proactively monitoring pollution source emission status, the Company established quantitative VOC (volatile organic compounds) management targets in 2025 for continuous tracking and monitoring. • Wastewater is treated strictly in accordance with local regulations, and water quality testing is conducted regularly to monitor wastewater discharge conditions. All wastewater discharges in 2025 complied with local regulatory requirements. • The Company regularly procures organic agricultural products from local small-scale farmers to support pesticide-free diets and mitigate soil and water pollution caused by nitrogen fertilizers and pesticides. • Sponsored NT$470,000 to purchase 2,000 bottles of straw-decomposing bacteria for farmers in Hsinchu County, enabling them to replace straw burning with straw decomposition methods, effectively improving air pollution issues and reducing carbon emissions by 2,383 tCO_2e.
Reduce	GHG	• Increased the proportion of renewable energy usage, with renewable energy accounting for 16% of annual electricity consumption in 2025. • Implemented 19 energy-saving measures, reducing electricity consumption by 1,123 MWh and reducing emissions by 565 tCO_2e.
	Water Consumption	• Implemented multiple water-saving measures to reduce water consumption. In 2025, water consumption decreased significantly by 39% compared to the base year (2021).
	Waste	• Established targets for reducing waste generation intensity and improving recycling rates, while implementing multiple circular economy initiatives and hazardous waste reduction measures. In 2025, waste generation intensity decreased significantly by 56% compared to the base year (2021), while the waste recycling rate reached 65%. • All employees signed the "Plastic Reduction Commitment" to strengthen awareness of plastic reduction.
Regenerate Restore	Biodiversity	• Adopted 0.19 hectares of forest land in the Daan River area under the Forestry and Nature Conservation Agency to support afforestation and forest maintenance efforts, planting a total of 363 Taiwan Zelkova saplings. • Collaborated with customer AUO and the NPO, Society of Wilderness to organize two "Removing Vines to Protect Forests" activities. By removing 69 kg of the invasive species Mile-a-minute Weed, the Company helped restore native vegetation growth space and protect local ecological habitats and biodiversity. • China plants established bird nesting areas within the plants to improve bird habitats and promote biodiversity. • Wujiang plants released 2,000 native grass carp fry into Lake Tai. Grass carp help control aquatic vegetation growth, maintain aquatic ecological balance, and improve aquatic ecosystems.
Transform	Biodiversity	• Conducted biodiversity-related environmental education videos and ecological conservation activities to raise biodiversity awareness among all employees. In 2025, a total attendance of 8,806 was recorded, with eco-friendly activities and cumulative environmental education training hours reaching 5,801 hours.

Task Force on Climate-Related Financial Disclosures (TCFD)

In response to global climate regulations and net-zero trends, Coretronic has actively aligned with international initiatives by adopting the TCFD framework since 2021 to conduct climate-related risk and opportunity identification as well as potential financial impact analysis. At the same time, the Company established a biennial identification mechanism to dynamically adjust response strategies, optimize financial impact analysis, and integrate climate resilience into corporate operational decision-making.

In 2025, based on international climate change trends and stakeholder concerns, the Company identified various climate-related risks and opportunities, including transition risks (policy and regulatory risks, technology risks, market risks, and reputational risks), physical risks (acute risks and chronic risks), and opportunities, in order to establish a climate risk and opportunity inventory. Ultimately, a total of five transition risks, two physical risks, and seven opportunities were identified. For each identified risk and opportunity, quantitative assessments were conducted regarding type of potential impact, impact intensity, and likelihood of occurrence. Risks and opportunities were then classified and prioritized according to the assessment results, and corresponding response strategies were formulated to reduce negative impacts, strengthen organizational climate resilience, and create future business opportunities.



Potential Financial Impact Analysis and Response Strategies of Climate-Related Risks and Opportunities 201-2

Category	Aspect	⚠ Risks/ 💡 Opportunities	Potential Financial Impact			Response Strategies
			Operating Costs	Capital Expenditures	Operating Revenue	
Transition Risks/ Opportunities	Policy and Regulation	⚠ GHG cap-and-trade regulations, carbon taxes, carbon fees, and related regulations	Increase	Increase		• Formulate the carbon reduction roadmap and reduction plans based on the science-based reduction targets approved by the Science Based Targets initiative (SBTi) to progressively reduce greenhouse gas emissions. • The Board of Directors reviews greenhouse gas inventory implementation status quarterly and reviews the Company's environmental indicators and carbon reduction progress annually to strengthen climate governance. • Establish a carbon management platform to promote systematic carbon information management. • Introduce internal carbon pricing as a reference for carbon reduction decision-making.
	Policy and Regulation	⚠ Renewable energy regulations and energy efficiency standards	Increase	Increase		• Install solar power generation systems and increase renewable energy usage through green electricity wheeling and renewable energy certificates. • Implement ISO 50001 Energy Management System and carry out energy-saving equipment replacement projects and various energy-saving measures to improve energy efficiency.
	Energy Sources	💡 Low-carbon energy strategies	Decrease			
	Resource Efficiency	💡 Low-carbon green production	Decrease		Increase	• Integrate low-carbon concepts into product design and process development while continuously investing in energy-saving product R&D and design. • Establish green product development strategies and a product carbon footprint inventory platform to reduce product environmental impacts through technological innovation, material substitution, and performance optimization. • Conduct independent product carbon footprint inventories and formulate and implement carbon reduction measures targeting carbon emission hotspots.
	Products and Services	💡 Low-carbon products and solutions			Increase	
	Policy and Regulation	⚠ Low-carbon product standards and label	Increase	Increase	Decrease	
	Technology	⚠ GHG reduction requirements for the supply chain	Increase		Decrease	• Identify supplier sustainability risks and conduct graded management through the "ESG Risk Assessment System" to formulate corresponding guidance and improvement measures. • Require suppliers to sign and comply with the "Supplier/Contractor Sustainability Commitment Statement", complete RBA self-assessment questionnaires, and undergo RBA on-site audits to ensure supply chain stability.
	Market	💡 Sustainable procurement and supply chain decarbonization	Increase			
	Resource Efficiency	💡 Supply chain stability	Decrease			
	Market	⚠ Increased raw material procurement costs	Increase		Decrease	• Assess raw material procurement risks to reduce dependence on single raw materials or suppliers, while promoting diversified raw material and alternative material applications to enhance resource flexibility. • Establish targets for recycled materials and environmentally friendly packaging usage ratios and continuously increase usage ratios to strengthen resource circulation and environmental benefits.
	Resilience	💡 Diversified raw materials and resource substitution	Decrease			
	Resource Efficiency	💡 Recycled materials and recycling for reuse	Decrease			
Physical Risks	Acute	⚠ Energy and resource pressure	Increase	Increase	Decrease	• Continuously improve energy efficiency and implement various energy-saving measures to reduce energy intensity. • Install solar power generation systems and improve energy supply flexibility and stability through green electricity wheeling and renewable energy certificates.
	Chronic	⚠ Rising temperatures	Increase	Increase		• Introduce climate scenario analysis to assess the impacts of rising temperatures on operations and adopt energy-saving cooling measures, equipment upgrades, and process optimization to enhance climate resilience.

Financial Impacts of Climate-Related Risks and Opportunities 201-2

The Company conducted financial impact assessments for key climate issues identified with high impact severity and high likelihood of occurrence, including transition risk—GHG cap-and-trade regulations, carbon taxes, carbon fees, and related regulations, physical risk—energy and resource pressure, and opportunities—low-carbon energy strategies, low-carbon green production, low-carbon products and solutions, and recycled materials and recycling for reuse.

Category	Risks/Opportunities	Scenario	Financial Impact Type	Financial Impact
Transition Risks	Greenhouse gas cap-and-trade regulations, carbon taxes, carbon fees, and related regulations	• Based on the SSP1-1.9 scenario and Nationally Determined Contributions (NDCs), the Company analyzed climate change regulatory and initiative trends, requiring increased renewable energy procurement. • In line with the SBT roadmap toward achieving the 1.5°C target under the "Paris Agreement", increased investment in solar power systems as well as greater procurement of renewable energy and certificates are required.	Operating Costs ↑ Capital Expenditures ↑	• Future carbon taxes and carbon credits may result in additional compliance costs and place pressure on operating costs. The estimated financial impact is approximately NT$42,042,000, accounting for approximately 0.1% of revenue. • Through continuous improvement in equipment energy efficiency, installation of solar power generation systems, and implementation of green production initiatives to reduce greenhouse gas emissions, the Company can effectively mitigate the potential impacts of carbon taxes or carbon credits while maintaining alignment with the net-zero roadmap. The estimated financial impact is approximately NT$62,440,000, accounting for approximately 0.15% of revenue.
Physical Risks	Energy and resource pressure	Climate change is increasing the frequency and intensity of extreme weather events, creating potential pressure on water resources and electricity supply stability. Financial impacts were assessed based on rainfall changes under the RCP 8.5 scenario and trends in electricity consumption structure changes.	Operating Costs ↑ Capital Expenditures ↑ Operating Revenue ↓	• Climate change may alter rainfall patterns and cause regional water shortages, increasing water procurement costs and affecting operations. If floods or droughts lead to operational disruptions, the estimated financial impact is approximately NT$77,034,000, accounting for approximately 0.18% of revenue. • Climate change leads to a surge in electricity demand, affecting regional electricity supply stability and electricity costs. Power outages or electricity rationing could also disrupt operations. The estimated financial impact is approximately NT$357,844,000, accounting for approximately 0.83% of revenue.
Opportunities	Low-carbon green production	Promoting low-carbon green production helps improve energy and resource efficiency, reduce waste generation, optimize production efficiency, and strengthen the competitiveness of the Company's low-carbon products.	Operating Costs ↓ Operating Revenue ↑	Based on the Company's operational structure over the past three years, optimizing production processes to improve production efficiency can reduce manufacturing- and energy-related operating costs, improve cost structures, and lower decarbonization costs, thereby creating positive impacts on overall operational performance. The estimated financial impact is approximately NT$708,075,000, accounting for approximately 1.64% of revenue.
	Low-carbon products and solutions	As demand for low-carbon, energy-saving, and carbon reduction solutions increases, low-carbon products are gradually becoming a market differentiator. Introducing low-carbon manufacturing processes and technologies creates expansion opportunities, although related R&D and equipment investment costs also increase simultaneously.	Operating Revenue ↑	In reference to low-carbon product market development trends and industry experience, low-carbon products have greater potential for gross margin improvement than conventional products. Under conservative assumptions, introducing low-carbon products can optimize gross margin structures. Based on the Company's existing gross margin structure and increased market demand, this is expected to positively impact overall operational performance[1].
	Low-carbon energy strategies	Changes in electricity and water resource costs have significant impacts on operational cost structures. Through low-carbon energy deployment and improvements in electricity and water efficiency, the Company can reduce sensitivity to price fluctuations and supply changes associated with energy and water resources.	Operating Costs ↓	Promoting low-carbon green production together with energy and water-saving measures can reduce energy and water resource costs. Under conservative assumptions, improvements in electricity and water efficiency can reduce related costs, optimize operational cost structures, and positively impact overall operational performance. The estimated financial impact is approximately NT$1,722,182,000, with energy cost savings accounting for approximately 4% of revenue.
	Recycled materials and recycling for reuse	Through R&D and optimization of product design, the Company can improve recyclability and introduce recycled materials to reduce dependence on virgin raw materials while mitigating supply chain disruption and price fluctuation risks. This also effectively reduces product carbon footprints and satisfies customer demand for green products.	Operating Costs ↓	Introducing recycled materials and implementing recycling and reuse may initially incur technology R&D and equipment upgrade costs. However, in the medium and long term, these measures can significantly reduce virgin raw material procurement costs and outsourced waste disposal expenses. Based on the Company's operational structure, gradually increasing recycled material usage rates and waste recycling rates can optimize overall production cost structures while offsetting part of the financial risks arising from carbon pricing or rising raw material costs through resource circulation, thereby creating positive impacts on overall profitability performance[1].

1: Revenue and cost items involve financial forecast information; therefore, the financial impact assessment results are not disclosed.
2: Financial impact assessments were calculated based on 2024 consolidated revenue.

Net-Zero Targets and Progress

- Coretronic announced its "Net Zero Commitment", joined the TNFD Forum, the Taiwan Climate Partnership and the Taiwan Alliance for Net Zero Emission, and actively supports and participates in key domestic and international initiatives such as TCFD, TNFD, CDP, and SBTi, demonstrating its strong commitment to environmental sustainability.
- In 2022, Coretronic submitted the commitment letter to the SBTi, setting targets based on the 1.5° C scenario. In 2023, the Company formally submitted science-based targets aligned with the 1.5° C scenario: "Reduce absolute Scope 1 and 2 GHG emissions 50.4% by 2032 from a 2021 base year, and reduce absolute Scope 3 GHG emissions 30% within the same timeframe". These targets were officially approved by SBTi in 2024, laying a solid foundation for the Company's long-term carbon reduction strategy.
- Coretronic has completed the CDP assessment questionnaire for seven consecutive years. In 2025, the Company achieved a Leadership level (A) in Climate Change and a Management level (B) in Water Security, both exceeding global and industry averages. Relevant management initiatives will continue to be promoted.
- In 2025, total absolute greenhouse gas emissions (Scope 1 and Scope 2) amounted to 26,286.1 tCO_2e, representing a **45% reduction** compared to the base year (2021). Total absolute greenhouse gas emissions (Scope 3) amounted to 437,395.5 tCO_2e, representing an **88% reduction** compared to the base year (2021). The absolute emission reduction performance significantly exceeded the expected SBT carbon reduction roadmap.

Greenhouse Gas and Energy Management

Strategies	2025 Results
• Set SBT carbon reduction targets and roadmap, and 2050 net-zero targets. • Conduct GHG inventory in accordance with ISO 14064-1 and verified by an external assurance provider. • Implement the ISO 50001 Energy Management System to identify energy-saving opportunities. • The Environmental Protection Committee establishes the "Environmental Sustainability Policy" and regularly reviews carbon reduction performance to achieve GHG reduction goals. • The Sustainable Energy Committee was established under the Environmental Protection Committee to strengthen the SBT carbon reduction roadmap and energy initiatives, and to regularly review energy-saving performance to meet energy-saving targets. • Improve energy efficiency and utilization through regular maintenance, equipment upgrades and substitution, process optimization, and system integration. • Assess energy consumption at each plant and formulate corresponding energy-saving measures. • Install solar power generation systems for increasing renewable energy usage to meet renewable energy targets. • Set short-, medium-, and long-term targets for green products, with concrete implementation items and measurement indicators. • Establish an internal carbon pricing mechanism.	• SBT carbon reduction targets: "Reduce absolute Scope 1 and 2 GHG emissions by 50.4% and absolute Scope 3 GHG emissions by 30% by 2032 from a 2021 base year" approved by SBTi. • GHG emissions (Scope 1 and 2) decreased by 45% compared to the base year (2021), achieving the short-term target. • Absolute GHG emissions (Scope 3) decreased by 88% compared to the base year (2021), achieving the short-term target. • Passed ISO 14064-1 GHG Inventory verification and ISO 50001 Energy Management System certification. • Phase II of the Tainan Plant 2 completed the installation of a solar power generation system with an installed capacity of 460.35 kW, with expected annual power generation of 567 MWh. • Total renewable energy consumption reached 8,140 MWh, accounting for 16% of total electricity use, achieving the short-term target. • Committed to achieving the target of "100% renewable energy usage" by 2050. • Internal carbon price set at NT$942 per t$CO_2$e, used to simulate the future impact of carbon costs on business operations and investment decisions.

Greenhouse Gas Inventory 305-1, 305-2, 305-3, 305-4, 305-5

- Coretronic conducts annual greenhouse gas (GHG) inventories in accordance with ISO 14064-1, covering Scope 1 to Scope 3 emission sources. The inventory includes seven types of gases: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), and nitrogen trifluoride (NF_3). This comprehensive approach ensures accurate tracking of GHG emissions and serves as a verification of GHG reduction performance. Although not currently subject to mandatory regulatory requirements for GHG inventory or emissions reduction, Coretronic has set phased reduction targets and conducts annual reviews to drive continuous improvement. By inventorying energy use, improving equipment efficiency, establishing an effective energy management system, and investing in renewable energy infrastructure, the Company reduced its reliance on traditional energy sources and maximized energy efficiency to meet its GHG reduction goals. In 2025, the Company successfully passed ISO 14064-1 GHG verification.
- Total greenhouse gas emissions (Scope 1 and Scope 2) in 2025 amounted to 26,286.1 tCO_2e. Affected by changes in market demand and production capacity allocation optimization, emissions increased by 12% compared to 2024; however, emissions had still significantly decreased by 45% compared to the base year (2021), maintaining an overall long-term downward trend. Going forward, the Company will continue steadily advancing its net zero commitment through energy-saving optimization, enhanced equipment energy efficiency, and increased renewable energy usage.
- Total greenhouse gas emissions (Scope 3) in 2025 amounted to 437,395.5 tCO_2e, representing a 15% decrease compared to 2024 and an 88% decrease compared to the base year (2021). The Company prioritized actions targeting "Purchased Goods and Services" by strengthening supplier greenhouse gas inventory requirements, introducing low-carbon environmentally friendly materials, and incorporating carbon reduction performance into supplier evaluation mechanisms, demonstrating the effectiveness of supply chain management and raw material procurement strategy adjustments. Going forward, the Company will continue deepening supplier collaboration and raw material transformation to further reduce Scope 3 emissions.

Greenhouse Gas Emissions Summary Table

Plants		Taiwan				China			
Indicator/Year		2022	2023	2024	2025	2022	2023	2024	2025
Scope 1–Direct Emissions (tCO_2e)		246.1	238.3	144.3	681.5	1,655.5	1,824.7	1,844.0	2,567.5
Scope 2–Purchased Electricity (tCO_2e)	Location-based	7,726.6	6,324.3	5,787.4	5,093.7	20,382.9	16,938.6	15,629.0	17,943.4
	Market-based	7,688.4	6,324.3	5,787.4	5,093.7	20,382.9	16,938.6	16,423.3	20,822.8
Total GHG Emissions (Scope 1 & 2) (tCO_2e)		**7,972.7**	**6,562.6**	**5,931.7**	**5,775.2**	**22,038.4**	**18,763.3**	**17,473.0**	**20,510.9**
GHG Emissions Intensity (Scope 1 & 2) (tCO_2e/NT$ million)[1]		0.24	0.24	0.21	0.20	0.51	0.58	0.62	0.81
Scope 3–Indirect Emissions (tCO_2e)		42,818.8	13,508.0	9,411.4	22,599.7	623,822.8	1,676,712.0	503,088.8	414,795.8
Total GHG Emissions (Scope 1–3) (tCO_2e)		**50,791.5**	**20,070.6**	**15,343.1**	**28,374.9**	**645,861.2**	**1,695,475.3**	**520,561.8**	**435,306.7**
GHG Emissions Intensity (Scope 1–3) (tCO_2e/NT$ million)[1]		1.52	0.74	0.54	0.99	14.80	52.37	18.33	17.14

1: Revenue coverage for 2022–2023: Taiwan plants: Coretronic, Young Green Energy, uCare Medical Electronics, Champ Vision Display, Coretronic Intelligent Cloud Service, Coretronic Intelligent Robotics, Innospectra, Coretronic MEMS, Coretronic Reality, and Coretronic Intelligent Logistic Solutions; China plants: Coretronic Display (Suzhou), Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), Coretronic Projection (Kunshan), and Coretronic Optics (Kunshan).
Revenue coverage for 2024–2025: Taiwan plants: Coretronic, Young Green Energy, uCare Medical Electronics, Coretronic Intelligent Cloud Service, Coretronic Intelligent Robotics, Innospectra, Coretronic MEMS, Coretronic Reality, and Coretronic Intelligent Logistic Solutions; China plants: Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), Coretronic Projection (Kunshan), and Coretronic Optics (Kunshan).
2: The carbon emission factor for electricity at Taiwan plants in 2025 is referenced from the Energy Administration's carbon emission data, 1 kWh = 0.474 $kgCO_2e$; the carbon emission factor for electricity at China plants is referenced from the Ministry of Ecology and Environment of People's Republic of China's "Announcement on the Release of the 2023 Electricity Carbon Dioxide Emission Factors", 1 kWh = 0.5306 $kgCO_2e$
3: The GWP values are cited from the "IPCC Sixth Assessment Report (AR6, 2021)", and the inventory boundary follows the operational control approach.

Scope 3 Greenhouse Gas Emissions Summary Table

Unit: tCO_2e

Plants		Taiwan				China			
GHG Inventory Standard: ISO 14064-1:2018		2022	2023	2024	2025	2022	2023	2024	2025
Category 3: Indirect GHG emissions from transportation	Upstream transportation and distribution	42.3	33.9	51.2	50.5	57,980.9	3,461.1	880.2	535.1
	Downstream transportation and distribution	65.5	45.4	78.9	59.3	1,400.8	4,219.6	1,003.5	938.7
	Employee commuting	1,137.9	1,239.7	1,182.5	1,061.9	122.2	322.7	305.6	336.1
	Business travel	62.0	103.3	124.6	102.2	460.3	109.3	116.7	233.1
Category 4: Indirect GHG emissions from products provided by other organizations	Purchased goods and services	39,956.9	10,691.5	6,686.8	19,999.9	563,753.8	1,667,797.7	497,025.7	407,769.6
	Fuel- and energy-related activities	1,366.4	1,263.4	1,156.6	1,205.1	-	-	2,194.2	49.4
	Capital goods	-	-	-	-	-	-	388.0	3,705.3
	Waste generated in operations	149.3	85.2	91.5	89.4	104.8	739.2	1,110.3	1,188.1
	Upstream leased assets	38.5	45.6	39.3	31.4	-	62.4	64.6	40.4
Total Scope 3 Emissions		**42,818.8**	**13,508.0**	**9,411.4**	**22,599.7**	**623,822.8**	**1,676,712.0**	**503,088.8**	**414,795.8**

Internal Carbon Pricing

- Based on the results of risk scenario analyses conducted at each plant, the Company converts potential carbon emissions into potential decarbonization costs to promote internal carbon pricing. Carbon prices are dynamically adjusted every three years according to accounting profit and loss performance to reflect the actual economic costs required for operational units to implement carbon reduction measures. This mechanism enables the Company to respond to the latest decarbonization technologies and regulatory trends, while raising internal awareness of the operational impacts of climate change and driving more proactive carbon reduction initiatives.
- Although the Company's carbon emissions have not yet reached the carbon fee levy threshold established by the Ministry of Environment, the Company introduced an internal carbon pricing mechanism in 2021 as a core climate governance decision-making tool in response to operational risks arising from climate change and to fulfill its SBT 1.5° C carbon reduction roadmap and net zero commitment.
- The Company's internal carbon pricing mechanism adopts the "decarbonization investment cost approach", whereby the actual costs invested to achieve carbon reduction targets are internalized. The pricing basis is calculated by dividing the annual amortized investment costs of renewable energy generation and energy-saving equipment at each plant by total greenhouse gas emissions (Scope 1 and Scope 2). Based on scientific calculations, an internal carbon price of NT$942 per tCO_2e was established and applied as a shadow price to simulate the impacts of future carbon costs on corporate operations and investment decisions.
- Since 2022, the Company has applied internal carbon pricing to evaluate the investment benefits of ESCO energy-saving projects and solar power generation system installations, supporting more optimized internal resource allocation. This approach has driven upgrades to energy-efficient equipment and increased the use of renewable energy. In 2025, a total of 19 energy-saving projects were implemented, reducing electricity consumption by 1,123 MWh. Greenhouse gas emissions (Scope 1 and Scope 2) at Taiwan and China plants decreased by 45% compared to the base year (2021), substantially exceeding short-term targets and demonstrating the outstanding effectiveness of carbon pricing-assisted decision-making.
- Looking ahead, Coretronic will dynamically adjust its carbon price and scenario analyses in response to international trends, regulatory policies, market developments, and internal emissions performance. This will help optimize carbon reduction strategies, enhance sensitivity to climate risks, and promote more forward-looking carbon reduction actions to achieve both carbon reduction goals and operational success.

Energy Management System

- Implemented an energy-saving project for chillers of air conditioning systems to improve the energy efficiency of HVAC operations.
- Installed solar power generation systems to increase the share of renewable energy in total electricity use.
- Proposed and implemented various electricity-saving measures annually, upgraded lighting and equipment, and optimized operational processes.
- To improve the Company's energy-saving efficiency, the Company continuously implemented ISO 50001 and arranged ISO 50001 internal audits and energy-saving related training courses for employees and contractors. A total attendance of 1,188 was recorded for training completion, with total training hours reaching 1,965 hours. Taiwan plants, Wujiang plants, and Coretronic Projection (Kunshan) all passed certification.
- Through its management system, the Chunan plant improved energy efficiency, selected eco-friendly and recyclable materials, and established an indoor air quality monitoring system to enhance indoor air quality. As a result, it received LEED Gold Certification (LEED v4.1 for Operation and Maintenance) from the U.S. Green Building Council (USGBC), becoming Coretronic's first plant to obtain an international green building certification.

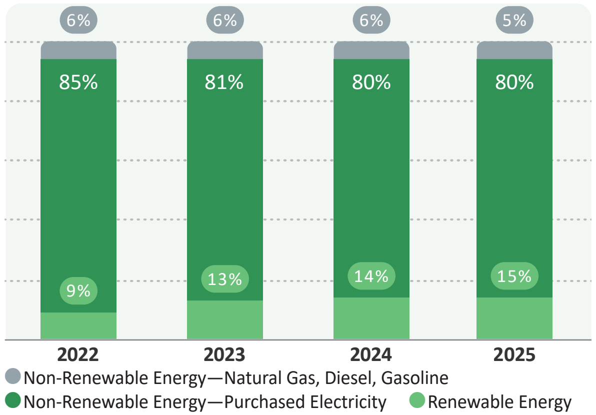
Energy Usage Overview 302-1, 302-3, 302-4

To reduce energy consumption, Coretronic has implemented the ISO 50001 Energy Management System, carried out energy-saving projects for chillers of air conditioning systems, upgraded lighting and related equipment, optimized operational processes, adopted recycled materials, and developed low-carbon products. In addition, the Company has actively promoted the development of renewable energy to increase its usage ratio. Total energy consumption in 2025 was 53,028 MWh, representing a 22% reduction compared to the base year (2021), successfully achieving the short-term target. Although the addition of new production lines at Coretronic Optics (Suzhou) resulted in 24-hour production requirements and caused total energy consumption to increase by 7% compared to 2024, the long-term trend remains downward overall. Going forward, the Company will continue implementing diversified energy-saving measures to ensure ongoing optimization of energy efficiency and reduction of environmental impacts while expanding production capacity.

Energy Usage Summary Table

Plants		Taiwan				China			
Item/Year		2022	2023	2024	2025	2022	2023	2024	2025
Renewable Energy	Renewable energy[1](MWh)[2]	96	950	1,117	1,256	5,171	5,809	4,738	4,791
	Purchased electricity with renewable energy certificates (MWh)	-	-	-	-	-	-	1,000	2,093
Non-Renewable Energy	Purchased electricity (MWh)	15,105	12,776	11,715	10,746	35,741	29,701	28,126	31,724
	Natural gas (MWh)	245	284	176	148	2,198	1,217	1,656	1,149
	Diesel (MWh)	32	25	40	33	184	175	158	89
	Gasoline (MWh)	123	93	65	50	648	1,090	706	949
Total Energy Consumption (MWh)		**15,601**	**14,128**	**13,113**	**12,233**	**43,942**	**37,992**	**36,384**	**40,795**
Energy Intensity (MWh/NT$ million)[3]		**0.47**	**0.52**	**0.46**	**0.43**	**1.01**	**1.17**	**1.28**	**1.61**

Energy Usage Summary Table Annual Energy Consumption Ratio



1: Includes electricity consumption from self-generated solar power and renewable energy consumption via green electricity wheeling.
2: 1 MWh = 3.6 GJ
3: Revenue coverage for 2022–2023: Taiwan plants: Coretronic, Young Green Energy, uCare Medical Electronics, Champ Vision Display, Coretronic Intelligent Cloud Service, Coretronic Intelligent Robotics, Innospectra, Coretronic MEMS, Coretronic Reality, Coretronic Intelligent Logistic Solutions; China plants: Coretronic Display (Suzhou), Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), Coretronic Projection (Kunshan), Coretronic Optics (Kunshan).
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Renewable Energy

Commitments and Targets	Strategies
• 2025: 15% of renewable energy in annual electricity consumption • 2026–2028: 21% of renewable energy in annual electricity consumption • 2029–2031: 27% of renewable energy in annual electricity consumption • 2033: 30% of renewable energy in annual electricity consumption • 2038: 40% of renewable energy in annual electricity consumption • 2043: 50% of renewable energy in annual electricity consumption • 2050: 100% of renewable energy in annual electricity consumption	• 2016–2017: Purchased green electricity • 2018: Installed a solar generation system at Tainan Plant 1 • 2020: Set renewable energy targets • 2021: Installed solar power systems for Coretronic Display (Suzhou), Coretronic Optotech (Suzhou), and Coretronic Optics (Suzhou) with installed capacities of 1,207.8, 4,068.9, and 653.4 kW respectively • 2022: Installed solar power systems for Coretronic Projection (Kunshan) and Coretronic Optics (Kunshan) with an installed capacity of 618.9 kW; Taiwan plants began purchasing renewable energy certificates and sourcing green electricity via renewable energy wheeling • 2023: Installed solar power systems for Chunan Plant, Tainan Plant 1, and Tainan Plant 2 with installed capacities of 367.41, 317.46, and 132.44 kW respectively • 2024: Installed a solar power system for the Headquarters with an installed capacity of 98.4 kW NEW 2025: Tainan Plant 2 Phase II project completed the installation of a solar power system with an installed capacity of 460.35 kW.

2025 Results

- Tainan Plant 2 Phase II project completed the installation of a solar power system with an installed capacity of 460.35 kW, which will commence electricity generation in 2026.
- Through a combination of self-generated solar power, green electricity purchased via renewable energy wheeling, and renewable energy certificates, total renewable energy usage reached 8,140 MWh, achieving a carbon reduction of 4,248 tCO_2e. Renewable energy accounted for 16% of total annual electricity consumption.

1: Annual electricity consumption includes both purchased electricity and renewable energy use.
2: The carbon emission factor for electricity at Taiwan plants in 2025 is referenced from the Energy Administration's carbon emission data, 1 kWh = 0.474 $kgCO_2e$; the carbon emission factor for electricity at China plants is referenced from the Ministry of Ecology and Environment of People's Republic of China's "Announcement on the Release of the 2023 Electricity Carbon Dioxide Emission Factors", 1 kWh = 0.5306 $kgCO_2e$

Energy-Saving Measures and Performance

- Since 2015, the Company has actively promoted energy management. In addition to setting clear energy-saving targets and management strategies, the Company has implemented energy-saving initiatives across three key areas: air conditioning systems, electrical lighting, and other electricity usage. These measures include improving energy efficiency, using outdoor solar-powered streetlights, controlling weekend and nighttime HVAC schedules on production lines, optimizing variable-frequency air conditioning, replacing all lighting with LED fixtures and installing variable-frequency air compressors, implementing automatic temperature control systems, and replacing transformers. In 2025, the Company implemented 19 energy-saving measures, reducing electricity consumption by 1,123 MWh and reducing carbon emissions by 565 tCO_2e.
- From 2015 to 2025, Coretronic implemented 408 energy-saving projects across Taiwan and China plants, reducing electricity consumption by 33,056 MWh and cutting carbon emissions by 19,000 tCO_2e, equivalent to the annual carbon absorption of 49 Daan Parks.
- The Company's electricity intensity in 2025 was 0.94, representing a 15% increase compared to 2024 but a 3% decrease compared to the base year (2021). Total electricity consumption was 50,610 MWh, representing an 8% increase compared to 2024 but a 22% decrease compared to the base year (2021), mainly due to the addition of new production lines at Coretronic Optics (Suzhou), which require 24-hour production operations. Going forward, the Company will continue strengthening energy management efforts, further improving energy efficiency, reducing carbon emissions, and advancing toward its net-zero target.

Item \ Region and Year	Taiwan					China					Taiwan and China
	2022	2023	2024	2025	2025 vs 2024	2022	2023	2024	2025	2025 vs 2024	2025 vs 2024
Electricity Savings from Energy-Saving Initiatives (MWh)	1,827	741	1,288	534	Total electricity use reduced by 830 MWh (6%)	13,473	1,325	433	589	Total electricity consumption increased by 4,744 MWh (14%)	Total electricity consumption increased by 3,914 MWh (8%)
Carbon Reduction from Energy-Saving Initiatives (tCO_2e)	904	367	636	253		7,684	756	232	312		
Total Electricity Consumption (MWh)[1]	15,201	13,726	12,832	12,002		40,912	35,510	33,864	38,608		
Electricity Intensity (MWh/NT$ million)[2]	0.46	0.51	0.45	0.42		0.94	1.10	1.19	1.52		

1: Total electricity consumption includes both purchased electricity and renewable energy usage (i.e., self-generated solar power and green electricity via renewable energy wheeling).
2: Revenue coverage for 2022–2023: Taiwan plants: Coretronic, Young Green Energy, uCare Medical Electronics, Champ Vision Display, Coretronic Intelligent Cloud Service, Coretronic Intelligent Robotics, Innospectra, Coretronic MEMS, Coretronic Reality, Coretronic Intelligent Logistic Solutions; China plants: Coretronic Display (Suzhou), Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), Coretronic Projection (Kunshan), Coretronic Optics (Kunshan).
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4.2 Waste Management

Coretronic's waste generated from operating activities is mainly non-hazardous waste. However, other flammable mixtures and electronic components arising from research and experimental processes are classified as hazardous industrial waste, which is incinerated and physically treated. The Company manages hazardous industrial waste through output control and categorization of scrap materials to reduce the generation of hazardous industrial waste. The Company also requires waste disposal contractors to jointly implement waste flow control measures, thus fulfilling its commitment to an environmentally friendly approach.

Taiwan plants, Wujiang plants, and Coretronic Projection (Kunshan)[1] have introduced and obtained ISO 14001 Environmental Management System certification. Through the lens of a product's life cycle, Coretronic examines the detailed processes of waste generation, removal, treatment, and recycling at different stages. The Company puts waste reduction strategies into action through system management, and formulates an audit plan to prevent unlawful activities or environmental risks brought on by improper handling.

1: Coretronic Optics (Kunshan) is an upstream supplier of Coretronic Projection (Kunshan), and its environmental management system is jointly managed with Coretronic Projection (Kunshan). It is expected to obtain ISO 14001 certification in the future in response to customer requirements.

Strategies	2025 Results
• All employees signed the "Plastic Reduction Commitment" to raise awareness of plastic reduction NEW Established waste recycling rate targets • Circular economy initiatives • Hazardous waste reduction • Commissioned licensed contractors for proper waste disposal • Enhanced employee awareness of waste reduction	• Waste generation intensity decreased by 9% compared to 2024 and by 56% compared to the base year (2021), achieving the short-term target • The waste recycling rate reached 65%, achieving the short-term target • Implemented six packaging material recycling and reuse initiatives, reducing 825 metric tons of waste and 1,700 tCO_2e, while saving NT$280,000 in pallet procurement and waste disposal costs • Kunshan plants launched chemical container lightweighting and reduction measures, reducing 1.4 metric tons of hazardous waste and 0.42 tCO_2e, and saving NT$21,000 in disposal costs • Planned and conducted audits of 35 waste disposal contractors, achieving a 100% audit completion rate • Conducted environmental education and dedicated personnel training courses related to waste reduction, with a total attendance of 4,295 recorded for training completion and total training time reaching 2,447 hours

Waste Generation Status

Coretronic is fully committed to the three principles of waste reduction, reuse, and recycling, integrating circular economy concepts into product manufacturing, strengthening source reduction, and implementing pollution prevention measures to continuously improve waste management performance. To strengthen waste management and increase waste recycling rates, the Company established waste recycling rate targets in 2025 and continuously monitors waste generation status through regular tracking and reviews of target achievement status.

Indicator	2025 Target	2025 Performance	Achievement Status	Short-Term Target (2026–2028)	Medium-Term Target (2029–2031)	Long-Term Target (2032–2034)
Waste Recycling Rate	50%	65%	✓	50%	53%	55%
Hazardous Waste Recycling Rate	50%	57%	✓	50%	53%	55%
Reduction Rate of Waste Generation Intensity	Reduce by 5% compared to the base year (2021)	Reduced by 56%	✓	Reduced by 8%	Reduced by 11%	Reduced by 14%

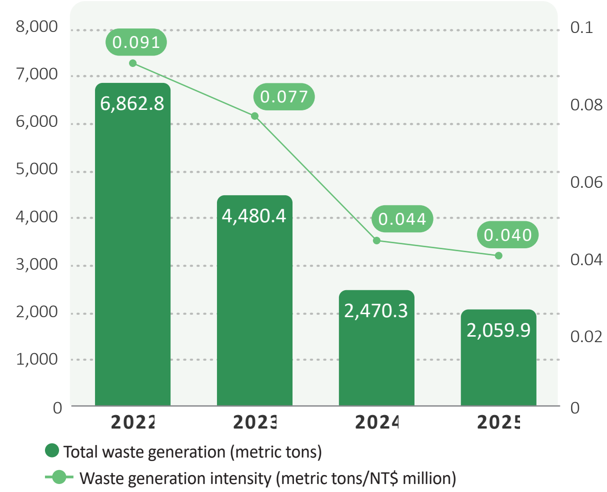
Based on the environmental impacts of waste, the Company classifies waste into hazardous and non-hazardous waste categories. Non-hazardous waste is further categorized into domestic waste, recyclable waste, reusable waste, and general industrial waste, and is managed according to five treatment categories. Except for domestic waste and recyclable waste, all other waste is generated from manufacturing processes. Total waste generation in 2025 amounted to 2,059.9 metric tons. Waste generation intensity decreased by 9% compared to 2024 and significantly decreased by 56% compared to the base year (2021). The waste recycling rate in 2025 was 65%, representing a 1% decrease compared to 2024. This decrease was mainly due to a significant decline in overall waste generation, which has caused recyclable items to approach their practical upper limit. Going forward, the Company will evaluate the feasibility of "waste-to-energy" solutions to further improve recycling performance.

unit: metric tons

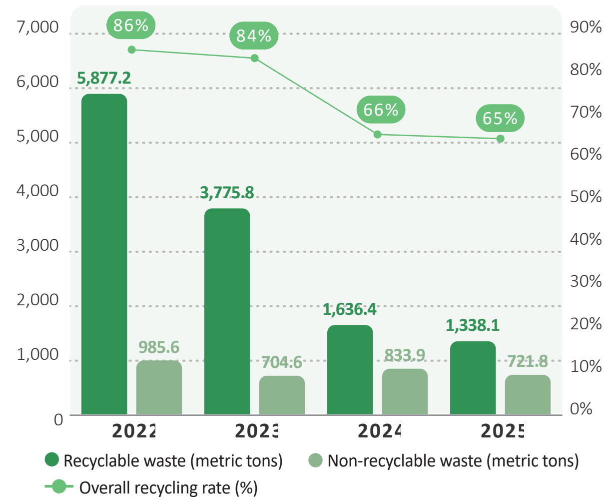
Category	Plants	Taiwan				China			
	Item/Year	2022	2023	2024	2025	2022	2023	2024	2025
Hazardous Waste[1]	**Total**	**4.2**	**4.3**	**6.3**	**7.3**	**24.2**	**39.5**	**45.6**	**45.0**
	Hazardous Waste Recycling Rate	**0%**	**0%**	**0%**	**0%**	**71%**	**80%**	**58%**	**67%**
	Direct disposal—incineration only	2.8	1.8	1.5	2.4	7.1	7.9	19.1	15.0
	Direct disposal—other disposal operations	1.4	2.5	4.8	4.9	0	0	0	0
	Recovery—reuse for original purpose	0	0	0	0	6.0	21.7	20.5	26.1
	Recovery—recycling	0	0	0	0	11.1	9.9	6.0	3.9
None-Hazardous Waste[2]	**Total**	**491.5**	**376.3**	**371.3**	**404.1**	**6,342.9**	**4,060.3**	**2,047.0**	**1,603.5**
	Non-Hazardous Waste Recycling Rate	**53%**	**54%**	**54%**	**62%**	**88%**	**87%**	**69%**	**66%**
	Direct disposal—incineration only	228.4	166.3	165.1	151.5	743.9	520.7	636.9	546.0
	Direct disposal—landfill	0	0.2	0	0	0	0	0	0
	Direct disposal—other disposal operations	2.0	5.2	6.4	2.0	0	0	0	0
	Recovery—reuse for original purpose	3.6	1.5	7.2	1.7	0	0	0	0
	Recovery—recycling	257.5	203.1	192.6	248.9	5,599.0	3,539.6	1,410.1	1,057.5
Total Waste Generation (metric tons)		**495.7**	**380.6**	**377.6**	**411.4**	**6,367.1**	**4,099.8**	**2,092.6**	**1,648.5**
Waste Generation Intensity (metric tons/NT$ million)[3]		**0.016**	**0.015**	**0.013**	**0.016**	**0.146**	**0.127**	**0.074**	**0.065**
Overall Waste Recycling Rate		**53%**	**54%**	**53%**	**61%**	**88%**	**87%**	**69%**	**66%**

1: It refers to mercury lamps, empty bottles, waste liquids, electronic waste, etc., which are identified as hazardous waste by local environmental authorities during the disposal stage. They are collected and classified according to their hazardous characteristics, and then handed over to qualified disposal companies for processing.
2: It refers to domestic waste, unclassified combustible general industrial waste, waste plastics, wastepaper, waste metals, and publicly announced recyclable and reusable waste. Recyclable and reusable waste is collected by local qualified recycling companies for recycling and reuse. Other waste is transported by qualified waste clearance companies to processing plants for disposal according to waste management protocols.
3: Coverage of revenue: Taiwan plants including Coretronic, Young Green Energy, uCare Medical Electronics, Coretronic Intelligent Cloud Service, Innospectra, Coretronic MEMS, Coretronic Reality, Coretronic Intelligent Logistic Solutions; China plants including Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), Coretronic Projection (Kunshan), Coretronic Optics (Kunshan).
4: All generated waste is transported by qualified waste clearance contractors to qualified processing plants for off-site disposal, with no further transfer.
5: The data on waste generation, transfer, and disposal comes from the Industrial Waste Report and Management System of the Ministry of Environment and the "One Enterprise, One File" Management System for Pollution Sources in Jiangsu Province. The data on recycling and reuse comes from internal records and accounting statements of the plants.

Annual Waste Generation Trend



Annual Waste Recycling Rate Trend



Electronic Waste Recycling Status

Coretronic operates under a B2B business model and is not an end-product manufacturer. Hence, the Company primarily recycles electronic waste generated during manufacturing processes through resale channels. In 2025, the total weight of recycled electronic waste amounted to 10.8 metric tons.

Indicator/Year	2022	2023	2024	2025
Total Weight of Recycled Electronic Waste (metric tons)	14.5	17.6	17.2	10.8
Percentage of Recycled Electronic Waste Resold	100%	100%	100%	100%
Percentage of Electronic Waste Disposed of/Landfilled	0%	0%	0%	0%

Waste Reduction Strategies

Reuse of Packaging Materials

In 2025, Coretronic implemented six packaging material recycling initiatives, covering trays, pallets, plastic pads, cartons, plastic containers, and paper dividers, achieving an overall recycling rate of 88%. A total of 825 metric tons of reusable packaging materials were recycled, reducing carbon emissions by 1,700 tCO_2e and saving NT$280,000 in pallet procurement and waste disposal costs. (According to the website of the Low-Carbon Sustainable Homeland Information System, each metric ton of waste generates 2.06 tCO_2e.)

Downstream Waste and Product Tracking

To ensure that reused products are handled legally, Coretronic has established clear waste management operating procedures and conducts annual on-site audits of waste management contractors' compliance with regulations and their downstream processing capabilities. If non-compliance is found, guidance and follow-up improvements are provided, and if the issues persist, the disposal contract will be terminated to ensure proper and legal waste disposal. In 2025, Coretronic audited 35 waste management contractors, covering general, reusable, and hazardous industrial waste, with a 100% audit completion rate and no irregularities found.

Lightweight Chemical Containers

Since 2022, Kunshan plants have replaced ethanol containers by changing from 500 mL glass bottles to 2.5 L plastic containers. For every 1 L of ethanol used, this change reduces hazardous industrial waste generation by 0.768 kg. From 2022 to 2025, these measures reduced waste by 5.9 metric tons and reduced carbon emissions by 1.8 tCO_2e, while saving more than NT$98,000 in waste disposal costs. (According to the website of the Carbon Footprint Information Platform, each metric ton of hazardous industrial waste disposed of through landfill generates 0.3 tCO_2e.)

Circular Economy Alliance

- Pallet reuse: Since 2017, Coretronic has partnered with local logistics contractors for nine consecutive years to recover and reuse original pallets for transportation. From 2017 to 2025, a total of 523 metric tons of pallets were recovered, reducing 1,077 tCO_2e and saving NT$2.48 million in pallet purchase and waste disposal costs.
- Tray recycling and reprocessing: Tainan Plant 1 has recycled defective trays, which were reprocessed for reuse. From 2021 to 2025, 1.9 metric tons of trays were recovered, reducing 3.9 tCO_2e.

4.3 Environmental Resource Management

Air Pollution Control

Coretronic is not classified as a high-emission industry. The primary air pollutants are volatile organic compounds (VOCs) generated from organic solvents (such as cleaning agents) used for cleaning and wiping during manufacturing processes. Overall emissions remain far below statutory approved limits. Nevertheless, the Company voluntarily reports and regularly monitors air pollutant emissions and adopts a "total emission cap control" approach as its self-management strategy to ensure that pollution levels remain consistently ultra-low amid fluctuations in production capacity.

To implement VOC reduction measures, the Company established VOC management targets in 2025 and continues to monitor air pollution emissions through regular tracking and reviews of target achievement status. In the short to medium term, the Company plans to reduce VOC emissions by improving production yield rates and reducing the usage of organic chemicals. In the long term, the Company plans to introduce low-volatility green chemical alternatives to promote the transformation of manufacturing processes toward zero pollution. While ensuring production capacity growth, the Company will continue reducing environmental impacts and enhancing environmental management performance.

Indicator	2025 Target	2025 Performance	Achievement Status	Short-Term Target (2026–2028)	Medium-Term Target (2029–2031)	Long-Term Target (2032–2037)
Annual VOC Emissions (metric tons)	< 3.2	2.055	✓	< 3.2	< 3.1	< 3.0

In 2025, due to improved production yield rates and reduced use of organic solvents during the R&D stage, total VOC emissions amounted to 2.055 metric tons, representing a 28% decrease compared to 2024 and achieving the annual target. The emissions accounted for only 5% of the statutory approved emission limit, demonstrating excellent source control performance.

Types of Air Pollutants/Year	2022	2023	2024	2025
VOC Emissions (metric tons)	2.874	2.569	2.868	2.055

Note: The above data covers 100% of the scope disclosed in this Report, including Coretronic's Taiwan plants (Headquarters, Chunan Plant, Tainan Plant 1, Tainan Plant 2) and China plants (Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), Coretronic Projection (Kunshan), Coretronic Optics (Kunshan)). Among them, Tainan Plant 2 was confirmed by the Environmental Protection Bureau, Tainan City Government during the voluntary reporting application process to have emissions below the regulatory threshold and was therefore exempt from statutory reporting requirements.

Water Resource Management

Coretronic primarily sources its water from municipal supplies, with usage mainly for air conditioning, domestic needs, and catering services. Water users include employees, visitors, and contractors. Based on the Company's operational characteristics, which primarily involve non-process water usage, the overall environmental impact is relatively minimal. However, considering that water resource management is a major global sustainability concern, the Company has incorporated water resource management into its overall "Environmental Sustainability Policy" and the TCFD framework to establish a comprehensive and effective management mechanism. This includes implementing tracking and management of water sources and flows, systematically assessing the Company's dependence on water resources and related potential risks arising from operational activities, and prudently identifying trade-offs between water usage processes and environmental issues. Through these efforts, the Company continuously improves overall water use efficiency and actively responds to the United Nations Sustainable Development Goals (SDGs) 6: Clean Water and Sanitation.

▶ Water Resource Management Policy NEW

- The Environmental Protection Committee shall convene related departments to formulate water resource management targets and quantitative performance indicators. The Environmental Protection Committee shall also periodically review both management performance and continuous improvement efforts in order to ensure the targets are achieved.
- The Company shall introduce water resource management systems, implement all water conservation programs in a rigorous manner, and establish water conservation targets in order to reduce water withdrawal and consumption. In parallel with this, we also improve water usage rates, to promote sustainable development for water resources and freshwater ecosystems.
- Through water resource initiatives and education, the Company shall strengthen external and internal stakeholder engagement, as well as the understanding of, a sense of responsibility for, and respect for water resources among our upstream and downstream value chain partners. By implementing collective action, we will work together with all concerned to promote sustainable water resource management.
- Coretronic's discharge standards shall exceed local regulatory requirements. The Company will conduct periodic water quality testing and disclose the relevant data to control, reduce, or eliminate water pollutants, and to reduce or eliminate harmful substances in discharged water.
- The Company shall ensure that the water, sanitation, and hygiene (WASH) needs of all operating sites and the communities in which they are located are adequately safeguarded, and prevent its operations from causing adverse impacts on local water resources and the environment.

Indicator	2025 Target	2025 Performance	Achievement Status	Short-Term Target (2026–2028)	Medium-Term Target (2029–2031)	Long-Term Target (2032–2034)
Reduction in Water Consumption	Reduce by 6% compared to the base year (2021)	Reduced by 39%	✓	Reduced by 9%	Reduced by 10.5%	Reduced by 12%

Water Resource Risk Assessment

Coretronic conducts a comprehensive water risk analysis using the Aqueduct Water Risk Atlas developed by the World Resources Institute (WRI). The analysis results indicate that Taiwan plants are classified as low to medium water risk areas (levels 1–2), while China plants face high water risk levels (levels 3–4).

In light of the potential exacerbation of water scarcity risks due to climate change, Coretronic will continue to monitor water usage and water stress levels, regularly assess and revise water optimization strategies to ensure effective management and sustainable use of water resources.

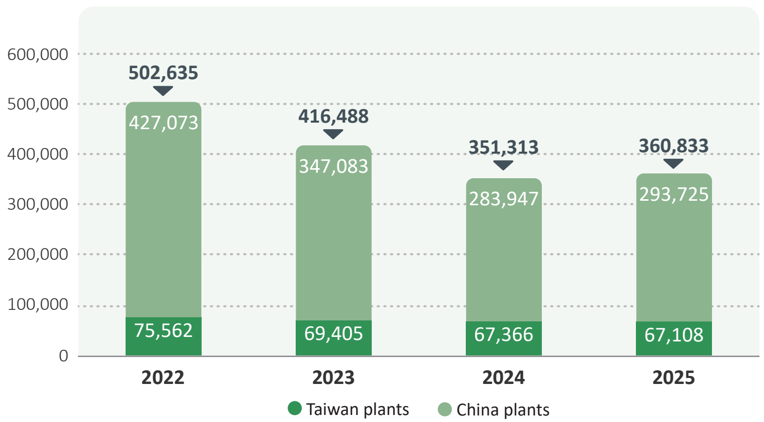
Currently, all sites implement water recycling and conservation measures to mitigate water-related impacts. The Company also promotes water-saving awareness to proactively prevent potential water shortages during dry seasons.

Note: The individual plants within Wujiang plants ((Coretronic Optotech (Suzhou) and Coretronic Optics (Suzhou)) and Kunshan plants (Coretronic Projection (Kunshan) and Coretronic Optics (Kunshan)) are located within the same water resource risk areas, and therefore water-related risk disclosures are not presented on an individual plant basis.

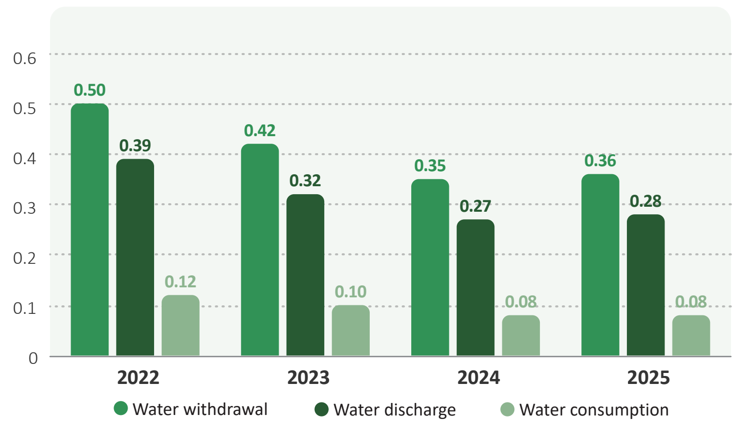
Water Usage Status

Coretronic’s total water consumption in 2025 was 360,833 metric tons, representing a significant reduction of 39% compared to the base year (2021), successfully achieving the short-term target. Although the addition of new production lines at Coretronic Optics (Suzhou) resulted in a slight 3% increase in overall water consumption compared to 2024, all plants continued to actively implement water-saving measures. Water consumption at Taiwan plants decreased by 0.4% compared to 2024 (and by 10% compared to the base year), while China plants achieved a significant 43% reduction compared to the base year (despite a 3% increase compared to 2024). Going forward, the Company will adopt more proactive water reduction measures to mitigate the impacts of climate change.

Annual Water Usage Trend (metric tons)



Annual Water Withdrawal, Discharge, and Consumption (million metric tons)



Water Conservation Measures

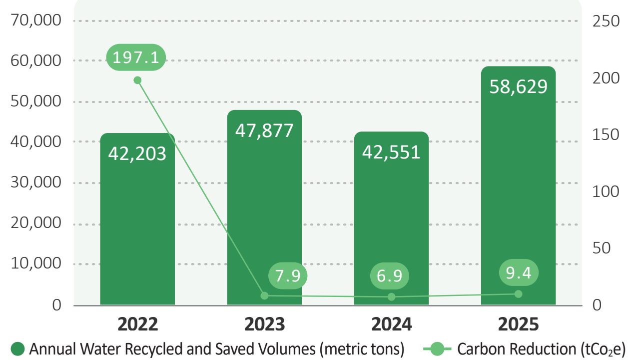
- All Taiwan plants and Coretronic Optics (Suzhou) are equipped with water recycling systems, primarily collecting surface water, air-conditioning condensate, and rainwater for landscape irrigation and secondary domestic use. Coretronic Optotech (Suzhou) will also install a water recycling system in 2026. In addition, all plants have implemented various water-saving measures, including adjusting cycles of concentration in air conditioning, installing water-saving devices on faucets (such as aerators and motion-sensor taps), monitoring water usage in catering services, and reducing cleaning-related water consumption, in order to achieve water reduction targets.
- Since 2018, Coretronic has promoted various recycling and water-saving initiatives. As of 2025, the total volume of water saved and recycled reached 265,629 metric tons, resulting in a carbon reduction of 233 tCO_2e.

Water Conservation Performance

Item/Year	2022	2023	2024	2025
Water Saved (metric tons)	27,956	30,297	26,929	27,214
Water Recycled (metric tons)	14,247	17,580	15,622	31,415
Water Recycled and Saved (metric tons)	42,203	47,877	42,551	58,629
Carbon Reduction (tCO_2e)[1]	197.1[2]	7.9	6.9	9.4

1: The carbon emission per cubic meter of water used in Taiwan plants is calculated based on values published by the Taiwan Water Corporation; for China plants, it is based on the annual GHG inventory emission factor.
2: In 2022, the carbon emissions per metric ton of water at China plants reached 12.32 $kgCO_2e$, significantly higher than in other years, resulting in a substantial increase in carbon reduction.

Annual Water Recycled and Saved Performance Trend



Water Quality Management

The Company's wastewater primarily originates from domestic sewage generated by employees. In 2025, total wastewater discharge amounted to 0.28 million metric tons. All wastewater discharges complied with local regulatory requirements. The Company strictly treats wastewater in accordance with local regulations and conducts regular water quality testing to monitor wastewater discharge conditions and ensure that discharge quality complies with local regulatory standards. If any non-compliance is identified, corrective action plans will be immediately initiated to prevent impacts on natural water bodies and the ecological environment.

Indicator/Plants		Taiwan				China		
		Headquarters	Chunan Plant	Tainan Plant 1	Tainan Plant 2	Coretronic Projection (Kunshan) and Coretronic Optics (Kunshan)[1]	Coretronic Optotech (Suzhou)	Coretronic Optics (Suzhou)
Test Results	pH Value	8.0	8.1	7.7	8.1	6.9	7.6	7.5
	SS (mg/L)	<1.67	4.1	34.4	3.2	6	13	8
	COD (mg/L)	35.9	27.6	60	8.8	70	124	70
	BOD (mg/L)	2.4	5.5	40.4	1	33.7	26.4	39.6
Regulatory Standards	pH Value	5.0–9.0	5.0–9.0	5.0–10.0	5.0–10.0	6.0–9.0	6.5–9.5	6.5–9.5
	SS (mg/L)	300	300	250	250	400	400	400
	COD (mg/L)	500	500	450	450	500	500	500
	BOD (mg/L)	300	300	250	250	300	350	350

1: Coretronic Projection (Kunshan) and Coretronic Optics (Kunshan) are located at the same site and share the same wastewater discharge system; therefore, their water quality testing data are disclosed together.

2025 Water Resource Violation Case[2-27]

Region	Taiwan
Regulatory Provisions	Article 18 of the "Water Pollution Control Act" and Article 4 of the "Regulations Governing Water Pollution Control Measures and Test Reporting"
Penalty Amount	NT$14,000
Cause of Violation	Coretronic's Chunan Plant implemented raft foundation water recycling and reuse by collecting surface water, air-conditioning condensate, and rainwater into the raft foundation pit and pumping the water for use in cooling towers. From May to August 2025, due to frequent rainfall, the cooling towers reached high liquid levels, triggering the automatic discharge mechanism. As a result, the cumulative daily wastewater discharge volume into the sewer system exceeded 95 CMD over multiple days, which was inconsistent with the registered content in the "Water Pollution Control Measures Plan" (maximum daily discharge volume of 95 CMD).
Corrective Measures	To prevent recurrence of similar incidents, the Company has completed equipment maintenance and retraining of operators, and implemented the following measures: 1. Submitted an application to the Science Park Bureau to increase the permitted sewer discharge volume from 95 CMD to 150 CMD. 2. Adjusted the raft foundation water discharge liquid level to reduce the amount of each automatic discharge. 3. Installed flow meters on the pipelines and conducts daily monitoring of flow conditions.

04

4.4 Green Products 3-3

Material Topic

Green Process and Product Management

GRI Topic Energy

GRI Topic Emissions

Topic Boundary

Coretronic Taiwan and China plants (Kunshan plants, Wujiang plants), suppliers/contractors

Topic Importance

Based on the product life cycle, develop eco-friendly and low-carbon products that reduce environmental impact, improve energy efficiency, and promote easy disassembly and recycling. Together with the suppliers and customers, Coretronic strives to achieve the mutual goal of "providing convenient, safe and energy-saving sustainable products".

Strategy

Establish the "Sustainable Raw Material Policy", prioritize the adoption of raw materials with lower environmental impacts, and implement IECQ QC 080000 to systematically control, reduce/phase out hazardous substances. At the same time, integrate low-carbon concepts into the entire product life cycle through ISO 14067 carbon footprint inventories and the establishment of a carbon management platform to increase the use of low-carbon materials and improve manufacturing process efficiency, thereby strengthening the green competitiveness of products.

Operating Mechanism

The "Green Projector Development Team" and the "Green Product R&D Team" are responsible for setting and planning annual goals, budgets, and plans. After approval, these plans are integrated into the R&D phase, with regular reviews of implementation performance and continued advancement of related initiatives.

Performance

Indicator/Year	2025 Target	2025 Performance	Achievement Status	Short-Term Target (2026–2028)	Medium-Term Target (2029–2031)	Long-Term Target (2032–2034)
Product Carbon Footprint Inventory	• Complete the establishment of the product carbon footprint inventory platform • Conduct independent carbon footprint inventories for specific products • Obtain ISO 14067 certificates	• Completed the establishment of the product carbon footprint inventory platform and carried out system verification for mass-production models • Independently completed the carbon footprint inventory for the 14-inch backlight module • Five products obtained ISO 14067 certificates	✓	• Launch the platform • Conduct carbon footprint inventories for new products	Conduct carbon footprint inventories for all products	Conduct carbon footprint inventories for all products
Shipment ratio of mainstream and commercial projectors using post-consumer recycled (PCR) plastic materials	10%	13%	✓	15%	30%	40%
Shipment ratio of mainstream projectors using recycled metals NEW	70%	100%	✓	75%	95%	99%
Shipment ratio of mainstream and smart projectors using eco-friendly cushioning materials	66%	95%	✓	74%	75%	76%
Shipment ratio of projectors using FSC-certified or recycled pulp cartons	50%	99%	✓	75%	92%	93%
Power consumption reduction ratio of high-efficiency backlight modules	5%	5.6%	✓	10%	10%	10%
Proportion of newly developed laptop models introducing recycled aluminum materials	3%	3.3%	✓	4%	6%	6%

- Conducted independent product carbon footprint inventories of products for 10 consecutive years. The carbon footprint of each 14-inch backlight module product was 1.78 $kgCO_2e$.
- Continued optimizing the optoelectronic design of mainstream projectors to enhance overall product efficiency. Energy-saving benefits improved by 9% compared to 2024, with estimated annual electricity savings of approximately 47.75 GWh and carbon reduction of 22,633 tCO_2e.
- Coretronic Optics (Suzhou) introduced a cold bending process to replace the traditional hot bending process, reducing carbon emissions by 30% per unit area. In 2025, a total of 362,846 automotive touch displays were produced, reducing carbon emissions by 2,541 tCO_2e.
- Adopted DHL's "GoGreen Plus Sustainable Air Transport Solution" to reduce transportation carbon emissions by 50.08%
- Coretronic Optics (Suzhou) passed the IECQ QC 080000 certification.

Coretronic regards green products as one of the cornerstones of its net-zero development strategy. Centered on the Sustainable Development Goals, the SBT carbon reduction roadmap, and the "Sustainable Raw Material Policy", the Company has established a green product development strategy and set clear short-, medium-, and long-term quantitative targets for each stage of the product life cycle. By incorporating green design principles and advancing green product R&D and manufacturing, the Company continuously promotes green technology innovation, the application of energy-saving technologies, the adoption of low-carbon materials, environmentally friendly packaging materials, and green transportation measures, thereby achieving a win-win outcome between energy conservation, carbon reduction and enhanced product competitiveness.

Project Teams

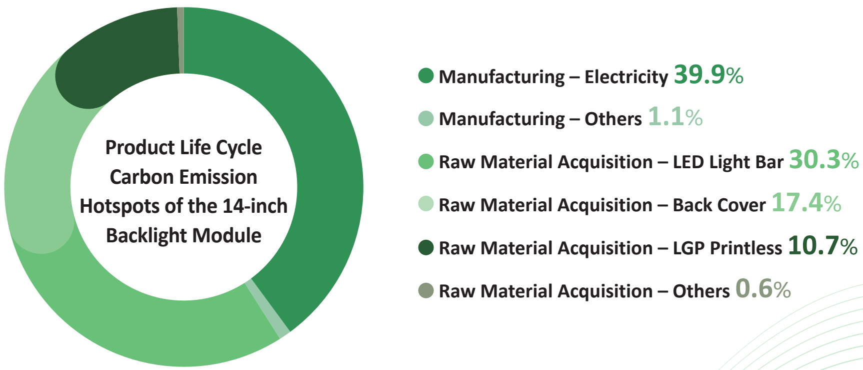
- Green Projector Development Team: The highest executives of the mainstream, commercial, and smart projector business groups appointed the R&D managers to form the Green Projector Development Team. This team leads a comprehensive review of the carbon emissions generated during the projector product development and design processes. Implementing environmentally friendly designs based on the product characteristics and advantages, gradually conducting product carbon footprint inventories and establishing a comprehensive product carbon footprint database. Through continuous product optimization and performance enhancement, aiming to achieve carbon reduction targets.
- Green Product R&D Team: With green design as its core concept, this team focuses on developing products with features such as "low energy consumption", "lightweight design", and the "use of recycled materials". In 2025, the team regularly convened working group meetings and proposed 36 product development projects, including incorporating recycled aluminum materials into the back covers of newly developed notebook models, as well as investing in the development of high-efficiency backlight modules to reduce energy consumption. The Company also continued introducing low-carbon LGP technologies and lightweight optical film products into mass production to meet customer needs.

Product Carbon Footprint Inventory

- Product Carbon Footprint Inventory Platform: Based on the inventory results of the EX1 laser projector platform, the Company has independently planned and established a product carbon footprint inventory platform aligned with product BOM data. In 2024, the "Material Emission Factor Database" was completed, which prioritizes the verification of carbon emission data for new product components. In 2025, the Company completed the establishment of the "Manufacturing Stage Database" and selected existing mass-production models for system pilot operation and data verification. The product carbon footprint platform is expected to be officially launched in 2026.
- Implementation of ISO 14067:
  1. ISO 14067 Verification: In 2022, three mainstream EX1 laser projector models, one 15-inch LCD monitor model, and one 43-inch LCD monitor model were selected for ISO 14067 B2B product carbon footprint inventory and verification. According to the carbon footprint inventory of the EX1 laser projectors, the most significant emission phase was the B2B "raw material acquisition" stage. Moving forward, the Company will utilize its in-house carbon footprint inventory platform to identify emission hotspots and focus on raw material substitution, low-carbon material selection, and recycled material adoption. These actions aim to optimize product design and continuously develop sustainable, green products with competitive advantages for consumers.
  2. In 2025, the Company invited instructors from SGS to conduct the "ISO 14067:2018 Product Carbon Footprint Lead Verifier" course for members of the Green Product Team and ESG Team. The course covered clause interpretation, product carbon footprint calculation methodologies, processes, and verification techniques, enabling participants to acquire sufficient knowledge and practical capabilities in product carbon footprint management and apply them to product design and management. Participants also learned to independently conduct product carbon footprint inventories in accordance with ISO 14067 requirements, thereby enhancing data accuracy. A total of 31 participants completed the training, with cumulative training time reaching 744 hours.
- Self-Conducted Inventory: Since 2016, the Company has independently conducted carbon footprint inventories for backlight module products in accordance with the ISO 14067 product carbon footprint inventory principles, adopting a "cradle-to-gate" approach as the product life cycle inventory boundary. The inventory scope covers raw material acquisition, key component manufacturing, product assembly, and in-plant production-related activities. In 2025, the carbon footprint of each 14-inch backlight module product was 1.78 kgCO_2e, representing a 26% increase compared to 2024. The primary emission hotspot was electricity consumption, mainly due to customized customer requirements, increased process complexity, and extended production hours, which resulted in higher electricity-related carbon emissions. Going forward, the Company will increase the use of renewable energy, implement diversified energy-saving initiatives, and continuously optimize manufacturing processes to reduce electricity-related carbon emissions during product manufacturing. While meeting customers' customization needs, the Company will continue progressing toward its low-carbon product development goals.

Life Cycle Stage Emission Breakdown for the 14-inch Backlight Module

Life Cycle Stage	Category	Carbon Emissions (kg)	Percentage (%)
Manufacturing	Electricity	0.71	39.9%
	Others	0.02	1.1%
Raw Material Acquisition	LED light bar	0.54	30.3%
	Back cover	0.31	17.4%
	LGP printless	0.19	10.7%
	Others	0.01	0.6%
Total		**1.78**	**100%**



With the “Green Product Design Guidelines” as its core principle, Coretronic actively collaborates with customers to implement carbon reduction management throughout the entire product life cycle. Through measures such as selecting low-carbon and recycled raw materials, optimizing manufacturing process energy efficiency, improving product usage efficiency, adopting environmentally friendly packaging materials and sustainable aviation fuels (SAF), the Company systematically reduces product carbon footprints at every stage. In addition, recyclable and easy-to-disassemble designs are incorporated to extend product life cycles and comply with the EU Waste Electrical and Electronic Equipment (WEEE) Directive recycling requirements and Extended Producer Responsibility (EPR) obligations. Furthermore, the Company has established a sustainable supply chain by requiring suppliers to comply with environmental standards and jointly reduce the environmental impacts of products. These diversified green product strategies not only satisfy market and customer demands, but also effectively reduce the carbon footprint of the Company’s products. Looking ahead, the Company aims to transform technological innovation into tangible competitive advantages and continuously develop innovative solutions that deliver both economic value and environmental benefits.

Raw Materials
- Hazardous substance management
- Use of low-carbon or recycled raw materials
- Product Carbon Footprint Inventory Platform—Material Database

Manufacturing
- Implementation of ISO 50001
- Increase the percentage of renewable energy usage
- Adoption of low-carbon manufacturing technologies
- Energy conservation and carbon reduction in manufacturing processes
- Product Carbon Footprint Inventory Platform — Manufacturing Database

Product Use
- Performance enhancement
- Energy-efficient design
- Lightweight design
- Durability design

Packaging and Transportation
- Use of FSC-certified or recycled pulp packaging materials
- Use of eco-friendly cushioning materials
- Recycle and remanufacture discarded trays
- Use of sustainable aviation fuel
- Reduce packaging volume and material usage

End of Life
- Recyclable and easy-disassembly design
- Source reduction
- Implement Extended Producer Responsibility (EPR)
- WEEE compliance

▲ **Green Product Design Guidelines**

Raw Material Selection

To align with international sustainability trends and customer requirements, and to effectively reduce Scope 3 GHG emissions in order to achieve the goals of “increasing the use of recycled raw materials”, “reducing absolute Scope 3 greenhouse gas emissions by 30% by 2032”, and “achieving net zero by 2050”, the Company established the Sustainable Raw Material Policy following discussions by the Green Projector Development Team and the Green Product R&D Team. The policy was signed by the Chairman and publicly disclosed on the Company’s official website.

- In support of reducing raw material consumption and promoting a circular economy, since 2022, the Company has used 50% post-consumer recycled (PCR) plastic for product casings. In 2025, the number of PCR-integrated models for mainstream and commercial projectors continued to increase, with PCR-equipped units accounting for 13% of the total annual shipments in these two categories, meeting the short-term target.
- The projector models utilizing PCR consumed a total of 86.97 metric tons of plastic, of which 28.78 metric tons were PCR, representing 33% of the total plastic used.
- NEW The optical engines, thermal modules, and supporting metal plates of mainstream projectors adopted recycled metals (aluminum, steel, and magnesium). Shipments of models using recycled metals accounted for 100% of the annual shipment volume of mainstream projectors, achieving the short-term target.
- NEW Projector models using recycled metals (aluminum, steel, and magnesium) consumed a total of 404 metric tons of metal materials, of which 165 metric tons were recycled metals, accounting for 40.8% of total metal usage.
- In collaboration with customers, recycled aluminum materials were added to the back covers of newly developed laptop models. The proportion of models using recycled aluminum has been gradually increased, and in 2025, 3.3% of newly developed laptop models incorporated recycled aluminum, achieving the short-term target.
- The newly developed laptop models that used recycled aluminum consumed a total of 70.53 metric tons of aluminum, including 0.22 metric tons of recycled aluminum, accounting for 0.31% of the total aluminum used.
- NEW Coretronic Optics (Suzhou) changed the bonding technology for its 10.9-inch and 12.3-inch automotive models from full-lamination technology to adhesive frame bonding technology, thereby enabling the use of low-carbon materials. In 2025, a total of 121,555 automotive touch displays were produced, reducing carbon emissions by 2.2 tCO_2e.

Material	Recycled Material Usage (metric tons)	Total Usage (metric tons)	Percentage of Recycled Material Usage (%)
Plastic	28.78	86.97	33%
Aluminum	156.67	249.71	62.7%
Steel	2.14	131.99	1.6%
Magnesium	6.48	78.72	8.2%

▲ **Recycled Material Usage Status in 2025**

Manufacturing 305-5

- Coretronic Optics (Suzhou) continued adopting a cold bending process to replace the traditional hot bending process. By applying cold bending to 12.3-inch automotive touch display materials, carbon emissions per unit area were reduced by 30%. In 2025, a total of 362,846 displays were produced, with a processed area of 195,439 square feet, resulting in a carbon reduction of 2,541 tCO_2e.
- Following local regulatory requirements under the "National Pollution Prevention and Control Technology Guidance Catalog (2024, Restricted and Eliminated Categories)", Coretronic Optotech (Suzhou) phased out the UV photolysis exhaust gas treatment process, saving 52,293 kWh of electricity and reducing 28 tCO_2e of carbon emissions in 2025.
- The Chunan Plant adjusted production temperatures in the light guide plate manufacturing process. In 2025, total production operating time reached 3,262 hours, saving 817 kWh of electricity and reducing carbon emissions by 0.4 tCO_2e.

Product Use 302-5

▶ R&D Patents: Green concepts are integrated into the development of technologies, with the Company actively applying for R&D patents and designing green products to reduce carbon emissions during the product use stage. In 2025, proposals related to energy conservation and carbon reduction accounted for 64% of all proposals at Taiwan plants, representing a 6% increase compared to 2024.

▶ Projector and Visual Solutions

- Continued optimization of the optical design of mainstream projectors has significantly enhanced overall product performance. Compared to 2024, energy efficiency improved by 9%, with an estimated annual electricity savings of 47,750 MWh, equivalent to a carbon reduction of 22,633 tCO_2e.
- Solid-state light source (SSI) projectors are more energy-efficient than lamp-based projectors. The EX/EU laser projector series platform models consume 55% less energy than comparable lamp-based models.
- NEW Laser projectors introduced the new UX platform, adopting high-efficiency laser light source modules and a new-generation optical engine. Compared with the previous EX platform, power-saving efficiency improved by 19%.
- Power consumption in standard operation and standby modes complies with EU energy-saving standards.
- Equipped with an automatic power-off safety feature (including automatic power-off for no signal source and sleep mode).
- Reduced the need for post-processing designs (such as electroplating, painting, printing) depending on the product category.
- Adopted environmentally friendly solid-state light sources (SSI) such as LED and laser, as well as other mercury-free materials, to introduce completely mercury-free projectors.
- Compared to traditional lamp projectors, the lifespan of the light source in LED and laser projectors can be up to 5 times longer, eliminating the need for lamp replacement and reducing environmental impact.

▶ Backlight Module and Energy-Efficient Product Solutions

- High-Efficiency Backlight Modules: Composite dot structures were introduced into light guide plates to optimize optical efficiency and visual performance, successfully replacing the use of traditional light-absorbing materials. In 2025, the energy-saving rate of newly developed LCD module products reached 5.6%.
- Low-Carbon Backlight Board Technology: The Tainan Plant 1 enhanced optical brightness technology, resulting in a 34% reduction in lighting power consumption. In 2025, 30,182 units were produced. Assuming 10 hours of daily use over 365 days, this led to an electricity saving of over 1,430 MWh and a carbon reduction of 679 tCO_2e.
- Lightweight Backlight Board Design: Tainan Plant 1 modified composite material film thicknesses and structural designs to reduce the usage of optical films and back plates, achieving an average weight reduction of approximately 6%. In 2025, a total of 13,400 units were produced, reducing total weight by 1.3 metric tons and carbon emissions by 2.7 tCO_2e.

Packaging and Transportation

▶ Sustainable Packaging

- Eco-friendly cushioning materials: For mainstream and smart projector shipments, paper pulp and folded paper eco-packaging materials are used as cushioning. These environmentally friendly materials were used in 95% of annual shipments for these two projector categories.
- Use of recycled pulp cartons for shipments: Projectors are shipped in cartons made from FSC-certified or recycled pulp-based paperboard products, covering 99% of total projector shipments annually.
- NEW Coretronic Optics (Suzhou) implemented an automotive model packaging optimization project, adjusting packaging spacing for 11 product models. This effectively increased carton loading capacity and reduced the use of cushioning materials, resulting in a carbon reduction of 7.8 tCO_2e.
- Reprocessing of discarded trays at Tainan Plant 1: Once trays have been reused multiple times and no longer meet quality standards, they are fully returned to the tray supplier for remanufacturing. This approach aims to achieve waste-to-resource conversion, replacement of natural resource extraction, complete material circulation, and zero waste. In 2025, 2,975 discarded trays were remanufactured, reducing 0.1 metric tons of waste and 0.2 tCO_2e of carbon emissions.

▶ Low-Carbon Transportation

- Optimized the overall volume design of mainstream laser projectors, reducing average dimensions by 35%. Based on the annual shipment volume transported in 20-foot containers, this resulted in a carbon reduction of 4.3 tCO_2e.
- Sustainable aviation fuel adoption: For three consecutive years, DHL's "GoGreen Plus Sustainable Air Transport Solution" has been adopted, using sustainable aviation fuel (SAF) to reduce carbon emissions. In 2025, the total carbon emissions amounted to 51.59 tCO_2e, representing a reduction of 51.75 tCO_2e compared to conventional air freight, which is equivalent to a 50.08% decrease in carbon emissions.

End-of-Life Disposal

- Easy-to-Disassemble Design: In collaboration with customers, the Company continued implementing the D32 platform key component revitalization project, enhancing the quality of key components through core technologies and introducing easy-to-disassemble designs. Recovered components can be reintegrated into product manufacturing processes, achieving a reuse rate of 60% and complying with the requirements of the Waste Electrical and Electronic Equipment (WEEE) Directive and Extended Producer Responsibility (EPR).
- Source Reduction

1. Certain models of smart projectors prioritize the use of solar-powered remote controls, reducing the use of manganese dioxide dry batteries and achieving a carbon reduction of 1.3 tCO_2e. In addition, cable usage for individual components was reduced by 50%, effectively lowering raw material consumption and reducing environmental impacts.
2. Coretronic Optics (Suzhou) continued implementing the 14.9-inch automotive touch display module circuit optimization project, reducing the use of flexible flat cables (FFC) by 33%. In 2025, a total of 6,149 touch display modules were produced, reducing carbon emissions by 0.11 tCO_2e.

04

4.5 Green Enterprise

Centered on its "Environmental Sustainability 4G Force"—Green Supply Chain, Green Production, Green Products, and Green Living—Coretronic collaborates with environmental sustainability partners through its "Green Living" practice program to jointly promote three major themes: "Green Earth", "Green Actions", and "Green Knowledge". By deepening participation through green culture and expanding its influence, the Company actively responds to climate change challenges and fulfills its corporate sustainability responsibilities.

In 2025, Coretronic organized six major environmental theme day events and a variety of environmental education activities, including forest adoption and reforestation programs, the production of wood vinegar cleaning agents from windthrows, and the continued adoption of coastal areas and public restrooms. Through the "Eco-Friendly Umbrella Plastic Reduction Trilogy" initiative, the Company transformed a simple umbrella into a force for environmental protection. In addition, Coretronic supported multiple biodiversity development programs and promoted beach cleanups, mountain cleanups, wetland conservation, and ecological restoration initiatives to comprehensively safeguard marine, wetland, and forest ecosystems while strengthening ecological resilience.

Going forward, Coretronic will continue connecting stakeholders through concrete actions, deepening the practice of green culture and the circular economy, building a sustainable ecosystem in which humanity and nature thrive together, steadily advancing toward its net-zero and sustainable development goals.

Green Living Practice Program 2025 Results

- **23** environmental education activities conducted
- **22,940** attendances in environmental protection activities
- **10,990** attendances in environmental education courses
- Total investment of nearly NT$**1.17** million
- **490,000** beneficiaries reached
- **77** volunteer attendances/ **432** volunteer hours contributed

Achievements of the Green Living Practice Program in 2023–2025

Green Living	Content	2023	2024	2025
Green Earth Green Knowledge Green Action	Environmental Theme Day Activities Environmental Education e-Platform Environmental Themed Posters Environmental Education Coastal and Public Restroom Adoption Environmental Charity Mountain and Beach Clean-up Events Community Engagement Green Procurement Ecological Conservation	• 30,167 attendances in environmental protection activities • Regular release of environmental protection knowledge posters • Adopted 1 km of coastline and 5 public restrooms • 3 mountain and beach clean-up events held • "Turning Off Lights for One Hour" achieved a carbon reduction of 1.1 tCO_2e • Sponsored 2,000 bottles of straw decomposer • NT$932,000 invested • 28,021 attendances in five major environmental theme day events • Green product procurement total: NT$40.84 million	• 26,522 attendances in environmental protection activities • Regular release of environmental protection knowledge posters • Adopted 1 km of coastline and 5 public restrooms • 6 mountain and beach clean-up events held • "Turning Off Lights for One Hour" achieved a carbon reduction of 1.3 tCO_2e • Sponsored 2,000 bottles of straw decomposer • NT$972,000 invested • 25,171 attendances in five major environmental theme day events • Green product procurement total: NT$33.26 million	• 22,940 attendances in environmental protection activities • Regular release of environmental protection knowledge posters NEW Adopted 1 km of coastline, 5 public restrooms, and 0.19 hectares of forest land • 6 mountain and beach clean-up events held • "Turning Off Lights for One Hour" achieved a carbon reduction of 1.1 tCO_2e • Sponsored 2,000 bottles of straw decomposer Total investment of nearly NT$1.17 million NEW 22,038 attendances in six major environmental theme day events Green product procurement total: NT$41.1 million

Green Living Practice Program

- **Green Earth**

A Total of 22,038 Attendances Joined Six Major Environmental Theme Days in 2025

March 12

Arbor Day


- Two tree-planting events held at China plants, adding greenery to the sites, with 32 participants.
- One "Coffee Grounds Planting" event held at Wujiang plants, where coffee grounds were reused to grow succulents, with 62 participants.

March 21

International Day of Forests


NEW Taiwan plants adopted 0.19 hectares of forest land in the Daan River area from the Forestry and Nature Conservation Agency, supporting afforestation and silvicultural maintenance efforts, and planted a total of 363 Taiwan zelkova saplings.

NEW A total of 1,382 employees at Taiwan plants participated in the forest circularity initiative by utilizing windthrows from the plants to produce "wood vinegar cleaning agents" for in-plant use, putting resource circularity into practice.

NEW A total of 105 employees from Taiwan plants visited ReWood to gain insight into plant recycling and regeneration mechanisms and handmake natural charcoal eco-bottles, promoting sustainable concepts in practice.

April 22

Earth Day


- The Company promoted the "Turning Off Lights for One Hour" event for the sixth consecutive year, joining hands with 111 suppliers and 13 local elementary schools. A total of 14,966 participants joined the event, saving 2,304 kWh of electricity and reducing carbon emissions by 1.1 tCO_2e.

NEW For the first time, Taiwan plants collaborated with the "Taiwan Oil Field Exhibition Hall" of supplier CPC Corporation, Taiwan to organize the "Eco-Exchange" event. Waste PE films were remanufactured into environmentally friendly garbage bags for employee redemption. A total of 627 attendances were recorded. PET bottles and batteries were collected and delivered to licensed recyclers, while recycled paper bags, books, and receipts were donated to Decathlon store in Hsinchu, Homeless Taiwan Association , Chinese Childrenhome & Shelter Association, World Peace Association, and Taiwan Environmental Information Association. A total of 0.5 metric tons of recyclable materials were collected, enhancing recycling value and putting the circular economy into practice.

September 20

World Cleanup Day


- Kunshan plants organized the "Donate Used Items and Share Love" campaign, with 21 participants donating 143 clothing items and 98 books to the Kunshan Charity Foundation.

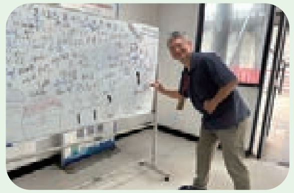
September 22

World Car-Free Day


- 24 Car-Free Day events were held across China plants, with 2,940 total attendances. The event reduced fuel-powered vehicle travel by 47,925 km, cutting carbon emissions by 11.2 tCO_2e.
- A "Lake Tai Cycling" activity was organized by Wujiang plants, with 12 participants.

October 16

World Food Day

- During lunchtime, China plants organized two "Clean Plate Campaign" activities, encouraging employees to sign a pledge advocating "take only what you can eat" to reduce food waste. A total of 1,891 attendances were recorded.

- **Green Knowledge**

Environmental Education Videos | Cultivating a Green Corporate Culture

- Taiwan plants released seven environmental education videos covering topics such as biodiversity, carbon inventories, and waste reduction initiatives, encouraging employees and their family members to watch together. The videos accumulated a total of 1,440 views. In addition, prize quiz activities were organized, with 534 attendances.
- China plants released nine environmental education videos covering topics such as plastic reduction and nature conservation, actively raising employees' awareness of waste reduction, environmental protection, and nature conservation. The videos accumulated a total of 6,848 views.

Eco-Friendly Umbrella Plastic Reduction Trilogy | Circular Economy Action Achievements NEW

- In collaboration with stakeholders, including employees, suppliers, customers, government agencies, NGOs, and schools, the Company actively promoted resource circularity, energy conservation, carbon reduction, and climate action initiatives. The program engaged 612 attendances, accumulated 695 hours of environmental protection activities, and donated 62 sustainable recycled umbrellas, jointly advancing toward an environmentally friendly future that benefits both business and society.

Eco-Friendly Umbrellas | Recycling and Regeneration

In collaboration with Da Fon Environmental Technology Co., Ltd., recycled PET bottles collected by employees were transformed into "eco-friendly umbrellas", converting waste resources into practical products. The Company also launched the "Net-Zero Classroom" program to promote net-zero and circular economy literacy through student outreach, and donated recycled umbrellas to participating schools, helping environmental awareness take root from an early age.

Eco-Friendly Umbrella

▲ Donation of Eco-Friendly Umbrellas

Learn About Plastics | Educational Experience

Employees visited the Miaoli County BOT Waste Incineration Plant and toured the waste crane operation control room to directly observe the waste treatment process. Through the experience, employees gained a deeper understanding of the importance of source reduction in alleviating environmental burdens, thereby raising their environmental awareness and sense of responsibility.

▲ Waste Incineration Plant Visit

Plastic-Free Living | Reducing Plastic in Daily Life

Employees created DIY beeswax food wraps to replace single-use plastic wraps. These reusable wraps also help extend food freshness and reduce the likelihood of food waste. Through integrating plastic reduction practices into daily life, the initiative promotes the establishment of a more sustainable lifestyle.

▲ Employee Beeswax Food Wrap DIY Workshop

- **Green Action**

Visits to Environmental Education Sites | Understanding the Sustainable Development of Traditional Industries

Tainan Plant 1 and Plant 2 invited employees and their family members to visit the Qigu Salt Mountain. Through traditional salt-making craft experiences, wetland ecological guided tours, and DIY bath salt workshops, participants gained a deeper understanding of local industrial culture and wetland ecological conservation, putting into practice the sustainable concept of coexistence between industry and the environment. A total of 120 participants joined the activity, accumulating 360 hours of environmental protection activity time.


Wetland Ecology Education | Supporting Wetland Conservation Efforts NEW

The Company invited the Taiwan Wetland Conservation Alliance to conduct a "Wetland Conservation Seminar" at Tainan Plant 2. Participants also joined a DIY mangrove pen workshop based on wetland themes. A total of 31 participants attended, accumulating 62 hours of environmental protection activity time. In addition, the Company donated NT$50,000 to support the organization's wetland conservation and biodiversity initiatives, jointly safeguarding the natural ecosystem.


Eco-Friendly DIY Workshops | Transforming Waste into Art

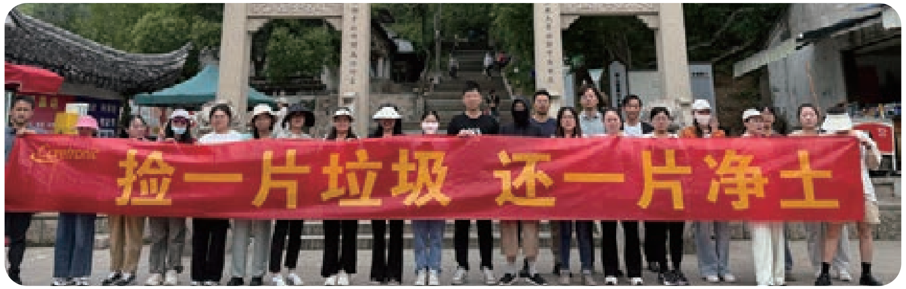
China plants organized four activities themed "Recreating Cartons, Paper Cups, and Empty Bottles" and "Turning Waste into Art". Through the reuse of recycled materials and creative upcycling, waste materials were transformed into practical decorative items, raising employees' awareness of resource circularity and waste reduction while fostering appreciation for resources and green living practices. A total of 84 participants joined the activities, accumulating 195 hours of environmental protection activity time.


Mountain and Beach Clean-Up Events | Protecting Nature from Oceans to Forests

- Ocean Conservation: The Chunan Plant has continuously adopted and maintained the Long Fong Fishing Port coastline for nine consecutive years. This year, for the first time, it collaborated with the Exploration and Production Business Division of CPC Corporation, Taiwan to organize a joint beach cleanup activity. A total of 64 participants joined the event, collecting 410 kg of waste. The amount of waste collected was converted into a charitable donation, with NT$40,000 donated to the "Society of Wilderness" to support habitat conservation efforts in Hengshan.

▲ Ocean Conservation

- Mountain and Water Clean-Up: In 2025, China plants organized three mountain and water clean-up activities combined with hiking and wellness activities to jointly protect natural landscapes, maintain ecological environments, and raise employees' environmental awareness. A total of 107 participants joined the activities, collecting 48 kg of waste.




▲ Mountain and Water Clean-up

Biodiversity | Promoting Ecological Conservation and Revitalizing Nature

- Removal of Invasive Vines: In collaboration with customer AUO and NPO—the Society of Wilderness, the Company organized two "Removing Vines to Protect Forests" activities. By removing the invasive species Mile-a-minute Weed, the initiative restored space for native vegetation growth and safeguarded local ecological habitats and biodiversity. A total of 44 employees and their family members participated in the activities at the Xiaoli Creek in Longtan and wilderness areas in Hengshan, removing a total of 69 kg of invasive vines. One of the activities also incorporated a hands-on workshop linked with food and agricultural education, further deepening participants' awareness of ecological conservation and the added value of sustainability.
- Bird Nest Box Installation: China plants installed new bird nest boxes within plant areas to create safe and comfortable habitats for birds. The nest boxes were made from environmentally friendly natural wood materials to improve bird habitats, promote biodiversity, and transform the plant areas into environments that support nature and sustainable development.
- Fish Fry Release: Wujiang plants released 2,000 native grass carp fry into Lake Tai. Grass carp help control aquatic plant growth, maintain aquatic ecological balance, and improve the water ecosystem.




Adoption of Public Restrooms | Improving Public Health Quality

- The Chunan Plant and Tainan Plant 1 have supported the government's public restroom adoption program for six consecutive years by adopting five public restrooms through local township offices in the areas where the plants are located. In addition to providing local residents with improved restroom facilities, the Company also supplies water-soluble toilet paper to reduce waste generation. In 2025, total sponsorship amounted to NT$132,000, benefiting approximately 490,000 residents and reducing carbon emissions by 4.2 tCO_2e.

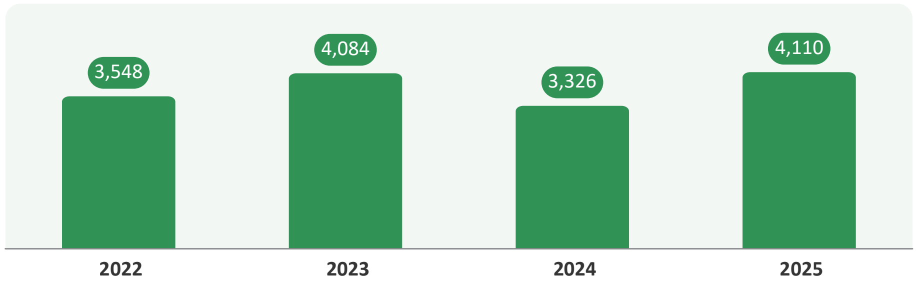
Increasing the Usage of Green Products | Supporting Green Procurement

- In response to the green procurement policy of the Ministry of Environment and to implement the environmental principles of "recyclability, low pollution, and resource-saving", the Company prioritizes the procurement of low-pollution, recyclable, resource-saving, and green building materials. The Company also encourages suppliers to develop green products with self-declared environmental attributes or lower life cycle environmental impacts (from raw material acquisition to disposal) to reduce environmental burdens.
- In 2025, the reported amount of green procurement at Taiwan plants reached NT$41.1 million, representing a 24% increase compared to 2024. The increase was mainly attributable to the expansion of solar power generation systems at the Headquarters and Tainan Plant 2. The reported procurement amounts at all four Taiwan plants each exceeded NT$5 million, demonstrating the Company's commitment to implementing and supporting green procurement.
- In 2025, the Company purchased a total of 38,016 packages of eco-labeled toilet paper, 22,330 packages of eco-friendly paper towels, and 2,306 packages of PEFC-certified copy paper, taking concrete actions to support forest conservation and resource circularity.

Sponsorship of Straw Decomposer | Reducing Air Pollution

- For five consecutive years, the Company has provided straw decomposer to farmers in Hsinchu County, enabling them to replace open-field straw burning with straw decomposition treatment, effectively improving air pollution issues. In 2025, the Company sponsored NT$470,000 to purchase 2,000 bottles of straw decomposer, sufficient for use on 200 hectares of rice fields, resulting in a carbon reduction of 2,383 tCO_2e.

Annual Procurement Amount of Green Products (NT$10,000)



Chapter 5

Sustainable Supply Chain

5.1 Supply Chain Management Strategies and Goals

5.2 Responsible Supply Chain Management

5.3 Green Alliance

05

5.1 Supply Chain Management Strategies and Goals 2-6, 2-26, 2-29, 3-3

Suppliers are key partners in Coretronic's sustainable operations. Therefore, the Company manages suppliers by categorizing them according to their characteristics and the products or services they provide. Adopting a "prioritizing local procurement" strategy, the Company promotes local economic development, ensures operational stability, accelerates production efficiency, and minimizes carbon emissions generated during transportation.

Supplier Overview

Region and Classification of Tier-1 Suppliers

Unit: Number of suppliers

Region/Category	Production Material Suppliers (Electronics, Mechanical Components, Plastics, Packaging Materials, and Outsourcing Suppliers)	Non-Production Material Suppliers (Procurement of Assets/Engineering/Services, IT/General Office Equipment, Production Consumables, R&D Trial Production Materials/Sample Suppliers)	Total
Taiwan	170	416	586
China	472	306	778
Asia-Pacific Region	32	19	51
Americas	5	1	6
Europe	1	2	3
Total	**680**	**744**	**1,424**

Production Material Supplier Screening

Item	Definition	Quantity
Tier-1 Suppliers	Existing suppliers that conducted transactions with the Company in 2025, as well as newly registered suppliers that had not yet conducted transactions (excluding affiliated companies)	680 suppliers
Tier-1 Critical Suppliers	Tier-1 suppliers with significant impacts on the Company's operations or supply chain risks, including both self-managed and non-self-managed suppliers (such as customer-designated suppliers), including but not limited to: • Suppliers accounting for the top 80% of cumulative procurement amounts in 2025 • Single-source suppliers providing key components • Suppliers with significant ESG risks (including suppliers that failed to qualify for exemption from signing the "Sustainability Commitment Statement" and suppliers with failing RBA audit scores) • Tier-1 suppliers designated by major customers to undergo RBA audits	87 suppliers
Percentage of Procurement Amount from Tier-1 Critical Suppliers to Total Tier-1 Supplier Procurement Amount	Procurement amount from Tier-1 critical suppliers/procurement amount from all Tier-1 suppliers × 100%	83%
Tier-2 Critical Suppliers	Tier-2 suppliers designated by major customers to undergo RBA audits	85 suppliers
Critical Suppliers (Including Tier-1 and Tier-2)	Tier-1 and Tier-2 critical suppliers	172 suppliers

Note: Transaction amounts for new suppliers are generally relatively low during the first year and are therefore not included within the scope of Tier-1 critical suppliers, except where the suppliers are the single-source suppliers of key components or are assessed as suppliers with significant ESG risks.

Supplier Management Strategies, Targets, and Performance

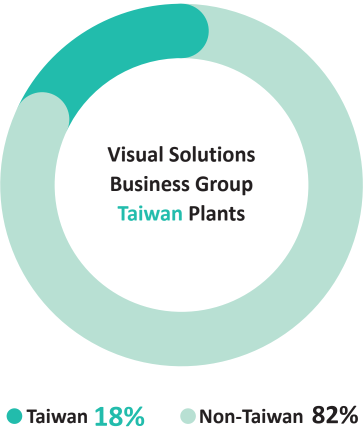
To achieve the vision of "sustainable and mutual benefit" with its supplier partners, Coretronic has established the "Sustainable Supply Chain Management Regulations" for suppliers of production materials, which were formally approved and signed by the President and business group supervisors. These regulations include requiring supplier partners to adhere to established standards, conducting supplier risk assessments, audits, training and guidance, and recognizing outstanding suppliers while sharing sustainability trends during the Annual Supplier Conference. These efforts aim to ensure that its supplier partners can operate sustainably. In addition, the Company manages suppliers in accordance with the Responsible Business Alliance Code of Conduct (RBA CoC) by implementing the "RBA Code of Conduct Management Handbook". The Company strives to encourage suppliers to give due attention to ethics, labor and human rights, environmental protection, health and safety, and to thoroughly implement risk management and business continuity plans in order to build a sustainable supply chain. If supplier partners have any suggestions or inquiries related to sustainability, they may contact the Company via ESG@coretronic.com.

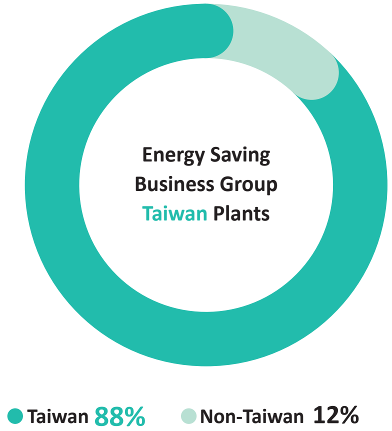
Strategy		2025 Targets	2025 Performance	2026–2027 Targets
Adherence to Guidelines	Sustainability Commitment Statement	Signing rate of 90%	Implemented the online "Document Signing Management System", achieving a 100% signing rate	Signing rate of 95%
Risk Assessment and Audit System	Sustainability Risk Assessment	Launch the online "ESG Risk Assessment System" and conduct sustainability risk assessments for tier-1 critical suppliers and new suppliers	Completed the online "ESG Risk Assessment System" and formulated the 2026 supplier assessment list based on 2025 procurement amounts and RBA audit results	Utilize the online "ESG Risk Assessment System" and conduct sustainability risk assessments for tier-1 critical suppliers and new suppliers
	Conflict Minerals Survey	• Launch the online "Conflict Minerals Management System" • Achieve a response rate of 100%	• Launched the online "Conflict Minerals Management System" • Achieved a response rate of 99%	• Continue to optimize the "Conflict Minerals Management System" • Achieve a response rate of 100%
	Financial Risk Assessment	• Achieve 100% assessment rate • Implement classified management and establish response measures	• Assessed a total of 5 suppliers, achieving a 100% assessment rate • Categorized Management and established response measures	• Achieve 100% assessment rate • Implement classified management and establish response measures
	RBA Audits	• Complete RBA audits for 50 tier-1 suppliers • Achieve audit rate of 100%	• Completed audits for 57 tier-1 suppliers, achieving an audit rate of 100% • Conducted additional RBA audits for tier-2 critical suppliers, completing a total of 85 audits	• Complete RBA audits for 50 tier-1 suppliers every year • Achieve audit rate of 100%
	Annual Audits	Achieve 100% audit and compliance rates	Audited a total of 122 suppliers, with 100% audit and compliance rates	Achieve 100% audit and compliance rates
	Quarterly Reviews	Achieve 100% audit and compliance rates	Audited a total of 282 suppliers, achieving 100% audit rate and 99% compliance rate	Achieve 100% audit and compliance rates
Training and Guidance	Sustainable Supply Chain Website	Establish the "Sustainable Supply Chain Website"	Established the "Sustainable Supply Chain Website"	Launch the "Sustainable Supply Chain Website"
Sustainable and mutual benefit	Annual Supplier Conference and Outstanding Supplier Awards	Regularly hold Annual Supplier Conference and Outstanding Supplier Award ceremony	Held one Annual Supplier Conference and Outstanding Supplier Award ceremony, with 138 suppliers participating	Regularly hold Annual Supplier Conference and Outstanding Supplier Award ceremony
	Supplier Circularity Alliance	Continue to jointly implement waste recycling and reuse programs with suppliers	A total of 10 suppliers participated, with recycling volume accounting for 99% of total shipment volume	Continue to jointly implement waste recycling and reuse programs with suppliers

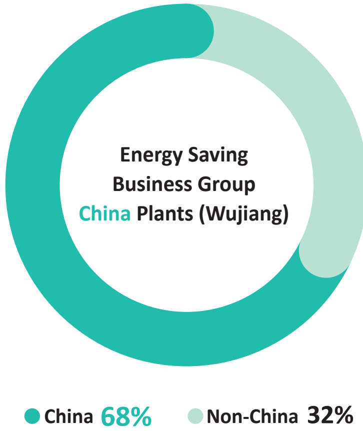
Note: The Company implements the above sustainable supply chain management strategies for tier-1 suppliers that can be independently managed. For non-self-managed tier-1 suppliers (such as customer-designated suppliers), relevant supply chain management is led by customers, while the Company participates in related supply chain risk management through measures such as risk feedback and complying with customer management requirements.

Local Procurement

Coretronic recognizes the environmental footprint associated with the procurement of raw materials and components, and the impact it may have on the environment. Therefore, local procurement has become a key strategy in identifying supplier partners. The Company also encourages its suppliers to operate through localized procurement practices to jointly contribute to environmental protection efforts. Please refer to the chart below for the 2025 procurement spending ratio. Among them, the Energy Saving Business Group's Taiwan and China plants actively implemented local procurement strategies, achieving local procurement ratios of 88% in Taiwan and 68% in China. The Visual Solutions Business Group's Taiwan and China (Kunshan) plants had relatively lower local procurement ratios due to the need to procure key components from specific overseas suppliers to ensure product quality. Nonetheless, for other components, the group remains committed to increasing local sourcing.







Note: Supplier location is determined based on the registered company address.

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5.2 Responsible Supply Chain Management [2-29]

Adherence to Guidelines

Sustainability Commitment Statement

- Since 2021, the Company has established the "Sustainability Commitment Statement" based on the "Sustainable Development Best Practice Principles" approved by the Board of Directors, the "Sustainable Supply Chain Management Regulations" approved by the President and business group supervisors, and the Responsible Business Alliance Code of Conduct (RBA CoC). All production material suppliers are required to sign the Sustainability Commitment Statement (except for suppliers that meet exemption criteria).
- NEW If suppliers proactively provide sustainability-related supporting documents, personnel from the ESG Department will conduct an "exemption review" based on the "Exemption Review Criteria". Suppliers that pass the review qualify for signing exemption status and are not required to submit additional exemption applications. If a supplier fails the review, the Procurement Department must request sustainability-related supporting documents from the supplier. If the supplier cannot provide such documents, or if the ESG Department determines, based on the "Exemption Review Criteria", that sustainability-related risks still exist after evaluation, the Procurement Department must apply for an exemption approval form for the supplier. The form must clearly specify the categories, details, and severity of the supplier's sustainability-related risks. After approval and signature by the President, the exemption approval form is submitted to the ESG Department for recordkeeping as a basis for future tracking and guidance.
- NEW If a supplier fails to comply with the requirements of the "Sustainability Commitment Statement" and causes significant environmental or social impacts, the Company reserves the right, in accordance with relevant contractual terms, to require corrective actions or terminate the contract.
- In response to the release of "Version 8.0 of the Responsible Business Alliance (RBA) Code of Conduct" and the Company's implementation of the SA8000 management system, the Company revised and issued the "2025 Sustainability Commitment Statement" to ensure that suppliers comply with "Version 8.0 of the RBA Code of Conduct", the "Green Product Warranty" (promise and guarantee that the products meet the "Green Product Procurement Specifications", and provide RoHS test laboratory testing reports from third-party certification bodies, environmental hazardous substance questionnaires, lead-free component reliability questionnaires, safety data sheets (SDS), material certificates, and test summary forms), "Conflict Minerals Policy", "Conflict Minerals Declaration", "Integrity Commitment", "Environmental Sustainability and Occupational Safety and Health Policy", and "Human Rights and Social Responsibilities Policy".
- NEW To improve supplier signing convenience, efficiency, signing rates, and internal management efficiency, the Company officially launched the online "Document Signing Management System" in 2025. The Company also produced instructional videos explaining platform operations, document requirements, and the reasons for signing each document. During the 2025 Supplier Conference, the Company further shared common questions regarding document signing and key RBA compliance considerations with suppliers.
- In 2025, the Company included a total of 282 suppliers required to sign the Sustainability Commitment Statement (excluding affiliated companies and customer-designated suppliers). Following exemption reviews, seven suppliers qualified for signing exemptions; an additional three suppliers obtained exemption approvals but were identified as high ESG risk targets due to potential economic or labor risks or a lack of publicly available sustainability information. The Company has initiated risk management mechanisms and plans to conduct sustainability risk assessments and RBA audits for them in 2026. All remaining 272 suppliers required to sign completed the "2025 Sustainability Commitment Statement", achieving a 100% signing rate.
- NEW In 2026, to further implement the "Sustainable Supply Chain Management Regulations", and in response to international ratings, customer requirements, and supplier suggestions, the Company revised the "Green Product Warranty", the "Environmental Sustainability and Occupational Safety and Health Policy", the "Integrity Commitment", and the "Human Rights and Social Responsibilities Policy". The Company also newly added the "Environmental Sustainability Policy", the "Occupational Safety and Health Policy", and the "Biodiversity Conservation and No Gross Deforestation Commitment". Through the online "Document Signing Management System", the Company distributed the "2026 Sustainability Commitment Statement", requiring new production material suppliers, as well as existing suppliers that meet signing requirements but have not yet signed the "2026 Sustainability Commitment Statement", to complete the signing process.

Supplier Category	Definition	Exempted from Signing	Exemption Review Criteria
New Suppliers	• Suppliers that signed procurement contracts during the current year • Re-evaluated suppliers (suppliers inactive for several years but resuming transactions during the current year) • Newly registered suppliers that have not yet conducted transactions	• Customer-designated suppliers • Affiliated companies within the Coretronic Group • Suppliers that passed the exemption review or obtained exemption approval	• Whether the supplier has publicly available sustainability information (such as sustainability reports, TCFD reports, or official sustainability websites) • Whether the sustainability report has obtained a third-party assurance statement • Whether the supplier has obtained sustainability-related certifications (such as ISO 14001, ISO 50001, ISO 14064, ISO 45001, ISO 27001, or RBA VAP) • Whether the supplier participates in international initiatives • Whether the supplier has achieved domestic or international ratings or rankings superior to those of the Company
Existing Suppliers	Suppliers that conducted transactions with the Company in the previous year	• Customer-designated suppliers • Affiliated companies within the Coretronic Group • Phase-out suppliers (suppliers with no further transactions during the signing year) • Suppliers whose procurement amount in the year prior to signing did not reach a specified threshold • Suppliers that passed the exemption review or obtained exemption approval	

Risk Assessment

ESG Risk Assessment System

- The Company is committed to enhancing supply chain resilience. Since 2023, it has initiated the development of the "ESG Risk Assessment System", incorporating an AI-based automated preliminary review mechanism that can reduce approximately 60% of manual review and administrative processing time while effectively ensuring consistency in review standards.
- In 2025, the Company completed the design of bilingual Chinese-English questionnaires and optimized platform functions. Referring to supplier procurement amounts in 2025 and risk data derived from RBA audit results, the Company precisely formulated the supplier assessment list. In 2026, sustainability risk assessments will be conducted for 20 tier-1 critical suppliers and 6 new suppliers.
- During the third quarter of each year, the Company will send invitations through the system platform for selected suppliers to complete online questionnaires. Based on the assessment results, the system will systematically identify suppliers' levels of awareness and implementation of sustainability management practices, classify sustainability risk levels, and develop corresponding improvement and guidance measures for suppliers with different risk levels, thereby fulfilling the goals of responsible supply chain management.

Conflict Minerals Survey

- Conflict Minerals Policy: The Company upholds responsible procurement principles and treats conflict minerals as key raw materials subject to relevant management controls. The use of illegally sourced minerals from conflict-affected and high-risk areas (including the Democratic Republic of the Congo) is strictly prohibited. The scope of management follows the due diligence guidance of the Organisation for Economic Co-operation and Development (OECD) and covers gold (Au), tantalum (Ta), tungsten (W), tin (Sn), cobalt (Co), and mica. Therefore, all production material suppliers (excluding customer-designated suppliers and affiliated companies) are required to sign the "Sustainability Commitment Statement" (including the "Conflict Minerals Policy" and the "Conflict Minerals Declaration") to ensure compliance with conflict minerals requirements. Relevant policies and survey results are also disclosed on the Company's official website.
- NEW Conflict Minerals Management System: In 2025, the Company officially launched the "Conflict Minerals Management System", fulfilling digitalized survey management. At the current stage, the management unit regularly downloads and imports the Conformant Smelters List published by the Responsible Minerals Initiative (RMI), enabling automated verification and blocking functions through the system to ensure the compliance of declared sourcing information. To further improve management efficiency and accuracy, the Company plans to complete automated system integration with the RMI list in the future. Once completed, the system will support real-time synchronization updates and retrospective alert functions, enabling immediate tracking of changes in smelter status and strengthening resilient supply chain monitoring.
- Due Diligence Scope and Implementation: The Company adopted RMI reporting templates, including the Conflict Minerals Reporting Template (CMRT), Extended Minerals Reporting Template (EMRT), and Additional Minerals Reporting Template (AMRT), to conduct comprehensive investigations covering 100% of production material suppliers (excluding customer-designated suppliers and affiliated companies). To ensure full-category monitoring, the Company proactively expanded the investigation scope to include non-electronic material suppliers, such as packaging material and mechanical component suppliers, achieving comprehensive supply chain management coverage without blind spots.
- Performance and Risk Management: In 2025, the Company investigated a total of 480 suppliers. After excluding customer-designated suppliers and non-electronic and non-metal material suppliers, the number of suppliers required to respond was 465, of which 461 suppliers submitted responses, resulting in a 99% response rate. All investigated suppliers had signed the "Sustainability Commitment Statement", and all declared smelters complied with the RMI Conformant Smelters List. In cases where non-conformant smelters were detected, the Company established an immediate warning mechanism and adopted the principles of "immediate substitution and resubmission" for risk control, ensuring that 100% of the final listed smelters complied with the RMI Conformant Smelters List.

Financial Risk Assessment: Since 2020, the Procurement Department has annually provided a list of suppliers with potential risks (approved by business group supervisors) to the Finance Department for financial risk assessment. The Finance Department classifies supplier risk levels based on their public financial data, financial statements, and third-party credit reports (e.g., from Dun & Bradstreet or insurers' partnered credit agencies). The results are then submitted to the Procurement Department for final approval. In 2025, a total of five suppliers underwent financial risk assessments, including three high-risk suppliers and two medium-risk suppliers. The corresponding risk response measures are as follows:

- High-Risk Suppliers: For the first supplier, its parent company is a globally renowned enterprise and a member of the Responsible Business Alliance. Its financial condition gradually improved in 2026, and the Procurement Department continues to monitor and track its status. For the second supplier, in addition to actively seeking alternative sources and suspending new project outsourcing, the Company also reduced material shortage risks for projects where alternative solutions could not be immediately introduced by implementing long-term strategic material stocking. For the third supplier, considering its significant cost competitiveness, the Company currently maintains its cooperative relationship. However, to strengthen supply chain resilience management, the Procurement Department has synchronously established four alternative suppliers with equivalent quality standards to ensure stable supply capabilities under various risk scenarios and effectively minimize material shortage risks.
- Medium-Risk Suppliers: Risk management strategies have been established.

Audit System 308-1, 308-2, 414-1, 414-2

RBA Audits

- The Company conducts annual RBA audits to assess ESG-related risks associated with the environmental and social impacts of production material suppliers. Prior to on-site RBA audits, all suppliers required to undergo RBA audits are requested to complete RBA self-assessment questionnaires, allowing suppliers to first evaluate their own sustainability implementation status.
- In 2024, the Company established annual RBA audit targets, requiring the completion of RBA audits for 50 tier-1 suppliers each year with an audit rate of 100%. In 2025, in addition to conducting RBA audits for tier-1 suppliers, the Company commissioned tier-1 critical suppliers to conduct RBA audits for tier-2 critical suppliers in response to requirements from major projector customers. In 2025, the Company completed RBA audits for 57 tier-1 suppliers, achieving an audit rate of 100%, and additionally conducted RBA audits for tier-2 critical suppliers, completing a total of 85 audits.

Audit Results		
Tier-1 Suppliers	New Suppliers	5 suppliers
	Customer-Designated and Other Suppliers	13 suppliers
	Critical Suppliers	39 suppliers
Tier-2 Suppliers	Critical Suppliers	85 suppliers
Total Audited Suppliers		142 suppliers
Percentage of Audited Critical Suppliers		87%

- All new suppliers (excluding customer-designated suppliers) are required to undergo RBA audits. For new suppliers of the Visual Solutions Business Group, procurement personnel must enter the RBA audit score into the "New Supplier Evaluation Form", and the score accounts for 10% of the supplier's total evaluation score. For new suppliers and tier-1 suppliers of the Energy Saving Business Group, the RBA audit score is evaluated as an independent measure.
- In 2025, the Company strengthened internal audit coverage and report review procedures. The ESG Department directly reviewed suppliers' original audit reports to ensure data accuracy and transparency regarding substantive improvements. In addition, the management focus shifted from a "passive qualification rate" approach to a "proactive corrective improvement effectiveness" approach, ensuring that all non-conformities receive substantive corrective actions.
- 2025 Audit Results

(1) A total of 178 non-conformities were identified during on-site audits, including 91 major non-conformities and 87 minor non-conformities. No priority non-conformities were identified. The statistical distribution of non-conformities by audit category is shown below:

Audit Category	Number of Priority Non-Conformities	Number of Major Non-Conformities	Number of Minor Non-Conformities	Total Number and Percentage of Non-Conformities	Improvement Progress
A. Labor	0	39	5	44(25%)	100% Corrective Action Plan (CAP) submission rate; 98% closure rate
B. Health and Safety	0	23	39	62(35%)	
C. Environment	0	4	11	15(8%)	
D. Ethics	0	3	2	5(3%)	
E. Management Systems	0	22	30	52(29%)	

(2) Negative Environmental Impacts and Actions Taken: Through RBA audits, the Company conducted environmental impact assessments for 142 suppliers and identified 15 environmental non-conformities (accounting for 8% of total findings). No priority non-conformities were identified, and no significant substantive negative impacts involving environmental ecological destruction were found. The identified non-conformities primarily related to chemical labeling and storage management (C3), the completeness of environmental management systems (ISO 14001) (C1), and the establishment of greenhouse gas inventory mechanisms (C8). The Company has required 100% of suppliers to submit corrective action plans (CAPs). The current closure rate is 73%. Outstanding findings mainly involve suppliers that have "not yet completed ISO 14001 certification" or "have not yet independently conducted GHG inventories". The Company will continue tracking the implementation of corrective actions and will provide relevant training and guidance programs through online platforms and annual supplier conferences to assist suppliers in establishing more resilient environmental management systems.

(3) Negative Social Impacts and Actions Taken: Through RBA audits, the Company conducted social impact assessments for 142 suppliers, covering labor, health and safety, and ethics aspects, and identified a total of 111 non-conformities (accounting for 62% of total findings). No priority non-conformities were identified through the audits. For all identified findings, the Company required 100% of suppliers to submit corrective action plans (CAPs), and the current closure rate has reached 100%. This year's findings were primarily concentrated in areas such as emergency preparedness, compensation and benefits, and working hour management optimization (please refer to the "Top Five Annual Findings and Improvements" table below). In addition, for a small number of high-risk non-conformities related to human rights and business ethics, the Company also initiated guidance mechanisms to ensure suppliers implement ethical business practices and safeguard the fundamental rights and interests of workers (please refer to the "Major Human Rights and Business Ethics Findings and Improvements" table below).

(4) Top Five Annual Findings and Improvements

Ranking	Impact Aspect	Audit Category	Detailed Item	Number and Percentage of Findings	Major Findings	Corrective Measures
1	Comprehensive	E. Management Systems	E11 Documentation and Records	33 (19%)	Ethics-related procedural documents were incomplete, and most lacked independent procedural documentation	• Establish independent documents related to business conduct and ethics, anti-bribery, and anti-corruption, and conduct regular internal audits on implementation status • Voluntarily apply for RBA VAP certification
2	Social	B. Health and Safety	B2 Emergency Preparedness	28 (16%)	Emergency management procedures did not include employees' right to immediately stop work and evacuate to a safe location in the event of emergency or hazardous incidents (right to stop work and evacuate)	• Revise and establish the "Safe Production Emergency Evacuation and Work Refusal Management System" and provide training to relevant personnel
					Firefighting equipment had expired, was improperly placed, or lacked regular inspection records	• Purchase new firefighting equipment and conduct regular internal spot inspections
3	Social	A. Labor	A4 Wages and Benefits	24 (13%)	Disciplinary salary deductions	• Revise the employee handbook and remove relevant provisions
					Social insurance coverage was insufficient	• Adjust contribution bases in phases
					Failure to grant marriage leave, paternity leave, maternity leave, annual leave, and statutory holidays in accordance with regulations	• Revise the employee handbook in accordance with applicable regulations
4	Social	B. Health and Safety	B1 Occupational Health and Safety	19 (11%)	Safety protection measures did not comply with regulations	• Establish the "Labor Protection Equipment Allocation Standards" and conduct ad-hoc spot inspections • Provide employees with safety-related training
					No nursing room had been established	• Establish nursing rooms
5	Social	A. Labor	A3 Working Hours	11 (6%)	Weekly working hours exceeded 60 hours	• Establish a working hour monitoring and early warning system to conduct daily and weekly overtime statistics and provide immediate intervention for abnormal working hours • Implement a pre-approval system for overtime work • Increase recruitment efforts and fill manpower shortages • Strengthen training for supervisors at all levels regarding working hours management policies, clarify compliance standards, and prohibit all forms of forced overtime • Implement a flexible compensatory leave system, prioritizing compensatory leave arrangements for employees with excessive working hours after peak periods, and establish monthly health management thresholds • Collaborate with the supply chain through a "risk-sharing agreement" to optimize order scheduling and alleviate overtime pressure caused by increased production capacity

(5) Major Human Rights and Business Ethics Findings and Improvements

Audit Category	Detailed Item	Major Findings (Total: 13 Findings)	Corrective Measures
A. Labor	A1 Prohibition of Forced Labor	Restricted freedom of movement during lunch breaks; written employment agreements were not signed during probation periods	• Revise relevant provisions in the employee handbook and communicate requirements to supervisors
	A2 Young Workers	The employee handbook did not fully specify policies prohibiting or not supporting child labor	• Recruit a dedicated document management specialist and revise the employee handbook
	A5 Non-Discrimination/ Anti-Harassment/Humane Treatment	Recruitment processes included age or gender restrictions; lack of anti-discrimination and anti-harassment policies	• Redesign recruitment requirements and revise the “Employee Recruitment Procedures” • Establish non-discrimination principles, workplace misconduct prevention measures, and employee grievance channels • Conduct training on relevant legal provisions under the “Labor Standards Act” and the “Anti-Discrimination and Equal Employment Management Procedures” • Add “anti-harassment and anti-abuse” clauses to the “Ethics Management Guidelines”
D. Ethics	D1 Business Integrity	Unable to provide procedural records or supporting documentation for ethical business practices during on-site audits	• Provide a compliant “Ethical Corporate Management Best Practice Principles”
	D6 Protection of Identity and Non-Retaliation	Anonymous grievance channels (suggestion boxes) were affected by surveillance equipment coverage	• Relocate suggestion boxes to the cafeteria entrance area (outside surveillance coverage) and reiterate clear grievance channels to employees during regular meetings

(6) Corrective Actions: For suppliers issued non-conformity findings, the Company provides guidance to assist suppliers in completing improvements within the specified timeframe. After suppliers submit corrective action reports, the responsible units of the Company conduct follow-up reviews. In 2025, the corrective action closure rate for findings reached 98%.

Item	2025 Performance
Number of suppliers identified as having significant actual or potential negative impacts	75 suppliers
Percentage of suppliers identified as having significant actual or potential negative impacts that implemented improvements after evaluation	100%
Percentage of suppliers identified as having significant actual or potential negative impacts with terminated cooperation after evaluation	0%
Number of suppliers subject to corrective actions	75 suppliers
Percentage of suppliers with significant actual or potential negative impacts that have agreed upon or implemented corrective actions	100%

Annual Audit

To assist suppliers in delivering higher-quality products, Coretronic’s Quality Assurance Department conducts on-site audits each year for designated key component manufacturers. The audit scope for evaluation and documentation includes assurance of outgoing product quality, handling of quality anomalies, verification of testing methods and regulations for environmentally restricted substances, review of internal environmental audit plans, communication and dissemination of environmental substance information, and testing equipment maintenance records. All findings during the audit are documented. For suppliers who fail to meet standards, the Company will provide guidance to assist them in improving within a specified period. After submitting a corrective action report, the responsible unit will conduct a re-evaluation. In 2025, 122 annual audits were completed, with all 122 suppliers passing the audit, resulting in a 100% audit rate and a 100% passing rate.

Coretronic’s Visual Solutions Business Group independently developed an electronic audit platform to improve data management reliability, work efficiency, and supplier handling efficiency. The platform allows customization of audit items and criteria based on different business needs or audit targets, enabling precise supplier support and fostering win–win partnerships.

Business Group/Plant		Audit Target	Audit Method	Passing Score	Number of Suppliers to be Audited	Actual Number of Suppliers Audited	Audit Rate	Number of Qualified Suppliers	Passing Rate
Visual Solutions Business Group—Taiwan and Kunshan Plants		Suppliers with 120 or more annual delivery batches or key component suppliers (excluding affiliated companies, customer-designated suppliers, and agents)	Questionnaire/ On-site audit	80	62	62	100%	62	100%
Energy Saving Business Group	Taiwan Plants	Suppliers with 20 or more annual purchase batches (excluding affiliated companies, packaging material suppliers, and phase-out suppliers)	On-site audit	80	7	7	100%	7	100%
	Wujiang Plants	Suppliers with 5 or more annual transactions (excluding affiliated companies, customer-designated suppliers, and special material suppliers)	On-site audit	70	53	53	100%	53	100%
Total					**122**	**122**	**100%**	**122**	**100%**

Quarterly Reviews

Coretronic's Visual Solutions Business Group conducts quarterly reviews for suppliers that have entered the mass production phase. The Energy Saving Business Group performs quarterly reviews for suppliers that are both in the mass production phase and have conducted more than five transactions. The review covers quality, delivery performance, and cooperation level to ensure the stability of supplier delivery quality. For suppliers who fail to meet standards, the Company will provide guidance to assist them in improving within a specified period. After submitting a corrective action report, the responsible unit of the Company will conduct a re-evaluation. In 2025, a total of 282 suppliers completed quarterly reviews, achieving a 100% audit rate. Among them, 281 suppliers passed the reviews, resulting in a qualification rate of 99%.

For suppliers that failed the reviews, in addition to actively seeking alternative sources and suspending new project outsourcing, the Company also reduced material shortage risks for projects where alternative solutions could not be immediately introduced by implementing long-term strategic material stocking.

Business Group	Audit Target	Audit Item	Passing Score	Number of Suppliers to be Audited	Number of Suppliers Actually Audited	Audit Rate	Number of Qualified Suppliers	Passing Rate
Visual Solutions Business Group—Taiwan and Kunshan Plants	Suppliers that have entered the mass production phase (excluding affiliated companies)	Delivery Performance, Cooperation Level, and Quality	80	150	150	100%	150	100%
Energy Saving Business Group—Taiwan and Wujiang Plants	Suppliers that have entered the mass production phase and have 5 or more transactions (excluding affiliated companies)		Rating of A–C	132	132	100%	131	99%
Total				**282**	**282**	**100%**	**281**	**99%**

Training and Guidance

Green Product Management System (GPMS)

This platform includes an announcement section, a Material Composition Declaration (MCD) Request section, and a supplier list section. The announcement section on the homepage provides updates such as the latest "Green Product Specifications" and GPMS training videos to prevent suppliers from following incorrect regulations or using improper forms. Meanwhile, it allows procurement personnel/engineers to check the status of supplier document uploads and maintain the contact list of raw material suppliers. Suppliers can fill in RoHS 2.0, SVHC, and SDS information, while administrators can download reports based on the model BOM.

Sustainable Supply Chain Website

To raise supplier awareness of sustainability and guide them to become part of a sustainable supply chain, Coretronic integrated all supplier-related management platforms and completed the structure and content design of the "Sustainable Supply Chain Website" in 2023. The website includes seven major functions: sustainability principles (signing the "Sustainability Commitment Statement", "Sustainable Supply Chain Management Regulations"), risk assessments (conflict minerals survey, financial risk assessment, sustainability risk assessment), online courses, sustainability events (Annual Supplier Conference, Outstanding Supplier Awards, Earth Day activities), GPMS, material carbon footprint database, and online consultation. In 2025, the Company launched the "Conflict Minerals Management System", "Document Signing Management System", and "ESG Risk Assessment System". The remaining systems are scheduled to be completed by 2027.

Sustainability Capacity Building for Procurement Personnel

To promote sustainable supply chain transformation and ensure sustainability strategies are integrated into daily procurement decision-making, the Company launched a series of professional competency training programs in 2025 for all personnel within the Supply Chain Center, including frontline executors and key decision-making managers. Training courses included "Supplier Performance Monitoring", "Supplier Risk Management", "Introduction to Procurement Processes and Supply Chain Concepts", "Experience Sharing on Overseas Plant and Automotive Supplier Evaluations", "Introduction and Application of the Product Carbon Footprint Platform", and "Introduction and Application of the Sustainability-Related Document Signing Management System". These training programs aim to facilitate frontline personnel to guide and assist suppliers in fulfilling relevant management requirements, while enabling key decision-making managers to assess the appropriateness of sustainability strategies and strengthen decision-making capabilities regarding supplier "audit priorities" and "exemption criteria", to ensure a high degree of integration between sustainability indicators and commercial procurement strategies. In 2025, the Company organized a total of 10 training courses, with 58 attendances and cumulative training time reaching 74 hours.

5.3 Green Alliance 2-29

Annual Supplier Conference

Since 2017, Coretronic has been promoting a responsible supply chain by working closely with suppliers to improve across key areas such as quality, cost, delivery, labor practices, environmental safety, and occupational health. Through on-site guidance and face-to-face communication, the Company continues to enhance supply chain management capabilities and adaptability to fulfill its sustainability commitments.

To further deepen sustainable supply chain collaboration, the Company held a supplier conference in 2025 to share its sustainability strategies and implementation achievements with suppliers, while also clarifying the sustainability responsibilities that suppliers are expected to jointly undertake. These responsibilities include signing the "Sustainability Commitment Statement", cooperating with RBA audits, and responding to supplier ESG risk assessment questionnaires and other management requirements.

The conference also featured three sustainability-themed seminars covering green product management, an introduction to the product carbon inventory platform, and greenhouse gas and energy management, supporting suppliers to better understand sustainability management trends and exchange practical experiences.

Main Topics

- Company sustainability strategies and implementation achievements
- Supplier sustainability responsibilities
- Introduction to the Supplier ESG Risk Assessment System
- Sustainability Seminar—Green Product Management
- Sustainability Seminar—Introduction to the Product Carbon Inventory Platform
- Sustainability Seminar—Greenhouse Gas and Energy Management
- Outstanding Supplier Awards
- Experience sharing of award-winning suppliers

Number of Participating Suppliers

138 Suppliers

In addition, the Company officially announced the launch of the "ESG Risk Assessment System" during the conference. Through this platform, supplier partners can upload compliance documents and sustainability-related information, as well as complete ESG risk assessment questionnaires. The Company will utilize the assessment results as the basis for planning subsequent guidance and improvement measures. Going forward, the Company will continue working closely with supplier partners to deepen sustainability management practices and jointly build a resilient and sustainable supply chain.

Outstanding Supplier Awards

Through the Annual Supplier Conference, Coretronic recognizes and rewards supplier partners who have demonstrated excellence in carbon reduction and sustainability performance. In 2025, a total of 27 outstanding suppliers were honored with the "Energy Saving and Carbon Reduction Contribution Award", the "Outstanding Supplier Sustainability Award", the "Outstanding Supplier Model Award", and the "Outstanding Supplier Performance Award". The Company aims to encourage broader participation in sustainability efforts through tangible incentives and public recognition.

The "Energy Saving and Carbon Reduction Contribution Award" honors suppliers with outstanding performance in energy conservation and carbon reduction, including reductions in electricity consumption, water consumption, solid waste, wastewater, and air emissions. The "Outstanding Supplier Sustainability Award" recognizes suppliers demonstrating high levels of completeness in green product documentation, strong material delivery performance, and excellent cooperation. The "Outstanding Supplier Model Award" highlights benchmark suppliers with outstanding overall performance aligned with the principles of R.I.S.E. (Responsibility, Innovation, Safety, Excellence). The "Outstanding Supplier Performance Award" is given to suppliers who excel in technical innovation, process optimization, and overall collaboration.

Supplier Circularity Alliance

Coretronic collaborates with suppliers to promote waste recycling and reuse programs, implementing recycling plans for packaging materials such as plastics and paper. In addition to packaging material recycling, the Company also adopts reusable packaging for material delivery and collection, which reduces the consumption of raw materials used in packaging or containers. This practice promotes the concept of circular economy by encouraging reuse and waste reduction, contributing to more eco-friendly operations. In 2025, a total of 10 suppliers participated in the recycling of materials such as acrylic protective boards, cartons, pallets, trays, plastic crates, trolleys, plastic, and foam protective materials. The quantity of materials recycled accounted for 99% of the total shipment volume.

External CDP's Recognition of Partnership

In the 2025 CDP Supplier Engagement Assessment (SEA), the categories evaluated in the rating include supplier engagement, targets, Scope 3 emissions, risk management process, and governance and business strategy. Coretronic received **the highest rating of A (Leadership Level)** for **the third consecutive year**. Looking ahead, the Company will continue to invest in value chain management and work closely with suppliers and customers to demonstrate the highest level of operational resilience.

Supplier Engagement Leader
CDP
2025

Chapter 6

Friendly Workplace

06

6.1 Human Resources Overview

Note: The data in this chapter is based on the total number of employees at the end of 2025, and statistics are conducted according to the definitions of each category.

Employee Distribution (By Contract Type) 2-7

Plants	Contract Type	Male	Female	Total
Taiwan	Non-fixed-term Contract[1]	857	604	1,461
	Fixed-term Contract[2]	3	0	3
	Total Employees in Taiwan	**860**	**604**	**1,464**
China	Non-fixed-term Contract[1]	1,589	1,090	2,679
	Fixed-term Contract[2]	0	0	0
	Total Employees in China	**1,589**	**1,090**	**2,679**
Total Employees		**2,449**	**1,694**	**4,143**
Gender Ratio of Total Employees		**59%**	**41%**	**100%**

1: Full-time employees, including direct and indirect labor
2: Non-full-time employees, including consultants, contract personnel, interns, and apprentices

Employee Distribution (By Employment Type) 2-7

Plants	Employment Type	Male	Female	Total
Taiwan	Full-time Employees[1]	860	604	1,464
	Part-time Employees[2]	0	0	0
	Non-guaranteed Hours Employees[3]	0	0	0
	Total Employees in Taiwan	**860**	**604**	**1,464**
China	Full-time Employees[1]	1,589	1,090	2,679
	Part-time Employees[2]	0	0	0
	Non-guaranteed Hours Employees[3]	0	0	0
	Total Employees in China	**1,589**	**1,090**	**2,679**
Total Employees		**2,449**	**1,694**	**4,143**

1: Personnel with agreed standard working hours of 40 hours per week
2: Personnel with agreed standard working hours less than 40 hours per week
3: Personnel not guaranteed minimum agreed working hours (including temporary employees, zero-hour contract employees, and on-call employees)

Non-Employee Worker Distribution 2-8

Plants	Worker Type	Male	Female	Total
Taiwan	Dispatched[1]	26	25	51
	Others[2]	29	32	61
	Total Workers in Taiwan	**55**	**57**	**112**
China	Dispatched[1]	278	138	416
	Others[2]	122	76	198
	Total Workers in China	**400**	**214**	**614**
Total Workers		**455**	**271**	**726**
Gender Ratio of Total Workers		**63%**	**37%**	**100%**

1: Direct labor, hourly workers
2: On-site personnel (coffee shop, cafeteria, security guards, cleaning staff), contractors

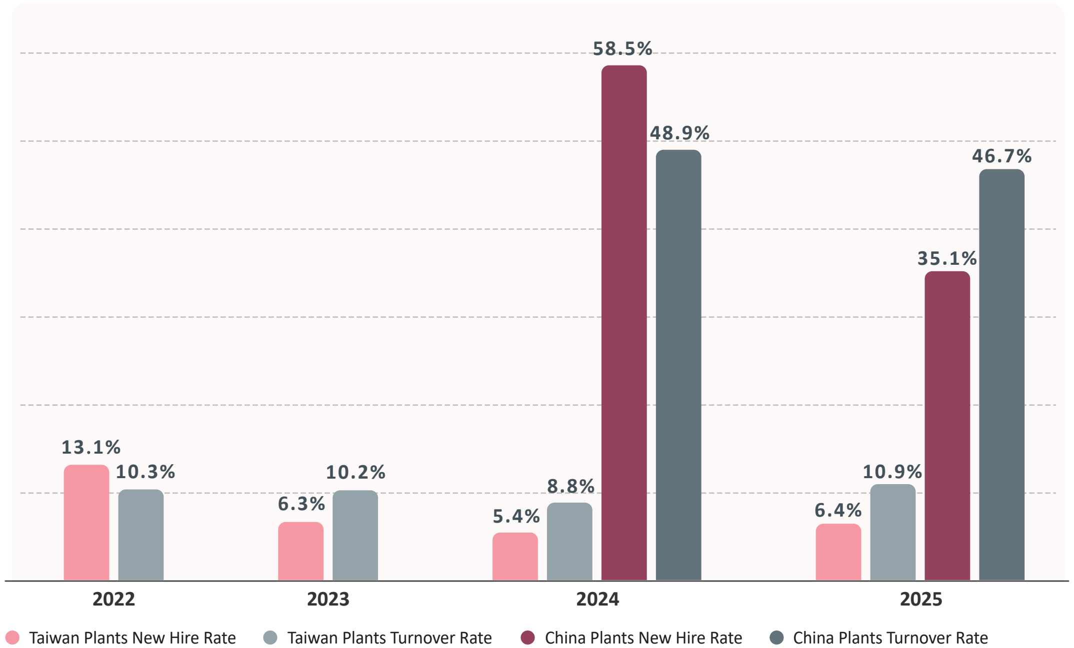
Employee Nationality and Management Position Ratios

Nationality	Percentage of Total Employees	Percentage of Management Positions
Taiwan	35.29%	50.76%
China	64.66%	49.11%
Malaysia	0.02%	0.00%
South Korea	0.02%	0.14%

New Employee Hire and Employee Turnover Rate[401-1]

Category		New Hires	New Hire Rate[1]	Resignations	Turnover Rate[2]
Age	Under 30	755	80.4%	1,156	123.1%[3]
	30-50	273	9.9%	224	8.1%
	Over 50	7	1.6%	30	6.9%
Gender	Male	673	27.5%	898	36.7%
	Female	362	21.4%	512	30.2%
Plants	Taiwan	94	6.4%	159	10.9%
	China	941	35.1%	1,251	46.7%
Job Level	Senior Managemen[4]	1	2.2%	4	8.7%
	Middle Management[5]	4	2.1%	8	4.3%
	Junior Management[6]	18	3.7%	24	4.9%
Nationality	Taiwan	93	6.4%	158	10.8%
	China	941	35.1%	760	28.4%
	South Korea	0	0.0%	1	100.0%
	Malaysia	1	100.0%	0	0.0%
Total		**1,035**	**25.0%**	**1,410**	**34.0%**

Annual Employee Hire and Turnover Rates



Note: From 2022 to 2023, only the employee hire and turnover rates for Taiwan plants were disclosed.

1. New Hire Rate: Total number of new hires in the category during the year ÷ Total number of employees in that category at the end of 2025
2. Turnover Rate: Total number of resignations in the category during the year ÷ Total number of employees in that category at the end of 2025
3. The turnover rate for this category was relatively high in 2025 due to the expansion of production lines at Wujiang plants and the large-scale recruitment of new employees, the majority of whom were under the age of 30 and therefore exhibited higher mobility. In addition, production line personnel are required to wear cleanroom garments, and some newly hired employees resigned due to difficulty adapting to such requirements. In response, the Company has strengthened pre-employment information sessions regarding cleanroom garment requirements, optimized the age structure of recruitment, and improved shift scheduling and job assignments to enhance employee retention
4. Senior Management: Includes positions such as chairman, president, and supervisors of business groups, sub-business groups, business divisions, and independent centers
5. Middle Management: Includes supervisors of centers and divisions
6. Junior Management: Includes supervisors of departments and sections
7. The employee numbers, new hires, and resignations shown in the table exclude cooperative education students (who return to school after three months) and short-term project interns (such as employees' children in summer internships or academia-industry collaboration interns who must leave the Company due to the ending of the contracts)

The Company continues to monitor employee turnover trends as a foundation for optimizing its talent strategies. In 2025, the overall hiring rate decreased by 13.2% compared to 2024, while the overall turnover rate increased by 0.4%. The reasons for changes in turnover rates at each plant and the corresponding response measures are as follows:

- Taiwan plants: The turnover rate in 2025 increased by 2.1% compared with 2024, mainly due to the rapid growth of the semiconductor, cloud server, and generative AI industries, which offered more competitive compensation and career opportunities in the external market, thereby driving the mobility of technical professionals. The Company will continue to optimize its talent retention measures by establishing more comprehensive career development and learning programs for employees to enhance their sense of belonging and increase their willingness to remain with the Company.
- China plants: The turnover rate in 2025 decreased by 2.2% compared with 2024, primarily due to the macroeconomic environment and industrial restructuring, which resulted in a more conservative labor market and reduced employees' willingness to change jobs. The Company will continue to actively respond to employee needs through internal communication and employee feedback mechanisms, improve the working environment, and strengthen employee retention.

6.2 Human Rights Management

3-3, 408-1, 409-1

Material Topic

Prohibition of Child Labor

GRI Topic
Child Labor

Topic Boundary

Coretronic Taiwan, and China plants (Kunshan plants and Wujiang plants)

Topic Importance

To safeguard the physical and mental health and proper development of children, the employment and use of labor under the age of 16 is strictly prohibited.

Strategy

- Sign the "Human Rights and Social Responsibility Policy".
- Establish internal procedures to ensure comprehensive preventive mechanisms and remediation measures.
- Conduct human rights education and training to strengthen awareness among all employees.
- Establish a dedicated Social Responsibility Team and obtain verification from external organizations to ensure the effectiveness of implementation.

Operating Mechanism

- Publish the "Child Labor Prohibition Policy" on the Company's intranet and develop internal procedures outlining the policy requirements.
- Conduct mandatory annual "Human Rights Education and Training" course.
- Establish a dedicated "Social Responsibility Team" to regularly carry out risk assessments and identifications, oversee daily actions, assist with internal audits, and hold regular meetings to review the effectiveness of improvement measures.
- Implement a strict age verification process during recruitment.
- Conduct annual labor and human rights risk assessments.
- Publish the "Human Rights and Social Responsibility Policy" on the Company's official website and intranet.

Performance

Indicator	2025 Target	2025 Performance	Achievement Status	2026 Target	2027 Target	2028 Target
"Human Rights and Social Responsibility Policy" signature rate	100%	100%	✓	100%	100%	100%
Number of Child Labor Employment/Use Cases	0 cases	0 cases	✓	0 cases	0 cases	0 cases
Number of Social Responsibility Team Meetings	Taiwan plants 2 meetings	4 meetings	✓	2 meetings	2 meetings	2 meetings
Scope of Annual Labor and Human Rights Risk Assessment	Entire Group	Coretronic Taiwan, China, and Vietnam plants	✗	Coretronic Taiwan, China, and Vietnam plants	Coretronic Taiwan, China, and Vietnam plants	Coretronic Taiwan, China, and Vietnam plants

- Achieved a 100% completion rate for the mandatory annual Human Rights Education and Training.
- Issued the "Social Responsibility Management Manual" and the "Child Labor Prohibition and Misemployment Remediation Procedures".

Material Topic

Prohibition of Forced Labor

GRI Topic
Forced or Compulsory Labor

Topic Boundary

Coretronic Taiwan, and China plants (Kunshan plants and Wujiang plants)

Topic Importance

The prohibition of forced labor ensures a safe and secure working environment for employees while safeguarding their rights and interests.

Strategy

- Sign the "Human Rights and Social Responsibility Policy".
- Establish internal procedures to ensure comprehensive preventive mechanisms and remediation measures.
- Conduct human rights education and training to strengthen awareness among all employees.
- Establish a dedicated Social Responsibility Team and obtain verification from external organizations to ensure the effectiveness of implementation.

Operating Mechanism

- Publish the "Anti-Disciplinary, Forced Labor, and Prison Labor Management Procedure" on the Company's intranet, and develop internal procedures outlining policy requirements.
- Conduct mandatory annual "Human Rights Education and Training" course.
- Establish a dedicated "Social Responsibility Team" to regularly carry out risk assessments and identifications, oversee daily implementation, assist with internal audits, and hold regular meetings to review the effectiveness of improvement measures.
- Conduct annual labor and human rights risk assessments.
- Publish the "Human Rights and Social Responsibility Policy" on the Company's official website and intranet.

Performance

Indicator	2025 Target	2025 Performance	Achievement Status	2026 Target	2027 Target	2028 Target
"Human Rights and Social Responsibility Policy" signature rate	100%	100%	✓	100%	100%	100%
Number of Forced Labor Cases	0 cases	0 cases	✓	0 cases	0 cases	0 cases
Number of Social Responsibility Team Meetings	Taiwan plants 2 meetings	4 meetings	✓	2 meetings	2 meetings	2 meetings
Scope of Annual Labor and Human Rights Risk Assessment	Entire Group	Coretronic Taiwan, China, and Vietnam plants	✗	Coretronic Taiwan, China, and Vietnam plants	Coretronic Taiwan, China, and Vietnam plants	Coretronic Taiwan, China, and Vietnam plants

- Achieved a 100% completion rate for the mandatory annual Human Rights Education and Training.
- Issued the "Social Responsibility Management Manual" and the "Anti-Disciplinary, Forced Labor, and Prison Labor Management Procedure".

As a responsible corporate citizen in the electronics industry, the Company strictly complies with the Responsible Business Alliance (RBA) Code of Conduct and adheres to various international human rights conventions, including the "Universal Declaration of Human Rights (UDHR)", the "United Nations Global Compact (UNGC)", the "United Nations Guiding Principles on Business and Human Rights (UNGPs)", and "International Labour Organization (ILO) Conventions". The Company prohibits all forms of human rights abuses and violations and is committed to treating all employees with fairness, dignity, and respect. To fulfill its human rights commitments in practice, the Company has established the "Human Rights and Social Responsibility Policy" and requires all employees to sign the policy. In 2025, the Company's Headquarters took the lead in obtaining SA8000 certification. Through independent third-party audits, the Company assesses the effectiveness of its implementation in areas such as human rights, prohibition of forced labor, and occupational safety management.

In accordance with the "Human Rights and Social Responsibility Policy" signed by the Chairman, the Company complies with labor and gender equality regulations in the locations where it operates and has established relevant human rights protection and labor policies, along with related implementation measures. The Company continues to promote the "Human Rights and Social Responsibility Policy" and its practical principles, while conducting human rights risk assessments and due diligence across its own operations, value chain, and new investment businesses. This policy applies to Coretronic and its affiliated enterprises, as well as supply chain and value chain partners, with the aim of comprehensively enhancing human rights awareness among all personnel through systematic management and promotion.

Goals and Performance of the Human Rights and Social Responsibility Policy [2-23, 2-24]

Policy	Goals	2025 Performance
Prohibition of Child Labor	No workers under the age of 16 shall be employed. If child labor is discovered, assistance and remediation shall be provided. Ensure that young workers (under the age of 18) are not assigned tasks that may endanger their health or safety, including night shifts and overtime. If students are employed, a comprehensive management plan must be in place.	• No individuals under 16 were employed. • All outsourced labor providers complied with child labor regulations, including industry-academia collaboration and summer internships, with no workers under 16.
Prohibition of Forced Labor	Any form of forced labor is prohibited, including but not limited to bonded labor, involuntary or exploitative prison labor, slavery, or human trafficking. This includes coercion, intimidation, threats, abduction, or deception used to transport, harbor, recruit, transfer, or receive labor. Unreasonable restrictions on workers' freedom, movement or the retention of identification documents are strictly prohibited.	No incidents of forced labor occurred.
Occupational Safety Management	The Company prioritizes occupational safety, strengthens training and awareness, establishes robust emergency injury response measures, and enhances protective practices to prevent workplace injuries and safeguard employee health. Relevant occupational safety and environmental regulations are regularly reviewed and updated for continuous improvement.	No major occupational accidents occurred. For details, please refer to Chapter 6.7 "Safe Working Environment" in this Report.
Freedom of Association and Collective Bargaining	Respect all employees' rights to organize and join trade unions of their own choosing, engage in collective bargaining, and participate in peaceful assemblies. Respect employees' right to refrain from such activities. Employees and/or their representatives must be able to communicate openly with management about working conditions and management practices, and share their ideas and concerns without fear of discrimination, retaliation, threats, or harassment.	• A total of 7 employee clubs established and subsidized. • Labor union established in China plants. • "Labor Relations Coordination Committee" established at Wujiang plants.

Policy	Goals	2025 Performance
Anti-Discrimination and Humane Treatment	The Company is committed to providing a workplace free from harassment (including sexual and non-sexual harassment) and unlawful discrimination, and strictly prohibits harsh or inhumane treatment. The Company strives to foster a diverse work environment without discrimination or harassment in recruitment or employment based on race, class, language, ideology, religion, political affiliation, place of origin, appearance, gender, sexual orientation, age, marital status, disability, astrological sign, blood type, ethnicity, regional or social background, family responsibilities, group membership, political opinion, skin color, gender identity or expression, pregnancy, veteran status, protected genetic information, or union membership. The Company also provides appropriate spaces for religious practices.	2 cases of discrimination, harassment, and bullying, and 4 other cases.
Disciplinary Measures	The Company shall treat all employees with dignity and respect. It shall not engage in or tolerate corporal punishment, mental or physical coercion, or verbal abuse of employees. Harsh or inhumane treatment is strictly prohibited.	No disciplinary cases occurred.
Working Hours Management	Working hours are in compliance with regulatory requirements. Except in emergencies or special circumstances, overtime shall not exceed 12 hours per week, and all overtime must be voluntary. Employees must be allowed one rest day in every seven-day period.	• Night shift broadcasts and patrol staff are in place to remind employees to avoid excessive working hours. • "Work Attendance Push Notifications" are used to promptly inform employees and their direct supervisors of attendance status, helping to prevent overtime.
Wages and Benefits	Wages shall meet living requirements and comply with all applicable compensation laws and regulations. All employees shall receive equal pay for equal work and qualifications. Wage deductions as a form of disciplinary action are prohibited.	• Entry-level direct labor in Taiwan plants receive a starting salary of NT$28,590 for both men and women. • Entry-level direct labor in Wujiang plants receive a starting salary of RMB 2,490 for both men and women. • Entry-level direct labor in Kunshan plants receive a starting salary of RMB 2,640 for both men and women. • Average male-to-female salary ratios: approx. 1:0.986 in Taiwan plants, 1:0.952 in Wujiang plants, and 1:0.933 in Kunshan plants, demonstrating near equal pay for men and women. • A "Golden Vacation Week" was arranged, during which the Company granted employees five days of paid flexible leave.
Employee Engagement, Consultation and Continuous Improvement	Multiple feedback channels are established to gather input from stakeholders. The Social Performance Team (SPT) is formed to conduct regular risk assessments and internal control management, promoting continuous improvement of the management system.	• A total of 18 labor-management meetings were held at Taiwan plants (quarterly) and Wujiang plants (on an irregular basis), with meeting minutes published on the Company's intranet to ensure adequate communication of opinions. • For China plants, 11 topic-based seminars were held.
Supplier and Subcontractor Management	The Company conducts due diligence on its suppliers, subcontractors, private employment agencies, and tier-two suppliers to ensure compliance with social responsibility standards.	• The "Responsible Business Alliance (RBA CoC) Code of Conduct" was included in the "Supplier/Contractor Sustainability Commitment Statement", which suppliers and contractors are required to sign. The signature rate reached 100%. • Annual RBA audits were conducted to assess the social risks of suppliers. A total of 142 suppliers underwent audits, achieving a 100% audit coverage rate. Across the labor, health and safety, and ethics categories, a total of 111 non-conformities were identified, with no "priority non-conformities" found. For all identified non-conformities, 100% of suppliers submitted Corrective Action Plans (CAPs) and completed corrective actions. For detailed audit and improvement results, please refer to Chapter 5.2 Responsible Supply Chain Management of this report.

Human Rights Education and Training

In 2025, the Company implemented a mandatory annual "Human Rights Education and Training" program. The program included three courses: "Human Rights and Social Responsibility Policy", "Human Rights and Unconscious Bias Training", and "Prevention of Workplace Discrimination and Harassment". The training also covered human rights issues, SA8000, and stakeholder grievance mechanisms. At the Taiwan plants, 1,464 employees were required to attend the training sessions held in October, and all 1,464 employees completed the courses, achieving a 100% completion rate. At the China plants, 2,376 employees were required to attend the training sessions held in October and November, and all 2,376 employees completed the courses, also achieving a 100% completion rate. The Company also required all employees to sign the "Human Rights and Social Responsibility Policy", achieving a 100% signature rate.

Human Rights Incident Complaint and Reporting Channels 2-25, 2-26

- Complaint and Reporting Channels: In accordance with the "Employee Suggestions and Whistleblowing Management Regulations" and the "Procedures for Suggestions and Whistleblowing by External Stakeholders", the Company provides channels for internal and external stakeholders to report any illegal or unethical conduct.
  - Internal Channels: Stakeholder and Employee Violation of Business Ethics Complaint Channel (Taiwan plants: +886-3-5772000 ext. 8215; China plants: +86-512-6382-8588 ext. 6220) and email (8215@coretronic.com); the 8585 hotline (+886-3-5772000 ext. 8585) and email (8585@coretronic.com) of Taiwan plants; the 1885 hotline (+86-512-57360000 #1885) and email (1885@coretronic.com) of Kunshan plants; the 6885 hotline (+86-512-63828588 #6885) and email (6885@coretronic.com) of Wujiang plants; the 4885 hotline (+86-512-85168838 #4885) of Wujiang plants; physical employee suggestion boxes; and labor-management meetings.
  - External channels: A "Stakeholder and Employee Violation of Business Ethics Complaint Channel" is available on the Company's official website to provide external parties with channels for complaints or reporting.
  - All complaint and reporting cases are forwarded by the receiving unit to the responsible unit according to the nature of the issue, and communication with employees is conducted as appropriate based on the case content.
  - Issued the "Whistleblower Protection and Anti-Retaliation Management Procedures": The receiving unit strictly adheres to the principles of confidentiality and impartiality to protect whistleblowers' rights to report concerns, prevent retaliation or reprisals, and avoid any retaliatory or unfavorable treatment toward whistleblowers. In addition to maintaining strict confidentiality regarding whistleblowers' identities, confidentiality requirements are also rigorously observed throughout the handling and investigation processes.
  - The issues and handling results of all complaint and reporting cases are retained on file by the responsible unit to ensure reasonableness and compliance.
- **Remedial and Improvement Measures**
  - For complaint and reporting cases involving different issues, the Company handles such cases in accordance with the "Measures for Prevention, Complaint Handling, and Disciplinary Actions for Sexual Harassment", "Procedures for Anti-Discrimination and Harassment Management", "Child Labor Prohibition and Misemployment Remediation Procedures", "Anti-Disciplinary, Forced Labor, and Prison Labor Management Procedure", "Workplace Unlawful Infringement Prevention and Complaint Handling Guidelines", "Ethical Corporate Management Best Practice Principles", and "Operating Procedures and Guidelines for Ethical Management". For matters not covered by the above policies and procedures, a separate investigation team will be established to conduct investigations.
  - Complaint and reporting cases are handled confidentially by the responsible unit. Where investigations confirm misconduct, the Company will impose appropriate disciplinary action on the employees involved according to the severity of the case. Depending on the actual circumstances of subsequent cases, the relevant human rights issues may also be incorporated into training materials or communicated through awareness programs.

Human Rights-Related Complaint Cases over the Past Years

Year / Case Category	2025			2024			2023			2022		
	Number of Filed Cases	Number of Substantiated Cases	Number of Closed Cases	Number of Filed Cases	Number of Substantiated Cases	Number of Closed Cases	Number of Filed Cases	Number of Substantiated Cases	Number of Closed Cases	Number of Filed Cases	Number of Substantiated Cases	Number of Closed Cases
Forced Labor	0	0	0	0	0	0	0	0	0	0	0	0
Human Trafficking	0	0	0	0	0	0	0	0	0	0	0	0
Child Labor	0	0	0	0	0	0	0	0	0	0	0	0
Discrimination, Harassment, and Bullying	2	2	2	0	0	0	0	0	0	0	0	0
Working Conditions	0	0	0	0	0	0	0	0	0	0	0	0
Others[1]	5	4	5	0	0	0	1	1	1	2	0	2
Total	**7**	**6**	**7**	**0**	**0**	**0**	**1**	**1**	**1**	**2**	**0**	**2**

1: Includes issues related to management, work attitude, performance evaluation, employee rights and interests, and violations of labor discipline.

A total of 7 complaint and reporting cases were filed in 2025, of which 6 cases were substantiated (including 2 cases related to discrimination, harassment, and bullying, and 4 other cases). The case closure rate reached 100%. Details of the cases are as follows:

Case Category	Case Description	Handling Method and Disciplinary Actions	Remedial Measures
Discrimination, Harassment, and Bullying	An employee alleged that the department supervisor engaged in exclusionary behavior, improper monitoring, and unfairly singled out the employee, resulting in adverse effects on the employee's physical and mental well-being.	• A committee was established in accordance with regulations to conduct investigation and review meetings. • Based on the review results, the case was determined to be unsubstantiated; therefore, no disciplinary action was taken.	• Psychological counseling resources were provided to the complainant, along with explanations regarding the case handling results and future improvement measures. • The complainant's work station was relocated to provide a safe working environment. • The complainant's job assignment was adjusted according to the individual's needs.
	An employee filed a complaint after being subjected to inappropriate language and messages from a colleague during work, which caused the employee distress. Following the investigation, both parties were confirmed to be dispatched employees. Accordingly, the case was handled by the host employer in accordance with the "Act of Gender Equality in Employment".	• A committee and investigation team were established in accordance with regulations, and the required online reporting procedures were completed. • Based on the investigation results, the respondent's dispatching agency issued a formal reprimand and completed the statutory reporting procedures.	• The respondent's work shift was adjusted to ensure a safe working environment for the complainant. • Psychological counseling resources were provided to both the complainant and the respondent.
Others	A department team leader exploited managerial authority by clocking the attendance card on behalf of another employee, allowing the employee to leave the workplace during working hours.	The team leader received a major demerit, and the employee involved in absenteeism was subject to termination for cause.	Attendance management regulations and supervisory responsibilities were further reinforced through awareness initiatives.
	Two employees clocked the attendance card on behalf of each other and left the Company during working hours to engage in non-work-related activities.	Both employees involved in absenteeism were subject to termination for cause.	Attendance management regulations were further reinforced through awareness initiatives.
	An employee left the Company after clocking in and returned at the end of the workday to clock out, failing to perform assigned duties during working hours as required.	The employee involved in absenteeism was subject to termination for cause.	Attendance management regulations were further reinforced through awareness initiatives.
	A supervisor exploited authority by appointing a relative as an outsourced customer service representative, and the employee failed to clock in during working hours in accordance with regulations.	• A committee was established in accordance with regulations to conduct investigation and review meetings. • Based on the review results, the case was determined to be unsubstantiated; therefore, no disciplinary action was taken.	Attendance management regulations and internal audit management were further reinforced through awareness initiatives.

Human Rights Due Diligence NEW

In accordance with the "United Nations Guiding Principles on Business and Human Rights (UNGPs)", as well as based on the EU "Corporate Sustainability Due Diligence Directive (CSDDD)" and the "OECD Due Diligence Guidance for Responsible Business Conduct", the Company conducted human rights due diligence at its Taiwan plants for the first time in 2025. The Company established human rights due diligence procedures for its own operations and identified salient human rights issues through human rights risk identification and assessment processes. Relevant risk management, mitigation, and remedial measures were then implemented to facilitate subsequent improvement and follow-up actions and to reduce the potential impacts of human rights risks. Coretronic Projection (Kunshan) and Coretronic Optics (Suzhou) also conducted human rights due diligence through RBA VAP validation.

The Company also conducts annual supplier human rights due diligence through RBA audits. For detailed investigation results and improvement status, please refer to Chapter 5.2 Responsible Supply Chain Management of this report.

Scope of Investigation	Taiwan Plants Employees (Headquarters, Chunan Plant, Tainan Plant 1, and Tainan Plant 2)	Employees of Coretronic Projection (Kunshan) and Coretronic Optics (Suzhou)
Investigation Process	• Establishment of the "Human Rights and Social Responsibility Policy": Established the "Human Rights and Social Responsibility Policy" based on the "United Nations Guiding Principles on Business and Human Rights" and aligned with the Company's operational priorities. • Identification of Human Rights Risk Issues: Identified human rights risk issues by designing questionnaires based on the "Human Rights and Social Responsibility Policy" and distributing them to department-level supervisors to assess potential human rights risks in corporate operations. • Identification of Salient Human Rights Risks: Identified salient human rights risks through systematic reviews of potential issues within operations and established risk identification and assessment mechanisms. • Implementation of Mitigation and Remedial Measures: Implemented mitigation and remediation measures for salient human rights risk incidents. • Continuous Monitoring and Improvement: Continuously monitored improvement progress and optimized operational processes to prevent recurrence of similar incidents.	In response to customer expectations, RBA VAP validation was applied for in 2025, and human rights due diligence was completed in accordance with the validation process.
Investigation Topics	A total of 10 human rights risk areas were identified, including "Prohibition of Child Labor", "Prohibition of Forced Labor", "Safe and Healthy Workplace Environment", "Freedom of Association and Collective Bargaining", "Anti-Discrimination and Anti-Harassment Humane Treatment", "Respect for Employees Without Improper Treatment or Punishment", "Reasonable and Lawful Working Hours Management", "Reasonable and Lawful Compensation and Benefits", "Management Systems for Employee Engagement and Continuous Improvement", and "Suppliers that Respect Human Rights". These issues were incorporated into the Company's human rights risk management framework as an important basis for formulating risk prevention and management measures.	Covered five major categories, including labor, health and safety, environment, ethics, and management systems, comprising a total of 93 issues.

Investigation Results:

- In 2025, 93% of employees at the applicable sites were covered by human rights risk assessment, identification, and human rights mitigation and remediation measures. Relevant risk mitigation and remediation measures were implemented for all employees at six sites (Headquarters, Chunan Plant, Tainan Plant 1, and Tainan Plant 2, Coretronic Projection (Kunshan) and Coretronic Optics (Suzhou)).
- Coretronic Projection (Kunshan) and Coretronic Optics (Suzhou): Both sites underwent RBA VAP validation in 2025, and achieved scores of 166.1 and 187.7, respectively, receiving Silver-level certification. A total of 8 non-conformities were identified, with no "priority non-conformities". The primary deficiencies were concentrated in "working hours" and "labor management systems". Improvements were implemented through mitigation and remediation measures such as "weekly reviews of shift scheduling, overtime conditions, and production capacity requirements", "expansion of recruitment efforts", and "optimization of production processes to improve production efficiency".
- Taiwan plants: A total of three salient human rights issues were identified. The corresponding mitigation and remedial measures are described in the table below:

Applicable Parties	Salient Human Rights Issues	Mitigation Measures	Remedial Measures
All Employees	Reasonable and lawful compensation and benefits	Regularly review and assess internal and external compensation conditions.	Adjust compensation if any non-compliance with regulations or internal equity issues is identified.
	Reasonable and lawful working hours system	Establish working hours reminder mechanisms.	Investigate the causes of excessive working hours and adjust workforce allocation when necessary.
	Management Systems for employee engagement and continuous improvement	Regularly hold labor-management meetings and symposiums.	Establish employee grievance mechanisms and communication channels, investigate employee concerns, and incorporate the results into management assessment.

Management Review

To implement the spirit of the Responsible Business Alliance (RBA), the Company has established a Labor and Ethics Management System and has convened annual Labor and Ethics Management Review Meetings since 2022. Through these meetings, the Company reviews the management review procedures, evaluation and management procedures, objectives and targets, and management program procedures. In 2025, the Headquarters introduced and obtained SA8000 certification. In accordance with the Company's "Human Rights and Social Responsibility Policy", the "Labor Human Rights Risk and Ethical Risk Identification Forms" were distributed to newly appointed or promoted department-level supervisors within six months of assuming their positions, center supervisors, independent center supervisors, and Social Performance Team (SPT) members at the Taiwan, China, and Vietnam plants for risk identification. The identification results were then reviewed by their direct supervisors, and the consolidated results were submitted to the Management Review Meeting for approval. Improvement objectives, targets, and management programs were established for any items identified as presenting "unacceptable risks".

A total of 117 risk identification forms were distributed in 2025, and all 117 forms were returned, achieving a 100% return rate. The identification results indicated that no unacceptable risks were identified across all plants in relation to labor human rights and ethical standards or their implementation, and all sites were in compliance with RBA requirements. To address instances where some respondents selected "Not Applicable" during the risk identification process due to differences in understanding of issues or misjudgments regarding applicability and responsibilities, the Company held one "Social Responsibility Risk Identification Information Session" in the first half of 2025 to enhance respondents' understanding of the risk identification forms. In the second half of the year, the Company also prepared a "Social Responsibility Risk Identification Reference Manual", detailing the corresponding management regulations and policies to enhance the efficiency of risk identification implementation.

Identification Form / Plants	Labor Human Rights and Ethical Risk Identification		
	Acceptable Risk	Unacceptable Risk	Not Applicable
Taiwan Plants	99.95%	0%	0.05%
China Plants	94.03%	0%	5.97%
Vietnam Plants	95.18%	0%	4.82%

Future Plans

The Company will continue to implement the "Human Rights and Social Responsibility Policy" across all aspects of its operational management and further enhance employees' and supervisors' understanding of the "Human Rights and Social Responsibility Policy".

- In 2025, the risk identification process was implemented in phases, with priority given to the Taiwan, China, and Vietnam plants in order to accumulate cross-site implementation experience and establish standardized operating procedures. Going forward, the Company will continue to optimize implementation process based on the results from each plant and gradually expand the scope of application to subsidiaries to strengthen the institutionalization and consistency of the Group's overall risk management framework. The scope of future assessments will also be gradually expanded to include customers, business partners, and new business relationships (such as mergers, joint ventures, and acquisitions).
- The Company reviews the appropriateness of the "Human Rights and Social Responsibility Policy" annually and has incorporated "Social Responsibility and Ethical Risk Education and Training" into the annual mandatory training curriculum.
- The Company regularly reviews and updates the content of the "Social Responsibility Risk Identification Form" and further improves the completion process.

6.3 Compensation and Benefits 3-3

Material Topic
Compensation and Benefits

GRI Topic
Market Presence
Diversity and Equal Opportunities

Topic Boundary

Coretronic Taiwan, and China plants (Kunshan plants and Wujiang plants)

Topic Importance

A sound compensation and benefits system is the foundation for employees to "live comfortably and work happily". The Company provides market-competitive compensation to establish a foundation for employees' financial well-being, while offering performance-based rewards to recognize outstanding performance and encourage employees to thrive in their careers. This approach is also an essential prerequisite for the Company's sustainable development.

Strategy

- Formulate competitive salary structures based on market salary analysis.
- Evaluate individual incentive compensation levels based on past performance and future potential

Operating Mechanism

- Regularly take inventories of internal salary distribution and stay fully abreast of global market dynamics and trends through industry salary analysis.
- For key job categories, develop salary structures that are more competitive than the market.
- Based on individual and team performance, grant operating bonuses and employee compensation (profit sharing).
- Based on individual performance and potential, evaluate annual salary adjustments to enhance the market competitiveness of employee compensation.

Performance

Indicator	2025 Target	2025 Performance	Achievement Status	2026 Target	2027 Target	2028 Target
Number of Annual Compensation Structure Reviews Conducted	1 time	1 time	✓	1 time	1 time	1 time
Number of Annual Salary Adjustments Implemented	1 time	1 time	✓	1 time	1 time	1 time
Number of Promotion-related Salary Adjustments Implemented	2 times	2 times	✓	2 times	2 times	2 times

- The starting salary for both male and female entry-level (direct labor) employees is NT$28,590 in Taiwan, RMB 2,640 in Kunshan plants, and RMB 2,490 in Wujiang plants, all in compliance with the local minimum wage standards for 2025.
- The total salary ratio of male to female employees across categories is 1:0.986 in Taiwan, 1:0.933 in Kunshan plants, and 1:0.952 in Wujiang plants, reflecting near gender pay equity.
- One annual salary adjustment was implemented in 2025, with an average adjustment range of 3–5%.
- Average annual salary of full-time employees without managerial roles in Taiwan: NT$1.218 million
- Median annual salary of full-time employees without managerial roles in Taiwan: NT$1.193 million

Material Topic
Friendly Workplace

GRI Topic
Employment

Topic Boundary

Coretronic Taiwan, and China plants (Kunshan plants and Wujiang plants)

Topic Importance

In the technology industry, goal orientation and a fast-paced work environment are the norm. Creating a more friendly and supportive workplace atmosphere is a key element in helping employees adjust their pace, maintain productivity, and achieve a healthy work-life balance.

Strategy

Provide diversified welfare programs to safeguard employees' physical and mental well-being, foster employees' sense of belonging and alignment, and further strengthen the employer brand, with the goal of creating a workplace where employees genuinely experience happiness and care.

Operating Mechanism

- Increase the diversity of activities to enhance engagement between employees and interaction with families.
- Create a positive atmosphere and establish a harmonious organizational culture.
- Conduct participation rate reviews and post-event surveys.
- Improve new hire retention rates.

Performance

Indicator	2025 Target		2025 Performance	Achievement Status	2026 Target	2027 Target	2028 Target
Number of HR-related Awards or Certifications Obtained	Taiwan plants	At least 1	• National Talent Development Awards • "Happy Enterprise Silver Award" by 1111 Job Bank • "Talent Development Leadership Award" of the TCSA (Taiwan Corporate Sustainability Awards)	✓	At least 1	At least 1	At least 1
New Employee Retention Rate	Taiwan plants	85%	85.4%	✓	85%	85%	85%
Number of Employee Care and Welfare Activities	Kunshan plants	6 times	21 times	✓	6 times	6 times	6 times
Number of Employee Care Activities	Wujiang plants	4 times	5 times	✓	4 times	4 times	4 times
Satisfaction Score for Employee Care Activities		9.5	9.6	✓	9.5	9.5	9.5

- Taiwan plants offer employees one complimentary monthly well-being benefit and distribute movie tickets annually.
- Employees at the Taiwan plants receive vacation benefits exceeding the Labor Standards Act (5 days of fully paid Golden Week leave and unlimited fully paid volunteer leave).
- Held 152 events with a total of 41,510 participants.

Labor Unions [2-30]

Company Name/Item	Union Establishment Date	Signing of Collective Agreement	Number and Percentage of People Covered by Agreement
Coretronic Projection (Kunshan)	July 2014	"Special Collective Contract on Wages", "Collective Contract"	723 people, accounting for 100% of total employees
Coretronic Optics (Kunshan)	December 2020		103 people, accounting for 100% of total employees
Coretronic Optotech (Suzhou)	June 2019	"Collective Contract", "Special Collective Contract on Wages", "Special Collective Contract on Occupational Health and Safety", "Special Collective Contract on Special Protection for Female Employees"	177 people, accounting for 100% of total employees
Coretronic Optics (Suzhou)	May 2021		1,676 people, accounting for 100% of total employees

Compensation System [2-20, 202-1, 405-2]

A comprehensive and market-competitive compensation and benefits system can greatly increase employee enthusiasm for work and is an indispensable element in creating a happy workplace. Coretronic adheres to the principle of fairness, determining salaries based on job category, educational background, professional experience, and years of professional experience. Salaries do not differ based on factors such as gender, age, race, nationality, or religion. Additionally, the Company conducts annual salary analyses and market compensation benchmarking. Through the comparison of internal salary practices with external salary levels, the Company establishes a competitive salary structure as the foundation for determining salary during talent recruitment, thereby helping ensure the recruitment of outstanding talents.

▶ Entry-level employees (direct labor) standard salary determination structure and local regulatory minimum wage

	Taiwan Plant		Kunshan Plant		Wujiang Plant	
	Standard Salary	Ratio to Local Minimum Wage	Standard Salary	Ratio to Local Minimum Wage	Standard Salary	Ratio to Local Minimum Wage
Male	NT$28,590	1	RMB 2,640	1.06	RMB 2,490	1
Female						

▶ Salary Ratio by Gender (Gender Pay Ratio)

The Company annually reviews market salary levels and regularly updates its compensation structure standards, which serve as the foundation for determining compensation for new hires. In the processes of reviewing salary levels, establishing compensation structure standards, and determining compensation for new hires, employee gender is not used as a basis for decision-making, thereby ensuring that there are no gender-based differences in compensation within the Company.

The Company calculated the average salary ratio between male and female employees by grouping employees according to job category/level at each major operating site and excluding the impact of performance. Groups with only one gender were excluded from the analysis, and the salary ratio is presented using male employees as the baseline. The results show that the male-to-female salary ratio is close to 1, indicating negligible gender-based differences in salary. The total compensation ratios are not disclosed at this time.

▶ Average Gender Pay Ratio by Job Category at Taiwan Plants (female : male)

Gender Pay Ratio Category	Job Category / Plant	R&D	Production	Sales	Administration	Total Ratio
Median	Taiwan	0.992	0.965	0.966	0.978	0.976
Average	Taiwan	0.994	0.959	0.988	0.991	0.986
	Wujiang	1.004	0.951	0.929	1.003	0.952
	Kunshan	0.908	0.964	0.990	0.919	0.933

Note: Calculation is based on December 2025 salaries

▶ Average Gender Pay Ratio by Job Level at Taiwan Plants (female : male)

Senior Management	Middle Management	Junior Management	Non-management Personnel	Total Ratio
0.951	0.931	0.972	0.940	0.946

Note: Calculation is based on December 2025 salaries

▶ Internal Job Vacancy Fulfillment Rate

Year	2022	2023	2024	2025
Internal Transfer Rate	34.04%	23.09%	20.62%	17.62%

Talent Retention Incentive Program

Inventive Measure	Location	Eligibility	Implementation Method	2025 Results
Performance Bonus	All sites	Employees actively engaged in work and demonstrating excellent performance	Annual performance bonuses, employee profit sharing, project bonuses, monthly DL performance bonuses	Bonus amounts are confidential and therefore not disclosed
Patent Bonus	All sites	Employees involved in technology development and converting patents into intellectual property	Patent proposal bonus, patent grant bonus, patent application bonus	A total of NT$2,407,734 in patent bonuses awarded to 200 employees
Long-Service Recognition	Taiwan	Employees with 5 or 10 years of service	Employees reaching 5 or 10 years of service in a given year receive public recognition and a gift	83 employees recognized
Outstanding Employee Award	All sites	Employees nominated and approved based on exceptional annual performance	Employees nominated and approved as outstanding employees receive public recognition and a monetary award	88 employees awarded

Living Wage NEW

To implement compensation fairness, safeguard employees' right to decent work, and support SDG 8 — "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all". The Taiwan plants regularly reviewed living wage and salary levels in 2025 based on local economic conditions. The Company ensured that the actual minimum salaries paid to all employees at the Taiwan plants exceeded the living wage calculated with reference to reports issued by the Directorate-General of Budget, Accounting and Statistics (DGBAS). The Company also commits that, by 2030, 100% of employees at the Taiwan plants will receive salaries above the local living wage.

- Scope of Investigation: All employees at the Taiwan plants (Headquarters, Chunan Plant, Tainan Plant 1, and Tainan Plant 2)
- Method of Investigation: With reference to the "Report on the Survey of Family Income & Expenditure" issued by the Directorate-General of Budget, Accounting and Statistics (DGBAS), expenditure categories included "Food and Non-Alcoholic Beverages", "Clothing and Footwear", "Housing Services, Water, Electricity, Gas and Other Fuels", "Healthcare", "Transportation Equipment and Other Transportation Services", and "Education". The combined expenditures were divided by the number of employed persons per household and then divided by 12 months to calculate the average monthly living wage.
- Investigation Results: From 2022 to 2025, the actual minimum salaries paid by the Company to all employees at the Taiwan plants exceeded the living wage calculated with reference to DGBAS reports and also complied with statutory minimum wage requirements.

Employee Benefits 401-2

Item/Plant	Taiwan	China
Sharing of Operating Profits and Achievements (Applicable to Full-time Employees)	• Employee profit sharing (depending on annual operations and individual performance) • Production performance bonuses, operating performance bonuses, R&D patent bonuses • Excellent R&D personnel, senior employee, and outstanding employee recognition • Employee stock ownership (handled as appropriate)	• Operating bonuses (depending on operations and individual performance of the current year) • Production performance bonuses, operating performance bonuses, R&D patent bonuses • Excellent R&D personnel, and outstanding employee recognition
Comprehensive Employee Care	• Free group insurance for employees, accident insurance for expatriates and dependents on business trips, overseas travel insurance, regular on-site consultation services for insured employees • Annual health check-ups (superior to legal requirements), employee health management, comfortable rest areas, and professional medical consultations • Free electrocardiogram (ECG) examinations for employees aged 45 and above • Comprehensive retirement system, equal working conditions for both genders • Flexible working hours, shuttle buses, and Plants shuttle services • Provide dedicated friendly parking spaces for injured or ill employees NEW Remote Work: Employees with special circumstances or legitimate reasons may apply for remote work subject to evaluation and approval, thereby enhancing work flexibility. The policy is scheduled to be implemented in 2026.	• Free group insurance for employees, regular on-site consultation services for insured employees • Employee health management, comfortable rest areas, and professional medical consultations • Equal working conditions for both genders • Flexible working hours, shuttle buses, and Plants shuttle services

Item/Plant	Taiwan	China
Diverse and Thoughtful Welfare Benefits	• Labor Day, Mid-Autumn Festival, Dragon Boat Festival, and birthday vouchers • Wedding cash gifts, childbirth cash gifts, travel subsidies, hospital subsidies, condolence payments, club subsidies, female employee miscarriage condolence payments • Family Day, club activities, year-end parties • Restaurants, coffee shops, convenience stores, employee recreation centers, fitness centers, yoga rooms • Two movie tickets provided to each employee and courses offered through the Core Happiness Academy • Provision of organic vegetables; hydroponic vegetables are cultivated on-site and supplied as hydroponic vegetable salads	• Birthday vouchers • Wedding cash gifts, childbirth cash gifts and condolence payments • Year-end parties, quarterly welfare activities • Restaurants, dormitories, convenience stores, employee service center
Support for Women	• Parental leave, family care leave, maternity leave, paternity leave, paternity checkup leave, menstrual leave, prenatal checkup leave • Lactation rooms • Dedicated indoor parking spaces for pregnant women • Contracted nursery schools and kindergartens • Priority dining rights for pregnant women	• Maternity leave, paternity and prenatal checkup leave • Lactation rooms • Dedicated parking spaces for expectant mothers • Priority dining rights for pregnant women • Half-day leave for female employees on International Women's Day
Leave Exceeding Legal Requirements	• Golden Vacation Week: 5 days of paid leave • Volunteer leave: Participate in company-organized volunteer activities on holidays, can apply for volunteer leave equal to the activity hours, with no annual limit on application hours	None

Various Benefit Payments

Item/Region	Taiwan	China
Childbirth Subsidy	Both employees and their spouses can apply, with a subsidy of NT$5,000 per birth. If a single birth results in more than one child, an additional NT$1,000 is subsidized for each additional child.	Both employees and their spouses can apply, with a subsidy of RMB100 per birth. If a single birth results in more than one child, an additional RMB100 is subsidized for each additional child.
Wedding Cash Gift	NT$2,000 per person	RMB 200 per person
Female Employee Miscarriage Condolence Payments	No limit on applications; NT$2,000 each time	None
Travel Subsidy	NT$5,000 per person	None
Adoption Subsidy	Both employees and their spouses can apply, with a subsidy of NT$5,000 per birth. For multiple adoptions, an additional NT$1,000 subsidy for each additional child.	None

Working Hours and Leave Management

To ensure work-life balance, the Company has established working hours management regulations, and all working hours comply with applicable legal requirements.

- If employees are required to work overtime due to project-related or temporary operational needs, the Company obtains employee consent in advance and provide either overtime pay or compensatory leave according to employees' preferences, with overtime compensation paid in accordance with applicable laws and regulations.
- Based on the annual attendance cycle, any unused compensatory leave balance is converted into monetary compensation according to the overtime pay rates applicable to the original overtime workday and time period.
- In accordance with employees' years of service, the Company provides 3 to 30 days of paid annual leave (special leave) as required by law. During the special leave periods, employees continue to receive salary payments as well as social insurance and group insurance coverage, allowing them to take leave with peace of mind. Any unused special leave entitlement at the end of leave period is compensated in accordance with applicable laws and regulations.

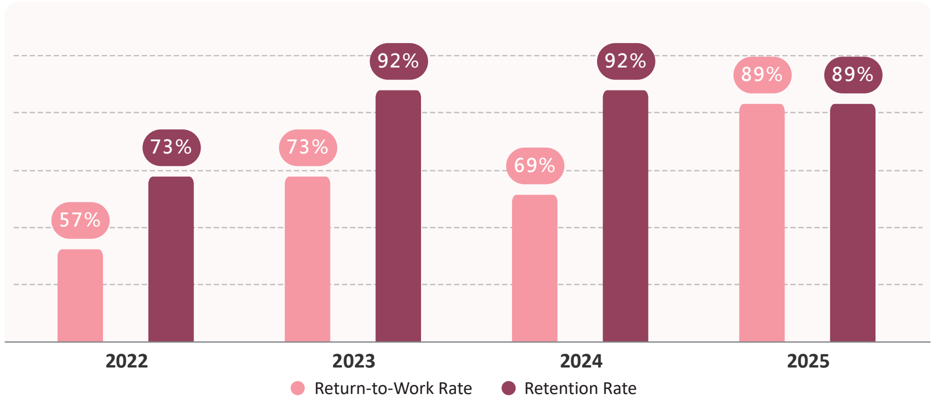
Parental Leave 401-3

Coretronic values the importance of newborns to employees' families and, in accordance with applicable laws and regulations, provides female employees (primary caregivers) with 7 days of paid prenatal examination leave and 8 weeks of paid maternity leave, as well as male employees (non-primary caregivers) with 7 days of paid paternity leave/paternity examination leave. In addition, to enable better care for newborns, the Company encourages both male and female employees to apply for unpaid parental leave before their children reach the age of three. During this period, employees are legally entitled to receive 80% of their insured salary under labor insurance for six months (approximately 26 weeks). In 2025, a total of NT$80,000 in childbirth subsidies was provided to 16 employees.

	Gender/Item	Male	Female	Total
A.	Number of People Entitled to Parental Leave from 2022 to 2025	59	41	100
B.	Number of Employees Who Applied for Parental Leave in 2025	3	6	9
C.	Expected Number of Employees to Return to Work after Parental Leave in 2025	1	8	9
D.	Actual Number of Employees Who Returned to Work after Parental Leave in 2025	1	7	8
E.	Actual Number of Employees Whose Parental Leave Ended in 2024 and Returned to Work in 2025	4	5	9
F.	Number of Employees Who Remained Employed 12 Months after Returning from Parental Leave in 2024	3	5	8
G.	Return-to-work Rate (D/C)	100%	88%	89%
H.	Retention Rate (F/E)	75%	100%	89%

Note 1: The parental leave data statistics in the above table cover Taiwan employees who have applied for paternity leave/maternity leave from 2022 to 2025.
Note 2: There is no parental leave in China.

Annual Parental Leave Statistics at Taiwan Plants



Retirement System 201-3

- Taiwan plants comply with the "Labor Standards Act" and "Labor Pension New System" regulations to make timely monthly contributions to employee retirement pensions. For employees with old system retirement seniority, the Company also makes sufficient contributions according to the law as retirement reserve funds deposited into the Company's retirement pension account, sufficient to pay the retirement pensions of employees eligible for retirement in the current year, ensuring the rights and interests of retiring employees. In 2025, the expense recognized under the defined contribution plan amounted to NT$330,317,000.
- China plants comply with the "Social Insurance Law of the People's Republic of China" and "Jiangsu Province Enterprise Employee Basic Pension Insurance Regulations" to make timely monthly pension insurance contributions for employees.
- For senior employees with outstanding work performance who apply for retirement, the Company invites them to serve as consultants to transfer their extensive experience to other employees. This program not only provides professional consulting services to the Company but also offers retired employees opportunities for continued development and enables them to mentor younger generations of employees, fostering knowledge transfer across generations.

Item/Region		Taiwan	China
Retirement Pension Contribution as a Percentage of Salary	Employer	Old System: 2% New System: 6%	16%
	Employee	Old System: 0% New System: 0% ~ 6%	8%
Retirement Plan Type		Old System: Company Retirement Account New System: Individual Retirement Account	Pension Insurance (Employee Account)

Diversity and Inclusion in the Workplace

- Friendly Workplace Courses: A total of 17 courses on creating a friendly workplace were offered, covering topics such as gender equality, DEI (Diversity, Equity, and Inclusion) trends, sexual harassment prevention, and co-parenting. The courses reached a total of 5,037 participants.
- Empowering Women in Technology: Women held 31.2% of managerial positions, with female supervisors accounting for 51.9% of business leadership roles. In addition, women represented 31.8% of employees in STEM (Science, Technology, Engineering, and Mathematics; including roles in R&D, production management, process engineering, procurement, warehousing, IT, and quality assurance) positions.

Item/Job Level	Senior Management	Middle Management	Junior Management	Total
Number of Female Supervisors	15	43	169	227
Total Number of Supervisors	46	188	493	727
Female Supervisor Employment Rate	32.6%	22.9%	34.3%	31.2%

- Workplace for the Wisdom Generation

In response to the global challenges of talent shortages and population aging, the Company has established a "Senior Employee Rehire Program", inviting outstanding employees who are approaching or have reached retirement eligibility to flexibly return to the workplace. Through this program, their professional expertise and skills can continue to be leveraged, transforming tacit knowledge into valuable corporate assets.

In 2025, the Company rehired two retirement-eligible employees. One senior female employee returned to serve in a senior management position, utilizing her extensive decision-making experience, to assist management in maintaining stable operations amid a complex market environment, while serving as a career role model for female employees within the Company. Another employee returned as the head of a key project and served as a mentor to guide mid-career core employees, ensuring the successful transfer of the Company's core knowledge and culture. Going forward, the Company will continue aligning organizational needs with the expertise of experienced talent to create a sustainable talent ecosystem that transcends age boundaries and promotes knowledge sharing across generations.

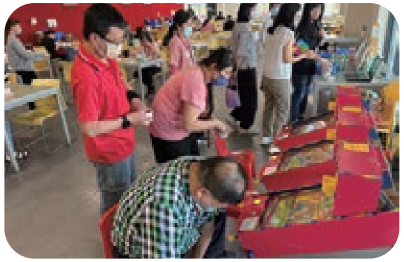
- Workplace Equality:
  - The Company is committed to fostering a friendly and harmonious work environment and providing equal opportunities for disadvantaged and minority groups to promote fair employment. In 2025, a total of 31 employees with disabilities were employed. Among them, the Taiwan plants employed 30 employees with disabilities (including weighted counts for those with severe disabilities), achieving a hiring rate of 2.05% and an over-quota employment rate of 100%.
  - To implement equal employment opportunities, the Company continues to optimize its recruitment system to ensure that the recruitment process is free from discrimination based on gender, age, or other personal backgrounds. In 2025, the Company designated information such as household telephone number, gender, marital status, and military service status in its resume submission system as "optional fields", thereby reducing the influence of information unrelated to job competency on recruitment evaluations. This approach enables recruitment decisions to focus more on applicants' professional capabilities and job suitability, reduces potential bias, upholds human rights, and promotes a fair and friendly workplace environment.

Vitality in the Workplace

152 events, 41,510 participants (Maximum event satisfaction score: 10)

Employee Celebration Festival・Childhood× Gratitude × Wishes

- During Children's Day, the Company held the "Childhood Memories・Children's Fun Market Fair", featuring a variety of nostalgic games and food stalls to create a relaxing and enjoyable atmosphere, allowing employees to relive childhood memories outside of work. A total of **1,125** people participated, with an average satisfaction score of 9.5.
- During Father's Day, the Company organized a DIY workshop for creating "Premium Leather Multi-Function Long Wallet and Phone Bags", using warm handcrafted experiences to convey gratitude and blessings to oneself and family members. A total of **185** employees participated, with an average satisfaction score of 9.7.
- During Mother's Day, the Company hosted a "Fruit Cake Baking Event", where employees and their families created customized cakes together, strengthening family interaction and relationships while creating sweet memories for Mother's Day. A total of **225** employees and family members participated.
- During Christmas, the Taiwan plants held the "Christmas Wishes Come True at Year-End" lucky draw event, where winning employees could receive wish grants of up to NT$2,000. A total of **1,204** employees participated. The Wujiang plants organized a "Christmas Lucky Draw" and "Santa Claus Candy Giveaway Event", distributing candies during the holiday season and providing food vouchers to winning employees, with a total of **2,046** participants. The Kunshan plants held a "Christmas Gift Giveaway Event", distributing small Christmas gifts to employees, with a total of **1,340** participants, adding happiness and festive surprises to the year-end season.



Visually Impaired Massage— "Hands" Safeguard Your Health

Each month, visually impaired massage therapists from the Hsinchu City Visually Impaired Account Growth Association and the Tainan City Yowming Visually Impaired Advancement Association are invited to the four Taiwan plants to provide "shoulder and neck massage services" for employees. This initiative supports the employment and livelihood of visually impaired individuals, with a total of **720** employees participating in the service.


"Comprehensive Sports Challenge" In-House Sports Day

To promote employees' physical and mental well-being and foster a sports-oriented corporate culture, the Company organized a comprehensive sports challenge event combining mental agility, physical fitness, and teamwork. Five major competition tracks were designed, including the Mind Track (Chinese Checkers), Hand Strength Track (archery, darts, and badminton), Core Strength Track (hula hoop relay), Leg Strength Track (technology-assisted trampoline challenge), and the Vitality Track (fun hand-and-foot treasure hunt), which gave priority registration to employees aged 45 and above. The event combined both fun and challenge. The Company's subsidiary, Young Optics, was also invited to participate. A total of **1,124** people participated, with a plant-wide participation rate exceeding 80%. In addition, a cheering activity was designed to encourage engagement, allowing employees who did not participate in the competitions to experience the event atmosphere, thereby promoting unity and interaction among colleagues. The event received more than 5,500 comments.


Core Happiness Academy

- “Home · Shared Joy”: Conducted “Turkish Mosaic Lamp DIY Experience” and “Fluid Bear Art” courses to promote parent-child interaction and stimulate creativity. A total of **48** people participated, with an average satisfaction score of 9.8.
- “Career · Growth”: The “Lyrics Writing Workshop” seminar was held to introduce the fundamentals of lyric composition and share practical tips for capturing inspiration, helping employees transform their ideas into emotionally engaging words. A total of **70** people participated, with an average satisfaction score of 9.6.
- “Learning · Ease”: Organized both in-person and online celebrity lectures titled “Highly Engaging and Charismatic Communication Skills”, focusing on effective voice and expression techniques while addressing the diverse role requirements within the Company. A total of **194** people participated, with an average satisfaction score of 9.7.


Coretronic Theme Song Lyrics Competition

To further embed the RISE spirit into the corporate culture, the Company invited all employees to participate in a lyrics composition competition to create an exclusive corporate theme song. Among **60** submitted entries, five outstanding works were selected for the final round. A championship prediction activity involving **409** participants further heightened enthusiasm for the event. The winning entry, “Rise Toward the Light”, was ultimately recorded as an MV jointly performed by supervisors and employees, using a warm melody to strengthen corporate cohesion and unity.


Food Festival

To promote healthy eating culture, enhance the quality of employee meals, and boost employee engagement, the China plants hold a Food Festival once **each quarter**. Every employee receives a free food voucher, which can be used to enjoy a variety of snacks such as specialty pastries, mooncakes, Tanghulu (candied fruit skewers), Zongzi , beverages, and braised delicacies. A total of **11,119** participants joined the event.


“AI Recharge Station: Optoelectronic Family Journey”

During the summer vacation period, Wujiang plants organized two sessions of the “Optoelectronic Family Journey” parent-child activity, inviting employees’ children to visit the plant and learn about their parents’ work environment and job responsibilities. Cultural experience activities were also arranged to enhance parent-child interaction and workplace understanding through an educational and entertaining approach, achieving the threefold objectives of inspiring children, reassuring parents, and strengthening corporate cohesion. A total of **66** employees and their family members participated, with an average satisfaction score of 9.9.


Material Topic

Labor-Management Relations

GRI Topic
Labor/Management Relations

6.4 Communication Channels 2-25, 2-26, 2-29

Topic Boundary

Coretronic Taiwan, and China plants (Kunshan plants and Wujiang plants)

Topic Importance

A company relies on its employees to achieve operational performance, while employees rely on the company to provide opportunities to contribute their capabilities and receive appropriate compensation. Therefore, both parties must work together to foster a positive and mutually trusting labor-management relationship.

Strategy

- Quarterly labor-management meetings are held at Taiwan plants; thematic employee forums are held at China plants as needed.
- Conduct annual employee suggestion surveys.
- Establish diverse and open two-way communication channels.

Operating Mechanism

Annual employee suggestion survey, facility service satisfaction survey

Performance

Indicator	2025 Target		2025 Performance	Achievement Status	2026 Target	2027 Target	2028 Target
Number of Annual Employee Suggestion Surveys Conducted	At least 1 time		1 time	✓	At least 1 time	At least 1 time	At least 1 time
Number of Labor-management Meetings	Taiwan plants	4 times per plant	4 times per plant	✓	4 times per plant	4 times per plant	4 times per plant
Number of Thematic Employee Forums	Wujiang plants	2 times	6 times	✓	2 times	2 times	2 times
	Kunshan plants	4 times	5 times	✓	4 times	4 times	4 times

- Annual employee suggestion survey conducted at Taiwan plants: 99.7% response rate for indirect labor; 180 direct labors participated through interactive activities. The Company received 46 suggestions in total and achieved a 100% response rate.
- Annual employee suggestion survey conducted at Wujiang plants: 100% response rate for indirect labor, 78% for direct labor. The Company received a total of 8 improvement suggestions and achieved a 100% response rate.
- Annual employee suggestion survey conducted at Kunshan plants: 100% response rate for indirect labor, 87% for direct labor. The Company received a total of 12 improvement suggestions.

<table>
<tr><th>Communication Channel</th><th>Implementation Plants</th><th colspan="4">2025 Results</th></tr>
<tr><td rowspan="2">Labor-management Meeting</td><td>Taiwan</td><td colspan="4">Quarterly meetings were held at each plant, with a total of 16 meetings conducted to report operational status, address employee concerns, and communicate improvement measures.</td></tr>
<tr><td>China (Wujiang)</td><td colspan="4">Meetings are convened on an ad hoc basis, with two meetings held during the reporting period, to promptly understand and resolve employees' work- and life-related concerns, enabling employees to focus on their work while ensuring smooth production operations and on-time shipments.</td></tr>
<tr><td>Employee Welfare Committee Meeting</td><td>Taiwan, China</td><td colspan="4">Quarter meetings were held, with a total of 13 meetings conducted to discuss the operation of the Employee Welfare Committee and future activity plans. In addition, employee satisfaction survey results were reviewed to plan and implement improvement measures.</td></tr>
<tr><td>Email</td><td>Taiwan, China</td><td>8585@coretronic.com, 8215@coretronic.com
1885@coretronic.com.cn
6885@coretronic.com</td><td rowspan="2">Taiwan
• Number of Complaints: 9
• Complaint Topics: Catering, facility environment, and safety
• Closure Rate: 100%, with all cases required to be closed within the month of filing</td><td rowspan="2">China (Kunshan)
• Number of Complaints: 12
• Complaint Topics: Labor-management relations, environmental improvements
• Closure Rate: 100%, with all cases required to be closed within the month of filing</td><td rowspan="2">China (Wujiang)
• Number of Complaints: 36
• Complaint Topics: Employee relations, labor-management relations, environmental improvements
• Closure Rate: 100%, with all cases required to be closed within the month of filing</td></tr>
<tr><td>Hotline</td><td>Taiwan, China</td><td>+886-3-5772000 #8585；+886-800-299-988
+86-512-57360000 #1885
+86-512-85168838 #4885；+86-512-63828588 #6885</td></tr>
<tr><td>Physical Suggestion Box</td><td>Taiwan, China</td><td>Installed throughout each floor of the plant, workshop entrances, and dormitory areas.</td><td colspan="3">The Human Resources Department engages in two-way communication and coordination with both the employee and the relevant departments involved in the feedback. The goal is to continuously improve and address employee concerns while ensuring smooth operation of the communication channels.</td></tr>
<tr><td>Annual Meeting</td><td>Taiwan (Visual Solutions Products)</td><td colspan="4">5 sessions were held, during which supervisors from various departments explained the strategic directions and development plans for the next six months. A total of 352 employees participated.</td></tr>
<tr><td>BU Communication Meeting</td><td>Taiwan (Energy Saving Products)</td><td colspan="4">2 sessions were held to share the business strategies and direction, customer focus areas, and future outlook of the Energy Saving Business Group, a total of 100 employees participated.</td></tr>
<tr><td>Direct Labor Communication Sessions</td><td>Taiwan (Visual Solutions Products)</td><td colspan="4">2 in-person communication events were held to share important information, promote communication channels, and ensure smooth interaction through engaging activities. A total of 67 employees participated, with an average satisfaction score of 4.9 (Maximum score of 5).</td></tr>
<tr><td>Employee Care Interview</td><td>Taiwan</td><td colspan="4">To immediately respond to employee concerns and gain deeper insights into their career plans, employees are invited for interviews weekly, and employee suggestions are immediately fed back to each unit or their supervisor, with a total of 376 people interviewed.</td></tr>
<tr><td>Plant Manager Forum</td><td>China (Wujiang)</td><td colspan="4">2 sessions were held to discuss challenges faced in day-to-day frontline management. The plant manager provided real-time responses and explanations, while personnel policies were also communicated to keep employees informed.</td></tr>
<tr><td>Employee Forum</td><td>China</td><td colspan="4">5 sessions were held to discuss challenges faced in day-to-day frontline management. The department heads provided real-time responses and explanations, while personnel policies were also communicated to keep employees informed.</td></tr>
<tr><td>Assistant Forum</td><td>China (Kunshan)</td><td colspan="4">1 session was held with focus on streamlining workflows, eliminating unnecessary steps, and enhancing communication between assistants to improve work efficiency.</td></tr>
<tr><td>NEW Vietnam Support Mobilization Forum</td><td>China (Kunshan)</td><td colspan="4">3 meetings were held to introduce expatriation policies, job assignments, accommodation, dining arrangements, work schedules, the local environment, and experience sharing by employees who had previously been assigned or traveled on business trips. The meetings aimed to encourage employees to accept expatriate assignments and provide business travel support for the Vietnam plants.</td></tr>
<tr><td>Employee Care Day</td><td>China (Kunshan)</td><td colspan="4">6 sessions were held, where small gifts were distributed, and free replacement of ID badges and lanyards was offered. Employees were encouraged to express their thoughts, listening and accepting different opinions.</td></tr>
<tr><td>Employee Assistance Program (EAP)</td><td>Taiwan</td><td colspan="4">A toll-free 0800 number is provided for external professional counseling services. Employees can call for complimentary consultation on issues such as family and marriage, parenting, interpersonal relationships, personal emotions, legal matters, disputes, traffic accident settlements, inheritance, civil/criminal cases, and management-related concerns. A total of 32 service utilizations were recorded.</td></tr>
<tr><td>New Employee Forum</td><td>Taiwan</td><td colspan="4">Quarterly held for employees in their probationary period. Through various games and activities, new hires can get to know each other and understand their department roles. A dedicated performance management course is also provided, allowing them to gain a deeper understanding of the Company's performance evaluation system and relevant regulations through practical exercises.</td></tr>
<tr><td>Coretronic APP</td><td>Taiwan, China</td><td colspan="4">An exclusive app for employees that includes functions such as company directory, push notifications, form approval, partner store discounts, coffee shop ordering and pickup reminders, meeting room and parking space reservations, access to environmental education videos, mental wellness station, clock-in/out, and the Employee Welfare Committee website.</td></tr>
<tr><td>Line @ Communication Platform</td><td>Taiwan</td><td colspan="4">• Production line personnel: Employees can promptly access various Company announcements and consult regarding attendance, payroll, and related issues. Relevant departments provide responses and assistance within two days. The platform was used 287 times in total.
• All employees: Employees may report issues related to restroom facilities, photocopiers, water dispensers, environmental cleanliness, catering services, and cafe dining services. The general affairs unit provides timely assistance. The platform was used 473 times in total.</td></tr>
<tr><td>Coretronic i-Micro Service</td><td>China (Wujiang)</td><td colspan="4" rowspan="2">An official service account for employees, including HR processes, latest news, salary and benefits, employee complaint submissions, employee training, and more, with regularly updated posts.</td></tr>
<tr><td>CPC WeChat Official Account</td><td>China (Kunshan)</td></tr>
<tr><td>EIP Employee Intranet</td><td>Taiwan, China</td><td colspan="4">Publishes various announcements, policies, resource reservations, collaborative tasks, group insurance, and other relevant information.</td></tr>
<tr><td>Employee Welfare Committee Website</td><td>Taiwan</td><td colspan="4">Provides information on employee welfare, social clubs, recreational activities, company-exclusive deals, and partner vendors.</td></tr>
<tr><td>NEW Welfare Committee AI Customer Service</td><td>Taiwan</td><td colspan="4">A 24-hour real-time consultation services is provided for employees, covering frequently asked questions such as welfare allowances and travel subsidies.</td></tr>
<tr><td>NEW AI HR Smart Assistant</td><td>Taiwan</td><td colspan="4">A 24-hour real-time consultation services is provided for employees, covering topics such as training and development, overseas assignments, promotion systems, and attendance management.</td></tr>
</table>

【New Employees】

The Youth Employment Flagship Program

- To help new employees aged 15-29 onboard seamlessly, the Company applied for and implemented the "Youth Employment Flagship Program" of the Ministry of Labor. Starting from the employee's first day, a 3-6 month training program is implemented according to job categories. Each new employee is paired with a workplace mentor, with biweekly learning plans and feedback sessions. The employee submits reflections on their learning, and the mentor provides written feedback every eight weeks, enabling supervisors to track learning progress and make timely adjustments.
- In 2025, a total of 19 new employees participated in the program. Among them, 14 employees completed six months of training and successfully graduated from the program. Of those who completed the program, 12 employees remained employed, resulting in a retention rate of 86%.
- A satisfaction survey was conducted for the 12 employees who completed the program, covering aspects such as "training content", "workplace mentor performance", "environment and benefits", "overall training satisfaction", and "capability improvement". The overall average satisfaction score was 87 (out of 100), of which satisfaction with "Mentor's professionalism, guidance, and care" was 90. Participants indicated that the program effectively enhanced their professional skills, communication, teamwork, and problem-solving abilities, while helping new employees adapt to the workplace more quickly.

New Employee Connection Program

- To help newly hired employees smoothly integrate into the workplace and organizational culture, the Company implemented a three-month "New Employee Connection Program" featuring a dedicated mentor system. Through one-on-one guidance and support mechanisms, the program assists new employees in becoming familiar with their job responsibilities and understanding organizational operations, while also promoting cross-departmental communication and team interaction.
- During the program period, mentors regularly monitor and support new employees' adaptation progress. Upon completion of the three-month program, new employees complete a satisfaction survey, while mentors provide observations and feedback regarding the guidance process. HR also provides timely assistance based on the feedback received, thereby establishing a comprehensive two-way feedback and support mechanism.
- In 2025, a total of 30 new employees completed the program, achieving an average satisfaction score of 9.2 (out of 10). Among them, the retention rate for new employees in the Energy Saving Business Group was 88.8%, with the primary reasons for resignation being a "mismatch with job interests" and "cultural adaptation" issues during expatriation in Vietnam. The retention rate for new employees in the Visual Solutions Business Group was 90%, with resignations mainly attributable to force majeure factors such as family-related reasons. The Company will continue strengthening support and guidance for new employees through the mentor system and regular follow-up care mechanisms, demonstrating its commitment to new employees' adaptation and development.

【Cross-Generation and Cross-Department】

"Hi Buddy My Buddy: Let's Play Board Games Together" Team-Building Activity

To enhance communication capabilities between supervisors and subordinates and foster a cross-generational inclusive workplace atmosphere, the Company organized the "Hi Buddy My Buddy: Let's Play Board Games Together" team-building activity. Through multiplayer board games and experience sharing by supervisors, the activity helped departments incorporate team communication and sharing mechanisms into daily operations. A total of 15 employees from cross-departmental technical R&D centers participated, achieving an average satisfaction score of 9.6 (out of 10). Participant feedback included: "The activity increased opportunities to interact with supervisors and colleagues from other departments, which effectively strengthened team cohesion."

"Slither Into Success" Team-Building Activity

In 2025, direct labor from the Headquarters were invited to participate in the "Slither Into Success" team-building activity. Through fun competitions, the activity helps employees gain an understanding of SA8000 requirements. A total of 20 employees and 3 supervisors participated. After the event, all three supervisors gave highly positive evaluations, praising the gamified approach to explaining SA8000 requirements as an effective method. In addition, feedback from four randomly selected participants indicated that: "the activity helped establish a basic understanding of SA8000, and both the event activities and atmosphere were well arranged".

【All Employees】

Annual Employee Suggestion Survey

Plants	Indirect Labor	Direct Labor
Taiwan	• Employees can offer suggestions regarding job content, work environment, and the Company through the "Annual Employee Suggestions" section in the online performance evaluation system. In 2025, the response rate was 99.7%. • The Human Resources Department compiles the top three topics raised each year by each business group (BG) and provides them to BG supervisors for reference. If the issue falls under the responsibility of an administrative unit, it is forwarded to the relevant unit for further evaluation and improvement. The responses are incorporated into the Q4 labor-management meeting presentation and published on the EIP system for employee access.	• Incentives are offered to encourage direct labor to submit their opinions and suggestions online. • In 2025, a total of 180 employees participated and submitted 46 issues and suggestions. Most were related to attendance, salary, production performance bonuses, and festival bonuses. Feedback was provided for all items, achieving a 100% response rate.
Wujiang	• Employees can offer suggestions regarding job content, work environment, and the Company through the "Annual Employee Suggestions" section in the online performance evaluation system. • All employees except those on probation, short-term internships, long-term injury leave, or unpaid leave participated in the evaluation, resulting in a 100% response rate. A total of 6 improvement suggestions were collected, with a 100% response rate. Improvements will continue to be tracked based on issue categories and deadlines.	• An online survey was conducted with a 78% response rate. Survey results showed a high overall satisfaction with company-organized activities. • The Company collected a total of 8 improvement suggestions and achieved a 100% response rate. Improvement measures were implemented for issues such as "increasing the variety of group meal options", "attitudes of dormitory security personnel", and "pricing evaluations of the convenience store".
Kunshan	• Employees can offer suggestions regarding job content, work environment, and the Company through the "Annual Employee Suggestions" section in the online performance evaluation system. • All employees except those on probation, short-term internships, long-term injury leave, or unpaid leave participated in the evaluation, resulting in a 100% response rate. A total of 156 improvement suggestions were collected. Improvements progress will continue to be tracked based on issue categories and deadlines.	• An online anonymous questionnaire was conducted, achieving a response rate of 87%. • A total of 12 improvement suggestions were collected, and improvement measures were implemented for issues such as "increasing the variety of group meal options", "maintaining food temperature", and "living accommodations".

Plants	Suggestions from Indirect Labor	Improvement Measures in 2025
Taiwan	The office areas use a mix of warm and white fluorescent lighting, resulting in insufficient brightness and an overall less visually appealing environment. It was suggested that white lighting be uniformly used in office areas, while warm lighting could be used in corridors and non-office areas.	• Traditional lighting fixtures on each floor were gradually replaced with white flat-panel lights with a color temperature of 6,500K, and the number of lighting fixtures was increased. • Energy-saving lighting replacement projects were implemented in the office and parking areas of the Headquarters, with total investment exceeding NT$6.23 million.
	Many parking spaces at the Chunan plant remain unused for long periods. It was suggested that additional employee parking spaces be planned.	Parent-child parking spaces were planned, and plant space was reassessed, resulting in the addition of 63 parking spaces. In addition, nearly NT$750,000 was invested in the installation of a license plate recognition system to facilitate parking space management.
	The gym's air conditioning system was malfunctioning, and repairs were requested before the arrival of summer.	NT$120,000 was invested to replace the gym's air conditioning system with inverter split-type air conditioners.
Wujiang	As the Company's business expands, additional meeting rooms equipped with projectors are needed.	Several projector-equipped meeting rooms had been occupied for short-term projects. Following coordination, the meeting rooms were gradually released for broader use.
	It was suggested that more employee activities be organized to enhance employee enthusiasm and strengthen cohesion.	Festival activities for the Lunar New Year, Women's Day, Dragon Boat Festival, Mid-Autumn Festival, and Christmas were organized.
Kunshan	Most of the plants on the first floor of Kunshan plants are hydroponic, which tend to attract mosquitoes. It was suggested that some plants be replaced with mosquito-repelling plants such as mint.	Comprehensive plant-wide disinfection is conducted annually, with enhanced disinfection and pest control measures implemented in areas with higher mosquito activity.
	Installation of electric vehicle charging stations was suggested.	One free charging station has been installed, and employees have been informed that it is available on a first-come, first-served basis.

Annual General Affairs Service Satisfaction Survey

- Survey Method: An online survey is conducted once every half a year, with evaluation items include catering services, cafeteria, security, cleaning, and reception services.
- Target Respondents: All employees at the Taiwan plants.
- Performance: The response rate was 46.4% in the first half of 2025 and 43% in the second half of 2025. The average satisfaction score was 90, remaining consistent with the level achieved in 2024.

6.5 Talent Cultivation [3-3]

Material Topic

Talent Cultivation

GRI Topic
Training and Education

Topic Boundary

Coretronic Taiwan, and China plants (Kunshan plants and Wujiang plants)

Topic Importance

Talent is the foundation of an enterprise. By establishing a diversified development training system and implementing training and development mechanisms at all organizational levels, Coretronic continuously enhances the competitiveness of both employees and supervisors to ensure the Company's sustainable development.

Strategy

- Systematically plan talent development programs based on operational development needs and industry trends, integrating theoretical foundations with practical applications to deepen employees' professional competencies and cross-functional capabilities, while stimulating individual potential and strengthening organizational momentum.
- Gradually cultivate a learning organization culture through the establishment of knowledge and experience transfer mechanisms, institutionalized management, and continuous learning systems, thereby accumulating and activating the Company's intellectual capital.
- Promote competency transformation and organizational optimization to strengthen the effectiveness of human resource allocation and utilization, assist employees in establishing clear career development pathways, and achieve a win-win outcome between individual growth and the Company's sustainable operations.
- Establish an integrated "learning" and "practical application" model through systematic training courses combined with on-the-job departmental training, creating an implementable and verifiable competency development mechanism to cultivate talent with innovative and sustainability-oriented mindsets.

Operating Mechanism

The Human Resources Center and Talent Development Center formulate annual talent development plans based on the Company's corporate culture and development strategy, focusing on youth empowerment, internal talent training, and leadership development. In addition, performance evaluations are conducted twice a year, with regular semiannual reviews of work objective achievement and competency development.

Performance

Indicator	2025 Target		2025 Performance	Achievement Status	2026 Target	2027 Target	2028 Target
Number of Annual Training Needs Surveys Conducted	1 time		1 time	✓	1 time	1 time	1 time
Average Training Hours per Employee	Taiwan plant	22 hours	40.7 hours	✓	24 hours	26 hours	28 hours
	China plant	9 hours	15 hours	✓	9 hours	9 hours	9 hours

- Compared with 2024, the total number of training participants at Taiwan plants increased by 36.8%, and total training hours increased by 27.8%. Total training hours at China plants increased by 9.4%.
- "Core Competency Academy": A total of 1,781 in-person competency courses were conducted, with 17,847 participants recorded and an average satisfaction score of 9.2.
- "Human Rights and DEI Promotion": "Prevention of Workplace Discrimination and Harassment" was incorporated into the Group's mandatory annual training curriculum. Courses such as "New Global Workplace Trends: Have You Practiced DEI Today?", "Creating a Friendly Workplace Starts with You and Me", and "Focusing on Women's Rights — Protection of Special Rights for Female Employees" were also conducted, with a total of 5,037 participants and 1,725 training hours completed.
- "AI Forum": Two large-scale AI lectures were conducted, with a total of 614 participants and an average satisfaction score of 9.3. In addition, various departments voluntarily established AI learning groups and organized 25 in-depth learning and practical application activities, with a total of 259 participants. These efforts resulted in the acquisition of 20 AI-related patents.
- A total of 189 digital courses were uploaded to the digital learning system.

The Company upholds the philosophy that "talent is the Company's most important asset" by offering diverse channels and platforms to enhance employees' core competencies. Through experiential and action learning, employees experience the corporate culture of Responsibility, Innovation, Superior performance, and Entrepreneurship (R.I.S.E.), fostering shared values and attitudes. Additionally, all employees (including contract personnel) have access to a structured training curriculum that supports career development into either managerial or professional tracks. Global strategic deployment, regional job rotations, and language training further enable employees to realize their ambitions on the international stage.

In 2025, total training expenditures at the Taiwan plants exceeded NT$5.48 million. Leveraging both internal and external instructors, the Company formulated a series of in-person training courses for employees at different levels while also providing online training programs to extend training resources across various plants. These efforts were further complemented by diversified talent development initiatives, such as knowledge-sharing sessions and on-the-job coaching, to facilitate the transfer of professional knowledge and practical experience. Compared with 2024, the total training participants increased by 36.8%, while total training hours increased by 27.8%.

At the China plants, most training programs in 2025 were delivered online, enabling employees to participate simultaneously in in-person courses conducted at the Taiwan plants. As a result, total training hours increased by 9.4% compared with 2024. Among these efforts, the Kunshan plants collaborated with local government authorities to provide subsidy programs aimed at encouraging employee participation. Employees who successfully obtained relevant certifications after completing skills training were eligible to receive certification incentive provided by the Company, effectively enhancing professional competencies and certification attainment rates.

2025 Average Employee Training Hours 404-1

Plants	Gender	Job level[1]					Job Category				
		Senior Management	Middle Management	Junior Management	Non-management Personnel	Total	R&D Personnel	Sales Personnel	Administration Personnel	Production Personnel	Total
Taiwan	Male	32.0	40.2	44.3	41.0	41.1	42.8	38.2	34.8	40.6	41.1
	Female	29.6	49.6	54.9	38.6	40.1	48.3	50.1	40.9	34.6	40.1
	Total	**31.2**	**42.2**	**46.9**	**39.9**	**40.7**	**43.4**	**45.7**	**38.8**	**37.1**	**40.7**
China	Male	57.2	22.9	22.0	11.2	12.7	24.0	22.4	19.4	11.1	12.7
	Female	N/A	32.5	32.3	16.3	18.3	32.8	23.9	38.1	13.3	18.3
	Total	**57.2**	**25.6**	**26.1**	**13.3**	**15.0**	**26.4**	**23.5**	**31.0**	**11.9**	**15.0**

1: Chairman, president, business group, sub-business group, business division, and independent center supervisors are senior management; center and division-level supervisors are middle management; department and section-level supervisors are junior management; other employees are non-management personnel.
2: The data in the above table is based on physical, online course lectures, department training and other training data opened from 2025/1/1-2025/12/31, and the training hours are calculated according to the number of employees in December 2025.
3: Except for mandatory courses, all kinds of courses are open for employees to enroll voluntarily. However, due to differences in member composition and willingness to participate in training, the proportion of male and female participants is affected.

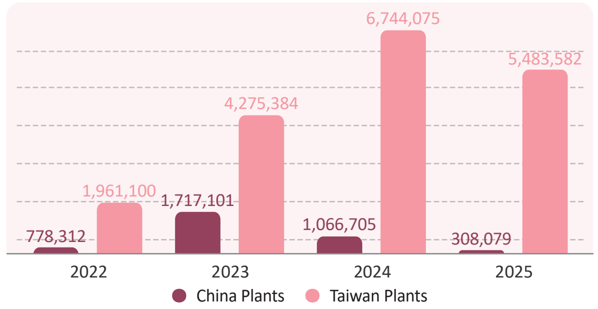
Training and Development Channels 404-2

Starting in 2025, the Company officially incorporated "talent development" into senior management performance objectives to ensure the close alignment of talent cultivation with organizational development strategy. In response to industry transformation trends and to mitigate the impact of such transformation on employees' work models and skill requirements, the Company also provides diversified training and competency transformation programs to help employees strengthen and develop the professional capabilities and core skills required for future development, thereby enhancing overall organizational resilience and competitiveness.

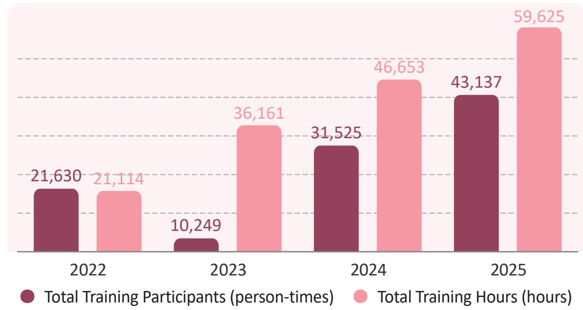
In addition to the long-term design and development of various learning tools and activities that allow employees to select training channels according to their individual schedules and learning preferences, the Company integrates internal and external instructors with departmental on-the-job training to establish a comprehensive internal training system. This system includes on-the-job training, in-person classroom courses, self-development programs, and digital learning, supplemented by external training resources to comprehensively meet employees' skill development and career advancement needs.

For employees whose employment is terminated or who retire, in addition to issuing the necessary employment certificates, the Company also provides information on government-supported career transition programs to support their continued employability or retirement planning.

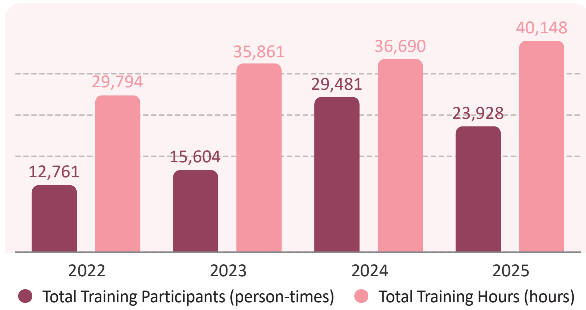
Annual Training Expenditures (NT$)



Annual Training Participants and Hours for Taiwan Plants



Annual Training Participants and Hours for China Plants



Average Training Hours per Employee by Nationality in 2025

Nationality	Taiwan	China	Malaysia	South Korea
Total	40.7	15.0	90.0	4.0

Training and Development Courses (Maximum score for course satisfaction surveys: 10)

▶ Featured Course

Course Name	Content	2025 Results
Corporate Culture Immersion Activities (Taiwan plants)	• Organized the "RISE Challenge Camp" for newly hired employees, integrating Pokémon-style gym challenges with RISEMON collectible card elements, while inviting Company supervisors to share their experiences and convey the RISE spirit. • Organized the "Culture Wall Challenge Activity" for all employees, incorporating corporate culture concepts into mission-oriented activities to enhance internal cohesion and promote corporate culture initiatives with highlights shared on Facebook.	• "RISE Challenge Camp": A total of 22 employees participated. Participant feedback showed an average score of 9.8 for understanding of the RISE corporate culture, enhancing employees' sense of identification and belonging toward the Company. • "Culture Wall Challenge Activity": A total of 120 employees completed the challenge. Facebook posts generated 1,588 views, reached 411 individuals, and received 51 interactions.
TTT Digital Internal Instructor Training (Taiwan plants)	• Conducted in-depth interviews with eight business group and functional center supervisors to identify competency needs across departments and determine course themes and future internal instructor candidates. • Invited internal employees to serve as digital course instructors based on their professional expertise and organized the "Core Makerthon Competition" for internal instructors, using "course completion rates" and "course quality" as evaluation criteria to encourage improvements in teaching content and instructional methods. • Provided specialized training for internal instructors, covering digital course design and production techniques while integrating AI applications (such as Gamma and ChatGPT), and developed the standardized course module "Build High-Traffic Courses with a YouTuber Mindset" to help internal instructors further enhance course quality.	• A total of 37 digital course instructors were cultivated, producing 30 digital courses. • Within one month following the launch of new courses in November, 456 enrollments were recorded, totaling 168 training hours.
Human Rights and DEI Initiatives	Incorporated "Prevention of Workplace Discrimination and Harassment" into the Group's mandatory annual training curriculum and conducted courses such as "Global Workplace Trends: Have You Practiced DEI Today?", "Creating a Friendly Workplace Starts with You and Me", and "Focusing on Women's Rights — Protection of Special Rights for Female Employees", thereby enhancing employees' awareness and sensitivity to workplace equality while strengthening supervisors' abilities to identify and prevent inappropriate workplace behavior. A total of 5,037 training participants and 1,725 training hours were recorded in 2025.	
Digital Transformation – Training Platform Upgrade and Promotion	• Introduced mobile learning functions to provide employees with remote learning resources and promote self-directed learning and development. • Through annual performance evaluations, supervisors and employees jointly identified "priority development competencies", which were directly integrated into the "EZ Learn" digital learning platform to assign personalized learning plans. • Through diversified promotional strategies such as the "Unleash the Power of 10: Workplace Competency Upgrade Package" learning campaign, regular newsletters, and online forums, the Company actively promoted a wide range of learning resources to encourage self-directed learning. Internal professional instructors, public resources (such as YouTube), and the KONO magazine library were integrated, resulting in a substantial increase in courses following the system launch. Key competencies were translated into practical behavioral case studies to provide employees with clear learning pathways.	• A total of 189 digital courses were launched, achieving digital transformation of training programs. • Twelve new competency courses were added to the "Unleash the Power of 10: Workplace Competency Upgrade Package", along with 16 behavioral case studies developed as workplace guidance materials, bringing the cumulative total to 29 courses with 540 participants. • A "Teachers' Day Event" was organized in conjunction with the training platform forum to promote platform usage, attracting 297 participants.
Women Empowerment Forum (Taiwan Plants)	Invited female employees to serve as internal instructors to share experiences and professional expertise, encouraging more women to pursue management and technical career paths while breaking traditional gender stereotypes associated with certain professional roles and instructor positions.	A total of 55 courses were conducted, with 1,930 participants and 2,237 training hours recorded.
NEW Core Co-Learning Circle (Taiwan plants)	Established the "Core Co-Learning Circle" as a community-based learning platform. Through co-learning circle activities focused on key workplace skills such as negotiation, stress relief, and project management, employees were provided with a collaborative learning environment for discussion and knowledge sharing, enhancing both individual competitiveness and organizational resilience.	• A total of 7 themed co-learning circle activities were conducted, with 2,821 participants and an average satisfaction score of 9.4. • Seven micro-learning workplace skills courses were developed and uploaded to the digital platform for employees to access anytime, expanding learning impact and flexibility. • Participant feedback indicated that the courses were highly beneficial for practical work areas such as "communication and presentation" and "data integration and analysis", while also helping employees learn a systematic SOP for "problem identification and problem-solving", demonstrating both depth and practicality of learning outcomes.
NEW AI Forum (Taiwan plants)	• Promoted the "AI Empowerment Program" by adopting a dual-track learning strategy that combines "top-down" and "bottom-up" approaches. • Regularly invited senior managers with extensive practical AI experience to conduct lectures. • Encouraged departments to voluntarily establish AI learning groups and projects, applying acquired knowledge to real-world work scenarios and submitting innovative outcomes for patent applications, thereby creating a virtuous cycle from "learning" to "output".	• Two large-scale AI lectures were conducted, with 614 participants and an average satisfaction score of 9.3. • Departments voluntarily established AI learning groups and organized 25 practical activities with 259 participants. • A total of 20 AI-related patents were obtained and have gradually been applied in product development.
New Enterprise Apprenticeship Program (Kunshan Plants)	To encourage employees to develop diverse skills and enhance their knowledge and technical capabilities, the Company launched a program to cultivate and build a pipeline of multi-skilled technical talent for the Company. The Company applied for and obtained government approval to provide training and issue vocational skill certificates in six categories, such as Electronics Dedicated Equipment Installer and Adjuster (Intermediate), Computer Programmer (Advanced), and Drafter (Intermediate).	Organized "Drafter (Intermediate) Skills Class" and "Computer Programmer (Advanced) Skills Class", with a total of 198 employees participating and obtaining vocational skill certificates. The Company received government subsidies exceeding RMB 340,000.
NEW On-the-Job Skills Competitions (Wujiang plant)	To strengthen quality awareness among all employees, the Company organized "On-the-Job Skills Competitions" open to all employees. Competition categories included inspection, semi-finished product assembly, and appearance inspection. The competitions were conducted in batches to ensure continuous production line operations while integrating multidimensional evaluation methods to enhance employees' technical skills and professional competencies.	• A total of 8 skills competitions were held, with 502 participants. • Following the competitions, 450 items were compiled and added to the competition question bank as resources for future skills training programs.

Management Talent Training

Course Name	Content	2025 Results
Supervisor Masterclass (Wujiang Plants)	Enhanced the management capabilities and compliance awareness among supervisors at all levels through a combination of mandatory in-plant courses and supervisor experience sharing. Courses were delivered through in-person sessions and synchronized online courses from Taiwan, covering topics such as AI applications, leadership and delegation, RBA and trade security management essentials, and innovative leadership.	A total of 7 sessions were conducted, with 236 participants recorded.
New Supervisor Onboarding (Kunshan Plants)	• Designed to help newly appointed department-level supervisors understand their roles and positioning within organizational operations. • The program includes seven themed training courses, with each developed across three dimensions: "workflow × management skills × practical issues", aiming to systematically build supervisors' fundamental management capabilities and help them quickly adapt to their roles.	• 5 courses were held with 151 total participants and an average satisfaction score of 9.7. • A total of 32 new supervisors participated, acquiring key competencies such as talent selection, development, utilization, and retention.
Team Leader Training Camp (China Plants)	• Offered courses in management, general knowledge, production management, and practical application. • Aimed to enhance the overall competency of team leaders, while strengthening corporate cohesion and competitiveness.	• Kunshan plants: Conducted a four-month foundational training program for team leaders, offering 12 courses with 22 employees successfully completing the program. In addition, a four-day advanced course titled "Lean Production On-Site Management Practitioner" was conducted for outstanding team leaders, cultivating 11 reserve production management personnel with a total of 32 training hours. • Wujiang plants: Senior manufacturing supervisors were invited to conduct three sessions of the "Practical Management Mindset for Frontline Supervisors" course, with 122 participants and an average satisfaction score of 9.9.
Innovation and Entrepreneurship Leadership Seminar (Taiwan Plants)	To enhance supervisors' management competencies in leading internal innovation teams, Coretronic invited managers from technology startups to share and exchange insights on entrepreneurial experiences, team leadership, and market strategies.	2 seminars were held and 205 supervisors participated, with a total training duration of 410 hours.
Economic Forecast Analysis Seminar (Taiwan Plants)	To better understand future trends, Coretronic invited the Taiwan Institute of Economic Research's Economic Forecast Center to deliver an analysis of the economic outlook for 2026.	1 seminar was held and 365 supervisors participated, with a total training duration of 730 hours.

Professional Talent Training

Course Name	Content	2025 Results
NEW Sales Competency Enhancement (Taiwan plants)	• Through competency assessments, phased blended learning programs were designed to address employees' capability gaps. In 2024, digital courses were used to establish foundational sales capabilities, while in 2025, in-person courses focused on key sales competencies. In addition to external instructors, business group supervisors were invited to serve as internal instructors to help employees deepen their professional capabilities while transferring practical experience. • Following the courses, key course content was edited into digital learning materials to establish a reusable knowledge base and expand learning impact.	• A total of 4 courses were conducted, with 147 participants and an average satisfaction score of 9.4. • The courses significantly enhanced participants' key sales competencies and cultivated well-rounded sales professionals.
Core Competency Academy (Taiwan plants)	• Continued updating the "Competency Map" according to business group operational needs to establish the knowledge (K), skills (S), and attitudes (A) required for each role and level, fully applying the framework to recruitment, performance management, and organizational design to establish Company-wide talent management standards. • Conducted gap analyses for professional and core competencies in R&D, sales, operations, and other functions to precisely formulate personalized learning and development plans. • Adopted a blended learning model integrating "learning and application", with courses taught by experienced internal employees sharing practical experience, supplemented by external instructors introducing forward-looking concepts. Upon course completion, employees developed work-integrated action plans, which were reviewed by direct supervisors through on-the-job training to ensure practical application of learning outcomes.	• A total of 1,781 courses were conducted, with 17,847 participants and an average satisfaction score of 9.2. • Training hours were incorporated into promotion requirements, and "job guidance" was clearly established as a necessary condition for employee career development. • A cross-departmental technical exchange platform was established, with active classroom discussions encouraged. Participant feedback indicated that "the outcomes of classroom discussions can be directly applied to future product design".
NEW Skills Master Class (Wujiang plants)	• Conducted specialized training programs in R&D and quality tools to comprehensively enhance employee capabilities and meet customer and market requirements. • Integrated online and offline resources to provide skill-related courses for manufacturing, quality, R&D, and engineering personnel.	• A total of 10 courses were conducted, covering topics such as management system essentials, the five core quality tools, and fundamental VDA knowledge, with 273 participants recorded. • Learning outcomes were assessed through practical post-course case applications, achieving a 100% qualification rate.
NEW R&D Technical Exchange Sessions (Wujiang plants)	• Aligned with the Company's technology development strategy to strengthen knowledge sharing and collaboration capabilities within R&D teams provided learning and exchange platforms to focus on current technical challenges and innovation needs. • Through cross-team technical exchanges, the Company facilitated the transfer of experience and technical achievements, enhanced R&D efficiency and innovation capabilities, and showcased the product models and technical achievements managed by each team to stimulate technological exploration and strengthen teams' ability to identify and respond to technology trends.	A total of 7 sessions were conducted, covering topics such as notebook ODM, new TV technologies, and introductions to SDC OLED technology, with 163 participants recorded.

Youth Empowerment

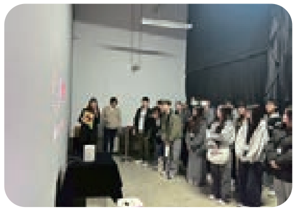
Summer Internship

- Objective: To allow interns to experience workplace life and develop professional competencies, enabling them to plan their career paths, shorten future workplace adaptation periods, and enhance competitiveness.
- Number of Interns: 23
- Collaboration Channels: Recruitment was conducted through various channels at universities, as well as through a collaboration project with the "Yuan Ze University's Industrial Academy". Employees were also invited to recommend their children for interviews.

- Achievements:
  - Organized activities under the "Project-Three-Generation", enabling supervisors and mentors to systematically guide interns, while encouraging interns to provide feedback on new technologies, thereby fostering mutual learning and growth between departments and interns.
  - Conducted the "We RISE! Corporate Culture Camp", where course introductions and team-building activities helped interns get to know one another, exchange experiences, and gain a deeper understanding of the RISE corporate culture, achieving an average satisfaction score of 4.8 (out of 5).
  - Organized seven "LINE Group Activities", with weekly themed design to strengthen team cohesion through a variety of collaborative activities.
  - Held the "Core Challenger Internship Final Presentation" and the "Yuan Ze University Internship Project Competition" to evaluate internship outcomes. Project topics covered key corporate focus areas such as AI, ESG, and DEI, and the quality of the presentations received high recognition from the judging panel.

Intercollegiate Corporate Visit

- Partner School: Chung Yuan Christian University
- Number of Participants: 41 students
- Collaboration Approach: To continuously deepen campus engagement and strengthen interactions with faculty and students, the Company continued its collaboration with the Department of Electrical Engineering at Chung Yuan Christian University by arranging a corporate visit for electrical engineering students. Through Company introductions and product application presentations, students gained a deeper understanding of the Company's culture and business operations, thereby enhancing their understanding and recognition of the Company.
- Achievements:
  - Showcased two new products, demonstrating the Company's R&D capabilities and technological achievements.
  - Condensed the key highlights of the visit into a focused 1.5-hour session, enabling rapid alignment on industry-university collaboration directions following the visit and enhancing the timeliness of intercollegiate cooperation.



Employee Children's Resume Review Program

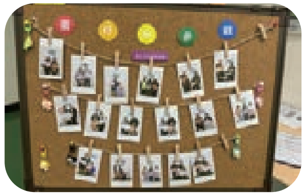
Upholding the principle of extending care to employees' families, the Company launched an "Employee Children's Resume Review" program during the summer to support the career development of employees' children. The program aimed to help participants improve the completeness, structure, and key highlights of their resumes, while also providing detailed introductions to various roles in the technology industry to enhance their understanding of the industry and support their career planning. A total of 1 employee child participated, with a satisfaction score of 9 (out of 10). Following the program, the participant successfully secured a position at their desired company.

"Dream Walkers · Earn Your Future" Program

- Partner Schools: Cheng Shiu University, Feng Chia University
- Number of Participants: 4 students
- Collaboration Approach:
  - Third-year students: Each receives a NT$50,000 scholarship; students from disadvantaged backgrounds receive an additional NT$50,000 living allowance.
  - Fourth-year students: Each receives a one-year internship opportunity and a NT$50,000 scholarship.
- One-Year Internship
  - Free dormitory accommodation and a salary above the minimum wage are provided.
  - Teachers from schools conduct regular visits, and the Company collaborates with schools to co-design course content, ensuring students' learning aligns with industry needs, fulfilling the goal of "employment upon graduation".
- Achievements
  - Among the two interns from the fifth cohort who completed their internships, one continued pursuing advanced study in the mold and die engineering graduate program at National Kaohsiung University of Science and Technology, further specializing in the mechanical engineering field. The intern expressed gratitude for the guidance and support provided by supervisors throughout the internship period.
  - Two senior-year students from the sixth cohort completed internships in Optical R&D Division I and the Precision Process Department, respectively, serving as R&D engineering assistants.
  - Since the program was launched in 2019, two selected students have become full-time engineers at the Company after completing their one-year internships, successfully fulfilling the program's objective.

"Employee Children Tour" Program

- Objective: To invite employees' children to visit the Company and experience its products, enabling them to better understand their parents' work environment and job responsibilities while fostering family interaction and a sense of belonging.
- Participants: A total of 39 employees and family members (including kindergarten and elementary school-aged children).
- Program Activities:
  - ➢ Instant photo check-in activity was arranged, offering employees and their family members to create memorable commemorative photos together.
  - ➢ Optical and mechanical concepts such as refraction, reflection, dispersion, and linkage mechanisms were introduced. Employees' children were guided in creating DIY rainbow guns and decorating multifunctional 2025 Year of the Snake-themed mechanical photo frames using instant photos.
  - ➢ Demonstrations were arranged for the "Dome Projector", "Ultra-Short Throw Laser Projector", and the "Elastic Trampoline" product developed by subsidiary uCare Medical Electronics, accompanied by presentations and interactive games, letting family members gain better understanding of the Company's products.
- Event Satisfaction Results
  - ➢ The agreement score for "I support the Company organizing similar activities again in the future and would recommend other colleagues to participate" was 9.8 (out of 10).
  - ➢ The agreement score for "After the activity, my family members and children have more common topics to discuss with me, and our relationships have become closer" was 9.4 (out of 10).
  - ➢ The agreement score for "After the activity, my family members and children have a better understanding of my work environment and the Company's products" was 9.2 (out of 10).




Cross-National Talent Development Program NEW

- Objective: To assist international students in adapting to studying in Taiwan and planning their future careers, while deepening their understanding of and identification with the Company's corporate culture, thereby establishing a solid foundation for future talent cultivation and retention.
- Partner School: National Chin-Yi University of Technology
- Number of Participants: 5 students
- Collaboration Approach: Implemented the "National Chin-Yi University of Technology INTENSE MA Program" to cultivate five Vietnamese students by supporting their studying in Taiwan. Upon graduation, the students will work for the Company for two years before being assigned to management positions at its Vietnam plants. Through this initiative, the Company aims to gradually establish a talent pipeline that supports local talent development and overseas operations, thereby strengthening its global deployment and long-term competitiveness.
- Achievements
  - ➢ Organized orientation activities, introduced the Company's corporate culture, and explained future career development opportunities. In addition, considering the adaptation needs of international students studying in Taiwan, the Company provided daily life support and established a LINE group to foster trust and a sense of belonging.
  - ➢ All five students have signed talent development agreements and will work for the Company for two years after graduation before being assigned management positions at its Vietnam plants.
  - ➢ Thesis topics were jointly discussed and supported by both the students and manufacturing units, focusing on the development of manufacturing and production expertise while integrating practical topics such as lean management and process improvement. A task-oriented development model was adopted to strengthen students' professional capabilities and hands-on experience.


Performance Review 404-3

A performance management cycle oriented toward talent development helps identify high-potential employees, focus on their development potential and required skills, and provide diverse opportunities for growth. For employees who do not meet expectations, clear requirements and guidance are provided to effectively improve performance.

Performance Evaluation System

- Performance evaluations are conducted twice a year to regularly review goal achievement and competency development every six months. Employees are required to have one-on-one performance review meetings with their supervisors to understand their work progress and receive timely guidance and feedback to help them meet annual work goals.
- In Taiwan plants, all employees, except those under probation, on unpaid leave, or under fixed-term contracts, are required to participate. In China plants, all employees, except those under probation, with long-term work injuries, short-term interns, or on unpaid leave, must participate. The Company adopts a performance-based approach and ensures that employees are not subject to differential treatment based on gender.
- For new hires within their first three months, a probationary evaluation system is in place. For employees whose performance does not meet expectations, a performance improvement plan is implemented to provide coaching and support, enabling employees to clearly understand areas where their performance falls short and key areas for improvement, thereby enhance their performance.

Diverse Feedback Evaluation Mechanism

- Self-Evaluation: Employees assess their own goal achievement and competency performance, provide their feedback, participate in a performance review meeting with their supervisor, and set future personal work goals based on departmental objectives while confirming the competencies recommended by their supervisor.
- Supervisor Evaluation: Supervisors recommend appropriate competency indicators for subordinates, assign multiple evaluators, assess the subordinates' goal completion and competency performance, provide comments, hold performance review meetings, and discuss and set future work goals with them.
- Multi-person Evaluation: Employees participating in multi-person evaluations assess designated competency indicators. The results serve as a reference for the supervisor's evaluation.
- Team Performance Evaluation: The Company conducts performance evaluations twice a year. Senior management comprehensively reviews and ranks the achievement of economic performance indicators across each business group. The evaluation results serve as an important reference for the employee compensation and reward system to promote team performance improvement and ensure alignment between the operational objectives of each business group and the Company's overall business strategies. Supervisors at all levels simultaneously conduct subordinate performance evaluations to assess progress in work objective execution and competency development. Individual performance is linked with the Company's operational and sustainability goals to strengthen governance effectiveness and long-term value creation.
- Agile Dialogue: At the Kunshan plant, cross-functional Lean Project teams were established within the existing organizational structure to enhance technical development and process innovation capabilities, improve interdepartmental collaboration efficiency, and strengthen the professional expertise and communication capabilities of both the Company and employees. In 2025, under the theme of "Smart Manufacturing, Simplification, and Strengthening Core Skills", five Lean Project teams were formed with specific goals. Monthly progress evaluations were conducted, and year-end achievement presentation were held to evaluate each team's achievement. Project bonuses were awarded based on the evaluation results, effectively enhancing cross-functional team collaboration efficiency.

Proportion of Employees Receiving Performance Evaluations

Plant	Gender	Job level[1]					Job Category				
		Senior Management	Middle Management	Junior Management	Non-management Personnel	Total	R&D Personnel	Sales Personnel	Administration Personnel	Production Personnel	Total
Taiwan	Male	100%	100%	99%	99%	99%	100%	98%	100%	99%	99%
	Female	100%	100%	100%	99%	100%	98%	99%	100%	100%	100%
	Total	**100%**	**100%**	**99%**	**99%**	**99%**	**99%**	**99%**	**100%**	**99%**	**99%**
China	Male	100%	100%	100%	91%	93%	96%	96%	95%	92%	93%
	Female	No Personnel	100%	100%	94%	95%	100%	98%	99%	94%	95%
	Total	**100%**	**100%**	**100%**	**92%**	**93%**	**97%**	**98%**	**97%**	**93%**	**93%**

1: Chairman, president, business group, sub-business group, business division, and independent center supervisors are senior management; center and division-level supervisors are middle management; department and section-level supervisors are junior management; other employees are non-management personnel.
2: The above percentages are calculated by dividing the total number of employees who participated in the year-end performance evaluation by the total number of employees at Taiwan and China plants.

Material Topic
Occupational Health and Safety

GRI Topic
Occupational Health and Safety

6.6 Health Care 3-3

Topic Boundary

Coretronic Taiwan, China plants (Kunshan plants and Wujiang plants), and Contractors

Topic Importance

Providing employees with a safe working environment and maintaining their physical and mental well-being enables them to work with peace of mind and achieve outstanding performance.

Strategy

- Establish the "Occupational Safety and Health Policy" and implement ISO 45001 Occupational Health and Safety Management System.
- Regularly review occupational injury incidents and propose preventive and corrective improvement measures.
- Conduct emergency response drills, health education seminars, and professional physician consultation services.
- Implement health protection programs for the Wisdom Generation workforce (employees aged 45 and above), as well as health risk assessments, health management, and health screening programs.

Operating Mechanism

- The Health Management Department implements protective health measures based on employee health issues and needs. It also establishes an annual health promotion program and organizes diverse health promotion activities to enhance disease prevention capabilities.
- The Safety and Environment Division establishes and formulates annual goals, budgets, and plans, which are submitted to the Occupational Safety and Health Committee for approval. Relevant strategies are implemented upon obtaining ISO 45001 Occupational Health and Safety certification.

Performance

Indicator		2025 Target	2025 Performance	Achievement Status	2026 Target	2027 Target	2028 Target
Wisdom Generation Workplace Health Satisfaction Score	Taiwan plants	80	96	✓	80	80	80
Number of Health Promotion Activities Conducted	China plants	8 sessions	17 sessions	✓	10 sessions	10 sessions	10 sessions
Number of Major Occupational Accidents		0 cases	0 cases	✓	0 cases	0 cases	0 cases
Lost Time Injury Frequency Rate (LTIFR) for Employees		< 1.5	1.11	✓	< 1.50	< 1.50	< 1.50
Lost Time Injury Frequency Rate (LTIFR) for Non-Employees		< 1.5	0	✓	< 1.50	< 1.50	< 1.50

- Implemented the ISO 45001 Occupational Health and Safety Management System, achieving a 100% certification pass rate.
- Conducted annual reviews of accident/incident events and implemented corrective/preventive measures, achieving a 100% completion rate.
- A total of 18,084 participants were recorded for occupational health and safety education training, with total training hours amounting to 59,013 hours.
- Conducted 54 emergency response, fire safety, and civil defense drills, with a total of 10,181 participants and 11,227 total training hours.
- Organized 71 health promotion activities, with a total of 3,631 participants.
- Obtained the "AED-Safe Place" certification and the Ministry of Health and Welfare's "Badge of Accredited Healthy Workplace-Healthy Workplace Certification".

"Employee health" is a vital foundation for the Company's sustainable development. A healthy workplace environment not only enhances employee work efficiency, morale, and satisfaction, but also effectively reduces workplace injuries and health risks, thereby improving the Company's overall productivity and competitiveness. The Company aims to ensure that employees enjoy both physical and mental well-being as well as a joyful life. With the support of senior management and employees, the health management team actively promotes various health initiatives, such as weight loss programs, metabolic syndrome prevention, and first aid training, to foster a friendly and health-conscious workplace.

Comprehensive Health Management 403-3

Annual Health Examination

- Taiwan plants: Annual health examinations are conducted at a frequency exceeding legal requirements. In addition to statutory examination items, the Company also provides complimentary additional examinations, including glycated hemoglobin (HbA1c), abdominal ultrasound, uric acid, alpha-fetoprotein (AFP, liver cancer screening), fecal occult blood testing, estimated glomerular filtration rate (GFR), and non-contact tonometry. In 2025, the health examination completion rate reached 99%. Employees whose examination results indicated significant abnormalities in certain items were promptly notified and assisted with medical referrals to implement chronic disease prevention and early health management. During the examination period, the Company also distributed an "Overwork Risk Assessment Scale" to understand employees' personal and work-related fatigue conditions. Based on the survey results, employees identified as having stress-related risks were invited to receive health consultations and overwork risk assessments with healthcare professionals.
- Wujiang plants: In accordance with RBA requirements, annual health examinations were conducted for special operation personnel, including forklift operators, electricians, and low-voltage electrical workers. In 2025, a total of 44 employees underwent health examinations, among whom 5 employees were identified with occupational contraindications. Following physicians' evaluations, these employees were reassigned to different positions.

Annual Special Operation Health Examination

- Taiwan plants: In 2025, examination items included ionizing radiation, lead, n-hexane, dust, and cadmium. A total of 43 employees underwent examinations, achieving a 100% examination rate.
- China plants: Employees who may be exposed to hazardous factors during work operations are arranged to undergo special operations health examinations before assignment, during employment, and prior to leaving their positions. Examination items include dust, tin dioxide, methyl methacrylate, copper dust, isopropanol, ethyl acetate, n-heptane, cyclohexane, noise, laser radiation, power-frequency electric fields, acrylic acid, ultraviolet radiation, X-ray external radiation, absolute ethanol, ethanolamine, and ethanol. A total of 274 employees were required to undergo examinations, achieving a 100% examination rate. Employees with abnormal examination results are arranged to receive follow-up examinations. If abnormal results are identified in two consecutive examinations, the condition is classified as an occupational contraindication, and the employees are reassigned internally to avoid health hazards caused by repeated exposure. In 2025, all examination results were normal.

Health Protection 403-3, 403-10

In line with the Occupational Safety and Health Act's emerging workplace health issues, the Company collaborates with occupational safety personnel and occupational disease specialists to implement four major programs for workers' physical and mental health management. These programs cover hazard identification, risk assessment and control, and effectiveness evaluation, aiming to effectively reduce employees' exposure to hazards and the risk of occupational diseases. For Taiwan plants, the Company has developed operational guidelines and related measures focusing on maternal health, ergonomics, abnormal workload, and suitable work arrangements for middle-aged and elderly workers.

No occupational disease cases occurred in 2025.

Maternal Health Protection

- Conducted workplace hazard assessments and arranged physician interviews and guidance for 14 pregnant and postpartum employees
- Provide a comfortable lactation room, designated indoor parking spaces, and priority dining rights
- Regularly hold cancer screening activities for women

Prevention of Abnormal Workloads

- Daily work hour reminders and overtime control
- Conduct annual overwork risk assessment scale
- Arranged physician consultations for 16 overworked employees and provided medical referrals for those with cardiovascular diseases

Prevention of Human Factor Hazards

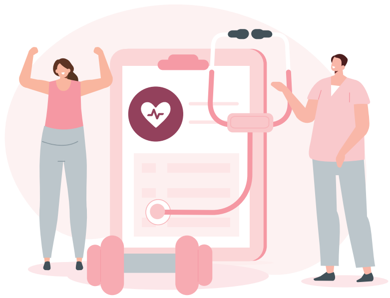
- Conduct annual musculoskeletal symptom survey
- Arranged occupational physician interviews and guidance for 12 high-risk employees
- Conduct on-site workplace visits as needed

Middle-aged and Elderly Work Suitability Assessment

- Conduct work ability assessments for middle-aged and older employees
- Provided health screenings and personal health risk assessments for 12 middle-aged and older employees and arranged on-site physician interviews and guidance
- Conduct health seminars on middle-aged and elderly health

Health Promotion 403-6

71 health promotion activities held, with 3,631 participants recorded



Based on the results of annual health examinations, the Health Management Department formulates and implements annual health promotion plans covering employees' physical and mental health needs. Specific initiatives include promoting care for middle-aged and senior employee, eye care campaigns, weight management programs, and cancer screening activities, as well as organizing complimentary traditional Chinese medicine consultation and therapy services and diversified health seminars. In addition, the Company promotes balanced nutrition through the provision of healthy lunch boxes, assisting employees in practicing healthy lifestyles. Going forward, the Company will continue to deepen health education initiatives for employees of all age groups and is committed to creating a healthy, energetic, and friendly working environment.

"Wisdom Generation" Friendly Workplace Program

- Health Risk Assessment and Early Intervention
  - ■ Free annual electrocardiogram (ECG) examinations are provided to all employees aged 45 and above. Health education and medical referrals are arranged for employees with high blood pressure or abnormal ECG results.
  - ■ Employees are invited annually to complete self-perceived health and overwork risk assessment scale. Cardiovascular disease risk assessments are also conducted during annual health examinations.
  - ■ In 2024, a total of 1,182 employees completed a 10-year cardiovascular disease risk assessment. In 2025, individualized health consultations with physicians were arranged for 59 employees identified as high-risk based on the assessment results. These consultations provided health improvement recommendations, job suitability assessments, and necessary medical referral assistance to reduce cardiovascular disease risks.
- To address the healthcare and retirement planning needs of Wisdom Generation employees, diversified health promotion activities were organized with themes centered on disease prevention, medical insurance, and health management. In 2025, health promotion activities for the Wisdom Generation included "All About Shingles: More Than You Know", "Health Without Worries, Wealth Lasting — Mastering Key Financial Strategies", and "Calcium for Strong Bones and Sharp Minds". A total of 350 participants were recorded, with an average satisfaction score of 9.6 (out of 10).
- As employees age, Wisdom Generation employees are more likely to experience gradual muscle loss and declines in muscular endurance, which may affect quality of life and work efficiency. To help employees better understand their health conditions, complimentary technology-based physical fitness assessments were conducted. Assessment items included body composition analysis, cardiopulmonary fitness, muscular strength and endurance, and flexibility. A total of 146 employees participated, achieving an average satisfaction score of 10 (out of 10). Follow-up health evaluations and health education initiatives were subsequently provided to strengthen awareness and emphasis on personal health management.

"Bright Vision" Eye Care Program

- Complimentary vision screening activities were conducted to help employees identify vision abnormalities at an early stage, facilitating subsequent follow-up and eye care management while reducing vision-related health risks. A total of 423 employees participated, with an average satisfaction score of 9.6 (out of 10).
- To further understand employees' eye health conditions, the Company organized the "Join the EYE Care Movement Together! Pre- and Post-Assessment Self-Check Program", integrating diversified activities such as "eye care awareness promotion", "eye care seminars", and "vision screenings". These activities helped employees evaluate their eye care practices and improvements in visual habits. A total of 946 participants were recorded, with an average satisfaction score of 9.7 (out of 10).
- The Company also organized the "Modern Eye Disorders in the Multi-Display Era" eye care seminar, inviting ophthalmologists to elaborate on the causes of common eye diseases and share practical eye care tips and daily health care practices. The seminar helped employees establish proper eye care habits and reduce visual fatigue and related health risks. A total of 125 participants were recorded, with an average satisfaction score of 9.5 (out of 10).

"Caring for You and Me: Women's Health Safeguard Initiative"

- Taiwan plants: Wei Gong Memorial Hospital and Sin-Lau Hospital were invited to provide on-site women's cancer screening services. Examination items included Pap smear test, human papillomavirus (HPV) testing for women, breast ultrasound examinations, and pelvic ultrasound examinations. A total of 128 employees participated, with an average satisfaction score of 10 (out of 10).
- Kunshan plants: Experts from the Zhenchuan Health Service Center were invited to provide on-site cervical cancer screening services for female employees, helping employees identify precancerous lesions or infection symptoms at an early stage. A total of 68 employees participated.

"Positive Workplace, Positive Mindset" Seminars

- "The Right Distance": To help employees better understand common workplace emotions and sources of stress, the Company collaborated with the Public Health Bureau, Hsinchu City and invited counseling psychologists to the Headquarters to guide employees in understanding the emotional functions, the impact of emotions on work under conflict situations, and strategies for emotional regulation, boundary setting, and conflict management. The seminar helped employees assess their personal state and become familiar with professional support resources. A total of 37 employees participated, with an average satisfaction score of 8.8 (out of 10).
- "Workplace Stress Relief Guide": To enhance employees' stress management capabilities, the Company collaborated with the Miaoli County Government and invited counseling psychologists to the Chunan plant to guide employees in exploring the impact of stress on physical and mental health, analyzing workplace stress and interpersonal communication challenges, and practicing stress transformation and mindfulness relaxation techniques. A total of 22 employees participated, with an average satisfaction score of 9.3 (out of 10).

Weight Management and Traditional Chinese Medicine Therapy

- Fat Reduction Program: Kunshan plants organized a 42-day fat reduction program, inviting employees to participate by department teams and encouraging teammates to exercise regularly to achieve the best results. A total of 68 employees collectively lost 242.9 kg over the 42-day period.
- Health Management Month: Wujiang plants organized a 30-day Health Management Month program. Through one-on-one guidance, employees were encouraged to exercise regularly and develop healthy dietary habits, helping them understand health management methods, reduce the incidence of chronic diseases, and maintain mental well-being. A total of 15 employees participated.
- Complimentary Traditional Chinese Medicine Consultation Services: China plants organized four Complimentary traditional Chinese medicine (TCM) consultation and therapy services, inviting external TCM physicians to the plants to assess employees' physical conditions and provide bone density testing, therapeutic massage, and acupuncture treatments. TCM knowledge-sharing seminars were also conducted to enhance employees' awareness of health management. A total of 332 participants were recorded.

06

6.7 Safe Working Environment

Employees are the key driving force behind the Company's continuous innovation and sustainable development. Therefore, it is the Company's responsibility to provide a safe working environment. Coretronic regards "building a safe and healthy workplace" and "zero occupational accidents" as the management goals of workplace safety, aiming to ensure that all Coretronic employees and workers can perform their duties in a healthy and safe environment.

Occupational Safety and Health Management System 403-1, 403-2, 403-7, 403-8

Coretronic has fully institutionalized environmental, safety and health management regulations for employees and workers to follow and has formulated an "Occupational Safety and Health Policy". Through regular reviews of occupational safety and health performance, strengthened personnel education and training, risk management implementation, and periodic on-site inspections, the Company ensures workplace safety. In 2025, the scope of internal and external verification of the occupational safety and health management system covered all employees and workers included in the "Occupational Accident Management" reporting scope. In addition to complying with relevant national laws and regulations, the Company has implemented hazard prevention measures and related management regulations based on the characteristics of different workplaces. The top supervisor establishes a safety and health organization and the Occupational Safety and Health Committee, while occupational safety and health personnel at each plant are responsible for third-party verification audits of ISO 45001 Occupational Health and Safety Management System. The certification pass rate for Taiwan plants, Wujiang plants, and Coretronic Projection (Kunshan)1 was 100%. Currently, all certificates remain valid, ensuring the continuous and effective operation of the management system. Under the ISO 45001 management system, the number of employees covered by internal audits2 is 4,142, and the number of non-employees is 478, with an audit coverage rate of 100%. For external audits, the number of employees covered was 4,041 and the number of non-employees was 426, with audit coverage rate of 98% and 89%, respectively.
The Taiwan plants also obtained CNS 45001 certification to comply with the requirements of CNS 45001 and the specific audit requirements of TOSHMS. Through the implementation of management cycle action plans, the Company aims to achieve continuous improvement, reduce occupational accidents, and ensure the safety and health of all employees and stakeholders.

1: Coretronic Optics (Kunshan) is the upstream supplier of Coretronic Projection (Kunshan), and their work environment safety systems are jointly managed. In the future, it will pass the ISO 45001 certification according to customer needs.
2: Employee and worker numbers cited in this section are average monthly headcount from January to December 2025, rounded up to the nearest whole number.; for Taiwan plants, they are based on reported occupational accident statistics from January to December 2025; those for China plants, they are based on HR system data.

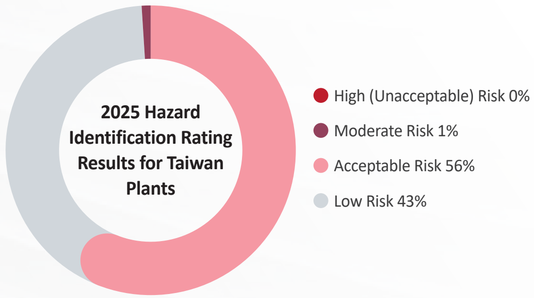
Occupational Safety Risk Management 403-2

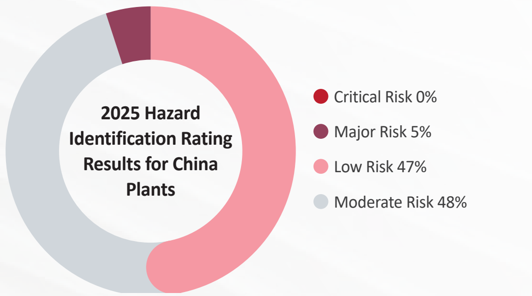
The Company has established the "Hazard Identification and Risk Assessment Operation Specifications", and the management unit promotes each department to regularly review and revise hazard identification and risk assessment records every year. Before changes in manufacturing process, equipment, raw materials, and working environment, hazard identification is conducted according to chemical, physical, ergonomic, biological, and other safety and health (including workplace psychosocial) hazards, and personnel related to the implementation of hazard identification and risk assessment are required to receive at least three hours of risk assessment related training. Each department classifies different work environments, equipment or manufacturing processes, conducts job and operation inspections according to possible hazards, and cooperates with the operation process of each department to expand and fill in each operation step in the "Hazard Identification and Risk Assessment Form". Based on the severity and probability, the risk level is converted, and risk control is judged and adopted. If a major occupational accident occurs, it will be listed as a high-risk level and risk control will be implemented.

For high-risk (unacceptable risk) or major hazard items identified at each plant, improvement plans and related action programs are prioritized and implemented to achieve the targets of "reducing the Lost Time Injury Frequency Rate (LTIFR)" and "zero major occupational accidents", thereby providing employees and workers with a safe working environment. In 2025, all Taiwan and China plants completed operational risk assessments, and no high-risk (unacceptable risk) or major hazard items were identified. For medium-risk or relatively significant hazard items, the Company implemented the following corresponding solutions:

- Physical and ergonomic hazards in office environments: To reduce visual strain on workers and enhance operational safety, the Company launched an office lighting improvement program in 2025, replacing lighting fixtures with high-efficiency LED panel lighting systems to ensure uniform illumination levels exceeding regulatory standards and create a bright, comfortable, and healthy workplace environment.
- Workplace psychosocial hazards: The Company has established the "Workplace Unlawful Infringement Prevention and Complaint Handling Guidelines" and the "Measures for Prevention, Complaint Handling, and Disciplinary Actions for Sexual Harassment". The Company also adopts a "zero tolerance" policy toward workplace violence and misconduct in order to build a workplace environment that is safe, dignified, non-discriminatory, mutually respectful, inclusive, and provides equal opportunities.

Referring to the local government occupational safety and health regulations in Taiwan and China, when there is an immediate danger in the workplace, the employer or the person in charge of the workplace must stop the operation and have employees evacuate to a safe place. If employees believe that the duties they perform have potential hazard risks, they should stop the operation and evacuate to a safe place on their own without endangering the safety of other workers, and immediately report to their direct supervisor. For employees who actively report and evacuate due to occupational safety hazard concerns, no disciplinary action will be taken under relevant operational regulations.





Occupational Safety and Health Organization 403-4, 403-7

Taiwan and China plants have occupational safety and health management units responsible for planning, supervising, and promoting labor safety and health-related activities. To ensure the effective implementation of safety and health initiatives, the Company adopts the PDCA management cycle to continuously improve risks related to personnel, equipment, and the environment, enhance employees' safety awareness, and jointly achieve the goal of zero accidents.

Occupational Safety and Health Performance Indicators

- Occupational safety and health accident/incident investigation
- Occupational accidents severity
- Environmental, safety and health (ESH) audit deficiencies or suggestions
- ESH management plan implementation tracking
- Internal and external communication and transmission

- Compliance with chemical management
- Compliance with change management
- Compliance with waste management
- Compliance with health management
- Corrective, preventive and improvement measure tracking

- Compliance with ESH certifications
- Status of self-inspection implementation
- Participation in ESH education and training
- Compliance with contractor environmental safety and health management

Occupational Safety Consultation, Participation, and Communication 403-4

To foster a comfortable and safe environment and promote communication between labor and management, Taiwan plants convene "Occupational Safety and Health Committee" meetings on a quarterly basis, while China plants also hold quarterly "Occupational Health Management Committee" meetings and "Safety Regular Meetings". The committee members are composed of supervisors at all levels, safety and health personnel, and labor representatives. Their responsibilities include providing suggestions on the Company's "Occupational Safety and Health Policy", as well as reviewing, coordinating, and suggesting safety and health related matters. Committee members jointly participate in decision-making concerning the planning and operation of occupational safety and health systems, and meeting outcomes are announced through written or electronic channels. All employees are encouraged to submit occupational safety-related suggestions through the "Environmental, Safety and Health (ESH) Opinion Platform". Upon receiving notifications, management units proactively provide assistance and ensure that employees are protected from retaliation or inappropriate treatment when participating in occupational safety and health matters or reporting hazards. For contractors, occupational safety issues are promoted, consulted upon, and communicated through the annual coordination meetings. In 2025, a total of 24 Occupational Safety and Health Committee meetings and 70 contractor coordination meetings were convened. No work safety-related dispute incidents occurred in 2025.

The Proportion of Labor Representatives at the 2025 Occupational Safety and Health Committee meetings for various plants		Taiwan				China	
Matters Promoted for Discussion and Consultation	Meeting frequency	Quarterly				Quarterly	
• Continue to Promote a Safe Working Environment and Prevent Occupational Accidents • Continue to Promote Energy Conservation, Carbon Reduction, and Industrial Waste Reduction in the Plant • Regularly Conduct Education and Training to Raise Employee Safety and Health Awareness • Continue to Promote Environmental Safety Audits • Management Review to Ensure the Effective Operation of the ESH Management System	Plants	Headquarters	Chunan Plant	Tainan Plant 1	Tainan Plant 2	Kunshan Plants	Wujiang Plants
	Number of labor representatives	8	10	8	3	10	4
	Total number of committee members	17	22	22	9	27	16
	Proportion	47%	45%	36%	33%	37%	25%

Occupational Safety and Health Education and Training 403-5, 403-7

To ensure that all employees are well-informed about occupational safety and health regulations and the Company's safety and health management system, the Company has established the "ESH Education and Training Operating Procedures". In compliance with regulatory requirements and job-specific needs, the Company provides "employee safety and health training" courses to strengthen employees' safety and health awareness. In 2025, a total of 18,084 participants attended the occupational safety and health education and training courses, with a total of 59,013 training hours. On-the-job safety and health education and training includes programs for occupational safety and health supervisors, occupational safety and health management personnel, hazardous operations supervisors, fire management personnel, Occupational Safety and Health Committee members, as well as the statutory refresher training, and annual contractor onboarding training.

2025 Training Results

Training Item	Taiwan	China	Total
Occupational Safety Training for New Employees (participants)	399	1,452	1,851
Annual Fire/Civil Defense Team Training (participant attendances)	310	6,381	6,691
Occupational Safety and Health On- the-job Training (participant attendances)	1,934	6,586	8,520
Annual Contractor Onboarding Training (participants)	931	91	1,022
Total Training Attendance (participant attendances)	3,574	14,510	18,084
Total Training Time (hours)	7,370	51,643	59,013

Disaster Response Drills 403-5, 403-7

The Company conducts workplace fire risk assessments and has identified electrical equipment and cooking operations as key high-risk sources. Accordingly, automatic fire detection and fire suppression systems have been installed to reduce disaster risks. In addition, to strengthen employees' disaster prevention awareness and enhance the crisis awareness and emergency response capabilities of emergency response team members, the Company reviews its emergency response plans annually and collaborates with fire departments and police authorities to conduct plant fire safety and civil defense drills. Through practical drill training programs, employees' emergency response capabilities are reinforced. In 2025, a total of 54 disaster response, fire safety, and civil defense drills were conducted. Including contractors, a total of 10,181 participants attended, with total training hours reaching 11,227.

Occupational Accident Management 403-2, 403-7, 403-9

- Through the implementation of the occupational safety and health management system, the Company has established a solid management foundation and comprehensive operational mechanisms. To address future challenges arising from business expansion, manufacturing technology upgrades, and climate change, the Company has shifted the strategic focus of occupational safety and health management from "system establishment and regulatory compliance" toward "strengthening safety resilience" and "embedding a safety culture". Based on the results of annual material topic identification, the Company has designated the "Lost Time Injury Frequency Rate (LTIFR)" and the "number of major occupational accidents" as key management targets, prioritizing the implementation of related action plans to achieve continuous improvement in occupational safety and health management performance. The Company also promotes digital EHS education and training to strengthen the safety knowledge of employees and relevant stakeholders, reduce the likelihood of unsafe behaviors, cultivate proactive prevention awareness, and further embed a culture of safety among all employees.
- The Company systematically manages occupational accident risks. In addition to establishing occupational injury and accident management procedures, the Company has implemented an "Accident Report / Personnel Occupational Injury / EHS Anomaly Incident Handling Record" platform to document and track the causes of incidents as well as corrective actions. Whenever an occupational injury occurs, hazard factors are re-assessed and risks are re-evaluated to strengthen accident prevention. Through monthly internal inspections, adherence to accident management procedures, and investigation mechanisms under the reporting system, the Company conducts accident analyses and implements corrective improvements to ensure workplace safety.
- In 2025, no major occupational injuries recorded, and no occupational injury incidents involving non-employee workers occurred. The LTIFR for employees was 1.11, while the LTIFR for non-employee workers was 0, both meeting the annual targets. Taiwan plants recorded a total of five near-miss incidents and three occupational injury incidents excluding traffic accidents, consisting of one case in which an employee was accidentally cut by a cooling fan during an experiment and two cases involving muscle strains caused by improper posture. All incidents underwent completed investigation and analysis, followed by implementation of corrective and preventive measures such as hazard communication regarding personnel walkways and equipment operation, safety awareness promotion, education and training, and the installation of protective equipment, thereby strengthening personal safety awareness and reducing accident occurrence rates. China plants recorded a total of seven near-miss incidents and six occupational injury incidents excluding traffic accidents, including two cases at the Wujiang plants involving injuries caused by falling objects, one collision with equipment incident, one cutting injury incident, and two slip-and-fall incidents. All incidents underwent completed investigation, analysis, and safety awareness promotion activities. To reduce occupational injury incidents, the Wujiang plants strengthened measures including equipment shutdown maintenance, training programs regarding equipment usage essentials and operational safety, workplace 7S management, and implementation of on-site inspection activities.
- From March 27, 2019 to December 31, 2025, the Chunan Plant participated in the "Zero Accident Hours Record Activity", a self-managed occupational safety and health initiative promoted by the Industrial Safety and Health Association, with an average of 292 participants per month. By the end of 2025, the plant had accumulated 3,704,016 accident-free working hours, demonstrating the Company's commitment to maintaining a safe working environment.

Annual Occupational Injury Records of Employees[6]

Plant	Taiwan[7]				China[7]			
Indicator/Year	2022	2023	2024	2025	2022	2023	2024	2025
Total Working Hours	3,019,048	3,018,456	2,913,152	2,636,072	9,153,560	6,062,224	5,255,704	5,463,184
Number of Major Occupational Accidents[2]	0	0	0	0	0	0	0	0
Occupational Injury Fatality Rate[1]	0	0	0	0	0	0	0	0
Number of Severe Occupational Injuries[2]	0	0	0	0	0	0	0	0
Severe Occupational Injury Rate[2]	0	0	0	0	0	0	0	0
Number of Disabling Injuries[3]	1	1	5	3	11	2	5	6
Lost Days Due to Disabling Injuries[3]	5	3	35	6	691	66	216	67.5
Number of Recordable Occupational Injuries[4]	8	7	10	8	14	8	11	13
Total Recordable Injury Rate (TRIR)[4]	2.64	2.31	3.43	3.03	1.52	1.31	2.09	2.37
Lost Time Injury Frequency Rate (LTIFR)[5]	0.33	0.33	1.71	1.13	1.20	0.32	0.95	1.09

1. Occupational Injury Fatality Rate = (Total number of occupational injury fatalities / Total working hours) × 1,000,000 hours.
2. Severe Occupational Injury Rate = (Number of severe occupational injuries / Total working hours) × 1,000,000 hours. "Severe occupational injuries" refer to injuries resulting in an inability to recover to the pre-injury health condition within six months.
3. The number of disabling injuries refers to occupational injury cases required to be reported in accordance with formal announcements issued by the Occupational Safety and Health Administration (OSHA). Lost days due to disabling injuries refer to the number of lost days associated with occupational injuries required to be reported under OSHA regulations.
4. Total Recordable Injury Rate (TRIR) = (Number of recordable occupational injuries / Total working hours) × 1,000,000 hours. Recordable occupational injuries refer to the combined total of disabling injuries and near-miss incidents.
5. Lost Time Injury Frequency Rate (LTIFR) = (Total number of disabling injuries / Total working hours) × 1,000,000 hours.
6. Employee headcount and working hour statistics were calculated using the average monthly headcount from January to December 2025, rounded up to the nearest whole number. Calculations of Taiwan plants were based on occupational injury reporting data from January to December 2025, covering 1,384 employees, while calculations of China plants were based on HR system data covering 2,758 employees.
7. From 2022 to 2023, Taiwan plants include Coretronic (Headquarters, Chunan Plant, Tainan Plant 1, and Tainan Plant 2); China plants include Kunshan plants (Coretronic Projection (Kunshan), Coretronic Optics (Kunshan)) and Wujiang plants (Coretronic Display (Suzhou), Coretronic Optotech (Suzhou), and Coretronic Optics (Suzhou)). From 2024 to 2025, Taiwan plants include Coretronic (Headquarters, Chunan Plant, Tainan Plant 1, and Tainan Plant 2); China plants include Kunshan plants (Coretronic Projection (Kunshan), Coretronic Optics (Kunshan)) and Wujiang plants (Coretronic Optotech (Suzhou), and Coretronic Optics (Suzhou)).
8. All occupational injury indicators were truncated to two decimal places without rounding.

Annual Occupational Injury Records of Non-Employee Workers[6]

Plant	Taiwan[7]				China[7]			
Indicator/Year	2022	2023	2024	2025	2022	2023	2024	2025
Total Working Hours	435,944	181,528	244,016	208,600	2,971,928	880,160	775,184	719,848
Number of Major Occupational Accidents[2]	0	0	0	0	0	0	0	0
Occupational Injury Fatality Rate[1]	0	0	0	0	0	0	0	0
Number of Severe Occupational Injuries[2]	0	0	0	0	0	0	0	0
Severe Occupational Injury Rate[2]	0	0	0	0	0	0	0	0
Number of Disabling Injurie[3]	0	0	0	0	0	0	0	0
Lost Days Due to Disabling Injuries[3]	0	0	0	0	0	0	0	0
Number of Recordable Occupational Injuries[4]	0	0	0	0	0	0	0	0
Total Recordable Injury Rate (TRIR)[4]	0	0	0	0	0	0	0	0
Lost Time Injury Frequency Rate (LTIFR)[5]	0	0	0	0	0	0	0	0

1. Occupational Injury Fatality Rate = (Total number of occupational injury fatalities / Total working hours) × 1,000,000 hours.
2. Severe Occupational Injury Rate = (Number of severe occupational injuries / Total working hours) × 1,000,000 hours. “Severe occupational injuries” refer to injuries resulting in an inability to recover to the pre-injury health condition within six months.
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8. All occupational injury indicators were truncated to two decimal places without rounding.

Contractor Management 403-7

In addition to employees, contractors are also important partners of Coretronic. To safeguard the health of our partners, ensure facility safety, and concretely fulfill Coretronic’s commitment to workplace health and safety, the Taiwan plants have established clear management procedures for supplier and contractor management. Regular contractor evaluations are conducted to ensure compliance with on-site requirements. The Company also places great emphasis on communication and hazard notification for non-employee workers. All contractors are required to participate in a “Contractor Workplace Hazard Notification and Agreement Meeting” before entering the plant, and all construction personnel must complete Coretronic’s “Contractor ESH Education and Training”. Furthermore, construction applications and the management of pre-, mid-, and post-construction stages are effectively controlled through a digital construction application system.

Through the effective implementation of contractor safety and health management, the Taiwan plants have achieved **zero** contractor incidents for 11 consecutive years (2015–2025), while the China plants have maintained **zero** contractor incidents for 4 consecutive years (2022–2025).

01 **Occupational Safety and Health Policy announcement and hazard notification**
Together with the contract response, suppliers and contractors can gain insights into the Company's philosophy and self-assess operational risks.

02 **ESH evaluation for suppliers and contractors**
Implement quarterly EHS performance evaluations for contractors to strengthen supplier and contractor selection and management.

03 **Environmental consideration, hazard identification and risk assessment for suppliers and contractors**
Include the operational activities of suppliers and contractors in environmental consideration, risk assessment, and hazard identification.

▲ **Operational Procedures for Supplier and Contractor Management**

Chapter 7

Social Engagement

Vision

1 NO POVERTY
2 ZERO HUNGER
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
6 CLEAN WATER AND SANITATION
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
17 PARTNERSHIPS FOR THE GOALS

Firefly Volunteer Team
Proposal Department

Plans

- Light Wishes for the Rurals
- Farm the Hopes
- Love Followers
- Light Pioneer
- Dream Walkers
- Elderly Smile

Performance

Indicator	2025 Goals	2025 Performance	Achievement Rate
Amount Invested	19.81 million	24.68 million	125%
Beneficiary	58,343 participations	71,022 participations	122%
Volunteer Engagement	667 participations	611 participations	92%
Volunteer Hours	11,560 hours	11,108 hours	96%
High-tech Adventure	1 session	1 session	100%
Future Light Camp 1.0	2 sessions	2 sessions	100%
Future Light Camp 2.0	6 sessions	6 sessions	100%
Future Light Camp 3.0	3 sessions	1 session	33%

2026 Goals

- 3 sessions of Future Light Camp 1.0
- 6 sessions of Future Light Camp 2.0
- 2 sessions of Future Light Camp 3.0
- Sponsor specialized school teams
- Meal delivery, medical and house repair services for the elderly
- Scholarships
- Co-organized community engagement initiatives with stakeholders

- Awarded the TCSA "Social Inclusion Leadership Award" for the 6th time
- Awarded APSAA for "SDG 4: Quality Education" — Gold
- Received the "2025 Buying Power—Social Innovation Products and Services Procurement" Shared Value Award from the Small and Medium Enterprise Administration, Ministry of Economic Affairs

7.1 Public Welfare Concerns

Since 2011, the "Light Wishes for the Rural", "Farm the Hopes", and "Love Followers" programs have been launched successively, providing long-term care for underprivileged groups in remote areas of Taiwan. Additionally, Coretronic actively collaborates with social enterprises by regularly purchasing organic agricultural products from local smallholders for its stakeholders. This not only supports their health but also helps improve farmers' livelihoods.

2011–2025【Public Welfare Concerns】Achievements

Amount Invested	Beneficiary	Volunteer Engagement	Volunteer Hours	Local Agricultural Product Procurement
NT$ 67.1 million	38,647 participations	1,202 participations	6,795 hours	450 tons

2025 Fulfill Kids' Dreams on Children's Day

For eleven consecutive years, the Company has held the "Fulfill Kids' Dreams on Children's Day" charity event to celebrate the holiday with children from rural areas through various meaningful activities.

This year, the Company's Firefly Volunteer Team collaborated with the Interdisciplinary Science Education Center and the Regional Innovation Center of National Tsing Hua University (NTHU). Prior to Children's Day, the team visited **four** rural elementary schools, including Mekarang Elementary School in Jianshi Township, Wufeng Elementary School in Wufeng Township, Fushing Martial Arts Elementary School and Zuntou Elementary School in Tongxiao Township, Miaoli County, to hold science workshops for **182** students. At the end of the activities, **218** kindergarten and elementary school students each received a can of delicious popcorn as a gift.

For students in grades 1 through 3, the Company organized a workshop titled "Exploring and Practicing Various 3D Imaging Technologies", using red-blue 3D glasses, DIY code-breaking games, 3D maps, and videos to help students understand the principles of 3D imaging. For students in grades 4 through 6, the Company organized the "Solar Smart Optoelectronic Energy Storage House" workshop, guiding students to learn about fundamental electronic circuit components, the differences between series and parallel circuits, and the principles of solar cell power generation. At the end of the event, each participant completed a DIY solar-powered house.

Through these engaging science workshops, students gained a better understanding of STEM knowledge related to optics and optoelectronics, while developing creative thinking and problem-solving skills through the DIY process.

2025 Exchange Love and Warmth on X'mas

For the 12th consecutive year, the Company organized the "Exchange Love and Warmth on X'mas" fundraising event, inviting employees to prepare thoughtful Christmas presents for children in rural areas. This year, in response to the severe impacts caused by Typhoon Ragasa and heavy rainfall in Guangfu Township, Wanrong Township, and Fenglin Township in Hualien County, where repeated overflows of the Matai'an Creek barrier lake seriously disrupted local living conditions, the Company provided material resource support during the post-disaster reconstruction period based on actual local needs. With donations exceeding **NT$660,000** contributed by **407** employees, the Company purchased practical yet stylish sports backpacks, cute and warm blankets, and delicious Christmas limited-edition popcorn for **585** children. All gifts and heartfelt blessings were delivered by mail to **14** elementary schools and affiliated kindergartens, including Daxing Elementary School, Xifu Elementary School, Dajin Elementary School and Kindergarten, Guangfu Elementary School and Kindergarten, Taibalang Elementary School and Kindergarten in Guangfu Township; Mingli Elementary School and Kindergarten and Xilin Elementary School and Kindergarten in Wanrong Township; and Changqiao Elementary School and Kindergarten in Fenglin Township, Hualien County.

In addition, part of the donations was allocated to support the "Save the Hungry Children" project organized by the World Peace Association and the "36th Satisfying the Hunger 30" campaign by the Zenan Homeless Social Welfare Foundation, providing one month of breakfast for **60** disadvantaged students and Lunar New Year red envelopes for **41** homeless individuals. The Company also supported the "Home Repair Program for Disadvantaged Elderly in Rural Areas" initiated by the Elder Welfare Concerned Association, assisting **six** underprivileged elderly individuals in Miaoli County by installing waterproof covers for heating equipment, improving home environments, constructing metal roofing, cleaning water tanks, purchasing bed frames and mattresses, and improving lighting conditions, thereby effectively reducing household safety risks and enabling elderly residents to live more safely and comfortably.

2025 Volunteer Day - Share Love • Save Earth

For the sixth consecutive year, Coretronic collaborated with the social enterprise "Give Circle", inviting employees to donate practical secondhand items from home, as well as brand-new personal care products and food supplies to small and medium-sized nonprofit organizations and schools.

Benefited 19 Organizations

Donated 2,088 Items

Distributed to 1,235 Individuals

Reduced Carbon by 1,257 kg

2025 Farm the Hopes

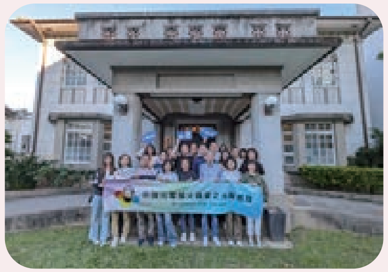
- Purchased over **19** metric tons of organic vegetables from social enterprises "Buy Nearby" and "Earth Friend" to be used in employee lunch catering, with a total procurement amount of nearly **NT$1.44** million.
- Purchased **24.6** metric tons of rice from Yuanli, Miaoli through the social enterprise "Buy Nearby" as shareholder meeting souvenir, and commissioned **20** intellectually disabled individuals from the Jixian and Ciyu sheltered workshops in New Taipei City to assist with packaging.
- Purchased more than **1** metric ton of coffee beans from the social enterprise "River Pine Coffee" to establish a sustainable pantry program.

2025 Rice Donation

Since 2012, the Company has donated more than **30** metric tons of rice from Yuanli Miaoli. In 2025, a total of **2,848** kg of rice was donated to the Huashan Social Welfare Foundation, Chinese Christian Relief Association, Hongdao Senior Citizen's Welfare Foundation, Zenan Homeless Social Welfare Foundation in Miaoli, Taitung County Sunflower Care Association, Elder Welfare Concerned Association, and Taiwan Social Workers Mutual Benefit Development Association.

2025 Love Followers

To promote and implement ESG from within, the "Firefly Volunteer Club" was established in 2011 and renamed the "Firefly Volunteer Team" in 2015. In 2025, the team comprised **159** volunteers.
In 2018, the official "Firefly Volunteer Team Management Regulations" were established, which include **Full-Pay Volunteer Leave** on holidays, a volunteer reward system, an Annual Volunteer Gathering, Volunteer Day, and volunteer training courses.



Full-Pay Volunteer Leave

1,359.5 hours

Employees can apply for volunteer leave equal to the hours spent participating in company-organized volunteer activities on holidays, with no limit on the number of hours requested.

Annual Volunteer Gathering

25 participants

Outstanding volunteers are recognized, annual achievements and future plans are shared, and volunteer experiences are passed on at the gathering.

Service Passion Award

28 winners

Vouchers and certificates are awarded to volunteers who have served more than 20 hours in the year.

Special Contribution Award

1 winner

Awarded with gift vouchers, certificate, a cash prize, and a public commendation for being the top volunteer in internal service hours over three years and having received the Service Passion Award for three consecutive years.

Volunteer Training

22 participants

Led volunteers on guided visits to the "Chiang A-Hsin Mansion" and the Deng Nan-Guang Memorial Museum in Beipu Township, Hsinchu County. Through in-depth tours of these cultural heritage sites, volunteers enhanced their storytelling, communication, and presentation skills, strengthening the competencies needed for future volunteer service.

Volunteer Service Hours

2,060.5 hours

All hours spent participating in company-initiated volunteer activities, training courses, or events organized by certified external public welfare organizations may be accumulated as volunteer service time.

Camp Instructor Incentives

13 participants

Volunteers serving as board game course instructors receive one additional volunteer hour on the day of the activity. Volunteers teaching Scratch programming courses receive a lecture fee of NT$800 for every three sessions taught.

2025 Run for Love

To thoroughly fulfill its responsibility as a pro-sports enterprise and further integrate sports culture into the Company's core values in support of work-life balance, the Company hosted the 6th "Run for Love" in 2025 for the first time at the Nanliao–Gang Nan Seaside Scenic Spot in Hsinchu, renowned as "the most beautiful coastline in northern Taiwan". The event featured 3 km and 9.6 km race categories and attracted **432** employees and their family members to participate enthusiastically. In addition, 13 senior executives actively joined the race, while Chairman Wade Chang made a surprise appearance and presented awards in person. The event concluded successfully with a group photo featuring hundreds of runners, family members, and friends, achieving an event satisfaction score of **96**.

This year, the Company was once again honored to invite **three** visually impaired runners to participate, accompanied throughout the race by **three** professional running guides to ensure their safety and successful completion of the course. One visually impaired runner even won "first place" in the 9.6 km Friends & Family category. Their outstanding performance, mutual trust with the guide runner, and perseverance deeply moved the audience and received the warmest applause and cheers.

In alignment with ESG principles, the event featured an "Environmental Education Classroom" for the first time, by using fun waste-sorting games to raise environmental awareness, as well as a "Second-Hand Marketplace" booth promoting the spirit of reuse and sustainability. As the highlight of the event, the Company invited the Choir from Jinping Elementary School in Hsinchu County, the winner of two gold awards at the 2024 World Youth & Children's Choir Festival and the World Choir Games, to perform songs in the Atayal language and Italian. In addition, the Company demonstrated the charitable spirit of "Run for Love" through various initiatives, including inviting **five** nonprofit organizations – the Huashan Social Welfare Foundation, World Peace Association, Yuan Nurturing Institute, Hsinchu City Association for the Welfare of the Disabled, and Genesis Social Welfare Foundation to set up booths at the venue. The Company also invited the "Vision Inaction Massage Studio" and Master Huang from Hsinchu Dongning Temple to provide professional massage services for participants. After the event, all registration fees were donated to the Huashan Social Welfare Foundation in support of the 23rd "Reunion with Love" Lunar New Year Meal Program, delivering warmth and blessings to elderly people.

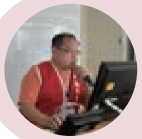
Event Highlight Video

Franck Ho CFO & Vice President

Leader of the Firefly Volunteer Team

2025 marked the first time that we held the Volunteer Conference outside the Company premises, and every aspect of the event exceeded my expectations. In addition to volunteer recognition and volunteer team exchange activities, there were also local cultural tours, making the event truly rich and meaningful.

I sincerely thank all volunteers for your participation. Because of you, many of our charity activities have been able to proceed successfully. I hope everyone will continue participating in the various charity activities organized by the Company in the future and help promote them among colleagues. We warmly welcome everyone to join the Firefly Volunteer Team.



Howard Liao Project Manager, Product Management Department

Recipient of the Special Contribution Award

From 2022 to 2024, contributed 260.5 hours to internal charity activities. Supported 32 internal activities and served as a programming course instructor for eight sessions of the Future Light Camp 2.0.

Receiving the "Special Contribution Award" for the second time is an immense honor and encouragement to me, and I am truly grateful for the recognition from my teammates. Through volunteering, I have deeply realized that beyond working hard and pursuing achievements, what matters even more in life is giving back to society and dedicating our time and efforts to those in need. Through various volunteer activities, we travel to rural communities, bringing love and care to different corners and witnessing many genuine smiles and heartfelt gratitude. These moments have further convinced me that even small acts of contribution can create meaningful change. I sincerely appreciate the volunteer team for providing such a meaningful platform, allowing us to bring love to rural communities and offer support to those who need us. In the future, I will continue devoting myself to volunteer service and keep passing on this spirit of love.

Cat Liu Manager, ESG Department

Founder of the Future Light Camp 3.0 Program

"Light Pioneer" is a project that I personally initiated. Among its programs, the "Future Light Camp" has evolved from Version 1.0 to 3.0 and has helped hundreds of children in rural areas of Miaoli bridge the urban-rural digital divide. Together, they overcame numerous challenges and completed a series of projects, bringing tremendous inspiration and a strong sense of accomplishment. While serving as an instructor, the children's interest in AI and their ability to quickly apply and adapt AI tools far exceeded my expectations. Every child successfully utilized three different generative AI tools within the provided time to independently create highly creative AI short films featuring storytelling, aesthetics, background music, and narration. One student even produced a 1.5-minute short video exploring "social issues potentially caused by AI", astonishing everyone present. This experience strongly convinced me that, as long as children are provided with the right guidance and tools, their limitless potential can truly be unlocked.

07

7.2 Eliminating the Digital Divide – Light Pioneer

Since 2016, the Company has launched the "Light Pioneer" project in remote schools in Miaoli, successively implementing programs such as "High-tech Adventure", "Digital Interactive Classroom", "Future Light Camp 1.0", "Future Light Camp 2.0", and "Future Light Camp 3.0". The goal is to leverage the Company's core products and collaborate with local universities to bring more technology- and AI-related educational resources to rural schools, jointly eliminating the digital divide and educational inequality caused by urban-rural disparities. These initiatives aim to equalize access to programming and AI education in rural areas, teach them how to think and reason, and strengthen their logical thinking skills, thereby enhancing their logical thinking abilities and laying a stronger foundation for digital literacy. The "Digital Interactive Classroom" program achieved a milestone in 2022. The Company is currently re-evaluating and redesigning suitable products to further enhance digital capabilities in rural communities.

2016–2025【Light Pioneer】Achievements

Beneficiary	Volunteer Engagement	Volunteer Hours	High-tech Adventure	Digital Interactive Classroom	Future Light Camp
4,414 participations	1,897 participations	13,361 hours	35 sessions	31 classrooms	41 sessions

2025 High-tech Adventure

Coretronic invited a total of **42** teachers and students from Daping Elementary School in Sanwan Township, Miaoli County, to visit the Company. During the visit, participants had the opportunity to learn about and experience innovative imaging products, simulate drone operation, DIY VR smart headsets, tour the green rooftop, and visit the Hsinchu Science Park Exploration Museum. The event also included a sharing session on the Company's environmental initiatives and achievements. This program achieved its phased objectives in the first half of 2025. To further enhance the effectiveness of the visits, the Company redesigned the "Future Light Camp 1.0" program in the second half of 2025, centering it around the "High-tech Adventure" concept. Through a progressive course structure, the program guides teachers and students to gain a deeper understanding of the Company's innovative technology products, scientific principles, and net-zero concepts.

2025 Future Light Camp 1.0 NEW

The Company organized **two** one-day Future Light Camp 1.0 sessions for Zuntou Elementary School in Tongxiao Township and Nanhe Elementary School in Gongguan Township, Miaoli County, engaging a total of **88** teachers and students. The camp introduced participants to the Company's technology products, including near-infrared spectrometers, micro smart projectors, ultra-short-throw laser smart projectors, dome projectors, and curved-surface projection systems, allowing them to experience innovative imaging technologies firsthand. In addition, the Company held a "Net Zero Classroom," using stories and interactive games to convey net-zero concepts and knowledge. Participants also joined a DIY VR smart headset workshop to learn about the principles and differences between AR and VR technologies. The program concluded with a guided visit to the Hsinchu Science Park Exploration Museum for teachers and students.

2025 Future Light Camp 2.0

After receiving **180** hours and **59** hours of training, respectively, **60** students from the Department of Electronics and Electrical Engineering at National Yang Ming Chiao Tung University and **22** volunteers from the Firefly Volunteer Team, together with Team volunteers, family members, and Papacode, jointly organized **six** programming workshops (with a total learning duration of 30 hours) for 4th to 6th grade students from Fujih Elementary School in Gongguan Township and Chengzhong Elementary School in Tongxiao Township, Miaoli County. A total of **132** teachers and students participated in the program.

- First Semester – Days 1 to 3: Through coding education board games such as "Coding Ocean" and creative lesson plans such as "Musical Chairs", "Loop Drawing", and "Sport Stacking", the program sparked students' interest in programming by integrating abstract and difficult concepts, including sequence, debugging, loops, conditional logic, and functions into fun and interactive games. The camp concluded with a problem-based, hands-on coding session using Scratch, enabling students to complete the first semester of 7th-grade programming coursework in advance.
- Second Semester – Days 4 to 6: Through coding education board games such as "Advanced Coding Ocean" and "CO·DECODE", as well as creative lessons such as "Animal ABC", as well as additional "Scratch" programming sessions, students were introduced to concepts like if/else logic, infinite loops, and the basics of AI recognition. They also practiced debugging, problem decomposition, and hands-on implementation. Each group **completed one game program collaboratively**, allowing them to finish the second semester of 7th-grade through the first semester of 8th-grade programming curriculum ahead of time.

Notably, a student from the Department of Electronics and Electrical Engineering at National Yang Ming Chiao Tung University, who participated in two sessions of "Future Light Camp 2.0" in 2023 proactively visited Coretronic's campus internship recruitment booth in 2025. The student shared that serving as a camp volunteer had left a very positive impression of the Company's corporate culture, and therefore listed Coretronic as the sole internship preference, successfully demonstrating the Company's philosophy of "talent retention through sustainability".

2025 Future Light Camp 3.0 NEW

Volunteers and family members of the Firefly Volunteer Team, together with the Information Technology Volunteer Team from National United University and the Papacode, organized a three-day "Future Light Camp 3.0" AI education camp for Fujih Elementary School in Gongguan Township, Miaoli County. After **14** students and **20** volunteers from the Firefly Volunteer Team completed **three** hours of training, the **first** camp session introduced **22** students to the fundamental theories of Generative AI (GAI) and the use of related tools. Volunteers then provided one-on-one guidance to help each child complete a unique "AI Creative Storybook" hands-on project. In addition, teachers at Fujih Elementary School have incorporated the camp curriculum into the elementary school computer courses for the second semester of the 2025 academic year, continuing to strengthen digital learning capabilities among students in rural areas. The remaining **two** camp sessions are scheduled to be held in the first half of 2026.

1. Understanding Large Language Models (LLMs) and Script Creation: Students learned the fundamental concepts of GAI and the proper use of LLMs, and utilized Chat Everywhere to write story scripts, cultivating creative thinking and written expression skills.
2. Transforming Creativity into Images: Students were taught image generation techniques and visual presentation concepts, and utilized Canva AI to create images in various styles based on their own story scripts.
3. Producing Narration Audio Files: Students utilized TTSMaker to convert story scripts into narration audio files with different tones while practicing storytelling techniques.
4. Materials and Producing Personalized Videos: Students were guided to import the generated images and narration audio files into Canva, taking on the role of video editors to arrange storybook images, subtitles, and audio content.
5. AI Creative Storybook Presentation: Each student independently completed a 1.5-minute "AI Creative Storybook" project. A presentation and evaluation event were then held, during which students and volunteers jointly selected winners for the "Most Popular Award", "Best Creativity Award", "Best Aesthetics Award", "Best Humor Award", and "Best MVP Award", encouraging children to gain a sense of achievement and creative inspiration through their work.

07

7.3 Pursuing Educational Equality - Dream Walkers

To help departments of the Company gain deeper understanding of ESG strategies and lead employees to actively participate in related activities, the Company launched the “Dream Walkers” program in 2018. This initiative encourages each department to propose ESG-related projects leveraging the Company’s core products and resources. The program consists of three sub-projects: “Your Dream • Your Future”, “Earn Your Future”, and “Indigenous Sound Legend”. Due to resource allocation considerations in 2025, only the “Earn Your Future” and “Indigenous Sound Legend” were implemented.

2018–2025【Dream Walkers】Achievements

Amount Invested	Beneficiary	Volunteer Engagement	Volunteer Hours
NT$ 12.40 million	1,244 participations	419 participations	3,678 hours

2025 Dream Walkers • Earn Your Future

In 2025, a total of **four** senior-year students from Cheng Shiu University and Feng Chia University participated in **one-year corporate internships** in the R&D Department. During the internship period, in addition to receiving salaries higher than the statutory minimum wage and complimentary accommodation, each intern was also awarded a scholarship of **NT$50,000**.

2025 Dream Walkers • Earn Your Future NEW

To expand the number of beneficiaries and meet the talent needs of different departments, the Company launched the “Earn Your Future” master’s internship program in 2025. The first Dream Walkers • Earn Your Future selection event was held at Feng Chia University in 2025, with **two** students selected for the program.

2025 Dream Walkers • Indigenous Sound Legend

In partnership with World Vision, Coretronic continued its sponsorship of the Jinping Elementary School Choir in Jianshi Township, Hsinchu County for the third consecutive year. The choir, composed of talented students from the Atayal Naro Tribe, was regularly featured on the Company’s Facebook fan page and electronic bulletin board to increase employee engagement. In 2025, the choir consisted of **20** members, 50% of whom came from underprivileged families.

- Sponsorship: Over **NT$370,000** was donated, mainly covering instructor fees, uniforms, musical instruments and equipment, stationery, snacks, scholarships (for low-income and marginalized households), and competition-related expenses.
- Honors and Achievements: Received the Excellence Award in the Elementary School Choir Category at the 2025 Hsinchu County Student Music and Teachers’ Indigenous Folk Song Competition.

7.4 Caring for the Solitary Elderly - Elderly Smile

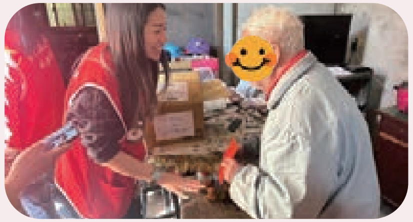
By the end of 2025, Taiwan officially entered a "super-aged society". Compared to other disadvantaged groups, elderly individuals living alone often have more limited access to resources. In response, Coretronic launched the "Elderly Smile" initiative in 2019, partnering with various social enterprises and NPOs to address the growing care needs of this population. Focusing on their material support, nutrition, and healthcare needs, the Company developed three major programs: "Warm Delivery", "Warm Telehealth", and "Warm Restaurant". In addition, to provide more comprehensive care for disadvantaged elderly individuals, the Company launched a new initiative in 2025 – "Warm Homes". This initiative expands support beyond "food", "clothing", and "education" to include "housing". Through the four major "Elderly Smile" programs, the Company aims to leverage technology to narrow the urban-rural gap in medical resources, help address manpower and resource shortages at welfare organizations, and ensure the physical and mental well-being, residential safety, and quality of life of elderly individuals.

2019–2025【Elderly Smile】Achievements

Amount Invested	Beneficiary	Volunteer Engagement	Volunteer Hours
NT$ 9.97 million	218,344 participations	996 participations	21,969 hours

2025 Warm Delivery

For seven consecutive years, Coretronic has supported the "Reunion with Love" Lunar New Year Meal Program organized by the Huashan Social Welfare Foundation. The foundation first conducts regular home visits to assess the specific needs of elderly recipients. Based on these assessments, a customized care package is prepared for each senior. Before the Lunar New Year, members of the Firefly Volunteer Team personally deliver New Year meals, warm clothing, red envelopes, and customized supply boxes to **40** disadvantaged seniors living in Hengshan Township, Beipu Township, and Qionglin Township in Hsinchu County. Together with Huashan Social Welfare Foundation partners, the volunteers check in on the seniors' recent health conditions, help measure their body temperature and blood pressure, inquire about their medication needs, and finally present them with a new year festival card featuring a Polaroid photo as a keepsake.



2025 Warm Telehealth

For the fourth consecutive year, Coretronic has partnered with the social enterprise "Digital Humanitarian Association" to enhance healthcare access in rural areas of Miaoli County. In 2025, the Company sponsored **NT$1.8 million** to support an interdisciplinary team of doctors, nutritionists, fitness experts, and physical therapists to deliver personalized online health programs, one-on-one/group medical consultations, and education and training for care workers, extending professional medical resources to remote areas. By leveraging innovative digital technologies, the program overcomes geographical barriers, enabling elderly residents in remote communities to receive high-quality healthcare services directly at local cultural health stations.

- **Exclusively sponsored** health promotion and medical consultation services for **10** Cultural Health Stations in Miaoli: Including Miaoli Tai'an Yuandun Cultural Health Station, Nanzhuang Cultural Health Station, Swa-Sik Cultural Health Station, Donghe Cultural Health Station, Gagaowan Cultural Health Station, Shan Cheng Cultural Health Station, Zhongxing Cultural Health Station, Mingde Community Development Association, Da'an Cultural Health Station, and Baishou Cultural Health Station. Caregivers at each station assist elders in expressing health and medical concerns, allowing professional doctors to provide tailored advice. In 2025, **215** health sessions and medical consultations were held, benefiting **31,326** participants.
- Training Support for **24** Caregivers: Sponsored caregivers' participation in **96** online long-term care training sessions covering topics such as wound care, blood glucose management, and responses to choking and coughing incidents. Upon completion of the courses, caregivers could earn long-term care education credits. Participants who accumulated more than 90 credit hours were eligible to obtain the "Long-Term Care Worker Certification".

2025 Warm Homes NEW

Many underprivileged elderly individuals in Miaoli continue to live in aging houses with potential safety hazards in their living environments. Issues such as roof leakage, insufficient bathroom anti-slip measures, and inadequate lighting may expose elderly residents to risks of falls and fire hazards.

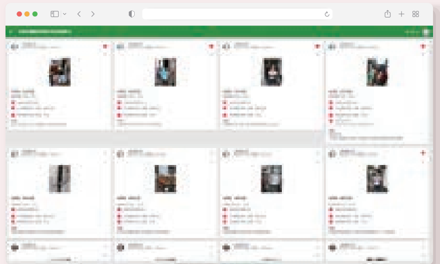
To address these issues, the Company collaborated with the Elder Welfare Concerned Association to launch the "Warm Homes" home renovation program for elderly residents in rural areas for the first time in 2025. **Six** volunteers visited **six** disadvantaged elderly residents' homes in Miaoli and assisted with installing waterproof covers for heating equipment, constructing metal roofing, cleaning water towers, adding piping systems, replacing lighting equipment, and replacing bed frames and mattresses. Through these improvements, the program comprehensively reduced household safety risks while enhancing hygiene, safety, and comfort, enabling elderly residents to once again feel secure and cared for in their homes.

2025 Warm Restaurant

To address the shortage of manpower and resources for meal delivery services for elderly individuals living alone in Miaoli, the Company has collaborated with the social enterprise "Silver Gate" for four consecutive years. In 2025, the Company sponsored more than **NT$1.47 million** to provide consistent meal delivery services to seniors in rural, underprivileged, and economically marginalized communities in Miaoli. This includes donating white and brown rice, sustainably caught fish, and nutritious food to elderly residents in remote mountainous areas such as Tai'an and Nanzhuang. In 2025, the program supported material donation programs across all townships in Miaoli County, as well as meal delivery services in Tongxiao Township, Yuanli Township, Zhunan Township, and Toufen City. Looking ahead, the Company hopes to gradually expand meal delivery coverage to all townships in Miaoli through collaboration with customers and suppliers. To further expand the scope of beneficiaries, the Company introduced a new immigrant home care program for the first time in 2025. In addition to gaining a more comprehensive understanding of the dietary and living conditions of elderly individuals in Miaoli, the initiative also created employment opportunities for new immigrants, fulfilling the dual value of elderly care and social inclusion.

NEW Home Care Services: The Company hired **five** new immigrant mothers to deliver **2,500** nutritious lunch boxes to **25** elderly individuals living alone served by the Puding Community Development Association in Houlong Township, Miaoli County, and the Southern Miaoli New Immigrant Family Service Center. In addition to delivering meals, they provided in-depth care and attention to the elderly individuals' living and dining conditions. Delivery logs were reported in real time through the mobile app "Online Meal Delivery and Care System", enabling social workers to monitor conditions and improve quality of care. The initiative also created employment opportunities for diverse groups and helped new immigrant partners strengthen their economic independence.

- Meal Delivery Service: Hired **15** single mothers and unemployed individuals as meal delivery ambassadors, distributing **19,135** nutritious meal boxes evaluated by dietitians to meet the health needs of the elderly. These ambassadors also check in on the seniors' health and living conditions and report their observations via an internal system for real-time tracking.
- White/Brown Rice Donations: Partnered with the social enterprise "Buy Nearby" to donate **1,800** kg of white rice and brown rice to senior community dining halls, fulfilling their basic nutritional needs.
- Sustainably Caught Fish Donations: Collaborated with the social enterprise "Fish Bar" to provide **105** kg of sustainably sourced fish to senior community dining halls. This addressed cost-related limitations that previously prevented elderly meal programs from purchasing quality fish, improving their diet quality.
- Food for the Elderly: In collaboration with National Taiwan University Hospital Hsinchu Branch and Chi Mei Medical Center, the Company provided **1,432** servings of liquid nutritional products for elderly individuals with chewing difficulties or poor kidney function. For elderly individuals capable of cooking, microwaveable nutritional meal products were provided instead.
- Online Meal Delivery and Care System: A digital platform was implemented to track meal delivery ambassador schedules and logs in real-time. This system enables timely monitoring of meal distribution and the physical and mental health of seniors. Meal delivery ambassadors can flag any needs for additional supplies or telemedicine services, which social workers can follow up on more efficiently. Additionally, social workers can use the platform to note individual dietary needs, allowing dietitians and kitchens to customize meals. The system can instantly match and dispatch backup personnel if a meal delivery ambassador becomes temporarily unavailable helping solve delivery staffing shortages in remote areas.



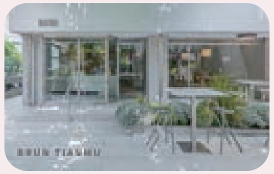
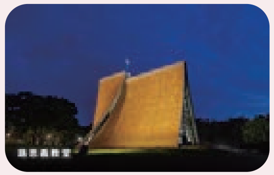
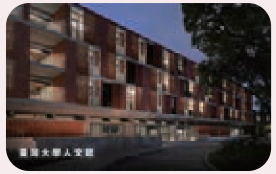
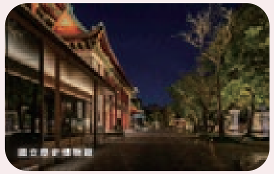
7.5 Coretronic Culture and Arts Foundation

As the integration of industry and the arts continues to grow, light, electricity, and technology have become vital elements in interdisciplinary artistic and cultural creations. To continue Coretronic's passion for "light", the Company established the "Coretronic Culture and Arts Foundation" in 2010. Bringing together professionals from various fields and leading figures in the arts and culture sector, the foundation has consistently promoted the aesthetics of light in the environment from diverse and in-depth perspectives. The foundation's mission has always been to highlight Taiwan's culture, promote light and shadow art, and enhance quality of life. It organizes a variety of cultural and artistic events across Taiwan, using light as a medium to connect culture with the environment, making light an integral part of everyday aesthetics. In 2025, the Foundation organized activities including the 8th "Taiwan Environment Lighting Award", the "Light Environment Excursion", and the "Light Lights Hsinchu", continuing its mission to promote the concept of environment lighting.

The 8th "Taiwan Environment Lighting Award"

Established in 2018, the "Taiwan Environment Lighting Award" has officially entered its 8th edition in 2025. Over the past eight years, an increasing number of partners have joined the movement to promote environment lighting, working together through diverse and profound designs to infuse new energy into spaces, improve the ways people interact with their environments, and enhance the quality of public life.

After nearly six months of preliminary review, secondary review, and on-site final evaluations conducted by the jury panel, the award ceremony was held on December 26, 2025, at the Cloud Gate Theater. This year, four projects — BRUN TIANMU, Luce Chapel, National Taiwan University Humanities Building, and National Museum of History stood out and received the Taiwan Environment Lighting Award. In addition, "FOMOLUX Enterprise Co., Ltd" and the "Nankang Connectivity Platform" received the "Outstanding Lighting Technology Award" and the "Special Jury Award", respectively, in recognition of their exceptional achievements.

Light and Landscape Symbiosis – Light Environment Tour

In 2025, the Foundation continued its focus on environment lighting by organizing two "Light and Landscape Symbiosis–Light Environment Tour" promotional events. For the first time, the events combined the two major themes of "lighting design" and "landscape design". Designers personally guided participants on-site, leading in-depth discussions on the logic and refined aesthetics behind lighting design, while allowing participants to experience how "light" can reinterpret the stories and atmosphere of public spaces.

The first tour visited the "Daxi Historical Light Corridor" and the "1895 War Memorial Park". The second tour visited the "Taipei Botanical Garden", "Bangka Lungshan Temple", and "Eslite Spectrum Xindian", covering a total of five environment lighting projects. Most participants had professional backgrounds in landscape architecture, architectural design, and related fields. Through on-site exchange with lighting designers, industry professionals gained a deeper understanding of the applications and value of lighting environments.



Light Lights Hsinchu - Capturing Lights & Shadows • Beipu Cultural Tour

Since 2016, the Foundation has collaborated with the Coretronic ESG Committee to organize the "Light Lights Hsin-chu" employee-exclusive light art workshops, engaging a total of **638** participants to date. In 2025, the Foundation collaborated with Citilens Ltd. to organize a one-day immersive cultural tour of Beipu. The event guided **65** employees and their family members to visit the Chiang A-Hsin Mansion, where participants gained deeper insights into its historical background, architectural craftsmanship, and the development of the tea industry. Participants also toured Beipu Old Street, walking from the Jin Guangfu Mansion to Zhongshu Hall, while learning about the cultural and historical development of Beipu through professional guided tours. The event concluded with a cyanotype workshop, where participants learned the principles of cyanotype printing and shading pattern design, ultimately creating unique cyanotype coasters. Through experiences ranging from historical architecture and street culture to creative hands-on activities, the program deepened employees' understanding of Beipu culture and achieved an event satisfaction score of **95**.



Chapter 8

Subsidiary Sustainability Performance

8.1 Coretronic Intelligent Cloud Service

Company Profile

- Organization Name: Coretronic Intelligent Cloud Service Corporation
- Year of Establishment: 2017
- Chairperson: Yunu Lin
- Headquarters: 6F, No. 11, Lixing Rd., Hsinchu Science Park, Hsinchu City 300094, Taiwan (R.O.C.)
- Number of Employees: 88 in total, with 65 male employees (74%) and 23 female employees (26%)
- Capital: NT$250 million
- Global Locations: Taiwan (Hsinchu)
- Main Products/Services: Assisting customers in digital transformation by providing consulting, planning, and implementation services for ERP infrastructure and related applications, hybrid cloud integration, cybersecurity, and AI innovation

Innovative Products and Technologies

Amid breakthroughs in AI technologies and the accelerating pace of digital transformation, Coretronic Intelligent Cloud Service actively promotes three core engines: cloud services, enterprise core system upgrades, and cloud-on-premises integration. In addition to assisting customers in digital transformation, the Company also integrates sustainability concepts into its core technologies and is committed to creating substantial contributions to the environment, society, and corporate governance.

- Environmental (E) – Achieving Green IT through Cloud Technologies and Advancing Sustainable Operations: Assisting enterprise customers in transitioning to cloud environments and optimizing their IT infrastructure to improve efficiency and reduce costs while lowering energy consumption and carbon footprints, thereby achieving low-carbon digital transformation.
- Social (S) – Empowering Employees and Customers through Digital Transformation to Create Shared Value: Providing modernized information environments, optimizing operational processes, enhancing employee productivity, and protecting data privacy to improve both employee performance and customer experience.
- Governance (G) – Driving Digital Resilience through AI and Implementing Transparent Governance: Leveraging innovative AI technologies to strengthen corporate governance and information security, improve ESG information transparency, and ensure operational stability and regulatory compliance.

Customer Service

- Customer service email: cics.service@coretronic-cics.com.tw
- Frontline sales staff regularly maintain positive communication with customers through in-person visits, phone calls, and other methods to monitor customer satisfaction with the Company's services. The Company will continue to improve service quality to enhance customer satisfaction.
- An official website and Facebook page have been established to allow customers to provide feedback and suggestions at any time.

Supply Chain

- Number of suppliers: 109 in total (105 domestic, 4 overseas; all are non-production material suppliers)
- Local procurement ratio by amount: 49% in Taiwan, 51% outside Taiwan
- Requiring Suppliers to Adhere to and Sign the "Integrity Commitment": Except for listed companies registered in Taiwan/the place of establishment and their subsidiaries with more than 50% ownership, affiliates of the Group, those that have announced compliance with relevant integrity commitment requirements on their official websites, those that have signed procurement contracts containing integrity commitment clauses, those with annual transaction amounts below a certain amount, and customer-designated suppliers, all suppliers are required to sign the "Integrity Commitment". The signing rate reached 78% in 2025.

Social

- In compliance with the Responsible Business Alliance Code of Conduct (RBA CoC), the Company explicitly commits to treating and respecting workers with fairness and equality and complying with all applicable government laws and regulations. In addition to prohibiting child labor, clear guidelines are established for employee recruitment. Recruitment, evaluation, hiring, placement, performance appraisal, promotion, training, benefits, and retirement are all handled under the principles of fairness, impartiality, openness, and reasonableness, without discrimination based on age, gender, race, ethnicity, political affiliation, or pregnancy.
- Prohibition of child labor
- No forced labor
- No violations of environmental, labor, economic, or human rights regulations occurred.
- "Human Rights and Social Responsibilities Policy Course": This course is mandatory for all employees and covers topics including the "Human Rights and Social Responsibilities Policy", "Human Rights and Unconscious Bias Training", and "Prevention of Workplace Discrimination and Harassment". All employees are required to complete the course and sign the "Human Rights and Social Responsibilities Policy". Both the training completion rate and policy signing rate reached 100%.
- Anti-Corruption Training – "Ethical Corporate Management Awareness Course": This mandatory course for all employees covers the "Ethical Corporate Management Best Practice Principles", "Code of Conduct for Employees", "Trade Secret Protection", and "Insider Trading Regulations and Case Analysis". Employees are required to complete the course videos, achieve a score of 80 or above on the post-training assessment, and sign the "Ethical Corporate Management Best Practice Agreement". Both the training completion rate and signing rate reached 100%.
- Sustainability Training – "Leading Sustainability, Shaping the Future": To strengthen sustainability awareness among all employees, the Company established an annual mandatory sustainability course introducing key sustainability terminology and definitions, stakeholders and material topics, domestic and international initiatives and policy developments, the Company's two sustainability organizations and their respective responsibilities, product life cycle assessment, and the Group's green product management policy. Employees are required to complete the course videos and achieve a score of 80 or above on the post-training assessment. The training completion rate reached 100%.

Material Topics

Material Topics	Strategies	2025 Goals	2025 Performance	2026 Goals
Occupational Health and Safety	• Establish an occupational safety and health management unit in accordance with ISO 45001 to plan, supervise, and promote occupational safety and health-related activities • Conduct annual fire safety and civil defense training to implement disaster prevention concepts and enhance emergency response capabilities	• 0 occupational injury incidents • 0 occupational injury incidents among contractors	• Disaster prevention and emergency response training: 6 participants, with a total of 36 training hours; participated in 1 Group emergency response drill • Work-related fatality rate: 0% • Rate of severe occupational injuries (excluding fatalities): 0% • Recordable occupational injury rate: 0% • Occupational disease incident rate: 0% • Number of occupational injury incidents: 0	• 0 occupational injury incidents • 0 occupational injury incidents among contractors
Compensation and Benefits	• Set a competitive compensation structure based on market salary analysis • Provide performance-based incentive compensation levels	Continuously update company policies in response to amendments to the Labor Standards Act and conduct internal communications accordingly	Average starting salary for new employees: • Bachelor's degree with no experience: approx. 59% higher than the statutory minimum wage • Master's degree with no experience: approx. 84% higher than the statutory minimum wage • PhD degree with no experience: approx. 113% higher than the statutory minimum wage	Continuously update company policies in response to amendments to the Labor Standards Act and conduct internal communications accordingly
Economic Performance	Aligned with Coretronic; please refer to Section 1.2 Operating Overview of this Report			
Information Security	Aligned with Coretronic; please refer to Section 3.3 Information Security and Privacy Protection of this Report			
Prohibition of Child Labor	In compliance with Coretronic's "Human Rights and Social Responsibilities Policy"	• Prohibit the employment of workers under the age of 16 • 95% completion rate for the "Human Rights Policy Course" • 95% signing rate for the "Coretronic Human Rights Code"	• No employment of workers under the age of 16 • Completion rate for the "Human Rights and Social Responsibilities Policy Course": 100% • Signing rate for the "Human Rights and Social Responsibilities Policy": 100%	• Prohibit the employment of workers under the age of 16 • 100% completion rate for the "Human Rights and Social Responsibilities Policy Course" • 100% signing rate for the "Human Rights and Social Responsibilities Policy"

Material Topics	Strategies	2025 Goals	2025 Performance	2026 Goals
Climate Change	Aligned with Coretronic; please refer to Section 4.1 Nature and Climate Management of this Report			
Prohibition of Forced Labor	In compliance with Coretronic's "Human Rights and Social Responsibilities Policy"	• Prohibit forced labor • 95% completion rate for the "Human Rights Policy Course" • 95% signing rate for the "Coretronic Human Rights Code"	• No incidents of forced labor • Completion rate for the "Human Rights and Social Responsibilities Policy Course": 100% • Signing rate for the "Human Rights and Social Responsibilities Policy": 100%	• Prohibit forced labor • 100% completion rate for the "Human Rights and Social Responsibilities Policy Course" • 100% signing rate for the "Human Rights and Social Responsibilities Policy"
Labor-Management Relations	• Hold quarterly labor-management and employee welfare committee meetings • Establish diverse and open two-way communication channels • Notify employees of any major operational changes at least four weeks in advance	Hold labor-management meetings each quarter to enhance labor-management relations	• Number of quarterly labor-management meetings: 4 • Number of quarterly Employee Welfare Committee meetings: 4 • Number of labor and human rights complaints: 0	Hold labor-management meetings each quarter to enhance labor-management relations
Innovative R&D Management	• Leverage ESG to drive AI innovation and digital transformation by utilizing AI to enhance corporate IT/MIS upgrades, data governance, cybersecurity, and internal risk control, thereby improving organizational resilience and governance performance • Promote the upgrade of core enterprise systems to facilitate the digital transformation of ERP, EIP, BI, and other critical operational systems, ensuring high efficiency, security, and flexibility • Implement digital governance through AI technologies to enhance data application capabilities, optimize decision-making support, and help enterprises adapt to rapidly changing market environments • Promote hybrid cloud architecture to achieve platform flexibility and create a sustainable computing environment • Reduce supply chain and operational carbon footprints through optimized energy management of cloud data centers while treating data privacy and compliance as the foundation of sustainable operations	• Expand AI and digital transformation success cases, deepen the application of AI in core enterprise operational systems, and help more companies improve data-driven decision-making, IT infrastructure optimization, and intelligent cybersecurity • Accelerate the upgrade of key enterprise systems, promote the practical application of AI technology, and drive intelligent business operations, comprehensively enhancing system collaboration and operational efficiency while empowering customers with stronger data capabilities • Strengthen AI R&D and ESG digital governance applications, enhance the role of AI in enterprise risk control, data governance, cybersecurity, and intelligent decision support, ensuring that digital transformation and ESG develop in parallel • Integrate AI with hybrid cloud architecture. Use AI to predict ESG risks and ensure compliance and sustainability; centrally manage ESG data to improve report accuracy and decision-making efficiency; optimize cloud resource utilization through AI to reduce carbon emissions; prioritize data centers powered by renewable energy	• Provided AI-driven digital transformation solutions to assist enterprises with "Cloud Construction", "Cloud Operation and Maintenance", and "Cloud Applications", achieving key breakthroughs in IC manufacturing, technology industries, gaming, and e-commerce, thereby enhancing data management capabilities and operational efficiency • Successfully promoted digital transformation and ESG-related projects for domestic enterprises, including: ■ Assisting customers in seamlessly migrating ERP systems to the cloud, reducing server energy consumption by approximately 20% ■ Implementing intelligent information security solutions, reducing customers' average incident response time by 30% ■ Optimizing internal business travel application processes through AI, reducing paper consumption and administrative processing time • Key operational benefits from data integration and AI optimization: ■ Automated monthly financial reporting, reducing manual processing time ■ Improved cross-departmental data query and collaboration efficiency by 25% following the implementation of BI analytics • Total of 72 R&D personnel, accounting for 82% of total employees • R&D expenditure accounted for 11% of total revenue	• Expand market influence by introducing AI-driven ESG solutions to at least five benchmark customers, covering data-driven decision-making, IT infrastructure optimization, and intelligent cybersecurity • Deepen core technologies by completing the development of AI-enabled ESG-related system modules and introducing them to internal operational facilities for testing before the end of the year to strengthen AI applications in risk management, data governance, cybersecurity, and intelligent decision support • Achieve green operations by launching the "Hybrid Cloud for AI Infrastructure" project, reducing carbon emissions, lowering the Power Usage Effectiveness (PUE) of proprietary cloud data centers by 3%, prioritizing service providers that use renewable energy, and incorporating renewable energy usage into green procurement evaluation criteria • Establish innovative governance mechanisms by using AI analytics tools to identify ESG risks at an early stage of projects, proactively optimize sustainable design, and integrate governance into R&D processes to ensure compliance and sustainability
Friendly Workplace	Maintain employees' physical and mental well-being, enhance their sense of belonging, and strengthen employer brand	Foster a work environment of gender equality and diversity, free from discrimination and harassment	New hire rate: 11.36% Turnover rate: 13.64% Parental leave return-to-work and retention rate: Not applicable (no applications during the reporting period)	Foster a work environment of gender equality and diversity, free from discrimination and harassment
Sustainable Supply Chain Management	Require suppliers to sign the "Integrity Commitment"	"Integrity Commitment" signing rate: 80%	"Integrity Commitment" signing rate: 78%	"Integrity Commitment" signing rate: 80%
Talent Cultivation	Cultivate high-quality talent by aligning operational needs with practical and theoretical training to unlock employee potential	• Consolidate Coretronic resources and diverse learning platforms, providing employees with both digital and in-person training opportunities • 100% of full-time employees receive regular performance evaluations, which serve as the basis for promotions	• Average training hours per employee: 6.33 hours • Performance evaluation participation rate: 100%	• Consolidate Coretronic resources and diverse learning platforms, providing employees with both digital and in-person training opportunities • 100% of full-time employees receive regular performance evaluations, which serve as the basis for promotions

8.2 Coretronic Intelligent Robotics

Company Profile

- Organization Name: Coretronic Intelligent Robotics Corporation
- Year of Establishment: 2017
- Chairperson: Ann Wu
- Headquarters: 4F, No. 11, Lixing Rd., Hsinchu Science Park, Hsinchu City 300094, Taiwan (R.O.C.)
- Number of Employees: 257 in total, with 195 male employees (76%) and 62 female employees (24%)
- Capital: NT$330 million
- Global Operating and Production Locations: Taiwan (Hsinchu, Miaoli)
- Main Products/Services: development, manufacturing, sales, and services of intelligent unmanned aerial vehicles (UAVs)
- Honors:
  - ✓ Completed two major contracts for military-grade commercial light-weight UAVs and surveillance UAVs
  - ✓ Received the 21st "Taiwan Golden Root Award" from the Taiwan Industry Technology Association
  - ✓ Received the "Top Ten Potential Enterprises Award" and the "Innovation Design of the Year Award" at the 19th Golden Torch Awards presented by the Outstanding Enterprise Manager Association
- Participated Association:
  - ✓ Taiwan Excellence Drone International Business Opportunities Alliance (TEDIBOA), serving as co-chair
  - ✓ Unmanned Aircraft Systems Team of Taiwan (UAS Taiwan)
  - ✓ Taiwan National Drone Industry Association (TNDIA), serving as director
  - ✓ Taiwan Defense Industry Development Association (TW-DIDA)

Innovative Products and Technologies

Starting from core technologies such as aircraft design, flight control, AI, and system integration, our UAVs are equipped with high-speed computing and sensing control platforms. By combining automation with application-specific technologies, the Company has successively developed intelligent autonomous security drone solutions, omnidirectional visual obstacle-avoidance drone solutions, long-range VTOL reconnaissance solutions, and military-grade commercial ISR drone solutions, enhancing both the commercial application value and dual-use potential of our UAVs for military and civilian purposes.

Omnidirectional Visual Obstacle-Avoidance Drone Solution

Key UAV visual navigation modules and technologies have been developed to provide an omnidirectional visual autonomous obstacle-avoidance and navigation solution for operations in GNSS-denied environments and indoor flight inspection applications, meeting the needs of both civilian and defense sectors.

Long-Range VTOL Drone Solution

This drone features Vertical Takeoff and Landing (VTOL) capability, enabling rapid deployment across diverse terrains without the need for a runway. The aircraft is equipped with an EO/IR imaging system and a triple-sensor payload integrating electro-optical, infrared, and laser range-finding capabilities, with a flight range exceeding 300 km. The drone also incorporates advanced anti-jamming technologies and an AI-powered target recognition system to ensure real-time data transmission and support highly accurate target acquisition and surveillance missions.

Military-Grade Commercial Drone Solution

From core components (including flight control modules, remote controllers, and payload systems) to AI-based target acquisition and tracking algorithms, flight control software, and remote controller firmware, all technologies have been independently developed in-house. The products not only eliminate reliance on the China-based supply chain but also achieve a localization rate of over 98%, meeting the requirements for rapid transition between peacetime and wartime operations as well as efficient maintenance and support. By 2025, cumulative deliveries of lightweight and surveillance UAV models had exceeded 3,000 units. The Company successfully completed two major contracts for military-grade commercial drones.

Customer Service

- Customer service hotline: +886-809-084088
- Official LINE support: @circ_drone
- Customer service email: service.circ@coretronic-robotics.com, service.drone@coretronic-robotics.com
- Overseas market customer service email: Japan (jp.circ@coretronic-robotics.com), Europe (eu.circ@coretronic-robotics.com)
- Frontline sales representatives regularly maintain effective communication with customers through in-person visits, phone calls, and other methods to understand customer satisfaction with our services. Continuous improvement of service quality will be pursued to enhance customer satisfaction.
- Latest updates and customer feedback are facilitated through the official website, LinkedIn page, and YouTube channel.

Supply Chain

- Number of suppliers: 191 in total (163 domestic, 28 overseas)
- Supplier evaluation–annual audits: 5 suppliers in the mass production stage were randomly selected and jointly audited by the procurement, engineering, and quality assurance departments. Audit criteria included delivery schedules, R&D capabilities, and quality control. The passing score is 70. In 2025, all 5 suppliers scheduled for audit were audited, achieving both an audit rate and a passing rate of 100%.
- Sign the "Sustainability Commitment Statement": All suppliers of production materials are required to sign the "Sustainability Commitment Statement". In 2025, a total of 15 suppliers completed the signing process.
- Local procurement ratio by amount: 57% in Taiwan, 43% outside Taiwan

Environmental

▶ Waste Management

Coretronic Intelligent Robotics continues to maintain ISO 14001 Environmental Management System certification. It reviews every stage of the product life cycle, including waste generation, disposal, treatment, and recycling, and adopts systematic management to implement waste reduction measures. Audit plans are developed to prevent legal violations or environmental risks resulting from improper handling. In 2025, efforts were focused on enhancing waste management, enforcing classification controls, and promoting packaging reuse.

Waste is categorized based on environmental impact into hazardous and non-hazardous waste. Non-hazardous waste is further classified into household waste, recyclable materials, reusable waste, and general industrial waste, and is managed according to its method of disposal. Excluding household and recyclable waste, all other waste originates from manufacturing processes. In 2025, the total waste generated was 27.609 metric tons, with hazardous waste accounting for 1%, non-hazardous waste directly disposed of accounting for 40%, and non-hazardous waste recycled accounting for 59%.

Unit: metric tons

Category	Item	2025
Hazardous Waste[1]	Direct Disposal—Incineration Only	0.28
	Direct Disposal—Other Disposal Operations	0.005
	Recycle—Reuse for Original Purpose	0
	Recycle—Recycling and Resource Recovery	0
	Total	**0.285**
Non-Hazardous Waste[2]	Direct Disposal—Incineration Only	11.015
	Direct Disposal—Landfill	0
	Direct Disposal—Other Disposal Operations	0.004
	Recycle—Reuse for Original Purpose	0
	Recycle—Recycling and Resource Recovery	16.305
	Total	**27.324**
Total Waste Generation		**27.609**
Waste Generation Intensity (metric tons per NT$ million)[3]		**0.012**

1: It refers to electronic and other waste classified as hazardous by local environmental authorities during the disposal stage. They are collected and classified according to their hazard characteristics, and then handed over to certified disposal companies for processing.
2: It refers to household waste, unclassified combustible general industrial waste, waste plastics, wastepaper, waste metals, and officially designated recyclable and resource recovery waste. Recyclable and resource recovery waste is collected by local qualified recycling companies for recycling and reuse. Other waste is disposed of by qualified disposal companies and transported to processing plants according to waste disposal methods.
3: Revenue coverage: Coretronic Intelligent Robotics
4: All generated waste is transported by qualified waste collection companies to qualified processing plants for disposal, and no disposal transfer occurs.
5: Waste generation, transfer, and disposal data are sourced from the Ministry of Environment (MOE) Industrial Waste Reporting and Management Information System and internal management systems; recycling and resource recovery data are from on-site records and accounting records.

Social

- Non-discrimination: In compliance with the Responsible Business Alliance Code of Conduct (RBA CoC), the Company explicitly commits to treating and respecting workers with fairness and equality and complying with all applicable government laws and regulations. In addition to prohibiting child labor, clear guidelines are established for employee recruitment. Recruitment, evaluation, hiring, placement, performance appraisal, promotion, training, benefits, and retirement are all handled under the principles of fairness, impartiality, openness, and reasonableness, without discrimination based on age, gender, race, ethnicity, political affiliation, or pregnancy.
- Prohibition of child labor
- No forced labor
- No violations of environmental, labor, economic, or human rights regulations occurred.
- "Human Rights and Social Responsibilities Policy Course": This course is mandatory for all employees and covers topics including the "Human Rights and Social Responsibilities Policy", "Human Rights and Unconscious Bias Training", and "Prevention of Workplace Discrimination and Harassment". All employees are required to complete the course and sign the "Human Rights and Social Responsibilities Policy". In 2025, the training completion rate reached 99.6%, and the policy signing rate reached 92%, representing increases of 24.6% and 17%, respectively, compared to the previous year.
- Anti-Corruption Training—"Ethical Corporate Management Awareness Course": This mandatory course for all employees covers the "Ethical Corporate Management Best Practice Principles", "Code of Conduct for Employees", "Trade Secret Protection", and "Insider Trading Regulations and Case Analysis". Employees are required to complete the course videos, achieve a score of 80 or above on the post-training assessment, and sign the "Ethical Corporate Management Best Practice Agreement". Both the training completion rate and the signing rate reached 92%, representing an increase of 17% compared to the previous year.
- Sustainability Training—"Leading Sustainability, Shaping the Future": To strengthen sustainability awareness among all employees, the Company established an annual mandatory sustainability course introducing key sustainability terminology and definitions, stakeholders and material topics, domestic and international initiatives and policy developments, the Company's two sustainability organizations and their respective responsibilities, product life cycle assessment, and the Group's green product management policy. Employees are required to complete the course videos and achieve a score of 80 or above on the post-training assessment. The completion rate reached 92%, representing an increase of 17% compared with the previous year.

Material Topics

Material Topics	Strategies	2025 Goals	2025 Performance	2026 Goals
Occupational Health and Safety	• Establish an occupational safety and health management unit in accordance with ISO 45001 to plan, supervise, and promote occupational safety and health-related activities • Conduct annual fire safety and civil defense training to reinforce disaster prevention concepts and enhance emergency response capabilities	• Fewer than 3 occupational injury incidents • 0 occupational injury incidents among contractors • Promote "workplace safety" awareness and remind employees to verify workplace safety before commencing work to prevent injuries	• Disaster prevention and emergency response training: 15 participants, with a total of 72 training hours; participated in 1 group emergency response drill • Work-related fatality rate: 0% • Severe occupational injuries rate (excluding fatalities): 0% • Recordable occupational injury rate: 0% • Occupational disease incident rate: 0% • Number of occupational injury incidents: 0	• 0 occupational injury incidents • 0 occupational injury incidents among contractors • Strengthen "workplace safety" awareness and remind employees to verify workplace safety before commencing work to prevent injuries
Compensation and Benefits	• Set a competitive compensation structure based on market salary analysis • Provide performance-based incentive compensation levels	Continuously update company policies in response to amendments to the Labor Standards Act and conduct internal communications accordingly	• Starting salaries for R&D personnel with a master's degree were higher than the technology industry average • Average salary adjustment rate: 3%–5%	Continuously update company policies in response to amendments to the Labor Standards Act and conduct internal communications accordingly
Economic Performance	Aligned with Coretronic; please refer to Section 1.2 Operating Overview of this Report			
Information Security	Aligned with Coretronic; please refer to Section 3.3 Information Security and Privacy Protection of this Report			
Prohibition of Child Labor	In compliance with Coretronic's "Human Rights and Social Responsibilities Policy"	• Prohibit the employment of workers under the age of 16 • 100% completion rate for the "Human Rights Policy Course" • 100% signing rate for the "Coretronic Human Rights Code"	• No employment of workers under the age of 16 • Completion rate for the "Human Rights and Social Responsibilities Policy Course": 99.6% • Signing rate for the "Human Rights and Social Responsibilities Policy": 92%	• Prohibit the employment of workers under the age of 16 • 100% completion rate for the "Human Rights and Social Responsibilities Policy Course" • 100% signing rate for the "Human Rights and Social Responsibilities Policy"
Climate Change	Aligned with Coretronic; please refer to Section 4.1 Nature and Climate Management of this Report			

Material Topics	Strategies	2025 Goals	2025 Performance	2026 Goals
Prohibition of Forced Labor	In compliance with Coretronic's "Human Rights and Social Responsibilities Policy"	• Prohibit forced labor • 100% completion rate for the "Human Rights Policy Course" • 100% signing rate for the "Coretronic Human Rights Code"	• No incidents of forced labor • Completion rate for the "Human Rights and Social Responsibilities Policy Course": 99.6% • Signing rate for the "Human Rights and Social Responsibilities Policy": 92%	• Prohibit forced labor • 100% completion rate for the "Human Rights and Social Responsibilities Policy Course" • 100% signing rate for the "Human Rights and Social Responsibilities Policy"
Labor-Management Relations	• Hold quarterly labor-management and Employee Welfare Committee meetings • Notify employees of any major operational changes at least four weeks in advance	Build consensus through labor-management meetings and continuously improve the work environment and quality based on employee feedback	• Number of quarterly labor-management meetings: 4 • Number of quarterly Employee Welfare Committee meetings: 4 • Number of labor and human rights complaints: 0	Build consensus through labor-management meetings and continuously improve the work environment and quality based on employee feedback
Innovative R&D Management	Based on advanced technologies such as image recognition, artificial intelligence, high-speed computing, and control systems, combined with the parent company's expertise in optics, mechanical design, thermal management, and electronics, CiRC develops core robotic technologies including human-machine interaction, motion control, intelligent recognition, sensor fusion, and navigation. These innovations support the provision of comprehensive intelligent commercial robotics solutions.	**Market Development** • Continue the development and expansion of domestic military-grade commercial and military-spec drone product markets, as well as dual-use drones for military and civilian purposes • Received defense procurement contracts for dual-sensor, triple-sensor payloads, and two military-grade commercial drones • Mass production of drones equipped with FLIR sensors, sold to Australia; launch new remote controller and payload ODM projects • Expand into Japanese and European markets **Technology Development and Certification** • Develop the RB5 computing platform and establish new technologies for intelligent obstacle avoidance and AI navigation • Drones obtain CE and EU ESEA Level 2 certification	**Intelligent and Automated Drone** • Military applications: Delivered more than 3,000 units of two military-grade commercial drones to military customers • Expanded development of UAVs, payloads, and remote controllers, focusing on the U.S. non-China market. **R&D Investment** • Total R&D personnel: 150 (58% of total employees) • R&D expenses accounted for 15% of annual revenue • 17 patents filed; 4 patents granted	**Market Development** • Continuously develop new products and expanded opportunities in domestic government procurement projects. • Received defense procurement contracts for dual-sensor, triple-sensor payloads, and drones • Expand into Japanese and European markets **Technology Development and Certification** • Develop a high-speed computing platform and establish GNSS-denied navigation technologies • Obtain BSMI and Civil Aviation Administration's Type Validation Approval of Drone
Friendly Workplace	Maintain employees' physical and mental well-being, enhance their sense of belonging, and shape a strong employer brand	Promote family travel planning through the annual leave scheduling system and enhance employee health and fitness awareness	• New hire rate: 49% • Turnover rate: 17% • Parental leave reinstatement rate: Not applicable (no applications during the reporting period) • Parental leave retention rate: Not applicable (no applications during the reporting period)	• Promote family travel planning through the annual leave scheduling system and enhance employee health and fitness awareness • HR will conduct regular retention interviews to understand employees' work and development needs and provide timely support when necessary
Sustainable Supply Chain Management	Conduct annual audits of five suppliers selected from those that have entered the mass-production stage	• Require all eligible suppliers to sign the "Sustainability Commitment Statement" • Annual audit: 100% audit rate, 80% passing rate	• 15 suppliers signed the "Sustainability Commitment Statement" • Five suppliers underwent annual audits, achieving both a 100% audit rate and a 100% passing rate	• Require all eligible suppliers to sign the "Sustainability Commitment Statement" • Annual audit: 100% audit rate, 100% passing rate
Talent Cultivation	Cultivate high-quality talent by aligning operational needs with practical and theoretical training to unlock employee potential	• Develop talent in innovation, R&D, engineering, and manufacturing • Enhance coaching leadership, critical thinking, and communication skills	• Average training hours per employee: 16.2 hours, an increase of 11.4 hours compared to the previous year • Performance evaluation participation rate: 99%	• Develop talent in innovation, R&D, engineering, and manufacturing • Strengthen managerial leadership capabilities • Enhance the application of AI technologies

Appendix

AA1000 and SASB Assurance Statement

GRI Content Index

SASB Standards

Taiwan Sustainable Taxonomy

TPEx Sustainability Disclosure Indicators – Optoelectronics industry

Climate-Related Information of TWSE/TPEx-Listed Companies

TCFD Disclosure Index

United Nations Global Compact Index

AA1000 and SASB Assurance Statement [2-5]

GRI Content Index

Statement of Use	To publish the *2025 Sustainability Report*, Coretronic has reported the content for the period from January 1 to December 31, 2025 following the "GRI Standards".
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Industry Standards	The Company does not have any industry standards to follow

GRI Standards	Disclosure Content	Corresponding Sections	Page Number	Omission/Note
General Disclosures				
GRI 2: General Disclosures 2021	2-1 Organizational details	1.1	13, 16	
	2-2 Entities included in the organization's sustainability reporting	Introduction, 2.3	3, 38	
	2-3 Reporting period, frequency and contact point	Introduction	3	
	2-4 Restatements of information	Section 4.3 Environmental Resource Management – Page 74 of this Report		

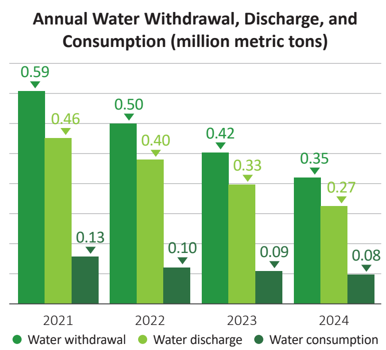
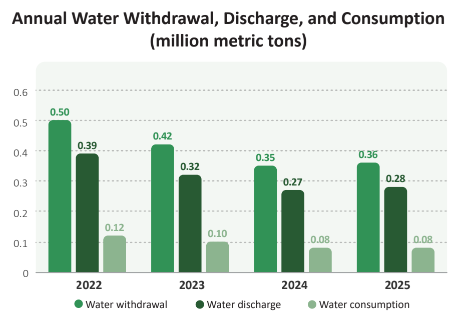
Before Correction	After Correction	Reason for Revision
		The water discharge and water consumption data for 2022–2023 were revised due to rounding adjustments.
See table A below	See table B below	The water-saving volume and recycled water volume for 2024 were revised due to rounding adjustments.

Table A (Before Correction):

Region	Taiwan	Taiwan and China		
Item/Year	2021	2022	2023	2024
Water Saved (metric tons)	16,822	27,956	30,297	26,928
Water Recycled (metric tons)	7,254	14,247	17,580	15,623
Water Recycled and Saved (metric tons)	24,076	42,203	47,877	42,551
Carbon Reduction (tCO2e)[1]	3.9	197.1[2]	7.9	6.9

Table B (After Correction):

Item/Year	2022	2023	2024
Water Saved (metric tons)	27,956	30,297	26,929
Water Recycled (metric tons)	14,247	17,580	15,622
Water Recycled and Saved (metric tons)	42,203	47,877	42,551
Carbon Reduction (tCO_2e)[1]	197.1	7.9	6.9

GRI Standards	Disclosure Content	Corresponding Sections	Page Number	Omission/Note
GRI 2: General Disclosures 2021	2-5 External assurance	Introduction, Assurance Statement	4, 153	
	2-6 Activities, value chain and other business relationships	1.1 ~ 1.2, 2.3, 5.1	13, 16, 18, 38, 86	
	2-7 Employees	6.1	97	

GRI Standards	Disclosure Content	Corresponding Sections	Page Number	Omission/Note
GRI 2: General Disclosures 2021	2-8 Workers who are not employees	6.1	97	
	2-9 Governance structure and composition	2.2, 3.1	31, 45–46, 48	
	2-10 Nomination and selection of the highest governance body	3.1	46	
	2-11 Chair of the highest governance body	3.1	46	
	2-12 Role of the highest governance body in overseeing the management of impacts	2.2, 2.3, 3.1	31, 33, 45	
	2-13 Delegation of responsibility for managing impacts	2.2	31	
	2-14 Role of the highest governance body in sustainability reporting	2.2, 2.3	31, 33	
	2-15 Conflicts of interest	Section 3.1 Governance Organization – Page 47 of this Report; Page 6 of the 2025 Annual Report		
	2-16 Communication of critical concerns	3.1	45	
	2-17 Collective knowledge of the highest governance body	3.1	47	
	2-18 Evaluation of the performance of the highest governance body	3.1	47, 48	
	2-19 Remuneration policies	3.1	48	
	2-20 Process to determine remuneration	3.1, 6.3	48, 108	
	2-21 Annual total compensation ratio	• Ratio of the annual total compensation of the highest-paid individual to the median annual total compensation for all other employees (excluding the highest-paid individual) at Taiwan plants: 15.3% • The percentage change in the ratio of the annual total compensation of the highest-paid individual to the median annual total compensation of all other employees (excluding the highest-paid individual) at Taiwan plants:-15.5% • Data explanation: Calculation was based on the 2025 salaries, bonuses, stock awards, stock options, non-equity incentive plan compensation, and retirement benefits of full-time employees at Taiwan plants		
	2-22 Statement on sustainable development strategy	Letter from the Chairman	5	
	2-23 Policy commitments	1.1, 2.1 ~ 2.3, 6.2	13, 29, 31, 33, 101–102	
	2-24 Embedding policy commitments	1.1, 2.1 ~ 2.3, 6.2	13, 29, 31, 33, 101–102	
	2-25 Processes to remediate negative impacts	3.4, 6.2, 6.4	57, 103–105, 115–118	
	2-26 Mechanisms for seeking advice and raising concerns	3.4, 5.1, 6.2, 6.4	57, 87, 103–105, 115–118	
	2-27 Compliance with laws and regulations	Coretronic had no material violations of laws or regulations in 2024 and 2025. The only non-compliance incident in 2025 was a water resource–related violation, which resulted in a fine of NT$14,000. For details of the incident and the corresponding corrective actions, please refer to Section 4.3 Environmental Resource Management – Page 75 of this Report.		
	2-28 Membership associations	1.1	15–16	
	2-29 Approach to stakeholder engagement	1.4, 2.3, 5.1 ~ 5.3, 6.4	25, 33–35, 87, 89–95, 115–118	
	2-30 Collective bargaining agreements	6.3	108	

GRI Standards	Disclosure Content	Corresponding Sections	Page Number	Omission/Note
Material Topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	2.3	33	
	3-2 List of material topics		37	
★ Occupational Health and Safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	2.3, 6.6	40, 126	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	6.7	129	
	403-2 Hazard identification, risk assessment, and incident investigation	6.7	129, 131–132	
	403-3 Occupational health services	6.6	127	
	403-4 Worker participation, consultation, and communication on occupational health and safety	6.7	130	
	403-5 Worker training on occupational health and safety	6.7	130	
	403-6 Promotion of worker health	6.6	128	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	6.7	129–132	
	403-8 Workers covered by an occupational health and safety management system	6.7	129	
	403-9 Work-related injuries	6.7	131–132	
	403-10 Work-related ill health	6.6	127	
★ Compensation and Benefits				
GRI 3: Material Topics 2021	3-3 Management of material topics	2.3, 6.3	40, 106	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	6.3	108	
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men			The total compensation ratio is considered confidential information and is therefore not disclosed at this time.
★ Economic Performance				
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2, 2.3	17, 43	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	1.2	18	
	201-2 Financial implications and other risks and opportunities due to climate change	4.1	63–65	
	201-3 Defined benefit plan obligations and other retirement plans	6.3	111	
★ Information Security				
GRI 3: Material Topics 2021	3-3 Management of material topics	2.3, 3.3	40, 53	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.3	53, 56	

GRI Standards	Disclosure Content	Corresponding Sections	Page Number	Omission/Note
★ Prohibition of Child Labor				
GRI 3: Material Topics 2021	3-3 Management of material topics	2.3, 6.2	41, 99	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	6.2	101	
★ Climate Change				
GRI 3: Material Topics 2021	3-3 Management of material topics	2.3, 4.1	39, 59	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	4.1	68	
	302-3 Energy intensity			
	302-4 Reduction of energy consumption			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	4.1	66–67	
	305-2 Energy indirect (Scope 2) GHG emissions			
	305-3 Other indirect (Scope 3) GHG emissions			
	305-4 GHG emissions intensity			
	305-5 Reduction of GHG emissions			
★ Prohibition of Forced Labor				
GRI 3: Material Topics 2021	3-3 Management of material topics	2.3, 6.2	41, 100	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	6.2	101	
★ Labor-Management Relations				
GRI 3: Material Topics 2021	3-3 Management of material topics	2.3	42, 115	
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	• Taiwan plants: Employees are informed at least four weeks in advance • China plants: All matters are handled in accordance with local regulations		
★ Innovative R&D Management				
GRI 3: Material Topics 2021	3-3 Management of material topics	1.3, 2.3	20–21, 43	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	1.2	18	
	201-4 Financial assistance received from government	1.2	18	
Core PR1: Innovation R&D Management	PR1-1 Key technologies and innovative products	1.3	22–23	

GRI Standards	Disclosure Content	Corresponding Sections	Page Number	Omission/Note
★ Friendly Workplace				
GRI 3: Material Topics 2021	3-3 Management of material topics	2.3, 6.3	42, 107	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	6.1	98	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part- time employees	6.3	109–110	
	401-3 Parental leave	6.3	111	
★ Green Process and Product Management				
GRI 3: Material Topics 2021	3-3 Management of material topics	2.3, 4.4	39, 76	
GRI 302: Energy 2016	302-5 Reductions in energy requirements of products and services	4.4	79	
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	4.4	79	
★ Sustainable Supply Chain Management				
GRI 3: Material Topics 2021	3-3 Management of material topics	2.3, 5.1	43, 87	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	5.2	91–93	
	308-2 Negative environmental impacts in the supply chain and actions taken			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria			
	414-2 Negative social impacts in the supply chain and actions taken			
★ Talent Cultivation				
GRI 3: Material Topics 2021	3-3 Management of material topics	2.3, 6.5	42, 119	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	6.5	120	
	404-2 Programs for upgrading employee skills and transition assistance programs		111	
	404-3 Percentage of employees receiving regular performance and career development reviews		125	

SASB Standards

Industry Category: Hardware

<table>
<tr><th>Topic</th><th>Code</th><th>Metric</th><th>Corresponding Section/Omission Reasons</th><th>Page Number</th></tr>
<tr><td>Product Security</td><td>TC-HW-230a.1</td><td>Description of approach to identifying and addressing data security risks in products</td><td>3.3 Information Security and Privacy Protection</td><td>53–56</td></tr>
<tr><td>Employee Diversity and Inclusion</td><td>TC-HW-330a.1</td><td>Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) technical employees and (d) all other employees</td><td>
<table>
<tr><th>Category/Gender</th><th>Male</th><th>Female</th></tr>
<tr><td>Executive management (senior executives)</td><td>67%</td><td>33%</td></tr>
<tr><td>Non-executive management (middle and entry-level managers)</td><td>69%</td><td>31%</td></tr>
<tr><td>Technical employees (R&D and production personnel)</td><td>63%</td><td>37%</td></tr>
<tr><td>All other employees (sales and administrative personnel)</td><td>27%</td><td>73%</td></tr>
</table>
<table>
<tr><th>Category/Gender</th><th>Below 30</th><th>30–50</th><th>Above 50</th></tr>
<tr><td>Executive management (senior executives)</td><td>0%</td><td>33%</td><td>67%</td></tr>
<tr><td>Non-executive management (middle and entry-level managers)</td><td>0.3%</td><td>79.9%</td><td>19.8%</td></tr>
<tr><td>Technical employees (R&D and production personnel)</td><td>31%</td><td>62%</td><td>7%</td></tr>
<tr><td>All other employees (sales and administrative personnel)</td><td>12%</td><td>77%</td><td>11%</td></tr>
</table>
</td><td>159</td></tr>
<tr><td rowspan="4">Product Lifecycle Management</td><td>TC-HW-410a.1</td><td>Percentage of products by revenue that contain IEC 62474 declarable substances</td><td>The Company’s main products are projectors and backlight modules. All projectors and a few backlight modules contain IEC 62474 reportable controlled substances, and all comply with the reporting standards. These products account for 26% of annual revenue.</td><td>159</td></tr>
<tr><td>TC-HW-410a.2</td><td>Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent</td><td>Most of the Company’s products are B2B, and the Company does not apply for EPEAT or equivalent labels, so this indicator is not applicable.</td><td>-</td></tr>
<tr><td>TC-HW-410a.3</td><td>Percentage of eligible products, by revenue, certified to an energy efficiency certification</td><td>Most of the Company’s products are B2B, and the Company does not apply for energy efficiency certification or equivalent certification, so this indicator is not applicable.</td><td>-</td></tr>
<tr><td>TC-HW-410a.4</td><td>Weight of end-of-life products and e-waste recovered; percentage recycled</td><td>1. Recycling of scrapped products: Most of the Company’s products are B2B, and no scrapped products are recycled. Recycled products, when applicable, are resold.
2. Total weight of recycled electronic waste and percentage of recycling for reuse: Most of the Company’s products are B2B, and only recycling for resold is conducted. No recycling is for reuse. The total weight of recycled electronic waste at Taiwan and China plants is 10.8 metric tons.</td><td>72</td></tr>
<tr><td rowspan="2">Supply Chain Management</td><td>TC-HW-430a.1</td><td>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</td><td rowspan="2">1. The Company has not yet surveyed the percentage of Tier 1 suppliers that have passed an RBA audit (VAP) or an equivalent audit and plans to begin collecting such information in 2026. Nevertheless, the Company has established an RBA audit target requiring the “completion of RBA audits for 50 Tier 1 suppliers annually, with an audit completion rate of 100%”. In 2025, a total of 57 Tier 1 suppliers underwent RBA audits, achieving an audit completion rate of 100%. In addition, the Company expanded its audit program to include Tier 2 suppliers, completing RBA audits for 85 Tier 2 suppliers.
2. A total of 178 non-conformities were identified through the 2025 RBA audits, including 91 major non-conformities and 87 minor non-conformities. No priority non-conformities were identified. All audited suppliers (100%) submitted Corrective Action Plans (CAPs), and the corrective action closure rate reached 98%. For detailed audit findings and improvement results, please refer to Section 5.2 Responsible Supply Chain Management of this Report.</td><td rowspan="2">91–93</td></tr>
<tr><td>TC-HW-430a.2</td><td>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 non-conformances and (b) other non-conformances</td></tr>
<tr><td>Materials Sourcing</td><td>TC-HW-440a.1</td><td>Description of the management of risks associated with the use of critical materials</td><td>5.2 Responsible Supply Chain Management</td><td>90</td></tr>
<tr><td rowspan="3">Activity Metric</td><td>TC-HW-000.A</td><td>Number of units produced by product category</td><td>1.2 Operating Overview</td><td>18</td></tr>
<tr><td>TC-HW-000.B</td><td>Area of manufacturing facilities</td><td>Confidential information is not disclosed.</td><td>-</td></tr>
<tr><td>TC-HW-000.C</td><td>Percentage of production from owned facilities</td><td>The Company develops and produces its main products independently. Therefore, the production output of its own production equipment accounts for 100%.</td><td>159</td></tr>
</table>

Taiwan Sustainable Taxonomy

Item	Economic Activity			
1. Economic Activity Category	Manufacturing of panels and components	Renewable energy generation, facilities, and related accessories	Manufacturing of high-efficiency equipment and high-efficiency technology application	Others
2. Operating Revenue (Unit: NT$ thousand)	0（0％）	66.569（0.0003%）	2,045,879（8.0473%）	23,377,381（91.9525%）
3. Applicability under the Guideline—"Ordinary Economic Activities" and "Supporting Economic Activities"	Ordinary economic activities	Supporting economic activities	Supporting economic activities	Not eligible
4. Determination of Alignment with Sustainable Economic Activity Based on the Following 3 Criteria				
Criterion 1: Compliance with the technical screening criterion of "making substantial contributions to mitigating climate change"	Not eligible	-	-	-
Criterion 2: Whether the activity "does no significant harm (DNSH) to the other 6 environmental objectives"	Aligned	Aligned	Aligned	-
Criterion 3: Compliance with the criterion of "not causing significant harm to social security"	Aligned	Aligned	Aligned	-
5. Improvement Plan	-	Yes	Yes	-
6. Assessment Result: Alignment with the Guideline	Not eligible	Aligned	Aligned	Not eligible

- "Ordinary Economic Activity"—Manufacturing of panels and components: The Company's products are backlight modules for flat panel displays. While display industry classifications are based on glass substrate generations, backlight modules are not categorized in the same way. Therefore, the Company's products are not eligible to meet the technical screening criteria outlined in the Second Edition of the "Taiwan Sustainable Taxonomy", jointly announced by the Financial Supervisory Commission, the Ministry of Environment, the Ministry of Economic Affairs, the Ministry of Transportation and Communications, the Ministry of the Interior, and the Ministry of Agriculture.
- "Supporting Economic Activity"—Renewable energy generation, facilities, and related accessories: The Company has installed solar power generation systems and sells the surplus green electricity, after self-consumption, to Taipower via "Feed-in Tariff through Internal Line Balancing".
- "Supporting Economic Activity"—Manufacturing of high-efficiency equipment and high-efficiency technology application: The Company reduces carbon emissions during the product use phase through the following high-efficiency technology applications:

1. Continued optimization of mainstream projector optoelectronic designs improved overall product performance, increasing energy savings by 9% compared to 2024, with an estimated annual savings of approximately 47.75 GWh and carbon reduction of 22,633 metric tons.
2. Solid-State Illumination (SSI) projectors are more energy-efficient than lamp-based projectors. Among them, the EX/EU laser projector series consumes 55% less energy than comparable lamp-based projector models.
3. New UX laser projector incorporates a high-efficiency laser light source module and a next-generation optical engine. Compared with the previous-generation EX platform, energy efficiency has improved by 19%.
4. The light guide plate (LGP) adopts a composite dot-pattern structure to optimize optical efficiency and visual performance, successfully replacing the use of conventional light-absorbing materials. In 2025, newly developed LCD monitor modules achieved an energy-saving rate of 5.6%.
5. Enhanced optical brightness technology, resulting in a 34% reduction in lighting power consumption. In 2025, 30,182 units were produced. Assuming 10 hours of daily use over 365 days, this led to an electricity saving of over 1.43 GWh and a carbon reduction of 679 metric tons.

TPEx Sustainability Disclosure Indicators—Optoelectronics Industry

Code	Activity Metrics	Category	2025 Disclosure	Unit	Remarks
1	Total energy consumption, percentage of purchased electricity, and renewable energy usage rate	Quantitative	1. Total energy consumption (electricity, diesel, gasoline, and natural gas): 190,899 GJ 2. Percentage of purchased electricity (purchased electricity/total electricity consumption): 88% 3. Renewable energy usage rate (self-generated solar power, green electricity wheeling, and renewable energy certificate transactions/total electricity consumption): 16%	Gigajoules (GJ), Percentage (%)	
2	Total water withdrawn and total water consumed	Quantitative	1. Total water withdrawal: 360,833 m^3 2. Total water consumption: 80,270 m^3	Thousand cubic meters (m^3)	
3	Hazardous waste generated and percentage recycled	Quantitative	1. Hazardous waste: 52.3 metric tons 2. Recycling rate of hazardous waste: 57%	Metric tons (t), Percentage (%)	
4	Description of the type, number and rate of work- related injuries	Quantitative	1. Type of occupational injury among employees: Cuts, falls/slips, struck by objects 2. Number of people encountered occupational injuries: 9 people 3. Occupational injury rate (Number of people encountered occupational injuries/total workforce): 0.22%	Percentage (%), Quantity	
5	Disclosure of product lifecycle management: the weight of discarded products and e-waste recovered, percentage recycled[1]	Quantitative	1. Recycling of scrapped products: Most of the Company’s products are B2B, and there are no scrapped products to be recycled. Recycled products, when applicable, are resold. 2. Total weight of recycled electronic waste and percentage of recycling for reuse: Most of the Company’s products are B2B, and only recycling for resale is conducted; there is no recycling for reuse. The total weight of recycled electronic waste at Taiwan and China plants is 10.8 metric tons.	Metric tons (t), Percentage (%)	
6	Description of the management of risks associated with the use of critical materials	Qualitative description	Please refer to Section 5.2 Responsible Supply Chain Management of this Report	N/A	
7	Total amount of monetary losses because of legal proceedings associated with anti-competitive behavior regulations	Quantitative	No violations of anti-competitive behavior regulations	Reporting currency	
8	Number of units produced by product category	Quantitative	1. Energy saving product shipments: 30.83 million units 2. Visual solution product shipments: 620,000 units	Varies by product type	

1: Including the sale of tailing or other recycling, related description should be provided

Climate-Related Information of TWSE/TPEx-Listed Companies

Item	Implementation
1. Supervision and governance of climate-related risks and opportunities by the Board of Directors and management	• The ESG Committee is led by the Chairman. A committee member and an executive representative—the CFO makes a report to the Board once each year. The report includes the implementation results of sustainability projects, climate change risk management framework and response strategies (TCFD), various environmental indicators, net-zero pathway, renewable energy strategies, and future sustainable development. In addition, the CFO also reports the implementation of GHG inventory to the Board on a quarterly basis. • The Environmental Protection Committee is chaired by the head of the Taiwan Public Administration Center. Its subordinate Sustainable Energy Committee and EPC Team are responsible for setting short-, medium-, and long-term environmental goals and strengthening strategy implementation. • The head of the Taiwan Public Administration Center serves as the convener of the TCFD team. The team identifies climate-related risks and opportunities every two years, and formulates response strategies and solutions based on the risk and opportunity identification results to reduce negative impacts and enhance organizational climate resilience.
2. How the identified climate-related risks and opportunities affect the Company's business, strategy, and finance (in the short, medium, and long-term)	• Through cross-departmental discussions, the Company identified short-, medium-, and long-term climate-related risks and opportunities. In 2025, a total of five transition risks, two physical risks, and seven opportunities were identified. For each identified risk and opportunity, quantitative assessments were conducted regarding type of potential impact, impact severity, and likelihood of occurrence. Risks and opportunities were then classified and prioritized according to the assessment results, and corresponding response strategies were formulated to reduce negative impacts, strengthen organizational climate resilience, and create future development opportunities. For further details, please refer to Section 4.1 Nature and Climate Management of this Report. • Assess the potential operational and financial impacts of material climate-related risks and opportunities on the Company. • Conduct climate scenario analysis and evaluate progress toward achieving the Science Based Targets (SBTs).

Risk/Opportunity Category		Short Term	Medium Term	Long Term
Risks	Transition Risks	Greenhouse gas cap-and-trade regulations, carbon taxes, carbon fees, and related regulations	Increased raw material procurement costs	-
		Renewable energy regulations and energy efficiency standards	Low-carbon product standards and labels	-
		-	Greenhouse gas reduction requirements for the supply chain	-
	Physical Risks	-	-	Energy and resource pressure
		-	-	Rising temperatures
Opportunities	Opportunities	Low-carbon products and solutions	Recycled materials and recycling for reuse	Low-carbon green production
		Diversified raw materials and resource substitution	Sustainable procurement and supply chain decarbonization	Low-carbon energy strategies
		-	Supply chain stability	-

Potential Financial Impact Analysis and Response Strategies of Climate-Related Risks and Opportunities

Category	Risks/Opportunities	Potential Financial Impact: Operating Costs	Potential Financial Impact: Capital Expenditures	Potential Financial Impact: Operating Revenue	Response Strategies
Transition Risk	Greenhouse gas cap-and-trade regulations, carbon taxes,	Increase	Increase	-	• Formulate carbon reduction roadmaps and reduction plans based on the science-based reduction targets approved by the Science Based Targets initiative (SBTi) to progressively reduce greenhouse gas emissions • The Board of Directors reviews greenhouse gas inventory implementation status quarterly and reviews the Company's environmental indicators and carbon reduction progress annually to strengthen climate governance • Establish a carbon management platform to promote systematic carbon information management • Introduce internal carbon pricing as a reference for carbon reduction decision-making
Transition Risk	Renewable energy regulations and energy efficiency standards	Increase	Increase	-	• Install solar power generation systems and increase renewable energy usage through green electricity wheeling and renewable energy certificates • Implement ISO 50001 Energy Management System and carry out energy-saving equipment replacement projects and various energy-saving measures to improve energy efficiency
Opportunity	Low-carbon energy strategies	Decrease	-	-	

<table>
<tr><th>Item</th><th>Implementation</th></tr>
<tr><td>2. How the identified climate-related risks and opportunities affect the Company's business, strategy, and finance (in the short, medium, and long-term)</td><td>
<table>
<tr><th colspan="6">Potential Financial Impact Analysis and Response Strategies of Climate-Related Risks and Opportunities</th></tr>
<tr><th rowspan="2">Category</th><th rowspan="2">Risks/Opportunities</th><th colspan="3">Potential Financial Impact</th><th rowspan="2">Response Strategies</th></tr>
<tr><th>Operating Costs</th><th>Capital Expenditures</th><th>Operating Revenue</th></tr>
<tr><td>Opportunity</td><td>Low-carbon green production</td><td>Decrease</td><td>-</td><td>Increase</td><td rowspan="3">• Integrate low-carbon concepts into product design and process development while continuously investing in energy-saving product R&D and design
• Establish green product development strategies and a product carbon footprint inventory platform to reduce product environmental impacts through technological innovation, material substitution, and performance optimization
• Conduct independent product carbon footprint inventories and formulate and implement carbon reduction measures targeting carbon emission hotspots</td></tr>
<tr><td>Opportunity</td><td>Low-carbon products and solutions</td><td>-</td><td>-</td><td>Increase</td></tr>
<tr><td>Transition Risk</td><td>Low-carbon product standards and label</td><td>Increase</td><td>Increase</td><td>Decrease</td></tr>
<tr><td>Transition Risk</td><td>Greenhouse gas reduction requirements for the supply chain</td><td>Increase</td><td>-</td><td>Decrease</td><td rowspan="3">• Identify supplier sustainability risks and conduct graded management through the "ESG Risk Assessment System" to formulate corresponding guidance and improvement measures
• Require suppliers to sign and comply with the "Supplier/Contractor Sustainability Commitment Statement", complete RBA self-assessment questionnaires, and undergo RBA on-site audits to ensure supply chain stability</td></tr>
<tr><td>Opportunity</td><td>Sustainable procurement and supply chain decarbonization</td><td>Increase</td><td>-</td><td>-</td></tr>
<tr><td>Opportunity</td><td>Supply chain stability</td><td>Decrease</td><td>-</td><td>-</td></tr>
<tr><td>Transition Risk</td><td>Increased raw material procurement costs</td><td>Increase</td><td>-</td><td>Decrease</td><td rowspan="3">• Assess raw material procurement risks to reduce dependence on single raw materials or suppliers, while promoting diversified raw material and alternative material applications to enhance resource flexibility
• Set targets for recycled materials and environmentally friendly packaging usage ratios and continuously increase usage ratios to strengthen resource circulation and environmental benefits</td></tr>
<tr><td>Opportunity</td><td>Diversified raw materials and resource substitution</td><td>Decrease</td><td>-</td><td>-</td></tr>
<tr><td>Opportunity</td><td>Recycled materials and recycling for reuse</td><td>Decrease</td><td>-</td><td>-</td></tr>
<tr><td>Physical Risk</td><td>Energy and resource pressure</td><td>Increase</td><td>Increase</td><td>Decrease</td><td>• Continuously improve energy efficiency and implement various energy-saving measures to reduce energy intensity
• Install solar power generation systems and improve energy supply flexibility and stability through green electricity wheeling and renewable energy certificates</td></tr>
<tr><td>Physical Risk</td><td>Rising temperatures</td><td>Increase</td><td>Increase</td><td>-</td><td>Introduce climate scenario analysis to assess the impacts of rising temperatures on operations and adopt energy-saving cooling measures, equipment upgrades, and process optimization to enhance climate resilience</td></tr>
</table>
</td></tr>
<tr><td>3. Financial impacts of extreme climate events and transitional actions</td><td>After discussing with each unit, the Environmental Protection Committee formulated short-, medium- and long-term environmental sustainability goals and identified short-, medium- and long-term climate-related risks and opportunities. Finally, based on the identification results, the committee presented the potential impacts of climate change on the Company's operations and finance. For details, please refer to Section 4.1 Nature and Climate Management of this Report</td></tr>
<tr><td>4. How climate-related risk identification, assessment, and management processes are integrated into the overall risk management system</td><td>• Use the TCFD framework to identify the Company's climate risk identification process
• Plan counteractions based on climate-related risk identification and prioritization results
• Have included climate-related risk identification and assessment in the business risk management process</td></tr>
</table>

Item	Implementation
5. If scenario analysis is used to assess resilience to climate change risks, explain the scenarios, parameters, assumptions, analysis factors, and major financial impacts used	• Transition scenario: Committed to 2050 net-zero emissions (NDC), SSP1-1.9 • Physical climate scenario: RCP8.5 emission scenario • The Company conducted the scenario analysis assuming that the globe can implement carbon reduction actions under the Paris Agreement by 2050. The reference materials include the IPCC Sixth Assessment (AR6), Coretronic's targets set based on the SBT principle, and the climate transition scenario analysis based on a scenario where the temperature rise is controlled at 1.5° C. • To achieve the SBT carbon reduction target of the Company—"Reduce absolute scope 1 and 2 GHG emissions 50.4% by 2032 from a 2021 base year, and reduce absolute scope 3 GHG emissions 30% within the same timeframe." and the net zero declaration by 2050, the scope of consideration for the scenario analysis also includes 2032 and 2050. We considered all sales departments and conducted qualitative analysis for costs, sales revenue, and capital expenditure based on climate-related scenarios.
6. If there is a transition plan for managing climate-related risks, describe the plan, and the metrics and targets used to identify and manage physical and transition risks	• Have set climate change management metrics • Conduct regular GHG emissions inventory according to ISO 14064-1 • Regularly review and manage energy performance according to ISO 50001 • Set climate change management targets and regularly review their progress and actual performance • For details, please refer to Section 4.1 Nature and Climate Management of this Report
7. If internal carbon pricing is used as a planning tool, describe the basis for setting the price	• Based on the results of risk scenario analyses conducted at each plant, the Company converts potential carbon emissions into potential decarbonization costs to promote internal carbon pricing. Carbon prices are dynamically adjusted every three years according to accounting profit and loss performance to reflect the actual economic costs required for operational units to implement carbon reduction measures. This mechanism enables the Company to respond to the latest decarbonization technologies and regulatory trends, while enhancing internal awareness of the operational impacts of climate change and driving more proactive carbon reduction initiatives. • Although the Company's carbon emissions have not yet reached the carbon fee levy threshold established by the Ministry of Environment, the Company introduced an internal carbon pricing mechanism in 2021 as a core climate governance decision-making tool in response to operational risks arising from climate change and to fulfill its SBT 1.5° C carbon reduction pathway and net zero commitment. The Company's internal carbon pricing mechanism adopts the "decarbonization investment cost approach", whereby the actual costs invested to achieve carbon reduction targets are internalized. The pricing basis is calculated by dividing the annual amortized investment costs of renewable energy generation and energy-saving equipment at each plant by total greenhouse gas emissions (Scope 1 and Scope 2). Based on scientific calculations, an internal carbon price of NT$942 per metric ton was established and applied as a shadow price to simulate the impacts of future carbon costs on corporate operations and investment decisions. • Since 2022, the Company has applied internal carbon pricing to evaluate the investment benefits of ESCO energy-saving projects and solar power generation system installations, supporting more optimized internal resource allocation. This approach has driven upgrades to energy-efficient equipment and increased the use of renewable energy. In 2025, a total of 19 energy-saving projects were implemented, reducing electricity consumption by 1,123 MWh. Greenhouse gas emissions (Scope 1 and Scope 2) at Taiwan and China plants decreased by 45% compared to the base year (2021), substantially exceeding short-term targets and demonstrating the effectiveness of carbon pricing-assisted decision-making. • Looking ahead, Coretronic will dynamically adjust its carbon price and scenario analyses in response to international trends, regulatory policies, market developments, and internal emissions performance. This will help optimize carbon reduction strategies, enhance sensitivity to climate risks, and promote more forward-looking carbon reduction actions to achieve both carbon reduction goals and operational success.
8. If climate-related targets are set, explain the activities covered, the scope of GHG emissions, the planned schedule, and the progress each year. If carbon offset credits or renewable energy certificates (RECs) are used to achieve relevant targets, explain the source and number of the carbon credits offset or the quantity of RECs	• The Company has established environmental performance indicators, including absolute greenhouse gas (GHG) emission reductions (Scopes 1–3), electricity intensity, waste generation intensity and recycling rate, water consumption, and renewable energy usage. Progress against these targets is reviewed on both a quarterly and annual basis to reduce environmental impacts. • Since 2016, the Company has continuously obtained third-party verification of its greenhouse gas inventory. Beginning in 2020, the inventory boundary was expanded to include Scope 3 emissions in accordance with ISO 14064-1:2018, providing the basis for planning and implementing carbon reduction initiatives. • Taiwan plants, Wujiang plants, and Coretronic Projection (Kunshan) have all obtained ISO 50001 Energy Management System certification. Through energy-efficient equipment replacement projects and various energy-saving measures, the Company has effectively reduced its absolute greenhouse gas emissions. • Science Based Targets (SBTs): "Reduce absolute scope 1 and 2 GHG emissions 50.4% by 2032 from a 2021 base year, and reduce absolute scope 3 GHG emissions 30% within the same timeframe." These targets were validated by the Science Based Targets initiative (SBTi) in April 2024. Through initiatives such as installing solar power generation systems, improving manufacturing process energy efficiency, increasing renewable energy use, upgrading to energy-efficient equipment, and developing low-carbon products, the Company is steadily progressing toward its SBTs and net-zero goals. • The total installed capacity of solar power generation systems at Taiwan plants reached 1,376.06 kW. In 2025, these systems generated 1.112 million kWh of electricity. Together with renewable electricity supplied through green electricity wheeling, total renewable electricity consumption reached 1.256 million kWh. The total installed capacity of solar power generation systems at the China plants reached 6,549 kW. In 2025, these systems generated 4.791 million kWh of electricity. In addition, the Company purchased renewable energy certificates equivalent to 2.093 million kWh, bringing total renewable energy usage to 6.884 million kWh. Combined renewable energy consumption and renewable electricity transactions across Taiwan and China plants totaled 8.14 million kWh in 2025, accounting for 16% of the Company's annual electricity consumption and exceeding its short-term target. Phase II of the solar power generation system project at the Tainan Plant 2 was completed in December 2025, with an installed capacity of 460.35 kW and an expected annual power generation of 567,000 kWh. This project will further support the Company's gradual achievement of its renewable energy usage targets.

Item	Implementation

9. GHG inventory and assurance, reduction targets, strategies, and specific action plans
   1. The Company's GHG inventory and assurance in the most recent two years
      1.1 GHG inventory information (GHG emissions, intensity, and data coverage in the most recent two years)

Plant	Taiwan		China	
Year	2024	2025	2024	2025
Scope 1 (tCO_2e)	144.3	681.5	1,844.0	2,567.5
Scope 2 (tCO_2e)	5,787.4	5,093.7	15,629.0	17,943.4
Scope 3 (tCO_2e)	9,411.4	22,599.7	503,088.8	414,795.8
Total (tCO_2e)	15,343.1	28,374.9	520,561.8	435,306.7
GHG (Scope 1 and 2) emission intensity (tCO_2e/$NT million)	0.21	0.20	0.62	0.81
GHG (Scope 1 - 3) emission intensity (tCO_2e/$NT million)	0.54	0.99	18.33	17.14

      1.2 GHG assurance information (Assurance in the most recent two years and up to the publication date of the annual report)
      Coretronic's Taiwan and China plants conduct annual greenhouse gas inventories and third-party verification in accordance with ISO 14064-1 standards. The disclosed greenhouse gas emissions information accounts for 100% of the total emissions. The verified greenhouse gas data for the past two years are as follows:

Item	Year	2024		2025	
	Plant	The Verifying Organization	The Verification Status	The Verifying Organization	The Verification Status
Scope 1	Taiwan	SGS Taiwan Ltd.	The GHG emissions were 144.3 tCO_2e, accounting for 1.0% of the total emissions. Based on the assurance made by the assurance institution in accordance with the standards of ISO 14064-1:2018, the assurance opinion was a reasonable guarantee.	SGS Taiwan Ltd.	The GHG emissions were 681.5 tCO_2e, accounting for 2.4% of the total emissions. Based on the assurance made by the assurance institution in accordance with the standards of ISO 14064-1:2018, the assurance opinion was a reasonable guarantee.
	China	SGS-CSTC Standards Technical Services Co., Ltd.	The GHG emissions were 1,844.0 tCO_2e, accounting for 0.4% of the total emissions. Based on the assurance made by the assurance institution in accordance with the standards of ISO 14064-1:2018, the assurance opinion was a reasonable guarantee.	SGS-CSTC Standards Technical Services Co., Ltd.	The GHG emissions were 2,567.5 tCO_2e, accounting for 0.6% of the total emissions. Based on the assurance made by the assurance institution in accordance with the standards of ISO 14064-1:2018, the assurance opinion was a reasonable guarantee.
Scope 2	Taiwan	SGS Taiwan Ltd.	The GHG emissions were 5,787.4 tCO_2e, accounting for 37.7% of the total emissions. Based on the assurance made by the assurance institution in accordance with the standards of ISO 14064-1:2018, the assurance opinion was a reasonable guarantee.	SGS Taiwan Ltd.	The GHG emissions were 5,093.7 tCO_2e, accounting for 18.0% of the total emissions. Based on the assurance made by the assurance institution in accordance with the standards of ISO 14064-1:2018, the assurance opinion was a reasonable guarantee.
	China	SGS-CSTC Standards Technical Services Co., Ltd.	The GHG emissions were 15,629.0 tCO_2e, accounting for 3.0% of the total emissions. Based on the assurance made by the assurance institution in accordance with the standards of ISO 14064-1:2018, the assurance opinion was a reasonable guarantee.	SGS-CSTC Standards Technical Services Co., Ltd.	The GHG emissions were 17,943.4 tCO_2e, accounting for 4.1% of the total emissions. Based on the assurance made by the assurance institution in accordance with the standards of ISO 14064-1:2018, the assurance opinion was a reasonable guarantee.
Scope 3	Taiwan	SGS Taiwan Ltd.	The GHG emissions were 9,411.4 tCO_2e, accounting for 61.3% of the total emissions. Based on the assurance made by the assurance institution in accordance with the standards of ISO 14064-1:2018, the assurance opinion was a limited guarantee.	SGS Taiwan Ltd.	The GHG emissions were 22,599.7 tCO_2e, accounting for 79.6% of the total emissions. Based on the assurance made by the assurance institution in accordance with the standards of ISO 14064-1:2018, the assurance opinion was a reasonable guarantee.
	China	SGS-CSTC Standards Technical Services Co., Ltd.	The GHG emissions were 503,088.8 tCO_2e. Based on the assurance made by the assurance institution in accordance with the standards of ISO 14064-1:2018, the assurance opinion was a reasonable guarantee.	SGS-CSTC Standards Technical Services Co., Ltd.	The GHG emissions were 414,795.8 tCO_2e, accounting for 95.3% of the total emissions. Based on the assurance made by the assurance institution in accordance with the standards of ISO 14064-1:2018, the assurance opinion was a reasonable guarantee.

   2. GHG reduction targets, strategies, and specific action plans (Base year and data for GHG reduction, reduction targets, strategies, and specific action plans, and the achievement of the reduction targets)
      - **Greenhouse Gas Reduction Target:** In 2022, the Company submitted a commitment statement to the Science Based Targets initiative (SBTi) and established its reduction targets based on the SBT 1.5° C roadmap. In 2023, the Company formally submitted its science-based emissions reduction targets, committing to "Reduce absolute scope 1 and 2 GHG emissions 50.4% by 2032 from a 2021 base year, and reduce absolute scope 3 GHG emissions 30% within the same timeframe". These targets were officially validated by the SBTi in 2024.
      - **Strategies and Action Plans:** Guided by its greenhouse gas reduction targets, the Company continues to integrate decarbonization initiatives into its operational management and implement emissions reduction measures across all scopes. Key actions include improving process efficiency, implementing energy-saving measures, gradually replacing high-energy-consuming and low-efficiency equipment, and deploying ISO 50001 Energy Management System and a centralized monitoring system to track energy and fuel consumption. These efforts enable the identification of energy-intensive and high-emission hotspots and support the development of targeted improvement measures to reduce greenhouse gas emissions associated with energy use and fuel combustion. In addition, the Company's Taiwan and China plants have installed a total of eight self-use solar power generation systems. Renewable energy use has also been expanded through green electricity wheeling and the purchase of renewable energy certificates. In 2025, the renewable energy usage rate reached 16%. Going forward, the Company will continue to increase the use of renewable energy and other low-carbon energy sources. Through enhanced supply chain management and optimized raw material procurement strategies, the Company encourages suppliers to implement carbon reduction initiatives. At the same time, it promotes the adoption of low-carbon and environmentally friendly materials, green product design, and technological innovation, while gradually increasing the use of recycled materials to reduce energy consumption during product use and fulfill its decarbonization commitments.
      - **Progress Toward Reduction Targets:** The Company has continued to advance a broad range of carbon reduction initiatives and has achieved tangible and steady decarbonization results. Through improvements in energy efficiency, increased renewable energy usage, ongoing process optimization, and collaboration with supply chain partners to promote circular economy practices, greenhouse gas emissions have declined significantly. The Company has achieved and exceeded the emissions reduction trajectory required under its SBTi-approved targets, demonstrating the effectiveness of its strategies and implementation measures. Going forward, the Company will continue to monitor progress, regularly review and optimize its carbon reduction measures in response to operational developments and changes in the industry environment, and steadily advance toward its net-zero goal.

TCFD Disclosure Index

Core Elements	TCFD Recommended Disclosure	Corresponding Section of this Report	Page Number
Governance	Describe the board's oversight of climate-related risks and opportunities	2.2 Sustainable Governance 4.1 Nature and Climate Management Appendix—Climate-Related Information of TWSE/TPEx-Listed Companies	31 60 162
	Management's role in assessing and managing climate-related risks and opportunities	2.2 Sustainable Governance 4.1 Nature and Climate Management Appendix—Climate-Related Information of TWSE/TPEx-Listed Companies	31 60 162
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	4.1 Nature and Climate Management Appendix—Climate-Related Information of TWSE/TPEx-Listed Companies	63–64 162–163
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning	4.1 Nature and Climate Management Appendix—Climate-Related Information of TWSE/TPEx-Listed Companies	65 162–164
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2° C or lower scenario	4.1 Nature and Climate Management Appendix—Climate-Related Information of TWSE/TPEx-Listed Companies	65 164
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks	4.1 Nature and Climate Management	63–65
	Describe the organization's processes for managing climate-related risks	4.1 Nature and Climate Management	60–61
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	4.1 Nature and Climate Management Appendix—Climate-Related Information of TWSE/TPEx-Listed Companies	60–61 163
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	ESG Topics – Environmental Sustainability 4.1 Nature and Climate Management	8 61
	Disclose scope 1, scope 2 and, if appropriate, scope 3 greenhouse gas (GHG) emissions and the related risks	4.1 Nature and Climate Management Appendix—Climate-Related Information of TWSE/TPEx-Listed Companies	66–67 165
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	2.3 Material Topic Identification 4.1 Nature and Climate Management 4.2 Waste Management 4.3 Environmental Resource Management 4.4 Green Products	39 59–69 70–72 73–75 76–79

United Nations Global Compact Index

Categories	10 Principles	Implementation	Corresponding Section of this Report	Page Number
Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights	Coretronic supports and adheres to internationally recognized human rights standards, including the "Universal Declaration of Human Rights (UDHR)", the "United Nations Global Compact (UNGC)", the "United Nations Guiding Principles on Business and Human Rights (UNGPs)", and the "International Labour Conventions". To uphold these commitments, the Company has established its "Human Rights and Social Responsibilities Policy" and requires all employees to sign the policy. In 2025, the policy signing rate reached 100%.	2.1, 6.2	29, 101–102
	Businesses should make sure that they are not complicit in human rights abuses	Coretronic supports and adheres to the "Responsible Business Alliance Code of Conduct (RBA CoC)". Based on this framework, the Company has established a "Supplier/Contractor Sustainability Commitment Statement", which all suppliers of production-related raw materials are required to sign. Suppliers designated by customers, affiliated companies, and suppliers that have obtained an exemption through publicly disclosed sustainability information, sustainability reports, or relevant certifications are exempt from this requirement. In 2025, the signing rate of the Sustainability Commitment Statement reached 100%.	5.1, 5.2	87, 89
Labor	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Coretronic respects employees' rights to freedom of association and collective bargaining, regularly conducts labor-management meetings, and has established multiple communication channels between the Company and its employees.	6.2, 6.4	101, 108, 116
	Businesses should support elimination of all forms of forced and compulsory labor	Coretronic prohibits all forms of forced and compulsory labor.	6.2	101
	Businesses should support effective abolition of child labor	Coretronic strictly prohibits the employment of child labor under the age of 16.	6.2	101
	Businesses should support elimination of discrimination in employment and occupation	Coretronic prohibits any form of discrimination and is committed to providing a workplace free from harassment (including sexual and non-sexual harassment) and unlawful discrimination.	6.2	101–102
Environment	Businesses should support a precautionary approach to environmental challenges	Coretronic has established and published its "Environmental Sustainability Policy", "Net Zero Commitment", "Plastic Reduction Commitment", "Carbon Neutrality Commitment", "Biodiversity Conservation and No Gross Deforestation Commitment", and "Water Resource Management Policy". The Company has introduced ISO 14001 Environmental Management System, obtained its certification, set quantitative environmental targets, and actively develops and implements climate response measures to address environmental challenges.	4	59–61, 70, 73, 76, 80
	Businesses should undertake initiatives to promote greater environmental responsibility	Coretronic supports a range of domestic and international initiatives, including the TCFD, TNFD Forum, CDP, SBTi, the "Taiwan Climate Partnership (TCP)", and the "Taiwan Alliance for Net Zero Emission (TANZE)". The Company has obtained ISO 14064-1 Greenhouse Gas Verification and ISO 50001 Energy Management System Verification, and its Science Based Targets (SBTs) were officially validated by the SBTi in 2024.	4	59–84
	Businesses should encourage the development and diffusion of environmentally friendly technologies	Coretronic has established clear strategies and quantitative targets for every stage of the product life cycle, including raw material selection, production and manufacturing, transportation and distribution, product use, and end-of-life disposal. The Company has also developed a Product Carbon Footprint Inventory Platform to accurately identify carbon emission hotspots throughout the product life cycle and to support the development and implementation of concrete actions aimed at reducing environmental impacts.	4.4	76–79
Anti-Corruption	Businesses should work against corruption in all its forms, including extortion and bribery	Coretronic is committed to ethical corporate management and prohibits all forms of corruption. The Company has established the "Ethical Corporate Management Best Practice Principles", "Operating Procedures and Guidelines for Ethical Management", "Codes of Ethical Conduct", "Responsible Business Alliance (RBA) Code of Conduct Management Handbook", and "Supplier Conflict of Interest Management Regulations" as the ethical standards and compliance framework for all Coretronic employees and suppliers.	2.1, 3.4	29, 57

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