Coretronic

2025

ESG Insight

REPORT

Overview

Corporate Sustainability Recognition and Commitment



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

Awarded the **Gold Medal**

- 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

Marked as **"Low Risk"** in Corporate ESG Risk Rating

Awarded an **AAA** Rating in Taiwan Sustainability Ratings (TIP)

Ranked **78th** globally in Clarivate's "Top 100 Global Innovator"

Published its **first** *Climate and Nature-related Financial Disclosure Report (TCFD & TNFD Report)* in 2026.

Published its *Climate-related Financial Disclosure Report (TCFD Report)* annually since 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.**"

"Biodiversity Conservation and No Gross Deforestation"

Generate a net positive impact on ecosystems by 2050 and achieve zero deforestation

"Environmental Sustainable Policy"

Gradually achieve the long-term goals of "Net Zero" and "RE100" by 2050

Scope

- The parent company and subsidiaries covered in the 2025 Sustainability Report together represent approximately 95% of the consolidated revenue in 2025.
- Key subsidiaries and Coretronic's own brands, Optoma Holding Limited and Young Optics Inc have published their own annual sustainability reports respectively since 2023 and 2014. As the result, relevant sustainable strategies and performances are not disclosed in this report.

Coretronic's Taiwan Plants

Headquarters, Chunan Plant, Tainan Plant 1, Tainan Plant 2

Subsidiaries in Taiwan

Coretronic Intelligent Cloud Service, Coretronic Intelligent Robotics

Coretronic's China Plants

Kunshan

Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou)

Wujiang

Coretronic Projection (Kunshan), Coretronic Optics (Kunshan)

Third Party Verification Overview

	Evaluation Standards		Accreditation Body	Verification Scope
Sustainability Report and Others	AA1000AS v3 Type 2 high-level assurance		SGS Taiwan Ltd.	Taiwan plants, China plants
	RBA VAP	Validated Assessment Program	Responsible Business Alliance	Coretronic Projection (Kunshan), Coretronic Optics (Suzhou)
Environmental	ISO 14001	Environmental Management System	SGS Taiwan Ltd. / SGS-CSTC Standards Technical Services / Intertek Testing Services Ltd, Shanghai	Taiwan plants, Coretronic Projection (Kunshan) [1], Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou)
	ISO 14064-1	GHG Emissions	SGS Taiwan Ltd. / SGS-CSTC Standards Technical Services	Taiwan plants, China plants
	ISO 50001	Energy Management System	SGS Taiwan Ltd. / SGS-CSTC Standards Technical Services	Taiwan plants, Coretronic Projection (Kunshan) [1], Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou)
Social	IECQ QC 080000	Hazardous Substance Process Management	Intertek Testing Services Ltd, Shanghai	Coretronic Optics (Suzhou)
	ISO 45001	Occupational Health and Safety	SGS Taiwan Ltd. / SGS-CSTC Standards Technical Services / Intertek Testing Services Ltd, Shanghai	Taiwan plants, Coretronic Projection (Kunshan) [2], Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou)
	CNS 45001	Taiwanese national standard for occupational health and safety	SGS Taiwan Ltd.	Taiwan plants
Governance	SA8000	Social Accountability	TÜV NORD	Headquarters
	ISO 9001	Quality Management	SGS Taiwan Ltd. / SGS-CSTC Standards Technical Services / Intertek Testing Services Ltd, Shanghai	Taiwan plants, Coretronic Projection (Kunshan), Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou)
	ISO 27001	Information Security	SGS Taiwan Ltd.	Headquarters, Zhunan Plant
	ISO 13485	Medical devices — Quality management systems [3]	SGS Taiwan Ltd. / SGS-CSTC Standards Technical Services	Zhunan Plant, Coretronic Projection (Kunshan) [1]
	IATF 16949	Automotive production — Quality management system [3]	Intertek Testing Services Ltd, Shanghai	Coretronic Optotech (Suzhou)
	ISO/IEC 17025	Testing and Calibration Laboratories [3]	CNAS	Coretronic Optics (Suzhou)

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

2: 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.

3: QMS certifications for Medical Devices, the Automotive Industry, and Testing and Calibration Laboratories are obtained only for the applicable plants where the corresponding products are manufactured.

Environment

Environmental Goals

Base Year：2021

Indicators	Goals for 2025	2025 Performance	Achievement Status 1	Short-term Goals (2026–2028)	Mid-term Goals (2029–2031)	Long-term Goals (2032–2034)
Absolute Reduction Ratio of Greenhouse Gas Emissions (Scope 1 and Scope 2)	18.3%	45%	✓	32.1%	45.8%	59.6%
Absolute Reduction Ratio of Greenhouse Gas Emissions (Scope 3)	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%

Climate Change Management

Taskforce on Nature-related Financial Disclosures (TNFD)

Coretronic formally adopted the TNFD framework and the LEAP (Locate, Evaluate, Assess, Prepare) assessment approach in 2025, joined TNFD Forum, established the "Biodiversity Conservation and No Gross Deforestation Commitment", which was personally signed and announced by the Chairman, and introduced the SBTN AR3T framework (Avoid, Reduce, Restore and Regenerate, and Transform).

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.*

Task Force on Climate-Related Financial Disclosures (TCFD)

Based on the risks and opportunities identified in 2025, Coretronic will continue to implement response strategies to effectively address future climate challenges. For details, see Climate Change Management of Coretronic website.

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	+	+		• 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	+	+		• 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	−			

Transition Risks/ Opportunities (Cont.)	Resource Efficiency	Low-carbon green production	−		+	• 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			+	
	Policy and Regulation	⚠ Low-carbon product standards and labels	+	+	−	
	Technology	⚠ GHG reduction requirements for the supply chain	+		−	• 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	+			
	Resource Efficiency	Supply chain stability	−			
	Market	⚠ Increased raw material procurement costs	+		−	• 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	−			
	Resource Efficiency	Recycled materials and recycling for reuse	−			
Physical Risks	Acute	⚠ Energy and resource pressure	+	+	−	• 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	+	+		• 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

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.

GHG Management

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 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

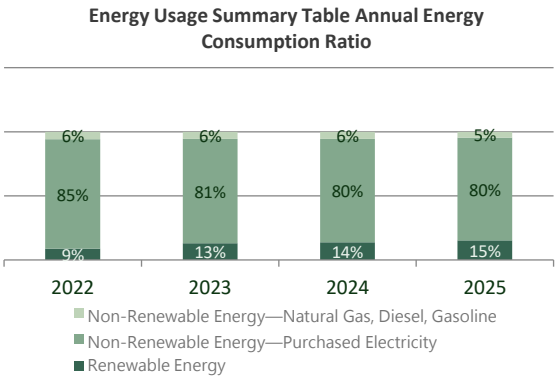
1: Revenue coverage for 2022–2023: Taiwan plants: Coretronic, Young Green Energy, uCare Medical Electronics, Champ Vision Display, Coretronic Intelligent Cloud Service, Coretronic Intelligent Robotics, Innospectra, Coretronic MEMS, Coretronic Reality, and Coretronic Intelligent Logistic Solutions; China 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

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			**13,508.0**	**9,411.4**	**22,599.7**	**623,822.8**	**1,676,712.0**	**503,088.8**	**414,795.8**

Energy Management

The company actively installs solar power generation systems for internal allocation, purchases green electricity wheeling and renewable energy certificates, and committed to achieving the target of "100% renewable energy usage" by 2050.



The Company's internal carbon pricing mechanism adopts the "decarbonization investment cost approach". Based on scientific calculations, an internal carbon price of NT$942 per tCO_2e was established.

Air Pollution Control

The Company voluntarily reports and regularly monitors air pollutant emission. 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

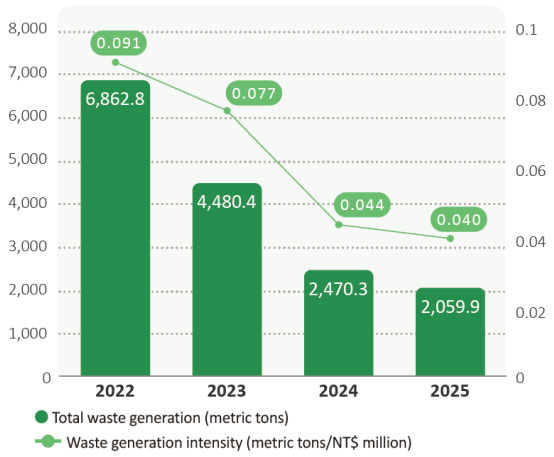
In 2025, due to improved production yield rates and reduced use of organic solvents during the R&D stage, total VOC emissions amounted to 2.055 metric tons, representing a 28% decrease compared to 2024 and achieving the annual target. The emissions accounted for only 5% of the statutory approved emission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

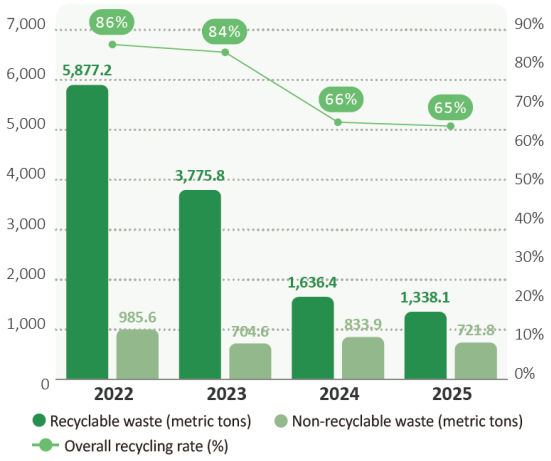
Waste Management

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 with the hazardous waste accounting for 2.5%, non-hazardous waste directly disposed of accounting for 34%, and nonhazardous waste recycled.

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	Packaging Material Reuse	Lightweight Chemical Containers
	End-of-Product Treatment Tracking	Circular Economy Alliance

Water Resource Management

Water Resource Management Policy is governed by the Environmental Protection Committee, which convenes relevant departments to orchestrate efforts. In 2025, the Company established dedicated water management goals and quantitative performance indicators, have adopted water recycling systems, actively promoted water-saving initiatives, set conservation targets, and regularly conducted water quality testing with full data disclosure.

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%

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. According to 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).



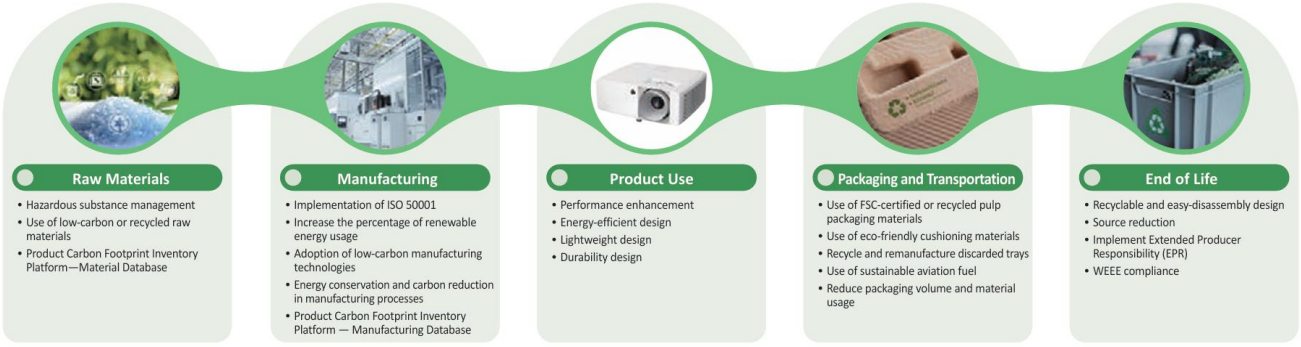
Green Product Strategies and Management

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”.

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.

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.

Green Product Design Guidelines

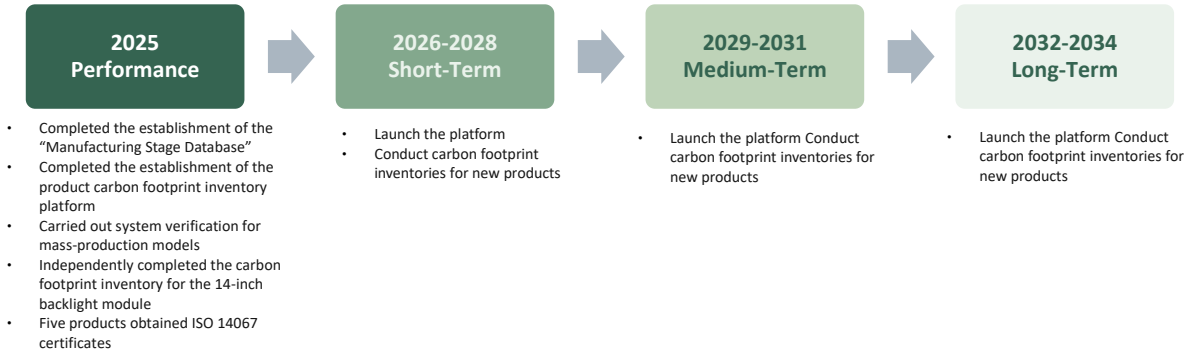


- Continued optimizing the optoelectronic design of mainstream projectors to enhance overall product efficiency. Energy-saving benefits improved by 9% compared to 2024, with estimated annual electricity savings of approximately 47.75 GWh and carbon reduction of 22,633 tCO_2e.
- Coretronic Optics (Suzhou) passed the IECQ QC 080000 certification, 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%

Product Carbon Footprint Inventory

Product Carbon Footprint Inventory 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.



Self-Conducted Inventory

In accordance with the ISO 14067 product carbon footprint inventory principles, the carbon footprint of each 14-inch backlight module product was 1.78 kgCO2e. In 2025, 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.

R&D

R&D expenditure goal for 2026–2028 is **6%** of consolidated revenue.

R&D	2023	2024	2025
Patent Proposals: Energy saving and carbon reduction related as % of total Taiwan Plant proposals (%)	60	58	64
R&D Expenses (NT$ billion)	29.0	28.6	29.1
R&D Expenses to revenue (%)	7.35	7.2	7.4

Green Product Goals

Indicator/Year	2025 Performance	Short-Term Target (2026–2028)	Medium-Term Target (2029–2031)	Long-Term Target (2032–2034)
Shipment ratio of mainstream and commercial projectors using post-consumer recycled (PCR) plastic materials	✔ 13%	15%	30%	40%
Shipment ratio of mainstream projectors using recycled metals	✔ 100%	75%	95%	99%
Shipment ratio of mainstream and smart projectors using eco-friendly cushioning materials	✔ 95%	74%	75%	76%
Shipment ratio of projectors using FSC-certified or recycled pulp cartons	✔ 99%	75%	92%	93%
Power consumption reduction ratio of high-efficiency backlight modules	✔ 5.6%	10%	10%	10%
Proportion of new developed laptop models introducing recycled aluminum materials	✔ 3.3%	4%	6%	6%

Green Enterprise

Centered on its "Environmental Sustainability 4G Force"—Green Supply Chain, Green Production, Green Products, and Green Living. Coretronic organized six major environmental theme day events and a variety of environmental education activities in 2025, 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. For more relevant environmental awareness and education information, please refer to Chapter 4.5 of 2025 Sustainability Report.

Results of Green Living Implementation Project	2023	2024	2025
Green Activities (Participants)	30,167	26,522	22,940
Environmental Education (Person-hours)	15,975	15,840	10,990
Environmental Charity Sponsorships (NT$)	932,000	972,000	1,170,000

Education and Training

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.

In 2025, the Company invited instructors from SGS to conduct "ISO 14067:2018 Product Carbon Footprint Lead Verifier" courses for the Green Product and ESG Teams. 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.

Stakeholder Engagement

Coretronic proactively maintain open communication channels with stakeholders to understand their needs and expectations from Coretronic for the main reference of establishing our ESG policies and related projects.

Coretronic actively assesses stakeholders' needs and expectations of Coretronic through Annual Material Topics Questionnaires, Chinese/English Sustainability Report, Chinese/English Annual Report, Chinese/English TCFD Report, ESG Quarterly E-Newsletter, Official Website, Facebook fan page, YouTube channel, Wikipedia, ESG mailbox, and various diverse communication channels, which serves as important references for formulating the Company's sustainability policies and related plans. See Coretronic website regarding Stakeholders.

ESG@coretronic.com

Annual ESG Material Topics Survey/Questionnaire

Social

Human Rights

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.

- Working Hours
- Wages & Benefits
- Prohibition of Child Labor
- Occupational Safety Management
- Management of Suppliers and Contractors
- Disciplinary Practices
- Non-Discrimination & Humane Treatment
- Prohibition of Forced or Compulsory Labor
- Freedom of Association & Right to Collective Bargaining
- Worker/Stakeholder Engagement & Continuous Improvement

Annual "Human Rights Training" was conducted with a 100% completion rate and the "Coretronic Human Rights Code" was signed by all employees with a 100% signing rate.

Human Rights Due Diligence

Coretronic conducted human rights due diligence at its Taiwan plants for the first time in 2025. Coretronic Projection (Kunshan) and Coretronic Optics (Suzhou) also conducted human rights due diligence through RBA VAP validation. The Company implemented supplier human right due diligence annually through regular RBA inspection. A total of 117 risk identification forms were distributed in 2025, and all 117 forms were returned, achieving 100% return rate.

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
- 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 certifications.
- Taiwan plants: A total of three salient human rights issues were identified. The corresponding mitigation and remedial measures are described in the table below:

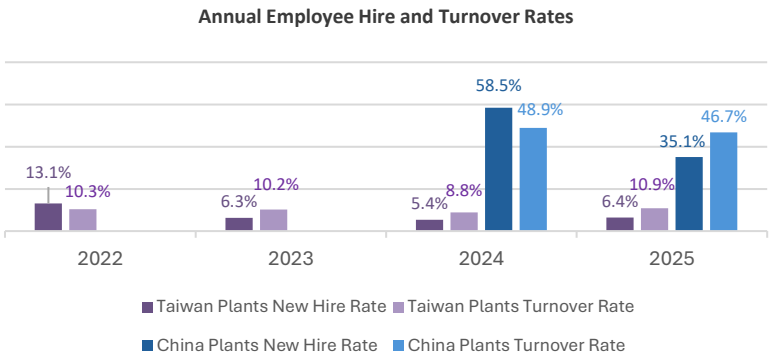
Applicable Parties	Salient Human Rights Issues	Mitigation Measures	Remedial Measures
All employees	Reasonable and lawful compensation and benefits	Regularly review and assess internal and external compensation conditions.	Adjust compensation if any non-compliance with regulations or internal equity issues 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.

Workforce Overview

Region	Employees/Workers		Male	Female	Total
Taiwan	**Employees** [1]		**860**	**604**	**1,464**
	Workers	Dispatched[2]	26	25	51
		Others[3]	29	32	61
China	**Employees** [1]		**1,589**	**1,090**	**2,679**
	Workers	Dispatched[2]	278	138	416
		Others[3]	122	76	198
Total Employees [1]			**2,449**	**1,694**	**4,143**
Total Workers			**455**	**271**	**726**

1: Full-time employees with agreed standard working hours of 40 hours per week.
2: Direct labor, hourly workers.
3: On-site personnel (coffee shop, cafeteria, security guards, cleaning staff), contractors.

Employee Turnover Rate



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

Labor Union

100% of employees in the China plants are covered by the following Collective Agreements:

Company Name/ Item	Union Establishment Date	Signing of Collective Agreement
Coretronic Projection (Kunshan)	Jul 2014	"Collective Contract", "Special Collective Contract on Wages"
Coretronic Optics (Kunshan)	Dec 2020	
Coretronic Optotech (Suzhou)	Jun 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"
Coretronic Optics (Suzhou)	May 2021	

Employee Communication Management

Coretronic established hotlines (8585) and emails, physical suggestion box, Employee Information Platform (employee website), employee discussion forums, communication platform on LINE/WeChat and many more initiatives to allow employees to fully express their opinions.

The company targets to continue conducting annual employee opinion surveys and communicate accordingly after compiling feedback. By 2026–2027, incorporate employee feedback into management meeting agendas, allowing the executive team to consider stakeholder suggestions for appropriate evaluation.

2025 Communication Highlights	Taiwan Plants	Kunshan Plants	Wujiang Plants
Labor-Management Meetings	16 Labor-Management Meetings	2 Labor-Management Meetings, 5 Employee Forum	
		1 Assistant Forum	2 Plant Manager Forums
Employee Welfare Meetings	Quarterly held, totaling 13 meetings In addition, employee satisfaction survey results were reviewed to plan and implement improvement measures.		
Employee complaints cases (closure rate)	9 (100%)	12 (100%)	36 (100%)
Employee Care Interview	376 Individuals were Interviewed	-	-
Annual employee opinion survey participation rate	Indirect labor: 99.7% Direct Labor: 180 participants Receiving in 46 suggestions, with a 100% response rate	Indirect labor:100% Direct Labor:87% Receiving in 12 suggestions, with a 100% response rate	Indirect labor:100% Direct Labor:78% Receiving in 8 suggestions, with a 100% response rate

Employee Compensation

Taiwan Plants	China Plants
• Employee profit sharing (Depending on annual operations and individual performance for the current year) • Production performance bonuses, operating performance bonuses, R&D patent bonuses • Excellent R&D personnel, long-service employee, and outstanding employee recognition • Employee stock ownership (when possible)	• Operating bonus (Depending on annual operations and individual performance for the current year) • Production performance bonuses, operating performance bonuses, R&D patent bonuses • Excellent R&D personnel, and outstanding employee recognition

Note: The above benefits are applicable to full-time employees only.

2025 Gender Total Compensation Ratio

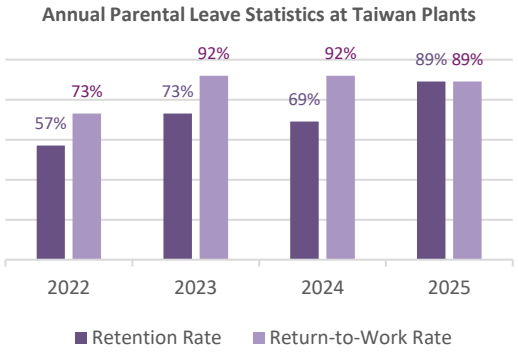
Gender Compensation Ratio Category	Job Category / Plant	R&D	Production	Sales	Administration	Total Ratio
Median	Taiwan	0.992	0.965	0.966	0.978	0.976
Average	Taiwan	0.994	0.959	0.988	0.991	0.986
	Wujiang	1.004	0.951	0.929	1.003	0.952
	Kunshan	0.908	0.964	0.990	0.919	0.933

Note: The above calculations based on December 2025 salary data.

Employee Benefits

Coretronic provides comprehensive employee benefits, with benefits exceeding legal requirements. For details, please see *2025 Coretronic Sustainability Report* Employee Benefits or company website.

Parental Leave



Retirement System

The pension systems for both Taiwan and China Plants comply with local regulations.

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)

Training and Development

Coretronic adopted training system, allowing employees select different training channels based on their professional and personal development requirements.

Average Employee Training Hours:

Region	2025 Employee Category					2026 Target	2027 Target	2028 Target
	Senior Management	Middle Management	Junior Management	Non-management Personnel	Total			
Taiwan	31.2	42.2	46.9	39.9	40.7	24	26	28
China	57.2	25.6	26.1	13.3	15.0	9	9	9

Training Development Courses

Executive Development Program / Featured Courses / Management Talent Training / Professional Talent Training / International Talent Training

Featured Courses

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. **Seven** micro-learning workplace skills courses were developed and uploaded to the digital platform for employees to access anytime, expanding learning impact and flexibility.
- A total of **seven** themed co-learning circle activities were conducted, with 2,821 participants and an average satisfaction score of 9.4.

AI Forum (Taiwan plants)

- Promoted the “AI Empowerment Program” by adopting a dual-track learning strategy that combines “top-down” and “bottom-up” approaches, and 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”. A total of **20** AI-related patents were obtained and have gradually been applied in product development.
- **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.

On-the-Job Skills Competitions (Wujiang plants)

- 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.

Sales Competency Enhancement (Taiwan plants)

- Through competency assessments, phased blended learning programs were designed to address employees’ capability gaps. 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.
- A total of 4 courses were conducted, with 147 participants and an average satisfaction score of 9.4. Following the courses, key course content was edited into digital learning materials.

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, and Integrated online and offline resources to provide skill-related courses for manufacturing, quality, R&D, and engineering personnel.
- 100% 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.

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

- Organized the “Project-Three-Generation”, “We RISE! Corporate Culture Camp”, seven “LINE Group Activities”, “Core Challenger Internship Final Presentation”, and “Yuan Ze University Internship Project Competition”, allowing interns to experience workplace life and develop professional competencies, enabling them to plan their career paths, shorten future workplace adaptation periods, and enhance competitiveness.
- 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. Number of Interns: 23

Performance Review

- Performance evaluations are conducted twice a year to regularly review goal achievement and competency development every six months.
- Proportion of Employees Receiving Performance Evaluations: Taiwan 99%, China 93%.

Occupational Safety and Health

Under the ISO 45001 management system, internal audits covered 4,142 employees and 478 non-employees, achieving a 100% audit coverage rate. External audits covered 4,041 employees and 426 non-employees, with coverage rate of 98% and 89% respectively.

Occupational Safety Issue Engagement, Education Training, and Emergency Response Drills

- 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.
- 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.
- 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.
- 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

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**.

Annual Occupational Injury Records of Employees[1]

Number of Recordable Work-Related Injuries[1]	2022	2023	2024	2025
Taiwan	8	7	10	8
China	14	8	11	13
Total Recordable Injury Rate[2]	**2022**	**2023**	**2024**	**2025**
Taiwan	2.64	2.31	3.43	3.03
China	1.52	1.31	2.09	2.37
Lost-Time Injury Frequency Rate[3]	**2022**	**2023**	**2024**	**2025**
Taiwan	0.33	0.33	1.71	1.13
China	1.20	0.32	0.95	1.09

1: 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.
2: 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.
3: Lost Time Injury Frequency Rate (LTIFR) = (Total number of disabling injuries / Total working hours) × 1,000,000 hours

Contractor Management

To safeguard the health and safety of our partners, ensure facility safety, and uphold Coretronic's commitment to workplace health and safety. 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" program.

- The Taiwan plants have achieved **zero** contractor incidents for 11 consecutive years (2015–2025)
- The China plants have maintained **zero** contractor incidents for 4 consecutive years (2022–2025).

Hazardous Substance 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.

- 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.
- prohibited and restricted hazardous substances in products including the 10 substances restricted under RoHS, 253 REACH SVHCs, substances listed in REACH Annex XVII, and other regulated substances under applicable regulations.
- Per- and Polyfluoroalkyl Substances, PFAS: the Company has initiated supply chain investigations and management measures and has committed to fully phasing out and substituting PFAS before 2040.

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 the materials they supply 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 Management Procedure

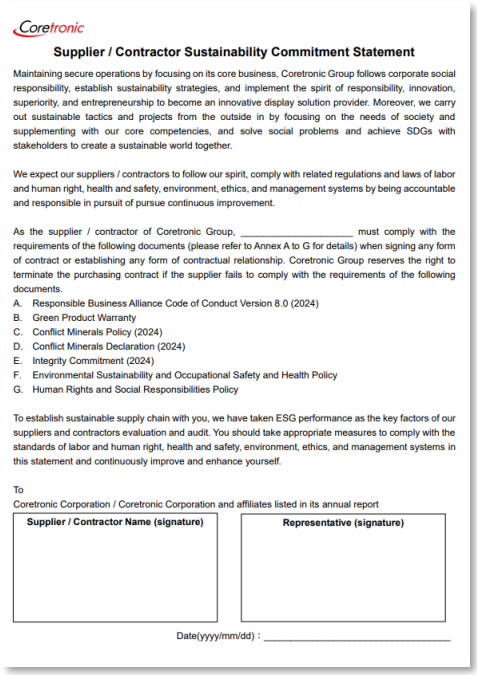
Hazardous Substance Management System	• Established the "Hazardous Substance Process Management (HSPM) Committee" • Built the Green Product Management System (GPMS) • Introduced IECQ QC 080000 Hazardous Substance Process Management System
Creating a Clean Green Supply Chain	• Adopt the "Green Product 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.

Supplier Management

Coretronic has established the "Sustainable Supplier Management Regulations" for production materials suppliers. These regulations include requiring supplier partners to adhere to the principles, 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.

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

Sustainability Commitment Statement



Coretronic

Supplier / Contractor Sustainability Commitment Statement

Maintaining secure operations by focusing on its core business, Coretronic Group follows corporate social responsibility, establish sustainability strategies, and implement the spirit of responsibility, innovation, superiority, and entrepreneurship to become an innovative display solution provider. Moreover, we carry out sustainable tactics and projects from the outside in by focusing on the needs of society and supplementing with our core competencies, and solve social problems and achieve SDGs with stakeholders to create a sustainable world together.

We expect our suppliers / contractors to follow our spirit, comply with related regulations and laws of labor and human right, health and safety, environment, ethics, and management systems by being accountable and responsible in pursuit of pursue continuous improvement.

As the supplier / contractor of Coretronic Group, _____ must comply with the requirements of the following documents (please refer to Annex A to G for details) when signing any form of contract or establishing any form of contractual relationship. Coretronic Group reserves the right to terminate the purchasing contract if the supplier fails to comply with the requirements of the following documents.

A. Responsible Business Alliance Code of Conduct Version 8.0 (2024)
B. Green Product Warranty
C. Conflict Minerals Policy (2024)
D. Conflict Minerals Declaration (2024)
E. Integrity Commitment (2024)
F. Environmental Sustainability and Occupational Safety and Health Policy
G. Human Rights and Social Responsibilities Policy

To establish sustainable supply chain with you, we have taken ESG performance as the key factors of our suppliers and contractors evaluation and audit. You should take appropriate measures to comply with the standards of labor and human right, health and safety, environment, ethics, and management systems in this statement and continuously improve and enhance yourself.

To
Coretronic Corporation / Coretronic Corporation and affiliates listed in its annual report

Supplier / Contractor Name (signature)	Representative (signature)

Date(yyyy/mm/dd) : _____

"Sustainability Commitment Statement"
Implemented the online "Document Signing Management System", achieving a 100% signing rate

Sustainability Risk Assessment
Completed the online "ESG Risk Assessment System" and formulated the 2026 supplier assessment list based on 2025 procurement amounts and RBA audit results

Conflict Minerals Survey
- Launched the online "Conflict Minerals Management System"
- Achieved a response rate of 99%

Financial Risk Assessment
- Assessed a total of 5 suppliers, achieving a 100% assessment rate
- Categorized Management and established response measures

RBA Audits
- 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

Annual Audits
Audited a total of 122 suppliers, with 100% audit and compliance rates

Quarterly Reviews
Audited a total of 282 suppliers, achieving 100% audit rate and 99% compliance rate

✓ Established the "**Sustainable Supply Chain Website**"
✓ Held one **Annual Supplier Conference and Outstanding Supplier Award ceremony**, with 138 suppliers participating
✓ A total of 10 suppliers participated in **Supplier Circularity Alliance**, with recycling volume accounting for 99% of total shipment volume

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.

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.

Sustainable Supply Chain Website

Coretronic integrated all supplier-related management platforms onto "Sustainable Supply Chain Website". The website includes seven major functions:

1. **Sustainability principles** (platform for signing the Sustainability Commitment Statement, Sustainable Supply Chain Management Regulations)
2. **Sustainability risk assessments** (Conflict Minerals System, Financial Risk Assessment Questionnaire, ESG Risk Assessment System, Environmental Management System)
3. **Sustainability online courses**
4. **Sustainability events** (Annual Supplier Conference, Outstanding Supplier Awards, Earth Day activities)
5. **Green Product Management System (GPMS):** Announcement section (incl. updates and trainings), a Material Composition Declaration (MCD) Request section, and a supplier list section
6. **Material carbon footprint database**
7. **Online consultation**

In 2025, the "Conflict Minerals System", "Sustainability Commitment Statement Signing Platform", and "ESG Risk Assessment System" have been launched, while the remaining systems are expected to be completed by 2027.

Supplier Audit

Category	Item	Object	2025 Performance
RBA Audit	Assess ESG-related risks associated with the environmental and social impacts of production material suppliers.	✓ All new suppliers (excluding customer-designated suppliers)	✓ Completed RBA audits for 57 tier-1 suppliers, achieving an audit rate of 100%, ✓ Conducted RBA audits for tier-2 critical suppliers, completing a total of 85 audits.
Annual Audit	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.	Designated key component manufacturers	122 annual audits were completed, with all 122 suppliers passing the audit, resulting in a 100% audit rate and a 100% passing rate.
Quarterly Audit	Quality, delivery performance, and cooperation level	Suppliers that have entered the mass production phase and have 5 or more transactions (excluding affiliated companies)	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%.

Green Alliance

Annual Supplier meeting conducted since 2017.

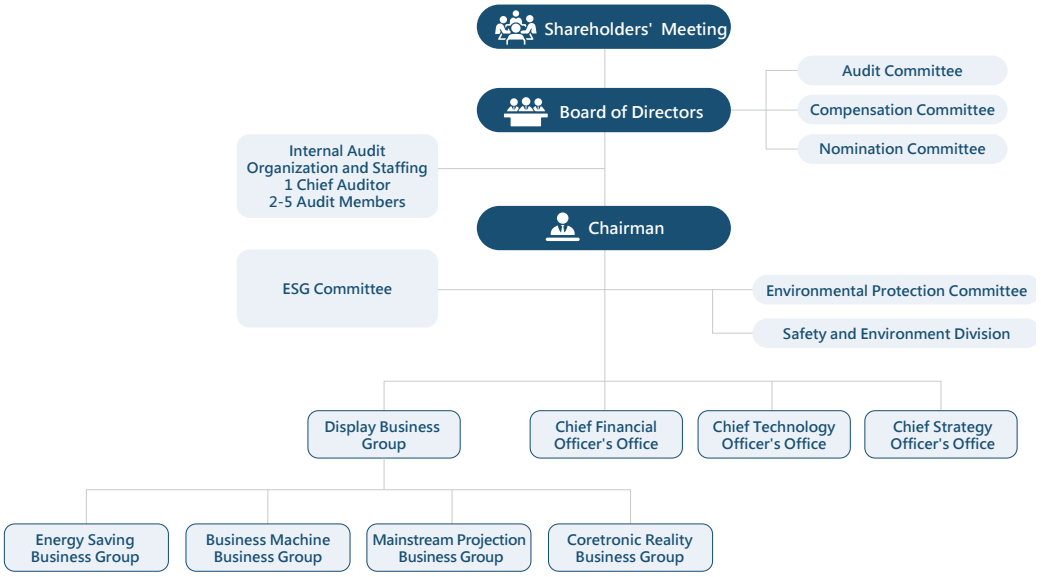
Main Topics

- 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

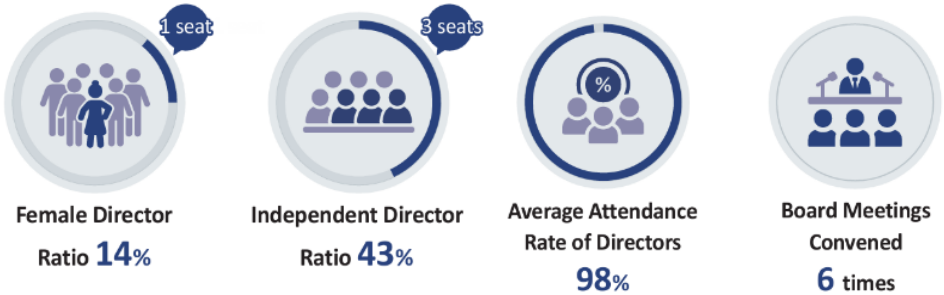
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Governance



Board of Directors

Title	Name/ Representative	Gender	Age	2025 Attendance Rate	Experiences and Education	Term of Office (12th) June 18, 2025– June 17, 2028
Chairman	**Wade Chang**	M	71–80	100%	• Master of NTU-Fudan EMBA, National Taiwan University • Chairman, Coretronic Corporation	■
Director	Hsun Chieh Investment Ltd. Representative: **Hsin-Chieh Hsu**	M	51–60	100%	• Master in Business Administration, Tunghai University • Senior Vice President, Hsun Chieh Investment Ltd.	■
Director	Hannstar Display Corp. Representative: **Yu-Chi Chiao**	M	61–70	83%	• Doctor of Business Administration, City University of Hong Kong, Doctor of Business Administration, Fudan University • Chairman, HannStar Display Corporation	■
Director	**Han-Ping D. Shieh**	M	71–80	100%	• Ph.D. in Electrical and Computer Engineering, Carnegie Mellon University, USA • Life Chair Professor, National Yang Ming Chiao Tung University	■
Independent Director	**Hsing-Yi Chow**	M	61–70	100%	• Ph.D. in Business, Indiana University-Bloomington, US • Emeritus Professor of Department of Finance, National Chengchi University	■
Independent Director	**Audrey Tseng**	F	61–70	100%	• Master of Business Administration, Executive MBA of National Taiwan University and Fudan University • Advisory Committee Member, Bio-Taiwan Committee	■
Independent Director	**Hung-Pin Ku**	M	41–50	100%	• Bachelor of Laws, National Taipei University • Lawyer, Ku Hung-Pin Law Firm	■



Wade Chang concurrently serves as Chairman and managerial officer, given his expertise in business management, leadership decision-making, and ability to anticipate industry trends, all of which contribute to the Company's operational development. The other members of the Board do not hold any employee positions within Coretronic. Female President Sarah Lin leads the management team.

An external performance evaluation of the Board 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 October 2023 by "Ernst & Young Business Advisory Services Inc. (EY)". Evaluation criteria covered 3 aspects of Board Structure, People, and Process and Information, of which the board performed as "advanced", a couple of suggestions and improvement measures are noted in 2023 ESG Report p.37.

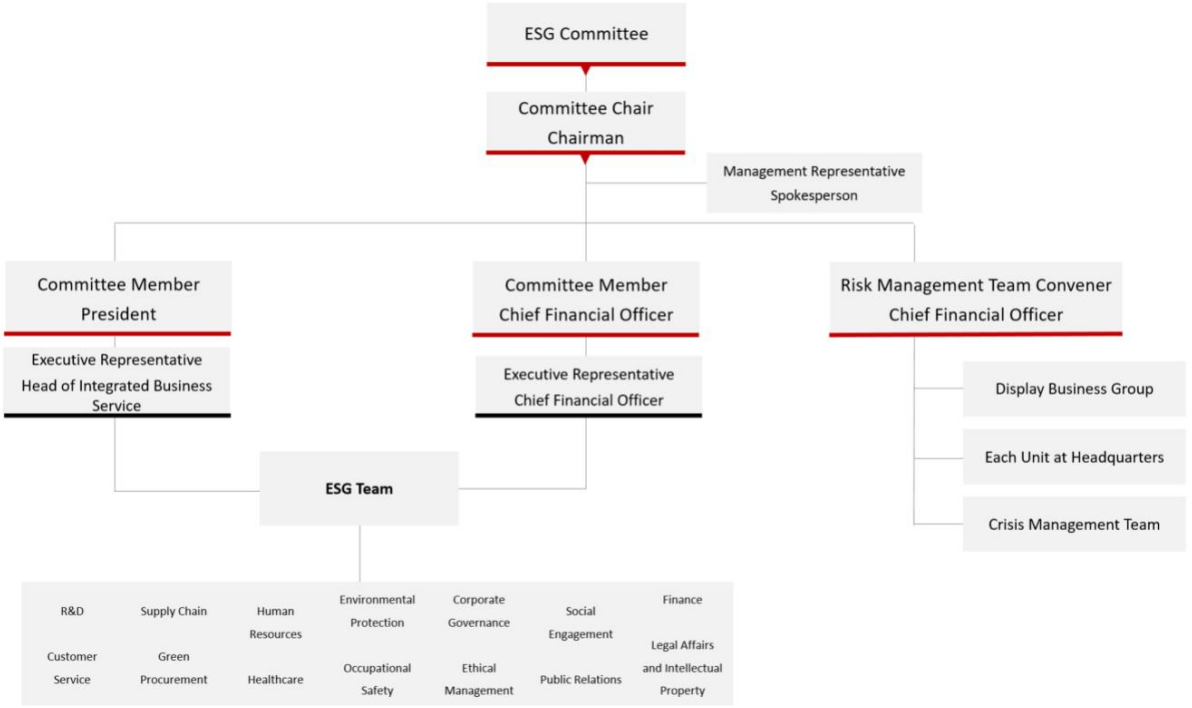
Functional Committees

Committee Name		Audit Committee	Compensation Committee	Nomination Committee
Established		2010	2012	2020
2 Number of Meeting Held in 2025		5 times	2 times	1 time
Average Attendance Rate	Hsing-Yi Chow	100%	100%	100%
	Audrey Tseng	100%	100%	100%
	Hung-Pin Ku	100%	100%	100%

The functional committee members were re-nominated and remain unchanged since the re-election of Board of Directors on 18th June 2025.

ESG Committee

Currently, the ESG Committee operates as an independent organization. The Chairman serves as the “Chief Commissioner” of the ESG committee, with the President and Chief Financial Officer (CFO) as “Committee members”. The Board of Directors regularly listens to the management team's sustainability plans and targets each year, and periodically reviews the implementation progress.



Communication and Content Frequency

Reporting Frequency	Review Items	Oversight Body
Quarterly	Sustainability Implementation status Sustainability performance Sustainability approaches and plans for the following year	ESG Committee
Quarterly	GHG inventory Implementation status	Board of Directors
Annually	Sustainability report Material Topics of Sustainability report The implementation effectiveness of ethical management Sustainability projects TCFD and TNFD report Various environmental indicators SBT carbon reduction targets and roadmap Renewable energy strategies Future direction for sustainable development strategies.	Board of Directors

Risk Management Team

The “Risk Management Team” integrates various risk management units, under the ESG Committee and is led by the CFO according to the Risk Management Policy approved by the Board of Directors in 2025. The latest operational status was reported to the Board of Directors on July 28, 2025.

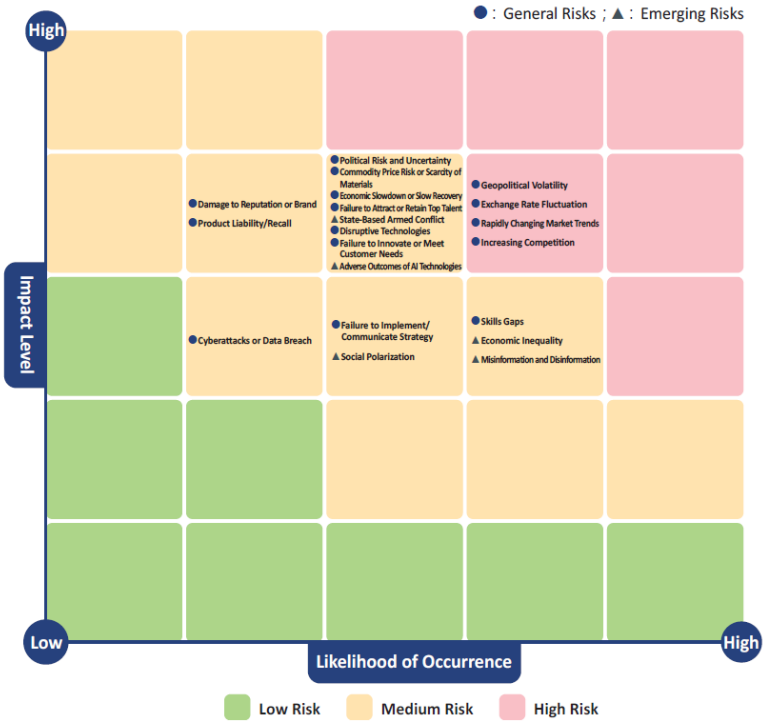
Risk Identification and Management Procedure

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. More deatails please refer to”*2025 Sustainability Report – 3. 2 Risk Management*” or Coretronic Website – Risk Management.

Risk Identification	Risk Assessment	Risk Analysis	Risk Response Measures
• 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.	• 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.	• 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.	• 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 and dynamic monitoring mechanisms.



Information Security and Privacy Protection

The Company 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.

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.

Privacy Protection

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.

Linkage Between Executive Compensation and Sustainability Performance

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.

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

Ethical Corporate Management

Anti-Corruption Training in 2025—"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". 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%; "Ethical Corporate Management Best Practice Agreement" signing rate reached 100%.

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 tithe 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.

Anti-Corruption Reporting Mechanism

Employees and external stakeholders can use the email address and Complaint Channel below to report violations of corporate integrity and unethical conduct:

Email address: 8215@coretronic.com

Dedicated complaint hotline:

Taiwan: +886-3-5772000, ext. 8215

China: +86-512-6382-8588, ext. 6220

An independent audit unit of the Company will conduct confidential fact-finding investigations. The investigation report will be submitted to the management for resolution, and the handling result of the reported matter will be subject to internal disciplinary action or prosecution in accordance with disciplinary measures. Identity of the whistleblower and report content will be kept confidential. Whistleblower is protected from improper retaliation.

In 2025, **no complaint cases** were received at Coretronic's Taiwan plants and China plants.