

# 2023 ESG INSIGHT REPORT



*Coretronic*



# Overview

## Sustainability Initiatives



Supplier Engagement Rating: Leadership level (A)  
Climate Change Evaluation: Management level (B)  
Water Security Evaluation: Management level (B)  
Received higher than industry average for all surveys.



SCIENCE  
BASED  
TARGETS

Passed the validation of SBTi in April 2024. Coretronic commits to "an absolute reduction of 50.4% in Scope 1 and 2 greenhouse gas emissions and an absolute reduction of 30% in Scope 3 emissions by 2032 compared to the 2021 baseline."



Adopted and signed  
TCFD in 2020.



Rating improved from  
BBB to A.

## EV100 & RE100

Anticipate to publicly declare in 2024, committing to achieving the goals of "100% electric vehicle transportation by 2030 and 100% renewable energy by 2040."

## Third Party Verification Overview

	Reporting Standards	Accreditation Body	Region
Sustainability Report	AA1000AS v3 Type 2 high-level assurance	SGS Taiwan Ltd.	Taiwan, China
	GRI Standards		
	SASB Standards		
Environmental Certifications	ISO 14001	SGS Taiwan/ SGS-CSTC Standards Technical Services	Taiwan, Wujiang plants, Coretronic Projection (Kunshan)
	ISO 14064-1		Taiwan, China
	ISO 50001		Taiwan, Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), Coretronic Projection (Kunshan)
Occupational Health and Safety	ISO 45001		Taiwan, China
	CNS 45001		Taiwan
Quality Management	ISO 9001		Taiwan, China
Information Security	ISO 27001		Taiwan
Product Carbon Footprint	ISO 14067 (3 laser projectors)	TÜV Rheinland Taiwan Ltd.	Taiwan
	ISO 14067 (2 LCD displays)	SGS-CSTC Standards Technical Services	Taiwan

## Scope

Scope of 2023 ESG report accounts for 74% of the Company's annual consolidated revenue. Optoma Holding Limited, our key subsidiary with its own branding, will be publishing its 2023 ESG Report in Q4 2024. Therefore, its sustainability strategies and performance are not disclosed in this report.

### Coretronic's Taiwan Plants

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

### Coretronic's China Plants

#### Kunshan

Coretronic Projection (Kunshan), Coretronic Optics (Kunshan)

#### Wujiang

Coretronic Optotech (Suzhou), Coretronic Display (Suzhou),  
Coretronic Optics (Suzhou)

### Subsidiaries in Taiwan

Champ Vision Display, Coretronic Intelligent Cloud Service,  
Coretronic Intelligent Robotics

# Environnemental

## Environnemental Goals

Goals Base year 2021 <small>Note</small>	Plants	2023 (Actual)	Short-term 2023-2025	Mid-term 2026-2028	Long-term 2029-2031
GHG Emissions Intensity Reduction (Category 1+2)	Taiwan	23% ✓	6%	10%	13%
	China	41% ✓	6%	10%	13%
Renewable Energy	Taiwan	7% ✓	5%	6%	8%
	China	20% ✓	13%	15%	17%
Electricity Consumption Intensity Reduction	Taiwan	14% ✓	7%	10%	13%
	China	11% ✓	7%	10%	13%
Waste Output Intensity Reduction	Taiwan	12% ✓	5%	8%	11%
	China	9% ✓	5%	8%	11%
Water Consumption Reduction	Taiwan	6% ✓	6%	9%	10.50%
	China	33% ✓	6%	9%	10.50%

Note: Coretronic revised environmental goals base year from 2019 to 2021 to be consistent with SBT submission.

## ESG Education and Training

Coretronic aims to raise employees' awareness and understanding of ESG and incorporate ESG into the Company's daily operations through participation in internal/external training courses, publishing quarterly ESG E-Newsletter, and spreading ESG knowledge and activities on electronic/physical bulletin boards.

Compulsory Internal Training Courses – "Keeping up with the Sustainable Trend": To enhance the sustainability awareness of all indirect employees in Taiwan, an annual mandatory sustainability course was planned to introduce the definition of crucial sustainability terms, the two major sustainability organizations of the Company and their responsibilities, stakeholders and material topics, domestic and international initiatives, and educate employees on how to read the annual ESG Report.

**100% completion rate of training and post-training assessment (passing score of 80)**

## Environmental Awareness

Initiated Green Lifestyle Programs and invited stakeholders to participate in "Green Earth, Green Actions, and Green Knowledge" activities which also raise employee awareness of environmental sustainability. Beginning in 2022, internal online environmental education courses are also posted on the Coretronic APP. Please refer to Chapter 4.5 of 2023 ESG report for more details regarding environmental awareness and education initiatives.

Results	Unit	2021	2022	2023
Green Activities	Participants	4,471	21,446	30,167
Environmental Education	Person/hours	7,526	4,589	15,975
Environmental Charity Sponsorships	NT\$	579,200	549,000	685,000

## Climate Change Management



In 2021, for the first time, it referenced the TCFD framework to identify climate change risks and opportunities and analyze potential financial impacts. The Company had re-identified and renewed those under-concerned items of risks and opportunities in 2023.

### Potential Financial Impact Analysis of Climate Change Risk and Opportunity

Category			Potential Financial Impact		
			Operating Costs	Capital Expenditures	Revenue
Risk	Regulations	Climate change legislation, GHG emissions regulations, and carbon taxes/fees	▲		
		Renewable energy regulations	▲	▲	
		Cap and trade	▲		▼
	Technology	Demand for low-carbon products and services			▼
		Innovation of low-carbon technology or service transformation	▲	▲	▼
	Markets	Increased costs of raw materials	▲		▼
	Others	Social uncertainty/geopolitical		▲	▼
Opportunities	Resource Efficiency	Promoting low-carbon green production	▼		▲
		Use of recycled/reused materials	▼		▲
		Supply chain stability			▲
		More efficient transportation and distribution processes	▼		▲
	Energy Sources	Use of renewable/low-carbon energy	▼	▲	
	Reputation	Enhancing corporate reputation			▲
	Market	Seeking new business opportunities			▲

Note: Coretronic will estimate the financial impact, costs, or revenue projections related to risks and opportunities, and disclose the results once completed.

## GHG and Energy Management

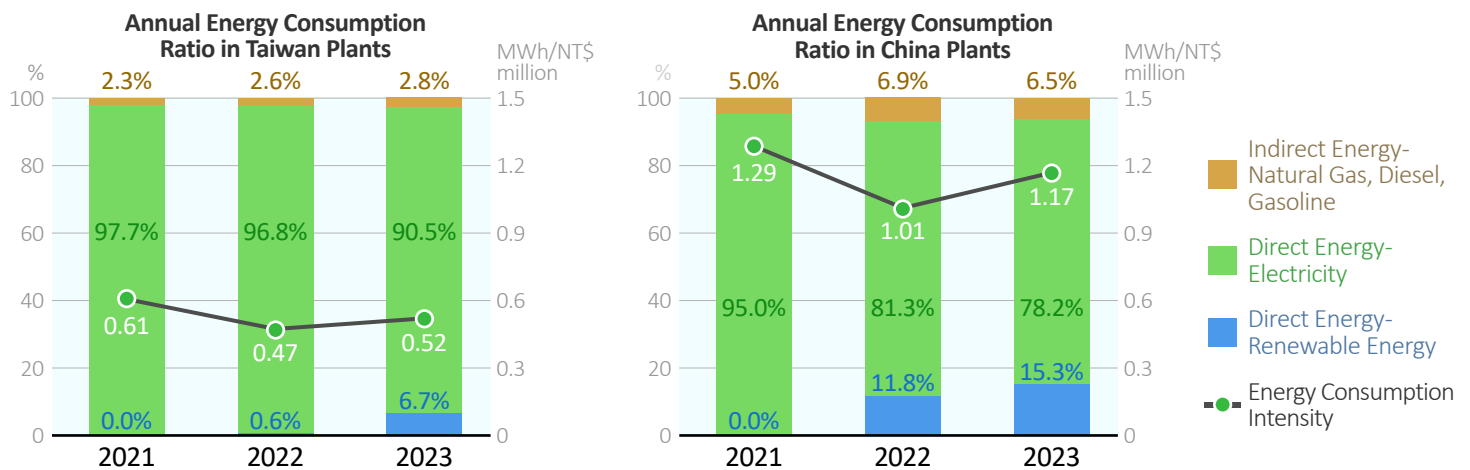
SBTi Carbon Reduction Targets Validated April 2024		EV100 and RE100 Anticipated commitment in 2024.		External Verifications ISO 14064-1 GHG inventory ISO 50001 EMS	
Optimization Improve energy efficiency of equipment, processes and systems.	Increase renewable Energy Solar power generation systems continually installed at Taiwan and China Plants	Green Energy Purchase renewable energy certificates and green power wheeling		Green Building Taiwan Chunan plant expected to obtain the LEED "Gold" certification in the Q1 2024.	



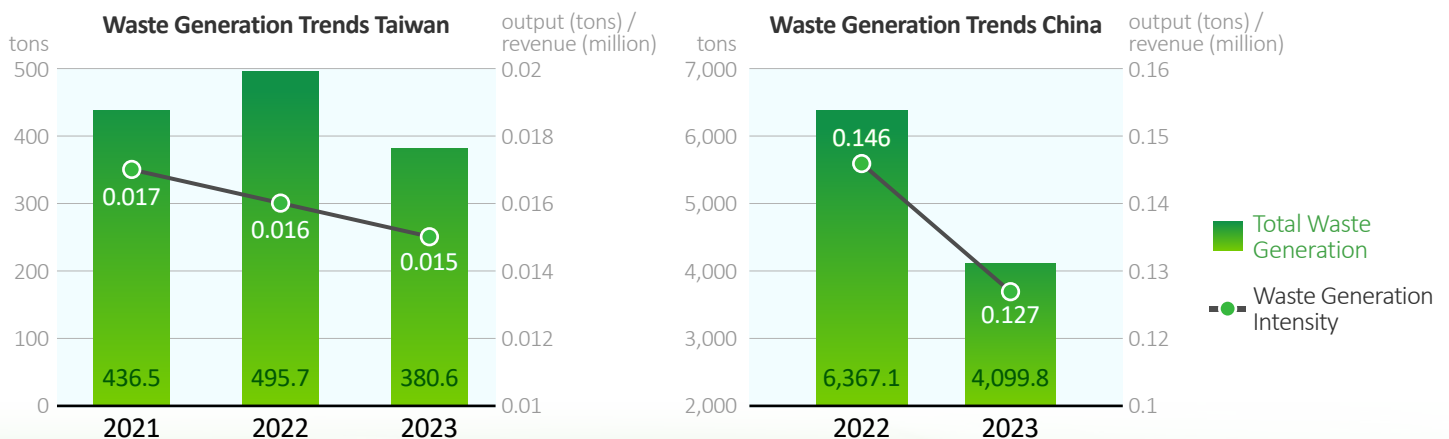
GHG Emissions	Unit	Taiwan			China		
		2021	2022	2023	2021	2022	2023
Direct Emissions-Category 1		223.1	246.1	238.3	678.8	1,655.5	1,824.7
Indirect Emissions-Category 2	tonCO <sub>2</sub> e	7,985.1	7,726.6	6,324.3	38,858.2	20,382.9	16,938.6
<b>Total GHG Emissions Category 1 and 2</b>		<b>8,208.2</b>	<b>7,972.7</b>	<b>6,562.6</b>	<b>39,537</b>	<b>22,038.4</b>	<b>18,763.3</b>
<b>GHG Category 1 and 2 Emissions Intensity</b>	tonCO <sub>2</sub> e/ NT\$ million <sup>Note 1</sup>	<b>0.31</b>	<b>0.24</b>	<b>0.24</b>	<b>0.99</b>	<b>0.51</b>	<b>0.58</b>
Indirect Emissions-Category 3		1,493.1	1307.7	1422.3	-	59964.2	8112.7
Indirect Emissions-Category 4	tonCO <sub>2</sub> e <sup>Note 2</sup>	6,158.6	41,511.1	12,085.7	-	563,858.6	1,668,599.3
<b>Total GHG Emissions Category 1 to 6</b>		<b>15,859.8</b>	<b>50,791.5</b>	<b>20,070.6</b>	<b>-</b>	<b>645,861.1</b>	<b>1,695,475.3</b>
<b>GHG Category 1 to 6 Emissions Intensity</b>	tonCO <sub>2</sub> e/ NT\$ million <sup>Note 1</sup>	<b>0.59</b>	<b>1.52</b>	<b>0.74</b>	<b>-</b>	<b>14.8</b>	<b>52.37</b>

Note 1: Coverage of revenue: 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 Logistics Solutions) and China plants.

Note 2: GHG emissions items consider the ISO14064-1:2018 standard and SBTi definitions, presented as "Category 1 = Scope 1, Category 2 = Scope 2, Category 3-6 = Scope 3."



## Waste Management



Coretronic's waste generated from operating activities is mainly non-hazardous waste.

#### Waste Reduction Strategies



Packaging Material Reuse



Circular Economy Alliance



Chemical Reduction



End-of-Product Treatment Tracking



Lightweight Chemical Containers

### Chemical Reduction

The Wujiang plants promoted green factories by implementing automated assembly equipment for production, reducing the purchase of isopropanol for cleaning and the containers for storing isopropanol. In 2023, a total of 0.7 tons of waste output and 0.2 tonCO<sub>2</sub>e were reduced.

### Water Management

Water Usage	Unit	2021	2022	2023
Taiwan Plants	tons	74,171	75,562	69,405
China Plants		515,854	427,073	347,083

Coretronic's water demand in Taiwan and China plants is mainly for air conditioning, drinking water, cleaning, irrigation, and cafeteria use. There are no water demands for manufacturing processes, resulting in relatively low environmental impact.

### Green Solutions

#### Goals

Indicators/Year	Short- Term (2024-2025)	Mid-Term (2026-2028)	Long-Term (2029-2031)
Product Carbon Footprint Inventory	<ul style="list-style-type: none"> <li>Plan and build platform</li> <li>Self-inventory</li> <li>ISO 14067</li> </ul>	Inventory new product carbon footprint	Inventory all product carbon footprints
Shipment ratio of mainstream and commercial projectors using post-consumer recycled (PCR) materials	10%	15%	30%
Shipment ratio of mainstream and smart projectors using ecofriendly buffer materials	66%	74%	75%
Shipment ratio of projectors using FSC or recycled pulp paper boxes	50%	75%	92%
Percentage of reduced power consumption by high-efficiency backlight modules	5%	10%	10%
Proportion of new developed NB models introducing recycled aluminum materials	3%	4%	6%

Coretronic's total shipment of energy-saving products for 2023 is 30 million units, accounting for approximately 4.41% of the global market share. *Note*

*Note:* According to market research firms, the global large-size LCD panel shipment for 2023 is estimated to be 681 million units.



As Scope 3 emissions mainly come from raw material procurement and product energy consumption, Coretronic has implemented strategies such as establishing a supply chain environmental management system, focusing on green product technology innovation, adopting recycled materials, and reducing machine energy consumption to reduce Scope 3 emissions and achieve a circular economy, lightening the burden on the planet.

R&D Patent Proposals	2021	2022	2023
Energy saving and carbon reduction related proposals as % of total Taiwan Plant proposals	51%	62%	60%

The Company incurred approximately NT\$1.40 billion of R&D expense in 2023, representing 5.83% of net sales. R&D expenses for 2024 are estimated at NT\$1.53 billion, an increase of approximately 5% from the previous year.



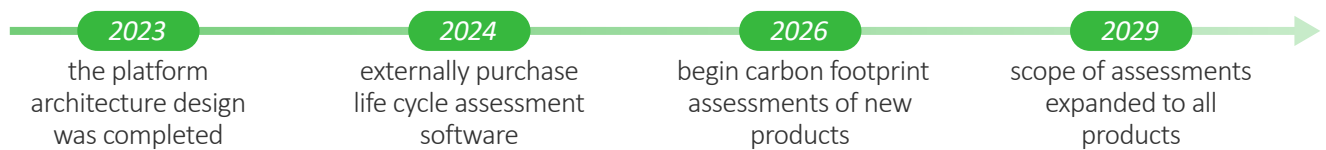
### Green Product R&D Team

Focuses on developing products with the core concept of green design, emphasizing "low energy consumption," "lightweight design," and "use of recycled materials."

In 2023, regular working group meetings were held, and 28 product development projects were proposed, including the introduction of recycled aluminum alloy back panels into new laptop models, the development of high-efficiency backlight modules to reduce energy consumption, and the continued adoption of low-carbon light guide plate technology and lightweight optical films to meet customer demands and mass production requirements.



### Product Carbon Footprint Assessment Platform Timeline



### Projector Product Green Development 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 assessments and establishing a comprehensive product carbon footprint database.



### Process Energy Saving Improvement



### Developing and Manufacturing Low-Carbon Products



### Source Reduction



# Social

## Human Rights

Coretronic's human rights policy follows the labor-related clauses in the ISO document "RBA Code of Conduct Management Manual" signed by the Chairman.



### International Human Rights Conventions

Universal Declaration of Human Rights, the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, and the International Labor Organization.



### Reasonable Working Hours

Working hour systems and management plans: Coretronic Work Rules, Working Hours Management Measures, Overtime Management Measures.



### Ensure Diversity, Inclusion and Equal Opportunities



### Prohibit Child Labor



### Freedom of Association



### Collective Bargaining



### Compliance with Minimum Wages

Annual "Human Rights Policy Course" is a mandatory course for all employees in Taiwan. 100% completion of training and signing rate of the "Coretronic Human Rights Code" was achieved in 2023.

## Labor and Ethics Management Review

As part of the Labor and Ethical Management System established in 2022, Coretronic conducted the first "Coretronic Labor Human Rights Risk and Ethical Risk Identification" in September 2023. Results indicated that Coretronic's current regulations and implementation related to labor human rights and ethics have no unacceptable risks and comply with RBA standards.

In response to the release and implementation of RBA Code of Conduct 8.0 on January 1, 2024, internal related documents will be updated to meet the latest RBA standards.

Future plans to conduct "Labor Human Rights Risk and Ethical Risk Identification" annually, and plan to expand the scope of identification to China and Vietnam plants in 2024.

## Workforce Overview

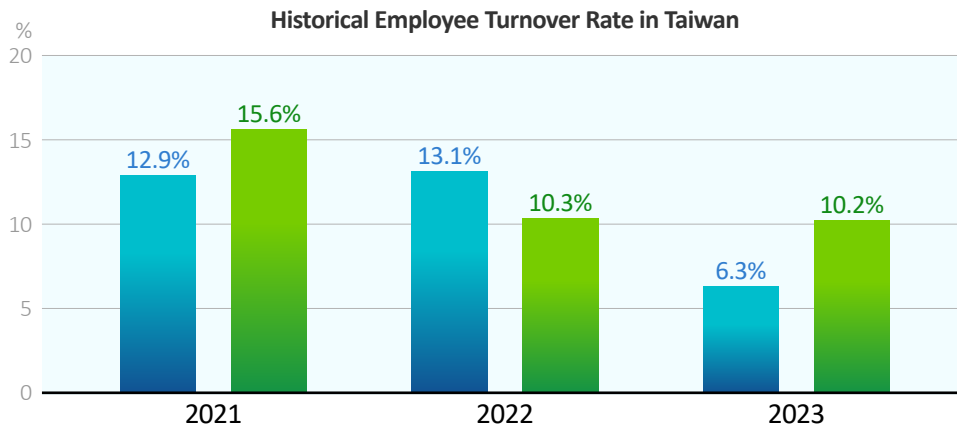
Region	Employees/Workers	Male	Female	Total
Taiwan	Indefinite Contract <sup>Note1</sup>	928	668	1,596
	Fixed-term Contract <sup>Note2</sup>	19	8	27
	<b>Total Employees Taiwan</b>	<b>947</b>	<b>676</b>	<b>1,623</b>
China	Indefinite Contract <sup>Note1</sup>	1,528	1,179	2,707
	Fixed-term Contract <sup>Note2</sup>	-	-	-
	<b>Total Employees China</b>	<b>1,528</b>	<b>1,179</b>	<b>2,707</b>
<b>Total Employees</b>		<b>2,475</b>	<b>1,855</b>	<b>4,330</b>
<b>Gender Ratio</b>		<b>57%</b>	<b>43%</b>	<b>100%</b>

Note1: Full-time employees, including direct and indirect personnel

Note2: Non-full-time employees, including consultants, contract personnel, interns and apprentices



## Turnover



The new hire rate of Taiwan employees in 2023 decreased compared to 2022 due to the independent establishment of subsidiaries by new ventures, adjusting Coretronic's incubation role, resulting in a decrease in the proportion of new hires in 2023.

■ New Hire Rate  
■ Turnover rate

## Employee Compensation

Executed one annual salary adjustment in 2023, with an average adjustment range of 3-5%.

	Taiwan	Kunshan	Wujiang
2023 Gender Pay Ratio (M:F)	1: 0.984	1: 0.922	1: 0.964

## Labor Union

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

Company Name/Item	Union Establishment Date	Signing of Collective Agreement
Coretronic Projection (Kunshan)	July 2014	Collective Contract on Wages, Collective Contract
Coretronic Optics (Kunshan)	December 2020	
Coretronic Display (Suzhou)	July 2015	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 Optotech (Suzhou)	June 2019	
Coretronic Optics (Suzhou)	May 2021	

## Employee Stock Ownership

Employee stock ownership in Taiwan is implemented whenever appropriate.

Employee Benefits	Taiwan
Sharing of Operating Profits and Achievements (Applicable to Full-time Employees)	<ul style="list-style-type: none"> <li>• Employee profit sharing (depending on annual operations and individual performance)</li> <li>• Production performance bonuses, operating performance bonuses, R&amp;D patent bonuses</li> <li>• Excellent R&amp;D personnel, senior employee, and outstanding employee recognition</li> <li>• Employee stock ownership (handled as appropriate)</li> </ul>

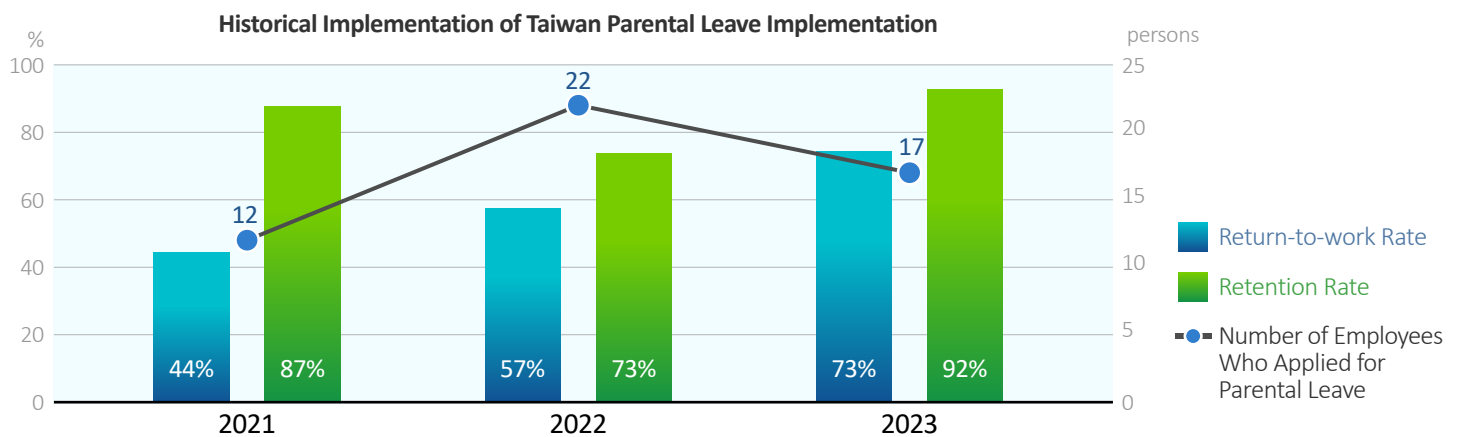
## Labor-Management Communication

At Coretronic, we have established and arranged comprehensive communication channels, ranging from hotlines and emails, physical suggestion box, EIP employee website, communication platform on LINE/WeChat and many more initiatives to allow employees to fully express their opinions, for details see 2023 ESG report p83.

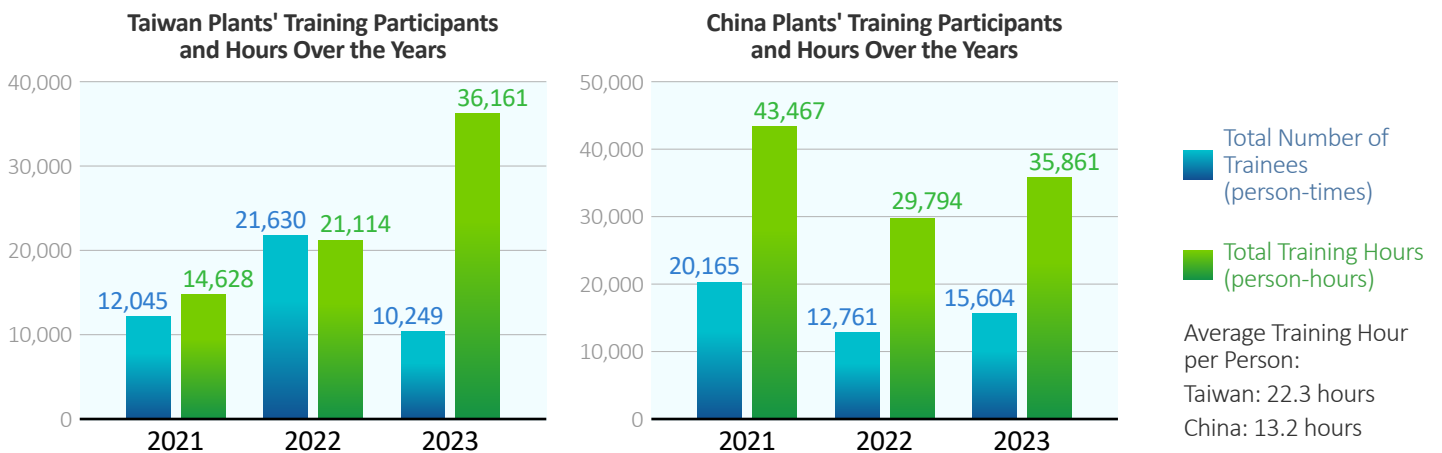
Besides the above-mentioned routine and diverse communication channels, starting from 2023, we will allow colleagues' opinions to be more comprehensively conveyed to the management through different age longitudes and different latitudinal methods. To enhance our attractiveness to Generation Z (born between 1997-2012) young people and improve the retention rate of current employees, we conducted six survey methods covering new employees, Generation Z employees, and all employees.

2023 Communication Highlights	Taiwan	Kunshan	Wujiang
Meetings	16 labor-management meetings	16 employee meetings	6 plants manager meetings
Employee welfare meetings	Held quarterly for each plant		
Employee complaints cases (closure rate)	0	13 (100%)	44 (100%)
Annual employee opinion survey participation rate	96%	249 responses (first survey conducted)	Direct employees 75% Indirect employees 100%

## Parental Benefits

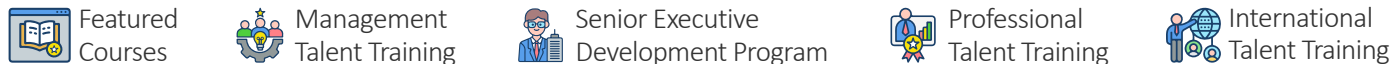


## Training and Development





We offer systematic training courses to employees based on their career planning and learning roadmap to develop their expertise in management or other professions.



## Notable Courses:



### Core Competency Academy:

Opened 87 R&D, sales, and operational competency courses (2,785 participants).



### Youth Empowerment:

Improved the solution ability of Generation Z partners and accelerated their deployment in the workplace. A total of 2 courses and 7 sharing sessions were opened (293 trainees).



### Leadership Study Group:

Developed middle and senior management's leadership skills and formulated seven action plans to be continuously implemented at various business units. 11 department-level reading clubs, with a total of 95 people participating in co-reading, held 81 reading club sessions.



### Comprehensive Mentoring Skills Program:

Assisted workplace mentors in providing different guidance methods according to the adaptation stages of new employees. A total of 51 mentors were cultivated, and 41 new employee teaching plan tables were produced after the course as the department's internal teaching SOP.



### Friendly Workplace Lecture:

Starting from 2023, "Creating a Friendly Workplace Starts with You and Me" is listed as a mandatory course for supervisors at all levels, to help supervisors identify and confront workplace illegal infringement, including verbal communication, gender differences, and other items that supervisors must abide by, to jointly create a friendly workplace.

**Taiwan and China Plant has 96% participation for twice yearly performance appraisals.**

## Occupational Health and Safety

Occupational safety and health personnel in each plant are responsible for the third-party certification (ISO 45001) inspection of the occupational safety and health management system.

The certification pass rate of Taiwan plants, Wujiang Plants, and Coretronic Projection (Kunshan) is 100%. Under the ISO 45001 management system, internal audit coverage ratio for employees and non-employees is 100%; the audit coverage ratio for employees covered by external audits is 92%, and for non-employees is 98%.



## Occupational Safety Risk Management

Hazard identification is conducted according to chemical, physical, ergonomic, biological, and other safety and health (including social and psychological) 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."

## Work-Related Injury Rates

**2021-2023: No fatalities**  
**No injuries incurred by contractors (non-employed workers)**

	2021 Note1	2022 Note2	2023 Note3
<b>Serious Occupational Injuries Rate (excluding fatalities)</b>			
Taiwan	0	0	0.3
China	1.6	0	0.3
<b>Recordable Work-related Injuries Rate</b>			
Taiwan	0	0.3	0.3
China	1.6	1.2	0.3

Note1: Total of 13 work-related injuries in China, including 7 incidents at Wujiang Plants, after an increase in workers by 30% for the capacity expansion of Wujiang Plants and the beginning of operations of Coretronic Optics (Suzhou). 6 incidents in Kunshan Plants.

Note2: Total of 12 work-related injuries. Taiwan (1) scald injury. China (11), including 8 slip and fall accidents and 3 machinery pinch-point injuries.

Note3: Total of 3 work-related injuries. Taiwan (1) tripping injury. China (2) fall in injury incident at Wujiang Plants and 1 cut injury incident at Kunshan Plants.

## Supply Chain Management

Coretronic developed the "Sustainable Supplier Management Regulations" for production raw material suppliers, including requiring supplier partners to comply with standards, conducting risk assessments, audits, training and guidance, and using the Annual Supplier Meeting to commend outstanding suppliers and share sustainable trend topics to ensure that supplier partners can operate sustainably. In addition, we have formulated the "Responsible Business Alliance Code of Conduct Management Handbook" based on RBA to manage suppliers. See Sustainable Suppliers Code of Conduct on Coretronic website for strategies, goals and performance.

**96% of suppliers signed the "Supplier and Contractor Sustainability Commitment Statement."**  
**(statement is available for download on Coretronic Website)**

## Sustainable Supply Chain Website

Expect to build website in the first half of 2024, allowing suppliers to fill out questionnaires online, and then identify suppliers' awareness and management level of sustainability management based on the self-assessment results, and conduct sustainability risk classification, in order to plan appropriate improvement measures for suppliers.



### Conflict Minerals

Coretronic does not accept illegally mined gold, tantalum, tin, tungsten, cobalt and mica from the Democratic Republic of the Congo and neighboring conflict regions. Announced the conflict minerals control requirements to suppliers at the Annual Supplier Meeting to ensure that suppliers comply with conflict minerals-related regulations.

Policies: "Responsible Minerals Procurement Policy," "Declaration on Non-Use of Conflict Minerals," "Sustainability Commitment Statement."

### RBA VAP

Both Coretronic Projection (Kunshan) and Coretronic Optics (Suzhou) independently applied for RBA VAP in 2023, and were rated 166.1 points and 163.8 points respectively, both reaching the silver standard, fully demonstrating green enterprise leadership.

### Supplier Audit – 100% Pass Rate

- *RBA Self-Assessment (Questionnaire and/or On-site Audit)*: 89 suppliers audited
- *Annual Audit*: 171 suppliers audited
- *Quarterly Audit*: 468 suppliers audited

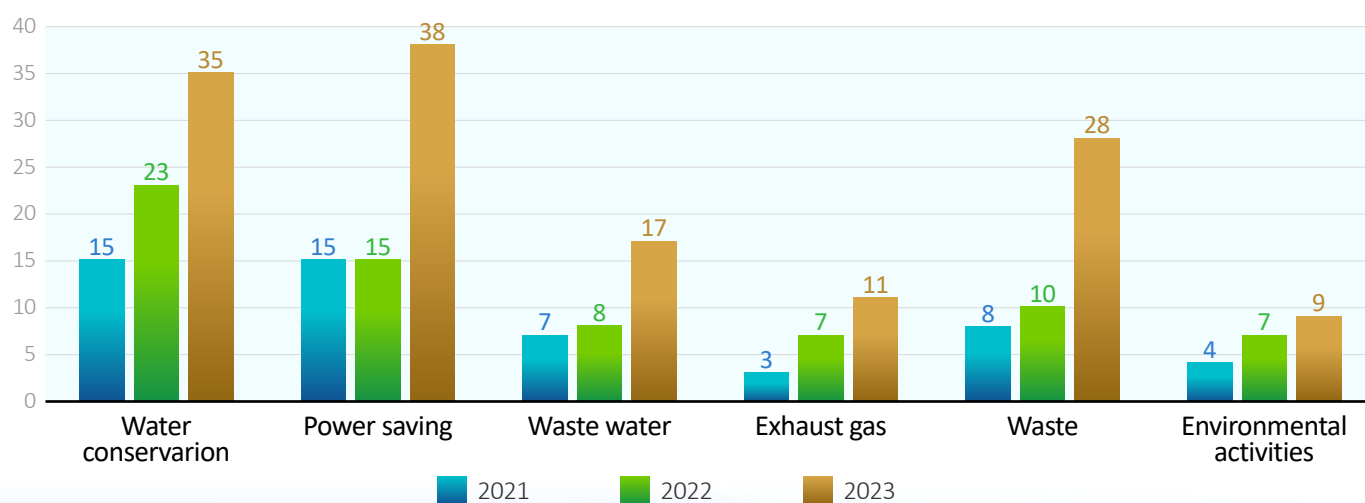


### Green Alliance

Annual Supplier meeting conducted annually since 2017.

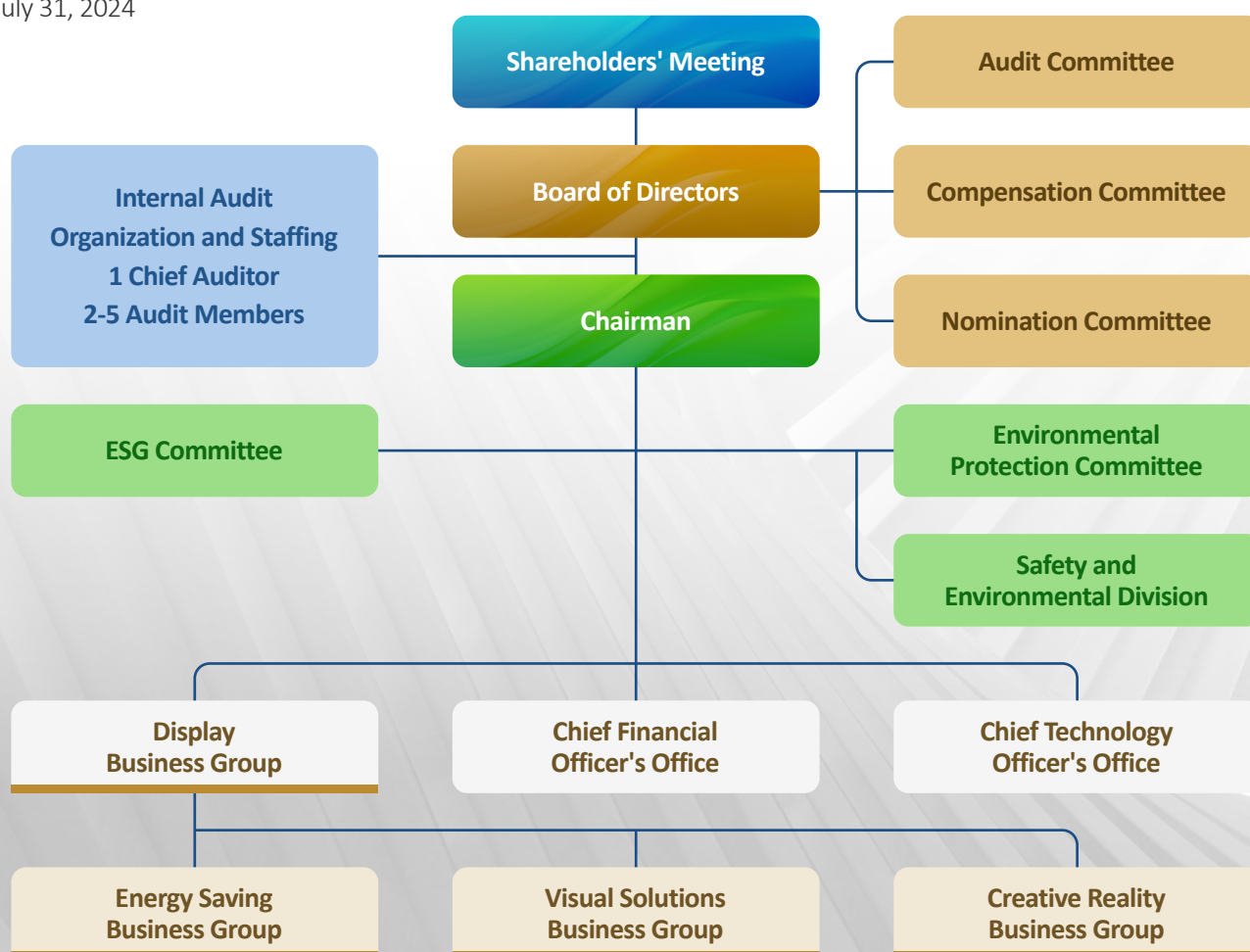
2023 Number of Participating Suppliers	125
Main Topics	<ul style="list-style-type: none"> <li>• ESG strategies and performance sharing</li> <li>• Preview of Sustainable Supply Chain Website</li> <li>• Announcement of environmental policies and regulations</li> <li>• Outstanding Supplier Awards – Energy Saving and Carbon Reduction Contribution Award, Sustainability Award</li> <li>• Award-winning supplier experience sharing</li> </ul>

Number of Suppliers Implementing Green Programs (2021-2023)

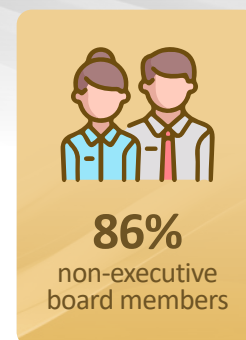
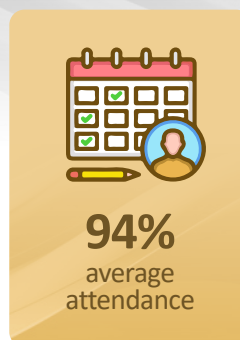
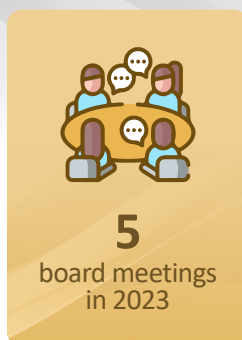
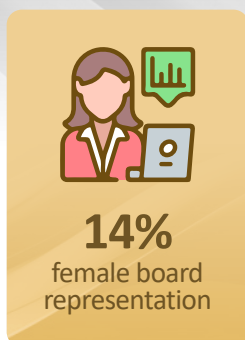
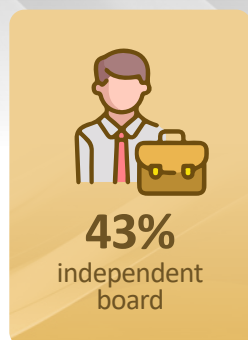


# Governance

As of July 31, 2024



## Board of Directors



Title	Name/Representative	Gender	Age	First Elected Date	Attendance (%)
Chairman	Wade Chang	M	71~80	1998.06.12	100%
Director	Hsun Chieh Investment Ltd. Representative: Tai-Shung Ho	M	61~70	2007.06.15	100%
Director	Hanns Prosper Investment Corp. Representative: Yu-Chi Chiao	M	51~60	2022.06.10	80%
Director	Han-Ping D. Shieh	M	71~80	2022.06.10	100%
Independent Director	Hsing-Yi Chow	M	61~70	2019.06.13	100%
Independent Director	Audrey Tseng	F	61~70	2022.06.10	80%
Independent Director	Hung-Pin Ku	M	41~50	2022.06.10	100%

Mr. Wade Chang concurrently serves as a managerial officer and Chairman to provide professional opinions at the Board of Directors meetings. Other members of the board do not hold positions at Coretronic. The management team is led by 2 female presidents, Ms. Sarah Lin and Ms. Ann Wu.

Coretronic has commissioned "Ernst & Young Business Advisory Services Inc. (EY)" in October 2023 to assess the performance of our Board of Directors. 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 p37.

## Functional Committees

**C** : Convener

Board Title	Name	Audit Committee	Compensation Committee	Nomination Committee
Year Established		2010	2012	2020
Number of Meetings in 2023		5	2	1
Independent Director	Hsing-Yi, Chow	<b>C</b> 100%	<b>C</b> 100%	<b>C</b> 100%
	Audrey Tseng	80%	100%	100%
	Hung-Pin Ku	100%	100%	100%

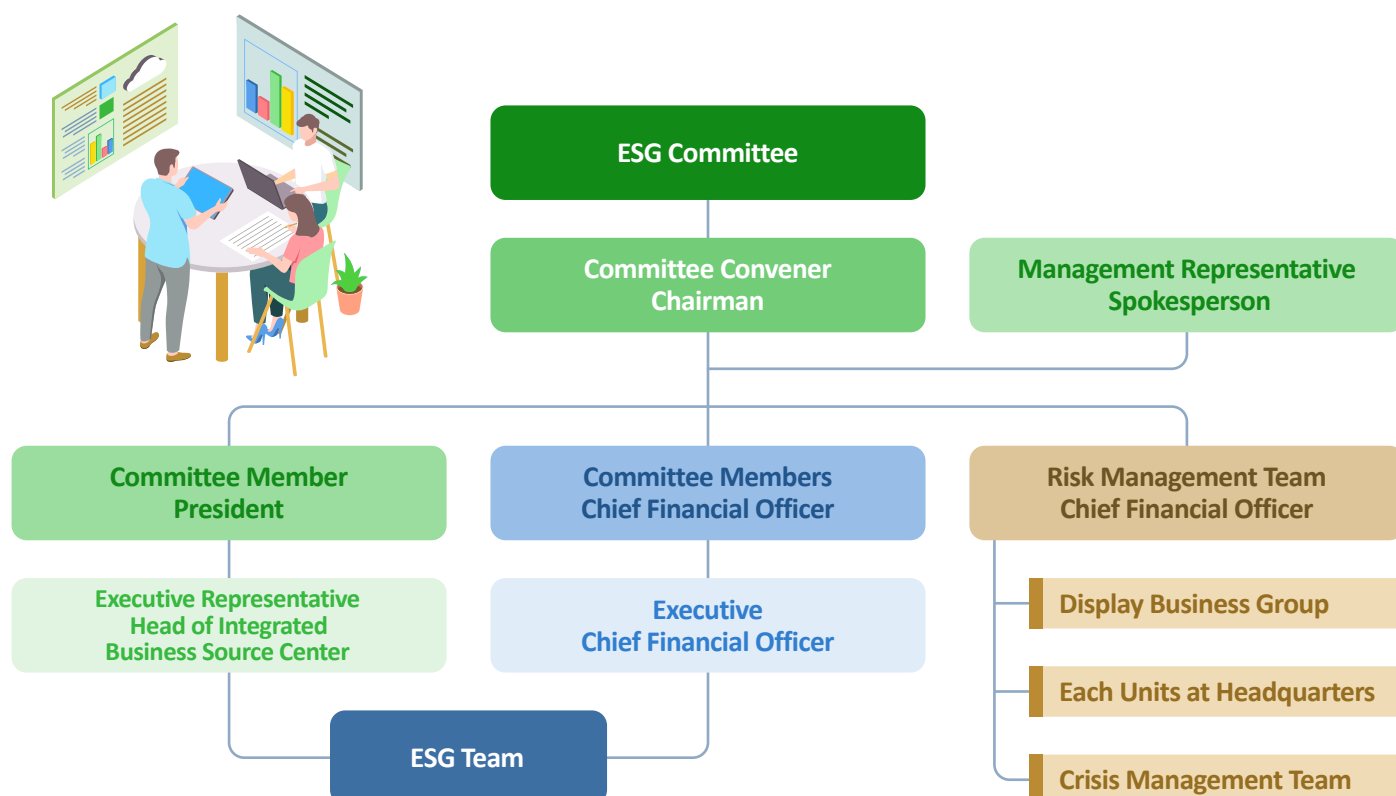
## Committee Member Qualifications

Independent Director	Qualifications	Experiences
Hsing-Yi, Chow	Currently serves as Emeritus Professor, Department of Finance, National Chengchi University	Rich experience in the industry, government, and academia and expertise in operations and management, leading decision, risk management, international finance, investment and venture financial management
Audrey Tseng	Certified public accountant, formerly deputy chairperson of PwC Taiwan and PwC Greater China Synergies Leader	Professional experience in financial accounting, international finance, financial planning, industry development, and business strategy planning
Hung-Pin Ku	Currently attorney-at-law of Ku Hung-Pin & Law Firm	Special experience in legal affairs

## ESG Committee

The ESG Committee currently operates as an independent organization. The Board of Directors regularly listens to reports from the management, periodically reviews and supervises the implementation.

Responsible Team	Reporting Frequency	Review Items	Oversight Body
ESG Team	Quarterly	<ul style="list-style-type: none"> <li>Implementation status</li> <li>Sustainability performance</li> <li>Priorities and plans for the following year</li> </ul>	ESG Committee
ESG Committee	Quarterly	Annual progress of sustainability implementation, including environmental sustainability, climate change, net-zero, renewable energy, social engagement, labor, and human rights issues.	Chairman
ESG Committee	Quarterly	GHG inventory execution status	Board of Directors
ESG Committee	Biannually	Material Topics of the ESG Report	Board of Directors
ESG Committee	Annually	Sustainability projects, TCFD, various environmental indicators, net zero pathway, renewable energy strategies and future sustainability development directions.	Board of Directors
ESG Committee	Annually	ESG Report compilation	Chairman





### 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 2020. The latest operational status was reported to the Board of Directors on July 29, 2024.

### Information Security

Information Security Management Committee reports the implementation status to the Board of Directors annually since 2020. Information security policy is formed with reference to ISO 27001 and NIST standards.

### Short to Mid-term Targets

- Obtain ISO 27001 verification for the Taiwan plants of Coretronic, Champ Vision Display, Coretronic Intelligent Cloud Service and Coretronic Intelligent Robotics.
- Perform an important system vulnerability scan annually.
- Back up important system data twice a year to meet RPO requirements.
- Regularly hold social engineering exercises and cybersecurity training.



## Integrity Management

The implementation of corporate integrity operations is reported to the Board of Directors on an annual basis.

We strictly prohibit any behavior that may result in undue benefits (including improper entertainment, commissions, bribery, hospitality, etc.) obtained through the convenience of one's position, or any actions that could potentially impact the company's reputation and competitiveness.

### 2023 Employee Ethics and Integrity Training

Plants	Mandatory Ethics and Integrity Courses	Trainee	Completion Rate
Taiwan	Ethical Corporate Management Best Practice Principles, Employee Code of Ethics, Trade Secret Protection, Insider Trading Laws and Case Studies *Completion requires scoring > 80 score in post course testing + signing of "Statement of Business Integrity Principles"	All employees and indirect labors	100%
Kunshan	RBA Knowledge Awareness	Indirect employees	100%
Wujiang	Integrity Management- Employee Ethics		99%



### Supplier Anti-corruption Policy

Suppliers must sign the "Integrity Commitment" to ensure fair and transparent trading practices between both parties. For suppliers who violate anti-bribery and anti-corruption policies, causing damage to the company, compensation and necessary legal actions will be taken in accordance with the terms of the Integrity Commitment Letter signed by the suppliers. In 2023, excluding suppliers who do not need to sign, the signing rate reaches 99%.

## Anti-Corruption Reporting Mailbox

Employees and external stakeholders can use the "Complaint Channel for Stakeholders and Employees' Violations of Professional Ethics," available on Coretronic website, to seek advice on matters related to the company's integrity-related affairs, report any violations of ethical behavior, and request an independent investigation by the company's internal audit unit conducted in a confidential manner. The investigation report will be submitted to the management level for decision making, and the handling of reported cases will be subject to internal disciplinary measures or legal actions, depending on the disciplinary measures deemed appropriate.

EIP employee website includes "Employee Code of Ethics" section with regulations on the Code of Integrity, whistleblowing channels, and case sharing.



Email address: [8215@coretronic.com](mailto:8215@coretronic.com)



Dedicated complaint hotline:

Taiwan: +886-37-777000 ext. 8215

China (Kunshan): +86-512-5736 0000 ext. 2199

China (Wujiang): +86-512-6382-8588 ext. 6220

***Identity of the whistleblower and report content will be kept confidential.  
Whistleblower is protected from improper retaliation.***

2023 Reports	Taiwan Plants	China Plants
Complaint Cases	0	1 anonymous
Results	-	Thoroughly investigated and found to have no violation of company regulations, case dismissed.

