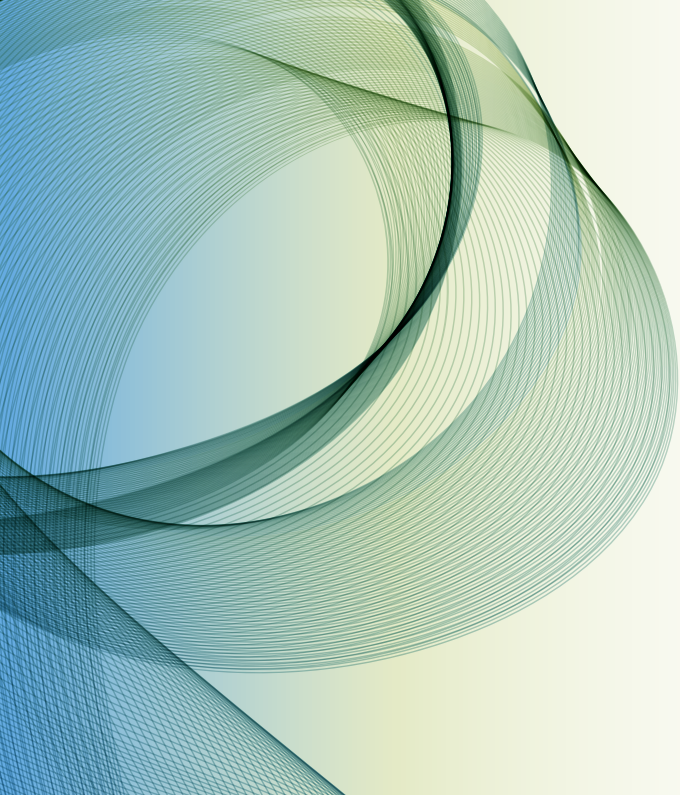


TCFD Report

Coretronic Corporation

2023

CONTENTS

Climate Change Overview

Core Elements	Management Policies and Actions	2023 Implementation Status
Governance	• The BOD regularly reviews the risks and opportunities associated with climate change • The ESG Committee regularly reports TCFD strategies and results to the BOD • The Environmental Protection Committee and Sustainable Energy Committee are responsible for setting goals and plans and implementing relevant strategies with the TCFD Team • Participate in national and international initiatives	• The **ESG Committee** is led by the Chairman, and the committee member and executive representative - the Chief Financial Officer reports to the Board of Directors annually. The report includes the results of the sustainability project implementation, Task Force on Climate-related Financial Disclosures (TCFD), various environmental indicators, net-zero pathway, renewable energy strategies, and future sustainability development directions. Additionally, the GHG inventories implementation status is reported to the Board of Directors on the quarterly basis. • **Environmental Protection Committee** is convened by the Head of Integrated Business Source Center, with the **Sustainable Energy Committee** and **EPC Team** under its jurisdiction is responsible for setting short-, mid- and long-term environmental goals and strengthening strategic implementation. • The **TCFD Team**, headed by the CFO, identifies climate-related risks and opportunities every two years. Based on the identified risks and opportunities, response strategies and solutions are formulated to mitigate negative impacts and enhance organizational climate resilience. • The Company have signed and supported TCFD, joined the Taiwan Climate Partnership and Taiwan Alliance for Net Zero Emission, responded to the CDP Climate Change and Water Security questionnaires, and submitted science-based reduction targets under the 1.5°C pathway to the SBTi for review.
Strategies	• Through cross-departmental discussions and identifying short-, mid-, and long-term climate change risks and opportunities • Evaluate the potential operational and financial impacts caused by the material climate risks and opportunities on the Company • Conduct scenario analysis and evaluate science-based reduction targets	• The short-, mid-, and long-term environmental sustainability goals were established, together with the corresponding identifications of climate risks and opportunities, following discussions with the Environmental Protection Committee and other units. Finally, the potential operational and financial impacts of climate change on the Company were presented according to the identification results. • Develop low-carbon technologies and design green products with low power and low energy consumption. • To respond to the Paris Agreement's goal of "increase in the global average temperature to well below 2°C," set targets based on the SBTi 1.5°C trajectory. • Set net zero targets, strategies, and trajectories.
Risk Management	• Identify company climate risk identification process using TCFD framework • Plan corresponding measures based on climate risk identification and prioritization results • Incorporate climate risk identification and assessment into enterprise risk management processes	• Assess the types of potential operational and financial impacts arising from climate-related risks and opportunities. • Incorporate climate change risk issues into the risk management process and annual material sustainability topics.
Metrics and Targets	• Set climate change-related management indicators • Regularly inventory GHG emissions based on ISO 14064-1 • Regularly review and manage energy performance based on ISO 50001 • Formulate climate change management goals, periodically review progress and actual performance • Plan and implement product carbon footprint inventory	• Set GHG emission intensity, electricity consumption intensity, waste generation intensity, water consumption, and renewable energy usage as climate performance indicators, and review the target implementation results quarterly and annually to reduce environmental impact. • Starting from 2016, we have continuously passed GHG verification. As from 2020, we have expanded the scope of GHG inventory to Category 3-6 in accordance with ISO 14064-1:2018, and then implemented carbon reduction measures based on the inventory results. • The Taiwan plants, Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), and Coretronic Projection (Kunshan) have introduced the ISO 50001 energy management system. Through energy-saving equipment replacement projects and various energy-saving measures, we have effectively reduced the GHG emission intensity. • In September, we submitted the science-based target – "With 2021 as the base year, reduce GHG emissions (Category 1 and 2) by 50.4%, as for Category 3-6 by 30% by 2032" to SBTi for review. Through the installation of solar power generation systems, production process energy-saving improvements, expansion of renewable energy use, upgrading of energy-saving equipment and production of low-carbon products, the SBT target and sustainability vision will be gradually achieved. • The solar power generation systems with a total installed capacity of 763 kW have been put into operation at the Chunan Plant, Tainan Plant 1 and 2, generating 850,000 kWh of electricity annually. Combined with green power wheeling, a total of 950,000 kWh of renewable energy is used. The solar power generation systems at the China plants have a total installed capacity of 6,475 kW, generating 5.81 million kWh of electricity annually. The renewable energy usage accounts for 7% and 20% of the annual electricity consumption at the plants in Taiwan and China, respectively, exceeding the short-term targets. We will continue to work towards the renewable energy development goals. • Three laser projector models and two LCD monitor models have obtained ISO 14067 verification, which will serve as a reference for the Company's future development of sustainable products. • In the future, we will prioritize conducting Green Product Development Strategy and Product Carbon Footprint Inventory Platform for newly developed products during the product development and design stage to understand the carbon emission hotspots of the products. Through technological innovation, material substitution, and performance optimization, we aim to reduce environmental impact and set the standards for the development of new-generation products, providing more environmentally friendly and energy-efficient green products to meet customer needs. For more details, please refer to Chapter 4.4 of Coretronic's 2023 ESG report.

01 Net-Zero Action

Climate change has led to an increased frequency of extreme weather events. Addressing the issue of climate change and building a sustainable business, Coretronic announced its Net Zero Declaration in 2022, pledging to achieve net zero emissions by 2050. Coretronic has formulated and implemented climate response measures as to minimize the climate change impact on the environment.

Coretronic actively responds to domestic and international climate initiatives. In 2023, climate-related financial disclosures were conducted based on the TCFD framework; updating its climate-related risks and opportunities in the post-pandemic era, and response strategies were further developed. Following the submission of its commitment letter to the Science Based Targets initiative (SBTi) in 2022, Coretronic submitted its science-based targets – "Based on the 2021 baseline, achieve an absolute reduction of 50.4% for Category 1 and 2 GHG gas emissions and 30% for Category 3-6 by 2032" – and its implementation plan to SBTi for review in September 2023, with the target of passing the verification by April 2024.

Furthermore, Coretronic has responded to the CDP questionnaire for five consecutive years since 2019. In 2023, it achieved the highest rating of A (Leadership level) in the Supplier Engagement Rating and maintained a B rating (Management level) in both the Climate Change and Water Security evaluations, outperforming industry, Asia, and global averages (C). Since 2022, Coretronic has joined the Taiwan Climate Partnership (TCP) and the Taiwan Alliance for Net Zero Emission (TANZE) to collaborate with customers and supply chain partners in protecting the environment.

To achieve its renewable energy goals, Coretronic actively invests in and promotes the use of renewable energy, enabling it to play a crucial role in net zero development. In 2023, Coretronic completed and commissioned rooftop solar power generation systems at its Chunan plant, Tainan Plant 1, and Tainan Plant 2. Combined with green power wheeling and the purchase of renewable energy certificates, Coretronic reduced its reliance on traditional energy sources. As a result, the annual renewable energy usage in Taiwan and China accounted for 16% of the total annual electricity consumption, exceeding the 2023 target.

To achieve net zero emissions, Coretronic has implemented various carbon reduction measures, including equipment energy-saving initiatives, continuous increase in renewable energy usage, water conservation and waste reduction measures. Coretronic has comprehensively improved the energy efficiency of air conditioning equipment through replacing old, energy-consuming units with energy-efficient models and promoting energy-saving production management. By the means of green technology innovation, Coretronic has gradually planned and implemented product energy-saving and carbon reduction measures, striving to introduce more innovative green products, increase the usage of green raw materials, and reduce energy and resource consumption, creating a win-win situation for the environment.

With the net zero development strategy as its core, Coretronic integrates strategies such as green products, renewable energy, energy conservation and carbon reduction, circular economy, sustainable value chain, TCFD, and SBTi. Coretronic continues to make efforts in sustainable development, actively contributing to environmental protection and social progress. In the future, Coretronic will continue to follow the Group's net zero pathway and strive to realize its net zero vision.

CDP
DISCLOSURE INSIGHT ACTION

- Responded to climate change questionnaire for 5 consecutive years
- Supplier engagement rating earned A (Leadership level), higher than industry, Asia and global averages (C)
- Climate change rating earned B (Management level), higher than industry, Asia and global averages (C)
- Water security rating earned B (Management level), higher than industry, Asia and global averages (C)

TCFD
TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

- Signed to support and implement the TCFD framework in 2020
- Climate change risk and opportunity identified, and impact analysis performed for the first time in 2021
- Reassessed, updated risk and opportunity concerns, and preliminarily assessed financial impacts in 2023
- Formulated response strategies for the risks and opportunities identified in 2023

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

- Submitted a commitment letter to SBTi in 2022, committing to set emission reduction targets based on the SBT 1.5°C scenario
- Submitted science-based targets to SBTi for review in September 2023, with 2021 as the base year, aiming for an absolute 50.4% reduction in GHG emissions (Category 1 and 2) and an absolute 30% reduction in Category 3-6 by 2032
- Expected to pass SBT verification by April 2024

TCP Taiwan Climate Partnership 台灣氣候聯盟

- Promoting Taiwan's supply chain to align with international net-zero goals, combining the power of alliance partners and actively cooperating with international climate advocacy organizations
- Joined as one of the first members in 2022, and renewed membership in 2023

TANZE
台灣淨零行動聯盟
Taiwan Alliance for Net Zero Emissions

- Follow the alliance's goal of "net zero emissions for office locations by 2030, and net zero for production and service locations by 2050"
- Awarded the "Green Net Zero Certificate " for 2 consecutive years, progressing towards a net-zero enterprise through the "Commitment" and "Action" stages

02

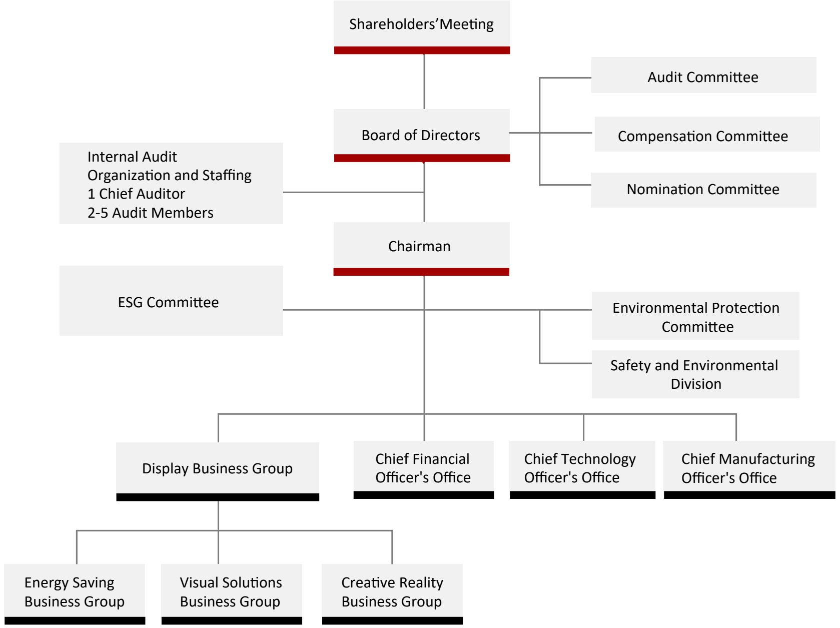
Climate Governance

2.1 Board of Directors

The Board of Directors is the highest governing unit of the Company and serves as the center for significant business decisions. Its responsibilities include appointing and supervising the Company's management team, overseeing operational performance, preventing conflicts of interest, and ensuring compliance with various laws, the Company's bylaws, and shareholder resolutions in order to exercise its powers. The Board is committed to maximizing shareholder rights and interests.

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

Under the purview of the Board of Directors, there are three functional committees: the Audit Committee, the Compensation Committee, and the Nomination Committee. These committees review and discuss matters before presenting them to the Board for decision-making. Through the scrutiny of these functional committees, the Board fulfills its responsibilities and enhances shareholder interests.



Periodic Review

- The BOD annually reviews the ESG Committee's representative - CFO's report on the results of sustainable project implementation, climate change risk management framework and coping strategies (TCFD), various environmental indicators, net-zero pathways, renewable energy strategies, and sustainable development directions in the future.
- The BOD biannually approves the "Material Topics of the ESG Report."
- The Chairman of the BOD quarterly reviews and monitors the ESG Committee's management representative's report on the annual progress of sustainable plan implementation, including environmental sustainability, climate change, net-zero, renewable energy, social engagement, labor, and human rights issues.
- The Annual ESG Report must be reviewed and approved by the chairman of the BOD before being published.

Approved Policies and Projects

- On October 31, 2022, the BOD approved the amendment to Coretronic's "Sustainable Development Best Practice Principles," modifying regulations for significant aspects of ESG, including corporate governance, sustainable environment, social engagement, and human rights. And new policies related to climate-related financial disclosure (TCFD) and renewable energy usage were added to align with international sustainability trends and regulatory requirements.
- The "Material Topics of the 2023 ESG Report" were approved by the Board of Directors on February 26, 2024.
- The Chairman of the BOD approved and signed the "Coretronic Net-Zero Statement," committing to "reduce carbon emissions by 25% by 2025, 50% by 2032, and achieve net-zero emissions by 2050." This commitment is publicly disclosed on the Company's ESG website for all stakeholders to access.
- The Chairman of the BOD approved the "Solar Power Plants Project" in each plant to increase the renewable energy usage and accelerate the achievement of carbon reduction and net-zero goals.

Education and Training

- To enhance the climate-related awareness of board members, annual climate change and sustainability-related courses are arranged, encouraging board members to participate in external climate-related courses.
- In 2022, 7 sustainability courses were arranged for board members, including "ESG Practice Analysis," "Sustainable Development Performance, and Executive Compensation," "Corporate Governance - ESG Sustainability Project Workshop - Supply Chain Integration," "2023 Cathay Sustainable Finance and Climate Change Summit," "Emerging Trends in Sustainability, and Board Governance," "The Future of Enterprises in a Changing Landscape: Strategic Repositioning & Strategic Transformation,"and "Company Strategic Development Direction." The total number of participants was 18, with 54 person-hours in training.

2.2 ESG Committee

To implement sustainable development, Coretronic established the "Corporate Social Responsibility Management Committee" in 2008, which was renamed the "ESG Committee" in 2020. Based on the "Sustainable Development Best Practice Principles" approved by the Board of Directors, the Chairman serves as the "Chief Commissioner,” the President and Chief Financial Officer serve as "Commissioners," and the spokesperson serves as the "Management Representative." The ESG Committee authorizes “Executive Representatives”from relevant governance/economic, social and environmental departments to assist in the promotion of sustainability-related works.

The ESG Committee current operates as an independent organization. Apart from approving the "Sustainable Development Best Practices, " "ESG Report Material Topics," and "ESG Report Preparation and Verification Procedures," the Board of Directors regularly listens to reports from the management team (including sustainability plans, goals, and implementation status), periodically reviews and supervises the implementation of sustainable development, and urges the management team to adjust when necessary.

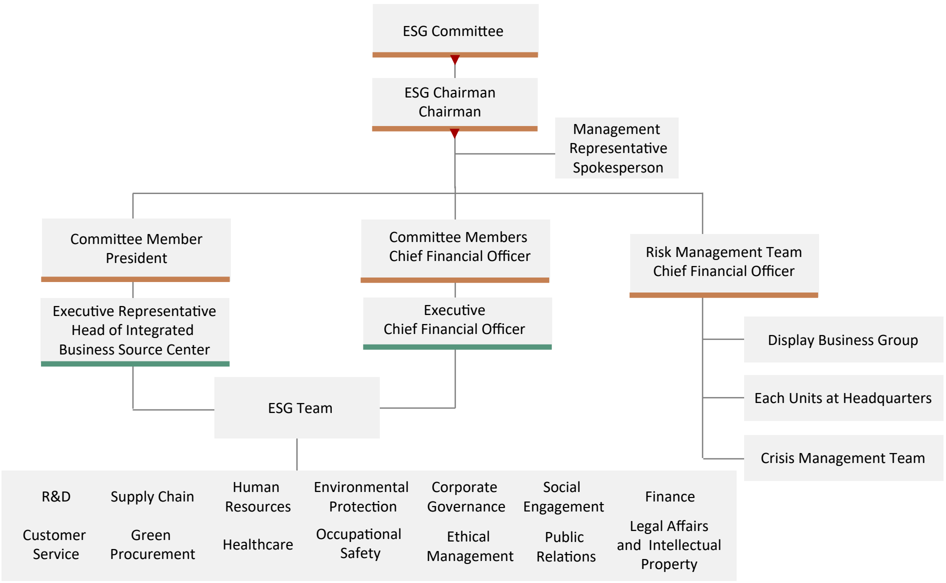
Operation

- The ESG Committee members and executive representatives reviews the implementation status and results of sustainability through quarterly briefings, and hold quarterly meetings with the ESG team, attended by team members and executive representatives. Discussion for the published ESG report and major sustainability awards for the year is carried out in order to formulate sustainability plans and goals for the following year.
- The management representative reports the implementation status of annual sustainability plan of the Chief Commissioner, committee members, and executive representatives on a quarterly basis, and report the annual sustainability performance, priorities and plans for the following year during the annual group meeting.
- The Chief Financial Officer, both an ESG Committee member and executive representative, reports annually to the Board of Directors. The reporting content includes, results of sustainability projects, Task Force on Climate-related Financial Disclosures (TCFD), various environmental indicators, net zero pathway, renewable energy strategies and future sustainability development directions. In addition, the greenhouse gas inventory execution status is reported to the Board of Directors on a quarterly basis.
- ESG Committee members abide to international and government regulations in order to establish sustainability policies and strengthen the implantation of sustainability strategies through internal and external training courses.
- Annual material topics are identified by the ESG Committee following the Materiality Identification Process, which is conducted once biannually and reported to the Board of Directors for approval.
- The ESG Report is compiled by the ESG Committee through the compilation and revision of data from various departments by the management representative, executive representatives, and committee members, before being finalized and published after approval from the Chairman.

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. Additionally, photographs and videos of our sustainability activities is compiled, and sustainability philosophy and performance promoted to stakeholders through various channels, including the Company’s official website, social media, and Wikipedia.

- 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. A total of 1,662 individuals participated in the training and passed the post-training assessment (passing score of 80), achieving a 100% completion rate.Highlights of External Course – "GRI Standards Certified Training Course" and "Corporate Sustainability Manager Certification Training Course": In response to the implementation of the GRI Standard in 2021, and the new Materiality Identification Process Courses on January 1, 2023, the Company dispatches personnel to attend the 16-hour "GRI Standards Certified Training Course" organized by the Business Council for Sustainable Development (BCSD). The GRI Standards Certified Training Course have been successfully obtained, and the standards incorporated into the 2022 ESG Report. In addition, as the scope of the Company's sustainability deepens, an additional dedicated sustainability employee was hired and arranged to attend the 80-hour "Corporate Sustainability Manager Certification Training Program" organized by the Taiwan Institute for Sustainable Energy (TAISE), and is expected to obtain the "Corporate Sustainability Manager" certification in the first half of 2024 to comprehensively enhance sustainability empowerment.



2.3 Environmental Protection Committee and TCFD Team

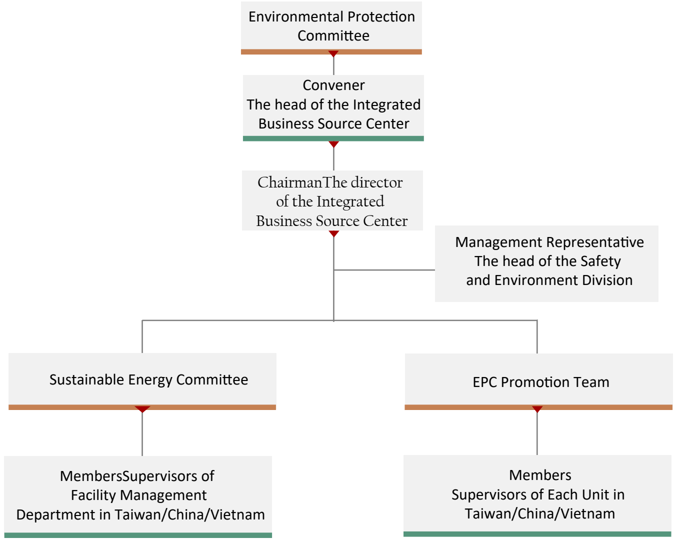
Environmental Protection Committee

Upholding the aim to implement energy conservation mechanisms, reduce greenhouse gas (GHG) emissions, fulfill corporate social responsibility, improve the overall corporate image, reduce operating cost, and assure sustainable business and development, Coretronic established the Environmental Protection Committee (EPC) in 2015. The head of the Integrated Business Source Center serves as the "Convener," the director of the Integrated Business Source Center serves as the "Chairman," the head of the Safety and Environment Division serves as the "Management Representative," and the supervisors of each unit or representative such as R&D, Manufacturing, Quality Assurance, Procurement, Facility Management, Safety and Environment, and General Affairs serve as "Committee Members." Additionally, the Company has set up the "Sustainable Energy Committee" and the "EPC Promotion Team" under its jurisdiction.

- Environmental Protection Committee and EPC Promotion Team
  - ✓ Quarterly/Annually review short-, medium-, and long-term environmental goals and implementation of strategies.
  - ✓ Establish, plan, and implement goals, strategies, and action plans for climate change, carbon peaking, carbon neutrality, and net-zero.
  - ✓ Conduct climate risk assessments.
  - ✓ Promote pollution prevention, disaster response, and preventive measures.
  - ✓ Focus on and advocate key points of international initiatives.
  - ✓ Integrate and implement measures related to green actions.
- Sustainable Energy Committee

  The director of the Integrated Business Source Center serves as the "Chairman", and supervisors of Facility Management Department from each factory serve as "Committee Members".

  - ✓ Weekly/monthly/quarterly review on electricity, renewable energy, and water resource usage.
  - ✓ Promote corporate energy conservation and carbon reduction projects and energy transition.
  - ✓ Implement short-term, medium-term, and long-term net-zero strategies and targets.



TCFD Team

Coretronic officially signed and supported TCFD in 2020, and established TCFD Team, headed by the CFO, with members spanning safety and environmental, facility management, accounting, finance, stock affairs, investor relations, public relations, procurement, manufacturing, production management, sales, product management, and R&D departments.

- Continually follow international initiatives, climate-related regulations changing and net-zero process.
- Biannually implement climate-related risks and opportunities identification, formulate coping strategies and solutions to reduce the negative impacts, and enhance the Company’s climate resilience.

03 Climate Strategy

3.1 GHG and Energy Management

In 2022, we submitted our carbon reduction commitment letter to SBTi with SBT 1.5℃ scenario to set the targets and methods, and in 2023, we submitted our science-based carbon reduction targets to SBTi for review. We committed to "reduce GHG emissions (Category 1 and 2) by 50.4% and Category 3-6 by 30% by 2032, using 2021 as the base year." We expect to pass the review by April 2024 and hope to gradually achieve the SBT goals and sustainable vision through methods such as installing solar power generation systems, increasing the use of renewable energy, upgrading energy-saving equipment, and promoting energy-saving production management.

Our main source of GHG emissions is from electricity generation. Therefore, in 2020, we set short-, mid-, and long-term targets for "renewable energy consumption as a percentage of annual electricity consumption." By 2023, the renewable energy consumption at our Taiwan and China manufacturing plants have exceeded 6.75 million kWh, accounting for 16% of our annual electricity consumption, effectively reducing GHG emissions. In 2023, the GHG emissions (Category 1 and 2) from our Taiwan and China manufacturing plants was reduced by 47% compared to 2021, significantly exceeding our expected net-zero pathway. Going forward, we will continue to increase our renewable energy consumption by completing the activation of solar power generation systems in each phase according to plan.

Starting from September 2023, the Chunan plant is promoting a green building project through building information modeling, energy efficiency optimization management, sustainable procurement, and indoor air quality monitoring, and is expected to obtain the U.S. Green Building LEED "Gold" certification in the first quarter of 2024.

Coretronic continues to respond to domestic and international initiatives (Taiwan Climate Partnership, Taiwan Alliance for Net Zero Emissions, SBTi, TCFD, and CDP), introducing the ISO 50001 Energy Management System to systematically manage energy use, and regularly reviewing and controlling high-energy consumption facilities. In 2023, it will continue to improve energy-saving equipment and air conditioning equipment in the plant area to improve energy efficiency, install energy-saving lighting to reduce energy consumption opportunities, install solar power generation systems to increase the use of renewable energy, and plan green products and develop environmentally friendly technologies.

Strategies	2023 Results
• Environmental Protection Committee established environmental sustainability policies and regularly reviews carbon reduction performance to achieve GHG reduction targets. • Implement ISO 14064-1 GHG inventory and pass the verification. • Set SBTi carbon reduction targets. • The Environmental Protection Committee established the Sustainable Energy Committee, to strengthen its net-zero trajectory and energy solutions, and regularly review energy-saving performance to achieve energy-saving goals. • Introduce ISO 50001 energy management system to identify opportunities for energy reduction. • Improve energy efficiency and usage rate through regular maintenance, improvements, equipment replacement, process optimization, and system integration. • Review energy consumption status of each plant area and formulate corresponding energy-saving measures. • Build solar power generation systems to increase the use of renewable energy to achieve renewable energy usage targets. • Formulate short-, mid-, and long-term green product targets, specific implementation items, and measurement indicators.	• Taiwan and China plants passed ISO 14064-1 GHG verification. • The GHG (Category 1 and 2) emission intensity of Taiwan and China plants increased by 0% and 14% respectively compared to 2022; decreased by 23% and 41% respectively compared to 2021. • The total GHG Category 1 and 2) emissions of Taiwan and China plants were 25,325.9 tonCO₂e, a 47% reduction compared to 2021, with the absolute reduction significantly exceeding the expected net zero pathway. • All 4 Taiwan plants passed ISO 50001 energy management system certification; Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), and Coretronic Projection (Kunshan) passed certification for the first time. • The electricity consumption intensity of Taiwan and China plants increased by 11% and 17% respectively compared to 2022; decreased by 14% and 11% respectively compared to 2021. • The annual renewable energy usage of Taiwan and China plants was 950,000 kWh and 5.81 million kWh respectively, accounting for 7% and 20% of their annual electricity consumption. • Since 2015, Taiwan and China plants have implemented 359 energy-saving projects, saved 30.21 million kWh and reducing 17,547 tonCO₂e.

Greenhouse Gas Inventory

- We conduct an annual GHG inventory in accordance with ISO 14064-1, which includes 7 types of gases: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), and nitrogen trifluoride (NF_3). This allows us to fully understand the current status of GHG emissions and verify the effectiveness of our reduction efforts. Although we are not currently subject to regulatory requirements for inventory and emission control, we have set staged targets for reducing GHG emissions and conduct annual reviews to continuously improve. Additionally, by monitoring energy consumption, improving equipment efficiency, managing energy usage, and installing renewable energy facilities, we are maximizing energy efficiency and striving toward our low-carbon goals through data-driven scientific management as much as possible.
- In 2023, the GHG emissions (Category 1 and 2) from Taiwan plants decreased by 18% compared to 2022 and by 20% compared to 2021. This was due to the implementation of various energy-saving measures at the factories, such as installing solar power generation systems, introducing magnetic levitation ice water chillers, monitoring equipment power usage, reducing energy consumption, managing night-time energy use, and improving lighting energy efficiency. At the same time, the use of renewable energy helped reduce the consumption of purchased electricity, achieving the benefit of GHG reduction. The decrease in the emission intensity of Category 3-6 compared to 2022 was due to reductions in Category 4 - "Purchased goods, disposal of solid and liquid waste, asset use". In China, GHG emissions (Category 1 and 2) from the plants decreased by 15% compared to 2022 and by 53% compared to 2021. This was because the plants set carbon reduction targets and implemented renewable energy and various energy-saving measures to address climate change, strengthening energy usage management. Solar power generation systems were also installed at the China plants, with renewable energy accounting for 20% of annual electricity consumption. Through energy conservation and the renewable energy usage, purchased electricity usage was reduced, achieving GHG emission reductions. The combined GHG emissions (Category 1 and 2) from Taiwan and China plants totaled 25,325.9 tonCO_2e, representing an absolute reduction of 47% compared to 2021.
- To promote industrial decarbonization, in 2023 the scopes of GHG inventory for China factories has been expanded to include Category 4 - "Purchased goods, disposal of solid and liquid waste, asset use". This means that all procured materials and customer-supplied materials will be included in the inventory. As a result, Category 4 emissions have increased significantly. Going forward, we will actively cooperate with suppliers to improve manufacturing processes in order to reduce Category 4 emissions.

Region	Taiwan			China		
Indicators/Year	2021	2022	2023	2021	2022	2023
Direct Emissions - Category 1 (tonCO_2e)	223.1	246.1	238.3	678.8	1,655.5	1,824.7
Indirect Emissions - Category 2 (tonCO_2e)	7,985.1	7,726.6	6,324.3	38,858.2	20,382.9	16,938.6
Total GHG Emissions Category 1 and 2 (tonCO_2e)	8,208.2	7,972.7	6,562.6	39,537.0	22,038.4	18,763.3
GHG Category 1 and 2 Emissions Intensity (tonCO_2e/ NT$ million)[1]	0.31	0.24	0.24	0.99	0.51	0.58
Indirect Emissions - Category 3 (tonCO_2e)[4]	1,493.1	1,307.7	1,422.3	-	59,964.2	8,112.7
Indirect Emissions - Category 4(tonCO_2e)[4]	6,158.6	41,511.1	12,085.7	-	563,858.6	1,668,599.3
Total GHG Emissions Category 1 to 6 (tonCO_2e)	15,859.8	50,791.5	20,070.6	-	645,861.1	1,695,475.3
GHG Category 1 to 6 Emissions Intensity (tonCO_2e/ NT$ million)[1]	0.59	1.52	0.74	-	14.80	52.37

1：Coverage of revenue: Taiwan plants include 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. China plants includes Coretronic Display (Suzhou), Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), Coretronic Projection (Kunshan), and Coretronic Optics (Kunshan).

2：Taiwan plants have adopted ISO 14064-1:2018 version to conduct GHG inventory and verification from 2020. China plants conducted self-inventory of GHG with reference to ISO 14064-1:2006 version in 2020-2021, and adopted ISO 14064-1:2018 version to conductGHG inventory and verification from 2022, wherein emission source Category 1 = Scope 1, Category 2 = Scope 2, Category 3-6 = Scope 3.

3：The carbon emission factor for electricity at Taiwan plants in 2023 is referenced from the Energy Bureau's carbon emission data, 1 kWh = 0.495 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 "Notice on Properly Handling Greenhouse Gas Emission Reporting Management for Power Generation Enterprises in 2023-2025", 1 kWh = 0.5703 kgCO_2e. The GWP values are cited from the global potential value and inventory scope refer to the operational control approach of 201 IPCC's 6th Assessment Report.

4.Category 3 inventory items: Upstream transportation and distribution, downstream transportation and distribution, employee commuting, business travel; Category 4 inventory items: Purchased goods, disposal of solid and liquid waste, asset use.

Energy Management System

To achieve the long-term goal of "Net Zero by 2050," the ESG Committee and Environmental Protection Committee have planned a clear net-zero pathway and publicly committed to the net-zero target. They will continue to increase the use of renewable energy, improve energy efficiency, implement energy-saving measures, develop low-carbon products, and leverage the influence to collaborate with suppliers in creating a sustainable supply chain ecosystem, using our solid green capacities to address the challenges of climate change. In 2023, the Chunan Plant promoted a green building project, utilizing building information modeling, energy efficiency optimization management, sustainable procurement, and indoor air quality monitoring. It is expected to obtain the LEED "Gold" certification from the U.S. Green Building Council in 2024, becoming the Company's first international green building certification. Additionally, it is anticipated that the EV100 and RE100 international initiatives will be publicly declared in 2024, committing to achieving the goals of "100% electric vehicle transportation by 2030 and 100% renewable energy by 2040."

- ISO 50001 Energy Management System: Chunan Plant has been certified for 8 consecutive years since 2016. Lixing Plant, Tainan Plant 1 and 2 has been certified for 2 consecutive years, Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), and Coretronic Projection (Kunshan) certified for the first time.
- In 2023, the power consumption intensity of Taiwan and China plants decreased by 14% and 11% respectively compared to 2021, achieving the short-term goal.
- In 2023, the total electricity consumption at Taiwan and China plants decreased by 10% and 13% respectively compared to 2022 and decreased by 14% and 28% respectively compared to 2021.
- In 2023, Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), and Coretronic Projection (Kunshan) passed the "Provincial Green Factory Inspection" and were awarded the "Green Factory" certification.
- In 2023, the Chunan Plant promoted a green building project, implementing energy efficiency optimization management, sustainable procurement, and indoor air quality monitoring.

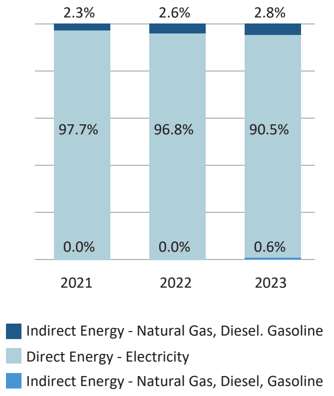
Energy Usage Status

The Environmental Protection Committee has formulated a net zero energy and resource plans. And setting targets for renewable energy in 2020. From 2021 to 2023, it consecutively installed solar power generation systems at Taiwan and China plants, implemented air conditioning chiller energy-saving projects and the ISO 50001 energy management system, promoted plant energy-saving measures, and conducted a comprehensive inventory of GHG. In 2023, overall energy consumption decreased. The Environmental Protection Committee will continue to refine energy usage management and regularly review the achievement of each target to achieve net-zero emissions.

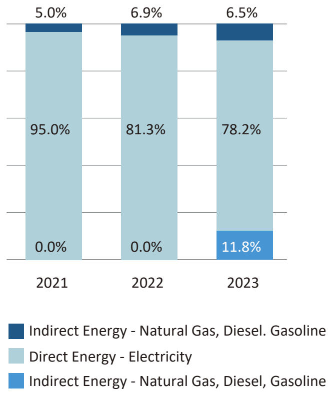
- Taiwan plants increased the renewable energy usage by 854 MWh compared to 2022, and China plants increased the use of renewable energy by 638 MWh compared to 2022. The annual use of renewable energy accounted for 16% of the purchased electricity.
- Compared to 2022, the purchase of external electricity at Taiwan plants decreased by 15%, and the purchase of external electricity at China plants decreased by 17%. The total electricity consumption at Taiwan and China plants decreased by 12% compared to 2022.
- The energy consumption at Taiwan and China plants decreased by 9% and 14% respectively compared to 2022 and decreased by 13% and 26% respectively compared to 2021. The total energy consumption at Taiwan and China plants decreased by 9% compared to 2022.

Region			Taiwan			China		
Item/Year		Category	2021	2022	2023	2021	2022	2023
Direct Energy	Renewable Energy[1] (MWh)[2]	Renewable	0	96	950	0	5,171	5,809
	Purchased Electricity (MWh)	Non-Renewable	15,907	15,105	12,776	49,016	35,741	29,701
Indirect Energy	Liquefied Petroleum Gas (MWh)	Non-Renewable	0	0	0	0	0	0
	Natural Gas (MWh)	Non-Renewable	233	245	284	1,234	2,198	1,217
	Diesel (MWh)	Non-Renewable	30	32	25	310	184	175
	Gasoline (MWh)	Non-Renewable	104	123	93	1,057	648	1,090
Total Consumption (MWh)			16,274	15,601	14,128	51,617	43,942	37,992
Energy Consumption Intensity (MWh/NT$ million)[3]			0.61	0.47	0.52	1.29	1.01	1.17

Annual Energy Consumption Ratio in Taiwan Plants



Annual Energy Consumption Ratio in China Plants



1：Includes electricity consumption from self-generated solar power and green power wheeling.

2：1 MWh = 0.0000036GJ

3：Coverage of revenue: Taiwan plants include 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 include Coretronic Display (Suzhou), Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), Coretronic Projection (Kunshan), and Coretronic Optics (Kunshan).

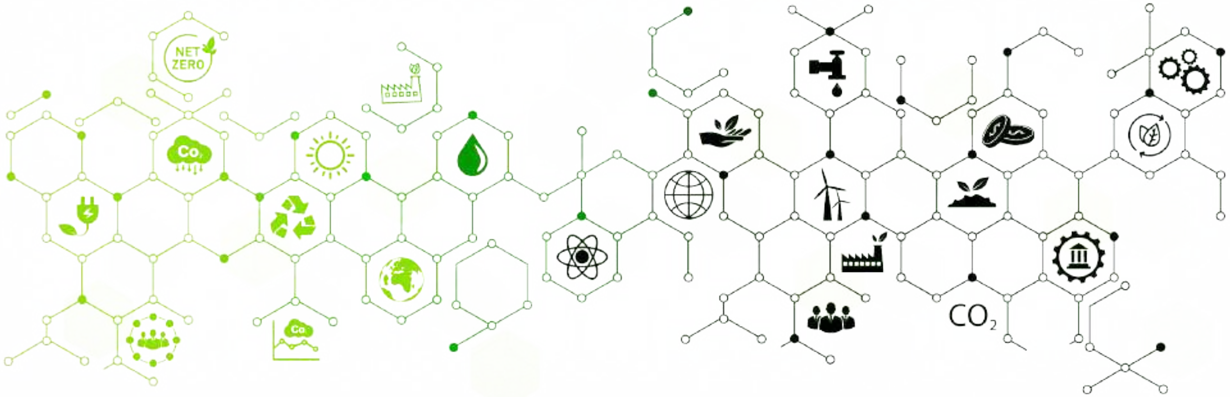
Energy Conservation Measures and Performance

- The total electricity consumption at Taiwan plants decreased by 10% compared to 2022, and the energy consumption intensity decreased by 14% compared to 2021 (base year), due to the installation of three new solar power generation systems, implementation of an air conditioning chiller energy-saving project, comprehensive implementation of ISO 50001, replacement of fluorescent lamps with LED lamps, electricity monitoring, and 33 other energy-saving measures. The total electricity consumption at the China plants decreased by 13% compared to 2022, and the energy consumption intensity decreased by 11% compared to 2021 (base year), due to the installation of solar power generation systems at the Wujiang and Kunshan plants to replace conventional electricity with renewable energy, replacement of energy-efficient lighting equipment, introduction of air conditioning systems, and 15 other energy-saving measures, reducing electricity demand and overall energy consumption. In 2023, the total electricity consumption at the Taiwan and China plants decreased by 12% compared to 2022 and by 24% compared to 2021.
- Since 2015, in addition to setting clear energy-saving targets and implementing management measures to promote energy management, energy-saving plans have been implemented from three major aspects: air conditioning systems, electricity lighting, and other electricity consumption. From 2015 to 2023, Taiwan and China plants implemented a total of 359 energy-saving projects, reducing electricity consumption by 30.21 million kWh and nearly 18,000 tonCO$_2$e, equivalent to the annual carbon absorption of 46 portions of Da'an Forest Park. In 2023, Taiwan and China plants promoted 48 energy-saving measures, reducing nearly 2.07 million kWh of electricity and 1,123 tonCO$_2$e.

Region/Year Item	Taiwan				China				Taiwan and China
	2021	2022	2023	Efficiency 2023 vs. 2022	2021	2022	2023	Efficiency 2023 vs. 2022	Efficiency 2023 vs. 2022
Energy saved through energy-saving measures (MWh)	2,346	1,827	741	Total electricity consumption reduced by 1,475 MWh (10%)	2,111	13,473	1,325	Total electricity consumption reduced by 5,402 MWh (13%)	Total electricity consumption reduced by 6,877 MWh (12%)
Carbon reduction (tonCO2e) of energy-saving measures	1,178	904	367		1,672	7,684	756		
Total electricity consumption (MWh)[1]	15,907	15,201	13,726		49,016	40,912	35,510		
Energy consumption intensity (MWh/ NT$ million)[2]	0.59	0.46	0.51		1.23	0.94	1.10		

[1] Includes purchased electricity renewable energy (electricity consumption from self-generated solar power and green power wheeling).

[2] Coverage of revenue: Taiwan plants include Coretronic, Young Green Energy, uCare Medical Electronics, Champ Vision Display, Coretronic Intelligent Cloud Service, Coretronic Intelligent Robotics, Innospectra, Coretronic MEMS, Coretronic Reality, andCoretronic Intelligent Logistic Solutions. China plants include Coretronic Display (Suzhou), Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), Coretronic Projection (Kunshan), and Coretronic Optics (Kunshan).



Renewable Energy

Commitment and Targets	Strategies
• 2023-2025： 5% Taiwan plants’ annual renewable energy usage accounts for 5% of annual electricity usageChina plants’ annual renewable energy usage accounts for 13% of annual electricity usage • 2026-2028： Taiwan plants’ annual renewable energy usage accounts for 6% of annual electricity usage China plants’ annual renewable energy usage accounts for 15% of annual electricity usage • 2029-2031： Taiwan plants’ annual renewable energy usage accounts for 8% of annual electricity usage China plants’ annual renewable energy usage accounts for 17% of annual electricity usage	• 2016-2017: Purchased green electricity • 2018: A solar power generation system installed at Tainan Plant 1 • 2020: Renewal energy goals set • 2021：Coretronic Display (Suzhou), Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou) installed solar power generation systems with installed capacities of 1,207, 3,994, and 653.4 kWh respectively • 2022：Coretronic Projection (Kunshan) and Coretronic Optics (Kunshan) installed a solar power generation system with an installed capacity of 618.9 kWh Taiwan plants purchased renewable energy certificates and green power wheeling to achieve short-term goals NEW 2023: Chunan Plant, Tainan Plant 1, and Tainan Plant 2 installed solar power generation systems with installed capacities of 367.41, 317.46, and 132.44 kWh respectively

2023 Results

- Completed the installation and power generation of solar power systems at the Chunan Plant, Tainan Plant 1, and Tainan Plant 2.
- Taiwan plants’ solar power systems generated a total of 851,229 kWh, with 99,000 kWh of renewable energy used through the green power wheeling model, representing a 455% increase in total consumption compared to 2022 and accounting for 7% of the annual total electricity consumption, achieving the short-term goal.
- China plants’ solar systems generated a total of 5,808,852 kWh, a 12% increase compared to 2022, accounting for 20% of the annual total electricity consumption and achieving the short-term goal.
- Taiwan plants’ renewable energy usage increased by 854 MWh compared to 2022, while China plants increased by 638 MWh.
- The renewable energy usage accounted for 6.7% and 15.3% of overall energy consumption at Taiwan plants and China plants, respectively, representing an increase of 6.1% and 3.5% compared to 2022.
- The renewable energy usage accounted for 16% of the annual total electricity consumption at Taiwan and China plants, resulting in a reduction of 3,783 tonCO$_2$e.

1：The electricity usage in the above table indicate the purchased electricity.

2：China plants’ emission factor used is 0.5703 tonCO$_2$e/MWh, which is the 2023 national grid average emission factor in China.

3.2 Waste Management

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

The plants in Taiwan, Wujiang, and Coretronic Projection (Kunshan)* have introduced and obtained ISO 14001 Environmental Management System certification. Through the lens of a product's life cycle, they examine the detailed processes of waste generation, removal, treatment, and recycling at different stages. We put waste reduction strategies into action through system management, and formulate an audit plan to prevent unlawful activities or environmental risks brought on by improper handling. In 2023, Taiwan plants continuously strengthened its waste management, implemented classification control, and reused packaging materials. The waste generation intensity has decreased by 6% compared to 2022 and 12% compared to 2021, achieving the short-term target. The China plants actively promote measures for reducing domestic waste, systematically record waste data, regularly review the results, and obtain Green Factory Certification. The waste generation intensity has decreased by 13% compared to 2022 and 9% compared to 2021, achieving the short-term target.

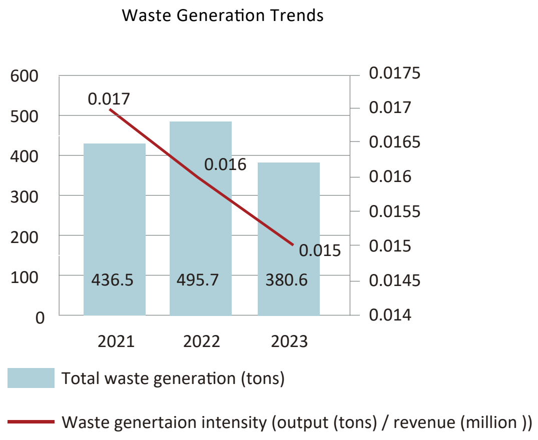
* Coretronic Optics (Kunshan) is an upstream supplier of Coretronic Projection (Kunshan), and its environmental management system is jointly managed with Coretronic Projection (Kunshan). In the future, it will obtain ISO 14001 certification as the customer requirements.

Strategies	2023 Results
• Strengthen waste management and increase resource recycling rate • Design waste reduction and material reduction products to minimize waste generation • Prioritize the use of recycled materials to reduce waste and implement circular utilization • Commission legal contractors to handle waste disposal	• The waste intensity of Taiwan and China plants decreased by 6% and 13% respectively from 2022, and decreased by 12% and 9% respectively from 2021, achieving short-term targets • Promoted 6 packaging recycling and reuse projects, reducing 770 tonCO_2e and saving NT$110,000 in wooden pallet procurement and waste disposal costs • The Tainan Plant 1 promoted tray recycling and remanufacturing, recycling 0.3 tons of trays in 2023, reducing 0.6 tonCO_2e • The Kunshan and Coretronic Optics (Suzhou) plants implemented chemical container weight reduction and volume reduction measures, reducing a total of 1.8 tons of hazardous waste and 0.5 tonCO_2e, and saving NT$39,000 in waste disposal costs • Taiwan and China plants conducted audits on 38 waste disposal contractors, with a 100% audit completion rate

Waste Generation Status

Coretronic is fully committed to the three principles of waste reduction, reuse, and recycling. By incorporating a circular economy into product manufacturing and strengthening measures such as source reduction and pollution prevention, we continuously optimize waste management performance.
We categorize waste based on its environmental impact into hazardous and non-hazardous waste. Non-hazardous waste is further divided into household, recyclable, reusable, and general industrial waste, which are managed in five categories according to their treatment methods. Apart from general and recyclable waste, other waste is generated from manufacturing processes. In 2023, the waste output of Taiwan plants was 380.6 tons, of which hazardous waste accounted for 1%, non-hazardous directly disposed waste accounted for 45%, and non-hazardous recycled waste accounted for 54%. China plants produced a total of 4,099.8 tons of waste, of which hazardous waste accounted for 1%, non-hazardous directly disposed waste accounted for 13%, and non-hazardous recycled waste accounted for 86%.

Category	Region	Taiwan			China	
	Item/Year	2021	2022	2023	2022	2023
Hazardous waste[1]	Total	4.1	4.2	4.3	24.2	39.5
	Direct disposal - incineration only	3.1	2.8	1.8	7.1	7.9
	Direct disposal - other disposal operations	1.0	1.4	2.5	0	0
	Recycle - reuse for original purpose	0	0	0	6.0	21.7
	Recycle - recycling	0	0	0	11.1	9.9
Non-hazardous waste[2]	Total	432.4	491.5	376.3	6,342.9	4,060.3
	Direct disposal - incineration only	200.8	228.4	166.3	743.9	520.7
	Direct disposal - landfill	0	0	0.2	0	0
	Direct disposal - other disposal operations	8.7	2.0	5.2	0	0
	Recycle - reuse for original purpose	0.9	3.6	1.5	0	0
	Recycle - recycling	222.0	257.5	203.1	5,599.0	3,539.6
Total waste generation (tons)		436.5	495.7	380.6	6,367.1	4,099.8
Waste generation intensity (output (tons) / revenue (NT$ million))[3]		0.017	0.016	0.015	0.146	0.127



1：Refers to mercury lamps, empty bottles, waste liquids, electronic waste, etc., which are identified as hazardous waste by local environmental authorities during the disposal stage. They are collected and classified according to their hazardous characteristics, and then handed over to qualified disposal companies for processing.

2：Refers to household garbage, unclassified combustible general industrial waste, waste plastics, wastepaper, waste metals, and publicly announced recyclable and reusable waste. Recyclable and reusable waste is collected by local qualified recycling companies for recycling and reuse. Other waste is disposed of by qualified cleaning companies and transported to processing plants according to waste disposal methods.

3： Coverage of revenue: Taiwan plants including Coretronic, Young Green Energy, uCare Medical Electronics, Coretronic Intelligent Cloud Service, Coretronic Intelligent Robotics, Innospectra, Coretronic MEMS, Coretronic Reality, Coretronic Intelligent Logistic Solutions; China plants including Coretronic Display (Suzhou), Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), Coretronic Projection (Kunshan), Coretronic Optics (Kunshan).

4：All generated waste is transported by qualified disposal companies to qualified processing plants for disposal, and there is no transfer of disposal.

5：The data on waste generation, transfer, and disposal comes from the Industrial Waste Report and Management Information System of the Environmental Protection Administration and the "One Enterprise, One File" Management System for Pollution Sources in Jiangsu Province. The data on recycling and reuse comes from internal records and accounting statements of the plants.

Waste Reduction Strategy

- Packaging Material Reuse

  In 2023, Coretronic implemented 6 packaging material recycling measures with a total recycling rate of 91%. The recycling results were counted by pieces, with 91% for trays, 66% for pallets, 70% for plastic pads, and 98% for paper boxes. A total of 374 tons of packaging materials were recycled and reused, reducing 770 tonCO$_2$e and saving NT$110,000 in the cost of purchasing new wooden pallets and waste disposal fees (according to the Low Carbon Sustainable Home website, each ton of waste generates 2.06 tonCO$_2$e).
- Circular Economy Alliance

  ✓Reuse of wooden pallet prototypes: Since 2017, Coretronic has cooperated with local transportation suppliers for 7 consecutive years to recycle and reuse pallet prototypes for logistics transportation. From 2017 to 2023, a total of 493 tons of wooden pallets were recycled, reducing 1,016 tonCO$_2$e and saving NT$2.25 million in the cost of purchasing new pallets and waste disposal fees.

  ✓Trays recycling and reproducing: The Tainan Plant 1 promoted tray recycling and reproducing. From 2021 to 2023, a total of 1.7 tons of trays were recycled, reducing 3.5 tonCO$_2$e.

- Lightweight Chemical Containers

Since 2022, the Kunshan plants has replaced the ethanol containers with chemical products, changing from 500ml glass bottles to 2.5L plastic barrels. Using 1L of ethanol is equivalent to reducing 0.768kg of hazardous industrial waste generation. From 2022 to 2023, a total of 3.7 tons of waste and 1.1 tonCO$_2$e were reduced, and RMB 14,779 (approximately NT$64,000) in waste disposal fees were saved (according to the Carbon Footprint Information Platform website, the disposal of one ton of hazardous industrial waste by landfill produces 0.3 tonCO$_2$e).

NEW 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$_2$e were reduced, saving RMB 3,430 (approximately NT$15,000) in waste disposal fees.

- End-of-Product Treatment Tracking

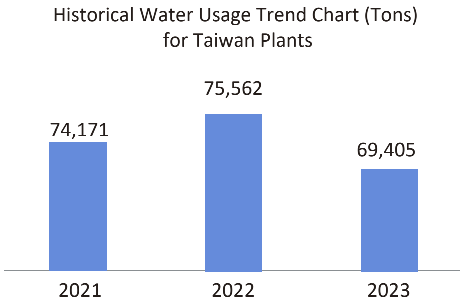
To ensure that reused products are handled legally, Coretronic has established clear waste management operating procedures and conducts annual on-site audits of waste disposal companies' compliance with regulations and their downstream processing capabilities. If non-compliance is found, guidance and follow-up improvements are provided, and if the issues persist, the cleaning contract will be terminated to ensure proper and legal waste disposal. In 2023, a total of 38 audits were scheduled and completed for companies involved in wooden pallet reuse, industrial waste removal, waste electronic component disposal, and hazardous industrial waste treatment, with a 100% audit completion rate and no irregularities found.

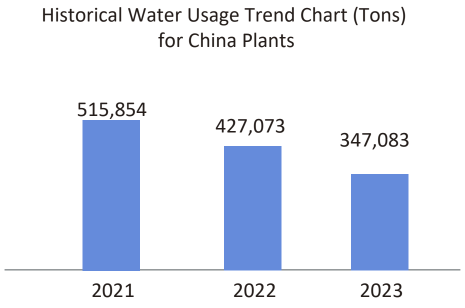
3.3 Water Resource Management

Coretronic's water demand in Taiwan and China plants is mainly for air conditioning, drinking water, cleaning, irrigation, and cafeteria use. Users are employees, visitors, and contractors. There are no water demands for manufacturing processes, resulting in relatively low environmental impact. However, considering that water resources are a major international sustainability concern, Taiwan and China plants have adopted water recycling and conservation measures to reduce the impact of water resources. At the same time, we have strengthened the promotion of water conservation information to prevent the crisis of water shortages during the dry season.

Water Resource Management Strategy

- Pursue maximized water efficiency
- Enhance the importance and conservation of water resources in the upstream and downstream value chains
- Set water-saving targets and review them regularly to achieve water-saving goals
- Continuously promote various water-saving programs Discover feasible water-saving measures through daily
- Promote water resource education and improve stakeholders' water literacy


Historical Water Usage Trend Chart (Tons) for Taiwan Plants


Historical Water Usage Trend Chart (Tons) for China Plants

Water Usage Status

- The issue of water resources has received global attention. Although the impact of Coretronic's operations on water resources is not a major item, it has set goals for reducing water consumption. Through water conservation promotion and various water-saving and recycling measures, the water consumption at Taiwan plants in 2023 decreased by 8% compared to 2022 and 6% compared to 2021, achieving the short-term goal. China plants have implemented water resource management since 2021, promoting water-saving programs in offices, operation areas, or facility systems, and setting short-, mid-, and long-term reduction targets. In 2023, water consumption decreased by 19% compared to 2022 and 33%compared to 2021, achieving the short-term goal. In the future, we will continue to implement proactive water-saving measures to mitigate the impact of climate change.

Water Saving Measures – Recycling Systems and Water Saving Devices

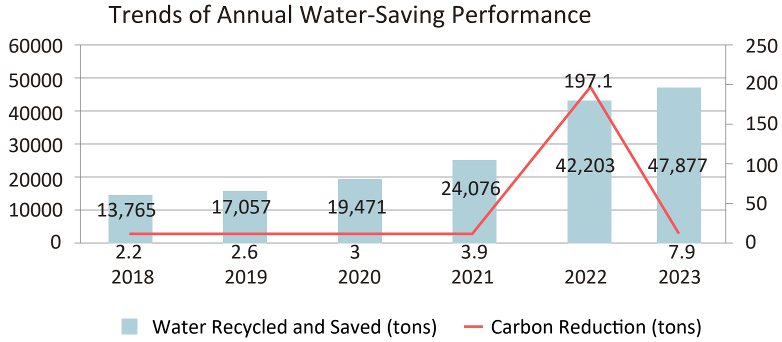
- Each plant in Taiwan and mainland China has a recycling system, mainly collecting surface water, air conditioning condensate, and rainwater for landscaping irrigation and secondary domestic water use. Additionally, measures such as adjusting the concentration of air conditioning drain water, installing water-saving devices (water-saving valves and sensor-activated taps), monitoring water usage in employee canteens, and reducing cleaning water consumption have been implemented to achieve the short-term water consumption reduction goal.

- Taiwan plants have been promoting recycling and water-saving measures since 2018, while China plants started in 2022. From 2018 to 2023, a total of 164,449 tons of water were recovered and saved at Taiwan and China plants, resulting in a reduction of 216.7 tons of CO_2e emissions.

Water Saving Performance

Region	Taiwan				Taiwan and China	
Item/Year	2018	2019	2020	2021	2022	2023
Water Saved (tons)	11,769	14,212	16,405	16,822	27,956	30,297
Water Recycled (tons)	1,996	2,845	3,066	7,254	14,247	17,580
Water Recycled and Saved (tons)	13,765	17,057	19,471	24,076	42,203	47,877
Carbon reduction (tonCO_2e)[1]	2.2	2.6	3	3.9	197.1	7.9

[1] The carbon emissions per unit of water for Taiwan plants are calculated based on the values announced by the water utility company; the carbon emissions per unit of water for China plants are calculated based on the greenhouse gas inventory coefficients for that year.


Trends of Annual Water-Saving Performance

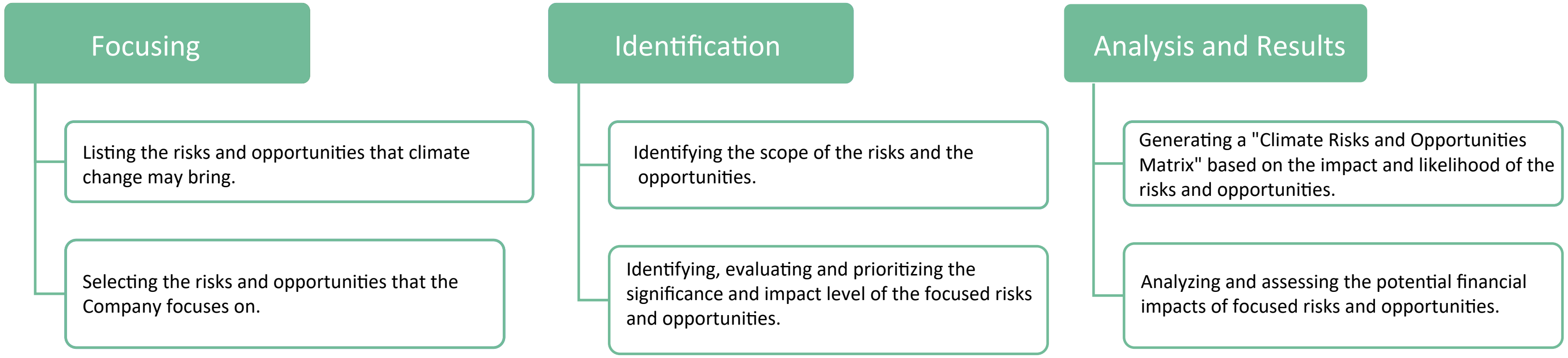
04

Climate Risk Management

4.1 Risk Identification

In the context of increasing attention to climate change regulations and net-zero targets, Coretronic actively participates and pays attention to international advocacy trends. 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. In 2023, transition risks, 1 physical risk, and 7 opportunities were identified. For each risk and opportunity, a quantitative assessment of potential impact type, potential impact intensity, and likelihood of occurrence was conducted. Risks and opportunities were then graded and ranked based on the assessment results, and strategies were formulated to address risks and opportunities, in order to mitigate negative impacts and enhance organizational climate resilience, while creating future business opportunities.

In addition to identifying climate change risks and opportunities, the potential financial impacts of each item were also analyzed to develop relevant plans and strategies. Coretronic has obtained related financial data concerning the potential financial impact caused by climate change. After confirming the calculation method, Coretronic will estimate the financial impact, cost, or revenue.



Focusing
- Listing the risks and opportunities that climate change may bring.
- Selecting the risks and opportunities that the Company focuses on.

Identification
- Identifying the scope of the risks and the opportunities.
- Identifying, evaluating and prioritizing the significance and impact level of the focused risks and opportunities.

Analysis and Results
- Generating a "Climate Risks and Opportunities Matrix" based on the impact and likelihood of the risks and opportunities.
- Analyzing and assessing the potential financial impacts of focused risks and opportunities.

The First Stage – Focusing

The TCFD risk and opportunity identification questionnaire was distributed to 211 members of the TCFD Team to select the 10 risks and 10 opportunities related to climate change from among 39 climate-related risks and 24 opportunities based on the Company's operations and future status. A total of 203 responses were collected, with a 96% response rate. A total of 7 risks and 4 opportunities were successfully focused.

The Second Stage – Identification

The result of the first-stage questionnaire was distributed to 85 division and above leaders and members of the TCFD Team to identify the significance and impact of risks and opportunities. A total of 84 responses were collected, with a 99% response rate.

The Third Stage – Analysis and Results

The results from the second-stage questionnaire were analyzed, generating the Climate Risks and Opportunities Matrix. Further, the financial impacts of those 7 risks and 7 opportunities were assessed.

Climate Risks and Opportunities Matrix

	Transformation Risks
1	Climate change response laws, GHG total control and carbon taxes, carbon fees, and other climate change regulations
2	Renewable energy regulations
3	Total control/emissions trading
4	Demand for low-carbon products and services
5	Transformation to innovative low-carbon technologies or services
6	Increased cost of obtaining raw materials
	Physical risks
1	Social uncertainty/geopolitics

	Opportunities
1	Promoting low-carbon green production
2	Using renewable materials/recycling and reuse
3	Supply chain stability
4	More efficient transportation and distribution processes
5	Using renewable energy/low-carbon energy
6	Enhancing corporate reputation
7	Finding new business opportunities

Climate-related Opportunities and Potential Financial Impacts

Risk/Opportunity	Category	Risk/Opportunity Items	Potential Financial Impact		
			Operating Costs	Capital Expenditures	Revenue
Risks	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			⬆
	Markets	Seeking new business opportunities			⬆

4.2 Risks Coping Strategies

In 2023, Coretronic conducted a climate change risks and opportunities identification and impact analysis based on the TCFD framework. We identified 7 risks and 7 opportunities. The transition risks and opportunities are categorized into four types: "Regulations," "Products," "Supply Chain," and "Reputation." "Social Uncertainty/Geopolitics" is classified as physical risk/other. Relevant risk and opportunity issues have been planned and corresponding response strategies have been formulated.

	⚠ Risk / 💡 Opportunities	Response Strategies
Transition risks/opportunities	⚠ Climate change, carbon taxes, and related regulations ⚠ Cap-and-trade systems/emissions trading ⚠ Renewable energy regulations 💡 Use of renewable/low-carbon energy	• Submit science-based reduction targets to SBTi, formulate carbon reduction paths and energy-saving and carbon reduction schemes • Promote net zero actions and energy-saving and carbon reduction schemes to gradually reduce GHG emissions • Continue to expand solar power generation facilities • Purchase renewable energy certificates and green electricity
	⚠ Demand for low-carbon products and services ⚠ Innovation in low-carbon technologies or services 💡 Promotion of low-carbon green production 💡 Use of recycled/reused materials 💡 More efficient transportation and distribution processes 💡 Exploration of new business opportunities	• Continuous investment in energy-efficient product design and development • Conduct independent carbon footprint assessments for products and propose carbon reduction measures for emission hotspots • Introduce recycled materials and reduce product volume and weight • Prioritize the use of reusable or easily recyclable packaging materials • Improve transportation efficiency and choose lower-carbon transportation modes
	⚠ Increased cost of raw material acquisition 💡 Supply chain stability	• Implement sustainable supply chain management through screening,evaluation, auditing, and supplier grading measures to maintain supply chain stability
	💡 Enhance corporate reputation	• Meet customer demands for green product design and services, build a sustainable enterprise, and enhance corporate reputation
Physical/other risks	⚠ Social uncertainty/geopolitical factors	• Adopt diversified production and sales models, such as material stockpiling, local sourcing, and distributed production plants, to mitigate the impact of risk spillovers and strengthen risk response resilience

Green Materials

Strategies

- Actively procure green raw materials to fully implement green supply chain management.
- To reduce raw material consumption and implement a circular economy, starting from 2022, 50% post-consumer recycled(PCR)materials were used as product housings. In 2023, the usage range was expanded. For specific mainstream and commercial projector models,14,838 kg of recycled plastic materials were used for specific models of mainstream and commercial projectors, accounting for 7% of the annual shipment of mainstream and commercial projectors. In thefuture, the scope of use will continue to be expanded to achieve the set target.

Performance

Year	2021	2022	2023
Total procurement amount of green raw materials (NT$ million)	23,100	21,353	15,668
Total procurement amount (NT$ million)	23,814	24,489	16,892
Proportion of total procurement amount of green raw materials to total procurement amount	97%	87%	93%

Green Design

- R&D Patents: Incorporating green thinking into R&D technology, actively applying for R&D patents to design green products and help customers save energy and reduce carbon emissions. In 2023, Taiwan plants' proposals related to energy saving and carbon reduction accounted for 60% of the total number of proposals, an increase of 3% compared to 2022.
- Projector and Visual Solutions
  - Continuously optimizing the optical design of projectors to enhance overall product performance, estimated to save approximately 16.29 million kWh of electricity and reduce 8,290 tons of carbon emissions annually.
  - NEW G50-W7 projector platform has extended to specific models with replaceable lenses, offering field application and energy-saving benefits, estimated to save approximately 28,000 kWh of electricity and reduce 14.3 tons of carbon emissions annually.
  - NEW Specific smart projector models prioritize the use of solar-powered remote controls and reduce the use of a single component by 50%, effectively reducing material consumption and environmental impact.
  - NEW Collaborated with customers to initiate the D32 platform key component revitalization program, using core technology to improve the quality of key components, making them easy to disassemble and recycle. Recycled components can be reused in the product manufacturing process, achieving a 60% recycling rate.
  - Solid-state light source (SSI) projectors are more energy-efficient than lamp projectors. The EX1 laser projector, compared to lamp projectors of the same level, can save 45% in energy consumption.
  - Power consumption in standard operating mode and standby mode complies with the energy-saving standards set by the European Union.
  - Automatic power-off safety feature (including automatic power-off for no signal source and sleep mode).
  - Reduced the need for post-processing designs (such as electroplating, painting, printing) depending on the product category.
  - Adopted environmentally friendly solid-state light sources (SSI) such as LED and laser, as well as other mercury-free materials, to introduce completely mercury-free projectors.
  - Compared to traditional lamp projectors, the lifespan of the light source in LED and laser projectors can be up to 5 times longer, eliminating the need for lamp replacement and reducing environmental impact.

NEW Backlight Module and Energy-Saving Product Solutions

- Developed high-efficiency backlight modules to reduce energy consumption: Optimized optical film materials and light guide plate microstructure design, allowing the light source in the light guide plate to provide higher efficiency after interacting with the optical film, effectively reducing energy consumption. The energy-saving rate of newly developed LCD display modules in 2023 reaches 5.7%.
- Introduced recycled aluminum materials into newly developed laptops: In collaboration with customers, recycled aluminum materials were added to the back cover of newly developed laptop models, and the proportion of models with recycled aluminum will gradually increase. In 2023, newly developed laptop models containing recycled aluminum accounted for 3% of the annual newly developed models.

Green Production

NEW Project Teams

- Projector Product Green Development Team: The highest executives of the mainstream, commercial, and smart projector business groups appointed the R&D managers to form the Green Development Team. This team leads a comprehensive review of the carbon emissions generated during the projector product development and design processes. Implementing environmentally friendly designs based on the product characteristics and advantages, gradually conducting product carbon footprint assessments and establishing a comprehensive product carbon footprint database. Through continuous product optimization and performance enhancement, aiming to achieve carbon reduction targets.
- Green Product R&D Team: 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 will be held, and 28 product development projects will be 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 Inventory

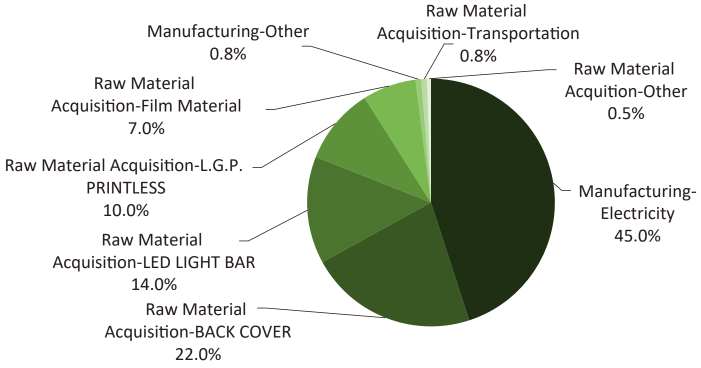
NEW Product Carbon Footprint Assessment Platform: Based on the assessment results for the EX1 laser projector platform, the Company has independently planned and established a product carbon footprint assessment platform using the product BOM table. In 2023, the platform architecture design was completed. It is planned to use externally purchased life cycle assessment software to start building the platform in 2024. After completion in 2026, carbon footprint assessments of new products will begin. By 2029, the scope of the assessments will be expanded to include all company products

- ISO 14067: In 2022, three mainstream EX1 laser projectors, one 15-inch LCD display, and one 43-inch LCD display were selected for ISO 14067 B2B product carbon footprint assessment and verification. The certificates were obtained in 2023. According to the assessment results for the three mainstream EX1 laser projectors, the most significant carbon footprint stage is the "raw material acquisition" phase in the B2B process. In the future, the Company will optimize product designs by utilizing the self-designed and established product carbon footprint assessment platform to focus on changing high-emission raw materials, selecting low-carbon raw materials, and introducing recycled materials, continuously developing sustainable products with green competitiveness for consumer choice.
- Self-Assessment: Since 2016, the Company has conducted self-assessments of the carbon footprint for backlight module products for eight consecutive years, continuously promoting green product concepts, including material and weight reduction design, energy-saving production improvements, and diverse energy-saving measures. In 2023, the carbon footprint for each 14-inch backlight module product was 1.89 kgCO$_2$e, with electricity accounting for 45%. In the future, the Company will continue to implement various energy-saving initiatives, increase the use of renewable energy, and incorporate green design concepts into the product development process, making every effort to develop low-carbon products.

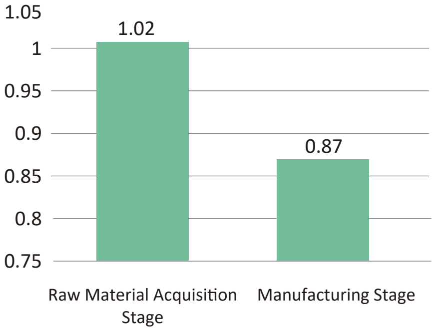
14-inch Backlight Module Life Cycle Stage Emission Statistics

Life Cycle Stage	Category	Carbon Emissions (kg)	Percentage (%)
Manufacturing	Electricity	0.85	45.0%
	Others	0.02	0.75%
Raw Material Acquisition	BACK COVER	0.41	22.0%
	LED LIGHT BAR	0.26	14.0%
	L.G.P. PRINTLESS	0.18	10.0%
	Film	0.14	7.0%
	Transportation	0.02	0.75%
	Others	0.01	0.5%

The Percentage of Carbon Emissions in the Product Lifecycle



14-inch Backlight Module Life Cycle Stage Emissions Statisics (kg/pcs)



Process Energy Saving Improvement

- Chunan Plant’s backlight module process adjusted the production temperature, saving 0.25 kWh per hour. In 2023, with 2,663 production hours, 666 kWh were saved, reducing 0.3 tons carbon emissions.
- Coretronic Optics (Suzhou) introduced a cold bending process to replace the traditional hot bending process. For the 12.3-inch automotive touch display, the material was processed by cold bending, reducing carbon emissions by 30% per unit area. In 2023, 10,102 automotive touch displays were manufactured, with a processing area of 5,441.2 square feet, reducing 81.6 tons carbon emissions.

Developing and Manufacturing Low-Carbon Products to Meet Customer Needs

- Low-carbon backlight technology: At Tainan Plant 1, the optical brightness technology was optimized, reducing the illumination power consumption by 36%. In 2023, a total of 52,699 units were produced. Assuming 10 hours of usage per day and 365 days per year, it is estimated to save 747,223 kWh and reduce 369.8 tons carbon emissions.
- Lightweight backlight design: At Tainan Plant 1, the thickness of the original composite film material and the mechanical design were modified, reducing the usage of optical composite film and back plate material, with an average weight reduction of about 11%. In 2023, a total of 280,495 units were produced, resulting in an overall weight reduction of 1,546 kg and a carbon emission reduction of 3.2 tons.
- Lightweight optical film design: ：Coretronic Optotech (Suzhou) optimized the optical structure design, the original POP thickness was 0.45mm, and the improved MOP thickness is 0.32mm with the same optical performance. Additionally, lightweight designs were introduced for smaller size products, resulting in an average weight reduction of approximately 29% across products. In 2023, 2,921,310 units of 14, 43, 50, and 55-inch products were produced, with a product weight reduction of 299.4 tons and a carbon emission reduction of 616.7 tons compared to the original design.

NEW Source Reduction

- Optimizing circuit design: Coretronic Optics (Suzhou) introduced a circuit optimization project for the 14.9-inch automotive touch display module, reducing the number of flexible flat cables (FFC) from 6 to 4. In 2023, 4,575 touch display modules were produced, reducing carbon emissions by 0.1 tons.
- Reducing outbound packaging volume: Coretronic Optics (Suzhou) used larger capacity pallets for outbound shipments, increasing the shipment volume by 150% and reducing the number of pallets needed by 53%. In 2023, 1,931 fewer outbound pallets were used, reducing carbon emissions by 25.2 tons.
- Reducing chemical usage: Coretronic Optics (Suzhou) promoted a green factory by establishing automated assembly equipment for production, reducing the need for cleaning solvents such as isopropanol. In 2023, the usage of isopropanol and hazardous waste was reduced by 46%.

Green Packaging

- Environmental Cushioning Materials: For mainstream and smart projectors, eco-friendly cushioning materials such as pulp molding and paper folding are used for shipping, accounting for 77% of the annual shipments of mainstream and smart projectors.
- Shipping Boxes Made from Recycled Pulp: For projector shipments, shipping boxes made from FSC-certified or recycled pulp paper products are used, accounting for 72% of the annual projector shipments.
- Recycling and Remanufacturing of Waste Trays: When trays have been recycled multiple times and the quality no longer meets the usage conditions, all waste trays are entrusted to the tray supplier for remanufacturing, aiming to achieve the goals of "waste resource utilization, alternative to natural resource extraction, complete material recycling, and zero waste. " In 2023, a total of 5,340 waste trays were recycled and remanufactured, reducing 0.3 tons of waste and 0.6 tons of carbon emissions.

Green Transportation

- Optimized the overall volume design of the EX1 laser projector, increasing the sea transportation loading rate by 16.6%, estimated to reduce carbon emissions by 3 kg (5.3%) per unit.
- NEW Optimized the overall volume design of the G50 projector platform, increasing the sea transportation loading rate by 74%, estimated to reduce carbon emissions by 129 kg (26.9%) per unit.
- With green transportation as the main focus, a carbon reduction strategy was formulated. While ensuring timeliness, goods originally requiring air transportation were shifted to sea transportation with lower carbon emissions. In 2023, goods originally requiring air transportation were shifted to sea transportation, reducing carbon emissions by nearly 4 tons (23%).
- NEW To enhance the benefits of transportation carbon reduction, DHL's "GoGreen Plus Sustainable Aviation Solution" was adopted starting in 2023, utilizing sustainable aviation fuel for transportation, reducing GHG emissions and logistics-related carbon emissions. In 2023, the total carbon emissions decreased from 87 tons to 72 tons, with a reduction of 15 tons, representing a 17% decrease in the annual total.

05

Metrics and Targets

5.1 Environmental Targets and Performance

★ The following data is compared with base year 2021.

Year	Systematic Management	Energy Conservation, Carbon Reduction and Promotion of Green Education			2023 Performance
		Indicators	Targets (Taiwan)	Targets (China)	
Short-Term 2023-2025	Introduction of Environmental Management Systems for the Taiwan plants, Wujiang plants, and Coretronic Projection (Kunshan)	Reduce GHG emission intensity (Category 1 and 2)	6%	6%	• ISO 14001, ISO 50001, and ISO 14064-1 have all passed verification • The GHG (Category 1 and 2) emission intensity of Taiwan and China plants increased by 0% and 14% respectively compared to 2022; decreased by 23% and 41% respectively compared to 2021, achieving short-term goals • The electricity consumption intensity of Taiwan and China plants increased by 11% and 17% respectively compared to 2022; decreased by 14% and 11% respectively compared to 2021, achieving short-term goals • The waste generation intensity of Taiwan and China plants decreased by 6% and 13% respectively compared to 2022; decreased by 12% and 9% respectively compared to 2021, achieving short-term goals • The water consumption of Taiwan and China plants decreased by 8% and 19% respectively compared to 2022; decreased by 6% and 33% respectively compared to 2021, achieving short-term goals • The renewable energy usage of Taiwan and China plants exceeded 6.75 million kWh, accounting for 7% and 20% of the annual electricity consumption respectively, achieving short-term goals • A total of 18 environmental protection events were held, achieving short-term goals 1. 28,021 participants in Earth Day themed activities 2. Adopted the Long Fong Fishing Port for 7 consecutive years and held annual coastal cleanup, accumulating 2.4 tons of marine waste cleaned 3. Visited environmental education site – Tree Valley Farm 4. Ecological and environmental co-benefit (Green World Ecological Farm, Urban Ecological Forest Park) themed environmental protection activities 5. Green Earth points collected, with a total of 4,697 green points completed
		Reduce electricity consumption intensity	7%	7%	
		Reduce waste generation	5%	5%	
		Reduce water usage	6%	6%	
		Renewable energy usage accounted for annual electricity consumption	5%	13%	
		Number of environmental protection events	7	4	
Mid-Term 2026-2028	Introduction of Environmental Management Systems for the Taiwan plants, Wujiang plants, and Coretronic Projection (Kunshan)	Reduce GHG emission intensity (Category 1 and 2)	10%	10%	
		Reduce electricity consumption intensity	10%	10%	
		Reduce waste generation	8%	8%	
		Reduce water usage	9%	9%	
		Renewable energy usage accounted for annual electricity consumption	6%	15%	
		Number of environmental protection events	8	5	
Long-Term 2029-2031	Introduction of Environmental Management Systems for the Taiwan plants, Wujiang plants, and Coretronic Projection (Kunshan)	Reduce GHG emission intensity (Category 1 and 2)	13%	13%	
		Reduce electricity consumption intensity	13%	13%	
		Reduce waste generation	11%	11%	
		Reduce water usage	10.5%	10.5%	
		Renewable energy usage accounted for annual electricity consumption	8%	17%	
		Number of environmental protection events	8	5	

5.2 Net-Zero Target and Performance

- Announced the commitment of "25% reduction in GHG (Category 1 and 2) emissions by 2025, 50% reduction by 2032, and achieving net zero by 2050", and joined domestic and international initiatives such as the Taiwan Climate Partnership, Taiwan Alliance for Net Zero Emissions, TCFD, CDP, and SBTi.
- In 2022, submitted a commitment letter to SBTi, setting targets based on the SBT 1.5°C pathway. In September 2023, officially submitted the science-based targets to SBTi – "Using 2021 as the base year, achieve an absolute reduction of 50.4% in GHG (Category 1 and 2) emissions and 30% in Category 3-6 emissions by 2032". It was expected to obtain the verification in April, 2024.
- Being invited to complete the CDP for 5 consecutive years, in 2023, it received a B (Management Level) rating for climate change, higher than the industry, Asian and global average levels (C). Among them, "Category 1 and 2 Emissions and Verification" and "Business Strategy, Financial Planning and Scenario Analysis" each received an A and A- (Leadership Level) respectively. The water security rating received a B (Management Level), higher than the industry, Asian and global average levels (C), with "Business Impact" and "Water Risk Assessment" both receiving an A (Leadership Level). The supplier engagement rating received the highest rating of A (Leadership Level), better than the industry, Asian and global average levels (C), with "Supplier Engagement", "Scope 3 emissions" and " Carbon Management Target Achievement" each receiving A, A and A- (Leadership Level) respectively.
- In 2023, the total GHG emissions (Category 1 and 2) from Taiwan and China plants amounted to 25,325.9 tonCO₂e, a **47% decrease** compared to 2021, with the absolute reduction **significantly exceeding** the expected net-zero pathway.

06 Prospects

In response to the global net zero and the domestic Climate Change Response Act, Coretronic actively plans a comprehensive carbon management approach. In 2020, we signed and adopted the TCFD framework to identify and assess the potential financial impact on climate-related risks and opportunities. We have also formulated and implemented improvement strategies and solutions for high impact, short-term risks and opportunities to mitigate the negative impact and enhance organizational climate resilience, creating future business chances. Moreover, in response to the Paris Agreement, Coretronic submitted a carbon reduction commitment to SBTi in 2022, setting targets based in the 1.5 °C scenario. In September, 2023, we officially submitted the scientific-based target to SBTi – "Using 2021 as the base year, achieve an absolute reduction of 50.4% in GHG (Category 1 and 2) emissions and 30% in Category 3-6 emissions by 2032". It was expected to obtain the verification in April, 2024. Simultaneously, we have joined the Taiwan Climate Partnership (TCP) and Taiwan Net Zero Action Alliance (TANZE), responded to the CDP climate change and water security questionnaires (both achieving Management Level B, with Supplier Engagement Rating at Leadership Level A), fully implemented an energy management system, actively reduced fossil fuel usage, increased renewable energy usage, introduced systematic management, and innovated low-carbon technologies. These proactive carbon reduction measures align with our net-zero pathway, advancing towards our net-zero vision.

Moreover, to collaborate with stakeholders in achieving sustainability, we require all suppliers to sign and adhere to the"Sustainability Commitment Statement." At our Annual Supplier Meeting, we share sustainability trends and award the "Sustainable Development Award" to suppliers with significant carbon reduction achievements. Additionally, we support the Environmental Protection Administration’s "Recycling and Reusing Promotion Program" by collaborating with 22 customers, suppliers, and local transport operators to recycle materials such as acrylic protective boards, cartons, pallets, trays, plastic boxes, carts, plastic, and foam cushioning materials, achieving a 97% recycling rate. In 2022, three mainstream EX1 laser projectors, one 15-inch LCD display, and one 43-inch LCD display were selected for ISO 14067 B2B product carbon footprint assessment and verification. The certificates were obtained in 2023. We have also conducted eight consecutive years of voluntary product carbon footprint assessments, with the 2023 carbon footprint of each 14-inch backlight module product being 1.89 $kgCO_2e$. Moving forward, we will continue to promote energy-saving initiatives, increase renewable energy usage, incorporate green design concepts into product development, and focus on transportation carbon emissions, fully committed to developing low-carbon products.

In the future, Coretronic will continue dedicating itself to Net-Zero transformation, actively aligning with domestic and international environmental initiatives. Through various Net-Zero solutions, we aim to mitigate greenhouse gas emissions, expand our green impact, and implement carbon reduction strategies with stakeholders. Together, we seek to mitigate the significant effects of climate change, exert sustainable influence, and co-create a sustainable new world with our stakeholders.

About This Report

With the trend of net-zero transformation and increasingly stringent international regulations, climate change and the issue of achieving net-zero have become focal points in recent years for sustainability. To more precisely address stakeholders' concerns regarding the potential risks and opportunities associated with climate change, Coretronic published its first annual TCFD Report in 2023. This report observes the framework suggested by TCFD and discloses the Company's climate governance, strategies, risk management, metrics, and targets.

The scope of this report includes Coretronic Taiwan plants (Headquarters, Chunan Plant, Tainan Plant 1, and Tainan Plant 2), Coretronic China plants (Kunshan plants: Coretronic Projection (Kunshan), Coretronic Optics (Kunshan); Wujiang plants: Coretronic Optotech (Suzhou), Coretronic Display (Suzhou), and Coretronic Optics (Suzhou)). The reporting period is from January 1, 2023 to December 31, 2023, and the Chinese and English version of this report will be published in August 2024 on **Coretronic ESG website**. For any questions or valuable suggestions about this report, please feel free to mail to **ESG@coretronic.com.**

TCFD Disclosure Index

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